



Discussion Session: Are Europe's Plans for Payments Asset Sovereignty Realistic?

EPCA Forum – London

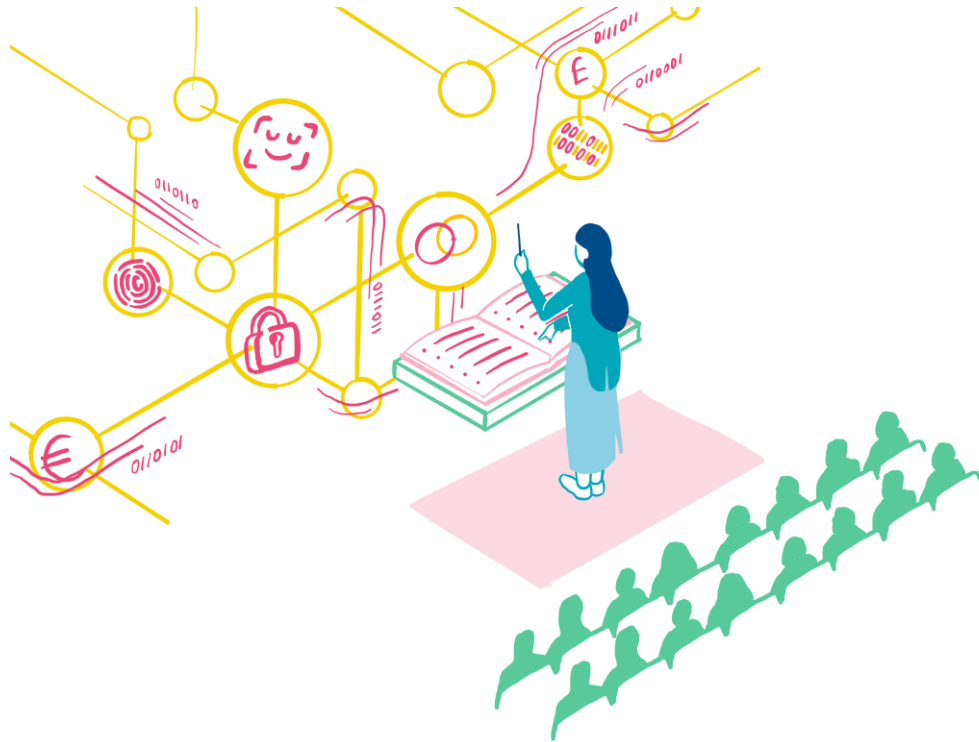
18th June 2026



Discussion Session

Are Europe's Plans for Payments Asset Sovereignty Realistic?

What have we lost – Why the politicians are worried?

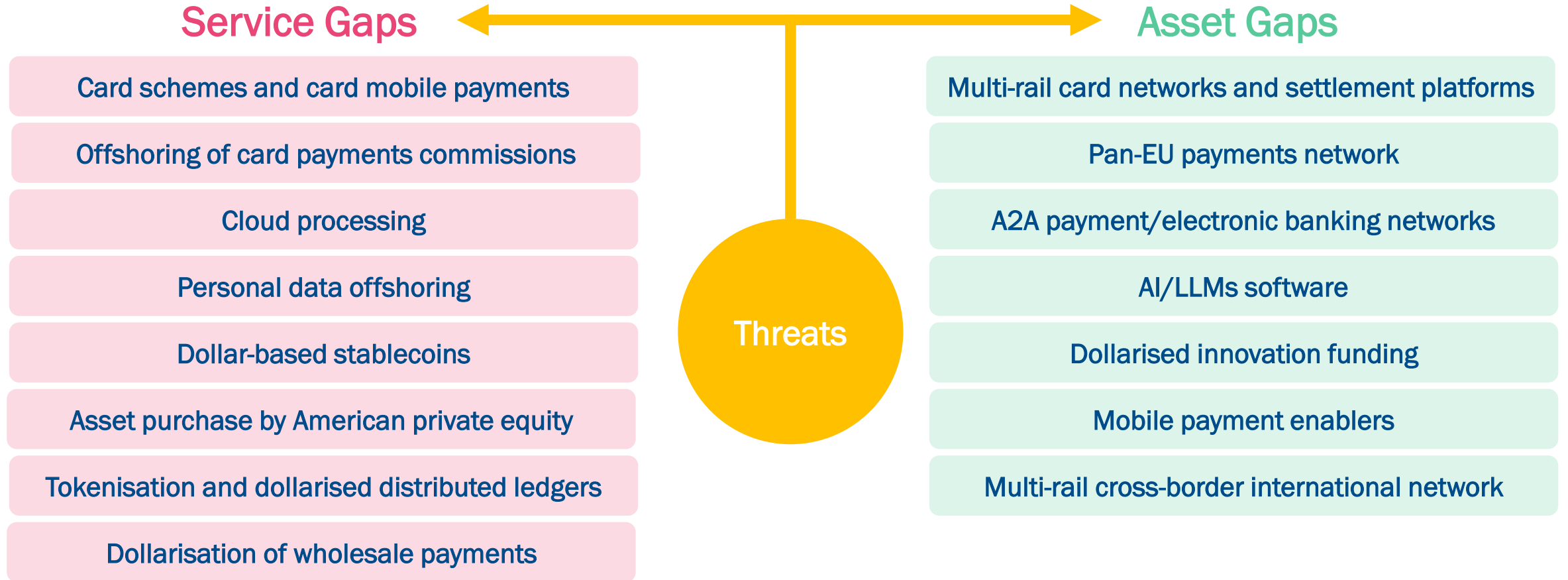


Background and Recent Developments

- Eurocard sold to Mastercard
- US ownership of Visa Europe
- Loss of domestic card schemes in Ireland, the UK, Finland, and the Netherlands
- Erosion by International Card Schemes (ICS) of domestic scheme volumes by 40%
- 70% of European payments rely on non-EU providers
- 14 nations; no alternatives to Visa and Mastercard
- Electronic banking sold to ICS in the UK, Norway and Denmark
- Interbank processing operations sold to US companies and PE firms in the UK, Poland and Germany

Observations: Politicians, the European Commission and central banks are worried the US is no longer a reliable supplier.

The Headline Threats to European Payments Sovereignty



Observations: Many threats to enabling key central bank/regulatory stakeholders to manage and control Europe's payment systems and reduce systemic risk.

How Substantial are the Asset Ownership Gaps?

Example/ Components	Function	Example European Players	Example Non- European Player	European Key Assets and Gaps	Comments
Payment scheme rules and rails	- Membership - Roles - Liability - Settlement - Standards - Redress - Networks	Cartes Bancaires Girocard Bancomat Multibanco Bancontact Dankort BankAccept	Visa, Mastercard, Amex, Diners, CUP, PayPal, PCI & EMV	Domestic card schemes	Need investment to stop ICS erosion
				Cross-border payments	Reconstruct decoupling from ICS
Card issuing, acquiring, processing and acceptance	- Enable - Routing - Authorisation - Clearing & settlement - Networks	Worldline, Nets, SIBS, Redsys, Adyen, Checkout, Stripe, Marketpay, Tribe, Silverflow	AWS, Visa, Mastercard, Fiserv, FIS, ACI, Global Payments, Elavon, Ingenico, Verifone, Pax	Cloud services Legacy processors	Cloud services gap significant
				Best-in-class Gateway acquirers	Strong leadership but too few suppliers
Card-based digital wallets	Enable for tokenised payments credentials		Apple Pay, Google Pay, Samsung Pay	No credible European suppliers	A gap but too costly to fix
Account-to-account schemes	Enables Instant Payments	SEPA, SWIFT, Bizum, iDeal, Blik, MBWay, Vipps MobilePay	Mastercard ownership of ACH & Visa ownership of fintechs	SEPA Many initiatives in pipeline Wero & CBDC	SEPA system key asset but Open Banking leaves a gap

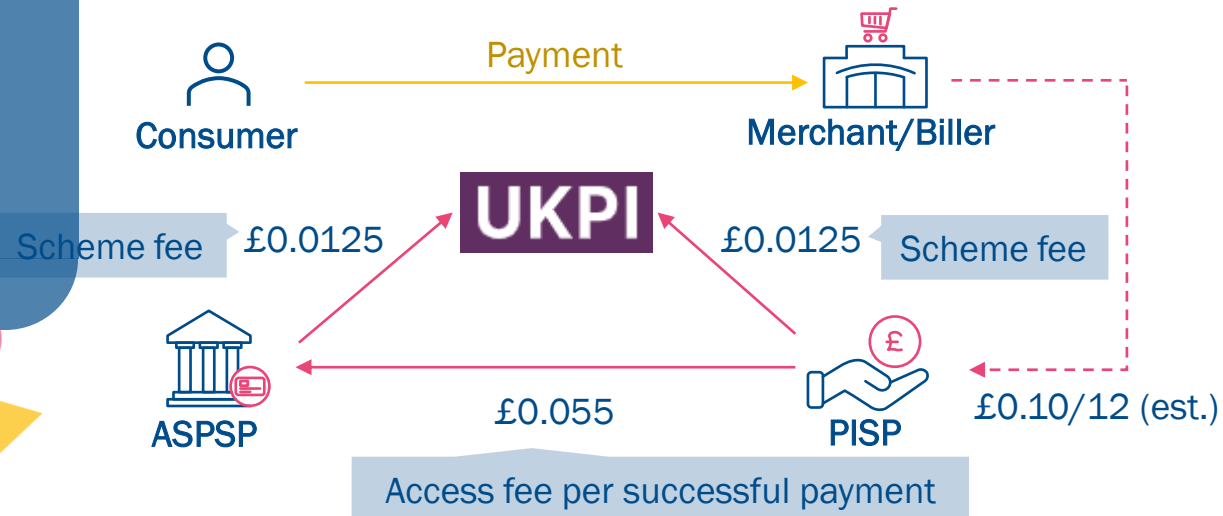
Key: ■ No gap ■ Moderate gaps ■ Significant gaps

UK Payments Initiative – A sovereignty product!

The UK Payments Initiative

UK Payments Initiative limited (UKPI) is an industry owned and led company established to design, operate and govern a commercial scheme for Commercial Variable Recurring Payments (cVRP) in the UK, as an A2A alternative to cards and direct debits.

The UKPI Economics:



+ UKPI membership fee: £5,000 for each scheme participant (year 1)

UKPI rollout

- **Wave 1:** Lower risk use cases, such as utilities, government, regulated financial services (essentially live with cVRPs)
- **Wave 2:** General eCommerce (plus retail subscriptions and card-on-file replacement use cases)
- **Wave 3:** In-store? – Not mentioned!

Comments:

- Essentially a four-party model, i.e., access fee = interchange.
- Total scheme-level cost is £0.08 before any PISP margin.
- An all-in cost to billers is expected to be in the region of £0.10 to £0.12p in Wave 1, with Wave 2 expected to move to an *ad valorem* structure of around 0.15% with consumer protection layered on¹.
- The PISP-to-merchant/biller charge is not fixed by the UKPI, making it the principal margin opportunity.
- Early PISPs (e.g. TrueLayer, Token.io, Tink, Plaid, Yapily) will price for category capture in Wave 1 but we would expect margin compression on PISP fees to track card-acquirer dynamics when Wave 2 goes live.

Payments Sovereignty – Critical Success Factors

- 1 **Leverage the existing pipeline** of proven infrastructure enablers – Wero/EuroPA alliance, digital euro, SCT Inst.
- 2 **Avoid protectionism** and focus on building competitive multi-rail solutions that include ICS.
- 3 **Avoid past European payment initiatives** ‘Big Bang’ mistakes, Monnet and EPI.
- 4 **Avoid a vision driven by political mandates** – recognise that success rests with consumer, merchant and bank adoption, initially within domestic markets.
- 5 **Recognise** that enabling sovereignty of cross-border and acceptance requires working with the ICS for many years.
- 6 **Leverage and encourage investment** and growth of existing domestic card schemes to win back lost volume.
- 7 **Avoid placing all bets on A2A Instant Payment** schemes as an alternative to cards – schemes need an association that offers similar redress as cards.



Observations: Message to key stakeholders – keep calm and carry on, or take more action?

