



Brussels, 8 July 2024

Subject: EU businesses' competitiveness impacted by current cards payments landscape – a call for urgent action

As a wide coalition of European businesses of all sizes, who are deeply invested in the European economy and its success, we wrote a letter to DG COMP and DG FISMA on 24 June to express our continued concerns about the European payments landscape and the economic impact of the current lack of competition due to **the practices and dominant size of the international card and wallet schemes in the European Union.**

At a time when all efforts should be on tackling **the cost-of-living issue for citizens**, as well as enhancing European **businesses competitiveness**, addressing the consequences of this dominant behaviour of international card and wallet schemes should be a priority for the new Commission. The negative impact is **disproportionately high on our smaller members.**

We value the steps that the legislators have taken in recent years, such as the Interchange Fee Regulation (IFR), Commitments on interregional card transactions, Payment Services Directive and Regulation (PSD2/PSR) and Instant Payments Regulation (IPR), **to strengthen the position of merchants** to the benefit of consumers resulting in a **better customer experience and lower consumer prices.**

Nevertheless, despite these steps the issues for European consumers and merchants have not disappeared. For example, since then, these schemes have compensated for their and their issuers' loss of income **by focusing on non-regulated parts of the merchant service charge**, e.g. by increasing scheme fees, introducing new scheme fees, shifting cardholders from consumer to commercial, pushing consumers from debit to deferred debit (=credit) and/or transforming 4-party schemes into 3-party schemes.

We note **recent developments, reports** in the European Union and **decisions by regulators** outside the EU to **underpin the urgency**, because well intentioned **European alternatives** such as Instant Payments and digital euro are **still a few years away** from widespread adoption in our stores and web shops.

Given these serious concerns, we urge the Commission to look into the matter and take appropriate action in a timely manner in order to put an end to these market-distorting practices. The Commission should **use the wide range of tools at its disposal** – from investigation to regulatory intervention – **to address this situation urgently.**

We stand ready to **support the Commission's efforts to further improve European payments** for consumers and merchants alike and **welcome a meeting in the coming weeks** to discuss these points and support possible actions in more detail.

[European Association of Corporate Treasurers](#), [Ecommerce Europe](#), [EuroCommerce](#), [Independent Retail Europe](#)