

The future of retail payments: opportunities and challenges

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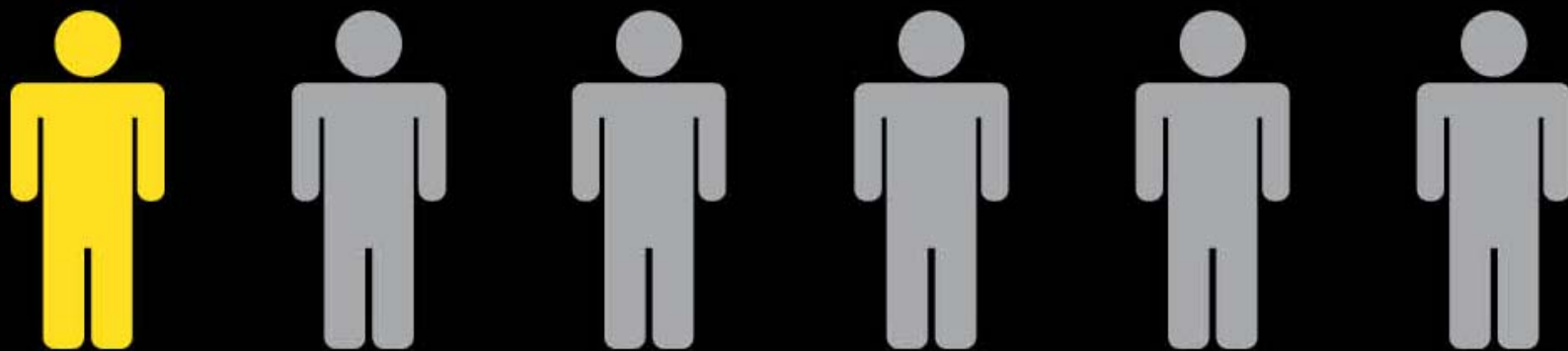
Regional Vice President Central Europe

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The Network and Brand for Moving Money





1 OUT OF 6

OF EVERYONE ON EARTH

WESTERN |[®]
UNION |

Offer Choice to Improve Access

Retail Locations



Online



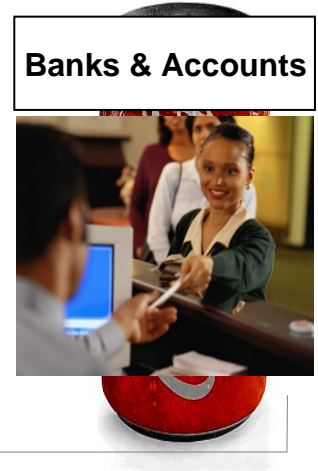
Prepaid



Mobile



Banks & Accounts



Financial Inclusion

- Financial inclusion goes beyond access to banking services and includes payments
- 2.7bn unbanked adults in developing countries (72% of adults) and 160m (19% of adults) in developed countries
- Non-bank payments provider such as WU target unbanked groups (e.g. migrant workers), often serving as a first entry point into formal financial services



Financial Inclusion

- Migrant life-cycle analysis
- Use of cash remains strong
- Increase financial inclusion to help reduce the use of informal service providers
 - Increased consumer protection and transparency
 - Increased AML/CFT integrity
 - Level playing field for industry



Challenges & Opportunities

- Financial innovation fostering financial inclusion needs appropriate environment
- In the global money remittance industry key enabling factors include an appropriate legal and regulatory regime (incl. AML/CFT)
 - Innovative payment solutions (e.g. M-PESA) often follow enabling regulatory changes
 - EU regulatory framework does not yet encourage innovative money transfer products

