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Media Statement from the Irish Payment Services Organisation

More than a fifth of Irish people do not have a bank account

~ Annual Review of the Irish Payment Services Organisation released ~

Ireland has one of the lowest participation rates in banking in Europe, with more than a fifth of the population without bank accounts, reveals the Annual Review of the Irish Payment Services Organisation (IPSO), released today.

As a result, thousands of people who rely on alternative methods of managing their money, particularly social welfare recipients, are vulnerable to events such as a strike at An Post and will find themselves increasingly out of the loop as electronic payment systems become commonplace, says Stewart MacKinnon, IPSO Chief Executive.

“Across Europe, direct debits, credit transfers and other means of electronic payment are replacing traditional methods such as cheques and cash. Countries that have high banking levels and usage of electronic payments systems are seeing real benefits to their economies through increased efficiencies and lower payment costs. It is no coincidence that the countries that rank highest in national competitiveness also have the highest rate of electronic payment.”

“Ireland, however, is lagging behind the rest of Europe. Our businesses continue to use cheques at a much higher level than the rest of Europe and our consumers are heavy users of cash rather than payment cards. If this does not change, our economy will be in trouble when Ireland participates fully in the Single Euro Payments Area (SEPA) in 2008,” he said.

On the positive side, there has been a significant decrease in card fraud in Ireland, with fraud loss to turnover being 50% less than the European average of 0.17%. 2004/5 also saw the successful introduction of Chip & PIN which, with a total investment of €100 million, was the biggest banking project to take place in Ireland since the introduction of the Euro.

The Annual Review will be available on the IPSO website www.ipso.ie from Monday
For further information please contact: Drury Communications