



Electronic payments offer €1 billion annual savings

~ Ireland's use of electronic payments is rising but still trails EU average ~

~ Debit cards replacing cash as the choice of consumers ~

Irish consumers are changing their payment habits. They are switching to debit cards from cash and are making more low-cost, convenient electronic payments through online banking channels. This was confirmed by payment statistics released earlier today by the Irish Payment Services Organisation Limited (IPSO). Furthermore, consumers in Ireland use ATMs more than in any other EU country making an average of 40 withdrawals, totalling almost €5,000 per capita, in 2010. €1 billion per annum is reputed to be the potential boost to the Irish economy of a significant switch to electronic and card payments.

Electronic payments which are faster more efficient and more cost effective are vital in the current economic climate. Yet Ireland still lags behind its European counterparts with the value of all non-cash transactions totalling 36% in 2010. Although rising, this remains in stark contrast to the EU average of 96% as consumers on the continent have for many years been using more cost-efficient and streamlined payment methods.

Another notable trend is the increase in the number of people using Internet banking services over the past four years with over 2.8 million customers now registered for online banking. IPSO recently reported that customers made 10.7 million online payments in Q1 2011, a 17.3% increase on the same period last year.

Although 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 being paid out of ATMs in Ireland dropped by over €3 billion to €22.3 billion in 2010. The number of new debit cards issued exceeded 330,000 in 2010 to bring the total number now to 3.4 million. Even allowing for the economic downturn, there does appear to be a shift away from cash to debit cards for day-to-day purchases. While the rise in online purchasing is

having some impact, debit card usage continues to grow in popularity, with over 200 million transactions in 2010, now exceeding the number of ATM withdrawals.

The total spend on cards in Ireland last year was €22.8 billion – now exceeding the value of ATM withdrawals (€22.3 billion) for the first time. Figures for the first half of 2011 indicate the continued rise of card usage and decline of ATM withdrawals.

IPSO Chief Executive Pat McLoughlin said *"The fact that there is a clear trend towards greater usage of debit cards is a sign that Ireland is embracing a new era in consumer transactions and it will come as a boost to retailers and businesses across the country as the speed and efficiency of payments improves. It is essential that Irish consumers continue to take the lead from their European counterparts in switching to more efficient payment methods as this will positively impact on Ireland's economic competitiveness"*.

- ENDS -

For further information / photographic material contact:

Úna Dillon / Jennifer Chamberlaine

info@ipso.ie / 01 663 6740

IPSO.ie

Notes to Editors:

- The Consumer Corner on the IPSO website (www.IPSO.ie) provides information on everything from safe payment card transactions to rights for direct debit users. Answers to the most frequent payment questions on each of the payment types are included in the FAQ section. The Consumer Corner also provides an introduction to information security and key developments in the Irish Payments industry such as SEPA and the NPIP.
- The IPSO board has a broad membership so as to represent fairly, the different types and size of IPSO's members and other payment stakeholders. The board of directors includes three independent non-executive director positions as well as an independent non-executive chairman.