

Visa Consulting & Analytics

# Digital maturity and payments

An introduction to digital maturity in the Nordics, how it relates to payments, and what banks can do to encourage more customers to become digitally active.

May 2025





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# Are the Nordics losing their digital edge?

Here in the Nordics, many assume we're digital pacesetters, with higher digital activity and intensity than European norms. This perception is largely accurate. By most measures of digital maturity, the Nordics remain ahead of European peers. Yet, our lead – and its benefits – is slowly eroding. Some countries are already edging ahead, while others are catching up fast – especially at the margins of the Nordic population, where less digitally engaged segments risk falling behind. As this shift accelerates, we're becoming increasingly exposed.

This has implications for Nordic banks. Digitally active customers are typically more engaged, more loyal, and more profitable. As digital maturity evolves, banks that support and accelerate this shift stand to deepen customer relationships and drive long-term value.

This paper explores digital maturity across the Nordics and its impact on banking and payments. We also consider the rapid emergence of alternative payment methods, such as digital wallets and account-to-account (A2A) transactions. Finally, we highlight the opportunities this dynamic market presents for both established players and challengers to strengthen their position.

The paper draws on the findings from our Nordic Digital Payment Study. Each year, Visa Consulting & Analytics (VCA) conducts an in-depth examination of the Nordic payment scene. By combining original market research, desk research, and Visa transaction data, we analyse national market characteristics and emerging trends, exploring how digital behaviours shape the region's evolving payments ecosystem.



## About the Nordic Digital Payment Study

As part of this study, we devise and commission a programme of original market research. In 2024, Ipsos conducted the research, gathering insights from 2,000 respondents – 400 in each of the five countries – via web-based questionnaires in July. The survey covers 38 question areas on spending habits, banking relationships, and exposure to fraud. Many of these questions are repeated annually, allowing us to track emerging trends.

At the core of our study is an analysis of Visa transaction data – over 212 billion transactions in 2023 alone. We adhere to strict data management rules to protect client privacy and comply with regulations. Data analytics use market-level data to ensure that no single Visa client, merchant, or cardholder can be identified. This is supplemented by desk research, including articles, reports, and data published by public bodies such as central banks, analysts, and other payment players.

This paper focused on one theme from the 2024 Nordic Payment Study. For an in-depth briefing on the broader research, speak to your Visa Relationship Manager or contact VCA at [VCA@visa.com](mailto:VCA@visa.com).



# Why digital maturity should matter to banks

Before diving into the details of digital maturity, it's important to recognise its significance for banks. Digital transformation is no longer just about efficiency – it's a key driver of engagement, profitability, and long-term competitiveness. We can look at this across two dimensions:

## Dimension One

### 1 The immediate business impact

Our analysis from the Nordic Digital Payment Study, combined with global experience, consistently shows that digitally active customers exhibit higher engagement. They also interact with their banks through lower-cost channels and often demonstrate more profitable behaviours.

For example, there's a strong positive correlation between the number of digital channels a customer uses and their payment volume. Across the Nordic countries, highly digital customers generate spending volumes up to 11 times higher than their less digitally active counterparts.

If a bank can encourage customers to increase activity across more digital channels, it can expect higher customer engagement, potentially leading to profound business impact.

## Dimension Two

### 2 The longer-term strategic significance

Beyond the immediate business impact, digital maturity holds deeper strategic value for banks. As they put more focus on the digital behaviours of their customers, they tend to invest more in their own digital capabilities and the quality of their user experience.

#### This matters.

In today's world, consumer expectations are high. The user experiences devised by leading digital players have set the benchmark for all brands across industries. Meanwhile, in financial services, challengers and fintechs differentiate themselves by emphasising the novelty and elegance of their digital journeys and serving models.



To summarise, banks that invest in digital maturity will not only improve customer experience but also strengthen their position in an increasingly competitive market.



# A complex picture that obscures several digital backwaters

Compared to their European peers, Nordic consumers already benefit from high levels of connectivity and digital maturity, reflected in strong digital payment usage. Yet, there is little room for complacency. Across several metrics, digital development has stalled – in some cases, even reversed. However, the specifics vary significantly by country and segment.

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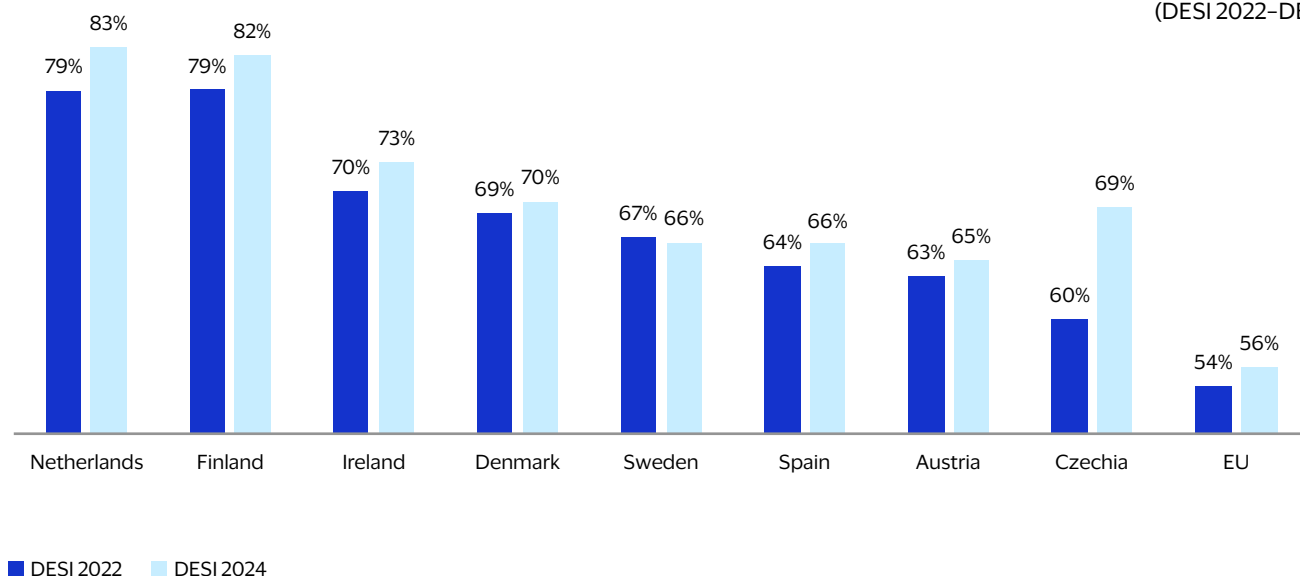


## The big picture: slowing growth and overlooked vulnerabilities

The European Union (EU) publishes the Digital Economy and Society Index (DESI), which tracks and ranks countries across several metrics. The three Nordic Member States – Denmark, Sweden, and Finland – consistently perform above the EU average, but their digital lead is eroding. Looking at the proportion of people aged 16–74 with at least basic digital skills, the Netherlands now leads at 83%, edging ahead of Finland over the past two years. Ireland holds third place, while Denmark is now competing with Czechia for fourth. Sweden slips to sixth, now less than one percentage point ahead of Spain.

Fig 1. Comparison of changes in digital skill levels across Europe<sup>1</sup>

Proportion of individuals aged 16-74 with at least basic digital skills in selected countries (DESI 2022–DESI 2024).



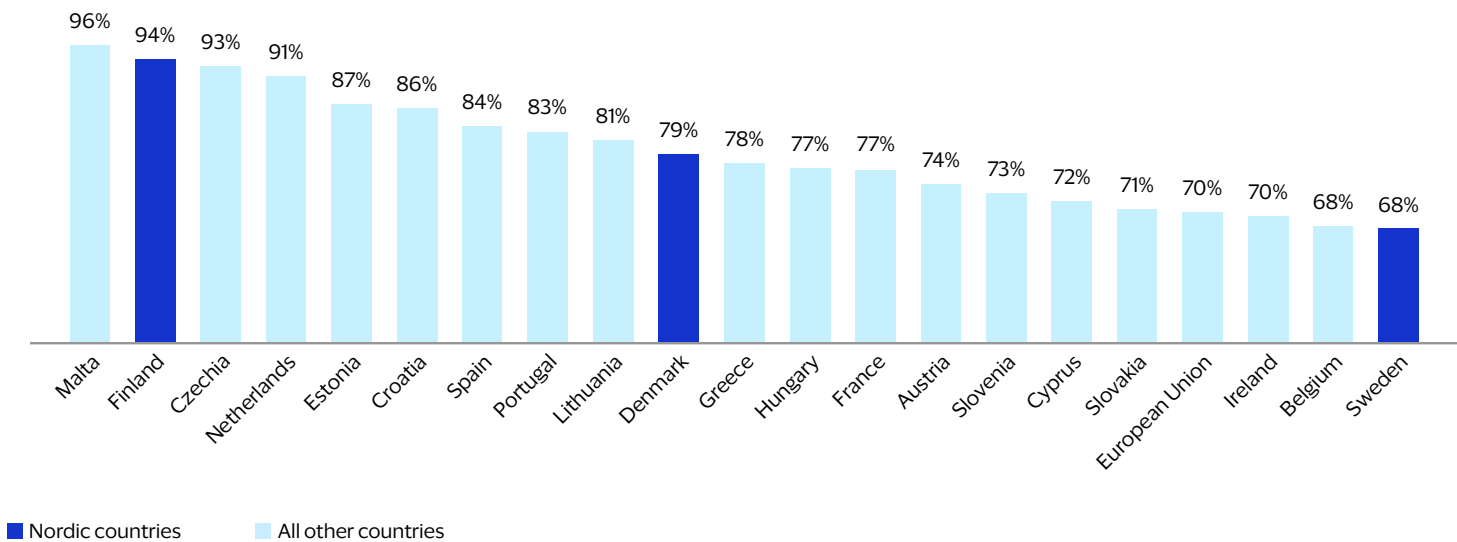
Across every other metric, a similar pattern emerges.

For overall internet take-up among households, Finland, Denmark, and Sweden rank third, fifth, and seventh, respectively. For digital public services for citizens, they place fifth, ninth, and fourth, respectively. While no comparable data exists for Norway and Iceland, the trend is likely similar.

The picture becomes both interesting and concerning when broken down by demographic groups. Among those aged 16–24, the EU rankings for basic digital skills shift significantly. Finland retains its second-place ranking, but Denmark drops to eleventh, and Sweden falls below the EU average in twentieth.

Fig 2. Digital skill levels among young adults across Europe<sup>2</sup>

Proportion of individuals aged 16-24 with at least basic digital skills in selected countries (DESI 2024).



2. European Commission. Digital Economy and Society Index, 2024.  
<https://digital-decade-desi.digital-strategy.ec.europa.eu/>

Among other demographic groups, similar patterns emerge. For the proportion of the rural population with at least basic digital skills, Finland, Denmark, and Sweden rank second, fifth, and twelfth, respectively. Among highly educated individuals with at least basic digital skills, the rankings are third, ninth, and thirteenth.



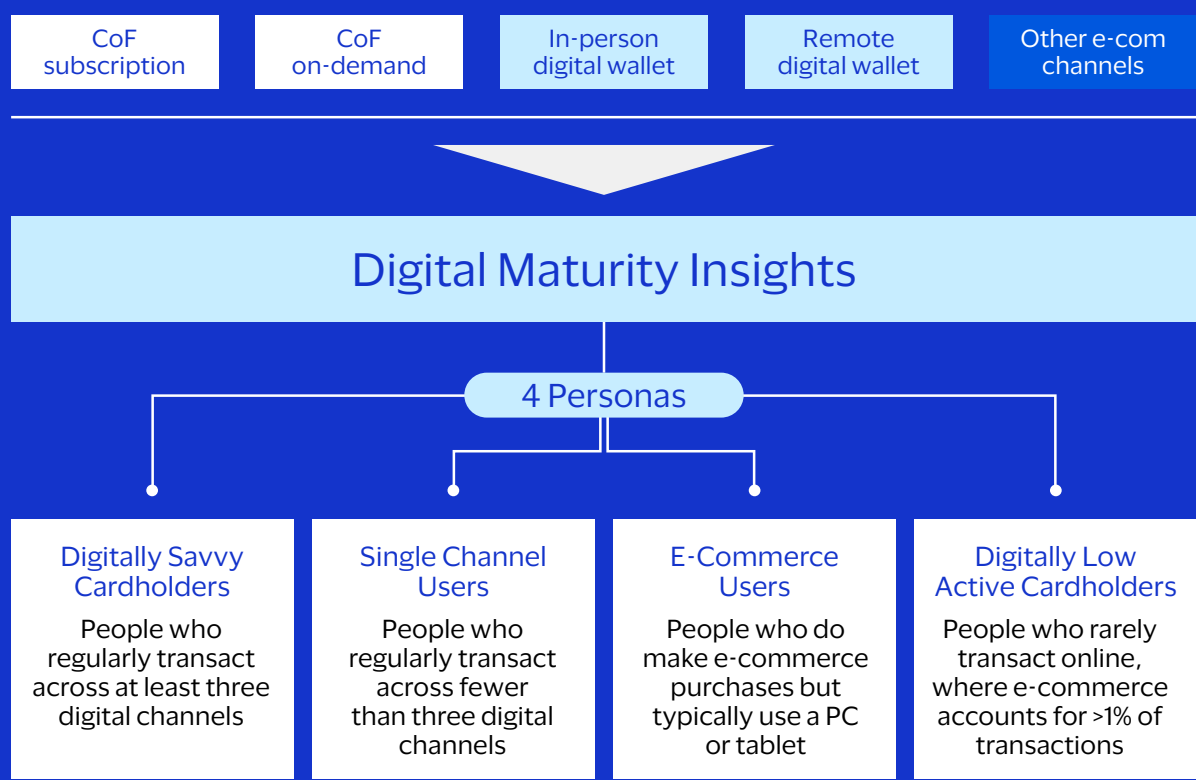
# Zeroing in on digital payment behaviours

These findings are mirrored in our Nordic Payment Study, which also covers Norway and Iceland. The top-line picture shows high digital maturity and strong momentum.

However, beneath the surface, there are significant pockets of dormancy and country-specific nuances. To help banks gain a clearer understanding of digital maturity within their customer bases and refine

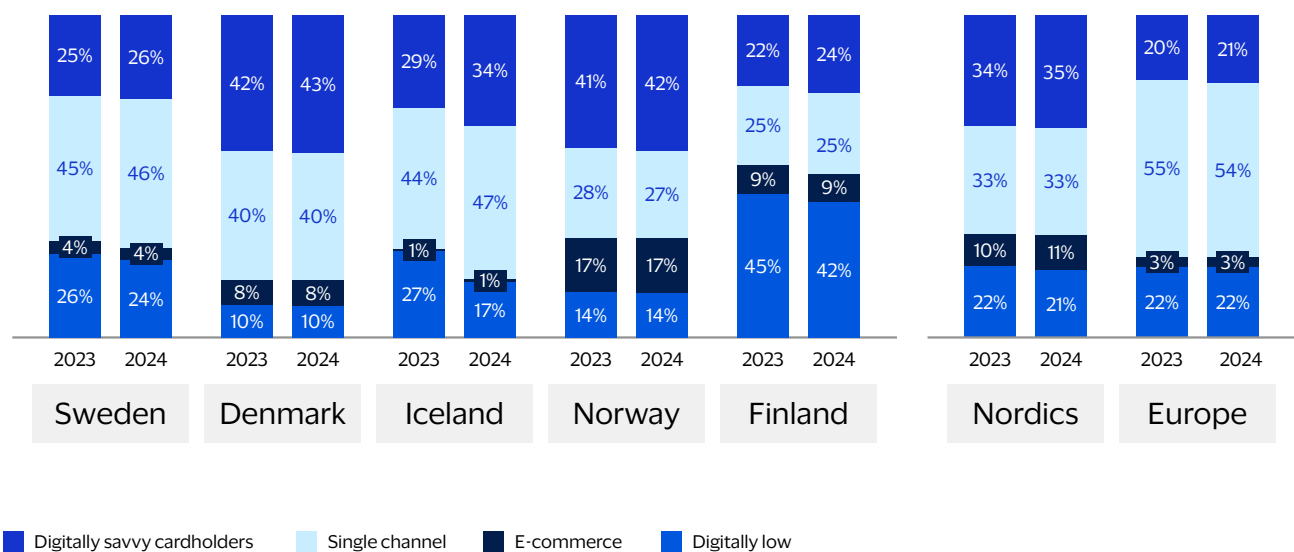
their digital payment strategies, Visa has developed an advanced analytical tool: Visa Digital Maturity Insights (DMI). The DMI tool analyses VisaNet data across all forms of digital activity, including card-on-file subscriptions and on-demand transactions, in-person and remote digital wallet payments, and other e-commerce transactions. Drawing on this analysis, it generates four personas reflecting everyday spending behaviours across digital channels.

Fig 3. Understanding customer payment behaviours with Visa’s DMI tool<sup>3</sup>



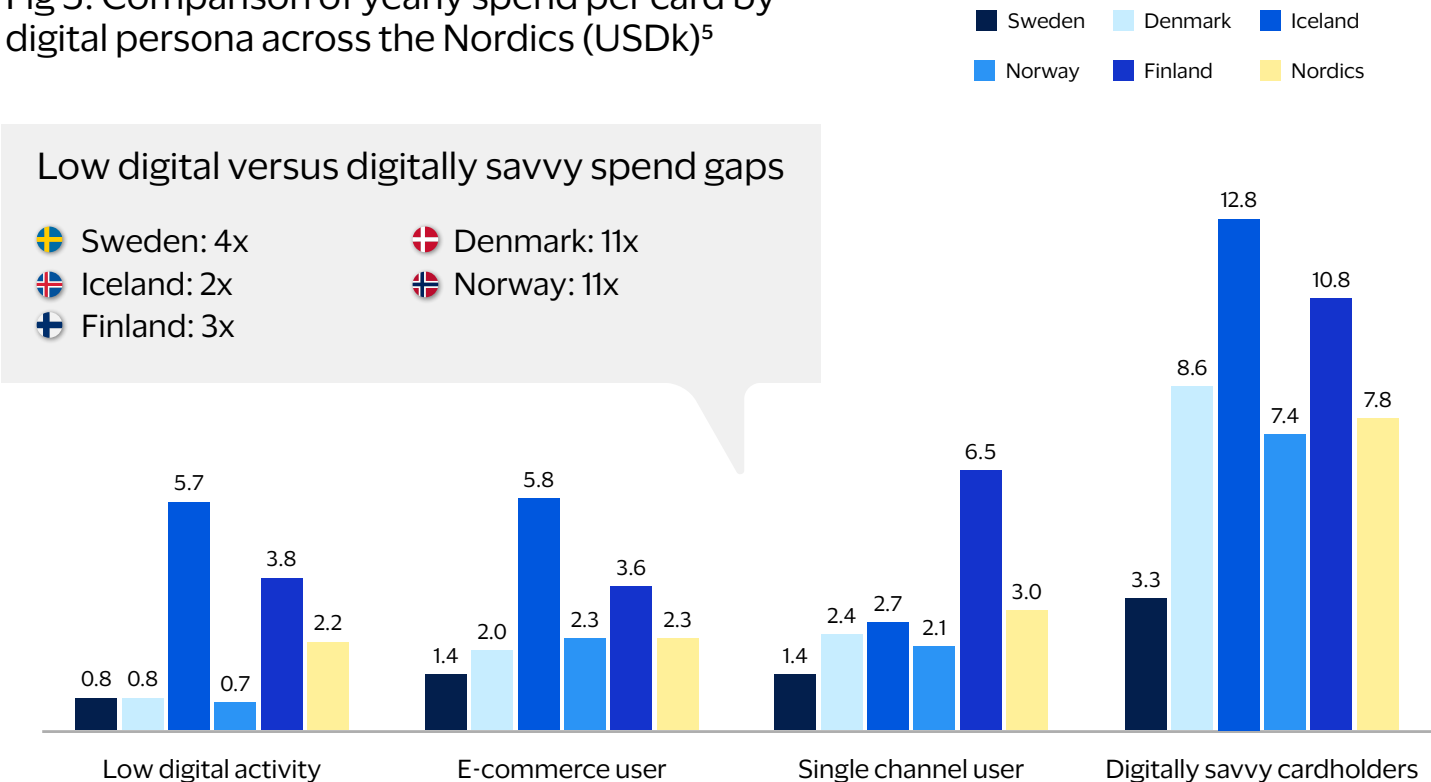
When examining the distribution of these four personas within the Nordics and Europe, the same general picture emerges. The Nordics have a high proportion of digitally savvy consumers – 1.8 times higher than European norms. However, the region also has many low-active digital consumers and infrequent e-commerce users. Combined, these two personas make up a proportion more than a quarter higher than European norms.

Fig 4. Split of digital personas across the Nordics and Europe<sup>4</sup>



Again, these levels of digital maturity have a tangible impact on Nordic banks. When we compare spending across the four personas, the full extent of the gap emerges – ranging from two times in Iceland to eleven times in Norway.

Fig 5. Comparison of yearly spend per card by digital persona across the Nordics (USDk)<sup>5</sup>





## A large digital elite, offset by a sizeable 'left-behind' cohort

With this analysis, it's clear that Nordic banks have an opportunity to nudge consumers along the digital maturity spectrum.

Banks have a compelling business case and, arguably, a societal duty to do so. Banking and financial services are often seen as an entry point into digital activity or a lever for increased digital capability, connectivity, and inclusion. Current marketplace dynamics strongly position Nordic banks to influence and catalyse changes in payment behaviour. Alternative payment methods – such as digital wallets, A2A payments, and open banking payments – are growing rapidly.

At the same time, we're seeing widespread adoption of new online payment options, such as the EMVCo-backed Click to Pay solution (see page 13). With additional regulations coming into force, these changes are set to accelerate.

For an overview of the level of dynamism across the region, see our 2024 paper, 'The fragmentation of Nordic payments'.



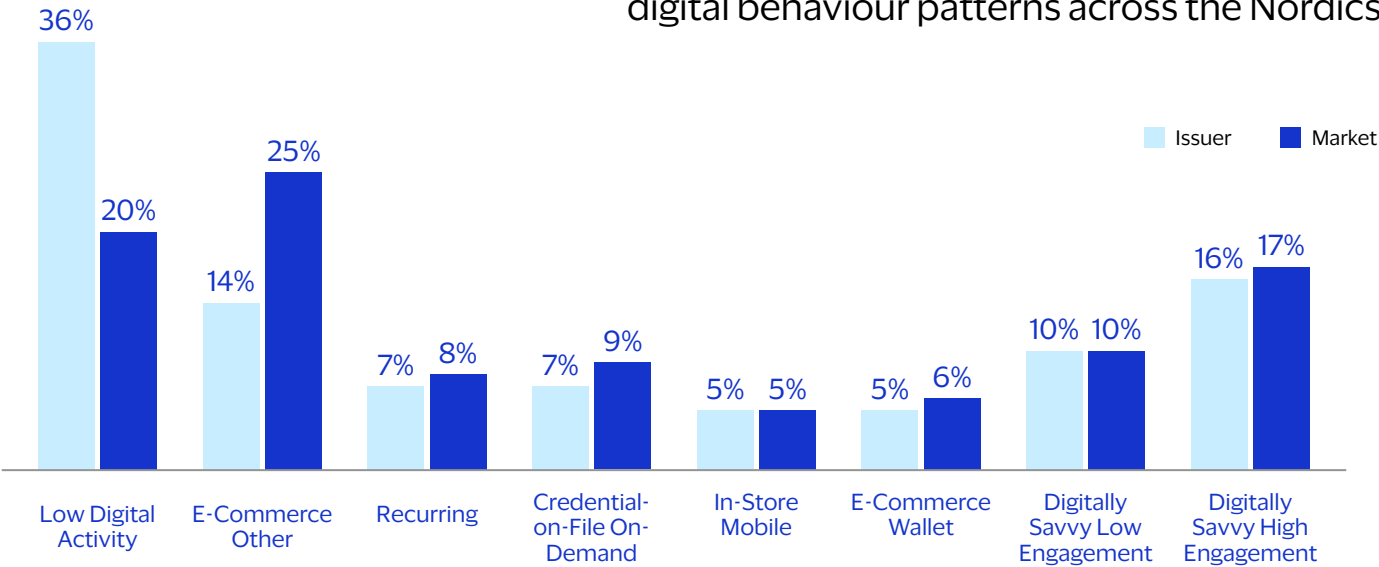
# Opportunities for Nordic banks to steer and catalyse new digital behaviours

Amid significant market dynamism, there are many tangible opportunities for Nordic banks to steer and catalyse new digital behaviours. The key to unlocking these opportunities lies in actionable data. By leveraging the right data, analysis, and insights, banks can take key steps to enhance their digital strategies:

## 1 Understanding your existing performance

DMI analysis provides a rigorous assessment of your digital performance and how it compares to the wider market. This offers a clearer view of opportunity gaps and competitive strengths. Here's an indicative example of the patterns we see across the Nordics:

Fig 6. Indicative example of issuer vs market digital behaviour patterns across the Nordics<sup>6</sup>



In this instance, the bank has a disproportionately high number of low-digital-activity customers compared to its peers. This may partly reflect its demographic profile, but more likely, it indicates the bank's approach to digital payments.

## 2 Sharpening your digital payments strategy

With so much happening in the world of payments, now is an opportune time for any FI to step back and assess the strategic value of payments – spanning credit, debit, digital wallets, A2A, and more.

Drawing on the type of insights delivered by DMI, you can build an evidence base to refine or sharpen your digital payments strategy.



## 3 Increasing your digital activity levels

From a quantitative perspective, if the goal is to boost digital activity, there are three main opportunities to pursue.



### Boosting digital customers

It's not just about identifying and targeting low-digital-activity customers – it's also about understanding the journeys of more active customers. By analysing past spending data and behaviour shifts, you can pinpoint 'lookalikes' – low-digital-activity customers most likely to change their habits – along with the channels and merchant categories they're most drawn to.



### Lifting digital spend

For customers further along the digital activity spectrum, propensity modelling can help identify the digital channels and merchants with the greatest potential to drive online spending. The aim here is to uncover the right customers, quantify the opportunity, and devise campaigns and messaging that effectively influence their future spending behaviours.



### Shifting digital spend

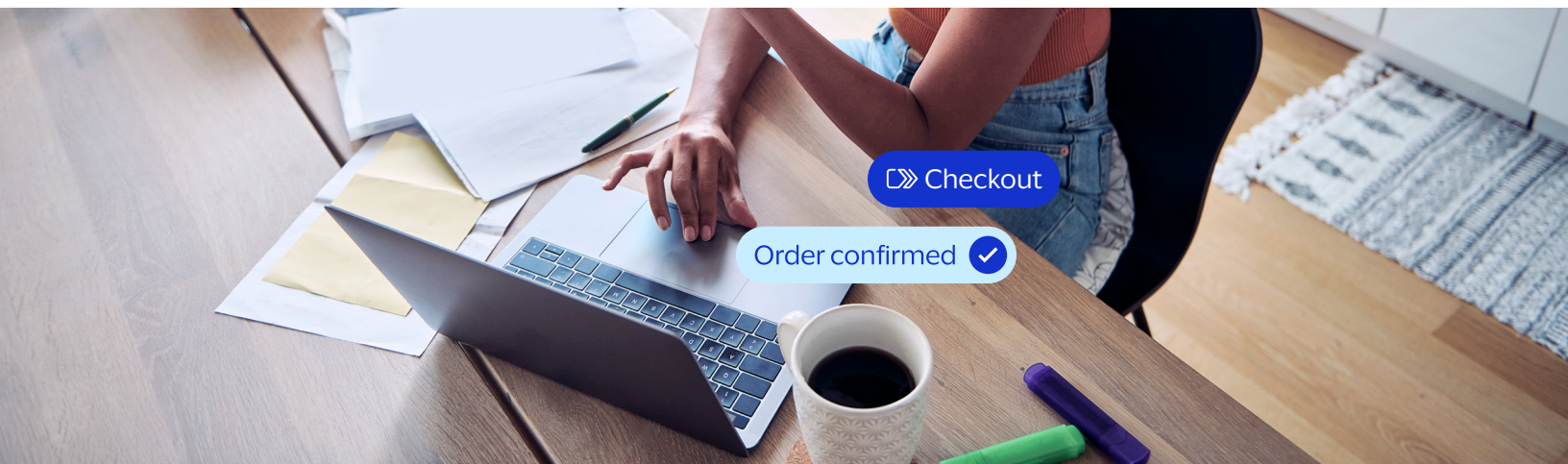
A useful approach is to analyse top digital merchants in your market, how often your customers buy from them, and how your performance compares to the wider market. This analysis can guide marketing campaigns aimed at shifting or diversifying spending across more digital channels, merchants, and merchant categories.

## 4 Steering digital spend towards the most beneficial payment channels

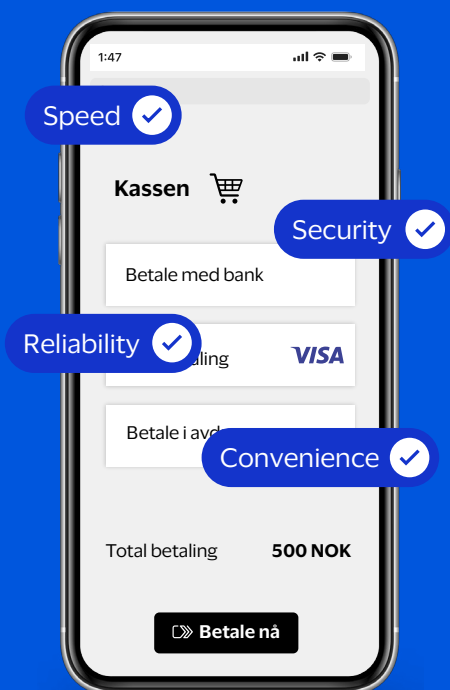
Propensity modelling can help persuade digitally active customers to adopt and spend across additional digital channels while steering them towards those most beneficial to your organisation. These preferred channels will likely vary by bank and market, making it important to identify and favour those that:

- ✓ Generate higher revenues
- ✓ Enable higher conversion rates
- ✓ Deliver a better user experience
- ✓ Protect the primacy of the customer relationship

A good example here could be steering customers towards the new Click to Pay solution. It benefits from cross-scheme support, requires all participating institutions to implement it, and offers clear advantages over alternative solutions from the bank's perspective (see details on page 13). Since it is likely to be gaining high visibility, now is an opportune time for banks to consider how it fits into their digital payment offerings and implement initiatives to encourage customers to register for and start using Click to Pay.



## 5 Understanding and improving the end user experience



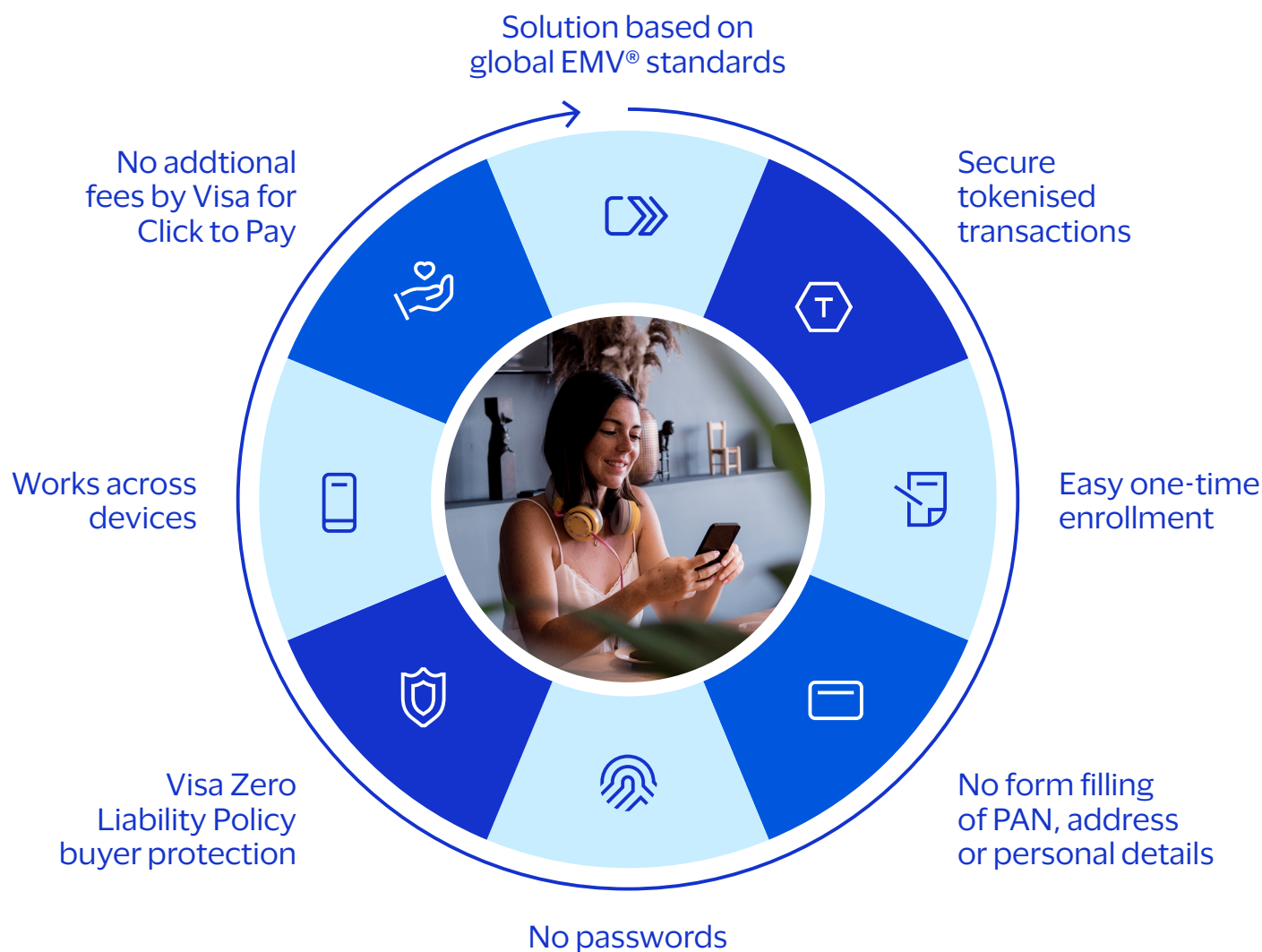
A key finding from our Nordic Payment Study, reiterated year after year, is the importance of user experience. When choosing a payment method, consumers always value convenience, gravitating toward options that offer the best mix of speed, convenience, security, and reliability. A valuable aspect of DMI analysis is its ability to help banks identify blockages and diagnose issues with their digital flows and payment methods. It also highlights barriers to digital engagement.

At its simplest, this could involve analysing decline rates and reasons by channel and merchant category, comparing them with market benchmarks. It could also include a step-by-step review of sign-up flows or a detailed examination of known drop-off points.

# The Click to Pay opportunity

Changes in the payments landscape often create opportunities, allowing established players to consolidate their position or challengers to gain ground.

One such shift is underway with the widespread adoption of Click to Pay. Backed by EMVCo and supported by all major payment schemes, this solution is significant for several reasons, offering benefits to all stakeholders:



Designed to *improve security, simplify user experience and increase conversion*

# Bringing your customers an easier, more secure online checkout experience

Click to Pay offers consumers a smarter, more consistent way to pay online, replicating the simplicity and ubiquity of contactless payments:

## ✓ Consistent

Faster, simpler digital checkouts reduce friction, helping drive payment volume, increase satisfaction, and deter customers from switching to other payment methods.

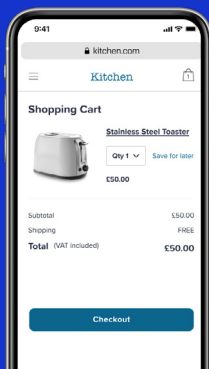
## ✓ Easy

Enrolled customers no longer need to enter card numbers, look up passwords, or fill out long forms to make a purchase, encouraging greater digital engagement.

## ✓ Secure

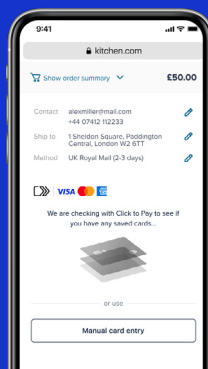
Multiple layers of payment security protect sensitive customer and transaction information, allowing customers to buy online with confidence.

## How it works



### Step 1

Customer adds goods to their cart and proceeds to checkout



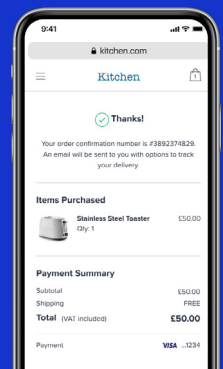
### Step 2

Customer enters their personal information and Click to Pay checks for their stored cards



### Step 3

Click to Pay retrieves all stored cards. Customer selects card of choice and completes payment



### Step 4

Customer is provided with confirmation of their purchase

## Banks stay in control

For banks refining their digital payments strategy, Click to Pay can enhance their payment solutions repertoire. It keeps banks actively involved in online commerce flows, offering not just transaction revenues but also account primacy, stickiness, and cross-sell opportunities:



Compared to alternatives such as Klarna and PayPal, issuers maintain a primary role and retain transaction revenues.



Compared to alternatives such as Apple Pay, issuers keep all transaction revenues and have full visibility into transaction data.

# About Visa Consulting & Analytics (VCA)

VCA is a global team of over 1,300 payments consultants, digital marketing specialists, data scientists, and economists, operating across six continents.

With deep expertise in payments consulting, economic intelligence, and access to VisaNet's unparalleled data, we deliver actionable insights and recommendations to help businesses make better decisions.

## Industry expertise

Our consultants specialise in strategy, product, portfolio management, risk, digital, and more, drawing on decades of experience in the payments industry.

## Data science

Our data scientists are leaders in statistics, advanced analytics, and machine learning, leveraging exclusive insights from VisaNet, one of the world's largest payment networks.

## Economic insights

Our economists provide timely and unique analyses of global economic conditions and spending trends, helping clients navigate the evolving market landscape.

If you'd like help addressing any of the ideas or challenges discussed in this paper, please contact your Visa Account Executive to arrange a meeting with our VCA team or email us at [VCA@visa.com](mailto:VCA@visa.com). For more information, visit [Visa.com/VCA](https://Visa.com/VCA).



# Notes

As detailed in the introduction, this paper draws on insights from the 2024 Nordic Digital Payment Study (NDPS), an annual research initiative by Visa Consulting & Analytics (VCA). Conducted by Ipsos in July 2024, the study surveyed 2,000 respondents – 400 in each of the five Nordic countries – via web-based questionnaires. The research explores digital maturity in the Nordics, its impact on banking and payments, and the rise of alternative payment methods such as digital wallets and account-to-account (A2A) transactions. It combines survey insights with Visa transaction data and desk research to track emerging trends and customer behaviours.

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