

## Card Payment Sweden Newsletter Q4/24

December 2024

On 1 December the new European Commission took office, with Maria Luís Albuquerque, the European Commissioner at the helm for Financial Services and the Savings and Investments Union. The timeline for new Commission initiatives is set to be announced in the 2025 work programme expected on 11 February.

Meanwhile, this past quarter saw progress in institutional discussions on the Payment Services Regulation and Digital Euro. The Commission requested information from Visa and Mastercard on the fees it charges acquirers. The Commission also called on Apple to stop geo-blocking practices on its service, as it may violate EU rules on discrimination based on nationality and residence. In this newsletter, we also cover the European Payments Initiative's launch of its digital wallet in three European markets: Germany, France, and Belgium.

### About Card Payment Sweden

Card Payment Sweden (CPS) is an industry association that promotes the use of cashless payments by card in Sweden and in the Nordics. CPS was established in 2017 by card acquirers and card issuers in the Swedish market. We aim to ensure that payments are made securely, efficiently and in a commercially viable way.

The very high use of cards has given Sweden the reputation of having one of the world's most efficient payment markets. CPS strives to ensure that the regulatory framework in Sweden and the EU works effectively and facilitates fair competition among the different payment solutions.

### MARIA LUÍS ALBUQUERQUE CONFIRMED AS EU FINANCIAL SERVICES COMMISSIONER

On 27 November, Maria Luís Albuquerque from Portugal was [confirmed](#) as the Commissioner for Financial Services and the Savings and Investments Union and Valdis Dombrovskis as the Commissioner-designate for Economy and Productivity, Implementation and Simplification following a vote in the Parliament's Plenary. While the former is in charge of payments policy, the latter will steer the work on the digital euro.

### FRANCE, GERMANY, ITALY ASK EU TO AVOID LARGE-SCALE FS INITIATIVES

France, Germany, and Italy have urged the European Commission to avoid new regulatory measures in the financial sector for the foreseeable future and to focus instead on enhancing the sector's competitiveness. While payments are not specifically mentioned in the [joint letter](#), the three finance ministries emphasized that recent legislative advances in financial services, particularly in banking, should now be given time for thorough implementation without the addition of new large-scale regulations. The letter outlines priority areas for the Commission including ensuring regulatory alignment with non-EU jurisdictions.

## EUROPEAN COMMISSION REQUESTS INFORMATION FROM VISA AND MASTERCARD

Visa and Mastercard both received [formal requests](#) for information from the European Commission, as part of a preliminary antitrust probe into “network fees related to acquirers.” The Commission sent questions in August to Visa and Mastercard but also to retailers and banks that handle merchants’ payments, gathering data from 2016 to 2023 to see how the fee landscape has changed and if customers are suffering. The questionnaires seek data on processing fees, scheme fees for acquirers and fees for market development funds. The Commission is seeking more transparency on wants the level of non-compliance fines and their increases, the justification for their imposition, the process for warning merchants or granting any payment flexibility, and whether retailers can appeal against the fines.

## EU LEGISLATORS ASK UK TO RECONSIDER CAP ON INTERCHANGE FEES

Members of the European Parliament [wrote a letter](#) to the UK’s Payment Systems Regulator, asking the regulator to conduct a full economic review before moving ahead with its plan to restore a cap on interchange fees. The plan would treat the purchases of consumers from the European Economic Area (EEA) the same as those of shoppers from the UK, as was the case before Brexit. Politicians and lenders inside the EU said this change would disproportionately affect European banks and would be seen as “clear discrimination”. The PSR is collecting feedback on a consultation of the plans until February. If the PSR decides a phased approach to a cap is appropriate, it will publish a final remedies notice on the proposed initial price cap next year and a proposed methodology for developing a lasting cap at a later date.

## COMMISSION DEMANDS APPLE END UNFAIR GEO-BLOCKING PRACTICES

On 12 November, the [European Commission](#) and the Consumer Protection Cooperation (CPC) Network of national consumer authorities called on Apple to address alleged geo-blocking practices on its services, including the App Store, Apple Arcade, and iTunes. For payments, consumers are only allowed to use means of payment (such as credit/debit card) issued in the country where they registered their Apple account. Such practices, according to the Commission, may violate EU rules prohibiting unjustified discrimination based on residence or nationality, as described in the Geo-blocking Regulation and the Services Directive.

## PAYMENT SERVICES DISCUSSIONS IN EP AND COUNCIL TACKLE FRAUD LIABILITY

The Parliament’s new rapporteur on the Payment Services Directive (PSD3) and shadow rapporteur on the Payment Services Regulation (PSR), Danish liberal Morten Løkkegaard, [said](#) on 4 November that he was open to changing the agreed text to extend fraud liability also to digital platforms. This comes as a response to calls to extend the liability principle to other industries and channels exploited by fraudsters. Løkkegaard also said he was optimistic that EU countries could reach an agreement on their own position by the end of the year.

Meanwhile, the Council Working Party on Financial Services and the Banking Union met on 15 November to discuss definitions and competencies in the PSR before addressing fraud liability in a separate meeting on 25 November. Negotiations on the Payment Services Directive (PSD3) are approaching the final stages at the [Council](#) level. Notably, a revised draft clarifies that electronic

money services are now encompassed within the broader category of payment services, explicitly including electronic money tokens. Furthermore, the updated proposal permits "Buy Now Pay Later" services to be licensed as payment service providers, diverging from the original Commission proposal.

### **AMEX DEFENDS CO-BRANDED KLM CARDS BEFORE EU COURT**

On 12 December, American Express [told judges](#) at the EU Court of Justice that its co-branded card with the airline KLM shouldn't face strict fee caps under European law regulating maximum charges for transactions. AmEx highlighted that payments that involve loyalty programs, lump-sum payments and airmiles are not classic transaction charges between financial institutions and therefore fall outside the law. Regulating the fees would hamstring its business, which needs such co-branding deals to compete with the bigger providers Visa and Mastercard, the company said.

### **ECB PUBLISHES SECOND DIGITAL EURO PROGRESS REPORT**

The European Central Bank (ECB) has published its [second progress report](#) on the preparation phase of a digital euro. Since the publication of the first report, the ECB has updated its digital euro scheme rulebook and concluded a call for applications for selecting potential providers of digital euro components and related services. The ECB has also invited selected bidders to tender, with the outcomes set to be finalised next year. New user research and experimentation activities have been kicked off to gather insights into users' preferences and to inform decision-making. These will focus on special target groups, such as small merchants and vulnerable consumers and will be published in mid-2025. The ECB is also joining with key stakeholders, including merchants, PSPs, fintech companies and universities, to form innovation partnerships to test conditional payments and explore other potential use cases for a digital euro. In parallel, the ECB is working with experts from the national central banks of the Eurosystem and national authorities to develop a methodology for setting digital euro holding limits. The proposed method will be tested in a first analysis in the course of 2025. A decision on whether to move on to a next phase of preparations will not be taken until the end of 2025.

### **EU COUNTRIES DIVIDED OVER DIGITAL EURO FEE CAPS**

The EU Council discussed how to establish caps on fees imposed between payment services providers (PSPs) and merchants, and between PSPs, for digital euro transactions. The proposed regulation includes caps on merchant fees to prevent overcharging and inter-PSP fees, inspired by existing [interchange fee regulations](#) but stakeholders have raised concerns that excessive fees could negatively impact public perception of the digital euro.

### **DIGITAL EURO PARLIAMENT RAPPORTEUR SWITCH**

German lawmaker [Stefan Berger](#) of the European People's Party (EPP) stepped down from leading the EU Parliament's work on the digital euro project saying he wanted to avoid suspicions that Germany was trying to block the project. The EPP retained the file, with Spanish MEP [Fernando Navarrete Rojas](#) appointed the new rapporteur. He is a well-known economist and central banker in Spain who has previously taken strong positions against the digital euro.

## SWISH AND VIPPS TO CHALLENGE APPLE AND GOOGLE PAY

In an effort to compete with Apple and Google, Swish [announced](#) on 12 December that its users will from 2025 be able to use the service when shopping in physical stores. Swedish users will now be able to add their Mastercard or Visa cards directly into the app. Users using Android will be the first to be able to use the new service in early 2025. Apple users will access it later in 2025.

On 9 December, Norwegian mobile payments firm Vipps [said](#) it had become the first company in the world to offer a competing option to Apple Pay on iPhone. Vipps worked with debit network BankAxept and vendor Thales on the service, which is available to customers of SpareBank 1, DNB and over 40 local banks.

## EUROPEAN PAYMENTS INITIATIVE (EPI) LAUNCHES DIGITAL WALLET WERO

On 21 November, the European Payments Initiative announced the launch of its digital wallet, [Wero](#), in three European markets: Germany, France and Belgium. To date, 14 million users have enrolled in the service, and 8 million transactions have been processed since the launch. Customers of German savings and cooperative banks have been able to use and access Wero through their banking apps since July 2024. The launch of the peer-to-peer service enables users to send and receive money through providing a phone number or email address. Beyond the P2P feature, Wero aims to integrate further features with the launch of its retail solution in 2025, including payments at retailers with the Wero wallet and mobile payments in e-commerce.

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Thank you for reading and subscribing to our newsletter. It is also available in Swedish if there are others in your organization interested in staying updated on the payments industry.

With that, I wish you a great start to the new year, and I look forward to staying connected with you throughout the year.

Michael Hoffmann  
*MANAGING DIRECTOR/CEO/VD*

CARD  
PAYMENT  
SWEDEN