



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-PUBLIC

Christine LAGARDE

President

Mr Giorgos Georgiou
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 23 January 2020

L/CL/20/10

Re: Your letter (QZ-054)

Honourable Member of the European Parliament, dear Mr Georgiou,

Thank you for your letter, which was passed on to me by Ms Irene Tinagli, Chairwoman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 4 December 2019.

As euro banknotes and coins are legal tender¹, it is an essential precondition that citizens have good access to them, and that retailers have good cash deposit facilities. At the Eurosystem level, work has recently started on assessing the situation in each euro area country, with the aim of developing appropriate policy responses at national level to ensure that cash is available to all groups in society and is accepted at points of sale.

The Euro Retail Payments Board (ERP)², a high-level strategic body tasked with fostering the integration, innovation and competitiveness of euro retail payments in the EU, has also identified access to cash as one of its priorities in the context of the update of its work plan for 2018-20. The ERP Secretariat, seeking further input from consumer representatives, is currently investigating possible options for improving access

¹ The legal tender status of euro banknotes is laid down in Article 128(1) of the Treaty on the Functioning of the European Union. Article 11 of Council Regulation (EC) No 974/98 enshrines the status of legal tender for euro coins.

² The ERP is chaired by a high-level representative of the ECB and has members from both the demand and supply sides of the euro retail payments market. More information about its activities can be found on the ECB's website at <https://www.ecb.europa.eu/paym/groups/erp/html/index.en.html>.

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to cash.³ I can assure you that the ECB assigns a high importance to this work. At the same time, it should be noted that the prioritisation of ERPB workstreams is beyond the ECB's remit.

In recent years a comprehensive legal framework has been established that provides the foundations for facilitating an interoperable, efficient and competitive payments market in the EU, including through lowering fees for (cross-border) transactions in the euro area. With the entry into force of the Regulation on cross-border payments⁴ in 2009, a set of provisions was introduced to align the pricing of domestic and corresponding cross-border electronic payment transactions in euro, including for withdrawals from automated teller machines (ATMs). This regulation was one of the cornerstones of the Single Euro Payments Area established in 2014, allowing consumers to choose payment service providers – in most cases banks – on the basis of quality and cost rather than location. In addition, the Payment Accounts Directive⁵ ensures that every EU resident can access a basic payment account. This is done, inter alia, by requiring that cash withdrawals at ATMs can be made free of charge or at a reasonable fee.

However, the scope of the Payment Accounts Directive may be insufficient to ensure adequate cash service levels in terms of geographical coverage throughout countries. Therefore, in its Opinion of 26 November 2019 on a Swedish law on the provision of cash services by credit institutions, the ECB underlined the importance of all EU Member States, including those not in the euro area, taking appropriate measures to ensure that credit institutions and their branches provide adequate access to cash services.⁶ In this respect, the ECB also considers it important that citizens can make a reasonable number of cash withdrawals with no charge, in any case when using their bank's own ATM network.

Yours sincerely,

[signed]

Christine Lagarde

³ Following a discussion at the ERPB's November 2019 meeting on its priorities for 2020, the ERPB Secretariat is seeking further input from consumer representatives and investigating possible options for dealing with a workstream on access to cash. On this basis the ERPB will consider the options at its June 2020 meeting.

⁴ [Regulation \(EC\) No 924/2009 of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community and repealing Regulation \(EC\) No 2560/2001.](#)

⁵ [Directive 2014/92/EU of the European Parliament and of the Council of 23 July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features.](#)

⁶ [Opinion CON/2019/41 on the requirement for certain credit institutions and branches to provide cash services.](#)

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