SBS

Why Wero is Europe's best bet to compete in the global payment race

by Hassan Nasser,
Deputy General Manager, Digital Engagement at SBS

& Tom Lambrecht,
Deputy Chief Commercial Officer and Sales Leader Benelux region at SBS

Coding Colorful Banking

Contents

4 EU payment innovation is lagging behind

6 New regulatory landscape to force change

8 Wero: A turning point for European payments

11 Banks need to change. For Wero's sake, and their own

13 What's at stake if Europe doesn't act, and what's the long-term opportunity?

14 SBS helps banks succeed with Wero

Introduction

The **payments landscape** has shifted rapidly in recent years. Europe's shoppers now expect to pay for goods and services in seconds, 24/7, directly from their phones. Yet retail payments still often rely on outdated infrastructure. Many euro-area credit transfers still settle overnight, while card transactions run primarily on **international schemes** that charge merchants up to 2% in fees per sale.

Wero changes that equation. Developed by EPI* and built on SEPA Instant, **Wero** allows anyone to send or receive money with just a phone number, email or QR code. It already supports **one-click e-commerce checkout**, and in 2026 will extend to point-of-sale transactions, offering instant checkout as easily as using a contactless card.

For banks, Wero is more than a consumer convenience: working alongside IPR and PSD3, it makes instant account-to-account payments smoother, while opening the door to new data-driven revenue streams.

And because it runs on rails governed in Europe, **Wero** finally offers a home-grown alternative to today's largely foreign-controlled retail payments infrastructure.

As EPI CEO Martina Weimert explains: "The ambition of Wero is to offer a European sovereign unified payment solution to address the needs of consumers, professionals and merchants in all European markets. Our shareholders want to bundle their innovation investment in this area of payments to create synergies and become more relevant nationally and internationally against global competitors."

With regulatory pressures mounting, the stakes couldn't be higher. The future of **European payment sovereignty** depends on the successful rollout of Wero.

Here, we dive into the **challenges, opportunities and critical steps** needed to build a truly European payment future.

SBS

*EPI, the European Payments Initiative, is a pan-European project backed by major banks and EU institutions to create a unified digital payment solution. Its goal is to provide an alternative to international card schemes and big tech wallets through instant payments, cards, and a European digital wallet. Wero is the EPI's proprietary digital payment wallet.

01. EU payment innovation is lagging behind

Consumer demand for fast and seamless digital payments is at an all-time high. Now more than ever, customers expect to send and receive money **instantly**, directly from their smartphone or computer. They increasingly look for frictionless experiences such as instant credit transfers, mobile wallet payments, person-to-person (P2P) transactions, cross-border instant transfers, or integrated solutions like Buy Now Pay Later (BNPL) and Payment Initiation Services (PIS).

However, many of these expectations are not being fully met by European infrastructure, leaving room for international players, notably **Visa** and **Mastercard**. The US payment giants dominate the European market, accounting for around 61% of euro area card transactions in 2022 and processing more than €7 trillion in European payments in 2023.

Domestic card schemes remain significant in some markets, such as **Cartes Bancaires** in France (over 70 million cards), **girocard** in Germany (over 100 million cards) and **Dankort** in Denmark (over 5 million cards). Yet their influence is steadily eroding. Visa alone claims to have converted more than 20 million cards from local schemes between 2018 and 2023, underscoring how quickly international networks are consolidating their position and winning market share from European alternatives.

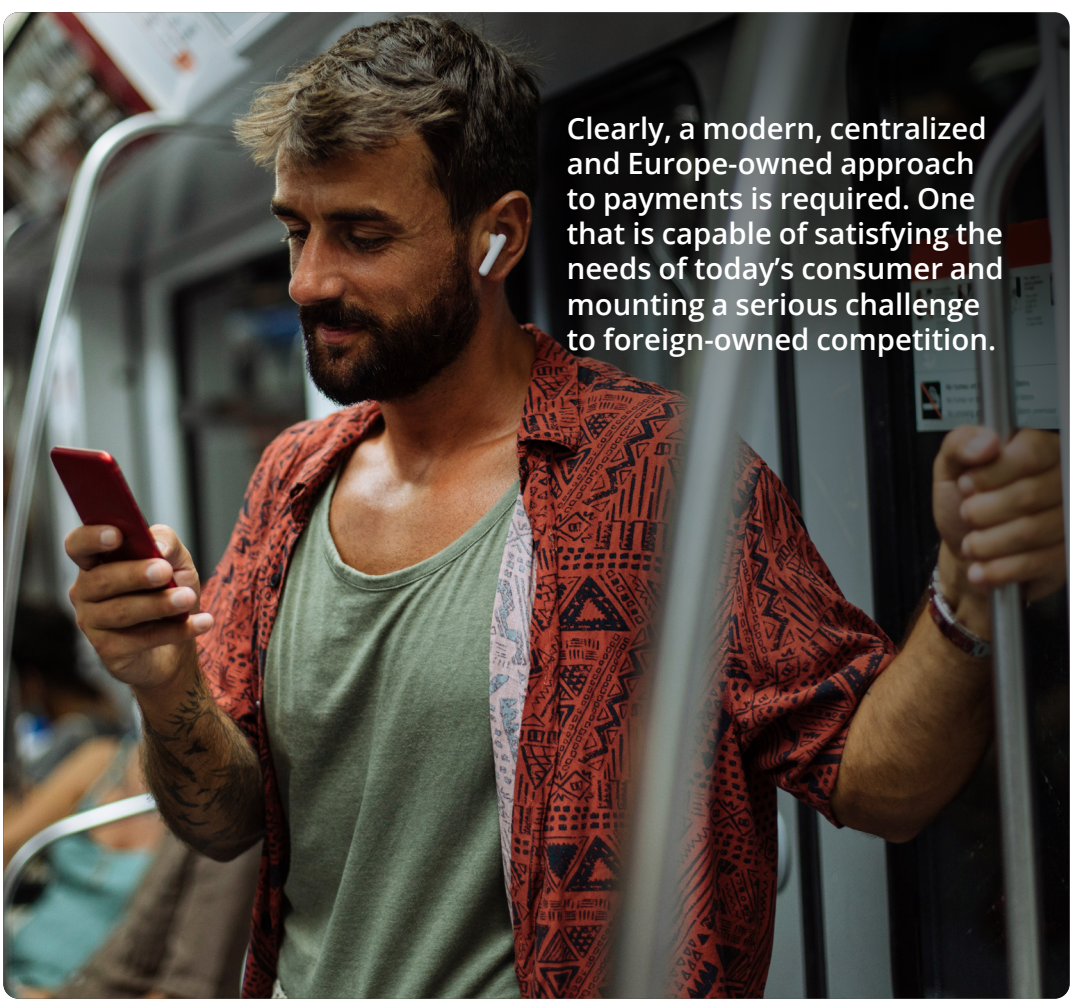
Fragmentation in EU infrastructure

In recent years, Europe has attempted to challenge the dominance of US providers in retail payments. Domestic solutions such as France's **Paylib**, the Netherlands' **iDEAL** and Sweden's **Swish** have all been launched. However, none have been able to scale beyond their national borders, often hampered by regulatory hurdles and technological limitations.

> "Due to a lack of political and commercial alignment, **Europe has fallen behind in payments innovation**. Fragmented infrastructure and inertia have left the door open to non-EU schemes."

Hassan Nasser,
Deputy General Manager,
Digital Engagement at SBS

SEPA Instant was introduced in 2017 as a pan-European, cross-border alternative. However, because it was originally offered on an optional basis, adoption remained uneven. Some banks and PSPs moved ahead while many others delayed implementation due to technical constraints, commercial hesitancy or reliance on **legacy systems** that could not support real-time, 24/7 processing. The result was a fragmented landscape where consumer expectations for seamless instant payments were rarely met.



02. New regulatory landscape to force change

IPR shifts from optional to mandatory

A standardized model for instant transfers is central to a modern, unified European payments ecosystem. Until recently, Europe's answer to this need (SEPA Instant) was offered only on an optional basis. That changed with the **Instant Payments Regulation (IPR)**, published in March 2024 and in force from April 2024, which made SEPA Instant mandatory, with banks required to comply by January 2025.

Banks must now monitor transactions continuously, rather than relying on fixed-time processing windows. Sanction screenings must take place before a payment is executed, and false positives triggering **payment delays** must be resolved swiftly.

Under this regulation, all EU banks that process euro payments above a defined threshold (i.e., those handling a significant volume of SEPA transfers) must be able to receive instant payments as of January 2025, and send them by October 2025. Every euro payment must now be processed and delivered within a **10-second** maximum execution time, with an average target of 7 seconds, operating on a **24/7/365** basis. If a PSP cannot execute the payment within 10 seconds, it must inform the payer's PSP immediately and cancel the transaction.

Beyond mandating compliance, the regulation overcomes the previous headwinds that had **hindered widespread adoption**, simplifying fees and compliance for banks.

PSD3 on the horizon

Another significant shift is coming with the next revision of the **Payment Services Directive (PSD3)** and its companion regulation, the **Payment Services Regulation (PSR)**. Expected to take effect in 2026, alongside an 18-24 month transition period, these proposals mark the most ambitious reform of the EU payments framework in recent years.

While PSD3 updates the directive-based rules that govern payment institutions, **PSR will directly apply across all member states**, aiming to eliminate fragmentation and bring more consistency to areas like consumer protection, fraud prevention and open banking data access.

Key challenges include the need to **enhance user transparency**, strengthen fraud detection (particularly against impersonation attacks) and streamline consent mechanisms for **real-time payments**. These issues have emerged in the wake of fintech growth, the rise of instant payments and expanding embedded finance.

The regulations also aim to clarify **how and when funds may be held**, how fees are applied, and how transaction data is communicated, ultimately reducing ambiguity for consumers and intermediaries alike.

By addressing these challenges, PSD3 and PSR remove key structural and operational barriers, creating the conditions for scalable, pan-European solutions like **Wero** that deliver seamless and convenient payment experiences.

"With new regulations around instant payments and PSD3, financial institutions in Europe will be forced to push through innovation, delivering real-time payments, and embedding stronger consent and fraud controls."

Nicolas de Genot,
Lead Product Manager,
Open Banking at SBS

Compliance forcing banks' hands

Taken together, **IPR** and **PSD3** represent a major regulatory push, compelling banks across Europe to make deep operational changes to how payments are processed and secured.

Regulators have shown little tolerance for non-compliance, reinforcing the seriousness of these reforms. Under PSD3 and PSR, institutions will be liable for fraud if they fail to verify the requester's identity, and must ensure open banking channels provide the same functionality, e.g., **biometric login** and **foreign wire transfers**, as their main services. They must ensure reliable performance and reduce obstacles. Equally important, regulators are removing fallback interfaces and requiring dedicated APIs, closing the door on low-performing workarounds. Together, these measures create a more consistent, secure and customer-friendly payments ecosystem. Those who fall short risk not only **reputational damage** but also **regulatory consequences**, such as fines of up to 10% of annual turnover for businesses and €5 million for individuals.

This marked shift in regulatory tone signals a turning point for European digital payments. Financial institutions are no longer being encouraged to innovate, they are being obliged to adapt or risk being left behind, creating a **ripe environment** for a new kind of payment solution to emerge.

03. Wero: A turning point for European payments

Wero was first launched in Q2 2024 as a **P2P payments pilot** in Germany, France and Belgium by the EPI, unifying Paylib in France, iDEAL in the Netherlands, and part of Payconiq in Belgium, enabling cross-border Wero use from day one.

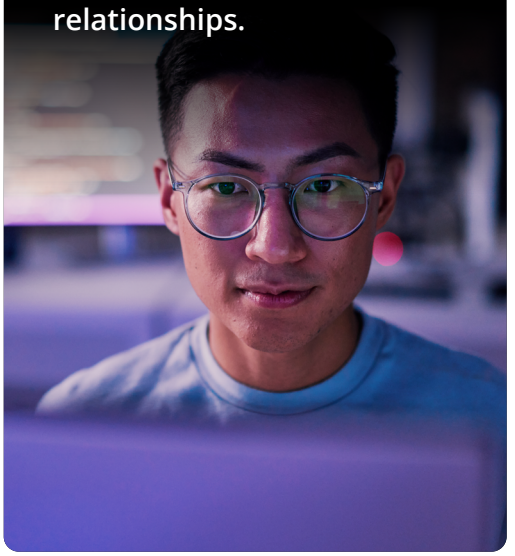
Wero emerged in direct response to Europe's need for greater payments sovereignty. Backed by a coalition of **major European banks** and governed on a one-bank-one-vote model, Wero ensures that smaller issuers are not sidelined by Tier-1 dominance, giving all participants an equal voice in its development. Designed to meet the evolving demands of consumers and the growing pressures of regulatory change, Wero reflects Europe's commitment to building a fair, inclusive and competitive payments landscape.

At its core, Wero enables **real-time, account-to-account payments across Europe** via SEPA Instant Credit Transfer. Delivered either as a standalone app or embedded within the mobile apps of participating banks, Wero adapts to different user preferences and integration models, ensuring broad accessibility and seamless user experiences.

What sets Wero apart is how it makes Europe's instant payments infrastructure visible, usable and truly consumer-friendly. Users can send or receive funds using just a **phone number, email address or QR code**, removing the need to enter long IBANs, and no separate onboarding is required when using Wero through a bank's app. To match **card-level convenience**, Wero's 2025–2026 roadmap includes stored-alias "tap-to-pay" at point of sale, one-click e-commerce checkout and instant refunds, ensuring that neither shoppers nor merchants face extra friction when switching to Wero.

But Wero also represents a deeper shift: it gives banks direct access to rich, **real-time transaction data** that would otherwise be mediated by card networks, like Visa and Mastercard. By capturing behavioral signals (when, where and how users initiate payments) banks can build a dynamic picture of customer preferences. Wero also collects P2P network data, social payment patterns and merchant and contextual metadata, revealing what users are buying and from whom. App usage and device-level signals further enrich this insight, alongside consent-based identity and cross-bank behavioral data. Unlike card payments, which are processed through third-party networks that abstract much of the transaction detail, Wero ensures banks maintain full visibility and control over this information, allowing them to **enhance customer experience and competitiveness**.

This multidimensional data layer can help banks personalize services, refine risk models and compete more effectively with fintech challengers, all while maintaining control over infrastructure and customer relationships.



Wero's fast adoption and promising future

Despite still being in its relative infancy, Wero is gathering pace fast, and has been since its launch. By the end of 2024, just a few months after going live, Wero had already enrolled 14 million users and processed 8 million transactions. Those numbers have continued to rise at speed, with the latest figures from April 2025 showing 40 million enrolled users.

Furthermore, in the countries where Wero is currently live (Germany, France and Belgium), the service has already established a firm foothold. It is now supported by major domestic banks in each market, including **Deutsche Bank**, **BNP Paribas** and **KBC**. By positioning Wero as the default payment option within these banks' digital ecosystems, adoption is likely to accelerate even further.

Wero is also expanding its reach through strategic partnerships beyond the traditional banking sector. It has partnered with **Revolut** to extend access to users outside participating banks, and with **Nuvei** to accelerate merchant acceptance and enable seamless e-commerce integration across Europe.

Wero is poised for further expansion. The EPI is already preparing Wero's launch in Luxembourg and the Netherlands, with a broader roll-out planned in 2026 and 2027. Given the service's rapid ascent, plans to create a "**pan-European solution**," as described by EPI CEO Martina Weimert, don't seem understated.

A unified experience for consumers, merchants and financial institutions

Wero's success so far stems from its ability to bring value to all sides of the payments equation. For consumers, it offers a **fast, intuitive and secure way to send and receive money**, fully integrated into the

> "**Wero is about Europe**, and it starts with the 'we' – the people – in their daily lives and local communities."

Martina Weimert,
CEO of the EPI Company

banking apps they already use. For merchants, Wero is being developed to **support seamless e-commerce and point-of-sale transactions**, with real-time settlement and lower fees than traditional card schemes. And for payment providers, Wero is built on standardized, SEPA Instant infrastructure, making it **easy to integrate into existing systems and processes**.

Below are some of the key reasons why Wero is appealing to consumers and merchants alike:

Benefits for consumers	Benefits for merchants	Benefits for financial institutions
Instant, secure, card-free payments	Real-time settlement	Built to meet evolving EU regulatory requirements including PSD3 and IPR
European-govern payment option	Lower fees than card schemes	Real-time monitoring and stronger consent frameworks for better fraud detection
Support for features like BNPL, digital ID and loyalty schemes	Easy to integrate through PSPs and embedded in banking infrastructure	Improved customer retention thanks to innovative payment options
Greater control and transparency on spending	Fully GDPR-compliant	Access to rich customer payment data

Learning from global leaders

Europe isn't alone in its push for faster, smarter payments. Elsewhere, real-time payment systems have already reached massive scale, showing what's possible when infrastructure and incentives align.

India's UPI

Over 18.7 billion transactions in May 2025 alone, more than Europe processes in an entire year.

FedNow (US)

Live in all 50 states, with over 1,300 banks onboarded in under two years.

These examples highlight the power of standardization, industry-wide participation and clear incentives, all of which Europe is now beginning to implement through IPR and the rollout of Wero.

04. Banks need to change. For Wero's sake, and their own

To make Wero a true pan-European success, the wider banking sector must move in lockstep. But many financial institutions are held back by **outdated systems, fragmented architecture and complex regulatory requirements**.

What's needed now isn't just incremental updates, but a **comprehensive transformation** of Europe's real-time payments infrastructure. That means modernizing the core, closing orchestration gaps and building compliance directly into the payment layer.

The real-time payment stack for full compliance

While IPR 2025 and PSD3 aim to modernize and unify European payments, many institutions don't have the infrastructures in place to adapt fast enough to the necessary **real-time capabilities**.

Per a study by RedCompass Lab released in May 2025, 44% of EU banks struggled to meet the first set of IPR regulation deadlines in January.

Some of the most pressing infrastructural requirements include 24/7/365 processing, support for consent APIs and SCA orchestration, AI-driven **fraud detection**, adoption of ISO 20022 messaging standards and core systems capable of handling real-time transaction loads.

Among the most widely reported challenges are issues around **fraud prevention, AML (anti-money laundering) obligations and Verification of Payee (VoP)**, all of which are becoming more stringent under PSD3. In parallel, banks are now expected to ensure full auditability of transactions and clearly define liability frameworks, even in complex, multi-party payment chains.

The orchestration gap... and opportunity

The challenges financial institutions face in meeting both regulatory requirements and consumer expectations go beyond infrastructure. They also need to overcome **orchestration gaps** within their organizations if they're to become fully compliant and future ready.

Orchestration platforms are now essential for financial institutions in bridging the gap between compliance and experience. Rather than treating key components like **real-time rails, UX and routing logic, fraud engines and consent layers** as separate elements, orchestration hubs stitch them together. This integration is crucial given that 47% of European banks are currently boosting liquidity buffers and upgrading fraud and sanctions screening precisely due to orchestration gaps that become most apparent once 24/7 settlement goes live.

The result is more than just operational efficiency. With the right orchestration layer, banks gain the agility to compete with **Big Tech wallets** and fintechs, delivering fast, secure and intuitive payment journeys, while retaining full ownership of their data, customer relationships and compliance posture.

“Wero is only as strong as the rails it rides on. Instant payments require **orchestration**, not **glue**.”

Richard Broadbent,
General Manager,
Digital Core at SBS

Legacy core modernization

Legacy core systems remain the single biggest brake on **instant-payment adoption**, with many banks still relying on outdated infrastructures that were never built for real-time processing or the demands of open, API-driven ecosystems.

These legacy systems pose significant challenges to implementing instant payments and scaling modern solutions like Wero. Their rigidity makes it difficult to meet new service-level agreements (the 7-second industry target end-to-end settlement, for instance), and their high cost of maintenance often **delays or blocks innovation altogether**.

Beyond operational inflexibility, the architectural limitations are even more profound. Most legacy cores were not designed with **API-first or microservices-based architectures in mind**, which leads to fragmented integration and inconsistent user experiences. Data becomes trapped in silos, making it difficult to build a unified customer view or orchestrate real-time decision-making.

Compounding this, legacy reporting tools are typically static and focused on compliance. They lack the analytics capabilities needed to unlock value from data, through AI-driven segmentation, personalization or forecasting. As a result, banks are often unable to **extract insights** that could drive new services or better user experiences, putting them at a disadvantage in an **increasingly competitive payments landscape**.

05. What's at stake if Europe doesn't act, and what's the long-term opportunity?

Despite many efforts to create a uniform, centralized payment system, Europe still relies on foreign-owned infrastructure. Left unchecked, this dependence will only increase as Big Tech giants like Apple continue to show an interest in the sector. As ECB Chief Economist Philip Lane has warned, this situation leaves Europe **vulnerable to economic coercion**, undermining the EU's ability to steer its own financial future.

In parallel, European banks and financial institutions are facing their own existential crisis. Struggling to keep pace with fast-moving regulations and hampered by **organizational problems and outdated core systems**, they're not only falling behind – they're becoming replaceable.

Nowhere is this more apparent than in the payments sector where, thanks to the standardization of **real-time, API-first experiences**, financial institutions stuck on outdated core systems are losing their ability to control UX, data and value-added services.

For Europe, Wero represents a **significant opportunity** to not only challenge the foreign hegemony over the payments sector, but instead to outdo it, creating a new landscape with better levels of innovation, regulation and customer satisfaction.

For European financial institutions, Wero is a chance to take advantage of a **sector that is growing and changing at a rapid rate**. Those entities capable of making the necessary technological and organizational changes will not only secure their relevance but also unlock new revenue streams, deepen customer loyalty and lead innovation across the continent.

If Europe gets this right, it doesn't just protect autonomy, it regains momentum. A unified digital payments framework, grounded in **open banking and sovereign infrastructure**, positions the EU as a global leader, not a late-stage follower.

> "Europe's reliance on foreign payment providers has reached striking levels … This dependence **exposes Europe** to risks of **economic pressure** and **coercion** and has implications for our strategic autonomy, limiting our ability to control critical aspects of our financial infrastructure."

Philip Lane,
ECB Chief Economist

06. SBS helps banks succeed with Wero

With over three years of SaaS expertise in instant payments, production experience with wallets such as Payconiq since 2021, and PSD2 delivery since 2018, SBS empowers financial institutions to unlock the full potential of Wero.

Our end-to-end solution is designed to meet EPI mandates head-on, integrating advanced security features like hardware security modules (HSMs), HMAC authentication and seamless proxy syncing so banks can confidently deploy Wero within the most stringent regulatory frameworks.

Whether embedded directly into existing apps or launched as a standalone wallet, SBS enables fast and seamless wallet provisioning, ensuring customers can onboard smoothly and start transacting immediately.

From peer-to-peer, peer-to-pro and e- and m-commerce, we support the full spectrum of Wero payment journeys, available today and those to come, all ready to activate with minimal effort and maximum impact.

At the heart of our offering is a powerful real-time orchestration layer that delivers robust fraud controls and the scalability banks need to innovate continuously and stay ahead of evolving threats. With one connection, banks gain full EPI access, as our solution orchestrates and manages all Wero traffic, making go-to-market faster and easier.

Partnering with SBS means banks can go live with Wero faster, while staying future-proof as the European payments landscape continues to evolve rapidly.

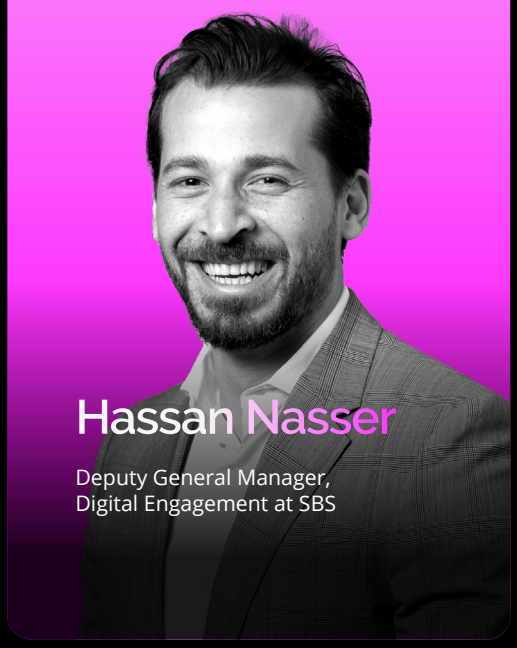
SBS

Contact our team today to explore how SBS can accelerate your Wero adoption and help shape Europe's next payment chapter.

→ Contact us

Authors

Hassan Nasser is Deputy General Manager for Digital Engagement at SBS, overseeing strategy, product management, design, engineering, SaaS operations, and support. With over 18 years in software and IT, Hassan has led multi-million-dollar transformative solutions across banking and fintech, pioneering BaaS models at Fidor and shaping digital propositions like Banxy Bank. Known for blending hands-on engineering with strategic insight, Hassan authored Solution Design to Win, a method for large-scale B2B solutions. Passionate about simplifying complexity, he fosters growth through knowledge-sharing, creating next-generation products that drive real-world impact and sustainable outcomes.



Hassan Nasser

Deputy General Manager,
Digital Engagement at SBS

Tom Lambrecht is the Deputy Chief Commercial Officer (CCO) and Sales Leader for the Benelux region, bringing over 25 years of expertise in banking and IT sectors. He began his career with IT consulting firm Ordina (now part of Sopra Steria), where he specialized in IT consulting for the banking industry. Over time, Tom's focus increasingly shifted toward understanding and addressing the evolving business challenges faced by banks. His experience expanded further during an enriching five-year tenure at a Belgian payment services software company, gaining valuable insights into the payment industry.
For the past 14 years at SBS, Tom has been instrumental in guiding banking institutions through their business and technology transformations. His expertise spans digital transformation, digital engagement, payments, lending, and core banking modernisation, positioning him as a trusted advisor on innovative solutions to complex industry challenges.

Tom Lambrecht

Deputy Chief Commercial
Officer and Sales Leader
Benelux region at SBS

SBS

SBS is a global financial technology company that's helping banks and the financial services industry to reimagine how to operate in an increasingly digital world. SBS is a trusted partner of more than 1,500 financial institutions and large-scale lenders in 80 countries worldwide, including Santander, Societé Generale, KCB Bank, Ken- sington Mortgages, Mercedes-Benz, and Toyota FS. Its cloud platform offers clients a composable architecture to digitize operations, ranging from banking, lending, compliance, to payments, and consumer and asset finance. With 3,400 employees in 50 offices, SBS is recognized as a Top 10 European Fintech company by IDC and as a leader in Omdia's Universe: Digital Banking Platforms. SBS is headquartered in Paris, France.

To find out how we can help your bank to create market-beating digital transformation strategies:

www.sbs-sofware.com

hello@soprabanking.com