

# Payment transactions in Belgium and Europe: Belgians are particularly well-served in terms of the range of services on offer and price



Inflation is the scourge of Europe. If we look at food, energy costs, telecommunications and more, we see that prices are soaring everywhere, not only in Belgium but also in neighbouring countries. But what about the charges that consumers and retailers pay to participate in payment transactions? Are prices getting out of control? Or do Belgian banks offer a proper price-quality ratio?

In the interests of transparency, the Belgian banking sector commissioned KPMG to conduct a comparative study<sup>1</sup> of the cost of payments for consumers and retailers in Belgium and seven other countries, including neighbouring countries.<sup>2</sup> KPMG's analysis shows that both retailers and consumers are particularly well-served in Belgium, both in terms of price and the range of services on offer.

## RESEARCH METHODOLOGY

- This study looked at consumer and retail banking charges in Belgium and seven other countries (neighbouring Netherlands, Germany, France, Luxembourg, two southern holiday destinations, namely Italy and Spain, and digital Sweden).
- The study focused on banks with a combined market share of 50–80%: BNP Paribas Fortis, ING, Belfius, KBC and Argenta in Belgium.
- With a focus on **consumer costs, a distinction was made between consumers with a 'digital profile' and those with an 'analogue profile'**.
  - 'Digital consumers' are those who prefer digital channels (such as online banking). They represent a growing proportion of the population.
  - 'Analogue consumers' (or non-digital consumers) prefer traditional physical channels. They go to their bank branch for transactions and use paper statements.
- The cost of a **standard package** was analysed for each of these profiles, consisting of:
  - Digital consumer: current account, debit card, direct debits and standing orders
  - Analogue consumer: current account, debit card, direct debits and standing orders **+ 60 manual transactions per year**. This is the profile of a **universal banking service** user.

<sup>1</sup> Cost of Payments. A comparative study of the cost of payments for consumers and retailers in Belgium and selected countries, 15 september 2023. Challenger banks are not included in the study.

<sup>2</sup> KPMG Advisory, a Belgian private limited company (BV/SRL), and a member of KPMG's organisation of independent membership companies, affiliated with KPMG International Limited, a private UK limited liability company.

## Data collected and analysed for Digital and Analogue consumer accounts

- Part of the account
- Additional service

### Digital Account

Bank	#1	#2	#3	#4	#5
<b>Annual fee</b>	€	€	€	€	€
• Current account	●	●	●	●	●
• Debit card	●	●	●	●	●
• Unlimited number of direct debits	●	●	●	●	●
• Unlimited number of standing orders	●	●	●	●	●
<b>Cost per item on top of annual fee, €</b>					
• Standard credit card	○	○	○	○	○
• Instant payment	○	○	○	○	○
• Account statements (paper)	○	○	○	○	○
• ATM/cash withdrawals	○	○	○	○	○
• Bank branch operations	○	○	○	○	○

### Analogue Account

Bank	#1	#2	#3	#4	#5
<b>Annual fee</b>	€	€	€	€	€
• Current account	●	●	●	●	●
• Debit card	●	●	●	●	●
• Unlimited number of direct debits	●	●	●	●	●
• Unlimited number of standing orders	●	●	●	●	●
• Min 60 branch operations per year	●	●	●	●	●
<b>Cost per item on top of annual fee, €</b>					
• Standard credit card	○	○	○	○	○
• Instant payment	○	○	○	○	○
• Account statements (paper)	○	○	○	○	○
• ATM/cash withdrawals	○	○	○	○	○

The study distinguishes between digital and analogue (non-digital) consumer profiles. A comparative study of the cost of payments was carried out for each profile.

# DIGITAL CONSUMER



## Competitive prices

The chart below shows that Belgium is one of the most affordable banking service providers in Europe for digital customers. Belgium is the second cheapest country in Europe (after Spain) for the cost of digital payment accounts (ranging between €0 and €22.8 per year). Fees in neighbouring countries are generally much higher for a similar offer. Many countries have no free offers and prices can exceed €100 per year.

Total annual fee range of a Digital Account (2023)











Source: KPMG

## Consumers get value for money through comprehensive services

In Belgium, a digital package includes a current account and debit card, an unlimited number of direct debits, an unlimited number of standing orders, digital account statements, at least 24 free ATM cash withdrawals and – either for free or at an extra cost, depending on the bank – a credit card and instant payments.

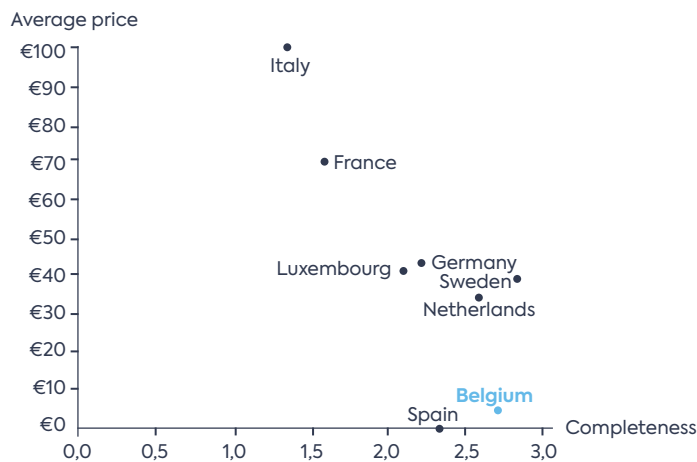
The table below shows that Belgium does not lag behind its European neighbours. On the contrary, only the Netherlands and Sweden provide a similar range of services. You have to pay more for that service in other countries. Digital consumers in Belgium can therefore count on an affordable, high-quality and complete range of services.

		Included in digital package								
		Current account	Debit card	Unlimited # of direct debits	Unlimited # of standing orders	Standard credit card	Instant payment	Account statements (digital)	ATM cash withdrawals	Completeness
<b>Belgium</b>		●	●	●	●	●	●	●	●	●
France		●	○	●	●	○	●	●	○	●
Germany		●	●	●	●	●	●	●	●	●
Luxembourg		●	●	●	●	○	●	●	●	●
Spain		●	●	●	●	●	○	●	●	●
Italy		●	●	○	○	○	○	●	●	○
Sweden		●	●	●	●	●	●	●	●	●
Netherlands		●	●	●	●	○	●	●	●	●

○ No sampled bank offers it free of charge      ● 3-4 sampled banks offer it  
 ● 1-2 sampled banks offer it      ● All of the sampled banks offer it

Source: KPMG

The chart below clearly shows that Belgium offers the best price-quality ratio for digital consumers. Although Spain and Germany are the only countries in the comparative study where some banks also offer free digital packages, these packages are not as comprehensive as those available in Belgium. While Sweden has the most complete digital consumer package, it comes at a significantly higher cost.

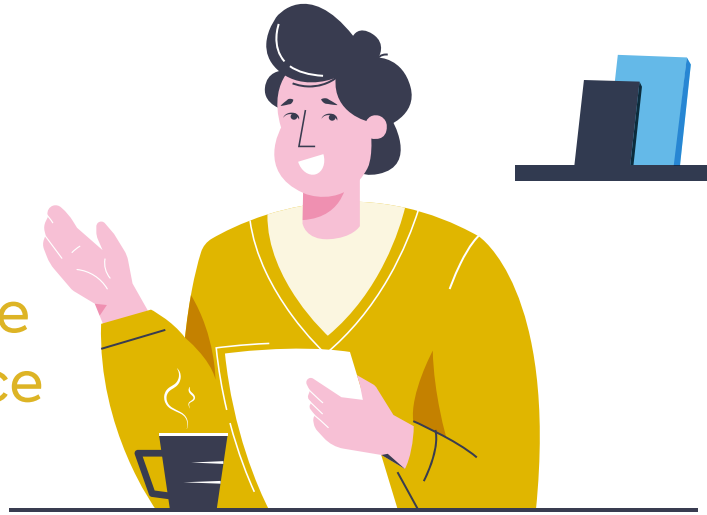


Source: KPMG

**The Belgian banking sector remains fully committed to a clear and honest offering. With a strong focus on transparency, competitive pricing and service excellence, Belgian banks continue to lead innovation in a society where digital banking is both convenient and affordable.**

# NON-DIGITAL CONSUMER

Reliable and inexpensive over-the-counter service



## Unique offering

Most banks in the countries surveyed do not have specific packages for analogue (non-digital) consumers. Similar services are available 'à la carte', but at a much higher cost than in Belgium and therefore not in the form of a package.

Belgium and Germany are the only countries in this study to offer a package<sup>3</sup> for analogue consumers. The table below clearly illustrates that Belgium and Germany are head and shoulders above the rest in terms of services offered to non-digital customers. Belgium moreover offers attractive pricing compared to Germany.

		Included in analogue package									
		Current account	Debit card	Unlimited # of direct debits	Unlimited # of standing orders	Min 60 branch operations per year	Standard credit card	Instant payment	Account statements (digital)	ATM cash withdrawals <sup>1</sup>	Completeness
Belgium		●	●	●	●	●	●	●	●	●	●
Germany		●	●	●	●	●	●	●	●	●	●

### Analogue transactions are possible but come at a cost

France		○	○	○	○	○	○	○	○	○	○
Luxembourg		○	○	○	○	○	○	○	○	○	○
Spain		○	○	○	○	○	○	○	○	○	○
Italy		○	○	○	○	○	○	○	○	○	○

### Analogue banking is not possible or very limited in scope

Sweden		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Netherlands		N/A	N/A	N/A	N/A	○	N/A	N/A	N/A	N/A	N/A

○ No sampled bank offers it free of charge

● 1-2 sampled banks offer it

● 3-4 sampled banks offer it

● All of the sampled banks offer it

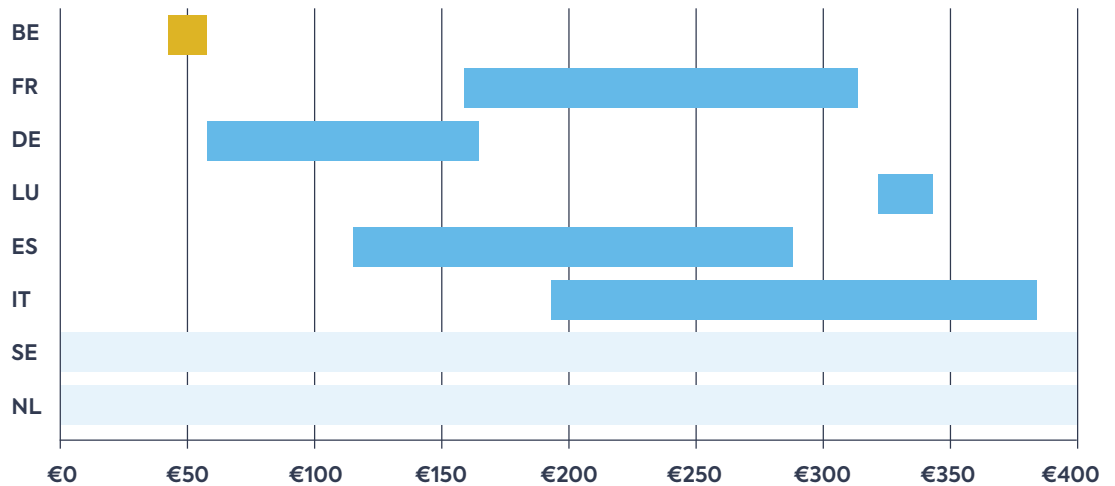
Source: KPMG

<sup>3</sup> The Belgian financial sector undertook to offer a 'Universal Banking Service'. The aim is to cater for a group of customers who have little or no access to digital channels to manage their financial affairs.

The Belgian banking sector has developed umbrella services specifically for the non- or less digital-literate group of customers, such as the **universal banking service (UBS)**. Banks can individually decide to add additional services.

The annual **fee** for an analogue package in Belgium ranges between €39 and €60, by far the lowest of the countries analysed.

#### Total annual fee of an Analogue Account package or an à-la-carte equivalent (2023)

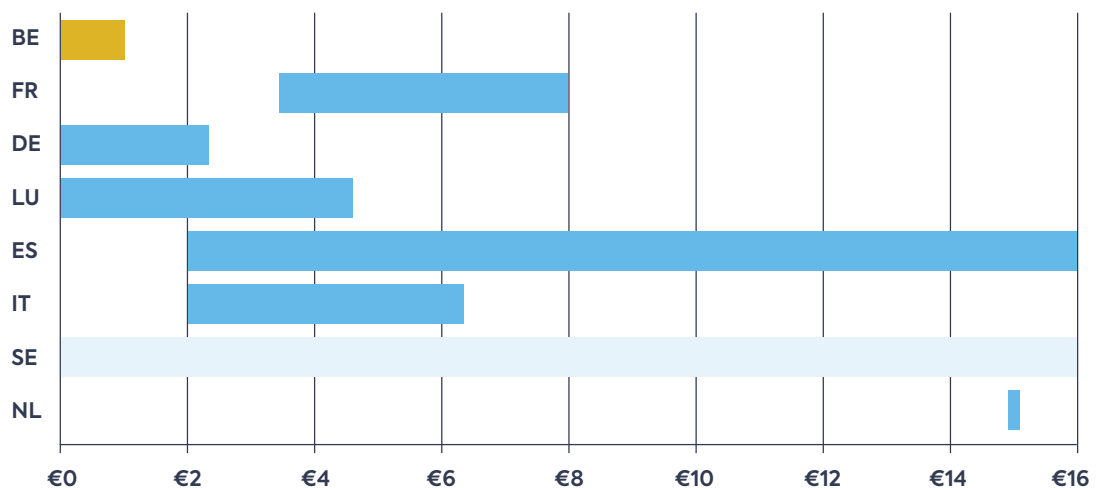


Source: KPMG

## Inexpensive over-the-counter banking

Belgium is also one of the most advantageous providers for over-the-counter transactions. While other countries (such as Spain) can charge as much as €16, the cost of over-the-counter transactions in Belgium continues to be very low. The chart below shows the fees applied in each country. For Belgium and Germany, the fees have been calculated in addition to what is already included in the packages for non-digital consumers (in Belgium, this is a minimum of 60 manual over-the-counter transactions each year).

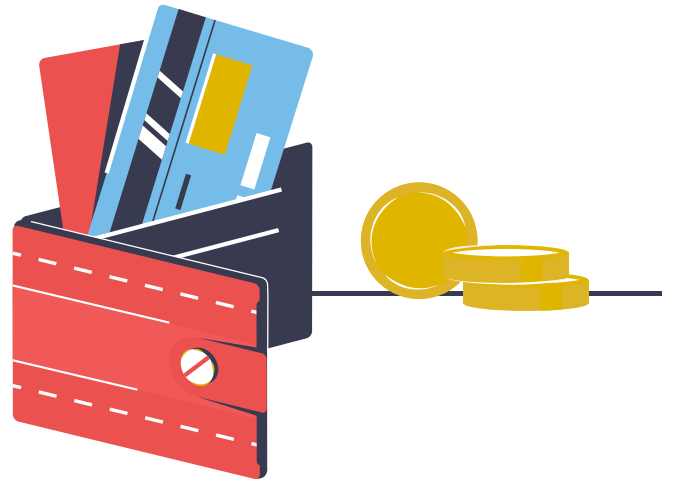
#### Fee range for various operations at the counter (2023)



Source: KPMG

This shows that the Belgian banking sector is committed to digital inclusion and particularly attentive to non-digital customers. A transparent and comprehensive range of services at affordable prices is offered to customers who are not yet fully on board the digital train.

## WHAT ABOUT RETAILER FEES?



The study collected various data on the cost of payment transactions for retailers (in Belgium and seven other European countries).

### Belgian retailers benefit from low fees

The study simulated costs for three retailer profiles: bakeries, boutiques (clothes shops) and local supermarkets. After a simulation of the monthly costs for these three retailer profiles, Belgium is clearly competitive and attractively priced in relation to the other countries surveyed. As the chart below shows, Belgium, along with the Netherlands, is one of the cheapest countries in Europe (lower quartile).

**Range of monthly fees for selected retailer profiles for accepting in-store debit card payments** (excluding terminal costs, etc. Only transaction costs have been considered)

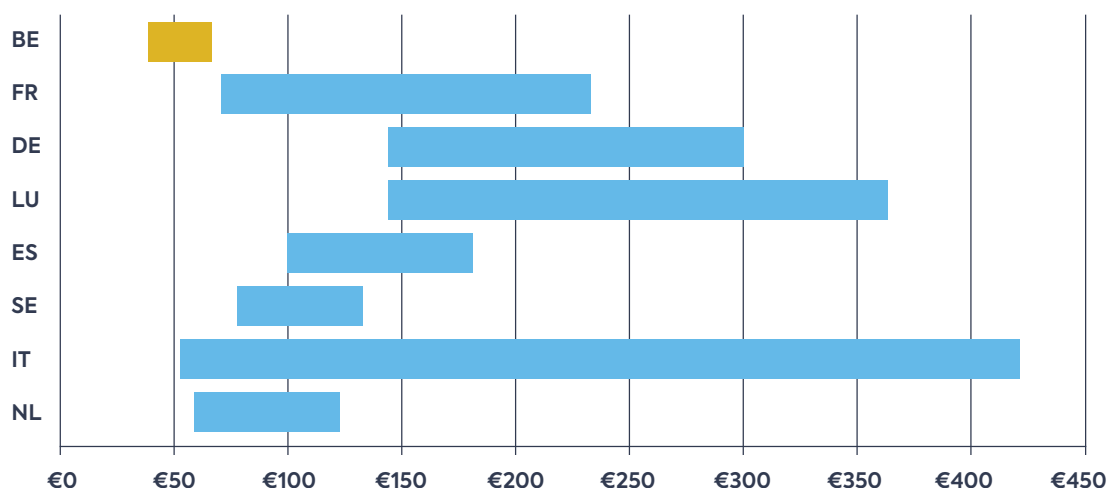


Source: KPMG



Belgian banks also offer favourable fees for additional services, such as business accounts for retailers. The chart below summarises the annual business account fees. This shows that Belgian banks offer competitive prices compared to the other countries surveyed. The annual cost in Belgium is between €40 and €60. This is exceptionally low compared to some countries where the cost can easily exceed €300. As the chart below shows, Belgium is also the cheapest provider of business bank accounts for small SMEs in Europe.

Annual fee range for a business account at the sampled banks



Source: KPMG

## BANKS IN BELGIUM: THE PRICE-QUALITY RATIO AT ITS BEST

Belgian banks stand out for offering consumers an excellent price-quality ratio, especially when compared to other banks in the selected European countries. In practice, this means a wide range of innovative services for Belgian consumers at modest fees, ranging from free options to highly competitive prices, resulting in an attractive and diverse range of services for both digital and non-digital customers. This underscores the Belgian financial sector's commitment to serve all consumers, regardless of their preference for digital or analogue banking.

Belgium also offers retailers particularly advantageous digital payment fees, with competitive monthly charges and transparent and favourable rates for business accounts.

**In sum, both customers and retailers are well-served in Belgium.**



Belgian Financial Sector Federation

[www.febelfin.be](http://www.febelfin.be)