Payments Europe's view on Agentic Payments

Artificial Intelligence (AI) applications are changing the digital economy in Europe and increasingly becoming the operating system of everyday lives. This includes how consumers make purchases, changing the payments and e-commerce processes. While this shift reduces friction, improves convenience and creates new forms of value to consumers and businesses, it may have profound implications for financial institutions, payment service providers, schemes, regulators, and the broader digital ecosystem. This is because purchasing through AI agents fundamentally changes the assumptions about the payment initiation process, with the consumer initiating the transaction at the level of intent by instructing the AI agent and defining the scope of its authority, while the agent subsequently initiates the specific payment on the consumer's behalf within those parameters. This distinction challenges the current understanding and legal interpretation of who constitutes the payment actor, how the consumer's consent and the agent's delegated authority are evidenced, how trust is established, and how accountability is allocated across the transaction chain.

Greater convenience and personalised consumer services drive merchant growth

Agentic commerce refers to e-commerce in which AI agents become trusted representatives of the customer. Instead of merely assisting the customer, these AI agents may carry out several actions on their behalf, from searching and comparing products and services to making purchasing decisions and initiating transactions within defined parameters. The purchasing experience therefore becomes increasingly convenient, saving the customer much of the time they spend on searching and comparing products and services as agents will identify the options that best fulfil the customer's criteria within seconds. As for merchants, the AI agents base their selection on comparison of different merchants capturing brands and products bypassed by traditional search channels, enabling merchants to access new markets while levelling the playing field between large and small retailers.

Changing the shopping experience challenges the current understanding of payment initiation processes

Agentic payments will be less visible to customers. Payments will remain vital, with differentiation increasingly depending on integrating seamless purchasing experiences with trusted payment, authentication, security and redress capabilities. At the same time, through payment initiation, the use of AI-agents fundamentally challenges the current assumptions about the actor, validation of consent, establishment of trust, and allocation of accountability across the transaction chain.

Trust and customer confidence will be essential to the broader adoption of agentic payments. Accordingly, the industry is pursuing a cautious enablement approach, allowing customers to explore AI-enabled commerce experiences while maintaining the protections, authentication requirements, security standards and consumer safeguards that apply to digital payments today. In preparation for wider deployment, the industry is assessing how AI agent-initiated payments can operate within existing regulatory frameworks in controlled environments, with live transactions limited to clearly defined use cases. To ensure that customers can fully benefit from agentic payments in the future, several key questions will need to be addressed:

- **Liability:** Establishing responsibility where an AI agent makes an erroneous decision or acts beyond the authority expressly delegated by the customer. It must become clear, who made which decision and on whose behalf. Responsibilities and authorisations must be traceable, and liability must be clearly attributable. Liability should rest with the institution or individual exercising control over the relevant function or decision.
- **Authorisation:** Distinguishing agent-assisted transactions, where the customer approves the purchase, from autonomous transactions, where the customer authenticates a mandate defining the agent's authority. Payments within a valid mandate should not automatically require renewed authentication, subject to appropriate risk controls, revocation and dispute resolution.
- **Security:** Ensuring effective tools and safeguards to prevent the manipulation of AI agents or malicious interference with their decision-making processes.
- **Consumer protection:** Safeguarding transparency, explainability and customer rights as purchasing decisions become increasingly automated.
- **Market stability and competitiveness:** ensuring fair competition through restrictions on steering towards certain providers through undetermined biases and potential agent-to-agent manipulation, to maintain a level playing field among market participants.

The rules on agentic payments should utilise existing legislative frameworks and standards

While agentic payments are advancing globally, solutions remain at an early stage of development in Europe. The EU should support the responsible development of AI-enabled payments while ensuring that appropriate safeguards are in place. As AI agents become more embedded in e-commerce, payment-related safeguards pertaining to human authorisation, strong authentication, fraud controls, clearly defined roles and effective redress will become ever more important.

Currently, the EU does not have a dedicated legislative framework for agentic payments, and setting up such a framework may not actually be sufficient to address agentic AI in payments due to intersecting with existing sectoral regulations. To appropriately address sector-specificities and prevent potential unintended consequences, beyond general considerations, AI applications should be addressed through sectoral rules. In fact, existing horizontal and sector-specific rules provide an important foundation for protecting consumer interests, supporting open market objectives and preserving technological neutrality. Building on these frameworks will prevent untimely, excessive or redundant legislation and support interoperable market standards that enable agentic payment solutions to develop securely, transparently and accountably. Therefore, supporting the EU's objectives regarding competitiveness, innovation and simplification. Long-term policy decisions should be grounded in evidence gathered from practical experience.

Against this background, any policy approach to agentic payments should be anchored in, and aligned with, the EU's existing regulatory architecture, while ensuring the rules foster the development of responsible application of AI agents. In particular, when determining rules for agentic payments, we encourage the EU to leverage the EU AI Act, the General Data Protection Regulation (GDPR), and the Payment Services Regulation and Directive (PSR/PSD3). The AI Act's horizontal, risk-based framework, as a core part of the EU's digital regulatory architecture, should serve as a key reference point for technological innovation. The GDPR, together with related European data protection guidance, should form the basis for considerations relating to personal data, profiling, automated processing and transparency obligations. Meanwhile, for payment initiation and processing, the upcoming PSR/PSD3 framework will set requirements relating to authentication, liability, fraud controls and user protection. Depending on the applicable business model, further regulatory regimes, including consumer protection law, e-commerce rules, cybersecurity requirements and operational resilience obligations, may also be relevant.

While establishing the necessary safeguards, it is vital for Europe's competitiveness to empower the next generation of e-commerce solutions, and as part of that, enable innovative payment processing. Therefore, some current market rules may need to be amended to facilitate new forms of payment processing. We note that the PSR/PSD3 rules, in particular on Strong Customer Authentication (SCA), may not accommodate some future AI-agent-initiated payments, and may even prevent European consumers and businesses from accessing them. This would negatively impact the EU's competitiveness by hindering the development of advanced agentic commerce solutions.

Five principles for enabling responsible and competitive agentic payments in Europe:

- **The customer must remain in control of payments authorisation.** While AI agents may act on **the customer's** behalf, **they** should make independent decisions **only** within **explicitly** defined boundaries. How consumers set boundaries for when agents make payments on their behalf should reflect similar principles to when a person is given the ability to make payments on another's behalf. Those boundaries should take into account factors such as identity, the level of trust, risk profile and the vendor involved. Trust doesn't come solely from the payment transaction itself, but from the ecosystem around that guides the decision to employ an agent to make the payment **Consent and delegated authority must be limited, revocable, auditable and securely linked to the resulting transaction, with relevant parameters capable of verification.**
- **Security and resilience by design will prepare agentic payment solutions for existing and emerging risks.** Agentic payments may create new types of fraud, third-party and operational risks. The EU should support existing safeguards and latest technologies across **supply chains, including verified agent identity, tokenised payment credentials,** strong authentication, traceability, auditable records and **transaction indicators enabling merchants and payment providers to monitor, challenge or decline activity.**
- **Clear obligations and liabilities across the value chain are essential for a responsible and trusted approach in agentic payments.** Clear obligation and liability rules are vital for establishing responsibilities where an AI agent makes an erroneous decision or acts outside the authority expressly delegated by the customer, or when there is suspicion that fraud or other criminal act has taken place during a purchase. These rules should include considerations on the AI agent's role as a value chain participant, whose responsibilities may extend beyond those of a human consumer with regard to taking decisions based on adequate information. Obligations and liabilities should be proportionate to each participant's role and degree of control within the value chain, including ensuring other participants, i.e. merchants

and acquirers, bear no liability for authorised payment transactions initiated by an AI agent, as is the case for human-initiated transactions.

- **Transparency requirements should be established in a manner that preserves the effectiveness of other safeguards.** Responsible agentic commerce models must be transparent to customers and maintain their control over purchasing decisions and authorisation. Therefore, all supply chain participants must be able to recognise when they are interacting with an AI agent, and the premises the agent is enabled to make decisions in. At the same time, the integrity of complementary safeguards should be carefully assessed to ensure that transparency obligations do not inadvertently undermine fraud controls or reveal sensitive security mechanisms needed to preserve the resilience and security of these solutions.
- **Interoperability, industry standards and cross-border consistency are key for wider uptake and European competitiveness.** Agentic payments are global and cannot develop effectively within national silos. Europe **should** support **technologically and payment-rail-neutral** models interoperable across borders**,** providers **and ecosystems, underpinned by** standardised trust frameworks and consistent governance**. Secure agent-to-agent and agent-to-merchant communication is essential** for **AI agents** to search, compare**,** negotiate and transact across ecosystems.

In conclusion

Agentic payments offer a significant opportunity to strengthen Europe's digital economy and competitiveness through innovative e-commerce solutions by enabling more convenient and personalised purchasing experiences. To realise this potential, the EU should ensure that payment rules support AI-agent-initiated transactions while preserving necessary safeguards such as customer control, strong authentication, security and fraud prevention. Moreover, it is vital to ensure clear responsibilities and liabilities among supply chain participants to foster legal certainty and ensure the participants' legal responsibilities align with their role and degree of control within the value chain. Therefore, a proportionate, evidence-based approach should build on the EU's existing regulatory frameworks, while adapting requirements where necessary to accommodate new payment-initiation models. Close cooperation with participants will be essential to develop interoperable standards and enable secure, transparent and accountable agentic payments across Europe.