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Competition in Mobile Payment Services – Note by Italy

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Introduction

1. The financial services industry in Italy continues its consolidation trend to expedite scaling up, triggered by national and EU regulatory innovations. However, despite the entry of some non-bank competitors, a fully realised new industry structure has yet to materialise. The competitive dynamics remain largely shaped by the strategies implemented by traditional banking operators in response to the ongoing digitalisation of payment services.

2. In order to pave the way to the emergence of new services, alternative payment methods, and innovative business models (e.g., the evolution of bank-customer relationships), the *Autorità Garante della Concorrenza e del Mercato* (hereinafter, the Authority) has actively addressed competitive risks in the financial services industry—particularly within payment service markets—by adopting a holistic approach aimed at ensuring a level playing field.

3. To assess how the growing innovation in banking offerings affects market definition, the Authority conducted surveys on consumer preferences while reviewing several merger cases that occurred between 2018 and 2020.¹ The main takeaways from these studies indicate that, in Italy, digital payment services are still perceived as complementary to traditional banking services, with proximity services and vertical integration continuing to play a key role in shaping competitive dynamics in the financial services industry. Digital payment services still rely on traditional banking infrastructures, including payment card networks, to offer customers a seamless payment processing experience.

4. From a product market perspective, the investigations did not provide sufficient evidence to further segment the relevant markets for payment services, particularly with regard to distinguishing mobile payments markets at both wholesale and retail levels. On the other hand, with regard to the geographical dimensions of the markets, the Authority has expanded its traditional decision-making approach, which was previously based solely on assessing the impact of structural changes at local level. Currently, for post-merger market shares higher than 25% at local level, the Authority conducts an in-depth analysis during Phase II within the appropriate catchment areas, as well as at national level.²

5. This was the case with the recent merger by incorporation of SIA by Nexi, a major mobile payment service provider operating at both national and EU levels.³ The merger confirms the ongoing consolidation trend in the payment services industry and the

¹ See C12138 (Cassa Centrale Raiffeisen Dell’alto Adige/Gruppo Bancario Cooperativo Delle Casse Raiffeisen, 2018), C12231 (Bper Banca/Unipol Banca, 2019) and C12287 (Intesa Sanpaolo/Ubi Banca-Unione di Banche Italiane, 2020).

² See Case C12710 – BPER Banca/Banca Popolare di Sondrio (2025) and also case C12287 Intesa Sanpaolo and UBI (2020). The analytical framework combines the assessment of collective market shares exceeding the 25% threshold with the application of the following criteria: (i) a Herfindahl-Hirschman Index (HHI) equal to or greater than 1,000; or an HHI between 1,000 and 2,000 accompanied by a variation (delta) of at least 250; or an HHI above 2,000 with a delta below 150; and (ii) a difference of at least 10 percentage points between the collective market share and that of the next largest competitor.

³ See C12373 - Nexi/SIA (2021).

increasing competitive pressure in digital payments, that is likely to emerge also from non-national operators. Specifically, in light of the expected regulatory and structural changes likely to materialise in Italy in the near future, capable of exercising an effective competitive constraint on the post-merger entity, the Authority issued a commitment decision. The behavioural and structural measures imposed on Nexi include: i) Nexi's waiver of exclusivity in its contracts with a competitor (equensWorldline), specifically regarding domestic processing and non-SEPA clearing services; ii) Nexi and SIA being required to prepare a non-discriminatory, clear, and transparent offer for acquiring processing and issuing processing of domestic cards until the new Bancomat platform becomes operational; iii) Nexi and SIA preparing a clear and transparent offer for the clearing of non-SEPA products for a period of three years; iv) the sale of non-SEPA clearing contracts currently held by Nexi with client banks. According to the Authority, these measures were likely to address the specific competitive concerns raised by the merger while ensuring that potential new entrants could compete effectively and preventing discrimination. This example illustrates the trade-off that the Authority evaluated between the short-term impact of the merger — namely, the strengthening of the dominant position post-merger — and the expected long-term changes in market dynamics, driven by the entry of new competitors, regulatory shifts, and technological advancements.

6. In the area of competition enforcement, the Authority has carried out traditional antitrust investigations concerning coordinated practices involving interchange multi-fee or commission fee arrangements in debit and credit card transactions. Such forms of price-fixing may primarily affect the most vulnerable segments of the population, particularly individuals with limited digital literacy. A notable example is the assessment of a proposed alternative remuneration scheme for circular withdrawals, which, according to the Authority, raised significant competitive concerns with respect to fee levels and incentives for collusion. Moreover, the scheme failed to satisfy the conditions required for an individual exemption, as it did not guarantee a fair distribution of benefits to consumers and raised additional concerns regarding cost transparency.⁴

7. The Authority has recently addressed emerging competition concerns related to barriers to entry in the market for alternative payment methods, with a particular focus on contactless payments, in order to safeguard a level playing field in the digital payments sector. In 2022, the Authority made binding a set of commitments proposed by Mastercard to resolve antitrust concerns associated with the use of digital wallet payments.⁵ Specifically, Mastercard agreed to remove technical restrictions on the card payment process at point-of-sale (POS) terminals and mobile device operating systems that were deemed likely to produce exclusionary effects detrimental to competition. Notably, the persistence of such technical constraints would have hindered the Bancomat Consortium—the domestic debit card withdrawal and payment network—from entering into agreements with digital wallet providers, thereby reinforcing market barriers.

8. A significant source of disruption in the payments sector stems from the entry of Big Tech firms into the financial services value chain. The integration of payment services within broader non-financial digital ecosystems is fostering innovation, while raising competition concerns. These include risks of market consolidation and the raising of entry barriers for competitors, particularly due to the data-driven competitive advantages leveraged by dominant digital platforms. In 2023, the Authority concluded an investigation into Google over alleged restrictions on data interoperability, highlighting the growing

⁴ See case I849 Bancomat (2022). See also cases I773D- Consorzio Bancomat-commissioni - bill payments (2018) and I794 ABI/SEDA (2017).

⁵ See case A548 – Bancomat/Mandato Mastercard (2022).

importance of data-related competition issues.⁶ The Authority remains committed to closely monitoring the conduct of major technology firms as they expand their presence in the payment services sector.

9. The Authority took competition advocacy actions aimed at removing unnecessary restrictions on the use of the PagoPA platform for making payments to public administrations and entities managing public utility services. Using PagoPA, private individuals can pay duties, taxes, utility bills, fees, stamp duties, fines, license fees, and any other type of payment to central and local Public Administrations (such as school services). In 2020, to safeguard competitive neutrality among payment methods and intermediaries, the Authority advocated for clarifications to address the improper limitation of payment options within the PagoPA system.⁷ In 2024, the Authority raised concerns that changes in the corporate control of PagoPA—due to the vertically integrated nature of the potential acquirer—could undermine the platform’s competitive neutrality. It advocated for safeguards to ensure non-discrimination, equal treatment of all payment service providers, and the protection against misuse of commercial information.⁸ In addition, in 2023, the Authority issued an opinion—at the request of the Ministry of Economy and Finance—on a Memorandum of Understanding aimed at promoting the use of digital payments for low-value transactions, which yielded positive results.⁹ For merchants, the Memorandum sought to enhance transparency regarding the economic conditions applied to digital payments, improve the comparability of related costs, and reduce the impact of transaction fees—potentially resulting in significant savings. This, in turn, encouraged the broader adoption of digital payment methods, ultimately benefiting end consumers.

10. In addition, the Authority continues to collaborate with supervisory bodies to promote pro-competitive regulation in payment services. As a permanent member of the FinTech Committee, it supports innovation and competition, and through its role in the regulatory sandbox, it may advocate for removing unnecessary entry barriers for non-bank innovators to improve customer experience.¹⁰

⁶ See case A552 – Google - Ostacoli alla portabilità dei dati (2023).

⁷ See Advocacy Opinion AS1706 Comune Di Faenza (Ra) – Provisions on payment methods to public administrations (Bulletin No. 44/2020). Further ‘Guidelines for making payments to public administrations and public service providers’ issued by the Digital Italy Agency (Agenzia per l’Italia Digitale) for clarifications on payments to public administrations (2022).

⁸ See the Annual Competition Law converting into Law Decree No. 19/2024 on ‘Further Urgent Provisions the Implementation of the National Recovery and Resilience Plan’ and the Authority’s 2024 Hearing to the Chamber of Deputies – V Committee (Budget, Treasury and Planning).

⁹ See Advocacy Opinion AS4714 (2023) on a Draft Memorandum of Understanding on the mitigation, enhanced clarity, and comparability of the costs associated with the acceptance of electronic payment instruments between the Fipe-Confcommercio (FIPE - Italian Federation of Merchants) and the Italian Association of Payment Service Providers (ABI and APSP) promoted by Ministry of Economy and Finance.

¹⁰ The functioning and the duties of the FinTech Committee, established in 2018, are regulated by Ministerial Decree No. 100/2021, which was established by Decree-Law No. 34/2019 (the so-called “Crescita” Decree). Under the Law, the Committee shall have the followings tasks: observe and monitor the evolution of FinTech at national, European and international level in order to identify goals, define programs and put in place actions to promote FinTech development; facilitate contacts between sector operators and institutions and authorities; encourage discussions about areas of potential risks; promote and coordinate collaboration and information exchange activities with the relevant foreign institutions; carry out activities regarding FinTech experimentation within an ad hoc regulatory sandbox.

11. To address consumers' financial and digital vulnerabilities, the Authority can complement its competition powers with consumer protection enforcement. By focusing on the demand side, the Authority aims to empower consumers to make informed choices and mitigate lock-in effects arising from information asymmetries and behavioural biases. This approach was reflected in the *interim* measures adopted in 2023 against a major bank whose customer retention strategy—implemented through a large-scale account transfer to its own online bank—risked undermining consumer choice and indirectly threatened to distort competition by restricting market entry due to consumer retention.¹¹

12. Lastly, to support the European Union's broader goal of establishing a unified and non-discriminatory payment system that ensures fair, transparent, and equal conditions across all financial instruments for the benefit of consumers, the Authority continues to exercise its oversight powers to monitor compliance with the non-surcharge rule in Italy, particularly in online digital payments.¹²

13. This contribution is structured as follows. Sections 1 and 2 present the Authority's key decision-making practices in the payment services market, focusing on merger review and antitrust enforcement. Section 3 examines the Authority's competition advocacy initiatives. Finally, Section 4 outlines additional interventions aimed at fostering a pro-competitive environment and addressing demand-side vulnerabilities in digital payments.

1. The Italian experience in merger review in payments markets

14. In the last decade, the Italian payment industry has undergone a process of restructuring and consolidation. The supply-side structure has evolved from a highly fragmented system with numerous banks into an oligopoly, which is characterised by complex vertical relationships.¹³ These changes appear to be primarily driven by national factors aimed at improving operational efficiency through economies of scale¹⁴, along with shifts in market dynamics, the emergence of new players and the advancements in digital and financial technologies, influenced by EU-level financial regulatory reforms.¹⁵

¹¹ PS12660 - Intesa Sanpaolo/Isybank – Trasferimento Conti Correnti (2023).

¹² See the Authority's Annual Reports (2024 and 2023).

¹³ According to the latest data available, Italy counts a total of approximately 50 banking groups and more than a hundred individual banks not affiliated with any group, alongside numerous branches of foreign banks. Twelve of these groups account for approximately 80% of the system's total assets and activities. Among them, two major groups—Intesa Sanpaolo and UniCredit—operate nationwide and have branches abroad, playing a significant role also at European level. Additionally, 7–8 mid-sized groups operate across several, though not all, Italian regions, remaining within national borders. As at December 31, 2024, there were 19,656 bank branches operating in Italy, with 52% belonging to the largest banking groups. See case C12287 (2020), Bank of Italy's Annual Report (2019) and Bank of Italy's Banks and Financial Institutions: Territorial Breakdown (2024).

¹⁴ At national level, in 2016, cooperative banks were affected by an important law reform. Pursuant to Law No. 49/2016 it is now mandatory for all national cooperative banks to join a cooperative banking group or to establish mutual banking groups. The aim was to achieve economies of scale, while preserving the distinctive features of local cooperative banks.

¹⁵ The main legal acts in the area of digital payments in the European MS are the Payment Services Directive (PSD as amended by Directive EU 2015/2366), the Single European Payments Area Regulation (SEPA Regulation EU 260/2012), the Cross-border Payments Regulation (CBPR2, as amended by Regulation EU 2021/1230) and the Interchange Fee Regulation (Regulation EU 2015/751). The revised Payment Services Directive (PSD2 2015) remains a cornerstone, in promoting secure and efficient cross-border digital payments and in providing for the freedoms of

Moreover, the structural transformations in the financial and payment sectors illustrate the strategic responses of traditional banking institutions in Italy to the emergence of innovative digital business models, aimed at preventing their marginalisation within the value distribution chain.

15. In the Authority's view, contestable markets can foster digital innovation and technology-driven business models, enabling new forms of competition to emerge in the payments sector.¹⁶ In this context, merger control can serve as an effective tool to address the evolution of market structure and its functioning, particularly in its early stages, with the aim of preserving a level playing field.

1.1. Implications of digitalisation on financial market definition

16. Between 2018 and 2020, in the context of several merger review cases, the Authority conducted surveys to assess whether digitalisation in financial markets—particularly in the payments sector—was driving changes on the demand or supply side that could justify a shift toward a more flexible and broader definition of relevant markets, especially within the framework of forward-looking merger control in a rapidly evolving environment.¹⁷

17. Surveys on consumer habits and preferences have revealed that digitalisation and related innovations are transforming the way consumers interact with financial products and services, with online payments on the rise. However, although digitalisation encouraged the emergence of alternative payment methods and intermediation services, the evidence on demand-side substitutability¹⁸ was not conclusive enough, at that stage, to justify further product market segmentation or opt for a different product market

establishment and service provision of payment service providers (PSPs). The PSD2 broadened the scope by including new types of payments services such as third-party payment initiation or account information, which introduced stricter security measures for digital payments and promoted greater transparency.

¹⁶ See the Authority's Annual Report (2023). See also Report on Fintech Survey in the Italian Financial System (Bank of Italy, 2024) according to which the most recurrent innovations concerned instant payments and the integration of payment instruments into digital wallets. With regard to technologies, the report highlights that about half of the projects are based on: web and mobile platforms (20.5%), artificial intelligence or AI (16.5%) and Application Programming Interfaces or APIs (14.9%). Although the adoption of digital technologies remains limited and polarised, the growth of electronic payments may also stimulate the development of new PSD2-related payments methods. See also Competition and Payment Services (Bank of Italy, 2022).

¹⁷ See C12138 (Cassa Centrale Raiffeisen Dell'alto Adige/Gruppo Bancario Cooperativo Delle Casse Raiffeisen, 2018), C12231 (Bper Banca/Unipol Banca, 2019) and C12287 (Intesa Sanpaolo/Ubi Banca-Unione di Banche Italiane, 2020).

¹⁸ Specifically, in its proceedings the Authority considers the competitive constraints by online banks to retail payment products and services offered by traditional banking players. The Authority defines online banks as financial institutions operating totally or almost without a physical branch network.

definition.¹⁹ Within payment services markets²⁰, digital services are still largely seen, in Italy, as complementary to physical bank branches and proximity services, rather than direct substitutes. To process and settle payments, alternative payments methods, ultimately offered by non-bank operators (such as FinTech or Big tech) are still largely reliant, in Italy, on existing traditional banking infrastructure such as payment cards or retail payment systems. Furthermore, network effects and vertical integration within the supply chain continue to play a key role.²¹ In parallel, from a geographical standpoint, surveys have also indicated that retail financial services remain limited in scope, primarily influenced by local needs and conditions, which are tailored accordingly. Traditionally, retail payment markets have a provincial or regional scope.²²

18. Relevant markets are indeed defined only for the purposes of the competitive analysis of each case. Under the current Authority's decision-making practice, in order to account for the evolution of the competitive landscape in retail banking, for market shares exceeding 25% at local level, the initial structural screening in Phase I²³ is supplemented by a more detailed Phase II analysis, which focuses on assessing competitive conditions

¹⁹ According to the Authority's decision-making practice, the relevant markets in merger analyses of the banking and financial sector are generally the following: Retail banking, further segmented into: i) deposit services (current accounts); ii) savings accounts, securities account, transactional accounts; iii) lending services (personal loans, consumer loans, mortgages); iv) private banking services, mutual funds, pension funds and other investment products; and v) payments services markets. Financial products: further distinguishable into leasing and factoring. Insurance products for which a distinction is made between production and distribution markets. Corporate and investment banking.

²⁰ See among others, C12710 – BPER Banca/Banca Popolare di Sondrio in Bulletin No. 14/2025. Payment services market encompasses three distinct types of services: a) card issuing, b) merchant acquiring, and c) operational and IT processing. According to the Authority's practice, there are two types of card issuing services based on the type of payment instruments, with a distinction between credit and debit cards (including prepaid cards), corresponding to different product markets. However, more recently, the possibility of a single market encompassing all types of cards has remained open, given their substitutability from the supply side. See C12373 - Nexi/SIA (2021), Decision in Bulletin No. 41/2021.

²¹ See Legal Research Notebooks, Competition and Payment Services Conference Papers Bank of Italy (2022). The electrification process for retail payments has facilitated the vertical integration of the business value chain for payment services based on a top-down approach, from financial institutions to payees and payers. Vertical competition concerns may be related to Big Techs incentives to leverage the proprietary data stores derived from their non-financial-service operations to provide consumers with tailored financial offers, giving rise to ecosystems of integrated platforms.

²² See case C12287 Intesa Sanpaolo and UBI (2020) in which the investigation confirmed that for a given number of retail banking services, especially deposits and lending services to consumers and to small businesses, interests in personal loans banks operate policies on a local basis. Traditionally, the definition of the geographic market was deemed to correspond with administrative boundaries, such as those of provinces or regions.

²³ The analytical framework combines the assessment of collective market shares exceeding the 25% threshold with the application of the following criteria: (i) a Herfindahl-Hirschman Index (HHI) equal to or greater than 1,000; or an HHI between 1,000 and 2,000 accompanied by a variation (delta) of at least 250; or an HHI above 2,000 with a delta of less than 150; and (ii) a difference of at least 10 percentage points between the collective market share and that of the next largest competitor. See Case C12710 – BPER Banca/Banca Popolare di Sondrio (2025).

within clearly defined catchment areas.²⁴ In addition, the Authority assesses, on a case-by-case basis, the systemic and sector-specific impacts of mergers, including potential vertical effects related to the distribution stage, the vertically integrated structure of banks, and the scale of their branch networks at national level.

1.2. Forward-looking approach in merger control in evolving payment markets

19. The payments industry is characterised by rapid technological advancements, the emergence of new competitive constraints and changing consumer behaviour. Restrictions of competition can have varied effects across different consumer groups, owing to the multi-sided nature of payment markets. In its decisional practice, the Authority adopts a forward-looking approach, deemed essential for assessing the implications - on case by case analysis - of mergers within this dynamic environment.

20. In a case reviewed in 2020, the Authority supplemented its competition assessment of post-merger effects at local level by broadening the geographical scope of the relevant markets.²⁵ This approach incorporated factors such as the homogeneity of supply conditions, the scope for innovation, and the likely counterfactual scenario at national level. The investigation identified several concerns, notably the geographical coverage of the parties' networks, the breadth of products offered upstream, the vertical integration model of the acquirer (in asset management), and the dynamics of distribution. Within this context, the Authority examined whether the merger could have a systemic impact by eliminating a competitor capable of exerting significant competitive pressure, particularly in the market for personal current accounts, and whether the merged entity would likely consolidate its market position in the near future. The investigation, however, did not conclusively establish the target company's potential role as a *maverick*. Consequently, the merger was conditionally approved, subject to the divestiture of several branches.

21. Similarly, in 2021, during the review of an acquisition by a dominant Italian operator in the digital payments sector—an entity with the potential to compete within the European PayTech industry—the Authority expanded its traditional analytical framework. It assessed the prospective impact of the transaction within a likely future competitive landscape shaped by the emergence of disruptive business models.²⁶ In particular, the Authority evaluated the merger with regard to potential constraints on market power in the post-transaction environment, considering the possible entry or expansion of non-bank competitors, such as FinTech firms.²⁷

²⁴ The Authority considers catchment area analysis to be particularly useful in merger retail analysis in providing an insight into the willingness of consumers to travel to purchase products or services.

²⁵ See C12287 - Intesa Sanpaolo (ISP)/UBI. The transaction was duly notified after a hostile takeover bid launched on the whole equity share capital of the target company in the form of a share exchange public offer.

²⁶ See C12373 - Nexi/SIA in Bulletin No. 41/2021. The rationale behind the transaction was to expand the operational scale of the incumbent's merchant acquiring activities and services while accelerating the development of advanced and innovative services for customers. This merger followed Nexi's acquisition of Nets in 2021, reinforcing its position in the European PayTech context. Additionally, in 2020, Nexi completed the acquisition of the merchant acquiring business of Intesa Sanpaolo S.p.A., further strengthening its market presence.

²⁷ The transaction covered a range of digital payment activities, including: merchant acquiring services, which enable businesses to accept credit and debit card payments; payment processing, encompassing the technology and infrastructure provided by acquirers to support various payment methods such as online payment gateways and point-of-sale (POS) terminals; payment card

22. Within the payment services markets, the investigation confirmed the existence of elements justifying a distinction between the wholesale and retail merchant acquiring markets. However, no sufficient evidence emerged to support a further segmentation of the market with respect to the provision of point-of-sale (POS) terminals and related services, whether physical or virtual. These conclusions are underpinned by considerations regarding both supply and demand conditions: on the supply side, merchant acquirers typically offer services covering all types of payment cards and transactions, including virtual payments; on the demand side, merchant retailers increasingly seek acquiring services encompassing a broad range of card types and transaction channels, including online and mobile payments.²⁸ The relevant geographic markets were found to be at least national in scope.²⁹

23. Initial competition concerns were identified in the domestic payment card processing market—particularly with respect to the Bancomat circuit, the interbank network most widely used for debit card payments and cash withdrawals in Italy³⁰—and in the market for the clearing of non-SEPA products. In both cases, the dominance test was met at national level.

24. The Authority recognised that, over time, the relevant markets could expand to reflect a broader, supranational dimension of competition, thereby reshaping the existing landscape. This evolution was expected to involve the emergence of new payment systems³¹ and the entry of significant competitors, particularly within the segment of non-SEPA clearing services.³² Transnational operators, offering vertically integrated services underpinned by advanced technological capabilities, were identified as potential alternatives for domestic clients of the merged entity. Accordingly, the Authority concluded that any *ex post* strengthening of market power would likely be mitigated in the near term by growing competitive pressures. Furthermore, the Authority deemed it

issuance; retail payment clearing; interbank data transmission; and the provision and maintenance of cash withdrawal services (ATMs).

²⁸ In the decision, the Authority acknowledged that, with reference to the Italian market, the European Commission identified three distinct markets within the sector: (i) the wholesale merchant acquiring market, (ii) the retail merchant acquiring market, and (iii) the POS service provision market. However, regarding the latter, the Commission left the market definition open, as it found no conclusive evidence to support a market separate from acquiring services. See: Commission 2021 Decision, Case M.9759 – Nexi/Intesa Sanpaolo (Merchant acquiring business), Commission 2020 Decision, Case M.9776 – Worldline/Ingenico and Commission 2021 Decision, Case M.10075 – Nexi/Nets.

²⁹ C12373 - Nexi/SIA 2021. From a geographical standpoint, the wholesale merchant acquiring market has a supranational scope, corresponding to the EEA. While the retail merchant acquiring market is national in scope. See also C12710 BPER Banca / Banca Popolare di Sondrio (2025, opening of proceedings) in which the Authority confirmed its conclusions reached in a previous decision.

³⁰ In its investigation, the Authority concluded that the market for processing services for payment cards within the domestic Bancomat circuit is distinct from the market for processing services for international payment cards, due to specific peculiarities affecting processing activities in the former. However, the Authority also acknowledged that the functioning of the Bancomat circuit is expected to undergo significant revision, leading to substantial changes in processing activities.

³¹ The Authority acknowledged that, in the near future, processors would be permitted to provide these processing services without requiring prior authorisation from the national banking regulator (Bank of Italy).

³² The investigation found that, as of January 2022, a new competitor—EquensWorldline—was expected to enter the market, having obtained an operating license from the banking regulator (Bank of Italy).

plausible that the transaction could generate economic efficiencies, ultimately producing consumer benefits.³³ In light of the expected continued evolution of the Italian payment services markets, the merger was conditionally approved, subject to the implementation of specific commitments (see Box 1, below).

Box 1. The Nexi / SIA merger

Nexi S.p.A. (“Nexi”) is a key player in the digital payments sector in Italy, particularly involved in merchant services and solutions, card and digital payments, as well as digital banking solutions. SIA S.p.A. (“SIA”) is a global operator specialising in the design, implementation, and management of infrastructure and technological services for financial institutions, central banks, private companies, and public entities, with a strong presence in the payment services sector.

According to the Authority’s preliminary assessment, the merger between Nexi and SIA was likely to create or strengthen a dominant position for the post-merger entity in the domestic markets for Bancomat Circuit card processing and for the clearing of non-SEPA products (i.e., those outside the Single Euro Payments Area).³⁴ The Bancomat Circuit, including POS and withdrawal services (such as ATMs), is the most widely used interbank network for debit card payments and cash withdrawals in Italy. Within this card processing market, the combined entity would hold a significant market share of approximately 70–75%. In the clearing of non-SEPA products, the merging parties would reach an almost monopolistic position, with estimated market shares of 90–95%.

Furthermore, the Authority expressed concerns regarding an exclusivity agreement between Nexi and equensWorldline, a technological platform scheduled to commence processing operations in 2022. The Authority deemed the agreement—which defined the commercial terms for processing services offered to Nexi’s clients—capable of creating a barrier to entry, potentially limiting market access for new entrants.

The Authority also examined potential vertical anticompetitive effects, particularly in light of the fact that processing services—especially those related to the Bancomat circuit for POS and ATM transactions—constitute essential inputs for merchant acquiring activities. Concerns were raised regarding possible barriers to access for competing providers, particularly in the retail acquiring segment.

³³ See Decision C12373 - NEXI/SIA (2021) points 248-254 (Efficiencies resulting from the operation). In this regard, according to the Banking Regulator (Bank of Italy) which has concurrent powers to review the merger under its supervisory activities, the transaction was also authorised with “evaluations (...) that took into consideration the efficiency improvements expected as a result of the integration [...]it is expected that the merger will give rise to (...) possible gains in terms of rationalisation and exploitation of economies of scale”.

³⁴ Conversely, the Authority identified several relevant product markets in which, despite the overlap in the activities of the merging parties, no significant issues were identified. This is the case with the market for wholesale merchant acquiring services; the market for the issuing of payment cards; the market for the processing services of the cards of international circuits; the market for the services for the production and personalisation of smart payment cards; the market for the provision of clearing services for SEPA products; the market for interbank data transmission services; the market for ATM services; and the market for digital corporate banking services; the market for retail merchant acquiring services due to the marginal position of the target (SIA enjoyed a market share of only 1% and the merged entity would face fierce competition).

The approval of Nexi's acquisition of SIA was made conditional upon the implementation of a set of behavioural and structural remedies aimed at addressing the competition concerns identified by the Authority. In particular, the Termination of the Exclusivity Agreement. The merging parties committed to terminating the exclusivity agreement between Nexi and equensWorldline. This measure was intended to enable the technological platform to compete in the provision of services to banks, thereby enhancing competition in the market. Transparent Offer for Processing Services: The parties undertook to provide a clear and transparent offer for their Bancomat circuit payment card processing services—including both merchant acquiring and issuing processing activities—for a period of three years. This commitment aimed to prevent discriminatory practices and mitigate potential anticompetitive vertical effects. Transfer of Non-SEPA Product Clearing Contracts: As a structural remedy, the parties agreed to transfer to third parties the contracts for the clearing of non-SEPA products previously concluded with their client banks. This measure was considered necessary to address uncertainty related to the future phase-out of non-SEPA products and to ensure that competing operators could access these essential clearing services.

The set of commitments was deemed sufficient to address the competition concerns and to ensure that the transaction would not adversely affect the competitive dynamics of the relevant markets, particularly in the areas of card processing and clearing services. The termination of the exclusivity agreement would enable the new competing platform (equensWorldline) to effectively enter the market and compete on a commercial level, offering its services to contestable banks. With respect to the acquiring processing of domestic cards to banks engaged in merchant acquiring activities, the other remedies would provide effective safeguards against discriminatory practices and related vertical issues until the new Bancomat platform becomes operational. Lastly, with respect to non-SEPA clearing services to client banks, the combination of structural and behavioural remedies would allow the transfer of non-SEPA clearing contracts currently held by Nexi with client banks, subject to their consent to change providers. This was deemed sufficient also in light of the gradual discontinuation in the use of products covered by non-SEPA clearing services or their replacement by alternative payment methods (such as PagoPA).³⁵

25. This case exemplifies a balanced approach that promotes pro-competitive outcomes and fosters innovation, insofar as it ensures that entrants could compete effectively on a commercial basis, while also providing safeguards against discriminatory practices. The behavioural and structural remedies imposed by the Authority were deemed adequate to mitigate potential adverse effects on market competition, thus ensuring that markets remain open and operate on a level playing field. The decision provides a clear illustration of the temporal framework within which the Authority evaluates the competitive effects of mergers under review. It highlights the inherent trade-off between the likely short-term consequences of the merger and the expected longer-term transformations in market dynamics driven by the entry of new competitors, as well as by regulatory and technological developments. Although these factors are expected to intensify competition, the precise timing of their realisation remains uncertain.

26. In the context of the structural changes impacting payment system markets in Italy, the Authority reviewed the strategic agreement between Nexi and BPER, which allows the bank to enhance its services through Nexi's technological capabilities, while enabling the FinTech firm to expand its presence in the merchant acquiring segment, including POS

³⁵ For example, products such as MAV, RAV, and the direct tax payment forms.

management, without raising competition concerns.³⁶ This case outlines the strategic response of traditional banking institutions in Italy to adapt to and engage with the evolution of the payments sector. Such responses may involve a range of complementary strategies aimed at internalising functions historically provided by emerging non-bank players, including forming partnerships or cooperation agreements with FinTech firms to generate synergies and integrate innovative digital solutions into their service offerings.³⁷

2. The Italian experience in antitrust enforcement in payments markets

2.1. Traditional antitrust interventions in financial markets

27. In the payment systems sector, where numerous markets function as multi-sided platforms, anti-competitive arrangements and behaviours may affect various participants across different markets, including consumers, merchants, and banks. As evidenced by several national-level antitrust cases, investigations into remuneration schemes, such as multilateral interchange fees (MIFs), concerted bilaterally or multilaterally by domestic card schemes, have historically been a central focus of antitrust enforcement. Despite the inherently restrictive nature of such price-fixing agreements, coordination for the operation of payment systems has typically been addressed through exemptions.³⁸

28. Following the adoption of the 2015 MIF Regulation at EU level—which introduced caps on certain interchange fees for credit card transactions in line with the merchant indifference test—the Authority has continued to address emerging competition concerns and ensure alignment with EU principles in the determination of interbank commission fees.³⁹ One such intervention occurred in 2018, when the Authority made binding a set of commitments to reduce the interbank commission fees applied to PagoBancomat debit card bill and slip payments.⁴⁰

29. Furthermore, the Authority initiated investigations into alternative remuneration systems to interchange fees that could potentially constitute an antitrust infringement, insofar as they might amount to a concerted practice among banks, falling within the scope of the prohibition of restrictive agreements under competition law. In 2022, the Authority

³⁶ See Case C12502 - Nexi/Ramo di azienda BPER Banca (2023). Another case of consolidation in the acquiring services markets is the merger C12671 – Numia /BCC POS (2024).

³⁷ In early 2025, Bancomat announced it would enter into an agreement to acquire a controlling stake in FlowPay, a fintech specialising in open banking and digital payment solutions.

³⁸ Multilateral interchange fees (MIFs) or alternative remuneration schemes are intrinsically tied to card payments. Under Article 101(3) TFEU (and the equivalent Section 2 of the Italian Competition and Market Protection Act, i.e., Law No. 287/90) an individual exemption can be granted for agreements between companies that restrict competition if they meet certain conditions. These conditions require the agreement to contribute to improving production or distribution, to promote technical or economic progress, and ensure consumers a fair share of the resulting benefits, while not imposing on such undertakings any unnecessary restrictions.

³⁹ See Regulation (EU) 2015/751 (Interchange Fee Regulation) which caps interchange fees for card-based payment transactions in the European Union. Specifically, it limits these fees to 0.2% of the transaction value for consumer debit cards and 0.3% for consumer credit cards. The merchant indifference test is based on a MIF level which ensures that merchants are on average indifferent as to whether customers use payment cards or cash to pay for their purchases. See competition-policy.ec.europa.eu/system/files/2021-10/faq_en.pdf (2015).

⁴⁰ See Case I773D- Consorzio Bancomat-commissioni - bill payments (2018).

concluded proceedings into a proposed agreement intended to modify the remuneration model for circular ATM withdrawals - those made at ATMs of banks other than one's own - within the Bancomat Consortium network.⁴¹ The proposal presented by the Bancomat Consortium sought to introduce a new model in which the bank processing the withdrawal would directly charge the cardholder a Direct Access Fee (DAF). Instead, under the existing remuneration system for circular withdrawals, the cardholder's bank (issuer) was required to pay an interbank commission (MIF - Multilateral Interchange Fee) to the bank that owned the withdrawal infrastructure (ATM acquirer); cardholders would then pay a withdrawal fee to their bank (issuer bank), in the amount determined by the bank. The Authority concluded that, if implemented, the agreement proposed by the Bancomat Consortium on the alternative remuneration scheme could establish a set of common rules likely to raise competitive concerns.⁴² Specifically, the Consortium's proposal to shift the fees for circular ATM withdrawals within the Bancomat network from banks to consumers would: significantly raise the average withdrawal fees imposed on users by member banks⁴³; distort competition among banks by eliminating their ability to compete on crucial factors, such as whether to charge withdrawal fees⁴⁴; and create stronger incentives for collusion among member banks due to the excessively high fee cap agreed upon, thereby reducing competitive pressure in the market. In addition, the Authority concluded that the proposal failed to meet the criteria for an individual exemption, as it would not ensure a fair distribution of benefits for consumers, while also raising concerns about transparency. The withdrawal fees would, indeed, only be disclosed at the ATM, leaving consumers unaware of the charges in advance.⁴⁵ This case, regarding card cost agreements, outlines the Authority's enforcement actions in safeguarding continued access to cash withdrawals, particularly for more vulnerable users.⁴⁶

⁴¹ See case I849 Bancomat (2022). The Bancomat Consortium is an Italian entity that manages the Bancomat and PagoBancomat payment networks, which are the most widely used debit card networks in Italy for withdrawals and payments. The Consortium is now a joint-stock company, BANCOMAT S.p.A.. The term "Bancomat" is often used generically to refer to any ATM, but the Bancomat network is one of the native Italian networks for withdrawals and payments with debit cards. The PagoBancomat network is an evolution of the Bancomat network that allows payments with debit cards, including digital payments.

⁴² The agreement was allegedly in violation of Article 101 TFEU. The Bancomat Consortium notified the proposed agreement seeking an individual exemption, in accordance with Section 4 of Competition and Market Protection Act.

⁴³ The investigation revealed that, if the proposal were to be implemented, up to 70% of circular withdrawals could have become more expensive, particularly given the disparity between the average cost of withdrawal incurred by banks (€0.80) and the agreed fee cap (€1.50).

⁴⁴ Under the current scheme the interbank commission is fixed and determined by the circuit (€0.49). While the withdrawal fee is decided by the issuing bank and varies considerably, from zero to a maximum of EUR 2.5, with an average of EUR 0.85.

⁴⁵ Furthermore, according to the Authority, Bancomat did not provide individual and detailed evidence that each of the four conditions set out in Article 101.3, which could have led to an exemption, had been met. In particular, the network operator did not demonstrate that there was a direct relationship between the decrease in ATMs and the current remuneration model and therefore that the new DAF model would result in increased efficiency.

⁴⁶ In Italy, cash continues to be the preferred payment method, particularly among more vulnerable consumers who traditionally depend on ATMs and bank branches to meet their financial needs. In a similar vein, another case, I794 ABI/SEDA (2017), involved an investigation by the Authority into the remuneration model implemented by the Italian Banking Association (ABI) and 11 national credit institutions for the Sepa Compliant Electronic Database Alignment (SEDA) service. This service, which is optional, is offered by the banking system to beneficiaries and creditors as part of

2.2. New antitrust challenges arising from technology-driven innovations in financial markets

30. The Authority has addressed emerging competition challenges related to barriers hindering the entry of new players in alternative payment methods, particularly in the area of contactless payments, with the aim at maintaining a level playing field in the digital payments sector.⁴⁷ In 2022, the Authority concluded its investigation into Mastercard's abuse of dominance by accepting and making binding the company's commitments related to digital wallet payments.⁴⁸ Mastercard was alleged to have engaged in exclusionary practices detrimental to competition by imposing technical restrictions on the card payment process at point-of-sale (POS) terminals and within mobile device operating systems.⁴⁹ These restrictions had the potential to particularly harm the Bancomat Consortium, Italy's native network for debit card withdrawals and payments, by preventing it from reaching agreements with digital wallet providers. As a result, this could have hindered or excluded the integration of the Bancomat network into digital wallets on major smartphone operating systems, a critical component of the payment ecosystem (See Box 2 below).

Box 2. A548 – Case No. A548 Mastercard: foreclosure of Bancomat payment cards from digital wallets

In October 2022, the Authority closed its investigation into Mastercard's 2021 Mandate, accepting and making binding the commitments presented by Mastercard Europe SA. The Mandate introduced a "double-tap" procedure, requiring contactless debit card payments with co-badged cards (i.e., cards featuring two payment networks, typically Bancomat and an international network like Visa or Mastercard) to be processed by tapping the card twice at the POS terminal. The procedure also applied to contactless transactions made through digital wallets. Ultimately, the Mandate prevented co-badged cards from making single-tap payments (i.e., payments requiring only one tap).

According to the Authority, Mastercard held a dominant position in the Italian debit card payment market. The preliminary assessment indicated that the implementation of Mastercard's double-tap procedure would raise several competition concerns. Specifically, the Authority found that Mastercard's conduct would create an entry barrier for other payment schemes, preventing co-badged cards from being used by retailers with point-of-sale (POS) terminals and from being enrolled in digital wallets on smartphones. This would negatively affect Bancomat's operations and potentially exclude its cards from digital wallets on smartphones that only support the single-tap procedure. Moreover, smartphone manufacturers would be discouraged from

the Sepa Direct Debit (SEPA DD) service, with the objective of replacing the previous direct interbank relationship (RID) service.

⁴⁷ The number of digital payment transactions in Italy increased by 20% in 2023 compared to the previous year. The increasing penetration of smartphones and internet connectivity in Italy is also facilitating the adoption of digital payments. See Bank of Italy Statistics of Payment Systems (2024), chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://formatresearch.com/wp-content/uploads/2024/10/statistiche_SDP_20241024.pdf

⁴⁸ Case No. A548 – Bancomat/Mandato Mastercard (2022).

⁴⁹ The focus is on the so-called co-badged cards, those cards that have two schemes, which are usually a national scheme and an international scheme. In Italy a large proportion of those cards use Mastercard as the international scheme.

introducing Bancomat cards into their digital wallets, opting instead to support only Mastercard's single-brand cards. More broadly, Mastercard's behaviour would discourage consumers from using co-badged debit cards, as the double-tap requirement makes payments more complex and less convenient.

Mastercard's alleged exclusionary conduct occurred at a critical juncture in the technological evolution of digital wallets, coinciding with significant growth in consumer use of digital wallets. The asymmetry created by the double-tap mandate likely affected the competitive dynamics of the market and could, in the long term, undermine Bancomat's position. Finally, the Authority concluded that the current regulatory framework did not justify the double-tap mandate, whereas the single-tap mode is fully aligned with relevant EU regulations, which guarantee the cardholder's ability to choose the payment circuit before each transaction.⁵⁰

In the course of the investigation, Mastercard suspended the application of the Mandate and later proposed commitments to remove its binding nature, as well as the associated penalties for failing to transition to the double-tap system. Additionally, the commitment package included compensation measures for operators who had already switched to the single-tap mode in the meantime.

31. The proceedings were particularly significant for several reasons. They highlight both the competitive risks and potential benefits arising from the intersection of payment system operations and technological innovation, such as the tokenisation of cards. As payment methods like smartphone-based transactions become increasingly important, the binding commitments made by Mastercard are expected to ensure that the configuration of POS systems for mobile payments is determined by market forces and competitive dynamics, rather than unilateral technological constraints. These commitments are expected to foster a transformative and positive shift in an industry that is highly receptive to innovation.⁵¹

32. Another major source of disruption in the sector is the rapid and large-scale entry of major digital players, commonly referred to as Big Tech. Digital wallets, instant payments and the integration of payment services into non-financial ecosystems are driving innovation. However, these developments may raise competition concerns from the consolidation and entrenchment of large digital platforms whose ecosystems are difficult for rivals to replicate.⁵² With regard to competition-related risks, the collection and use of

⁵⁰ Regulation (EU) 2015/7512 gives the co-badged cardholder the right to choose the brand to be used to make the payment transaction and provides the possibility for direct customers to choose their preferred brand, by means of automatic mechanisms in the POS terminals; cardholders must always be given the option to choose and to use their preferred brand over and above the merchant's express indication. With single-tap payments cardholders may declare their preference before the tap, otherwise the payment goes by default to the circuit that the merchant has pre-set at the POS; With double-tap payments, cardholders are specifically asked which circuit they prefer.

⁵¹ According to the ECB, non-cash payment instruments include payment cards, mobile wallets, credit transfers, direct debits. An ECB survey in 2019 showed that 90% of Italians possess at least one payment card, and 10% have access to mobile payments, while around 4% have access to cash only (ECB, 2020).

⁵² In an antitrust case against Amazon, a competitor highlighted that although it is abstractly possible to recreate a website with the same functions as a marketplace, in practice to reach a comparable scale (in terms of orders and turnover) a competitor would need to operate a website offering comparable services such as those of the platform, including the same delivery and return services

data may play a central role in reinforcing the competitive advantages enjoyed by large digital players. Data gathered by Big Tech companies through their core business activities may provide them with a significant advantage in the payments sector. Conversely, data collected through their payment services could be leveraged to enhance the attractiveness of their broader platforms, thereby further consolidating their market position. In 2023, the Authority concluded an investigation into Google concerning alleged restrictions on data interoperability.⁵³ The Authority concluded that, by restricting data sharing between its platform and other platforms, Google may have impeded the operations of Hoda's Weople app, an innovative Italian data investment bank.⁵⁴ In response, Google committed to significantly automating the data export procedure (Takeout) and to strengthening interoperability mechanisms within its ecosystem, thereby enabling third-party platforms and operators authorised by end users to access the relevant data more effectively. The Authority is dedicated to carefully supervising the conduct of major technology companies as they extend their influence within the payment services sector.

3. Competition advocacy actions

33. Competition advocacy is considered, together with enforcement, a core activity of the Italian Authority. Within the advocacy functions, those addressing laws and regulations aim at amending or removing unnecessary barriers to competition.

34. The legal framework in Italy mandates, since 2019, authorised payment service providers to exclusively use the PagoPA platform, which is a public-owned nationwide electronic payment infrastructure, for all payments to public administrations.⁵⁵ The operations of the digital payment system, PagoPA, were designed to ensure neutrality in the selection of payment methods and the intermediaries through which payments are processed. In 2020, the Authority observed that some administrations, including several major ones in terms of demographics, improperly restricted payment options on the PagoPA platform, excluding methods such as SEPA Direct Debit (i.e., IBAN clearance).⁵⁶ According to the Authority, these restrictions stemmed from a misinterpretation of the

and payment services, among others. Case I842 - Vendita prodotti Apple e Beats su Amazon Marketplace (2021).

⁵³ See case A552 – Google - Ostacoli alla portabilità dei dati (2023).

⁵⁴ Data portability is an instrument governed, inter alia, by Article 20 of the GDPR, which facilitates the circulation of data and thus provides alternative firms with the possibility of exerting competitive pressure on companies like Google, which manage ecosystems based on the availability of almost unlimited amounts of data, only functional to their own business model. Moreover, the right to portability, if accompanied by effective interoperability mechanisms, may enable users to obtain the maximum economic potential from the use of their personal data, including through alternative exploitation methods to those currently offered by the dominant operator.

⁵⁵ See Section 65 of Legislative Decree No. 217/2017 implementing Section 5 of Legislative Decree No. 82/2005. The electronic payment infrastructure PagoPA platform was created in 2016, in accordance with Section 5 of the Italian Digital Administration Code and Law Decree No. 179/2012. In 2018, Simplification Decree No. 135/2018 led to the establishment of a state-owned company to manage the platform. The company is actually playing a wider role in driving digital public services, including apps such as SEND, a 'digital notification service' to facilitate access to documents, and a National Digital Data Platform (PDND), to enable interoperability of public administrations' information systems and databases.

⁵⁶ See Advocacy Opinion AS1706 Comune Di Faenza (Ra) – Provisions on payment methods to public administrations (Bulletin No. 44/2020).

legislation, particularly the provisions concerning the identification of payment methods through the PagoPA platform. Consequently, clarifications were issued regarding the payment methods that public administrations are permitted to accept.⁵⁷

35. In 2024, the Authority once again utilised its advocacy powers in response to changes in the corporate control of PagoPA.⁵⁸ According to the Authority, these changes could potentially raise competition concerns, especially if the operation of the platform in areas such as payment system development and fee structures were to undermine its competitive neutrality, thereby influencing or distorting competitive dynamics within the market.⁵⁹ In addition, the Authority also advocated for measures to prevent the misuse of commercial information, ensuring compliance with the principles of non-discrimination, neutrality, and impartiality. According to the Authority, overall, those safeguards appear to be essential to guarantee equal treatment for all payment service providers (PSPs) operating within the PagoPA platform.

36. Additionally, in 2023, the Authority issued an opinion—at the request of the Ministry of Economy and Finance (MEF) — on a draft Memorandum of Understanding designed to mitigate, clarify, and improve the comparability of costs associated with accepting electronic payment instruments for low-value transactions, ranging from €10 to €30.⁶⁰ According to the Authority’s opinion, the Memorandum has yielded positive results in promoting digitalisation, modernisation, and competition in electronic payment services while avoiding competitive concerns in terms of information exchanges. The planned publication of a standardised summary of terms and conditions for digital payment use was deemed capable of preserving each acquirer’s full autonomy in setting transaction costs, as long as it does not disclose the specific fees applied to individual merchants. Instead, disclosures would be limited to promotional offers, expressed according to the overall cost indicator (ICC) adopted for payment accounts. This approach is expected to stimulate more dynamic competition, enabling merchants to benefit from a clearer *understanding* of the economic conditions applied. Improved cost comparability could lead to substantial

⁵⁷ See ‘Guidelines for making payments to public administrations and public service providers’ issued by the Digital Italy Agency (Agenzia per l’Italia Digitale) for clarifications on payments to public administrations (2022).

⁵⁸ See the Annual Competition Law converting into Law Decree No. 19/2024 on ‘Further Urgent Provisions the Implementation of the National Recovery and Resilience Plan’, which provided, inter alia, for the entry of the Istituto Poligrafico e Zecca dello Stato and Poste Italiane into the share capital of PagoPA. Authority’s 2024 Hearing to the Chamber of Deputies – V Committee (Budget, Treasury and Planning).

⁵⁹ The incumbent postal operator, Poste Italiane, is vertically integrated in the downstream market, providing corresponding payment services (including through Postepay/LISPay) and competing with other actors utilising the PagoPA platform. In this context, safeguards against the exercise of undue influence over the operation of the digital platform would likely reduce or mitigate any potential competitive advantages arising from Poste Italiane’s acquisition of control over the PagoPA platform, thereby preserving the benefits of competitive neutrality and promoting competition in the digital payments sector for the PA.

⁶⁰ See Advocacy Opinion AS4714 (2023) on a Draft Memorandum of Understanding on the mitigation, enhanced clarity, and comparability of the costs associated with the acceptance of electronic payment instruments between the Fipe-Confcommercio (FIPE - Italian Federation of Merchants) and the Italian Association of Payment Service Providers (ABI and APSP) promoted by Ministry of Economy and Finance. See Advocacy Opinion AS1903 - Provisions on electronic payments contained in Budget Law No. 197/2022, titled “State budget for the financial year 2023 and multi-year budget for the three-year period 2023-2025” (Bulletin No. 30/2023).

savings for merchants, helping to reduce the burden of electronic payment fees and ultimately benefiting consumers.

4. Other interventions to promote a pro-competitive environment and protect demand-side vulnerabilities in digital payments

37. The application of new technologies in the financial sector can carry new risks on the demand-side or alter the existing ones inherent to the financial system. Recent innovations in payment instruments are fundamentally transforming the way consumers make payments. New technologies—such as mobile/SMS payments and online banking—introduce features that may significantly influence users’ choice of payment methods. At the same time, the emergence of new business models (e.g., evolving bank-customer relationships) may give rise to new forms of consumer vulnerability, both digital and financial.

38. Among the initiatives to encourage the development of banking-as-a-service companies, the national legislator promoted the adoption of a regulatory sandbox where newcomers may test their FinTech ecosystems in a controlled environment.⁶¹ The Authority serves as a permanent member of the FinTech Committee, alongside the banking, financial, and insurance regulators (the Bank of Italy, Consob, and IVASS) and the Data Protection Authority. The Committee’s aim is to provide guidance in promoting a pro-competitive regulatory environment by issuing advocacy reports, non-binding guidelines, by recommending standards and preparing regulatory amendments to be submitted for evaluation to the Italian Parliament.

39. In exercising its dual competence in both competition and consumer protection, the Authority recognises the complementary roles of these policy areas in effectively tackling practices to the detriment of consumer-users. Enforcement actions based on consumer protection grounds seek to tackle systemic issues, extending beyond the concerns of individual consumers. Drawing from past experiences, consumer policies can prove effective in ensuring that consumers are able to make informed economic decisions, particularly in markets where information asymmetries and behavioural biases are more easily exploited by firms. The unfair and aggressive commercial practices most commonly associated with potential anti-competitive effects fall into the following categories: obstacles to consumer rights (especially during “switching procedures”); retention activity; after-sales assistance; tele-selling; unsolicited supplies; intermediaries’ responsibility; platforms; joint offers/tie-in.

40. In digital payments, such practices can be particularly harmful to consumers, especially the most vulnerable ones. In 2023, the Authority adopted precautionary measures against a major banking operator for alleged unfair commercial practices, ordering the immediate suspension of the large-scale transfer of current accounts to its group’s new digital bank, a cloud-based, mobile-only bank.⁶² The migration strategy allegedly implemented in a unilateral and aggressive manner, in violation of the provisions of the Italian Consumer Code (ICC), was aimed at retaining digital customers.⁶³ According to the preliminary findings, the transfer of a substantial number of account holders was

⁶¹ See the FinTech Sandbox under Ministerial Decree No. 100/2021.

⁶² PS12660 - Intesa Sanpaolo/Isybank – Trasferimento Conti Correnti (2023).

⁶³ The case highlights the incumbent bank’s long-term strategy to withstand growing competition from fintech firms.

reportedly carried out without obtaining their prior explicit consent. Additionally, substantial changes were made to the services originally agreed upon in the contract.⁶⁴ The new arrangement included altered financial terms and conditions, and several previously available services were discontinued, such as virtual cards for secure online transactions, bank checks, and access to mortgage agreements.⁶⁵ A comprehensive set of behavioural remedies was made binding on the banking institution, including an obligation to ensure full transparency regarding the terms and conditions of the transfer, as well as the features of the digital bank accounts and services offered. The bank was also required to grant customers a reasonable period to give their explicit consent in the event they chose to migrate. For those who did not consent, the Authority mandated that they retain the right to keep their existing current accounts, at least under the same contractual conditions.⁶⁶

41. In line with the European Union's broader objective of establishing a unified and non-discriminatory payment system that ensures fair, transparent, and equal conditions across all financial instruments for the benefit of consumers, the Authority exercises its oversight powers to monitor compliance with the non-surcharge rule applicable to digital payments in Italy.⁶⁷ As part of its consumer protection priorities, between late 2023 and early 2024, the Authority specifically examined credit card surcharge practices in online payments, taking enforcement actions against several operators for imposing additional fees on consumers based on their chosen payment methods, including electronic money (e-money) and platforms such as PayPal. The investigations also revealed that, in certain cases, surcharges were levied without clearly disclosing the fee amounts. The Authority may intervene regardless of any price difference imposed by the seller for the use of a particular payment instrument.⁶⁸

⁶⁴ Bank customers claimed that the communications relating to the transition to Isybank were not conveyed in a transparent and understandable manner (e.g., with push notifications and pop-ups), through an archive section of the Intesa Sanpaolo App and without a deadline to opt out.

⁶⁵ Other limitations would include the loss of access to physical branches or online banking via personal computers, with all banking operations being conducted exclusively through a mobile app.

⁶⁶ Namely, customers will have the option to return to Intesa Sanpaolo under improved financial conditions compared to those prior to the transfer, including: a current account with the same or lower fees; fee-free debit cards; zero-cost terms for transactional services; a potential fee-free securities deposit; reassignment of their original IBAN upon request. Those willing to be transferred to Isybank were granted sufficient time to explicitly consent to the migration.

⁶⁷ Section 62 of Italian Consumer Code (ICC) prohibits the imposition of additional fees on consumers based on their chosen method of payment ("no surcharge" rule). Under the law, traders are prohibited from charging consumers for using specific payment methods, incurring costs for the use of such methods, or, in cases explicitly specified by the law, imposing fees that exceed the cost incurred by the trader. The rationale behind this provision is that consumers are often unaware of the indirect costs associated with accepting various financial instruments, which can undermine the effectiveness of competition. Violations of this provision are subject to legal sanctions. See ICC - Legislative Decree No. 206/2005, as amended by Legislative Decree No. 21/2014, through which Italian law transposed EU Directive 2011/83.

⁶⁸ See the Authority's Annual Report (2024).