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- Equality for All

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Observations:

Views

Chapter: **4. Payments Roadmap**

Timeline:

Participants expressed a view that this period of time was too long as the immediacy of the situation (cash Vs card) would not be addressed if it was mixed in with other aspects of the NPS. Although there was agreement that it was a better timeline than the NPP, participants would have liked to have a short brief on the draft content of the information being brought forward in the new EU legislation (2030) so they could be better informed of the implications of the NPS.

Principles:

Participants found the Principles realistic and trustworthy. It was clearly laid out and easy to understand in the questions' context.

Indicators to measure progress:

Participants reflected that the indicators to measure progress could include:

Review the action plan and list the metrics to track. Either completing a task or project by a specific date and quantifiable performance measures, for example, a webpage indicating the status of the Strategy and tying the metrics to the strategy. It should also list how the implementation process operates and the next steps. It would also be useful to define a specific number of KPIs, track them, and maintain up-to-date data to keep the strategy implementation on track. Performance reporting could be listed on the web page, and periodic reporting on the status of the strategy using clear data to illustrate the status would be welcomed.

Trust in the Irish Payment System

Recent events and financial crises have underscored the importance of trust in banking and banks' role in economic growth. The effects of lost trust in banks have been long-lasting, as participants (especially those about to retire or recently retired) lost money during the banking crash post-Celtic Tiger, which also had implications for banks' asset portfolios and loans and credit availability to borrowers. A mixed response to this question was recorded; people are cautious, and no one expressed complete faith in the system as there are too many incidents reported of fraud and customers being punished. Some included:

- electronic payments, outage from power interruption, technical glitch from a banking system, extreme example war, trust is compromised
- good backup systems expected from traditional banking institutions seem to be compromised. Denying access to a live person when there is an issue, as participants do not trust or want to use chatbots, and when there is an electronic failure, at least cash can back up the system.
- fairness of banks' products and services and banks' compliance with laws and regulations also impact participant trust
- lack of transparency, especially with cards/ withdrawal of money from ATMs - there should be a

message saying this withdrawal will cost X or Y - it all adds up

- discrimination on a prohibited basis, deceptive or unfair practices, and fraud also erode trust in the banks and reflect weak controls - disproportionate prioritisation of profits over consumers or indifference to certain marginalised groups and communities.

The reciprocal nature of the relationship between trust and safety should make consumer trust a key variable of interest to bank regulators.

Vision for the Irish Payment System

Participants universally reported that there needs to be a choice - cash or card and the system has to be part of a broader universal design approach where older people, those with special needs and low income, homeless etc have the agency to make a choice.

Although young people expressed an interest in direct and instant cash payments, these practices have been adopted too quickly without considering the needs of the broader society. Cash is legal tender, and participants feel that citizens of a republic with freedom of choice should have the option to use legal tender (cash) for payments if they want to. They also want a transparent system of governance over the banking sector. These comments are closely aligned with SDG (10) Reduced Inequalities.

Access to cash

Chapter: 5. Access to cash

Digital Payment/Cash and Cheques

Choice:

Losing the 12 main banks was inconvenient, and participants felt that an older person's needs were not accommodated in this process.

Payment Methods:

A cashless system does not account for those with special needs or literacy issues. Many cannot use their phone to make long calls, as credit is an issue and those managing on a tight budget or pension are often left with mounting fees as they cannot find an answer to at the local bank.

Card-only payments result in social exclusion and are very inconvenient - supermarket trolley/train stations/ Parking (DCU), especially when small purchases are required. Also, electronic payments often fail due to poor broadband connectivity, which can cause embarrassment to an older person if this happens. While participants recognised the efficiency of paying with a card, a competing group was also concerned with fraud. If a bank card gets lost, the finder can tap it multiple times a day - €50 is a significant amount from a social welfare payment.

Some participants still prefer cheques as they have proof of payment and offer a secure payment method.

It was suggested that the choice to use cash should still be offered, and a 60/40% approach could work - 60% (card) and 40% (cash).

Instant Payments

It was agreed that instant payments allow people and businesses to process payments efficiently and immediately. For example, people can easily split a bill with friends and receive funds instantly. Businesses can better control their cash flow and reduce operational costs to provide a better service, for example, by offering instant refunds. Public institutions can benefit from improved cash flow management, and charities can use contributions more quickly. Banks can use instant payments as a springboard to develop innovative financial services and strengthen their competitive position.

Participants also felt that payments left no margin for error and no time to correct any errors that may have been made in payments, so additional vigilance was required as mistakes can be tedious and time-consuming to correct. Also, instant payment can lead to security breaches and fraud, a big concern among older people. A cooling-off period was suggested as a means of control in addition to an information campaign to inform the public's understanding of how the systems operate.

Payment Fraud

A considerable debate around payment fraud was discussed at length, and several examples were shared with the group, which included phishing, Identity theft, and payment and transfer scams against people and companies. One participant commented that if "*the likes of (big organisation) can be duped, how can a member of the public fight against it?*" Again, the need for educational information was highlighted as a lot of jargon is associated with this. Some suggestions to protect against fraud were discussed.

- Be aware of the latest fraud trends - DCU AFU highlights fraudulent warnings, which is useful.
Make sure you know the verified payment processor
- Strong passwords etc
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- Regular security checks with antivirus software.
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- It was agreed that small businesses are often the victims of fraud and that the banking sector and other stakeholder groups must unite to identify how to work against fraud. Some solutions included biometrics and collaborative approaches from different countries and stakeholders, sharing the learning and ensuring everyone is educated and informed about the risks and how to protect themselves.

Open Banking

The majority of participants did not understand what Open Banking is, and when it was explained, they felt it was risky.

Open Banking allows customers to access a broader range of financial products and services. One participant who did use it was cautious and only used it for certain transactions - even then; there was a concern about fraud as it is easy to create an account. It was acknowledged that while it presents a great opportunity for businesses, especially when offering their customers innovative products, such as credit, loans, financing, or any other kind of service traditionally restricted to traditional banking, conversely, another participant who used it for business remarked that open banking offers greater security and control over financial data as it provides the opportunity and the ability to decide what data they share, with whom they share it, and for how long, and leads to more detailed management and control of their data and its responsible use.

More information is needed from the government on what this is and how it works.

Digital Euro and Crypto Currency

The majority of participants did not know anything about the digital euro or cryptocurrency and felt it was "shady"/"risky" "on the margins" "uncontrolled". Still, participants were familiar with Bitcoin as a term and had a vague understanding of its use. One participant mentioned that he had "dabbled" a bit in it and provided more information set out below.

Advantages Crypto Currency

Inflation Protection: Because of increased demand for Bitcoin, its value will rise, which might keep up with the market and prevent inflation in the long run.

Transactional Speed as cryptocurrency transactions are done in a matter of minutes

Cost-effective transactions can help transfer funds globally and eliminate the need for third parties like VISA to confirm transactions.

Cryptocurrencies represent a decentralisation model for money. They also help combat a currency's monopoly and free money from control. No government organisations can set the coin's worthiness or flow, which crypto enthusiasts think makes cryptocurrencies secure and safe.

Accessibility: Investors need a computer or a smartphone with an internet connection to use cryptocurrency. There's no identification verification, credit check, or background to open a cryptocurrency wallet. No one can access funds unless they gain access to your crypto wallet's private key.

Transparent, one can view the money transfer transactions by simply using blockchain explorer to track live transfers.

Disadvantages

Cryptocurrency claims to be an anonymous form of transaction, but they are actually pseudonymous which means they leave a digital trail that can be decoded.

There is a constant risk of attack in which an ill-natured group can reverse a transaction that is completed, pause the transaction in process, double spend coins, prevent new transactions from getting validation and much more. A powerful technology application and device is essential to participate.

Personal information could be made public as information is stored in a public ledger. The lack of key transaction policies serves as a major drawback of cryptocurrencies.

There is no refund or cancellation policy.

Data Collection and Analysis Regarding Central Bank

The Central Bank is regarded positively, and participants understood their defined role. However, some participants felt that they were slow to respond to the increased demand from businesses to accept cards in cash and, therefore, contributed to exclusion. Others felt it was too big and too administrative, and they needed to broaden their stakeholder engagement and be transparent in their reporting to the Irish public. As they have an important role in society, they should be at the "cutting edge" of practices and prepared for some of the issues that have arisen over the past

years. Another group mentioned their (CB) role in broader industry was supporting big business, shareholders, and monetary classes. While there was no evidence of examples to support these assessments, a comment was made that the public should be consulted more explicitly on the future direction of the payment systems.

Data Collection and Analysis - Access

It was agreed that data in these areas could be improved, and there are many irritating and inconvenient practices. There were many negative comments about access to cash points and machines being removed from localities.

One participant living in Dublin County, which is quite rural, has to drive 8 miles to get cash, and often, the machine is not working, so he has to go further afield. ATMS should be safer to use and not on public streets, which are often dark at night. It would also be better to have ATMS that are flat - as one participant described in South Korea, so people can't look over their shoulders and read the screen.

Banks are profiting from handling cash as they make charges to process it, impacting charities and schools.

Govt stamp duty is an extra payment, plus transaction fees per use of the card - no fees for cash.

Cash allows privacy and agency and no storing of data.

Cash educates children on the value of money and how to spend it; no child's eyes ever lit up at the sight of a Revolut card.

Banking machines are being removed from areas without banks or post offices, so some participants felt they were being systematically excluded and denied their right as citizens to have choices.

Banks only have one cashier open, so older people and others often have to stand for a long time before being served. More seating and more cashiers at banks would be appreciated.

Vulnerable people in the community may not fully understand electronic banking, but cash is tangible, giving them more control over their finances. Also, some vulnerable people may end up in debt due to a lack of economic literacy about online banking.

Online bookings for tickets and concerts were a particularly emotive issue as the price shown is not the price paid. Additional "booking" charges for online booking can be as high as €7 per ticket, although in some cases, this can be avoided if bought from a ticket office. This still requires a card, and travelling to get to the specific ticket office can be inconvenient.

Participants preferred to have some cash in their pocket - to pay for parking/leave a tip, or give their grandchildren "*something for a few sweets*". Also, making small payments -€50 could be an option in cash. Other participants preferred to use their bank cards for all monetary transactions but also liked to have some cash -€20 for odd payments (church collections, donations)

Participants unanimously agreed that they preferred to lodge cash in person at a bank with a cashier as they felt it was more secure and empowered them. It offered an opportunity to go out and engage in the broader community.

Cash usage is falling because businesses force people to use the card as they won't accept cash. While cash levels fell during and post-COVID-19, it was at the convenience of businesses that do

not have the added cost of processing cash payments. Using cards over cash has been imposed without any consultation with merchants on their impact on the customers, and participants advocated for cash by voting with their feet. 40% of all transactions should be acceptable in cash.

One participant mentioned a preference for cards over cash because of the unhygienic nature of cash.

There was agreement that cards offer more flexibility, especially for big purchases, but cash is still needed (train parking/festivals/ etc)

Acceptance of Cash Private Sector

Participants experienced both non-acceptance and acceptance of cash and again felt that this was driven by businesses who did not want the bother of processing cash payments.

Acceptance of Cash Public Sector

Participants mentioned that some credit card statements do not carry a bar code at the "tear off" section of the statement, so the post office will not process the payment despite offering AIB/BOI facilities. How do pensioners pay their credit cards? ATM will not accept credit card payments.

One example provided by participants regarding cash Vs cards cited DCU as an example. DCU became cashless over a year ago and imposed parking charges on its campus. The parking charge per semester is €2 and has to be registered on a specific parking platform, which is challenging for certain groups to use. Also, a card must have a cash balance to pay, which is often an issue for students.

Banks often change their online banking systems at very little notice to the consumer. Two-step authentication introduced by banks with little or no notification was a cause of concern for many. The closure of Ulster Bank and the process of transferring to a new bank was also very challenging for several participants, who reported that they found it all very frustrating and inconvenient.

Main opinion:

Overall, participants expressed the need for a choice in their preferred method of payment

There is a definite need to educate the public in basic financial literacy and to engage in training on the importance of cyber fraud and the necessity of updating security software and passwords. While cards offer flexibility, web platforms and automated services are often challenging to understand and navigate. Fraud is a huge concern; it discourages people from using technology and is a method of exclusion.

Vulnerable cohorts of the population need to be considered - those with literacy issues etc.

Main requests:

The choice of cards versus cash needs to be balanced, and while the participants recognised the move towards a digitised world, they wanted choice and cash to remain a payment option. An economic literacy campaign to educate people about the various terms and their implications is needed, especially for children.

Main reasons:

The abolishment of cash is unacceptable from an equality viewpoint; too many variables and cohorts of people will be further excluded from a cashless society. While the flexibility and convenience of electronic and card payments have many advantages, there are also many disadvantages. While cards offer security benefits, many people prefer the discipline of cash.

Ireland has prided itself on leading the SDGs and being recognised as the world's first Age-Friendly country. While this consultation is welcomed, it is made by a group of older people who are participants of the world's first Age-Friendly University DCU and whose work has informed the development of an AFU Global Network of over 130 universities representing Europe, North and South America, South East Asia and Australia. The participants of the Age-Friendly University Unit at DCU comprise over 1800 older people with extensive experience in industry, academia, and civil society.

Thank you for the opportunity to make this submission; we welcome the consultation results in due course.

Documents Attached: No
Boundaries Captured on

N

o Map: