

# High-level communication strategy with end users on instant payments

## Initial report by the ERPB workstream

3 November 2022

### 1. Introduction

The deployment of pan-European instant payments is a strategic objective of the Euro Retail Payments Board (ERPB). In its November 2020 meeting, the ERPB acknowledged the importance of raising awareness of instant payments among end users and agreed to include the discussion on how to approach this relevant issue in the future activities of the ERPB. In its meeting held on 7 July 2022, the ERPB decided to launch a workstream on a high-level communication strategy with end users of instant payments. This communication will eventually be deployed in the EU to increase awareness of instant payments, leading to an anticipated uptake in demand for and the deployment of instant payments in a timely manner on a pan-European basis.

During October 2022, the ERPB workstream met four times virtually, and proactively exchanged via email, to discuss and develop this initial report on the high-level communication strategy under the direction of the Co-Chairs Ms Anne-Sophie Parent (AGE Platform Europe) and Ms Rita Camporeale (EBF), with the ECB acting as Secretariat.

### 2. Structure

The workstream identified four key target end-user groups: consumers, merchants, business (corporates and SMEs), and public administrations. As the public administration sector was not represented on the workstream and, moreover, following feedback from the ECB that the Eurosystem is working on a brochure for use by NCBs in engaging directly with their national public administrations in relation to the benefits of SCT Inst, specific messages were not considered for this group at this juncture.

The communication strategy focusses on content, communication channels and timeline.

### 3. Content

The workstream agreed that:

- key messages identified per target end-user group would remain at a high level to allow for an effective and consistent message at EU level (noting differences in the maturity and variety of instant payments products across jurisdictions);
- at this stage the strategy should not be dependent on the forthcoming legislative package which may take some time for agreement and adoption;
- the strategy will not be a marketing document, it will be based on real facts (features and characteristics of instant payments) and include both positive messages and relevant challenges with instant payments (and how to address them); and,
- the relevant sources of information for each end-user group will be gathered in a type of bibliography that can accompany the key messages identified.

## 4. Key communication messages for end-users

### 4.1 High levels general messages proposed by the workstream

The following key messages were drafted before the adoption of the European Commission proposal on instant payments. The messages reflect the current situation for instant payments in euro in the Single Euro Payments Area (SEPA). Some key messages may need to be adapted to the new legal framework once the European Commission's proposal is adopted and becomes law. The strong recommendation by this workstream is that such adaptation is completed prior to launching any communication campaign to avoid any unintended confusion if there is disparity between messages disseminated across the various target groups and jurisdictions.

Instant payments are a relatively new payment method which can present new opportunities but also some challenges. To build trust among all end users, clear information in plain language should be made available. The key messages could also be summarised on infographics or short videos to support widespread dissemination.

The following general key messages should be adapted to the target groups (see next section for the specific key messages proposed for consumers, merchants and businesses). Although the SEPA Inst credit transfer (SCT Inst) scheme supports both national and cross-border instant payments, instant payments solutions available to end users also depend on national circumstances and decisions made by individual Payment Service Providers (acceptance level, upper limits and fees, geographical scope of specific solutions limited to domestic instant payments or available also for cross-border transactions, etc). The high-level key messages will need therefore to be adapted to the targeted Member State and intended audience.

1. Funds are available on beneficiary's account in around 10 seconds.
2. Instant payments are useful in particular in time-sensitive use-cases.
3. Instant payments are available in and between an increasing number of European countries.
4. Instant payments can be made 24/7/365.
5. Instant payments may be made online, in store and at a bank branch.
6. Instant payments may be charged a transfer fee set by the payment service provider.
7. Outgoing instant payments are subject to amount limits.
8. As for non-instant SEPA credit transfers, the payer has the right to instruct a recall of a SEPA Instant credit transfer. The beneficiary however has the right to decline the recall.
9. As with other payments, instant payments may be subject to fraud.
10. Instant payments can support innovation and increase operational efficiencies.

## 4.2 Focus on consumers

1. **Funds are available on beneficiary's account in around 10 seconds:** Within the SEPA, instant payments – the term used to designate instantaneous euro credit transfers - ensure that the funds are transferred on the beneficiary's account in around 10 seconds (evidence shows that 99% of successful instant payments are processed in less than 5 seconds). Within the EU, non-instant euro credit transfers, usually take one day but may take up to a few days (weekends, bank holidays or for paper-based orders) to reach the beneficiary's payment account.
2. **Instant payments are useful in various cases, especially time-sensitive ones:** For example, to help a family member with an unforeseen expense, settle a bill urgently, buy a quick recharge of a pre-paid payment card or for payment-at-delivery situations. Instant payments give an instant notification on whether the payment was successful or not, providing surety to the payer and the beneficiary about the status of the payment. Moreover, an immediate crediting of a payment can build trust between the payer and the beneficiary (e.g., buying goods second-hand from another consumer, sharing a restaurant bill with a larger group).
3. **Instant payments are available in and between an increasing number of European countries:** Within the SEPA, instant payments have become very popular in some countries, becoming the norm for domestic and cross-border credit transfers in a few EU countries, but they are not yet widely used in all European countries. Instant payments can only be used if both the payer's payment service provider (PSP) and the beneficiary's PSP are able to process instant payments. Consumers should check whether their PSP offer instant payments options.
4. **Instant payments can be made 24/7/365:** Within the SEPA, an instant payment can be initiated electronically like non-instant credit transfers and the money will be transferred immediately. Some PSPs also enable consumers to make an instant payment at a bank branch.
5. **Payment Service Providers (PSP) may charge fees for making instant payments. Incoming instant payments are currently generally free of charge, but outgoing instant payments may be charged a fee.** It is up to every single PSP to decide on pricing on services offered. Consumers should check with their PSP.
6. **Outgoing instant payments are subject to amount limits:** For safety reasons Payment Service Providers (PSPs) generally apply a threshold per outgoing transaction and/or per day. Consumers should check with their PSP what limits they apply to consumers for outgoing payments or if any limit is applied for incoming instant payments (there are no limits for the latter at scheme level).
7. **As for non-instant SEPA credit transfers, the payer has the right to instruct a recall of a SEPA instant credit transfer. The beneficiary however has the right to decline the recall:** Once an instant payment is initiated, the funds are transferred immediately to the beneficiary's account and the payer cannot cancel the authorisation to pay. If payers wish to dispute the amounts transferred, they need to contact their PSP to instruct a recall of their instant payment. Consumers need to keep in mind that the beneficiary has the right to refuse to refund them.

As for any digital payment, consumers should check if the amount and the IBAN of the beneficiary is correct before they authorise the payment.

8. **Like other payments instant payments may be subject to fraud:** PSPs already apply measures to prevent and combat fraud, and efforts are made at EU level to improve consumer protection. Consumers should also be made aware that if they have not authorised the fraudulent payment, under EU legislation they have the right to refund as for any other unauthorised electronic payment, and they must notify their PSP as soon as possible.
9. **Instant payments can support innovation and increase operational efficiencies:** Like non-instant SEPA credit transfers instant payments can, in the future, support new functionalities, such as recurring and future dated payments, SCA preference/exemption etc. In addition, instant payments could be added as a new payment method in shops (e.g., by QR-code) and allow for the development of other innovative payment solutions.

#### **Examples of communication material on instant payments addressed to consumers:**

**Consumer's organisations:** At European level, BEUC has produced communication material on instant payments ([HERE](#)). National consumer organisations across Europe have also already communicated on instant payments. To give a few examples: Stiftung Warentest in Germany ([HERE](#)), Tests-Achat in Belgium ([HERE](#)), UFC Que Choisir in France ([HERE](#)), ZPS in Slovenia ([HERE](#)).

#### **National central banks:**

- Germany : [TIPS | Deutsche Bundesbank](#) (IP is a subsection), [Payment services in transition: instant payments, PSD2 and new competitors - June 2019 \(bundesbank.de\)](#) (Bundesbank's monthly report); [Die Zukunft des Zahlungsverkehrs: digital, instant und grenzüberschreitend | Deutsche Bundesbank](#) (one of the many speeches about IP)
- France : [National payments committee](#)
- Portugal [Instant transfers | Banco de Portugal \(bportugal.pt\)](#)

#### **Payment Services Providers:**

- The [Dutch Payments Association](#): [Instant Payments in een notendop \(betaalvereniging.nl\)](#) and their Q&A list on IP: [FAQ - Dutch Payments Association \(betaalvereniging.nl\)](#) which covers most of the questions consumers raised at the first meeting.

### 4.3 Focus on Merchants

1. **Funds are available on merchant's account in around 10 seconds:** Within the SEPA, instant payments ensure that the funds are transferred to the merchant's account in around 10 seconds (evidence shows that 99% of successful instant payments are processed in less than 5 seconds). This service works 24/7/365. Non-instant SEPA credit transfers normally take one business day but may take up to a few days (weekends, bank holidays or for paper-based orders) to reach the merchant's account. Optionally, batch settlement and reconciliation can be offered by PSPs to merchants.
2. **Instant payments may be more cost-effective:** Credit transfers are usually lower in costs to merchants than other payment methods. In a few countries, instant payments are already offered at no extra cost to merchants. However, payment service providers (PSPs) are free to establish the fees they charge merchants for instant payments or to include them in a "package" fee for the account.
3. **Pricing structure of instant payments is easier for merchant to understand than other payment methods:** As instant payments are based on credit transfers with fewer parties involved in the payment chain, most PSPs can apply a simpler pricing structure. This will make it easier for merchants to include the costs of instant payments in their cost price and reconcile the fees charged by the PSP.
4. **Instant payments in euro are available in and between an increasing number of European countries:** Instant payments are now available in 29 countries and some 2300 PSPs in Europe. In the euro area, in Q3-2022, more than 70% of PSPs adhere to instant payments already. In 15 countries, the large majority of the payment accounts are reachable for instant payments nationally and across country borders. However, instant payments can only be used if both the consumer's PSP and the merchant's PSP support instant payments and the merchants have the technology to receive and manage instant payments at the point of sale.
5. **In-store and e-commerce:** In a few countries instant payments can be used both in physical stores and in web shops. Ways to offer instant payments may include the use of a QR code, using Bluetooth mobile signalling (BLE – Bluetooth low energy), a link via email or a near-field contactless mobile device (NFC). A payment terminal is not always required, which is helping SME (Small Medium Enterprise) merchants. An internet connection is needed, except for in-store instant payment transactions initiated by the customer with an offline device. Instant payments can be used to offer an immediate refund, improving customer experience.
6. **Limits and fraud prevention:** Instant payments can be used for amounts that may be above card spending limits. For safety reasons, PSPs generally apply a threshold per outgoing transaction and/or per day. Like for any payment method, PSPs need to take fraud prevention measures to protect instant payments from unauthorised use.
7. **As for non-instant SEPA credit transfers, the payer has the right to instruct a recall of a SEPA instant credit transfer. The beneficiary however has the right to decline the recall:** Once authorised by the payer, the funds are transferred immediately to the

merchant's account. Customers can exercise a two-weeks withdrawal right for online (distance) sales. If payers wish to recall the amount transferred, they need to contact the merchant via their PSP to ask for their money to be transferred back. Merchants have the right to decline the recall of the instant payment. If the payment has not been authorised by the payer, the right to refund applies as for any other unauthorised electronic payment, and the payer must notify his/her PSP as soon as possible.

#### 4.4 Focus on Business (corporates, SMEs)

- 1. Funds are available on beneficiary's account in around 10 seconds:** Within the SEPA, instant payments ensure that the funds are transferred on the beneficiary's account in around 10 seconds (evidence shows that 99% of successful instant payments are processed in less than 5 seconds) and the beneficiary can have immediate evidence of the credited amount. To reach the beneficiary's payment account, non-instant euro credit transfers normally take up to one business day but may take up to a few days (weekends, bank holidays or for paper-based orders). This service works 24/7/365.
- 2. As for non-instant SEPA credit transfers, the payer has the right to instruct a recall of a SEPA instant credit transfer. The beneficiary however has the right to decline the recall:** Once authorised the funds are transferred immediately to the beneficiary's account and the payer cannot recall the payment. If the payer wishes to recall the amount transferred, the payer will need to contact the beneficiary via their PSP to ask for their money to be transferred back. The beneficiary has the right to decline the recall.
- 3. Instant payments can be useful in various cases, especially time-sensitive ones:** Instant payments allow immediate settlement of transactions and are thus useful for time-sensitive payments (e.g. payments against delivery, payments against release of immediate services or digital goods, payment of taxes, fines or penalties, urgent refunds to customers), spontaneous payments, or operating on a *just-in-time* basis, e.g. for the payment of salaries, of particular relevance for small enterprises and non-profit organisations, or the payment of suppliers. Moreover, an immediate crediting of a payment can build trust between the payer and the beneficiary (e.g., immediate correction of a payment error or an oversight, or payment for services delivered by day-workers).
- 4. Instant payments can facilitate increased operational efficiencies (increased transparency, saving cost, resources and time):** Both parties immediately see whether the payment was successful or not. Beneficiaries achieve immediate access to funds, reducing liquidity needs. Furthermore, payments can be made instantly on relevant payment execution days, eliminating the need for prefunding of payment accounts days in advance.
- 5. Instant payments in euro are available in and between an increasing number of European countries:** Instant payments are now available in 29 countries and some 2300 PSPs in Europe. In the euro area, in Q3-2022, more than 70% of PSPs adhere to instant payments already. In 15 countries, the large majority of the payment accounts are reachable for instant payments nationally and across country borders. However, instant payments can only be used if both the consumer's PSP and the merchant's PSP support instant payments.
- 6. Instant payments can support innovation.** Instant payments could in the future be included in digital payment solutions and electronic invoices so that businesses of any dimension and industry could be aligned with the increasing digitalisation of processes and consumer behaviours. Like non-instant SEPA credit transfers, instant payments may, in the future, support new functionalities, like recurring, future dated, SCA (Strong Customer Authentication) preference/exemption, payments using proxies (e.g., phone number), etc.

7. **Instant Payments may be cheaper to use than other payment instruments:** Compared to other payment methods, incoming plain vanilla instant payments may be less costly for beneficiaries with a simpler and more transparent cost structure and can avoid the cost connected to the usage of cash. Payment Service Providers (PSPs) may charge fees for making instant payments, this is determined by the individual PSP.
8. **Instant Payments are subject to amount limits:** Currently instant payments could be used for any amount up to €100,000 but for safety reasons, Payment Service Providers (PSPs) may apply much lower thresholds to outgoing payments per transaction or per day.

**Examples of communication material on instant payments addressed to business:**

- **EPC material:**

**Infographics:**

- [Top 10 SCT Inst benefits](#)
- [20 top use cases of SCT Inst](#)
- [Infographic – A New Era in Payments: Launch of the SEPA Instant Credit Transfer Scheme](#)
- [Questions & Answers on the SEPA Instant Credit Transfer Scheme](#)

**Videos:**

- [Video highlighting the benefits and key characteristics of SCT Inst](#)
  - [SCT Inst use cases and opportunities](#)
- [Dutch Payments Association - website](#)
  - [Banque de France website](#) (with a dedicated [webpage](#) for businesses)



## **5. Delivery of communication key messages**

The work stream discussed the channels and the responsibilities for spreading the communication. In summary these are the elements highlighted by the work stream:

### **A. Medium of delivery**

- ESG objectives – paper based on explicit request only
- Importance of social media
- Message could be tailored to the specific channel, i.e., website message could contain more detail than that on an app
- Combination of channels – reinforce key messages

### **B. Entities responsible for delivery (ensuring consistency in key underlying messages)**

- At EU level, representative bodies (i.e., ERPB members) should select and/or adapt the central messages and communication material into something tailored for their respective categories of national stakeholders
- Important role of intermediaries in the communication process and in allowing flexibility for national stakeholder groups who are better placed to adapt messages aimed at grassroots actors in their respective sector
- At grassroots level, individual entities (e.g., PSPs, merchants, local consumer associations, etc.) adapt the messages developed by their stakeholders' groups to reflect their specific interests / needs.

On the basis of the above, the work stream then developed the following matrix of delivery channels and responsible entities.

**DELIVERY CHANNELS MATRIX**

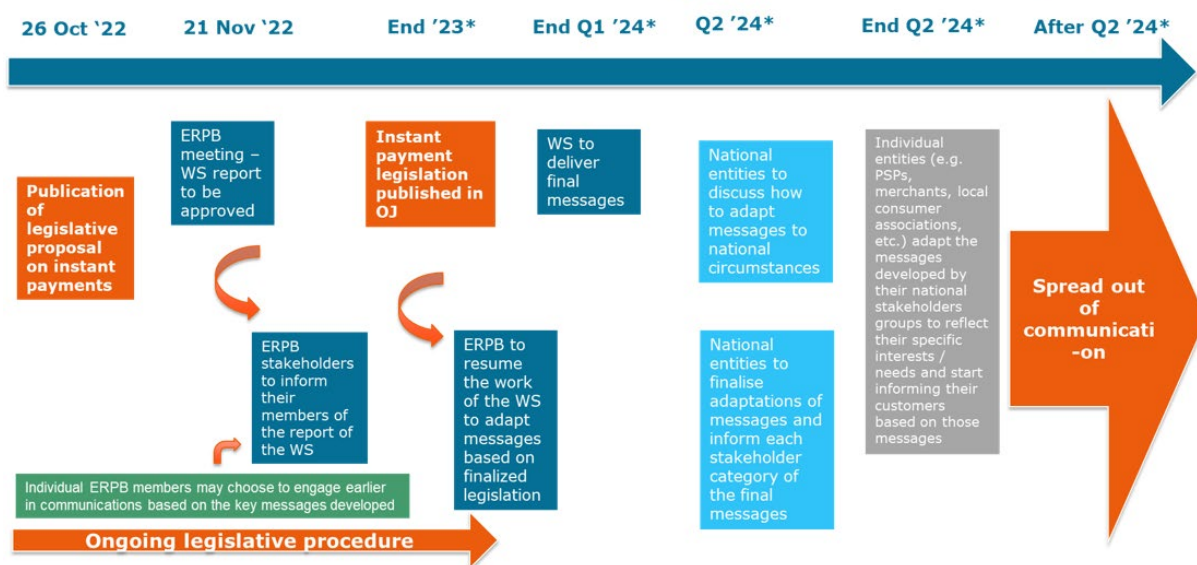
Responsible Entities (RE)	Targets			Channels				
	Intermediate Level 1 Targets(L1)	Intermediate Level 2 Targets (L2)	End target	Online (e.g., mail, newsletters)	Website	APP	Paper on demand	Social Media
European Central Bank (ECB)	NCBs	National payments councils	National networks of consumers, merchants, businesses	X (at RE, L1 and L2)	X (at RE, L1 and L2)			X (at RE, L1 and L2)
Consumer Associations at EU-level (BEUC, AGE)	Consumer Associations at national level		Consumers	X (At RE and L1)	X (at RE, L1)		X (L1) Magazine/Newsletter	X (at RE, L1)
European Credit Sector Associations (ECSAs – representing EBF, EACB and ESBG)	ECSAs members	Members’ members at national level (PSPs)	Members’ clients (consumers, businesses)	X (between RE, L1 and L2)	X (at RE, L1 and L2)	X (at L2)	X (at L2)	X (at RE, L1 and L2)
European Digital Payments Industry Alliance (EDPIA)	Members at national level		Consumers, businesses	X	X (at RE, L1 and L2)			X
European Payment Institutions Federation (EPIF)	Members at national level	Members’ members at national level (PSPs)	Consumers, businesses		X at RE, and L1)			
European Payments Council (EPC)	EPC members		Businesses		X			X
Retailers: EuroCommerce	Members’ at national level	National/Local	Businesses	X	X		X (at Local level)	X
EuroCommerce	Other merchant organisations	National/Local	Businesses	X	X		X	X
SMEs : SMEUnited	Members at national level	Members’ members	Individual SMEs					
Corporates: BusinessEurope, European Association of Corporate Treasurers (EACT)	Members at national level	Members’ members	Individual businesses	X	X			
European Third-Party Providers Association (ETPPA)	Members	Local offices	Consumers, businesses	X	X			X
ERP/2022/019 representatives of National public administrations	Contact points for National public administrations in SEPA countries	In each country each national contact point communicates to relevant national/local public administrations	Grassroots public authorities					

## 6. Timeline

While the workstream recommends waiting until the European Commission’s legislative proposal is adopted to roll out the communication strategy, this does not prevent individual ERPB members from engaging earlier in communications based on the key messages developed by this initial report of the workstream.

The recommended timeline relates to the communication campaign to be coordinated by the ERPB through the work of this workstream.

### Estimated Timeline – ERPB Instant Payments Comms Roll-out



\*To be adjusted based on the legislation’s publication timeline

## 7. Additional aspects

Cultural differences in terms of terminology were noted by one member (i.e., local interpretation of ‘instant’ may not be positive). The workstream proposed that the flexibility intended with regard to the adaptation of key messages at local level could address this, noting that the communication material needs to keep in line with the scheme name for now. However, it was also noted that if a national solution based on the SCT Inst scheme already exists and is widely known by another name, then the flexibility around the communication strategy will allow the adaptation of the message to the name that the local market is familiar with.

The potential benefits of branding were raised during workstream discussions; while deemed out of scope, the workstream noted potential benefits of having a SEPA-wide identifiable trust mark which could be useful for the various types of providers.

From a consumer perspective, especially if paying cross-border, an identifiable trust mark could also be beneficial to help the consumer identify if they can use SCT Inst to pay and to know if the receiving party is reachable. This could be considered as a future separate exercise after the publication of the EC legislative package and/or in conjunction with its adoption.

**The ERPB is invited to:**

- **discuss the workstream initial report on the high-level communication strategy with end users on instant payments;**
- **consider the recommendation by the workstream on the proposed engagement path with communication originating at the high level (ERP) leading to national and local adaptations of the key messages per categories of end-users as needed;**
- **consider the strong recommendation by the workstream to launch the communication campaign only after the EC legislative proposal on instant payments is adopted and the key messages have been adapted where necessary;**
- **consider following-up on this report by planning for the development of a full suite of ‘turnkey communication material’, ready for dissemination after the adoption of the EC legislative proposal on instant payments;**
- **consider the possible separate future exercise of developing a trust mark in connection with other potential ERP work.**

**Annex 1: List of participants**

<b><u>Participant's organisation</u></b>	<b><u>Name of participant</u></b>	
EBF	Ms Rita Camporeale	Co-Chair
AGE Platform	Ms Anne-Sophie Parent	Co-Chair

**ERP Stakeholders**

BEUC	Ms Anna Martin	
EACB	Mr Farid Aliyev	
EACT	Mr Massimo Battistella	
EBF	Ms Anni Mykkänen	
EDPIA	Ms Emőke Péter	
EPC	Ms Ruta Murnikaite	
EPIF	Mr Nickolas Reinhardt	
EPIF	Ms Andreia Jones Rodrigues (Alternate)	
ESBG	Ms Fanny Solano	
ESBG	Ms Laura Bērziņa	
ESBG	Mr Jorgos Papadakis	
ETPPA	Mr Ralf Ohlhausen	
EuroCommerce	Mr Pascal Spittler	
EuroCommerce	Mr Atze Faas	
EuroCommerce	Mr Axel Schäfer (Alternate)	

**Central Banks**

Oesterreichische Nationalbank	Ms Petia Niederländer	
Deutsche Bundesbank	Mr David Ballaschk	
Banque de France	Ms Alexandra Madeline	

**Observers**

EC	Ms Katarzyna Kobylinska-Hilliard	
EC	Mr Audrius Pranckevicius (Alternate)	

**Secretariat - ECB**

## **Annex 2: Terms of reference for the preparation of a high-level communication strategy with end users on instant payments**

The deployment of pan-European instant payments is a strategic objective of the Euro Retail Payments Board (ERP/). In its November 2020 meeting, the ERP/ acknowledged the importance of raising awareness of instant payments among end users and agreed to include the discussion on how to approach this relevant issue in the future activities of the ERP/. In its meeting held on 7 July 2022, the ERP/ decided to launch a work stream on a high-level communication strategy with end users of instant payments. This communication will eventually be deployed in the EU to increase awareness of instant payments, leading to an anticipated uptake in demand for and the deployment of instant payments in a timely manner on a pan-European basis.

### **Deliverables**

The workstream is expected to prepare a high-level communication strategy, which includes:

- Suggested key messages to convey, i.e. the general messages which could be conveyed to all potential end users of instant payments on the basis of which additional messages that would be developed for specific target groups;
- A set of suggested communication channels<sup>1</sup> for the specific parties involved; and,
- An estimated timeline for the roll-out of the communication strategy, on the basis of simple assumptions. As the milestones of the adoption by the co-legislators of the upcoming European Commission legislative package on instant payments<sup>2</sup> is difficult to envisage with certainty, the timeline could be defined on the basis of simple assumptions to include the expected start of the communication process, the duration of communication, how the different use of instant payments in national markets could influence the timeline, etc. and will show if there is the need for one or more communication cycles<sup>3</sup> to take account of the different stages of development of instant payments.

In addition to the above, other aspects of high-level communication messages related to instant payments may also be taken into consideration upon the suggestion of members or the co-Chairs of the Group.

### **Timeline**

The Group shall prepare an initial report for submission to the November 2022 meeting of the ERP/.

The ERP/ will consider if the work of this Group is to be extended depending on the anticipated publication of the European Commission's legislative proposal on instant payments, the detailed contents of which are unknown at this juncture. Such decision will be made by the ERP/ in its meeting in November 2022.

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<sup>1</sup> Communication channels refers to both *the means* (e.g., paper, electronic, etc.) and *the entities responsible for distribution* (ECB, NCBs, PSPs, consumer organisations, etc.).

<sup>2</sup> The European Commission is expected to publish a legislative package related to instant payments on 26 October 2022.

<sup>3</sup> Communication cycles could refer to a series of repeated events (e.g., to coincide with typical pay-day, holiday, or sale events) and / or possible adaptations if needed (i.e., on foot of the timeline or impact of elements of the legislative package).

### **Participants and chairmanship**

The Group shall include relevant stakeholders from both the demand and supply side among the ERPB members, with a broad understanding of the benefits and challenges that end users face in understanding instant payments. One representative of the ECB and a limited number of representatives of euro area NCBs will be invited to join the working group as active participants. A representative of the EU Commission will be invited as observer.

The Group will be co-chaired by a representative of the demand and a representative of the supply side: the AGE Platform Europe (Ms. Anne-Sophie Parent) and the European Banking Federation (Ms. Rita Camporeale). Secretariat services to the Group will be provided by the ECB.

### **Meetings / teleconferences**

The Group shall meet several times in October 2022 via teleconference as convened by the co-Chairs. The co-Chairs shall, in conjunction with the input from the members, determine how to delegate activities appropriately in order to meet the timeline.