

## **European Business Test Panel (EBTP)**

### **European survey on SEPA**

## **How do you pay? How would you like to pay?**

### ***Introduction***

This survey aimed at investigating EBTP members' awareness and readiness for SEPA, and at ensuring that the new SEPA products will meet their needs.

The consultation ran from 14 August 2007 to 14 September 2007. 373 EBTP members participated in the survey, out of which 329 completed the questionnaire.

### ***Key findings***

The majority of the respondents are medium sized companies making between 1000 to 99999 payments per year. 82% of the companies employ business activities in or with the Euro area.

### **SEPA**

The respondents were asked if they have heard about SEPA. To this question, approximately half (53%) answered "Yes", their main source of information was the press (48%) or their bank (28%).

In SEPA, IBAN and BIC will be used for all euro payments. 86% of the respondents already know about IBAN and BIC, but the majority (71%) only used IBAN and BIC for cross-border transactions. 23% used IBAN and BIC for all transactions. Knowing about IBAN and BIC 36% would consider using them for all their future transactions. The majority (70%) had already started incorporating IBAN and BIC in their systems and procedures.

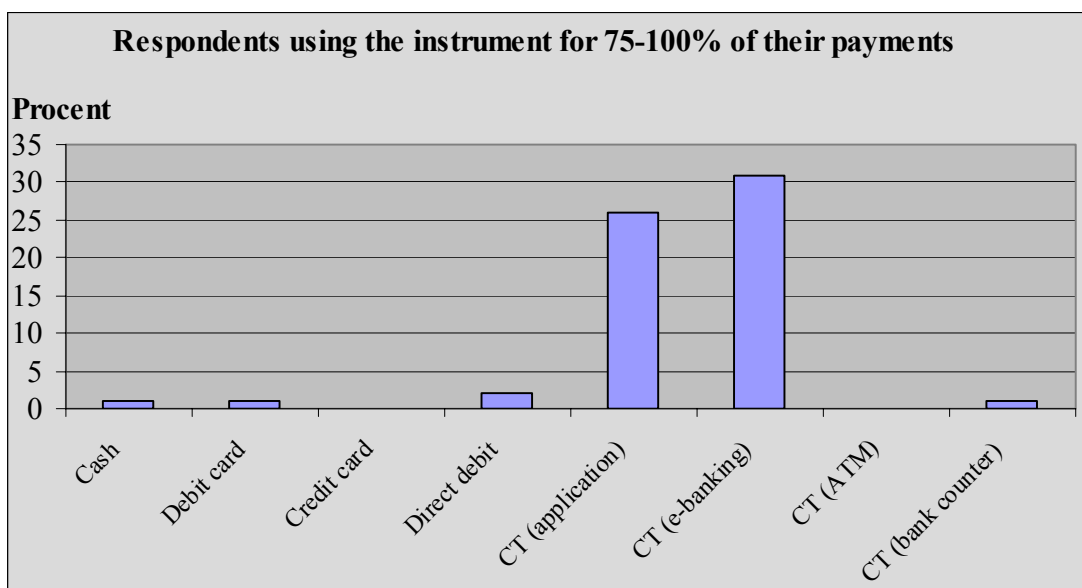
In SEPA customers will only need one bank account from which all their transactions can be made. Many (44%) of the respondents have more than one bank in the same country. 22% have accounts with different banks in different countries. The respondents (71%) indicated that they are willing to change bank if another bank offers better prices, or better services for the same price.

57% of the respondents believe that SEPA will lead to lower payment processing costs, but 51% have not started upgrading their systems to receive and send SEPA payments. 27% indicated that they would do this at a later stage.

## Payment habits

The companies were asked how they generally make payments. The majority of the payment instruments were not used at all, or used for less than 10% of the payments by most respondents.

Credit transfers either via a dedicated payment application (i.e. a software solution provided by the bank) or via an internet banking application were the most used payment instrument (see chart).



The companies were hereafter asked if they would change the way they make payments.

- 23% would use cash even less,
- 21% would use credit transfers via a dedicated payment application more, and
- 30% would use credit transfers via internet banking more.

The companies were also asked how they generally receive payments. The same picture occurred – cash, debit cards, credit cards – were hardly used, whereas credit transfers were heavily used. In the future, companies expect that payments with cash will go down, whereas credit transfers would go up as well as payments with both debit and credit cards.

The companies were additionally asked how they receive their bank statements. 60% receive bank statements both electronically and on paper, and only 14% receive their bank statements on paper only.

As shown in the chart above, the most used payment instrument is credit transfers. For these payments, the respondents used both the reference number and the free text field. The use of the reference number is the first step to e-invoicing. As the invoice and the payment are identified via a unique number, and no manual intervention is needed to identify which invoice the payment belongs to.

In spite of this, 83% of the respondents do not use e-invoicing offered by their bank or a service provider. The main reasons being:

- e-invoicing is not widely known, and
- e-invoicing is not available to them.

51% of these respondents indicated that they are willing to use e-invoicing in the future.

## **Pricing of payment services**

On pricing of payment services, the companies were asked if banks should play a stronger role in promoting efficient payment instrument. 60% answered “Yes”. 50% of the respondents did not consider charging a customer differently depending on the payment instrument he/she chooses for the payment. 38% would on the other hand consider this.

For more information on SEPA please see [www.sepa.eu](http://www.sepa.eu)

A more in depths report will follow on the ECB website [www.ecb.int](http://www.ecb.int)