



EUROPEAN CENTRAL BANK

EUROSYSTEM

Co-badging technical deep dive

ERPB Fit in the Ecosystem
Workstream

27/04/2026

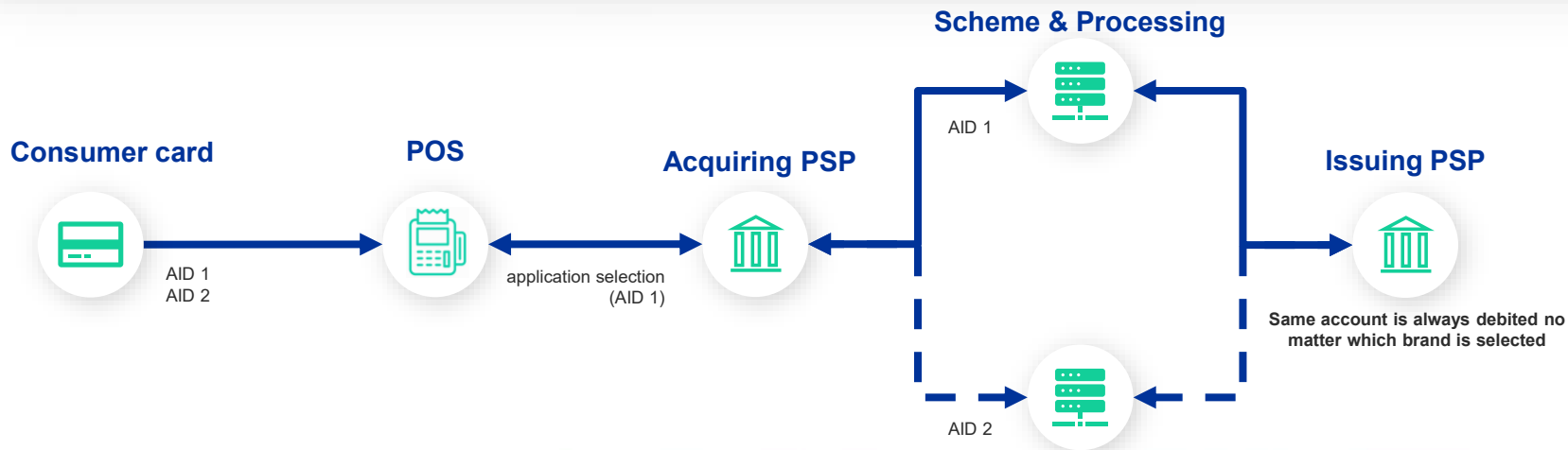


Disclaimer: The technical analysis is presented without prejudice to present or future applicable regulation

Co-badging today

Co-badging refers to the inclusion of two or more payment brands or payment applications of the same brand on the same card-based payment instrument. This typically involves the combination of an international brand and a domestic brand.

In most co-badging models, only one bank account is linked to the card. In these cases, the brand selected during a transaction determines the routing path, but not which account is debited.



Co-badging UX for proximity payments with physical card

Contact transactions

- The merchant pre-selects their default preferred payment brands on the POS.
- The customer inserts their card.
- The final choice of the brand used remains with the payer, who can switch to an alternative option (e.g., by pressing the yellow button) if they wish.

Contactless transactions

- The merchant pre-selects their default preferred payment brands on the POS.
- The final choice of the brand used remains with the payer, who can switch to an alternative option by requesting that the merchant configures the POS to use the payer's preferred payment brand (e.g. orally or pressing yellow button before tapping).
- The payer taps to pay.

Even though payers can override the automatic brand-selection set by the merchant's terminal (in accordance with Article 8 of the IFR), this option is rarely used or clearly communicated in practice. Both consumers and merchant staff are often unfamiliar with co-badging and may not realise that such a choice exists. In addition, merchants typically prioritise a fast and seamless checkout experience—especially in tap-and-go scenarios—which further reduces the visibility of this option.

Co-badging and digital euro

By including the digital euro on a card that already supports other established payment brands would allow it to **coexist with and complement existing private payment solutions**.

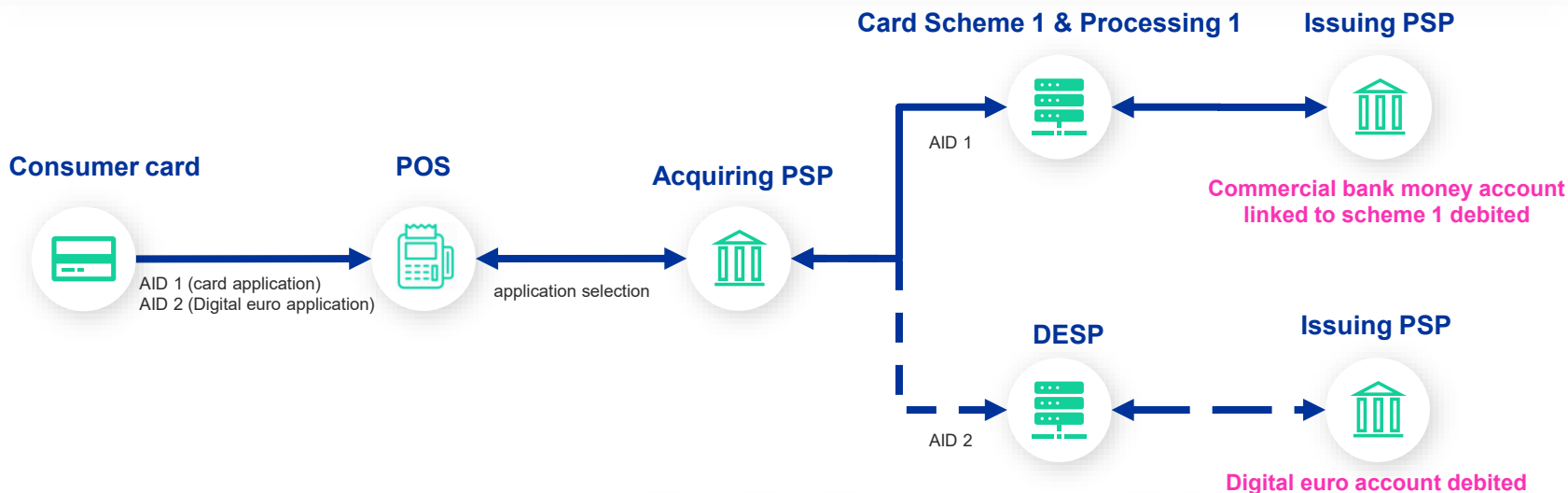
For euro-area cross-border transactions, payments processed via the digital euro could avoid International Card Scheme fees and reduce dependency on non-European schemes.



Co-badging with physical cards: Domestic card schemes could benefit from pan-euro area acceptance network; in turn digital euro leverages on trusted brands.

Co-badging and digital euro

Including the digital euro on a card that already supports other payment brands introduces the need for users to choose between different accounts to be debited. This multi-account setup carries notable UX considerations.



Impacts on the UX for proximity payments: contact scenario

A single card supporting multiple brands linked to different accounts diverges from today's established market practices.

Possible scenarios	Impacts
Scenario 1 (current practice) – Merchant pre-selects default brand and payer can override the automatic brand-selection set by the merchant	<ul style="list-style-type: none">• Risk of increased transaction rejections.• Payers rarely notice or override the selection.• Potential misalignment between payer preference and merchant configuration.
Scenario 2 – Systematically offer brand choice on the POS	<ul style="list-style-type: none">• Adds an extra step to the payer's UX at checkout.• May slow down transactions, especially in busy environments (limited as contact transactions are slower than contactless ones anyway).

Scenario 2 has already been adopted in similar use cases—for example, cards in Finland use this approach for co-badged debit/credit cards of the same brand.

While it adds an extra step for the payer, it ensures they are always aware of which account will be debited without significantly increasing checkout time.

Impacts on the UX for proximity payments: contactless scenario

For contactless payments, speed and a seamless checkout experience are essential for both merchants and customers. Introducing cards that support multiple accounts must be designed carefully to avoid adding friction or disrupting the POS experience.

Possible scenarios	Impacts
Scenario 1 (current practice) – Merchant pre-selected brand (Tap & Go) and payer can request to override the merchant pre-selected brand before tapping (Request + Tap & Go)	<ul style="list-style-type: none">• Risk of increased transaction rejections.• Potential misalignment between payer preference and merchant configuration.• Override option is commonly unknown to the user: low awareness and education of both payers and merchants.• Override option might happen more frequently, slowing down checkout; not aligned with fast contactless UX.
Scenario 2 – Merchant offers brand choice on POS (Tap + Choice + Tap & Go)	<ul style="list-style-type: none">• Requires two taps which slows down the checkout flow.• More aligned with transparency but less with frictionless/contactless expectations.

Supporting this scenario—regardless of the option chosen—will inevitably impact the payer experience. A balance must be found between preserving a smooth checkout flow and educating customers and merchants about co-badging choices.



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Thank you

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Additional supporting materials:

- [Progress on the preparation phase of a digital euro – closing report](#)
- Updated digital euro [FAQ](#)
- ERPB Fit of the digital euro in the payment ecosystem workstream [Report](#)
- Eurosystem [view](#) on recent assessments of digital euro investment costs for the euro area banking sector
- ECB [Technical Analysis](#) on the financial stability impact of the digital euro
- [Latest update](#) on the work of the digital euro scheme's Rulebook Development Group
- Digital euro innovation platform [Report](#)