



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

*Valdis Dombrovskis  
Executive Vice-President for An Economy that Works for People and  
Commissioner for Financial Services, Financial Stability and Capital  
Markets Union  
European Commission*

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

**Dear Executive Vice-President Valdis Dombrovskis**

The Danish government welcomes the opportunity to respond to the European Commission's consultation on the coming retail payments strategy. This consultation touches on many very important issues that merits further discussion in order to fully harness the potential of a truly European regulatory framework on payment services for the future. This letter sums up the Danish governments main focus points in regard to the coming retail payments strategy. Attached you will find the specific replies to the consultation document.

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

Slotsholmsgade 10-12  
DK-1216 Copenhagen K

Tlf. +45 33 92 33 50

Fax +45 33 12 37 78

CVR-nr. 10 09 24 85

EAN nr. 5798000026001

em@em.dk

www.em.dk

First and foremost, we find that a guiding principle should be to further strengthen consumer protection in the payment services markets. Established and well-functioning payment solutions, especially that relate to card payments, have a long list of built-in consumer protection elements, e.g. liability and charge-back regimes. Strong consumer protection has been instrumental in ensuring the widespread use of digital payment solutions in Denmark. When addressing the opportunities and challenges of novel solutions, we therefore find it paramount to ensure that consumer protection is maintained and where possible further strengthened. The marked difference in consumer protection when comparing card payments and credit transfers should also be taken into consideration.

Besides this, we believe that a guiding principle should be to provide a robust framework for retail markets in order to develop solutions that cater to the needs of the European citizens. The market has historically been able to provide a broad spectrum of payment solutions that cater to the various needs of the users. We would therefore caution against forcing through a one-size-fits-all solution on the market.

Keeping the aforementioned guiding principles in mind, while also acknowledging that the retail payments area is technologically highly specialised, we furthermore suggest that technology neutral regulation should be another corner stone in the coming strategy. We should avoid striving towards innovation through regulation, as this may undermine the market's ability to innovate on its own and provide the solutions that the European citizens demand. Technology neutral regulation is in our view the best way to support innovation.

Additionally, it is important also to keep in mind that different Member States are at different stages of digitalisation in their respective retail payments market. For instance, cash takes up a very different proportion

of retail payments in Member States, from around 80 pct. in the Eurozone (with large differences between those Member States) to as little as less than 20 pct. of transactions in Denmark.

This underlines the fact that when developing our common retail payments strategy, we should take into account that citizens across the EU have different preferences for how they like to pay. In many Member States national card schemes provide efficient, cheap and user-friendly payment solutions - such as the Dankort in Denmark. When designing the retail payment strategy attention should be paid to such national solutions.

At the same time, we should continue encouraging payment infrastructure interoperability to enable strong European brands to engage in competition that benefit both consumers and businesses. Interoperability between systems would also have the added value of making it easier to develop cross border payment solutions.

Finally, it is important to keep in mind that, at the moment, 10 different currencies are in use within the EU. A European retail payments strategy should benefit all Member States, regardless of the currency used.

In sum, we believe that the European retail payments strategy should provide for an adequate technology neutral framework for both existing and new players on the European retail payments market that allows for the development of payment solutions that European citizens demand, while ensuring strengthened consumer protection standards.

As always, I remain at your disposal should you have any questions or comments.

**Yours sincerely,**

A handwritten signature in black ink, appearing to read 'Simon Kollerup'. The signature is fluid and cursive, with a large initial 'S' and a long, sweeping underline.

**Simon Kollerup**