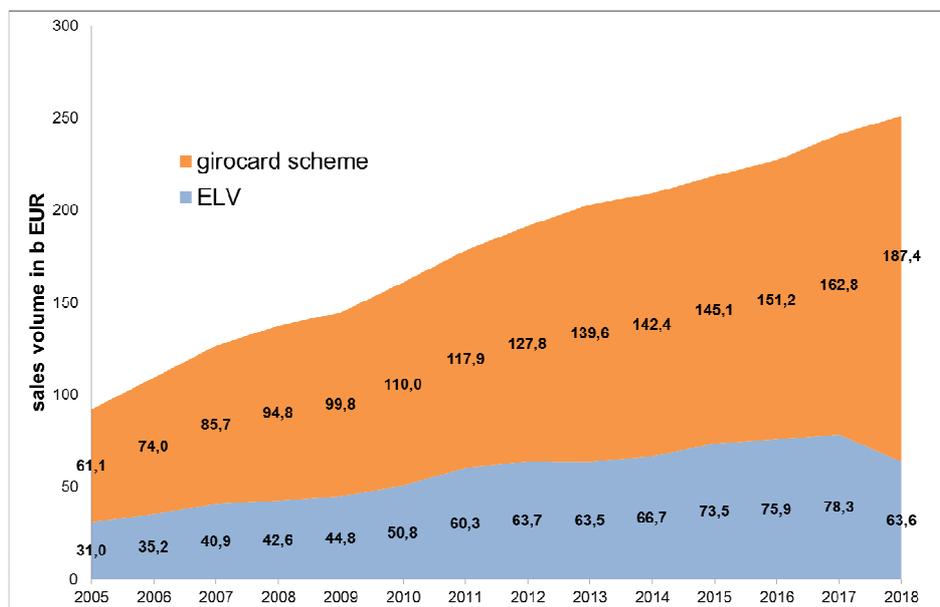


2018: Strong decline of card payments via ELV in Germany

The signature-based procedure ELV (electronic direct debit procedure initiated via girocard) fell dramatically in 2018 from 78.3 (2017) to 63.6 billion € (minus 18.8%). In the same period, the German debit card scheme “girocard” (with the German banks as scheme owner) recorded extraordinary growth of 15.1%. In 2018, merchants massively replaced ELV transactions with the girocard procedure. This abruptly stopped the decades of continuous growth of the ELV system. Only every fourth payment with the girocard is now signed (in the period 2005-2017 every third payment). This is the conclusion reached by the consultancy PaySys Consultancy GmbH in its preliminary projection of the annual card market statistics for Germany.



Card sales with girocard in Germany 2005 - 2018 (billion €)
(ELV: preliminary extrapolation)

As a result of the abolition of the uniform merchant fee (formerly 0.3%) ordered by the Cartel Office and the European Interchange Fee Regulation (IF upper limit for debit card transactions of 0.2%), the fees for the acceptance of the girocard at the POS negotiated bilaterally since November 2014 have fallen continuously. The average fee is now well below 0.2%. Compared to ELV, the girocard system has become more competitive because the costs for ELV are largely determined by the relatively stable default costs. Since then, the card market statistics show a slower growth of ELV compared to the girocard scheme. The card-issuing banks have succeeded in considerably weakening the competing ELV procedure through substitution-dependent prices. The mineral oil companies, which in recent years had deliberately opted for ELV for reasons of price tactics, have obviously given up their resistance. In this price-sensitive segment, too, the girocard system replaced the ELV to a considerable extent in 2018.

Excluding the massive shift of ELV in favor of the girocard system, the total sales generated with the girocard 2018 continue to show a moderate growth of 4.1% compared to the previous year, which corresponds to the growth rates of the last years (2016: 3.9%, 2017: 6.2%). The average receipt for payments made with the girocard has been falling continuously for years. This trend shows that more and more cash payments are being replaced by debit cards. The increasing popularity of contactless payment for payments with small amounts certainly reinforced this trend in 2018. However, the 2018 figures clearly show that the ELV substitution, rather than the "contactless" factor, has led to record values in the girocard system.

The above figures are derived from the annual card market statistics for Germany published by the management consultancy PaySys Consultancy.

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