

Annual Report 2024

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A word from the chairman of the National Payments Council

The payments market is becoming more and more complex, while digitalisation and technological advances are bringing opportunities and challenges alike. The impression that we are making increasing use of electronic means of payment holds true. The Study on the payment attitudes of consumers in the euro area (SPACE), the fourth such survey, confirms the trend of increase in electronic payments, although cash continues to account for a significant share, particularly in smaller payments and between consumers.

Digital advances also demand greater responsibility on the part of all stakeholders in the payment chain in ensuring payment security, which is the basis of any trust in digital financial services. In the wake of all this technological progress, we must ensure that non-cash payments are accessible to all, irrespective of their (digital) skills. Given that payments remain the most commonly used financial service, alongside security (which is, to reiterate, the basis of trust) the user experience is also of vital importance.

The very make-up of the National Payments Council (NPC) and its Strategy for the development of the payments market in Slovenia for the period of 2024 to 2028 (Strategy) are allowing these challenges to be addressed. The work of the NPC in 2024 focused on activities to implement the first three strategic initiatives from the strategy. We created three working groups, which drew up proposals for activities in the areas of (i) developing simple payment solutions with a good user experience in line with the needs and expectations of users, including vulnerable groups, (ii) addressing the security aspects of electronic payments, and (iii) ensuring the phased acceptance of electronic payments at points of sale.

With instant payments becoming the new norm, we focused particular attention on the implementation of the *Instant Payments Regulation*, under which payment service providers are required to provide for the acceptance of instant payments in euros as of 9 January 2025, and the sending of instant payments in euros as of 9 October 2025.

Meanwhile we are actively monitoring the cash digitalisation project in the form of the digital euro. If issued, this will entail a complement to physical cash, and will provide for the strategic autonomy of the payments market in Europe. In any case the digital euro would affect all stakeholders in the payments market, and so the NPC was regularly briefed on the work carried out on this project over the last year.

I am delighted to say that the NPC is alive and kicking. This annual report outlines our key activities and achievements in 2024. And I hope you enjoy reading about them.

Simon Anko

Chairman, National Payments Council

The payment services market in the EU once again underwent significant changes in 2024, which reflected technological advances and also the changing preferences of consumers. Digitalisation is continuing to drive the rapid evolution of the payments ecosystem, and is allowing for increasingly intuitive, fast and handy methods of payment. Advanced solutions such as biometric authentication, mobile wallets and contactless payments are making for an even better user experience, and simpler and faster transactions.

The latest SPACE confirms the trend of the rising share of electronic payments. The use of payment cards at physical points of sale increased in the euro area: 39% of purchases were made by payment card in 2024 (up from 34% in 2022, 25% in 2019 and 19% in 2016), while the share of payments made by mobile apps stood at 6% in 2024 (up from 3% in 2022 and 1% in 2019). The rise in electronic payments is also bringing increased challenges in the area of security. The data for last year is not yet available, but the European Central Bank (ECB) and the European Banking Authority (EBA) in their [Report on payment fraud](#) estimated the damage caused by payment fraud at EUR 4.3 billion in 2022, and at EUR 2.0 billion in the first half of 2023. According to the joint report, this damage was primarily the result of fraud in credit transfers and card payments. Some 0.031% of all card payments in terms of value and 0.015% in terms of number of transactions were fraudulent in the first half of 2023. The report nevertheless highlighted that the requirements for strong customer authentication reduced the amount of fraud, particularly in (online) card transactions inside the Single Euro Payments Area (SEPA).

Instant payments account for approximately a fifth of all credit transfers in the EU. To ensure the resilience of the European payments ecosystem, in line with the [Eurosysteem's retail payments strategy](#) work is continuing on the creation of a pan-European solution for retail payments at the point of interaction, which would be based on instant payments. More than 30 years

after the birth of the single market and 25 years after the introduction of the single currency, the majority of European solutions for retail payments remain national in reach, and only cover limited types of use. The possibility of interoperability is also being examined in this context, and would entail the linkage of various national solutions. A digital euro could also constitute a solution.

The Slovenian payments market reached an important milestone in 2024: domestic instant payments accounted for more than half of all domestic credit transfers over the course of the year. In Slovenia cash accounts for 64% of payments at physical points of sale, thus making it one of the countries where this payment instrument is the most commonly used. However, the use of payment cards at physical points of sale increased: they accounted for 29% of purchases in 2024 (up from 24% in 2022 and 2019, and 19% in 2016), while mobile apps accounted for 3% of payments (up from 1% in 2022). In its article [Cybersecurity 2024 in numbers](#), SI-CERT, the Slovenian Computer Emergency Response Team, states that the damage caused by fraud in 2024 was estimated at around EUR 2.7 million in electronic and mobile banking, and at EUR 243 thousand in card payments.

Summary of the NPC's key activities in 2024

2.1 Functioning of the NPC

Three NPC meetings were held in 2024, in March (the annual meeting), September and December. Under its rules of procedure, the NPC is provided with logistic, organisational and substantive support by its secretariat, which is set up within Banka Slovenije.

To ensure that members are kept abreast of current developments in the area of payments and payment services at European and international institutions, Banka Slovenije has also organised an electronic news bulletin, which NPC members received six times last year.

2.2 Implementation of the Strategy for the development of the payments market in Slovenia for the period of 2024 to 2028

The NPC's work in 2024 focused on addressing the strategy. The NPC set up three working groups in March to begin the implementation of the strategy. Their task was to draw up proposed measures and activities to address the first three strategic initiatives, and then to carry out the activities approved by the NPC.

The NPC working group for the development of simple payment solutions with a good user experience in line with the needs and expectations of users, including vulnerable groups (i) first conducted analysis of the user experience of the most commonly used means of payment at physical points of sale, namely cash; (ii) then identified the challenges relating to the user experience under existing digital payment services, where members of the group highlighted the fear and risk of abuse, the low level of digital financial literacy and the inconsistent user experience when using different digital payment services as key; and (iii) then on the basis of their findings embarked on the preparation of potential solutions through which the key stakeholders would be able to properly address the challenges identified in the area of user experience.

The *NPC working group for addressing the security aspects of electronic payments* identified three key pillars of future activity, namely: (i) supporting the creation of a national high-level group for electronic payments security, where the working group itself will be responsible for drawing up the proposed mandate and tools for the functioning of the high-level group; (ii) establishing contact between the relevant stakeholders in the area of user awareness and preparing common guidelines for raising awareness; and (iii) establishing multilateral communication channels to exchange information and recommendations between the relevant stakeholders, and drafting proposed measures to increase cybersecurity.

The *NPC working group for the phased acceptance of electronic payment at points of sale* approved its plan of work in two phases. The first phase includes coordinated and ongoing promotion and education activities for users, while the second phase envisages the mandatory acceptance of electronic payments at points of sale. The working group drew up a set of proposed measures and activities to address the relevant strategic initiatives: (i) activities to uniformly raise the awareness of points of sale and consumers; (ii) training and presentations within the framework of the relevant developments at the Slovenian Chamber of Commerce and the Chamber of Small Business; (iii) development of a tool to compare the costs of cash and electronic payments at points of sale (all during the first phase), and briefings on the legislative initiative to ensure the mandatory acceptance of at least one electronic payment method (during the second phase). The original timetable for the activities was adjusted for reason of the public debate over the bill for the *Electronic Means of Payment Act (ZEPS)*.

The NPC will address the remaining strategic initiatives in 2027 and 2028, namely (iv) ensuring an encouraging environment for increasing innovation, and collaboration between stakeholders in the payments market in line with activities at EU level, and (v) continuing to ensure adequate access to cash.

2.3 Issues discussed regularly by the NPC

Instant payments

One of the goals of the Eurosystem's retail payments strategy is the full deployment of instant payments throughout the EU. Their advantage is the immediate availability of the funds to the payee and their suitability for various payment domains, whether peer-to-peer (P2P) payments, or bricks-and-mortar and online

shopping, where card payments are currently dominant. The widespread use of instant payments in the EU would also help to strengthen the (strategic) autonomy of the European economy.

Instant payments are actually becoming the new norm: the *Instant Payments Regulation* was published in the Official Journal of the European Union on 19 March 2024, and begins to be applied in 2025. The regulation ensures that consumers and businesses have access to instant payments, and strengthens the autonomy of the European payments market. The NPC debated the impact of the *Instant Payments Regulation* on the Slovenian payments market, given that payment service providers are required to provide the service of accepting instant payments in euros as of 9 January 2025, and the service of sending instant payments in euros as of 9 October 2025. The NPC was also briefed on the adoption of the *Act Amending the Payment Services, Electronic Money Issuance Services and Payment Systems Act (ZPlaSSIED-B)*, which transposes the provisions of the regulation into national law.

The NPC regularly monitored developments in connection with Flik, the Slovenian instant payments scheme. Positive trends were highlighted in this regard: there were 140,000 new active users of Flik in 2024, taking the total number of active users to 685,000 at the end of the year, while December 2024 saw 1.5 million transactions with a total value of EUR 98 million made in the Flik ecosystem.

Digital euro

The digital euro project has been in its preparation phase since November 2023, where the focus is on preparing for the potential issuance of a digital euro. The Governing Council of the ECB will only take a decision after the adoption of a regulation on the introduction of the digital euro. Progress was achieved in 2024 in the area of the technical rules of the payment scheme, the choice of ecosystem developers, and detailed analysis of the technical concept of the digital euro. There was also discussion of privacy, which is expected to be at a higher level in the digital euro than when current electronic payment methods are being used, and the offline digital euro, which will allow for payments to be made without an internet connection.

With regard to activities related to the choice of developers of the digital euro ecosystem, the NPC was briefed on the public tenders for five components of the digital euro's technical platform. The NPC also discussed progress on the technical rulebook for the digital euro payment scheme, which is being drawn up by a combined group of representatives of the market and the

Eurosystem. There was also great emphasis on communications between the relevant stakeholders. In this context the NPC was briefed on the creation of a new banking group for the digital euro at the Banking Association of Slovenia, developments at meetings of the National Group of Stakeholders for the Digital Euro, and on work to raise the awareness of the profession and the general public at various public events.

2.4 Other issues discussed by the NPC

Members of the NPC were briefed on the issues that were discussed by the Euro Retail Payments Board (ERPB) at its two meetings in 2024: the report on the work of the working group on fraud related to retail payments, and the measures to prevent it; the conclusions from the ECB's survey of the best environmental practices for electronic retail payments; and strategic communications with end users of instant payments and activities in connection with the accessibility of retail payments. A review of the work of the ERPB was also conducted in 2024.

The work and priorities of the working bodies that in other EU Member States perform a role similar to that of the NPC in Slovenia were examined. The subject was discussed at the fourth meeting of the European Forum for Innovation in Payments (EFIP).

The members of the NPC were informed that the Ministry of Finance had drafted a proposal for a national financial literacy programme, which would then be adopted on 30 January 2025.

The Ministry of Finance also briefed the members of the NPC with regard to the readings and adoption of the ZPIaSSIED-B, whose basic objective was transposing EU regulations into national law and ensuring their implementation. The ZPIaSSIED-B entered into force on 14 January 2025, and also facilitated easier access to payment accounts, and ensures greater transparency in the reasons for which payment service providers may refuse to open or close a payment account. These are issues that the NPC has previously focused particular attention on. We can take great satisfaction that previous initiatives with regard to greater access to (basic) payment account have borne fruit.

And finally the Ministry of Finance briefed the members of the NPC on the process of passing the bill for the ZEPS, which envisages that providers of goods and services at physical and online points of sale will have to make it possible for consumers to pay with at least one electronic means of payment.

Looking forward

At the heart of the NPC's work in 2025 will be the continuing activity to address the strategy, with a focus on three strategic initiatives: (i) developing simple payment solutions with a good user experience in line with the needs and expectations of users, including vulnerable groups; (ii) addressing the security aspects of electronic payments; and (iii) ensuring the phased acceptance of electronic payments at points of sale. We have invested much energy in the adoption of the strategy, and in the activities to date of the working groups to implement it. With full awareness of the NPC's mission, we now have a great responsibility to see these activities through to the end.

We will devote particular attention in 2025 to the changes being brought to payment service users by the *Instant Payments Regulation*. Here the key is ensuring clear, understandable and coordinated communications with users in connection with the solutions brought by the regulation.

The ZPlaSSIED-B requires banks and savings banks to communicate more actively with regard to consumers' right to a basic payment account, and to report their reasons for refusing any applications from consumers to open a basic payment account. We are therefore planning to overhaul the NPC's activities in connection with raising awareness about the basic payment account in 2025.

Briefings on the work of the digital euro project will continue to be a regular item on the agenda at meetings of the NPC. Two-way communication with all stakeholders is the key to making the digital euro, if issued, genuinely serve people as digital cash.

Although it is sometimes a challenge to align (or at least accommodate) the views of the different stakeholders in the payments market represented on the NPC, this is its key mission. We will therefore continue our professional and respectful dialogue. Our aim is to together contribute to the development of the market for secure and efficient payment services in Slovenia, and to ensure that the market adapts to the changes in the international environment and finds its rightful place inside the SEPA (this aim was declared in the regulation establishing the NPC).

List of NPC participants in 2024

Banka Slovenije (chairing the NPC)

Agency of the Republic of Slovenia for Public Legal Records and Related Services

Bank Association of Slovenia

Bankart d.o.o.

Chamber of Commerce and Industry of Slovenia

Dinit d.o.o.

Financial Administration of the Republic of Slovenia

Flik Scheme Committee

Mastercard Europe

Ministry of Finance

Ministry of the Economy, Tourism and Sport

Nexi Slovenija d.o.o.

NLB d.d.

Office for Money Laundering Prevention of the Republic of Slovenia

Petrol Pay d.o.o.

Public Payments Administration of the Republic of Slovenia

Slovenian Chamber of Commerce

Slovenian Competition Protection Agency

Slovenian Consumers' Association

Slovenian Insurance Association

Telekom Slovenije d.d.

Visa Europe