

# The Battle of Wallets in Europe: Who Will Win by 2035?

Dive into the scenarios imagined by our experts.



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# Introduction

Let's fast forward to the year 2035. Payment wallets are widely used by Europeans, particularly in France. Over the previous decade, there has been fierce competition between different players to dominate this market.

**Who are these players? We can identify three main groups:**

The first family of players covers Apple Pay – and by extension the other Big Techs such as Google or Samsung. The wallets of these players are now dominant.

The second family concerns the payment wallets offered by banks, in particular Wero, the initiative of French, German, Belgian and Dutch banks.

Finally, the third family corresponds to the wallets that will be set up to manage future European digital identities (EU Digital ID). These will be issued in accordance with the eIDAS2 regulation. These wallets are also expected to include payment functions, although the implementation details are not yet known at this stage.

The table below summarizes the main characteristics of the three families:

Features	BigTech	Banks	EU Digital ID
Underlying Service	Card Payments	Instant Transfers	Digital Identity
Money Transfer	No, not in Europe (Apple Cash in the USA)	Yes	TBD
Online Payment	Web and in-app	Web	TBD
Payment in Physical Store	Sans contact (NFC)	QR Code	TBD
Payment in X Installments or Credit	No, not in Europe (Available in other countries via Affirm and Klarna)	Not planned at this stage but possible	TBD
Storage of Official Documents (ID card, driving license, etc.)	No*, not in Europe (driver's license available in the US)	No	Yes
Use for Online Authentication	No*	No	Yes
Interoperability with Non-banking Services	No	No	Yes (Government and Private Services)

\* Apple could implement the eIDAS2 standard to become a digital identity wallet, provided it is recognized as an official solution by the European Member States.

In this White Paper, we imagine three fictitious scenarios for the evolution of the French market between 2025 and 2035, each corresponding to the victory of one of the three families of players mentioned above.



Scenario 1:

**Apple Pay continues, or even amplifies, its domination**



In this scenario, in 2035, wallets in France are largely dominated by BigTechs, and more particularly Apple Pay, which is currently the market leader. While in 2025, Apple Pay only offered payment, in this scenario, it has gradually expanded to include digital identity and the digital Euro.

There are many factors that explain this scenario.

#### 1 - First, Apple's strengths in payment:

- In 2025, Apple Pay offers an unrivaled payment experience: "one-click payment", which allows you to pay for a purchase in a single interaction. Despite the introduction of contactless (or NFC) technology in iPhones, imposed by the European authorities in the summer of 2024, Apple Pay remained the dominant payment solution on iPhones by 2035. This is because, while activating Apple Pay is part of activating the phone in general, activating a competing service requires a specific action. However, the competing services have not provided any advantages to consumers that would have encouraged them to make this change.
- Next, Apple Pay relies on the dominant payment instrument in Europe and particularly in France:

the bank card. The Banque de France indicates that the share of bank cards in total transactions (including cash) increased from 59.6% in 2022 to 60.7% in 2023. Contactless payments are exploding: 68% of proximity card payments in 2023, compared with 61% in 2022. Mobile payments are also accelerating, rising from 6% to 10% of proximity transactions in one year. In this scenario, bank cards will further accentuate this dominance by 2035.

- Finally, Apple Pay is deployed throughout Apple's closed and ultra-integrated ecosystem that encompasses all its products (telephone, tablet, computer, etc.), which is very difficult for its competitors to replicate.



2 - Furthermore, in this scenario we assume that Apple Pay will also be able to store future European digital identities, despite the new geopolitical tensions with the Trump presidency in the USA. Europe has adopted the eIDAS 2.0 regulation to provide all European citizens with a digital identity by the end of 2026. This identity will make it possible to sign documents, authenticate oneself online or prove one's identity.

On a technical level, the implementation relies on the use of a secure medium controlled by the user. iPhones have such a secure chip (also called Secure Element or SE). This SE is used by Apple Pay and was not included in the obligation opening up of contactless technology (or NFC) by the European authorities. In our scenario, Apple would leverage this SE to enable the Apple Pay service to store future eIDAS2 identities.

This development would further strengthen Apple's strategy of making its wallet a true "all-in-one" service. This trend has already begun with transport tickets and loyalty cards and will therefore continue with digital identity, access badges, electric vehicle top-ups, etc. It would therefore be very natural for Apple Pay to also store the future digital Euros, which could be issued by the European Central Bank in 2030.

3 - Finally, Apple has continued to expand its user base year after year. In January 2025, Apple announced 2.35 billion active devices, an increase of 150 million in less than a year. The Apple brand is strong, compared to other wallet brands, especially

those of banks.

In this context of strong domination, Apple could capitalize even more on the payment data generated by its users, to offer services with high added value.



*In this scenario, Wero has not managed to roll out across Europe, and even within it, some member countries have maintained local brands. Indeed, Belgian banks recently announced that the "Wero" and "Payconiq by Bancontact" wallets would coexist in the local market. A similar scenario could occur in other countries (for example, iDEAL in the Netherlands), greatly compromising the success of Wero due to a high level of fragmentation of the various initiatives in the same market.*

*Apple Pay is thus establishing itself as the essential standard, not only for contactless payments, but also for digital identity in France and Europe, further accentuating the continent's digital dependence.*

*Faced with this development, banks are finding themselves relegated to the background, unable to compete with the user experience, technological power and data monetization strategy deployed by Apple.*

## Over to the experts

Interview with François Chaffard,  
VP Digital at Thales

### Wallets and innovation: a market in motion, Apple still dominates

#### François, what was the initial impact of Apple's opening up the NFC chip?

The word that sums it all up is frenzy. As soon as the announcement was made, demand exploded from many different sources. On the one hand, we saw traditional players such as banks mobilizing, and on the other hand, e-commerce players using wallets and cards. But what was unexpected was the arrival on the scene of less traditional players: meal voucher issuers, close loop credit card operators and, of course, Buy Now, Pay Later (BNPL) specialists.

#### Did this frenzy come with high expectations for the market?

Yes, absolutely. There were two big immediate questions: *first, when would these solutions be available? Second, how could we meet expectations in terms of compatibility and user experience?* The objective was clear: to be the first to capitalize on this opportunity.

#### Six months on, where does the market stand?

We've gone from frenzy to a race against the clock to execute. In this game, Vipps has excelled, thanks to a partnership with Thales, launching a solution in less than six months. It's a fine example of efficiency.

#### Could this threaten Apple Pay?

Honestly, not really. For players such as meal voucher companies, the main challenge is to increase attractiveness through dematerialization.

For multi-bank wallets such as Wero or Bizum, it's about existing in this market and offering a consistent experience, regardless of the channel. But dethroning Apple Pay, which is ultra-fluid and already massively adopted, seems unlikely.

#### The launch of the opening of NFC by Vipps got off to a good start. What lessons for Wero?

The main difference is that Vipps is a standalone application, while Wero is integrated into banking apps, which can make the experience less fluid.

To compete, you have to offer an ultra-fast customer journey. Apple Pay, for example, only requires two clicks! This remains a huge challenge to overcome.

#### What are the keys to the development of bank transfer-based wallets as opposed to card wallets?

First of all, simplifying user enrollment. The experience must be frictionless, with an integrated and transparent authentication process, as with Apple Pay.

Also, acceptance by merchants should not be neglected. It is an essential marketing investment: without merchants, there are no users.

Finally, at Thales, we recommend always relying on robust technical standards. Interoperability is crucial to encourage adoption.





**For all the wallet players, and there are many of them... In your opinion, is there a magic formula for dominating the market?**

To sum up, there are three key elements:

- **The identity of the users.** Integrating identity and authentication into the service guarantees both fluidity and security.
- **Acceptance by retailers.** Winning solutions will offer interoperable standards to encourage merchants to adopt them.
- **Marketing investment.** Brands must be visible and adopted on a massive scale. Apple Pay is a model: they combine a strong marketing presence and interoperability with Visa and Mastercard.

**Why is identity such a major issue?**

Digital identity is at the heart of innovation. It makes it possible to secure transactions (via standards such

as FIDO) and to unify the user experience, particularly in an omnichannel approach. Solutions based on card networks or, in the near future, European identity wallets are increasingly integrating these tools to simplify and secure payments.

**And your 10-year vision?**

Apple Pay still has a bright future. But new players could emerge in Europe. Imagine Amazon Pay positioning itself as an NFC wallet: they already have all their customers' bank card details! With such an advantage, they could offer a smooth experience without too much effort.

What is certain is that the digital payments market will continue to grow with the gradual disappearance of cash payments. There will therefore be room for all those who know how to innovate.





## Scenario 2: **Wero Wins**



In our second scenario, the European banks have successfully coordinated their forces to support Wero, which becomes the leading wallet in Europe by 2025.

In this scenario, Wero's success is due to several factors:

### 1 – The adoption of contactless (or NFC) for proximity payments.

While the use of QR Code is initially favored, Wero finally decides to offer contactless (or NFC) on all types of devices, whether they are under iOS, Android or other emerging systems (for example IoT). For end customers, this universal compatibility is a major advantage. With a single wallet, they can make payments in physical and online stores, but also for services such as cash withdrawals or even connected devices in their daily lives.

### 2 - A mixed deployment strategy, combining the implementation of a standalone application under the Wero brand and the integration of the service into the bank's mobile application:

- The Vipps experience in Northern Europe shows that a standalone application offers significant benefits in terms of brand and market recognition, and the possibility for the user to use several banks within the same application.
- Conversely, the Zelle service in the USA is directly integrated into existing banking applications. Launched in 2017, well after its main rivals, Zelle quickly gained ground thanks to its direct access to the millions of customers of partner banks. In 2023, Zelle reached a total payment volume of \$1 trillion, consolidating its role as a strong banking alternative to fintechs such as Venmo and PayPal.

### 3 – Support from merchants

Wero has won over merchants thanks to lower billing than the card, which is the underlying technology of Apple Pay. Merchants also benefit from faster transaction settlement (instant transfer compared to the time taken for bank card payments).





#### 4 – A rich offering for users

Wero offers use cases that do not exist on Apple, P2P (peer-to-peer) and P2Pro (peer-to-business) payments. We are assuming that Apple Pay decides not to offer such services despite the existence of Apple Cash in the USA.

In addition, Wero is gradually expanding its offering by integrating features such as buy now pay later (BNPL) and instant loans, directly accessible from the wallet. Unlike existing models, where the merchant relies on a payment service provider (PSP) to offer these options, Wero places the issuing banks at the heart of the system. They are the ones who offer these payment facilities directly to their customers, without any additional intermediary. This approach is a game changer, as issuing banks have a better ability to assess consumer creditworthiness and can offer them tailored solutions. These features make Wero even more attractive, especially after Apple Pay Later was abandoned in Europe, as Apple deemed it unprofitable.

Finally, one of Wero's promises is to store the future eIDAS2 digital identity. Moreover, following the previous scenario, Wero would become the preferred wallet for holding the digital Euro, thus becoming an "all-in-one wallet".

Between 2025 and 2035, after years of fragmentation, European banks finally joined forces around Wero.

- The local brands iDEAL and Payconiq disappear definitively in the Benelux
- Wero seals strategic partnerships with the EuroPA Alliance (Spain, Italy and Portugal) and with Vipps in Northern Europe, which gradually come under the Wero brand
- Finally, Wero expands throughout the European Union

*In this second scenario, in 2035, Wero establishes itself as the leading wallet in Europe, including in new segments such as the digital Euro. Driven by its seamless integration into banking applications, its innovative features and the support of a Europe that is finally unified on payments, Wero succeeds where other European initiatives have failed.*

*Wero's success marks the beginning of a new era, in which Europe, thanks to unprecedented cooperation, is regaining control of its payments.*

## Over to the banks:

Interview with César Lengellé, Deputy CEO of BPCE Payment Services

### The future of payments in Europe: between tradition and innovation

#### What is your vision of the payments market in Europe?

Bank cards will remain dominant in the coming years. However, we are seeing the successful development of new payment services based on transfers (transfer wallets), such as Bizum in Spain and Twint in Switzerland. In France, similar services have failed (e.g. Lyf), with the exception of Lydia and Paylib, although the latter has not been able to fully establish itself.

#### What factors could reduce the importance of cards?

For retailers, card payments are becoming increasingly expensive, particularly due to the fees imposed by Visa and Mastercard. This is prompting them to support the emergence of transfer wallets, which could offer a more economical alternative.

However, the development of these solutions remains a challenge, as the French market is strongly rooted in the use of bank cards, which are widely accepted and well integrated into consumer habits.

#### What are the advantages and challenges of the Wero project?

As a reminder, Wero is the new instant mobile payment solution offered by banks in France, Belgium and Germany (Luxembourg and the Netherlands will follow in 2025 and 2026, respectively), an initiative in which we at BPCE are participating. Wero has three major advantages:

- **Multiple use cases:** Wero will have multiple uses: person-to-person payments, e-commerce payments and payments to physical merchants.
- **Banking legitimacy:** The service will be directly integrated into the applications of participating banks.

**An efficient and stable infrastructure:** Wero generates instant transfers, which take place in less than 10 seconds.

A lot of effort has been invested in the user experience, which aims to be as smooth as Apple Pay or Google Pay, with minimal information entry and quick identification.

Wero plans to use QR Codes for payments in physical stores. Consumers are now familiar with this technology, although Wero will have to acculturate its users. It will also be important to offer additional services such as payment in 3-4 installments to attract consumers and set itself apart.





### Is the fragmentation of payment wallets in Europe (emergence of the EuroPa Alliance in Italy, Spain and Portugal) a risk for Wero?

In France, there is already competition with Lydia. In addition, new entrants such as Satispay are already active locally. In this landscape, Wero has advantages because it benefits from solid support from the major French banks.

### Conversely, is the NFC chip on the iPhone (technology enabling contactless payment), which has been forced open by Europe, an opportunity?

Apple has a growing market share in France, with a clientele with high purchasing power. The recent opening up to banks and fintechs to integrate contactless payment services on the iPhone is therefore a major opportunity.

However, access to the Secure Element (SE), a physical chip that secures sensitive data, remains closed in Europe for solutions like Wero. This could limit the quality of the user experience compared to Apple Pay and will also constrain the deployment of mobile payment solutions on Apple Watch. Workarounds certainly exist but with inherently limited integration into the ecosystem.

In short, access to NFC is essential and a real asset, while the lack of access to the Secure Element, although a challenge, remains a surmountable obstacle. Wero has other levers to offer a competitive experience in this demanding environment.

### What impact will the Digital Euro (a digital version of the Euro, issued and guaranteed by the European Central Bank) and the ID Wallet (a digital wallet for securely storing and managing personal identity data) have?

These are two interesting topics that we are following closely.

Banks see the **Digital Euro** as a potential threat, as its wallet could revolutionize the distribution of money and compete with existing wallets. On the other hand, the **Digital identity** could enrich the ecosystem and make things easier for end customers. In India, for example, the digitization of the population's identity has made the payment system more efficient.

### What does the future hold for payments in Europe?

The adoption of new payment services is a long process: it took six years for Apple Pay to become widespread in France. Within five years, I think bank cards will still be the most common method of payment at retailers, but payment apps and alternative solutions, including Wero, could reach 15% of the market. It's up to the new players to convert the try!





Scenario 3:

## **Digital identity wallets dominate**



In our third scenario, the ID Wallet becomes the dominant wallet by 2025.

The entry into force of the eIDAS 2.0 regulation in 2026 revolutionizes digital identity by introducing European identity wallets (ID Wallets). These ID Wallets allow citizens and businesses to securely access public and private online services throughout the European Union. Each Member State retains the freedom to designate one or more national wallets, which can be provided by public or private actors.

A single technological standard is imposed on all ID Wallets that will operate on the market, guaranteeing interoperability, security and compliance. All ID Wallets will have to be free of charge for users.

In this scenario, Apple Pay is not authorized to become an ID Wallet and remains a payment tool, while Wero remains limited to a small geographical area. European ID Wallets will then establish themselves as reference solutions on a continental scale.

Multiple factors may explain this third scenario.

### 1 – The multitude of use cases

The ID Wallet will allow users to identify themselves securely in physical and online situations: opening bank accounts, booking travel, renting cars, or even signing administrative documents.

For example, a resident will be able to obtain an immediate discount on admission to the municipal swimming pool, simply by validating their residence in the city via their ID Wallet. Similarly, a student will be able to benefit from a preferential rate on transport by proving their age via digital identification. It will also be sufficient to present their ID Wallet to provide their passport or visa status when booking a plane ticket. And in more everyday contexts, it will also make it possible to verify the age of a minor for the purchase of alcohol, with instant and error-free certification.

Payment can be integrated into each of the above situations, providing a simplified experience compared to the current situation where payments and identification are two separate services.

### 2 – Adoption by merchants

A number of players, including retailers, are obliged to accept ID Wallet from 2027. But beyond the mandatory aspect, the advantages of ID Wallet for retailers are varied and powerful. ID Wallet will offer a secure and interoperable payment solution that will facilitate transactions while improving the customer experience. In addition, the integration of digital identity will reduce the risk of fraud, while data collection will help to better understand purchasing behavior and optimize commercial offers.

*In our third scenario, in 2035, the ID Wallet created by the eIDAS2 regulation has become established. Its enhanced security and total interoperability make it the solution of choice for consumers and merchants across Europe.*

*Compared to closed solutions such as Apple Pay and limited alternatives such as Wero, ID Wallet is establishing itself as the new central infrastructure for payments and digital identity in Europe.*



## What challenges should banks anticipate with regard to ID Wallet?

The deployment of ID Wallet presents several key challenges for banks:

Firstly, the transformation of customer journeys. Banks will need to rethink the user experience to integrate this new means of identification into their existing channels (banking applications, websites, etc.), ensuring fluidity, security and simplicity. This will require a review of the processes for authentication and the management of personal data and transactions.

### **The technical adaptation of information systems.**

Banks will have to adapt their infrastructure to integrate the ID Wallet.

Finally, there are the **cases of use combining payment and ID**. Optimizing the combined payment and identity processes will be crucial. These use cases are already being worked on in the LSP (Large Scale Pilots), which make it possible to define in detail how the ID Wallet will function in payment in the future.

These challenges underline the importance of a well-thought-out integration strategy, both technically and commercially, so that banks can take full advantage of the potential of the ID Wallet.

## What about the Digital Euro?

### **Yet another wallet?**

This is the initial reaction of many European banks to the digital Euro project and its dedicated wallet. But beyond the questions, the stakes are high. The digital Euro, a digital version of the official currency of the Eurozone, would be issued by the European Central Bank to offer a secure, fast and accessible solution for everyone.

The associated wallet would become the key interface for storing, managing and using this new digital currency. Interoperable and universal, it would work on all types of devices and offer a seamless experience across the European Union. However, nothing has been finalized yet: the final vote and the exact architecture of the digital Euro remain uncertain.

### **An independent wallet... and a must-have?**

The main debate concerns the need for a separate wallet. If this were the case, a fourth type of wallet could emerge by 2035. If the European authorities were to opt for this wallet, its acceptance could become mandatory for all merchants, similar to the ID Wallet for digital identity. Such a scenario could slow down the adoption of alternative solutions such as Wero, calling into question their potential.

### **A future open to convergence?**

But another path is possible. Europe could promote integration between the digital Euro and existing wallets. Moreover, the EPC rulebook already stipulates that the digital Euro can be integrated into banking and fintech applications. Wero could thus become a natural receptacle for this new currency. Alternatively, ID Wallet could also be a serious candidate for hosting the digital Euro.





# Conclusion

Of the three scenarios presented, the domination of Apple Pay seems the most likely. Indeed, even if the payments market is experiencing an acceleration of innovations, their adoption remains slow. The crucial question is how to position oneself in the face of the multitude of wallets - the BigTechs, Wero, ID Wallet, Wallet de l'Euro numérique. Is it possible to manage everything simultaneously or should some be prioritized over others? This decision is undoubtedly the major challenge to be met in this new digital landscape.

*Galitt and Sopra Steria help banks to face the many challenges related to the digital transformation of the sector. Thanks to our expertise in payment technologies and digital identity management, we offer robust, agile and tailor-made solutions. We support banks in the integration of new payment platforms, the deployment of advanced security solutions and compliance with regulatory changes. Our participation in the LSP Aptitude allows us to better understand the issues related to digital identity and its integration into payment services. In addition, our experience in managing major Wero programs is a real asset in meeting the challenges of establishing this European solution.*