

TEACHING CASE

Platforms, competition and innovation

The case of MobilePay and its competitors

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This short case is written for discussion-based teaching at Aalborg University Business School. The main case describes the market as of September 2019; an epilogue covers developments up to October 2026.

The story

The massive expansion of the smartphone market – led by Apple’s iPhone from 2007 at the higher end of the market and by Google’s Android operating system across a much wider range of devices – has opened up for change in many sectors. Smartphone owners carry internet-connected devices on their body for most of the day, and smartphones are now the dominant way in which people access the internet and online services. The app ecosystems defined by these devices were a natural target for banks and other financial services. Online banking is now predominantly used on smartphones, and the natural next step was to enable mobile payments.

Danske Bank created MobilePay to address the need for very simple money transfers. The ambition was to make transferring money to friends and businesses as easy as sending a text message.

On 7 May 2013, this ambition was realised with the launch of the MobilePay app. On launch day alone, more than 25,000 people downloaded the app. After four months, the app had 500,000 users, and three years after the launch, more than 3.4 million Danes had downloaded MobilePay. By January 2018, more than 3.7 million people used MobilePay regularly, nine out of ten smartphones in Denmark had the app installed, and around 800 new users were added every day (see Exhibit A). About 70% of users are customers at banks other than Danske Bank.

MobilePay was launched in Finland in December 2013 and in Norway in August 2015. In Norway, however, the bank-owned Vipps had become the dominant solution, and MobilePay closed its Norwegian service in January 2018. In Denmark, all major banks, including Nordea and Jyske Bank, as well as the regional and local banks in BOKIS, a purchasing collaboration among Danish regional and local banks, have joined MobilePay as distribution partners. As part of this partnering process, Danske Bank moved MobilePay into a separate subsidiary that is no longer branded “by Danske Bank”. The new partners give MobilePay more resources to invest ambitiously for the benefit of users and businesses, and under the new open model other Nordic banks can also join as distribution partners.

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The simplicity of the app and the significant market penetration of MobilePay have made it remarkably popular with the older generation (ages 60+) in Danish society. This is traditionally a slow group in terms of technology adoption, but figures released by MobilePay suggest that more than 50% of smartphone users aged 60–64 have the app installed. Among users aged 75–105, 12% have the app installed, compared with only 1% in 2014.²

MobilePay has gradually expanded the features offered by the app. It started with person-to-person transfers and quickly added the ability to pay online and in physical stores on both Android and iOS. Users can store multiple payment cards. Stores can offer bonuses to their customers through the app, and users can donate to selected charities while still receiving automatic tax deductions. MobilePay has also added a random money-back programme, in which an algorithm selects random transactions and gives users their money back. A partner app called WeShare enables users to share dinners, bar bills and other costs and settle the amount between them – using MobilePay, of course. All of this encourages users to use MobilePay as much as possible.

Technically, it has been non-trivial to implement MobilePay in physical stores. Payment terminals did not accept MobilePay payments at the outset, and the two dominant smartphone operating systems, iOS and Android, have different technical specifications for communicating with terminals. The open Android system gives MobilePay access to the near field communication (NFC) chip (see box), while iOS does not allow third-party apps like MobilePay to access the chip. Instead, stores had to install a small white MobilePay box with Bluetooth support connected to the checkout system. The box enabled iPhone users to connect the app to the terminal via Bluetooth or a QR code on the box, while Android users could pay via the NFC chip. During 2017, payment terminals increasingly came to support MobilePay via Bluetooth directly. The box is no longer needed in these stores, and payments have become faster.³

NEAR FIELD COMMUNICATION (NFC)

NFC is a short-range wireless technology that lets two devices exchange data when they are held a few centimetres apart. It is the same technology used by contactless payment cards: when held to a terminal, the phone acts as a card, with no need to pair the devices or set up a connection first.

For online payments, it has been more straightforward to implement MobilePay by partnering with online payment providers such as Bambora, replacing credit card payments. Users only enter their mobile phone number instead of more sensitive card information, which triggers a message in the MobilePay app that the user can approve. In total, more than 8,000 webshops accept MobilePay.

The competition

MobilePay's Danish competitors reacted quickly. Already in April 2013, before MobilePay's launch, a group of banks led by Nordea announced their own solution, Swipp, which went live in June 2013.⁴ Swipp, however, was built into each participating bank's own mobile banking app and was based on

²MobilePay.dk, "Hastig vækst i de ældres brug af MobilePay", 6 July 2017 (<https://www.mobilepay.dk/da-dk/Nyheder/artikler/Pages/hastig-vaekst-i-de-aeldres-brug-af-mobilepay.aspx>, accessed 16 January 2018).

³MobilePay.dk, "Hurtige MobilePay-betalinger klar i store danske kæder", 29 September 2017 (<https://www.mobilepay.dk/da-dk/Nyheder/artikler/Pages/hurtige-MobilePay-betalinger-klar-i-store-danske-kaeder.aspx>, accessed 26 January 2018).

⁴Ingeniøren, "Bankernes mobilbetaling: Overfør 1.500 kr. til modtagerens telefonnummer", 15 April 2013 (<https://ing.dk/artikel/bankernes-mobilbetaling-overfoer-1500-kr-til-modtagerens-telefonnummer>).

account-to-account transfers that required users to sign up through their bank. Customers of Danske Bank could not use it, and only later did Swipp launch a standalone app. By then, MobilePay had already penetrated a large fraction of the market. Another solution, Paii, was launched by the four mobile operators TDC, Telenor, Telia and 3, but was sold to Swipp in November 2014.⁵ Swipp tried to gain traction by partnering with retail chains, raising its transfer limits and running several rounds of heavy advertising. In October 2016, however, Nordea left Swipp to join MobilePay, followed by Jyske Bank and, in November 2016, the remaining BOKIS banks. Swipp closed in February 2017.⁶

Nets is a private company that operates the Danish national debit card, Dankort, launched in 1983. Until 2014, Nets was owned by a consortium of Danish and other Nordic banks. Dansk Supermarked (now Salling Group) had, in fact, been the first Danish grocery retailer to introduce MobilePay at the checkout in 2015.⁷ In April 2017, however, Nets launched its long-awaited mobile Dankort – as wallets for the BOKIS banks and as a separate Dankort app – and from day one it was fully operational in all of Dansk Supermarked's Salling, Netto, Føtex and Bilka stores. Nets had successfully negotiated that these chains would stop accepting MobilePay, even before the Dankort app was available.⁸ It remains to be seen whether this move will lead to wide adoption of the mobile Dankort. The app got off to a slow and rocky start, receiving consumer criticism for being slow and not working well, and Nets has made several attempts to attract more users.⁹ Overall, the app does not appear to have gained traction despite the close partnership with Salling Group.

In the summer of 2017, Apple announced that it would introduce Apple Pay in Denmark – a long-awaited announcement for many iPhone users. Apple Pay is built into the operating system of every iPhone from the iPhone 6 onwards. This allows for a very easy payment process, because Apple Pay is the only payment service with access to the iPhone's NFC chip. Apple Watch users can pay in stores with the push of a button. In October 2017, Danske Bank's two largest competitors in Denmark, Nordea and Jyske Bank, launched Apple Pay for their customers. Apple Pay initially received negative press coverage because of relatively higher fees for stores, as it only works with Visa and MasterCard. This issue, however, concerns all services that rely on these international cards rather than the Dankort, a low-cost domestic scheme with regulated merchant fees. Despite the negative press, Jyske Bank reported that the adoption of Apple Pay had been very successful, according to a tweet by Anders Dam, CEO of Jyske Bank.¹⁰

Less than a month after the introduction of Apple Pay, the Danish consumer organisation Forbrugerrådet Tænk reported Apple to the Danish competition authorities on two grounds.¹¹ First, it was concerned about the exclusive use of Visa and MasterCard as underlying cards, arguing that this imposes relatively higher costs on small businesses and stores. Second, it questioned Apple's closed access to the iPhone's NFC chip for other payment solutions.

⁵FierceWireless Europe, "Danish operators sell Paii mobile payments company to bank-owned rival Swipp", November 2014 (<https://www.fierce-network.com/europe/danish-operators-sell-paii-mobile-payments-company-to-bank-owned-rival-swipp>).

⁶NFCW, "Nordea Bank ditched Swipp for MobilePay partnership", 17 October 2016 (<https://www.nfcw.com/2016/10/17/347845/47845/>); Mobil siden.dk, "I morgen lukker og slukker betalingsappen Swipp", February 2017.

⁷Dansk Supermarked, "Dansk Supermarked først med mobilbetaling", press release, 11 March 2015 (via.ritzau.dk).

⁸Julie Søltøft, "Dansk Supermarked smider MobilePay på porten", Børsen, 14 September 2016.

⁹FinansWatch, "Nets jagter flere brugere til ny dankort-app", 22 August 2017 (<https://finanswatch.dk/secure/Finansnyt/article9804649.ece>, accessed 26 January 2018).

¹⁰Anders Dam, Twitter, 31 October 2017 (<https://twitter.com/DamAnders/status/925275792774443008>, accessed 16 January 2018).

¹¹Forbrugerrådet Tænk, "Forbrugerrådet Tænk melder Apple Pay til konkurrencemyndighederne", 14 November 2017 (<https://taenk.dk/om-os/presserum/forbrugerradet-taenk-melder-apple-pay-til-konkurrencemyndighederne>, accessed 16 January 2018).

The critique did not prevent other banks from adopting Apple Pay. When Google Pay arrived in Denmark in late 2018, Danske Bank – the inventor of MobilePay – opened it for its MasterCard customers, and in 2019 Danske Bank also adopted Apple Pay. By all accounts, NFC-based smartphone payments are becoming increasingly popular because the system that Apple and Google use is very widely supported by store terminals. Technically, it is the same system as the contactless payments offered by most physical payment cards.

The battle for Danish online and physical payments is more intense than ever. Banks are adopting new technologies while partnering with Danske Bank on MobilePay; their strategy seems to be to support many payment standards at the same time. This is also the case for Danske Bank itself, which has adopted both Google Pay and Apple Pay. Danske Bank still fully owns MobilePay, but Nordea is rumoured to be negotiating to buy a share of MobilePay,¹² which could open up for growth in Sweden and Finland.

The global nature of this market is further amplified by Mastercard's announced acquisition of Nets' account-to-account payment systems and technology.¹³ At present, it is unclear whether this will have any implications for the positions of Nets and Mastercard in the Danish mobile payments market.

Epilogue: What happened next, 2019–2026

The case above describes the market as it looked in September 2019. Since then, the competitive landscape has changed in ways that few observers predicted at the time.

The checkout. Nets' mobile Dankort never gained traction, and the Dankort app was eventually shut down after about five years on the market. Salling Group nevertheless did not return to MobilePay: in 2024, its Føtex and Bilka stores still did not accept it, and a further 530 stores announced that they would phase out MobilePay at the checkout because fewer than one per cent of customers used it.¹⁴ Nets itself has since become part of the Italian Nexi Group, and Mastercard completed its purchase of Nets' account-to-account business.

Apple Pay takes the lead in stores. With MobilePay locked out of the iPhone's NFC chip, Apple Pay became the default way to pay by phone in Danish stores. According to Nets, around one in five card payments in physical stores is now made with Apple Pay, the most used payment app in Denmark. Because most payments in Apple Pay run on international cards rather than the Dankort, the Danish Chamber of Commerce (Dansk Erhverv) has estimated that Danish stores pay DKK 250 million extra per year in transaction costs.¹⁵ Physical Dankort transactions fell from 1.1 billion in 2018 to 850 million

¹²Finans, "Medie: Nordea tæt på at købe sig ind i Mobilepay", 7 July 2019 (<https://finans.dk/finans2/ECE11489037/medie-nordea-taet-paa-at-koebe-sig-ind-i-mobilepay/>, accessed 2 September 2019).

¹³Nets, "Nets sells its account-to-account payment business to Mastercard", press release, 2019 (<https://www.nets.eu/Media-and-press/news/Pages/Nets-sells-its-account-to-account-payment-business-to-Mastercard.aspx>, accessed 5 September 2019).

¹⁴MereMobil.dk, "Flere supermarkeder dropper MobilePay – næsten ingen bruger det", February 2024 (<https://meremobil.dk/2024/02/flere-supermarkeder-dropper-mobilepay/>).

¹⁵SecurityWorldMarket, "Mobilbetalinger koster nordjyske virksomheder dyrt", based on Nets data (<https://www.securityworldmarket.com/dk/Nyheder/Erhvervsnyheder/mobilbetalinger-koster-nordjyske-virksomheder-dyrt1>).

in 2022.¹⁶ Danske Bank was the first bank to allow the Dankort in Apple Pay in 2021, and around 40 banks later followed after Nets began requiring banks to offer it.¹⁷

From Danske Bank to Vipps MobilePay. The rumoured Nordea deal never materialised. Instead, in June 2021, Danske Bank agreed to merge MobilePay with Norway's Vipps and Finland's Pivo. After dialogue with the European Commission's competition authority, the Finnish OP Financial Group and Pivo were left out of the deal.¹⁸ The merger of MobilePay and Vipps was approved in October 2022 and completed on 1 November 2022. The banks behind Vipps own 72.2% of the new company, Vipps MobilePay, and Danske Bank owns 27.8%; the headquarters is in Oslo, and the company is supervised by the Norwegian Financial Supervisory Authority.¹⁹ The company whose dominance had led MobilePay to leave Norway in 2018 thus became its majority owner. MobilePay continues as a brand in Denmark and Finland.

Regulation opens the iPhone. Forbrugerrådet Tænk's 2017 complaint about Apple's closed NFC chip proved prescient. Following an investigation by the European Commission, Apple offered commitments in January 2024 to give other wallets access to the NFC chip in the iPhone, and the Commission made them binding in July 2024 for a period of ten years.²⁰ On 20 November 2025, MobilePay launched contactless payments in stores on both iPhone and Android, with the option of setting MobilePay as the default payment app instead of Apple Pay or Google Pay. At launch, only customers of Danske Bank and SEB Kort could activate the feature, with most other banks expected to follow in early 2026.²¹ The technical handicap that had defined MobilePay's position in physical stores since 2013 was gone – but by then, many iPhone users had been paying with Apple Pay for eight years.

The end of free. The years of free use for private users also came to an end. From 24 March 2025, MobilePay charges a fee of one per cent on the part of a transfer that exceeds DKK 4,000 to the same recipient within 24 hours. MobilePay's Danish country manager explained that the company needed to make a profit if MobilePay was to have a future. Since 98% of transfers are below the threshold, with an average of DKK 422, most users are unaffected.²²

A European layer. Finally, the competition has moved to a European scale. By 2025, Vipps MobilePay had joined the European Payments Alliance (EuroPA) alongside Bizum (Spain), Bancomat (Italy) and MB WAY (Portugal), and in June 2025 the alliance began cooperating with EPI, the bank-owned company behind the new pan-European wallet Wero.²³ On 2 February 2026, the parties signed a memorandum of understanding on sovereign, interoperable pan-European payment solutions, and

¹⁶The Local Denmark, "Danish bank says it will no longer issue Dankort debit cards", 21 July 2023 (<https://www.thelocal.dk/20230721/danish-bank-says-it-will-no-longer-issue-dankort-debit-cards>).

¹⁷IBS Intelligence, "Nets group supports Danske Bank to bring Dankort to Apple Pay", 12 October 2021; Forbrugerrådet Tænk, "Sådan får du Dankort i Apple Pay" (<https://taenk.dk/privatoekonomi/banker-og-kreditforeninger/saadan-faar-du-dankort-i-applepay>).

¹⁸Danske Bank, "Danske Bank A/S to merge MobilePay with Norwegian Vipps and Finnish Pivo", 30 June 2021; Danske Bank, "Ændret ejerkreds i fusion af mobilbetalingsselskaber", 16 September 2022 (danskebank.com).

¹⁹MobilePay.dk, "EU-Kommissionen godkender fusion mellem MobilePay og norske Vipps", 21 October 2022 (<https://mobilepay.dk/news/2022/10/21/eu-kommissionen-godkender-fusion-mobilepay-vipps>); Danske Bank, Company Announcement No. 14/2022, 21 October 2022.

²⁰MereMobil.dk, "Apple åbner iPhone for MobilePay", January 2024; Mobilsiden.dk, "Apple giver sig – indgår forlig med EU og åbner op for NFC-chip", 2024.

²¹MobilePay.dk, "MobilePay åbner for kontaktløse mobilbetalinger", 20 November 2025 (<https://mobilepay.dk/news/mobilepay-abner-for-kontaktlose-mobilbetalinger>); TV 2, "Mobilepay indfører kontaktløs betaling", 20 November 2025.

²²Mobilsiden.dk, "MobilePay indfører gebyr på overførsler for privatpersoner", 2025 (<https://mobilsiden.dk/nyheder/apps-sociale-medier/mobilepay-indfoerer-gebyr-paa-overfoersler-for-privatpersoner>).

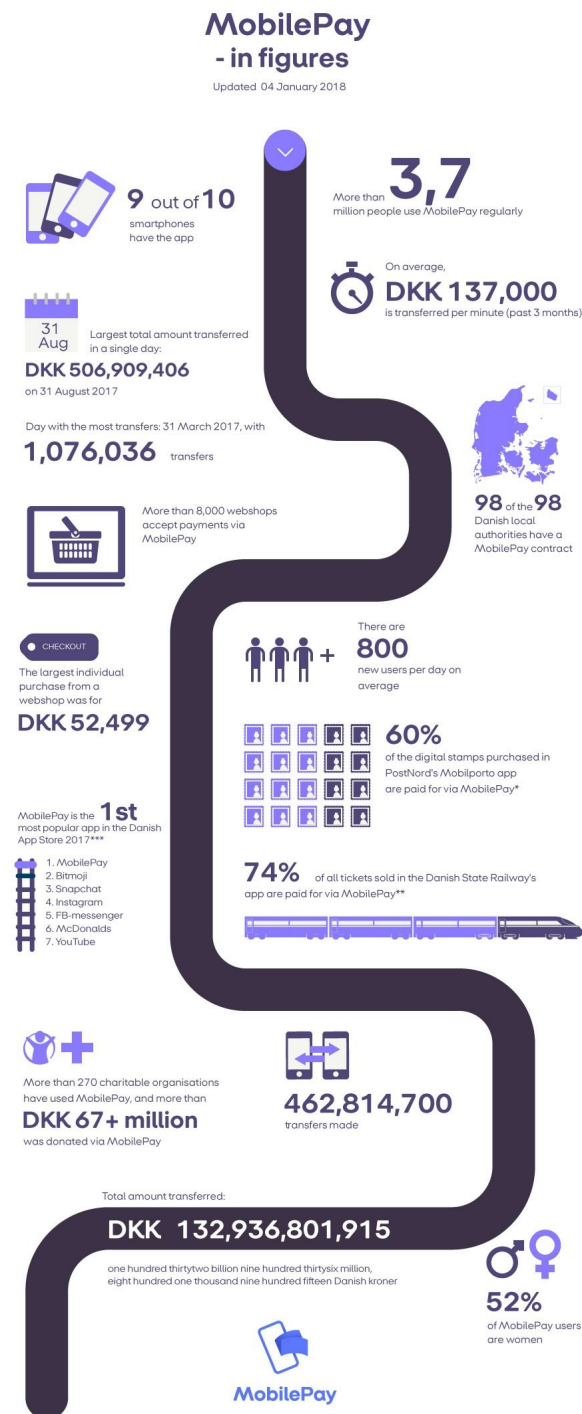
²³EPI Company, "EuroPA and EPI launch collaboration to expand sovereign Pan-European payments", 23 June 2025 (<https://epicompany.eu>).

in April 2026 several of them demonstrated cross-border payments in stores across their solutions.²⁴ The partners are establishing a joint entity, the European Network for Payments, starting with cross-border payments between individuals. The explicit ambition is “payment sovereignty”: a European alternative to the international card schemes and the global technology platforms.

Will the opening of the iPhone allow MobilePay to win back the checkout? And can national champions such as Vipps MobilePay compete with Apple, Google and the international card schemes by joining forces across Europe?

²⁴EPI Company, “Bancomat, EPI and SIBS-MB Way successfully demonstrate cross-border interoperability for retail payment”, 16 April 2026 (<https://epicompany.eu>); Electronic Payments International, report on the European Network for Payments, 2026.

Exhibit A – MobilePay in figures



Sources: MobilePay, *PostNord, **Danish State Railway, ***AudienceProject Device Study 2016

Source: MobilePay.dk, "The story of MobilePay in English", accessed 12 January 2018. Figures updated 4 January 2018. © MobilePay; reproduced for teaching purposes and not covered by the case licence.

Case questions

The case of MobilePay is ideal for discussing the competitive landscape, the payment ecosystem and the role of network effects in digital markets. The questions below follow the case from the battle with Swipp to the opening of the iPhone.

1. Why were Swipp and Paii unable to compete with MobilePay, even though Swipp had more banks behind it and launched only five weeks later?
2. Why did Danske Bank's competitors eventually join MobilePay rather than keep fighting it? What did each side gain and give up?
3. Dansk Supermarked was the first chain to adopt MobilePay, then dropped it for Nets' mobile Dankort. Who holds the power in a two-sided payment market: consumers, merchants, banks or scheme owners?
4. What is the competitive advantage of Apple Pay and Google Pay, and how does control over the phone's NFC chip shape competition in this market?
5. What is interesting about being in charge of payments? Why do banks, card schemes, retailers and technology companies all want to control this layer?
6. After the EU forced Apple to open access to the NFC chip, MobilePay launched contactless payments in 2025. Can a regulatory change undo a lead that the market has already given to Apple Pay?