

DANMARKS NATIONALBANK

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PAYMENTS, 1ST QUARTER 2018

Payment app tech triggers drop in Danish e-commerce

Use of Danish payment cards in Denmark decreased by 0.1 per cent in the 1st quarter of 2018 compared to the 1st quarter of 2017.

Behind this modest decrease is a sharp 20 per cent drop in the point of use category e-commerce, etc. A drop caused by technical changes in the processing of transactions through the Danish payment app MobilePay. However, nothing indicates a real drop in Danish e-commerce.

Towards the end of 2017 MobilePay initiated the roll-out of a platform for account-to-account transfers to all partnership banks, i.e. nearly all Danish banks. The technical change implies that transac-

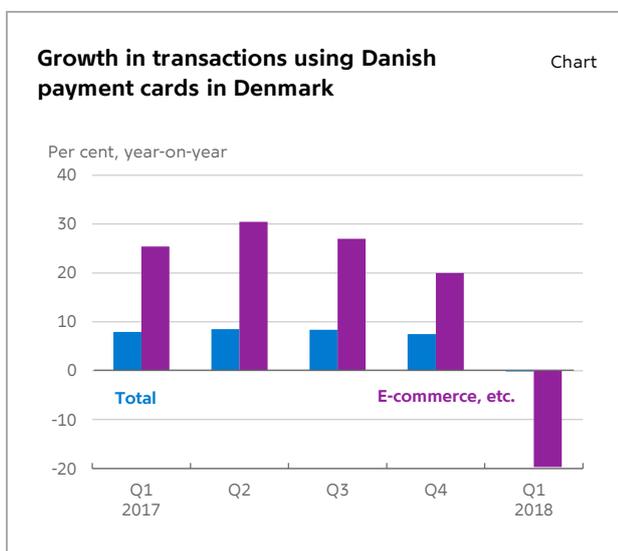
tions through MobilePay are now processed primarily as credit transfers, and therefore not included in figures for card transactions to the same extent as before.

New payment solutions continuously alter our payment habits and patterns. For example payments for public transportation using the electronic ticket Rejsekort or the bridge toll using BroBiz are collected automatically by recurrent card payments. The same applies for e.g. Netflix subscription fee, which however is part of foreign e-commerce, etc., since payments are sent to the Netherlands. Earlier, recipients may have used direct debits for collecting payments such as these.

E-commerce, etc. comprises ...

... payment card transactions, where cardholder, card, and recipient are not physically present at the time of payment, e.g.

- mail order and phone sales, online shopping and purchase using apps, including one-click-transactions, where cardholder manually has registered card information in the app for later use and approval of transactions by a click or a swipe.
- recurrent payments, where cardholder has registered the card to a subscription or reload agreement, so when a balance on a prepaid account falls below a minimum level, a predetermined sum is automatically transferred from the card.



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