



flow briefing



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Topic

European payment interoperability

Unlocking European payment acceptance

The European digital commerce landscape is experiencing rapid growth, yet it presents a complex challenge for online merchants, corporates with e-shops, acquirers and payment service providers (PSPs). The demand for greater efficiency, innovation, and seamless cross-border transactions in e-commerce continues to intensify.

At the core of this growth lies European payment interoperability – the ability for diverse local payment systems and methods to integrate seamlessly and function across national borders within Europe, directly supporting online, but also offline sales.

This briefing highlights five key aspects of payment interoperability that corporates and PSPs should understand in order to optimise their online payment strategies and enhance customer conversion.

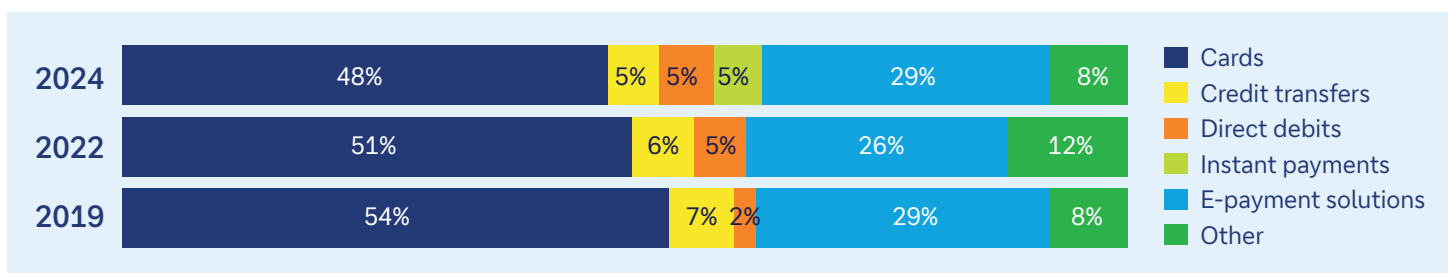
The foundational push for seamless European acceptance

The primary objective of payment interoperability in Europe is to remove national barriers to both online and offline sales and enable frictionless financial transactions for digital consumers across the continent. While early initiatives focused on standardising traditional bank transfers, the ambition now extends much further – towards true integration across all major local payment methods and channels.

This means ensuring that a diverse array of national consumer payment habits and innovative local solutions can seamlessly interact within a broader European framework, reducing friction, cart abandonment, and operational costs for businesses operating across Europe.

- **From local preferences to pan-European reach:** The success of an online shop in Europe is intrinsically linked to its ability to offer payment methods familiar to local customers. The same holds true at the point of sale, e.g. at a ticket vending machine or in a physical shop. Consumers want to be able to use a local payment method. Effective interoperability removes the need for separate integrations in each market, enabling a unified approach to payment acceptance while still respecting local preferences.
- **Addressing the fragmentation challenge:** Europe's rich tapestry of national payment habits often translates into a fragmented checkout experience for merchants. Overcoming this fragmentation through interoperable solutions is key to unlocking the full potential of the European e-commerce market, simplifying processes for PSPs and merchants alike.

Figure 1: Number of payments in euro area, breakdown by payment instruments



Source: European Central Bank, *Study on the payment attitudes of consumers in the euro area 2024*



Mastering the proliferation of local mobile payment methods and digital wallets for e-commerce

The rise of digital wallets and mobile payment solutions has fundamentally transformed consumer payment preferences across Europe, creating a diverse ecosystem of local payment methods that are now critical for e-commerce success. Consumers increasingly expect to use their preferred national payment methods not just domestically, but also for crossborder online transactions.

This trend presents both significant opportunities and complex challenges for merchants, corporates with e-shops, and PSPs seeking seamless European e-commerce interoperability.

– Key local players driving online conversion:

Across Europe, various national mobile payment schemes and digital wallets have gained strong traction, becoming integral to daily transactions. Acceptance of these methods has a direct impact on merchants' conversion rates and customer satisfaction. Examples include:

- **Wero:** The new pan-European payment solution, developed under the European Payments Initiative (EPI)⁴, aims to provide a unified digital wallet and instant payment scheme. Its objective is to simplify the online checkout experience and offer a broad acceptance solution across participating countries, potentially integrating with or offering an alternative to some national schemes.
- **iDEAL (Netherlands):** A leading online bank transfer system, essential for e-commerce acceptance in the Dutch market – as well as Germany, Belgium, Luxembourg and France – due to its high penetration and consumer trust. iDEAL will fully migrate to Wero, starting in October 2026.
- **Bizum (Spain):** A widely adopted mobile-based payment service used for instant online payments and peer-to-peer transfers, with growing relevance for Spanish e-commerce.
- **Multibanco and MB Way (Portugal):** Multibanco is a comprehensive interbank network for various financial services, while MB Way is its mobile payment solution for instant transfers and online payments.
- **Blik (Poland):** A highly popular mobile payment system allowing users to pay online directly from their banking app, Blik is a must-have for any merchant targeting the Polish market.
- **Bancomat Pay (Italy):** A mobile payment service linked to the Bancomat debit card circuit, enabling digital payments online and representing a significant share of digital transactions in Italy.

These local schemes reflect strong consumer habits and trust, making their acceptance crucial for businesses

targeting European markets.

- **EPI's ambition for e-commerce unification:** The European Payments Initiative, through its Wero wallet, is a strategic move to create a truly pan-European payment solution designed to streamline online and mobile payments. Its success hinges on its ability to offer a compelling, interoperable alternative or integration point for these established national schemes, ultimately aiming to compete with global card networks and tech giants in the e-commerce space. For corporates and PSPs, widespread Wero adoption could significantly simplify payment acceptance and reduce integration efforts across multiple European countries. For more on Wero see the *flow* article, '[Made in Europe: managing payment risk in a fragmented world](#)', and Figure 1.

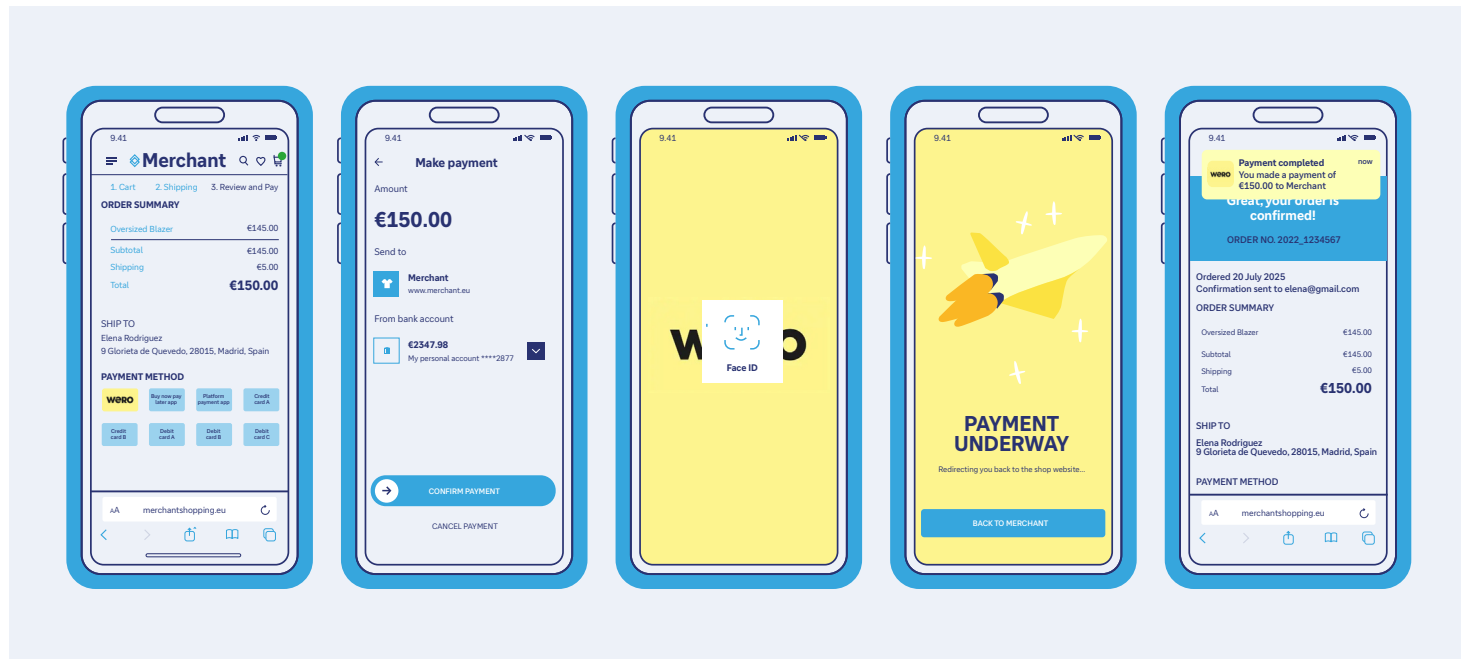
- **Challenges for merchants and PSPs:** Managing acceptance of this fragmented landscape of local mobile payment methods for online shops can be complex. Treasurers and PSPs must consider:

- **Integration complexity:** The need to connect to numerous distinct national payment gateways or acquiring partners to support each local method, leading to significant development and maintenance overheads.
- **Reconciliation and reporting:** Harmonising payment data from disparate online payment sources into centralised treasury and reporting systems for a clear overview of online sales.
- **Customer experience:** Ensuring a smooth, localised, and familiar online checkout experience for customers using their preferred local method, which is critical for minimising cart abandonment.

- **Opportunities for merchants and PSPs:** By embracing and strategically integrating these local payment methods, businesses can:

- **Expand online market reach and boost conversion:** Cater directly to local online preferences, significantly improving conversion rates and customer satisfaction in different European e-commerce markets.
- **Optimise costs:** Leverage often lower transaction fees associated with domestic bank-based payment schemes compared to international card networks for online transactions.
- **Enhance security and trust:** Benefit from the inherent security features of direct bank-based transfers or authenticated mobile transactions, building greater trust with online consumers. To capitalise on this trend, corporates and PSPs need to partner with providers that offer comprehensive integration solutions and advise on optimising online payment method portfolios for each European e-commerce market.

Figure 2: User experience with the Wero stand-alone app in context



Source: Deutsche Bank

Harmonising data and messaging standards for digital payments

True European e-commerce payment interoperability depends on consistent data standards across various payment types, including digital wallets, local mobile payment apps, and emerging payment rails. Harmonised data facilitates not only seamless payment processing but better fraud detection, streamlined regulatory compliance, and richer business intelligence for online transactions.

- **Common API standards for digital integrations:** The adoption of common API standards (e.g., under PSD2 for Open Banking) is crucial. These standards enable seamless and secure data exchange between payment initiation service providers, account information service providers, banks, and online merchant systems, fostering innovation and new services within the e-commerce ecosystem.
- **Structured data benefits for e-commerce:** Leveraging structured data elements across all online payment types enhances automation, reduces manual intervention in financial operations, and improves the overall accuracy of financial reporting, reconciliation, and customer support for online sales.

Cross-border e-commerce payments and FX interoperability

For merchants and PSPs operating across European borders, interoperability extends beyond euro-denominated transactions to include efficient cross-currency online payments. Reducing the cost, complexity, and time of these payments is a key objective for expanding e-commerce reach.

- **Optimised FX solutions for online sales:** Banks are

developing integrated FX solutions specifically designed for e-commerce, providing transparency and efficiency for cross-currency payments. This is crucial for corporates managing multi-currency online shops and for PSPs offering dynamic currency conversion or multi-currency payout options.

- **Streamlined international settlements:** Modern solutions aim to simplify the settlement of funds from various European markets and currencies back to the merchant's base currency, reducing operational overhead and improving liquidity management.

The regulatory landscape and future outlook for e-commerce payments

The regulatory environment plays a pivotal role in shaping European e-commerce payment interoperability, driving both standardisation and innovation. Initiatives from the European Central Bank and the European Commission continue to push for greater integration, consumer protection, and security in online transactions.

- **Impact of regulatory frameworks:** Regulations like PSD2 (Payment Services Directive)² and the Instant Payments Regulation – see [our flow briefing on the topic](#) – have a direct impact on how online payments are initiated, processed, and secured, fostering open banking and encouraging real-time payment solutions.
- **Digital euro considerations for online commerce:** The potential introduction of a digital euro could further reshape the online payment landscape, offering new avenues for direct, instant, and interoperable digital payments, albeit with significant implications for existing e-commerce payment infrastructures and business models.



- **Ongoing evolution:** The journey towards full e-commerce payment interoperability is continuous. Corporates, merchants, and PSPs must remain agile, monitor regulatory developments, and partner with their banks to adapt their online payment infrastructure and strategies to capitalise on emerging opportunities and ensure compliance.

What's next for corporates and PSPs?

- **Assess your e-commerce payment infrastructure:** Evaluate your current online payment systems' readiness for new interoperable standards, instant payment capabilities, and the seamless integration of diverse local payment methods across Europe.
- **Review your online payment method mix:** Understand which digital wallets, mobile payments, and local bank transfer methods are most impactful for your target customers across different European e-commerce markets, and how they affect conversion.
- **Engage with your banking partners:** Discuss how Deutsche Bank can support your move towards greater efficiency in European cross-border and instant e-commerce payments, and help navigate the complex

landscape of local payment method acceptance for your online shop or for your PSP clients.

- **Stay informed:** Keep abreast of regulatory changes and industry initiatives (e.g. Wero, digital euro discussions, PSD3) that will shape the future of European e-commerce payments and consumer preferences.

These five key aspects, combined with proactive engagement with partners like Deutsche Bank, will help PSPs, merchants, and corporates with online shops effectively navigate the evolving landscape of European e-commerce payment interoperability and harness its full potential for strategic advantage, increased sales, and operational efficiency.

¹ See [ECB welcomes initiative to launch new European payment solution](#)

² See [Payment Services Directive 2 \(PSD2\) | European Banking Authority](#)

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