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Competition in Mobile Payment Services – Note by Peru

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1. Introduction

1. The growing dynamism of the mobile payments market in Peru, driven by the massive adoption of digital wallets and the interoperability strategy promoted by the Central Reserve Bank of Peru (BCRP), has rapidly positioned this means of payment, surpassing in use other traditional means of payment other than cash, such as payment cards and bank transfers. This paper presents an overview of the current structure of this market, highlighting the development of *Yape* and *Plin* banking wallets, as well as the presence of other players such as Fintechs. Given the rapid evolution and positioning of banking wallets, Indecopi closely monitors their development, in collaboration with the BCRP, to identify possible entry barriers or conducts that could limit innovation and the plurality of options for users, in a sector that is relevant to improve the levels of financial inclusion of the Peruvian population.

2. Competition in mobile payment services

2. In Peru, mobile payments are transactions initiated, activated, or confirmed using a cell phone or similar telecommunications device. These payments are categorized as: a) **proximity or face-to-face**, activated by bringing the mobile phone close to a point-of-sale reader to process the payment, and b) **remote**, made through a downloaded mobile application linked to a funding source, which can be a bank or non-bank account, including electronic money (stored on a prepaid card or the mobile phone itself)¹.

3. Peru features various mobile payment models, the most prominent being those developed by banks via their mobile banking applications and digital wallets. Following these are those developed by telecommunication companies, such as Bitel's *BiPay* digital wallet, and third-party offerings, including digital wallets from Fintechs and major technology firms like Apple and Google². Lastly, there is the collaborative model between telecommunication companies and banks, exemplified by the BIM electronic money wallet, a solution created to promote financial inclusion among Peru's most economically vulnerable populations.

4. Although cash is still the most widely used means of payment in the country, between 60% and 70% of payments are made with banknotes and coins, in recent years there has been a steady growth in the adoption of mobile payment solutions. According to

¹ Central Reserve Bank of Peru – BCRP. (2008). Recuadro 1: Pagos Móviles. Reporte de Estabilidad Financiera. Junio 2008 (Chart 1: Mobile Payment). Available in Spanish at: <https://www.bcrp.gob.pe/docs/Publicaciones/Reporte-Estabilidad-Financiera/2008/Junio/ref-junio-2008-recuadro-1.pdf>, BCRP (2012). Recuadro 8: Pagos móviles e inclusión financiera. Reporte de Estabilidad Financiera. Mayo 2012 (Chart 8: Mobile payments and financial inclusion). Available in Spanish at: <https://www.bcrp.gob.pe/docs/Publicaciones/Reporte-Estabilidad-Financiera/2012/Mayo/ref-mayo-2012-recuadro-8.pdf>.

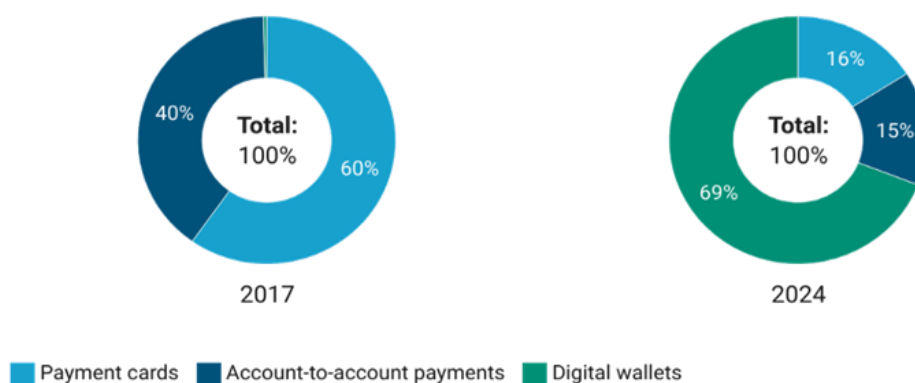
² BigTech digital wallets allow the secure storage of virtual versions of physical payment instruments, such as credit or debit cards, but also a prepaid balance within the wallet, which can be used for face-to-face or virtual payments.

the BCRP³, as of december 2024, the share of mobile banking and digital wallets increased from 2% in 2014 to 34% of payment methods. Its rise is partly explained by the acceleration of its use during the COVID-19 pandemic⁴, growth that has been boosted by the retail payment interoperability strategy promoted by the BCRP since 2023 and the financial inclusion strategy that has allowed to go from 35% of adults with a bank account in 2015 to 56% by 2023, but also contributed to the increase in the number of households with smartphones, which reached 81% by 2022, where 63% of the owners had access to the Internet.

5. Among mobile payment instruments, digital wallets have positioned themselves as the most widely used means of payment (Figure 1), allowing real-time payments between users and merchants. The ease and intuitive interface of wallets, which only require scanning a QR code or entering the recipient's telephone number to make a payment in real time, has facilitated their mass use, in addition to their availability (24/7). By 2024, around 17 million users -more than half of the country's adult population- made payments or transfers through digital wallets⁵. It should be noted that the average ticket for transactions made through digital wallets has gone from PEN 75 (USD 21) in 2020 to PEN 48 (USD 13) in 2024⁶, which is evidence of its use for very low value transactions.

Figure 1. Evolution of the share of low-value retail payment instruments, 2017 vs 2024

Number of transactions



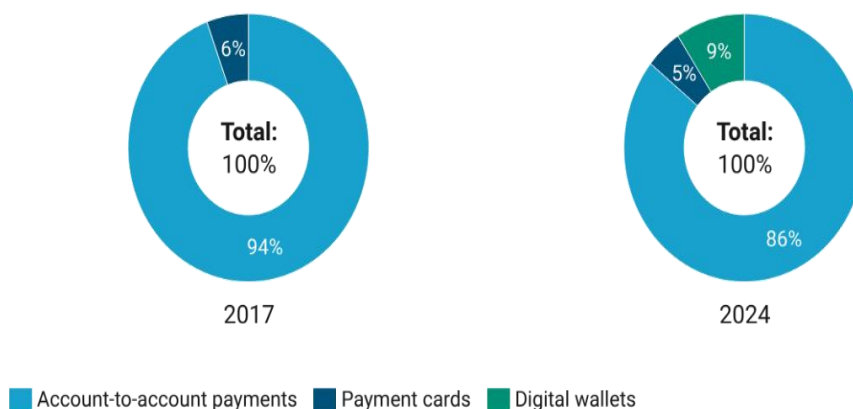
3 Villafuerte, S. y Medina, J. (2025). Entre billetes y monedas: el ritmo de la circulación monetaria en el Perú y la gestión del circulante. (Between bills and coins: The pace of monetary circulation in Peru and the management of the money supply). Available in Spanish at: <https://www.bcrp.gob.pe/docs/Publicaciones/Revista-Moneda/moneda-201/moneda-201-04.pdf>.

4 For example, the State resorted to digital wallets for the payment of economic subsidies to the population affected by the isolation and mandatory social immobilization dictated by the Covid-19 pandemic.

5 NTT Data (2025). Estudio Medios de Pago en el Perú (Study on Payment Methods in Peru). Available in Spanish at: <https://pe.nttdata.com/insights/studies/estudio-medios-de-pago-en-el-peru-2025>

6 These values were obtained by dividing the value by the number of transactions made through digital wallets in the aforementioned years. Data is available in Spanish at: <https://www.bcrp.gob.pe/sistema-de-pagos/estadisticas-sobre-sistemas-de-pagos.html>

Transaction value



Note: The number of transactions in 2017 was 613 million, and in 2024 it was 9.8 billion. The transaction value in 2017 was PEN 1.2 trillion (USD 357 billion), and in 2024 it was PEN 3.5 trillion (USD 934 billion)
Source: BCRP.

6. It is important to point out that the main digital wallets used in the country, *Yape* (with 17 million holders) and *Plin* (with 13 million holders), have been developed by banking entities⁷ and are supported by Visa International's infrastructure, using its Visa Direct solution (Andía, Paliza and Aurazo, 2025)⁸. Therefore, participating banks are subject to the fees set by Visa for the use of its platform, and that are being assumed by the banks without passing them on to wallet users.

7. Despite this, other digital wallets developed by Fintech companies can be identified in the market, in this case their wallets are usually linked to Mastercard or Visa payment cards (mainly prepaid cards) and, in some cases, to electronic money accounts, allowing their use without the need for a bank account. Unlike bank wallets, which are linked to savings or deposit accounts that, in turn, are associated with debit cards. As of 2022, eight Fintech digital wallets were identified in the market that had 1.7 million users altogether, which contrasts with the cases of *Yape* and *Plin*⁹.

8. The rapid positioning of banks' digital wallets has managed to surpass in use the BIM e-money wallet, which is an initiative promoted by the Peruvian Banks Association since 2014 to promote financial inclusion, with the support of local telecommunication companies, but unfortunately has not taken off due to operational and technical difficulties. This led banks to focus their efforts on the individual development of their own payment solutions, which relied on their customer network to achieve rapid adoption and scaling,

⁷ *Yape* is a digital wallet launched by Banco de Crédito del Perú (BCP) in 2017 that was initially available only to BCP customers, but by 2024 there are already eight financial institutions that are integrated to this wallet. *Plin*, which was launched in 2020, is an integrated functionality within the mobile banking applications of its ten participating institutions, including BBVA Peru, Interbank and Scotiabank Peru.

⁸ Andía, A., Paliza, M. y Aurazo, J. (2025). Factores de éxito de las billeteras digitales en Perú y el rol del Banco Central (Success factors of digital wallets in Peru and the role of the Central Bank). Available in Spanish at: <https://www.bcrp.gob.pe/docs/Publicaciones/Revista-Moneda/moneda-201/moneda-201-02.pdf>

⁹ However, recently a cryptocurrency wallet developed by a Fintech of international scope has entered the market, which allows the exchange of cryptocurrencies and legal tender (Peruvian sol), but its use is still incipient in the country. See: <https://lemon.me/peru/>

also allowing them to reach people who had never had contact with financial services before.

9. Therefore, mobile payment solutions such as digital wallets have ended up complementing and contributing to the development of the banking system's service offering. Through their wallets, banks have managed to integrate new financial services. For example, *Yape*, in addition to payments and transfers, offers micro-credits, foreign exchange, remittances, among other services¹⁰. In the case of *Plin*, as a solution integrated with mobile banking, it has allowed participating banks to use this channel to get to know their users better and offer them loans and the purchase and sale of foreign currency.

10. In terms of non-cash means of payment, wallets have positioned themselves, in terms of use, as the main means of payment, surpassing account-to-account (A2A) bank transfers and payment cards, although in terms of value, the use of bank transfers is still predominant, but already surpasses card payments (Figure 1). This result can be explained by the fact that neither the payee nor the payer is charged any fees¹¹. This contrasts with the use of payment cards, where merchants must pay a fee (discount rate) to acquirers for each transaction, which may vary according to the merchant segment, type of card and transaction channel, and in the case of A2A payments, the payer must assume the fees for making interbank transfers (from one bank to another), which may vary if the transaction is deferred or immediate.

11. Within this framework, the *Yape* and *Plin* wallets manage significant flows of payment data on a daily basis, which has made it easier for them to identify the needs of their users in order to develop customized financial service offerings. However, other digital wallets, such as those of Fintechs or smaller financial entities, do not have the same capacity to compete because they have not reached the same level of development. Although the BCRP has promoted the interoperability of the different means of payment, including digital wallets, the fact is that *Yape* and *Plin* are consolidating in the Peruvian market.

3. Competition enforcement and advocacy actions

12. To date, there have been no cases of investigation for anticompetitive behavior, nor has any merger transaction involving agents in the mobile payment market been reviewed. However, the BCRP is frequently in communication with Indecopi, within the framework of its work as payment systems authority, to discuss areas of collaboration to promote competition in such system, as is the case of the experience in the market study of card payment services.

13. In the field of competition advocacy, Indecopi prepared a market study on Fintech companies¹² in 2023, which included an analysis on the competitive dynamics of payments and transfers. The BCRP's payment systems area and the market conduct area of the

¹⁰ For example, *Yape* allows its users to invest in mutual funds managed by Credicorp's Mutual Fund Management Companies, the economic group to which this digital wallet belongs. Through an option that links to this group's Tyba investment application. *Yape* also offers access to financial information, courses, reports and market analysis (educatyba).

¹¹ As of May 2024, *Yape* began charging 2.95% fees to merchants affiliated under *Yape Empresa*. Meanwhile, the banks' other payment solution, *Plin*, maintains its no-fee policy for any type of user.

¹² Indecopi. (2023). Estudio de Mercado del sector Fintech en el Perú (Market Study of the Fintech Sector in Peru). Final report. Available in Spanish at: <https://www.gob.pe/es/i/5476585>

Superintendency of Banking, Insurance and Private Pension Administrators (SBS) actively participated in this study, providing information on an ongoing basis during the preparation of the document.

14. As a result of this study, aspects were identified that could limit competition in this market related to the low number of companies licensed to issue electronic money and the lack of access of Fintechs to the Electronic Clearing House¹³ (ECH).

15. In this regard, it was recommended that the BCRP evaluate the participation of non-bank financial service providers in the exchange and clearing services offered by the ECH, through an indirect access mechanism. In this regard, the BCRP allowed limited access to Electronic Money Institutions (EMI) to ECH services, but also to the participation of other payment service providers, such as Fintechs, as long as this does not compromise the security and operational efficiency of the ECH¹⁴.

16. As a result of this measure, EMIs and Fintech companies have entered the real-time interoperable payments ecosystem. Both types of agents have even formed partnerships, where EMIs provide their licenses to Fintech companies under Fintech as a Service (FaaS) scheme. Thus, EMIs have developed a line of business that allows other Fintechs to leverage their platforms by offering immediate and interoperable payments. As of December 2024, two EMI's have indirect participation¹⁵ in the ECH, allowing them to integrate the Fintech wallets *Prexpe* and *Global 66* to the ECH immediate transfers, becoming the first interoperable non-bank digital wallets in Peru¹⁶.

4. Pro-competitive regulation

17. As mentioned above, banks implemented their own digital wallets to facilitate payments by their customers in stores, either in person or virtually. However, these wallets were not interoperable and did not allow transactions between customers of different financial institutions; a similar situation existed with payment cards, which generated inefficiencies and limited the development of digital payments. Therefore, during 2023, the BCRP began the process of interoperability of non-cash means of payment¹⁷. This process contemplates 4 phases of progressive implementation (Figure 2) that has contributed to the growth of digital payments, for example, by 2022 the number of digital payments per

¹³ It is a private company that offers an infrastructure that allows clearing interbank payments in a secure and efficient manner. It facilitates interoperability among its participants, which include banks, financial companies, municipal savings banks, cooperatives, e-money issuers and authorized Fintech companies.

¹⁴ Circular No. 0010-2023-BCRP.

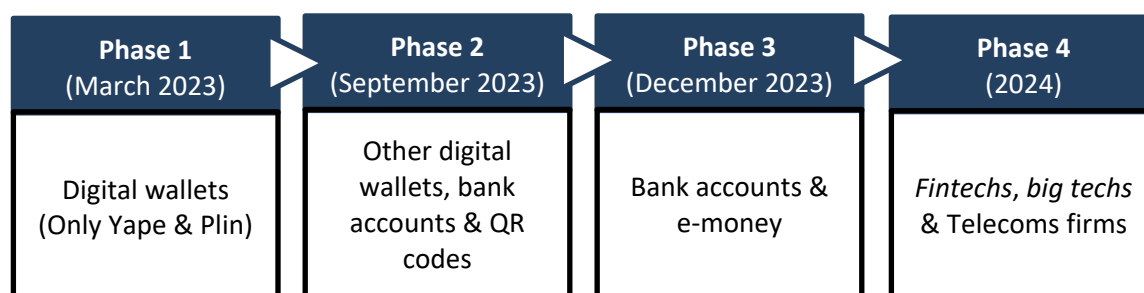
¹⁵ The Indirect Participant is affiliated with the Direct Participant, and they are distinct legal entities. The Direct Participant is the one who has the connection with the ECH, so the Indirect Participant sends its instructions through it. For further detail, see: Circular No. 0021-2024-BCRP. Annex 2. Available in Spanish at: <https://www.bcrp.gob.pe/docs/Transparencia/Normas-Legales/Circulares/2024/circular-0021-2024-bcrp-anexo.pdf>.

¹⁶ BCRP (2025). Reporte del Sistema Nacional de Pagos y del Sector Fintech en Perú (Report on the National Payments System and the Fintech Sector in Peru). Available in Spanish at: <https://www.bcrp.gob.pe/docs/sistema-de-pagos/reportes/2025/informe-sistema-de-pagos-y-fintech-2025-1.pdf>

¹⁷ Circular No. 0013-2023-BCRP and Resolution 0024-2022-BCRP.

person was 151 and by 2024 it reached 442. This growth is due to the exponential increase in low-value payment transactions, especially through digital wallets.

Figure 2. Retail Payments Interoperability Strategy in Peru



Source: BCRP

18. Additionally, since mid-2024, the BCRP has been working with the different actors of the payment ecosystem, including providers, Fintech and banks, and with the participation of the banking regulator and Indecopi, in the process of implementing *Open Payment*, through working groups that allow the involvement of the different participants in the development of the payment initiation scheme that the BCRP expects to promote. These spaces for dialogue and learning have generated valuable inputs that will contribute to the development of a regulatory framework for this new financial service that is about to be implemented in the country.

19. Also, in June 2024, the BCRP and the National Payments Corporation of India (NPCI) signed an agreement to implement in Peru a retail payments platform similar to the Unified Payments Interface (UPI) operating in India. This new platform will complement existing payment infrastructures, allowing users to link multiple bank accounts in their mobile applications and make real-time payments via mobile number, QR codes or virtual payment addresses. This initiative aims to promote greater access, security, redundancy and efficiency, as well as facilitate the introduction of new use cases in digital payments.

20. In the same vein, the BCRP issued Circular No. 0011-2024-BCRP to boost access to digital payments among the unbanked, whose access has not grown at the same rate as the banked population. In this context, the BCRP is evaluating the usefulness of a central bank digital currency (CBDC) to encourage digital payments among the cash-only and internet-less population¹⁸, considering its pilot with the telecommunication company Bitel as a distributor. Between October 2024 and February 2025, Bitel's *BiPay* wallet pilot reached 67,000 active users and 91,000 daily transactions, with a BCRP CBDC balance of PEN 4.2 million (USD 1.1 million).

21. Finally, it should be noted that Indecopi, in its role as competition authority, recognizes both the opportunities and challenges associated with the disruptive nature and massive adoption of mobile payments in Peru. In this sense, it considers it essential to monitor the implications that these services generate on the competitive dynamics in the

¹⁸ The Bipay pilot enables payments via Unstructured Supplementary Service Data (USSD) text messages for users without smartphones or internet. The results will evaluate the CBDC's potential to complement cash in areas with low financial inclusion and to develop a payment ecosystem. More details in Spanish at: <https://www.bcrp.gob.pe/sistema-de-pagos/proyecto-cbdc/pilotos-de-innovacion-de-dinero-digital.html>.

Peruvian market, in order to timely identify aspects that could limit or distort competition and take the necessary measures to promote or restore it.