



SAFEGUARDING EUROPE'S FINANCIAL FUTURE

The case for European
Card Scheme leadership

2025
WHITEPAPER

FOREWORD

Two decades ago, many predicted the demise of domestic card schemes. Today, European Card Schemes, most of which are represented by the European Card Payment Association (ECPA), handle over 30 billion transactions annually.



30 BILLION
TRANSACTIONS ANNUALLY

Our resilience is not coincidental, far from it. Our success reflects a deep understanding of European marketplaces, a commitment to innovation, and an unparalleled ability to serve local needs while maintaining continental scale.

This has been achieved during a period of unprecedented challenges. The last twenty years have seen a global financial crisis, a pandemic and growing geopolitical unrest, all highlighting the critical importance of European payment sovereignty. Meanwhile, digital transformation continues to gather pace, and consumers increasingly demand trusted local solutions that respect European values and data protection standards. It would be remiss not to mention the recent reality of increasing trade tensions and regulatory disputes with Europe's traditional allies, which have only reinforced the wisdom of maintaining independent payment capabilities.

Our response to these market headwinds has been bold and decisive. Through the CPACE specifications, we have redefined European technical excellence in payments. Our mobile payment innovations continue to serve local markets while upholding values of local



accountability and data protection. I am proud that European Card Schemes (ECSs) have consistently pioneered solutions that International Card Schemes (ICSs) later adopted, from the Dutch market's early embrace of PIN-based debit card e-commerce to Portugal's world-first contactless highway payments. We have delivered reliability and security while keeping costs lower for merchants and consumers across the continent.



Despite our agility, it would be naive to say that further growth is a given. Challenges remain. ICSs have deployed significant resources to expand their position and, assertively attract issuers. At the same time, regulatory frameworks need updating to reflect market realities. Some reports suggest declining market share, but these often measure penetration across Europe as a whole, rather than just the countries that have their own card schemes. This methodology also overlooks the cross-border capabilities that many ECSs have developed between countries.

At a time when economic relationships between nations can quickly sour, the sovereignty and cooperation that are unique to Europe's card schemes demand continued support from all stakeholders. This has been recently underscored by the president of the European Central Bank, Christine Lagarde, who called in April 2025 for a 'march towards independence' from international payment platforms, emphasising the need for Europe to build its own alternatives to 'secure financial sovereignty'. This aligns with the European Commission's push for 'open strategic autonomy' and confirms what ECSs have demonstrated for decades: that control over payment infrastructure is inseparable from true economic sovereignty.

This whitepaper examines how far ECSs have progressed and outlines our vision of where they must go. It is arguably our clearest demonstration yet of how these schemes across our continent deliver value, innovation, and strategic autonomy. More importantly, it shows how we can build on these foundations to ensure Europe maintains control of its payment infrastructure for the decades to come.

May, 2025



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INTRODUCTION

In a period defined by digital transformation and geopolitical uncertainty, payment infrastructure has emerged as a strategic cornerstone of both economic sovereignty and growth. ECSs handle over 30 billion transactions annually. While this is a testament to their role in Europe's dynamic financial ecosystem, their significance extends far beyond transaction volumes.

	Dankort - Denmark, 1983
	BankAxept - Norway, 1990
	CB - France, 1984
	Bancontact - Belgium, 1978
	Bcard - Bulgaria, 2016
	TROY - Türkiye, 2016
	Bancomat - Italy, 1983
	MB - Portugal, 1983
	STMP - Spain, 2018
	PostFinance Card - Switzerland, 1991
	girocard - Germany, 1990





While international card schemes dominate global headlines, ECSs continue to deliver unmatched value, offering reduced costs for merchants, tailored solutions for local markets, and sovereignty over essential payment infrastructure. Their resilience, despite predictions to the contrary, underscores their importance in an uncertain future.

This whitepaper examines the evolution, resilience and strategic value of ECSs, exploring how these entities have navigated decades of challenges to maintain – and grow – their market presence, all while continuously evolving to meet the needs of an incredibly diverse continent. It presents evidence-based analysis through four key lenses:



The enduring resilience that has surpassed market expectations



The economic engine that delivers ongoing cost savings to European merchants



The vital sovereignty and security that ECSs provide in a complex landscape



Innovative market-specific solutions that maintain deep roots in European economies



Based on these findings, we outline policy and industry imperatives to ensure these schemes continue to thrive, offering practical recommendations for strengthening Europe's payment autonomy through interoperability and innovation.

At a time when control over payment systems has become inseparable from economic security, this whitepaper provides crucial insights for policymakers, industry stakeholders, and anyone concerned with Europe's digital future and sovereignty.

METHODOLOGY

To provide a robust analytical foundation, this whitepaper incorporates quantitative data from industry reports, regulatory filings, and market analyses. Supplementing this data-driven approach, the research draws on in-depth interviews with executives from European Card Schemes operating across the continent, representing both mature and emerging markets. Our qualitative methodology prioritised capturing operational realities, strategic challenges, and the future visions of each organisation. The research extends beyond metrics to examine the broader implications for European sovereignty, merchant economics, and consumer experience, creating a holistic view of ECSs' role in Europe's payments ecosystem and strategic autonomy.

All quotes are presented anonymously to encourage open and candid conversation during the interview. All boxed-out quotes are attributed to a member of the ECPA.

ABOUT THE EUROPEAN CARD PAYMENT ASSOCIATION

The European Card Payment Association was founded in June 2014 as a non-profit association to represent the interests of its members on subjects which impact the use and/or users of payment cards or similar payment instruments, including measures intended to promote the creation of a single European market for card payments (SEPA for cards).

ECPA monitors, evaluates and responds to relevant legislation proposed mainly in the EEA and maintains a dialogue on behalf of its members with organisations such as the European Commission, the European Parliament, the European Central Bank, the Euro Retail Payments Board, the European Banking Authority, EMVCo, and PCISSC and other national, European or international bodies. Dialogue includes (but is not limited to) legislation, security and standardisation concerning cards, card transactions and similar payment instruments.

Current members of ECPA include Bancontact Payconiq Company (Belgium), Bankid BankAxept (Norway), Borica (Bulgaria), Groupement des Cartes Bancaires CB (France), Dutch Payments Association (Netherlands), Nets Denmark (Denmark), Pan-Nordic Card Association (Scandinavia), PostFinance (Switzerland), STMP (Spain), BKM (Türkiye), and SIBS MB (Portugal).

CHAPTER 1

Against the odds: the enduring resilience of European Card Schemes

The narrative of ECSs facing imminent demise has been a recurring theme for over two decades. Reality paints a dramatically different picture: in Europe, domestic card schemes are not relics of the past, but resilient actors firmly entrenched in the European payments landscape and actively shaping its future.

This chapter challenges interpretations that suggest a decline in ECSs' market share and highlights how European schemes are fostering innovation and securing European payments sovereignty.

SEEDS OF INNOVATION IN A NASCENT LANDSCAPE

Decades ago, as International Card Schemes (ICSs) began their expansion, predictions of ECSs' demise were widespread. Many believed that ICSs would quickly come to dominate the European market, eclipsing local players. However, many ECSs repositioned themselves, emerging as pioneers and innovators, with a true understanding of local market nuances and a commitment to serving the specific needs of European consumers and merchants. This localised focus proved to be a significant advantage, allowing each scheme to tailor solutions to the unique characteristics of each market, fostering long-term trust and loyalty among users.

“European Card Schemes led the way in innovating the payment ecosystem in my country. The international schemes were actually not very developed, and at the very early stages of their journey.

The concept of 'soverability' – coined by an ECS leader to define achieving payments sovereignty through robust cross-border interoperability – is central to understanding the continued relevance of domestic schemes. While ICSs undeniably offer global reach, ECSs provide critical safeguards for domestic autonomy in an increasingly volatile geopolitical landscape. They offer a level of control over data governance, regulatory compliance, and strategic direction that is simply not possible with schemes headquartered and governed outside of Europe. Further, that ECSs can only be used in their home country is a common misconception. While not as globally ubiquitous as ICSs, ECSs' cross-border acceptance continues to grow, with multiple card schemes being accepted in numerous European countries.

SUSTAINED PRESENCES IN A COMPETITIVE ARENA

Despite claims of shrinking market share, transaction volumes processed by ECSs continue to remain high, per the examples below and the fact that STMP in Spain is currently preparing an ECS.

Scheme	Country	Year founded	No. of cards in circulation* (millions)	No. of live merchants*	No. of transactions* (billions)
Dankort	Denmark	1983	5	80,000	0.9
BankAxept	Norway	1990	7	80,000	1.6
CB	France	1984	77	1,700,000	14.5
Bancontact	Belgium	1978	18	681,000	2.5
MB	Portugal	1983	27	191,000	1.9
Bcard	Bulgaria	2016**	0.6	162,000	0.009
Bancomat	Italy	1983	25.8	Data not available	1.78
PostFinance Card	Switzerland	1991	2.7	130,000	0.4
girocard	Germany	1990***	100	1,208,000	7.9
TOTAL			263.1 million	4.232 million	31.489 billion

*Most recent annual data available (2024)

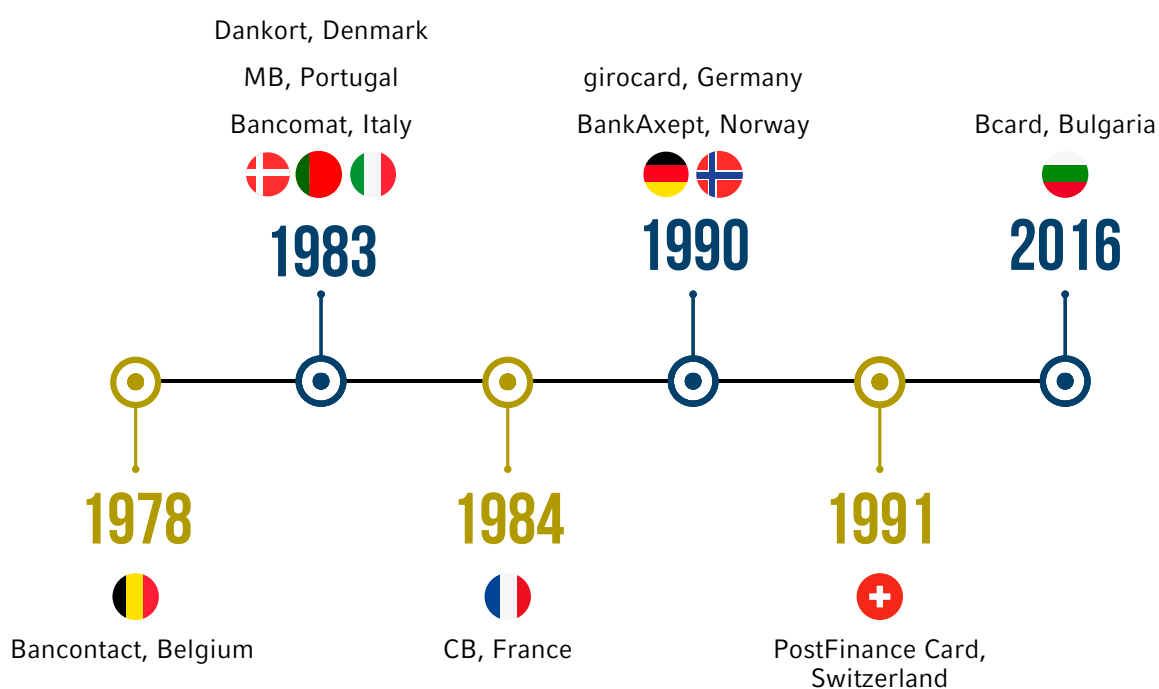
** first Bcard issued in 2020

*** change in name from Eurocard (EC) to girocard in 2007

The above figures show the enduring popularity of ECSs. While some analysts have cast doubt on their usage growth, these often fail to account for the continuous growth in absolute transaction volumes across European schemes.

In addition, the statistics published by the ECB ('Most EU countries rely on international card schemes for card payments, ECB report shows', February 2025) are based on a narrow definition of domestic schemes that overlooks their evolving cross-border capabilities. The ECB's report methodology categorises schemes as "domestic" only if they operate exclusively within a single Member State – a classification that no longer reflects market reality. Furthermore, the statistics measure penetration across Europe as a whole, rather than focusing on volumes within the countries that have domestic schemes.

According to proprietary data, European Card Schemes, most of which are members of the European Card Payment Association, handle over 30 billion transactions annually. This figure clearly demonstrates that ECSs remain a vital component of the European payments ecosystem and are a stronghold for retaining European control over payments.



The continued success of ECSs is supported by initiatives such as the CPACE specifications (CPA Contactless Extensions), a standard for communication between cards and terminals which facilitates contactless payments in Europe without using any technology owned by ICSs. The initial work to develop the standard, which is built on the EMVCo CPA standard for contact payments and later extended for contactless and remote payments, was conducted within the ECPA and then spun-off into a new entity called the ECPC (European Card Payment Cooperation) to continue maintenance, development and deployment of CPACE.

ECPA's recent acceptance by the European Central Bank to participate in the "Visionary Workstream" within the preparation phase of the Digital Euro is further evidence of the dynamism and relevance of European card schemes.

STRATEGIC ADAPTATION AND LOCALISED INNOVATION

The resilience of domestic schemes is not simply a matter of cost savings, although that remains a significant advantage for merchants. Simply, consumers know and often prefer these solutions thanks to their deep-rooted brand identities. The COVID-19 pandemic, for instance, highlighted the agility of ECSs in adapting to rapidly changing consumer behaviour and market needs. A good example of this was PostFinance's early integration of its PostFinance Card with Apple Pay. Another was the French scheme's agility and flexibility in rapidly adjusting the limits for contactless payments to meet constraints encountered by the pandemic.

An ECS senior executive commented:

“ ECSs' swift adaptation to the growing demand for contactless payments proved invaluable, encouraging consumers to utilise our cards instead of alternative mobile payment solutions.

When faced with unprecedented challenges, ECSs quickly implemented innovative solutions to support local businesses and facilitate contactless payments, demonstrating their unwavering commitment to serving their communities.

Members of ECPA have also expressed continued support for initiatives like the Digital Euro, EuroPA (European Payments Alliance) or the European Payments Initiative (EPI). They recognise the potential for collaboration and believe that a unified approach is essential to strengthening European payment sovereignty. It is critical that these initiatives are developed in a way that leverages the existing infrastructure and expertise of domestic card schemes to maximise their impact.



CHAPTER 2

The economic engine of European Card Schemes

While the resilience of European Card Schemes is remarkable, their true competitive advantage lies in their economic impact. Mounting evidence suggests that localised solutions offer substantial cost benefits that ripple through economies. Furthermore, the economic impact of domestic card schemes extends far beyond Europe's borders, with systems like Troy in Türkiye, India's RuPay, Japan's JCB, and Saudi Arabia's mada demonstrating similar advantages in their respective regions. These global examples reinforce the value proposition of locally-controlled payment infrastructures while highlighting the universal appeal of the European model.

This chapter examines the economic foundations of ECSs' success, revealing how their leaner fee structure translates to real-world benefits for both merchants and consumers.

A LEANER FEE STRUCTURE

Cost-effectiveness is not merely a feature of ECSs, but a key pillar of their business models and a driver of their enduring appeal, particularly to merchants. When looking at transaction costs, the stark contrast between ECSs and ICSs becomes apparent.

Unlike ICSs with globally standardised fee structures, ECSs develop fee models specifically optimised for European markets and regulatory environments. Their governance directly reflects European priorities, allowing them to operate with leaner, more transparent models.

One ECPA member commented on their approach to interchange fees:

“ Our scheme operates with exceptionally low MSC and interchange fees, exemplified by an average MSC of 0.20, with our average interchange fee being only 0.13 basis points.

Additionally, significantly lower scheme fees reduce the financial burden on European issuers and acquirers compared to international alternatives, creating value throughout the payments ecosystem. This makes it highly attractive for merchants operating in the region.

COMMERCIAL IMPACT FOR MERCHANTS

This cost advantage translates into tangible commercial benefits, especially for smaller, independent merchants who are particularly sensitive to transaction fees. For these businesses, the often prohibitive and unpredictable fees set by ICSs can significantly impact their bottom line, even when enjoying high transaction volumes.

“ Our scheme offers significant cost advantages, being approximately 75% cheaper than international schemes like Visa and MasterCard. Furthermore with ongoing digitalisation efforts, we anticipate reducing costs by up to 50%, further enhancing our value proposition for merchants.

Recent regulatory action reinforces this reality. The UK does not have a domestic scheme, and the Payment Systems Regulator recently concluded that Visa and Mastercard’s duopoly has led to excessive fees costing UK businesses £170 million annually – money that could otherwise support investment and growth (‘PSR finds market isn’t working well for card scheme and processing services’, March 2025). The regulator noted that these fees have increased 25 per cent above inflation since 2017 and announced plans to introduce “remedies” to tackle this lack of competition.



As one ECS executive noted:

“ Merchants give preference to cards issued within our domestic schemes because they get better Merchant Service Charges (*MSC*).

The ECSs allow European business to maintain competitiveness and profitability in a challenging economic environment.

The UK’s Federation of Small Businesses underscored this point, stating that with international schemes controlling 95% of UK card transactions, both are “must takes” for small retailers (‘PSR provisionally finds that the cards schemes do not face effective competition in the supply of scheme and processing services to acquirers’, May 2024). In turn, the lack of downward competitive pressure allows fees to rise, hitting small business growth and feeding through into higher consumer prices.

In short, cost effectiveness is a defining characteristic of ECSs and will continue to be so for years to come. Their leaner fee structures, driven by innovative business models and a focus on local market needs, provide a vital engine for European businesses. In addition, any fees incurred by ECSs are all retained within the European economy, providing a strong competitive advantage.



CHAPTER 3

Protecting Europe's sovereignty

As our world becomes increasingly data-driven, control over payment infrastructure has emerged as a critical dimension of European strategic autonomy. Recent geopolitical events have starkly illustrated how payment systems sit at the nexus of both economic sovereignty and national security. For instance, President Trump's isolationist approach could indirectly impact international financial systems, while the ongoing conflict in Ukraine has led to shifts in economic alliances and trade patterns.

This chapter examines how ECSs provide essential safeguards for European payments while maintaining a distinct alternative to the governance models of international schemes.

EUROPEAN CONTROL IN A CHANGING WORLD

The digital transformation of payments has altered the importance of transaction infrastructure. The significance of this was highlighted in April 2025 when the ECB called for the EU to develop its own payment system, describing it as essential to reduce dependence on international networks. While members of the ECPA believe that the creation of a new payments ecosystem would prove challenging, they unanimously agree that the strengths of existing ECS infrastructure can be leveraged to uphold payments sovereignty and security.

When examining data storage locations, regulatory compliance frameworks, and access rights policies, fundamental differences between European and international approaches become readily apparent. Domestic schemes in Europe are anchored firmly in local legal frameworks and values, aligning with both EU principles (such as GDPR) and national regulations, creating systems where European interests naturally take precedence.

Two executives vividly illustrate this sovereignty dimension in their interviews:

“ Our scheme is uniquely positioned to provide full domestic control over payment infrastructure, a critical safeguard in scenarios of geopolitical instability, such as a Ukraine-like event.

The geopolitical landscape, particularly events like the invasion of Ukraine, has elevated emergency preparedness, backup solutions, and payment sovereignty to unprecedented levels of importance. ”

Both statements highlight the potential risks of over-reliance on non-domestic payment infrastructure during periods of geopolitical instability.

ENHANCED SECURITY THROUGH DIVERSITY

ECSs offer distinct advantages in fraud prevention, creating additional value beyond sovereignty considerations. They are inherently less vulnerable to certain types of card fraud due to their diverse technical implementations and security protocols.

Large-scale fraudsters typically target systems where a single attack can be replicated across multiple markets for maximum impact. International schemes, with their standardised global infrastructure, present more attractive targets. In contrast, the varied implementations across different European markets create strength in diversity.

This advantage is particularly evident in online environments, where developed checkout processes and authentication methods incorporate country-specific security elements that reflect local market needs and regulatory requirements. Many European schemes implement authentication methods tailored to local consumer behaviours and preferences.

RESISTING EXTERNAL INFLUENCE

Beyond data governance, decision autonomy – the ability to control governance structures, rule-setting mechanisms, and strategic priorities – represents the true foundation of payment sovereignty. With this in mind, ECSs, in addition to the interests of their members, consumers and merchants, need to consider European interests and resist undue external influence on payment systems. As an association, ECPA directly supports the European Commission's vision of 'open strategic autonomy' in payments whereby European sovereignty would be maintained with regard to critical financial infrastructure while fostering innovation and competitive markets.

This stands in stark contrast with the potential for non-European influence inherent in international schemes, particularly the dominant duopoly:

“ Visa MasterCard is really a dual product. So with only Visa MasterCard, you will have no real competition, and prices will rise.

The European Union's increasing engagement in payment regulation recognises these dynamics:

The European Union has decided to be very, very involved in the regulation of the payments industry... much more than other markets. ”



ECONOMIC SECURITY AND POLICY INDEPENDENCE

The strategic importance of payment autonomy extends beyond individual transactions, directly impacting monetary policy, financial stability, and broader economic security. Recent geopolitical events, such as the ongoing Russia-Ukraine conflict, vividly demonstrate the real-world consequences of payment system vulnerabilities and the strategic value of domestic control.

European initiatives like EuroPA (European Payments Alliance), the European Payments Initiative (EPI) and SEPA Payment Account Access (SPAA) represent concrete steps toward reducing dependence on international schemes for cross-border transactions and maintaining European control over payment infrastructure and data flows.

As one executive cautioned:

“The transition towards account-based payments requires careful monitoring, as implementation choices could either include or exclude European Card Schemes from the future payment ecosystem.

Some schemes have faced challenges in ecommerce access:

“There are times when we struggle to compete because we don't have access to ecommerce for our accounts as of today, and this is pushing a lot of business towards the international schemes, which has a direct impact on the sovereignty.

However, many ECSs have established strong positions in ecommerce, demonstrating that domestic schemes can excel in digital environments when properly supported.

Sovereignty and interoperability – or ‘soverability’ – are concrete imperatives in the modern payments landscape. ECSs, through their data governance, decision autonomy, and strategic initiatives, play a vital role in safeguarding Europe's payment infrastructure and ensuring its economic security as the global order continues to shift. Therefore, it is only logical that ECSs should play a continuing role in further developing Europe's strategic autonomy in payments.

CHAPTER 4

Market-specific solutions offered by European Card Schemes

A true differentiator of European Card Schemes is how they address the unique needs of local European markets. Unlike international schemes with standardised global solutions, ECSs demonstrate exceptional agility in tailoring their services to the diverse economic and cultural landscapes across the continent.

This chapter explores how ECSs have embedded themselves within local economies, creating bespoke payment solutions that reflect the nuanced requirements of different European markets.

ROOTED IN EUROPEAN ECONOMIES

ECSs have become integral to local financial ecosystems since 1978. Their governance structures and strategic priorities intrinsically reflect the specific needs of the communities they serve, creating a symbiotic relationship that international schemes, despite their global reach, struggle to replicate.

The deep integration of ECSs into local markets yields tangible benefits for both consumers and businesses. Consumers benefit from payment solutions designed for their specific preferences and needs, while businesses gain from tailored merchant services.

One scheme developed a novel solution for financial inclusion:

“ We pioneered a cash withdrawal and deposit system, leveraging local shops in cooperation with banks to serve as cash service points, particularly beneficial in areas with limited banking infrastructure.

This innovation addressed a critical local need for accessible banking services, particularly in underserved communities.

While ECSs traditionally focused on relationships with banks, payment service providers and consumers, they have evolved considerably. Today, three-quarters serve non-bank customers including retailers, government agencies, and transportation providers, with 58% providing payment services to fintech and digital payment providers ('The evolution of Domestic Schemes for the new economy', September 2021). This diversification demonstrates their commitment to embracing digital transformation while maintaining their local focus.

3/4s

of ECSs serve non-bank customers including:



Retailers



Government Agencies



Transportation Providers

58%

providing payment services to:



Fintech



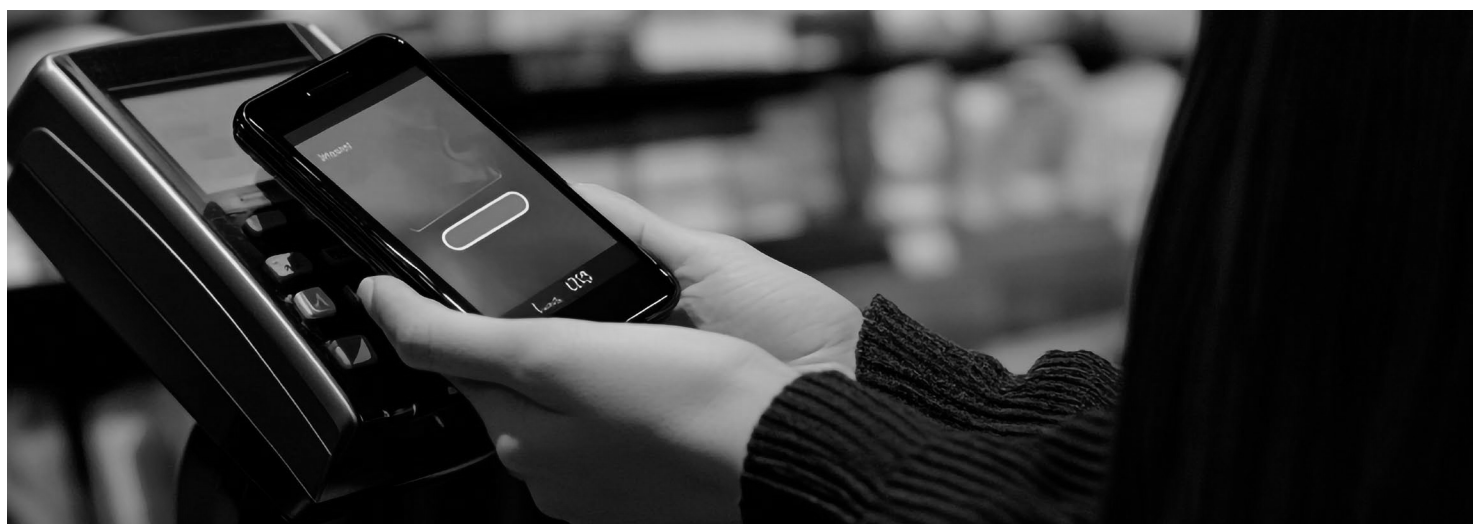
Digital Payment Providers

The market penetration of these schemes can be extraordinary. One ECS executive notes their dominance with “70% market share in in-person POS transactions” in their home market, while another highlights a remarkable “66% adoption rate in e-commerce”. These figures underscore the success of these tailored approaches to local market needs, highlighting strong consumer preference for domestic solutions.

MAINTAINING LOCAL FOCUS, EXPANDING REGIONAL REACH

The success of ECSs is increasingly one of balance and growth – maintaining deep local roots while sustainably extending reach.

Many ECSs now operate beyond their national borders, extending infrastructure and acceptance networks into neighbouring countries. One scheme has established significant terminal acceptance in adjacent markets. Another, while currently limiting cross-border activity to border regions, is developing a pilot application specifically designed for European interoperability.



“ Historically, domestic card schemes operated primarily within their national borders, while international schemes facilitated cross-border transactions. However, regulatory evolution and market dynamics have fostered direct competition in this area between domestic and international schemes.

Contrary to perceptions of purely domestic operation, it is important to highlight that several European Card Schemes undertake activities extending beyond their home markets. While not ubiquitous, cross-border activity is particularly prevalent in regions sharing borders, such as the use of Bancontact in neighbouring Germany, France, Luxembourg, and the Netherlands and girocards are frequently accepted outside Germany, especially near the borders.

The co-badging model with international networks represents another strategic approach to balancing local focus with global capability. Several schemes maintain their domestic identity and governance while partnering with international networks for broader acceptance. This hybrid model aims to preserve the cost advantages and local control of domestic schemes while addressing consumers' needs for broader acceptance. In doing so, ECSs have created a uniquely European model – one that combines the benefits of local expertise with the advantages of continental scale.



CHAPTER 5

Charting a course for continued growth

European Card Schemes sit at the intersection of tradition and innovation. As digital transformation continues to reshape the financial ecosystem, ECSs must navigate a complex future where sovereignty and interoperability are closely entwined. This chapter examines the initiatives shaping this future and ECPA's pivotal role in ensuring European payment solutions remain competitive, innovative, and autonomous.

EMBRACING THE DIGITAL FRONTIER

The shift to digital payments has already transformed the European financial landscape. ECSs have demonstrated remarkable adaptability in this shifting landscape, with many actively incorporating emerging technologies into their operational frameworks thus allowing digital payment by cards. Across the continent, ECSs are pioneering solutions that address the evolving needs of European consumers and merchants.

“ A key challenge lies in ensuring that all stakeholders, particularly merchant partners and issuing banks, are equipped and willing to make the necessary investments to upgrade their infrastructure to support emerging payment technologies.

One executive noted their scheme's rapid integration with digital wallets:

We are actively expanding our digital wallet integrations, currently available on Apple Pay and local wallets, with plans to integrate with Google Pay upon callback readiness. ”

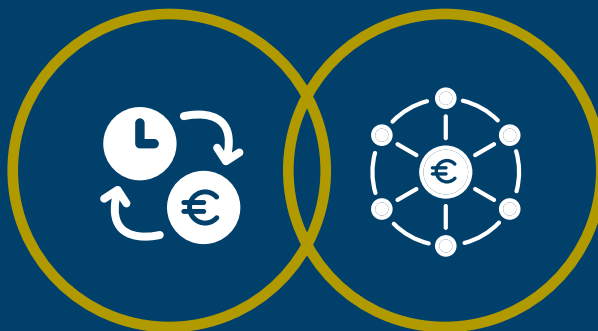
Another highlighted their determined expansion into e-commerce:

“ We have initiated our expansion into card-not-present transactions, starting with a measured approach and strategic collaborations with merchant wallets.

Evidence of this evolution is clear in the implementation statistics: a number of schemes are upgrading or merging their real-time payments and account-to-account rails, indicating a shared commitment to infrastructure modernisation.

72%

of schemes are upgrading
or merging their:



Real-time
Payments

Account-to-
account Rails

BALANCING CONTINENTAL INITIATIVES WITH LOCAL EXPERTISE

EuroPA (European Payments Alliance), the European Payments Initiative (EPI) and the Digital Euro represent ambitious attempts to create continent-wide payment solutions, yet their relationship with existing schemes requires careful consideration. While these initiatives promise greater European sovereignty in payments, they must be developed in harmony with – rather than at the expense of – established ECSs.

ECPA's recent recognition as a 'Visionary' in the preparation phase of the Digital Euro underscores its strategic importance in this transformation. This acknowledgment places ECPA at the forefront of European payment innovation, providing a crucial voice for domestic schemes in the development of what could become a cornerstone of Europe's payment infrastructure.

As one executive noted on cross-border initiatives:

“ Through the European interoperability solution, our application users will gain the ability to seamlessly send and receive money with their contacts in Spain and Portugal. This enhances user convenience and cross-border payment capabilities.

Another emphasised how such collaborations emerge organically from business needs rather than regulatory mandates:

These ongoing projects are not a consequence of new market regulations. Instead, they are strategic business decisions undertaken by key banks in multiple markets to collaborate.

”

The potential for complementary rather than competitive relationships between account-to-account payments, the Digital Euro and ECSs represents a significant opportunity. Through ensuring the continued viability of domestic schemes alongside continental initiatives, Europe can maintain the pressure necessary for merchant-friendly pricing while building the scale required for global competitiveness.

ECPA advocates a balanced approach where ECSs serve as essential components within a broader European framework. The concept of “soverability” recognises that European payment autonomy is best achieved not through homogenisation, but through strategic collaboration that preserves the distinct advantages of local solutions.

In France alone, the implementation of EPI is expected to reach over 30 million subscribers – a remarkable scale that demonstrates the potential of such initiatives. Similarly, Bancomat, Bizum and MB WAY have rolled out interoperability features powered by EuroPA, which enables 50 million users across Italy, Portugal, Spain and Andorra to send and receive money instantly. However, the success of these continental solutions should not come at the cost of the economic benefits, local expertise, and competitive pressure that domestic card schemes provide. Rather than a winner-takes-all scenario, ECPA envisions a European payments ecosystem where multiple solutions coexist, ensuring both continental scale and local responsiveness.

CHAPTER 6

Policy and industry imperatives for a thriving future

The sustained growth and development of European Card Schemes requires purposeful action from industry stakeholders and policymakers alike. This final chapter outlines recommendations to strengthen European payment sovereignty while enhancing the competitive position of ECSs in an increasingly complex ecosystem.

LEVELLING THE PLAYING FIELD

The regulatory landscape shapes the competitive dynamics of the European payments market. Recent statements from the European Central Bank calling for alternatives to international networks have brought renewed focus to this issue. While ECSs have thrived despite predictions of their demise, interviews with executives across the continent reveal significant concerns about regulatory asymmetries that may inadvertently favour international card schemes.

A recurring theme throughout executive interviews was the need for regulatory frameworks that recognise the unique value proposition of European Card Schemes.

As one executive observed:

“ It is puzzling how regulatory measures sometimes appear to inadvertently favour international schemes, seemingly missing the target of effectively supporting European domestic schemes.

Another emphasised the potential for more assertive European oversight:

The EU can regulate international card schemes across the entire continent. ”

The evidence suggests that targeted regulatory interventions would contribute significantly to a more balanced payments ecosystem in Europe and allow ECSs to contribute to European sovereignty.

Regulatory measures should focus on maintaining a level playing field through:

- ★ **Sustainable business models with mandated transparency around fees and costs** that acknowledge the already lean fee structures of domestic schemes, preventing a race to the bottom that could undermine the economic viability of these critical national infrastructures. As showcased in Chapter 2, ECSs already provide exceptional value through their cost-effective approach to transaction processing. Any amendments to the regulation must introduce transparency requirements on international card schemes and evaluate the imposition of price controls on scheme fees.

- ★ **Equal access and non-discrimination provisions for emerging digital wallets and e-commerce platforms**, ensuring domestic schemes are not strategically disadvantaged in these rapidly growing channels. This is particularly important given the cross-border capabilities that many domestic card schemes have developed, as detailed in Chapter 4.
- ★ **Formal recognition of the “soverability” concept**, positioning it as a guiding principle for European industrial payment policy decisions that affect the competitive landscape. This approach recognises that European payment autonomy is best achieved not through homogenisation but through strategic collaboration that preserves the distinct advantages of local solutions.
- ★ **Actively promoting and incentivising ECS interoperability** through targeted policy initiatives and funding programs that reward cross-border collaboration between European schemes.

BUILDING FOR INTEROPERABILITY AND INNOVATION

Infrastructure development represents a critical challenge for the future of ECSs. Executive interviews reveal a strong consensus that the path forward lies not in building new systems, but in enhancing the interoperability of existing infrastructures, as EuroPA recently did between European mobile payment solutions.

As one executive shared:

“ For European payment schemes to continue to succeed, a critical strategy is to leverage and open up existing payment network infrastructures, rather than attempting to build entirely new systems from scratch.

This perspective aligns with the reality that European Card Schemes already process over 30 billion transactions annually.

The European Commission’s emphasis on strategic autonomy in payments requires not just new initiatives, but also strengthening existing European payment infrastructures that have already proven their value and resilience. Policymakers and industry bodies should therefore prioritise:

- ★ **The continued development and widespread adoption of European open standards** such as CPACE (CPA Contactless Extensions). CPACE provides a framework that redefines European technical excellence in the payments landscape, supporting interoperability and security among European schemes while strengthening their collective ability to compete with global players.
- ★ **Mechanisms to facilitate infrastructure sharing and cross-border acceptance agreements between European Card Schemes**, allowing them to extend their reach while maintaining their local focus and governance. The cross-border activities already undertaken by several schemes, as detailed in Chapter 4, demonstrate the feasibility of this approach.
- ★ **Support for initiatives that enhance the cross-border interoperability of ECSs card payments**, such as account-to-account payments. However, as emphasised in Chapter 5, these continental solutions should complement rather than replace existing domestic schemes. This balanced approach would maintain the competitive pressure necessary for merchant-friendly pricing while building the scale required for global competitiveness.

In the current geopolitical context, the European Commission should develop a comprehensive payments industrial policy that ensures at least one EU-based payment option is always available to European consumers and businesses. This policy should explicitly promote the interoperability of European payment solutions as a strategic priority.

INVESTING IN MATURITY AND INNOVATION

The continued relevance of European Card Schemes depends on their ability to invest in innovation while maintaining the reliability and performance that have made them trusted partners in their local markets.

Strategic investments by ECSs should continue to focus on:

- ★ **Digital transformation initiatives that enable European Card Schemes to compete effectively in an increasingly app-based and tokenised payment environment.** The examples in Chapter 5, where a number of schemes are upgrading or merging their real-time payments and account-to-account rails, demonstrating this commitment to modernisation.
- ★ **Enhanced security measures** that maintain European Card Schemes' traditional strengths while addressing emerging threats in the digital sphere. As stressed in Chapter 3, ECSs already serve as essential guardians of European data sovereignty, and continued investment will reinforce this critical role.
- ★ **Collaborative research and development efforts**, pooled across multiple European Card Schemes to achieve economies of scale while preserving local market expertise.
- ★ **Interoperability initiatives that enable seamless cross-border transactions between different ECSs**, reinforcing the 'soverability' concept through practical implementation and creating a network effect that strengthens all participating schemes.

TOWARDS A UNIFIED VOICE AND VISION

The European payments ecosystem benefits from its diversity, with multiple schemes addressing the specific needs of different markets. However, this fragmentation can also dilute European influence in global standard-setting bodies and limit the visibility of European Card Schemes' achievements.

ECPA is uniquely positioned to strengthen the collective voice of European Card Schemes while respecting their individual identities and governance models. The path forward includes:

- ★ **Enhanced coordination of European Card Schemes' advocacy efforts through ECPA**, ensuring consistent messaging to reflect their economic benefits, innovation capabilities, and strategic importance to European sovereignty.
- ★ **Leading coordination efforts on 'soverability' and interoperability between ECSs**, leveraging ECPA's unique position to drive standards like CPACE and facilitate technical collaboration that preserves both European sovereignty and scheme independence.
- ★ **Proactive engagement with emerging markets establishing their own domestic schemes**, sharing European experiences and expertise. This approach recognises that other regions of the world, such as UAE and India have decided to establish domestic card schemes with strong political support.

Through implementing each of these recommendations, ECSs can build on their proven foundations of resilience, cost-effectiveness, sovereignty, and market-specific solutions to ensure continued relevance and growth in an evolving payments landscape. Domestic schemes must now embrace emerging technologies such as the Digital Euro as opportunities for complementary growth and enhanced European autonomy.

CONCLUSION

The remarkable journey of ECSs stands as a testament to European innovation, resilience and foresight. Far from fading into obsolescence as once predicted, ECSs have instead flourished by delivering the cost savings, sovereignty, and market-specific solutions that international schemes simply cannot replicate.

As digital transformation accelerates and geopolitical uncertainties mount, the concept of 'sovereignty' has never been more vital to Europe's strategic interests. Never has the need for harmonious collaboration between ambitious continental projects (such as the Digital Euro) and the established expertise of ECSs been greater.

Regulators, governments and industry bodies must now recognise the distinct contributions of ECSs and ensure a level competitive field that acknowledges their sovereignty and security, resilience, uniquely efficient fee structures and specialised market expertise. Strategic investments across the ecosystem will strengthen their collective capabilities while honouring their individual identities through governance structures.

More widely, other markets must note the value of domestic control, with schemes such as India's RuPay to Japan's JCB demonstrating the global appeal of this model. The European approach to payment sovereignty through collaborative domestic schemes has become a blueprint that resonates far beyond our borders, offering a viable alternative to international scheme dependence.

Through thoughtful alignment, ECSs can and will thrive as the cornerstone of a self-determined, progressive European payments landscape. The vision that once seemed improbable has become reality: a uniquely European approach to payments that balances local responsiveness with continental scale, technological innovation with trusted stability, and strategic European autonomy with global engagement.

The future of European payments is boundless.

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