



## Card Payment Sweden Newsletter Q4/25

December 2025

In the fourth quarter of 2025, the payment policy landscape was shaped by the Council and European Parliament reaching a landmark agreement on the Payment Services Package (PSR/PSD3), introducing stronger fraud protections, enhanced consumer rights, and improved open banking rules, with finalisation expected in early 2026. In response, the Computer & Communications Industry Association (CCIA) criticised the fraud-liability rules, warning they could enable criminal activity and conflict with the Digital Services Act. The European Central Bank (ECB) and the European Bank Authority (EBA) then published a report highlighting €4.2 billion in payment fraud across the EEA in 2024, confirming the effectiveness of Strong Customer Authentication while noting emerging risks.

On the digital euro, ECB executive board member Piero Cipollone highlighted Europe's dependence on card payments in an interview, presenting the digital euro as a strategic tool to strengthen financial sovereignty. The ECB completed the preparation phase of the digital euro, with technical readiness and a potential pilot scheduled for 2027. Under the Danish Presidency, the Council advanced discussions on the digital euro's business model, while the European Parliament's ECON Committee finalised amendments, showing broad support alongside some scepticism.

Looking ahead, the incoming Cypriot Presidency will focus on finalising PSR/PSD3 technical negotiations, while the Commission publishes its 2026 Work Programme.

### **About Card Payment Sweden**

Card Payment Sweden (CPS) is an industry association that promotes the use of 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.

## **COUNCIL AND EUROPEAN PARLIAMENT REACHED A DEAL ON THE PAYMENT SERVICES**

On 26 November, the Council and the European Parliament reached an [agreement](#) on the Payment Services Package (PSR/PSD3), resolving all outstanding issues more quickly than initially expected. Negotiators are now working to finalise the technical details ahead of formal adoption by both institutions, after which the package will enter into force. The final legislative text is expected to be published in the first half of 2026.

The agreement introduces strengthened fraud prevention measures for payment service providers (PSPs), including spending limits, blocking tools, and mandatory IBAN-name verification. PSPs will be liable for failing to implement these measures. Major online platforms and search engines will only be permitted to advertise financial services if the provider is duly authorised in the relevant Member State. Fraudulent or altered transactions will be classified as unauthorised, and PSPs will be required to reimburse victims in full and freeze suspicious transactions. Platforms may also be held liable if scams, which they were previously warned about, result in additional victims.

The package also addresses consumer rights and market transparency. Consumers will have an unconditional right to refunds for subscription and other merchant-initiated payments within eight weeks. Merchants' card payment service providers must clearly disclose all fees, and ATM operators must provide details of charges and exchange rates before withdrawals. Authorisation procedures for payment institutions will be simplified to reduce administrative burdens.

Under the new open banking provisions, users will have access to a dashboard to manage data-access permissions. Banks must provide authorised payment institutions with non-discriminatory access to accounts, while mobile device manufacturers and electronic service providers will be required to enable front-end services to store and transfer payment data on fair, reasonable, and non-discriminatory terms. Strong Customer Authentication (SCA) will also be effectively applied to enhance security across the payments market.

## **TECH INDUSTRY LOBBY CRITICISES PSR FRAUD-LIABILITY MECHANISM**

The Computer and Communications Industry Association (CCIA) [published](#) a statement on the agreement on the Payment Services Regulation (PSR), criticising the fraud-liability mechanism. According to the association, the mechanism could allow criminals to continue operating unchecked. The CCIA argues that the PSR agreement threatens Europe's competitiveness as it does not address the root causes of online fraud. The association further points out that the new payments system could potentially conflict with the Digital Services Act's ban on general monitoring.

## **ECB AND EBA REPORT HIGHLIGHTS PAYMENT FRAUD TRENDS AND EFFECTIVENESS OF SCA**

The European Central Bank (ECB) and the European Banking Authority (EBA) have published a [joint report](#) analysing payment fraud across the European Economic Area in 2024, which amounted to €4.2 billion. The highest-value fraud was recorded in credit transfers and card payments, with card fraud totalling €1.3 billion at a rate of 0.033 per cent. By volume, card payments using EU or EEA-issued cards accounted for the most fraudulent transactions, while other payment types were significantly lower. Most card fraud involved perpetrators directly initiating payments using stolen credentials for remote fraud or lost or stolen cards for non-remote fraud. In credit transfers, manipulation of the payer represented more than half of the total fraudulent value. Strong Customer Authentication (SCA) was applied to most electronic payments by value, particularly credit transfers at approximately 77 per cent, but only 40 per cent of electronically initiated card payments and 38 per cent of e-money transactions were subject to authentication, largely due to widespread contactless payments at points of sale.

The report concludes that SCA remains effective against the fraud types it was designed to prevent, especially in card payments. At the same time, it highlights emerging fraud risks, particularly in transactions benefiting from authentication exemptions, and notes variations in fraud losses across the EEA. The European Central Bank and the European Banking Authority stress the importance of ongoing monitoring of authentication effectiveness and adapting security measures to address evolving fraud threats.

## **ECB WARNS ON CARD DEPENDENCY RISKS, EYES DIGITAL EURO FIX**

In a December 2025 [interview](#), Piero Cipollone, member of the executive board of the European Central Bank (ECB) and digital euro lead, positioned card payments as a key vulnerability for Europe's payment ecosystem. He said "The most immediate benefit for merchants would be that their service costs would decline. The fees merchants pay to

international credit card schemes increased from 0.27% in 2018 to 0.44% in 2022. With a digital euro, merchants would be in a better position when negotiating with international card schemes."

This reliance undermines financial sovereignty and exposes the region to cost volatility and geopolitical risks, even as cards account for 54% of EU non-cash transactions amid rising instant payments adoption. Cipollone views the digital euro as a strategic countermeasure, facilitating cost reductions through co-badging with European initiatives such as the European Payments Initiative (EPI) and Wero, enabling integration into existing POS systems to foster innovation without fragmentation.

### **THE ECB DECIDED TO MOVE TO THE NEXT PHASE OF THE DIGITAL EURO PROJECT**

The European Central Bank (ECB) has [announced](#) the completion of the preparation phase for the digital euro, which was launched in November 2023 to lay the foundations for its issuance. The next phase will focus on ensuring technical readiness, enabling payment providers, merchants and consumers to finalise preparations and support the ongoing legislative process. The ECB expects that, if the necessary legislation is in place by 2026, a pilot exercise could begin in 2027, with the Euro system potentially ready for the first issuance of the digital euro by 2029.

### **THE PARLIAMENT AND COUNCIL ARE WORKING TOWARD POSITION ON DIGITAL EURO**

The Council and the European Parliament have made progress in shaping their approaches to the digital euro. Under the Danish Presidency, the Council has advanced discussions on the digital euro, with agreements progressing on key aspects of its business model. Member States have agreed that banks should provide certain services, including funding a digital euro account, free of charge, and that any fee caps for retailers should reflect the average cost of international debit card payments. Discussions have also addressed transaction fee caps for small merchants and differentiated fees based on sector and e-commerce. The Danish Presidency aims to secure an agreement on the digital euro by the end of its term.

In the European Parliament, MEPs within the Committee on Economic and Monetary Affairs (ECON) have completed submitting their amendments with a view to finalizing the report on the digital euro. There is broad support for the project from Greens, the Left, S&D, Renew, and some EPP and ECR MEPs. However, the rapporteur, MEP Fernando Naverrete (Spain, EPP), has [expressed](#) skepticism, including calling for a delay of the digital euro in December.

## **UPCOMING CYPRUS COUNCIL PRESIDENCY WORKING PROGRAMME TO FINALIZE PSR/PSD3 AGREEMENT**

The work programme of the incoming Cypriot Council Presidency has been [published](#), setting out its priorities for the first half of 2026. Cyprus will assume the Presidency from Denmark on 1 January 2026, with a central focus on finalising the technical negotiations on the Payment Services Package (PSR/PSD3), following the deal reached by the Council and the Parliament.

## **THE COMMISSION PUBLISHED ITS WORK PROGRAMME FOR 2026**

On 21 October, the European Commission published its [Work Programme for 2026](#). At this stage, no new regulatory initiatives specifically targeting payments are planned. However, an ongoing market investigation by DG Competition into scheme fees could result in antitrust action or the introduction of new regulatory measures. Antitrust investigations by the EU are often protracted, and definitive outcomes may not be reached for several years.

## **RIKSBANK REOPENS CONSIDERATION OF A DIGITAL KRONA**

In a [statement](#) on 9 December, Riksbank Governor Erik Thedéen said that the time has come to once again examine whether Sweden should introduce a digital krona. Speaking at a parliamentary hearing, Thedéen pointed to the European Central Bank's ongoing work on a digital euro, which has renewed interest in the question of a Swedish central bank digital currency. He noted that the digital euro has gained significant momentum and that many now believe it could be introduced as early as 2029, with the legislative process already at an advanced stage.

The Riksbank has previously conducted pilot projects for a Swedish digital krona based on distributed ledger technology. However, the payments inquiry published in 2023 concluded that there was, at that time, no sufficient societal need for an e-krona. Against the backdrop of developments related to the digital euro, Thedéen now argues that it is appropriate to reopen the discussion and stresses the importance of at least examining how a Swedish digital krona could function.

First Deputy Governor of the Riksbank, Aino Bunge, said in a [comment](#) 4 December: "I believe that a debate is needed on the implications for Sweden of the introduction of a digital euro. We need to revisit the issue of an e-krona – the lead times are long when it comes to initiating a process to make a decision – yes or no – and even longer when it comes to possibly actually implementing a future Swedish e-krona if the answer is yes. We therefore need to get started now."

The same message was conveyed by Bunge at the Riksbank's Plenary Meeting.

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<https://cardpaymentsweden.se/aktuella-nyheter/>

With that, I wish you and your loved ones a merry and happy holiday season and a great start to the new year. I look forward to staying connected with you in the coming year.

Michael Hoffmann  
MANAGING DIRECTOR/CEO/VD

