

# DANMARKS NATIONALBANK

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## PAYMENTS, 1ST QUARTER 2021

# Danes tap and pay

In the late summer of 2015, Dankort, the national debit card, was issued with a contactless function for the first time. Now 5.5 years later approximately 98 per cent of Dankort and VisaDankort cards allow contactless payments.

By the end of the first quarter of 2016, 60 per cent of payment terminals allowed tap and pay payments. Today, these payments can be made at all terminals. This rapid dispersion can partly be attributed to, Visa and Mastercard, which demanded that all terminals from 2020 should accept contactless payments if the merchants wanted to accept payments from customers using Visa or Mastercard.

In other words, Danes have both cards and opportunity – and they seize it by tapping. A little over 70

per cent of card transactions in stores and vending machines were contactless in the first quarter of 2020. However, there is no indication that Covid-19 has increased this share markedly.

### Increased security and monitoring of card transactions

Security has been increased, as Danes more often just tap and pay. Simply by reducing the number of situations in which it is possible to compromise PIN codes. Fraud linked to contactless payments without the use of a PIN code is more than offset by a decrease in other fraud, e.g. at cashpoints.

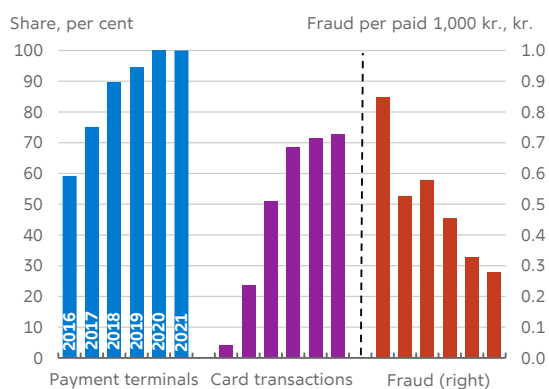
In addition, card issuers and their service providers have increased the level of their monitoring of transactions in recent years, for instance with the use of artificial intelligence, i.e. models that over time become increasingly better at recognising patterns and rejecting suspicious transactions before they are carried through.

In January, new EU legislation came into force. Thus use of strong customer authentication is required to finalise payment in e-commerce within the EU. This means that a minimum of two factors must be used in addition to card information, e.g. self-selected code and SMS or NemID.

### Statistics on cross-border credit transfers

Following today's publication, new data on cross-border credit transfers by type is introduced in the StatBank. In the new data, transfers in euros for instance amounted to approximately 58 and 32 per cent measured at respectively number and value in 2020.

### Technology in payments and the fight against fraud



Note: 1st quarter data for each year in the period.  
The share is calculated for the number of Danish payment cards and card terminals with a contactless function. Fraud with Danish payment cards has been calculated in relation to card turnover.

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