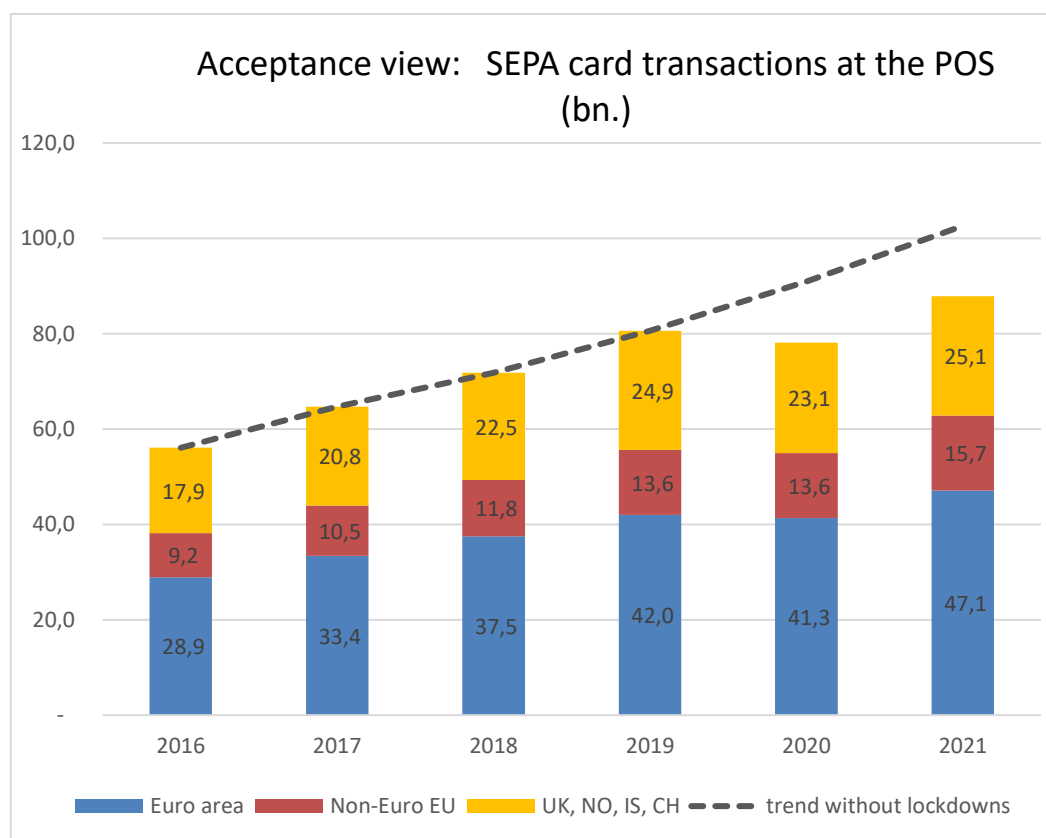


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**SEPA card payments at the POS, 2016 – 2021:
A strong recovery in 2021 after the lockdown dip in 2020, but still below the long term trend before Corona**

The data shows significant growth in 2021 after the lockdown dip in 2020, but in total still below the long-term trend. For 2022, significant growth is expected again, in parallel to very significant growth in ecommerce transactions in 2020 and 2021.



Exclusive market research provided to EPSM by the UK-based "Payments Cards and Mobile", based mainly on central bank statistics data, provided in 2H 2022. For simplification, the term "SEPA" is used as simplified term for E31 markets (EU27 + CH, IS, NO, UK, but without covering the SEPA microstates Andorra, Liechtenstein, Monaco, San Marino, and Vatican City).

1. The Acceptance View: European POS payments declined slightly in 2020 due to lockdowns

Table 1 shows the declining impact of lockdowns in the pandemic year 2020 on POS payment volumes compared with 2019. In 2020, POS payments with cards at European merchant outlets declined 2.7% by number and 3.2% by value, respectively.

In contrast to strong decline of credit card use, in 2020, European consumers have used their debit cards more often for contactless low value payments at POS terminals significantly replacing cash use. In addition, in 2020, ATM cash withdrawals in the E31 countries declined by 25.6% by number and 14.2% by value. Outlook: A strong recovery of POS payment volumes in 2021 is seen as very likely.

Table 1 - POS Payments in 31 SEPA countries									
Region	2015	2016	2017	2018	2019	2020	2021	GR 20/21	CAGR 5Y
POS Payments (millions)									
Euro countries (#19)	27.094,1	28.946,0	33.413,1	37.534,2	42.018,6	41.335,6	47.101,1	13,9%	10,2%
EU27	35.247,1	38.179,4	43.950,0	49.340,6	55.646,0	54.946,3	62.789,6	14,3%	10,5%
EU27 + UK, NO, ISL, CH	51.446,7	56.074,7	64.722,8	71.839,4	80.571,0	78.089,7	87.874,3	12,5%	9,4%
trend without lockdowns						90,9	102,6		12,8%

Notes:

- POS payments were made at POS terminals with cards issued in the country and on foreign cards.
- the 31 European SEPA countries are composed of EU27 countries, UK, Norway, Iceland and Switzerland.
- figures are rounded to one decimal digit after data, data for 2016 - 2020 has been slightly corrected since Feb 2022
- sources: ECB, BIS, national central banks, PCM research. Figures for 2020 show the corona lockdown impact.

Additional Note:

Online card payments are not covered in the POS payments table.

2. The Issuer View: The market share of debit card payments has increased again

The market share of debit card payments is very different by European country.

But the consolidated view in table 2 shows that the market share of debit card payments by transactions across the SEPA countries rose from 80,8% to 83,5% of all card payments over the last five years. The market share for debit card payments by rose from 73,6% to 76,9% over the last five years.

This growth has seen a corresponding decrease in the market share of credit/delayed debit card use, from 21,9% of all spending to 18,8% and from 27,7% of all expenditure to 26,9% between 2015 and 2020, respectively. The implication of this finding is that consumers continued using their contactless debit cards more frequently for low-value transactions as cash continues to be replaced.

Table 2:

Card Payments in 31 European countries - significant growth								
Region	2016	2017	2018	2019	2020	2021	GR 20/21	CAGR 5Y
Number of card payments (m)	67.457,8	72.588,1	81.543,8	90.883,0	86.555,4	102.227,6	18,1%	8,7%
- thereof with debit cards (m)	54.507,7	58.301,1	66.125,3	73.802,0	71.322,4	85.341,4	19,7%	9,4%
- thereof with credit/delayed debit cards (m)	12.950,1	14.287,0	15.418,4	17.081,0	15.233,0	16.886,2	10,9%	5,5%
Card payments value (€bn)	3.089,3	3.267,0	3.442,7	3.667,3	3.416,5	4.005,5	17,2%	5,3%
- thereof with debit cards (€bn)	2.272,9	2.360,3	2.521,5	2.691,7	2.587,6	3.082,2	19,1%	6,3%
- thereof with credit/delayed debit cards (€bn)	816,4	906,8	921,2	975,6	828,9	923,3	11,4%	2,5%
Market share of debit card payments	80,8%	80,3%	81,1%	81,2%	82,4%	83,5%	1,3%	0,7%
Market share of debit card payments value	73,6%	72,2%	73,2%	73,4%	75,7%	76,9%	1,6%	0,9%
Market share of credit/delayed debit card payments	19,2%	19,7%	18,9%	18,8%	17,6%	16,5%	-6,1%	-3,0%
Market share of credit/delayed debit card payments value	26,4%	27,8%	26,8%	26,6%	24,3%	23,1%	-5,0%	-2,7%
Annual growth rate: number of card payments	15,0%	7,6%	12,3%	11,5%	-4,8%	18,1%		
Annual growth rate: total card payments value	2,1%	5,8%	5,4%	6,5%	-6,8%	17,2%		

Additional Note:

In the issuer view, online card payments are covered. Online payments showed presumably a sharp growth during 2020 and 2021.

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 more than 60 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 2022, after the Corona break, there have been two EPSM Meetings with app. 40 participants and external speakers, held in Prague (Czech Republic) and Munich (Germany). For 2023, three physical meetings are planned. In addition, there are app 6 virtual meetings per year typically each with app 50 participants from more than 10 European countries.

Recent new members have been anybill (Germany), myPOS.AT (Austria), Postfinance (Switzerland), and Discover Global Network (United States).

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), the global PCI SSC Board of Advisors (PCI BoA), and in the EU Intellectual Property Observatory (EUIPO). EPSM is an observer to the European Payment Institutions Federation (EPIF). The services for members include typically three EPSM Meetings per year with external speakers, up-to-date information by e-mail, a homepage with a non-public intranet, a virtual AML Compliance WG and a virtual SCA working group.

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