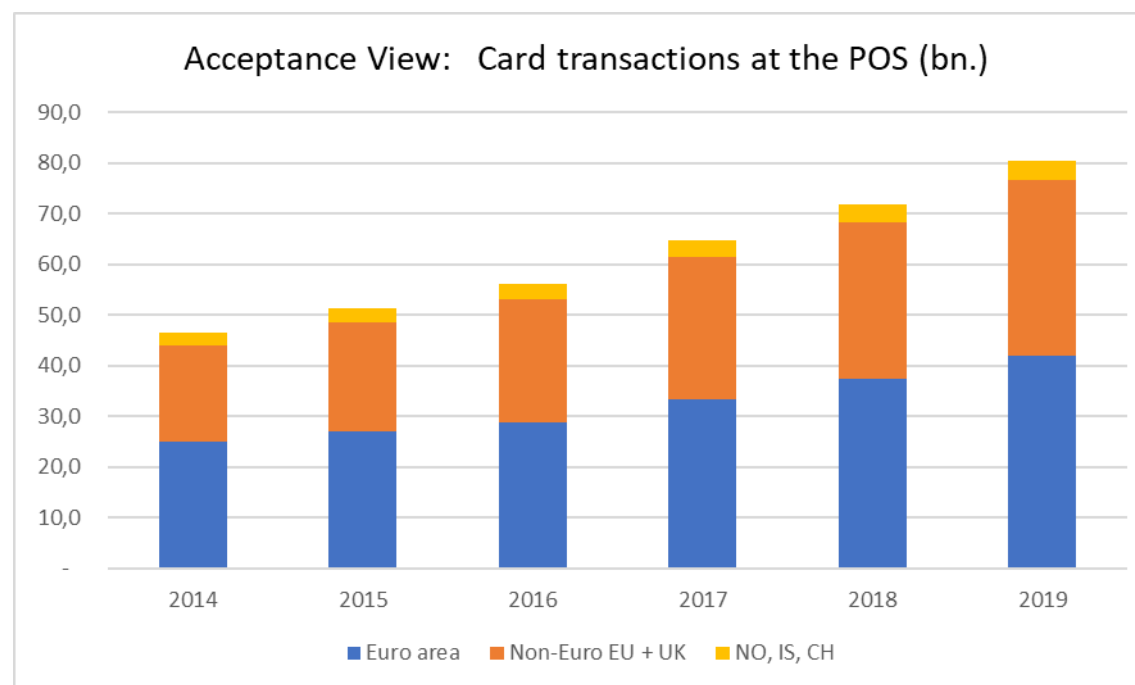


EPSM Public Information:
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European Market Research 2014 – 2019: POS payments in the main SEPA markets show robust growth up to the pandemic

Exclusive research provided to EPSM by our partner, Payments Cards and Mobile, shows that SEPA area merchant acceptance and card usage continued to grow until 2019, right up to the start of the pandemic, suggesting that a robust payments infrastructure remains in place – and that consumer appetite for card usage at POS remains high, powered in part by the success of contactless transactions. PCM's data also shows debit card usage as a proportion of overall card spend growing over the last five years.



1. Acceptance View: Development at the POS acceptance side in absolute numbers

The research, based on the latest available data from the ECB, BIS and national central banks across 31 European countries, shows that POS payments with cards at European merchant outlets grew by 12.2% between 2018 to 2019, somewhat higher than the five-year growth rate of 11.6%.

In terms of the POS payments value, growth was again above the long-term average across the 31 countries, at 6.8% compared to 6.6% over the last five years. Even before the pandemic, European consumers used their cards more often for lower-value payments at POS terminals

Table 1 – Acceptance View: POS Payments in the 31 main SEPA markets								
Region	2014	2015	2016	2017	2018	2019	Growth 18/19	CAGR 5Y
POS Payments (millions)								
Euro area	25.150,5	27.094,1	28.946,0	33.391,2	37.518,5	41.992,9	11,9%	10,8%
EU27 + UK	44.120,9	48.681,1	53.037,4	61.372,2	68.218,8	76.625,3	12,3%	11,7%
EU27 + UK, NO, ISL, CH	46.588,9	51.446,7	56.074,7	64.700,9	71.823,6	80.554,2	12,2%	11,6%
POS Payments Value (€ billions)								
Euro area	1.247,8	1.328,7	1.351,4	1.501,4	1.636,0	1.755,2	7,3%	7,1%
EU27 + UK	2.125,9	2.336,1	2.516,4	2.643,5	2.755,6	2.944,2	6,8%	6,7%
EU27 + UK, NO, ISL, CH	2.259,9	2.478,6	2.666,2	2.799,8	2.913,3	3.111,8	6,8%	6,6%
ATV per POS Payment (€)								
Euro area	€49,62	€49,04	€46,69	€44,96	€43,61	€41,80	-4,1%	-3,4%
EU27 + UK	€48,18	€47,99	€47,45	€43,07	€40,39	€38,42	-4,9%	-4,4%
EU27 + UK, NO, ISL, CH	€48,51	€48,18	€47,55	€43,27	€40,56	€38,63	-4,8%	-4,5%

Notes:

1. POS payments were made at POS terminals reported on a country level.
2. POS payments were made with cards issued in the country and with foreign cards, no online card payments
3. The Euro Area includes the 19 EU countries that have adopted the Euro.
4. The 31 main SEPA countries are composed of the EU27 countries, UK, Norway, Iceland, and Switzerland.
5. Figures are rounded to one decimal digit after data compilation.
6. Sources: ECB, BIS, national central banks, PCM research.

2. The Issuer View: The European market share of debit card payments (including online and foreign payments)

As seen by card issuers, the market share of debit card payments differs between European countries based on the different domestic payment behaviours and consumer attitudes to credit card use in various countries.

However, using data gleaned from individual issuing banks and, where available, national central banks, research undertaken by Payments, Cards and Mobile shows an estimate of the market share of debit card payments by number across the E31 countries. The market share of debit card payments rose from 75.8% of all card payments to 81.2% over the last five years.

In addition, the market share for debit card payments by value across the E31 countries rose from 69.5% of all card payments to 73.4% over the last five years.

This growth has led to a corresponding decrease in the market share of credit/delayed debit card use, from 24.2% of all spending to 18.8%, and from 30.5% of all expenditure to 26.6% between 2014 and 2019, respectively.

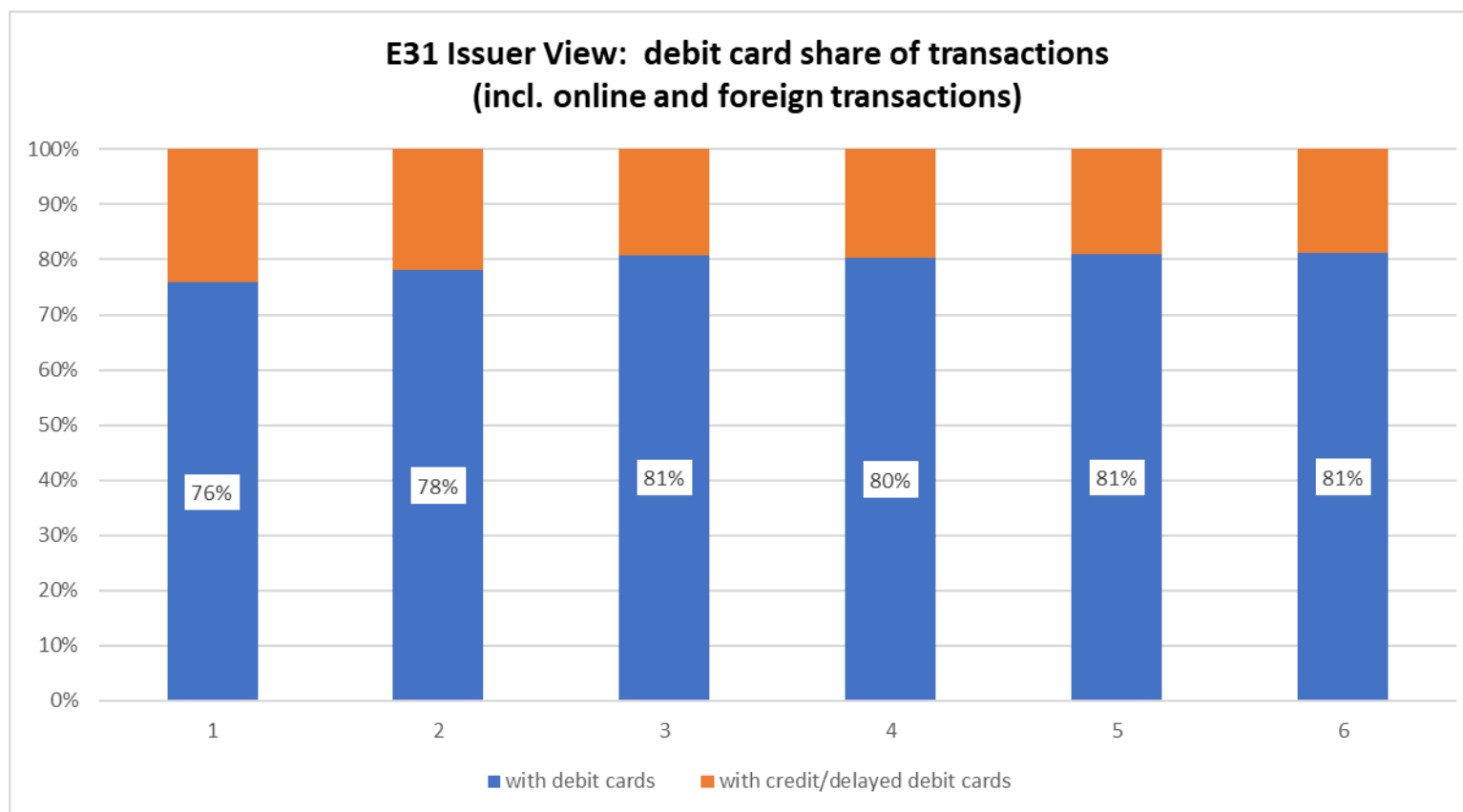
The implication of this finding is that people are using their contactless debit cards more frequently for low-value transactions as cash continues to be replaced.

Table 2 - Issuer View: Debit-Credit/delayed debit card market shares in the 31 main SEPA markets								
Region	2014	2015	2016	2017	2018	2019	Growth 18/19	CAGR 5Y
Number of card payments (mn.)	53.033,3	58.684,5	67.457,8	72.588,1	81.543,8	90.833,1	11,4%	11,4%
- thereof with debit cards (mn.)	40.200,7	45.814,7	54.507,7	58.301,1	66.125,3	73.742,8	11,5%	12,9%
- thereof with credit/delayed debit cards (mmn.)	12.832,6	12.869,8	12.950,1	14.287,0	15.418,4	17.090,3	10,8%	5,9%
Card payments value (€bn)	2.743,1	3.025,4	3.089,3	3.221,5	3.435,8	3.660,4	6,5%	5,9%
- thereof with debit cards (€bn)	1.905,7	2.188,3	2.272,9	2.357,6	2.519,4	2.686,3	6,6%	7,1%
- thereof with credit/delayed debit cards (€bn)	837,4	837,1	816,4	863,9	916,5	974,1	6,3%	3,1%
Market share of debit card payments	75,8%	78,1%	80,8%	80,3%	81,1%	81,2%	0,1%	1,4%
Market share of debit card payments value	69,5%	72,3%	73,6%	73,2%	73,3%	73,4%	0,1%	1,1%
Market share of credit/delayed debit card payments	24,2%	21,9%	19,2%	19,7%	18,9%	18,8%	-0,5%	-4,9%
Market share of credit/delayed debit card payments value	30,5%	27,7%	26,4%	26,8%	26,7%	26,6%	-0,2%	-2,7%

Note:

1. Card payments transactions with cards issued per country, with acceptance at POS terminals, onlineshops and foreign locations.
2. Other information according to the notes after table 1.

From a pan-European point of view, Table 2 provides an illustrative market share indication for POS payments with debit cards compared to POS payments on credit/delayed debit cards.



For more information on PCM's research, please visit www.paymentyearbooks.com

About the EPSM:

The European trade association EPSM represents the interests of payment service providers for merchants, like acquirers and internet PSPs for payment acceptance. As a non-for-profit organization, it provides a cost-effective interest representation and general information exchange on payment topics to its members.

Since its founding in April 2005, the specialised EPSM has grown to 67 EPSM members with headquarters in 16 European countries (AT, BE, CH, CY, CZ, DE, FR, GR, HU, IE, IT, LU, LT, NL, SE, UK) and in the USA. There are voting (ordinary) members, like acquirers, payment network operators, and internet payment providers, and non-voting (extra-ordinary) members, like payment schemes, service providers, and terminal manufacturers.

In 2019, there were three EPSM Meetings with 40 – 60 participants and external speakers, held in Frankfurt, Germany (hosted by American Express), Mondorf, Luxembourg (hosted by 3C Payment), and Vienna, Austria (hosted by Blue Code). In 2020, due to Corona, all events have been virtual. Currently, there are virtual meetings typically each 4 weeks with app 50 participants from more than 10 European countries.

Recent new members have been JCC (Cyprus), Paystra (Lithuania), Web Shield (United Kingdom), Apple Payments (United States), LexisNexis Risk Solutions (United Kingdom), Cardlink (Greece), the Dutch Payments Association (Netherlands), New SIA Greece (Greece), Netcetera (Germany) and creditPass (Germany).

The association has been in contact with the European Commission, the ECB, the EBA, other European and national organisations and actively taken part in several consultations. EPSM representatives are active in the EU Payment Systems Market Expert Group (PSMEG) and the global PCI SSC Board of Advisors (PCI BoA).

The services for members include three EPSM Meetings per year with external speakers, up-to-date information by e-mail, a homepage with a non-public intranet, a small PSD2-SCA working group, and a regular “EPSM Market Research Newsletter” and “EPSM Legal Research Newsletter”.

For more information, please visit: www.epsm.eu or contact:

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