

Summary of the first meeting of the Irish Retail Payments Forum

11 October 2018

This note summarises the main conclusions of the first meeting of the Irish Retail Payments Forum (IRPF), which was hosted by the Central Bank of Ireland (Central Bank) on 11th October 2018.

Instant payment solutions

The Central Bank provided a high-level presentation on instant payment solutions, including the Eurosystem's TARGET Instant Payment Settlement (TIPS) service due to go live in November 2018. In addition, the card payment schemes provided a high-level update on their 'faster' payment offerings.

The advantages of instant payment solutions were discussed; for example, merchants managing cash flow more effectively, elimination of credit risk, peer-to-peer (P2P) mobile payments. It was also noted that from a retail payments perspective Ireland compares well with other EU member states, with widespread use of card and electronic payments (albeit that greater buy-in from some service sectors is required) plus an increase in financial inclusion.

Some feedback indicated that there was an appetite to increase the maximum transaction value threshold for instant payments and that there should be a greater focus on provision of corporate instant payments. The Irish banks have advanced their own instant payments planning, but have not yet set a 'go live' date in this regard due to significant IT enhancements underway in a number of the banks. It was noted that there appears to be limited demand for instant payment solutions from Irish consumers at present.

SEPA Migration – Post-migration Actions

The Central Bank provided a high-level presentation on SEPA migration and emphasised that IBAN discrimination is in breach of the SEPA Regulation. Members were encouraged to inform their clients, participants and members of the need to eliminate IBAN discrimination and of the Competent Authorities to which complaints should be made if they encounter such practices.

Participants noted that in some cases there may be a perception of IBAN discrimination due to the use of 'legacy' in-house payment systems.

Payment Card Fraud

The Central Bank provided a high-level presentation on fraud developments related to card payment schemes (CPSs) in SEPA from 2012-2016. The CPSs, noting their continued

investment in enhancing security, also referenced PSD2 and Secure Remote Commerce as two areas that will assist with the security on ‘card not present’ transactions.

Other matters discussed included the investment required by SMEs to ‘go online’ as a potential barrier to payment card acceptance; the level of Payment Card Industry Data Security Standard (PCI DSS) compliance/non-compliance fees was also referenced in this regard.

Brexit

There was consensus among participants that there are no Brexit-related issues currently identified for the Irish retail payments market.

Future IRPF Topics

It was proposed that the IRPF should meet on a quarterly basis initially, but that this should be kept under review.

Proposed future topics for IRPF meetings identified:

- SME specific issues/concerns and how these can be addressed by payment service providers and card payment schemes.
- The impact of PSD2, for example open banking, PISP and AISP services.
- Department of Finance Study on Benchmarking Payments in Ireland.
- The national payments plan (NPP) and its evolution.
- Public Transport Payments Modernisation.
- Update on trends in the Irish retail payments market (BPFI’s Payment Monitor).

List of Attendees of the first meeting of the Irish Retail Payments Forum (IRPF) on 11 October 2018

Chair: Will Molloy, Head of Payments & Securities Settlement (PSS)

Central Bank of Ireland
Banking & Payments Federation Ireland (BPF)
Consumers' Association of Ireland
Department of Finance
Department of Employment Affairs and Social Protection
Fintech & Payments Association of Ireland (FPAI)
Irish Business and Employers Confederation (IBEC)
Irish Small and Medium Enterprises Association (ISME)
MasterCard
National Transport Authority (NTA)
Retail Ireland
Retail Grocery, Dairy & Allied Trades Association (RGDATA)
Small Firms Association (SFA)
VISA
Convenience Stores and Newsagents Association (CSNA)
Irish League of Credit Unions (ILCU)
Credit Union Development Association (CUDA)
An Post