

European Report 2025

Safety, Convenience and Choice:

THE TRUE VALUE OF CARDS

Research on the value and cost of cards in today's dynamic and vibrant payments ecosystem. Based on a survey of merchants and consumers in Europe.





Foreword: the European Payments Market

Digital payments are increasingly driving economic growth, with both merchants and consumers adopting these solutions at a rapid pace: consumers and merchants alike have embraced the convenience and benefits of digital payment methods, while physical cash usage continues to decline. Policymakers across Europe are committed to ensuring this trend continues for the benefit of Europe's competitiveness and overall economy. Moreover,

87% of consumers feel that the currently available payment options respond to their payment needs.

Diversification characterizes the European digital payments landscape. FinTechs have experienced a healthy and steady growth trajectory across markets injecting healthy competition for services. BigTech and new payment providers, including social networks and online retailers, continue to disrupt the market and developing new solutions. The rise of open banking will further expand opportunities for payment innovation. And the growing amount of mobile payments, especially through digital wallets like Apple Pay and Google Pay, is reshaping how payments are made, with younger generations driving this change. This translates in

83% of consumers relying on digital payments in the last 12 months, and 72% of merchants expressing a preference for digital payments over cash.

Alongside new payment applications, retail payments are increasingly adopting additional networks like SEPA and SEPA Instant in Europe for credit transfers, as well as the potential Digital Euro, complementing traditional cards. These networks stand out for their acceptance, settlement speed, anonymity, consumer protection, and fraud mitigation and risk management frameworks.

Therefore, it comes as no surprise that

91% of merchants say that digital payments are critical for their organisation and that 61% of consumers support mandatory acceptance of digital payments.

Domestic payment solutions are also playing an important role in the market. National services like Giropay, Payconiq, Bizum, and iDEAL are competing with international networks, and regional solutions like the European Payments Initiative (EPI) are emerging to offer pan-European payment solutions.

Banks and card networks have long been active in this space, steadily expanding and diversifying their offering to respond to new user needs. While new players contribute to competition, card networks remain at the forefront, enabling payments and spearheading payment innovation. Domestic card networks, alongside global players, are prominent in several European markets. Merchants value cards because of guaranteed payment, high security, and because they offer a better purchase experience.

77% of merchants prefer cards over any other payment methods, with the same being true for 71% of consumers.

In sum, the European payments market is evolving rapidly, with growing competition, diversification, and innovation driving the shift toward digital payment solutions. The variety of payment options available and the competition in the market empowers both consumers and merchants to use or accept the payment method that fits their needs best.

The European payments market has evolved into a true success story, showcasing growth and innovation. By further supporting and enhancing this, Europe can unlock even greater potential, strengthening its position on the global stage and fostering continued economic growth, technological advancement, and financial inclusion.



Introduction:

The European payments landscape is undergoing a rapid transformation, driven by increasing competition, digitalisation, and a growing emphasis on innovation and consumer choice. Regulatory developments and evolving consumer needs are acting as catalysts, encouraging payment providers to adapt and innovate. While the system generally functions well, ongoing data-driven discussions are essential to further enhance outcomes for both consumers and merchants.

To better understand these dynamics, Payments Europe conducted a comprehensive survey across 13 EU countries, capturing perceptions of how payment options are evolving. The findings shed light on the factors driving the adoption of new payment solutions, offering valuable insights into the trade-offs required to improve offerings for payment users across Europe. Key trends include the growing adoption of contactless, mobile, and tokenized payments, while cash usage is projected to decline significantly—merchants anticipate cash revenue dropping from 33% to 23% within five years. Instant payments, Buy Now Pay Later (BNPL), and cryptocurrencies are also poised for growth, further diversifying the payments ecosystem.

One of the key insights emerging from the research is that domestic markets already benefit from a diverse range of payment options, with significant potential for scaling cross-border solutions such as instant payments. However, the fundamental principles driving consumer and merchant adoption remain consistent: security, convenience, value, and widespread acceptance. Digital payments, particularly card payments, excel in meeting these needs. In fact, 91% of merchants see electronic payments as vital, with 77% favouring cards and 71% of consumers trusting them over other options. While cost is occasionally cited as a drawback, 83% of merchants believe the value of card payments outweighs the associated expenses.

Fostering consumer-led payments markets and ensuring a level playing field for providers are critical to sustaining momentum. This approach not only supports political objectives by promoting diversification and growth but also highlights the need for further innovation and investment across the industry. Policymakers and stakeholders should carefully evaluate potential market interventions to avoid disrupting the ecosystem's dynamics.

The European payments landscape is thriving with innovation and diversification. Cards remain a cornerstone of the system, even as new payment methods gain traction. By prioritizing security, convenience, and reliability, the industry can continue to align with consumer and merchant expectations and needs while fostering growth, safety and stability across Europe.



“ 46% of merchants consider cards the best payment method for preventing fraud



Methodology:

This report is based on a survey commissioned by Payments Europe and conducted by FTI Consulting in May 2024. The survey was completed by 2250 merchants working in physical and online retail in Austria (250), Greece (250), Czech Republic (250), Denmark (250), Finland (250), Hungary (250), Ireland (250), Latvia (250), and Lithuania (250). To ensure representativeness, respondents were weighted on a number of categories, including size, revenue, and business environment.

The survey was also completed by 13000 consumers living in Austria (1000), Greece (1000), Czech Republic (1000), Denmark (1000), Finland (1000), France (1000), Germany (1000), Hungary (1000), Ireland (1000), Latvia (1000), Lithuania (1000), Poland (1000), and Sweden (1000). Respondents were weighted on region, gender, and age to ensure representativeness.

This research was also conducted in May 2023, with a focus on merchants only. It was completed by 1560 merchants working in physical and online retail in France (264), Germany (252), Italy (263), Spain (271), Sweden (242) and Poland (268). The countries were weighted to ensure an even representation.

Key highlights

The merchant perspective



Relationship with cash

Cash prevalence is declining across Europe, and merchants expect cash-generated turnover to drop 10% in the next five years, in favour of other payment methods. 72% of merchants prefer digital payments over cash, and **48% of merchants would like to have the ability to refuse cash.**

Although the cost of acceptance is often cited as a reason when a preference for cash is indicated,

65% of European merchants feel that the cost of handling cash and its associated risks works out to be pricier than paying card fees.



Market evolution: winners & winners

The **European payments market is evolving rapidly** and increasing competition is broadening the offering. European merchants rely on a variety of payment methods and **85% of them feel that accepting a large range of payment options has increased their turnover.**

Merchants benefit from a **highly diversified payments ecosystem** and stand positive towards new developments in the sector. **93% of merchants believe that contactless payment has been beneficial to their business**, 83% feel the same about mobile payments and 77% are in favour of the increased usage of non-traditional types of payments (beyond cards and cash). In addition, **79% of them expect to be making more transactions through instant payments over the next 12 months.**

Not only are merchants overwhelmingly satisfied with the multiple payment solutions available (84%), but the vast majority also believe that their customers are too (88%). **80% of them also feel that it is important for their business to be able to choose between payment options** with different price points.

It is also worth noting that, although merchants feel that they benefit from an evolving market, two-thirds are **worried about BigTech entering the payment space.**





What merchants really want

Safety and security are by far the top priorities for European merchants (57%), followed by consumer preference (45%) and consumer reach (40%).

Merchants prefer cards because they feel that they meet these priorities best, scoring higher in all relevant fields than cash or other types of payments. Overall, 77% of merchants prefer to accept cards over other payment methods. **Nearly half of all merchants surveyed (46%), consider cards the best payment method for preventing fraud.** Similar scores can be seen regarding secure and compliant handling of consumer data (47%) and managing disputes, refunds and chargebacks (46%).



Card payments: cost and value

Cost is not the most important variable when choosing between payment methods, according to European merchants, as it is only a priority for 34% of merchants.

For most European merchants, **the value of card payments outweighs the costs linked to them. 83% of merchants believe they pay reasonable fees** for the value they receive from accepting card payments, and also believe that the benefits brought about by cards outweigh the costs. The majority of merchants (78%) also state that they understand the different fees to pay for when accepting card payments. In addition, almost **60% of merchants feel that the cost of cards has not changed or has decreased in the past five years.**

Finally,

77% of merchants prefer card payments and **91%** believe that electronic payments are critical to their organisation.

Key highlights

The consumer perspective



Relationship with cash

While cash remains an important payment option, card payments are most utilised, with 83% of European consumers using them in the last 12 months. In general, **digital payments are gaining popularity**. 56% of consumers expect to be making more transactions through instant payments in the next 12 months than they are today and nearly half (47%) have already used them in the past 12 months. Next to that, **70% of European consumers make online payments more than once a month**, with 29% even doing so on a weekly or daily basis.

More than half of consumers find cards the easiest and most convenient payment method, while only 19% say the same about cash. Other popular reasons to use cards are speed (47%), and safety and security (37%).

In addition,

68% of consumers would rather pay with a card at a merchant, even if cash was also available.



Market evolution: winners & winners

The **European payments landscape is evolving and becoming increasingly diverse**, with new payment options gaining popularity.

Overall, **87% of consumers are happy with the payment options currently available**. Instant payments are used by 47% of consumers and Buy Now Pay Later (BNPL) by 14%. **97% of European consumers make online payments, ranging from occasional to daily use**. This is significant because a growing online economy relies heavily on the availability and adoption of diverse online payment methods.

Just as European merchants, consumers are also worried about the involvement of BigTech in the payments sector. **Only 18% of consumers say they would trust BigTech companies to handle their personal and financial data**. In comparison, over 50% trust banks or card schemes to do the same.





A look at **consumer preference**

As with merchants, **safety and security are the top priorities for European consumers** when choosing a payment method. Reliability and credibility come in second, with 49% considering this as particularly important, followed by the possibility to make online payments (48%).

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Card payments meet these priorities best, with 43% of consumers saying that cards are the safest and most secure way of paying. 44% of consumers also believe that cards are the most reliable and credible. Cash ranks second in both of these categories, twice at 24%. In addition, **71% of consumers trust their cards more than any other payment method**, and this number increases to 74% when travelling abroad.

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As also mentioned above,

87% of consumers are happy with the payment options currently available.



Value of cards

European consumers are firm believers of the advantages of card payments, with 83% feeling comfortable paying by card as it ensures safe and secure transactions. 71% trust cards more than other payment options, and this number increases to 74% when travelling abroad. Consumers believe that card payments provide added value compared to other payment methods (73%). In addition,

72% of consumers believe that their money will be reimbursed in the event of card fraud.

Comparatively, if we look at alternative payment methods, only 19% of consumers do not have concerns when executing bank transfers (either instant or standard), where fraud is listed as the top concern (42%), followed by non-redeemability of funds (31%).

Card payments are preferred by the majority of consumers due to their convenience (53%). In addition, 51% of European consumers prefer cards for online payments, and 53% for in-store payments. Cards are also ranked highest among all payment options when it comes to safety and security (43%), speed (44%), availability (48%) and the ability to monitor expenditure.

Lastly, card payments are considered to be the safest option when paying for large amounts (50%).

Digital Euro

Across Europe, 29% of merchants have never heard of the Digital Euro and only 21% consider themselves to be knowledgeable about it. Moreover, 31% of merchants don't see how the Digital Euro would benefit their organisation. Amongst those who think it might actually benefit them, increased speed is seen as the biggest benefit (32%).

Similarly, 45% of consumers have never heard of the Digital Euro, and only 8% consider themselves to be knowledgeable about it. Moreover, 59% of consumers are not clear of the benefits of a Digital Euro and 56% are unsure if they would ever use it.



Conclusion

The European payments market is evolving rapidly, thanks to growing competition, diversification, and innovation. As most European countries tend to move away from cash, new payment methods are on the rise, with instant payments becoming an increasingly important solution among them.

Today, 84% of European merchants and 87% of European consumers are happy with the payment solutions available to them. The variety of payment options and the competition in the market empower both groups to use and accept the payment method that fits their needs best in each individual situation. For merchants, being able to accept a large range of payments option has a direct impact on their turnover.

Safety and security are by far the top priorities for European merchants and consumers. Card payments meet these priorities best, which explains why cards remain a cornerstone of their payments acceptance strategy, even as new payment methods gain traction.

78% of European merchants state that they understand the different fees they pay when accepting card payments, and a majority of merchants believes that the value delivered by card payments outweighs the costs linked to them. Among consumers, 77% of them trust cards more than any other payment option.

As innovation continues to shape the European payments landscape, the trust in card payments — combined with the growing adoption of new technologies — suggests a future where flexibility, transparency, and security remain central to how Europeans choose to pay and get paid.

