



Brussels, 11 April 2023

European Credit Sector Associations call for removing payments from the scope of the Digital Identity Regulation

The European Banking Federation, the European Association of Co-operative Banks, and the European Savings and Retail Banking Group, jointly known as the European Credit Sector Associations (ECSAs) welcome the ambitions presented in the European Commission's proposal for a European Digital Identity (eIDAS 2.0).

The proposal will incentivise Member States to be more expedient in developing e-ID solutions with a wide scope of usage. Moreover, the European Digital Identity Wallet (EUDIW) will foster quicker onboarding processes and a better user experience. It will also contribute to the further adoption of digital banking services.

However, Recital 31 and Art. 12b.2 as adopted by the European Parliament and corresponding Art. 6db.2 of the Council's General Approach are currently open to interpretation. The current wording seems to imply that the full payment sphere is included in eIDAS 2.0 on a mandatory basis.

We urge the European Parliament and the Council to re-consider their proposed wording during the trilogue negotiations.

If widely used cards and payment specifications were included in the new EUDIW Infrastructure, huge investments would be required not only in the financial sector, but also for the overall acceptance network. This could possibly result in disproportionate costs for merchants and service industries that accept card payments in accordance with the second Payment Services Directive (PSD2).

In addition, deleting payments from the scope would also solve the general issue of liability banks would face. The proposal in its current form does not sufficiently address the question of liability, which impedes applying its provisions to payments. This is why the ECSAs call upon the legislators to keep payments out of the scope of the Digital Identity Regulation.

The ECSAs therefore recommend, in order to avoid the mandatory nature of the acceptance of the EUDIW in terms of strong customer authentication (SCA) on payments, limiting such mandatory acceptance to the verification of the user's identity only.