

Banking Automation **BULLETIN**



Turkey drives European cards market past 720m

Reserve Bank of Australia tightens payment card regimes

When will European banks begin issuing contactless cards?

Changes to UK payment clearing cycles do not go far enough

Service Oriented Architecture – the future of banking technology?

Country profile: Ireland



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EDITORIAL

SEPA and international card acceptance

RBR's latest payment cards research (see article on page 2) throws up a number of intriguing insights into the state of Europe's payment card sector. One of the most

topical relates to international card acceptance.

Overall, 79% (568 million) of all payment cards (debit, credit and charge) in western Europe are accepted internationally – through linkage to one of the international payment card networks.

When you consider that of the remainder, 17% are private label (mostly retailer) cards, this leaves only a small share of 4% which represents domestic-only schemes.

Domestic schemes still exist in a number of countries, although increasingly cards in these schemes are accepted overseas.

The latest RBR research shows that domestic-only debit cards represent a significant proportion of total debit cards in only five countries: Ireland (54%), Finland (41%), Denmark (33%), Italy (23%) and the Netherlands (18%) – and these shares are declining.

In terms of card numbers, Italy with 6.8 million and the Netherlands with 4.1 million are the largest issuers of domestic-only debit cards.

One of SEPA's core objectives is for universal card acceptance throughout the EU. Whether driven by the demands of SEPA, or the desire of issuers to increase functionality by adding international acceptance, domestic-only cards are disappearing fast.

There is talk about joining up domestic schemes as an alternative to international scheme branding and a way of achieving SEPA – unless these discussions move forward soon then the incentive to act will have gone.

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