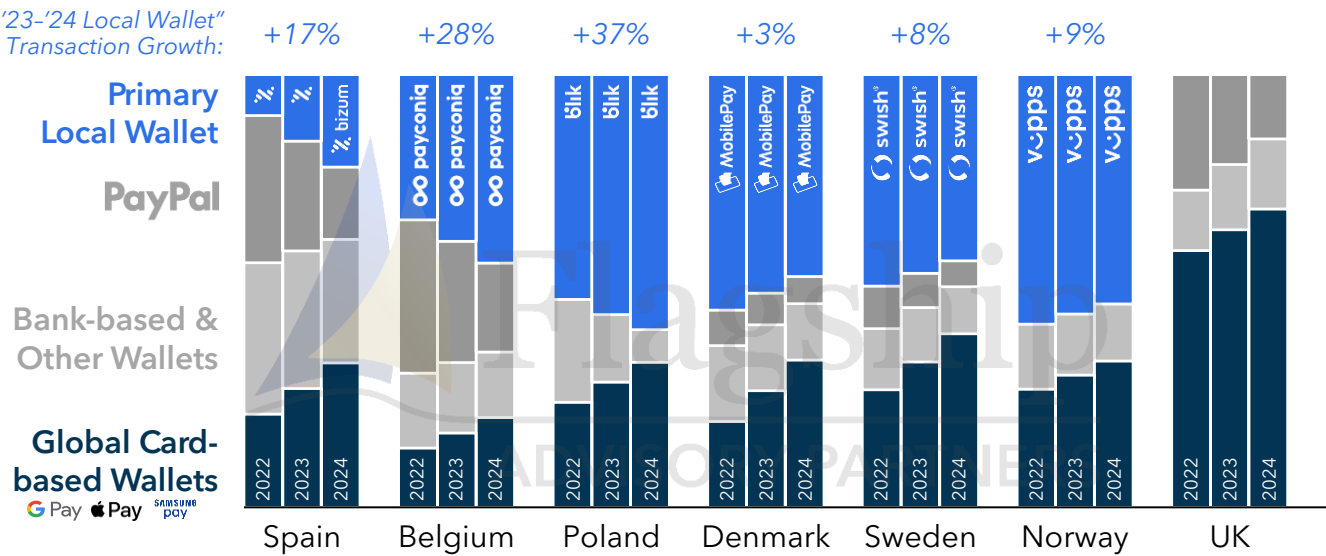


Global Wallets Advance in Europe While Local Wallets Face Mixed Results

1

Which Mobile Wallet App Do You Use Most Frequently for Payments?

(survey based; % total wallet payment volume; Oct. 2024)



Sources: Global Data, Local Digital Wallet Websites, Flagship Advisory Partners market observations and estimates

2

Key Benefits and Drawbacks of Local Digital Wallets

Benefits		Drawbacks	
Low Fees	Local wallet acceptance is often cheaper vs. Visa/MC	Inferior In-store User Experience	Historically 'clunky' QR-based payments at POS
Loyal Local User Base	Large base of loyal users, often used as P2P payment	Limited Cross-border Usage	Not widely accepted outside home markets
Quick Fund Settlement	Typically, instant payment and settlement for merchants	Integration Requirements	Has a tech integration cost & no tech standardization
Supported by Banks	Often owned, integrated and marketed by local banks	Tied to Local IDs and Banks	Can have complex KYC and onboarding processes

3

Key Implications of Local Wallets for the Ecosystem

For Banks	<ul style="list-style-type: none">Enables access to a wider base of local users via infrastructure independent of Visa/MC.Creates opportunities to gain transaction-level insights and cross-sell financial products.However, some local wallets have mixed UX vs. international wallets, and some generate lower interchange revenue.
For PSPs	<ul style="list-style-type: none">Prominent PSPs increasingly support local wallets to enhance their localized offerings. This improves conversion rates and strengthens local competitive position.Integration with local wallets, however, introduces technical complexity and regulatory overhead. These challenges are also often accompanied by lower margins.

NAVIGATING FINTECH INNOVATION

Flagship Advisory Partners is a boutique strategy and M&A advisory firm focused on payments and fintech. We serve clients globally and have a team of 40 professionals who have a unique depth of knowledge in payments and fintech.



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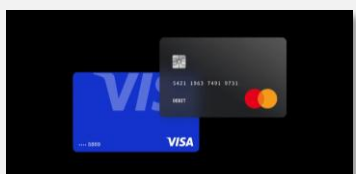
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