

Payments Statistics 2014 data collection – lessons learned and way forward

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Aim of this workshop

- ▶ List main difficulties encountered
 - By reporting agents
 - By NBB
 - By ECB
- ▶ Propose and discuss possible options or way forward
- ▶ Set timeline for delivery of updated OneGate
- ▶ Set timelines for 2015 data collection



ECB Regulation 2013/43 on Payments Statistics

- ▶ Up to the reference year **2013 ECB Guideline** (ECB/2007/9)
- ▶ As of **2014: Regulation** on payments statistics (ECB/2013/43) and recast Guideline on monetary and financial statistics (ECB/2014/15)



Main methodological enhancements

- ▶ New **residency** concept: location of payer/terminal → residency of PSP
- ▶ Transactions involving **domestic counterparties** distinguished from those involving counterparties resident outside the reporting country
- ▶ Sent payment transactions: a **breakdown by counterparty country** is required when the counterparty belongs to the EU
- ▶ Differentiation between **SEPA and non-SEPA** payments for credit transfers and direct debits
- ▶ Reporting population: credit institutions → **all PSPs resident in the euro area**
- ▶ Update of several **definitions**
- ▶ No focus (yet) on innovative payment means



Participation of the Reporting agents – 2014 data

- ▶ by end June 2015 NBB received **74 reports** on 2014 payments statistics
 - 62 From **Credit Institutions** (bpost/NBB included)
 - 4 from **Electronic Money Institutions/Issuers**
 - 8 from **Payment Institutions** (of which 3 acquirers – network providers)
- ▶ payments data 2014 were published on 15 October 2015 (hand outs)



NBB first opinion

- ▶ First time is never easy...
- ▶ Compared to 2013 time series are quite stable
- ▶ Some data are less comparable because of
 - the change of scope or definition
 - example: number of credit institution offices (independent office holder are now included)
 - example: Payment Institutions and ELMIs were added
 - errors
 - e.g.: number of ATMs needs to be corrected
- ▶ Run through hand outs?



ECB first opinion

- ▶ *“a big achievement...*
- ▶ *but room for improvement”*
- ▶ Methodological issues (double counting, who should report what, who is acquirer?, ...)
- ▶ Data transmission from NCBs to ECB
- ▶ Clarification on reporting instructions with respect to the number of payment accounts and e-money accounts
- ▶ First meeting with NCBs only in February 2016



Issue: Number of payment accounts

Belgium

Spain

5. Institutions offering payment services to non-MFIs - page 2

Original units unless otherwise stated; value in millions of EUR; end of period

	2010	2011	2012	2013	2014	2013	2014
Institutions offering payment services to non-MFIs (total)						342	278
Number of institutions	114	116	112	114	115	33,876	32,158
Number of offices	5,487	5,260	5,166	5,086	8,431	75,182.01	73,411.05
Number of overnight deposits (thousands)	16,642.37	16,601.49	16,551.93	16,791.91	25,959.67	-	-
of which:						34,845.00	36,267.00
Number of internet/PC-linked overnight deposits (thousands)	9,156.87	10,769.27	10,608.62	11,128.86	17,142.90	545,688.00	618,135.00
Value of overnight deposits (EUR millions)	142,728.00	143,807.00	156,088.00	167,251.00	189,175.00	-	73,268.72
Number of payment accounts (thousands)	-	-	-	-	2,197.22	-	0.00
Number of e-money accounts (thousands)	-	-	-	-	8,489.06	-	65.00
Outstanding value on e-money storages issued (EUR millions)	1.00	1.00	-	-	62.96	-	-
<i>Memo items:</i>						-	279
Total number of payment institutions operating in the country on a cross-border basis	-	-	-	-	3	-	-
of which:						-	8
Number of payment institutions providing services through an established branch	-	-	-	-	3	-	9
Number of payment institutions providing services through an agent	-	-	-	-	0	-	262
Number of payment institutions providing services neither establishing a branch nor through an agent	-	-	-	-	0	-	-



Difficulties encountered by reporting agents: definitions (1)

- ▶ Definitions that raised questions/remarks:
 - Overnight transferable deposits:
 - deposit accounts of which the balance can be used to make payments or can be turned into cash at the latest the day following the instruction
 - only for Credit Institutions
 - Payment accounts and number of overnight transferable deposits
 - Can Credit institutions have payment accounts in strictu sensu?

Methodologic issue to be clarified by ECB





Item
(End of period; original units unless otherwise stated, value in thousands)
Credit institutions (Geographical breakdown: Geo 0)
Number of overnight deposits (thousands)
of which:
Number of internet/PC-linked overnight deposits (thousands)
Number of overnight transferable deposits (thousands)
of which:
Number of internet/PC-linked overnight transferable deposits (thousands)
Number of payment accounts
Number of e-money accounts
Outstanding value on e-money storages issued (EUR thousands)
Only one of four options should be filled in
Credit institutions legally incorporated in the reporting country (Geographical breakdown: Geo 0)
Number of offices
Value of overnight deposits held by non-MFIs

Difficulties encountered by reporting agents: definitions

- ▶ Definitions that raised questions/remarks:
 - Simple book entries
 - no instruction by the account holder – no use of a payment instrument
 - Difference between payments sent and payments received and the direction of the instruction
 - Transactions via telecommunication, digital or IT device
 - Only when third parties act as an intermediary party in the payment
 - “Over the Counter” operations



Difficulties encountered by reporting agents: format of the tables

- ▶ Mix of data to be reported in units/thousands/millions (even in one single table)
- ▶ Some values to be reported in millions too low to be significant (less than 500 units becomes 0,000)
 - Loss of data due to roundings?

▶ Proposal: impact on OneGate is considerable - no change for 2015 – preference for continuity with 2014 data





Item
(End of period; original units unless otherwise stated, value in thousands)
Credit institutions (Geographical breakdown: Geo 0)
Number of overnight deposits (thousands)
of which:
Number of internet/PC-linked overnight deposits (thousands)
Number of overnight transferable deposits (thousands)
of which:
Number of internet/PC-linked overnight transferable deposits (thousands)
Number of payment accounts
Number of e-money accounts
Outstanding value on e-money storages issued (EUR thousands)
Only one of four options should be filled in
Credit institutions legally incorporated in the reporting country (Geographical breakdown: Geo 0)
Number of offices
Value of overnight deposits held by non-MFIs

Difficulties encountered by reporting agents: requested data not available

- ▶ Not all data requested in the ECB Regulation is available:
 - Country breakdown of Card payments abroad
 - Workaround that allow reporting agents not to fill in the country breakdown => data from networks
 - Card payments initiation (on a POS or remotely)

▶ Proposal: ECB to collect cards data directly from the card schemes



Difficulties encountered by reporting agents: requested data not available

▶ Proposal: ECB to collect cards data directly from the card schemes

▶ But:

- implies a review of the Regulation
- uncertain if ECB is willing to consider card schemes as reporting agents
- not a short term solution



Difficulties encountered by reporting agents: requested data not available

- ▶ No ECB exchange rate available for ISK, CYP, EEK, LVL, MTL, ROL, SIT, SKK, TRL
- ▶ Use of exchange rate when converting non-euro into EUR: average? daily exchange rate? => difficult process

▶ Proposal: more guidance from ECB?



Difficulties encountered by reporting agents: scope of the data

- ▶ Some payment transactions could be double counted
 - Card Payment transactions initiated (and reported) by payment institutions that are transformed into Direct Debits with a credit institution
 - Card payment transactions by acquirers that are processed by another co-acquirer/co-processor (that is also a reporting agent)

▶ Proposal: ECB to investigate how double-counting can be avoided (under analysis)

Difficulties encountered by reporting agents: other?

- ▶ Specific topics for Payment Institutions?
- ▶ Specific topics for ELMIs?
- ▶ General topics/issues?
- ▶ Use of Infofiches?



Difficulties encountered by NBB

- ▶ No comparison with former individual data
- ▶ Lack of OneGate internal checks
 - Table 6: Cards with a payment function issued by resident PSPs
 - Each card should be counted in only one subcategory: no need to report a card “with a debit function” a second time under “cards with a debit and/or delayed debit function”
 - “Cards with a combined debit, cash and e-money function” can never be > than one of the subcategories



Issues with table 6

6. Payment card functions and accepting devices

Original units in thousands; end of period

	2010	2011	2012	2013	2014
Cards issued by resident PSPs					
Cards with a cash function	19,447.94	20,005.19	20,647.08	20,041.34	21,396.54
Cards with a payment function (except cards with an e-money function only)	19,447.94	20,005.19	20,647.08	20,041.34	21,949.24
<i>of which:</i>					
Cards with a debit function	15,132.40	15,706.96	16,196.78	15,684.40	16,223.48
Cards with a delayed debit function	-	-	-	-	-
Cards with a credit function	-	-	-	-	2,102.09
Cards with a debit and/or delayed debit function	-	-	-	-	1,795.32
Cards with a credit and/or delayed debit function	4,315.54	4,298.22	4,450.30	4,356.94	1,828.36
Cards with an e-money function	11,659.50	12,446.60	13,009.65	13,461.00	10,681.28
Cards on which e-money can be stored directly	-	-	-	-	10,364.45
Cards which give access to e-money stored on e-money accounts	-	-	-	-	316.83
Cards with an e-money function					
<i>of which:</i>					
Cards with an e-money function which have been loaded at least once	2,391.70	2,108.10	2,031.99	1,965.85	2,000.00

Solution: internal OneGate checks

OneGate will be updated to clarify that “Cards with an e-money function which have been loaded once” are part of all e-money cards, not just a part of cards giving access to e-money stored on e-money accounts



NBB Error in OneGate reporting table 6

Cards with an e-m oney function	6001000	
Cards on which e-money can be stored directly	6001100	
Cards which give access to e-m oney stored on e-money accounts	6001200	
of which:		
Cards with an e-m oney function which have been loaded at least once	6001400	



Difficulties encountered by NBB

- ▶ Lack of OneGate internal checks
 - Table 7a/8a:
 - Total number of Credit Transfers should always be = initiated in paper based form + initiated electronically
 - Initiated electronically should always be = initiated in a file/batch + initiated on a single payment basis (also for Direct Debits)



Tables 7a and 8a

7a. Payment transactions per type of payment service involving non-MFIs - page 1

Number of transactions sent in millions (unless otherwise stated); total for the period

	2010	2011	2012	2013	2014
Transactions per type of payment service					
Credit transfers	1,005.50	1,026.64	946.77	1,022.80	1,366.39
Domestic	-	-	-	-	1,320.22
Cross-border	-	-	-	-	46.17
Credit transfers					
Initiated in paper-based form	65.76	40.89	49.15	32.39	28.98
Initiated electronically	939.75	985.76	897.61	990.41	1,337.42
Initiated in a file/batch	-	-	-	-	363.28
Initiated on a single payment basis	-	-	-	-	974.14
of which (memorandum item):					
Online banking based e-payments	-	-	-	-	175.46
Credit transfers					
of which:					
Non-SEPA	-	-	-	-	5.20
Cross-border credit transfers received	-	-	-	-	66.89
Direct debits	246.02	264.55	285.64	313.10	529.45
Domestic	-	-	-	-	301.85
Cross-border	-	-	-	-	227.60
Direct debits					
Initiated in a file/batch	-	-	-	-	527.92
Initiated on a single payment basis	-	-	-	-	1.54
Direct debits					
of which:					
Non-SEPA	-	-	-	-	2.58



Difficulties encountered by NBB

▶ Lack of OneGate internal checks

- Table 7a/8a:

- E-money payment transaction should always be = with cards on which e-money can be stored directly + with e-money accounts

E-money payment transactions with e-money issued by resident PSPs	60.62	50.51	46.20	29.36	28.54
Domestic	-	-	-	-	26.16
Cross-border	-	-	-	-	2.39
E-money payment transactions with e-money issued by resident PSPs					
With cards on which e-money can be stored directly	60.62	50.51	46.20	29.36	26.11
With e-money accounts	-	-	-	-	2.01
<i>of which:</i>					
Accessed through a card	-	-	-	-	2.01

- ▶ Solution: OneGate 2015 will contain an extra set of checks and automated totals



Difficulties encountered by NBB

- ▶ **Double reporting** on card payments (table 7a/8a):
 - Data on card payments was reported twice: number of transactions (in millions) reported by
 - **Acquirers**: 1,367 (domestic) and 141 (x-border)
 - **Issuers**: 1,332 (domestic) and 163 (x-border)
 - Outcome: NBB has chosen acquirers data because here the country breakdown for cross-border seems more reliable



Difficulties encountered by NBB

- ▶ **Geographical breakdown** for cards (7b/8b)
 - For the collection of the 2014 data the NBB authorised the reporting agents NOT to fill in the geographical breakdown for cards if these data were not available
 - seems more reliable in the data provision by the **acquirers/processors/network providers**
 - problem: according to the ECB Regulation the reporting remains **mandatory**
- Possible options:
 - ECB to collect data directly from schemes
 - Different viewpoint when filling in tables 7b/8b (part a and part b): reported data “on own terminals” (downside = change of methodology for 2015 data provision)

ECB reaction after first round

- ▶ “What might need to be updated in the Regulation?” document
 - **Definition of acquirer** (avoiding double countings)
 - In principle **Card payments** in table 7 are to be reported **by issuers**, but part of table 8 is to be reported **by acquirers/network providers**: leads to difference between table 7 and 8
 - Most acquirers cannot **distinguish prepaid cards** from debit cards
 - Reporting needs on **innovative payment solutions** (mobile payments, instant payments, virtual currency schemes, contactless cards, ...?)



ECB reaction after first round (2)

- ▶ No meeting with NCBs until February 2016
- ▶ 7 steps approach
 1. Expression of need to adapt
 2. Post implementation assessment
 3. Statistical assessment (data to be deleted, new data to collect?)
 4. Fact-finding exercise (consultation by NCBs of reporting agents)
 5. Assessment of costs
 6. Costs-merits assessment
 7. Decision by ECB Governing Council



ECB reaction after first round (3)

▶ Tentative timetable

- Post implementation assessment: after workshop ECB-NCB in February 2016
- Preparation phase: 1st half of 2016
- **Fact-finding exercise**: Q4 2016
- Assessment of costs: Q1 2017
- **Update of the Regulation**: in 2018 (with 5 year commitment)



Update of OneGate 2015 data edition

- ▶ NBB will add a number of internal checks and auto-totals
- ▶ Upload of the stored 2014 reporting will be possible, but OneGate will show immediately the result/fail of the new checks
- ▶ OneGate in test will be available as from beginning of January
- ▶ 2014 data for information only! If 2014 data are to be corrected => please advice the NBB via mail message



Summary (1)

- ▶ No update of methodology or further guidance from ECB to be expected **on short term**
- ▶ Update of OneGate: **internal checks**
 - OneGate Test available as from January
- ▶ Most important question = **table 7b/8b**
 - Proposal to ask Card Schemes - wait for update of scope of Regulation
 - In the meantime: **Continue as before?**
 - Reporting by acquirers/networks and by issuers
 - NBB to choose between one of both (table 12)
 - **Fill in with a different viewpoint?**



Summary (2)

- ▶ Fill in table 7b/8b with a different viewpoint?
 - Part a (domestic) and part b (non-BE cards on BE terminals):
 - reported only by ATM terminal providers? Instead of card holders in 2014
 - Can terminals providers trace and report cross-border card payments on their terminals?
 - Part c (BE cards abroad): only by **acquirers**?
- ▶ Discussion
- ▶ Preparation of feedback to all reporting agents



Summary (3)

- ▶ OneGate Production as from **1 February 2016**
- ▶ 2014 data will be visible in a preceding column (for information/comparison only)
- ▶ 2015 flow data should cover 12 months
- ▶ Corrections on 2014 data => mail to payments.statistics@nbb.be
- ▶ Deadline for reporting 2015 data
 - **30 April 2016**
- ▶ NBB to deliver to ECB by end of May 2016

