

White paper

# Cards: the future of European payments

Cards continue to be preferred by consumers – not least because their power and applicability keep expanding.





**As banks include a wide range of new ways to pay in their plans, they should maintain cards as their central focus.**

This paper explores why banks should maintain cards at the heart of their issuing strategy – and the short and longer-term benefits of modern, capable, and flexible issuing platforms for now – and the future.

While digital wallets and alternative methods dominate the headlines, the usage data across Europe tells a different story: cards have never been stronger. The most recent statistics from the Digital and Payment Card Yearbooks 2024-2025 note<sup>[1]</sup> there are now more than 1.3 billion payment cards in use across the 33 countries in the survey, up 6.5% over a year and 25% higher than five years ago. The number of card payments grew almost 11% by volume in 2024 and 8.8% by value, with credit card payment growth outstripping that on debit cards by more than 20%. If wallets are now the front end for many transactions, then cards remain the engine powering those transactions as well as payments using cards.

“Forty years after their mass-market introduction, cards continue to grow at double-digit rates across Europe.”

Europeans used payment cards to pay for more than €5.2 trillion of goods and services in 2024, split out between debit cards (€3.8 trillion) and credit cards (€1.4 trillion). While news stories about growth rates for alternative payment methods may seem impressive, these rates are based on much lower current usage than card products. What’s more, some 85% of digital wallets are funded using cards<sup>[2]</sup>. The bottom line is that, forty years after their mass-market introduction, cards continue to grow at double-digit rates across Europe.

**Card Payments in the E33 Region 2019-2023**

Source: Digital Card & Payment Yearbooks 2025

**Cards with a payment function (m)**

2019 1,118.2    2023 1,344.5

**25.53%** Five-year growth

**Number of card payments (m)**

2019 95,418.6    2023 148,099.7

**74.22%** Five-year growth

**Value of card payments (€bn)**

2019 3,646.41    2023 5,222.93

**50.82%** Five-year growth

[1] The Digital and Card Payment Yearbooks 2024-2025 at <https://www.paymentyearbooks.com>

[2] PCMI, 1 April 2025: “Four Major Trends in Global Payments”: <https://paymentscmi.com/insights/top-global-payment-methods/>



“Rationalising and modernising card issuing helps banks compete with digital-first issuers while managing a growing raft of regulatory demands such as DORA and PSD3.”

## Why cards are so popular

This growth is the result of two factors. The first is consumer trust in and preference for cards as a payment form, with research from Visa revealing that 70% of consumers prefer to use cards for payment where available.[3] Consumers continue to trust cards because protections for card transactions are well established and understood – whereas such procedures are still being established for A2A transactions, for example, at a time when fraud attempts in this channel are rising fast. In the UK, “push” payment fraud through A2A channels grew 12% in 2023, reaching just under half a billion pounds, before falling back somewhat in 2024 thanks to customer education and new regulatory rules. [4]

The second – and arguably more compelling – factor in the ongoing popularity of cards is the development of new features and greater functionality. Most cardholders today benefit from the ability to control their cards in real time via management apps, which allow them to instantly freeze and unfreeze cards, set spending limits and parental controls, restrict access to certain categories of merchant and enable personalised services and push notifications.

In terms of functionality, cards have evolved from a single-function form to a wide range of applications on a single card, including credit/debit, loyalty and BNPL, and multi-currency features.

## What this means for banks

Currently experiencing improved profitability after a long period of stagnation, banks now face intense competition from new players in the issuing space, such as neobanks (Revolut, Monzo), fintechs (Klarna), and retailer banks (Tesco, M&S). At the same time, 80% of established retail banks are presently engaged in modernising their systems[5] – driven in part by the very high cost of maintaining legacy systems, estimated by McKinsey at around 70% of their IT budgets.[6] Another factor driving modernisation is the need to rationalise card portfolios, modernising older products and standardising new products acquired through mergers and acquisitions in recent years.

[3] Visa, November 2023 : “Decoding the European Wallet Evolution” <https://www.visa.co.uk/content/dam/VCOM/regional/ve/unitedkingdom/PDF/uk-visa-mobile-wallets-paper-nov-2023-final.pdf>

[4] UK Finance, July 2024. “More than £570 million stolen in the first half of 2024” <https://www.ukfinance.org.uk/news-and-insight/press-release/over-ps570-million-stolen-fraudsters-in-first-half-2024>

[5] Tietoevry Banking, 29 August 2024: “New Report: Eight in Ten European Banks Engaged in Systems Modernization” <https://www.tietoevry.com/en/blog/2024/09/report-card-systems-modernization/>

[6] Payments Cards & Mobile, 7 April 2025: “Banks spending up to 70% of their IT budget maintaining legacy systems.” <https://www.paymentscardsandmobile.com/banks-spending-70-of-their-it-budget-maintaining-legacy-system/>



## Why banks should switch to modern issuing systems

Rationalising and modernising issuing systems is a smart move, not least because this reduces the risks posed by a multiplicity of out-of-date platforms, each with its own approach to transaction and system security. Furthermore, reducing the number of issuing platforms and modernising helps banks to compete with new players powered by modern tech stacks while keeping up with a growing raft of regulatory demands such as the EU's new Digital Operations Resilience Act (DORA), the upcoming third payment services directive (PSD3, due in 2027/2028) and PCI DSS v4.0, designed to protect against client-side attacks and cloud computing exposures.

New issuing platforms help banks to get new products to market more rapidly, including premium cards and high-feature cards which consumers will use more and are willing to pay more for, and new features such as BNPL, virtual card issuance for online use and the card management apps referred to earlier.

Today's issuing platforms can empower new revenue streams thanks to insights gleaned from data on consumer spending patterns using AI. Deploying AI enables improved functionality across a wide range of business areas, from identifying and preventing fraud through to the optimisation of interchange rates, the creation of new loyalty programs and even AI-enabled customer chatbots for enquiries handling.

## How banks should respond – and the benefits ...

To remain competitive in a rapidly evolving payments landscape, banks need issuing solutions that go beyond mere card management. They need an agile, API-driven platform that's cloud native, seamlessly integrates into their technology stacks, enables new revenue streams, and supports cards as the anchor of a multi-rail payments strategy. The FIS International Issuing Hub® delivers these benefits – and more.

## Modernise at scale – and speed

FIS's International Issuing Hub reduces the cost and complexity of modernisation by integrating efficient issuing technologies into existing bank systems. Banks deal with a single vendor, which can simplify vendor management and may help reduce integration complexity and certain operational risks, depending on client environment and controls. FIS's API-first, cloud-native architecture enables rapid integration with digital channels, embedded finance partners, and fintech ecosystems. This means banks can issue, manage, and innovate at pace, and typically launch an initial product in as little as approximately three months, subject to bank readiness, integration complexity, and regulatory requirements.

“The FIS International Issuing Hub® enables banks to issue, manage, and innovate at pace, launching their first product within three months.”



The FIS International Issuing Hub® supports provisioning to eligible wallets, including Apple Pay, Google Pay, and Samsung Wallet[7]. The FIS International Issuing Hub® also includes AI/ML driven monitoring capabilities to support fraud detection and prevention; effectiveness depends on configuration, data quality, and external factors; no outcomes are guaranteed. Two-factor authentication and 3DS 2.2 compliance come as standard.

## Built for innovation and growth

The FIS International Issuing Hub® includes a number of features designed to help banks innovate and grow their card business. Rich data analytics enable granular insights into spending behaviour, interchange optimisation, and loyalty engagement, allowing banks to identify and unlock new revenue streams and tailor customer experiences to maximise user satisfaction with bank card products.

While cards remain dominant, banks must prepare for A2A and wallet-based payments. The FIS International Issuing Hub supports a multi-rail strategy — meaning that banks evaluate the optimal rail for payments based on cost, speed, and consumer preference. FIS is a PCI DSS-validated service provider for in-scope services. The platform supports two factor authentication and 3DS (including current supported versions), subject to issuer configuration and scheme requirements.

Existing features are continuously updated, with new features introduced to meet changing

regulations and shifting consumer expectations. Finally, the International Issuing Hub has been created to assist banks meet their ESG and sustainability goals, with a digital-first approach to issuance that can reduce paper-based communications.

## Future resilience – and personalisation at scale

The International Issuing Hub isn't just focused on today's app-based environment, or any other current challenges. While recognising the realities banks face today, FIS is also preparing for a future in which stablecoins and CBDCs play a role, and thus require their own payment rail as part of a multi-rail strategy. The FIS International Issuing Hub® is ready for contextual and invisible payments, in which tokenised card credentials are embedded into cars, wearables, and portable appliances.

Finally, the International Issuing Hub has been built with the capacity to attract, acquire, and retain future customers thanks to AI-driven predictive analytics that interpret how customers are using their cards, and translate these insights into new product and loyalty opportunities for “Gen Z” and beyond.

As banks look to modernise at pace, reduce costs, and remain top-of-wallet while preparing for a multi-rail payments future, the FIS International Issuing Hub® helps banks turn card issuance from a cost centre into an engine for growth that innovates for the present, while inventing the future.

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## About Payments Cards & Mobile

In business since 1994, Payments Cards & Mobile is an established hub for global payments news, research and consulting. We work with recognized industry experts to provide impartial, up-to-date and relevant information and analysis on every area of payments. Personal relationships have been the hallmark of our business. We remain committed to working closely with our many long-standing customers and welcome new customers in producing quality business intelligence and providing a variety of ways in which you can consume this information. Our aim is to provide you with the highest quality data so you can position your business and key personalities in this increasingly competitive industry.

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## About FIS

FIS is a financial technology company providing solutions to financial institutions, businesses and developers. We unlock financial technology that underpins the world's financial system. Our people are dedicated to advancing the way the world pays, banks and invests, by helping our clients confidently run, grow and protect their businesses. Our expertise comes from decades of experience helping financial institutions and businesses adapt to meet the needs of their customers by harnessing the power that comes when reliability meets innovation in financial technology. Headquartered in Jacksonville, Florida, FIS is a member of the Fortune 500® and the Standard & Poor's 500® Index.

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