

## Retailers cautiously welcome the new European payment initiative

EuroCommerce Director-General Christian Verschueren today welcomed the official launch of the new European Payment Initiative (EPI) consortium, to create a new unified payment scheme and solution, allow them to process instant or mobile payments, and set an alternative by-pass the major non-European card schemes.

*“A new, fully European, payment scheme, independent of Visa and Mastercard, has been needed for many years in order to provide real competition. This is increasingly important now that merchants are seeing further increases in costs which are not regulated and by the reluctance of the Commission to expand the scope of the current Interchange Fee Regulation to address them. This initiative is therefore most welcome. However, at least four previous initiatives have all failed; this one will as well, if merchants, who are key to its success, are not full participants in the final solution being proposed.”*

From a retail point of view, there are still significant areas of outstanding concern:

**Customer journey.** A seamless and simple user payment experience within physical stores, and in e&m-commerce, and supported by strong customer authentication (SCA), is deemed a critical merchant requirement.

**Business case.** We are unaware of the business model that the banks will adopt and whether there is a robust enough and transparent business case within it for merchants or to bring added value to their customers.

**Governance.** Is still a major concern. We don't know what the final proposed governance structure will be and to what extent retailers will be represented or have a voice on the governance board.

**Features & functionality.** We still don't have a clear idea of what the full scope of the EPI project will be, or the exact features their proposed new payment method will have or how it intends to embrace the benefits offered by Open Banking. For example, will it include payment reversals, notification of payment execution, dispute mechanisms, etc., from the outset?

**Bank participation.** In order for any proposal to be widely adopted throughout Europe, all banks need to participate; we consider pan-European reachability as critical to the success of the scheme.

**Regulatory oversight.** Regulators need to take active interest and be prepared to step in and take pro-active measures to address any issues or differences that may arise.

With the proper engagement of retailers and other users, this initiative creates a unique opportunity for real collaboration, for introducing effective competition into the payments arena and disrupting the current dominance of the two major schemes. This will, in turn, help ensure a seamless customer journey with benefits to all parties and substantially reduce the high cost of payments that our members and customers ultimately have to bear.

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*EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 31 countries and 5.4 million companies, both leading global players such as Carrefour, Ikea, Metro and Tesco, and many small businesses. Retail and wholesale provide a link between producers and 500 million European consumers over a billion times a day. It generates 1 in 7 jobs, providing a varied career for 29 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.*