

**Subject: EMA responses to the Department of Finance National Payment Strategy (NPS) Consultation**

**Date: 16 February 2024**

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The Electronic Money Association (EMA) is the EU trade body representing electronic money issuers (EMIs) and alternative payment service providers. Our members include leading payments and e-commerce businesses worldwide, including FinTech and BigTech as well as a large number of smaller firms, together providing a wide range of payment-related services, including online payments, card-based products, electronic vouchers, mobile payment instruments, open banking payments, cryptoasset services and many others. The vast majority of EMA members operate across the EU, most frequently on a cross-border basis, and a large number have obtained – or are applying for - licences from the Central Bank of Ireland to provide domestic and cross-border services from Ireland.

The combined effect of Brexit and Covid have resulted in significant changes to the payments sector in Ireland, most importantly attracting a growing number of Fintech providers seeking to access the EU markets. Many of our members have an important role in driving the ongoing technological innovation and more generally the digitalization of financial services in Ireland and the EU. Given our broad membership and the importance of Ireland as a jurisdiction for the provision of payment-related service we would very much welcome further opportunity to engage with the government; particularly on how best to promote Ireland as a positive place to do business for innovative service providers, as envisioned in the Department's IFF. This is of benefit to the Irish economy, and for individuals and businesses seeking financial service provision in Ireland, and we will commit to supporting the government in achieving its objectives.

We thank you for the opportunity to input to the Department's [National Payment Strategy \(NPS\)](#). Please see the EMA responses below.

**Questions – Objectives of the NPS**

**3.1 What are your views on the timeline? What would effective key indicators to measure the progress of the NPS be?**

*We welcome the opportunity to comment on the Department of Finance plans for a National Payment Strategy, and support the proposed timeline in general. However we would recommend that, once adopted, the Strategy is reviewed on an annual basis to ensure that it continues to meet the needs of Irish consumers, businesses, and the payments industry itself. Payments must remain adaptable to the changing needs of their customers.*

*We also have a number of comments to make on the approach and objectives.*

*Payments ultimately support the needs and demands of society, both consumers and business as well as government and civil society. When developing the National Payment Strategy, we*

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would recommend establishing a vision for what these needs and demands might be over the next 10 years. This long-term view can then guide decisions regarding the strategic priorities, which will then determine the roadmap for delivery.

We note in particular, that – as acknowledged in the Consultation document – Ireland does not operate in isolation, and many payments firms are authorised in Ireland in order to access the wider EU marketplace. Indeed one of the key Targets of the Digital Ireland Framework is to make Ireland a location for leading digital enterprises. It is in this context that our members would strongly support as much alignment with EU requirements as possible, ensuring Irish-based institutions are not at a disadvantage in comparison with their other EU counterparts.

In terms of the specific objectives, please find below some suggestions for indicators that could be used to measure the effectiveness of the strategy:

- **Access & choice**
  - Customer access to certain categories of payment
  - Number and type of Payment services available in the market
  - Levels of switching by consumers and/or numbers of new entrants to the market/new licenced institutions offering payment service to Irish customers
  - Link in with the National Digital Strategy and use some of those indicators to measure the level of choice in Ireland
  - Use the most recent consumer survey on choice as the benchmark to measure against year on year.
  
- **Security and resilience**
  - Volume of major incidents reported – this should hopefully decrease over time
  - Readiness of institutions to comply with the emerging DORA requirements and the existing CBI cross-industry operational resilience guidance
  - Quality of Operational Resilience self-assessment documentation (required under the current CBI cross-industry OR Guidance) that has been reviewed by the CBI
  - Data as compared with other markets in the EU
  - Level of uptake of alternative payment methods, thus reducing reliance on major incidents related to third parties (e.g. a single card operator)
  
- **Innovation & Inclusion**
  - Penetration/usage of mobile and online banking channels
  - Payment channels/options available to users that do not use mobile/online banking channels
  - Accessibility & affordability of alternative payment channels (including cash)

### **3.2 What reflections have you on the NPS principles?**

**Access and Choice** – *promoting reasonable options for consumers and small business.*

We certainly agree with this principle, as it is fundamental for the operation of a successful payments market. However it will be particularly important to make efforts to benchmark and measure success in this respect. For example, Ireland could be compared against other EU payments markets of similar size/structure on these attributes over time.

We also note the reference to “reasonable” options for consumers. Apart from being very difficult to measure, we suggest that this is not ambitious enough, and that the payment strategy should aim to provide more than just “reasonable” options for consumers.

**Security and Resilience** – of the payments system and system operators.

We consider this is an appropriate objective to have, as a secure and resilient payment system is fundamental to the successful growth of the industry, and the meeting of customer needs. We consider that the attainment of the objective should be benchmarked against the evolution of fraud & Operational Resilience (OR) data in the market.

**Innovation and Inclusion** – future focus that enhances interoperability and inclusion.

We agree with both innovation and inclusion as principles that should support the payment strategy. However we query whether they should be coupled together as one, as they comprise different objectives, and likely would lead to different deliverables. We suggest that the Department of Finance separates these into two separate principles instead.

Some of the barriers to innovation within the payments sector that firms have identified include: lack of adoption of SCT Inst, underperforming TPP access interfaces and lack of inter-PSP dialogue on such issues, challenges accessing bank accounts, IBAN discrimination and ultimately direct access to the payment system for non-banks. We would also like to encourage the government to ensure that regulatory requirements for the payment sector are not disproportionate in comparison to those in other EU jurisdictions.

**Sustainability and Efficiency** – solutions that have regard to cost / benefit and the environment.

We agree with this objective, and note the importance of balancing the access to (cash-based) payment processes, which have a higher environmental cost in comparison to service digitisation that may impact accessibility for the less technical literate.

### **3.3 What are the main issues that undermine consumer trust in the Irish payment system?**

No comment.

### **3.4 The NPS will set out a vision for the payments system, what is your vision for the Irish payments system?**

There are a number of possible approaches to developing a vision for the Irish payments system:

- As mentioned earlier, the Irish market does not operate in isolation, and many payments firms are authorised in Ireland in order to access the wider EU marketplace. The vision should seek to establish Ireland’s position in relation to UK and EU, and then build out priorities/actions from this assessment. For example, determining how connected Ireland should be with the UK and EU, and what needs to be in place in order to facilitate this.
- Payments ultimately serve different purposes. the needs and demands of society, both consumers and business as well as government and civil society. When developing the National Payment Strategy, we would recommend identifying the purposes that payments will need to serve, and then build the infrastructure to support this

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purpose/need. What needs to be in place to ensure high level of provision for Irish consumers and businesses?

Elements that we would like to see incorporated into such a vision for the Irish payments system are set out below:

- Greater payment choice for consumers and businesses
- being/becoming the jurisdiction of choice for innovative ideas in the payments sphere
- growth of fintech market should be an objective – i.e. what could be done to make the jurisdiction more attractive
- vibrant open banking ecosystem
- instant payments (preferably SEPA Inst in order to allow interoperability within the EU)
- better government & industry visibility of what is happening through better data collection, analysis and regular publication
- direct access to payment systems for EMIs & PIs (now permitted under the recently adopted [Instant Payments Regulation](#))

#### **4.1 Do you think that there is a reasonable level of choice in the payment methods currently available to consumers in Ireland?**

EMA members report that alternative payment methods exist, but there is not as much awareness/take up of these products by Irish consumers at the moment.

Firms would also support further development of inter-PSP payment channels, by improving the ease of use of the open banking model, and building further trust and security in the system.

#### **4.2 If not, are there any initiatives that could be undertaken in addition to the legislation currently in train at an EU and domestic level, to better promote access and choice?**

There are a number of initiatives currently in train at EU level that in our view could better promote access and choice:

- Although the Instant Payments Regulation is a legislative requirement, the national implementation will still be subject to a national decision making process. The adoption of SCT Inst should be prioritised in order to enable interoperability within the wider EU marketplace.
- Direct access for EMIs and PIs to payment settlement systems should improve access and choice as it will reduce the reliance of non-bank PSPs on the banking sector for access to payment systems.
- The Digital Ireland Framework will focus attention on state funding for start-up & early stage businesses invested in innovative digital businesses

#### **4.3 How can the NPS continue to support vulnerable groups access to the payments system?**

The NPS could support vulnerable groups in a number of ways. Please see below a (non-exhaustive) list of these:

- Require continued access to cash-based payment options in a number of use cases.
- Provide guidance on what constitutes a "vulnerable customer".
- Educate consumers around safety of account to account and open banking

#### **4.4 What are the advantages and disadvantages of paying with crypto-assets as compared to other means of payment?**

##### **Advantages of Paying with Crypto-Assets:**

- *Decentralization:* Crypto-assets operate on a decentralized network, reducing dependence on central authorities and traditional financial intermediaries.
- *Speed and Efficiency:* Transactions can be faster, especially for cross-border payments.
- *Lower Transaction Fees:* Potentially lower fees compared to traditional banking systems, especially for international transactions.
- *Transparency and Transaction Security:* Utilizing blockchain technology ensures transparency and security of transactions.
- *Inclusivity:* Accessible to individuals without traditional bank accounts.

##### **Disadvantages of Paying with Crypto-Assets:**

- *Volatility:* High asset price volatility (vs fiat currencies) can pose risks for both merchants and consumers.
- *Limited Acceptance:* Not as widely accepted as traditional currencies for everyday transactions.
- *Fraud/Security Risks:* While blockchain is secure, other aspects like wallet security can be vulnerable. However, different wallet solutions offer different levels of security. For example, self-custodial options offer robust security measures by granting users full control over their private keys and funds. Levels of security risk can differ significantly depending on the solution being employed.
- *Service Complexity:* Understanding and using cryptocurrencies can be complex for average users.

#### **4.5 Can you provide specific use-cases of a crypto-asset as a form of payment?**

*International Remittances:* Crypto-assets are used for cross-border money transfers, offering a faster and often cheaper alternative to traditional banking systems. This is particularly beneficial for migrant workers sending money back to their home countries.

*Online Purchases:* Some online retailers and service providers accept crypto-assets as payment. This includes a range of goods and services, from digital content to physical products.

*Peer-to-Peer (P2P) Transactions:* Individuals can use crypto-assets to directly transfer funds to each other without the need for intermediaries, which can be advantageous for splitting bills, gifting, or other small-scale transactions.

*Real Estate Transactions:* In some markets, crypto-assets are being used to buy and sell real estate, often simplifying and speeding up the transaction process.

*Charitable Donations:* Non-profit organizations and charities are increasingly accepting donations in crypto-assets, allowing them to tap into a new donor base.

*Travel and Hospitality:* Some travel agencies and hotels accept crypto-assets as payment for booking flights, accommodations, and other travel services.

*Subscription Services and Memberships:* Certain online platforms and membership-based services allow payments in crypto-assets.

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*Retail Point-of-Sale (POS) Transactions: In some retail environments, particularly in tech-savvy areas or businesses focused on innovation, customers can pay for goods and services using crypto-assets.*

*Freelance and Contract Work: Professionals, especially in the tech and creative sectors, sometimes accept crypto-assets as payment for their services, citing ease of transaction and reduced fees.*

*Gaming and Online Entertainment: The gaming industry, along with other online entertainment platforms, sometimes offers the option to make in-app or in-game purchases using crypto-assets.*

*It's important to note that while these use-cases represent the potential of crypto-assets as a payment method, their actual adoption varies widely by region, regulatory environment, and market acceptance.*

## **Questions – Payment fraud**

### **4.6 Unauthorised payment fraud constitutes the largest share of fraud levels in Ireland, are there additional initiatives beyond those set out in existing legislation and the forthcoming PSD3 and PSR, which can be undertaken domestically to address unauthorised payment fraud? Are there examples of best practices in other jurisdictions?**

*We note with interest the fact that unauthorised payment fraud makes up the largest proportion of fraud in Ireland, and suggest there are a number of measures that can be taken at domestic level to reduce these levels. For example, the growing use of behavioural biometrics (and of extended Customer device/profile data) as part of real-time transaction monitoring engines can assist with identifying and preventing authorised payment fraud. Open banking also provides an opportunity to reduce unauthorised payment fraud with design features such as built-in SCA, no sharing of card details, re-population of payment fields (e.g. account name, account number, payment amount), and robust merchant onboarding. When a customer makes a payment using open banking, they are sent to their bank's app to strongly authenticate, which minimises the risk of unauthorised instant payment fraud: no login credentials are requested by or shared with third parties, and no data is stored by third parties.*

*In the UK, measures such as developing technical standards for identity, verification, authentication and risk-assessment, trusted KYC data sharing and storage repository; and Enhancement of sanctions data quality all work together to reduce the incidence of payment fraud.*

### **4.7 To what extent do you agree that a cross-industry engagement including actors outside the banking and payments sector is needed to adequately address the issue of authorised payment fraud? If so, which sectors and actors are most relevant?**

*Fraudsters impersonate an array of organisations to deceive a payer into making payments for a purpose not agreed to by the payer, or to an account controlled by the fraudster. Cross-*

industry engagement with actors outside the banking and payments sector is a necessary step in preventing APP fraud. Social media platforms, telecoms (MNOs), website/hosting providers, search engines' platforms and online advertising companies need to be engaged in the fight against fraud as these are the platforms where a large proportion of APP scammers first identify/communicate with their victims.

Such intermediaries could usefully also be obliged to cooperate with PSPs for the prevention, deterrence and mitigation of such scams and frauds. This is more likely to give rise to an effective approach to combating financial crime.

Examples of cross-industry engagement that could help fight against APP scams include:

- Confirmation of payee (CoP) schemes – there are existing national schemes in the UK and Netherlands, and a cross-border scheme currently under development by the EPC.
- Sharing mobile phone number with name and account number confirmation of payee is likely to go a long way to removing the ability of fraudsters to continue to dupe victims. PSPs will of course need to consider data protection impacts (and conduct a DPIA) to any sharing of PSU data as part of a CoP solution.
- Enhanced Fraud Data sharing platform is currently under development in the UK to support PSPs implementing the new mandatory reimbursement requirements.
- Banking and Payments Federation Ireland (BPFi)
  - sharing of data on blacklisted numbers/accounts
  - transaction data sharing/data analytics

leverage integration with merchant acquirer/PSP type services including open banking models where the payee account details are prepopulated, and merchants are subject to robust onboarding processes. When customers choose to pay a business using open banking, they are not required to enter payee details. This removes human error and the risk of customers being tricked into sending money to a fraudster. The PISP controls where the money goes by pre-populating the payee details. The regulated PISP onboards and carries out due diligence with the business receiving the payments. They enter into a commercial contract with that business and undertake due diligence, reducing the likelihood that bad actors will use open banking to commit fraud

- training of internal PSP customer facing staff to interact with users and act as a filter to completing APP fraud

Whilst not addressed directly by the Consultation Paper, we would like to set out our views on the approach taken in the UK, and being debated in the EU in the context of the Payment Services Regulation on PSP liability towards the losses borne by the PSR in the case of APP scams. Our view is that placing liability on PSPs for losses incurred by victims of APPs is inappropriate for the following reasons:

- (i) it incentivises fraud by providing easily accessible compensation and encourages criminals from elsewhere to target any jurisdiction where this is introduced;
- (ii) it is contrary to principles of law and to the expectations of natural justice, where compensation would be expected to flow from fault and where liability is generally incurred through fault;

- (iii) it will be detrimental to the operating of any instant payments system as it would introduce friction and delays as well as additional cost; and
- (iv) it creates a disincentive for third party actors who have the ability to reduce such risk – such as the accountants or dating website providers, to act to reduce the risk; and
- (v) it leaves the underlying fraud problem, a law enforcement and government policy matter, unaddressed.

We have expanded further on these points in [our responses to the UK Payment Systems Regulator \(PSR\) consultations on this subject](#).

*The proposed requirement in the Payment Services Regulation for mandatory reimbursement for fraud cases involving spoofing of the PSP will have a significant economic impact on PSPs. At the same time, the mitigating measures for this type of fraud are frequently outside the control of the PSP. It will more commonly lie with electronic communications services providers, social media hosts, and other communication service providers. It may be difficult in particular for smaller PSPs to detect all such instances of spoofing, and may then be equally difficult to have rogue web sites or communication channels closed or removed.*

*It remains unclear why PSPs should be liable for this type of impersonation scam, as the fact that the fraudster is impersonating employees of the PSP does not provide the PSP with specific clues or indicators that would allow it to mitigate or prevent this type of fraud during the payment process. For other forms of spoofing, for example fraudsters impersonating the police or a delivery company, there would never be an expectation that the spoofed party should be liable for the losses incurred by the customer. The same logic should apply here; the PSP has no power to control or prevent a fraudster from impersonating its employees.*

*Therefore, making best efforts to detect and mitigate such risks should provide a defence against reimbursement obligations. Furthermore, a means of including the broader network ecosystem in the obligations to address this risk, as well as creating legal tools to deter criminals would be more effective in reducing the volume of fraud incidents in the EU.*

## **Questions – Instant payments**

### **4.8 What do you see as the challenges to the roll-out of instant payments in Ireland?**

*Members report – anecdotally – the following reasons for the current delays in the rollout of instant payments in Ireland. It appears this is due to a combination of factors including: the perceived lack of business case, the size of the market is not large enough to justify the cost of investment required to implement instant payments, the cost of implementation (including access to TIPs, technical changes to customer interface and to the back end), and the need to maintain extremely low fees for the service: the price needs to be close to zero to be successful, but on the other hand banks will need to make investments to implement by end 2024.*

### **4.9 What actions could be taken to support the roll-out of instant payments?**

*The government and CBI can play a role in the form of regulatory intervention to force implementation and support the establishment of an equitable service access business model.*

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#### **4.10 What are potential negative impacts to the wider use of instant payments? How could these be mitigated?**

- increased APP fraud
- increased service collateral requirements for service participants
- fraud profile may change - different typologies may emerge that require deployment of real-time transaction monitoring solutions.

#### **Questions – Open banking**

#### **4.11 What challenges or obstacles are faced by firms and consumers in providing and using open banking?**

**Open Banking Interfaces Availability and Performance:** *It is fundamental that open banking APIs and interfaces are consistently available and stable so that third party providers (TPPs) can rely on those APIs to deliver products and services.*

**User experience:** *while the user experience of open banking has been improving, there are limitations — such as the flow through bank authentication, the speed at which connections process payments requests and payments settle, lack and inconsistency of error messages/ status codes, support for different payment types/use cases — that can ultimately impact user experience and in the long run erode trust in new open banking services.*

**Payment functionality:** *the absence of comprehensive availability of instant payments in Ireland has led to a limitation on the possible OB payments services which can be offered to consumers and businesses within the scope of PSD2, and beyond to commercial propositions. This has led to an uncertain investment environment for both account providers and TPPs/payment account access aggregators; in turn, this has slowed OB payments development.*

**Authentication journeys:** Open banking relies on the customer's bank's own authentication procedures. When the authentication journey includes errors, unclear instructions, or outdated methods such as having to use a card reader, the user experience suffers and the customer is less likely to complete the transaction or use open banking again. SCA implemented well minimises friction and strikes the right balance between security and convenience.

**Lack of instant settlement:** We look forward to the implementation of the EU Instant Payments Regulation, and recommend that SEPA Inst is adopted in Ireland as a matter of priority.

**Compliance-driven framework:** The implementation of PSD2 has shown that regulation as the motivating force has inevitably resulted in a compliance driven approach to developing open banking technical standards and their implementation. This has slowed the pace of innovation as ASPSP and TPP legislative interpretation, expectations, and requirements have often not been aligned.

Instead, data providers must be sufficiently commercially incentivised to provide fully open and functioning access to data. This will only be achieved where the services developed are driven from clear customer and market demand.

Beyond the baseline in PSD2 and the future PSR/PSD3, there is ample room for industry collaboration towards added-value, commercial services, both bilaterally and through multilateral forums like the European Payments Council's (EPC) [SEPA Payment Account Access \(SPAA\) scheme](#). SPAA can deliver enhanced open banking functionality on a commercial basis, with incentives for both the supply and demand sides.

#### **4.12 What actions could be taken domestically, and by who, to encourage/facilitate the greater uptake of open banking in Ireland?**

**Define a strategic OB payments roadmap:** PSD2 has provided the foundations for open banking in Ireland, but a purely compliance-driven approach is not sustainable, nor will it necessarily result in the best outcomes for the future of an open banking payments ecosystem in Ireland. It's anticipated that the PSD3/PSR package will resolve a number of outstanding issues experienced by the growing OB ecosystem. However, we believe that in order to fully leverage the opportunity of OB payments the NPS should clearly set-out the expectations for the strategic development of OB payments, including the expansion of use cases beyond PSD2 and to support viable commercial OB payments propositions. In addition, articulating the envisaged role for OB payments within the retail banking and payments ecosystem will provide market participants with the certainty to invest and develop in OB payments.

**Establish a central OB forum:** alongside a clearly laid out OB payments strategy for Ireland, if the Department of Finance and the Central Bank of Ireland (CBI) were to convene a market-wide Open Banking forum which could prioritise the specific initiatives. it would help drive forward the uptake of open banking in Ireland.

**Encourage participation in the EU SPAA Scheme:** As set out above, beyond the baseline in PSD2 and the future PSR/PSD3, there is ample room for industry collaboration towards added-value, commercial services, both bilaterally and through multilateral forums like the European Payments Council's (EPC) [SEPA Payment Account Access \(SPAA\) scheme](#). SPAA can deliver enhanced open banking functionality on a commercial basis, with incentives for both the supply and demand sides.

**Consider regulatory incentives:** it is important that compelling, customer driven commercial propositions for OB payments are allowed to develop in the market. However, market inertia in Ireland may require regulatory intervention in order to drive the outcomes that the Department of Finance set out in an OB payments strategy and to galvanise industry to keep up the momentum for OB payments and fully support the delivery of new services.

#### **4.13 Do you see a role for an Irish open banking forum to enhance collaboration in open banking?**

Yes – as set out in our response to Q4.12 above, there is certainly a need for a central forum for different parties to be able to communicate directly with one another and raise and resolve issues. However important questions will need to be addressed, in particular around (1) the authority of the entity (does it have government backed/reg intervention) and of (2) funding of the entity.

Key areas for collaboration include:

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- **Commercial OB payments** – collaboration on the identification and design of OB payments initiatives of most benefit in the Irish market, such as low-value OB payments, variable recurring OB payments, further standardisation on customer journeys (refunds, payment status and functional error codes, etc). Look to how progress in the UK and in the EU (SPAA) might support developments in the Irish market.
- **Open Finance Roadmap** – as currently envisaged by European Commission’s proposal for financial data access (FIDA), the EU Open Finance framework will encompass a wide-range of data -sets from a broad number of financial institutions in Ireland. Collaboration on how the investment in PSD2/open banking can be leveraged to meet the new Open Finance requirements will assist data-holders to navigate a path and support a new market of data-users to develop new services for Irish consumers and businesses.

**4.14 The NPS team has identified data gaps in the areas of open banking, instant payments, sustainability and crypto payments, do you agree that data in these areas are lacking? What metrics should be considered to maximise insight into these sectors and while recognising the key role of the Central Bank, which organisations are best placed to collect and analyse these?**

Policy maker access to high quality and granular data will drive better policy outcomes for the industry. We therefore fully support this objective, and stand ready to support the government not only in identifying data gaps, but also in identifying sources of data and/or data points that might provide the insights that the government is looking to obtain.

Yes we agree the data is lacking and data quality is variable. We have made some comments on the data needed to support the development of a successful open banking ecosystem in our earlier questions in this section.

**4.15 What other data gaps in the Irish payment ecosystem, which have yet to be identified? What metrics should be considered to maximise insight into these sectors and which organisations are best placed to collect and analyse these?**

The ECB have expanded the payment statistics data collection under the Payment Statistics Regulation 2020 - new and more granular reporting requirements in relation to information on innovative payment services and channels, payment schemes, and fraudulent payment transactions. The latest data to end-2022 published by the ECB in Nov 2023:

- Total number of non-cash payments in the euro area;
- Card payments;
- Credit transfers;
- Number of payment cards issued; and
- Number of transactions processed by retail payment systems in euro area.

However we note that although this data is collected, and has been published in aggregate form at EU level, the data on the Irish market has not been published. This will likely be a valuable source of data to track payment trends going forward, and we recommend the publication of such data at national level.

Similarly on fraud, we recommend leveraging the fraud data reporting that PSPs have been submitting since 2019 under PSD2 to generate and share fraud datasets across different

payment methods (cards, credit transfers), channels (online, mobile, face-to-face) on a bi-annual basis.

The Irish Central Bank collects domestic statistics on payments: monthly card data releases, while value and volume data on other instruments (e.g. cheques and direct debits) are published on an annual basis – 1st reporting of the new payment statistics in 2023. CBI will publish related domestic data before end-January 2024.

On Crypto:

- difficult to measure the degree to which crypto-assets are made for payment purposes as there is no central data source;
- not clear how to distinguish the use-case of a crypto-asset for payments vs investment. This point is reflected in the 2022 IMF FSAP;
- FSAP recommended CBI within a 1-3 year period (i.e. by 2025) “further intensify efforts to monitor developments on crypto-assets through systematic data collection within the scope of its powers and, where unacceptable risks remain, issue carefully targeted warnings and investor communications”.

On open banking:

- The UK Open Banking Implementation Entity collects data on an ongoing basis directly from participants in the ecosystem, as well as from the scheme itself. This data has been instrumental in being able to identify and address pain points in order to create an environment in which open banking can develop. The EMA would be happy to provide the Department with historical lists of the data points collected and reported to the Implementation Entity Steering Group when it was operational.

Other data:

- Publication of data in relation to fraudulent payment transactions does not currently take place but will be considered by CBI in 2024 pending analysis of related data;
- Data on the take-up of instant payments: unavailable; information on the number of instant payments made in IE compared to payments relying on standard credit transfer infrastructure would provide a more complete picture on instant payments;
- Environmental sustainability: CBI and the ECB are examining environmental impact of the production of euro banknotes; some MS have conducted studies on the environmental impact of payments, e.g. De Nederlandsche Bank has undertaken national level assessments of the environmental impact of both card payments and of the cash cycle.

#### **4.16 What research and analysis topics would be most informative to determine the preferred direction of travel for the future state of the payments system?**

No comment.