



*Press Release Issued by IPSO
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IPSO delivers on key objectives in 2007
- but warns of continuing costs to the economy of inefficient payment processes -

The Irish Payment Services Organisations (IPSO) Limited today highlighted its key achievements in its Annual Review of activities for 2007. During the year under review, IPSO made developments in reshaping the Irish payments industry through the development of more up to date payments systems and enabling further growth in the use of cards and electronic payments. The review also outlines how IPSO has brought the Irish economy into line with the rest of Europe, in providing better payments systems for Irish consumers, retailers and businesses.

However, IPSO warned that significant work is still required to minimize dependence on cash and cheques which are creating an unnecessary cost burden on consumers, businesses, Government and its agencies. The estimated cost to the economy of inefficient payment processes is in the region of €1.4 billion annually.

The highlights of 2007 are as follows:

- The number of Laser Cards in issue increased by 56% to 2.5 million cards in the 12 months proceeding December 2007, the highest rate of growth in the history of the Laser Card Scheme
- While Laser Cards increased significantly, the amount of credit cards in issue only increased marginally. Government levies are resulting in less credit cards in issuance which is generating a less competitive market for cards overall
- Laser Card is increasingly the payment method of choice for Irish consumers with a 42% year on year transaction growth rate experienced in 2007, as personal cheque usage begins to decline for the first time
- Registrations for phone and internet access on Current Accounts doubled in the 3 years preceding 2007
- More than 93% of the population now has an active bank account, with payment products included
- There are now 4,380 originators registered to the Direct Debit Scheme, with an increase of 480 new originators in 2007
- Electronic Funds Transfers were up 15.5% on 2005 figures
- ATM figures highlight our continued dependence on cash, with Ireland maintaining its position as the biggest user of ATM cash withdrawals totalling an average of €6,000 per person annually – almost double the EU average

Commenting on the review Pat McLoughlin, Chief Executive of IPSO stated that *“IPSO has had great success in developing and modernising particular types of payments such as Laser Card and Direct Debits. The figures speak for themselves. However, we clearly as a nation need to examine our continued dependency on cash and cheques. IPSO will continue to highlight these inefficiencies across our payments landscape so that progress can be made to reduce the estimated cost to the Irish economy of more than €1.4billion per annum. This progress will improve our overall competitiveness as a nation”*.

2007 signified the tenth anniversary of IPSO which was established in 1997 in recognition of the changing payment systems marketplace in Ireland. It met and continues to meet Ireland’s needs within the public policy desire of Europe to ensure that payment, clearing and settlement systems in all countries should meet appropriate standards of safety, integrity and competitive openness. Further details are in the IPSO Annual Review which is available on the IPSO website, www.ipso.ie

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IPSO: The Irish Payment Services Organisation is the representative industry body, the voice and guardian of the payments industry and the strategic interface with all payments stakeholders.