



**IACA's Global Payments Survey
Project:
Where have we been and where are
we going?**

Second Central Bank Forum on Payment Surveys

Buenos Aires

May 6-7, 2010

Eugenie Foster

Agenda

- The International Association of Currency Affairs (IACA)
- Global Payments Survey Project
 - 2008 Literature review
 - 2009 First Central Bank Forum on Payment Surveys
 - 2010 Second Forum

IACA

- International Association of Currency Affairs

A not for profit organization that provides opportunities for stakeholders in the cash cycle to share information and collaborate

GPSP

- Global Payment Survey Project:
 - Cash cycle stakeholders need robust and unbiased payments data
 - IACA is working to develop an overview of global payments trends, with emphasis on cash payments data
 - IACA's view of the issue is international

Existing Payments Data

- Central banks manage extensive data series on *noncash* instruments
- There are no standard data series for *cash*, so central banks survey or model to estimate cash payments
- Retail, banking, payment card, post, and other national organizations may collect payment data and/or conduct surveys
- Commercial organizations that collect payment data generally do not publish widely. Their surveys may be less robust than the central banks'

GPSP literature review

- In 2008, IACA funded a review of retail payments survey literature published in English
- Emphasis was on the period after 2003
- Publically available retail payment survey research and data come generally from central banks

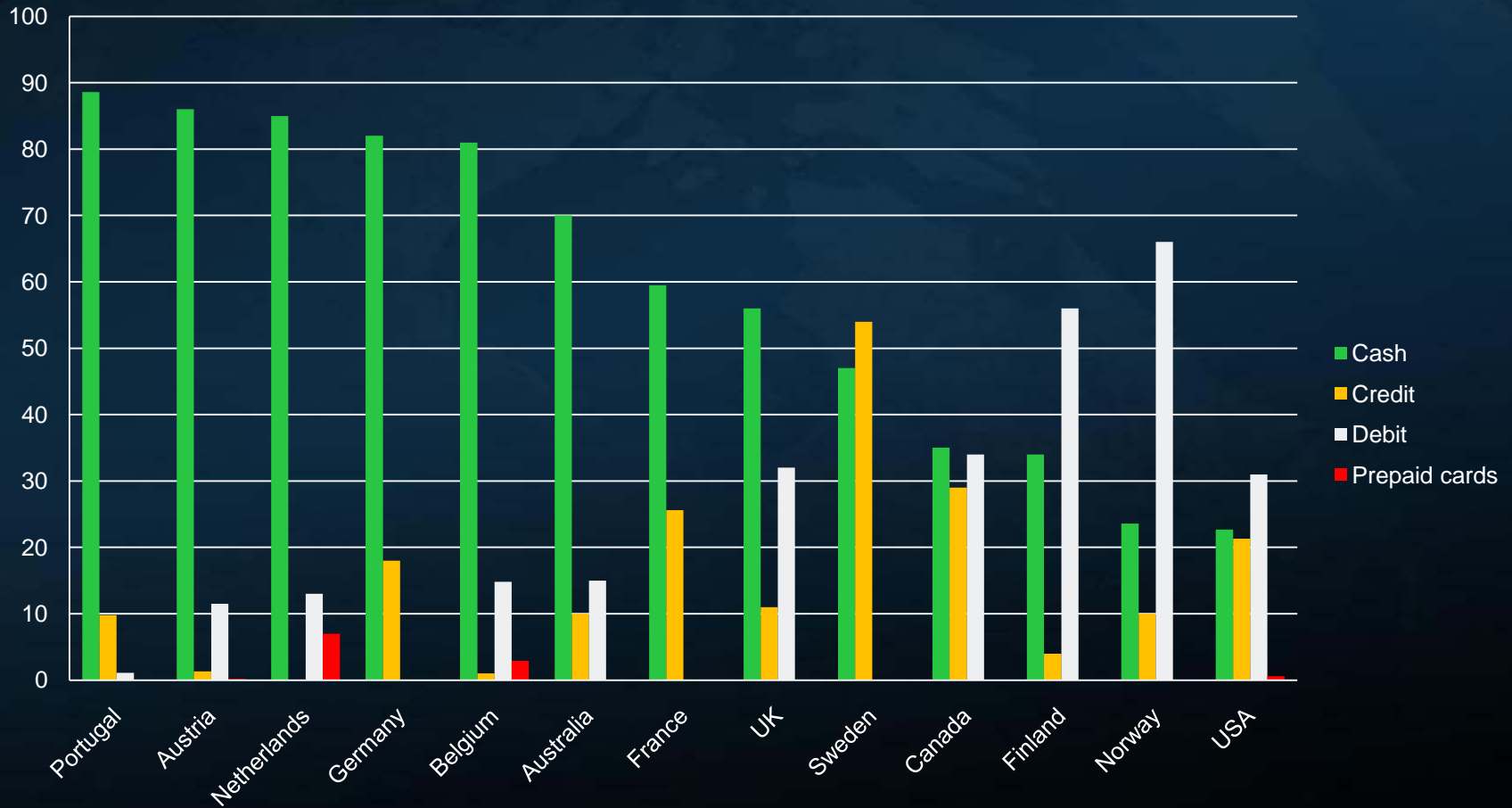
Literature Review Observations

- Thirteen central banks and national organizations have published results of national payments surveys since 2003
- There are no agreed methodologies for payment survey
- While specific details vary by country, the general retail payments trends are moving in similar directions

GPSP LITERATURE REVIEW OBSERVATIONS

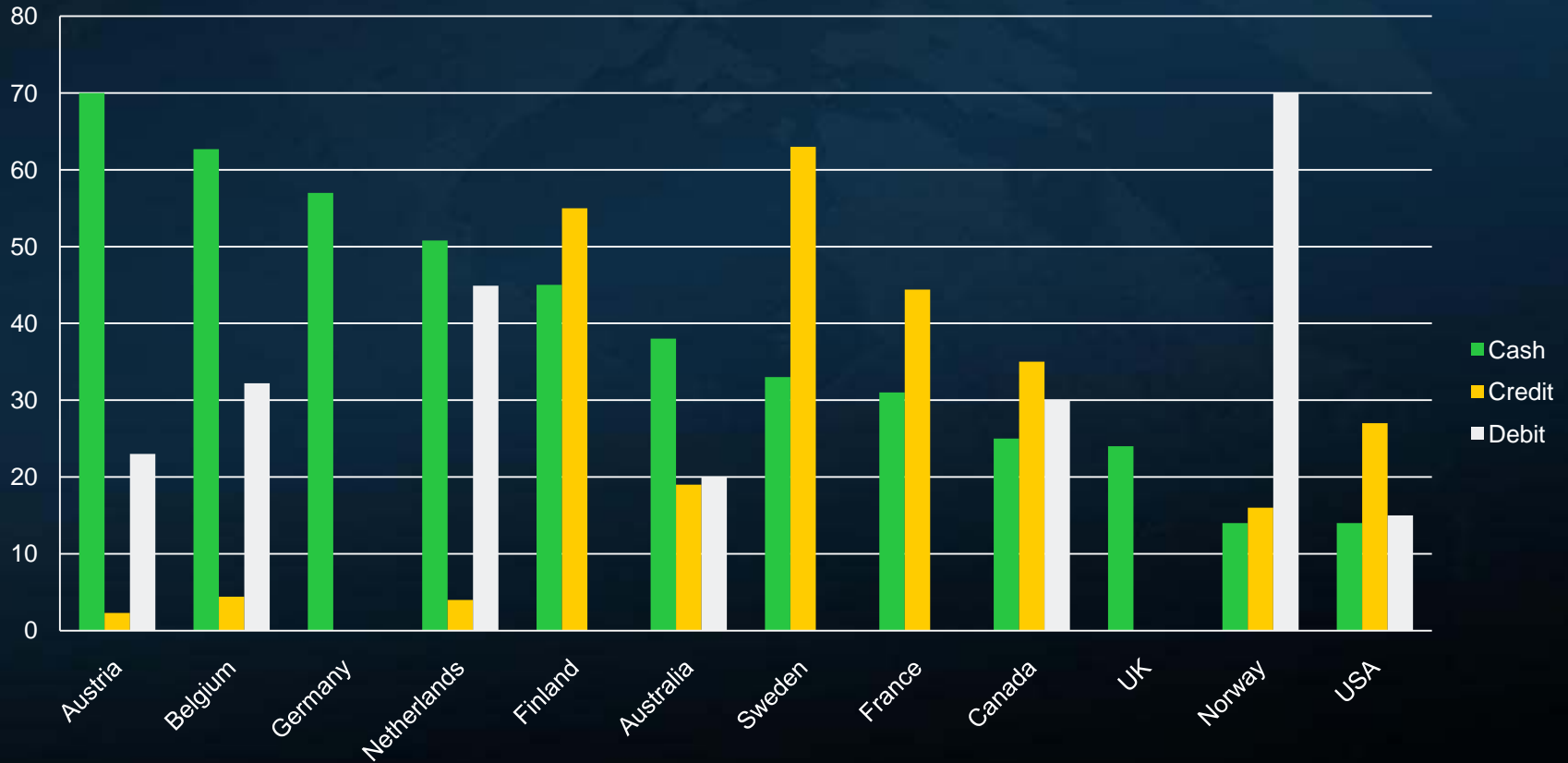
Country	Date (s)	Scope	Methodology
Australia	2007	Individual payment habits	Consumer diary
Austria	96, 00, 05	Household payment habits	Consumer diaries
Belgium	2003	Payment system review	Consumer telephone survey
Canada	2004 2006	Consumer attitudes about cash use Merchant survey	Telephone survey Telephone survey
Finland	2006	Consumer payment habits	Mail survey
France Telecom	2005	Payments	Consumer diary
Germany	2008	Individuals payment habits	Consumer interviews and diary
Netherlands	2004	Payment preference	Household internet questionnaire
Norway	1993, 2006	Household payments	Consumer telephone survey
Poland	2008	E-commerce payments	Online-merchants questionnaire
Portugal	2005	Households	Household survey
Sweden	2006	Quality and use of cash and cards	Consumer telephone survey
FR Board of Governors	01, 04, 06	Noncash and electronic payments	Financial institution and data surveys
FR Bank of Boston	08, 09	Payment preferences	Consumer surveys

POS Volumes

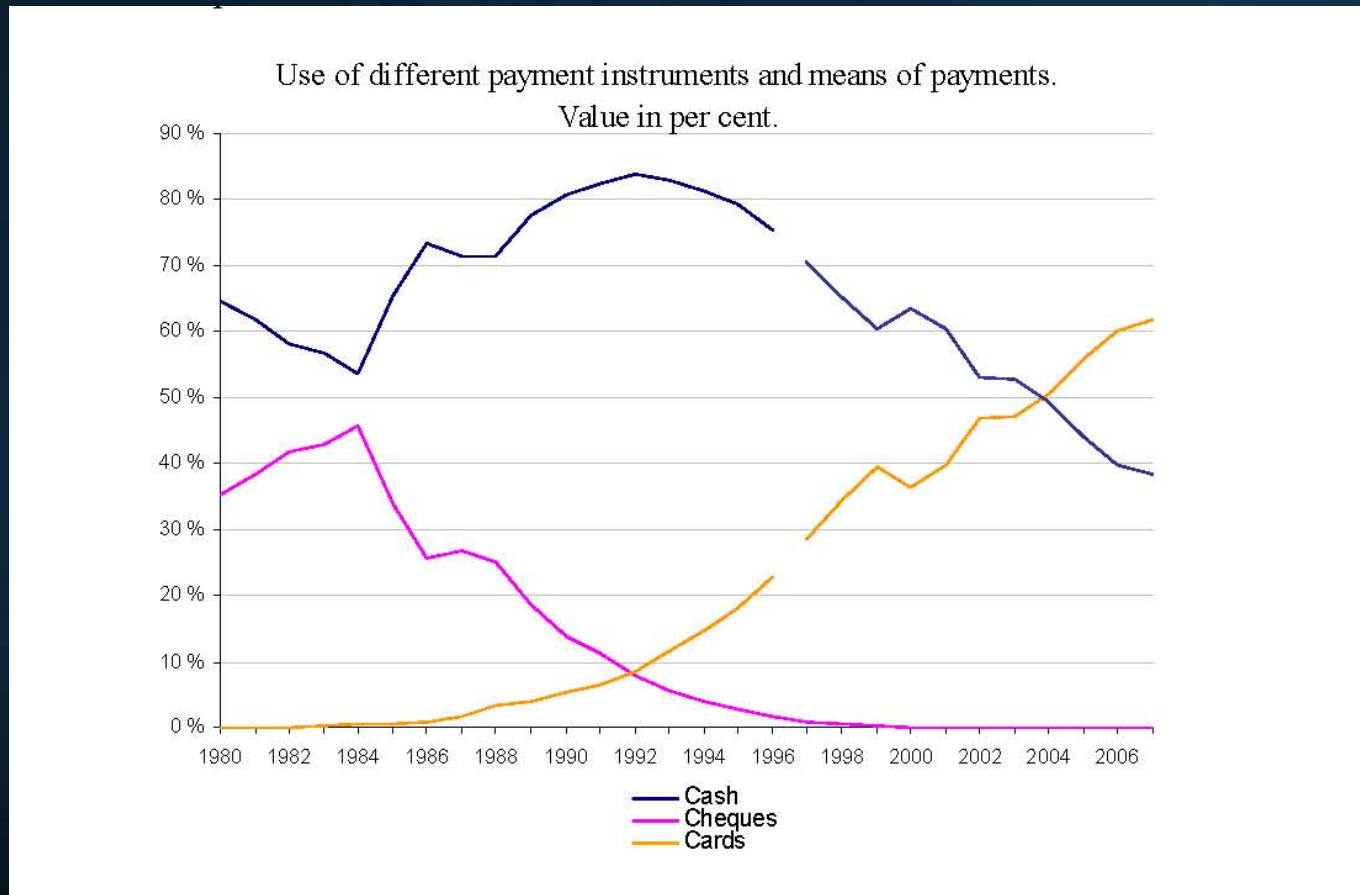


POS Values

POS Transactions by Value



Point of sale trends



Source: Norges Bank

Cost Analyses

Country	Date	Cash	Credit	Debit	Break-even, cash/debit	E-purse
Australia	2006	A\$0.28 to 1.42	A\$0.80 To 4.76	A\$0.50 To 0.73		
Belgium	2003	€0.53	€2.62	€0.55	€10.24	€0.54
Canada	2006	\$0.25	\$0.82	\$0.19	approx. \$12	
Finland	2008	€0.30	€0.26		approx. €15	
Netherlands	2005	€0.30	€3.59	€0.49	€11.63	€0.93
Norway	2009	NOK 1.8	NOK 5.9			
Portugal	2005	€1.85	€2.44	€0.23		
Sweden	2002	€0.52	€0.50	€0.34	€7.8	
USA	2006	\$0.80 to 1.11	\$0.25 to 0.90	\$0.70 to \$1.04		

Payment Preferences

Cash

Reasons for using cash (BoF, February 2007 consumer questionnaire)

Why do you use cash as payment media? (in order of importance)		%
Cash is more handy in small payments	1169	24.7
Cash usage is more fluent/quicker than card payments	895	18.9
Cash can be used in more frequent places than cards	611	12.9
Cash usage is more controllable than card payments	596	12.6
Other than listed reasons	550	11.6
Cards cannot be used everywhere	336	7.1
Habit or manner	294	6.2
Cash can be transferred to other people (like children)	113	2.4
Using cash is more secure	103	2.2
Cash withdrawals are free of charge in ATMs	39	0.8
Cash be used unanimously	30	0.6
All together	4736	100.0

Source: Bank of Finland's Consumer questionnaire February 2007.

Cards

Reasons for using card payments (BoF, February 2007 questionnaire)

Why do you use card payments? (in order of importance)	Responses (weighted)	%
Cash usage is more troublesome (e.g. taking back change)	1332	30.6
Withdrawal of cash from ATMs and banks is troublesome	413	9.5
I use cards for larger purchases / sums	403	9.2
Other than listed reasons	403	9.2
I do not have cash	358	8.2
For easiness sake	353	8.1
I do not want to keep cash in my wallet	290	6.7
Paying with card is safer than by paying with cash	286	6.1
ATM network is too scarce	194	4.5
I want to monitor my spending e.g. from bank statement	122	2.8
For gasoline purchases / filling up the car	109	2.5
Credit and charge cards (debit and credit cards) can be used abroad also	58	1.3
By paying with credit card I receive time to pay	35	0.8
Confirming a payment with a chip card is faster than cash	21	0.5
All together	4357	100.0

Source: Bank of Finland's Consumer questionnaire February 2007.

Cash Payment Forecasts

Country	Date	Forecast share of cash payments	Intervention
Austria	2015	77%	No
Finland	2010	25 to 30%	No
Netherlands	2015	20%	No
Norway	2015	5% to 15%	Yes

CENTRAL BANK FORUM ON PAYMENT SURVEYS

Central Bank Forum on Payment Surveys 2008

- IACA hosted economists and cash experts from 8 central banks
- Presentations on 5 payment surveys
- Participants agreed on the value of sharing and exchanging views
- Identified development of a glossary of payment survey terms as a step towards cooperation
- Asked whether IACA should survey central banks about their interest in comparable payments data

GPSP Forum Follow-up

- IACA funded development of the glossary of payment survey terms
- IACA will host ongoing central bank dialogue on payment surveys
- IACA continues to explore other ways of promoting internationally comparable retail payments data

Second Central Bank Forum on Payment Surveys

Second forum agenda

- Reports on retail payment surveys
- Discussions
 - Survey approaches
 - Glossary of payment survey terms
- Consideration of steps that might be undertaken jointly

**THANK YOU FOR YOUR
ATTENTION**