

Upping your game for IPR readiness

As Europe moves to 24/7/365 instant payment availability, Finland's experience offers key insights on how to prepare to meet emerging challenges



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Running successful payments operations demands many of the same qualities needed to excel in sport: performance, endurance, reliability, routines and constant training. And just like in team sports, success in payments requires both the ability to fiercely compete and to closely collaborate. Sometimes, however, in an effort to raise standards, an authority or governing body like FIFA will choose to introduce new rules.

October 2025 marks an important milestone in Europe's Instant Payments Regulation (IPR) journey, as all payment service providers offering euro credit transfers will be required to support instant payments. For many, it feels as though all teams in the 'Euro League' are being asked to level up to Champions League standards in just one season – and without any exceptions.

So, what exactly does IPR mean for payments' players? What will be the benefits and challenges of compliance on the ground? With the deadline approaching, lessons from the Finnish banking community underline the importance of taking a co-ordinated approach in the run-up to this deadline and heavily focus both on individual training and community testing.

Understanding the challenges and opportunities

Today, instant payments remain a niche or premium product in many jurisdictions. To meet the evolving demands of consumers and many businesses in Europe, the IPR seeks to make affordable, available and secure instant payments the new normal. To meet these requirements, the industry must prepare instant payments channels for major throughput, with a substantial chunk of the traffic needing to be processed within 10 seconds, 24/7. All payments which cannot be processed in time will be rejected, as per the rules of the European Payments Council (EPC)'s SEPA Credit Transfer Scheme.

On 9 January 2025, the IPR's first deadline this year, banks in the EU were required to develop the capability to *receive* instant payments. For some institutions, this necessitated

significant infrastructure upgrades and operational adjustments, but many of Finland's banks were already prepared. In October 2025, the payments industry will hit the IPR's second, far more demanding, deadline – obliging banks to develop the capability to *send* instant payments.

Naturally, this shift represents both a raft of benefits and challenges for institutions and their clients. For banks, the primary challenge will be ensuring they are able to reliably support accelerated processing and 24/7 availability. The good news is that compliance with IPR will strengthen the competitiveness of account-to-account payment rails, providing a solid foundation for the rollout of new end-user solutions linked to payment accounts and wallets.

Building on strong, equitable foundations

Finland is an exemplar of settlement and service equality, with a strong history in fast domestic payments. Having joined the Single Euro Payments Area (SEPA) and STEP2 in 2008, the Finnish banking community was a pioneer of nighttime settlement – ensuring present bulk payments were processed by STEP2 and delivered to the receiving payment service providers (PSPs) by 2:00 a.m., so they could be credited in the early morning to all user accounts simultaneously, with no preferential treatment.

Today, with some banks yet to migrate to SEPA Instant Credit Transfers in line with the EPC's scheme, Finland still relies on its decades-old POPS system – a domestic bank-to-bank rail for urgent (within-the-hour) payments. Although this system will eventually be phased out with the implementation of the IPR, it has long been one of the building blocks of Finland's commitment to fast and efficient payment solutions.

As the POPS system and the joint move towards nighttime settlement demonstrate, Finland – and the Nordic region more broadly – benefits from a strong tradition of business collaboration to achieve ecosystem-wide goals. This recognises the mutual benefit of taking a systematic, organised approach to regulatory challenges. Finnish banks, for example, acknowledge that if one institution faces an issue or a roadblock, it impacts not only on that particular entity, but the community at large. In turn, this means that such performance issues are seen – and addressed – collectively, rather than on an individual basis only.

This philosophy of collective responsibility, combined with a rich history of fast payments, is shaping Finland's approach to the October 2025 deadline – driving the refinement of payment infrastructures and ensuring high-quality, consistent service for all users.

Assuming a co-ordinated approach

With this in mind, then, how is the Finnish banking community tackling the implementation of IPR?

Adhering to its belief in co-operation, Finland's banks began by drawing up an impact analysis and a roadmap for compliance – agreeing on specific, time-bound milestones. As part of the push, the market also scheduled mass testing exercises. The first of these was held in the

autumn of 2024, with the most recent conducted in the spring of 2025. All corporate, consumer and online channels were tested and, having successfully passed, are now being put into action incrementally. To monitor progress, table any issues, and keep the community abreast of potential volume hikes, representatives of Finland's banks convene fortnightly – laying strong foundations for the community to be ready in advance of the upcoming deadline.

Today, all Finnish banks – and the vast majority of Nordic banks – route their euro traffic through EBA CLEARING's STEP2 SCT and RT1 SCT Inst Services. As a result, the region is working closely with EBA CLEARING, which provides regular updates; hands-on assistance; and tools such as Fraud Pattern and Anomaly Detection (FPAD), enabling PSPs to meet verification of payee (VoP) requirements and enrich their fraud-fighting capabilities through network-based indicators.

To benefit the wider EU banking community, EBA CLEARING is also running optional volume and performance testing exercises between April and September 2025. This initiative is reinforced through preparatory calls; pairing participants based on their sending and receiving goals; and by the provision of testing outcomes (including rejections, transactions per second, sending and receiving volumes, and others).

Such activities enable the banking community to evaluate its load distribution capabilities and identify potential weak spots in infrastructure when handling increased transaction volumes – both during peak times and longer periods. Ultimately, it is vital that banks test, test, and re-test today, to simulate real-world volume increases and ensure a smooth transition.

At an individual level, banks are also preparing their customer channels according to their own timelines. Under the regulation, PSPs must offer instant payments through the same channels where SCTs are already provided. For a large bank like Nordea, which has developed multiple payment initiation channels over time, this presents a strategic opportunity to consolidate payment flows through a limited number of optimally built-out channels rather than continuing to support multiple channels going forward. Banks that currently maintain several channels may find this decision challenging, particularly when it comes to prioritising upgrades and ensuring all future channels are ready on time. It is, therefore, important to begin this transformation work now.

Nordea's decision is to go with API:s first and advise clients to select the best-fitting technologies for their use cases, in particular in the corporate host-to-host world, i.e. moving from batch-oriented API:s to instant and event-driven API:s when the use case so requires. Going with an 'API:s first' way of thinking, we are better equipped to answer to the real-time needs the IPR introduces, for example for Verification of Payee.

Performing 24/7/365

In some ways, payments has always been akin to a team sport. Progress and results are achieved through collaboration, co-operation, and a sense of community. Indeed, PSPs must train for the IPR ramp-up as a unit, developing a deep understanding of how the volumes and sending patterns of other entities will impact internal systems as well as those of their counterparts.

But it is important to remember that payments is a business of systemic importance – with high stakes and responsibilities. And in the 24/7/365 reality of euro instant payments, there are no half-times, no breaks and no final whistles. As we look ahead to this transformative change, it's vital that the entire industry takes the necessary steps to ensure the success of the IPR.

To learn more about EBA CLEARING's RT1 instant payments system, click [here](#).