



# Expansion of Instant Payments in Europe

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The financial sector is undergoing a digital transformation in which payments are at the forefront.

Banks and PSPs (Payment Service Providers) are offering customers a wide range of technological solutions that improve the payment user experience, making it faster and more convenient without compromising its security.

Not only does technology change the user experience but also the internal processes of the entities that support these new ways of doing things.

In this regard, the continued advancement of instant digital payments in Europe demonstrates a significant growth in the digitalization of transactions at the expense of cash and opens up a scenario for the consolidation of commercial payments against retail accounts.

In Spain, new models of digital payments have grown steadily since 2020. Over 90% of the banked population in Spain regularly uses them. The Bizum platform for instant mobile payments, with 23 million users today and 120 million transactions by 2022, has become a standard in the Spanish market for peer-to-peer payments, now

extending to new forms of payment such as e-commerce, lottery payments, and contributions to NGOs.

Bizum payments are executed as instant payments under SEPA (Single Euro Payments Area) standards through the Spanish Electronic Clearing System. In 2022, a record number of 823 million immediate transfers were processed in Spain, accounting for 49% of all of the transfers processed in the Spanish national system and making our country a leader in Europe in the penetration of this kind of payment.

Cecabank, as a processor of iSCT Core transfers and Bizum, has processed over 123 million transactions for the entities it provides service to.

An existing challenge is the consolidation of cross-border instant payments, something that infrastructures like RT1 or TIPS already allow. However, there is still room for improvement in their development. The ongoing regulatory framework being studied in the EU seems to be aimed at promoting this with the objective of making instant euro payments available to all citizens and businesses with bank accounts in the EU and in countries of the European Economic Area. Therefore, this regulation should lead to a gradual migration to instant transfers from other forms of payment.

The transformation payment service providers are experiencing towards a more open and competitive model, makes it necessary to continuously rethink the digital strategy of the entities and respond in an agile, efficient, and resilient manner to changes.

As a one-stop shop for payments, Cecabank is capable of processing any payment instrument, which enables us to be prepared to continue supporting our clients in the upcoming changes, combining expert knowledge and economies of scale and scope.

In addition to the aforementioned challenges, there are other large-scale projects, such as the possible creation of the digital euro.

Therefore, PSPs should be prepared, if necessary, to facilitate the distribution of this new instrument while allowing for a coherent and friendly coexistence with other forms of payment.

It seems clear that the world of payments is immersed in a constantly changing landscape. In the coming years, we will witness a competitive process to become the customer's preferred payment method. In this context, innovation and cooperation will be crucial to continue playing a relevant role in an increasingly disruptive environment.