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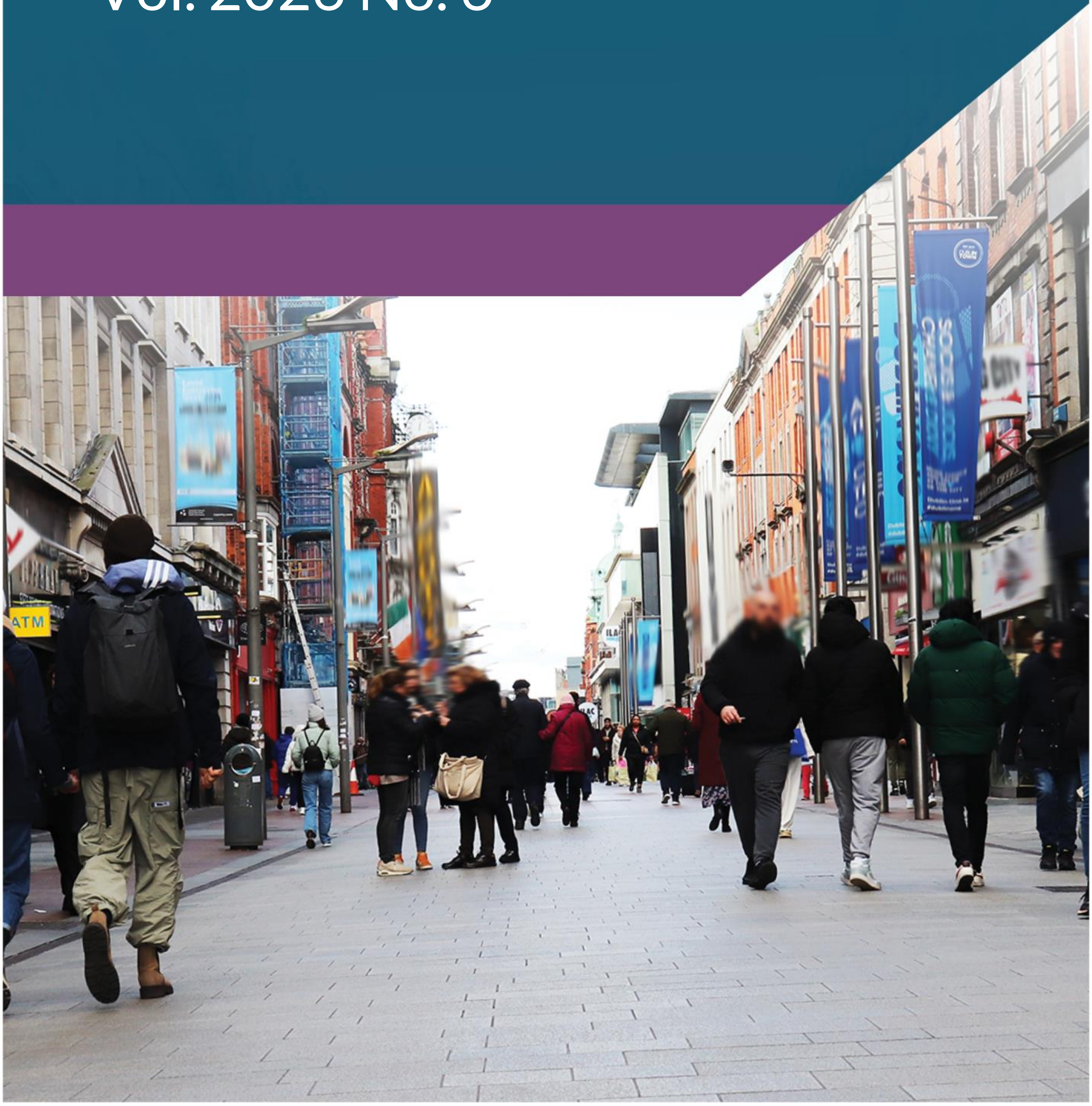

Contents

How Ireland Pays: Mapping the Payments Ecosystem

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Abstract

The global payments ecosystem is undergoing a major transformation, driven by technological advancement, evolving consumer preferences, and innovative new entrants. These dynamics are reshaping the traditional payments landscape, with specialised services and new market participants diversifying how money moves through the economy.

This Article examines Ireland's evolving payments ecosystem against this backdrop of global transformation, describing how consumers make payments and the roles of different actors, including traditional banks and credit unions, digital banks, and innovative non-bank payment providers. While the main domestic banks still process over 50% of payment volumes, their market share is declining as digital banks and specialised, non-bank 'fintechs' capture increasing flows. This is happening amid a wider backdrop of significant growth in cross-border payments, which means that international banks now account for the vast majority of payment transactions when measured by value.

Looking ahead, three structural shifts are identified in the Article which have the potential to reshape competitive dynamics and the payments landscape. These shifts, which are increasingly the subject of academic and policy discussion on the future of the financial system, merit particular attention from a central banking perspective. They are the continued unbundling of payment services from credit provision; the adoption of technology-enabled innovative services by Irish-domiciled payment firms; and the emergence of new payment instruments such as account-to-account (A2A) payments, stablecoins and the digital euro.

1. Introduction

The payments system plays a key role in facilitating the flow of money and underpinning economic activity. Modern payment systems enable secure and convenient financial

[1] Financial Operations Directorate. The Article is an output of the Central Bank's Payments Research Working Group (PRWG). The author would like to thank Ciara Doyle, Roisin Flaherty, Sangamithra Varadarajan and Anil Yadav for their contributions to the Article, and also to Alan Briscoe, Elaine Byrne, Lorcan Byrne, Eamon Clarke, Maria Elena Filippin, Dermot Finneran, Edward Gaffney, Tommy Hannafin, Niamh Hallissey, Richard Kelly, Yvonne Madden, Vasileios Madouros, Fergal McCann, Anne Marie McKiernan and Gillian Phelan for their helpful comments. The views expressed herein do not necessarily reflect the views of the Central Bank of Ireland or the Eurosystem.

transactions using electronic methods, such as mobile payments, contactless transactions, and digital wallets. New payment methods bring benefits like increased speed and convenience, reduced costs, improved data security, and accessibility to users.

The payments market is complex, with participants continuously developing new payment instruments and transaction methods. Consumer behaviour has shifted in response: between 2015 and 2025, non-cash transaction volumes in the EU rose by more than 200% as consumers shifted toward frequent, lower-value digital payments.[2] This trend is even more pronounced in Ireland where non-cash transaction volumes have increased by nearly fivefold over the same period. Yet, despite this rapid digitalisation, Irish consumers also express the second-strongest preference for cash availability across euro area countries, emphasising the continued importance of maintaining sufficient and effective access to the cash infrastructure, alongside digital payment systems.

As a small, open, and highly globalised economy with a significant international financial centre, Ireland has become home to a rapidly expanding payments and e-money industry. Alongside an established local banking system, Ireland hosts international banks as well as a growing number of innovative fintech firms that serve the broader European market. Understanding Ireland's payments landscape at this juncture offers valuable insights into the shared challenges central banks will likely navigate as the market continues to evolve.

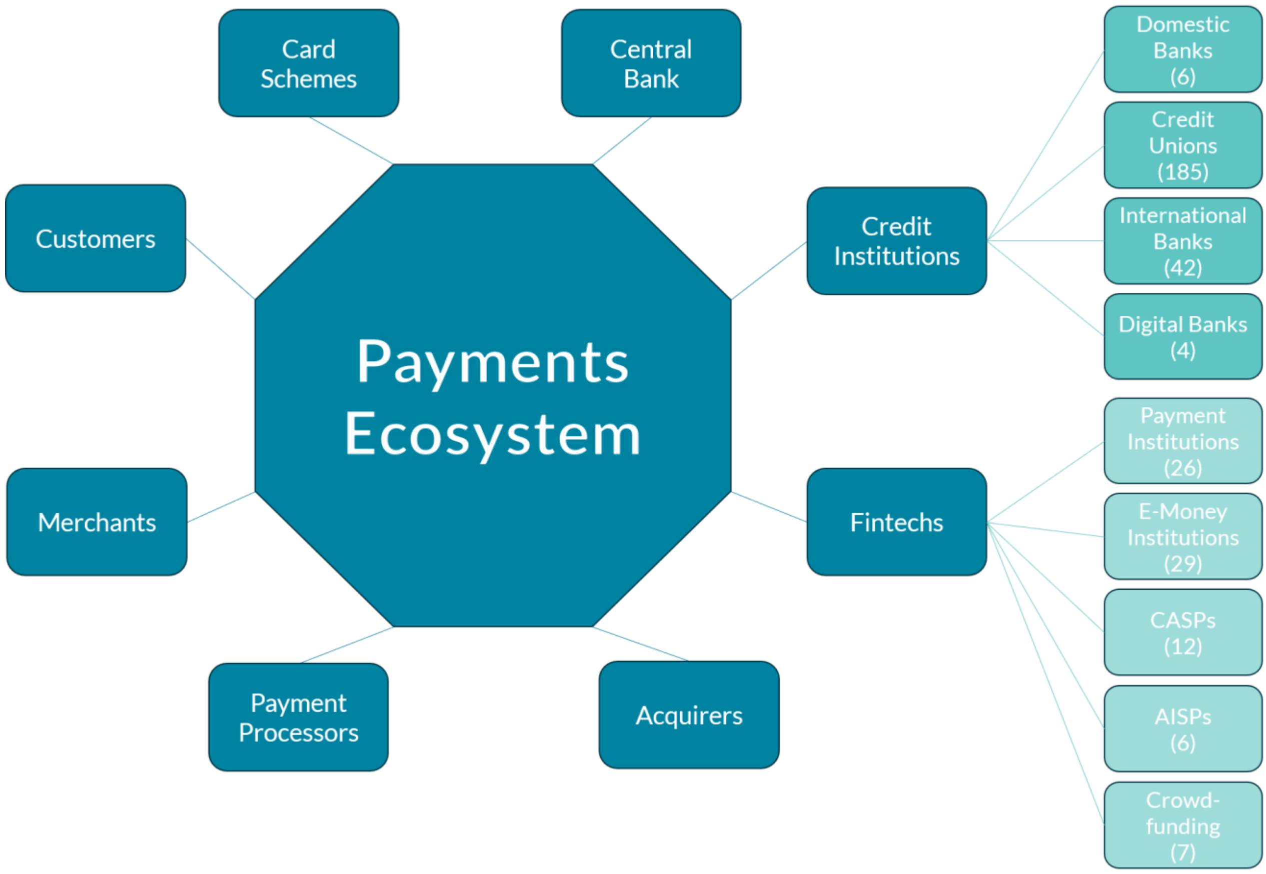
This Article provides an important baseline by mapping the ecosystem's structure and characterising the typology of entities within it. It starts by describing the Irish retail payments ecosystem, with headline statistics accompanied with a stylised depiction of the main participants (section 2). It then details the payment instruments which Irish consumers use on a day-to-day basis as they interact with this ecosystem (section 3), before outlining the different participants involved, such as domestic banks and credit unions, digital banks and non-bank payment providers or fintechs (section 4). Finally, it concludes with a look ahead to some key structural shifts which have the potential to shape the evolution of the payments ecosystem into the future (section 5).

2. The Irish Payments Ecosystem

The payments ecosystem comprises a network of participants – including customers, merchants, acquirers, issuers, and payment system operators (public and private). Figure 1 below shows a stylised depiction of the Irish Payments Ecosystem, including the current number of institutions within each category.[3] A more detailed depiction of the Irish fintech universe is included later in this Article (Figure 11).

[2] European Central Bank (2025): Payment statistics: first half of 2025
[3] As of 31 July 2026: The Central Bank specifies three primary domestic banking groups which are broken into six distinct legal entities to separate retail operations from mortgage-backed entities. Some fintechs are listed across more than one register. For up-to-date information on all institutions, please visit https://registers.centralkbank.ie/

Figure 1: Mapping the Irish Payments Ecosystem



Source: Central Bank of Ireland

To understand how these participants interact, it is helpful to examine each actor's role in detail. The core actors within the Payments Ecosystem are as follows:

Customers & Merchants: The endpoints of a transaction. Customers initiate the purchase, while merchants accept the payment in exchange for goods or services.

Card Schemes: Central networks (like Visa, Mastercard, or American Express) that set the rules, manage the infrastructure, and route transaction data between banks for card-based payments.

Payment Processors: A payment processor acts as a secure 'middleman' between a business and the banking institutions involved in a transaction. It handles the technical logistics of supporting the authorisation of credit cards, verifying of funds, and settling of money from the customer's bank into the merchant's account.

Acquirers: An acquirer also acts as the bridge between a business and the banking network, but has a deeper role in facilitating the authorisation and settlement of card transactions. Within the broader payments ecosystem, they assume the financial risk for the merchant while ensuring funds are successfully collected from the customer's bank. Traditionally, acquirers were exclusively commercial banks. However, the industry has fundamentally shifted due to changes in technology and regulation, with this service now also provided by global fintech and payment providers, many of which are present in Ireland.

Central Bank (Central Bank of Ireland and European Central Bank): The Central Bank has a multifaceted role in the payments system: it acts as an issuer of money (cash and reserves); a payment systems operator; an overseer (of systemic systems and payments instruments); an authoriser and supervisor of regulated financial services firms; and a catalyst to ensure that the ecosystem co-ordinates towards better public policy outcomes. The Central Bank is also preparing for the potential issuance of a digital euro.

Credit Institutions: These institutions (which includes domestic and international Banks, credit unions and digital banks) fulfil a variety of roles, including holding customer deposits, enabling A2A payments and also the issuance of cards directly to consumers.

Non-bank fintechs: Fintechs (or financial technology companies) are a diverse range of non-banking entities which deliver financial services and products to consumers. Their categories include payment and e-Money Institutions, CASPs (Crypto-Asset Service Providers), AISPs (Account Information Service Providers), PISPs (Payment Initiation Service Providers), BNPL (Buy Now, Pay Later) firms and Crowdfunding Platforms.

The composition of this ecosystem has shifted radically in Ireland over the past decade. While the number of credit institutions has declined over the past decade, the number of licensed Payment Institutions and Electronic Money Institutions (PIEMI) firms and AISPs in Ireland has risen sharply, from just over 10 in 2015 to nearly 60 in 2025 (Figure 2).[4]

One driver of the rise in PIEMI authorisations in Ireland was Brexit. From 1 January 2021, UK firms lost their right to passport across the EU (i.e. provide services in EU Member States on a Freedom of Establishment and Freedom of Services basis). This provided the impetus for a number of firms to establish a presence in Ireland in the preceding years.

Another key driver of this increase was the introduction of the EU's Payment Services Directive 2.[5] This created a regulatory framework enabling open banking services. As a result, banks now must provide secure access to customer account information and payment initiation services, which has created a market for PIEMIs to offer a variety of associated payment and data services.

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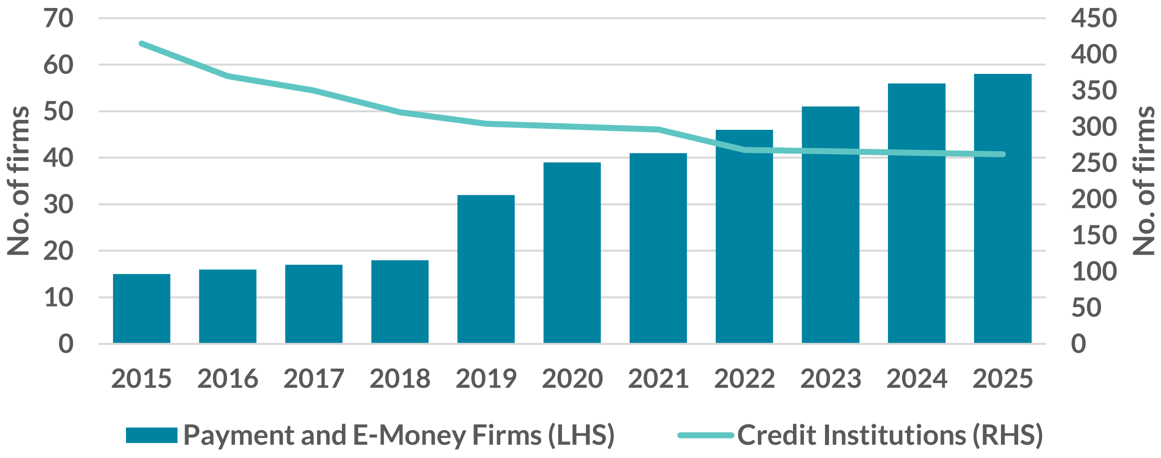
[4] Along with the continuing consolidation of the credit union sector, the most noteworthy development regarding payments were the exits of Ulster Bank and KBC Bank from the Irish market which were announced in 2021 and completed over subsequent years. These exits further concentrated domestic retail banking and payment services within the three domestic retail banks of AIB, Bank of Ireland and PTSB. The most recent Regulatory and Supervisory Outlook highlights that several digital-only credit institutions have been established recently which may once again shift the composition of the domestic payments ecosystem.

[5] To legally offer payment services within the European Union (EU) and the European Economic Area (EEA), firms must be authorised under the Revised Payment Services Directive (PSD2) by a National Competent Authority (NCA).

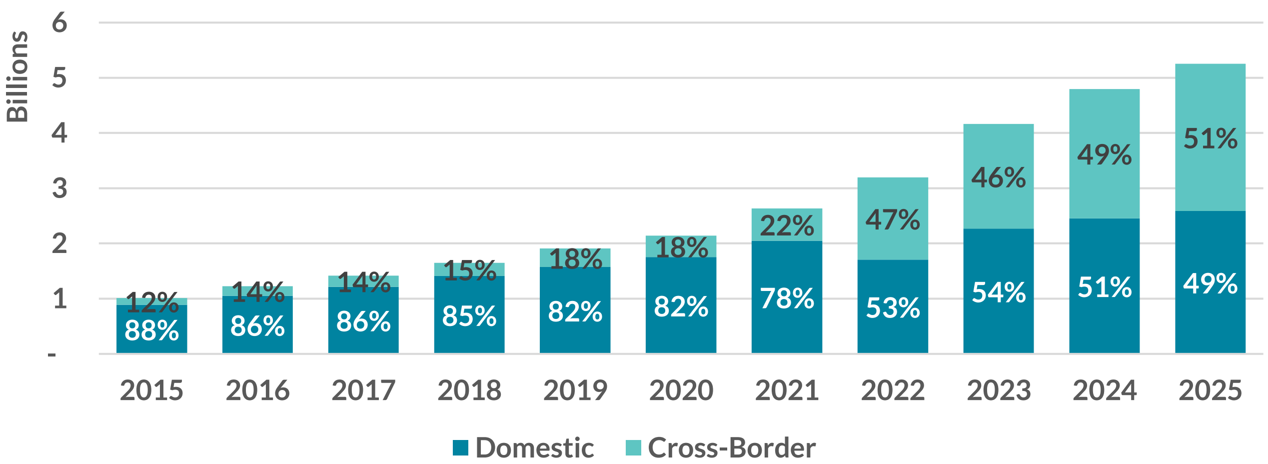
Figure 2: Number of Credit Institutions, Payment and E-money firms authorised by the Central Bank of Ireland



Source: Central Bank of Ireland

Innovative PIEMIs are not domiciling in Ireland to only serve Irish customers. Rather, their entry reflects the large number of businesses looking to serve the broader European market. The growing internationalisation of the Irish-domiciled payments system is also borne out in aggregate data on payments transactions. The volume of total payment transactions sent from Irish-domiciled institutions has risen fivefold, from 1.0bn to 5.3bn, between 2015-2025 (Figure 3).[6] The share of these transactions which are sent outside Ireland has risen from 11% to 51% over the same period.[7]

Figure 3: Total volume(bn) of payments sent by Irish-domiciled institutions 2015-2025

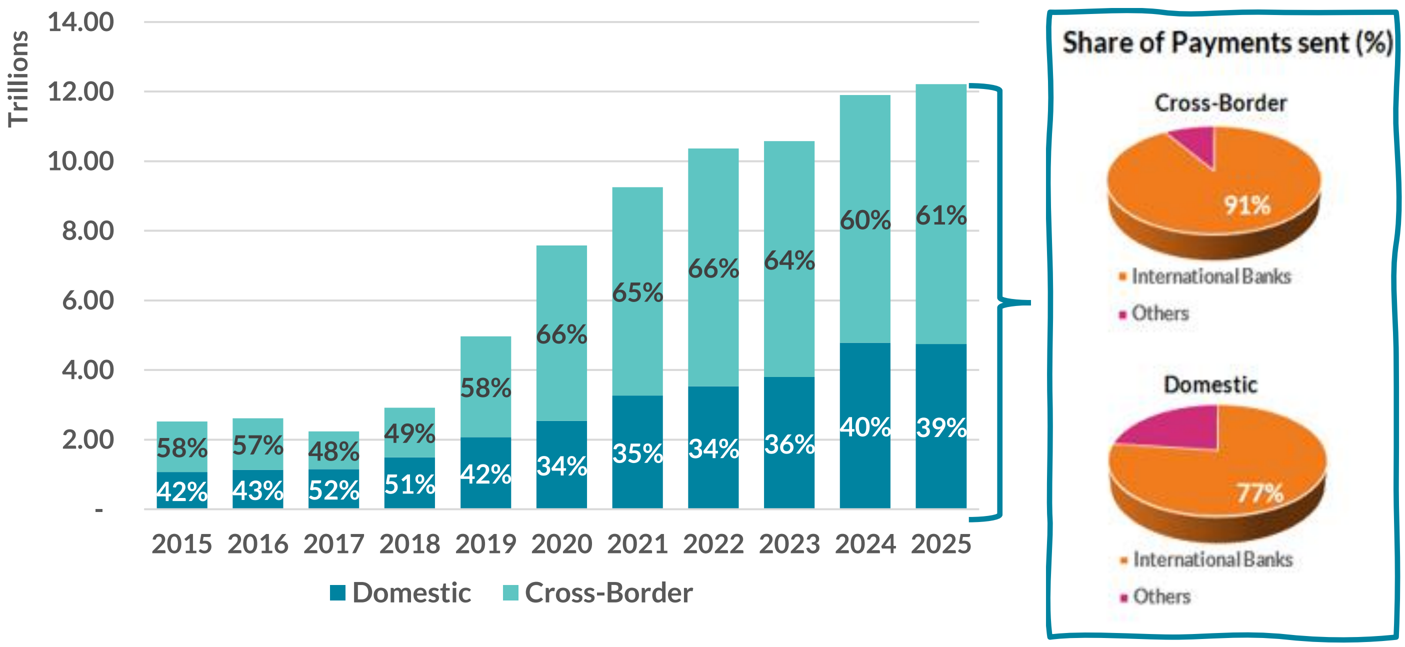


Source: Central Bank of Ireland

[6] The Central Bank Payment Statistics only includes payments that involve a non-monetary financial institution (non-MFI) as either the sender or recipient.
[7] Domestic and cross-border transactions are categorised using the ECB's methodology. This differs from the card-payment methodology used in some other CBI publications, which may result in a different geographic breakdown of sent payments.

When measured in value terms, the dominant share of payment transactions is cross-border, with around 61% of the €12.2tn of payment transactions sent outside Ireland (Figure 4). The vast majority (91%) of these cross-border payments are attributable to large international banking entities, involved primarily in serving institutional, corporate and investment banking rather than domestic retail consumers (Figure 4 inset). Even within those payments which are made domestically (i.e sent to an Irish non-MFI), a very significant proportion of payments (77% in value terms) are sent by these large international entities.

Figure 4: Total value (€trn) of payments sent by Irish-domiciled institutions 2015-2025 (with % share of payments sent in 2025)



Source: Central Bank of Ireland

The primary focus of this Article is on the remaining entities which comprise the domestic Irish payments ecosystem (excluding these large international banks), as they interact to a greater extent with the domestic economy. The next section looks at the payment instruments which underpin these mostly retail transactions, representing the way in which consumers and businesses interact with the payments ecosystem[8].

3. Payment Instruments

A variety of payment instruments facilitate retail payment transactions in the economy, including cash, cards, credit transfer, direct debits, and other emerging digital solutions, often initiated through digital or mobile form factors such as mobile wallets, contactless, or chip and pin. As the Irish financial landscape continues to undergo a digital

[8] Retail payments refer to transactions between consumers, businesses, and public authorities, including everyday consumer transactions, salary payments, and tax payments by businesses -

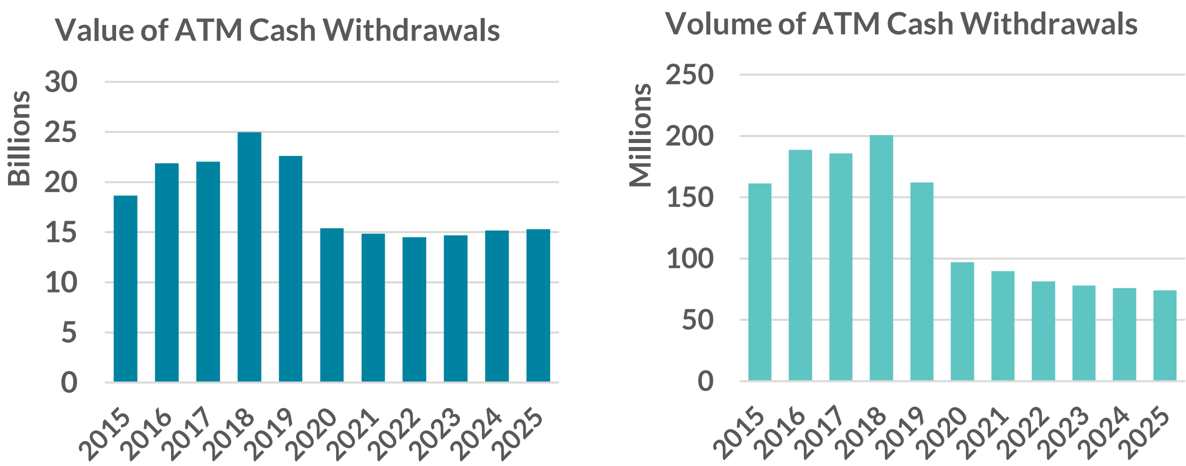
transformation, consumers have shifted their banking and payment habits away from traditional cash and branch-led banking. This has led to continued growth in card payments, which underpin the majority of point-of-sale (POS) and e-commerce transactions.

Payment statistics data provides valuable insights into how Irish consumers' payment behaviour has shifted over recent years, while domestic and European survey data can shed further light on consumer attitudes and behaviours in this space. The Central Bank publishes a range of payments statistics data on a regular basis, including monthly card payment statistics and quarterly broader payment statistics. The following section outlines some of the key payment instruments which make up the Irish ecosystem, starting with cash.

The enduring role of cash in the payments ecosystem

Euro banknotes and coins are legal tender in the euro area and play a vital role in ensuring financial inclusion and preserving citizens' freedom to choose their preferred payment method. The issuance of cash is a core responsibility of the Eurosystem. Whilst cash usage in Ireland has declined over the past decade, in line with trends observed across Europe, it maintains an important place in the payments ecosystem. The COVID-19 pandemic accelerated this shift, with both the value and volume of ATM cash withdrawals declining in Ireland. Since then, values have stabilised, though withdrawal volumes continue to decline gradually (Figure 5).

Figure 5: Value (€bn, LHS) and volume (mn, RHS) of ATM Cash Withdrawals in Ireland 2015-2025



Source: Central Bank of Ireland

The ECB conducts a biennial study on the payment attitudes of consumers in the euro area (SPACE). The most recent data (for 2024) shows that cash usage throughout the Eurosystem, while declining in frequency, remains important in retail payments. It shows that the average cash transaction value in the euro area is €13.50, with consumers carrying an average of €59 in their wallets and withdrawing nearly €195 on average per ATM transaction. This would suggest that cash is still primarily used for small, everyday transactions, yet it is also held as a precautionary reserve. In Ireland, the average cash transaction value is slightly higher at €16.31, with consumers carrying a higher average of €68 in their wallets but withdrawing a lesser amount (€153.18) on average per ATM transaction.[9] 29% of Irish respondents reported cash as their preferred payment instrument at the point-of-sale, the second highest across all member countries.

In light of the important role that cash plays, European and domestic policy initiatives are seeking to ensure cash remains available, accessible and accepted as a means of payment and a store of value while also being available as a continuity plan in the event that electronic payments options become unavailable. At a national level, the Finance (Provision of Access to Cash Infrastructure) Act 2025, grants new powers to the Central Bank and provides for the continued provision of sufficient and effective access to cash infrastructure for individuals and small-medium enterprises (SMEs) in Ireland. The Central Bank's new role under this legislation includes monitoring the compliance by designated entities with the access to cash criteria set by the Minister of Finance and to notify designated entities if any region falls below the defined thresholds of access to cash.

Looking at the Central Bank's most recent report on Access to Cash, there were 3,974 ATMs and 1,218 Cash Service Points (CSPs) in Ireland at the end of Q1 2026 (Figure 6).[10] The concentration of Cash Infrastructure Points (CIPs), which combines both CSPs and ATMs, is highest in counties with large urban centres, reflecting both higher population densities and economic activity. However, when adjusted for population size and withdrawal levels by county, more rural counties are also well served in terms of the number of ATMs and withdrawals per 100,000 citizens.[11]

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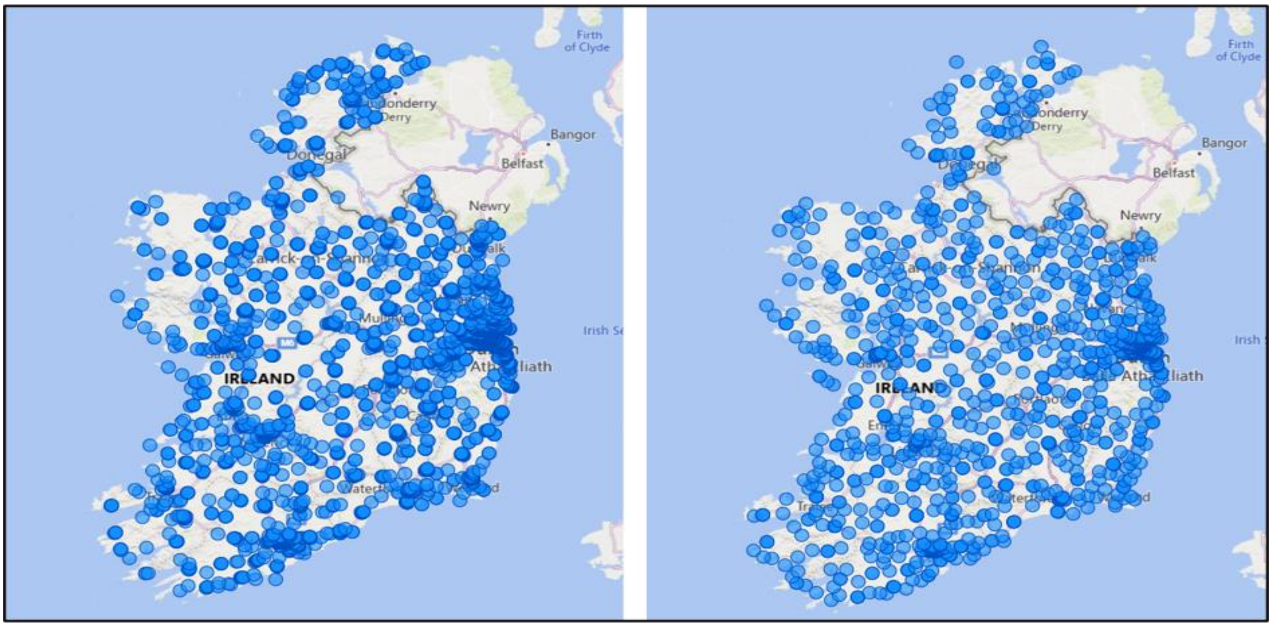
[9] Bruggink, D. (2026) A tale of transactions: An analysis of retail payments in the euro area March 2026, Journal of Payments Strategy & Systems, March 2026, 20(1):102
[10] A cash service point (CSP) is defined as "…a location where cash (banknotes and coins) may be deposited and withdrawn by individuals and SMEs and where in-person assistance is available."
[11] An updated map of CSPs is available here and is updated on a quarterly basis.

Figure 6: ATM network (left) and CSP network (right) (Q1 2026)



Source: Central Bank of Ireland

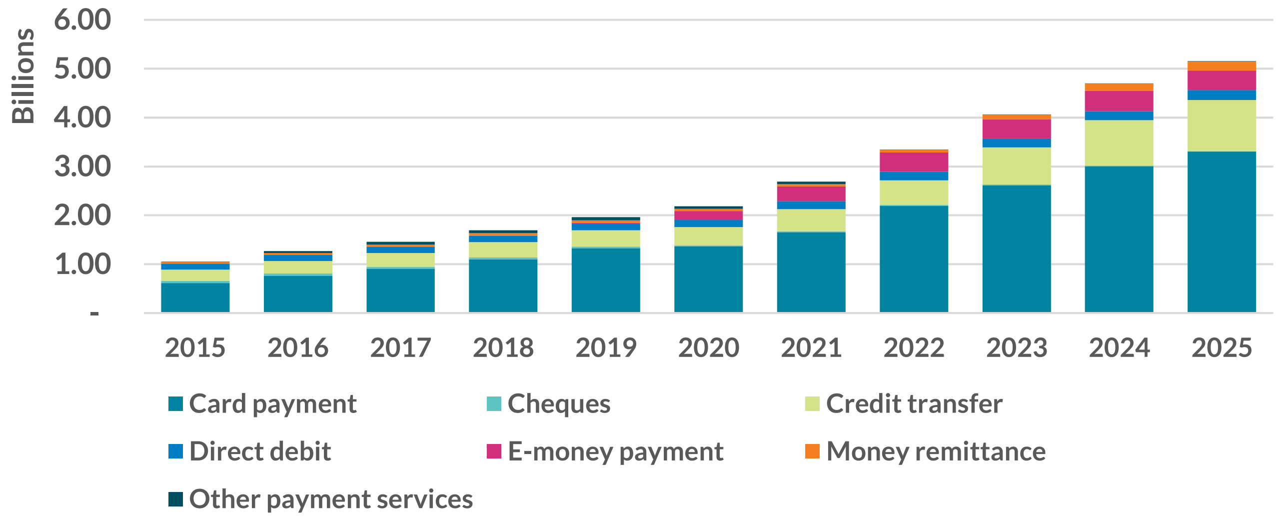
Ireland's national legislation and the National Payments Strategy (NPS) align with the ECB cash strategy, which commits to cash as a choice of payment method. The European Commission (EC) is also committed to cash and the proposed Regulation on the Legal Tender of Euro Banknotes and Coins looks to safeguard euro cash as a means of payment for citizens. To achieve this, the proposal will clarify the meaning of the term 'legal tender' and will define rules for the mandatory acceptance of cash and possible limited exceptions to it. There is a strong commitment from the Central Bank and the ECB to ensure that cash remains a payment of choice for the public. The ECB have publicly reiterated this commitment and the important role that cash plays in society and within the payments system, stating that "Cash is here to stay".[12]

The shift towards digital payments

Over the past decade, there has been a very rapid increase in digital payments (Figure 7). Card payments account for the majority of non-cash payments sent by volume via Irish-domiciled institutions, with 3.3 billion payments (or 63%) sent by that method during 2025, with this share relatively stable over the past decade. Credit transfers account for 20% of payments sent, down from 22% in 2015. This form of payment still dominates, however, when measured by value, with around 95% of payments by value due to high-value corporate payments.[13]

[12] https://www.ecb.europa.eu/press/blog/de-moneyate/2025/html/ecb.blog20250804
[13] Euro area payments statistics show that card payments accounted for 57% of total number of non-cash payments in first half of 2025, credit transfers for 22%, direct debits for 14% and e-money payments for 6%.

Figure 7: Total volume of non-cash payment transactions sent by payment method 2015-2025



Source: Central Bank of Ireland

SPACE data also provides interesting insights on the digital penetration in daily consumption habits across countries. In Ireland, 27% of day-to-day payments (by volume), and 42% (by value), were reported to be made online in 2024, higher than euro area averages of 21% and 36%, respectively. There is also a high penetration of mobile payments in Ireland, with 23% of respondents stating this is their preferred cashless payment method at POS, the third highest across all member countries.

The share of POS card payments made via a contactless method has risen from 47% to 63% since 2022, while the share of these contactless payments which are paid via mobile wallet has doubled over the same period to 71%. These trends illustrate the substantial evolution in payment preferences occurring over a relatively short timeframe, driven by the increasing convenience and adoption of these new technologies. The shift toward mobile payments represents not merely a different payment method, but a fundamental transformation in how consumers interact with payment systems, with implications for data privacy, security standards, and digital financial inclusion.[14]

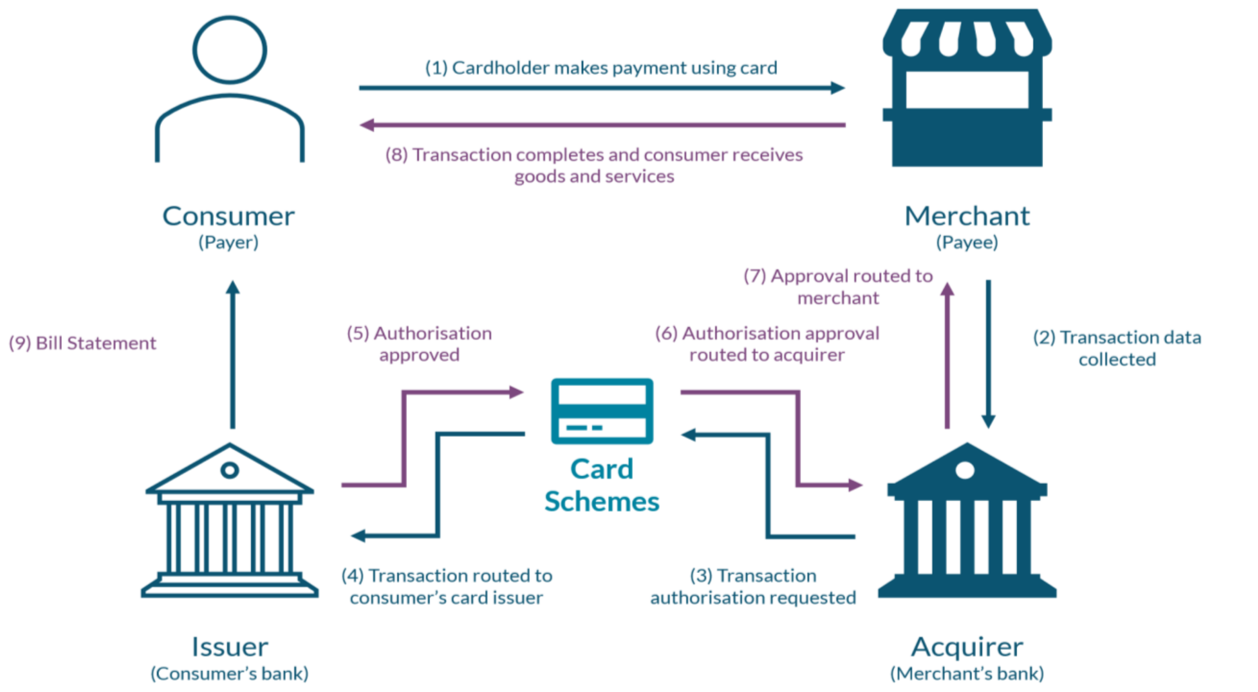
The ‘typical’ (digital) retail payment flow

Understanding the underlying transaction flows is crucial to grasp the intricacies of the payments ecosystem, including how costs are accrued. A four-corner model, also known as a four-party scheme, is commonly used in many digital payment transactions – such as card payments, credit transfers and direct debits. Some Payment Service Providers (PSPs) may follow a three-party scheme. In such a scheme, the same entity acts as both the issuer and acquirer. By describing the four-corners, the flow of payments through entities and

[14] Additional data on the changing payment patterns in Ireland is available in Gorše, P. (2026)

systems can be understood. An overview of the four-corner model for a debit card transaction is outlined in Figure 8.

Figure 8: Four-corner model (a.k.a. Four-party scheme) for a debit card transaction



Source: Central Bank of Ireland

A card transaction that follows the four-corner model involves the following key participants: [15]

- Consumer (payer/buyer or cardholder)
- Issuer (the PSP that issues the card to the payer)
- Merchant (payee or beneficiary)
- Acquirer (PSP that enables the payee/seller to receive payment)
- Card scheme (governs the four-party scheme).

The four-corner model provides a framework for processing digital transactions across multiple actors. Given that all four parties in the model are private enterprises, the provision of payment services introduces various fees (such as interchange fees between banks for card-based payments or scheme fees charged by card networks like Visa and Mastercard) that impact the overall cost of a payment transaction. [16] Consumers' PSPs

[15] Other digital payment instruments such as SEPA credit transfer, SEPA direct debit, P2P Instant payments or mobile wallets follow, in general, the same four-corner model for executing a payment transaction.
[16] Consumers in Ireland typically do not pay high direct transaction fees. However, they are affected indirectly by the pass-through of payment related fees incurred by retailers, which are reflected in the prices of goods and services.

(including banks), and payment system operators (public and private), all bear specific costs associated with processing transactions, whether through infrastructure, compliance, service, or transaction fees. Having examined how Irish consumers pay, the following section describes the institutions that enable these transactions.

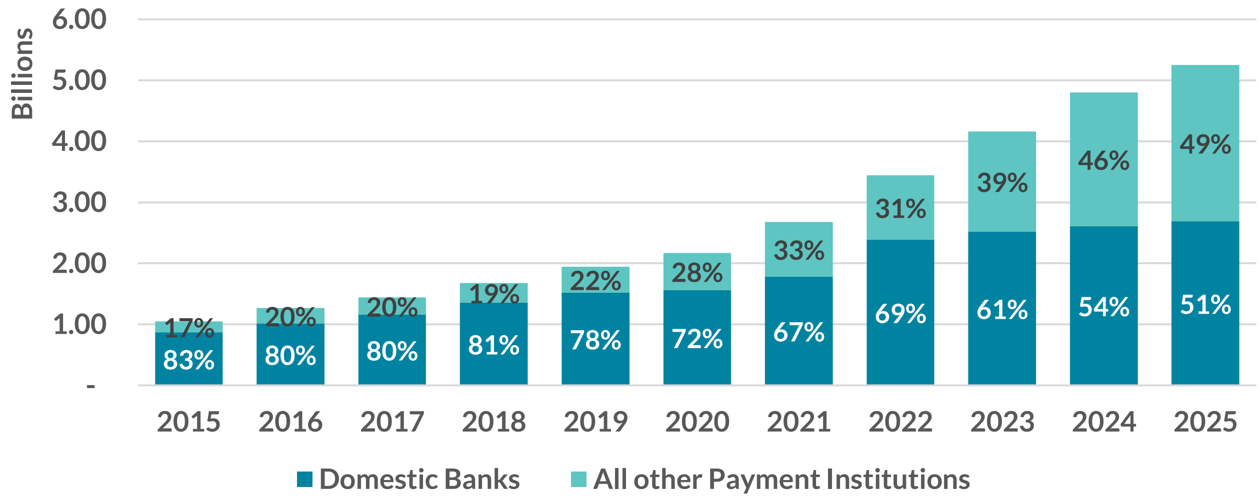
4. Participants in the payments ecosystem

The role of domestic banks and credit unions

The dual structure of the Irish payments ecosystem, where international entities dominate by value, but domestic banks still process the majority of payments by volume, should be borne in mind when interpreting aggregate payment statistics. More than half of all payments by volume (both domestically and cross-border) are sent via the three domestic banking groups, showing their importance in handling lower-value payments. The overall volume of payments sent by these banks has continued to grow in recent years, but their market share has declined notably, falling from 83% to 51% (Figure 9). When looking at payments sent within Ireland only, that share has also fallen and is now at 56% (as of end-2025).

This declining share reflects two key factors, with lower value payments seeing increased competition domestically, particularly from newer digital banks, while for larger value and cross-border transactions, the influx of large international banks post-Brexit has had a major impact.[17]

Figure 9: Volume of payments transactions sent 2015-2025 (with domestic bank %)

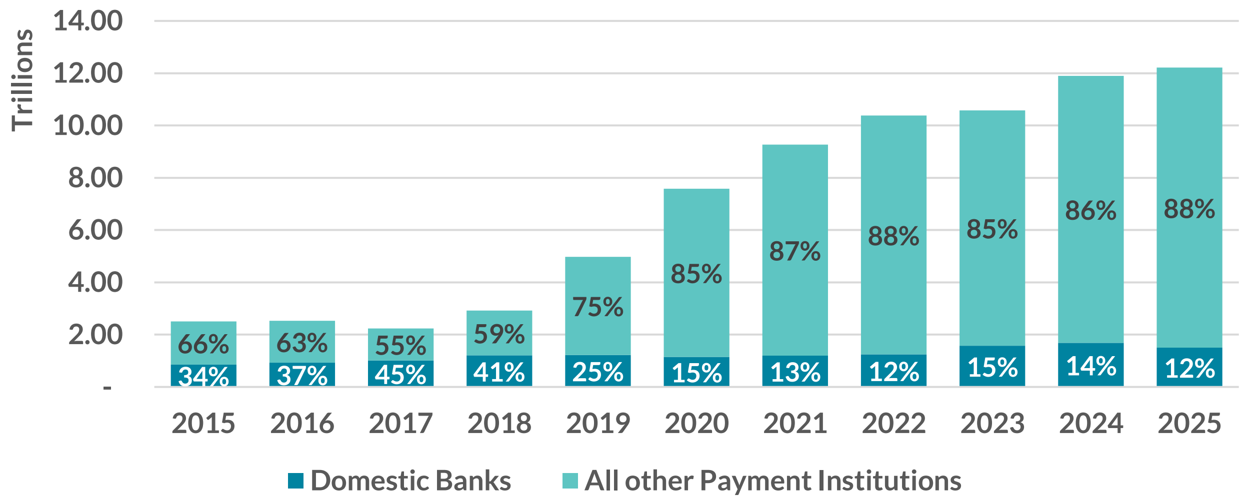


Source: Central Bank of Ireland

[17] The EU banking sector is also experiencing deepening financial integration, evidenced by a rising trend in cross-border retail banking and consumers actively utilising pan-European financial services.

In value terms, the decline in the share of payments sent by the domestic banks has also been sharp, declining from 34% of all payments in 2015 to 12% in 2025 (Figure 10). This is reflective of the important role international banks play in the ecosystem. The data suggests there was a substantial increase in the value of payments sent by institutions other than the three domestic banks in the lead-up to and immediately following Brexit as new institutions entered the ecosystem, with many of their transactions being conducted cross-border (as they replicated their previous business model while now being domiciled in Ireland).[18] This value share has since levelled off to some extent, even as overall volumes have continued to grow.

Figure 10: Value of payments transactions sent 2015-2025 (with domestic bank %)



Source: Central Bank of Ireland

One aspect which has not impacted directly on the domestic banks' share of payment transactions over recent years but is noteworthy in the overall context of the ecosystem is the unbundling of payment services.[19] Merchant acquiring (which enables businesses to accept card payments by processing transactions and linking to card networks) was at one point provided exclusively by banks, while there are now specialised payments firms which provide this service. As a result, many banks (including the domestic banks) have divested the operational side of their merchant services over recent years.

The rise of digital banks has also challenged the payments market share of the domestic banking sector in recent years. This sector is explored later in this article. This has sparked innovation within the traditional banking sector, most notably the introduction of Zippay in 2026. This service allows customers to instantly send, request, or split payments with

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[18] As outlined in Figure 3

[19] https://www.centralbank.ie/news/article/the-evolving-payment-landscape-in-ireland---remarks-by-vasileios-madouros--deputy-governor--monetary-and-financial-stability

others, using their mobile phone number. Zippay was launched as a joint initiative by AIB, Bank of Ireland and PTSB, and operates within their existing banking apps.

Credit unions play a significant role in Ireland's financial system, holding approximately €23.3bn in assets and €19.4bn in savings, representing around 10% of total household savings in Ireland.[20] They are the dominant lender for personal loan products, accounting for approximately 60% of this market. [21,22] Yet despite this presence in savings and lending, credit unions account for less than 0.5% of total payment value and volume in Ireland.

The results from a 2021 survey of credit unions provide some context to these figures. 71% of credit union members were unaware of the online and digital services offered by their credit union, and while 81% had held a credit union account at some point, only 7% used it as their main financial institution. This survey suggested that most members maintained credit union accounts for specific purposes (typically savings or loans) while relying on traditional or digital banks for day-to-day payment needs.

Some recent developments, however, suggest that credit unions are developing their payment offerings. Launched in 2019, Payac is a member owned organisation which operates as a shared services facility, pooling the resources of individual credit unions to develop, implement, and support day-to-day current accounts and payment processing systems. Payac's shared network now manages over 150,000 active current accounts and 125,000 active cardholders across approximately 80 credit unions. These figures, while representing a relatively small percentage of Ireland's overall financial system, have been increasing in recent years, which suggests credit unions may play a larger role in the payments ecosystem going forward.

The rise of digital banks

The emergence of digital banks (credit institutions operating entirely online or via mobile applications) and the broader digitisation of banking considerably reduces the barriers to entry for new entrants into the market. Revolut has a large presence in the Irish market with over 3.4 million customers in Ireland. Other digital banks such as Bunq, N26 and Monzo are also active and growing in the Irish market, with the latter holding an Irish banking license. [23]

Digital banks benefit consumers by leveraging the savings made by minimising physical overheads to deliver low fee or free-fee accounts, often in multi-currencies, and mobile

[20] https://www.centralbank.ie/statistics/data-and-analysis/financial-accounts
[21] https://www.centralbank.ie/docs/default-source/publications/financial-stability-notes/overview-of-non-mortgage-consumer-credit-market-in-ireland.pdf?sfvrsn=5a19631a_10
[22] https://www.centralbank.ie/statistics/frontierstatistics/total-domestic-credit
[23] The other entities are regulated by the Central Bank of Ireland for conduct of business rules.

onboarding. Digital banks remain closely linked to the traditional banking sector, by utilising Open Banking APIs to allow users to securely link external accounts from their existing bank accounts with their platform. This allows for frictionless funding and defunding between the two banking types.

Continued expansion of digital banks could influence banking sector funding and lending dynamics. While retail deposits in Irish banks have continued to grow in recent years alongside the increased presence of digital banks, further growth in digital banks could potentially erode the stable deposit base of domestic, traditional banks, and increase funding costs for these banks. [24] This may be offset by the reduction in funding costs (and by extension increased lending) by digital banks into the economy. Separately, the prevalence of cross-border depositors in digital banks raises the risk of rapid outflows from these banks during periods of stress, amplifying the potential for cross-border spillovers. [25] Policymakers and regulators must therefore recognise both the benefits of increased competition and innovation and the potential implications for financial stability in a rapidly evolving digital banking environment.

Non-bank fintechs bringing further innovation

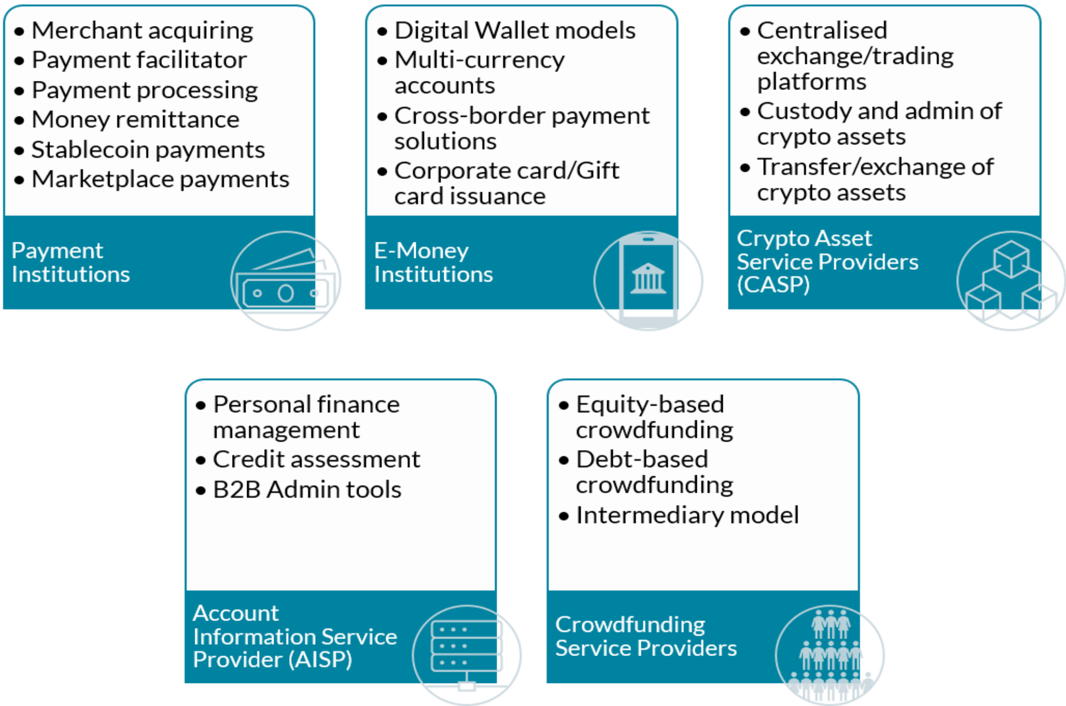
Many non-bank fintech firms in Ireland focus on improving access to payment systems and offering innovative banking solutions. [26] They provide services such as contactless and mobile payment technologies; cross-border payment solutions; and application programming interfaces (APIs) for payment integration.[27]

The number of licensed PIEMI and AISP firms in Ireland has risen from just over 10 in 2015 to nearly 60 at the end of 2025. [28] More than 20 other firms that can be broadly categorised as fintechs are registered under categories including Crowdfunding Service Providers and Crypto Asset Service Providers (CASPs).[29] Within these categories, these firms provide a varied range of payment services, including e-money, e-commerce, money remittance and cross-border payments. A stylised depiction of the range of services provided within the Irish fintech universe is outlined in Figure 11.[30] The Central Bank's

[24] European Central Bank. (2025, May). Financial Stability Review.
[25] European Central Bank. (2023, November). Financial Stability Review.
[26] If a fintech secures a banking licence, it becomes a credit institution such as a digital bank.
[27] An API, or application programming interface, is a set of rules or protocols that enables applications to communicate with each other to exchange data, features and functionality.
[28] Under the upcoming Payment Services Directive 3 (PSD3) and the Payment Services Regulation (PSR), E-Money Institutions (EMIs) will effectively be merged into a single regulatory regime for Payment Institutions (PIs).
[29] As of 30 December 2024, CASPs are directly supervised by the Bank, replacing the older registration process for Virtual Asset Service Providers (VASPs).
[30] Some of the services listed are offered by firms in more than one category. There are currently no Payment Initiation Service Provider (PISPs) or Buy Now, Pay Later (BNPL) firms directly supervised by the Central Bank of Ireland (but a number of firms operate on a Freedom of Services basis and are regulated for conduct of business rules).

Financial Service Provider Registers contains information on each of these PIEMIs, along with other registers of regulated entities, and also other types of financial service providers which require disclosure but are not directly supervised by the Central Bank.[31]

Figure 11: Stylised depiction of Irish fintech universe



Source: Central Bank of Ireland

As outlined earlier, in recent years, the number of authorised e-money and payment institutions in Ireland has grown substantially. Large international fintechs are increasingly based in Ireland, allowing them to offer services across the EU27. While Ireland has become a prominent hub for fintechs, many of these firms do not compete for everyday "top-of-wallet" spending.[32] Instead, they often occupy specialised niches within the ecosystem, which fall outside typical everyday payments.

Beyond the fintechs that the Central Bank directly authorises or regulates, the Central Bank also operates the Innovation Hub and the Innovation Sandbox as two complementary pathways for fintechs to engage with regulators. The Innovation Hub serves as a permanent, year-round point of contact for startups, scale-ups, and established firms, to help these firms navigate regulatory landscapes and engage on licensing requirements and supervisory expectations. Launched more recently, the Innovation Sandbox Programme is a structured, six-month cohort-based initiative

[31] Some firms can avail of exclusions as per PSD2 if the Bank is satisfied that the firm qualifies for such an exclusion. More information can be found here
[32] "Top-of-wallet" spending refers to the specific payment card or default digital wallet that a consumer reaches for first.

focused on specific public policy goals, with the most recent Sandbox Programme focused on "innovation in payments".

5. Looking Ahead

The digital economy is driving a fundamental shift in payment infrastructure. Innovative fintechs are now integrating Distributed Ledger Technology (DLT) to enable faster cross-border settlements. Recently, AIB and Bank of Ireland have joined a European banking consortium to develop and launch a fully regulated, euro-backed stablecoin called Qivalis which is planned for launch in the second half of 2026.

Simultaneously, the Eurosystem is advancing DLT integration through a dual track strategy to maintain central bank money as the secure settlement asset in tokenised markets.[33] Alongside these wholesale initiatives, development continues on the digital euro as a foundational retail layer, providing a unified "public rail" to ensure accessibility for day-to-day transactions.[34] This approach aims to help European payment providers scale solutions, fostering a more competitive and integrated digital economy.

This Article has examined Ireland's payments ecosystem at a moment of transformation. The findings reveal an ecosystem in transition. While traditional domestic banks continue to process the majority of transactions, their market share has declined as digital banks and specialised fintechs capture increasing portions of payment flows. Large international entities dominate market share by value, reflecting Ireland's role as a European financial hub, while there are an increasing number of innovative firms setting up or expanding their operations within the jurisdiction.

Looking ahead, three structural shifts merit particular attention from a central banking perspective. First, the unbundling of payment services from credit provision is creating new channels for financial intermediation outside the traditional banking system. While this may enhance competition and efficiency, it also raises questions about how liquidity flows through the financial system during periods of stress.

Second, the increasing adoption of technology enabled innovative services by Irish-domiciled payment firms has the potential to alter the payments infrastructure. Near-instantaneous settlement, programmable payments, and reduced reliance on correspondent banking each offer clear benefits. However, these technologies also introduce new operational, security, and financial stability risks that require careful monitoring and, where appropriate, central bank and regulatory adaptation.

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[33] https://www.ecb.europa.eu/press/pr/date/2025/html/ecb.pr250701~f4a98dd9dc.en.html
[34] The digital euro will act as a digital equivalent to physical cash, allowing citizens and businesses to make secure, universally accepted, and low-cost payments across the entire euro area and is intended to complement cash.

Third, new payment instruments such as account-to-account (A2A) payments, stablecoins and the digital euro have the potential to reshape competitive dynamics. For Ireland, with its high digital adoption rates and concentration of innovative payment firms, instruments such as these may penetrate more rapidly and with greater impact than in many other European jurisdictions.

The Central Bank will continue to evaluate these developments closely, so that innovation is harnessed to benefit consumers and the economy while maintaining financial stability and robust consumer protection.

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