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Contactless Payments: An enabler for e-mobility in the EU

DIGITALEUROPE fully supports Article 5 (2) of the draft Alternative Fuel Infrastructure Regulation (AFIR).¹ It will accelerate the shift to green transport by requiring operators of public electric vehicle (EV) recharging points to allow end-users to pay recharging fees through widely available payment instruments. Yet, to fully unleash the benefits of this measure, the EU should also exempt EV charging terminals from the scope of the PSD2 requirements on Strong Customer Authentication (SCA).

Such an exemption is fundamental to:

- ▶ Ensure uniform design of future EV charging infrastructure in the EU;
- ▶ Guarantee that EV users can continue to use their preferred payment method and avoid retrofitting costs for already installed EV charging points equipped with contactless card terminals;
- ▶ Reduce hardware costs of both future and existing infrastructure, as it would remove the need to install physical PIN-pads;
- ▶ Ensure the implementation of an open-loop payment network allowing for common standards, consumer choice, maximum payment convenience, and an accessible EV infrastructure network across the entire EU.

From a payment perspective, EV charging unattended terminals entail low-risk, low-value transactions akin to those for transport and parking fares, which to date are the only terminals exempted from the SCA rules². The exemption would help the EU meet its Green Deal goals and contribute to plugging the investment gap in EV infrastructure. Estimates say the EU would need to instal **150.000** new EV charging points each year, or roughly **3.000 per week**, to reach its 2025 target³.

¹ Proposal for a Regulation of the European Parliament and of the Council on the deployment of alternative fuels infrastructure, and repealing Directive 2014/94/EU of the European Parliament and of the Council (Text with EEA relevance) [2021/0223 (COD)]

² Article 12 of the Commission Delegated Regulation (EU) 2018/389 of 27 November 2017 supplementing Directive (EU) 2015/2366 of the European Parliament and of the Council with regard to regulatory technical standards for strong customer authentication and common and secure open standards of communication (Text with EEA relevance)

³ European Court of Auditors, [Infrastructure for charging electric vehicles: more charging stations but uneven deployment makes travel across EU complicated](#), 2021

Why contactless payments in the shift to e-mobility

Contactless payments will play a vital role in the shift to e-mobility by addressing potential barriers to the development of charging infrastructure and EV take-up by consumers. A recent survey⁴ indicated that more than **50%** of consumers in the EU prefer to use card payments for their EV charging. Just 33% would opt for cash, and less than 13% for any other means of payment.

Consumers are increasingly making use of contactless payment functions, either embedded in cards or using a device. Contactless payments offer a quick, secure, and seamless payment experience at EV charging points which is critical to promote public buy-in on the shift to e-mobility technologies. Both owners and users of EV infrastructure will benefit from access to contactless payments at the point of sale, catering to consumers' preferred method of payment. A wide user-base will accelerate, too, recovery costs to the charging point operators.

Importantly, we point out how contactless card fraud has remained stable, at very low rates, even if the industry raised the SCA thresholds to € 50, the ceiling set by regulation, in response to COVID-19 and the need to limit touching surfaces at checkout.

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⁴ The survey was commissioned by Mastercard and carried out by FTI Consulting in the summer of 2021 in 7 EU Member States: Germany, France, Italy, Spain, Poland, Austria, and Sweden. In all countries, it involved a representative sample of the total population and a minimum of 1000 consumers.

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