

Visa Consulting & Analytics

Fragmented yet thriving:

the Nordic payment landscape in 2024





Contents

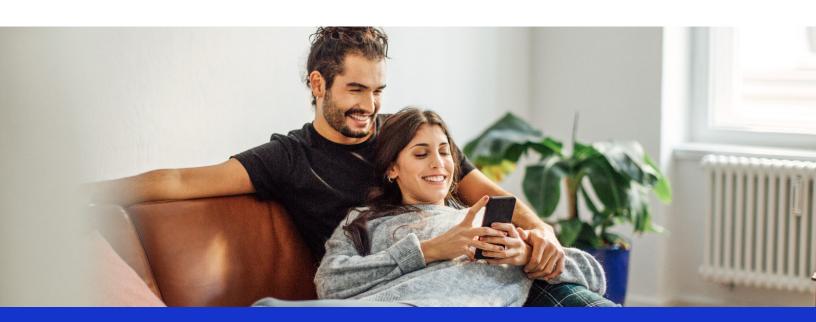
- 3 Executive summary
- 5 A snapshot of the Nordic market
- 9 Emerging differences between each market
- 17 What it means for Nordic Fls
- 20 How Visa can help



The state of play in Nordic payments

Each year, Visa Consulting & Analytics (VCA) conducts a comprehensive study of the Nordic payments landscape, examining the unique characteristics of Denmark, Finland, Iceland, Norway, and Sweden.

By combining original market research, desk research and Visa transaction data, we identify emerging trends and analyse how they unfold across the region.



For 2024, the findings highlight fragmentation as a central theme.

A few years ago, many expected the world to settle on just a few universal payment methods. But the opposite is happening.

In many ways, the five Nordic markets are evolving in different directions. One shared trend, however, is that credit and debit cards are losing share to local payment methods, such as digital wallets and account-to-account (A2A) schemes.

This shift increases the pressure on financial institutions (FIs) to understand the specifics of their customers, anticipate future changes, and develop propositions which meet individual needs and expectations.

Of course, this fragmentation might be temporary. Over time, local wallets and A2A schemes could become more interoperable and converge much like domestic debit card schemes did a decade or two ago. In the meantime, however, this turbulence represents an opportunity: incumbent players can consolidate their position, while challengers have a chance to gain a foothold.



What it means for Nordic Fls

In this paper, we present evidence of the fragmentation within the Nordic payments landscape and explore the implications for FIs. We argue that, within the disruption, lies an opportunity:

At the macro (bank-wide) level

To reassess and quantify the strategic importance of payments, including credit, debit, digital wallets, A2A and more.



At the micro (product-line) level

To enhance customer engagement as the route to profitability, by:

- Optimising more card payments
- Capturing a greater share of digital wallet payments
- Improving the experience of A2A payments

This paper covers just one of the key themes from the 2024 Nordic Payment Study. For a comprehensive briefing on the full findings, please contact your Visa Relationship Manager, or reach out to VCA directly at VCA@visa.com.

About the Nordic payment study

As part of this study, we devise and commission a programme of original market research. In 2024, this was conducted by Ipsos, gathering insights from 2000 respondents-400 in each of the five countries and was collected in July through online questionnaires.

The survey involved 38 question areas, covering respondents' spending habits, banking relationships and exposure to fraud. Many of these questions are repeated each year, enabling us to identify and track new and emerging trends.

At the core of our study, is our analysis of Visa transaction data, which included over 212 billion transactions in 2023 alone. We adhere to strict data management rules to protect client privacy as well as comply with regulatory requirements.

Our data analytics uses market-level data to ensure that no individual Visa client, merchant or cardholder can be identified. We also supplement this study with desk research, including articles, reports and data published by public bodies such as central banks, analysts, and other payment players.

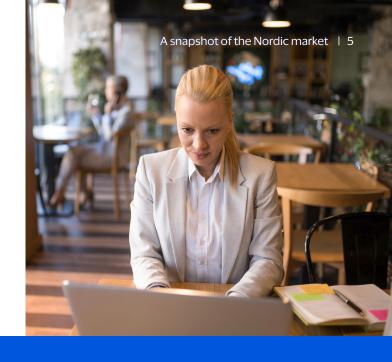
Our definition of digital wallet

We frequently use the term digital wallet in this paper. To clarify, we define it broadly as any instance where payment credentials are stored within an app. This includes passthrough wallets that facilitate card transactions such as Apple Pay and Google Pay, as well as local wallets such as Swish and Vipps.



A snapshot of the Nordic market

While fragmentation defines the 2024 landscape, the five Nordic markets still share many common characteristics.



They're all mature hubs for digital payments

All five Nordic countries can be classed as mature digital payment markets, populated by digitally savvy customers. Across the region, the proportion of remote payments continuously outpaces the European average. Our research shows that every one

of the 2,000 respondents reported making at least one e-commerce transaction. With remote payments growing three times faster than in-person payments, the Nordics are likely to remain Europe's digital payment leaders for the foreseeable future.

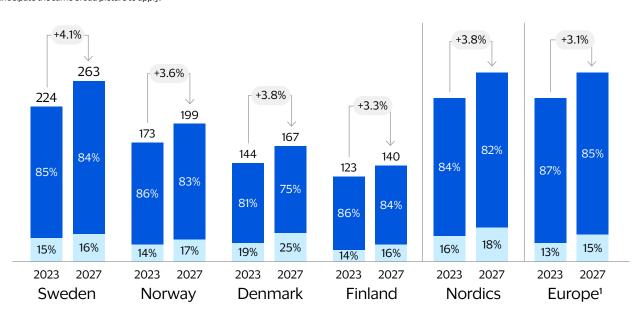
Remote payments

In-person payments
% growth is shown as CAGR

Market size and growth projections for remote and in-person payments (USD bn)

Note that we do not have sufficient granular data for leeland but anticipate the same broad picture to apply

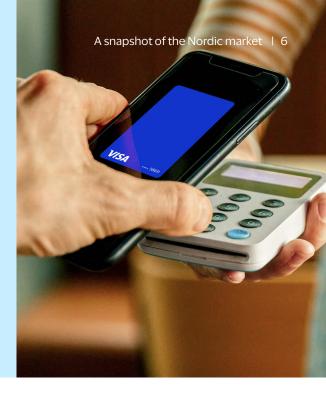
Fig. 1





High card usage is still prevalent, but alternative methods are quickly gaining momentum

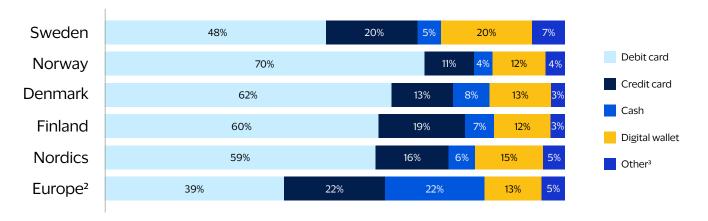
Cards remain the predominant payment method across the Nordics, having experienced significant growth in the early 2000s, when they first overtook cash payments. More recently, however, card usage has plateaued as alternative digital payment methods have rapidly gained ground.



Distribution of overall in-person payment methods 2023

Note that we do not have sufficient granular data for Iceland but anticipate the same broad picture to apply.

Fig. 2



 $^{2. \} Note that the figures quoted for Europe represent a weighted average of France, Germany, Italy, Turkey, Spain, Netherlands and UK.$

Fig 2. Source: VCA analysis based on data quoted in the FIS Global Payment Report 2024, https://worldpay.globalpaymentsreport.com/en



For in-person payments, cards account for three-quarters of transactions—well above European norms. Cash use, by contrast, is minimal across the Nordics. However, digital wallets have gained considerable ground, particularly in Sweden, where the value of digital wallet transactions surged by 141% in just one year.

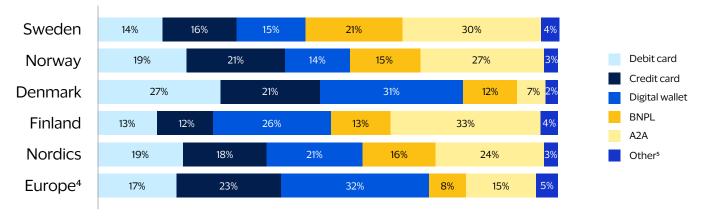


^{3.} Note also that 'other' includes POS financing and prepaid card.

Distribution of overall remote payment methods 2023

Note that we do not have sufficient granular data for Iceland but anticipate the same broad picture to apply.

Fig. 3



^{4.} Note that the figures quoted for Europe represent a weighted average of France, Germany, Italy, Turkey, Spain, Netherlands and UK.

It's a similar picture with remote payments. While cards remain relatively strong with a 37% share, they have already lost considerable ground to alternative payment methods, and the shift is ongoing.

Unlike the broader European trend, where remote payments primarily move towards digital wallets, in the Nordics, these payments are fragmenting more evenly across several alternatives—including A2A payments and buy now pay later (BNPL) options, alongside digital wallets.





As alternative payment methods become more established, market initiatives gather momentum, and regulatory changes take effect, this trend is likely to accelerate. For example, the EU Instant Payment Regulation (IRP), the third Payment Services Directive (PSD3), and the Payment Services Regulation (PSR) are expected to boost the adoption of A2A payments.

Meanwhile, the SEPA Payment Account Access (SPAA) initiative should enable further innovation in open banking and instant payments, while the European Payments Initiative (EPI) aims to provide a unified digital wallet with instant A2A payments, to all Europeans.



^{5.} Note also that 'other' includes cash on delivery, prepaid card and pre-pay.
Fig 3. Source: VCA analysis based on data quoted in the FIS Global Payment Report 2024, https://worldpay.globalpaymentsreport.com/en

Incumbent banks hold strong relationships - yet fintech challengers are on the rise

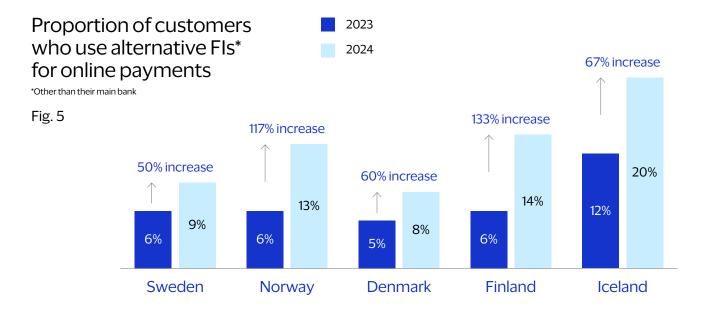
At first glance, another shared characteristic across the Nordic region is the stability and concentration within the financial services community, with a large proportion of customers maintaining their primary banking relationship with one of the larger incumbent banks.

The proportion of customers who consider one of the country's top three FIs to be their main bank

Fig. 4



However, beneath the surface, fintech challengers appear to be making considerable headway. In each of the five countries, the proportion of customers who consistently use a different FI for remote payments has increased significantly year-on-year.



Many Nordic customers now consider a fintech challenger—such as Klarna, Revolut or Lunar—as their secondary bank of choice. Similarly, across the region, there are signs of migration from larger incumbent banks to smaller competitors, especially among younger, digitally active customers.



Emerging differences between each market

While the five Nordic markets share some common themes, and are following a similar trajectory, it would be incorrect to view them as a cohesive region. Each market's unique local characteristics demand a tailored approach, making it essential for FIs to avoid looking to peers in neighbouring countries—or elsewhere in Europe—for inspiration.

Our research reveals a startling degree of fragmentation throughout the Nordic region across banking relationships, card payments, and the uptake of alternative payment methods like digital wallets and A2A payments. We'll now look at each of these in turn to see how this fragmentation is developing.





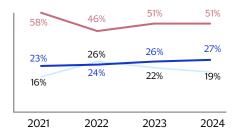
Banking relationships

While banking relationships may appear strong and stable, there are clear signs of disruption. Looking at remote payments, for instance, we see considerable differences, with customers in each of the five markets taking markedly different approaches.

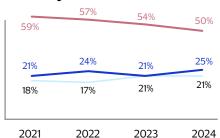
The proportion of customers who said they used a different FI*

Fig. 6





Norway



Denmark

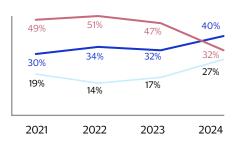


Frequently

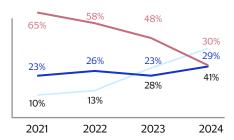
Occasionally

Never





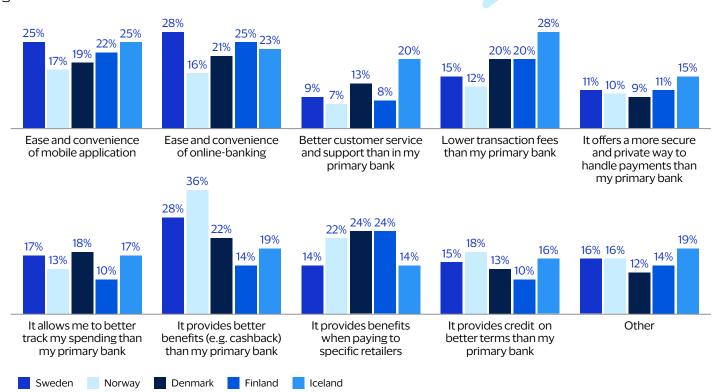




Additionally, the reasons customers choose a secondary FI for their payments vary widely by country. For example, Norwegian customers are most motivated by rewards, Icelandic customers by lower transaction fees, and Swedish customers by ease and convenience, etc.

Why do you use your non-primary bank/ payment service provider for payments?

Fig. 7



^{* (}i.e., other than their main bank) for online payments

Card payments

From a card payments perspective, the differences across each market are striking—ranging from cardholding and usage levels, migration to secondary banks, what customers value in a card product, and how these perceptions of value have changed over recent years.

Cardholding levels reveal distinct national preferences

	Sweden	Norway	Denmark	Finland	Iceland	Europe ⁶
Cards per capita	1.34 0.77	1.72	1.74 0.34	1.99	1.40 1.62	2.00 0.76
% of txn value on credit vs debit Fig. 9	26%	19%	96%	22%	56%	25% 75%
% of txns on credit vs debit Fig. 10	16%	12%	2%	13%	45%	19%
Total no. of cards	11.2m 6.4m	7.6m 4.7m	8.3m 1.6m	9.1m 4.2m	0.42m 0.49m	1.0bn 0.38bn
Debit cards Credit cards						

Secondary bank usage highlights loyalty shifts across markets

How many credit and debit cards do you have from your non-primary bank / payment service provider in total?

Fig. 12





Value perceptions reflect market differences, but evolve over time

What do you consider to be the main advantages of using a card (debit or credit)?

Fig. 13

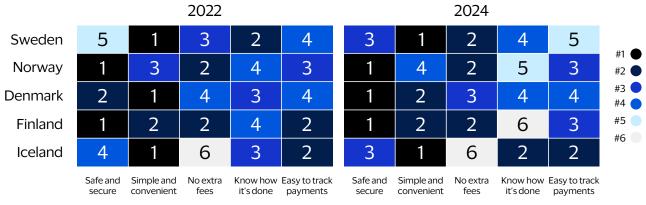


Fig 13. Source: The Visa-commissioned Ipsos research



Alternative payment methods

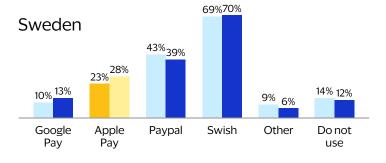
From a broader perspective, the major trend is the rapid emergence of alternative payment methods, including digital wallets and A2A payments. But, again, we see very different trends and trajectories in each country.

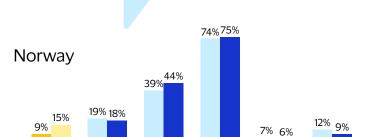
Digital wallets

Digital wallets have grown rapidly across all five countries, but the patterns are highly varied, with each market showing unique preferences for specific wallets, wallet combinations, and different funding sources.

What digital wallet(s) do you currently use?

Fig. 14





Paypal

Apple

Pay

Google

Pay

For example,

there's little consistency in the

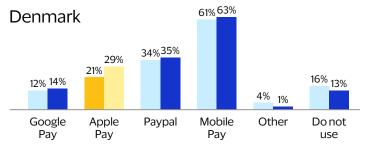
types of wallets being used across

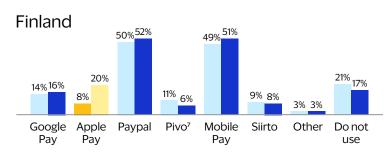
the region, nor is there any sign

of convergence. Interestingly,

however, passthrough wallets are

experiencing the highest growth rates in each country.



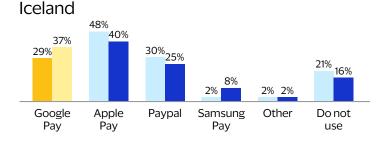


Vipps

Other

Do not

use







Similarly

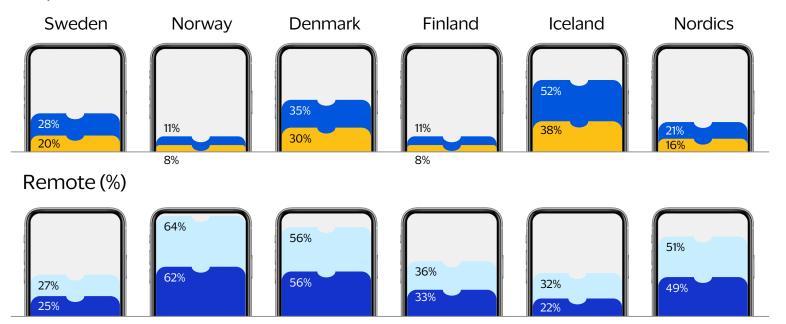
when comparing card usage to international passthrough wallets, such as Apple Pay and Google Pay, the proportion of active digital wallets relative to total active cards varies widely across the region. This share is growing at very different rates for both in-person and remote payments.

Share of active digital wallets out of total active cards (%): In-person vs Remote

Fig. 15



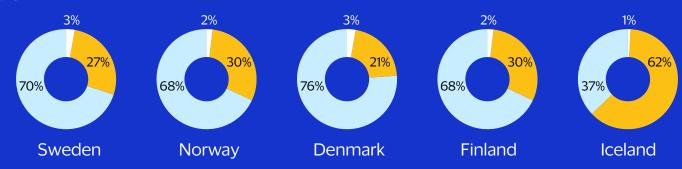
In-person (%)



In terms of funding source, an average of one-quarter of Nordic customers choose a card that is not issued by their primary bank. However, this figure masks significant variation across countries, ranging from 21% in Denmark to 62% in Iceland.

Do you use other cards than that from your primary bank in your digital wallet?

Fig. 16



🕰 A2A Payments

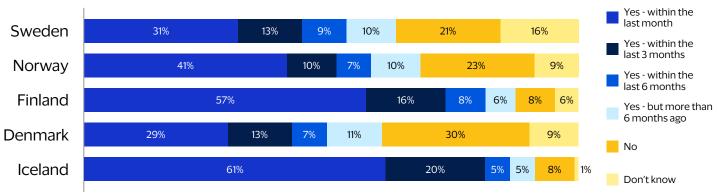
A2A payments have seen rapid growth across the Nordics. Between 2022 and 2023, A2A payments rose from 18% to 24% of all remote payments, representing a 33% annual growth rate.

Respondents most likely focused on the A2A functionality of local wallets (such as Swish and Vipps), given the minimal changes in the wider A2A ecosystem. This growth puts the Nordics well ahead of countries like Italy and the UK—where A2A payments have actually declined—but still behind pacesetters such as the Netherlands and Poland, where A2A accounts for around two-thirds of remote payments.

However, the picture remains uneven here, too. In Iceland, for example, more than 60% of customers said they had made an A2A payment within the past month, compared to less than half of that in Denmark.

Have you done an account-to account payment/ direct payment from your bank account?

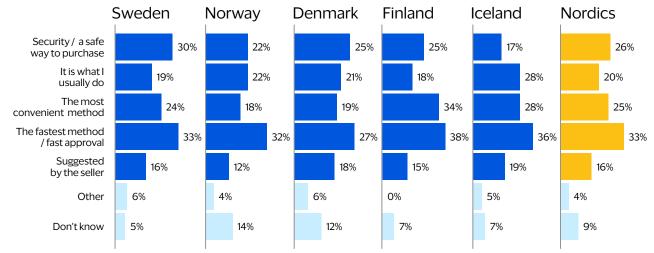




As with card payments, the perceived benefits of A2A payments vary significantly across countries.

What were your main reasons for using a direct bank payment solution?

Fig. 18



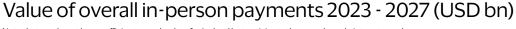


2023

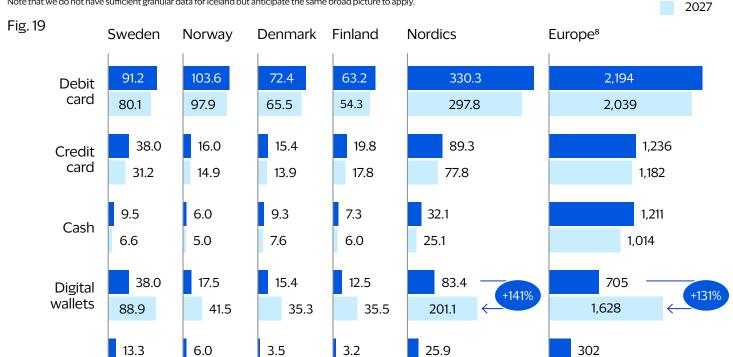
Overall the trajectory is clear:

across the Nordics, digital wallets and A2A payments are likely to capture an increasing share of the market. With the regulatory changes and industry initiatives mentioned earlier, these shifts could accelerate further. However, it's also clear that local specifics will continue to diverge.

For example, when it comes to in-person payments, industry estimates project a 141% increase in the value of digital wallet payments across the Nordics between 2023 and 2027. Yet, anticipated growth rates vary widely—from 129% in Denmark to 184% in Finland.



Note that we do not have sufficient granular data for Iceland but anticipate the same broad picture to apply.



3.5

27.1





Other9

13.2

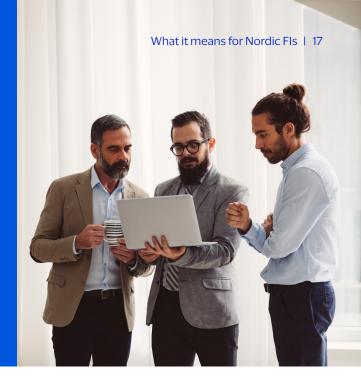
6.6

3.8

307

What it means for Nordic FIs

For Nordic FIs, rapid digitisation and fragmentation of payments are adding complexity to an already competitive sector. Traditional customer journeys are being fractured, with new payment methods introducing interfaces and platforms that often lie beyond the FI's control. Looking to peers for inspiration isn't always effective—given the diversity of options, each FI needs a tailored approach, as a "me too" strategy is likely to fall short.



With multiple new payment channels emerging, various critical questions arise: should Fls compete in this space? Should they encourage customers to return to or remain with their own channels, or pivot to providing back-end support for alternative channels? Each Fl's response will vary depending on its market and strategy. At VCA, we recommend the following broad strategies:

At the macro (bank-wide) level

With so many developments in payments, now is the time for FIs to pause and assess the strategic role payments play across their business—from credit and debit to digital wallets, A2A and more.

Are payments a standalone business line?

Can they attract and engage new customers?

How do they integrate with existing products and services?

How critical are payment experiences to customers?

Do payments represent a competitive strength or vulnerability?

This analysis will help you understand and quantify the strategic value of payments within your business, guiding your planning. Equipped with these insights, you can make informed, evidence-based decisions on where to invest in your own payment channels and where to enhance service within alternative channels.

What value do they add, and how can that value be measured and optimised?



At VCA, we believe that winning in payments hinges on building customer intimacy as a pathway to peak profitability. Profitability can be maximised by focusing on three key strategies: optimising current portfolios, acquiring high-potential segments, and maintaining a cross-sell mindset. For Nordic FIs, we see substantial opportunities to drive significant value through these strategies across three payment areas:

Optimising card payments

While card payments may be losing ground to alternative methods, cards remain a dominant force across the Nordic markets. In the next three years, cards are projected to hold a larger share in the Nordics than any other European market.

Put simply, every Nordic FI should have a clear view of their card portfolio's performance and its optimisation potential. Our analysis shows numerous opportunity gaps across the Nordics, even among the highest-performing FIs.

For instance, the top players typically activate 1.4 times more cards than their peers and capture 3 to 6 times the share of wallet. Optimising performance requires focusing on key customer moments throughout the lifecycle. As detailed in this paper, these moments vary significantly by segment and geography.

A clear understanding of local customer attitudes, paired with insights into relative portfolio performance, consistently reveal new opportunities emerging for optimisation.



Capturing digital wallet payments

Domestic digital wallets have driven digital adoption across the Nordics, with 87% of customers now using them, making the market relatively mature. Yet, there's still significant scope for FIs to influence customer behaviour.

For instance, many unmet needs persist in the digital wallet space. With passthrough wallets—which link directly to a user's primary bank account or card—FIs can enhance the wallet experience with added features like rewards, spend analysis, or subscription management.

Interestingly, most digital wallets contain just one card, and for a quarter of Nordic customers, it isn't from their primary bank. So, how can FIs detect when this occurs and address it? The answer will vary by wallet, FI, and country.

Given the rapid success of digital wallets, some FIs may wish to go beyond a back-end role. If so, they could explore creating their own wallets or lobby for greater control over existing ones. This approach is similar to Switzerland's TWINT, where many banks offer their own versions of digital wallets.

Further disruption in the local digital wallet market is expected. For example, Vipps MobilePay now operates across Norway, Denmark, and Finland, and supports cross-border person-toperson (P2P) payments in Sweden.

Over time, this is likely to impact Sweden's Swish wallet, making it intriguing to see how Swish responds. In this evolving landscape, banks have a fresh opportunity to steer customer preferences, influence behaviour, and introduce differentiated propositions.



Improving the experience of A2A payments

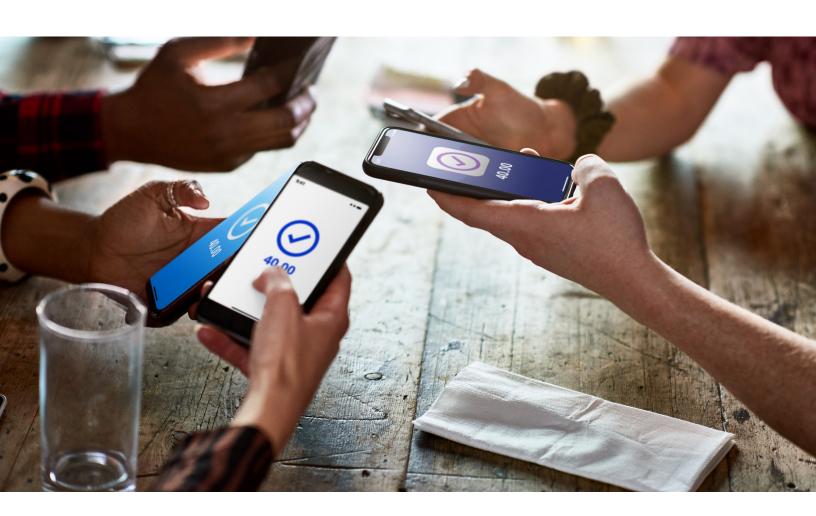
This is an area to watch closely as new regulations take effect, industry initiatives evolve, and open banking gains momentum. Currently, the A2A space is very fragmented, customer journeys are inconsistent, and the user experience often lags behind other payment types.

As existing schemes mature and new ones emerge, such as Visa's upcoming A2A solution in the UK, FIs will have opportunities to complement and enhance the services they provide. For example, across the Nordics, many customers find alternatives easier and more convenient, and some have concerns around control.

So, how can FIs better steer customer behaviours, offer support and reassurance, or address user experience challenges? Across these areas, it's important to play to your strengths.

The better you understand your existing customers and which aspects of your current offering appeal to them, the better positioned you'll be to defend and grow your business, establishing a sustainable role for the future.

Avoid trying to do everything. Don't adopt a "me too" approach or stray beyond your expertise. Instead, leverage the vibrant ecosystem of potential partners to craft propositions that align with your strengths.





How Visa can help

VCA brings together expertise in strategy, digital, consumer marketing, and data science to support your teams. Our tailored, data-driven, and customer-focused solutions are designed to help you achieve the optimal outcomes:



Payment study insights

In-depth presentation of findings from our Nordic Payment Study.



Capability assessment

Evaluate and strengthen operational capabilities.



Performance benchmarking and gap analysis

Pinpoint opportunities and areas for improvement.



Proposition design and development

Shape compelling offerings that resonate with the target audience.



Customer segmentation

Precisely target key audience segments.



Communication and engagement

Boost customer connections through strategic outreach.



About Visa Consulting & Analytics

VCA is a global team of 1,300+ payments consultants, digital marketing specialists, data scientists, and economists spanning 6 continents.

With our deep payments consulting expertise, economic insights, and comprehensive data access, we deliver actionable recommendations that support smarter business decisions.



Consulting expertise

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



Data science excellence

Our data scientists are experts in statistics, advanced analytics, and machine learning, with exclusive access to VisaNet insights, one of the world's largest payment networks.



Economic insight

Our economists provide timely insights into global spending trends, informed by economic conditions that impact customer behaviour.





For support with any of the initiatives mentioned, please reach out to your Visa Account Executive to schedule time with the VCA team or send an email to VCA@visa.com.

You can also learn more at visa.com/VCA.





Note

As detailed in the executive summary, the Visacommissioned research referred to in this paper was conducted by Ipsos in July 2024, where insights from 2000 respondents – 400 in each of the five countries – was collected via web-based questionnaires. The survey involved 38 questions areas, covering the respondents' spending habits, banking relationships and exposure to fraud. Many of these questions are repeated each year, enabling us to identify and track new and emerging trends.

The terms described in this material are provided for discussion purposes only and are non-binding on Visa. Terms and any proposed commitments or obligations are subject to and contingent upon the parties' negotiation and execution of a written and binding definitive agreement. Visa reserves the right to negotiate all provisions of any such definitive agreements, including terms and conditions that may be ordinarily included in contracts.

Case studies, statistics, research and recommendations are provided "AS IS" and intended for informational purposes only and should not be relied upon for operational, marketing, legal, technical, tax, financial or other advice.

Visa Inc. does not make any warranty or representation as to the completeness or accuracy of the Information within this document, nor assume any liability or responsibility that may result from reliance on such Information. The Information contained herein is not intended as legal advice, and readers are encouraged to seek the advice of a competent legal professional where such advice is required.

When implementing any new strategy or practice, you should consult with your legal counsel to determine what laws and regulations may apply to your specific circumstances. The actual costs, savings and benefits of any recommendations, programs or "best practices" may vary based upon your specific business needs and program requirements. By their nature, recommendations are not guarantees of future performance or results and are subject to risks, uncertainties and assumptions that are difficult to predict or quantify.

All brand names, logos and/or trademarks are the property of their respective owners, are used for identification purposes only, and do not necessarily imply product endorsement or affiliation with Visa.

