



## Reachability and accessibility of payment services

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# Outline

- **National Forum on the Payment System (NL and PT)**
  - **Set-up and procedures**
  - **Working Group on Availability and Accessibility**
  - **Accessibility Monitor 2013 (Netherlands)**
  - **Surveys on SEPA awareness (Portugal)**
  - **Final remarks**



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

Provide information and tools!



# WHAT ROLE CAN AUTHORITIES PLAY?

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

Facilitate a social dialogue, on solid grounds, 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



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# National Forum on the Payment System

- The National Forum on the Payment System in the Netherlands was set up by the Minister of Finance in 2002 to promote the social efficiency of the Dutch payments system.
- broadly based, the Forum represents
  - both the providers and the users of payment systems, including retailers' and banks' umbrella organisations like; the consumer interest association disabled people's organisations, organization for senior citizens
- The Forum holds regular consultations on:
  - the social implications of developments in payment systems.
  - Its key focus is to establish:
    - how the payments system can be run more efficiently for consumers, businesses and banks alike –



# Set-up and procedures

- The National Forum meets twice a year.
  - Its participants represent payment providers and customers.
  - The Forum also has three observers;
    - Ministry of Economic Affairs, Agriculture and Innovation
    - Ministry of Finance
    - Currence
- The Forum is chaired by DNB, which also provides secretarial back-up.
  - In addition to the core group, the Forum has working groups focusing on particular issues and a special consultative platform.



Förhållande till tidigare års budgeter, vilket 7-2-2012 innebär att vi inte längre har ett överskott

Tillväxten ska förväntas vara högt

- Ökad tillväxt i Sverige, som stabiliserar den utländska efterfrågan
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Hälsningar till alla som deltar i detta möte

# Working groups of the Forum

- Availability and Accessibility
- Social efficiency
- Security

## 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.



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# 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.



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# National Forum on the Payment System

- In Portugal, the National Forum on the Payment System was set up by Banco de Portugal in 2009 namely as a result of fostering the involvement of main non-bank stakeholders in the SEPA implementation process
- The context of intervention of the Forum was defined as a consultative body of Banco de Portugal and complements the activities carried out by CISP – the Interbank Payment Systems Commission, also chaired by Banco de Portugal but in which only the Treasury, the banks and the payments processor take part
- In addition, discussions on the social efficiency of the Portuguese payments system have also been developed



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# Set-up and procedures

- The Forum represents both the providers and the users of payment systems, including “big billers” (e.g. electricity, telcos), retailers and Banks, as well as Public Administrations and Consumers associations and has been significantly focused on SEPA migration issues since its creation.
- The Forum is chaired by Banco de Portugal, which also provides secretariat
- In addition to the plenary, it is established that the Forum can have working groups, and currently there’s a Steering Committee on SEPA issues that meets usually twice a year but with permanent contacts
- Several consultations are performed in written, whenever necessary, using the Forum’s structure



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# Additional information



The screenshot shows the Banco de Portugal website with a navigation menu and a main content area. The navigation menu includes: BANK AND THE EUROSISTEM, MONETARY POLICY, FINANCIAL STABILITY, SUPERVISION, PAYMENT SYSTEMS, BANKNOTES AND COINS, STATISTICS, and ECONOMIC RESEARCH. The breadcrumb trail is: Payment Systems > SEPA > Payment systems forum. The main content area is titled "SEPA - Payment systems forum" and contains the following text:

With a view to promoting dialogue among the main national stakeholders involved in retail payments, Banco de Portugal established the Payment Systems Forum in October 2009, which includes a dedicated SEPA Steering Committee.

The Payment Systems Forum is an advisory structure of Banco de Portugal, comprising representatives of the national banking community and of the main users of retail payment instruments, such as consumer associations, public administration bodies and the corporate sector.

Therefore, in addition to Banco de Portugal, which chairs the Forum, the entities that comprise it are:

**Financial institutions and the managing entity for the payment system infrastructure:**

- Portuguese Banking Association (Associação Portuguesa de Bancos - APB)
- Association of Specialised Credit Institutions (Associação das Instituições de Crédito Especializado - ASFAC)
- Two banks participating in the Portuguese Payment Systems Interbank Commission (currently, Millennium BCP and Caixa Geral de Depósitos)
- Interbank Services Company (Sociedade Interbancária de Serviços - SIBS)

**Consumer associations:**

The left sidebar contains a list of navigation links:

- > Payment systems oversight
- > Payment instruments
- > Prohibition of the use of cheques
- > TARGET2
- > T2S (TARGET2-Securities)
- > SEPA
  - > Operating rules
  - > Migration
  - > Payment systems forum
  - > Events
- > SICOI (Portuguese Interbank Clearing System)
- > Facts and figures
- > Legislation and regulations
- > Publications

<http://www.bportugal.pt/en-US/pagamentos/SEPA/ForumparaosSistemasdePagamentos/Pages/inicio.aspx>

## ACCESSIBILITY MONITOR 2013



Accessibility of the retail payment system for  
consumers and small businesses



# Accessibility Monitor 2013 (2)

- The purpose of the Accessibility Monitor 2013 is to appraise the extent of any generic changes in the accessibility of payment services compared to the 2007 and 2010 measurement,
- and 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.

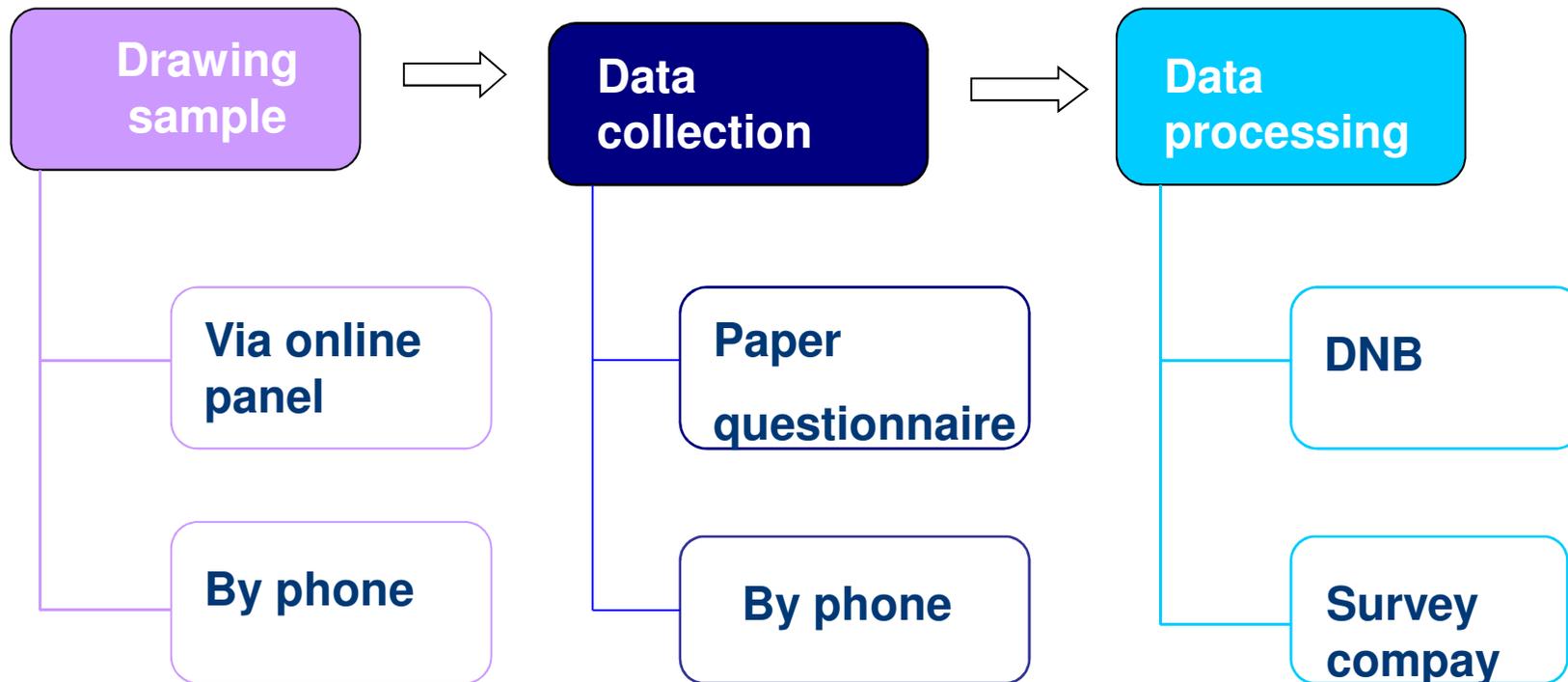


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# Accessibility Monitor 2013 (3)



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# Accessibility Monitor 2013 (4)

- 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.



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# Accessibility Monitor 2013 (5)

**Table 3.5 No difficulty reaching own bank, 2010-2013**

2010 Percentages in brackets

Distance	Target group				Control-group
	No internet access	functional impairment	low education/inactive	65years and older	
Yes	86% (85%)	74% (82%)	91% (95%)	91% (93%)	94% (95%)
No	14% (15%)	26% (18%)	9% (5%)	9% (7%)	6% (5%)



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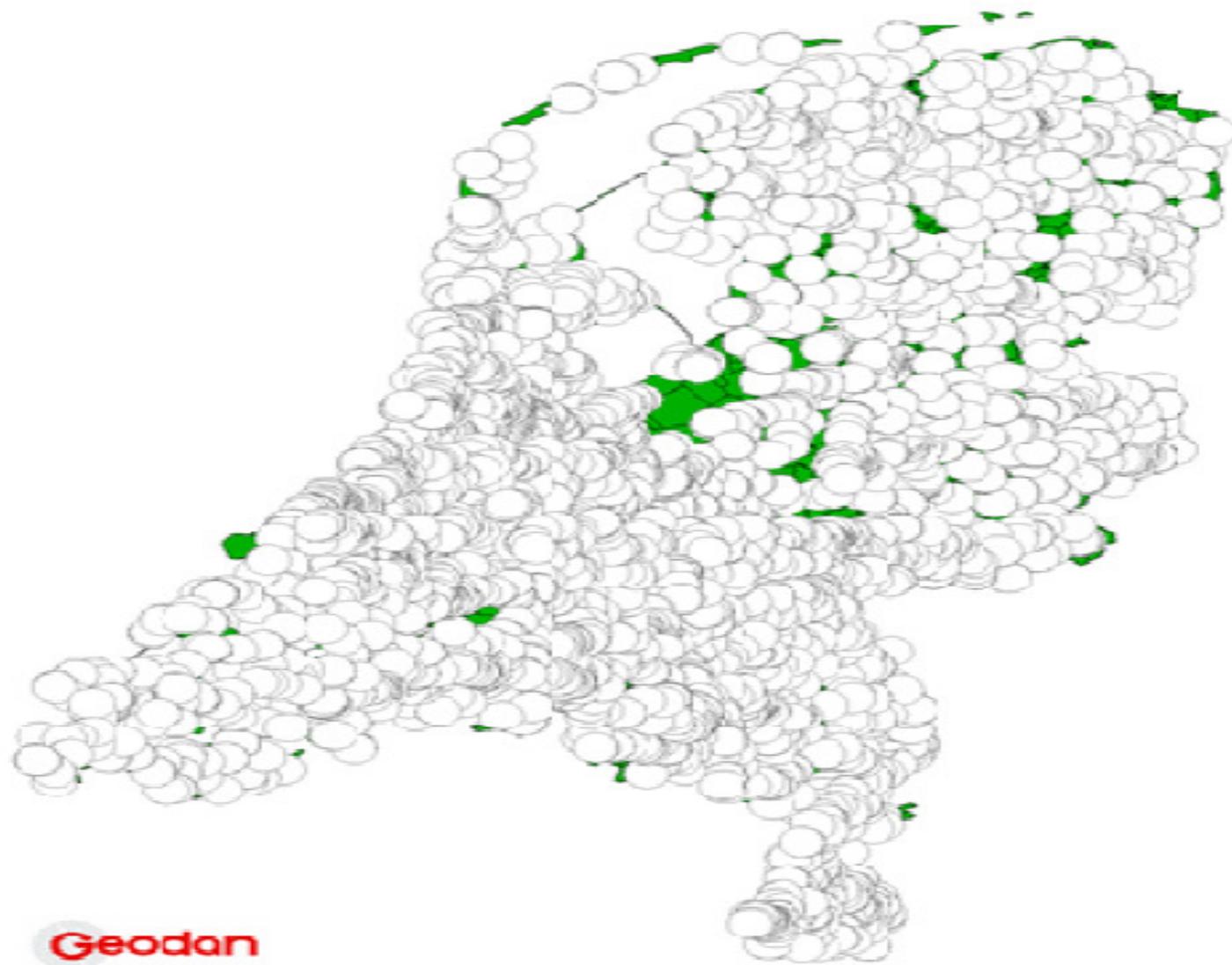
# Accessibility Monitor 2013 (6)

**Table 3.4 Estimated distance to nearest ATM, 2010-2013**

2010 Percentages in brackets

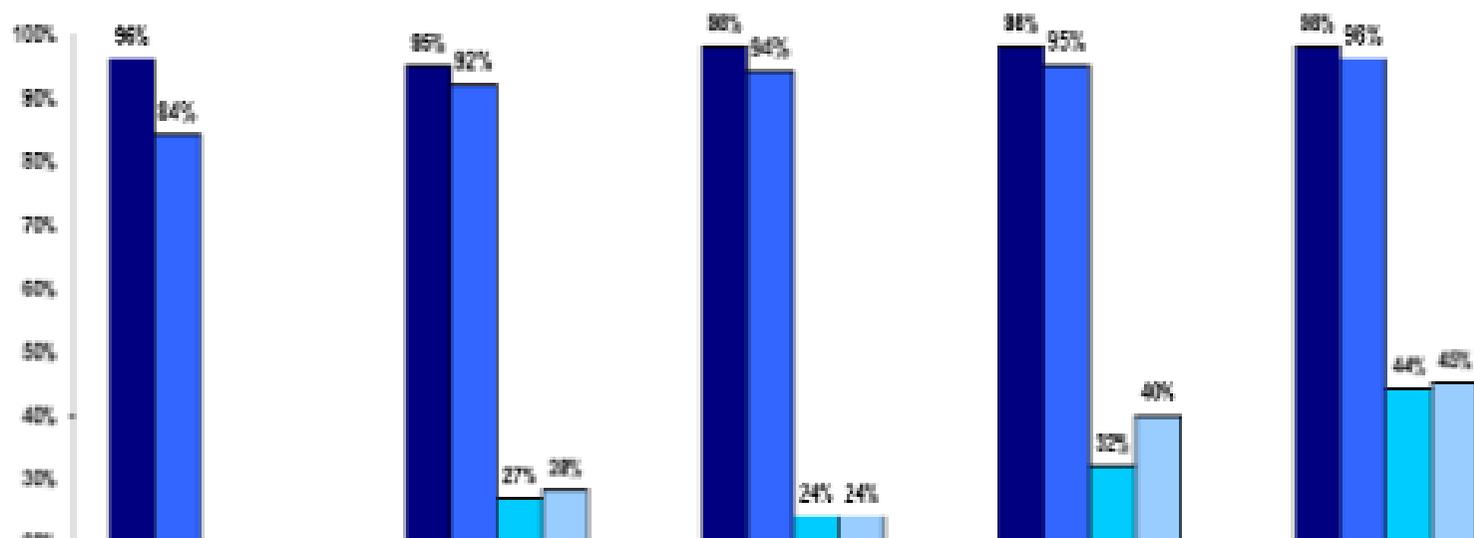
Distance	Target group				Control-group
	No internet access	functional impairment	low education/inactive	65years and older	
< 500 m	30% (29%)	34% (36%)	30% (40%)	32% (33%)	27% (41%)
500 m - 1 km	28% (44%)	40% (42%)	41% (31%)	39% (42%)	42% (40%)
1 - 3 km	30% (19%)	20% (18%)	20% (23%)	25% (19%)	22% (16%)
3 - 5 km	4% (4%)	4% (2%)	6% (3%)	2% (3%)	8% (4%)
5 - 10 km	8% (4%)	2% (2%)	3% (1%)	1% (2%)	2% (0%)
> 10 km	0% (0%)	0% (1%)	4% (2%)	0% (1%)	0% (0%)

**Figure 2.2: Coverage/distribution of all physical banking facilities: 98.9% (branches, ATMs, business cash deposit facilities and other facilities)**



# Accessibility Monitor 2013 (7)

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



<sup>6</sup> 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 2013 (8)

Figure 3.3: Preferred means of payment at points of sale<sup>7</sup>

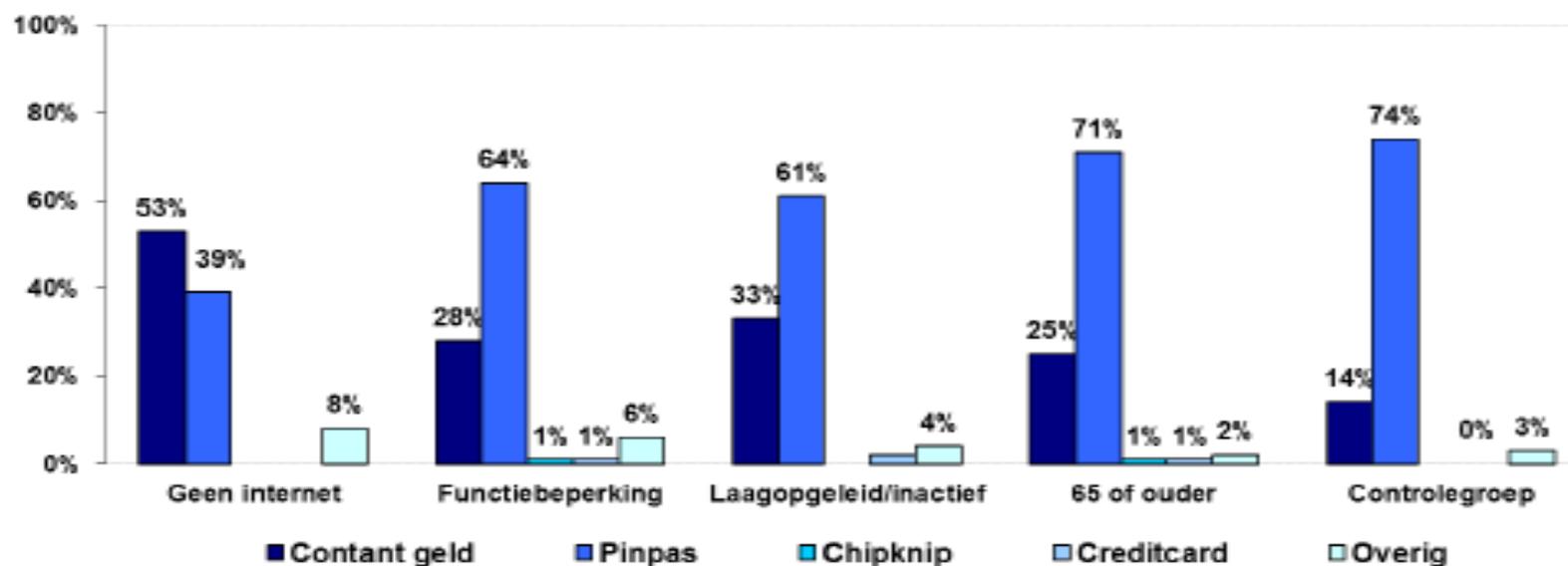


Figure 3.3 (from left to right) : No internet access, Functional impairment, Low education/inactive, 65 years or older, Control group.  
Cash, Debit card, e-purse, Credit card, other

# Accessibility Monitor 2013 (9)

**Table 3.8 Satisfaction with the basic services in 2010- 2013**

1-10 scale , 2010 in brackets

Basic service	Target group				Control group
	No internet access	Functional impairment	Low education /inactive	65 year or older	
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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**Figure 2.3: Talking ATMs**



Table 3.9 summarises the frequency of mobile banking use by the different target groups. The most frequently cited reason for not using mobile banking is that it is difficult, followed by the inability to make payments via a tablet or smartphone. Respondents report that they do not know where to turn with questions about using online or mobile banking.

**Table 3.9 Frequency of using tablet or smartphone for mobile banking, by target group**

Frequency	Target group				
	No internet access	Functional impairment	Low education /inactive	65 years or older	Control group
Never	97%	84%	92%	92%	80%
Very rarely	3%	6%	3%	6%	4%
Occasionally	0%	4%	2%	2%	3%
regularly	0%	3%	1%	0%	6%
Frequently	0%	2%	0%	0%	6%
Always	0%	2%	1%	1%	2%

Table 3.10 describes the penetration of online shopping in the different target groups. 74% of the general Dutch population say they make online purchases, and a relatively high proportion of people with a functional impairment also do so (62%).

**Table 3.10 Frequency of online purchases, by target group**

Frequency	Target group				
	No internet access	Functional impairment	Low education/ inactive	65 years and older	Controlle group
Never	98%	38%	65%	53%	26%
Very rarely	2%	14%	12%	16%	14%
Occasionally	0%	27%	15%	20%	32%
regularly	0%	18%	7%	9%	24%
Frequently	0%	3%	1%	1%	4%
Always	0%	0%	0%	0%	0%

# Accessibility Monitor 2013 (13)

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

<u>Reasons for visiting</u>		<u>Reasons for not visiting</u>	
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 2013 (14)

**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 periods	1%		
Impersonal	1%		
Problems with change	1%		
Other	8%	Other	6%
No issues	73%	No points for improvement	83%

# Results (1)

- The Accessibility Monitor 2013 presents a positive image: there is no evidence of any generic accessibility or usability problem for the Netherlands as a whole.
- Consumers and entrepreneurs alike find banking and payment services to be satisfactory.

## Results (2)

- According to consumers, continued attention should be paid to vulnerable groups in society, such as seniors, the physically challenged and those without an Internet connection.
- Entrepreneurs' perceptions of accessibility or lack thereof tended to centre around **cash withdrawals** and **deposits**, **necessity of more personal approach**.

(Opening and closing time of bank branches)

→ The number of branches has been in decline since the 1990s.

This trend continued during 2006–2013, with the number of bank branches falling (by an average 2% per year) to under 2,386 by mid-2013.



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# Results (3)

Offsetting the decline in bank branches

→ between 2006 and 2013 was the growth of the number of cash points, POS terminals and cash acceptance machines (CAM).

→ Thus the number of locations where bank customers may withdraw cash increased between 2006 and 2013.

# Conclusions

- **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 2010 Monitor, has proved to be accurate.**
- **More than 99% of the Dutch population still live within five kilometres of a physical bank payment service facility.**



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# 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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