

Consultation response

AmCham EU response to the consultation on a retail payments strategy for the EU



AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €3 trillion in 2019, directly supports more than 4.9 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

Introduction

AmCham EU welcomes the opportunity to reply to the Commission consultation on a retail payments strategy. Our comments will focus mainly on a few key principles that we believe a forward-looking strategy for payments should focus on.

Representing American businesses in Europe, AmCham EU is a strong advocate of the free market and an open economy. In today's highly connected world, shopping global and retailers and consumers benefit from international payments systems that can connect everyone at any place at any time. International payments systems have brought great value to the European retail payments market and have made Europe pioneers in certain innovative technology in particular in relation to security and fraud protection. Policymakers should embrace this, just like consumers do. As commerce is becoming increasingly digitised, we are entering a new era of innovative payments.

In order to build a Retail Payments Strategy for the EU, which can strengthen Europe's influence and consolidate its economic autonomy, we believe there are three guiding principles that should be at its core:

- I. Fostering competition and innovation in the market;
- II. Ensuring a level-playing field for all market players;
- III. Developing global and interoperable solutions.

I. Fostering competition and innovation in the market

AmCham EU believes that a competitive payments market is key for fostering innovation and creating value for consumers and retailers – by giving them more choice and better solutions.

The European payments market has become highly competitive and dynamic, offering a broad range of options to consumers and merchants. In addition to the international card schemes, domestic card schemes are very present in Europe, often having more of 90% of market share in the markets where they are present. In addition, the entry of new fintech players, many European, proves that the market is becoming increasingly competitive and diverse. AmCham EU also welcomes the development of new payment methods, including instant payments, as these will be complementary to existing solutions on the market. In the future, new solutions could bypass established payments methods. However, we believe it is the end-users of payments who should decide the winners and losers in Europe's future payments landscape.

II. Ensuring a level-playing field for all market players

While we welcome competition, we believe it should be fair and open for all. There should continue to be a level playing-field for payments in Europe, without preferential treatment for certain solutions over the others. Policymakers should aim to be neutral and not promote certain solutions over others. We believe that it should be up to the market – and consumers – to effectively choose.

Looking at the current payments landscape, we see that consumers have access to multiple payments methods such as cash, cards, mobile wallets and instant payments. There are inherent benefits associated with each of these and depending on your preference as a consumer you should be enabled to make the best choice for you, depending on the type of purchase. Retailers also have access to multiple payments methods and can choose what types of payments they choose to accept as well as encourage consumers to use a specific method over another.

III. Developing global and interoperable solutions

We want to argue against the idea that disruption for political, technical, economic and legal reasons originating from outside the EU exposes the retail payment system to unnecessary vulnerabilities. We live in a highly connected world which implies that both benefits and risks are shared. Both European and non-European companies are affected by the various developments across the world which makes protectionist and nationalist measure obsolete and non-productive.

Moreover, we believe that any solution offered to consumers must be able to meet their needs by offering not just security and speed, but also achieve true global interoperability. Without this, no amount of political support will be enough to ensure that a new, home-grown European scheme can succeed.

Conclusion

As the European Commission is defining its policy for a retail payments strategy for the EU, AmCham EU believes it will be crucial not to undertake this task in isolation. The current EU payments landscape is secure, diverse, competitive and growing; enabled by both European solutions as well as companies from across the globe. While competition should be promoted, we also believe a level playing field should be ensured by not favouring one type of provider or solution over others. By keeping these principles in mind, we believe the European payments landscape will continue to prosper.