

Euro Retail Payments Board (ERPB)

Report and Recommendations from the ERPB Working Group on Person-to-Person Mobile Payments

ERPB Meeting 29 June 2015

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1. Executive summary and recommendations

From February until May 2015, the Euro Retail Payments Board (ERPB) Working Group (WG) on Person-to-Person (P2P) mobile payments convened on a monthly basis to analyse the high-level requirements and prepare recommendations for the development of integrated pan-European P2P mobile payments solutions.

A survey was developed to establish a clear overview of existing (or planned) national solutions and to identify any barriers that may prevent the development of pan-European P2P mobile payment solutions and how to mitigate them. In general, solutions reported are limited to a domestic, local or even intra-bank level. The main barriers provided that may prevent the development of pan-European solutions were categorised into four groups relating to: (1) business case, including – among others – no evidence of sufficient demand for cross-border mobile payments and that the increased transaction numbers might be generated if the scope is increased to include P2M payments; (2) fragmentation amongst existing services; (3) data protection and security concerns and (4) differing regulatory requirements falling on interested parties. The summary of the survey can be found in points 2.1 – 2.3 of the report.

The vision of the WG was to achieve a convenient way to allow any person to initiate a pan-European P2P mobile payment safely and securely, using a simple method with information the counterparty is prepared to share in order to make a payment.

The WG agreed on a number of aspirational high level principles for possible pan-European P2P mobile payments solutions. In particular, Payment Service Providers (PSPs) offering this service should re-utilise existing infrastructure as far as possible (i.e. SEPA¹ payments and IBAN²). Moreover, a harmonised way should be found/ensured to allow P2P mobile payment data (i.e. proxy + IBAN) to be exchanged between local services on a cross-border level. An example of how a standardised proxy lookup (SPL) service could operate is described in Section 6 of the report.

The WG suggests the following recommendations for consideration by the ERPB at its 29 June 2015 meeting:

#	Issue/rationale	Recommendation	Addressee
1	There is a fragmentation amongst existing P2P mobile payment services that operate at a domestic, local or even intra-bank level. The existence of 50 local solutions represents a foundation to build	Consensus and cooperation between the existing local solutions should be developed by organising a forum of existing EU P2P mobile	Forum of existing P2P service providers – “Forum”

¹ Single Euro Payments Area

² International Bank Account Number

	<p>upon, rather than compete with. Any new solution should seek to work with these solutions, rather than create a new competitive alternative.</p>	<p>payment solutions to work on pan-European interoperability. In particular, the forum should come together to develop a set of rules and standards (framework) related to joining and use of pan-European mobile payment services. In addition a governance structure (responsible for – among others – defining, publishing and maintaining the framework) needs to be set up.</p>	
2	<p>For interoperability it is necessary to ensure a harmonised way to allow P2P mobile payment data (i.e. proxy + IBAN) to be exchanged between P2P solutions to enable users to potentially reach any other users of P2P mobile payment solutions in Europe.</p>	<p>To put in place a SPL service which allows P2P mobile payment data (i.e. proxy + IBAN) to be exchanged among P2P mobile payment solutions on a pan-European level. The SPL service is outlined in the WG report.</p>	<p>“Forum”</p>
3	<p>Different technical options for how the SPL service is supplied can enable different commercial models. A decision on the preferred technical solution needs to be made by the industry experts, since this may have a significant impact on how the service could be funded or charged for. Uncertainty may present a barrier for local solutions to get involved.</p>	<p>A full commercial review of the alternative methods of appointing one or more-than-one supplier of the SPL service be conducted.</p>	<p>“Forum”</p>
4	<p>The impact of current and near-future data protection regulation on the proposals could have a significant impact on how the proposed SPL service</p>	<p>A full legal review should be undertaken.</p>	<p>“Forum”</p>

operates.		
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The ERPB is invited to:

- Discuss the vision as well as the identified issues and recommendations on pan-European P2P mobile payments outlined in the report,
- Agree on and endorse the vision as well as the recommendations and addressees summarised in the table above.

2. Background

In its meeting held on 1 December 2014 the ERPB agreed on setting up a WG on person-to-person (P2P) mobile payments with the expectation that recommendations would be reported back to the ERPB by the end of June 2015.

The WG activities were based on the mandate (see Annex IV) which was defined by the ERPB and provided to the WG mid-December 2014. The WG met on a monthly basis from February 2015 until May 2015 (see Annex III for list of participants).

The WG noted that technology developments in the device and app space are blurring the delineation between “web” and “mobile” banking experiences. Consequently the WG agreed that P2P mobile payments are intended as payments:

- Between two individuals.
- Which are initiated, confirmed and/or received via a mobile device and for which the payment instruction and other payment data are transmitted and/or confirmed with a mobile device.
- For which the payee’s payment account is identified by a proxy (a distinctive mobile payments identifier such as mobile phone number or email address).

Due to the apparent limited demand for pan-European P2P mobile payments it was concluded that the business case could only be determined when the Person-to-Merchant (P2M) level would be contemplated. Nevertheless, it should be noted that P2P mobile payment solutions are expected to target merchants as the natural next step which would increase further the business case for such solutions. However, given the mandated and strict time constraint within which the WG had to operate this report only focuses on the P2P space.

Furthermore, it was acknowledged that P2P mobile payments would benefit from the availability of Instant Payments. However, as several entities such as the European Central Bank (ECB), the Berlin Group³ and the European Payments Council (EPC) are currently working on the underlying topic of Instant Payments, the WG agreed to use their output, rather than duplicate their effort.

³ www.berlin-group.org

2.1. Survey on P2P mobile payment solutions and issues or barriers preventing the development of pan-European solutions

A survey (see Annex I) was developed in preparation of the first⁴ meeting of the WG with the aim to establish a clear overview of i) existing or planned P2P mobile payment solutions and ii) issues or barriers that may prevent the development of pan-European solutions.

The input received from both the demand and supply side represented 22 countries⁵. The number of responses from the demand side was rather limited. This was explained by the fact that in general P2P mobile payment solutions are a fairly new experience for most consumers and hence the knowledge of these solutions is still relatively limited.

2.2. Existing or planned P2P mobile payment solutions

Descriptions of 50 P2P mobile solutions had been provided through the survey. These solutions are listed in the below table:

Country	P2P Mobile Payment Solutions
Austria	Paybox (premium)
Belgium	Bancontact/MisterCash Mobile; Sixdots Mobile Wallet; KeyKash; Easy Transfer; Scashen
Bulgaria	Mobb
Denmark	MobilePay; Swipp
Estonia	Mobile Payment
Finland	MobilePay; Elisa Wallet
France	S-Money
Germany	Yapital; Fidor Pay; Cringle; Payfriendz
Greece	Winbank Instant Cash
Ireland	Pay to Mobile; Me2U; Mobile Money; Pay Your Contacts; Realex Fire
Italy	Jiffy; ZAC; Vodafone Wallet; TIM Wallet; ATM Milano NFC; Poste Mobile; You Pass BNL
Latvia	Mobilly
Luxemburg	DIGICASH Peer2Peer
Malta	BOV Mobile
Poland	Blik
Portugal	Caixa plim; MB Way; MEO Wallet; SEQR
Slovakia	VIAMO; MOP Mobile Payments
Spain	Wizzo; Cashually; Ealia; TRANSFI; Yaap Money
Sweden	Swish

⁴ This meeting took place on 11 February 2015.

⁵ List of countries: Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg, Malta, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, The Netherlands, UK.

The Netherlands	Searchle; Vodafone SmartPass
United Kingdom	Paym; Visa Personal Payments
EU wide	PayPal

Table 1: Overview of existing or planned P2P mobile payment solutions (based on survey input)

The majority of the countries included in the survey have introduced at least one or even several P2P mobile payment solutions of which most have been launched in the last two to three years. Usually these solutions are limited to a domestic, local or even intra-bank level, the average transaction value is typically less than 100€, and the number of transactions is relatively low compared to the traditionally initiated P2P payments (i.e. over the counter or via online banking). Furthermore, usage differs from country to country. A mobile number is generally used as a proxy for the customer's payment account number and a range of different payment services are used. Several solutions mentioned can also be used in a P2M context.

Other survey findings include:

- The currency is usually the country's currency.
- Some national solutions are stated to be ready for SEPA-wide usage.
- A wide range of clearing and settlement infrastructures are used (e.g. bank internal, standard or special purpose infrastructures at a national level).
- Involvement with Mobile Network Operators (MNOs) seems rather limited.
- SEPA Credit Transfers (SCTs), SEPA Direct Debits (SDDs) - based on ISO 20022 Extensible Markup Language (XML) - and cards related standards (e.g. VISA Scheme) are most referenced. Quick Response (QR) codes are also mentioned.
- In most cases the user has to first register him/herself for the service (e.g. one-off action via home banking) then needs to log-in to the mobile app via password (PIN code; account credentials, etc.).
- The majority of national solutions provide, or hope to provide, Instant or Faster Payments solutions.

2.3. Barriers that may prevent the development of pan-European solutions

Survey respondents were invited to provide up to five issues or barriers (in descending order of importance) that potentially could prevent the development of pan-European P2P mobile payment solutions. The main barriers provided can be found in Annex I, and the consolidation of the main barrier groups is presented in Table 2 below:

Issue	Detail
Business case	No evidence of demand for cross border P2P mobile payments. To be attractive to PSPs, any solution should seek to minimise costs as far as possible. Increased transaction numbers might be generated if the scope is increased to include P2M payments.
Data protection/ Data security	Customer consent would be required to provide pan-European proxy based service. Partners in the service would need assurance of the data security and protection measures put in place by other partners using their data.
Fragmentation amongst existing services	Consensus and motivation would need to exist to create interoperability between existing services.
Differing regulatory requirements falling on interested parties	Know your customer (KYC) and anti-money laundering (AML) regulations differ from one country to another and from one type of PSP to another.

Table 2: Consolidation of the main barrier groups

3. The vision

The aim of the WG is for any person to be able to initiate a pan-European P2P mobile payment as simply as possible, with information the counterparty is prepared to share in order to make a payment safely and securely and with focus on:

- Simple and secure user experience.
- Pan-European reach.
- Payment from payment account 'a' to payment account 'b'.

Subsequent requirements for the vision to be achieved include:

- Relying upon existing payment schemes and technical solutions deployed in the market.
- Being open to any organisation who meets the qualifying criteria.
- Giving paramount importance to the security of consumer data.

The recommended vision, whilst initially aimed at euro P2P mobile payments, should be open enough to support future development in other areas, e.g. P2M.

4. The main conditions for the realisation of the vision

The main conditions include:

- There needs to be an underlying pan-European payment method (e.g. SEPA Credit Transfer).
- Existing payment infrastructure should be re-used (i.e., SEPA, IBAN).
- Party 'a' can address party 'b' in a way that can easily be understood:
 - Based on IBAN + proxy.
 - The proxy, which should have wide EU coverage, could for example be a mobile telephone number or an e-mail address.
- Harmonised interoperability between several local proxy-IBAN databases (as opposed to having one monolithic database) i.e. local services should be open to interoperability and a harmonised way should be found to allow proxy + IBAN data to be exchanged between local services on a cross-border level.
- In order to avoid the inefficiencies inherent to multiple bilateral connections, a SPL service should be developed. An example of how a SPL service could operate is described in Section 6.
- Potential data protection issues around sharing of customer information with other organisations via the SPL need to be identified and tackled.

4.1. Main conditions that need to be addressed in the cooperative space

The main cooperative space conditions have been structured in the following domain sections:

4.1.1. Governance

Define, publish and maintain a set of rules and standards relating to the joining and use of the SPL service to be agreed by a board made up of or appointed by PSPs committed to offer the service. Among other aspects:

- Objective entry criteria for participants wanting to join the SPL service, i.e. holds a European PSP license.
- The hierarchy that the SPL service uses to poll local solutions will need to be determined.
- Cost attribution for providing access and usage of local/participant databases (e.g. agreement on share principle, each provider covers their own costs).

4.1.2. Privacy, security and data protection

- Compliance to privacy, security and data protection in line with the European and national legal obligations.
- Explicit consent of the user must be required to share personal information. The method to do this should be compliant with local standards where the information is being collected.
- Participants should put measures in place to detect and prevent data harvesting.
- The intent of a lookup is to make a payment.
- Security of other participant's data whilst it is in transit through the SPL service.

4.1.3. Operational

- Marking the payment as a P2P mobile payment by the payer's PSP (a requirement to allow the payee's PSP to recognise the transaction as a P2P mobile payment and notify the payee accordingly).
- Selecting a proxy or proxies which provide the widest coverage of EU citizens.
- The registering PSP would respond to a lookup request with a single IBAN, i.e. not rely on the sender to determine which account to send money to.
- Markets with multiple local solutions will need to resolve the order in which they are polled by the SPL service.
- The user experience of making a payment should not be adversely affected by the response time from the SPL service.
- Underlying payment method will be a SEPA payment instrument.
- Before a proxy can be shared through the SPL service, the registering PSP must verify that it is in the possession of the account holder, or otherwise authorised by the possessor to link it to the destination account.

4.2. Competitive space attention points

Competitive aspects would include, inter alia:

- Individual user experience.
- End-user charging.
- Decision as to whether the payee's PSP notifies the payee when the payment has been received (optional). For clarity it is assumed that the payer's PSP will confirm a payment is being initiated as part of the customer flow when making a payment
- Availability of the funds (i.e. timing), although the WG agreed that Instant Payments should be used where and when available.
- Disclosure of name/phone number/IBAN following an enquiry to the SPL: PSPs should only share via the SPL any information that they are prepared to disclose to end-users. However, the PSP receiving information as a result from a SPL enquiry is under no obligation to disclose all of that information to their customers.
- Transaction amount limits.
- Although in principle the focus is on P2P payments, the decision on who to offer the service to should be left up to each PSP (i.e. PSPs would be free to allow organisations including merchants, clubs, charities etc. to register proxies).
- Mobile Banking (app) security and authentication mechanisms.

5. Concrete actions to be taken for the essential conditions in the cooperative space to materialise

The main actions to be taken in order to ensure the interoperability of the different IBAN-proxy databases are the following:

- Set up or appoint a collaborative cross-industry forum, made up of existing mobile P2P service providers to define the governance of the SPL service. This forum would be expected to undertake the remainder of the actions in this section.
- Define rules, SPL service function specifications and the governance with regard to the conclusions of the ERPB WG.
- Conduct a commercial options review to determine the optimum strategy for procuring the SPL service from one or more technology solution providers.
- Generate consensus and support from the existing local solutions to integrate the SPL service application programming interface (API), as well as on the proxy/proxies to be used.
- Define a hierarchy in relation to the order the SPL service polls the local solutions⁶.
- Identify or generate a SEPA purpose code suitable for identifying P2P mobile payments.
- Develop and put in place incentives for potential end-users aiming to encourage them to join the service (e.g. by sending information to the potential payee that there is a need to subscribe to the service in order to receive a payment initiated by other user).
- Carry-out a legal review on the liability of involved parties in relation to data breach and investigate any potential competition law issues, and compliance with existing payment rules and regulations.

6. Example Standardised Proxy Lookup (SPL) service in detail

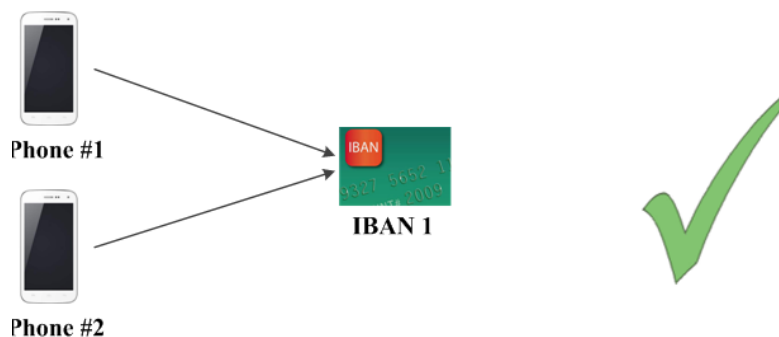
A SPL service based on IBAN assumes that all participants are prepared to share IBANs in order to route a payment. For this example, the mobile phone number is used as a proxy especially given its universal coverage potential. It should be reiterated that other proxies (e.g. email address) can be used as well.

6.1. Local approach

The typical paradigm in the mobile P2P space is that a user invokes an app on a smartphone where the amount to be transferred is entered and the intended recipient from a phone contact list is selected (yielding the recipient's mobile phone number). "Behind the scenes" this mobile number is translated into a destination bank account (i.e. IBAN). This mapping (between mobile phone and bank account) is typically performed by a database service held locally in the community.

⁶ Moreover, local markets with multiple solutions will need to decide the order in which they are polled.

In most local P2P mobile payments solutions, several mobile phone numbers can be linked to one IBAN as depicted in the below figure:



However, one mobile telephone number can usually not be linked to more than one IBAN:

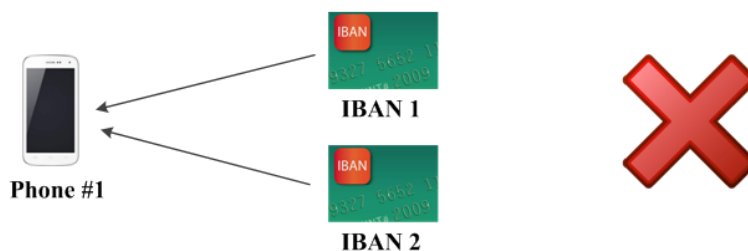


Figure 1: Local Approach

In solutions where multiple IBANs can be linked to a single proxy, the sender or sender's bank will be required to choose which IBAN to direct the payment towards. Where a single account can be linked to a proxy, the decision on where payments should be received to is made by the proxy owner.

6.2. Pan-European approach

There are three principal methods to achieve pan-European reach of a SPL service:

- a) The individual local databases are replicated into a centralised database which then holds all the records from all the systems. Whilst this would achieve the objective of the vision, it has a number of disadvantages:
 - Customers would only be able to register one proxy/bank account combination across the whole of Europe. For consumers who have multiple bank accounts across different countries, this would be inconvenient.

- The central database would be very attractive as a source of confidential data for hackers and criminals.
 - The costs of operating and supporting a central database would be significantly higher than distributed solutions
 - Markets which have multiple solutions in place would need to achieve consensus as to which solution was allowed to populate its data to the central database first.
 - It would represent a single point of failure, have poor scalability, etc.
- b) Local solutions could connect to other local solutions directly to resolve a proxy query. This would require each service to connect to many others, which would be excessively complex and costly.
- c) Local solutions connected indirectly to each other, via a SPL service. The advantages of bringing together the existing solutions under a common umbrella include:
- Leverage existing P2P mobile payment solutions in Europe. This means re-using previous investments, infrastructures, contracts, user devices, applications, habits/training, branding, marketing/communication etc.
 - Local solutions can connect to all others in the SPL via a single connection, both in and out.
 - Robust (failure of a single database does not compromise whole system).
 - Scalable (further communities can be added as the usage grows).

This idea is the preferred solution and is expanded upon below.

The preferred solution would have a mobile phone number used as a proxy for an IBAN. Local solutions would hold a registration for the customer containing

- Proxy (mobile phone number).
- IBAN.
- And optionally, name.

When a query is routed to a local solution, if the proxy is matched then the IBAN is returned. Depending on local rules or policy, the registered name may also be returned if the registering party has collected consent to use the personal data in this way. If there is any doubt, the name should not be returned.

Potentially, any sender should be able to submit any telephone number in Europe and get back a registered bank account in any community.

A SPL service could be envisaged with the following lookup hierarchy:

1. Lookup on a local level (i.e. country of the payer's account).

2. Lookup in country of origin of proxy (e.g. a German database for a phone number with country code +49).
3. Poll other countries in some order.⁷

In figure 2, an example is provided of how a SPL service based on an IBAN and telephone number could potentially work.

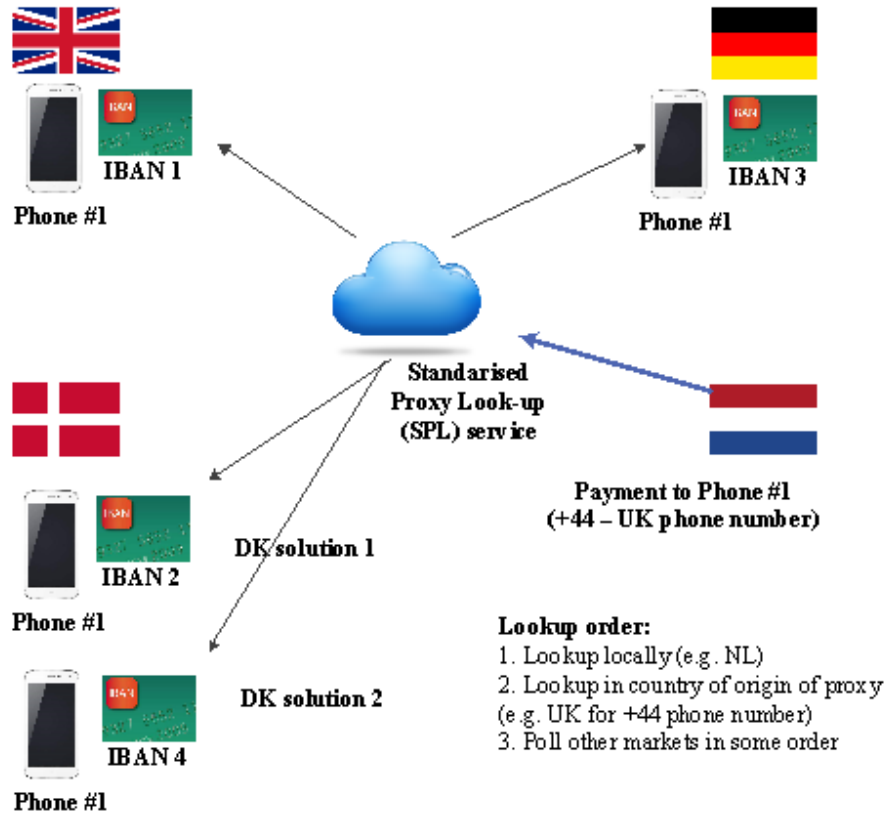


Figure 2: Standardised Proxy Lookup (SPL) service

If a resident from the Netherlands enters a UK phone number (of the payee) in a P2P mobile payment app first the local (i.e. NL) database will be queried. If a link is found to an NL payment account, the payment can then be executed to that account. If not, a subsequent lookup will be initiated in the country of origin of the proxy which in this example would be the UK (i.e. country code +44). If the aforementioned lookups do not yield any results then the SPL service can continue polling other databases until it either finds a registration, or can conclude that none exists. The order in which the other databases are polled is an area for discussion.

⁷ The polling hierarchy should be defined by the governance body of the standard proxy lookup service.

Some countries such as Denmark have several solutions and hence several local databases would need to be queried by the SPL service. The order by which these databases would need to be polled should be decided on a local level (i.e. in this case by the Danish community).

A phone number can only exist once in any single proxy database and hence there is no risk for anyone else registering the same number twice on the same service, however as shown in the diagram, the same phone number can exist in multiple local databases, but the methodology listed above would ensure that payments are routed locally first.

Annex I - Main barriers identified in the survey

Main Barriers (input from survey)	
1	Absence of sufficient demand for cross-border pan-European P2P mobile payment solutions especially in view of the close proximity context of P2P mobile payments (business case?).
2	Lack of interoperability among wide variety of diverse solutions (market fragmentation).
3	Lack of pan-European instant real-time payment infrastructure.
4	Limited profitability versus substantial investments (taking into account that the market is 'two-sided' (payers/payees)).
5	Ensuring appropriate security measures for risk mitigation and fraud prevention/detection.
6	Absence of trusted central mobile number lookup database (validated linkage to IBANs).
7	Currently many P2P solutions are based on traditional payment systems which are not properly adapted to the mobile environment
8	The market is still in its initiation phase and as such organic growth (geographically; customer segments ;...) should be allowed.
9	Absence of European consensus on P2P mobile payments.
10	Trust in pan-European solution: ensuring data security across multiple jurisdictions, whilst retaining a model that remains readily accessible.
11	Lack of standards (e.g. solution services interfaces; customer registration...).
12	Lack of legal, technical, commercial, operational, security harmonisation.
13	Increased AML and data sharing complexity in cross-border context.
14	Consumers are sceptical of 'Big Data' (e.g. willingness to share mobile number on a wider scale?).
15	No level playing field as PSPs (compared to other suppliers) are required to comply with many stringent Regulations

16	Lack of a pan-European common method for determining the accuracy of IBAN for any given country.
17	The diversity of hardware and software solutions in the market.
18	P2P solutions need to be coordinated with P2M and other type of mobile solutions (broader picture).
19	Complexity of many existing P2P solutions.
20	The development, roll-out and launch of new solutions are typically determined by the ability of all participants to be ready i.e. moving at the pace of the slowest.

Annex II - Survey on existing and planned P2P mobile payment solutions as well as on issues and barriers for the development of pan-European solutions

1. INTRODUCTION

This survey is being developed in preparation of the first Euro Retail Payments Board (ERPB) Working Group meeting on Person-to-Person (P2P) Mobile Payments which will be held on 11 February 2015 at the EPC premises in Brussels.

The aim of this survey is to get a better overview of:

- A. Existing or planned P2P mobile payment solutions.
- B. Issues or barriers that may prevent the development of pan-European solutions.

Submitters are encouraged to provide as much information as possible. If needed, section A can be copied should multiple P2P mobile payment solutions be available and/or planned in one single country.

2. SURVEY

Country:		Name Submitter:	
Organisation:			

A. P2P Mobile Payment Solutions

What P2P mobile payment solutions are currently being offered in your country or are scheduled to be offered in the near future?

Name of solution:	
Short description of solution:	
Operational status and launch date:	
Geographic coverage:	

Scope (P2P, P2M, ...):	
Currency:	
Volumes (last month for which data is available):	
Partners involved (e.g. payments service providers, mobile network operators, ...):	
Infrastructure(s) used (e.g. bank infrastructure, clearing and settlement systems, card infrastructure, ...):	
Source account (e.g. payment account, e-wallet, prepaid credit card, ...)	
Standards used:	
Payment instrument(s) used:	
Payer/payee identification and authentication methods:	
Instant or faster payment? (if yes, please describe process)	
Additional remarks:	

B. Issues/Barriers

What do you consider to be the most important issues and barriers for the development of pan-European P2P Mobile Payment solutions? (Note: please rank issues/barriers in descending order of importance)

Issue/Barrier 1:	
Possible Solution for Issue/Barrier 1:	
Issue/Barrier 2:	
Possible Solution for Issue/Barrier 2:	
Issue/Barrier 3:	
Possible Solution for Issue/Barrier 3:	
Issue/Barrier 4:	
Possible Solution for Issue/Barrier 4:	
Issue/Barrier 5:	
Possible Solution for Issue/Barrier 5:	

Annex III - List of ERPB working group participants

Nominating institution	Category	Name of nominee	Name of alternate nominee
BEUC	co-chair	Mr Farid Aliyev	
EPC	co-chair	Mr John Maynard	
ESBG	member	Ms Beatriz Kissler	Ms Jasminka Kovarik
EPC	member	Mr Kasper Sylvest Olsen	
Ecommerce Europe	member	Mr Paul Alfing	
EPIF	member	Mr Robert Cowling	
EACB	member	Mr Michael Salmony	
EMA	member	Mr Thaer Sabri	
EBF	member	Mr André Nash	
EACT	member	Mr Massimo Battistella	
Public Administrations	member	Mr Michael Taggart	
DNB	NCB	Ms Mirjam Plooij	
Bundesbank	NCB	Ms Heike Winter	
BdE	NCB	Ms Ana Fernández	
NBB	NCB	Ms Axelle Waterkeyn	
ECB	ECB	Mr Krzysztof Maciejewski	
European Commission	observer	Mr Pierre-Yves Esclapez	
ETSI (European Telecommunications Standards Institute)	relevant external party	Ms Margot Dor	Mr Xavier Piednoir
European Payments Council	ERPB WG secretariat	Mr Christophe Godefroi	

Annex IV - Mandate ERPB WG on P2P mobile payments

Based on Article 8⁸ of the mandate of the Euro Retail Payments Board a working group is set up with the participation of relevant stakeholders to analyse the high-level requirements for the development of integrated pan-European person-to-person mobile payments solutions.

Scope: A mobile device can be used in many ways to make a payment. One includes the use of the mobile to initiate and receive a payment from consumer to consumer. Person-to-person mobile payment solutions have developed in various countries inside and outside the euro area. Many of these solutions have the potential to be used in person-to-merchant payment situations as well. Currently there seem to be no initiatives in place to provide solutions in euro at a pan-European level. The purpose of the working group would be to develop the case for pan-European person-to-person mobile payments solutions in euro (with the potential to further evolve into consumer to merchant solutions as well) and what the high-level requirements for these would be. This would include analysing national solutions and identifying any barriers that may prevent the development of pan-European solutions.

Deliverables: The working group is expected to:

- i. elaborate on a vision (the 'what' we want to achieve) for euro person-to-person mobile payments;
- ii. define the essential conditions for the realisation of the vision;
- iii. distinguish between essential conditions that need to be addressed in the competitive and in the cooperative space; and
- iv. identify concrete actions to be taken for the essential conditions in the cooperative space to materialise.

The working group is expected to prepare a report to the ERPB on its findings, including concrete recommendations.

Time horizon: The working group is expected to start working in Q4 2014 and deliver its results in May/June 2015 by reporting back to the ERPB. The group would then be dissolved.

Participants and chairmanship: Membership in the working group is open to all volunteering members of the ERPB. The working group will ideally include at least representatives of payment service providers, consumers, and e-commerce. One representative of the ERPB Secretariat and a limited number of

⁸ "For the execution of its mandate, the ERPB may establish a working group (..) for a limited period of time for dealing with specific work priorities. Several groups may operate in parallel, depending on the work priorities. A group is disbanded as soon as its mandate is fulfilled. (...) Depending on the work priority at hand, the group(s) may be asked by the ERPB to draft or make recommendations on business practices, business requirements for standards, standards or implementation specifications or to address specific issues"
<http://www.ecb.europa.eu/paym/retpaym/shared/pdf/ERPBMandate.pdf>

representatives of euro area NCBs will be invited to join the working group as active participants. The working group could also involve relevant third parties (e.g. mobile payment solution providers) as active participant in order to make use of specific expertise if needed. A representative of the EU Commission will be invited as observer. The working group is to be co-chaired by the EPC (supply side) and BEUC (demand side). The final composition of the working group will be submitted to the ERPB for endorsement.

Rules of procedure: The mandate of the ERPB defines a broad set of rules for the procedures of its working groups. The working group takes positions on a $\frac{3}{4}$ majority basis. Upon request, dissenting members (if any) may have their opinions annexed to the final document(s) prepared by the working group. The members of the group decide on how to organise their work. Costs related to the operation of the working group are met by the members of the group.