Staff memo

# Connecting mobile payment solutions in Europe

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# Contents

# Summary

In many European countries, bank-supported mobile payment solutions – such as Swish in Sweden – have achieved strong market positions. Until recently, these solutions operated almost exclusively within national borders. Now, a number of them, spanning a broad set of countries, have started work to connect with each other. Given its success, this will enable users to transfer money across borders and to pay retailers abroad, allowing the solutions to compete with the global players that currently dominate the market for cross-border payments.

From a design-perspective, connecting solutions – establishing *interoperability* – is a multi-layered task. First, the payer should be able to see the payee's name or alias before confirming the payment. This requires a look-up functionality between the solutions. Second, once the payer confirms the transaction, the payment itself must be processed, which demands a set of common messaging rules between the solutions and the participating banks. Third, the funds must be moved from the payer's bank to the payee's bank, which normally involves a settlement mechanism.

Besides the technical aspects, the solutions also have to consider the commercial interests of the parties involved. Banks need to prioritise their resources and may focus on other projects. Moreover, they can be concerned about the potential impact on other business lines, for instance card payments. Balancing the incentives to secure the support of all, or at least most, banks can be complex. Legal obstacles to interoperability may also exist, although these are likely to have diminished after years of harmonising EU legislation.

Vipps MobilePay – the Norwegian-Danish solution – is involved in the joint initiative on interoperability. In 2024, Vipps MobilePay also launched a cross-border payment service in the Nordics. Its reach in Sweden, though, remains limited because relatively few Swedes have registered with Vipps MobilePay. For Swedish residents to become reachable to their Nordic neighbours, and vice versa, a more direct approach would be to connect Vipps MobilePay and Swish. For efficiency and risk mitigation purposes, this should be based on the account-to-account infrastructure.

Swish is not part of the ongoing work on interoperability in Europe. If Swish decided to join, and subject to a successful implementation, Swedes would be able to transfer money to people abroad more quickly and easily than today. For Swedish retailers with foreign customers, this could offer an alternative to international card payments. Together with the European Central Bank and Danmarks Nationalbank, the Riksbank is launching a service – TIPS cross-currency – which may serve as the settlement mechanism for these types of payments.

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# 1 Introduction

In many European countries, banks offer mobile payment solutions similar to Swish in Sweden. Until recently, these solutions have focused on domestic payments, while cross-border payments have largely been handled by international card schemes, wallet solutions owned by large technology companies, global service providers such as PayPal, Wise and Revolut, and banks through traditional correspondent banking.

This could be about to change. A number of mobile payment solutions have announced plans to explore interoperability – that is, connecting their systems so that users of one solution can send money to users of another. Under such an arrangement, retailers that accept one solution would also be able to receive payments from other connected solutions.

These plans align well with international efforts to improve cross-border payments, where linking payment systems has been identified as one of three global priority areas.[2] Similar initiatives are under way in other regions. In Asia, for instance, several countries are working to connect their faster payment systems, using a mobile phone number as an alias for the payee.[3]

Connecting mobile payment solutions will increase user convenience of cross-border payments compared to e.g. ‘normal’ bank transfers to payees abroad. For payments involving a currency conversion, it may also lead to shorter processing time, increased transparency and lower cost, as explained below. However, users could still be charged a transaction fee and conversion costs.

This staff memo provides an overview of the work in Europe to enable cross-border mobile payments, focusing on the consequences for Swedish residents and retailers. While Swish is not part of this work, Vipps MobilePay, the Norwegian-Danish solution, is actively involved. Vipps MobilePay has also launched a service for cross-border payments in the Nordic region, including Sweden.

The structure of the staff memo is as follows: *Section 2* describes the European market for mobile payments. *Section 3* summarises recent announcements by mobile payment solutions to establish interoperability. *Section 4* examines the concept of interoperability in more depth. *Section 5* focuses on developments in the Nordics. *Section 6* briefly concludes.

[2] See Financial Stability Board’s webpage, www.fsb.org, for an update on the G20 programme to enhance cross-border payments.

[3] In Indonesia, Malaysia, the Philippines, Singapore and Thailand, work is ongoing to connect the countries’ faster payment systems in line with the Project Nexus blueprint, see BIS, *Project Nexus: enabling instant cross-border payments*, updated 27 August 2025.

# 2 Mobile payments in Europe

A mobile payment can be defined as a payment initiated using a mobile phone. In principle, this includes transfers using banks' own mobile banking applications, for instance when paying a bill. In this staff memo, however, we focus on mobile payment solutions other than mobile banking apps.

Mobile payment solutions in Europe can broadly be grouped into four categories:

- *Bank-sector supported domestic solutions*. These are mobile payment solutions backed by a large share of the banking community in a certain country. They have typically become the dominant method for person-to-person payments, but not for in-store payments, where they are far less important (see below). Swish is the Swedish example.
- *Bank-sector supported pan-European solutions*. At present, this category includes only Wero, the solution offered by the European Payments Initiative (EPI), supported by major banks and financial service providers in several euro area countries.[4] EPI has the explicit ambition that Wero should become a pan-European payment solution.[5]
- *Global wallet solutions*. These are wallet solutions offered by large technology companies. Users typically register a payment card in the wallet. The solution owners leverage their strong brand and large customer base. Retailers are automatically 'on board' if they already accept card payments. Examples are the 'X-pays', i.e. Apple Pay, Samsung Pay and Google Pay.
- *Single payment service provider-offered solutions*. These include solutions offered by a single provider of payment services. Their usage is broad – i.e. not restricted to a specific retailer or narrow product category.[6] When these solutions target non-account holders, they cannot rely on ordinary account-to-account processing (see below).

In addition, many retailers allow customers to pay in their own apps using stored card details, either for convenience or loyalty benefits. These solutions normally fall outside the scope of the Payment Service Directive due to their restricted usage and are not considered further in this staff memo.

The four categories are elaborated on below. Table 1 summarises their key characteristics.

[4] We are aware that the term 'pan-European solution' is sometimes used also for initiatives to connect existing solutions (e.g. EuroPA, see next section), which is the main subject of this staff memo.

[5] See for instance interview with the CEO of EPI at European Payments Council's webpage, 24 December 2024.

[6] Formally, it must not fall under the definition of a limited network in the second Payment Service Directive, see European Banking Authority, *Final Report on Guidelines on the limited network exclusion under PSD2*, 8 April 2022. As a consequence, the provider needs to seek license as a payment service provider.

**Table 1. Categories of European mobile payment solutions**

| Characteristics | Bank-sector supported domestic solutions | Bank-sector supported pan-European solutions | Global wallets | Single PSP-offered solutions |
|---|---|---|---|---|
| Licensed as a payment service provider 1) | Differ | Differ (EPI is licensed as a payment institution) | No | Yes |
| Relationship with banking sector | Ownership or participation | Ownership or participation | Commercial agreement | None |
| Geographical coverage | Domestic | European | Global | Varies |
| Use cases 2) | Typically all | Typically all | Mainly in-store and e-commerce | Varies |
| Processing | Mostly account-to-account | Mostly account-to-account | Card | Varies |
| Examples | Swish, Vipps MobilePay, | Wero | Apple Pay, Samsung Pay, Google Pay | See main text |

1) A license is needed if the solution owner offers payment services according to PSD2.
2) Use cases can be person-to-person, in-store or e-commerce payments.

Source: Own categorisation.

## Bank-sector supported domestic solutions

A bank-sector supported domestic solution exists in many European countries (see Table 2). Typically, the entire banking community – or a large share of the banks – joins forces behind a single solution, which then achieves high penetration. A notable exception is Finland, with a more fragmented mobile payment market.[7]

**Table 2. Bank-sector supported domestic solutions**

| Solution | Country | Launch | Use cases 1) | Estimated penetration 2) | EMPSA member 3) |
|---|---|---|---|---|---|
| Swish | Sweden | 2012 | All | 83% | Yes |
| Vipps | Norway | 2015 | All | 84% | Yes |
| MobilePay 4) | Denmark | 2012 | All | 77% | Yes |
| Siirto | Finland | 2017 | All | 26% | No |
| Bluecode | Austria, Germany | 2017 | In-store, e-commerce | No information found | Yes |
| iDeal 5) | Netherlands | 2005 | In-store, e-commerce | 70% | No |
| Bizum | Spain | 2016 | All | 53% | Yes |
| Bancomat Pay | Italy | 2019 | All | 20% | Yes |

[7] In Finland, solutions offered over the years have included Siirto (owned by Nordea and OP and available today), Pivo (previously offered by OP, now discontinued) and MobilePay (offered by Danske Bank).

| Solution | Country | Launch | Use cases 1) | Estimated penetration 2) | EMPSA member 3) |
|---|---|---|---|---|---|
| Bancontact Payconiq 5) | Belgium | 2015 | All | 66% | Yes |
| Blik | Poland | 2015 | All | 52% | Yes |
| Twint | Switzerland | 2015 | All | 56% | Yes |
| MB Way | Portugal | 2015 | All | 47% | Yes |

1) Use cases can be person-to-person, in-store or e-commerce payments.
2) Number of users in relation to population in country (for iDeal, the estimated share of total e-commerce).
3) European Mobile Payment Systems Association, an organisation with the aim to foster interoperability.
4) MobilePay merged with Vipps in 2022. The solution is also available in Finland.
5) Acquired by EPI (Wero) in 2023.

Sources: The respective mobile payment solutions, EMPSA and Arkwright Consulting.

The governance models differ between solutions. In some countries, the solution is owned by most or all banks. In others, a few banks hold the shares with the remaining banking community, or a large share of it, having the status as participants. This collaborative model allows the solutions to operate on account-to-account rails.

Most domestic solutions have followed a similar development path. They were launched as instant person-to-person payment services, typically free for banks' customers. Although they generated little or no fee income, they reduced the need for cash – usually a loss-making activity for banks.[8]

The solutions also have in common that they were established under good market conditions. Most were launched in the early-to-mid 2010s, coinciding with rapid smartphone adoption and the introduction of electronic identification services. Users were ready for app-based payments, and competition was limited.

From person-to-person payments, the solutions expanded into in-store and e-commerce payments. These payment types offer better income opportunities but involve much stronger competition from cards and global wallets. Overall, the domestic solutions have struggled to gain a foothold within in-store and e-commerce payments.

Commercial models are also broadly similar. Typically, each individual bank holds the agreement with retailers. However, the agreement can also be directly between the retailer and the company behind the solution, which is the case for Vipps MobilePay. For payments at retailers, the payer's bank often receives a compensation fee.

## Bank-sector supported pan-European solutions

As mentioned, Wero is currently the only bank-sector supported solution with clear pan-European ambitions. EPI –the company owning the solution – was founded in

[8] See for instance Nina Engström and Anders Mølgaard Pedersen, Banks' costs for providing payment services, Sveriges Riksbank, Staff memo, March 2024

2020 (initially as the Pan-European Payment System Initiative, PEPSI) and is licensed as a payment institution by Banque Nationale de Belgique.

EPI originally aimed to create a pan-European card network as an alternative to the international card schemes, using SEPA Instant Credit Transfer as the underlying infrastructure. The initiative received early backing from the European Commission and the European Central Bank.[9]

However, in 2022, around 20 banks withdrew, leading EPI to abandon its card-network ambitions. Instead, EPI shifted focus to developing a mobile wallet solution based on instant account-to-account processing.[10] The service, under the brand Wero, was launched in 2024.

Today, EPI is owned by 16 banks and financial service providers in Germany, France, Belgium, the Netherlands and Luxembourg. Additional banks and payment institutions are registered as "members". Wero started off as a person-to-person payment solution, but has announced plans to add payments at retailers, and pilots are ongoing.

In 2023, EPI acquired Payconiq International and Currence iDeal, the companies behind the leading solutions in Belgium and the Netherlands (see Table 2). Given the overlap in owner banks, consolidation was considered rational. Local brands will be phased out in 2026-2027.[11]

## Global wallet solutions

Major technology companies offer global wallets in most European countries. The best-known are the X-pays – Apple Pay, Samsung Pay and Google Pay – linked to their respective smartphone ecosystems. Under EU law, the X-pays themselves are typically not offering payment services, so a PSD2 license is not required.

Global wallets rely on card schemes and are mainly used for consumer-to-business payments in-store or online. From a retailer's perspective, an X-pay transaction is simply an ordinary card payment. This means wallet providers only need to attract payers; retailers are already included.

X-pays have benefitted from privileged access to smartphones' core technology, enabling contactless payments – a major driver of adoption. Following a recent antitrust case against Apple, however, other providers have gained similar access (see Box 1). This may allow domestic solutions to compete on more equal terms.

[9] See European Commission, *European Payments: The European Commission welcomes the initiative by a group of 16 banks to launch a European Payments initiative (EPI)*, News Announcements, 2 July 2020 and ECB, *ECB welcomes initiative to launch new European payment solution*, Press release, 2 July 2020.

[10] See The Paypers, *The European Payments Initiative (EPI) - what is being achieved and what's next*, Interview with the CEO of EPI, 27 June 2022.

[11] See EPI, *iDEAL to phase into Wero starting in 2026*, News, 28 October 2025 and Payconiq by Bancontact, *Payconiq product to be discontinued in 2026 - but the app and commercial solutions will remain in use*.

## Box 1 – Access to smartphones' contactless technology

Some major technology companies that offer wallet solutions also control smartphone operating systems, including access rights for third-party payment apps.

In 2022, following an antitrust investigation, the European Commission concluded that Apple enjoys significant market power in the smartphone market and a dominant position in mobile wallets on iOS. In 2024, the European Commission made commitments proposed by Apple legally binding.

Under these commitments, other wallet and payment service providers in Europe gain free and unrestricted access to the NFC (Near Field Communication) functionality on iOS devices, without needing to use Apple's own solutions. Such access for Android devices was already in place.

With these new access rights, domestic mobile payment solutions can start offering contactless payments in-store. Several solutions have already launched or announced such services.

## Single payment service provider-offered solutions

The fourth category consists of solutions offered by a single bank, e-money institution or payment institution. Two characteristics define this category: Firstly, the solution owner provides a regulated payment service and, hence, needs a PSD2 licence. Secondly, the solution owner operates the service independent of the banking sector.

A wide range of solutions fall into this category. One group consists of global players such as PayPal, Wise, Revolut and Klarna, which have grown from specialised business models into broad payment service providers. These can be accessed via browsers or mobile apps and are therefore considered mobile payment solutions.

A second group consists of more locally-oriented mobile payment apps with narrower use cases. The landscape is dynamic with new solutions emerging, and others being acquired by competitors or equivalent solutions in other markets. A source has recently identified around 30 such solutions in Europe.[12]

For these solutions, ordinary account-to-account processing is not feasible. Instead, the provider must use alternative channels, such as the card infrastructure or payment initiation services.[13] Alternatively, a provider may operate a three-party scheme, holding the payer's and payee's funds itself, although this typically limits reach.

[12] See Arkwright, *European mobile payments report 2025*, August 2025.

[13] Subject to access to the payer's account through open banking, a payment initiation service provider can process account-to-account transfers on behalf of a mobile payment solution.

# 3 Moving towards interoperability

Apart from Wero, the X-pays and a few other global players, the European mobile payment market remains fragmented across national borders. Few solutions allow users to make payments to people or retailers in other countries. As a result, the benefits these solutions provide at a national level are generally not available across borders.

Cross-border reach can be achieved in different ways. One option, illustrated by Wero, is to establish a solution that spans several countries from the outset. This is similar to the approach by international card schemes. Another is to connect existing solutions, enabling users of each to pay one another. In such cases, the solutions are said to be *interoperable*.

In 2019, a group of mobile payment solutions created the European Mobile Payment Systems Association (EMPSA) with the ambition of fostering interoperability. Today, the association has 13 members (see Table 2).[14] During its early years, concrete initiatives were limited, but recent developments suggest that work has accelerated among several members.[15]

In late 2023, the providers of the Italian, Spanish and Portuguese solutions – organised as a conglomerate called the European Payments Alliance (EuroPA) – signed a letter of intent to achieve interoperability.[16] In November 2024, the three solutions announced that they had completed the technical connection, and in March 2025, they started to roll out their joint service to end-users.[17]

Later, in May 2025, Vipps MobilePay and the company behind Blik, the Polish solution, signed letters of intent to join EuroPA.[18] A few weeks later, Dias, owner of the Greek solution IRIS, followed suit.[19] In November, Vipps MobilePay announced that the first test payment had been completed.[20] According to Vipps MobilePay, the service is expected to become available to customers in summer 2026.

[14] Besides the solutions in Table 2, the members are the Bulgarian solution Borica, Transfond from Romania and Albanian MPAY.

[15] For more information about EMPSA, see www.empsa.org.

[16] See Bizum, *Europe's leading mobile payment solutions, Bizum, BANCOMAT Pay and MB Way, establish an agreement for interoperability*, Press release, 14 December 2023.

[17] See Bizum, *The main European mobile payment solutions Bizum,Bancomat and MB Way, pioneers in interoperability with the launch of the first immediate transactions*, Press release, 13 November 2024 and Bizum, *The rollout of instant international payments between Bizum, BANCOMAT and MB Way begins*, 31 March 2025, respectively.

[18] See Vipps MobilePay, *Soon, you can send money to friends in Southern Europe*, Press release, 5 May 2025

[19] See Dias, *Greece joins EuroPA through IRIS Payments - the first pan-European network for interoperable instant payments*, Press release, 12 June 2025.

[20] See Vipps MobilePay, *Vipps börjar fungera över Europa* (in Swedish and other Nordic languages, only), News, 12 November 2025.

In parallel, EuroPA and Vipps MobilePay have begun working with EPI. In June 2025, they announced that they would explore interoperability with all use cases in scope.[21] This intention was confirmed in September following a preliminary investigation.[22] As next step, the solutions would prepare a feasibility study, ahead of the implementation phase.

More broadly, the interoperability route to European reachability differs fundamentally from the single-solution-approach. Each has advantages and drawbacks. Interoperability allows solutions to leverage their large domestic penetration while continuing to operate unchanged in their home markets. However, the effort required by the solutions involved can be substantial.

# 4 What it takes to achieve interoperability

To become interoperable, the mobile payment solutions must address – and agree on – a number of technical and commercial aspects. These can be assumed to form the centrepiece of the ongoing work among European solutions to connect. The description below does not pretend to be exhaustive but provides an indication of the work program for the solutions involved.

## Technical requirements

From a technical perspective, connecting solutions is a multi-layered task.

First, the payer should be able to see the payee's name or alias before confirming the payment. This requires a look-up functionality, whereby users of one solution can 'ask' for names or aliases of another solution's users. Such functionality can be based on a central register. However, solutions wishing to minimise shared infrastructure may prefer a bilateral look-up arrangement.

Second, the solutions must align on the technology used for payment initiation. This is relevant for in-store payments, which may rely on QR codes, Bluetooth or contactless technology. Solutions must be able to support one another's payment initiation methods. In Europe, stakeholders have worked to harmonise the technical framework for mobile-initiated payments at retailers, see Box 2.

[21] See European Payments Initiative, *EuroPA and EPI launch collaboration to expand sovereign Pan-European payments*, News, 23 June 2025.

[22] See European Payments Initiative, *EuroPA and EPI confirm commitment to expand sovereign pan-European payments with a hub-model*, 2 September 2025.

## Box 2 – European work towards common technical standards for mobile-initiated payments

In 2018, the European Payments Council (EPC) formed a multi-stakeholder group on mobile-initiated SEPA (instant) credit transfers (MSG MSCT). The group included representatives from mobile payment solutions such as Swish, banks, retailers, and relevant hardware and software manufacturers. Its purpose was to prepare a joint technical framework to foster interoperability.

The framework has since been refined, and Version 3.0 was published in October 2024.[23] It defines the minimum data set for payment initiation messages, providing a common technical foundation for interoperable solutions. Importantly, the framework does not address revenue-sharing arrangements along the value chain of mobile payments or similar commercial aspects.

MSG MSCT also developed a QR-code specification for mobile payments, which was submitted to ISO, the international organisation.[24] Following an unsuccessful fast-track procedure at ISO, the specification was submitted to CEN, the European Committee for Standardization. CEN is expected to publish the standard in 2026.

Following the payer's confirmation, the payment is processed. Rules are needed for the exchange of messages between solutions and banks. For account-to-account processing, the instant credit transfer schemes defined by the European payment industry could serve as the core of these rules.[25] The schemes may have to be adjusted or complemented to the specific use case of mobile payments across solutions.

As a third layer, funds must be moved from the payer's bank to the payee's bank. This normally involves a settlement mechanism. Across the euro area – where both accounts are denominated in euro – the Eurosystem's TIPS service can be used. When accounts are in different currencies, a currency conversion is needed, and settlement becomes more complex.

Together with the European Central Bank and Danmarks Nationalbank, the Riksbank is launching TIPS cross-currency, a service that can act as the settlement mechanism for payments across currencies. It settles transactions in both currencies instantaneously and without counterparty risk, making it especially suitable for mobile payments. The service is described in more detail in Box 3.

[23] See EPC, *Third release of the 'Mobile initiated SEPA (Instant) Credit Transfer and technical Interoperability Guidance'*, 2 October 2024.

[24] See EPC, *Specification of QR-codes for Mobile (Instant) Credit Transfers (MCTs) submitted to ISO*, 10 January 2023.

[25] The European Payments Council, EPC, has set rules for instant credit transfers in euro, see SEPA Instant Credit Transfers, and Nordic Payments Council, NPC, has approved similar rules for credit transfers in Danish kroner, Norwegian kroner and Swedish kronor, see Nordic Instant Credit Transfers.

## Box 3 – TIPS cross-currency

Danmarks Nationalbank and the Riksbank have both migrated the settlement of instant payments in their respective currencies to TIPS, the Eurosystem's multi-currency platform. With several currencies settled on the same infrastructure the central banks – together with the ECB – decided to develop a service for cross-currency instant settlement, known as TIPS cross-currency.

The new service settles the two legs of a cross-currency payment in each central bank's system on the TIPS platform, e.g. the Riksbank's RIX-INST and Danmarks Nationalbank's TIPS-DKK. Settlement is linked, ensuring that either both legs settle or neither does. Combined with settlement on central bank accounts, this eliminates the traditional counterparty risk associated with cross-currency payments.

The TIPS cross-currency service is available for testing. The Riksbank plans to update its terms and conditions for account holders in June 2026, after which eligible payment service providers in Sweden can start using the service. Other currencies onboarded to TIPS can join in the future, which will expand the set of currency pairs the service supports.[26]

## Commercial considerations

Mobile payment solutions must also consider commercial aspects.

First, connecting with other solutions occupies resources for development. With other infrastructure projects ongoing, banks may have other priorities. In Sweden, for instance, banks are engaged in modernising the domestic payment infrastructure. Moreover, in Sweden and elsewhere, the mobile payment solutions could be focused on improving their services for domestic payments where volumes are larger.

Second, banks may be concerned about the impact on other business lines. One example is card payments, which has traditionally been profitable for banks.[27] Although fee income from card issuing has reportedly been under downward pressure in recent years,[28] it may still be a factor that banks take into account. Some banks are also active in, and earn income from, card acquiring.

Card issuers also earn revenue when converting payments in other currencies into the cardholder's account currency.[29] If mobile payments across currencies increase trans-

[26] For more information about the TIPS cross-currency service, see the relevant page on the Riksbank's webpage.

[27] In 2021, banks in Sweden had a net income of more than SEK 4 billion on card issuing, see Nina Engstöm and Anders Mølgaard Pedersen, *Banks' costs for providing payments services*, Sveriges Riksbank, Staff memo, March 2024.

[28] Two reasons for the squeezing of card issuers income often highlighted are the EU Interchange Fee Regulation, which entered into force in 2015, and processing fees paid to the increasingly popular X-pays.

[29] See *Reimo Juks, Cross-border payments offered by the large Swedish banks: are they in line with G20 cost targets?*, Sveriges Riksbank, Staff memo, February 2025

parency, for example by displaying the actual exchange rate prior to the payer confirming the transaction, this revenue could be reduced. Such increased transparency would be enabled by the instant processing of mobile payments.

These effects could, in principle, be mitigated by a compensation model, such as interbank fees designed to balance costs and revenues. However, designing such a model becomes more complex as the number of participating solutions increases. For a joint initiative involving several providers, the compensation model would likely need to be multilateral, i.e. uniform, across participants.

A further commercial aspect is related to end-user recognition. Users need to know when they can pay someone registered with a connected solution, or when a solution can be used at a retailer abroad. A common brand, similar to that displayed by international card schemes, would help signal to consumers that their mobile payment solution is accepted.

### Legal aspects

In addition, there will be legal aspects to consider. These are related to e.g. sharing of data between solutions, specific requirements for cross-border payments and establishing a legal entity to serve as scheme owner. While they could all pose challenges, years of legal harmonisation in Europe may have reduced their potential to hinder or delay interoperability.

Interoperability may also have competition implications. This could be the case if two interoperable solutions operate in each other's markets, and one later withdraws from the other market. The effects could resemble those of a merger, requiring an analysis by competition authorities. Any interbank fee charged as part of a compensation model may also attract regulatory scrutiny.

# 5 Developments in the Nordics

The Nordics is a highly integrated region. People routinely buy goods and services across borders, commute between countries for work, and travel frequently for leisure. At the same time, the bank-sector supported mobile payment solutions have high penetration. Together, these factors make the Nordic countries a natural candidate for cross-border mobile payments.

The mobile payment solutions in Denmark, Norway and Sweden, i.e. MobilePay, Vipps and Swish, respectively, were among the founding members of EMPSA. As described in Section 3, Vipps and MobilePay – which merged in 2022 – also participate in the current European work on interoperability. Swish, in contrast, has not decided to join the initiative.

In May 2024, Vipps MobilePay also launched a cross-border payment service for users in Denmark, Finland and Norway (see Box 4). Later, in September 2024, Vipps MobilePay broadened the service to Sweden. In practice, it became possible for Swedes to download the Vipps Mobile Pay app, register a payment card and transfer funds to other users across the Nordics.

However, while this service enables most Danes, Norwegians and many Finns to transfer money to one another, its reach in Sweden remains modest.[30] Two factors largely explain this: Firstly, not all banks in Sweden support Vipps MobilePay's service. Secondly, Swish already meets most Swedes' domestic needs for mobile payments, reducing interest in registering with an additional solution.[31]

These are the usual challenges of a new provider on a market with a well-established solution and strong network effects. For Swedish people to become reachable to their Nordic neighbours, and vice versa, a more direct approach would be to connect the existing domestic mobile payment solutions. This would ensure almost full reachability from the launch of the cross-border payment service.

Moreover, interoperability, both in the Nordics and in Europe, should ideally be based on the account-to-account infrastructure. As explained in Box 4, this provides for a cheaper and simpler processing flow than using the card infrastructure. A separate set of rails for cross-border payments also enhances payment resilience and reduces the Nordic region's dependency on foreign service providers.

Deploying the account-to-account infrastructure also allows the solutions and the participating banks to leverage the TIPS cross-currency service. This includes its various features such as instant settlement, 24/7 processing and end-to-end confirmation. Further, while the service is currently limited to euro, Danish kroner and Swedish kronor, more currencies could be added.

## Box 4 – A service for cross-border mobile payments in the Nordics

Vipps MobilePay's service for cross-border payments in the Nordics, launched in 2024, relies on the card rails. Specifically, it is based on Visa Direct and Mastercard Send, the near real-time payment services offered by the international card schemes. These services oblige card issuers to credit incoming payments to cardholders' accounts despite not having received the funds (yet).

While the card rails are already present, using them for cross-border mobile payments has certain limitations. For instance, the processing is generally regarded as more

[30] By the end of 2024, Vipps MobilePay had 70 000 Swedish users compared to 2.8 million in Finland and 4.6 million in Denmark and Norway respectively, see Vipps MobilePay, *Annual report for Vipps MobilePay 2024*.

[31] In addition, Vipps MobilePay claims that mandatory use of BankID, the Swedish digital identification solution owned by the major banks, has hindered the company from growing in Sweden and has submitted a complain to the Swedish Competition Authority, see Vipps MobilePay, *Vipps MobilePay anmäler svenska BankID till konkurrensmyndigheterna* (available in Swedish, only), News, 18 March 2025.

costly than using the account-to-account infrastructure. The solution owner (i.e. Vipps MobilePay) must engage with a payment service provider, 'licensed' by Visa and Mastercard, and is assumed to be charged a processing fee.

Moreover, the solution owner cannot inform the payer about the exchange rate in advance. For the payer, this is similar to using a payment card abroad. In addition, crediting the payee prior to settlement entails credit risks and deviates from principles for sound processing of payments. Although the scheme rules include mitigants and volumes are small, the risks, and potential losses, are not zero.

These 'shortcomings' can be overcome by using the account-to-account infrastructure. A separate cross-border payment solution based on the account-to-account rails, and not the international card schemes' networks, may also strengthen resilience. However, establishing an account-to-account solution requires a collaborative effort among the solution(s) and the banks and can be a major task.

In February 2025, Vipps MobilePay extended its cross-border payment service to in-store payments. The company has not published data on usage – either for person-to-person or in-store payments. At retailers, the lack of a common brand may have held back cross-border usage. In Sweden, not all major banks allow their customers to register their payment cards with Vipps MobilePay and use the service.

# 6 Conclusion

After several years of discussions, mobile payment solutions in Europe have now started concrete work on interoperability. The EuroPA solutions have already rolled out a cross-border payment service, and together with EPI and Vipps MobilePay they are exploring further collaboration spanning several countries. This work aligns with broader infrastructure developments in Europe, including the expansion of instant payment rails and the introduction of the TIPS cross-currency service.

Beyond adding value for end-users, connecting mobile payment solutions could strengthen the resilience of Europe's payment landscape – a priority amidst increasing geopolitical tensions. Today, the international card schemes remain the main – and in some cases the only – means for cross-border payments in Europe. This creates a dependency on a single set of rails with governance outside Europe, which could be alleviated with a mobile payment-alternative based on interoperability.

However, should interoperability entail *real* improvements, the processing model is critical. Cross-border payments need to be executed using the account-to-account rails. This could help reduce operating costs and risks by improving the processing flow and enhance the resilience of payments. While the card-based approach adopted by some solutions improves convenience, it leaves several structural issues unresolved, as described in this staff memo.

In the Nordics, Vipps MobilePay has launched a service for cross-border payments. The Nordic countries is a region where people interact across borders, which creates demand for such a service. In Sweden, however, the reach of Vipps MobilePay's service remains limited due to its lack of take up. For Swedish people to become reachable to Danes, Norwegians and Finns - and the opposite - a more direct approach would be to connect the domestic solutions.

Although a founding member of EMPSA, Swish has not decided to take part in the current European work on interoperability. If Swish joined the initiative, it could not only serve as a 'fast track' to make its users reachable with their Nordic neighbours. Assuming a successful implementation, it would also provide Swedes with a new and efficient method for payments across other European countries, extending the benefits that Swish has delivered domestically for more than a decade.

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