EUROPEAN CENTRAL BANK

EUROSYSTEM

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FAQs REGARDING PAYMENTS STATISTICS

Background

The present list of “Frequently asked questions” is intended for clarification of issues relating to the reporting of the data, in order to ensure harmonised treatment of these issues across all NCBs, or at least the identification of deviations. If there are discrepancies in data reported, these should be shown in the notes for each country.

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1. General queries

1.1 Euro area and EU totals

Question: How are EU and euro area totals calculated in the comparative tables?

Answer: EU and euro area totals take account of all countries that were EU Member States or euro area members at the end of the reporting year (“changing composition”). Accordingly, the EU total comprises 15 Member States for the period up to 2003 , 25 for the period 2004 to 2006, and 27 as from 2007.

1.2 Memorandum items

Question: Is it necessary to include data on the memorandum items?

Answer: With the exception of the items “Credits to the accounts by simple book entry” and “Debits from the accounts by simple book entry”, memorandum items are supplementary items of information and thus not strictly required, but it would be highly desirable to have data on memorandum items for all countries for cross-comparison.

1.3 Mobile phone payments (m-payments)

Question: Are payments via mobile phone included in the statistics?

Answer: M-payments are only included in the payments statistics if settlement occurs via a traditional payment instrument, and are reported together with other transactions with those payment instruments; otherwise, m-payments are not included.

1.4 Cash transactions

Question: Are cash transactions included in the statistics?

Answer: The statistics include only cash transactions directly related to an account, i.e. cash withdrawals at ATMs with a card with a cash function, and as the memorandum items “OTC cash withdrawals”, “OTC cash deposits” and “Cash advances at POS terminals”. Data on cash transactions are not collected at the ECB.

2. General economic data

2.1 Overnight deposits held by non-MFIs: types of account

Question: Which types of account are included in “Overnight deposits held by non-MFIs”?

Answer: All types of account which can be used directly and freely for payments, i.e. without any intermediate steps, are included in this item. Accounts which require an intermediate step in order for a payment to be made are not included in the statistics. In particular, these are accounts from which the money can only be transferred to one single other account (reference account), or from which money must be withdrawnbefore a payment can be made.

2.2 Overnight deposits held by non-MFIs: types of account-holder

Question: Are government accounts included in “Overnight deposits held by non-MFIs”?

Answer: Yes, accounts held by the government (central, state, local) are included in “Overnight deposits held by non-MFIs” because they are also non-MFIs.

2.3 Overnight deposits held by non-MFIs: currency of account

Question: Are accounts in foreign currency included in “Overnight deposits held by non-MFIs”?

Answer: Yes, all accounts which can be used directly and freely for payments are included in the statistics, irrespective of the currency of the account.

2.4 Other institutions offering payment services to non-MFIs

Question: What kinds of institution are included in this category? Do they report statistics for any other tables?

Answer: This category covers institutions which provide payment services without being licensed credit institutions (e.g. money remitters and payment card issuers which are not credit institutions, other institutions – such as public authorities – providing payment services to non-MFIs, or the postal institution if it is not a licensed credit institution).

In general, the institutions listed in the table "Institutions offering payment services to non-MFIs" are those reporting the data for the tables "Payment card functions and accepting devices" and "Payment and terminal transactions involving non-MFIs". However, for some countries there may be discrepancies between the coverage of these tables. A note will alert the user if there is a discrepancy for a particular country.

3. Cards and transactions with cards

3.1 Cards issued in the country

Question: What is the criterion for card issuance, in particular for cards issued under international card schemes?

Answer: A card is issued in the reporting country if the bank or other entity issuing the card to the cardholder has its place of legal incorporation in the reporting country, or issues the card via a branch located in the reporting country. This may be different from the country of location of the card scheme.

3.2 Difference between cards with a debit, delayed debit, and credit function

Question: What is the difference between the types of card listed under "Cards with a payment function (except an e-money function)"?

Answer: The cards are separated according to the contract between the card issuer and the cardholder.

The distinguishing feature of a card with a debit function is the contractual agreement whereby the cardholder's purchases are charged directly to funds on his/her current account. A credit line may be attached to the current account.

The distinguishing feature of a card with a delayed debit function is the contractual agreement whereby the cardholder is granted a line of credit (independently of his/her current account), but is obliged to settle the full amount of the debt incurred at the end of a specified period.

The distinguishing feature of a card with a credit function is the contractual agreement whereby the cardholder is granted a line of credit (independently of his/her current account) and is allowed to draw extended credit (irrespective of whether the cardholder makes actual use of this feature or chooses to settle the full amount of the debt incurred at the end of a specified period).

If it is not possible for some or all cards issued in the country to break the functions down into the first three categories, then the two summary categories “Cards with a debit and/or delayed debit function” and “Cards with a credit and/or delayed debit function” will be used. Cards from the first three categories should not be counted in the two summary categories. The latter should only list the cards for which the functions cannot be broken down.

The same distinction applies to transaction data.

3.3 Cards with a debit (credit) and/or delayed debit function

Question: When should these categories be used?

Answer: The two summary categories should only be used for those cards issued in the country for which it is not possible to break the functions down into the first three categories. Cards from the first three categories should not be counted in the two summary categories. The latter should only list the cards for which the functions cannot be broken down. Please see also 3.1.

3.4 Cards linked to a prepaid account

Question: How are cards accounted for if they are linked to a prepaid account?

Answer: Such cards are included in the payments statistics if they are issued by a credit institution (including e-money institutions). Data on these cards are included in accordance with the functions of the cards. The explanatory notes specify to which categories the cards linked to a prepaid account are allocated in a specific country.

3.5 Cards linked to a savings account

Question: How are cards accounted for if they are linked to a savings account?

Answer: Savings accounts are excluded from “Overnight deposits held by non-MFIs”. However, some banks may issue cards with a cash function linked to savings accounts. Since these cards have the characteristics of a regular payment instrument, they should be included in the statistics as “Cards with a cash function” and the transactions performed with these cards at terminals as “ATM cash withdrawals” or “ATM cash deposits”.

3.6 Cards issued by other financial institutions

Question: How are cards issued by financial institutions that are not credit institutions accounted for?

Answer: The treatment of the cards depends on whether or not the financial institution is a member of a card scheme:

1. If the financial institution is a member of a card scheme, then the cards issued by such financial institution are co-branded retailer cards which are reported in accordance with their function(s) in the tables "Payment card functions and accepting devices" and "Payment and terminal transactions involving non-MFIs".
2. If the financial institution is not a member of a card scheme, then the cards are "pure" retailer cards, which are not included in the statistics.

3.7 Cards issued by retailers

Question: How are cards issued by retailers accounted for?

Answer: Cards issued by retailers ("retailer cards") are not listed separately in the statistics, since they can only be used at specific locations (usually only the retailer's locations). If they have been issued in cooperation with a credit institution ("co-branding"), in which case they can be widely used to make payments, they are included in the statistics in accordance with the function(s) on the card. If they have not been issued in cooperation with a credit institution, they are not included in the statistics.

3.8 Valid cards

Question: The definitions state that "valid cards" are to be included. What about direct mail campaigns, in which cards are sometimes activated weeks later or not at all?

Answer: Cards should be counted as and when posted from the card issuer to the cardholder, irrespective of when, or indeed whether, the card is activated. Cards which, owing to their limited validity period, are posted to the cardholder in the course of a regular re-issueare counted only once in order to avoid double-counting.

4. Terminals and transactions at terminals

4.1 ATMs with a credit transfer function

Question: When is a terminal counted as an ATM with a credit transfer function?

Answer: There are two possibilities. If the customer can start and complete a credit transfer at the terminal, i.e. key in the instructions at the terminal, the terminal is an "ATM with a credit transfer function". The transaction is counted as a "Non-paper-based credit transfer". If the customer uses his/her card only to identify himself/herself to the machine, but the credit transfer order is placed physically in the terminal, the ATM operates as a mailbox and not as a payment terminal and should not be counted in the item "ATMs with a credit transfer function". Such a transaction is counted as a "Paper-based credit transfer".

4.2 Currency of cash withdrawals/cash deposits

Question: Do “ATM cash withdrawals”, “OTC cash withdrawals” and “OTC cash deposits” also include foreign currency notes if withdrawn from or deposited to a foreign currency account?

Answer: Yes, cash withdrawals and cash deposits in foreign currency to/from a foreign currency account should also be included. However, OTC foreign exchange transactions (cash versus cash) are not included, since only transactions to or from an account at the bank are included in “OTC cash withdrawals” and “OTC cash deposits”.

4.3 Manual imprinters

Question: Are manual imprinters counted?

Answer: Yes, they are included in “POS terminals”, irrespective of whether they are used regularly or only as a backup to EFTPOS terminals. The sum of EFTPOS terminals and manual imprinters are the “POS terminals”. All transactions at EFTPOS terminals and at manual imprinters are counted as “POS transactions (irrespective of the type of card used)”, and those related to payments are also included in “Card payments with cards issued in the country (except cards with an e-money function)” and the relevant sub-category by card function used.

4.4 EFTPOS terminal at bank branches

Question: Some countries have EFTPOS terminals installed at bank branches and post offices and are used only for cash withdrawals. How are these terminals reflected in the statistics?

Answer: There are three types of terminal installed at bank branches and in post offices:

1. Terminals which can only be used for cash withdrawals, and possibly some functions linked to the same bank account from which cash is withdrawn, such as balance enquiries, credit transfers and cash deposits. These terminals are classified as **ATMs**.
2. Terminals which can be used for the acquisition of goods and services. If such terminals are in use, the bank branch or post office is regarded as a point of sale. These terminals are classified as **POS terminals**.
3. Terminals which are used for clients to identify themselves. Such terminals are not counted in the statistics.

4.5 Cash advances at POS terminals

Question: The definition states that these are transactions carried out in combination with a payment transaction. What if the terminal is at a point of sale, but the cash withdrawal is not made in combination with a payment transaction?

Answer: Cash withdrawals not made in combination with a payment transaction should be counted as “ATM cash withdrawals”. If it is impossible to distinguish these transactions from other POS transactions, the notes for the country should specify that “Cash advances at POS terminals” also includes transactions not made in combination with payment transactions.

4.6 Transactions at e-money card-accepting terminals

Question: In the table “Payment card functions and accepting devices” there is a category for the number of e-money card-accepting terminals, but where is the transaction data in the table “Payment and terminal transactions involving non-MFIs”?

Answer: Transaction data on e-money card-accepting terminals is not shown separately in the lower section, but is included in the upper section of the table “Payment and terminal transactions involving non-MFIs”, in the category “E-money purchase transactions with cards with an e-money function”. Since, at present, cards with an e-money function cannot be used abroad, there is no special category in the lower section of the table “Payment and terminal transactions involving non-MFIs”.

4.7 Geographical breakdown of transactions at terminals

Question: If the geographical breakdown of transactions at terminals in the lower section of the table “Payment and terminal transactions involving non-MFIs” is not available as requested, where should the data go?

Answer: If information is not available for a particular breakdown, data should be included in “a) Transactions at terminals located in the country with cards issued in the country”. A note will specify whether the data represents:

- data on transactions at terminals located in the country, regardless of the country of issue of the card (i.e. breakdowns a) and b)), or
- data on total transactions with cards issued in the country, regardless of the country of location of the terminal (i.e. breakdowns a) and c)).

5. Transactions per type of payment instrument

5.1 Heading of the table “Payment and terminal transactions involving non-MFIs”

Question: Why was the table heading changed?

Answer: The new heading “Payment and terminal transactions involving non-MFIs” makes it clearer that the table includes all transactions in which non-MFIs are involved, not just the transactions which non-MFIs initiate. This means that the table also includes transactions initiated by banks, such as salary payments to their employees, payments for services rendered to them, interest payments to their customers, etc.

5.2 Range of reporting institutions: foreign banks/branches

Question: Is it necessary to include information on the transactions performed by foreign banks/branches of foreign banks that operate locally, even if most of their business comprises cross-border transactions not denominated in domestic currency?

Answer: The statistics should include all transactions of all credit institutions – be they of local or foreign branches or of foreign credit institutions located in the reporting country (i.e. of all credit institutions specificied in the ECB's List of MFIs) – originated in the reporting country.

5.3 Range of reporting institutions: agents in the payments business

Question: Is it necessary to include information on travel agencies that sell traveller's cheques but acti only as brokers (i.e. not issuers)?

Answer: With regard to travel agencies acting merely as brokers (i.e. not holding banking licenses and not issuing the traveller's cheques themselves), the issuing credit institutions are responsible for reporting traveller's cheque data as part of "Cheques" for the purposes of payments statistics.

5.4 Direction of funds

Question: Should transactions be counted on the payer's side or the payee's side? This is especially relevant in the case of debit instruments where the direction of funds is the reverse of the direction of the instruction?

Answer: For the table

, transactions are counted as follows:

- credit transfers are counted on the payer's side
- direct debits and cheques are counted on the payee's side
- cards are counted on the card-issuing side, which is equivalent to the payer's side
- cheques are counted on the payee's side.

5.5 Transactions in foreign currency

Question: Are transactions in foreign currency included?

Answer: Yes, all transactions initiated within the country are included, regardless of the currency of transaction.

5.6 Exchange rate conversion for transactions

Question: How are transactions in foreign currency recalculated for reporting in the tables "Payment and terminal transactions involving non-MFIs"?

Answer: Flow data are recalculated using the daily ECB reference exchange rate applicable to each transaction, or if this is not possible, the average ECB reference exchange rate for the period for all transactions. Stock data showing an end-of-year status (e.g. value of overnight deposits) are recalculated using the end-of-year ECB reference exchange rate.

If there is no ECB reference exchange rate for a certain currency pair, a cross-rate is calculated with the use of the ECB reference exchange rates. If such a cross-rate cannot be calculated owing to the lack of an ECB reference exchange rate, a reference exchange rate issued by the national central bank of the reporting country is used. If an NCB reference exchange rate is not available, the prevailing market exchange rate is used.

5.7 Book-entry transactions

Question: Are book-entry transactions included in the tables "Payment and terminal transactions involving non-MFIs"?

Answer: Book-entry transactions are included in the tables as separate items items "Credits to the accounts by simple book entry" and "Debits from the accounts by simple book entry".

5.8 Unsettled, recalled and returned transactions

Question: Do the statistics include transactions which are initiated but not settled?

Answer: This depends on where the data are collected:

1. for data which are collected in a payment system: The transaction is submitted and may be rejected or cancelled in accordance with the rules of the system, usually within the same processing cycle. These transactions are treated in the same way as those counted for the table "Payments processed by selected interbank funds transfer systems", i.e. rejected or cancelled payments are excluded.
2. for data collected at other stages of the payment: The non-payment (return unpaid) or recall of the initial transaction will provoke a separate return/recall transaction, resulting in two transactions:
    i. initial transaction: included in the statistics.
    ii. return/recall transaction: excluded from the statistics in order to avoid double-counting.

5.9 Paper-based and non-paper-based credit transfers

Question: What is the main criterion for classification of a transaction as a paper-based credit transfer in the table "Payment and terminal transactions involving non-MFIs"?

Answer: The main criterion is the manner of submission of the transaction to the account-holding bank. If the submission is such that it requires manual intervention on the bank's side, then it is a paper-based credit transfer. This is the case, for example, with submission: on a paper-based form; by telefax with manual conversion by the bank to an electronic payment; through a phone service (including call-back service) without automated input of the transfer order; or where the customer dictates a credit transfer to the clerk at the counter. If the manner of submission is not known, then the means of execution of the transaction by the bank determines the sub-category to which the credit transfer is allocated.

For bank-initiated transactions, the bank is both initiator and account-holder. The initiating department within the bank may submit transactions to the accounting department in paper-based form, in which case the accounting department (or an intermediary department) must convert the order o an electronic format. The bank can decide, on the basis of the precise setup and technical possibilities, whether transactions submitted by the initiating department in paper-based form are to be counted as though they have been converted to an electronic format by the accounting department (in which case they are paper-based transactions), or whether such transactions are to be counted as though they have been converted by the initiating department (or an intermediary department) and submitted to the accounting department in an electronic format (in which case they are non-paper-based transactions).

Please be aware of the difference in meaning compared with the items in the table “Payments processed by selected interbank funds transfer systems” (see 6.2)

5.10 Allocation of documentary credits, bills for collection, etc.

Question: Does “Credit transfers” also include documentary credits and bills for collection, or are these included in “Other payment instruments”?

Answer: Documentary credits and bills for collection are not payment instruments by themselves, but rather credit instruments that can cause someone to make a payment by way of a separate payment instrument (credit transfer, direct debit, cheque). In that case, only the credit transfer or direct debit is counted. If documentary credits and bills for collection are used directly for payments, they are counted as “Other payment instruments”.

6. Interbank funds transfer systems (IFTSs)

6.1 Direction of funds

Question: Payments are counted on the sending participant’s side. Does that mean the side of the participant sending the funds or the side of the participant sending the payment order?

Answer: The payments are counted on the side of the participant sending the payment order. In the case of credit transfers and similar instruments, the sending participant is also the sender of the funds. In the case of direct debits or cheques and similar instruments in which the payee initiates the transaction, the sending participant is the recipient of funds and the receiving participant is the sender of funds.

6.2 Paper-based and non-paper-based credit transfers

Question: What is the main criterion for classification of a transaction as a paper-based credit transfer in the tables “Payments processed by selected interbank funds transfer systems”?

Answer: The main criterion is the method of submission to the system, i.e. to the system operator. It is a paper-based transaction if the system operator has to convert the order to an electronic format.

There are systems in which the system operator is also a system participant and has clients of its own which may submit transactions to the system participant (and operator) in paper-based form, in which case the system participant (and operator) must convert the order to an electronic format. The system participant (and operator) can decide, on the basis of the precise set-up and technical possibilities, whether transactions submitted by clients in paper-based form are to be counted as though they have been submitted directly to the system and converted to an electronic format by the system operator (in which case they are paper-based transactions), or whether such transactions are to be counted as though they have been submitted to the system participant, converted by that participant to an electronic format and submitted electronically to the system (in which case they are non-paper-based transactions).

Please be aware of the difference in meaning compared with the items in the table "Payment and terminal transactions involving non-MFIs" (see 5.9).

6.3 Card, ATM and e-money transactions in payment systems

Question: Do these categories include transactions cleared outside the payment system?

Answer: No. Only payments settled via the system are included in the statistics. If, for example, card transactions are cleared outside the system and only net positions of card transactions are settled via the system, only the transactions for the settlement of the net positions are counted, and are allocated to the payment instrument used for the settlement transaction (most probably a credit transfer or a direct debit).

6.4 Cross-border transactions and linked systems

Question: How are transactions sent from one system to another – possibly cross-border – allocated?

Answer: If a system (e.g. an ACH) is a direct participant in the reporting system and settles its positions in the reporting system, then the reporting system must report the transactions for the settlement of the positions of the settling system, and these transactions are allocated to the payment instrument used for the settlement transaction (see also 6.3).

If the reporting system sends transactions to another system via a designated participant in the reporting system (e.g. link to STEP2 via the central bank participating in both the reporting system and in STEP2), the transactions are counted as transactions to and from the designated participant and are not shown separately from other transactions within the reporting system. The geographical breakdown of the transactions is made according to the place of legal incorporation of the designated participant and not of the system that the transactions are sent to via the designated participant.