



IRISH PAYMENT SERVICES ORGANISATION LIMITED

ANNUAL REVIEW 2010

Operating, Developing & Promoting Payments in Ireland



IPSO Vision

IPSO will lead the development of the Irish payments industry, providing strategic and operational direction in a businesslike and professional manner.



IPSO Core Values

- Customer service, meeting the needs of all stakeholders;
- Quality and a businesslike focus in everything we do;
- Integrity and impartiality in all our actions;
- Growth and development of our staff;
- Productivity and a will to improve;
- Professionalism at all times.





Contents

Chairman's Statement	2
Chief Executive's Report	4
IPSO Board of Directors	5
Role of IPSO	6
The Irish Payments Industry 2010	8
Single Euro Payments Area (SEPA)	12
Card Developments	14
Laser Card Services Ltd.	17
Irish Retail Electronic Payments Clearing Company Ltd.	18
Irish Paper Clearing Company Ltd.	21
TARGET 2	23
Standards, SWIFT and Risk	25
Public Relations	27
IPSO and Clearing Company Members	29
IPSO Marketing	30
Irish Payments Industry Trends	32
European Payments Statistics	34



There was some progress during 2010 in modernising methods of making payments in Ireland. The rate of decline in cheque usage continued, the public continued to increase its use of debit cards as a means of payment and reduced its reliance on cash.

Inefficient and slow methods of payments mean extra costs for businesses and the public sector and it is vital that these costs be reduced as we work our way out of economic difficulties.

There is a momentum in the market-place towards electronic payments but the

evidence from other countries shows the benefits of having a national approach to bringing costs down and investing in initiatives that lead to certainty of payment in a short timeframe.

IPSO believes that the high level group approved, but not yet appointed by Government, should commence its work in 2011, take strategic decisions that give certainty to consumers, businesses and the public sector on the future of payments and manage the decline of inefficient means of payment.



Don Thornhill,
Chairman

In late 2010 the European Commission introduced a regulation which will set end-dates for national credit transfers and direct debits. It is hoped a final decision will be taken in 2011 which will mean that all national electronic payments systems will merge to form one single system. This new Single Euro Payments Area (SEPA) system will complete the next step of the single market for Europe.

There were some changes of directors on the IPSO board during 2010 and early 2011. Pdraig Brosnan from Bank

of Scotland (Ireland) Ltd. and Graeme Donald from Bank of Scotland plc resigned. Sean O'Keefe from BNP Paribas was replaced by Enda Cullen, Joe Redmond from Bank of Ireland was replaced by Vincent Brennan and non-director representative Paul O'Brien from the Central Bank of Ireland was replaced by David O'Riordan. I would like to thank the staff of IPSO who continue to play key roles in the modernisation of the payments industry.





Ireland's payments systems remained reliable and stable in 2010. IPSO, in conjunction with its member banks, has had three main objectives; to reduce the dependence on cheques; to increase the usage of electronic payments; and to reduce the levels of cash in the economy.

2010 saw continued success in achieving these objectives. Cheque usage declined by 11%, the fifth successive year of declining numbers. The debit card transactions increased by 13 million in 2010. The value of withdrawals from ATMs reduced by 3 billion euro. While these trends are welcome, we are still making payments in a very inefficient way compared to other European countries.

IPSO updated its website IPSO.ie to facilitate consumers and businesses and as a result has performed exceptionally well in terms of traffic and usage.

IPSO relies on staff from its member banks and the Central Bank to ensure stability in payments and to work together to improve our payments and reduce costs to society as a whole. I would like to place on record my thanks to those staff, as well as the staff of IPSO, who work diligently to maintain our payments systems and represent our members' interests in the development of a single European payments system.

IPSO plans to develop a quarterly publication in 2011 to assist in bringing key information and perspectives to our members and the public.



Pat McLoughlin,
Chief Executive

IPSO Board of Directors

Don Thornhill (Chairman)	Independent, Non-Executive Director	
Dermot Breen	Director of Corporate Affairs	Tesco, Ireland
Vincent Brennan	Head of Group Payments	Bank of Ireland
Imelda Coakley	Head of Cash Sales & Tenders GTS Ireland	Ulster Bank Ireland Ltd.
Enda Cullen	Head of Operations	BNP Paribas
Gerry Griffin	General Manager, Card Issuing	AIB Bank
Brendan Lynott	General Manager - Operations	permanent tsb
Barbara Macrory	Manager Financial Infrastructure Unit	Danske Bank A/S trading as National Irish Bank
Pat McLoughlin	Director & Chief Executive	Irish Payment Services Organisation Ltd.
Michael McNulty	Management Consultant	
Owen Purcell	Head of Retail Products	EBS Limited
Joanne Richardson	Chief Executive	American Chamber of Commerce Ireland
Zita Vance	Head of Operations, Strategy & Planning	Anglo Irish Bank Corporation Ltd.

NON-DIRECTOR REPRESENTATIVES

Pat Farrell	Chief Executive Officer	Irish Banking Federation
Paula Gray	Company Secretary	Irish Payment Services Organisation Ltd.
David O’Riordan	Deputy Head, Payments Systems & Securities Settlement Division	Central Bank of Ireland



Dermot Breen



Vincent Brennan



Imelda Coakley



Enda Cullen



Gerry Griffin



Brendan Lynott



Barbara Macrory



Michael McNulty



Owen Purcell



Joanne Richardson



Zita Vance



The Role of IPSO

The Irish Payment Services Organisation Limited (IPSO) was established in June 1997. IPSO is the representative industry body, the voice and guardian of the payments industry and the strategic interface with all payments stakeholders.



IPSO's fundamental principles are to:

- Preserve the integrity and security of the payments systems
- Promote and oversee the strategic development of such systems in the interests of the industry and the general public

IPSO seeks to ensure:

- the orderly and planned development of the payments industry
- the maintenance of a high level of integrity and improvement in the efficiency of payments systems
- the development of cost efficient and competitive payments systems
- the facilitation of a competitive market, meeting the needs and requirements of stakeholders
- the provision of a balanced response to key public policy issues

There are currently two clearing companies and two payment schemes operating under the IPSO umbrella. Each company has its own board of directors.

Clearing Companies/Payment Schemes

- Irish Paper Clearing Company Ltd. (IPCC)
- Irish Retail Electronic Payments Clearing Company Ltd. (IRECC)
- Laser Card Services Ltd. (Laser)
- Direct Debit Scheme

The clearing companies are regulated by the Central Bank of Ireland; IRECC operates the Direct Debit Scheme; and Laser is subject to oversight by the Central Bank. Each ordinary member of a clearing company or payment scheme, as designated by IPSO, is eligible for membership of IPSO and to representation on the IPSO Board. The IPSO board of directors also includes three independent non-executive director positions as well as an independent non-executive chairman. The decision of the board to appoint a wholly independent chairman demonstrates the board's commitment to transparency and recognition of the increasing need to involve non-bank interests in IPSO decision making. The Central Bank of Ireland, as regulator of payments systems in Ireland, has been represented at IPSO board meetings since IPSO was established in 1997.

IPSO's role includes:

- Providing strategic leadership and direction to the payments industry as a whole on matters including the impact of technology, regulation and European and international developments
- Communicating strategic guidance to the individual arms of the industry
- Developing best practice guidelines for the clearing companies and payment schemes on issues such as constitution, rules, entry criteria, accountability and risk management



Catherine Bennett,
Payments Projects
Coordinator



“The primary role of IPSO in the payments industry is discharged at a strategic level. IPSO does not own or operate the physical infrastructure but IPSO does have a critical role to play in the development of that common infrastructure.”

- Facilitating the establishment by the clearing companies and payment schemes of appropriate legal, security and audit frameworks – including security guidelines, fraud control initiatives, data protection, systemic risk controls and regulation
- Articulating the common voice of the payments industry on issues with industry-wide impact on regulators, Irish Government, media, European bodies etc. This includes ensuring that opinion-formers and regulators are assisted in understanding the payments industry and that public debate on payments issues is well informed
- Providing central programme management of key industry initiatives, such as Chip and PIN migration, SEPA, National Payments Implementation Programme (jointly with the Irish Government) and fraud prevention
- Facilitating the sharing of non-competitive information about the payments industry including the compilation and provision, on a non-specific basis, of research, statistics and publications
- Managing industry-wide issues such as systemic risk, security exposure and crisis management
- Providing consultancy services to members, clearing companies, payment schemes and special interest groups
- Monitoring and promoting the development and interoperability of payments industry standards

- Facilitating innovation and assisting in the design of future payments systems development
- Coordinating and facilitating a common understanding of relevant legislative and regulatory change

The chief executive of IPSO is a director of IPSO and each of the clearing companies and the Laser Card Scheme. This is to ensure consistency and unity of purpose across the industry, that cross-clearing and industry-wide issues are appropriately coordinated and implemented, and to enable the IPSO chief executive to advise and offer guidance to the boards on IPSO policy, industry strategy and other related matters.

The primary role of IPSO in the payments industry is discharged at a strategic level. IPSO does not own or operate the physical infrastructure, but does have a critical role to play in the development of that common infrastructure, which requires the participation and cooperation of competitor payment institutions. This co-operation is essential in order to deliver a robust payments system to Irish consumers and businesses, which is vital to the smooth running of the economy.

In delivering its strategic objectives, IPSO is mindful of the wider stakeholder community and the environment in which it operates.

The Irish Payments Industry 2010

2010 can be regarded as a year in which some significant progress was made in bringing Ireland's payments into line with its EU counterparts which make use of electronic payments to a significantly greater extent. Although still highly dependent on cash and paper payment instruments, there is plenty of evidence that Ireland is gradually reducing its dependency on these instruments and making greater use of electronic credit transfers, direct debits and card payments.



Cheque usage dropped by 11%, the fifth successive year of declining numbers. The closure of the Cheque Guarantee Card Scheme was announced. There was a €3 billion drop in cash withdrawals at ATMs, bringing the total value below the level of card payments for the first time. The debit card continues to become the preferred payment method for many with an extra 13 million transactions being added in 2010.

Electronic credit and debit volumes remained broadly flat, with the overall value figures dropping off by about 3%, probably reflecting the continued difficult economic conditions. Ireland remains well behind the EU average in terms of its overall usage of electronic credit transfers.

Cheques

- The number of cheques was down 11% on 2009
- 91 million cheques and other paper debits were used
- End of Cheque Guarantee Card Scheme was announced
- Cheques still account for more than twice the value of electronic payments

Although Ireland is still very dependent on cheques, both in terms of volume and in particular value, the number of cheques written in Ireland each year continues to decline.

Key Points

- Cheque usage declined for the 5th consecutive year
- The number of debit card transactions overtook the number of ATM withdrawal transactions
- The value of payment card spending exceeded the value of all ATM withdrawals for the first time
- Electronic payments remained broadly unchanged
- ATM cash usage declined but Ireland remains the highest ATM cash user in Europe on a per capita basis
- Ireland's use of electronic payments is less than 1/3 of the EU average in value terms
- The end of Cheque Guarantee Card Scheme was announced

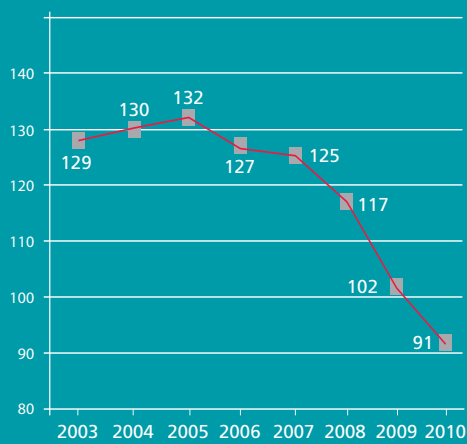
2010 saw the fifth successive annual decline, dropping to 91 million from 102 million in 2009 and from over 131 million at their peak in 2005. Ireland, along with the UK and France are now the only significant cheque users remaining in the EU. If cheques continue to decline and Ireland makes the switch to electronic payments, several studies have identified that such a move could bring considerable cost savings to the Irish economy.



Russell Burke,
Head of Strategic
Development

“ While the situation is improving gradually - electronic payments only represented 18% of the value as recently as 2005 - there is obviously a long way to go before Ireland shifts a significant proportion of its payments away from cheques and other paper-based instruments and into electronic channels. ”

Cheques in Ireland (millions)



While some businesses may still like to use cheques to make payments, particularly as putting the “cheque in the post” can delay the actual payment, most businesses prefer to receive payments electronically. Apart from having to bring the cheque to the bank for lodgement, it can be a number of days before a business receives value for a cheque and there is also the risk that a cheque can end up being returned unpaid. For most businesses this is simply too inefficient and costly.

In December 2010 the Irish Paper Clearing Company Ltd. announced the closure of the Cheque Guarantee Card Scheme on December 31st 2011. This was done to ensure an orderly wind-down of the Scheme, giving clarity and certainty to both consumers and businesses. In the absence of a planned closure, there was a danger of confusion and disorder. With most retailers no longer accepting

cheques, with two banks having left the Scheme and with only about 1% of cheques being used in conjunction with the guarantee, it was felt that a planned exit was in everybody’s interest. Cheques written and accepted after 31st December 2011 will not be covered by the Scheme, will be treated as regular cheques (i.e. payment is not guaranteed) and they may be returned unpaid. Further industry notices are scheduled in 2011 to ensure that all cheque users are informed and each issuing bank has committed to fully informing their own customers.

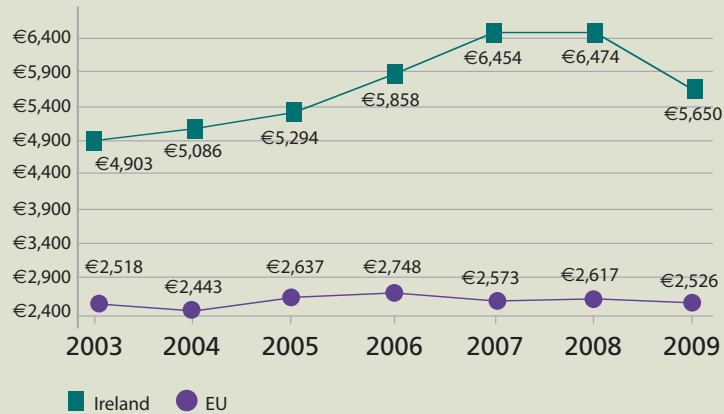
With the ongoing decline of cheque usage in Ireland and with the move to SEPA (Single Euro Payments Area) payments (which excludes cheques), it may well be that a similar setting and planning of the decline and an ultimate ‘winding-down’ for cheques themselves may be something that could be done for Ireland. Setting a timeframe with plenty of notice, supported by viable alternatives and an orderly communications programme would seem to be preferable to seeing market fragmentation, confusion, inconsistency and uncertainty. IPSO hopes that this can be tackled as part of a national payments plan for Ireland.

Cash/ATMs

- 178.1 million ATM withdrawals were made in 2010
- The value of these ATM withdrawals was €22.3 billion
- Now 3,265 ATMs in Ireland
- Average value was almost €5,000 per person



Ireland v EU Annual ATM Cash per Capita



Although Ireland is still one of the highest users of cash in the EU, at least as measured by ATM withdrawals on a per capita basis, the volume of cash paid out of ATMs in Ireland dropped by over €3 billion to €22.3 billion in 2010. This represents almost €5,000 for every person in the country, well down from its peak of almost €28 billion in 2008 which was just short of €6,500 per person.

While a trend to lower cash usage rates seems to be developing, Ireland's rates are still very high. The EU average for ATM withdrawals in 2009 was €2,524 per person while Ireland's figure was €5,650, despite Ireland having only 761 ATMs per million people compared to the EU's average of 867.

Even allowing for the impact of the downturn in economic activity, it does appear that the reduced cash rates signify a gradual shift away from cash for day-to-day purchases. Obviously the rise in online purchasing is having some impact, but debit card usage continues to grow in popularity, with over 200 million transactions in 2010, now exceeding ATM withdrawals which dropped by nearly 10% in 2010 to 178 million.

Over the next few years, developments in technology will have an impact on cash usage in Ireland. It is

expected that in 2011 we will see the first 'contactless' cards which allow holders to simply swipe or wave the card near a point-of-sale device to pay for lower value (e.g. less than €15) items. Smart mobile phones are now being built with the same technology, potentially eliminating the need to carry a physical card at all. Apart from the cost of securing, transporting and storing cash, a lowering of cash usage in Ireland should result in a reduction in robberies, kidnapping, tax evasion and other criminal activities.

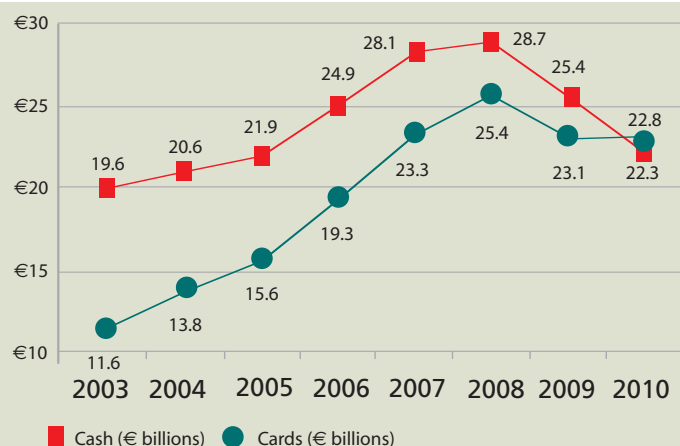
Payment Cards (Debit Card and Credit Card)

- 300,000 new debit cards were issued in 2010
- 315.5 million transactions took place (208.0 debit/107.5 credit)
- €22.8 billion in value (€11.5 debit /€11.3 credit)

In contrast to other payment instruments, debit card usage continued to grow. In 2010, debit card transactions rose by 6.6% to 208 million. The total value of these transactions was €11.5 billion, exceeding that of credit cards (€11.3 billion) for the first time.

New debit cards numbered about one third of a million, almost a 10% increase bringing their total to 3.4 million, now considerably more than the 2.2 million credit cards in Ireland. Credit cards saw a small

Total Spend on Cards in Ireland



(1.7%) decline in transactions to 107.5 million. The total spend on cards in Ireland remained almost static at €22.8 billion, which for the first time now exceeds the value of all ATM withdrawals (€22.3 billion).

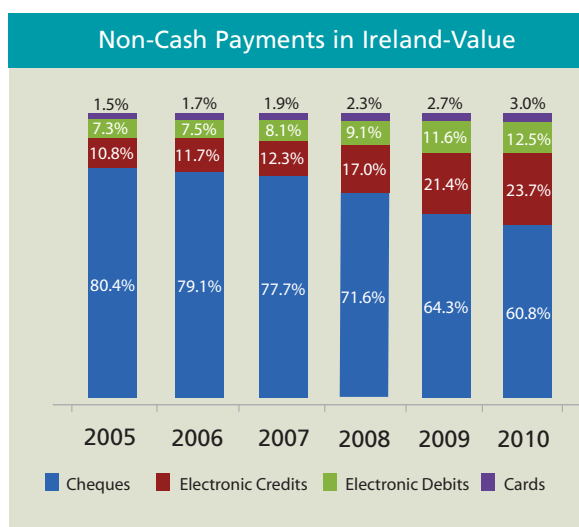
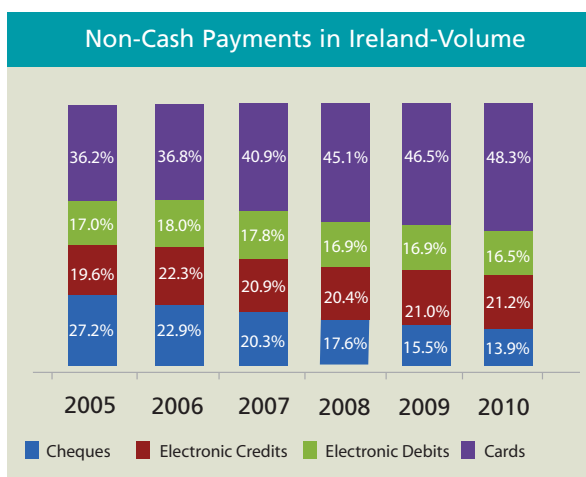
- Debit cards are becoming the payment instrument of choice for many, not only in 2010 where it was the only instrument which saw growth in value terms, but also as evidenced by its growth in popularity over a number of years.
- Since 2003:
 - The number of debit cards in Ireland has increased by 240% from 1 million to 3.4 million
 - Transaction volumes have risen by 247% from 60 million to 208 million
 - The value of transactions has increased by 211% from €3.7 billion to €11.5 billion

In addition to displacing the use of cash for retailers, most debit cards also offer a 'cash-back' facility, which can further reduce costs for the retailer and provide a more efficient method of cash distribution for all stakeholders and added convenience and security for the cardholder.

Electronic Payments

- 108 million electronic debits with a value of €94 billion
- 139 million electronic credits with a value of €178 billion

There was very little change in the overall volume of electronic payments in 2010 with debits being slightly down and credits slightly up on 2009 levels. The overall value fell by about 3% which was in line with expectations based on the levels of economic activity in the country. Electronic payments now account for 38% of all non-cash payments in terms of numbers of transactions, somewhat behind the EU average of 54%. However, in value terms, there is a very different picture. In Ireland, the value of electronic payments in 2010 was 36% of all non-cash payments, whereas the EU average is 96%, demonstrating very clearly that Ireland is a long way behind in its adoption of electronic payments.



While the situation is improving gradually - electronic payments only represented 18% of the value as recently as 2005 - there is obviously a long way to go before Ireland shifts a significant proportion of its payments away from cheques and other paper-based instruments and into electronic channels. Until then the economy remains over-exposed to paper-based payments.

Other Developments in 2010

- The number of payment accounts increased by 400k to 8.1 million. More than half of these, 4.1 million, have online access
- Customer usage of online banking continues to grow;
 - The number of registered customers grew by 4% in 2010 to 2.7m
 - Customers accessed their accounts 150.2m times, up 10% on 2009
 - Customers made 38.6m payments online, up 12% on 2009
- The Department of Social Protection launched its 'Payments Strategy Project' which will ultimately lead to welfare payments being 100% electronic
- The Department of Finance established a Financial Inclusion Steering Group to address financial inclusion in Ireland, including the introduction of basic bank accounts. The Group is due to make its report in mid-2011
- Irish banks became SEPA Direct Debit compliant, i.e. any accounts on which domestic direct debits are permitted are now also reachable by SEPA Direct Debit
- The European Commission set out its proposals for EU-wide end-dates for the migration of national credit transfers and direct debits to SEPA instruments



Single Euro Payments Area (SEPA)

SEPA is the largest payments initiative ever undertaken in Europe and the migration to the SEPA Schemes will require significant effort over the next few years by all stakeholders, including the banking industry, Government, businesses and consumers.



In 2002, Ireland, along with many of its European counterparts, introduced euro notes and coins which enabled consumers to make cash payments throughout the euro area using a single currency. For the last number of years the European Commission, European Central Bank and European banks have been working together to create the next phase of the Single Euro Payments Area (SEPA) which will enable consumers and businesses to make electronic payments within SEPA. In order for this to happen all national electronic payment systems will merge to form one single payment system where all euro payments will be treated as domestic payments and the current differentiation between national and cross border payments will end.

SEPA is the largest payments initiative ever undertaken in Europe and the migration to the SEPA schemes will require significant effort over the next few years by all stakeholders, including the banking industry, Government, businesses and consumers.

To date, the European Payments Council, which is responsible for the development and maintenance of the SEPA payment schemes, has launched the SEPA Credit Transfer and SEPA Direct Debit schemes.

SEPA Credit Transfer

The SEPA Credit Transfer Scheme was launched in 2008 and, to date, almost 4,500 banks have signed up to participate. The scheme enables businesses and consumers to make a payment in euro to anywhere within the European Union (EU)/European Economic Area (EEA) at the same cost and within the same time-line. Transaction volumes are growing month on month and the scheme is currently processing over 1 million payments a day. From an operational perspective the scheme is working very well and all Irish banks are sending and receiving SEPA Credit Transfers on a daily basis.

SEPA Direct Debit


Two direct debit schemes were launched in 2009, the core scheme with over 3,900 banks participating and the Business to Business Scheme with 3,386 banks participating. Transaction volumes are presently low, but will likely increase significantly as banks throughout Ireland and Europe gear up to offer SEPA direct debit services to their customers.

SEPA Migration End-Date

Despite the progress, migration to SEPA has not yet achieved the results that were initially expected. Most of the deadlines that were set for completion of migration will not be met and the general consensus across Europe is that legislation is required to impose mandatory dates by which migration from the domestic payment systems to SEPA must be completed.



Mick O'Neill, SEPA Programme Manager and Domestic Direct Debit Scheme Manager



“ The way payments are made both domestically and cross-border will change significantly in the next few years. The new SEPA payment schemes will bring benefits to businesses and consumers and the successful migration will complete the next step in the creation of the single market for Europe. ”

To address this, the SEPA end-date Regulation was introduced by the Commission in late 2010 and work has been ongoing with the EU Commission's Economic and Monetary Committee (ECON) and the EU Council represented by the Hungarian Presidency. It is expected that the Regulation will be adopted in quarter 3 2011 and will enter into force in early 2012.

The most pressing issue that remains undecided is the actual end-date itself. At this stage it is not yet clear whether there will be separate dates for migration of credit transfers and direct debits. The EU Council is proposing a February 2013 end-date for credit transfers and a February 2014 end-date for direct debits, whereas ECON is proposing one end-date which would be two years after the legislation enters into force.

The preference in Ireland is for a single end-date of 2014. Once the dates become clear, this will give a full understanding of what changes banks and their customers will have to implement and of the deadline by which migration must be completed.

Next Day Payments

When the Payment Services Directive was transposed into national legislation in Ireland and most of Europe in November 2009 it clearly set out timelines for the processing of electronic payments. From 1st January 2012 banks within SEPA must process payments in a D+1 timeline. This will mean that if a customer makes an electronic payment within the EU/EEA the beneficiary will receive the value on the next business day.

Summary

The way payments are made both domestically and cross-border will change significantly in the next few years. The new SEPA payment schemes will bring benefits to businesses and consumers and the successful migration will complete the next step in the creation of the single market for Europe.

Card Developments

IPSO Card Services' aim is to gain consensus among card payment stakeholders on non-competitive matters that enhance the card payments industry in Ireland as well as improving usage and acceptance for merchants and consumers.



The purpose of IPSO Card Services is to work with member banks to improve the card payments process for the ultimate benefit of consumers and retailers. This work includes informing card payments stakeholders on industry matters such as regulation, policy and standards especially with respect to fraud prevention, major industry changes and the development of best practices in card payments.

IPSO Card Services' aim is to gain consensus among card payment stakeholders on non-competitive matters that enhance the card payments industry in Ireland as well as improving usage and acceptance for merchants and consumers.

Priorities

In 2010 the core priorities for IPSO Card Services were:

1. Representation, communication and promotion of card payments
2. Card fraud prevention
3. Compliance with the SEPA Cards Framework and European Payments Council (EPC) standards
4. Coordination of industry initiatives
5. Training of bank staff, merchants, consumers and law enforcement

Goals

The goals of IPSO Card Services are to:

- Promote card payments
- Encourage best practice across the card payments industry

- Influence standards bodies and regulators on key decisions relating to the card payments industry, including Government and other influential stakeholders
- Provide expert advice in the public domain through awareness campaigns and working with the press
- Provide information and industry statistics
- Represent the Irish card payments industry at the European Commission and the EPC
- Facilitate cooperation between stakeholders on non-competitive industry-wide issues including fraud prevention, security and data sharing
- Reinforce its members' reputation in the public domain
- Raise awareness among key stakeholders of the economic importance of card payments to business
- Provide informed advice to policy-makers and regulators on all matters relating to card payments and security

Sub-groups

Under the auspices of IPSO Card Services, there are a number of industry groups with specific goals, including the:

- IPSO Card Fraud Forum
- IPSO ATM Incident Report Group

Card Fraud Forum (CFF)

The CFF consists of a senior fraud manager from each of the retail banks in Ireland and includes a representative from each of the police forces in Ireland (An Garda Síochána & PSNI) as well as a representative from the domestic and international card schemes (MasterCard, Visa, AMEX and Laser Card). The purpose of the group is to share fraud data, best practice guidelines and to develop solutions to specific fraud issues.



Úna Dillon, Head of IPSO Card Services and Communications

“ Throughout 2010 IPSO continued to use SafeCard Fraud Packs and training materials to help specific fraud-prone retailers effectively reduce the levels of card fraud in their stores. ”

The CFF collates industry fraud loss figures so that new fraud trends can be measured and the highest risk areas targeted. In 2010 the total value of fraud lost to the retail banks is estimated to have cost approximately €19.8 million.

Chip & PIN continues to keep issues such as skimming, counterfeiting and lost/stolen card fraud to a minimum but unfortunately the criminals continue to find new areas to target and currently the predominant sector is e-commerce. Card Not Present (CNP) fraud continues to be the biggest issue with 67% of all card fraud in 2010 relating to this. IPSO continues to work with its stakeholders on relevant solutions.

Other fraud trends of significance in 2010 included growth in:

- ATM skimming: this became an issue again in the last quarter of 2010 with a spiral in the number of incidents occurring. IPSO Card Services facilitated workshops with its relevant members to ensure that new technologies were rolled out to prevent ATM fraud
- *Distraction fraud*: 2010 saw an increase in the ‘shoulder surfing’ scam which mainly targeted older people. IPSO ran a number of awareness campaigns to alert the public to the issue. Information on the scam was gathered swiftly through IPSO and the Garda Bureau of Fraud Investigations (GBFI) made immediate arrests of the entire group involved

ATM Incident Report Group

As fraud incidents arise at ATMs in Ireland, IPSO is advised immediately on the nature of the issue and the location including the machine name and details as well as

information on locations where fraudulent withdrawals of cash have taken place on cards that were compromised.

The result of using the ATM Incident Report is that fraud losses due to ATM crime are kept to a minimum while ATM owners act to protect ATMs that have been affected and card issuers block or monitor cards known to have been used at the compromised machines. The Gardaí are also included on the report distribution list, which enables them to investigate each incident as it arises. Many arrests were made by the Gardaí in 2010 as a result of this sharing of information.

SafeCard Task Force

Throughout 2010 IPSO continued to use SafeCard fraud packs and training materials to help specific fraud-prone retailers effectively reduce the levels of card fraud in their stores.

IPSO works with payment card processors (acquirers) and with major stores and shopping centres, targeting outlets where fraudsters are known to operate. The Task Force provides training to staff on payment card security features as well as providing top tips on how to recognise a fraudster in action. Since the introduction of this training process, alongside other initiatives driven by IPSO such as its fraud awareness campaigns, the estimated savings to the banking industry exceeded €48 million (this estimated value was calculated using projected fraud figures, based on previous fraud growth trends, compared with actual fraud losses over the same period). SafeCard training packs and artwork designed by IPSO are used in many retailer training guides for new and existing retail staff members.



Police Liaison: IPSO works closely with the GBFI to provide training sessions in specific locations as well as sharing best practice and relevant data between the police force and bank staff.

Data sharing across borders: IPSO arranged the set up of formal data sharing of non personal, non-competitive information with FS-ISAC, a company that was established by the financial services sector in the U.S. in response to a presidential directive that mandated that the public and private sectors share information about physical and cyber security threats and vulnerabilities to help protect the U.S. critical infrastructure. This liaison has already proven useful for the sharing of information on cyber crime which affects global payments systems.

Data Sharing Workshop: IPSO held a workshop in February 2010 with all of its members and relevant industry representatives to discuss a final submission to the Government on data sharing and the benefits to consumers and businesses in sharing specific fraud-related information. IPSO also contributed to responses on a questionnaire from the Department of Communications regarding the potential establishment of a national fraud database.

PIN Security: IPSO Card Services created an image for use at ATMs and potentially at POS terminals to encourage consumers to cover their PIN when keying it in. The intention is to have an industry logo or brand that consumers will recognise as an instant reminder to keep their PIN secure. The new brand is now being used at ATMs across Ireland and has proven to be effective, along with other anti-skimming initiatives.

European ATM Security Team (EAST): IPSO worked together with members of EAST during 2010, to examine ATM-related crimes taking place in Europe as well as the potential solutions to prevent these crimes.

Payment Data Security: IPSO Card Services ran a PCI DSS (Payment Card Industry Data Security Standards) Retailer Seminar on 2nd September 2010 providing information to retailers on the payment card industry data security standards, answering questions on the reasons why they

are being enforced and on the charges being imposed for non-compliance. The session was well attended and further training conferences are due to take place in 2011 on the same subject.

Achievements

Card Services Key Achievements in 2010:

- Representation of members' interests at the European Payments Council
- Fraud prevention; facilitating discussions among key stakeholders for the purpose of achieving fraud prevention in specific areas
- Increased media relations: IPSO Card Services answered hundreds of media queries regarding card payments as well as appearing on numerous television and radio programmes on consumer affairs and news
- Increased steps taken to improve data sharing possibilities: IPSO Card Services submitted a paper to the Department of Justice, Equality and Law Reform on the topic of fraud data sharing, asking for public consultation on the need and ability for financial institutions to share fraud data for the purpose of crime prevention. Card Services continues to liaise with the department in this regard
- Establishment of the Cross Industry Fraud Liaison Group (CIFLG) in conjunction with the Garda Bureau of Fraud Investigations (GBFI) and members of the Irish TelCos Fraud and Security Forum (ITSFF) the purpose of which was to examine where different industries can share information on frauds affecting all parties, further increasing the ability to prevent fraud in Ireland
- Running a successful fraud workshop: IPSO held a fraud workshop for retailers, in conjunction with the GBFI, to share best practice guidelines on preventing specific types of fraud, leading to reduced losses for retailers
- Reduced losses on Laser Cards: Fraud on Laser Cards decreased by 57% in 2010 compared to 2009 due to continued fraud prevention work being carried out by the Laser Scheme under the auspices of IPSO Card Services

Notwithstanding the economic climate, 2010 remained largely a growth year for Laser Card Services.



Increases in both the volume and value of Laser Card transactions were recorded and the average number of purchases per cardholder also increased to more than six per month. Six institutions continue to participate in the scheme.

Usage Information

There are more than 2.6 million Laser Cards in use in Ireland and for the first time in the history of the Laser Scheme, more than 200 million transactions were processed within one year. There was a slight increase in the value of overall retail sales and a 3.1% increase in the number of transactions. In effect, the number of times cardholders used their cards during the year increased by 15% - from 66 times to 76 times a year.

The Laser Scheme

Laser Card Services Ltd. is governed by the Laser board, comprising a director from each of the member banks, one non-executive director, i.e. the CEO of IPSO, and an independent chairman. A representative from the Central Bank of Ireland holds a seat on the Laser board in an oversight capacity. The day to day operation of the Laser Scheme is managed by a small team which controls the strategic development, legal, financial, administration and marketing elements of the company.

PR & Marketing

- Laser Card continues to be a household brand in Irish homes, with the name regularly appearing in print, on radio and on social media
- The Laser website www.LaserCard.ie continues to be a valuable resource for cardholders and retailers and attracted 21,000 visits during 2010
- Promotion of Laser Card and the Laser Cashback facility was ongoing during 2010 at both a scheme level and an individual member level
- The Scheme office responded to hundreds of queries from consumers and retailers who contacted the office at info@lasercard.ie

Industry Matters

The use of debit cards, as an alternative to the cheque and cash, is expected to play an ever-increasing role in facilitating the shift to electronic payments. Such a behavioural change is likely to create savings for the Irish economy on a significant scale while the cost of processing debit card sales is significantly lower than the general outlay of managing and processing cash and cheques.

There is also good news for Laser Card holders from a fraud perspective as Laser Card maintains a low fraud to sales rate at only 0.03% which is well below the European average for general payment card fraud, which according to latest industry figures stands at an average rate of 0.08%.

Year	Cardholder Growth	Value of Retail Sales	Average Number of Transactions per card per year	Transaction Volume
2010	2,629,000	€11.1B	76	201M
2009	2,958,000	€11.2B	66	195M
2008	2,900,000	€11.5B	62	181M
2007	2,519,000	€9.1B	54	137M
2006	1,623,000	€6.7B	70	99M
2005	1,273,000	€5.2B	63	80M
2004	1,125,000	€4.3B	61	68M
2003	1,079,000	€3.7B	56	60M
2002	1,044,000	€3.3B	53	55M
2001	902,000	€2.5B	51	43M
2000	798,000	€1.8B	45	34M
Average Transaction Amount				€55
Average Number of Transactions per Month				17M



Erica Mc Kinney,
Member Services
Executive

Irish Retail Electronic Payments Clearing Company Ltd.

As a proportion of all payments in Ireland Electronic Payments continue to displace cheques and other paper-based payments.



RECC is responsible for the interbank clearing of electronic items between banks and other financial institutions. Each member bank is responsible for running and maintaining its own electronic funds transfer (EFT) system, which enables electronic credits and debits to be originated and paid through any bank/branch within the State. The company is run by a board of directors, comprising one representative from each of its seven member banks, as well as the CEO of IPSO.

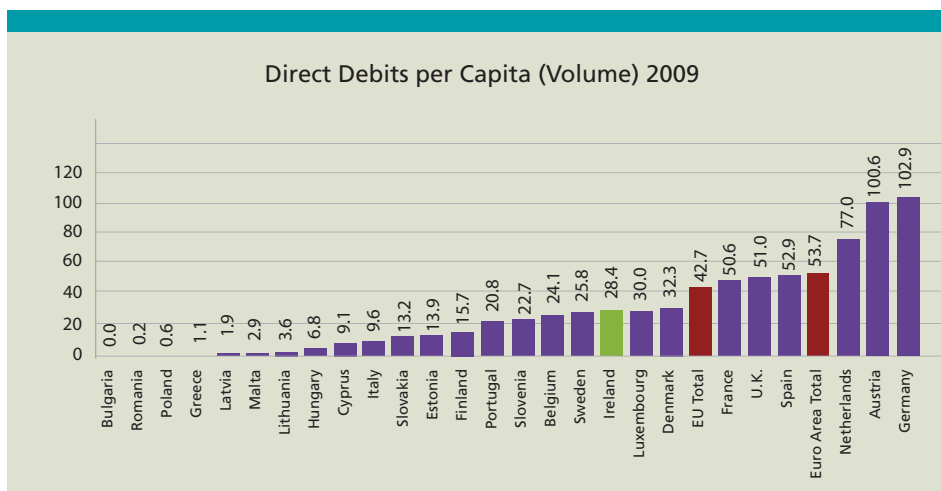
IRECC is responsible for the development and imposition of the interbank clearing rules and for the administration of the Direct Debit Scheme. It is also responsible for the daily settlement of interbank electronic payments.

EFT Volumes and Trends

In the year ended 31st December 2010, a total of 155.5 million interbank transactions were processed through the domestic EFT clearing system.

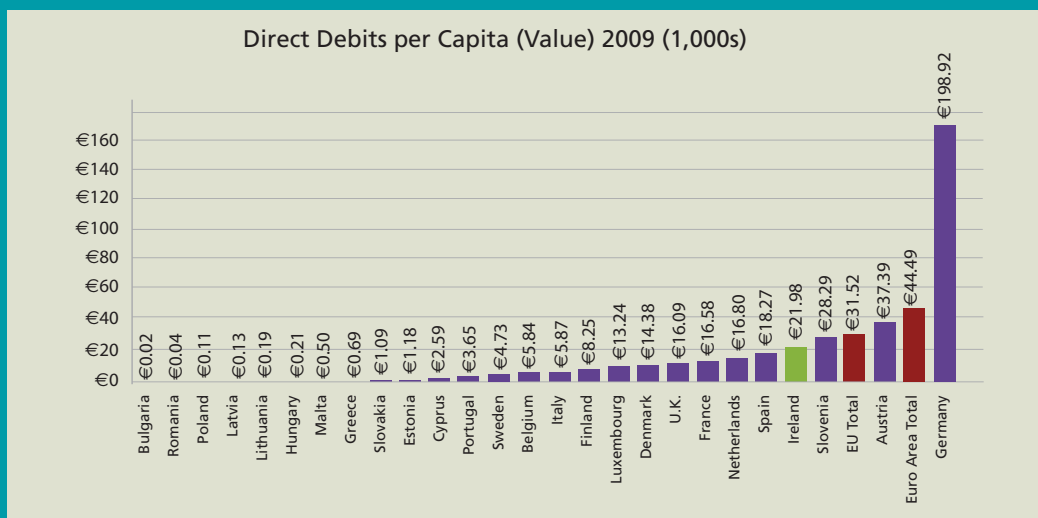
- These consisted of 66.8 million debit transactions with a value of €47.2 billion and 88.7 million credit transactions with a value of €116.4 billion
- This is a slight decrease on 2009 interbank debit volumes which comprised 68.1 million debit items and a slight increase in interbank credit volumes which comprised 87.6 million credit items
- Electronic payments have a clear advantage over paper based payments in that the Next-Day-Value service offered by member banks offers a shorter clearing cycle than offered for cheques
- As a proportion of all payments in Ireland, electronic payments continue to displace cheques and other paper-based payments

The following chart shows a comparison with our other European counterparts.



Paula Gray, Corporate Services and Retail Payments Manager

“ Electronic payments have a clear advantage over paper based payments in that the next-day-value service offered by member banks offers a shorter clearing cycle than offered for cheques. ”



Efficiency and Change in Electronic Clearing Systems

The payments landscape is continually evolving with more efficient product offerings coming on stream through the introduction of the Single Euro Payments Area (SEPA) and the payments landscape generally. Over the coming year it is important that Ireland's use of more efficient forms of payment such as electronic credits and direct debits increases to bring it in line with other European countries.

EFT Clearing Rules & Standards

The IRECC Board is responsible for maintaining and updating the Interbank EFT clearing rules and related EFT standards. During 2010, IRECC responded to many queries from its member banks in clarifying specific clearing rules and aspects of the technical standards to facilitate straight through processing. IRECC also answered queries from the public whether directly or through referral from consumer organisations and the Financial Regulator.

Both the rules and standards continue to be monitored to ensure that they are kept up to date with changes that may be introduced in the clearing process.

Sort Code/Account Validation Data

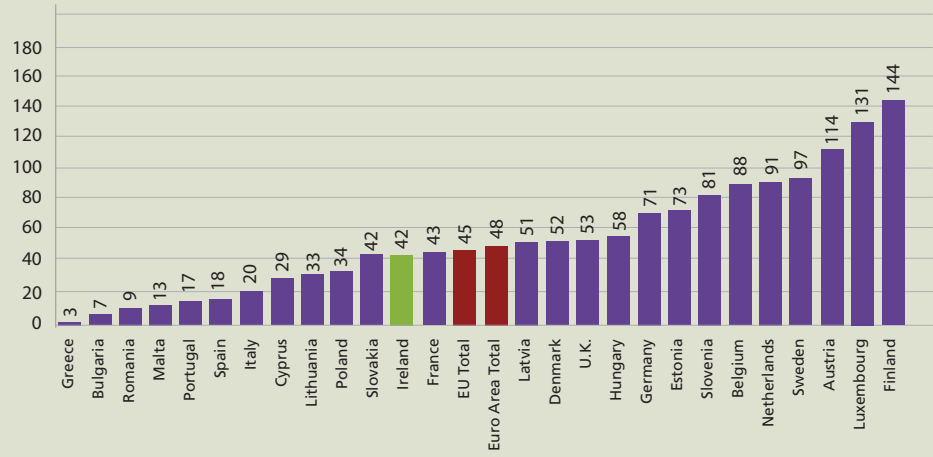
IPSO is the custodian of the sort code data and account validation data on behalf of member banks of the Irish clearing system. IPSO makes available the sort code data and modulus algorithms for account validation to distributors or direct debit originators. Its benefits are enormous to direct debit originators who process many payment transactions per day. They are able to validate multiple sort codes and account numbers as they set up payers in the Direct Debit Scheme and therefore prevent failed transactions from entering the system. The IPSO website also hosts a service which will validate a single sort code and account number for direct debit originators, who may have only a few payments to process. The data is available on subscription for a company's own use or under a distribution licence.

The main benefits of having direct access to the sort code data are:

- Access to payment clearing information on more than 1,200 Irish sort codes
- Searching by sort code, bank name, branch office address, city, keyword, etc.
- Time saved in researching payment clearing information
- Convenient access to the information
- Ease of use, cost effective and time efficient



Credit Transfers per Capita (Volume) 2009



The sort code service, in conjunction with the account validation service, is of benefit to anyone making electronic payments such as wages, salaries, supplier payments, direct debits and standing orders.

New Members of IRECC

In line with IPSO's ongoing policy of openness, transparency and inclusion in relation to membership of Irish payment systems, the access criteria and membership rules for the electronic clearing system can be found on the IPSO website (www.ipso.ie).

During 2010/2011 a number of new Associate Members commenced participation in IRECC availing of agency arrangements through an ordinary member. The new members are listed here:

- Bank of Scotland plc
- CANA Credit Union Ltd.
- Carapay Ltd.
- Castlebar Credit Union Ltd.
- Clonmel Credit Union Ltd.
- Comhar Linn INTO Credit Union Ltd.
- Coolock Artane Credit Union Ltd.
- Dubco Credit Union Ltd.
- Gorey Credit Union Ltd.
- Health Service Staffs Credit Union Ltd.

- Mitchelstown Credit Union Ltd.
- Rathmore & District Credit Union Ltd.
- St. Francis Credit Union Ltd.
- St. Mary's Navan Credit Union Ltd.
- Swords & District Credit Union Ltd.
- The Lough Credit Union Ltd.
- Thurles Credit Union Ltd.

IRECC looks forward to expanding its Associate Membership base in 2011.

Direct Debit Scheme

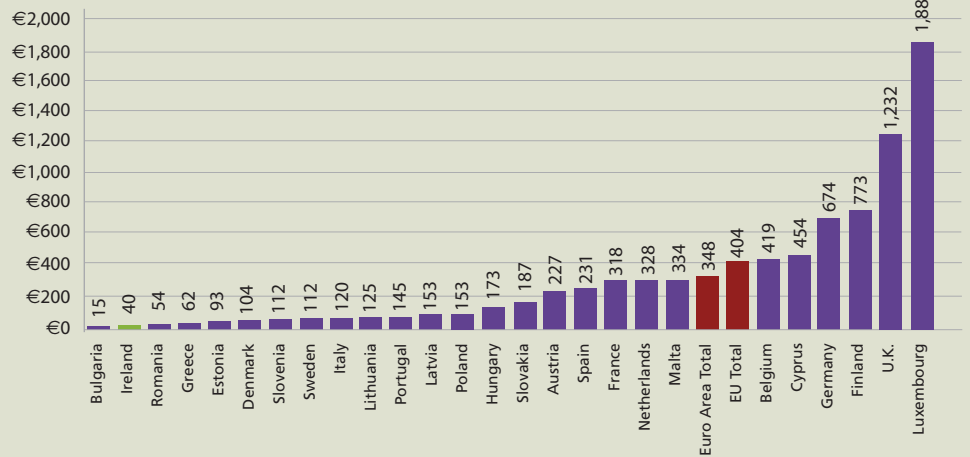
400 new originators were admitted to the Direct Debit scheme during 2010 bringing the total number of active originators to 5,200. The number of transactions decreased by 2.6% to 107 million.

IPSO continues to work very closely with sponsoring banks and originators to ensure that all complaints and compliance issues are responded to in a timely and satisfactory manner.

Two Associate Members applied and were approved for Sponsoring Bank status in the Direct Debit scheme as follows:

- Bank of Scotland plc
- Barclays Bank, Dublin Branch

Credit Transfers per Capita (Value) 2009 (1,000s)



Paper clearing volumes for 2010 continued to fall showing a significant drop of almost 11% on items processed through the clearing in 2009.



The Irish Paper Clearing Company Ltd. (IPCC) was established in 2002 following a merger of the Irish Paper Credit Clearing Company Ltd. and the Irish Paper Debit Clearing Company Ltd., which were constituted in June 1997.

IPCC is responsible for operating and maintaining a payment, clearing and settlement system for domestic paper debits and credits. In addition, the Company is responsible for overseeing the interbank clearing mechanisms and the imposition and upkeep of the rules and standards that govern the clearing of paper payments. It is also responsible for the daily settlement of interbank paper based payments.

Paper Volumes and Trends 2010

In the year ended 31st December 2010, a total of 48.6 million interbank paper transactions were processed through the domestic paper clearing system (i.e. items presented through a bank other than the one which they are drawn on).

- These consisted of 47.5 million debit transactions with a value of €119.9 billion and 1.1 million credit transactions with a value of €2.4 billion
- This is a decrease of almost 11% on the interbank volumes for 2009 which comprised 53.2 million debit items and 1.3 million credit items



Jacqui Lockhart,
Payments Projects
Coordinator

Cheque Guarantee Card Scheme

As outlined in the Irish Payments Industry section of this review, the payments landscape is going through some significant changes both in Europe and Ireland.

The paper clearing figures for 2010 continued to fall showing a significant drop of almost 11% on items processed through the clearing system in 2009. This is attributable not only to the economic decline but to the migration from paper to electronic payments.

With the reduction in use of cheques in Ireland, a review of the Cheque Guarantee Card Scheme was undertaken in 2010 to determine whether to continue with or to close the Scheme. IPSO conducted a consultation process which involved engaging with a number of stakeholder representative groups. The overall response to the proposed closure of the Scheme was supportive.

In June 2009, the UK Payments Council announced that its board had unanimously agreed that it was in the collective interest of all stakeholders to manage the decline of the UK Cheque Guarantee Card Scheme and as a result, set June 30th 2011 as the closure date.

A task force conducted research amongst its members and the findings show that less than 1.5% of cheques written are supported by the Scheme. Following the consultation process it was agreed by the IPCC Board to close the Scheme on 31st December 2011.

A communications programme has been developed to ensure that the closure of the Scheme is done in an orderly and managed fashion with the aim of avoiding confusion amongst consumers and businesses. An industry press notice was placed in the national newspapers in December 2010 and in June 2011. Member banks will also communicate with their customers.

Cheques accepted under the Scheme guarantee, up to and including the closure date of the Scheme, and presented within six months of the date of the cheque, will be paid where the rules of use of the Scheme have been complied with.

Cheques accepted after 31st December 2011 will not be covered by the Scheme, and will be treated as regular cheques i.e. payment will not be guaranteed and they may be returned unpaid.

Some cards may continue to carry the Scheme logo after the closure date; however the Scheme guarantee will no longer apply. Other card functions (e.g. ATM, debit card) will not be affected.

Paper Clearing Rules & Standards

The IPCC Board, supported by the IPCC Working Group, is responsible for maintaining and updating the interbank Paper Debit and Credit Clearing Rules and related paper standards. During 2010 the IPCC Board, with the approval of the Central Bank of Ireland, adopted an updated set of interbank clearing rules. The updated rules incorporate some minor changes around operational processing which afford more efficiencies to be brought to the interbank clearing process.

Membership of the Paper Clearing System

In line with IPSO's ongoing policy of openness, transparency and inclusion in relation to membership of Irish payment systems, the access criteria and membership rules for the paper clearing system can be found on the IPSO website (www.ipso.ie).

At the end of 2010 Bank of Scotland Ireland Ltd. was taken over by Bank of Scotland plc through a cross-border merger. Bank of Scotland plc then applied for and was accepted as an ordinary member of the paper clearing system in Ireland.

TARGET2

TARGET2 processed a daily average of 343,000 transactions for a daily average value of €2.3 trillion in 2010.



TARGET2, the Trans-European Automated Real-time Gross Settlement Express Transfer System, is the Real-time Gross Settlement System (RTGS) for the euro, offered by the Eurosystem and operated on its behalf by Banca d'Italia, Banque de France, and Deutsche Bundesbank. It is used for the settlement of central bank operations, large-value euro interbank transfers and euro payments related to other payment and securities settlement systems within the European Union. It provides real-time processing, settlement in central bank money and immediate finality. Its enhanced liquidity management features enables participants to prioritise their payments according to urgency and to actively manage their payment queues.

TARGET2 uses one single shared platform (SSP) for payments and allows participants to send domestic and cross-border euro payments directly to that platform, thus eliminating the previous necessity to maintain local national RTGS payment systems. It is actively used in 23 European Union countries where central banks and their respective user communities are connected to TARGET2. This comprises 17 euro area central banks, including the European Central Bank (ECB), and six central banks from the non-euro area countries i.e. Denmark, Poland, Estonia, Latvia, Lithuania and Bulgaria.

TARGET2 is accessible to a large number of participants throughout the EU. Most credit institutions use it to make payments on their own behalf or on behalf of other indirect participants or their customers. In addition, approximately 70 ancillary systems, comprising retail payment systems and securities settlement systems, settle in TARGET2, including the Irish Retail Electronic Clearing Company Limited and the Irish Paper Clearing Company Limited for the interbank settlement of the retail electronic and paper clearings.

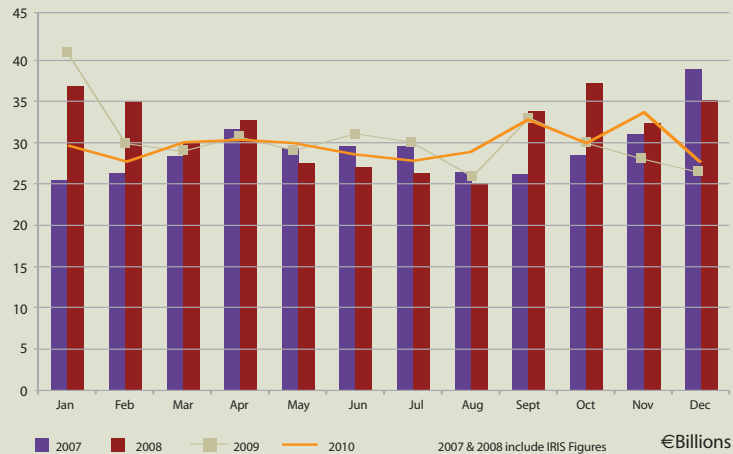
21 direct participants are connected to TARGET2 via the Irish component of the SSP along with over 400 home accounting module (HAM) participants while a number of former IRIS members joined TARGET2 as indirect participants via TARGET2 components in Germany and the Netherlands.

According to ECB statistics, TARGET2 processed a daily average of 343k transactions for a daily average value of €2.3 trillion in 2010. The average value of a TARGET2 transaction was approximately €6.7 million and 67% of payments had a value of less than €50k. Corresponding figures for 2009 show daily average transactions at 346k representing a daily average value of over €2.1 trillion.



Martin James,
Wholesale Payments
& Risk Manager

**TARGET (Irish)
Daily Average
Transaction
Values
2007/2010**



In 2010, TARGET2 was used in Ireland to clear and settle 4,961 daily average transactions with an average daily value of €30 billion. This shows a 2% increase over 2009 volume figures of 4,825 with the average daily value remaining at €30 billion. The charts shown here provide information on value and volume trends.

TARGET Working Group & National User Group

IPSO attended regular meetings of the TARGET Working Group (TWG) of the European banking industry during the year. This inter-European Credit Sector Associations group represents the banking industry at European level in discussions with the European Central Bank/Eurosystem on TARGET and other related matters.

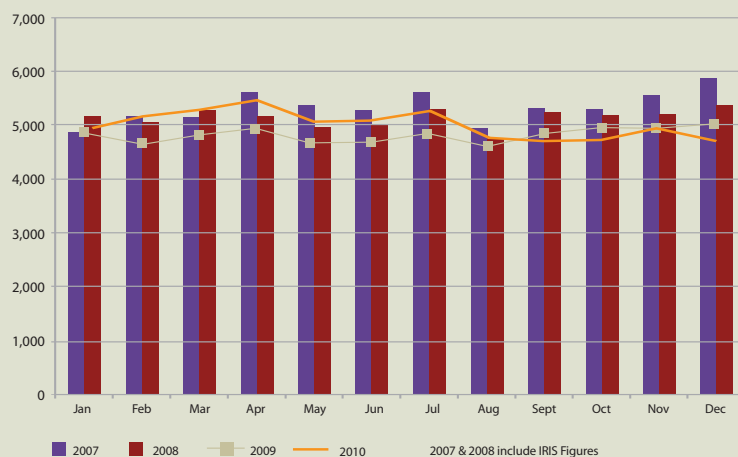
In 2010, the TWG continued its dialogue with the Eurosystem in relation to operational aspects, system enhancements/release management process for system releases and TARGET2 interaction with future developments such as TARGET2 Securities and Collateral Central Bank Management (CCBM2). The TWG met with the Eurosystem’s Working Group on TARGET2 (WGT2) on four occasions during the year

where continued cooperation and the frank exchange of views between all parties contribute to the continued successful development and stable operation of TARGET2. The Eurosystem implemented internet-based access to TARGET2 in November 2010 and consulted the user community on a possible strategy to facilitate wider usage of ISO20022 in TARGET2.

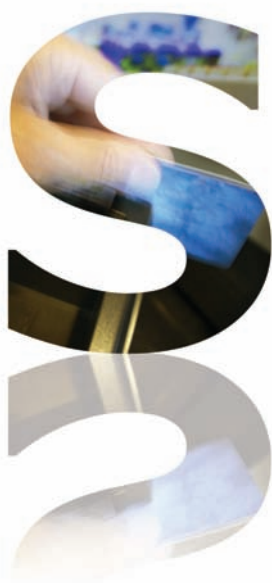
IPSO chairs the national TARGET2 User Group which discusses items raised at the TWG and joint TWG/WGT2 meetings. IPSO’s representation on the TWG, gives it and the national TARGET2 User Group the opportunity for two-way communication, at European industry level, on TARGET2 and other related issues such as consultations issued by the ECB. This continued cooperation between the TWG and the Eurosystem ensures that future enhancements to TARGET2 are best aligned with user expectations.

At national level, the Central Bank of Ireland continued its consultation with TARGET2 users and the TARGET2 User Group in 2010.

**TARGET (Irish)
Daily Average
Transaction
Volumes
2007/2010**



IPSO continues to take a monitoring role in payment standards through its participation in the European Payments Council. It also liaises with the National Standards Authority of Ireland on the standardisation work of ISO Committees on banking and payment related topics covered under their Technical Committee.



SWIFT (The Society for Worldwide Interbank Financial Telecommunication)

SWIFT is a member-owned cooperative supplying secure, standardised messaging services and interface software to over 9,600 users in 210 countries. The SWIFT community includes banking organisations, securities institutions and corporate customers. It provides the platform, products and services that allow its customers to connect and exchange financial information securely and reliably. It works with its community to shape market practice, define standards and consider solutions to issues of mutual concern and interest. SWIFT experienced its highest peak day for FIN messages (18.3 million) in May 2010 with its previous peak day in October 2008.

In Ireland, for example, SWIFT is used as the message carrier for TARGET2, international, SEPA and securities transactions.

At local level, involvement and engagement of the Irish user community is achieved through quarterly meetings of the National Member and User Group, facilitated by IPSO, with input from the SWIFT relationship manager in London.

The member group acts in an advisory/non competitive capacity on issues such as:

- Development and maintenance of local admission criteria for SWIFT based on local legislation
- Admission of new users in line with SWIFT admission criteria
- Monitoring of continued compliance with admission criteria
- Co-ordination of country responses to SWIFT matters as required

The strategic objectives include:

- Managing and controlling the SWIFT membership governance process in Ireland
- Providing technical information support and advice to the Irish SWIFT community relating to user operational and technical matters
- Adding value in practical terms to SWIFT and to the Irish SWIFT users

During the year, the Irish National Member and User Group discussed key SWIFT board papers including feedback from the European SWIFT Alliance Group on topics such as SWIFT2015, evolution of the BIC, BEI as a legal identifier and FIN renewal proposals. It reviewed the consequences of MT202COV implementation and began to focus on Release 7.0 which is a major and mandatory SWIFTNet release which needs to be installed before March 2012. The SWIFT admission criteria for the Republic of Ireland were updated to comply with changes resulting from the Payment Services Directive.

European SWIFT Alliance Group

The European SWIFT Alliance Group (ESA) comprises members from 29 countries and has a representation of 9 members on the SWIFT board. The Irish group is represented at the ESA by the chairmen of the SWIFT National Member and User Groups. Attendance at quarterly meetings of this group ensures that the views of the Irish financial community are voiced when strategy, policy, performance and standards issues are discussed and decisions taken at SWIFT board level. This group facilitates the contribution of smaller/developing countries to SWIFT and provides insight, advice and general direction on SWIFT related issues.

A major part of ESA meetings during the year was given to understanding SWIFT board papers and development proposals. This has a two-fold advantage allowing ESA to bring the wide experience, knowledge and diversity of the group to assist SWIFT in the development of its products to meet customer expectations, and at the same time the ESA members can improve their understanding of current issues. Dissemination of such information assists financial institutions who are SWIFT users in member countries to keep up to date with developments.

The ESA established an IT committee in December 2010 which will focus on issues linked to the implementation of upgrades and new technical developments by SWIFT.

EPC Cash Working Group

One important objective of the SEPA initiative is to encourage a shift from cash to electronic payments. Yet despite political and strategic imperatives to reduce cash usage, it is still the most popular payment method for low value payment purchases in Europe and remains among the most expensive to operate from a societal point of view.

The current landscape for the distribution of euro cash is characterised by multiple national infrastructures and is based on different business models. This lack of harmonisation, common approach and best practice, increases the cost of cash processing and creates many inefficiencies across the eurozone for all stakeholders in the cash cycle. The EPC continues to strive for a Single Euro Cash Area (SECA) seeking, amongst other objectives, to develop a common set of rules and best practices for the distribution and recycling of wholesale and retail euro cash in the eurozone. The plans for a SECA are developed in dialogue with the Eurosystem Banknote Committee (BANCO), banks and other key players such as cash-in-transit companies.

The EPC Cash Working Group, of which IPSO is a member, monitors the ongoing implementation efforts by national central banks based on the ECB roadmap of

measures for more convergence of National Central Bank (NCB) cash services. Substantial progress, particularly in the euro area, has been achieved and further developments in relation to (a) electronic data exchange between NCBs and credit institutions for cross-border cash lodgements and withdrawals and (b) common banknote packaging standards for NCB free of charge cash services are under way.

During 2010 this group formulated amendments in relation to the proposal for a regulation on professional cross-border euro cash transport by road between euro area Member States, which is expected to be adopted by the European Parliament in April 2011. It held discussions with EC European Anti-Fraud Office on its proposal for a Council regulation concerning authentication of euro coins and handling of euro coins unfit for circulation and with ATMIA, the ATM Industry Association on standards for ATMs and cash protection systems.

Group debates continue on how best to reduce the societal cost of cash and increase efficiencies in the cash operations/processing cycle by re-engineering processes to include best practice from euro countries.

Systemic Risk – Pandemic Event

A pandemic plan for the banking industry covering cash, cards, paper and electronic payments was approved by the Systemic Risk Steering Group in September 2010 under the joint chairmanship of the Central Bank of Ireland and the Irish Banking Federation.

The plan focuses on the necessity to ensure that the current payments functionality can be maintained at a level sufficient to ensure that economic activity is not negatively impacted during a Swine Flu pandemic. Payment process-flows, impacts, dependencies and mitigants were identified and agreed. The Group agreed that further work in relation to performing desk top exercises to test the robustness of the contingency arrangements should be explored.

IPSO is recognised as the industry source of information for policy guidance on payments matters.



IPSO is recognised as the industry source of information for policy guidance on payments matters. Acknowledged as the industry representative in the public domain, IPSO is currently focusing on:

- Raising public awareness of payment related matters (e.g. migration away from inefficient payment methods such as cheques)
- Providing an effective medium for the exchange of information, domestically and internationally, e.g. representing its members' needs and those of the payments industry on national and international payments groups such as the European Payments Council (EPC)
- Lobbying policy makers to improve Ireland's payments infrastructure, e.g. encouraging the reduction or elimination of levies on payment cards, which disincentivises their use
- Ensuring public awareness on crime trends relating to payments and providing guidelines to consumers and retailers on fraud prevention practices

In the Media: IPSO continued to feature prominently on television, radio and in the print media during 2010, raising awareness about payments and payment matters. Appearing on such programmes as TV3's Midweek, RTE's Crimecall and The Consumer Show, IPSO raised awareness and provided advice to consumers and to merchants on accepting card payments in a safe environment. Staff also spoke on national radio on numerous occasions and appeared in national and regional print media.



Rosaleen Gibson,
Office Administrator

IPSO responded to a significant number of journalists' queries by phone and email advising on various frauds affecting payments and on the solutions to those frauds, providing information on cheques and the removal of cheques from the market as well as other payments information.

On a European scale, IPSO keeps abreast of payment developments by liaising closely with and providing representation at meetings of the EPC and the EPC working groups, the European Banking Federation, the international card schemes, national payments associations and various special interest groups e.g. the European Switches Forum (ESF), International Council of Payment Association Chief Executives (ICPACE), and others. IPSO represents Irish retail banks and financial institutions on most, if not all, of the relevant payments working groups operating within Europe.

SEPA for Cards

IPSO Card Services represents its members on the EPC Cards Working Group (CWG) in Europe. During 2010 the CWG was invited to merge with the EPC Coordination Committee for a joint forum that took place on the 2nd and 3rd of February, the purpose of which was to clarify the CWG position and agenda with respect to the Single Euro Payments Area. In advance of the meeting, IPSO Card Services responded to a sizable EPC questionnaire on card payments, reflecting Ireland's current position and view. The questionnaire was answered in consultation with IPSO members.

From the meeting, the EPC Coordination Committee formulated recommendations which were endorsed by the EPC Plenary Board during 2010.

IPSO Card Services presented at the European Payments Council Card Fraud Conference on data sharing and communication, offering advice on the benefits of sharing fraud information between banks, police forces, public and media, for the purpose of fraud prevention.

Supporting Charities: In 2010 the world was witness to a disaster in Haiti, when an earthquake affected the area. A number of charities operating in Ireland worked to support the recovery on the ground in Haiti. In particular, Concern, Oxfam, GOAL, UNICEF Ireland and Trócaire raised funds to help the people of Haiti to rebuild their lives. Many of the donations raised were done using Laser Card. For a period of time during and after the recovery period, Laser Card Services calculated the potential fees paid by the relevant charities to their card processors and refunded twice the monies paid by the charities.

Systemic Risk: IPSO contributes to the national Systemic Risk Plan through its participation in the Coordination Committee and Steering Group under the auspices of the Central Bank.

IPSO Websites

IPSO has a number of websites aimed at providing information to the public, its members and the media.

www.IPSO.ie

The new IPSO website, launched in May of 2010 enabled IPSO to deliver key IPSO, NPIP and SEPA marketing and communications messages to relevant target audiences. The website had 90,000 visits in 2010.

www.SafeCard.ie

The SafeCard website was re-launched on 21st June 2010 with a new look and more advice for cardholders and retailers on fraud, payment crime and prevention tips. It had 5,500 visits in 2010.

www.LaserCard.ie

The Laser Card website is a valuable resource for cardholders and retailers and had 21,000 visits in 2010

IPSO & Clearing Company Membership

Irish Payment Services Organisation Ltd.

Allied Irish Bank
Anglo Irish Bank Corporation Ltd.
Bank of Ireland
BNP Paribas
EBS Limited
Danske Bank AS t/a National Irish Bank
Permanent tsb
Ulster Bank Ireland Ltd.

Irish Retail Electronic Payments Clearing Company Ltd.

Allied Irish Bank
Bank of Ireland
BNP Paribas*
Danske Bank AS t/a National Irish Bank
Permanent tsb
Ulster Bank Ireland Ltd.

Irish Paper Clearing Company Ltd.

Allied Irish Bank
Bank of Ireland
BNP Paribas*
Central Bank of Ireland
Danske Bank AS t/a National Irish Bank
Permanent tsb
Ulster bank Ireland Ltd.

Laser Card Services Ltd.

Allied Irish Bank
Bank of Ireland
EBS Limited
Danske Bank AS t/a National Irish Bank
Ulster Bank Ireland Ltd.

* BNP Paribas - Dublin Branch act as Clearing Agent for the following Associate Members

Anglo Irish Bank Corporation Ltd. (IRECC & IPCC)
Athlone Credit Union Ltd. (IRECC)
Ballinasloe Credit Union Ltd. (IRECC)
Ballyphenane Credit Union Ltd. (IRECC)
Bank of America N.A. (IRECC & IPCC)
Bank of Scotland plc (IRECC & IPCC)
Barclays Bank plc Dublin Branch (IRECC & IPCC)
Bishopstown Credit Union Ltd. (IRECC)
CANA Credit Union Ltd. (IRECC)
Carapay Ltd. (IRECC)
Castlebar Credit Union Ltd. (IRECC)
Clonmel Credit Union Ltd. (IRECC)
Comhar Linn INTO Credit Union Ltd. (IRECC)
Coolock Artane Credit Union Ltd. (IRECC)
Douglas Credit Union Ltd. (IRECC)
Dubco Credit Union Ltd. (IRECC)
Dundrum Credit Union Ltd. (IRECC)
E-Services & Communications Credit Union Ltd. (IRECC)
Gorey Credit Union Ltd. (IRECC)
Gurrabraher Credit Union Ltd. (IRECC)
Health Service Staffs Credit Union Ltd. (IRECC)
HSBC Bank plc (IRECC & IPCC)
ING Bank Belgium SA, Dublin Branch (IRECC & IPCC)
Kilrush Credit Union Ltd. (IRECC)
Mitchelstown Credit Union Ltd. (IRECC)
Munitir Skibbereen Credit Union Ltd. (IRECC)
Mullingar Credit Union Ltd. (IRECC)
Naas Credit Union Ltd. (IRECC)
Rabobank International Dublin Branch t/a Rabodirect (IRECC)
Rathmore & District Credit Union Ltd. (IRECC)
Roscrea Credit Union Ltd. (IRECC)
St. Canice's Kilkenny Credit Union Ltd. (IRECC)
St. Colmcille's Kells Credit Union Ltd. (IRECC)
St. Dominic (Waterford) Credit Union Ltd. (IRECC)
St. Francis Credit Union Ltd. (IRECC)
St. Gabriel's Credit Union Ltd. (IRECC)
St. Mary's Navan Credit Union Ltd. (IRECC)
St. Pauls Garda Credit Union Ltd. (IRECC)
St. Raphael's Garda Credit Union Ltd. (IRECC)
Swords & District Credit Union Ltd. (IRECC)
The Lough Credit Union Ltd. (IRECC)
The Royal Bank of Scotland N.V. (IRECC & IPCC)
Thurles Credit Union Ltd. (IRECC)
Tralee Credit Union Ltd. (IRECC)
Tullamore Credit Unions Ltd. (IRECC)
Waterford Credit Union Ltd. (IRECC)
Zurich Bank plc (IRECC)

A range of digital promotion, PR, e-mail marketing and other marketing activities were implemented, without significant supplementary expenditure, in order to raise IPSO's profile and extend its reach in both online and offline environments.



IPSO Website

The new IPSO website, launched in May of 2010, has helped to raise IPSO's profile and has enabled it to deliver key IPSO, NPIP and SEPA messages to relevant target audiences at low cost. Some of the key features on the current website are outlined below:

- Dedicated areas on IPSO's website such as the Business Centre and Consumer Corner provide direct channels for reaching key payment stakeholder groups with relevant and targeted information
- The new industry statistics section houses a brand new repository for Irish and EU payment statistics including statistical insights, analysis and graphs on over 30 data sets
- Members of the public can check and download sort code information from the website and the account validation area provides a means to go online and check if a sort code and account number combination is valid
- Member-only parts of the website provide IPSO committees and groups with a means of keeping up to date on recent documentation
- A scrolling news box means that visitors are always able to see the latest IPSO news and can sign up for the newsletter

Because the website plays an important and cost-efficient role in communicating to payment stakeholders, every marketing opportunity is used to drive traffic to it.

Continuous Improvement

Very positive feedback continues to be received from members and other stakeholders in relation to the content, appeal and usability of both the general public and private, members' areas of the website.

IPSO.ie continues to be improved in terms of content, search engine optimisation (visibility), uses and content to ensure that marketing and website objectives are being met. A new, password-protected area for direct debit originators and members to access account validation information is now operational.

Performance Measurement

Website analytics reveal that the IPSO website is performing exceptionally well in terms of traffic and usage metrics and significantly better than other financial websites of a similar size:

- 90,000 visitors viewed 375,000 pages in 2010. Benchmarked in Q3, 2010, IPSO.ie was attracting 38% more visitors and 145% more page views than other financial websites of a similar size
- Time spent at the website – up 54% on 2009
- Pages viewed per visit – up 44% on 2009
- Number of websites referring visitors to IPSO.ie – up 55% on 2009
- Bounce rate – down 36% on 2009 (Bounce rate is the proportion of visitors who "bounce" away to a different site)



Jennifer Chamberlaine, Marketing Manager & Assistant Manager Card Services

“ Very positive feedback continues to be received from members and other stakeholders in relation to the content, appeal and usability of both the general public and private, members' areas of the website. ”

Where IPSO sits within the online community

Reciprocal link exchanges with other organisations have proven to be very successful and the number of websites that are providing links to IPSO.ie is increasing steadily. 10,472 visits were referred to IPSO.ie via 426 sources (websites) during 2010. These referrals effectively serve as free advertising.

Launch of 2009 Annual Review

IPSO's 2009 annual review was released in July 2010 and articles and photos relating to the press releases were published in Ireland's national media via publishers of finance/payments related content. Coverage extended to a total of 900,000 business and consumer readers.

Business-oriented press release highlights:
Reduced number of cheques confirms that the Irish payments landscape is changing for the better

- Ireland yet to enjoy full benefits of more cost-effective payment solutions
- Government committed to establishing a high level group to prepare a National Payments Plan

Consumer oriented press release highlights:

- Cash withdrawals at ATMs down 11.5% as use of debit cards up 8% in 2009
- Ireland still the biggest user of cash in Europe

E-mail marketing

E-mail marketing is now one of Ireland's most popular marketing tools as it provides an extremely low-cost means of communicating directly with target audiences. E-mail marketing is particularly useful for IPSO as it enables efficient, targeted communications, helps to encourage traffic to the website and helps to raise IPSO's profile with almost no supplementary marketing spend.

IPSO engaged in several e-mail marketing campaigns in 2010 to promote IPSO, IPSO events, IPSO publications and the new IPSO website. Target audiences included members, retail/trade associations, semi-state bodies, local authorities, Government contacts, business groups, the media, charities, e-inclusion partners, semi-state bodies and NPIP Advisory Group members.



Irish Payments Industry Trends

CUSTOMER ACCOUNTS

	2005	2006	2007	2008	2009	2010
No of Customer Accounts						
Payment Accounts	5.7m	5.9m	7.7m	7.9m	7.7m	8.1m
No of Accounts with Internet Access						
Accounts with Online Access	1.7m	2.0m	3.6m	3.6m	3.7m	4.1m

CARDS

	2005	2006	2007	2008	2009	2010
No of Cards Issued						
Cards with an ATM Function	4.4m	4.5m	4.9m	4.8m	4.8m	5.0m
Cards with a Debit Function	1.3m	1.6m	2.5m	2.9m	3.1m	3.4m
Cards with a Cheque Guarantee	1.1m	1.3m	1.2m	1.3m	1.4m	1.3m
Credit Cards	2.0m	2.1m	2.3m	2.4m	2.3m	2.2m
Volume of Payments made with Cards						
Number of Debit card payments	79.2m	99.0m	136.7m	181.2m	195.1m	208.0m
Number of Credit Card Payment	96.0m	105.0m	114.0m	118.5m	109.4m	107.5m
<i>Total Number of Card Payments</i>	<i>175.2m</i>	<i>204.0m</i>	<i>250.7m</i>	<i>299.7m</i>	<i>304.5m</i>	<i>315.5m</i>
Value of Payments made with Cards						
Value of Debit Card Payments	€5.2b	€6.7b	€9.2b	€11.5b	€11.2b	€11.5b
Value of Credit Card Payments	€10.4b	€12.6b	€14.1b	€13.9b	€11.9b	€11.3b
<i>Total Value of Card Payments</i>	<i>€15.6b</i>	<i>€19.3b</i>	<i>€23.3b</i>	<i>€25.4b</i>	<i>€23.1b</i>	<i>€22.8b</i>

ATMs

	2005	2006	2007	2008	2009	2010
No of ATMs	2,944	3,054	3,240	3,404	3,396	3,265
ATM Cash Withdrawals Volumes						
No of ATM Withdrawals	173.5m	190.5m	200.9m	204.5m	187.9m	178.1m
No of ATM Withdrawals per capita	41.80	44.82	46.09	46.08	41.77	39.58
ATM Cash Withdrawals Values						
Value of ATM withdrawals	€21.9b	€24.9b	€28.1b	€28.7b	€25.4b	€22.3b
Value of ATM Withdrawals per capita	€5,294	€5,858	€6,454	€6,474	€5,650	€4,959

CHEQUES, LODGEMENTS AND OTHER PAPER TRANSACTIONS

	2005	2006	2007	2008	2009	2010
Paper Transaction Volumes						
Number of cheques and other paper debits	131.5m	127.0m	124.6m	117.2m	101.8m	90.9m
# of which exchanged interbank	69.0m	68.5m	66.4m	62.0m	53.2m	47.5m
Number of Lodgements, Giros & other paper credits	49.5m	45.3m	47.3m	45.7m	43.7m	42.1m
# of which exchanged interbank	2.0m	1.8m	1.5m	1.4m	1.3m	1.1m
<i>Total Number of Paper Transactions</i>	<i>181.0m</i>	<i>172.3m</i>	<i>171.9m</i>	<i>162.9m</i>	<i>145.5m</i>	<i>133.0m</i>
Paper Transaction Values						
Value of cheques and other paper debits	€829b	€872b	€949b	€797b	€546b	€457b
Value of Lodgements, Giros and other paper credits	€845b	€885b	€976b	€825b	€557b	€460b
<i>Total Value of Paper Transactions</i>	<i>€1,674b</i>	<i>€1,757b</i>	<i>€1,925b</i>	<i>€1,622b</i>	<i>€1,103b</i>	<i>€917b</i>

DIRECT DEBITS, STANDING ORDERS, ONLINE AND OTHER AUTOMATED PAYMENTS

	2005	2006	2007	2008	2009	2010
Volumes of Automated Payments						
Number of Automated Debit Payments	82.3m	100.1m	109.1m	112.5m	110.9m	108.0m
Number of automated Credit Payments	94.9m	123.8m	128.1m	135.3m	137.6m	138.5m
<i>Total Number of Automated Payments</i>	<i>177.2m</i>	<i>223.9m</i>	<i>237.2m</i>	<i>247.8m</i>	<i>248.5m</i>	<i>246.5m</i>
Values of Automated Payments						
Value of Automated Debit Payments	n/a	€82.6b	€99.4b	€101.7b	€98.2b	€93.6b
Value of Automated Credit Payments	n/a	€129.5b	€149.8b	€189.3b	€181.8b	€178.2b
<i>Total Value of Automated Payments</i>	<i>n/a</i>	<i>€212.1b</i>	<i>€249.2b</i>	<i>€291.0b</i>	<i>€280.0b</i>	<i>€271.8b</i>

European Payments Statistics 2009

Number of Transaction per capita by Payment Instrument

Cheques		Card Payments		Direct Debits		Electronic Credit Transfers	
Estonia	0.00	Bulgaria	1.68	Bulgaria	0.03	Greece	3.01
Hungary	0.00	Romania	4.02	Romania	0.21	Bulgaria	7.21
Netherlands	0.00	Greece	7.50	Poland	0.59	Romania	8.71
Latvia	0.01	Czech Republic	16.70	Greece	1.11	Malta	13.34
Poland	0.01	Hungary	18.32	Latvia	1.93	Portugal	16.52
Slovakia	0.01	Poland	18.45	Malta	2.89	Spain	17.61
Czech Republic	0.03	Slovakia	21.11	Lithuania	3.61	Italy	19.99
Lithuania	0.06	Italy	24.42	Hungary	6.76	Cyprus	29.03
Sweden	0.07	Malta	27.21	Cyprus	9.13	Lithuania	33.45
Finland	0.09	Lithuania	27.85	Italy	9.56	Poland	34.46
Slovenia	0.13	Germany	29.59	Slovakia	13.22	Slovakia	42.35
Austria	0.24	Cyprus	39.94	Estonia	13.93	Ireland	42.46
Romania	0.36	Latvia	43.35	Finland	15.74	France	43.25
Luxembourg	0.41	Austria	45.87	Portugal	20.79	EU Total	45.18
Germany	0.70	Spain	46.96	Slovenia	22.68	Euro Area Total	47.63
Belgium	0.74	Slovenia	54.32	Belgium	24.12	Latvia	50.69
Denmark	1.74	Euro Area Total	58.13	Sweden	25.80	Denmark	52.26
Greece	2.25	EU Total	62.98	Ireland	28.43	United Kingdom	52.99
Spain	2.47	Ireland	72.44	Luxembourg	29.98	Hungary	57.65
Italy	5.56	Belgium	92.44	Denmark	32.29	Germany	71.03
EU Total	10.88	Portugal	99.73	EU Total	42.68	Estonia	72.52
Euro Area Total	12.58	France	107.35	France	50.63	Slovenia	80.65
Portugal	15.09	Luxembourg	109.26	United Kingdom	50.96	Belgium	88.35
United Kingdom	20.75	Estonia	115.99	Spain	52.94	Netherlands	90.57
Ireland	22.81	Netherlands	125.11	Euro Area Total	53.65	Sweden	97.21
Malta	27.53	United Kingdom	132.46	Netherlands	76.97	Austria	113.60
Cyprus	29.44	Finland	171.76	Austria	100.56	Luxembourg	130.78
France	51.21	Denmark	179.95	Germany	102.89	Finland	144.41
Bulgaria	n/a	Sweden	181.67	Czech Republic	n/a	Czech Republic	n/a

Value of Transactions Per Capita by Payment Instrument (€1,000's)

Cheques		Card Payments		Direct Debits		Electronic Credit Transfers	
Estonia	€0.00	Bulgaria	€0.13	Bulgaria	€0.02	Bulgaria	€15.41
Hungary	€0.00	Romania	€0.16	Romania	€0.04	Ireland	€39.57
Latvia	€0.01	Poland	€0.47	Poland	€0.11	Romania	€53.56
Poland	€0.01	Lithuania	€0.49	Latvia	€0.13	Greece	€61.52
Slovakia	€0.01	Hungary	€0.50	Lithuania	€0.19	Estonia	€92.64
Slovenia	€0.05	Greece	€0.76	Hungary	€0.21	Denmark	€104.47
Czech Republic	€0.11	Latvia	€0.86	Malta	€0.50	Slovenia	€111.83
Lithuania	€0.15	Czech Republic	€0.87	Greece	€0.69	Sweden	€112.43
Sweden	€0.42	Slovakia	€1.20	Slovenia	€1.09	Italy	€119.88
Romania	€0.56	Malta	€1.71	Estonia	€1.18	Lithuania	€125.46
Austria	€1.69	Germany	€1.91	Cyprus	€2.59	Portugal	€145.17
Germany	€3.86	Estonia	€1.92	Portugal	€3.65	Latvia	€152.51
Finland	€3.93	Italy	€1.96	Sweden	€4.73	Poland	€153.02
Belgium	€4.02	Slovenia	€2.02	Belgium	€5.84	Hungary	€172.54
Denmark	€4.13	Spain	€2.15	Italy	€5.87	Slovakia	€186.74
Spain	€13.02	Austria	€2.88	Finland	€8.25	Austria	€227.23
EU Total	€13.11	Euro Area Total	€3.05	Luxembourg	€13.24	Spain	€231.45
Italy	€15.08	EU Total	€3.26	Denmark	€14.38	France	€318.06
Euro Area Total	€15.44	Cyprus	€3.49	United Kingdom	€16.09	Netherlands	€328.22
United Kingdom	€23.23	Portugal	€3.89	France	€16.58	Malta	€333.75
France	€28.44	Belgium	€5.07	Netherlands	€16.80	Euro Area Total	€348.17
Portugal	€31.67	France	€5.27	Spain	€18.27	EU Total	€403.82
Malta	€34.92	Ireland	€5.30	Ireland	€21.98	Belgium	€418.97
Greece	€36.30	Netherlands	€5.30	Slovakia	€28.29	Cyprus	€454.13
Cyprus	€51.28	Finland	€5.77	EU Total	€31.52	Germany	€673.64
Ireland	€122.12	Sweden	€7.17	Austria	€37.39	Finland	€772.80
Bulgaria	n/a	United Kingdom	€7.65	Euro Area Total	€44.49	United Kingdom	€1,231.90
Luxembourg	n/a	Luxembourg	€8.30	Germany	€138.92	Luxembourg	€1,889.34
Netherlands	n/a	Denmark	€8.51	Czech Republic	n/a	Czech Republic	n/a

European Payment Statistics 2009

ATMs											
No of ATMs per million inhabitants		% increase in ATMs		No of Cash Withdrawals per ATM		No of ATM Cards per Capita		No of Cash Withdrawals per Capita		Value of Cash Withdrawals per Capita	
Czech Republic	340.58	Finland	-9.19	Denmark	6.45	Romania	0.60	Denmark	3.44	Denmark	€455
Sweden	355.32	Denmark	-4.44	Italy	9.97	Italy	0.76	Italy	8.95	Bulgaria	€868
Poland	416.30	United Kingdom	-2.70	Luxembourg	10.90	Hungary	0.85	Romania	9.77	Romania	€932
Slovakia	420.65	Netherlands	-1.71	Spain	15.47	Poland	0.85	Luxembourg	10.20	Poland	€1,480
Malta	433.23	Belgium	-1.29	Cyprus	16.33	Czech Republic	0.88	Hungary	11.79	Hungary	€1,487
Romania	452.07	Estonia	-0.86	Austria	16.92	Slovakia	0.94	Bulgaria	13.29	Luxembourg	€1,520
Lithuania	462.06	Spain	-0.55	Bulgaria	18.39	Greece	0.98	Cyprus	13.66	Italy	€1,525
Hungary	473.75	Ireland	-0.24	Romania	21.62	Bulgaria	1.01	Czech Republic	14.74	Slovakia	€1,799
Netherlands	514.67	Slovakia	1.29	Hungary	24.87	Ireland	1.07	Slovakia	16.31	France	€1,874
Denmark	533.50	Luxembourg	1.74	Greece	25.68	Latvia	1.10	Greece	16.68	Latvia	€1,889
Finland	546.18	EU Total	2.09	Portugal	28.18	Sweden	1.16	Austria	17.02	Lithuania	€1,916
Latvia	585.39	Greece	2.23	Euro Area Total	31.18	Austria	1.24	Poland	17.60	Cyprus	€2,050
Estonia	686.36	Euro Area Total	2.26	Slovenia	33.20	Denmark	1.25	Lithuania	19.10	Czech Republic	€2,061
Greece	705.75	Sweden	2.56	Germany	34.17	Lithuania	1.29	Spain	20.68	Austria	€2,129
Bulgaria	722.86	Hungary	2.70	EU Total	34.48	Finland	1.35	Latvia	21.42	Estonia	€2,216
Ireland	760.93	Portugal	2.74	Slovakia	38.78	Estonia	1.37	Euro Area Total	22.12	Sweden	€2,258
Cyprus	838.35	France	3.00	Latvia	38.80	Euro Area Total	1.40	EU Total	23.77	Spain	€2,333
France	851.61	Slovenia	3.18	Poland	42.28	EU Total	1.44	Germany	24.79	Slovenia	€2,456
EU Total	866.74	Italy	3.47	Lithuania	43.02	Cyprus	1.45	France	25.03	EU Total	€2,524
Slovenia	874.83	Latvia	3.61	Czech Republic	43.38	France	1.48	Malta	25.39	Euro Area Total	€2,706
Italy	897.30	Germany	3.94	Belgium	46.10	Malta	1.55	Netherlands	27.52	Malta	€2,732
Luxembourg	940.51	Lithuania	4.89	United Kingdom	46.89	Germany	1.58	Sweden	28.59	Portugal	€2,782
Euro Area Total	978.60	Czech Republic	4.90	Netherlands	53.49	Slovenia	1.59	Slovenia	29.07	Finland	€3,071
Austria	1,005.73	Romania	4.93	Estonia	54.08	Spain	1.64	Finland	33.71	Netherlands	€3,257
United Kingdom	1,006.47	Bulgaria	7.02	Ireland	54.76	Belgium	1.78	Estonia	34.15	United Kingdom	€3,502
Germany	1,010.10	Malta	7.83	Malta	58.15	Netherlands	1.83	Belgium	34.82	Germany	€3,890
Spain	1,336.27	Cyprus	9.49	Sweden	80.45	Portugal	1.86	Ireland	41.69	Belgium	€4,027
Belgium	1,415.29	Austria	10.01	Finland	106.32	Luxembourg	1.99	Portugal	41.92	Greece	€4,224
Portugal	1,614.20	Poland	17.02	France	n/a	United Kingdom	2.63	United Kingdom	47.19	Ireland	€5,700

Debit and Credit Card Payments											
Payment Cards Per Capita		No. of Payments Per Card at POS		Value of Payments Per Card at POS		Total Card Payment Per Capita		No. Payments Made by Debit Cards Per Capita		No. Payments Made by Credit Cards Per Capita	
Romania	0.60	Bulgaria	1.58	Bulgaria	€104.76	Bulgaria	1.68	Greece	0.82	Bulgaria	0.56
Poland	0.87	Greece	4.61	Romania	€202.88	Romania	4.02	Bulgaria	1.11	Romania	0.77
Hungary	0.88	Romania	5.97	Lithuania	€320.84	Greece	7.50	Romania	3.25	Germany	1.00
Czech Republic	0.89	Slovakia	12.86	Greece	€420.37	Czech Republic	16.70	Poland	13.86	Slovenia	1.44
Slovakia	0.94	Malta	13.39	Slovakia	€483.58	Hungary	18.32	Italy	14.97	Czech Republic	1.46
Bulgaria	1.01	Germany	18.08	Poland	€504.93	Poland	18.45	Czech Republic	15.22	Slovakia	2.23
Latvia	1.10	Czech Republic	19.51	Latvia	€534.01	Slovakia	21.11	Hungary	15.73	Lithuania	2.52
Italy	1.15	Cyprus	20.10	Czech Republic	€719.58	Italy	24.42	Malta	17.49	Hungary	2.55
Ireland	1.22	Hungary	20.38	Malta	€781.93	Malta	27.41	Cyprus	18.69	Austria	4.06
Austria	1.24	Lithuania	20.47	Hungary	€967.70	Lithuania	27.85	Slovakia	18.85	Poland	4.23
Denmark	1.25	Poland	20.68	Slovenia	€1,097.15	Germany	29.59	Spain	20.73	Netherlands	5.42
Lithuania	1.29	Italy	20.90	Germany	€1,110.22	Cyprus	39.84	Germany	24.19	Greece	6.50
Greece	1.35	Spain	26.70	Spain	€1,180.44	Latvia	43.44	Lithuania	25.33	Portugal	7.38
France	1.35	Austria	28.28	Estonia	€1,227.80	Austria	45.89	Euro Area Total	27.65	Euro Area Total	7.69
Estonia	1.37	Slovenia	30.97	Austria	€1,395.11	Spain	46.96	Latvia	32.96	Latvia	8.84
Euro Area Total	1.45	Latvia	34.51	Cyprus	€1,503.65	Slovenia	54.36	Slovenia	34.12	Italy	9.45
EU Total	1.45	Euro Area Total	38.12	Italy	€1,652.05	Euro Area Total	58.13	Austria	35.02	Malta	9.93
Germany	1.54	Luxembourg	40.48	Euro Area Total	€1,927.55	EU Total	62.98	EU Total	37.15	EU Total	10.33
Cyprus	1.54	EU Total	41.21	Portugal	€2,020.14	Ireland	72.49	Ireland	47.96	Belgium	10.40
Malta	1.55	Belgium	47.98	EU Total	€2,052.17	Belgium	92.44	Luxembourg	68.08	Denmark	11.74
Spain	1.62	Portugal	52.35	Belgium	€2,529.74	Portugal	99.75	Belgium	82.04	Estonia	12.79
Slovenia	1.66	United Kingdom	54.88	Netherlands	€2,643.50	France	107.35	Portugal	84.69	Cyprus	20.18
Finland	1.74	Ireland	55.96	Luxembourg	€2,707.67	Luxembourg	108.74	United Kingdom	97.38	Ireland	24.53
Belgium	1.78	Netherlands	65.56	Sweden	€2,734.56	Estonia	116.02	Estonia	103.23	Spain	25.46
Netherlands	1.83	France	77.20	United Kingdom	€3,094.16	Netherlands	125.09	Netherlands	119.67	Finland	29.78
Sweden	1.85	Estonia	79.69	Finland	€3,311.83	United Kingdom	132.46	Sweden	141.33	Sweden	32.23
Portugal	1.89	Sweden	88.74	France	€3,723.29	Finland	171.72	Finland	141.95	United Kingdom	32.40
Luxembourg	1.99	Finland	98.60	Ireland	€4,237.95	Denmark	180.02	Denmark	168.26	Luxembourg	40.66
United Kingdom	2.33	Denmark	121.48	Denmark	€5,376.10	Sweden	181.69	France	n/a	France	n/a

IPSO Staff

Chief Executive Pat McLoughlin

Management Staff

Head of Strategic Development Russell Burke

Head of Card Services and Communications
and Laser Scheme General Manager Úna Dillon

Corporate Services and Retail Payments Manager Paula Gray

Wholesale Payments and Risk Manager Martin James

SEPA Programme Manager
and Direct Debit Scheme Manager Michael O'Neill

IPSO Marketing Manager and Assistant Manager
Laser Card Services Ltd. Jennifer Chamberlaine

Support Staff

Member Services Executive Erica McKinney

PA to the CEO and Payments Projects Coordinator Jacqui Lockhart/
Catherine Bennett

Office Administrator Rosaleen Gibson



14 Cumberland Street,
Dun Laoghaire, Co. Dublin

Telephone: +353 1 6636740
Fax: +353 1 2843409
E-mail: Info@ipso.ie
Website: ipso.ie