Electronic Money Association
Crescent House
5 The Crescent
Surbiton, Surrey
KT6 4BN
United Kingdom
Telephone: +44 (0) 20 8399 2066
www.e-ma.org

Andrew Clemo
Payments & Digital Assets Policy
Supervision, Policy & Competition
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

By email: cp25-24@fca.org.uk

13 October 2025

Dear Andrew,

Re: EMA response to CP25/24: Quarterly Consultation Paper No. 49 Chapter 9 : Contactless Payment Limits

The EMA is the European trade body representing electronic money issuers and alternative payment service providers. Our members include leading payments and e-commerce businesses worldwide, providing online payments, card-based products, electronic vouchers, mobile payment instruments and cryptoasset services. A list of current EMA members is available on our website: https://e-ma.org/our-members.

Please find below our response to the above consultation. I am grateful for your consideration of our comments and proposals.

Yours sincerely,

Dr Thaer Sabri
Chief Executive Officer
Electronic Money Association

EMA response

Question 9.1: Do you agree with our proposal to amend Article 11 of the SCA-RTS (Contactless payments at point of sale) by replacing the current regulatory payment limits with the proposed new risk-based exemption?

As previously stated in our letter of 9 May 2025 to the FCA in response to the Engagement Paper on Contactless Payment Limits, the Electronic Money Association (EMA) supports a risk-based application of the Strong Customer Authentication (SCA) exemption for contactless payments. We also noted that the application of a risk-based SCA exemption would enhance flexibility for Payment Service Providers (PSPs) by enabling them to apply SCA based on objective, recorded fraud indicators that impact their customer base and supported use cases.

From our standpoint, the proposed SCA exemption framework for contactless transactions can minimise unnecessary friction at checkout while preserving and potentially enhancing fraud protections for customers. By enabling PSPs to implement risk-based controls, the framework can also adapt more effectively to evolving fraud threats and customer behaviours, ensuring a safer and more seamless payments experience for both businesses and retail consumers.

We consider that the ability afforded to PSPs to set contactless transaction limits within a transaction risk-based framework that monitors an appropriate range of risk factors, represents the most effective balance between effective fraud mitigation and smooth customer experience. Where feasible, consumers should also be able to configure contactless transaction limits for their own payment instruments, ensuring flexibility and personal control.

We encourage the FCA to provide additional guidance on the application of the Consumer Duty in this context, particularly regarding how PSPs should approach the deployment of changes to existing contactless payments.

Finally, we note a practical concern: it remains unclear how lower, consumer-defined contactless limits could be implemented given the technical limitations of existing payment terminals (where the current industry/regulatory SCA limits are hardcoded) and the absence of mechanisms to accommodate personalised settings. Addressing these challenges will be critical if consumer-configured limits are to be introduced effectively.

Question 9.2: Do you agree with the proposed wording of Article 11, Chapter -1 of the SCA-RTS (Guidance) and the supporting guidance in the Approach Document?

We support the principle underpinning the amended wording of Article 11 and the shift towards a risk-based exemption for contactless payments. However, we note that the wording as proposed is broad and leaves significant discretion to PSPs regarding what constitutes a “low level of risk.” While flexibility is valuable, we consider that greater clarity is needed to ensure consistent interpretation and application across the industry.

We welcome the FCA’s proposal to provide guidance, but suggest that the guidance should:

- Clarify the scope of “risk-based factors” and whether PSPs are required to apply a standard set of criteria;
- Specify expectations for documenting and justifying the application of the exemption;
- Address consistency requirements to reduce divergent practices that could impact consumer understanding and confidence.

This approach would help ensure both regulatory certainty and strengthen consumer protection, while still affording PSPs the flexibility to innovate and to apply risk-based authentication in a controlled and transparent manner.

Question 9.3: Do you agree with our proposal to implement changes without a transitional period?

We respectfully raise concerns about implementing changes without a transitional period. In particular, it is important to assess whether the impact on vulnerable customers has been adequately considered by industry participants that decide to change (or remove) the existing contactless transactions limits immediately after the changes to the SCA-RTS start to apply. Such customers may face disproportionate challenges if there is an instant migration to new contactless payment transaction limits by certain PSPs. The absence of a transitional period could also limit the ability of PSPs and of unregulated industry participants (Acquirers, Acquirer Processors, Terminal Aggregators) to adapt their infrastructure, to provide clear communication to affected parties and to deliver appropriate support. We therefore urge the FCA to carefully evaluate these factors before deciding that changes to the SCA RTS start to apply immediately after publication.

For these reasons, we recommend that the FCA provide for a transitional period to allow adequate time for industry coordination, technical adaptation, and clear communication with consumers.

List of EMA members as of October 2025

Airbnb Inc
Aircash
Airwallex (UK) Limited
Amazon
Ambr
American Express
Banked
Benjamin Finance Ltd.
Bitstamp
Blackhawk Network EMEA Limited
Boku Inc
Booking Holdings Financial Services International Limited
BVNK
Cardaq Ltd
CashFlows
Circle
Coinbase
Crypto.com
Currenxie Technologies Limited
Decta Limited
Deel
eBay Sarl
ECOMMPAY Limited
emerchantpay Group Ltd
EML Payments
EPG Financial Services Limited
eToro Money
Etsy Ireland UC
Euronet Worldwide Inc
Finance Incorporated Limited
Financial House Limited
FinXP
First Rate Exchange Services
Fiserv
Flywire
Gemini
Globepay Limited
GoCardless Ltd
Google Payment Ltd
IDT Financial Services Limited
iFAST Global Bank Limited
Imagor SA
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J. P. Morgan Mobility Payments Solutions S. A.
Kraken
Lightspark Group, Inc.
Modulr Finance B.V.
MONAVATE
MONETLEY LTD
Moneyhub Financial Technology Ltd
Moorwand Ltd
MuchBetter
myPOS Payments Ltd
Navro Group Limited
Nuvei Financial Services Ltd
OFX
OKG Payment Services Ltd
OpenPayd
Owl Payments Europe Limited
Own.Solutions
Papaya Global / Azimo
Park Card Services Limited
Payhawk Financial Services Limited
Paymentsense Limited
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Push Labs Limited
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Stripe
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