
21 September 2021

Press and Communications

Press release

EBA sees rapid growth in the use of digital platforms in the EU's banking and payments sector and identifies steps to enhance the monitoring of market developments

- The use of digital platforms in the EU's banking and payments sector is growing rapidly and offers opportunities for EU consumers and firms.
- Platformisation is resulting in new dependencies between financial and non-financial firms but supervisors are facing challenges in monitoring developments.
- The EBA sets out measures to strengthen supervisory capacity to monitor developments in the EU banking and payments sector to ensure risks can be identified in a timely and coordinated manner.

The European Banking Authority (EBA) published today a Report on the platformisation of the EU banking and payments sectors. The EBA identifies a rapid growth in the use of digital platforms to 'bridge' customers and financial institutions, a trend expected to accelerate in line with the wider trend toward the digitisation of the EU financial sector. Platformisation presents a range of potential opportunities for both EU customers and financial institutions. However, new forms of financial, operational, and reputational interdependencies are emerging and the EBA identifies steps to strengthen supervisory capacity to monitor market developments.

The EBA observes a rapid growth in the use of digital platforms to 'bridge' customers and financial institutions. This trend is expected to accelerate as financial institutions seek to satisfy customer 'search for convenience' and reduce costs, consistent with the core drivers of platformisation across all sectors of the EU economy.

This use of digital platforms presents a range of potential opportunities for both EU customers and financial institutions and offers significant transformative potential. For example, digital platforms can facilitate access to financial products and services, including cross-border products and services. However, new forms of financial, operational, and reputational interdependencies are emerging over which supervisors have limited visibility.

To address this important issue, the EBA sets out in the report steps to enhance supervisory capacity to monitor market developments. As a priority, in 2022 the EBA will help competent

authorities to deepen their understanding of platform-based business models and the opportunities and risks arising by supporting competent authorities in:

- developing common questionnaires for regulated financial institutions on digital platform and enabler use. This approach will facilitate tailored and proportionate information-gathering against a fast-evolving market;
- sharing information about financial institutions' reliance on digital platforms and enablers to facilitate coordinated EU-wide monitoring.

In addition, the EBA proposes to continue its efforts to foster the sharing of supervisory knowledge and experience about digital platforms and enablers on a sectoral and multi-disciplinary basis, to enhance effective dialogue between authorities responsible for financial sector supervision, consumer protection, data protection and competition, including via actions under the coordination of the EBA's FinTech Knowledge Hub.

Note to the editors

1. The Report has been drafted pursuant to Article 9(2) and Article 31 of the EBA's Founding Regulation (Regulation (EU) No 1093/2010). Article 9(2) mandates the Authority to monitor new and existing financial activities. This obligation extends to all areas of the EBA's competence, including in the field of activities of credit institutions, financial conglomerates, investment firms, payment institutions, and electronic money institutions. In order to contribute to the establishment of a common European approach towards technological innovation, Article 31 mandates the EBA to promote supervisory convergence, with the support, where relevant, of the Committee on consumer protection and financial innovation, facilitating entry into the market of actors or products relying on technological innovation, in particular through the exchange of information and best practices. Where appropriate, the Authority may adopt guidelines or recommendations in accordance with Article 16.
2. The findings set out in the report will inform the EBA's contribution to the joint European Supervisory Authorities (ESAs) response to the European Commission's February 2021 [Call for Advice](#) on digital finance, which will be published in Q1 2022.