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Subject: N26 responds to the consultation on a Retail Payment Strategy

Dear Madams and Sirs,

N26 welcomes the Commission's endeavors to advance on the Retail Payment Strategy, and is pleased to contribute to the a.m. consultation.

We have submitted our responses via the online questionnaire. In addition, with this letter, we would like to summarise some of our key comments.

N26 is Europe's leading mobile smartphone bank. Our mission is to offer our customers the best mobile banking experience possible. Hence, we are thinking payment solutions primarily from the perspective of the customer, i.e. easy and safe usage.

A payment solution needs to be available everywhere (mobile at the POS as well as online), it needs to be fast, cost-efficient, safe, private, and convenient.

We also agree from a macro perspective that a payment system should be resilient, sustainable, forward-oriented as regards emerging technologies, hence technology-neutral, and there should be sovereignty from a governance perspective.

We live in a world of global competition, in particular in the fields of data, digital business, telecommunication, information, media, and finance. Hence, there are very sound reasons for Europe to aim for sovereign solutions in these industries. At the same time, we also benefit from offerings and solutions that are developed in other regions, e.g. the US or Asia. Hence, we need a two-step approach and always weigh to what extent we can use

“imported” solutions, and to what extent we need “European” solutions. We also need to ask ourselves the question if “imported” solutions can be adopted to the extent that they meet our requirements for sovereignty .

With regards to payment services, we see a lot of benefits for customers to use solutions that have already been tested also in other regions. We as N26, e.g., offer to our customers a mobile banking experience on the basis of a bank account and a card-scheme based debit card. We believe that that is a very convincing proposition, in particular when it comes to reach of the service, to user friendliness, and to cost-efficiency. In addition to cards, we also offer SEPA Credit Transfer, SEPA Direct Debit and SEPA Instant solutions. At the same time we believe that instant payment services are not necessary in every purchasing situation, but should be supported by benefiting consumer or merchant needs.

Hence, the new Retail Payment Strategy should continue to have the specific needs of the customer in mind in the first place, and should not lose focus while debating the underlying schemes.

A strong limiting factor in SEPA that we observe in the present discrimination to non-local IBANs. We have customers from all over the European Union. Our standard product comes with a German IBAN. We still observe that a lot of institutions, private and public, still do not accept IBAN from countries outside their home country. E.g. a French utility provider does not accept German IBANs for SEPA direct debit. We believe that this is not in the spirit of SEPA and should be changed. Ideally, with one European account, regardless of its national IBAN code, you should be in a position to bank across the Single Market. We actually would be open for an EU IBAN for banks active across several member states.

With respect to the discussion of a new European Payment Scheme we would be supporting the idea and a project if it also brings innovation to the overall payment ecosystem. Current national initiatives in this context may look too much at securing outdated legacy systems or just copying international payment schemes. This would be in our view to short sighted and not find the needed support by the consumers and merchants. We are prepared to actively participate in the discussions around a new European Payment Scheme.

Other comments you will find in our questionnaire.

N26 appreciates the opportunity to contribute to the consultation on a Retail Payment Strategy, and thanks you for your continuous support.

Yours sincerely,



Dr. Jan Boehm

Enclosure