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Competition in Mobile Payment Services – Note by the European Union

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1. Competition in mobile payment services

1.1. Introduction

1. In the European Union (“EU”), digital and mobile payments have become a highly popular payment method over the past decade. ⁽¹⁾ This is evidenced by increased usage of such payments both at physical points of sale (“POS”) and online.
2. The POS transaction values for mobile payments in the EU has increased from EUR 4 billion in 2017 to EUR 195 billion in 2022. ⁽²⁾ It is estimated that digital payments make up to 21 % of the total value of POS payments in selected European countries. ⁽³⁾ In Europe, digital payments are expected to reach 36% of POS transactions by 2030. ⁽⁴⁾
3. Digital payments are used increasingly in e-commerce. Up to 59% of payments in e-commerce in selected European countries are executed through digital payments. ⁽⁵⁾ Digital payments are expected to reach 75% of all e-commerce payments in 2030. ⁽⁶⁾

1.2. Benefits for consumers and merchants

4. The benefits of mobile payments *prima facie* resonate at the consumer level, offering several advantages that increase the popularity of the payment method. They offer a seamless user experience, supporting a variety of payment methods and storing multiple cards providing a versatile payment solution. Increased smartphone penetration and the push towards contactless payments, accelerated by the COVID-19 pandemic, have boosted the use of digital wallets in the EU. Mobile payments are also more secure, as they use tokenisation combined with biometric security measures, such as facial or fingerprint recognition.
5. For merchants a key factor is that mobile payments enhance security compared to other methods of payment which can minimize chargebacks and/or liability costs. Equally relevant for merchants is consumer adoption (must-have) and consumer inertia.

⁽¹⁾ European Commission: Directorate-General for Competition, Global Data Collection Company, Valdani Vicari & Associati, Hausemer, P., Patroclou, N. et al., Study on new developments in card-based payment markets, including as regards relevant aspects of the application of the Interchange Fee Regulation – Final report, Publications Office of the European Union, 2024, <https://data.europa.eu/doi/10.2763/03803>, p. 50.

⁽²⁾ Ibid, p. 55.

⁽³⁾ Worldpay, the Global Payments Report 2025, p. 84 (countries covered: Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Poland, Spain, Sweden, Turkey, UK).

⁽⁴⁾ Ibid, p 84.

⁽⁵⁾ Ibid, p 84.

⁽⁶⁾ Ibid, p 84.

1.3. Competitive dynamics

6. The rise of mobile payments has reshaped the competitive dynamics in financial services by introducing new participants and altering consumer expectations. Big Tech and Fintech mobile payment solutions challenge traditional banking institutions, mostly in retail transactions at POS. This shift has compelled banks to enhance their own digital offerings and, often, to form strategic partnerships with Big Techs and Fintechs to remain relevant in the evolving payments ecosystem. Such partnerships may also have been compelled – for example, most banks have partnered with Apple to enable in-store mobile payments for their cardholders through Apple Pay in order to be available on iPhones.⁽⁷⁾ As a result, the competitive landscape is now characterized by both rivalry and dependence between financial incumbents like banks and technology-driven entrants like Big Techs and Fintechs.

7. Outside of the retail sphere, mobile payments remain largely complementary to core banking functions such as account management, fund transfers and person-to-person payments, which continue to operate predominantly within the banking system, often on mobile banking apps.⁽⁸⁾ Banks thus retain this essential role in facilitating these transactions. Credit card- and debit card-based payment methods are widely used across the EU and, despite the recent market developments, they maintain a strong market position. While digital wallets are becoming increasingly important, this growth has been primarily driven by the increase in *card-based* digital wallets offered by Big Techs.

8. In recent years, the EEA mobile payment sector has seen new entries beyond the original involvement of Big Techs, bringing more and innovative features and benefits to consumers. This includes, most recently, (partially) pan-European projects such as Wero and EuroPA and the emergence of new European mobile payment providers and entrants to the iOS mobile payment market. At national level solutions such as MB Way in Portugal or Vipps MobilePay in the Nordics have proven popular.

1.4. Competition risks

9. The EU payments sector is characterized by structural features that may contribute to barriers to entry or expansion. This includes network effects including must-have and non-contestable shares of demand, brand recognition and complex and costly technical standards which render scale a crucial factor to compete effectively. The market forces stemming from these features have led to the concentration in the hands of established market participants, in particular International Card Schemes (ICS) and Big Techs.

10. Big Techs entered the mobile payment market with substantial resources and large existing customer bases, which enabled them to capture significant market share in the mobile payment market. Nevertheless, the payment solutions offered by Big Tech are often solely technical services facilitating payments around existing non-cash payment instruments. For this reason, Big Tech cooperate intensively with financial incumbents, and

⁽⁷⁾ Case AT.40452 – Apple – Mobile Payments, Decision of 11 July 2024, C(2024) 4761, para 82. and also M.10935 - DNB / DANSKE BANK / SBI / EIKA / BALDER / VIPPS / MOBILEPAY, 21 October 2022, p. 22.

⁽⁸⁾ Autoriteit Consument & Markt (Dutch NCA), ‘Rapport: Big Techs in the Payment sector’ (2020) ([link](#), English translation), p 4.

in particular ICS to use their long-established financial infrastructure that is difficult and costly to implement. ⁽⁹⁾

11. Fintechs often partner with Big Tech, ICS and financial incumbents to overcome barriers to enter the market. It is worth noting that the *status quo* might be challenged by the introduction of the digital euro as a central bank digital currency (CBDC) ⁽¹⁰⁾ and non-card based payment methods such as account-to-account payments, using alternative payment rails.

12. The market power of Big Tech and financial institutions may lead to competition risk in payment markets beyond entry barriers. These risks are primarily related to ecosystems in which Big Tech act as gatekeepers, and in which consumers are inherently tied and nudged to use only the products of that particular ecosystem. The ESMA’s Report on Trends, Risks, and Vulnerabilities (2020) highlights that these ecosystems, along with the ability to integrate data from different services, enhances the value proposition of Big Techs’ payment solutions.⁽¹¹⁾ In the EU, this issue is being addressed both by regulation (Digital Markets Act, see section 4.2) and antitrust enforcement (see section 2.1).

2. Competition enforcement

2.1. Antitrust

13. A recent enforcement example by the European Commission (“Commission”) is case AT.40452 – Apple Mobile Payments (“*Apple Pay*”), in which commitments were made binding to remedy Apple Pay’s exclusive access to the Near-Field-Communication (NFC) functionality, to enable other payment service providers to compete with their own mobile wallets on iPhones.

14. NFC-technology is predominant in the EU. It allows for fast and contactless payment-transactions, combined with tokenization and encryption to protect sensitive data. NFC is standardized and not originally developed by Apple. NFC outpaced alternatives such as QR codes and Bluetooth. ⁽¹²⁾ Virtually all payment terminals in Europe are NFC-ready. ⁽¹³⁾

15. The Commission preliminarily found that Apple has significant market power in the market for smart mobile devices and a dominant position on the NFC in-store mobile wallet market on iOS. ⁽¹⁴⁾ Apple Pay was the only mobile wallet that could access the NFC

⁽⁹⁾ European Commission: Copenhagen Economics, Directorate-General for Competition, EY, Pavel, F., Kornowski, A. et al., Study on the application of the Interchange Fee Regulation – Final report, Publications Office, 2020, <https://data.europa.eu/doi/10.2763/137970>, para. 81

⁽¹⁰⁾ Digital Euro is a central bank digital currency currently being developed by the European Central Bank ECB. See also: European Commission: Directorate-General for Competition, Global Data Collection Company, Valdani Vicari & Associati, Hausemer, P., Patroclou, N. et al., Study on new developments in card-based payment markets, including as regards relevant aspects of the application of the Interchange Fee Regulation – Final report, p. 72.

⁽¹¹⁾ ESMA, Trends, Risks and Vulnerabilities (TRV) Report, 2020.

⁽¹²⁾ Case AT.40452 – Apple – Mobile Payments, Decision of 11 July 2024, C(2024) 4761, para. 78.

⁽¹³⁾ Case AT.40452 – Apple – Mobile Payments, Decision of 11 July 2024, C(2024) 4761, para. 79.

⁽¹⁴⁾ A mobile wallet is a software application that enables payments to be authorised with a mobile phone, using digitally encrypted payment cards or other funding sources such as bank transfers. In

hardware and software ('NFC input') on iPhones to make payments in stores. The Commission preliminarily concluded that Apple abused its dominant position by refusing to supply the NFC input to competing mobile wallet developers, excluding rivals from the market and restricting innovation and choice for users.

16. On 11 July 2024, the Commission made the commitments from Apple legally binding, opening access to NFC on iPhones in the EEA. By allowing third parties to access NFC technology for facilitating payments on iOS devices, a wide range of developers can utilise the technology. The commitments will remain in force for ten years and are monitored by a trustee. A very large number of NFC licences has since been granted by Apple under the commitments and this has already led to a first entrant offering NFC payment services on iOS in the Nordics, ⁽¹⁵⁾ with other entries expected in 2025. ⁽¹⁶⁾

2.2. Mergers

17. Digital payment technologies are rapidly evolving to offer new ways to make payments. These changes are being reflected in the European Commission's merger cases, which have in recent years examined payments through mobile phones and wearable devices, account to account payments as well as card and contactless payments.

18. The Commission investigated several merger cases in the payments sector, which suggest increasing market integration of mobile payments in the EEA. For example, in Mastercard / Nets ⁽¹⁷⁾ the Commission identified and examined an EEA-wide market for managed solutions for account-to-account payments. The Commission also analysed a merger between Norwegian payments provider Vipps and Danish provider MobilePay, which both offered mobile wallet payment applications. ⁽¹⁸⁾ The Commission found that there may be separate markets or segments for payments made between private individuals (P2P payments), payments made in physical stores (POS payments) and online payments (e-commerce payments). In Worldline / Crédit Agricole, ⁽¹⁹⁾ the Commission's market investigation noted that the EEA-wide markets for POS merchant acquiring and e-commerce merchant acquiring were competing more and more closely.

3. Market studies

19. In 2024, the Commission (DG COMP) commissioned a market study on the online payments sector in the EU, assessing the competitive dynamics in online payments and analysing practices that risk favouring or entrenching the position of established players. The study examines consumer usage patterns, highlighting the ongoing popularity of

its investigation the Commission focused on mobile wallets offering in-store payment functionalities (that is any payment made at a merchant's industry-certified physical point-of-sale payment terminal), which utilize Near Field Communication (NFC) proximity wireless technology in order to enable communication between the mobile device and the merchant terminal. The relevant market was defined in relation to Apple's iOS platform.

⁽¹⁵⁾ [Vipps MobilePay launches the world's first alternative to Apple Pay on iPhone.](#)

⁽¹⁶⁾ [BLIK and Swish break new ground with iOS NFC expansions, PayPal Gearing Up to Take On Apple Wallet in Europe! | by Rutuja Desai | Medium. PayPal launches contactless mobile wallet in Germany.](#)

⁽¹⁷⁾ M.9744 – Mastercard / Nets, 17 August 2020

⁽¹⁸⁾ M.10935 - DNB / DANSKE BANK / SBI / EIKA / BALDER / VIPPS / MOBILEPAY, 21 October 2022

⁽¹⁹⁾ M.11120 – Worldline / Crédit Agricole, 27 August 2024

traditional payment methods like credit and debit cards, as well as the increasing significance of mobile digital wallets across different European countries.

20. The study finds that International Card Schemes (ICS) play a predominant role in the online payment sector, with a significant share of demand being non-contestable for Visa and Mastercard, giving them a position of superior bargaining power, which can be used to entrench their market power and alter competition in online payments. The study found that practices potentially harmful to competition may include increases in fees, agreements to exclude competing payment methods and preferential treatment for ICS. Big Techs are also increasingly influential, with their digital wallets being viewed as essential by merchants. The study highlights concerns about potential access restrictions, data integration, and preferential treatment of proprietary payment solutions, which could limit access to other players and create dependencies. These findings suggest that competition authorities should closely monitor the behaviour of ICS and Big Techs to ensure that they do not engage in anticompetitive practices in the online payment sector and provides a framework to assess antitrust implications. The study is expected to be published in Q2 2025.

21. The Commission (DG CONNECT) is currently also conducting a market study on offline transactions, including mobile proximity payments not requiring internet connectivity. The study aims at identifying existing or emerging technical standards that could support offline payments, while maintaining maximum security and preventing the risk of double spending or counterfeiting fraud in offline digital payments. The purpose of the study is to aid DG CONNECT in designing evidence-based policies that stimulate offline transactions among Member States. The study covers a broad range of use cases, including future, cross-sectoral use cases enabled by the future European Digital Identity Wallets, and by the Digital euro. The study is expected to be completed by Q4 2025.

4. Payment-related regulation

22. In its regulatory work and advocacy, the Commission has pursued a pro-competitive approach, based on the objectives of EU market integration and competitiveness.

23. The main objectives of the Commission's advocacy are to guarantee fair competition between market players, such as payment service providers, and facilitate access for new market entrants, while avoiding unjustifiable discrimination against any existing player on the market. The Commission has promoted the development of cross-border payment services, new Union-wide payment products as well as measures that strengthen the interoperability and security of services. The goal is that regulation contributes to reduced market concentration, increased competition, choice and innovation and other benefits for consumers.

24. In the EU, a number of initiatives have sought to set the regulatory conditions for more innovative and competitive retail payments markets, including in terms of cross-border payment solutions.

4.1. Regulation in the EU payments services sector

25. **Regulation 2015/751 – the Interchange Fees Regulation** ⁽²⁰⁾ sets caps on interchange fees for consumer card-based payment transactions, including the ones initiated through mobile wallets. It also enhances competition through transparency of fees and the separation of scheme and processing functions and remains relevant for mobile wallets and their corresponding transactions as most remain card-based.

26. **Regulation (EU) 2024/886** ⁽²¹⁾ lays down legal, technical and business requirements applicable to instant credit transfers in Euro, setting the conditions for EU payment service providers (PSPs), including Fintechs, to develop new payment solutions to compete with International Card Schemes (ICS) and ICS-based mobile payment applications, including for in-store payments.

27. In addition, the review of the current EU rules on Open Banking services under **Directive (EU) 2015/2366** ⁽²²⁾ (PSD2) seeks to address bottlenecks in the market for third-party provision of payment services based on access to users' payment account data (i.e., payment initiation and account information services). The proposal for a Payment Services Regulation ⁽²³⁾ (PSR) is currently under discussion. It contains measures to remove obstacles currently faced by third-party providers in the access to the payment account data necessary for the provision of their services. It also seeks to improve the level playing field between these providers (Fintechs) and the PSPs holding users' payment accounts (banks).

28. Regulation (EU) 2024/886 and the proposal for a PSR both aim to tackle asymmetries in market entry and business continuity between bank and non-bank PSPs. Accordingly, the former has levelled the rules governing the access to payment systems for both bank and non-bank PSPs, whereas the latter, once adopted by the co-legislators, would improve access by non-bank PSPs to an account with a credit institution.

29. The **Digital Euro** ⁽²⁴⁾ initiative is a project initiated by the European Central Bank (ECB) for a central bank digital currency for the eurozone. This digital currency aims to provide a safe and efficient digital payments option, complementing cash and other payment solutions. The Commission proposal for a Digital Euro Regulation aims at ensuring that the introduction of a digital euro fosters competition and innovation while preventing market distortion. This legal framework and its provisions on mandatory acceptance and support of offline use, as well as the development of payment use cases based on European Digital Identity Wallets (EUDIWs) issued in accordance with the European Digital Identity Framework ⁽²⁵⁾ will likely also impact positively innovation and

⁽²⁰⁾ Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions.

⁽²¹⁾ Regulation (EU) 2024/886 of the European Parliament and of the Council of 13 March 2024 amending Regulations (EU) No 260/2012 and (EU) 2021/1230 and Directives 98/26/EC and (EU) 2015/2366 as regards instant credit transfers in euro.

⁽²²⁾ Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC.

⁽²³⁾ Proposal for a Regulation of the European Parliament and of the Council on payment services in the internal market and amending Regulation (EU) No 1093/2010, COM/2023/367 final.

⁽²⁴⁾ Proposal for a Regulation of the European Parliament and of the Council on the establishment of the digital euro, COM/2023/369 final.

⁽²⁵⁾ Regulation (EU) 2024/1183 of the European Parliament and of the Council of 11 April 2024 amending Regulation (EU) No 910/2014 as regards establishing the European Digital Identity Framework.

choice in mobile payment solutions (including at cross-border level). As a case in point, the functionalities of the Digital Euro could be used to build new private payment solutions or enhance existing ones.

4.2. Digital Markets Act

30. The **Digital Markets Act (DMA)** ⁽²⁶⁾, in effect since **1 November 2022**, is one of the first regulatory tools to comprehensively address the **gatekeeper power** of large digital platforms.

31. While the DMA is not specific to mobile payment providers it contains rules that ensure a level playing field between mobile payment service providers, notably Article 6(7) DMA.

32. The DMA aims to foster **openness and innovation** by prohibiting harmful unfair practices and enhancing the **contestability and fairness** of digital markets. The DMA complements, but does not change EU competition rules, which continue to apply fully.

33. DMA concerns undertakings that provide core platform services (CPSs), including operating systems (OSs), and are designated as “gatekeepers” under the Regulation. Gatekeepers are designated by the Commission based on **qualitative criteria**, each with **quantitative thresholds**.⁽²⁷⁾ Once designated as such the gatekeepers must comply with the obligations under the DMA, while the Commission monitors and where necessary enforces compliance. For example, the Commission designated Alphabet as gatekeeper for its operating system Android OS ⁽²⁸⁾ and Apple as gatekeeper for its operating systems iOS and iPadOS ⁽²⁹⁾ under the DMA.

34. Article 6.7 DMA mandates the gatekeepers to provide competitors, free of charge, with access to the same hardware/software features of their operating systems that are available to or used by the gatekeeper themselves. While under the commitments in the *Apple Pay* case, Apple is bound to give access to NFC-input to third-party developers for a specific use case, i.e., in-store payments on iPhones, the obligations under the DMA are general and not use-case specific. Third-party services to which Apple has to provide interoperability include but are not limited to in-store payments. Article 6(7) of the DMA also covers other payment services, such as peer-to-peer payments, as well as non-payment services, e.g., browser and identification services.

35. On 19 March 2025, the Commission adopted a specification decision, laying down measures that further detail the obligations concerning Apple’s interoperability obligations under the DMA relating to iOS features used by connected devices. ⁽³⁰⁾ Accordingly, Apple

⁽²⁶⁾ Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 OJ L 265, 12.10.2022, p. 1, ELI: <http://data.europa.eu/eli/reg/2022/1925/oj>.

⁽²⁷⁾ Gatekeeper status is determined by three **criteria**: (a) Significant impact on the internal market – The entity has an annual EU turnover exceeding €7.5 billion in each of the last three financial years or a market cap of at least €75 billion in the last financial year and operates the same CPS in at least three Member States. (b) Important gateway for businesses to reach users – In the last financial year, the CPS had at least 45 million monthly active end-users and 10,000 yearly active business users in the EU.

⁽²⁸⁾ Decision DMA.100009.

⁽²⁹⁾ Decision DMA.100025.

⁽³⁰⁾ Decision DMA.100203. For additional information see press release available at https://ec.europa.eu/commission/presscorner/detail/en/ip_25_816 and specified measures available at https://ec.europa.eu/competition/digital_markets_act/cases/202512/DMA_100203_1536.pdf

will have to allow third parties to use NFC to transfer payment credentials to enable contactless payments on wearables such as rings or bracelets or read physical payment cards to activate or secure mobile banking (instead of manually typing their card details, the iPhone users can simply tap their card on their phone or wearable device to securely transfer the information).

5. Collaboration with EEA and Other National Competition Authorities

36. The European Commission collaborates closely with national competition authorities and other relevant bodies within the framework of the European Competition Network (ECN) and various international organizations to ensure maximum possible consistency in application of antitrust laws and regulatory actions relating to mobile payments markets.

37. This collaboration takes the form of regular and *ad hoc* exchanges of information and consultations between the Commission and national authorities, within the ECN framework as laid down in Regulation 1/2003. The ECN yearly meetings relating to competition in payments also serve as a platform for exchange of information about market developments and competition issues encountered by national competition authorities and the Commission. National competition authorities take a proactive role in Commission investigations, through Advisory Committee meetings which are consulted on Commission decisions, such as those relating to fines or commitments.

38. Additionally, the Commission's engages in international forums (such as OECD) and bilateral agreements with the intent of aligning antitrust policies, addressing challenges posed by increasingly globalized markets.

6. Conclusion

39. The Commission advocates policies that enhance the competitiveness of the EU's mobile payments market, in line with the recently issued Competitiveness Compass, a new policy framework proposed by the Commission, to foster competitiveness, boost innovation, decarbonization and security in the EU. ⁽³¹⁾

40. In the EU, antitrust enforcement in payments and mobile payments is robust, as shown above. The Commission, together with EU national competition authorities, will continue to closely monitor the conduct of ICS, Big Techs and banks, to prevent restrictions of competition in mobile payments. This may include potential abuses of dominant positions as well as anticompetitive agreements.

41. Particular attention will be paid to increases in fees, potential access restrictions, data integration, agreements which may exclude competing payment methods and preferential treatment of proprietary payment solutions which could limit access to competitors and create dependencies.

⁽³¹⁾ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, A Competitiveness Compass for the EU, Brussels, 29.1.2025, COM(2025) 30 final.