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Spain | 22-24 May 2016

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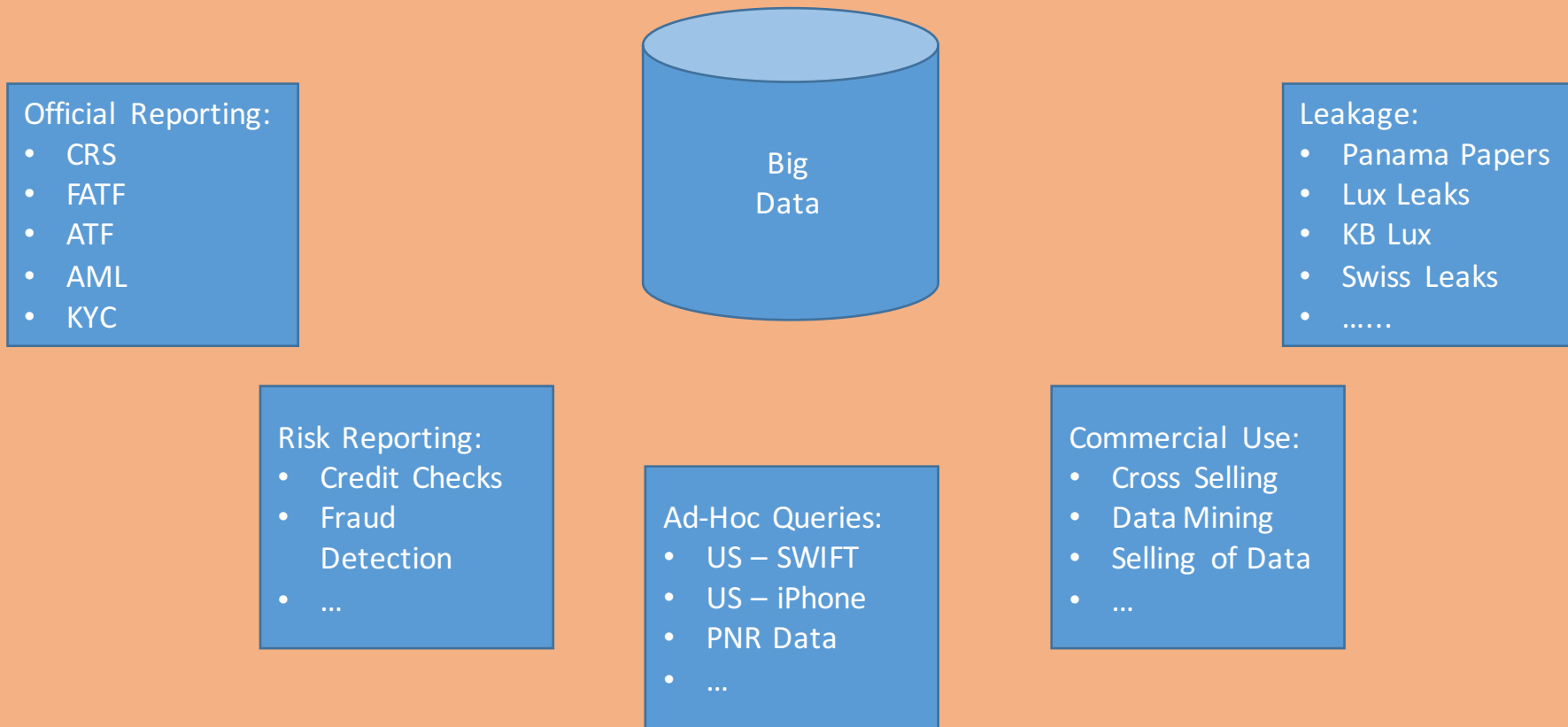
# Cashless Transactions... the Devil is in the Data Detail

**Diederik Bruggink**  
Marbella, 23 May 2016

# Overview – Payment Methods Compared

Payment Method	Example	Payment Moment	Audit Trail	Value Paid	Consequence	Consumer Benefits
Payment with Cash		Clearly Visible	If required a receipt can be issued	Exact Amount	One off	Anonymous, but can be given away when loyalty card is used
Cashless Payment		Clearly Visible but can be blurred or hidden, e.g. Uber payment, games	Both ends	Exact Amount	One off	Loyalty, deferred debit (but can lead to over-spending)
Anonymous Cashless Payment	Bitcoin, Anonymous Prepaid Card	Clearly Visible	Transaction is recorded	Exact Amount	One off	Anonymous
Payment with Data	'Free' App, 'Free' FaceBook Account	Invisible, ongoing?	Only at 'payee'	Priceless?	Indefinite data mining possibilities for 'payee'	'Free' stuff. Targeted offers?

# Use of Cashless Transactions related Data



# Sizing the Problem – the Value of Data

RECORDS BREACHED IN THE YEAR 2015  
**707,509,815**

NUMBER OF BREACH INCIDENTS  
**1,673**

NUMBER OF BREACHES WITH OVER  
1 MILLION RECORDS AFFECTED  
**46**

PERCENTAGE OF BREACHES  
WHERE NUMBER OF COMPROMISED  
RECORDS WAS UNKNOWN  
**47%**



“The targeting of **individuals’ identities** and their **personal information** exposed just how valuable this information has become to cybercriminals”

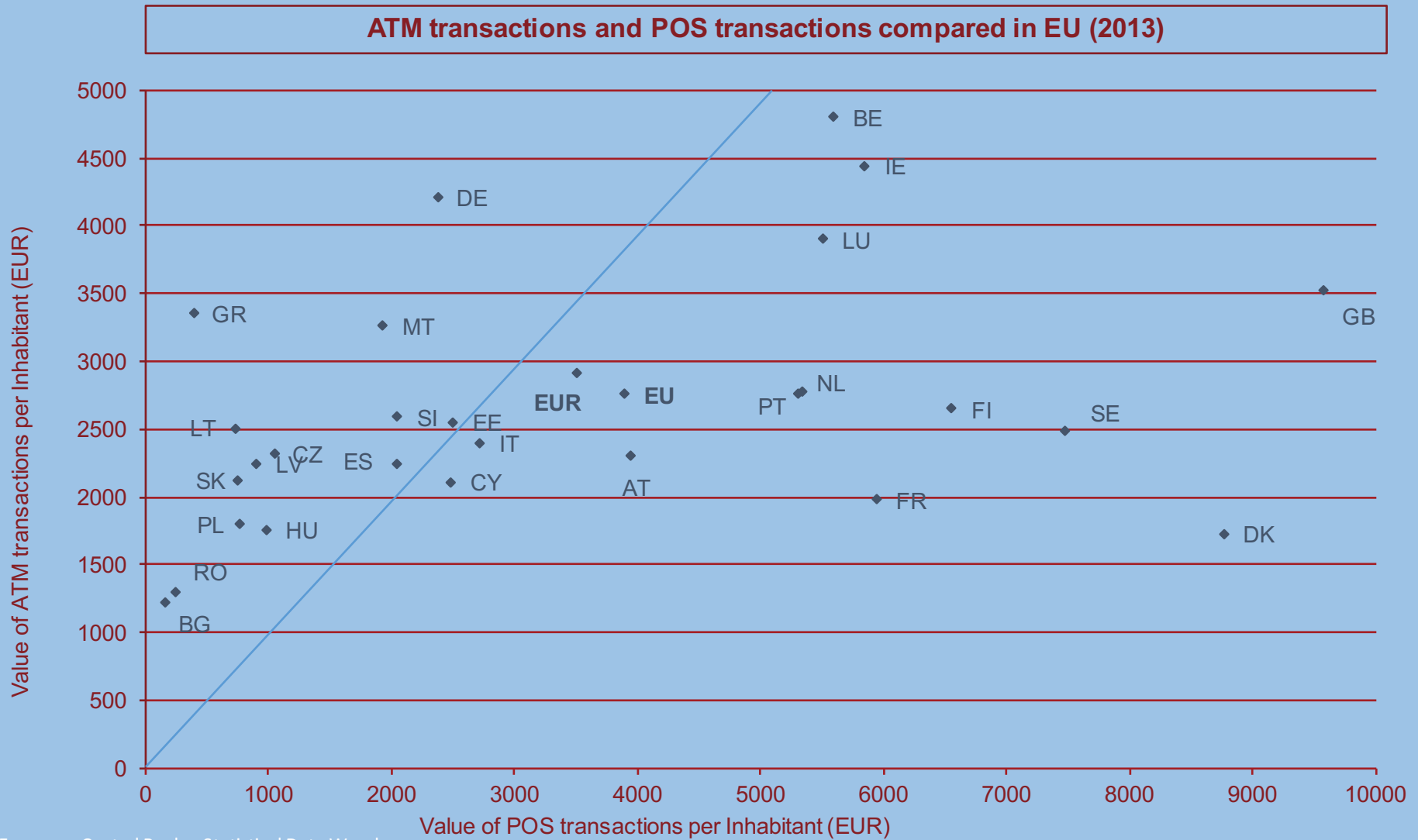
Source: Gemalto, '2015 The Year Data Breaches got Personal', Findings from the 2015 Breach Level Index

# EBA looks into financial institutions' use of consumer data

- Payment data, among other types of consumer data, is of particular interest to the EBA because consumers engage in payment transactions often, and do so each time they pay for the purchase of products and services through their payment accounts or payment cards. Unlike other, one-off types of data provided by consumers, payments data therefore provides financial institutions with a continuous insight into consumers' purchasing habits and preferences.
- Potential benefits identified by the EBA include cost reductions, improved product quality, and new sources of revenue for financial institutions, whereas the risks identified consisted of information asymmetries, the misuse of data, data security, as well as reputational risks for financial institutions.

Source: EBA European Banking Authority, 'Discussion Paper on innovative uses of consumer data by financial institutions', 4 May 2016

# What about the War on Cash?



Source: European Central Bank – Statistical Data Warehouse

# Wrap Up

- Payment revenues are under pressure
- Participants in the payments ecosystems are looking at how they can leverage payment related data.
- Consumers are happy to give away (part of) their privacy in return for a freebie.
- Cashless Payments come with Data Storage.
- Value of Data is increasing, also to others.
- Anonymous cashless payments are gaining ground.



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Thank You!

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