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# **Visa consultation response on SOU 2023:38 Ett förstärkt konsumentskydd mot riskfylld kreditgivning och överskuldsättning**

Visa Europe Limited (referred to as 'Visa' in this document) is pleased to submit our consultation response to the inquiry SOU 2023:38 Ett förstärkt skydd mot riskfylld kreditgivning och överskuldssättning (the 'inquiry').

## About Visa

Visa is one of the world's leaders in digital payments. Our purpose is to uplift everyone, everywhere by being the best way to pay and be paid. We facilitate global commerce and money movement across more than 200 countries and territories among a global set of consumers, merchants, financial institutions and government entities through innovative technologies. Since Visa's early days in 1958, we have been in the business of facilitating payments between consumers and businesses. As a trusted engine of commerce and with new ways to pay, we are working to provide payment solutions for everyone, everywhere. We are focused on extending, enhancing and investing in our proprietary network, VisaNet, to offer a single connection point for facilitating payment transactions to multiple endpoints through various form factors. Through our network, we offer products, solutions and services that facilitate secure, reliable and efficient money movement for participants in the ecosystem.

## Visa's recommendations

Thank you for the opportunity to comment on the inquiry's proposals. Visa shares the Ministry's interest in promoting a sound and efficient payments ecosystem that benefits all participants. It is central to our mission to connect the world through the most reliable and secure digital network in the world.

We therefore support the Ministry's objective to increase consumer protection and ensure appropriate credit assessment rules to avoid over-indebtedness. With this in mind, we also welcome a proportionate, risk-based approach to regulation. Any new regulation should aim to be future-proof, given the fast-changing and innovative nature of the payments market, and focus on delivering the best customer outcomes. It is therefore also critical to ensure a level playing field between fintech and more traditional players in the payment market. Finally, the right balance must be struck to ensure the appropriate customer protection while avoiding hindering competition and innovation.

The payments and credit industry has been changing rapidly, and we appreciate policymaker's desire to ensure the best outcomes for consumers. This is also recognised by the European Commission who have made efforts to update the EU Consumer Credit Directive (CCD)<sup>1</sup>. Visa fully support the ultimate objective of the updated CCD to reinforce and modernise customer credit rules so that information related to credits are presented in a clear way, adapted to the digital devices, ensuring that consumers fully understand what they are signing up for. We also

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<sup>1</sup> [Directive \(EU\) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC \(europa.eu\)](#)

agree with the proposed focus on appropriate customer protection whilst ensuring that competition and innovation can continue to deliver the outcomes that customers want.

While we understand the desire to reduce the cost of credit, we believe that a single cap covering all types of credit may not achieve the best outcome for consumers. There are a variety of different consumer credit products with varying degrees of riskiness, consumer protection, levels of costs to the consumer and options. For example, credit cards offer consumers a variety of services along with a defined line of credit. Such services include advanced security procedures, and additional consumer protection such as post-transaction services when a product is damaged upon delivery, not delivered or in case of other payment related disputes between a merchant and cardholder. Thus, any introduction of caps should take into consideration the specific characteristics of different consumer credit products. We therefore recommend that, if interest rate caps are to be imposed, categories of credit should be defined and a methodology developed for calculating caps for each category. This could be done in collaboration between the EBA, industry and member states.