Strategic Positioning Document

Towards a Fair, Inclusive and Resilient European Payment Ecosystem

1. Europe's Evolving Payment Landscape

Europe's payment landscape has been transformed at unprecedented speed: cash use at the point of sale has fallen from 72% (2019) to 52% (2024), driven by digitalisation, COVID-19 and the commercial expansion of new payment instruments — raising structural questions that go beyond technology.

Europe's payment ecosystem is undergoing one of the most significant transformations in its modern history. Over the last decade — and most markedly following the COVID-19 pandemic — the digitalisation of payments has accelerated rapidly across the continent, reshaping the way citizens interact with money in their everyday lives. Contactless technologies, mobile payments, online commerce and new digital instruments such as instant transfers or peer-to-peer apps have expanded at unprecedented speed, progressively redefining consumption habits and commercial dynamics. This is not only a technological shift, but a structural redesign of the payment system with long-term implications for accessibility, resilience and economic autonomy.

The pace of this shift is reflected in hard data. According to the ECB's Study on the Payment Attitudes of Consumers in the Euro Area (SPACE), cash was used in 72% of point-of-sale transactions in 2019. By 2022, that figure had fallen to 59%, and by 2024 it had declined further to 52% — a drop of 20 percentage points in just five years, significantly accelerated by the pandemic and the behavioural changes it induced.

This transformation has been accompanied by the rapid rise of new payment instruments. Instant transfer services such as Bizum in Spain, MB WAY in Portugal, Tikkie in the Netherlands or MobilePay in Scandinavia have gained millions of users within a few years, enabling peer-to-peer and merchant transactions through smartphones with near-frictionless convenience. Mobile payment apps have grown from 4% of transaction value in 2022 to 7% in 2024 across the euro area, and are expected to continue growing.

While this transformation has brought clear benefits in terms of convenience and efficiency, its current trajectory raises structural concerns that remain largely under-recognised in public debate. The issue is not digitalisation itself — digital payments are now a permanent feature of European economic life — but the way in which this transition is unfolding: rapidly, asymmetrically, and without a sufficiently articulated societal framework. The risk is not the rise of digital payments, but the parallel and often silent erosion of the conditions that allow cash to function effectively, and the growing structural exclusion of those who depend on it.

In this context, cash — still the most frequently used payment method in the euro area at the point of sale, and consistently regarded as important by 62% of European citizens according to SPACE 2024 — is being structurally affected. Its role is evolving not only in terms of consumer behaviour, but also in terms of practical functioning: access points, acceptance conditions and institutional support are all being progressively reshaped. The payment landscape is shifting, and the societal implications of this shift demand broader public and institutional reflection.

2. The Structural Imbalance: Why Cash Is Weakening

Cash is weakening not because citizens have rejected it, but because the ecosystem that sustains it is being eroded: commercial incentives favour digital alternatives, ATM and branch networks are contracting, and no European legal framework guarantees the infrastructure citizens need to access their own money.

The transformation of Europe's payment ecosystem is not taking place on neutral terms. It is characterised by a growing structural asymmetry between payment methods — one in which digital solutions benefit from strong commercial incentives, institutional alignment and significant investment, while the conditions that allow cash to function effectively are progressively deteriorating.

Demand-side trends

Consumer behaviour has shifted substantially since COVID-19, partly driven by genuine preferences for convenience and partly influenced by the commercial environments in which payment choices are made. Card payments and mobile apps are promoted actively through loyalty programmes, cashback rewards, zero-interest offers and seamless user experiences designed to maximise adoption. These are not neutral market dynamics: they are the result of deliberate commercial strategies that shape consumer behaviour.

Large global technology and financial companies — including Visa, Mastercard and American Express — invest extensively in marketing and sponsorship to accelerate the adoption of card and digital payments. Visa's annual marketing expenditure alone runs into hundreds of millions of dollars globally, and both Visa and Mastercard maintain high-profile sponsorships of major events including the Olympic Games and FIFA World Cup.

This commercial reality is often obscured by marketing narratives. 'Interest-free' card offers and cashback promotions present card payments as costless for consumers, while the actual economic return for these companies derives from a combination of interchange fees paid by merchants, transaction processing fees, and the systematic monetisation of vast consumer behavioural datasets. Every card transaction generates data: what was purchased, when, where, and for how much. This data is processed, analysed and used to profile consumers, target advertising, and develop financial products — generating commercial value that far exceeds the direct fee revenue visible to consumers. Cash, by contrast, generates no such data trail.

Supply-side deterioration: infrastructure and access

The practical infrastructure that sustains cash circulation is being progressively reduced. ATM networks have contracted significantly across Europe over the past decade, driven by bank decisions based on profitability rather than public service obligations. Bank branch closures have accelerated in parallel, removing important secondary access points to cash. In Italy, municipalities without any bank branch reached 7.8% of the population for the first time. In rural and remote areas across Europe, consumers increasingly report difficulties accessing cash within a reasonable distance — a problem that is particularly acute in countries with already fragmented territorial connectivity.

This deterioration of infrastructure is compounded by a growing acceptance gap. Between 2021 and 2024, the share of euro area companies accepting cash fell from 96% to 88%, according to the ECB's survey on the use of cash by companies. While 94% of firms that currently accept cash intend to continue doing so, the trend reflects a systemic erosion driven partly by commercial incentives from payment networks and partly by the indirect costs of cash handling that, in many countries, are not offset by public support mechanisms.

Regulatory fragmentation and the legal gap

A significant and largely unaddressed structural gap concerns the legal responsibility for guaranteeing access to cash. While the euro has status as legal tender across the euro area, and the European Commission's 2023 legislative proposal on the legal tender of euro banknotes and coins seeks to reinforce acceptance obligations, the responsibility for maintaining adequate cash infrastructure — ATMs, cash-in and cash-out points — remains poorly defined in European law.

In practice, the costs of maintaining a distributed and accessible cash infrastructure are borne primarily by private actors — banks and ATM operators — who make deployment decisions based on commercial returns. There is no minimum infrastructure obligation at European level, and national approaches vary significantly. This creates a structural accountability gap: the public function of cash as universal legal tender is not matched by a public commitment to fund or mandate the infrastructure needed to exercise it.

The regulation of cash limits also remains fragmented. Different member states maintain different thresholds and restrictions on cash transactions, creating an uneven environment that raises questions about the principles of free movement and equal treatment within the internal market.

3. Why Cash Matters: A Social and Strategic Asset

Cash is not merely a payment option: it is the only public money available to every European citizen, without preconditions. It is universally accessible, operationally resilient, privacy-preserving and essential for financial wellbeing — and 62% of euro area citizens consider having the option to pay with it important or very important.

The debate surrounding cash cannot be reduced to a discussion about consumer habits or technological progress. Cash is not merely another payment option — it is a fundamental component of Europe's economic and social infrastructure. Its role extends far beyond the transactional dimension, intersecting directly with social cohesion, economic participation, territorial balance, resilience, privacy and democratic inclusion.

Cash as the only universal public money

As legal tender, cash represents the only public form of money directly accessible to all citizens. Unlike private payment solutions, it requires no bank account, no smartphone, no internet connection and no contractual relationship with a private company. This universal accessibility gives physical money a unique and irreplaceable position within the payment ecosystem — particularly in societies committed to preserving inclusion and freedom of choice as core principles.

As the ECB SPACE 2024 revealed, 52% of all point-of-sale transactions in the euro area were made in cash — including 57% in restaurants and bars, 55% at vending machines, and 53% in day-to-day shops. Cash was the most frequently used payment method in 14 out of 20 euro area countries.

Across the euro area, 62% of citizens consider having the option to pay with cash to be very or fairly important — a figure that increased by two percentage points between 2022 and 2024, suggesting that public awareness of cash's value is growing even as its use declines. This matters: it indicates that the reduction in cash use does not reflect a popular mandate to phase it out.

Resilience, security and independence

Cash is the only payment instrument that functions without electricity, internet connectivity, server availability or the continuous operation of private payment networks. In situations involving power outages, cyber incidents, technological failures or geopolitical disruptions, physical money continues to function as a reliable and immediately available means of exchange. In this sense, cash is not only a consumer convenience — it is part of Europe's operational resilience architecture.

This resilience dimension is becoming increasingly relevant. Europe's dependence on a small number of large, predominantly non-European payment networks — principally Visa and Mastercard — for the processing of a growing share of retail transactions raises questions of strategic autonomy and systemic vulnerability. A diverse payment system, in which cash and digital instruments coexist, is inherently more resilient than one dependent on a single technological model.

Privacy, autonomy and financial control

Digital payment systems generate large volumes of transactional data, creating increasingly complex relationships between consumers, financial intermediaries and technology platforms. Forty-one percent of euro area consumers in SPACE 2024 cited privacy protection as one of cash's perceived advantages; 35% valued the way physical money supports awareness of personal spending. Cash provides a structural counterbalance within the payment ecosystem: it preserves a space for transactions that do not depend on data extraction, behavioural profiling or continuous monitoring.

Cash and personal financial management

For many households — particularly those managing tight budgets or at risk of over-indebtedness — cash serves as a practical tool for financial discipline. The physical nature of cash creates psychological limits on spending that digital payment instruments do not replicate. This dimension of cash's social role is rarely recognised in payment policy discussions but is highly significant for financial wellbeing across European societies.

4. Risks of an Increasingly Unbalanced Ecosystem

The real fraud threat is digital, not physical: EBA–ECB data shows €4.2 billion in digital payment fraud in the EEA in 2024, while cash fraud is negligible. At the same time, the transition to digital payments risks leaving behind the elderly, disabled people, rural communities and the digitally excluded — groups for whom cash is not a preference but a necessity.

Digital fraud: the real threat landscape

A persistent misconception in the public debate on payment security is that cash is a vehicle for fraud and illicit activity, while digital payments are inherently safer. The data tells a significantly different story. Fraud is overwhelmingly concentrated in digital payment channels.

According to the EBA–ECB Joint Report on Payment Fraud (2025), total fraud across all payment instruments in the European Economic Area reached €3.4 billion in 2022, €3.5 billion in 2023, and €4.2 billion in 2024 — a 20% increase over two years. Credit transfers and card payments accounted for the vast majority of fraudulent transactions. Cash withdrawals represented a negligible fraction of total fraud value.

Additionally, the rise of digital payments has been accompanied by an expansion of sophisticated cybercrime: phishing, social engineering, identity theft, card-not-present fraud, QR code scams and AI-generated deception. A 2025 report from Tietoevry Banking found that detected fraud in European digital payment systems increased by 43% in 2024 alone, with social manipulation scams rising by 156% and phishing cases by 77% compared to the previous year.

Regarding global cybercrime losses, FBI Internet Crime Complaint Center (IC3) 2024 Annual Report reveals that total losses from cybercrime reported in the United States reached $16.6 billion in 2024 — a 33% increase from 2023. Cyber-enabled fraud accounted for 83% of all reported losses.

According to the joint EBA–ECB Report published in December 2025, digital payment fraud in the European Economic Area reached €4.2 billion in 2024 — a 20% increase from 2022 — with credit transfers and card payments accounting for the overwhelming majority of fraudulent transactions. Cash withdrawals represented a negligible fraction of total fraud value.

These figures confirm what structural analysis suggests: fraud does not hide in cash. It lives in digital channels, exploiting the complexity, automation and anonymity of digital payment infrastructures. Eliminating cash does not reduce fraud risk — it concentrates economic activity in the very environments where fraud is growing most rapidly.

Exclusion risks: who is left behind

The transformation of the payment ecosystem does not affect all citizens equally. While declining cash accessibility has broader implications for society, its consequences are experienced most acutely by specific groups whose participation in everyday economic life depends on simple, accessible and universally accepted payment methods.

- Older people: Many elderly citizens maintain strong links to physical money as a tool for financial independence and daily management. Rapid digitalisation can generate practical barriers when payment systems evolve faster than some citizens' capacity or willingness to adapt. In SPACE 2024, the highest share of cash payments (57%) was recorded among those aged 65 and above.
- Persons with disabilities: Cash offers tangibility, simplicity and familiarity that some digital payment environments cannot replicate. Branch closures and the shift to app-based services have have measurable negative impacts on disabled people from bank branch closures on their access to financial services.
- Rural and remote communities: The ERPB Working Group on Access to and Acceptance of Cash (European Central Bank) confirmed that while urban areas generally retain adequate ATM coverage,

rural, touristic and seasonal areas are experiencing growing difficulties. ATM removals and branch closures in these areas increase territorial financial exclusion and can leave entire communities without practical access to their own money. In Italy, municipalities left without any bank branch represented 7.8% of the national population by 2024 — including, for the first time, municipalities with over 20,000 inhabitants (EBA, 2025). The European Banking Authority's Banking Services Report confirms that access difficulties are no longer confined to small or isolated communities.
- Digitally excluded citizens: Those without reliable internet access, smartphones or digital banking — whether due to age, income, disability or geographic location — face growing barriers as services progressively migrate to digital-only environments.
- Small businesses and local commerce: For many local traders, market vendors, independent retailers and seasonal businesses, cash remains operationally essential. It requires no card terminal, no connectivity, no third-party processor and generates no fees. The progressive reduction of cash acceptance places an additional cost burden on merchants who must navigate multiple payment systems while also risking the exclusion of cash-paying customers.

Strategic and systemic concentration risks

Beyond individual exclusion, the progressive concentration of European payment activity around a small number of non-European private networks raises systemic questions about sovereignty, competition and resilience. A growing share of retail payment infrastructure, data processing and standard-setting capacity is controlled by a handful of large American technology and financial companies. This concentration does not only affect economic returns — it also constrains European strategic autonomy in a domain that is becoming critical infrastructure.

The Better Than Cash Alliance and comparable international initiatives have actively promoted cash-light economies, reflecting a broader global trend. While digital inclusion in payments is a legitimate development goal, the pace and direction of this transition — when driven primarily by commercial interests rather than public-interest frameworks — can produce outcomes that are neither inclusive nor strategically balanced for Europe.

As digital payment systems become essential to everyday economic participation, the governance, ownership and accountability of these infrastructures acquire growing strategic relevance. A payment ecosystem that is diverse — combining digital innovation with the continued availability of physical money — is inherently more resilient, more competitive and more consistent with European values than one that is concentrated and digitally exclusive.

5. Denaria Europe: Why This Platform Exists

Denaria Europe emerges to fill a representational gap: as digitalisation accelerates, no civil society platform existed at European level to defend payment diversity, safeguard cash accessibility and ensure that the voices of citizens — not only commercial actors — shape the future of payments.

For decades, cash did not require active promotion or public defence. Its role as a universally accepted and accessible means of payment was naturally integrated into everyday economic and social life. However, the rapid acceleration of digitalisation — particularly following COVID-19 — has progressively altered this balance, affecting not only the practical functioning of physical money but also its visibility, perception and position within the payment ecosystem. This shift has created a representational gap that no existing actor was positioned to fill.

Denaria Europe emerges in this context as a European civil society platform committed to the defence, accessibility and acceptance of cash as part of a balanced, inclusive and resilient payment ecosystem. It seeks to contribute to a broader societal debate about how payment systems are evolving, what structural risks may arise from excessively concentrated or fully digitalised models, and how Europe can preserve payment diversity, freedom of choice and social inclusion through this transition.

The initiative does not position itself against digital payments or technological innovation. On the contrary, it recognises the clear benefits that innovation brings to citizens, businesses and public administrations. Denaria Europe's position is that the speed and direction of the current transformation require greater public reflection and broader societal participation — particularly when changes in the payment ecosystem carry implications for inclusion, resilience, privacy, autonomy and economic balance.

A central component of this approach is the development of a broad network of alliances across European civil society. The debate surrounding cash must reflect a diversity of social realities and perspectives — including those of vulnerable groups, consumer associations, elderly citizens, people with disabilities, rural and territorial communities, small business and retail sectors, professional networks and academic institutions. These alliances are essential not only to expand the reach of the initiative, but to strengthen its legitimacy and social credibility. The future of cash is not a niche financial issue — it is a cross-cutting societal matter that affects the functioning of everyday life and the quality of economic participation across Europe.

What Denaria Europe stands for

Denaria Europe promotes a vision of the payment ecosystem based on balance, inclusion, resilience and freedom of choice. It advocates for a model of digitalisation that is fair, secure and socially sustainable — one in which technological innovation and physical money coexist within a diverse ecosystem capable of responding to the needs of all citizens.

- Freedom of payment choice: All citizens should be able to choose how they pay without facing practical barriers, disproportionate restrictions or exclusion linked to age, income, geography, disability or digital capacity.
- Accessible legal tender in practice: Formal legal tender status must be matched by real-world conditions that allow citizens to access and use cash effectively — not just in theory, but in daily life.
- Protection of vulnerable groups: The evolution of the payment ecosystem must not deepen social inequalities or create new forms of exclusion. Payment systems must remain accessible, understandable and usable for the whole population.
- Systemic resilience: A diverse payment ecosystem — combining digital and physical money — reduces dependency on a single infrastructure model and strengthens society's capacity to respond to disruptions, emergencies or technological failures.
- Strategic balance: Europe's increasing dependence on non-European private payment networks requires a proactive commitment to preserving alternatives, fostering competition, and maintaining strategic autonomy in a domain of critical public importance.

6. How Denaria Europe Acts

Denaria Europe acts as an independent, evidence-based European platform: generating knowledge, fostering institutional dialogue, building civil society alliances and amplifying the voices of citizens in a debate too often shaped by well-resourced commercial interests.

Denaria Europe translates its public narrative into a practical and credible framework for action, combining evidence-based analysis, public engagement, institutional dialogue and cooperation across sectors and countries.

Knowledge generation and evidence

Denaria Europe promotes research, surveys, barometers, regulatory monitoring and country-specific assessments aimed at understanding how changes in the payment ecosystem affect access to cash, payment inclusion and the practical functioning of legal tender across Europe. This analytical work identifies structural trends, emerging risks and differences between national realities, contributing to a more informed European debate grounded in independent evidence rather than commercial or institutional narratives.

Public awareness and institutional dialogue

Denaria Europe works to increase public and media understanding of the implications associated with the evolution of payment systems through conferences, institutional forums, public reports and awareness initiatives. It maintains structured dialogue with European and national institutions, public authorities, regulators, central banks, parliamentary actors and other stakeholders, ensuring that social and territorial considerations remain part of policy discussions on the future of payments in Europe.

One of the central challenges in this work is bridging different perspectives and translating complex structural realities into understandable and actionable insights — particularly for institutions and media who may be exposed primarily to narratives produced by well-resourced commercial actors. Denaria Europe seeks to provide that counterbalancing voice: independent, evidence-based and grounded in the lived experiences of citizens.

A confederal model of cooperation

As a confederal platform, Denaria Europe coordinates and connects national associations and stakeholders working on issues related to cash, financial inclusion and payment resilience. It provides a shared European space for cooperation, dialogue and strategic alignment, while respecting the diversity of national realities, payment habits and regulatory frameworks. Through this model, Denaria Europe creates a broader European network capable of sharing experiences, identifying common challenges and promoting coordinated action across countries.

7. Conclusions: Towards a European Framework for Payment Diversity

The evidence is clear: cash remains essential, digital fraud is rising, commercial interests are not neutral, and a legal accountability gap must be closed. Europe needs a coherent framework that preserves payment diversity as a strategic, social and democratic imperative.

The transformation of Europe's payment ecosystem is not an isolated or purely technological phenomenon. It is a structural societal transition with long-term implications for accessibility, resilience, privacy, strategic autonomy and economic participation. The evidence reviewed in this document points to several conclusions that together make the case for a more coherent and proactive European approach.

Cash remains deeply embedded in European economic life. Despite significant and accelerating declines in its use, cash was still the most frequently used payment method at the point of sale in the euro area as of 2024, accounting for 52% of transactions. It remains the preferred instrument for small-value and person-to-person payments, and it is considered important or very important by 62% of citizens across the euro area. These are not indicators of a payment method in social decline — they are indicators of a public infrastructure under structural commercial and regulatory pressure.

The fraud argument does not support cash restriction. According to the EBA–ECB Joint Report published in December 2025, digital payment fraud in the EEA reached €4.2 billion in 2024 — up 20% from 2022 — with credit transfers and card payments accounting for the overwhelming majority. Cash fraud is negligible by comparison. The real fraud risk landscape is digital, and it is growing. Any policy narrative that frames cash restriction as a fraud-prevention measure is not supported by the data.

The commercial interests driving the digital transition are not neutral. Major payment networks invest billions in marketing, sponsorships and financial incentives designed to shift consumer behaviour towards card and digital payments. These efforts generate returns not only through transaction fees but through the systematic monetisation of consumer behavioural data — a dimension of the digital payment economy that is rarely visible to citizens and is largely absent from public debate. A fair payment ecosystem requires that this asymmetry be recognised and addressed.

There is a legal accountability gap that must be closed. The European Union has recognised cash as legal tender, and the Commission's 2023 proposal seeks to reinforce acceptance obligations. However, no coherent European framework yet exists to mandate minimum cash infrastructure standards, guarantee access in underserved or rural areas, or assign clear public accountability for the conditions needed to exercise the right to use physical money. This gap must be addressed — ideally through EU-level minimum infrastructure obligations rather than a patchwork of voluntary national commitments.

Preserving payment diversity is a strategic, social and democratic imperative. A payment system that combines digital innovation with the continued availability of physical money is more resilient, more inclusive and more aligned with European values than one that progressively eliminates alternatives. The objective of Denaria Europe — and of the broader public debate it seeks to catalyse — is not to slow innovation, but to ensure that innovation develops within a framework that remains balanced, fair, accessible and aligned with the principles of social cohesion, equal participation and strategic autonomy that define Europe's ambition.

Denaria Europe therefore supports the development of a coherent European framework for payment diversity, founded on clear minimum standards for cash access and acceptance, unambiguous public responsibility for maintaining that access, a commitment to payment inclusion as a dimension of social rights, and an open, evidence-based policy dialogue that genuinely represents the diversity of European citizens rather than only the most commercially powerful actors in the ecosystem.

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