Innovations in Retail Payments

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BIS surveys of e-money developments

- BIS in cooperation with the CPSS has been regularly conducting surveys since 1996
- CPSS published the results of the survey in 2000, 2001 and 2004
- This year’s survey includes innovations in internet and mobile payments
- CPSS has published various reports covering the security of electronic money products and implications for central banks of the development of electronic money
2004 Survey (I)

- Individual survey responses – 95 countries and territories
- Card-based e-money schemes
  - Have been launched in a sizable number of countries
  - But the float, value and volume of transactions is low
  - No central bank e-money schemes
  - More successful schemes
- Network-based e-money schemes
  - Very limited usage, scope and implementation

2004 Survey (II)

- Internet payments
  - Have advanced rapidly compared to e-money
  - Combine information and communication technology to meet the demands of consumers
  - Business-to-business (B2B), business-to-customer (B2C) and person-to-person (P2P) payment schemes
  - Typically the available infrastructure is used
  - Cross-border payments - PayPal
2004 Survey (III)

✔ Mobile payments
  • Used largely for micropayments segment
  • Two business models are in use: paying from a prepaid balance or paying later
  • Used as an access channel for internet banking

Policy issues related to e-money

Of particular relevance to central banks
✔ oversight function for payment systems
✔ seigniorage
✔ monetary policy implementation
✔ supervision
To others
✔ consumer protection
✔ competition and innovations
Policy issues related to internet and mobile payments

- Securities issues – development of security standards for electronic payments
- Legal aspects – e-commerce, rights and responsibilities of the issuers and users, consumer protection
- Oversight issues – oversight of non-bank issuers and cross-border schemes
- Payment system issues- clearing and settlement generally take place through the regular channels