



**MINISTRY OF INDUSTRY, BUSINESS  
AND FINANCIAL AFFAIRS**

Mairead McGuinness  
Commissioner for Financial Services, Financial Stability and the Capital  
Markets Union  
European Commission

**MINISTER FOR INDUSTRY,  
BUSINESS AND FINANCIAL  
AFFAIRS**

Dear Commissioner Mairead McGuinness,

Thank you for the opportunity to respond to this consultation on instant payments, which is an area that provides and enables innovative solutions across all sectors. The Danish government supports efforts to ensure the continued development of the European payments market, and we welcome the Commission's work on the retail payments strategy.

The Danish government welcomes the Commission initiative to explore ways to further reap the benefits stemming from instant retail payments as they provide benefits in terms of certainty for completion of the transaction and convenience for the payee from the immediate receipt of funds.

In our view, it is very important that these possible benefits are based on a strong level of consumer protection and therefore, this should be a pivotal aspect going forward. Current established and well-functioning payment solutions, e.g. card payments, have strong built-in consumer protection elements, such as liability and charge-back regimes. We find it important to ensure that this high level of consumer protection is also in place for new payment solutions, including solutions built on instant credit transfers.

Along this line a general issue and a limiting factor on the uptake of such solutions are that services based on credit transfers (such as payment initiation services) today does not entail the same degree of consumer protection as the aforementioned example of card payments.

In Denmark, the widespread adoption of electronic payments has to a large extent been based on strong consumer confidence in the available payment solutions. Thus, strong consumer protection in new solutions will be an efficient measure in promoting market-driven uptake of new solutions.

Furthermore, an emphasis should also be placed on the general principle of technology neutral regulation as it enforces user friendly and price competitive solutions. Experiences from Denmark and the other Nordic countries show that once the relevant infrastructure is in place, the market is able to develop new solutions based on instant payments that enjoy wide-spread

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uptake among consumers and merchants, when such solutions satisfies a demand in the market.

This is the case for mobile payment solutions like MobilePay (Denmark), Swish (Sweden) and Vipps (Norway) and should equally be a key aspect when introducing new initiatives. As such, well-functioning instant payments systems and widely used payment services built on this infrastructure are in place outside the euro-area. This should be given due consideration as well when considering any initiative on interoperability between instant payment systems.

In order to reach the goal of furthering new innovative instant payments solutions, we should not, as a starting point, prescribe specific products or solutions to the market. Requirements that force or place an emphasis on specific solutions on the market should only be introduced after rigorous analysis that demonstrate that benefits clearly outweighs costs.

Moreover, we underline the importance of proportionality when applying requirements on a euro-based payments scheme outside the euro-area. Currently, nine different currencies are in use within the EU, and requirements such as mandatory instant euro payments provided by PSP's would potentially provide little added value in Member States outside the euro-area.

Furthermore, with a more widespread rollout of instant payments into retail payments, we need to ensure that the fundamental prerequisites are in place, not only in terms of consumer protection, but also of more general fraud prevention and management of anti-money laundering. It is vital that these risks are thoroughly analyzed before adoption of these solutions.

The Danish government remains committed to your work on the retail payments strategy and the new initiatives it will introduce. Bolstering our payment solutions with innovative advantages will benefit a wide area of user-segments and the continued development of the European payment market.

Yours sincerely,

  
Simon Kollerup