



## MARCEL HAAG

Director, Horizontal Policies,  
European Commission - DG for  
Financial Stability, Financial Services  
and Capital Markets Union

### Shaping the payments landscape of the future: the Commission's Retail Payments Strategy

The European payments industry is facing dynamic innovation and continued disruption of its traditional value chain and service propositions. Payments are a constantly evolving business. Over the last decade, payments have benefitted from unprecedented technological innovation. Consumer expectations are also changing, making speed, convenience and ubiquity the new expected normal. Increasingly, the speed of retail payments can be measured in seconds, and households and companies expect to be able to make payments at any time of any day. EU legislation has promoted innovation and competition in retail payments. In this regard, the second Payments services Directive (PSD2) was a game changer. It has been instrumental in opening up the banking ecosystem and fuelling the development of innovative payment services by FinTech firms.

As digitalisation progresses, the payments ecosystem becomes increasingly complex, with many actors - regulated or non-regulated - intervening in the payments chain. It is important to ensure that regulation remains well-calibrated and that it adequately covers all actors and services that might carry risks to the financial system. All relevant players should be subject to adequate supervision and oversight.

EU regulators are faced with two important challenges: The first is that a significant share of payments in Europe effectively depends on international players, such as international card schemes and, increasingly, of large technology companies. It is crucial, for the EU's open strategic autonomy, to reduce this dependency and to support the emergence of European champions in the payments sector. This will increase competition and choice for end-users.

The second challenge is that despite recent progress, the retail payments market in Europe is still very fragmented along national borders, with many payments solutions being purely national.

The Commission's recently adopted Retail Payments Strategy seeks to address these challenges by supporting the roll-out of instant payments in the EU and the emergence of European payment solutions, ensuring a sound, competitive and innovative retail payments market and a high level of consumer protection.

The Commission's Strategy is a long-term policy framework to support the future development of retail payments in the EU and to exploit the opportunities that digitalisation offers. With its Strategy,

the European Commission is showing the way towards the achievement of a customer-centric, modern, competitive and innovative payments ecosystem. Europe is, and must remain a role model in payments integration. The Strategy requires extensive work and collaboration between all stakeholders, public and private. The Commission is already in the process of implementing its strategy, with work being underway on several of the initiatives announced in the strategy, such as instant payments, cash, digital euro, SEPA enforcement etc. A public consultation on instant payments will, for example, be soon launched. Some ambitious initiatives announced in the strategy, like the review of PSD2, will be presented at a later stage.