

Digital Euro: Retailers and wholesalers generally supportive but have crucial concerns

As the legislative [proposal](#) to enable the digital euro was published today, and the investigation phase of the digital euro is progressing towards a decision later in 2023, the retail and wholesale sector voices its general support while also highlighting some key concerns. EuroCommerce Director-General, Christel Delberghe, commented:

“In principle, retailers and wholesalers would welcome the digital euro as an additional payment method, but it must be designed and implemented in a way that ensures sufficient consumers embrace it and that the cost of adoption for our sector is acceptable.”

Retailers and wholesalers are closely engaged with the investigation phase of the digital euro. They are keen to add European payment methods, bringing in more competition and affordable pricing versus the current, relatively dominant non-European card-based payment methods. Along with instant payments, they expect that the digital euro not only enables more competition but will also offer simpler fee structures, such as fee-per-transaction, rather than applying a percentage of value.

Retailers and wholesalers vow to play their part in making the digital euro a compelling offering for customers but the key to success will be whether levels of consumer adoption warrant the sector’s investments (time, resources, processes, infrastructure) in the project. Whilst the basic premise of digital euro is to provide cash in digital form, they see the potential for innovative use cases.

A key benefit to both consumers and the retail and wholesale sector is the offline use case. This means that at times of internet or power outages, an adequate number of transactions with the digital euro can still take place. It would make the digital euro important in supporting resilience and fall back, much like cash is today. With the essential goods services that retailers and wholesalers deliver in everyday life, this offline capability would be a key strength.

At the same time, EuroCommerce highlighted the following key retailer concerns:

- **Fees:** the total cost of acceptance should be as close to zero as possible and on a fee-per-transaction basis, not as a percentage of value
- **Mandatory acceptance:** there should be more exemptions from the mandatory acceptance, in particular for the [acceptance of cash](#). The current proposal links cash acceptance too tightly to digital euro acceptance, which will not work in many retail use cases, such as unmanned self-checkouts, fuel stations, vending machines and e-commerce.
- **Uncapped fees:** with the acceptance of the digital euro becoming mandatory yet ‘free to consumers for basic use’ (F. Panetta 17 May in the EP), our sector needs strong safeguards against the imposition of overly high fees charged by banks and Payment Service Providers (PSPs).
- **New infrastructure and processes:** whilst existing systems & processes should be re-used as much as possible to avoid lengthy and costly updates, upgrades and retraining, the digital euro should not seek to replicate the existing landscape as this would potentially limit innovation.

EuroCommerce published an [information paper](#) on the digital euro in March, called “The digital euro – why should retailers and wholesalers care?” and a [position paper on the digital euro](#) in June.

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