

## ACCIE view on instant payments

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*Through this position paper, the Association of Credit Card Issuers Europe ([ACCIE](#)) sets out its view on the initiative to enhance the wide-scale uptake of instant payments, which the European Commission (Commission) is currently preparing.*

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### **1. Instant payments should be considered complementary to other payment methods**

Instant payments differ from other payment methods in their features, such as security measures and processing protocols. The payment market tends to offer suitable solutions for each kind of transaction. Therefore, ACCIE welcomes the uptake of instant payments as they will offer consumers with a new method perfectly tailored for certain transactions, thus, complementing other means of payment and stimulating competition. However, ACCIE suggests that instant payments should not be pressed as ‘the new normal’, as this would risk to damage the market equilibrium and hamper consumer choice. It must be ensured that the most suitable instant payments solutions for the market are obtained. Therefore, ACCIE recommends a non-legislative approach for the uptake of instant payments, accompanied with supportive measures encouraging innovation within the European payments market. This would be a similar approach to the one for the PSD2 when no standard was set for APIs<sup>1</sup>, to allow innovation and competition.

ACCIE believes that consumer choice should be the basis of developing new payment methods and policies, as preferences can differ among payment needs and member states. Whereas instant payments answer the demand for immediate payment transactions between bank accounts, at anytime and anywhere, they lack in services that are common attributes to other payment methods. In this regard, credit cards not only offer an access to a dedicated and specific credit line, increasing the freedom of consumer choice, but they also have extensive security procedures, and they offer additional consumer protection such as post-transaction services when a product is damaged upon delivery, not delivered or in case of other payment related disputes between a merchant and cardholder.

Furthermore, the processing of instant payments makes it challenging to prevent fraud or at least timely detect fraud, and to comply with the requirements of the Anti-Money Laundering Directive. In comparison, high-standard fraud prevention and monitoring are some of the core features for credit card payments. As a result, credit cards are often preferred in mid- to high value payment transactions and for online purchases, where the risks related to payment and delivery are greater. In addition, Strong Customer Authentication for card-based payments is already in force in Europe, and will be further developed, for example by further improving the existing 3-D Secure protocol and systems.

### **2. Cross-border operability is key for successful instant payments**

ACCIE welcomes the Commission’s ambition to pursue for European Strategic Autonomy. However, payments are global in nature, as transactions are often made across national borders and beyond the EU. Therefore, whilst creating more autonomous environment, it is necessary to be connected with

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<sup>1</sup> Application Programming Interfaces

others, in a consistent and open manner, which grants the same standards of technology and security that global payment schemes currently offer. This ensures that Europeans can make purchases when travelling abroad or purchasing products from another market jurisdiction.

The cross-border operability of instant payments must also be carefully considered within the EU Single Market. ACCIE highlights that instant payments are currently not only limitedly available for cross-border purchases, but when they are available, inaccuracies are observed. The theoretical screening tools for cross-border instant payments are well-designed but are not functioning properly for real-life cross-border transactions, hence presenting missing or even wrong details. Such inaccuracies are likely to hinder the uptake of instant payments, as consumers purchase products and services across the EU member states, and when abroad, mostly travel to other EU member states<sup>2</sup>. Moreover, these inaccuracies might directly impact merchants and consumers as fraud prevention, fraud detection and AML mechanisms may not work properly or as expected.

### **3. The role of European payment service providers involved in other payment methods**

ACCIE supports the initiative for greater European strategic autonomy, and development of a European payment infrastructure through instant payments. However, ACCIE is convinced that for such initiative to become a success, it is essential to make use of the expertise of the European financial institutions and PSPs offering other payment methods. Furthermore, collaboration with these players could potentially increase their resilience towards foreign players and influences, by offering them an opportunity to develop new services within the instant payments space. This could further contribute to a stronger European strategic autonomy.

Financial institutions involved on the European payments market, such as credit card issuers, are primarily European businesses, with the responsibility to offer their clients with safe and convenient payment transactions across and beyond the EU market. The expertise and service catalogue of credit card issuers, can become a valuable asset for the success of creating European payment infrastructures and strengthening the resilience of European payments within the large scale roll-out of instant payments. Credit card issuers can provide the Commission with valuable knowledge of the European payments market, interoperability networks, and facilitate instant payments if their wider roll-out is designed in collaboration with the industry.

### **4. Conclusion**

ACCIE welcomes the initiative to promote the uptake of instant payments. However, consumer choice should be the basis of the development of new payment measures. As each payment method offers a suitable solution to certain transactions and consumer preferences vary, instant payments should be introduced as complementary to other payment methods, such as credit cards. ACCIE emphasises that interoperability is a key for the success of cross-border instant payments within and beyond the EU. Furthermore, ACCIE is convinced that the requirements for instant payments should be fully aligned with other payments methods in regard to consumer protection and Anti-Money Laundering rules. This will ensure that consumers will continue to enjoy the high level of security of payments in Europe, and they do not need to base their choice of payment method on the level of security it offers.

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<sup>2</sup> 83,3% of overnight travel, [Tourism in the EU, 2018](#) (Eurostat)