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Keval Chavda
Competition Policy
Supervision, Policy & Competition – Competition & Economics
Financial Conduct Authority

By email to dp22-05@fca.org.uk

19 January 2023

Dear Keval

Re: Discussion Paper on the potential competition impacts of Big Tech entry and expansion in retail financial services.

We welcome the opportunity to provide input on the FCA's discussion on the impact of Big Tech entry into retail financial services in the UK. The EMA represents e-money, payments, crypto asset and FinTech firms, engaging in the provision of innovative payment services, including the issuance of e-money, e-money tokens, open banking payment services, and cryptoasset related services including stable coins. A full list of our members is provided in the appendix to this document.

The EMA was established some 22 years ago and has a wealth of experience in regulatory issues relating to payments, electronic money, and more recently crypto assets.

We would be grateful for your consideration of our comments, which are set out below.

Yours sincerely,

A handwritten signature in black ink that reads 'Ihan Salim'. The signature is written in a cursive style and is underlined with a long horizontal stroke.

Dr Thaer Sabri
Chief Executive Officer
Electronic Money Association

Response

Infrastructure and services

The EMA represents a broad range of payment service providers, from the largest Big Techs to the smallest startups, and our interest is in benefiting from the contributions of all businesses in the payments sector.

There have been significant contributions by Big Tech firms to the financial services industry, and the UK has benefited from these. Below are some examples that touch on payments and prepayment specifically:

- The development of the Apple App Store in 2008 on the heels of the iPhone, and then of Google Play for the Android operating system, enabled for the first time, the smallest innovation in payments to be made available through Apps to every smart phone owner instantly. Previously, access to mobile devices was through mobile network providers who were diverse in number and approach, difficult to negotiate with and would charge significantly for access. The handsets themselves were not sufficiently sophisticated to support payment Apps.
- The authentication functionality provided by mobile handsets enables convenient solutions to strong customer authentication and to the execution of payment transactions; again both Google and Apple, play a role, but so do other handset manufacturers.
- Payments businesses provide payment solutions for commercial transactions, and the growth of e-commerce also drives payments, not only for BigTech but also for the industry as a whole, whether using legacy products on new rails or entirely new payment solutions. The ability to identify business service providers, find suitable products and services, make purchases, and have assurance of delivery have all been facilitated to a large extent by Big Tech solutions and investment. For example, it is inconceivable today not to be able to find and compare one product against another online, or one service provider against a range of others or to choose the means of payment from a broad range of solutions that are available.

Means of access

In many instances this has involved the establishment of platforms or means of access that enable participation or engagement with their eco- system. The EMA supports the



development or continued provision of the means of access to platforms that enable competition and that facilitates continued innovation in such instances could evolve from initiatives by small businesses or by large and incumbent players.

We are therefore supportive of the regulator's objectives in maintaining a level playing field in payments' service provision, in prepaid (including deposit taking) services as well as credit and in providing PSPs with access to users. Simultaneously we acknowledge the need for continued incentives for the platform providers to invest and offer the infrastructure for critical parts of the business.

In conclusion, we believe a balance is required that acknowledges the benefits brought by Big Tech firms, whilst encouraging innovation and market access. The interests of businesses, large and small are symbiotic and need to be guarded accordingly.

Members of the EMA, as of January 2023

[AAVE LIMITED](#)
[Account Technologies](#)
[Airbnb Inc](#)
[Airwallex \(UK\) Limited](#)
[Allegro Group](#)
[American Express](#)
[ArcaPay Ltd](#)
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[Banked](#)
[Bitstamp](#)
[BlaBla Connect UK Ltd](#)
[Blackhawk Network Ltd](#)
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[Booking Holdings Financial Services International Limited](#)
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