

From Cash to Cashless...

Financial Education Workshop on Remittances Turin, Italy



Today's Program

Program Overview

Trends for Electronic Payments

Benefits of Cashless Payments

Choosing the Right Product

Simple Ways to Protect Yourself and
Your Money

Master Your Card

Master Your Card is a public education program helping consumers like you get the most value from electronic payments technology

There are three key parts to Master Your Card: *Input, Innovation and Education*

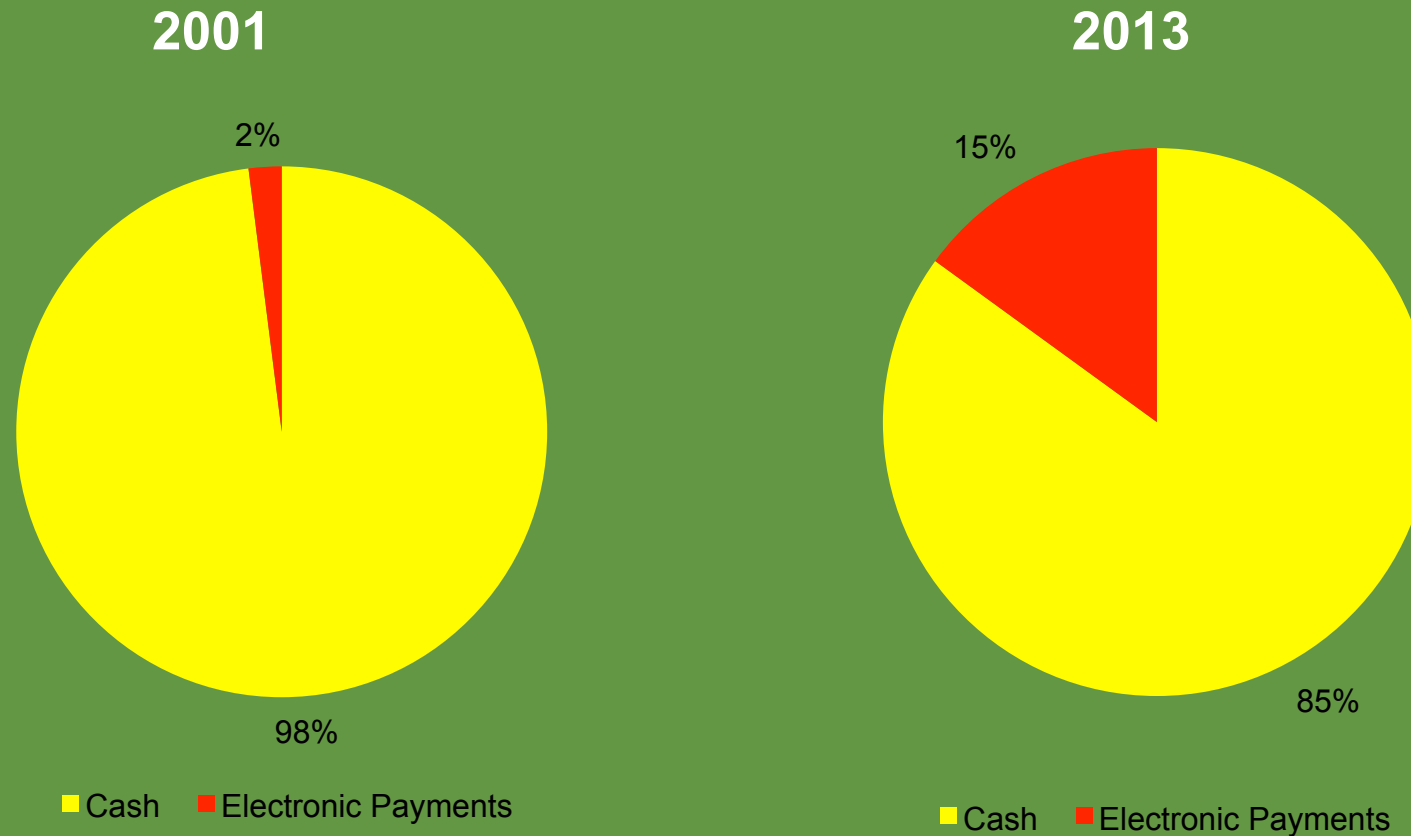
- Value of electronic payments
- How to choose the right product for your needs
- Tips on safety and security

Overview of Consumer Trends

Globally cash still dominates, but Electronic Payments are growing much faster

MASTER
YOUR CARD

A public education campaign brought to you by 

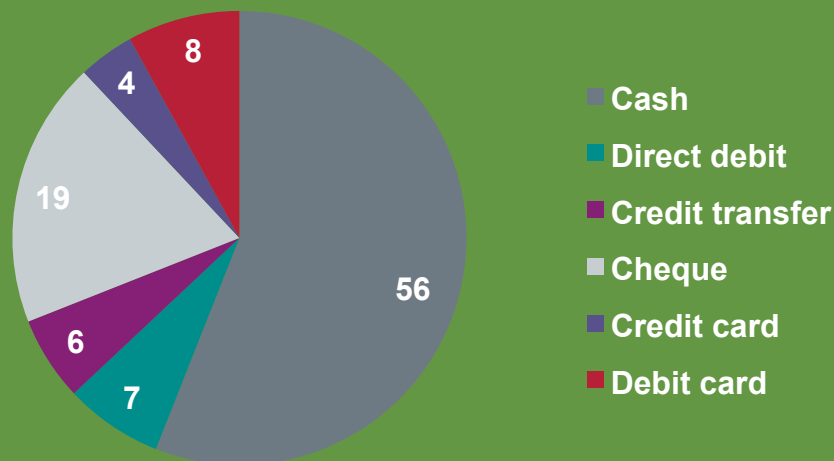


Electronic payments have grown from 2% share to 15% share

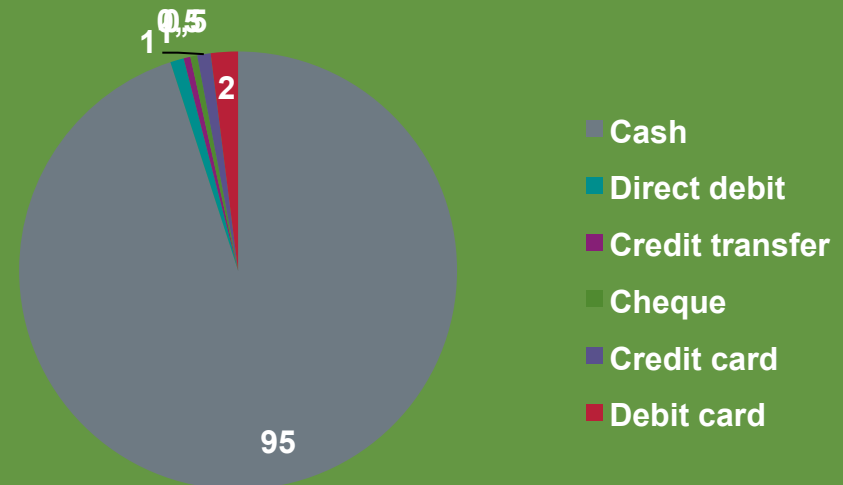
Cash dominates consumer spending in Italy

- 87% adults have payment accounts
- Compared to other forms of retail payments, cash dominates both in terms of number of transactions and value of consumer payments

% Value of Consumer Payments



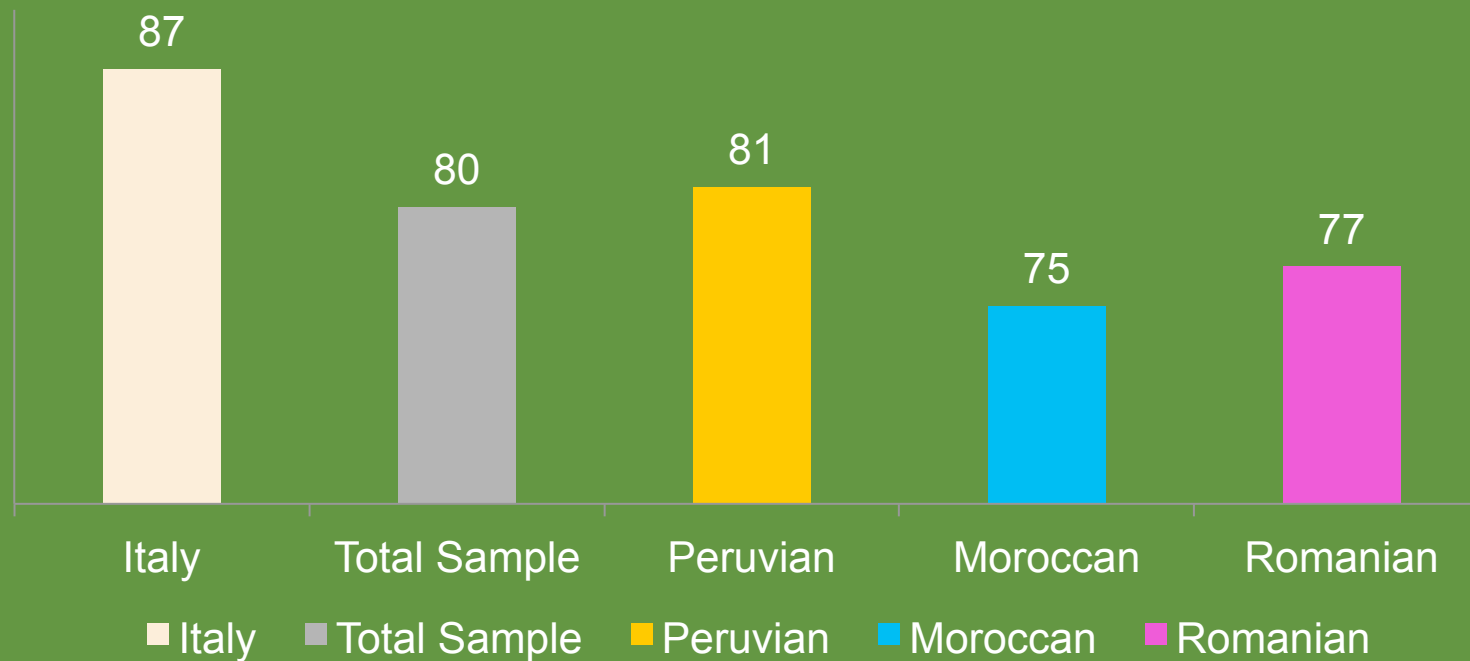
% of No. of Pmt Trxns



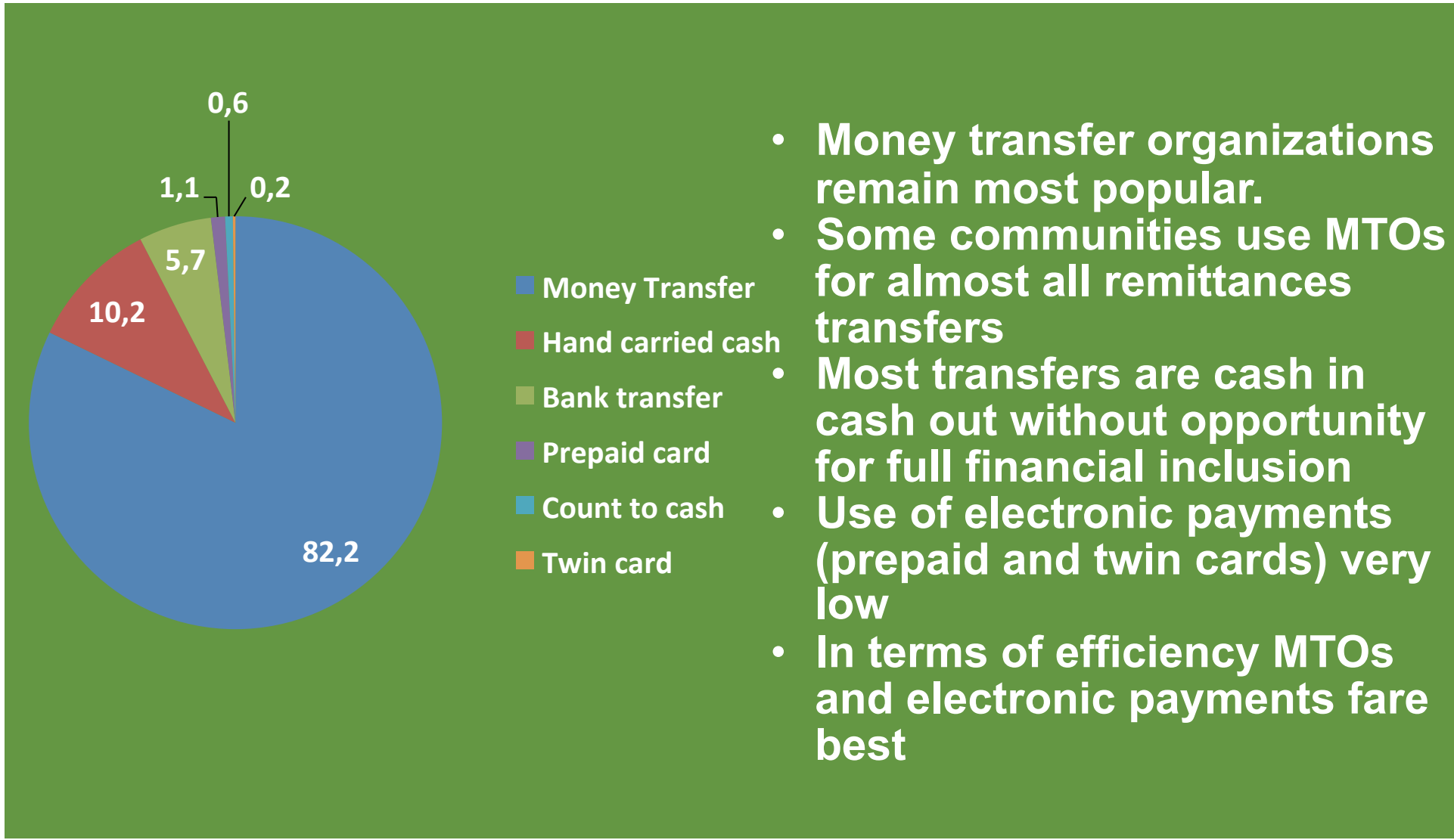
Financial inclusion in migrant communities lower than the Italian average

Account ownership

% having Bank or Post accounts



Channels Used by Migrant Communities



- Money transfer organizations remain most popular.
- Some communities use MTOs for almost all remittances transfers
- Most transfers are cash in cash out without opportunity for full financial inclusion
- Use of electronic payments (prepaid and twin cards) very low
- In terms of efficiency MTOs and electronic payments fare best

Source: Project Greenback Report, World Bank 2014

The Value of Electronic Payments to You

Value to the Society

An increase in the use of electronic payments at a national level can contribute to:

- Government efficiency
- Higher rates of personal consumption expenditures (PCE)
- More production and employment leading to higher economic growth
- Higher rates of financial inclusion
- Lower cost of handling cash and paper based payments
- Reduction in grey economy
- Higher potential tax revenues

The value of electronic payments to consumers like you

At a general level, electronic payment products benefit consumers in following ways:

- Convenience and reliability
- Safety and security
- Budgeting and control
- Consumer choice and opportunity to participate in global economy
- Access to technological innovations

Which are also the same when you are sending or receiving money

SENDERs select services based on

Payment security

Cost to send

Transfer speed

Convenience in sending payment

Convenience for receiver to accept payment

RECEIVERS select services based on

Payment security

Transfer speed

Cost for sender

Convenience to accept payment

Ease of “cash out”

Convenience and Reliability

MASTER
YOUR CARD


A public education campaign brought to you by 

- Easy access funds to pay for goods and services
- Can be used to buy virtually anything — from everyday to large ticket items
- You do not have to locate a ATM before making purchases
- Get peace of mind about having enough money to make critical and timely purchases
- Use cards for Internet purchases whenever and wherever you want



Safety and Security

MASTER
YOUR CARD

A public education campaign brought to you by 

- **Privacy controls** ensure your essential information only goes to those who need to know.
- **Physical theft** – robbery, mugging and purse snatching is a lower risk when you aren't carrying cash.
- **Your funds are protected** even when a card is stolen, lost or misused.
- **Fraud protection** – when a business delivers bad goods or services.
- **Crime prevention** – active prevention of risky transactions outside your normal pattern.



Budgeting and Control

MASTER
YOUR CARD

A public education campaign brought to you by 

Better record keeping: You receive convenient, detailed statements of payment activity which allow you to review transactions, manage expenses and retain transaction records

Financial tools: Using a variety of financial tools, you can set automatic spending limits to help you manage your money in the fastest and most affordable ways, avoiding fees and charges



Choice and Opportunity

MASTER
YOUR CARD

A public education campaign brought to you by 

Get the full opportunity to make most from your hard-earned money:

Access – you get global access to electronic payment networks almost anywhere in the world

Flexibility – credit cards enable access to lines of credit which can be used again without have the need to apply for credit again

Equality – access to electronic payments puts everyone on equal footing in terms of services and the competition for your Euro



Access to Innovative Technology

You have access to **numerous advancements and improvements in payment technologies** including:

- Credit, debit and prepaid cards
- Electronic, chip and “tap and go” cards, such as PayPass™
- Mobile and electronic wallets
- Affinity, co-brand and rewards cards

Product innovation is making payments better, faster, easier and more secure, matching ever-changing lifestyles and meeting the needs of today’s European consumers



Choosing the Right Product



How can you send money home?

Sender

- Cash
- On-line
- Mobile
- Card (credit, debit, prepaid)
- Bank transfers
- Vouchers
- Groceries (Food)
- Bitcoin (?)
- Other

Receiver

- Cash
- Digital wallet (mobile phone)
- Bank account
- Card account

Cash has many disadvantages

- Risk of theft to both senders and receivers
- Time, cost, and inconvenience to send and collect it
- Receiving location may have run out of cash
- Perpetuates financial exclusion
 - Missed opportunity to build up a financial history
- Cash is expensive for agents to handle
 - Insurance, theft, collection, banking charges
 - Costs passed on to you in higher fees
- Regulators distrust cash



Cash is being increasingly replaced by Electronic Payments

Prepaid Cards for Remittances

- **Two cards, one account (Twin cards), or a single card**
- **Sender tops up card account in Italy, receiver spends money in receiving market**
- **Use it like a regular debit card in shops, on-line, or at an ATM**

Send money on-line

- **Sender sends money through an on-line service**
- **Will need to fund (pay) for the transaction using either a card or a bank account**
- **Receiver has the same receiving options as they would with a cash transaction**

Mobile Wallets

- Money is received into a mobile wallet (sometimes called a digital wallet).
- Relatively new service offered by some mobile telecom operators.
- Strong in specific regions, particularly Africa and Asia-Pacific.
- Receiver has a balance in an account. They can buy goods using this account, or take out cash from agents.
- Examples include M-Pesa (Kenya, Tanzania etc), Globe and Smart (The Philippines), Maroc Telecom's Mobi Cash (Morocco)

Simple Ways to Protect Yourself and Your Money

Using electronic payments is one of the safest and most secure ways to purchase goods and services

Major electronic payment networks, are focused on protecting your money and identity

The face of fraud

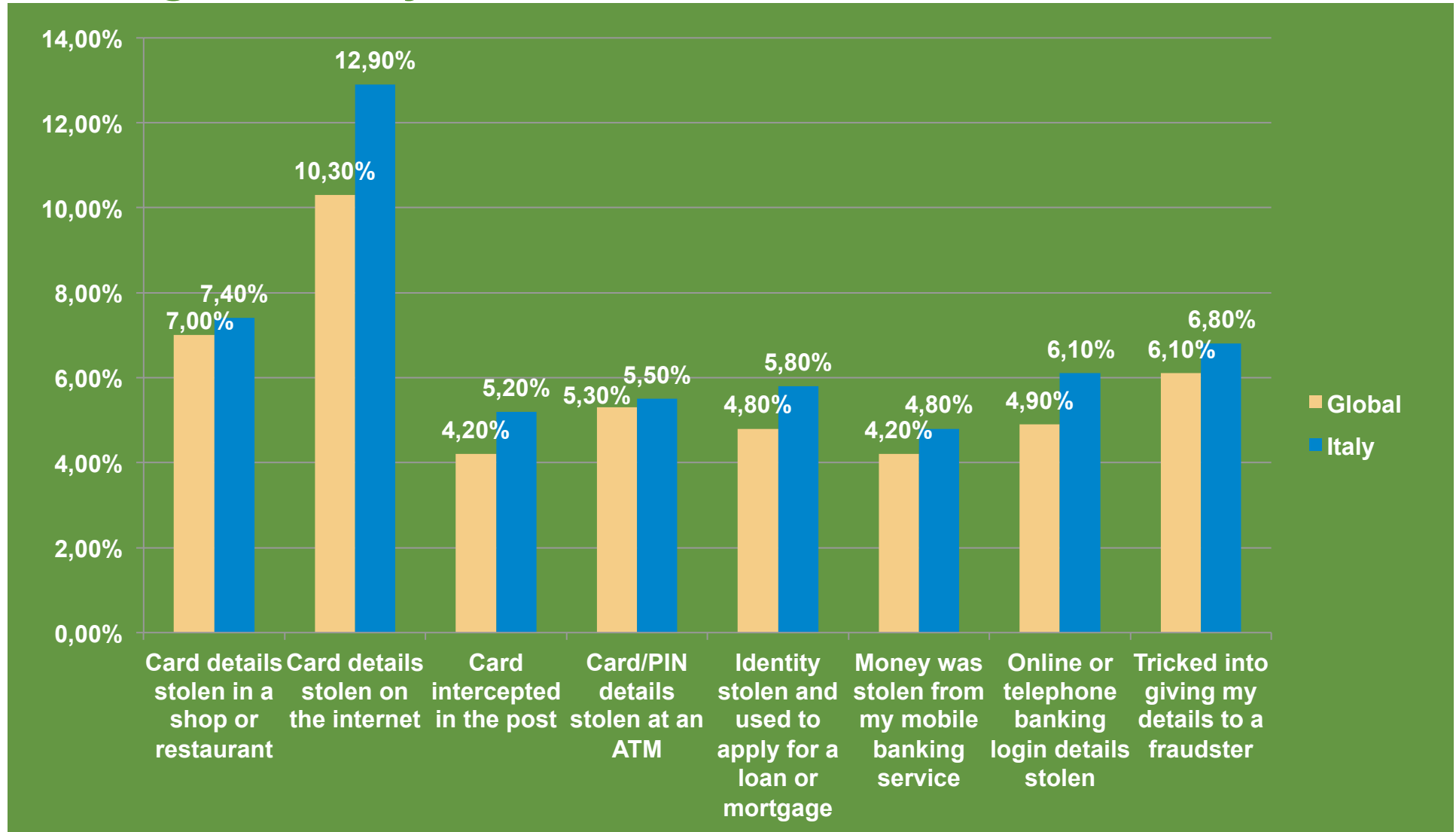
As technology advances and becomes more secure, attempts at identity theft have taken new forms

Your face doesn't have to be among the victims; you can protect yourself

Types of fraud

- Altered/Counterfeit
- Lost/Stolen
- Card Not Present
- Account Number Generation
- Skimming
- Phishing
- Identity Theft
- Account Takeover

Compared to Global Averages Fraud Levels Are higher in Italy



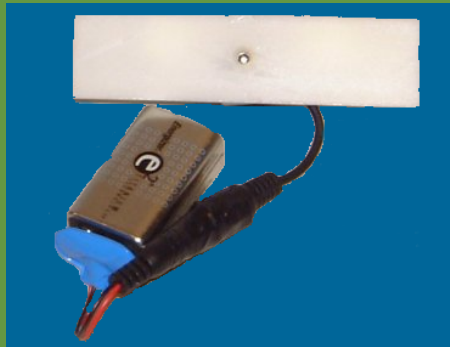
Source: Datamonitor 2014

Thieves use small electronic devices to swipe and store hundreds of credit card numbers

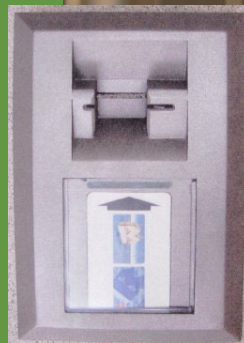
Skimming



ATM Skimming



Pin Hole Camera



Skimming Device

Master your card & stop fraud

Electronic payment technology has changed that through:

- Industry level initiatives
- Stakeholder support
- Developing cutting edge fraud management solutions
- Enterprise-wide information security

Technology Innovation

Chip Technology

- Payment cards containing chips are more powerful than traditional magnetic stripe cards because they contain tiny computers that make transactions safer.
- Reduces the incidence of fraud by making cards more difficult to counterfeit.

Protect yourself

MASTER
YOUR CARD

A public education campaign brought to you by 



Do

- Keep a record of your account numbers, expiration dates and the contact information of each card company in a secure place.
- Report any questionable charges promptly and in writing to the card issuer.
- Save receipts to compare with billing statements.
- Sign your cards as soon as they arrive.
- Notify card companies in advance of a change in address or travel abroad.

Protect yourself

MASTER
YOUR CARD

A public education campaign brought to you by 



Don't

- Respond to emails or phone calls that solicit your personal or payment card information.
- Volunteer details or fill in the blanks (name, relationship, financial or personal information) if someone calls asking for help from family or friends.
- Sign a blank receipt. When you sign a receipt, draw a line through any blank spaces above the total.
- Lend your cards to anyone or leave cards or receipts lying around.
- Write your account number on a postcard or the outside of an envelope.

MASTER YOUR CARD

A public education campaign brought to you by  MasterCard.