

ACCIE statement on the Retail Payments Strategy

ACCIE represents the specialised European credit card issuing industry in the European and national legislative processes. ACCIE's mission is to ensure that cardholders across Europe gain optimal benefit from the credit card payment instruments offered by its members.

Through this statement ACCIE sets out its commentary on the EU Retail Payments Strategy, which the European Commission (Commission) published on 24 September 2020.

1. The European payments market

The Commission recognises the technological innovation is rapidly changing the European financial sector, including the retail payments sector. However, technological innovation is not the only driver of the change, changes in consumer preferences and legislation also play a significant role. ACCIE is delighted that the Commission is taking the initiative to ensure that the EU legislation responds to the needs of the rapidly developing payments market and welcomes the Retail Payments Strategy. ACCIE believes that whilst the emerging new payment methods offer speed and effortlessness to payments, it is essential to guarantee that the end-users (consumers and merchants) further enjoy the high reliability, security and safety of payments. It is because of these features that card payments remain the safest, and therefore the most preferred payment method amongst consumers¹. In fact, over 50% of in-store and online purchases are made by a payment card, of which credit card transactions make up around 35%.

2. Instant Payments as the 'new normal'

ACCIE believes that the European consumers should have access to a wide range of high-quality payment methods to respond their needs for each individual transaction, and that the retailers should have in their exposure a number of methods to finalise a payment transaction. Thus, ACCIE welcomes the Commission ambition for wider roll-out of the instant payments, which will enable high-value solution, in their speed and effortlessness, especially in peer-to-peer transfers.

Instant payments allow an immediate transfer of funds, thus, answering to the consumer request for speedy and simple payment methods. However, they lack in other features that are offered by credit card payments. Some of these additional features include chargebacks and protection against fraud, which consumers value highly in online purchases. As purchases are increasingly made online, the appreciation for these securities has increased, as the guarantee of the merchant reliability and quality of a product in online stores is uncertain compared to a purchase in a physical location. Furthermore, credit cards are currently the only payment method widely accepted in all online stores. Thus, to facilitate the full potential of instant payments, ACCIE believes that it is essential to ensure consumer data security and to establish full AML/CFT standards for instant payments.

¹ [Cards in the evolving European payments landscape](#): Research by Payments Europe (2019)

3. Pan-European payments network

ACCIE fully supports the Commission ambition to establish a Pan-European payments network. ACCIE believes that such a network will foster innovation in the European payments market and support the Commission aims to bolster the European market players and the role of the euro. A Pan-European payments network could resolve some of the issues related to cross-border interoperability and card acceptance. Thus, increasing the availability of cross-border payments for consumers. ACCIE is delighted that the Commission is endorsing industry initiatives, such as the European Payments Initiative (EPI), in order to achieve the goal of supporting European payment solutions and to enhance their competition with global players.

4. Contactless payments

As the Covid-19 pandemic has increased the amount of contactless payments, and the trend is likely to continue beyond the exceptional situation, ACCIE is pleased that the Commission is paying attention to the upcoming innovative payment solutions. ACCIE trusts that contactless payments offer consumers a speedy and effortless payment experience, and have brought forth a valuable addition to the repertoire of card-based transactions. However, as there is no Strong Customer Authentication involved, contactless payments do not offer the same level of consumer protection as card-based payments. Thus, ACCIE welcomes the Commission's intend to deploy a European specifications for contactless card-based payments and, together with the European Banking Authority, to re-examine the existing legal limits on contactless payments, with a view to striking a balance between convenience and fraud risks. ACCIE believes that addressing of the security measures of contactless payments will further encourage the merchants and consumers to take on board digital payment methods, thus, contributing to the Commission's goals for digital transformation of the financial sector. Furthermore, ACCIE supports the developments of an European contactless kernel to increase the availability of contactless card-based payments, and to foster innovation through competition.

5. The issuers call for consideration of credit card based payments

ACCIE fully supports the Commission initiative to ensure that the EU payments legislation responds to the rapid developments of the market. ACCIE would like to highlight the significant role of the card-based payments, which are the most often used payment method in stores as well as online. ACCIE would like to propose that the Commission would consider including card based payments (e.g. credit cards) in the upcoming EU legislation on payments, as the innovative payment solutions do not provide the same level of securities for consumers.