EUROPEAN CENTRAL BANK
EUROSYSTEM

The digital euro: key aspects at a glance

Technical annex for the exchange of views with the European Parliament's Committee on Economic and Monetary Affairs

17 November 2025

An overview of the European payment landscape

Characteristics of today's fragmented payment landscape

- Nearly two-thirds of euro area card-based transactions are processed by non-European companies, while **13 euro area countries depend entirely on international card schemes** or mobile solutions for in-store payments.
- These private solutions may not always be accessible to everyone or function in all circumstances, such as in times of crisis.
- There is also **no European digital payment option that covers the entire euro area**.
- Current European digital payment solutions mainly cater to national markets and specific use cases.

Market leadership and relevant domestic payment options in euro area countries

	P2P		POS		E-commerce	
	Market leader	Relevant domestic option present?	Market leader	Relevant domestic option present?	Market leader	Relevant domestic option present?
Austria	🌎	No	🌎	No	🌎	Yes
Belgium	🌎	Yes	🇪🇺	Yes	🇪🇺	Yes
Croatia	🌎	No	🌎	No	🌎	No
Cyprus	🌎	No	🌎	No	🌎	No
Estonia	🇪🇺	Yes	🌎	No	🇪🇺	Yes
Finland	🌎	Yes	🌎	No	🌎	Yes
France	🌎	Yes	🇪🇺	Yes	🇪🇺	Yes
Germany	🌎	No	🇪🇺	Yes	🌎	No
Greece	🇪🇺	Yes	🌎	No	🌎	No
Ireland	🌎	No	🌎	No	🌎	No
Italy	🌎	No	🌎	Yes	🌎	No
Latvia	🌎	No	🌎	No	🌎	No
Lithuania	🇪🇺	Yes	🌎	No	🇪🇺	Yes
Luxembourg	🌎	No	🌎	No	🌎	No
Malta	🌎	No	🌎	No	🌎	No
Netherlands	🇪🇺	Yes	🌎	No	🇪🇺	Yes
Portugal	🌎	Yes	🌎	Yes	🇪🇺	Yes
Slovakia	🌎	No	🌎	No	🌎	No
Slovenia	🇪🇺	Yes	🌎	No	🌎	No
Spain	🇪🇺	Yes	🌎	No	🌎	No

Notes: World icon indicates international, non-European solutions. European flag indicates a European solution. “P2P” refers to alias-based person-to-person payments which are not available everywhere. A relevant domestic option refers to solutions holding an estimated market share exceeding 10% within the respective use case, though other domestic options may also be technically present.
Sources: ECB elaboration based on the study on the payment attitudes of consumers in the euro area (SPACE); Euromonitor; Global Payments Report (Worldpay); Key players in the EU payments landscape (The Payments Association EU); Roland Berger.

How the digital euro fits into the payment ecosystem

Key takeaways from the "Fit of the digital euro in the payment ecosystem" report

The digital euro presents an **opportunity to enhance competitiveness** in the European payment landscape by offering an alternative to international card schemes and thus strengthening the negotiating position of European payment service providers.

By **making use of open digital euro standards**, private providers can voluntarily integrate the digital euro into their payment solutions and/or co-badge it on physical cards.

The digital euro would **establish a "common acceptance layer"**, which would enable European payment solutions to expand their reach across the euro area without needing to pay for or build their own acceptance networks.

Compensation model

Digital euro compensation model: an explainer

- **The European Commission proposal for a digital euro Regulation envisages adequate compensation for payment service providers (PSPs) for distributing the digital euro, and a cap on the fees that PSPs can charge merchants.**

- Fees related to the digital euro will be capped owing to its legal tender status, which will mean that acceptance is:
  - mandatory: caps protect merchants from abusive charges;
  - at full face value: any reductions from full face value need to be limited and justified; PSPs should be adequately compensated for related costs.

- **These slides offer a high-level, simplified overview of the compensation model** for the digital euro, as outlined in Article 17 of the proposed Regulation, and provide a comparison with existing fees for similar payment methods based on available market data.

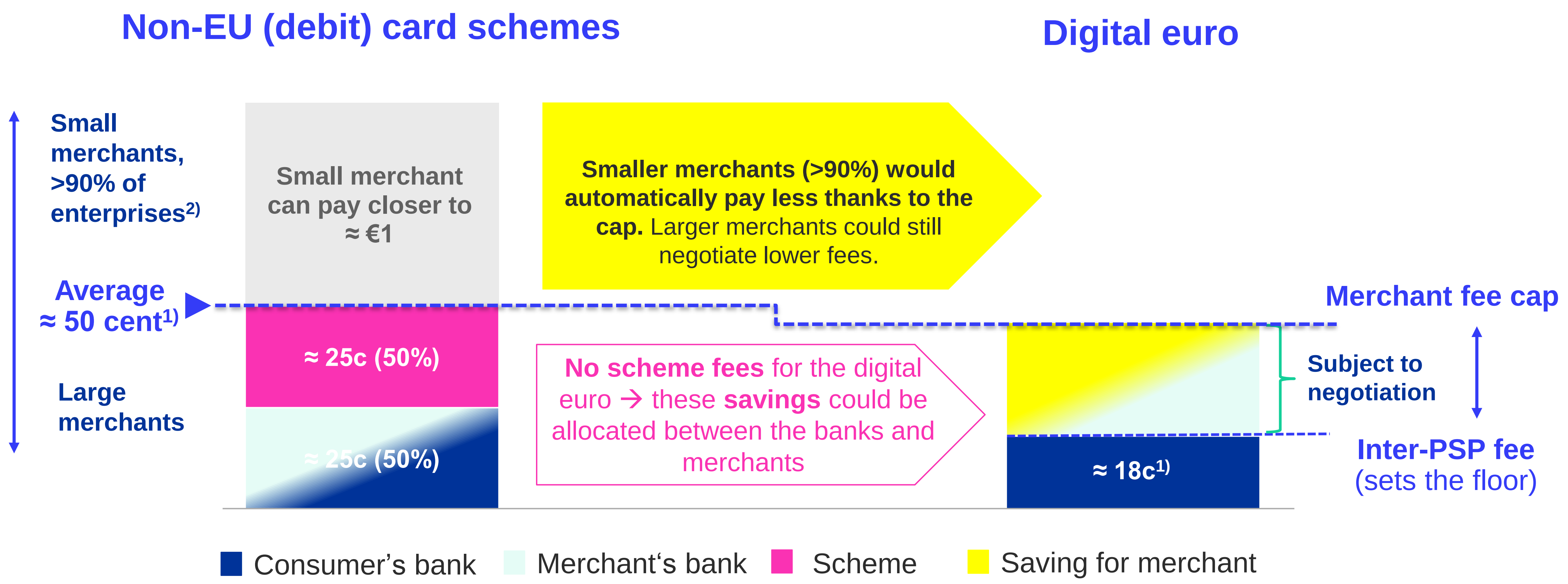
- Note: Obtaining comprehensive data on existing fees is challenging, especially for cards, as there are currently no provisions in EU legislation requiring fees to be reported, in particular for cards.[1)]

1) See European Court of Auditors (2025), "Special report 01/2025: Digital payments in the EU – Progress towards making them safer, faster, and less expensive, despite remaining gaps", 9 January.

Merchant fee level and distribution – Non-EU card schemes vs digital euro

Example: €100 purchase → Total merchant fee ≈ 50 cent

Illustrative, based on available market data



[1] European merchants pay fees of ≈ 0.50% per transaction (weighted average) for international card schemes. Smaller merchants can pay up to 3-4 times more than large merchants.
[2] Euro area average of interchange fees for debit cards, taking into account lower interchange fee caps in some Member States.

Privacy

Privacy by design for the online digital euro

Users
(consumers and merchants)

Payment service providers

- **Payment service providers will know the identity** of the end user for regulatory purposes (anti-money laundering/countering the financing of terrorism, fraud prevention)

Infrastructure

- At infrastructure level, only the **minimum necessary amount of data** will be processed
- The Eurosystem and providers of support services* will only have access to **pseudonymised information**.

The ECB will consult the European Data Protection Supervisor before implementing the design of the digital euro, in line with the draft Regulation.

* Providers of support services are European market actors providing infrastructure services alongside the Eurosystem.

Cash-like privacy for the offline digital euro

The ECB, banks and PSPs cannot see:

What goods you bought or the purpose of the payment

Where you bought the goods

From whom you bought the goods or received the payment

Proximity enables cash-like privacy