

Communiqué on the Retail Payments Council's meeting, 03/10/2018

The Retail Payments Council's eighth meeting took place on Wednesday 3 October 2018, chaired by Deputy Governor of the Riksbank Cecilia Skingsley. At the meeting, the participants presented current issues connected with the work of the council and the working committees appointed by the council informed of the work carried out since the previous meeting. This information concerned the following areas: the final report from the work of surveying the possibilities and limitations of card payments and withdrawals by card from ATMs in an off-line situation, current work to support the reach and accessibility of payment services, current regulative initiatives regarding payments, the development of card fraud and the collection of payments statistics.

Final report from the work of surveying off-line withdrawals and off-line payments in a crisis situation

Card Payment Sweden and the payments council's secretariat described the outcome of a survey aimed at card redeemers and card issuers active on the Swedish market on the possibilities and challenges of off-line payments, which is to say payments without cover checks of funds on account or approved credit checks. The survey shows that, on the whole, there is some possibility of carrying out payments in an off-line situation for debit cards and credit cards for a limited period of time.

However, this support may differ between card issuers and it also depends on shops and their card acquirers accepting off-line payments. For holders of these cards, off-line payments, together with holdings of cash and food, could cover basic consumption requirements. However, some card products, so-called 'on-line only' cards completely lack off-line support and holders of these cards are thus more vulnerable in crisis situations. The secretariat also informed the meeting that it had conducted a survey of operators of ATMs. This survey revealed the lack of possibilities for making off-line withdrawals if all communication and internet links between ATM and card issuer should be severed.

The chairperson of the Retail Payment Council requested clearer communication from card issuers to card holders on the limits and possibilities applicable to various card products in the event of disruption to the card infrastructure. The chairperson also pointed out the importance of communicating the results of the investigation to the authorities responsible for questions regarding preparedness in the payment system.

The reach, accessibility and reliability of the payment services

In its capacity as chair, the County Administrative Board of Dalarna described the committee's work, taking the Retail Payments Council's work programme as starting point. The focus of the work programme lies on maintaining a dialogue and an analysis of the problems caused by private individuals being unable to use current digital payment possibilities, as well as dialogue and development of concrete proposals for what can be done to help these individuals. Over the spring and autumn, the committee has held meetings on the European Accessibility Act, the Swedish Consumers' Association's report "Framtidens betalningsmedel" (The means of payment of the future), the Swedish Post and Telecom Authority's new government assignment for user advice aimed at increasing digital participation for people with disabilities, the Riksbank Inquiry's interim report on access to cash in

society and the Riksbank's survey of the payment habits of the Swedish people. The committee has also learnt about the initiative by the Swedish Bankers' Association and Sparbankernas Riksförbund (the national federation of savings banks) to simplify day-to-day life for consumers through what they call "Undreamt-of possibilities". The main purpose of this is to inspire more people to enter the digital world.

Report from the Working Group for Regulation, Policy and International Work

The council secretariat presented the work done by the working group since the council's last meeting. The Commission's proposal on amendment of regulation (EC) No 924/2009 on cross-border payments in euros has been discussed. The proposal stipulates that a cross-border payment in euros within the EU would not be allowed to cost more than a corresponding domestic payment in the national currency. The proposal also stipulates that the exchange rates and fees presented in conjunction with card purchases and withdrawals within the EU shall be presented clearly to the private persons and companies making the payment.

The group has also discussed remaining open questions regarding the entry into force of the new Payment Services Directive in Sweden in May 2018. One question that is still open regards the process to assure the quality of the technical interfaces to be offered by account-keeping institutions to suppliers of payment initiation services and account information services. A working group has been appointed by the Commission with the task of specifying the requirements for the interfaces but the group has not yet presented its final report. There is therefore a risk that the account-keeping institution will not have time to complete the technical interfaces before the deadline set up by the directive (September 2019.)

Status report from the Working Group to Combat Fraud, Money Laundering and Terrorist Financing

The council secretariat informed the meeting that the working group had met the Swedish police's national fraud centre to discuss developments in card fraud in Sweden. The police report on national crime shows an increase in fraud involving Swedish cards, where card purchases are made on-line. The group has also studied statistics on card fraud in a report from the European Central Bank (ECB), which also points to an increase in fraud involving cards issued in Sweden, although Sweden is still below the EU average with regard to card fraud measured as a percentage of the value of all transactions. The ECB report also shows that frauds involving on-line card purchases account for the largest share of fraud within the EU and that a large share of these frauds refer to card purchases outside of the country in which the card was issued. The new European Payment Services Directive makes so called "strong customer identification" as a main rule when making payments in Europe. In addition to legislation or where unregulated the parties in the card market regulate the division of risk for card payments through agreements and a party that departs from the security requirements must bear the risk of potential fraud.

Status report from the Working Group for Statistics

The chair of the council informed the meeting about an ongoing project to update the European Central Bank's regulation on payment statistics. The ECB intends to expand the scope and frequency of its statistics collection and has carried out

consultation in the matter. The council secretariat informed the meeting that the ECB has received the comments on the proposal for an amended regulation and has decided to reduce the scope of the original proposed regulation. The secretariat will invite the working group and existing reporters of payment statistics to a follow-up meeting during the autumn to gather views on the amended regulation with a focus on resources for collection.