



EUROPEAN CENTRAL BANK

EUROSYSTEM

# Dispute management

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Market Advisory Group

8 December 2022

Digital euro project team



# Objective of today's exchange



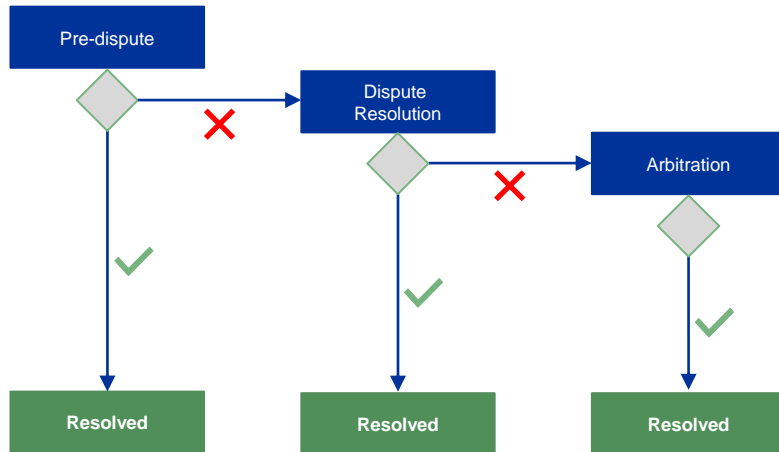
Present the investigation of **dispute management** for the digital euro.



Invite **your feedback on the Eurosystem's analysis of dispute management** (followed by written procedure until 23 January 2023) as input for Eurosystem preparations of final decisions on these functionalities by Governing Council in H1 2023

# Introduction to dispute management and its relevance for a payment scheme

- Disputes occur in any payment scheme for various reasons (e.g. technical errors, fraud, non-delivery of goods/services)
- Dispute management implies the right to request information and to be financially reimbursed if applicable



Dispute management rules and procedures enhance consumer protection, thus, drive **trust in the payment method**




# Options for responsibility division when introducing a dispute management for the digital euro

	Intermediaries not involved	Intermediaries involved
Eurosystem not operationally involved	<b>Option 1:</b> Do “nothing”, rely on e.g. EU’s Online Dispute Resolution only	<b>Option 2:</b> Address dispute management defining scheme rules and regulations without technical support on scheme level. Shift of responsibilities to intermediaries
Eurosystem operationally involved	<b>Option 4:</b> Define scheme rules <b>and</b> introduce a dispute management system of scheme level <b>without</b> intermediary involvement, interacting directly with end users	<b>Option 3:</b> Define scheme rules <b>and</b> technical functionality on scheme level, providing integration possibility to intermediaries enabling application of defined dispute management rules

Regardless of the option chosen the Eurosystem will not take any financial liability vis-à-vis the end user

 Considered a viable option. To be assessed further, particularly, impact on end-users, intermediaries and Eurosystem

 Considered not a viable option

# Way forward and discussion

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# Way forward



**Further investigation** on dispute management



**Consultation of Eurosystem committees**



**Outreach to other Central Banks and international fora, as well as external stakeholders**



Eurosystem views to be **updated in Q1 2023** based on the outcome of Eurosystem committees' consultation, preliminary external discussions and further internal analysis, and to be **finalized towards the end of the investigation phase**



Review of combined design decisions (“Bringing it all together”) in Q2 2023 and feedback by stakeholders on overall design prior to Governing Council decision making thereafter

# For feedback

We invite **reflections on all aspects of the analysis**, including the following questions:

- View on the need of dispute management processes for a pan-eurozone payment method like the digital euro considering the prioritised use cases: P2P, POS and e-commerce?
- View on the role of the Eurosystem vs. the role of the intermediaries in regard to dispute management processes for the digital euro, particularly considering the proposed dispute management option 2 and 3?
- Key considerations when implementing dispute management processes for both the Eurosystem and intermediaries?

**Thank you**

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