

Electronic Money Association

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RPIB consultation on the Design of the Future Retail Payments Infrastructure
Payments Innovation and Fintech
Bank of England
Threadneedle Street
London, EC2R 8AH

16 September 2026

Dear Sir/Madam

Re: EMA response to the RPIB consultation on the Design of the Future Retail Payments Infrastructure

The EMA is the EU trade body representing Fintech 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, and mobile payment instruments. Most members operate in the UK and the EU, as well as globally, and are direct and indirect participants in payment schemes. A list of current EMA members is provided at the end of this document.

We welcome the opportunity to provide this input to this consultation. I would be grateful for your consideration of our input and comments.

Yours sincerely,

Dr Thaer Sabri

Chief Executive Officer
Electronic Money Association

Overarching comment

The Electronic Money Association (EMA) welcomes the opportunity to respond to the Retail Payments Infrastructure Board (RPIB) consultation on the Design of the Future Retail Payments Infrastructure. As the leading trade body representing Electronic Money Institutions (EMIs) and Payment Institutions (PIs) across Europe, our members are at the forefront of transaction processing, merchant services, and innovative consumer and business account-to-account (A2A) payments.

We strongly support the overarching ambition of the National Payments Vision (NPV) to deliver a modern, resilient, competitive retail payments ecosystem for the UK. However, we believe the current interbank retail payments environment in the UK is structurally dysfunctional and the new infrastructure design must be a radical departure from legacy centralized models.

Historically, interbank payments have been operated under a "full-service Automated Clearing House" (ACH) model (typified by Vocalink), which is highly centralized, rigid, and slow to evolve. These payment infrastructures were conceived in an era without networked communications, internet and mobile phone technology. Dragging them into the modern era has exposed their inherent vulnerabilities.

Retrofitting modern requirements, such as Confirmation of Payee (CoP) or Strong Customer Authentication (SCA), onto this ancient 1960s-era architecture is painfully slow (often taking 18 months to two years) and commercially prohibitive. This leaves the industry "running hard to stand still" as fraudsters can adapt within days or weeks.

To deliver on the NPV's objectives, the EMA advocates for a "small core" distributed model. In this model, centralized clearing functions are minimized, and processing is distributed among participants utilizing open, standardized APIs, shared directory services, and decentralized designs. One exception to a small core must be fraud data intelligence collation and analytics, where a rich and deep data resource benefits pattern recognition.

This lighter, more agile architecture will allow for a "fast mover approach" by technically advanced PSPs and challenger banks to launch innovative separate payment schemes utilizing the shared central services, rather than forcing the entire industry to move forward in lockstep at the pace of the slowest, legacy-tech bound banks.

Crucially, the EMA notes a major gap in the current consultation: the complete exclusion of the settlement layer and liquidity management from the core infrastructure design. For next-generation infrastructure to be commercially viable for non-bank PSPs (such as EMIs and PIs), it must support

line-by-line instant settlement (or high-frequency batched settlement every 10 to 60 seconds) rather than the deferred net settlement model currently used in Faster Payments. Deferred settlement forces smaller, non-bank PSPs to tie up expensive liquidity by pre-funding settlement accounts, creating a severe commercial disadvantage.

The Bank of England must act as an open gatekeeper, expanding direct settlement account access to authorized EMLs and PIs to eliminate inter-participant credit risk and lower transaction costs to SEPA Instant levels.

The current infrastructure design forces industry-wide uniformity such that any security vulnerability is likewise replicated industry-wide. A more distributed and heterogeneous architecture will allow for, for example, customer authentication to be conducted in a variety of means, appropriate to context, risk and customer segment. Thus, presenting a smaller, more complex target area for fraudsters to attack.

Consultation Questions

Section 2: What are 'next generation' retail payments? (Future Payment Journeys)

Question 1: Are the end user payment journeys presented sufficient to inform the design of the core infrastructure?

a: Are there any additional or alternative payment journeys that should inform the design of the core infrastructure? If so, please specify what these are.

The EMA believes the proposed end-user payment journeys—including A2A at point of sale, instant via aliases, advanced delegated payments, and programmability—represent a comprehensive and forward-looking baseline. However, to ensure the next-generation infrastructure is genuinely future-proof over a 10-to-20-year horizon, several additional journeys and capabilities must be included:

1. **Multi-Currency and Multi-Money Interoperability:** The infrastructure must natively support a "multi-money" reality. This includes regulated private money forms (such as regulated stablecoins and tokenized bank deposits) alongside fiat sterling and a digital pound, allowing seamless par conversion and settlement between them.
2. **Decentralized Digital Asset Ramps:** The core infrastructure should accommodate off-ramp and on-ramp mechanisms for decentralized digital assets, specifically Bitcoin but also other cryptocurrencies. The Lightning Network provides a potential model. The Lightning Network acts as a highly efficient off-blockchain chain processing environment for instant agreement before batched settlement. The infrastructure should build standardized, secure, and regulated messaging protocols to handle fiat-to-crypto ramps.
3. **POS Terminal and NFC Integration:** Ubiquitous A2A payments at the point of sale require terminal integration, standardized merchant QR codes, and unlocked Near-Field Communication (NFC) on smartphones (allowing third-party PSPs to access NFC antennas). These Access Layer integrations should be treated as a separate, parallel project guided by the PVDC to ensure they are developed in tandem with the core architecture.
4. **A2A at PoS and e-commerce lifecycle:** The design should include additional messaging to support the complete set of journeys: merchant refunds, failed payments, reversals, returns, disputes and recalls. Together with status messages, reason codes, return and recall

messages, dispute codes, timestamps and audit trails to support automated processing to provide a card-like level of confidence for consumers and merchants.

b: Are any of the payment journeys not appropriate as inputs to the design of the core infrastructure? If so, please specify what these are.

Yes, the EMA considers this an opportunity to retire cheque clearing and settlement.

However, we strongly caution against overloading the core clearing and messaging build (the responsibility of DeliveryCo) with complex, physical-world point-of-sale terminal integrations and smartphone NFC access. POS integration is an ecosystem-wide access challenge that must be governed by separate product-level arrangements and open standards, rather than embedded in the core clearing engine itself.

Additionally, unbacked decentralized cryptocurrencies (like Bitcoin) should not be directly integrated into the core infrastructure layer or the central bank's settlement ledger due to their high volatility and divergent consumer protection models. Instead, the core infrastructure must focus strictly on providing clearly defined, standardized messaging ramps to interact with external digital asset networks.

Question 2: Do you have any views on the key considerations that should guide migration timelines and product roadmaps for delivering the PVDC's outcomes?

The EMA supports an ambitious yet realistic timeline targeting a next-generation launch by the end of 2028. Up to 80% of the technical scoping was already successfully executed under the New Payments Architecture (NPA) project. This provides a "walking start" for DeliveryCo.

Key considerations that should guide migration timelines include:

1. Publishing a Mandatory Sunset Date: A formal sunset date for Bacs and Faster Payments (FPS) must be published immediately upon completion of the core scoping (roughly 5 years post-launch). Dual-running is extremely expensive and allows the slowest participants to dictate the pace of transition. A hard sunset date is essential to force investment away from legacy systems.
2. Phased Migration Milestones: To mitigate transition risks, the migration should avoid a "big bang" approach. The EMA supports a proposal to split migration into three mandated, common milestones overseen by the Bank of England:
 - Milestone 1: Network connectivity migration (ensuring technical connection).
 - Milestone 2: Messaging and interface migration (transitioning to ISO 20022 formats).

- Milestone 3: Participant back-office integration (allowing individual PSPs tailoring flexibility within a strict deadline).
3. Voluntary Volume Tools: PSPs should be provided with tools to migrate volumes voluntarily during the transition window, with meaningful penalties applied only in the final six months prior to sunset.

Section 3: Design principles

Question 3: Do you agree with the list of proposed design principles?

a: Are there any additional design principles that should be included? If so, please specify and explain.

The EMA agrees with the proposed design principles of modularity, extensibility, open access, and security. However, we strongly urge the inclusion of the following additional design principles:

1. **Commercial Cost-Effectiveness and Value Benchmark:** A critical omission in the consultation is any objective or Service Level Agreement (SLA) regarding transaction costs. Next-generation A2A payments will fail to gain merchant adoption unless the core infrastructure is mandated to be cheaper than similar schemes such as SEPA Instant. The new system must utilize modern cloud-native scalability to deliver economies of scale that drive per-transaction fees significantly below existing, expensive FPS rates.
2. **Thin Core Utility ("Build Infrastructure, not a Product"):** DeliveryCo and the Bank of England must focus strictly on building a "thin" base utility—a series of open messaging protocols and APIs—rather than a rigid, centralized "product." The Linux Foundation's x402 project (an open, internet-native payment protocol supported by major global PSPs) provides an ideal model for an extensible, modular infrastructure.
3. **Heterogeneity of Authentication (Design Out Fraud):** Rather than imposing uniform, rigid Strong Customer Authentication (SCA) rules across all participants (which fraudsters easily reverse-engineer once they find a vulnerability in one bank), the core design must support direct, secure issuer-to-customer authentication dialogs at the point of sale. This allows different PSPs to authenticate transactions in unique, heterogeneous ways, making the overall system far more resistant to systematic exploits.
4. **International Compatibility Principle:** The UK's payment infrastructure should align with global standards wherever possible and avoid UK specific interpretations of ISO 20022 and support international character sets.

b: Are there any alternative design principles that should be included? If so, please specify and explain.

The EMA suggests replacing the traditional, centralized "Platform for innovation" principle with a commitment to a "Thin Core" and P2P directory-based routing model. The traditional "Full-service ACH" model relies on heavy centralized switches and physical hosting centers, which are extremely expensive to run and act as single points of failure. Transitioning to a thin central core that

coordinates distributed peer-to-peer messaging via a central directory service will drastically lower central running costs and lower technical barriers to entry.

Furthermore, we suggest an alternative "Agile Governance" principle. Rather than forcing the entire payments ecosystem to move in lockstep - which routinely leads to laggard participants stalling projects due to internal budgeting delays - the design principles should explicitly support a "Fast Mover Group" approach. This allows technically advanced, agile PSPs and challenger banks to launch and iterate advanced payment schemes utilizing shared central services, with legacy banks catching up in due course.

Question 4: Are there any design principles which you would prioritize over others? If so, please explain why.

a: What are the key trade-offs to consider, and what are their implications for design choices (for example, in relation to performance, scalability, and cost)?

The EMA strongly believes that Modularity and Extensibility must be prioritized over all other design principles. High modularity is the only way to prevent the technical stagnation that has crippled Faster Payments, where upgrades are extremely expensive and require the entire industry to turn off and on in unison. A modular architecture allows discrete, self-contained components (such as the alias directory or fraud analytics) to be upgraded independently without disrupting the wider system.

The key trade-offs and design implications include:

1. **Fraud Prevention vs. Transaction Friction:** While fraud protection is vital, "gold-plating" fraud prevention at the core clearing level for low-value, day-to-day transactions (such as a £4 coffee) is commercially unviable. It narrows the innovation funnel and drives up merchant costs. Fraud protections must be tiered and proportionate to the payment type and value, enforcing only minimum baseline standards at the core.
2. **Performance/Scalability vs. Cost:** Utilizing a cloud-native, API-first architecture may require higher initial technical development and robust cybersecurity investments, but it eliminates the massive ongoing physical center replication costs associated with vintage architectures (like Vocalink's dual hosting centers), yielding substantial long-term cost efficiencies and dynamic scaling capabilities.

Section 4: The role of the next-generation infrastructure in a conceptual architecture

Question 5: Do you agree with the proposed conceptual architecture? If not, please explain why and what changes you would propose.

The EMA agrees with the proposed conceptual architecture set out in Figure 5, particularly its layered, technology-agnostic representation of the payments ecosystem (Access, Product, Messaging and Clearing, Settlement, Services, and Scheme/Standards). This closely mirrors the architecture proposed by the fintech community, which separates overlay services and products from core public utilities.

However, the EMA strongly disagrees with the implicit assumption that the Settlement Infrastructure layer is separate and non-negotiable. The clearing layer is only as efficient and safe as the settlement model supporting it. Forcing real-time clearing onto a deferred net settlement process is dysfunctional. The conceptual architecture must be expanded to include real-time, line-by-line settlement as an integrated core objective, ensuring that clearing and settlement are aligned to eliminate liquidity pre-funding costs for non-bank PSPs.

Question 6: Does the architecture draw boundaries between the layers appropriately? If not, please explain why and what changes you would propose.

The conceptual architecture draws boundaries between the layers appropriately, but strict governance safeguards must be enforced to prevent "boundary creep." Specifically, the core infrastructure operator (DeliveryCo) must remain a neutral, "thin" technology platform and must be legally barred from building "products" or capturing value-add services that belong in the competitive product and access layers. Moreover, a function should only be considered necessary in the core infrastructure where all participants required the function to exchange payment instructions, clear obligations, coordinate settlement, maintain security and resilience, or provide a common payment lifecycle.

Providers should be free to compete and innovate above these minimum common standards. Hence a function should sit at product or scheme level where it relates to user experience, merchant acceptance, pricing, liability or disputes for a specific payment product.

Question 7: What are the baseline services that should be delivered within the core infrastructure? Please include an explanation of why.

The baseline services delivered within the core infrastructure should be strictly limited to those requiring universal, ecosystem-wide reachability to function effectively. We advocate for the inclusion of the following three baseline services:

1. Core Messaging and Routing: Fully standardized, API-enabled routing based natively on ISO 20022 formats to ensure seamless interbank messaging.
2. Common Alias Directory Service: A central directory enabling payments to be initiated via mobile numbers, emails, or standardized customer identifiers. This builds on successful international models (such as Sweden's BankID) and prevents fragmentation across competing private directory schemes.
3. Centralized Fraud and Risk Analytics Database: The core must include a shared database similar to Brazil's Pix "Dict" database. By mandating all participants to feed into and pull risk scores from a central fraud analytics database run by the authority, the entire ecosystem benefits from collective intelligence rather than fighting crime in siloed financial crime teams.

Question 8: What payment-enabling or value-add services should be delivered separately from the core? Please include an explanation of why.

All services that do not require universal, mandatory reachability must be delivered separately in the competitive product and overlay layers by market participants. This includes:

1. Request-to-Pay (RtP) Functionality: RtP is a commercial, user-facing product that should continue to be treated as a competitive overlay service, allowing different providers to innovate on user experience and pricing.
2. Advanced Delegated Payments and AI Agent Interfaces: Standardized APIs and rules should be open, but the actual client-facing AI assistants and delegated authority apps must be built and run separately by PSPs to drive innovation.
3. Dispute and Chargeback Management: Full dispute resolution, error handling, and commercial refund rules must live in specific product schemes and standards, keeping the core messaging engine lightweight and cheap to run.

4. **Complex Programmability Smart Contracts:** The core clearing layer should only handle simple conditional holds and releases of funds; the complex business logic must be processed externally by the PSPs.

Question 9: What opportunities and challenges could digital identity frameworks and the use of credentials (eg Legal Entity Identifiers or other verifiable credentials) present in enhancing retail payment journeys?

Opportunities: Digital identity frameworks and verifiable credentials (such as Legal Entity Identifiers or digital IDs) present massive opportunities to eliminate impersonation fraud and streamline onboarding. Integrating digital credentials directly into real-time payment flows would enable instant, secure attribute verification (such as proof of age or entity legitimacy), dramatically improving consumer trust.

Challenges: The primary challenge is the lack of a standardized, complementary "trust service layer" to make these credentials portable and verifiable in real-time across different PSPs without introducing user-facing friction. Additionally, to make these identity checks commercially viable for A2A e-commerce, the next-generation infrastructure must completely eliminate the "qualified acceptances" framework in Confirmation of Payee, ensuring clear, binary verification results.

Question 10: Are there other cross-cutting, architecture-wide issues that should be considered to meet the PVDC outcomes, that go beyond the core infrastructure layer? If yes, please explain.

Yes, several critical cross-cutting, architecture-wide issues must be addressed to meet the PVDC outcomes:

1. **Governance and Agility:** To prevent DeliveryCo from becoming bogged down by legacy issues and undue influence by the largest PSPs to the detriment of smaller ecosystem participants, its execution must be commercial and nimble. There must be strict, guaranteed representation for fintechs, EMIs, Payment Institutions, and challenger banks in the governance structure.
2. **The HMT Guidance:** The EMA strongly supports putting the Payments Vision Delivery Committee (PVDC) and the Vision Engagement Group (VEG) on a permanent footing with continued Ministerial lead from HM Treasury. This provides a crucial "referee" to halt poor

technical or commercial directions imposed by dominant PSPs, and to mitigate against implementation deadlocks that have been experienced in the past..

3. **Shared Cross-Sector Liability:** Regulators must expand fraud liability/incentives beyond the payments sector. Over 80% of current App Scams originate on social media and telecom platforms (such as Meta). Tackling economic crime requires a coordinated, cross-sector regulatory framework. The payments industry doesn't have a "magic money tree" – the fraud liability costs will ultimately be borne by the consumer.

Question 11: Do you agree with the proposed approach to interoperability? Please explain your reasoning.

The EMA strongly agrees with the proposed approach to interoperability, which is a core requirement for a successful "multi-money" ecosystem. Interoperability ensures the "singleness of money" by allowing a payer utilizing one form of digital value (e.g., commercial bank deposits) to frictionlessly pay a merchant who receives the payment in another form of value (e.g., regulated stablecoins or a digital pound) at par.

As London's capital markets increasingly adopt digital assets and existing asset classes become tokenized there is a clear need for companion currency stablecoins and CBDCs to decrease friction and support efficient trading.

To achieve this, the core clearing and messaging layer must be completely technology-agnostic, supporting standardized APIs (common technical and data standards), consistent fraud and consumer protection, and a standard customer identifier to bridge bank, card, and blockchain rails and ensure pragmatic settlement arrangements between different types of PSPs. Furthermore, interoperability must be open and non-discriminatory; regulated stablecoin issuers and e-money institutions must be granted direct clearing and messaging access on equal terms to traditional commercial banks, subject only to proportionate risk-based criteria.

Question 12: What are the potential trade-offs between different settlement models in terms of speed, payments certainty, liquidity management for participants, operational complexity, and scalability?

The EMA strongly advocates for a shift away from the legacy deferred net settlement (DNS) model currently used in Faster Payments. DNS represents a severe liquidity drain: it forces non-bank PSPs

(who lack access to central bank intraday credit) to tie up expensive liquidity by pre-funding settlement accounts to cover settlement cycles.

The trade-offs between settlement models include:

1. Line-by-Line Instant Gross Settlement (RTGS): This represents the gold standard. It completely eliminates inter-participant credit risk and pre-funding requirements by combining payment messaging and settlement simultaneously. This model is highly feasible utilizing blockchain/DLT or Bank of England balance sheet accounts.
2. High-Frequency Batched Settlement (Hybrid Model): If pure RTGS is technically unfeasible for ultra-high-volume retail transactions initially, the most appropriate compromise is a hybrid model that batches settlement every 10 to 60 seconds. This significantly reduces the liquidity pre-funding burden for smaller participants while maintaining high performance and scalability.

Question 13: What additional design, governance and operational issues would need to be addressed to achieve interoperability?

To achieve true, par-value interoperability across different forms of money, several critical design and operational issues must be addressed:

1. Open Bank of England Settlement Accounts: The Bank of England must expand direct settlement account access to authorized EMLs and PIs. Without direct balance sheet access or a shared central settlement ledger, non-banks remain dependent on expensive sponsor bank clearing, creating a multi-tier, uncompetitive market that undermines the "singleness of money."
2. Standardized Conversion Ramps: The core must establish secure, standardized messaging protocols for off-ramping and on-ramping different regulated digital assets (stablecoins, tokenized deposits, digital pound) at par, ensuring zero exchange-rate friction during the clearing process.
3. Cryptocurrency Safeguards: Due to the high volatility of unbacked cryptocurrencies (such as Bitcoin), they must be cleared outside the core settlement engine, though the core should maintain compatible messaging interfaces to interact safely with external crypto-to-fiat ramps.

Question 14: Do the architecture and core infrastructure design choices outlined in this consultation capture the key considerations necessary to support account-to-account payments at PoS, both online and in-store? If no, please specify and explain why.

a: Are there additional opportunities or challenges that should be taken into account? If yes, please describe them and explain why.

The conceptual architecture and core design choices capture many of the necessary considerations for A2A transactions at POS, but several additional opportunities and challenges must be addressed so that the core infrastructure can support the development of commercially viable overlay schemes and to drive merchant and consumer adoption:

Opportunities: A2A at POS represents the frontier for retail payments, potentially offering transaction cost savings for merchants and introducing healthy competition to the card scheme duopoly. It provides merchants with instant, real-time certainty of funds (fate) within milliseconds and mitigates chargeback fraud.

Key Challenges: for the core infrastructure to have the design and technical flexibility to support the emerging overlay scheme rules for A2A payments online and in-store, this will include providing the technical capabilities to support:

1. **Millisecond Processing Speed:** Supermarket environments require checkout transactions to clear in under 200 milliseconds. The core clearing engine must support this level of real-time certainty of fate natively.
2. **Point-of-Sale QR and Terminal Standardization:** Unlike cards, A2A lacks standard payment terminal protocols. A nationally coordinated initiative is required to standardize POS QR codes and terminal API integrations.
3. **Smartphone NFC Access:** Apple and Google must be regulatorily mandated to open access to Near-Field Communication (NFC) antennas on smartphones, allowing third-party PSPs and digital wallets to initiate seamless contactless A2A payments at physical terminals.
4. **Consistent POS Consumer Protections:** A2A at POS must feature recognizable, unified branding and predictable, built-in dispute resolution and refund rules to win consumer trust. This will require that the core infrastructure supports standardised formats for payment status, recalls, returns, and refund messages.

Question 15: What are the key design considerations for the next-generation infrastructure that could help solve existing challenges with cross-border payments?

a: What are the most appropriate solutions to target?

The key design consideration for solving cross-border payment challenges is to prioritize perfecting "One-Leg Out" (OLO) transactions rather than building complex, direct bilateral linkages between the UK core and multiple foreign fast payment systems.

The most appropriate solutions to target are:

1. **Flawless One-Leg Out (OLO) Messaging and Liquidity:** Current Faster Payments OLO capabilities are severely restricted, requiring slow and expensive prepayments. Next-generation infrastructure must natively support OLO messaging on both the sending and receiving sides, removing prepayment friction and allowing UK merchants to participate in cross-border trade seamlessly.
2. **Native ISO 20022 Standards:** The UK core must use enriched, natively structured ISO 20022 message fields. This allows compliance checks (AML, sanctions, KYC) to be processed instantly and automatically by sending and receiving institutions, eliminating the manual compliance delays that represent the single biggest source of friction in cross-border payments today.
3. **SEPA Instant Alignment:** The core messaging standards must align closely with SEPA Instant (our closest trading partner) to facilitate seamless, real-time euro-sterling cross-border corridors. International character sets must therefore be incorporated.

Question 16: What functional requirements would next-generation infrastructure and the wider next generation ecosystem need to meet to enable programmable payments at scale, while maintaining resilience and user trust?

To enable programmable payments- at scale while maintaining resilience and user trust, the core infrastructure must remain a "thin" utility and strictly avoid embedding complex smart contract logic or business rules within the clearing engine. Embedding complex logic centrally introduces severe processing latency, security vulnerabilities, and operational risks.

The functional requirements the core must meet are:

1. **Conditional Hold and Release of Funds:** The core clearing engine must support the ability to temporarily lock funds on an account (conditional hold) and instantly release them

(settlement) upon receipt of a secure, cryptographic trigger or third-party delivery confirmation.

2. **Standardized Error and Timeout Codes:** Clear, standardized messaging to handle transaction failures or timeouts, ensuring settlement finality and legal certainty are maintained if conditional parameters are not met.
3. **Advanced Metadata Fields:** Support for enriched ISO 20022 metadata fields to carry the programmatic parameters and rules processed at the PSP layer.

Question 17: What capabilities or functions would the next-generation infrastructure need to support the safe provision of agentic payments?

a: What barriers to their development or adoption would need to be addressed?

To support the safe provision of full agentic payments, where autonomous AI agents initiate transactions on behalf of users, the core infrastructure and wider payments ecosystem must develop a standardised framework for being able to identify which transactions are done through an agent, verify the validity of the mandate given by the payer to the AI agent and manage the risks linked to this new technology, including in relation to fraud and reimbursement.

The critical barriers that must be addressed include:

1. **The mandate reflecting the intent of the payer:** The mandate given to the AI (e.g., buying a blue T-shirt under 50 pounds in size L as instructed) may not fully reflect the user's ultimate "intent" (e.g. the user dislikes the T-shirt, or the t-shirt is counterfeited, poor quality, or with a message not aligned with the user beliefs etc.). PSPs should be able to audit and verify that the agent acted within the explicit rules and transaction limits given in the mandate, while HMT must clarify the legal liability boundaries for consumer disputes and fraud (including APP Fraud using agents).
2. **Standardised AI Authentication:** Establishing secure cryptographic protocols to authenticate autonomous agents, preventing unauthorised or malicious agents from performing fraudulent transactions.
3. **Cloud-Native Scalability:** Agentic AI commerce could trigger massive, automated spikes in transaction volumes. The core must be cloud-native and dynamically scalable to handle high-throughput surges without degrading system performance or introducing latency.

Question 18: Which consumer protection and fraud-related capabilities should be prioritised for inclusion in the core infrastructure, and why?

The EMA recommends prioritizing the following three consumer protection and fraud-related capabilities for inclusion in the core next-generation infrastructure:

1. **Centralised Fraud and Risk-Scoring Analytics Database:** Instant payments are highly attractive to fraudsters, as Brazil learnt when it launched Pix; fraud countermeasures must be in-built and a core infrastructure capability at launch. Rather than fighting financial crime in isolated bank silos, the core must integrate a centralised fraud analytics capability modeled on Brazil's Pix "Dict" database. Mandating all participants to feed real-time risk indicators into a centralised, AI-driven analytics database run by the authority allows near-real-time threat detection and network-wide visibility of emerging scam typologies and money mules. It allows PSPs to be informed of any report of frauds in relation to a specific account, giving them more information in order to be able to decide whether to execute the transaction or not. Automated trace and block, consumer app initiated (Pix "Dict" MED 2.0 model) freezes fraudulent mule accounts.
2. **Heterogeneous Customer-to-Issuer Authentication Dialogs:** Move away from rigid, uniform Strong Customer Authentication (SCA) rules at the point of sale. Enabling direct, secure authentication communication between the payer and their account-holding institution allows PSPs to authenticate transactions in unique, heterogeneous ways, making the overall network far more resilient to systematic exploits.

Members of the EMA, as of September 2026

3S Money	MuchBetter
Airbnb Inc	myPOS Payments Ltd
Aircash	Navro Group Limited
Airwallex (UK) Limited	Newrails, UAB
Amazon	Nium Solutions Limited
American Express	Nuvei Financial Services Ltd
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BCB Digital Ltd	OpenPayd
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