



**Chambers  
Ireland**  
Advancing business together



# Chambers Ireland Submission to the Department of Finance on the National Payments Strategy Public Consultation

February 2024

## About Chambers Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our members are the Chambers of Commerce in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

Our Network has pledged to advocate for and support the advancement of the United Nations Sustainable Development Goals (SDGs) and, in 2023, we were appointed to be an SDG Champion as part of the 2023-2024 SDG Champions Programme. Accordingly, we use the Goals as a framework to identify policy priorities and communicate our recommendations. We have a particular focus on five of the goals encompassing decent work and economic growth (SDG 8), sustainable cities and communities (SDG 11), gender equality (SDG 5), industry, innovation and infrastructure (SDG 9) and climate action (SDG 13).<sup>1</sup>

In the context of the current consultation, decent work and economic growth, sustainable cities and communities, as well as industry, innovation and infrastructure are all relevant and applicable to the scope of the National Payments Strategy.

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<sup>1</sup> The Chambers Ireland SDGs. Available at: <https://chambers.ie/sustainable-development-goals/>

## Chambers Ireland's Perspective

Chambers Ireland welcomes the open consultative process and the broad engagement with stakeholders on the National Payments Strategy.

A long-term vision for payments that defines our national ambitions and creates a roadmap for the forthcoming 5 to 10 years is very welcome. The focus on coordinated action and a whole of government approach is very positive, as it will ensure the best support for stakeholders across both the public and private sectors, as payments are very much an issue that impacts all levels of society.

Significant progress has been made since the last iteration of the National Payments Strategy and we can see that Ireland's status across Europe in terms of adopting a more diversified payments landscape has improved significantly. The growth of e-commerce, the impact of Covid-19, the wide adoption of smart phones and the introduction of contactless technology have all accelerated a move to digital payments. However, we can see that cash is still widely used and we now have significant reliance on card payments. Therefore, the focus on choice and innovation in the objectives of the NPS is very positive, as opening up the payments landscape can have significant benefits for consumers and businesses alike.

## Questions

### **3.1 What are your views on the timeline? What would effective key indicators to measure the progress of the NPS be?**

The timeline is appropriate. It gives longer-term certainty to businesses and allows for the setting of goals and objectives that are ambitious yet proportionate. It also ensures we keep pace with EU-level objectives.

### **3.2 What reflections have you on the NPS principles?**

The principles appear to be fair, comprehensive and inclusive. The emphasis on choice is particularly welcome, as it ensures there are options and opportunities for different levels of society, while the focus on innovation ensures that the Strategy can adapt to new advances in payments.

### **3.3 What are the main issues that undermine consumer trust in the Irish payment system?**

Trust in the system can be undermined by lack of financial or digital skills and awareness among consumers. The prevalence of Authorised Push Payment (APP) scams and other forms of payment fraud have garnered a lot of public attention and can negatively impact a person's perception of digital or online payment methods.

The new National Payments Strategy should include a commitment to education and awareness in order to ensure that payment options are understood and can be used securely. Cybersecurity training for SMEs could also be very beneficial.

### **4.1 Do you think that there is a reasonable level of choice in the payment methods currently available to consumers in Ireland?**

We have progressed significantly since the publication of the first National Payments Strategy in 2013 and it is positive that we have now moved from "a relative laggard in terms of payment technology

usage” in Europe to better than average. However, the initial goal of the 2013 Strategy was for Ireland to become a leader in this space. Therefore, there is still scope to improve the level of choice available and promote a diverse range of payment options for consumers.

The data indicates that Ireland has transitioned from more traditional payment methods, including cash and cheque to very high levels of card usage. It would be positive to see more adoption of alternatives to card and cash only payments. The cost for retail outlets of processing card payments represents a significant financial burden that impacts on business margins. Instant payments is one area where there has been little progress at an Irish level and exploring this opportunity could have wide-ranging benefits for consumers, particularly SMEs.

#### **4.3 How can the NPS continue to support vulnerable groups access to the payments system?**

Education and awareness is very important and the new National Payments Strategy should include a focus on promoting the benefits of different payment methods and should support individuals in developing the skills to confidently access these services.

#### **4.4 What do you see as the challenges to the roll-out of instant payments in Ireland?**

Updating the banking infrastructure to facilitate such payments will require a lot of investment. With only 6% of Irish BICs being reachable within the established architecture for facilitating instant payments and with only three main retail banks operating in Ireland, this will put a lot of pressure on these banks to update and enhance their services in order to be able to offer instant payments.

Consideration should be given to rolling out the required updates in a timely manner that aligns with EU requirements where possible, however, the rollout should prioritise security, efficiency and a consumer engagement campaign in any plans.

#### **4.5 What actions could be taken to support the roll-out of instant payments?**

As indicated in the consultation, almost half of respondents to a survey in Ireland believed that they already had access to instant payment services. Misconceptions on what constitutes instant payments

will be a challenge. Additionally, the fact that payments will be completed in less than 10 seconds will be a cause for concern among many consumers, particularly in relation to fraud and understanding any safeguards that can be put in place to protect consumers' money.

Such challenges may require an awareness campaign to explain the benefits and allay any concerns.

**4.8 To what extent do you agree that a cross-industry engagement including actors outside the banking and payments sector is needed to adequately address the issue of authorised push payment fraud? If so, which sectors and actors are most relevant?**

Chambers Ireland agrees that cross-industry engagement is necessary in responding to authorised push payment fraud and minimising its impact on consumers. The impact that such fraud can have on small businesses is profound and can be incredibly detrimental to business operations. We are increasingly hearing of such businesses that have been targeted by this type of fraud with varying levels of consequence.

Chambers Ireland regularly circulate briefings and updates to our network from key stakeholders in the banking and payments sector on payment fraud and other related issues. Our weekly newsletter, as well as other intermittent communications aim to offer guidance and information for businesses that may be useful.

Chambers Ireland would be happy to continue engaging on this topic and promote best practice to businesses in our network across Ireland.

**5.1 To what degree should access to cash be guided by the usage of cash? For example, if the usage of cash falls by 50% from 2022 levels, should the level of access follow in step i.e. by 50% or by a smaller amount, i.e. by 25%?**

Correlating access to cash with usage is too simplistic to account for fluctuations, anomalies or particular needs of different levels of society, however, it may be a useful starting point. Analysing who is still using cash and their particular reasons for doing so may offer a better reflection of how to proceed with access to cash regulations and corresponding guidance.

**5.2 If cash usage fell by 50% from 2022 levels should other factors be considered when assessing criteria on access, such as usage of cash access points? E.g. could population density criteria be relaxed while cash access point criteria be held constant?**

This may be a more useful metric that focuses more on needs, however, it may not go far enough. If regional imbalances on the usage of cash exist then any changes to the access to cash legislation should coincide with more detailed regional analysis and better understanding of the barriers or challenges being faced in transitioning away from cash usage.

There should be an overall objective of achieving a uniform transition to increased digital payments and decreased cash usage i.e. there should be a just transition that ensures all areas of the country are progressing at a similar pace.

**5.3 If cash usage fell by 50% from 2022 levels, how are factors like cost to be considered to ensure the system is resilient?**

Chambers Ireland has advocated in the past for a move to digital payments as a means of taking cost out of the economy by increasing traceability of transactions and removing upwards of 1 billion euro in transaction/security costs. The cost of cash counting, delivery and security is a significant one for businesses. High levels of cash in circulation also facilitate the black economy, which again is a cost for business. Taking this amount of cost out of the economy would clearly help to improve Ireland's cost competitiveness.

However, with an increased move to digital payments, businesses will need to consider investing in more robust cybersecurity infrastructure to protect their banking and payments systems.

**5.4 In the long term (5-10 years plus) what level of access to cash facilities are consumers and business expecting to exist?**

Many businesses are anticipating such a move towards an increasingly cashless society and the benefits that this will bring. With a prioritisation on choice, the proposed updates to the National Payments Strategy should ensure that businesses have flexible options and are empowered to adapt to different payment methods.

**6.1 Do you believe there is, or there may be, a trend emerging of non-acceptance of cash in Ireland?  
Where or in what circumstances have you experienced this?**

No, in the wake of Covid some businesses operated on a cashless basis, however, since then many of these businesses have returned to accepting cash, as well as card payments.