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ICA statement of input to the European Commission consultation on the revised Payment Services Directive and on open finance

The International Currency Association (ICA) is the voice of the currency industry. Our membership covers design, production, manufacturing and distribution of coins and banknotes. We are the first industry body of its kind with a membership made up of businesses that span the sector.

We welcome the opportunity to participate in the European Commission's consultation on the revised Payment Services Directive (PSD2) and on open finance.

The Payment Services Directive is one of the most important pieces of legislation in the field. We put forward some general points that we would recommend the European Commission to take into account for further policy making in the field:

- We fully agree with one of the aims of the PSD which is rightly to provide transparency for consumers concerning the cost of payments. The European Commission could go even further here in requesting transparency of cost for not only the individual payment, but also the use of the entire service by the consumer— e.g., the cost of owning a specific credit card, often paid for annually.
- Cash is the only form of payment that is free to use for the consumer and that is independent of its bearer. That is why alongside the promotion of electronic forms of payment through the PSD, the European Commission should also take further measures to ensure access to cash and acceptance of cash as a means of payment throughout the European Union. The European Union can here look to the United States where a discussion on the mandatory acceptance of cash is well underway at the federal level. We welcome in this context the discussion on the confirmation of cash as legal tender in the discussion on the digital euro, as evoked in the European Commission's own recent targeted consultation on the subject and in previously, in the European Commission's own Retail Payments Strategy.
- New opportunities to combine cash payments with digital withdrawals or digital services are currently under development or are in the early stages of being launched in the marketplace. This concerns for example services where consumers' smartphones guide them to the nearest cash withdrawal facility, which can be an ATM but also a retailer that offers a cashback/cash-in-shop service. Innovations that create the possibility to pay in cash for services or goods purchased online, over e-commerce, would increase the possibilities for consumers to choose their means of payment. Such initiatives should be promoted and encouraged further and certainly not burdened with regulatory hurdles that will limit adoption and add costs. Of course, such new initiatives should not be at the detriment of existing cash withdrawal facilities with retail banks.

The ICA and its members stand ready to contribute further to the discussion.

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About the International Currency Association

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