

Stablecoins in Payments

Where They Create Real Value – and Where Existing Payment Rails Remain Stronger

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Stablecoins are being discussed intensively in payments. The decisive question is not the technology itself, but whether it can lower costs, simplify processes, or improve liquidity in specific payment flows.

Two parallel developments give the topic real weight. On the one hand, existing rails are modernizing: just to mention a few, the EU is advancing instant payments through regulation, OCT Inst provides a scheme for international instant credit transfers with a euro leg, and Wero is emerging as a new European account-to-account (A2A) alternative. On the other hand, cross-border payments often remain expensive, slow, and operationally cumbersome. Stablecoins become interesting in exactly this area — not across the board, but where they solve a concrete problem.

The management question therefore is: where do stablecoins create real value — and where do existing rails remain the better answer?

Stablecoins in payments: why the debate is becoming more substantive

Stablecoins are no longer a niche topic. At around USD 320 billion globally, the market has reached a scale that warrants strategic attention. At the same time, it remains almost entirely USD-denominated: according to the European Central Bank (ECB), roughly 99% of supply is linked to US dollars. Euro-denominated stablecoins still play only a marginal role, at around EUR 395 million.

For Europe, this is a central finding. Stablecoins are globally relevant, but that does not automatically make them relevant in Europe. The debate is therefore shifting away from whether stablecoins exist as a market phenomenon and toward whether they can gain traction in Europe as a practically usable payment logic.

This question matters as stablecoins are no longer viewed only as crypto assets. They increasingly appear in discussions about payments, cross-border money flows, and digital infrastructure. At the same time, banks, payment/card schemes, and regulators are modernizing existing rails. That simultaneity makes today's debate far more robust than it was only a few years ago.

What this paper covers — and what it does not

This article focuses on stablecoins as end-customer-facing payment instruments. That includes traditional merchant payments, international platform payouts, wallet-centric digital business models, and remittance. The benchmark is always the same: does a specific customer-facing payment flow generate a concrete benefit?

This paper does not focus on interbank settlement, wholesale banking, treasury optimization between financial institutions, or speculative crypto use cases. Those areas follow a different logic.

In other words, this article deliberately does not examine stablecoins as a capital markets, treasury, or broad infrastructure topic. It looks at them as a possible answer to specific friction points in customer-facing payments. The key issue is not the technology as such, but its potential benefit in concrete payment flows.

Why this analytical lens is especially relevant now becomes clear when looking at developments in the European payments market.

The market is already moving

European payments are in motion. Stablecoins are not entering a static market.

The most important development is the regulatory elevation of instant payments. The Instant Payments Regulation entered into force on 8 April 2024. Since 9 January 2025, payment service providers in the euro area must be able to receive instant euro payments. Since 9 October 2025, they must also be able to send them and provide verification of payee. By that point, account-based real-time payments had become a regulatory baseline in Europe.

OCT Inst adds to this. Version 1.1 of the EPC Rulebook for One-Leg Out Instant Credit Transfer has applied since 5 October 2025. It anchors international instant credit transfers with a euro leg at scheme level. Existing account-to-account rails are therefore evolving not only domestically, but also across borders.

At the same time, Europe is building a new account-based alternative with Wero. What matters strategically is not just the payment method itself, but the attempt to combine European reach, instant-payment logic, and e-commerce capability more tightly.

There is also movement in European digital payment schemes. EMPSA is pushing cross-border interoperability among national solutions. Examples include Twint, Vipps MobilePay, and MB WAY. This is not a pan-European standard, but it shows that Europe is working on payment capability beyond the global card schemes.

Outside Europe, Pix in Brazil and UPI in India show how quickly new payment logics can scale. They are not direct alternatives for Europe. As reference systems, however, they demonstrate how quickly account- and QR-based real-time payments can become part of everyday life.

In this increasingly dynamic competitive environment, the stablecoin offering is also evolving. Qivalis is a pan-European initiative for a regulated, 1:1-backed euro stablecoin. This is not yet proof of market adoption, but it does show that euro-denominated stablecoins in Europe are no longer merely being discussed; they are beginning to be built institutionally.

The conclusion is straightforward: stablecoins are competing in a market that is already modernizing. That is exactly why they need to be tested against hard economic criteria.

Why Stablecoins are relevant

The innovation of existing rails does not eliminate the structural frictions. That is precisely where the relevance of stablecoins lies.

Structural frictions remain in payments, especially where existing approaches struggle with cross-border complexity, delayed availability of funds, or limited digital connectivity. In such constellations, stablecoins can serve as an additional payment rail that reduces specific friction points.

Process architecture matters as well. Stablecoins do not only address costs; they can organize payment flows more directly and bypass some intermediary layers. This is not automatic and does not replace compliance, but it can simplify end-to-end architectures in selected payment flows.

Status quo: Complex intermediary chain



Stablecoin model: Direct value transfer



Time remains another relevant factor. Faster availability of funds can be economically meaningful in high-volume, payout-intensive, or margin-sensitive models. Existing rails address this increasingly well, but within their own infrastructure and scheme logic. Stablecoins become relevant where a more direct global payment flow is economically sensible.

Finally, digital connectivity matters. In wallet-centric business models, international platforms, and remittance contexts, usage, integration, and acceptance barriers for alternative rails are often lower than in everyday domestic point-of-sale payments. That is where stablecoins currently show more relevance than in generic domestic POS scenarios.

Stablecoins are not superior per se. But they can become relevant where today's payment flows are especially cost-intensive, complex, or operationally burdensome.

Where Stablecoins can create value

Their relevance becomes most tangible in four particularly plausible application areas. These differ in payment logic, market structure, and in the role the payment instrument plays within the business model.

Cross-border E-Commerce

This is where several friction points overlap. International merchants often face higher acceptance costs, FX effects, fragmented acquiring structures, and differing local payment habits. The problem is therefore not just checkout; it lies in the combination of payment collection, currency conversion, risk management, and payout.

An additional stablecoin rail can be relevant here — not as a general replacement for cards or account-based methods, but as a targeted complement in markets or segments where cross-border payment processing still creates visible friction. The potential advantage lies in more direct international money flows with fewer intermediaries in between.

Cross-border e-commerce is not a default stablecoin use case. In many standard European constellations, cards, local A2A methods, or existing PSP setups remain the more practical solution. Stablecoins become relevant only when international complexity is high enough to justify an alternative target architecture economically.

Platforms, marketplaces, and international payout models

Stablecoins are particularly relevant where collection, allocation, and payout need to be coordinated across multiple market sides. That multi-sided structure is what distinguishes platform models from the classic merchant business.

The potential value emerges where international payouts are frequent, where disbursements are time-critical, or where multiple market sides with different currency and banking relationships need to be connected. In such cases, the issue is not one single payment transaction, but the operational umbrella around many interlinked money movements.

Still, platform models do not automatically benefit from stablecoins. Treasury, compliance, on- and off-ramps, and the question of how recipients ultimately receive funds remain decisive. The use case is compelling only if the operational complexity of the stablecoin target model remains manageable and does not simply replace today's frictions with new ones.

Digital goods and Wallet-centric business models

Stablecoins can also unfold potential advantages where the payment function itself becomes part of the digital product. This includes gaming, digital goods, creator platforms, digital subscriptions, digital communities, and other models in which customers already operate within account- or wallet-based environments.

The difference versus traditional physical retail lies not only in the payment method, but in the overall interaction logic. In digital platforms where users already interact through logins,

accounts, wallets, balances, in-app purchases, or platform-native payouts, an alternative payment method does not have to displace a deeply ingrained POS behavior first. The adoption barrier is lower, and the payment function can be embedded much more closely into the actual usage context. In these models, stablecoin logic can do more than simply process a payment; it can become part of the product and platform architecture.

Stablecoins are still not automatically the best solution in such environments. But they can become a functional building block of the business model, especially where existing rails start to hit limits in terms of global reach, payout logic, or cost structure.

Remittances and cross-border consumer payments

Unlike e-commerce or platform payments, this area is not about merchant acceptance or checkout optimization. It is about moving money across currency borders reliably, quickly, and in a way that is usable for the recipient.

Existing remittance models often come with high customer costs, long processing times, limited availability, or multiple intermediaries. Stablecoins can offer a more direct transfer model that decouples cross-border money movement from traditional correspondent or payout structures. A remittance model is viable only if the money truly arrives in the destination market, is usable, and fits into the recipient's daily life. That makes on- and off-ramps, local payout options, regulatory compliance, and the recipient's ability to hold, exchange, or directly use stablecoins critical factors.

In corridors that already function well with efficient incumbents, the additional benefit of stablecoins may be limited. Relevance arises mainly where real frictions exist and where an alternative model is not only technically feasible, but practically and financially advantageous for both sender and receiver.

Even if stablecoins never become visible to end users as a stand-alone payment method, remittance providers can still benefit by using them in the background as settlement and transfer infrastructure.

Which economic levers actually matter

Whether any of these application areas becomes a viable use case depends on a small number of economic levers: cost, process efficiency, liquidity, and customer value. A solid business case emerges only when several of these factors come together in the same payment flow.



Stablecoins are particularly relevant
where payment flows are international, multi-layered or digitally embedded.



Cross-Border E-Commerce



FX



International
buyers



Multiple
intermediaries



Platforms / Payouts



Payouts



Multiple
marketplaces



Global



Digital Goods / Wallet Models



Wallet



In-App



Digital
ecosystems



Remittance



Corridors



Recipient
access



Transfer costs

Cost

Stablecoins are not automatically cheaper. An advantage exists only if the target model actually reduces relevant cost blocks and if newly created costs do not outweigh those savings. That sober perspective matters especially in Europe. Stablecoins are not competing against an unregulated status quo, but against established and continuously improving methods.

Processes

In many payment flows, costs arise not only from fees, but from complex processes: multiple intermediaries, media breaks, manual follow-up work, and delayed reconciliation. The key question is whether the target model truly reduces operational complexity.

Liquidity

Faster availability of funds can be an economic lever, especially where settlement timing ties up working capital or where payouts are time-sensitive. The effect is not automatically material; it matters only if today's delay is genuinely painful in the specific business context.

Customer value





If there is no clear additional value from the customer's perspective, even a technically clean model will usually remain a niche case. Such value may lie in international usability, wallet integration, or simpler digital usage.

Stablecoins compared with established European payment methods

Stablecoins can only be assessed meaningfully in comparison. In Europe, the most relevant alternatives are credit and debit cards, SCT Inst / OCT Inst, and Wero. Not every alternative addresses the same problems, which is why any blanket judgment would be misleading.



Stablecoins complement Europe's payment mix – they do not replace it.

 Cards	 SCT Inst / OCT Inst	 Wero	 Stablecoins
<ul style="list-style-type: none">  High acceptance  Established standard  Broad reach 	<ul style="list-style-type: none">  Real-time  A2A  Europe 	<ul style="list-style-type: none">  European  A2A  Under development 	<ul style="list-style-type: none">  Global  Few intermediaries  No FX fees

Stablecoins versus cards

Cards remain stronger wherever acceptance, standardization, consumer protection, and familiar checkout processes are decisive. In broad retail, their position remains strong. Stablecoins become relevant only when cross-border complexity or cost logic starts to put that model under visible pressure.

Stablecoins versus SCT Inst / OCT Inst

SCT Inst and OCT Inst strengthen account-based real-time payments in Europe. They address part of the same friction that stablecoins aim at. The difference lies in the underlying logic: account rails depend on existing infrastructure, while stablecoins rely on a different payment architecture. They become relevant above all where a more direct global payment flow appears economically sensible.

Stablecoins versus Wero

Wero is particularly relevant in the European account- and e-commerce-adjacent payment space – even though still at its infant stages for now. Stablecoins are more oriented toward cross-border, wallet-centric, or payout-intensive use cases. They are therefore not direct competitors in every case, though they do overlap in selected digital applications.

Where Stablecoins are not a sensible approach

With a topic like stablecoins, quality is not demonstrated by maximum enthusiasm, but by analytical discipline. In many cases, the right decision is not a pilot project, but a deliberate “no-go”.

That applies first to efficient domestic payments in well-functioning markets. Where cards, account payments, and wallet methods are fast, established, and economically competitive, the additional stablecoin lever is often too small.

Second, it applies to payment flows with little cross-border relevance. If FX, intermediary chains, and payout frictions are not materially important, the economic baseline is usually missing.

Third, stablecoins are not persuasive where customer value is weak. A payment method that mainly creates additional friction from the user’s perspective does not scale. This is especially true in classic retail contexts, where convenience, trust, and reach are key.

Fourth, the business case often fails at the target architecture. If wallet handling, compliance, treasury, off-ramps, and operational control become more burdensome than the cost blocks they are meant to eliminate, the model breaks.

The conclusion is clear: stablecoins are not an instrument for every organization and not for every payment flow. Their strength lies in targeted application. Outside those areas, the risk of malinvestment rises materially.

Conclusion: not a universal solution, but a selective instrument

Stablecoins do not automatically rewrite the rules of payments. They are unlikely to displace every existing rail any time soon. Europe’s established methods are simply too strong, too regulated, and too deeply anchored for that.

Still, it would be wrong to dismiss the topic as mere hype. In carefully chosen payment flows, stablecoins can form a credible business case.

For Europe, the right perspective is neither euphoria nor rejection, but sobriety. Existing rails are improving visibly. Stablecoins can still become relevant — but only where they solve a concrete problem better or at lower cost than cards, SCT Inst, OCT Inst, Wero, or any other of today’s plentiful European payment methods.

For decision-makers, the key question is not whether stablecoins are generally good or bad, but whether they create value in their own context. Five questions are central:

1. **Where do the biggest frictions arise today?** Is the issue FX, intermediaries, payout speed, reach, or user access?

2. **Which payment flows are truly suitable?** Total volume is not decisive; the relevant question is which flows are actually fit for purpose.
3. **Which costs can realistically fall away?** Only truly removable cost blocks count. Everything else is wishful thinking.
4. **Which new costs and risks arise?** Wallet setup, off-ramps, compliance, treasury, and operations must all be included in the equation.
5. **Against which alternative is stablecoin payment really being measured?** In Europe, usually against cards, SCT Inst / OCT Inst, or Wero — not against an abstract status quo.

Anyone who answers these questions rigorously will usually arrive at a clear result. In some cases, the answer will be “go.” In many others, it will be “no-go.” Both are valuable. Because with stablecoins, the decisive factor is not the technology itself, but the discipline of selecting the right use cases.



Stefan Schnitzler is an internationally experienced expert in payments and unified commerce. With a strong focus on the customer perspective and a track record in business development leadership, he has supported many companies across the payments ecosystem in sharpening their strategic positioning. His work consistently considers the full value chain all the way through to end-customer needs.