



Global trends versus physical reachability and accessibility of payment services

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8th Conference on Payments and Securities
Settlement Systems
Ohrid, 13 May 2015

Setting the direction in retail payment needs facilitating a social dialogue between stakeholders

Provide information and tools!



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WHAT ROLE CAN AUTHORITIES PLAY?

Monitor market developments, provide analyses, including payment statistics, act as catalyst,

Facilitate a social dialogue between stakeholders to:

- ★ develop a payments strategy and set work priorities – e.g. SEPA migration
- ★ identify harmonisation and standardisation needs
- ★ set business requirements for specific payment instruments and monitor

Working groups of the NL Forum

- Availability and Accessibility
- Social efficiency
- Security



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Working Group on Availability and Accessibility

This working group investigates how to safeguard and improve the physical availability and accessibility of payments services for consumers and businesses.

Key issue:

How to make sure that all the relevant stakeholders do participate and have a voice so that there are no accessibility bottlenecks for payment services.

And it remains **Available** and **accessible** for everybody!!

Working Group on Availability and Accessibility

- Accessibility is about customer friendliness of payment products; debit cards and payment terminals, internet banking for vision impaired, using telephone for banking, etc.
- Availability is about the actual distances to reach a bank branch to deposit money or to withdraw money.
- The working group conducts researches, participates in projects and try to contribute with concrete solutions for payments services related topics.

Working Group on Availability and Accessibility

The shift from physical to digital payment services is a fact.

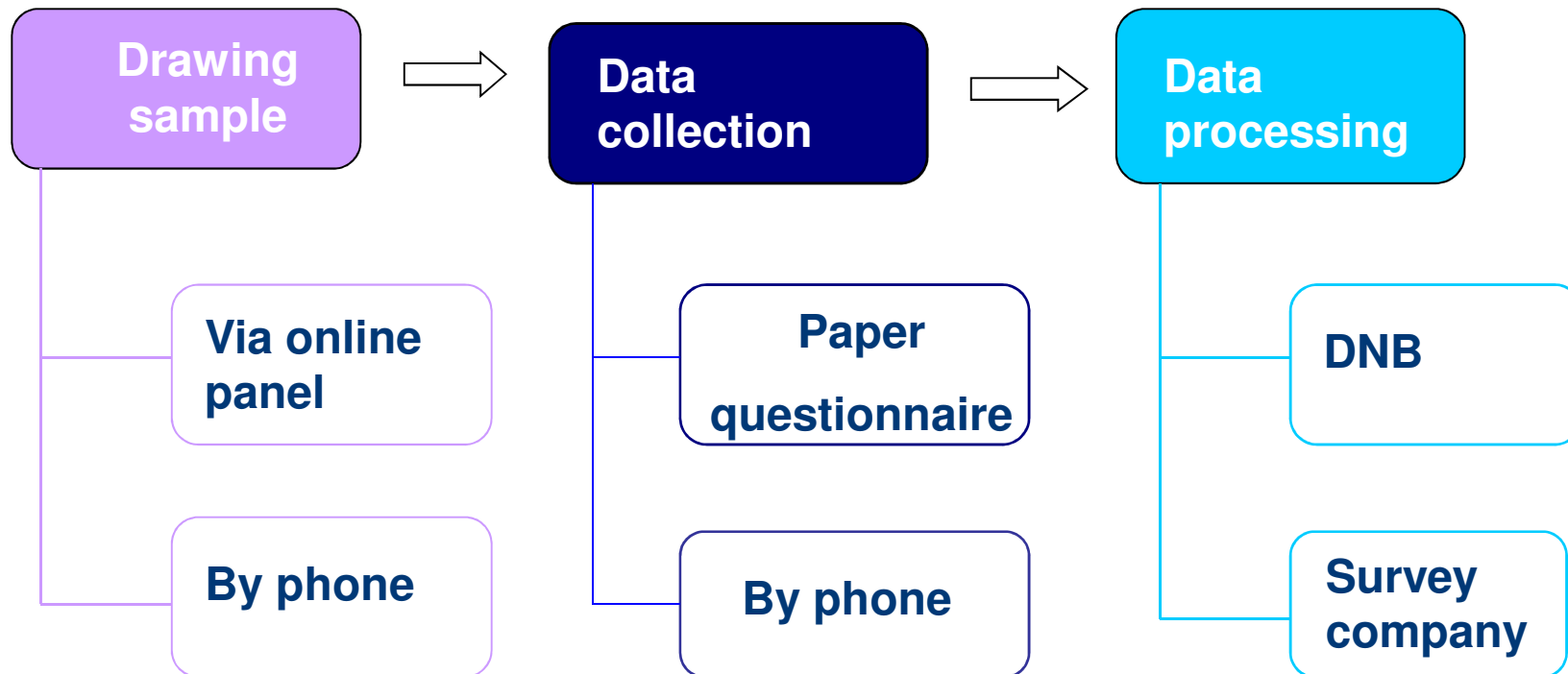
- This trend, in which the boundaries between traditional payment products are blurring and new technologies such as contactless payment and mobile devices are becoming increasingly important, is expected to continue in the years ahead. This will lead to a further reduction in physical payment services via **bank branches**, use of **ATMs** and **cash deposits**, in favor of **electronic payments** and the use of **Internet** and **mobile banking**.
- During this process, it is very important that **vulnerable groups** continue to have optimum access to payment services. Independence is at the heart of the drive towards **a participation society**, and
- **ACCESSIBILITY** is an essential condition in enabling people to conduct their day-to-day banking affairs independently.

Accessibility Monitor NL

- The purpose of the studies “Accessibility Monitor” in NL is to appraise the extent of any generic changes in the accessibility of payment services compared to previous years
- Also to chart developments and trends as regards the accessibility and usability of payment services.

→ Examples of the latter are (automated) substitutes of activities formerly performed at bank branches.

Accessibility Monitor NL

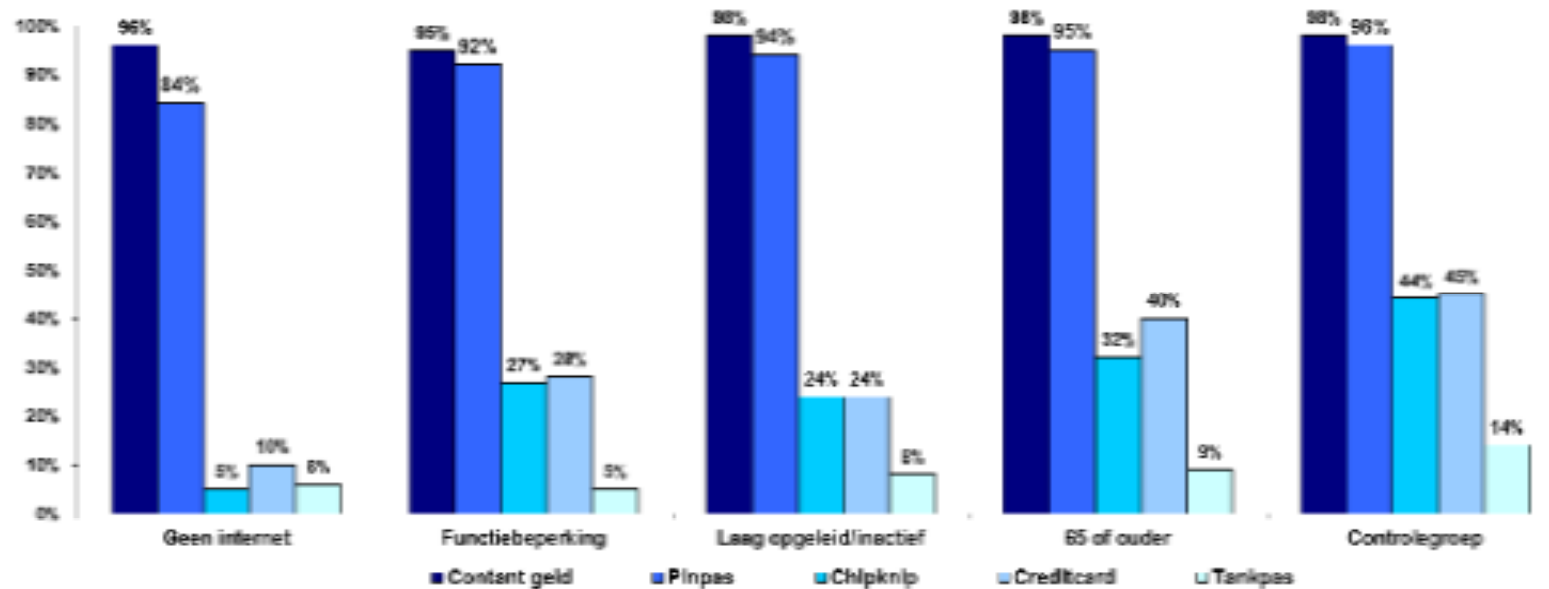


Accessibility Monitor NL

- On the consumer side, the study aims to chart perceptions and experiences regarding the geographical aspects of payment service accessibility, more particularly the locations where services are provided in their relation to the mobility of the consumer.
- The business side of the study is directed towards the accessibility and use of payment services such as cash withdrawals and deposits, solutions organised by small and medium-sized businesses on a mutual basis and security aspects these may involve.

Accessibility Monitor NL

Figure 3.2: Means of payment used at points of sale
(multiple responses possible)⁶



⁶ Figure 3.2 (from left to right) : No internet access, Functional impairment, Low education/inactive, 65 years or older, Control group.

Cash, Debit card, e-purse, Credit card, other

Accessibility Monitor NL

Table 3.8 Satisfaction with the basic services in 2010- 2013

1-10 scale , 2010 in brackets

Basic service	Target group				
	No internet access	Functional impairment	Low education /inactive	65 year or older	Control group
Making payments and cash draws	7,7 (7,7)	7,3 (7,6)	8,2 (8,1)	8,0 (7,9)	8,3 (8,1)
Applying for a licence from the Municipality	7,1 (7,1)	6,5 (6,8)	7,6 (7,1)	7,5 (7,2)	7,6 (6,9)
Applying for utility services	7,4 (7,5)	7,0 (7,3)	7,8 (7,6)	7,7 (7,6)	8,1 (7,3)
Taking out an insurance policy	7,3 (7,1)	7,0 (7,3)	7,8 (7,7)	7,8 (7,5)	8,0 (7,7)
Booking a holiday	7,3 (7,3)	6,9 (7,3)	8,1 (8,9)	7,8 (7,6)	8,2 (7,9)
Travelling by public transport	6,7 (6,9)	6,1 (6,4)	7,5 (7,2)	7,2 (7,1)	7,5 (7,1)
Shopping at a supermarket	7,5 (7,8)	7,0 (7,4)	8,3 (8,0)	8,1 (7,8)	8,4 (8,1)
Visiting a post office	7,2 (7,5)	6,3 (7,0)	8,0 (7,4)	7,8 (7,6)	7,9 (7,2)
Visiting doctor/pharmacy	7,6 (7,9)	7,4 (7,7)	8,2 (8,0)	8,2 (7,9)	8,2 (7,9)



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Table 4.2 reasons for (not) visiting the bank in the past three months

Reasons for visiting		Reasons for not visiting	
Cash deposit/withdrawal	10% (26%)	I use internet for all my banking/by phone	26% (37%)
Personal contact	43% (22%)	No need to visit	66% (28%)
Better information provided	14% (9%)	Sufficient information on the website/internet banking	1% (18%)
Business that can only be done at the bank	19% (4%)	To little personal contact	1% (3%)
I do not use internet banking	1% (1%)	They visit us	1% (2%)
Insufficient info on the website	2% (1%)	Information provided is inadequate	2% (2%)
Related to debit card/pin	4%	The bank is too far to visit	1% (1%)
Other (mainly non-payment related matters, mortgage, credit, etc.)	8% (37%)	Other	2% (6%)

Accessibility Monitor NL

Table 4.5 Payment services accessibility: issues and points for improvement cited by businesses

(spontaneous responses; antwoorden, multiple responses possible)

Issues		Issues for improvement	
Unsafe deposit environment Outside bank	3%	Deposit facilities must be improved/safer	2%
Unsafe deposit environment (general)	2%	Bank branch closer	2%
Bank is too far away	2%	Reduce costs for services	2%
System failures internet banking i	2%	More personal approach	2%
Problems with website	2%	More customer-friendly	1%
Charges	2%	Longer opening hours	1%
Difficult to reach by telephone	2%	Reduce waiting times in the branch	1%
Opening hours	1%		
Waiting periode	1%		
Impersonal	1%		
Problems with change	1%		
Other	8%	Other	6%
No issues	73%	No points for improvement	83%

Questions for the future (1)

What to expect in coming years?

- New players, non-banks, to process a larger share of payments
- Trend of more use of payments data to get access to valuable information
- Behaviour of new generations: digital natives
- More convenience, ubiquity and tailor-made solutions
- ...



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Questions for the future (2)

Role of central banks versus innovation & accessibility

- **Catalyst:** SEPA as basis for new services, dialogue with new players
- **Overseer:** Evaluation of current methodologies and requirements, potential need for adjustment
- **Operator:** Evaluate the need for a broader intervention
- ...

Conclusions (1)

- **The declining trend in the number of bank branches is continuing, while consumers are increasingly using electronic means of payment at points of sale. At the same time, online purchases and online banking have become commonplace.**
- **The expectation of a further shift from physical to digital payment services, as expressed in the studies conducted, has proved to be accurate.**
- **More than 99% of the Dutch population still live within five kilometres of a physical bank payment service facility.**
- **Also in Portugal, the coverage of the ATM network allows for access to a range of payment services throughout the country (including islands).**

Conclusions (2)

- According to consumers, continued attention should be paid to vulnerable social groups, such as →seniors,
→the physically challenged,
→and those without an internet
- Entrepreneurs' perceptions of accessibility or lack thereof tended to concentrate on cash withdrawals and deposits.



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FINAL REMARKS

Authorities set the direction by creating basic conditions, organising social dialogue, providing information and tools, imposing security requirements, updating legal framework.

Retail banking and payments have high social relevance. Without stakeholder involvement it is not easy to play the designated role of an authority.

Any questions?



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