

ACI Readies European Banks and Merchants for Instant Payments

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- Banks across Europe are working to comply with the proposed EC Mandate on Instant Payments, with just 12 months to comply from when the Mandate is confirmed
- ACI enables European banks to connect to their domestic instant payments scheme or to pan-European schemes TIPS and RT1 through its market-leading ACI Enterprise Payments Platform
- ACI Instant Pay just launched in Europe, enabling merchants to accept online, mobile and in-store payments instantly
- European countries are forecasted to see substantial growth in instant payments adoption by 2027, according to ACI's 2023 Prime Time for Real-Time report

MIAMI & MADRID--(BUSINESS WIRE)--Jun. 20, 2023-- [ACI Worldwide](#) (NASDAQ: ACIW), a global leader in mission-critical, [real-time payments technology](#), today announced that it is supporting banks and financial institutions to comply with and prepare for the upcoming European Commission (EC) Mandate on Instant Payments*, enabling them to reap the many benefits instant payments offer and ultimately secure their competitiveness in a payments market driven by real-time and digital transformation.

With a choice of flexible deployment options, ACI enables financial institutions across Europe to connect to their domestic instant payments scheme or to the pan-European schemes TIPS and RT1. ACI's market-leading [Enterprise Payments Platform](#) currently supports 20 banks with access and connectivity to TIPS and RT1, offering end-to-end instant payments through connectivity, orchestration and value-added services, combined with best-in-class, [artificial intelligence-powered fraud protection](#).

In addition, ACI recently launched its [ACI Instant Pay](#) solution in Europe and the U.K., enabling merchants to accept online, mobile and in-store payments instantly via a simple API integration with ACI Payments Orchestration Platform. Merchants are set to gain significantly from the adoption of instant payments through the elimination of interchange fees, instant settlement — which means instant liquidity — and the elimination of chargebacks.

Banks across Europe must comply with the proposed EC law, mandating banks and financial institutions across Single Euro Payments Area (SEPA) countries to offer instant payments under the SEPA Instant Credit Transfer scheme, at the same cost or lower than standard credit transfers. The new regulation is aimed at unlocking the benefits of instant payments for European economies. Increased participation, simplified access, commercially attractive pricing and new value-added services for consumers and businesses are some of the significant changes expected as a result of the Mandate.

"The European commission clearly sees instant payments as a path to unlock economic growth and drive financial inclusion across its member states. European banks must act now to comply with the EC Mandate," said Thomas Warsop, President and CEO, ACI Worldwide.

"Instant payments will help to secure the competitiveness of banks, financial services providers and merchants. They remove payments friction, contribute to greater liquidity and ultimately improve the customer experience."

"Banks should evaluate whether they are truly maximizing existing instant payment rails in their market. Ultimately, the extent to which they make instant payments part of their offering is a strategic decision. It seems increasingly clear, however, that limiting their commitment to the minimum also means limiting their potential share of the future payments market," Warsop concluded.

Prime-Time for Real-Time 2023 —Europe Lags Asia and Latin America in Real-Time Payments Adoption

ACI's [2023 Prime Time for Real-Time](#) report indicates that Europe's economies are largely playing catch-up as widespread adoption drives global instant payments growth. According to the report, 195.0B instant payment transactions were recorded globally in 2022, a year-over-year growth of 63.2%.

Although considerable growth is expected across Europe — instant payment transactions in Europe are set to increase from 13.2B in 2022 to 34.2B by 2027, with a compound annual growth rate (CAGR) of 21% — most European countries lag the emerging economies in Asia and Latin America in instant payments adoption.

While India remains the undisputed instant payments leader — responsible for 46% of all transactions worldwide — followed by Brazil, China, Thailand and South Korea, not a single EU country is among the top 10 global instant payment markets. Of all regions surveyed, Europe has the third-lowest level of instant payments as a proportion of electronic payments (7%), but this is predicted to grow, with an expected CAGR of 21% by 2027.

However, the report also shows that Europeans are ready for change. Mobile wallets are increasingly popular, with 41% of consumers in Europe holding or using a mobile wallet in 2022, compared to 31% in 2021 and 12% in 2018. Four smaller European countries —Netherlands, Sweden, Finland and Denmark — feature in the global top 10 for consumer adoption of instant payments by 2027.

"These figures should serve as a wake-up call for all stakeholders in the European payments ecosystem," said Craig Ramsey, global head of real-time payments at ACI Worldwide. "It is clear that if the EU continues at its current pace, it will fall further behind other world economies. We hope the EC Mandate provides the impetus needed for instant payments modernization in the region, providing consumers, corporations, businesses and merchants access to faster, cheaper and all-around better payments."

Spotlight France —One of the Top Growth Markets in Europe

- France recorded 202M instant payment transactions in 2022, expected to grow to 1.4B by 2027, a CAGR of 47.8%.

- France adopted SCT Inst in 2018, implementing instant payments into its domestic network. SCT Inst was developed by the EPC with the aim to create an instant payments network within the eurozone — though so far, the development towards a truly pan-regional, instant payments network within the EU has been slow.
- Instant payments only represented a 0.5% share of total payments volume in 2022.
- The EC Instant Payments Mandate and the EU's invoicing regulations are expected to galvanize the domestic market.

Spotlight Italy —Cash Is Still King, but Major Change Is on the Horizon

- Italy recorded 364M instant payment transactions in 2022, expected to grow to 787M by 2027, a CAGR of 16.7%.
- Italy is among the few nations that adopted the pan-European SCT Inst scheme at an early stage in November 2017. Despite the head start and wide participation from banks and payment service providers (287 participants as of November 2022), the growth in adoption and usage of instant payments has been slow due to high preference for cash and the higher fees initially requested by financial institutions.
- In 2022, instant payments accounted for just a 1.4% share of total payments transaction volume, while paper-based transactions had a 71.5% share. Instant payments' share is projected to rise to 8.2% by 2027, and further acceleration in adoption is expected once the EC Mandate takes effect.

Spotlight Germany —Instant Payments Are Starting To Gain Traction

- Germany recorded 1.1B instant payment transactions in 2022, expected to grow to 2.7B by 2027, a CAGR of 18.9%.
- Germany adopted the pan-European SCT Inst payments scheme in 2017, gaining access to the European instant payments scheme. Today, SCT Inst provides instant payment transfers not only among participating financial institutions in Germany, but also with any participating financial institution in any other country in the eurozone. As in all SCT Inst markets, the EC Mandate could kick-start a major change.
- Despite this regional link, instant payments represent only a small part of total payments volume and spending in Germany. In 2022, instant payments were 2.5% of total payments volume, while other forms of electronic payments represented 66.4%, and paper-based payments represented 31.1%. However, the use of cash is expected to decline by 10% in terms of total market share by 2027.

Spotlight Spain —Record Growth Expected by 2027

- Spain recorded 364M instant payment transactions in 2022, expected to grow to 2.4B by 2027, a CAGR of 30.4%.
- Spain launched its domestic instant payments system Bizum in October 2016 and later adopted SCT Inst in November 2017. The adoption of instant payments has been on a gradual rise, supported by increasing participation from banks and financial institutions. While Bizum had 32 participants, SCT Inst was adopted by more than 90 banks in Spain as of November 2022.
- The share of instant payments of the total volume of electronic payments will increase from 2.6% in 2022 to 8.2% by 2027.

ACI's Inside Real-Time

This year, we are excited to launch [Inside Real-Time](#) — a new, multi-channel media platform — as the definitive guide and go-to source for the world's instant payment stories, including exclusive content exploring the latest developments and opportunities about how instant payments are empowering consumers, merchants, businesses and banks. ACI's *Prime Time for Real-Time* report is the foundation of this new platform.

***Note to Editors:** Instant or real-time payments are credit transfers that make funds available in a payee's account within 10 seconds of a payment order being made. While the term "instant payments" is used in Europe, the term "real-time payments" is more widely used in other parts of the world. ACI's global Prime Time for Real-Time report uses the term "real-time payments" throughout.

About ACI Worldwide

[ACI Worldwide](#) is a global leader in mission-critical, [real-time payments software](#). Our proven, secure and scalable software solutions enable leading corporations, fintechs and financial disruptors to process and manage [digital payments](#), power [omni-commerce payments](#), present and process [bill payments](#), and manage [fraud and risk](#). We combine our global footprint with a local presence to drive the [real-time digital transformation](#) of payments and commerce.

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