



Worldline CUG

European Payments, More than a fistful of Euro

Olivier Denecker - Firesti

Vienna, April 16th 2026

European payments in 2026 could sound like Western classics: A fistful of Euro....



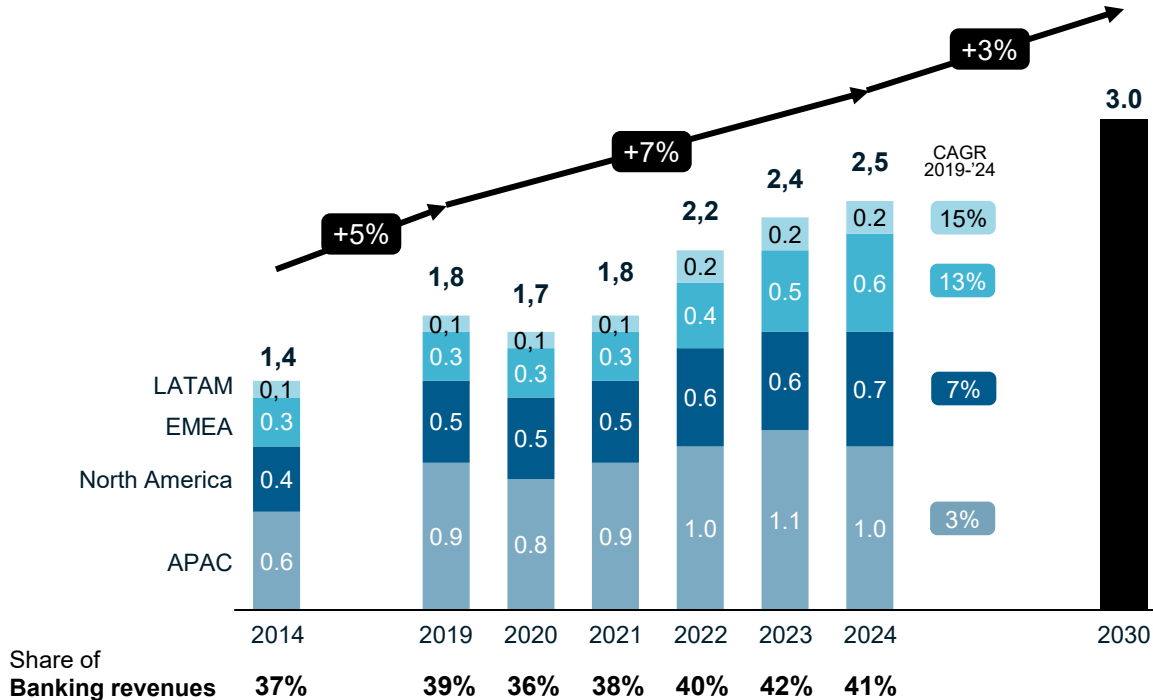
It's...

A major and apparent source of cost and revenues, a massive customer interaction driver, main source of transaction data and service differentiator

But is...

Hiding a much large potential , a growing strategic value, an important source of complexity and missing alignment

Global payments remain key for the financial sector and holds solid global growth



Source: McKinsey Global Payments Report



Payments are still **key to banks**

- ~35% Of global bank revenues in Europe.
- **Second most frequent customer touchpoint.**
- Main **service differentiator** 80% of EU online banking users.
- **Customer value generator:** 3x higher revenues.
- Important **regional disparities remain.**

Payments are increasingly the strategic anchor for modern banking relations

	From...		To...
01	Back-Office	>	Strategic function
02	Financial system	>	Ecosystem participation
03	Transaction processing	>	Customer relationship control
04	Raw data	>	Actionable customer insights
05	Products	>	Platforms
06	Isolated services	>	Embedded finance opportunities

Role of payments for banks has **fundamentally changed over the last decade**

Expectations from partners follow these changes. Pure operational solutions fall short

Value delivered to end customers are more important than value delivered to the bank

Source: Projective Group, Firesti

European payments in 2026 could be like the Western classic: The Good, the Bad, the Ugly....



It's...

Difficult to make, long, expensive, did not immediately win awards and was demanding on all actors involved.

But is...

Truly thrilling plot, influential setting, enthusiastic spectators, fascinating actors and with enduring impact even to today, influencing the genre for decades.

The Good

Strong fundamentals driving growth



THE GOOD

- 01 Continued strong digital payment growth, starting from** already high level of payment digitisation.
- 02 Strong consumer value proposition, combining** universal access, convenience and cost-efficiency.
- 03 Strong innovation despite** defeatist narratives across instant, A2A, eID, and e-invoicing. Mobile wallets leading the transformation.
- 04 Interoperability as a source of value,** creating open competitive landscape rather than rigid, “winner-takes-all” standardisation model.
- 05 Public–private digital infrastructure drive** linking payments with adjacent assets.



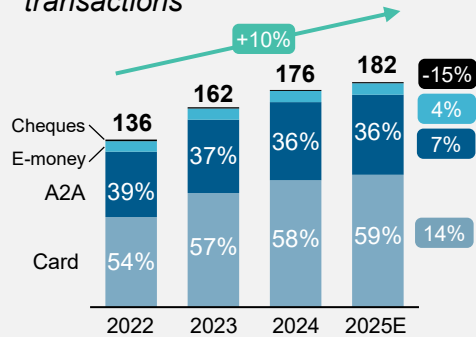
Foundations of European payments **remain strong** and **prospects good**.

Digital growth continues, trust remains high and the **building blocks for scale and innovation** are already in place

The Good

1. Digital payment growth in Europe¹ remains strong

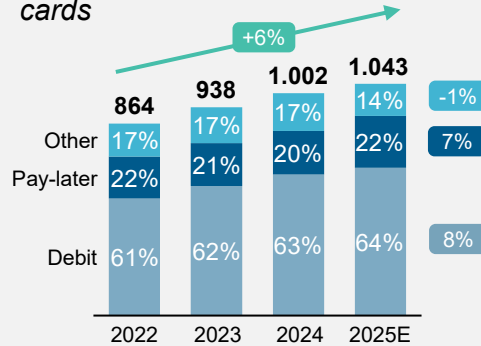
Payment volumes maintain growth in cards and A2A. EU, Bn transactions



Healthy volume growth, concentrated in sub-segments (ecommerce, wallets, B2B) and larger in some regions (South & East).

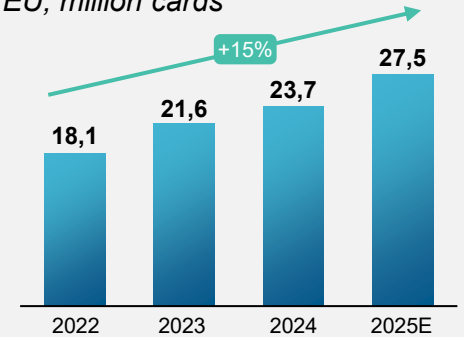
Absolute growth remains highest in high-usage regions.

Number of cards issued continues to increase. EU, million cards



Despite migration to wallets, healthy growth in card issuance driven by population growth, growing number of bank relations and increasing product ownership (DC+CC)

Terminals installed continue acceleration EU, million cards



Merchant penetration increasing strongly but also shift to simpler check out solutions (QR, on Phone, dongle...)

Source: ECB | 1. EU

The Good

2. European payments deploy a strong value proposition to users

Available, accessible and affordable



- **96% of Europeans use digital payments** (vs 94% in North-America and 94% in high income countries)
- **Lowest average cost** to users of all regions (less than 1/3rd of US)
- **Highest global usage** of digital payments in North-West Europe

Efficient, stable and safe



- **Low fraud levels and high degree of user protection**
- **Resilient systems** to economic and societal crisis
- **Fast and transparent:** from T+1 to instant
- **Low overall production cost**

Innovative and adapted



- **Invented here!**
eInvoicing, chip & Pin, A2A, mobile banking
- **Specific purpose innovation** driven by local user and merchant needs
- **Strong commitment** to new technologies: CBDC, instant, open ...

Diverse and competitive



- Different solutions to respond to **local expectations and UX**
- **High degree of choice** between providers and systems
- Reflective of **European diversity**

The Bad

Structural challenges remain to overcome



THE BAD

- 01 Escalating fraud risks**, forcing investment scale up in prevention, detection and resilience.
- 02 Rising infrastructure and systems investment costs** crowding out innovation resources
- 03 System renewal needed** across the banks' operating system to align with new real-time and open reality
- 04 Missing consistent policy framework on payments** to avoid fragmentation
- 05 Delayed progress on stablecoins**, leaving Europe structurally behind USD-based alternatives, creating a competitive disadvantage for innovation.
- 06 Constrained access to funding due to** lower revenue pools and lack of government support, combined with scaling challenges and valuation gap resulting in **lack of true European champions.**



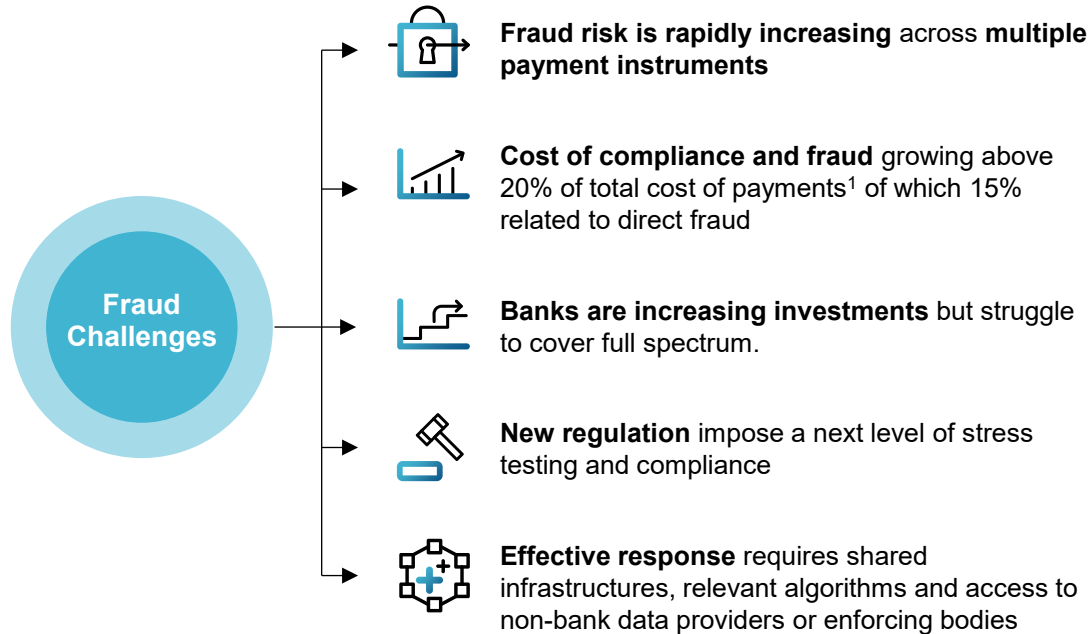
Key to **address the persistent challenges** and ensure targeted action

Failing this can leave the sector **exposed to external competition, loss of value and of performance**

The Bad

Strong fundamentals driving growth

Fraud pressure is strongly increasing in Europe



Requiring new types of actions

- **Creation and sharing of fraud database and analytics**
- Generalizing **real time bank and user alerts**
- Outline standardized **incident response**
- Establish approach for **real time fund freezing**
- Initiate **single reporting and information channel** for users
- **Facilitate joint investigations** with law enforcement covering data sharing safe harbours
- Manage **public awareness campaigns** and prevention roadmaps

The Ugly

Good nor bad, but painful



and THE UGLY

- 01 Sovereignty and the erosion of payment multilateralism:** Requires scarce resources but catalyses the emergence of long-needed European champions.
- 02 Regulatory overload:** regulation reaches into operations creating distortions but also stimulates innovation and changing behaviours.
- 03 Accelerating pace of technology change** in particular AI, creates need for structural investments, operating model changes and adds complexity. However also resulting in efficiency gains and better customer engagement.
- 04 Persistent uncertainty and instability** complicates long-term planning and strategy formulation but creates opportunity for those able to move.
- 05 Digital Euro:** Can become a cornerstone of EU autonomy, system stability, competitive dynamism, and financial inclusion, but also risks duplicating investments, crowding out private-sector innovation, and imposing substantial costs without guaranteed delivery.



External factors that **drive change and seem painful**

However also create opportunity, drive change and shape a distinct market

The Ugly

2. Regulation aims to make market interoperable, resilient and open, but also increasing operational interventions

Digital Euro

Central Bank Digital Currency

Introduces retail CBDC, influencing payment flows, settlement and competitive positioning

eIDAS 2.0

Digital Identity

Enables EU digital identity wallets, streamlining of KYC and authentication for frictionless onboarding

PSD3/PSR

Open Banking

Extension of bank liabilities and harmonisation of EU laws

AMLD 6

Anti-Money Laundering

Expanded obligations and liabilities regarding fraud prevention and remediation

MiCAR

Crypto-Assets

Establishes a regulatory framework for crypto-assets and stablecoins

IPR

Instant Payments

Requires euro instant payments with sanctions screening and pricing parity, reshaping liquidity and operations

FIDA

Open Finance

Extends open banking to open finance, driving new data sharing and monetisation models

DORA

Operational Resilience

Mandates ICT resilience and third-party risk oversight, embedding operational resilience into core systems

Source: Projective Group 2026

Challenges for banks and financial service providers



Regulation

- Prepare for Open Finance / Instant banking
- Embrace local sourcing alternatives and solution
- Adapt business models for European solutions
- Strengthen compliance frameworks
- Define digital euro strategy



Digitisation

- Develop new infrastructures to address battle of rails
- Adjust customer experience to digital standard and define new use cases
- Understand stablecoin and digital asset opportunity
- Establish partner ecosystems beyond the financial world
- Diversify digital economic and operating models



Security

- Upgrade authentication systems and adapt processes to stabilize UX
- Explore cross-industry co-operation
- Invest in real-time fraud and AI-based detection.
- Embed EUDI into onboarding and payment .
- Strengthen screening avoiding discrimination



Technology

- Build AI at the core, not on top of legacy
- Replace legacy system by modular platforms enabling seamless integration
- Create unified customer interface and dissolve internal silos
- Balance seamlessness with security



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