

## **Communiqué on the retail payments council's meeting, 4 October 2017**

The sixth meeting of the retail payments council was chaired by Cecilia Skingsley, Deputy Governor of the Riksbank, and took place on Wednesday 4 October 2017. At the meeting, the participants briefly presented current issues connected with the work of the council and the retail payment council's secretariat presented the work carried out by the working committees appointed by the council. Information from the working committees concerned a newly-implemented analysis of a scenario for payments in a crisis situation, a minor adjustment of the administrative organisation and a review of proposals received for activities in an updated work programme for the retail payment council over the period 2015–2017.

### **Scenario planning for payments in a crisis situation**

The chairperson assigned the secretariat of the retail payments council to submit a status report on the work conducted by the working committee on the vulnerability and crisis management of payment services. The committee has been complemented with representation from participants in the Riksbank's Cash Handling Advisory Board and met on a number of occasions in the spring and autumn of 2017 to analyse risks connected to a scenario for payments in a crisis situation. This scenario is based on the following conditions:

- It is not possible to use charge cards, credit cards and bank cards as normal in a geographically limited area covering both town and countryside
- Electricity is available
- Purchases must be paid for at the point of purchase
- Cash withdrawals cannot be made to the normal extent as there is no support for coverage control of the requested amount
- Mobile payment services are not supported
- No hoarding of basic goods has occurred
- The time frame for the scenario is 9 days, with checkpoints after 3, 6 and 9 days

The scenario is constructed around assumptions regarding the composition of Swedish households, consumption requirements, holdings of cash and holdings of basic goods in the home. Three 'typical households' have been identified: 1) Single-person households, 2) Households with two adults and two children and 3) households with one adult and two children. Some households have a higher consumption requirement than other households, depending, for example, on whether they live in a sparsely-populated area and are dependent on access to fuel for a car. Other households have greater holdings of cash than those households that rely on payments via bank cards. Finally, stocks of food and basic goods differ from household to household.

In its work, the committee has highlighted that, in some situations, it would be possible to carry out withdrawals and purchases with bank and credit cards, even though ATMs and card terminals in shops are unable to contact the card issuers' systems to carry out coverage controls against accounts or approved credit, so-called 'offline transactions'. The possibilities of carrying out withdrawals and purchases

offline are governed by a number of factors such as agreements, regulations and the technological and business decisions made by the parties involved.

The committee deems that the possibility of carrying out withdrawals and payments offline may fulfil an important function in the event of shocks to the payment infrastructure. The retail payments council agreed on a supplementary term of reference to the original assignment with the content that the working committee will be assigned to investigate more closely how support for offline withdrawals and offline payments by card is designed and to return to the issue at the council's meeting in the spring of 2018.

### **Adjustment of the organisation of the retail payment council**

The chairperson notified the meeting of a proposal submitted by the Riksbank in its role as provider of the retail payment council's secretariat regarding an adjustment of the council's organisational structure. The proposal entails the assumption, by the secretariat, of the role held by the working group for regulations, policy and international work regarding the coordination of work in the committees linked to the council. The participants at the meeting had no objections to the proposal and assigned the council's secretariat to assume responsibility for coordination. The participants at the meeting also found it appropriate to reorganise the working group to a working committee answerable to the council.

### **Review of the council's work programme**

The chairperson assigned the retail payment council's secretariat to inform the meeting of the work conducted by participants in the council's working committee with the aim of drawing up a new work programme for the period 2015–2017. The secretariat informed the meeting that the participants in the working committee had been offered the opportunity to submit proposals for new activities and then to prioritise the proposals presented. A draft updated work programme, based on proposed and prioritised activities, was presented to the council. The draft assumes that the five working committees working under the council will take responsibility for those activities falling within their areas of responsibility. The chairperson gave the members of the council the opportunity to return with any opinions on the work programme by no later than 11 October 2017.