

E-payments without frontiers

European Central Bank

Frankfurt

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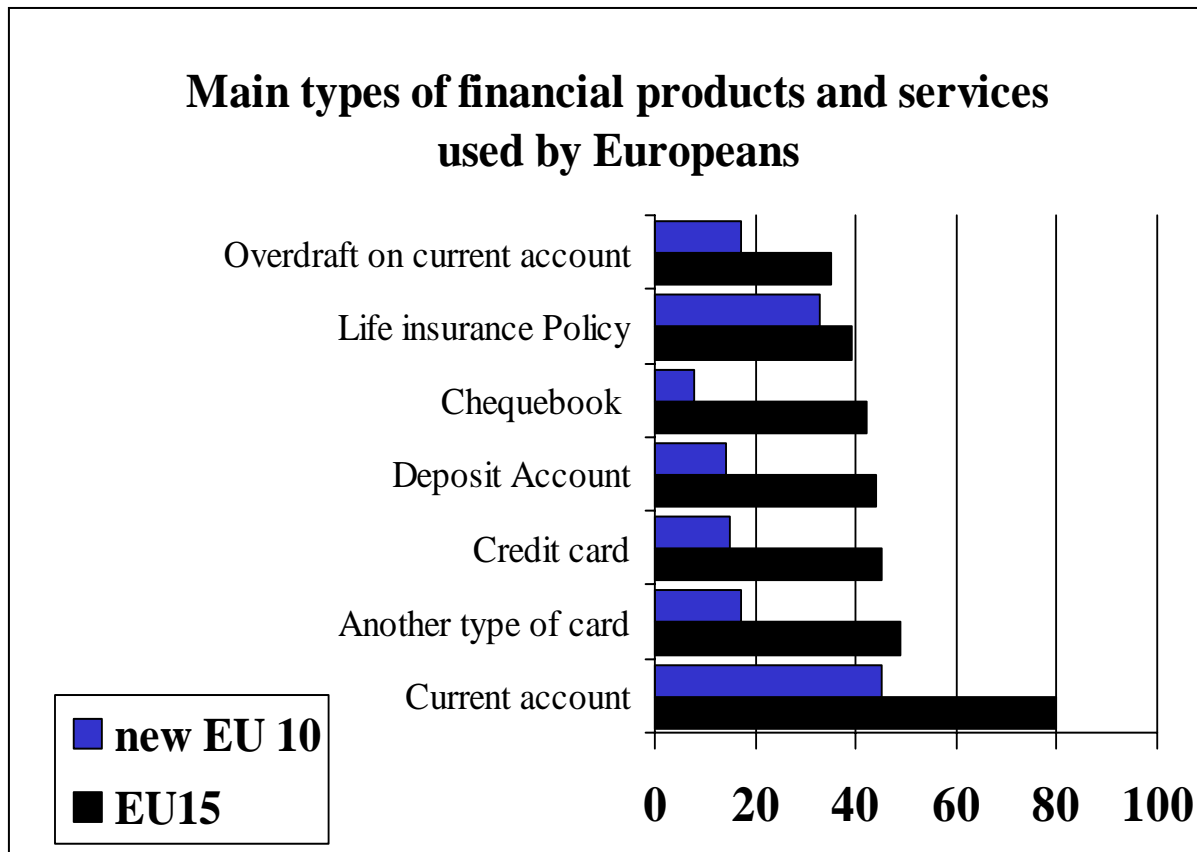
E-payments The consumers ' perspective

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' E-payments - The Consumers Perspective '

⇒ E-payments in perspective



Source: Candidate countries Eurobarometer 2003.5 May 2004 and Special Eurobarometer 202 June 2004



' E-payments - The Consumers Perspective '

⇒ E-payments in perspective

✓ Huge variations amongst Member States

✓ Current account

✓ Netherlands, B, Fce, D above 90% - Greece 20%

✓ Slovenia above 80% - Poland, Lituania, Latvia below 40%

✓ Credit card

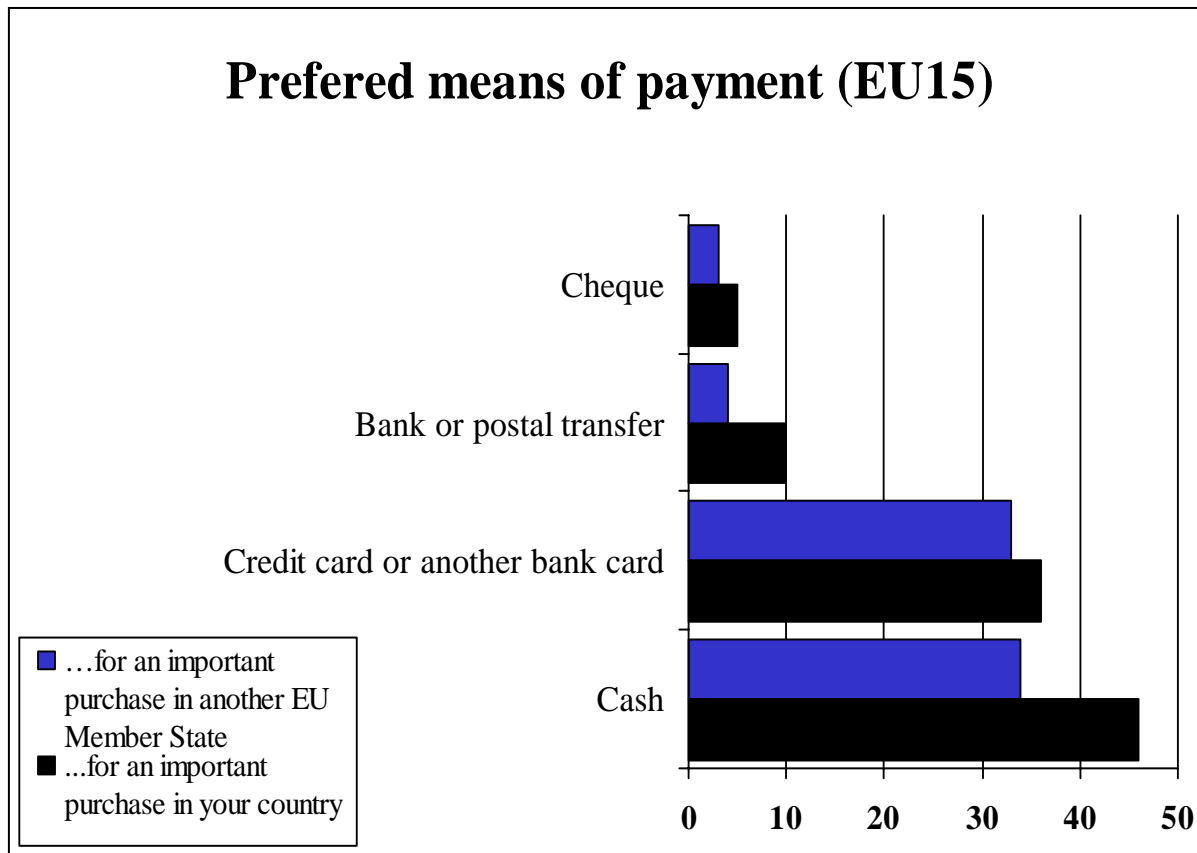
✓ Lux, Fce above 70% - below 25% in D, Port, Greece

✓ Slovenia, Cy, Malta above 25% - Lituania 8%



' E-payments - The Consumers Perspective '

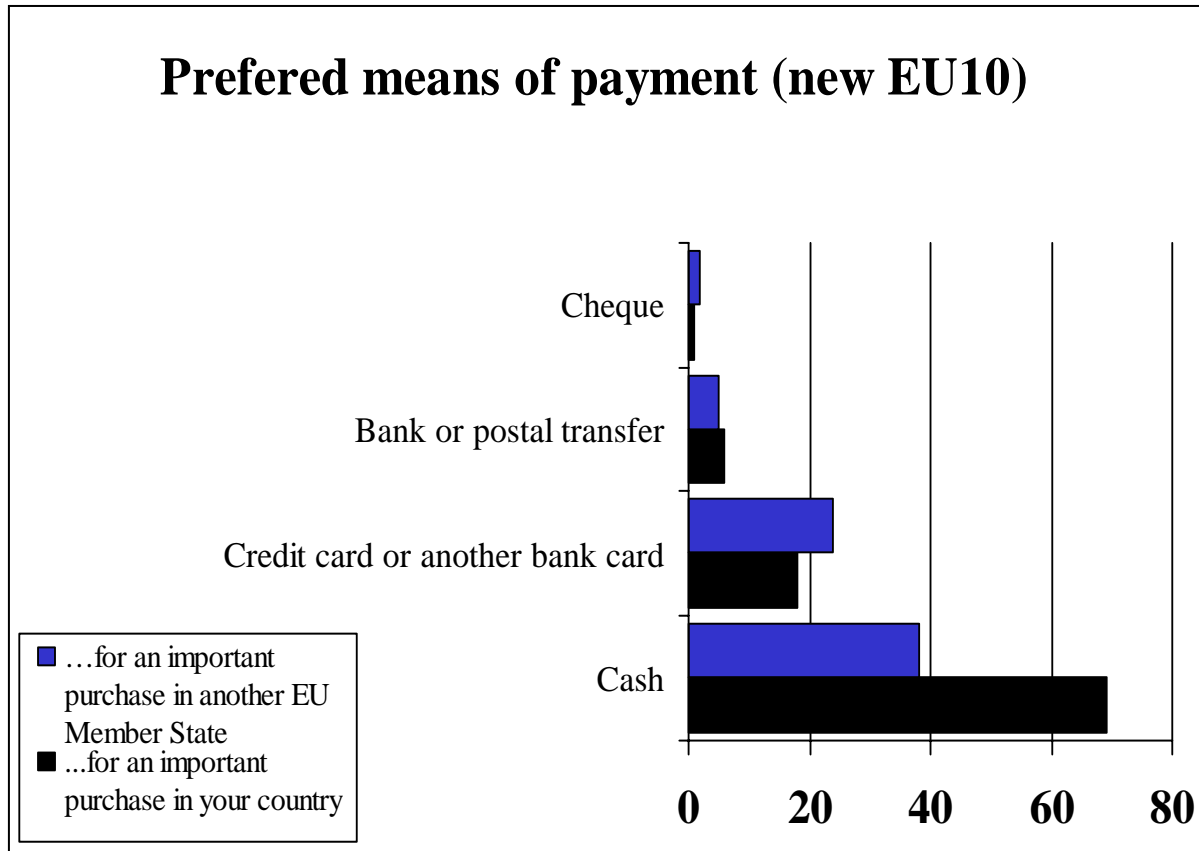
⇒ E-payments in perspective



Source: Special Eurobarometer 202 June 2004

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⇒ E-payments in perspective



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‘ E-payments - The Consumers Perspective ’

⇒ E-payments in perspective

✓ ‘Cash still king’?

✓ New EU 10: more than 2/3 prefer to pay cash
(18% card) - ‘Old’ EU 15: 46% (36% card)

✓ Huge variations amongst Member States

✓ Greece: 94% prefer cash - credit card 3%;
France: 20% prefer cash - cheque 37%



‘ E-payments - The Consumers Perspective ’

⇒ E-payments: explanatory factors

✓ EU15: preferences explained by ‘easiness’ to use (78% own country, 69% cross-border), safety and security (14%, 18%) and ‘to avoid the risk of loss or theft (14%, 18%)

✓ The impact of the Euro (favour cards)- makes it more difficult to use cash cross-border for non euro-zone countries (exchange rate/handling costs)

✓ New media (favour cards): telephone, Internet - underdeveloped in new EU 10 but generally lack of trust (22% EU15 feel transactions on the Internet are secure)



‘ E-payments - The Consumers Perspective ’

⇒ E-payments: explanatory factors

✓ ‘easiness’ to use?

✓ Relates to traditions/habits?

✓ Relates to charging structure? (France: cheques)

✓ Relates to bundle products? (UK: credit facilities, joint liability)

⇒ Misgivings about ‘maximum harmonisation’ (at which level?)/mutual recognition



‘ E-payments - The Consumers Perspective ’

⇒ E-payments: the need for change

✓ Lack of transparency

✓ Comparing information about bank accounts charges and features difficult: 50% EU15 respondents - not difficult: 41%.

✓ UFC Que Choisir survey in France: 180 different charges

✓ Aggressive marketing techniques



‘ E-payments - The Consumers Perspective ’

⇒ E-payments: the need for change

✓ Lack of competition

✓ Changing banks is difficult:

✓ charges for closing an account (above 40€ in some French banks)

✓ cost of opportunity (estimated migration cost 300€ in France, UFC Que Choisir survey 2004)

✓ Commission investigations in the Groupement Carte Bancaire (CB) case - 7th July 2004



‘ E-payments - The Consumers Perspective ’

⇒ E-payments: the need for change

✓ Lack of trust

✓ Revocability of payments

✓ Joint Liability

✓ Consumer Mobility

✓ Fair distribution of risk/burden of proof

✓ Liability in case of
theft/loss/misappropriation





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