



Survey of merchants' costs of
processing cash and card payments
Final Report



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1 Introduction

1.1 Objective of the study

The European Commission is conducting a project measuring the cost incurred by merchants in accepting payments by cards and cash. A methodology which consists of a cost model and data collection method has been developed by the Commission in previous stages of the project. The Commission has contracted Deloitte to apply this methodology and carry out a cost measurement exercise in 10 Member states where a majority of card payments and retail payments in the European Economic Area currently take place¹.

The study measures the costs of accepting cash, domestic four-party scheme debit cards, international four-party scheme debit cards and international four-party scheme deferred debit and credit cards. The study measures the costs of face-to-face (or customer-present) transactions. The scope of the study is limited to large merchants in Austria, Belgium, Germany, Spain, the UK, France, Italy, the Netherlands, Poland and Sweden. The study targets merchants active in the retail trade and services sectors 'Maintenance and repair of motor vehicles', 'Retail trade', 'Accommodation', and 'Food and beverage service activities' (Industry codes NACE G.45.2, G.47, I.55 and I.56) which have a turnover of over € 50 million. As in certain countries, companies with a turnover above €50 million are less numerous, the threshold has been lowered to € 20 million.²

The objective of the survey was to collect on the basis of the questionnaire developed by the Commission as precise and accurate data as possible on the level and structure of relevant cost items of the payments. The results of the survey will allow the Commission to compare the costs incurred by merchants in accepting different payment instruments.

1.2 Purpose of the final report

This final report describes the work carried out, and a summary of the profile of the participating merchants for which complete and valid responses to the questionnaires have been collected. For reasons of confidentiality, the final report does not contain the identity of participating merchants or individual cost information. It was agreed with participating merchants that the identity of participants and their granular data would not be publically disclosed. This final report does not contain the calculation of the average costs of the various payment instruments either, which will be carried out

¹ Based on Eurostat structural business statistics (turnover data for the retail trade and services sectors for the year 2010).

² In addition, the Commission on a case by case basis approved as an exception the surveying of merchants with a turnover below 20 million EUR.

by the Commission. Deloitte submitted to the Commission a database including the responses, the individual questionnaires and the raw data collected in the time measurement exercise.

1.3 Structure and content of the final report

The final report is divided in two main parts. The first part of the report provides an overview of the steps undertaken in the recruitment and the data collection processes, and the actions that have been undertaken to address specific situations that surfaced in the course of the project.

The second part of the report summarises the profile of the participating merchants based on selected characteristics such as country, turnover, represented sectors and payment instruments accepted.

2 Project steps

Figure 1 provides an overview of the steps that have been undertaken in the project. For the purpose of this final report, only the steps that relate to the recruitment of merchants and the data collection process will be described. The data collection process consists of 2 parts: one part relates to the financial (and related) information of all the back-office and front-office related costs of the relevant means of payments. The second part consists of the measurement of the time spent to process payments at the check-out desk for each of the payment instruments surveyed.

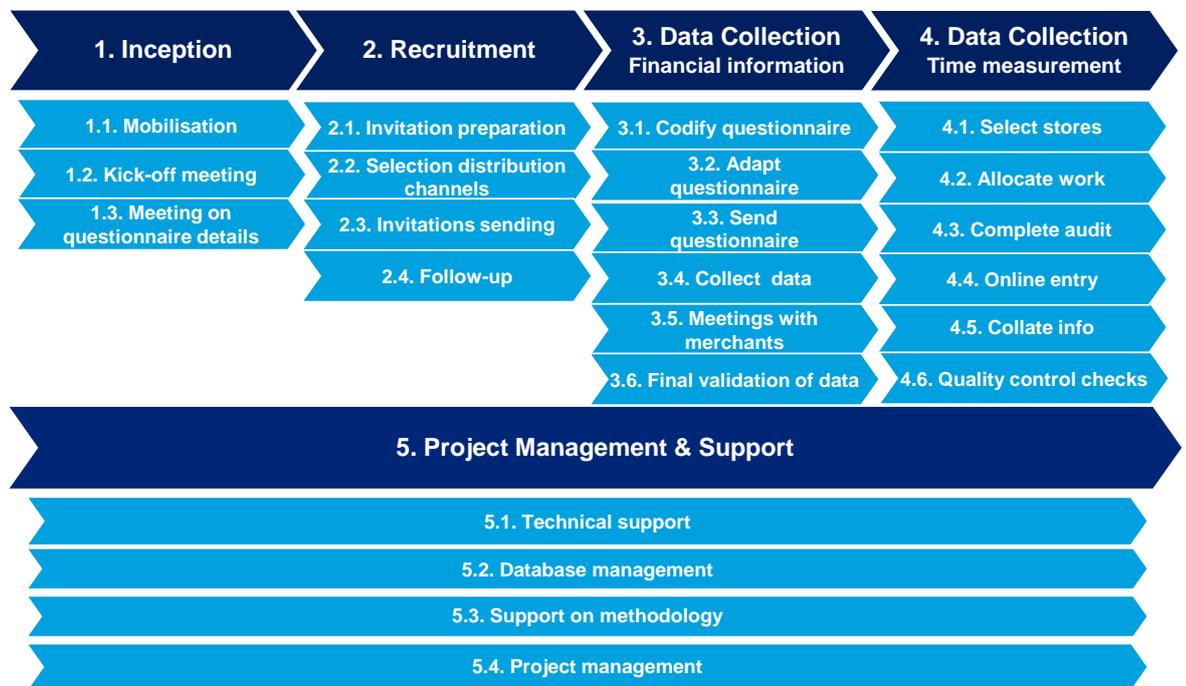


Figure 1 - Overview project steps

The report summarises the main steps of the recruitment and the data collection process and the achieved results. The report also elaborates on specific challenges the project team encountered while carrying out the survey, as well as some actions that have been initiated to address them.

2.1 Merchant recruitment phase

2.1.1 Core activities

Prepare invitation to participate

The recruitment team drafted an invitation pack to invite eligible survey participants, taking into account the Commission's experience with previous recruitments efforts. The e-mail layout and contents of the invitation pack were reviewed by the Commission and various European merchant associations. While the tender specifications required the survey to be fully conducted by Deloitte, the invitation pack was complemented with a formal letter of support of the European Commission endorsing the initiative and further explaining the context and objectives of the study.

Select distribution channels

Merchant recruitment has been carefully planned to secure the participation of the merchants in the various countries. In order to maximise the awareness of the merchant community about the survey, merchant recruitment has been conducted through three different channels and organised in three waves.

1. **Recruitment through merchant associations:** Deloitte contacted and initiated collaborations with several European associations of retailers, including leading associations such as EuroCommerce, UGAL and ERRT. Although some retailer associations seriously question or do not agree with the MIT³ methodology that is used by the Commission, they agreed to endorse the survey and have encouraged their direct members and local associations to participate. 55 local associations have supported the recruitment process and have encouraged their members to take part in the survey. Through these European associations' network, thousands of merchants throughout the ten countries in scope have been informed about and invited to participate in the survey. The associations that have been contacted are listed in annex 1.
2. **Recruitment through Deloitte network:** Through Deloitte's local network, a list of 650 merchants eligible for the survey was drawn up. These merchants were contacted through the Deloitte local network, briefed about the survey and encouraged to participate.

³ "Merchant Indifference Test" (MIT). The MIT is a methodology employed by the European Commission in assessing the compliance of multilateral interchange fees (MIFs) set by payment card schemes with competition law. This test aims at identifying a MIF level which ensures that the costs borne by merchants for accepting cards do not exceed the transactional benefits that they derive from cards. Merchants derive such transactional benefits if card payments reduce their cost relative to alternative payments. The Commission intends to use the data collected by Deloitte to compare the costs of accepting different payment means and to compute the MIT compliant MIF level.

3. **Direct recruitment:** The central team has been researching and calling merchants directly to further inform them of the survey and encourage participation.

Send invitations

Invitations were sent out by e-mail through the various distribution channels. The invitation mail contained a direct link to an on-line platform to facilitate contacts with merchants interested to participate and follow up the status of the confirmed participations. Using the on-line platform, interested merchants could confirm their eligibility to participate in the survey and leave their contact details. Interested merchants were directly contacted by the recruitment team. Additional information was provided to the merchants when requested and the next steps in the process (including the data collection process) were carefully explained. After the call a confirmation e-mail was sent to the merchant to summarise the next steps in the process.

Follow up invitations and register participants

The recruitment team remained in contact with interested participants that hesitated to participate or for various reasons could not (yet) confirm their participation. The recruitment team strived to a maximum extent to accommodate practical concerns of merchants that could inhibit their participation.

Many merchants indicated that they were not able to participate due to a lack of time to fill out the questionnaire. The recruitment team reminded the merchants that local teams will be supporting them and will be at their disposal to help them through the survey. Moreover, in order to allow merchants a sufficiently long period of time to gather all required information, the duration of the contract between Deloitte and the Commission was extended by 3.5 months.

Many merchants raised concerns over the confidentiality of the detailed data that is requested in the questionnaire. It was explained at the outset that the Commission intends to treat the data confidentially. As an additional level of protection, it was also agreed with the Commission that Deloitte would only communicate anonymised questionnaires to the Commission. When requested by merchants, Deloitte additionally agreed to sign customised Non-Disclosure Agreements.

2.1.2 Recruitment results

The contract requested Deloitte to recruit and survey a total of 500 large merchants in the 10 countries covered (50 in each). Since the formal contract signature on November 8 2012, Deloitte has executed the recruitment process as planned and to the best of their effort. In total, we have worked with 10 European and 55 local retailers' associations, representing the vast majority of the retailers in scope of the survey which have sent out the invitation to their members. In addition we

have reached out to over 650 retailers through our Deloitte network. We have made over 7.000 direct calls to retailers.

As a result of these activities, we have engaged in direct 1-on-1 discussions about the survey with over 2.270 retailers. Based on these 1-on-1 discussions 465 merchants were recruited and confirmed their participation in the survey.

2.1.3 Difficulties encountered during recruitment

The merchants' participation rate has been lower than was initially targeted for this survey, and lower than what was anticipated. Several European retailers' organisations, – with whom we had extensive discussions before preparing our approach and who have been supporting the survey – have confirmed that the participation rate of their members is not at the level they expected. Four main factors seem to have deterred retailers from participating:

MIT methodology

The purpose of the survey is to collect information that can help the Commission to determine the maximum level of MIF that complies with the Merchants Indifference Test (MIT). Some merchants however are not convinced that the MIT methodology that is driving the Commission's initiatives in the area of payments is in their best interest. As a consequence, several merchants do not see sufficient interest to participate in the survey.

Significant effort to participate in the survey

Merchants consider the effort to participate in the survey and fill out the questionnaire as (too) high. The total number of data points that need to be reported for a complete survey amounts to over 1.200. Retailers consider that the “one-day net” effort to complete the survey that was estimated following the pilot project that was conducted by the Commission was significantly underestimated. Only merchants that have extensive financial reporting systems available seem to be able to fill out the survey without significant additional research and work. Particularly in today's difficult economic circumstances, many merchants have not been willing to free up the necessary resources to fill out the survey.

Competing initiatives at country level

Authorities or retail associations in some of the countries in scope (the Netherlands, Poland, UK, France) have recently undertaken or are in the process of undertaking survey initiatives similar to the Commission's survey. Although the level of detail of these initiatives was not equivalent to the level of detail requested by the Commission, these initiatives lowered the motivation of retailers to participate in the Commission's survey.

Partial participation of large retail groups

Because of the above reasons, international multi-chain groups are, if at all, in most cases only willing to participate in one or two of the countries where they have a presence, or through only one of the retail chains that they own (rather than providing the survey information for the full coverage of their businesses). Taking into account that only large retailers were eligible to participate in the survey, the limited participation of quite some of these large multi-chain groups had a significant impact on the overall participation.

2.1.4 Additional activities taken to increase participation

In light of the above mentioned issues, and with the objective to maximise the merchants' participation, the project team has taken all reasonable measures and has adapted the efforts taking into account the availability of merchants.

Extending the recruitment phase

The recruitment phase – initially planned to end mid-February has been continued till the end of June 2013. The project team has throughout the entire extended recruitment period followed up closely with merchants that were not certain about their participation, and has proposed to adjust the timings and to provide additional support to merchants with the filling out of the survey.

Raising awareness by the Commission

In cooperation with the Commission, a selection of large retailers has been identified that were invited personally by the Director General of DG Competition to participate in the survey. The Commission has continued to raise awareness of the survey and its importance at the various industry meetings it has attended. The Commission has published the survey invitation on its website.

Raising awareness by Associations

In cooperation with the European and local retailers' associations, the importance of the survey has been reiterated multiple times to the retailers, either in association meetings, e-mails or newsletters. Many associations have been willing to send reminders of the survey invitation to their members.

2.2 Data collection phase : Financial Information

2.2.1 Core activities

Preparing the data collection documentation and tools

The structure and content of the survey questionnaire has been developed by the Commission in an earlier phase of the project. The questionnaire layout and contents have been reviewed with the Commission and Deloitte Country managers responsible for retrieving data from merchants to ensure maximum clarity and alignment with local terminology. The questionnaire formulas and drop-down-lists have been parameterised. To make it as easy as possible for local merchants to fill out the survey, the questionnaire has been translated in every language used in the participating countries. In addition to the adjusted and translated questionnaires, Deloitte developed a briefing pack for participating merchants. The briefing pack is a guiding document sent along with the questionnaire to the merchant. It further explains and details most sections of the questionnaire and provides answers to frequently asked questions received from local country managers. The briefing pack was also translated in every relevant language. An Excel database has been created to consolidate all survey results. One single Excel file was delivered to the Commission at the end of the project containing all the results of the surveyed merchants that have been reviewed and validated. The database is automatically populated by an Excel macro which retrieves data from each filled and validated questionnaire.

Supporting the data collection process

The local country team provided the questionnaire and briefing pack to the merchant's designated contact person, once a phone call has been made to re-confirm participation and to explain next steps. The following data collection process with the merchant typically ran over multiple months. The local data collection team remained in regular contact with the survey participants throughout the data collection process. Though an elaborate briefing pack accompanied the extensive questionnaire, in most cases the data collection team explained the questionnaire in detail to the merchant in his or her language. The data collection team suggested likely sources or systems to retrieve the required information, prior to the merchant starting up the data collection phase. Throughout the merchant's data collection process, a number of interactions had to occur, both to encourage the merchants to advance/continue with the process and to help them with questions or reflect on reasonable assumptions that were applied.

Increasing the quality and validating survey questionnaires

When the merchant had filled out the draft version of the questionnaire, it was sent to the data collection team. Completeness and consistency checks were performed by Deloitte's respective local and central teams. To the degree possible, assessments were made in terms of reasonability of the figures. The resulting comments were then discussed in detail during the meetings with the merchants. The meetings with the merchants mostly occurred at the end of the data collection phase

to validate the data, though for some large cross-country merchant groups participating in most of their countries in scope, meetings were organised as well prior to starting the data collection. Often quite some iterations were still required even after these meetings. In general, for most questionnaires, multiple iterations were required before the questionnaire could be validated.

Preparing questionnaires for reporting to the Commission

Questionnaires filled out in local languages by the merchants were translated into English. All questionnaires went through a process to make data anonymous, removing all information from the questionnaire that would allow simple identification of the participating merchant. This concerned both a number of identity exposing questionnaire fields as well as all references to responsible persons and custom built (and names) applications and devices. This process has proven to be a key requirement for merchants, as illustrated by the many merchants that expressed serious concerns on the confidentiality of their cost data.

2.2.2 Data collection results

Following the merchant recruitment process, 465 eligible merchants had been recruited as survey participants. Nevertheless, a large number of these recruits eventually re-considered their participation or did not complete the data collection process to the end. Following the data collection process, 254 merchants have delivered questionnaires that have been validated. The validation consisted of completeness (i.e. have all data fields been filled out), consistency (i.e. is data consistent across the different sections of the questionnaires) and reasonability checks that have been performed by our teams and the Commission. Following the multiple interactions with and demands for clarifications and adjustments from the merchants, it is our opinion that the reported data is as precise and accurate as reasonably possible on the level and structure of relevant cost items and allows the Commission to compare the costs incurred by merchants in accepting different payments instruments.

2.2.2.1 Difficulties encountered during data collection

Data availability

The Commission's questionnaire is very extensive and detailed, with over 1.200 data fields to be filled out by the merchants. Taking into account this breadth of the questionnaire – and notwithstanding the detailed briefing pack that has been developed – assigned contact persons of the merchants often did not understand all the sections and requirements of the questionnaire at first. The issue was addressed by the (local) Deloitte teams supporting the merchant throughout the process, by indicating to the extent possible likely sources of information within the merchant's organisation and systems. Taking into account the granularity of the survey, merchants often did not have all the information available within their information systems. This has required a significant number of iterations between the different questionnaire contributors (finance, treasury department, operations, acquirers,...). When the above iterations did not result in high quality data, in some cases

estimations had to be made in order to come to a completely filled out survey. In these cases Deloitte allowed the merchants sufficient time to consult internally and ensured that resulting estimations were well grounded. Examples of information that was difficult to collect includes:

- Split across payment means: some merchants experienced difficulties to split the total number of card transactions across the different card types. The reason for this was that merchants typically do not prepare reports on this level of granularity. Acquirers do not always provide such information to merchants either. In order to tackle this, estimations have been made based on the merchant's experience, where possible taking into account merchant specific factual data (e.g. time measurements performed)
- Information on the devices costs: some merchants experienced difficulties to retrieve the (historic) cost of the different devices being used in the payments chain, since this cost data was in general not stored at this level of granularity. In such cases, the merchants made estimations taking into account their particular business model
- PCI-DSS: some merchants experienced difficulties to collect information around PCI-DSS, given the concept was not equally known across merchants. In general this was explained (and solved) by the fact that PCI-DSS compliance is often taken care of by the merchants' payment service provider (and therefore included in their costs)

Merchants' availability

Depending on the time of their recruitment, participating merchants had three to eight months to fill out the survey questionnaire. Notwithstanding this time window, a large proportion of merchants continued to postpone the data collection exercise and in the end decided that the time was too short to participate, and cancelled their participation. Deloitte's teams have remained in touch with merchants throughout the survey period to encourage their participation and provide support.

2.2.3 Additional activities taken to facilitate data collection

With the objective of maximising the number of validated questionnaires in the light of above issues, the project team has taken all reasonable measures and has adapted the efforts taking into account the availability of merchants. In agreement with the Commission, the final deadline for finalising the questionnaires has been extended with 5 months, from June to November. Throughout this extended period the Deloitte data collection teams have remained fully available to provide all requested support to merchants.

2.3 Data collection phase : Time measurement

2.3.1 Core activities

In store time measurements have been to a great extent managed and conducted by our specialised partner ESA. The time measurement process consisted of the following activities.

Contact Store Operations and schedule time measurement

A typical data collection process with a merchant ran over several months and started with one of the challenging aspects of the time measurement activities: contacting the mandated (operational) people in order to be able to arrange the time measurement slot. As the communication between the (mostly finance/treasury) team at headquarters and the store management was time consuming, it often took several weeks and many discussions before our Time Measurement team got access to the appropriate staff.

Agree on modalities of the Time Measurement

Once the right person had been reached, there were a number of formalities to be followed. First, the store needed to be selected, after which the respective people at the store needed to be informed (store manager). Finally, a “letter of authority” needed to be duly signed by the responsible operations manager, to make sure the auditors performing the measurements would not get sent away.

Conduct the Time Measurement

Once scheduled, the measurements were conducted by the respective auditor at the time and place that was agreed, after which he or she uploaded the measurements in the central ESA database. The time measurement process involved recording the following information for each transaction observed: the payment instrument used, the amount of the transaction, the time taken from the moment the cashier announced the amount due until the customer received the receipt and his/her change or card back. In addition, the auditors also measured the time spent by the cashier on other productive activities (such as packaging, marketing other products to the customer, etc.) during the payment process, which were subtracted from the total payment time in order to allow the measurement of only those activities that directly relate to the payment.

Validate and report Time Measurement data

In the ESA database, the data was validated and checked for inconsistencies. If successful, it was then uploaded onto the Deloitte E-room. Once uploaded on to the E-room, the respective local Deloitte teams extracted the relevant data from the raw data file in order to populate the respective fields in the questionnaires.

2.3.2 Time measurement results

Following the merchant recruitment process, 465 eligible merchants had been recruited as survey participants. From the pool of these merchants, 249 time measurements have been conducted. For merchants where for acceptable reasons, no time measurements could be conducted, estimates have been made, either based on measurements conducted at a similar merchant in the same country or based on the merchant's own time measurement exercises.

2.3.3 Difficulties encountered during time measurements

Organisation of the time measurement itself

Since the organisation of the time measurements required quite some additional merchant contacts to be involved, it often proved very challenging to get the exercise organised. Different authorisations had to be obtained engaging different levels and functions throughout the merchant's organisation. This required a significant amount of time, up to six months for some of the merchants.

Perceived disturbing nature of the exercise

Depending on the business segment of the merchant, for some merchants the time measurement was considered as disturbing for the customer experience. Having an auditor present in the store at the till during check-out was for some merchants not acceptable.

Reluctance of labour unions against personnel activities being measured

In some countries, the activity of having front office personnel being measured when performing their activities was heavily challenged by the labour unions. It required multiple iterations with these merchants explaining that the measurements were not aiming at measuring the efficiency and behaviour of the personnel, but merely the objective difference between the processing time of different payment means (payments by cash versus payment by different types of cards).

2.3.4 Additional activities taken to facilitate time measurements

With the objective of maximising the number of time measurements in light of the above issues, the project team has taken all reasonable measures and has adapted the efforts taking into account the availability of merchants. In agreement with the Commission, the final deadline for finalising the time measurements has been extended with 5 months, from June to November. Throughout this extended period, Deloitte's partner who conducted the time measurements (ESA) as well as the Deloitte supporting teams have remained fully available to ensure the time measurements got scheduled and completed.

Additionally, flexibility was offered to the merchants in the organisation of the required 8 hours of time measuring (2 times 4 hours rather than 1 time 8 hours). This was a condition for some merchants for proceeding, in order to limit the impact on customers and personnel.

3 Participants statistics

Out of the 465 merchants that confirmed their participation in the survey, 254 merchants finalised the data collection and time measurement and submitted completed and validated questionnaires.

3.1 Number of confirmed merchants per country

Table 1 - Number of confirmed merchants per country

Countries	Number of confirmed merchants
Austria	23
Belgium	54
France	74
Germany	46
Italy	36
Netherlands	43
Poland	39
Spain	37
Sweden	59
UK	54
Total	465

3.2 Number of participating merchants per country

Table 2 - Number of participating merchants per country

Countries	Number of participating merchants
Austria	15
Belgium	28
France	33
Germany	24
Italy	18
Netherlands	16
Poland	24
Spain	18
Sweden	50
UK	28
Total	254

Comparing the number of merchants actually finalising the data collection efforts, with the number of merchants agreeing to participate, similar drop-outs rates (35-55%) can be observed for all of the countries in scope, with the exception of the Netherlands and Sweden. The Netherlands had a relatively higher drop-out rate (62%), while Sweden had a drop-out rate of only about 15%.

3.3 Total relevant turnover per country

Table 3 - Total relevant turnover per country

Countries	Sum of relevant turnover (in EUR)
Austria	5 314 167 399
Belgium	9 747 006 861
France	73 980 511 421
Germany	41 903 993 345
Italy	25 190 036 629
Netherlands	5 877 192 144
Poland	16 944 712 146
Spain	15 715 181 712
Sweden	11 105 816 301
UK	168 095 289 408
Total	373 873 907 367

Relevant turnover is defined as the value of transactions in scope of the study, meaning in store face-to-face payment transactions made by the payment means investigated:

1. cash;
2. domestic four-party scheme debit cards, for those countries in the sample where such schemes exist;
3. international four-party scheme debit cards (i.e. Visa and MasterCard debit cards);
4. international four-party scheme deferred debit and credit cards (i.e. Visa and MasterCard credit cards);
5. international three-party credit cards and any other credit cards (Amex, Diner's, Store cards and any other)

In order to be able to relate the participating merchants to the population targeted by the survey, it is appropriate to assess also the total statutory turnover of the participants.

Table 4 – Total statutory turnover & market coverage per country

Countries	Sum of statutory turnover (in EUR)	Overall market sector statutory turnover (in EUR)	Market coverage (in %)
Austria	5 081 627 898	72 941 790 699	7%
Belgium	14 100 657 467	103 659 299 454	14%
France	103 692 646 195	518 345 022 775	20%
Germany	44 481 409 887	560 024 367 455	8%
Italy	26 940 880 275	393 301 585 235	7%
Netherlands	6 165 936 945	124 905 985 049	5%
Poland	39 611 851 968	105 631 949 208	37%
Spain	15 921 897 634	287 769 792 678	6%
Sweden	11 457 884 423	78 253 112 741	15%
UK	181 867 211 942	483 722 109 446	38%
Total	449 322 004 635	2 728 555 014 739	16%

A comparison of these figures with Eurostat⁴'s figures for the overall scope of the study indicates that the merchants surveyed account for about 16% of the total retail trade turnover in the countries in scope (2 782 billion €).

3.4 Sector representation per country

Table 5 – Participants sector representation per country

Countries	G.47	G.45.2	I.55	I.56
Austria	87%	0%	7%	6%
Belgium	89%	0%	7%	4%
France	94%	0%	3%	3%
Germany	71%	4%	21%	4%
Italy	83%	0%	6%	11%
Netherlands	94%	0%	6%	0%
Poland	92%	0%	4%	4%
Spain	78%	0%	6%	16%
Sweden	72%	6%	16%	6%
UK	93%	0%	4%	3%
Total	84%	2%	9%	5%

Comparing this with the distribution of the overall scope of the survey (table 7 below), displays somewhat similar figures. The limited distribution difference is likely to be explained by the minimum turnover limit imposed on the survey participants. It can be expected that NACE code I.56 have

⁴ Based on Eurostat structural business statistics (turnover data for the retail trade and services, food and beverages, accommodation and wholesale and retail trade and repair of motor vehicles and motorcycle sectors) for the year 2010.

relatively more smaller merchants, which are included in below Eurostat⁵ figures, but excluded in the merchants participants scope.

Table 6 – Participants sector representation – zoom G.47 (retail trade and services)

G.47.1	G.47.2	G.47.3	G.47.4	G.47.5	G.47.6	G.47.7	G.47
18%	4%	5%	2%	17%	6%	48%	100%

The participating merchants represented most in the broad G.47 category are in the categories of G.47.7 (Retail sale of other goods in specialised stores) and G.47.1 (Retail sale in non-specialised stores).

Table 7 – Overall market sector representation per country⁶

Countries	G.47	G.45.2	I.55	I.56
Austria	61%	2%	3%	35%
Belgium	59%	2%	8%	31%
France	62%	1%	3%	34%
Germany	63%	1%	5%	30%
Italy	68%	2%	5%	26%
Netherlands	66%	2%	5%	26%
Poland	47%	1%	17%	34%
Spain	85%	2%	3%	9%
Sweden	66%	3%	6%	26%
UK	58%	2%	5%	35%
Total	65%	2%	5%	28%

⁵ Based on Eurostat structural business statistics (data on the number of merchants for the retail trade and services, food and beverages, accommodation and wholesale and retail trade and repair of motor vehicles and motorcycle sectors) for the year 2010.

⁶ Based on Eurostat structural business statistics (data on the number of merchants for the retail trade and services, food and beverages, accommodation and wholesale and retail trade and repair of motor vehicles and motorcycle sectors) for the year 2010.

3.5 Merchant sizes (statutory turnover) per country

Table 8 - Participating merchant sizes per country (in EUR)

Countries	< 20 MIO	< 50 MIO	< 200 MIO	< 1000 MIO	< 5000 MIO	> 5000 MIO
Austria	0%	27%	47%	20%	6%	0%
Belgium	7%	26%	52%	11%	4%	0%
France	6%	9%	36%	18%	15%	16%
Germany	0%	8%	13%	46%	25%	8%
Italy	0%	6%	11%	39%	33%	11%
Netherlands	0%	19%	38%	31%	12%	0%
Poland	8%	13%	33%	25%	17%	4%
Spain	6%	22%	22%	28%	17%	5%
Sweden	0%	30%	34%	32%	4%	0%
UK	4%	4%	21%	25%	29%	17%
Total	3%	17%	31%	27%	15%	7%

The turnover class distribution of the merchant participants is a reflection of the respective market sizes of the countries in scope. The larger countries typically have larger merchant participants than the smaller countries.

3.6 Merchant number of stores per country

Table 9 - Participation merchant number of stores per country

Countries	< 20 stores	< 50 stores	< 100 stores	< 200 stores	< 500 stores	> 500 stores
Austria	40%	7%	7%	40%	0%	6%
Belgium	30%	30%	26%	11%	3%	0%
France	12%	12%	21%	21%	24%	10%
Germany	13%	21%	4%	8%	38%	16%
Italy	6%	11%	22%	33%	22%	6%
Netherlands	31%	19%	6%	13%	25%	6%
Poland	13%	21%	38%	4%	13%	11%
Spain	28%	22%	17%	22%	11%	0%
Sweden	30%	24%	28%	12%	4%	2%
UK	21%	0%	14%	14%	18%	33%
Total	22%	17%	20%	16%	15%	10%

A similar reasoning can be observed for the distribution of the merchant participant sizes in terms of number of stores. Large countries have typically more merchant participants with a higher amount of stores.

3.7 Payments instruments accepted per country

Table 10 – Payments instruments accepted per country

Countries	% of Cash Acceptance	% of Domestic Debit Card Acceptance	% of International 4p Debit Card Acceptance	% of International 4p Credit Card Acceptance	% of International 3p Credit Cards and any other CC Acceptance
Austria	100%	0%	100%	100%	93%
Belgium	100%	93%	78%	96%	67%
France	100%	97%	85%	94%	73%
Germany	100%	96%	88%	96%	79%
Italy	100%	94%	100%	100%	100%
Netherlands	100%	63%	94%	94%	44%
Poland	100%	0%	100%	100%	79%
Spain	100%	0%	100%	100%	78%
Sweden	100%	0%	100%	100%	100%
UK	100%	0%	100%	100%	86%
Total	100%	42%	94%	98%	82%

All survey participants accept cash and at least one four-party payment card, as this was a requirement to be eligible for survey participation.

3.8 Share of merchants having at-distance and non-staffed business per country

Table 11 – Share of merchants having at-distance and self-service business per country

Countries	% of merchants having At Distance business	% of merchants having Self-Service tills
Austria	13%	7%
Belgium	26%	11%
France	39%	36%
Germany	17%	13%
Italy	39%	22%
Netherlands	50%	6%
Poland	17%	13%
Spain	39%	22%
Sweden	26%	8%
UK	68%	36%
Total	33%	18%

Based upon the merchant participant sample, significant differences exist across countries in terms of at-distance (E-commerce) and self-service acceptance ratios.

4 Summary

The recruitment of large merchants to participate in the Merchants' Cost of Cash and Cards Payment processing and the collection of validated data has been extremely challenging. The initial targets that had been put forward by the Commission have not been met, for the reasons explained in this final report. We believe that, in relation to achieving the survey targets, all that could reasonably have been expected to be done has been done. The recruitment period was extended considerably and flexibility has been shown to accommodate "late responses", and to provide optimal support throughout the extended survey period. Nonetheless, the final number of responses was of course determined by the participating merchants themselves.

The reported data on the level and structure of relevant cost items allows the Commission to compare the costs incurred by merchants in accepting different payments instruments. The merchants that have participated in the survey and have submitted completed and validated survey results, represent approximately 16% of total retail trade turnover in the Member States in scope. This significant coverage, combined with the breadth and the granularity of the data, makes this Costs of Payments survey a valuable instrument and the most comprehensive of its kind to date.

5 Annexes

Annex 1: List of contacted associations

Association
ADA Associazione Distributori Associati
ADFB
ADIS Associazione Distribuzione Ingrosso a Self-Service
AFTE
Agentschap Ondernemen
AGRUPACIÓN INDUS. HOSTELEROS SEGOVIANOS
AGRUPACIÓN PROVINCIAL DE HOSTELERÍA DE CUENCA
AIRAI Associazione Imprese Retailers Alimentare
AIRES Associazione Italiana Retailer Elettrodomestici Specializzati
AITPA
ANCIDIS Associazione Nazionale Commercio Imprenditoriale al Dettaglio e Imprese Specializzate Non Food
ANGED
ANVET Associazione Nazionale Vendite a Distanza
APHA
APRA
ASEDAS - Spain
ASOCIACIÓN DE CADENAS HOTELERAS ESPAÑOLAS (ACHE)
ASOCIACIÓN DE EMPRESARIOS DE HOSTELERÍA DE FERROL E COMARCA
ASOCIACIÓN DE EMPRESARIOS DE HOSTELERÍA DE SALAMANCA
ASOCIACIÓN DE EMPRESAS DE ALOJAMIENTO DE LA PROVINCIA DE JAÉN
ASOCIACIÓN DE HOTELES DE SEVILLA Y PROVINCIA
ASOCIACIÓN EMPRESARIAL DE HOSPEDAJE PONTEVEDRA
ASOCIACIÓN EMPRESARIAL DE HOSTELERÍA DE ALBACETE
ASOCIACIÓN EMPRESARIAL DE HOSTELERÍA DE CANTABRIA
ASOCIACIÓN EMPRESARIAL DE HOSTELERÍA DE TOLEDO
ASOCIACIÓN EMPRESARIAL HOSTELERA DE BENIDORM Y LA COSTA BLANCA
ASOCIACIÓN EMPRESARIAL HOTELERA DE MADRID
ASOCIACIÓN EMPRESARIAL HOTELERA Y EXTRAHOTELERA DE TENERIFE, LA PALMA, LA GOMERA Y EL HIERRO
ASOCIACIÓN EMPRESARIOS DE HOSTELERÍA DE LA CORUÑA
ASOCIACIÓN EMPRESARIOS DE HOSTELERÍA DE VALLADOLID
ASOCIACIÓN EMPRESARIOS HOSTELERÍA Y TURISMO FUERTEVENTURA

ASOCIACIÓN EMPRESARIOS HOTELEROS DE LA COSTA DEL SOL
ASOCIACIÓN INSULAR EMPRES.HOTELES Y APTOS. DE LANZAROTE
ASOCIACIÓN NACIONAL DE BALNEARIOS
Asociación Nacional de Empresarios de Tiempo Compartido (ANETC – RDO España)
ASOCIACIÓN PROVINCIAL DE EMPRESARIOS DE RESTAURACIÓN Y HOSPEDAJE DE SANTIAGO DE COMPOSTELA
ASOCIACIÓN PROVINCIAL DE HOSTELERÍA Y TURISMO DE HUESCA
ASOCIACIÓN PROVINCIAL DE HOTELES DE HUELVA
ASOCIACIÓN PROVINCIAL EMPRESARIOS DE HOSTELERÍA DE CIUDAD REAL
ASOCIACIÓN SORIANA DE HOSTELERÍA Y TURISMO
ASOCIACIÓN ZAMORANA DE EMPRESARIOS DE HOSTELERIA
ASSO fermet
Austrian Franchise Association
AVE
AWDC
BB&PA
Belgian Franchise Federation (BFF)
BEMORA
BHA
BHB: Bundesverband Deutscher Heimwerker-, Bau- und Gartenfachmärkte eV (German: Federal Association of German Do-It-Yourself, Building and Garden Stores eV)
BRC
British Franchise Association (BFA)
CCF
CDCF
CECOFERSA
CECSpanish Confederation of Commerce
CEHAT
CEHOSGA
CGI French Confederation of Wholesale and International Trade
Comeos
Concawe Belgium
Concawe UK
ConfCommercio
Confederació de Comerç de Catalunya (CCC)
CONFEDERACIÓN EMPRESARIAL DE TURISMO DE EXTREMADURA
Conseil National des Centres Commerciaux
CPIH
CREAMODA
DEHOGA Bundesverband
Detailhandel Nederland
DRV
EDRA
EFF Franchise

EMD
Employers of Poland
ERRT
ETOA
Euratex
EuroCommerce
Euromadi
EUROPIA
FAGIHT
FCA - France
FED.Ho.Re.Ca Brussel
FED.Ho.Re.Ca Wallonie
FEDERACIÓN ABULENSE DE EMPRESARIOS DE HOSTELERIA
FEDERACIÓN COMARCAL EMPRESARIAL DE HOSTELERÍA VILLAGARCÍA
FEDERACIÓN DE EMPRESARIOS DE HOSTELERÍA DE BURGOS
FEDERACIÓN EMPRESARIAL HOTELERA DE IBIZA Y FORMENTERA
FEDERACIÓN EMPRESARIOS DE HOSTELERÍA-TURISMO DE LAS PALMAS
FEDERACIÓN EMPRESAS DE HOSTELERÍA Y TURISMO DE GRANADA
Federación Española de Empresarios de Camping
FEDERACIÓN REGIONAL DE EMPRESARIOS DE HOSTELERÍA Y TURISMO DE MURCIA
FEDERALBERGHI
Fédération des Enseignes de la Chaussure
Fédération des enseignes de l'habillement
Fédération des entreprises du Commerce et de la Distribution
Fédération des entreprises internationales de la mécanique, de l'électronique ...
Fédération des magasins de bricolage et de l'aménagement de la maison
Fédération du Commerce et Services de l'Électrodomestique et du Multimédia
Fédération Nationale de l'Habillement
Federation of Apparel and Textiles Industry Employers
Fédération Professionnelle des entreprises du Sport & des loisirs
FEDERAUTO
Federazione Moda Italia
FederDistribuzione
FEDUSTRIA
FEH
FENA
FIAB
FIPE
French Franchise Federation (FFF)
GCSC
GERA Europe
German Franchise Association Deutscher Franchise-Verband e.V (DFV)
GNC

GTMI
HDE, Handelsverband Deutschland
HORECA CÁDIZ
Horeca Vlaanderen
HOSTECOR
HOSTETUR
Hotelverband Deutschland
HOTREC
IHK
Italian Franchise Association _ Associazione Italiana del Franchising - ASSOFRANCHISING (AIF)
Izaga Goicoechea, Alicia
KHN
Mercatel
Mineralölwirtschaftsverband („MWV“) – organization of petrol stations
MKB
Netherlands Franchise Association - Nederlandse Franchise Vereniging (NFV)
OGP
Petrolfed
PIH Commerce Chamber
PKPP LEWIATAN
POHID
Polish Franchise Organisation (PFO) - Polska Organizacja Franczyzodawców- (POF)
Rasi
RETRA
SELDIA
SMI
Superunie
Svenskhandel
Swedish Franchise Association - Svenska Franchiseföreningen (SFF)
SYNHORCAT
TEKO
Textile Forum
Toy retailers association
UFIP
UGAL
UMIH
Union du grand commerce de Centre-Ville
UNIÓN HOTELERA DE LA PROVINCIA DE VALENCIA
UNIÓN HOTELERA DEL PRINCIPADO DE ASTURIAS
VBO
Vereniging Nederlandse Petroleum Industrie
Visita - Swedish Hospitality Industry
VVAT

WKO
WKO Card Dealers
WKO Computer Manufacturers
WKO Fashion & Leisure Products
ZGV - Germany

Annex 2: English version of the questionnaire

SURVEY ON COSTS OF PAYMENT INSTRUMENTS

Table of Contents

COMPANY NAME

INTERVIEWER

DATE OF INTERVIEW (dd-mm-yyyy)

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SCHEDULE

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COMMENTS

INSTRUCTIONS

INPUT INFORMATION

A MERCHANT BASIC INFORMATION

STATUS:

Missing Info:

B MERCHANT LABOUR COSTS

STATUS:

Missing Info:

C MERCHANT MSC AND DEVICES

STATUS:

Missing Info:

D MERCHANT OTHER INFORMATION

STATUS:

Missing Info:

E NATURE OF COSTS

STATUS:

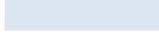
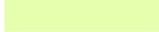
Missing Info:

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Instructions

Instructions

Please provide information in accordance with the instructions below:

- 1 All cells with this shading  should be completed with the interviewer's information or are automatically filled by a formula
- 2 All cells with this shading  should be completed with the merchant's information.
- 3 All cells with this shading  are optional.
- 4 All cells with this shading  are not feasible.
- 5 No other cells should be amended.
- 6 All figures should be entered as positive figures.
- 7 The information provided should be taken from the audited accounts/books (and possible other sources).
- 8 The information should be asked at the country level. If only some particular line(s) of business is covered, the data should consistently refer to the same line of business.
- 9 The merchant will need to have handy:
 - books containing data on volume and value of transaction split by means of payments
 - books containing bills
 - contracts

B Merchant Labour Costs

Wage costs

1 Please list below the average hourly countrywide gross wage costs of any staff grades who deal with payment transactions during the normal course of business, split as shown.

Costs should include basic wages, employee and employer taxes, all benefits and pensions, holiday and overtime.

Do not include apportioned overheads in this cost.

For contracted out staff, please provide total cost per hour excluding any recoverable VAT.

PLEASE INFORM WAGE COSTS PER HOUR

	Cashier	Supervisor	Security	Accounting - Back Office staff	Other
Total wage costs <u>per hour</u>					

Please provide the information source for the data above and the person and department responsible.

Front office processing

2 This data will be completed by Deloitte, on the basis of the time measurements to be carried out in store.

Average time at the till from announcing the amount due to the customer until completion of the payment (excluding other productive activities such as packing).

Payment instrument types:

Cash

Domestic **debit** card

International four-party **debit** card (Visa, Visa Electron, V-Pay, Mastercard and Maestro)

International four-party **credit** card (Visa and Mastercard)

International three-party **credit** cards and any other **credit** cards (Amex, Diner's, Store cards and any other)

Average transaction time (seconds)	
	Data from front-office time measurement

3 Please provide a split of actual annual number of transactions by self-service tills and by staffed tills, as shown below. If you do not have self-service tills, please indicate by writing "Not applicable" in the appropriate cells. If you do not have a split of the transactions by till type, please apportion the number of transactions according to the numbers of each till type.

Payment instrument types:

Cash

Domestic **debit** card

International four-party **debit** card (Visa, Visa Electron, V-Pay, Mastercard and Maestro)

Maestro)

International four-party **credit** card (Visa and Mastercard)

International three-party **credit** cards and any other **credit** cards (Amex, Diner's, Store cards etc.)

Total

Annual number of face-to-face transactions		
Staffed tills	Self-service tills	Total
		0,00
		0,00
		0,00
		0,00
		0,00
0,00	0,00	0,00

Please provide the information source for the data above and the person and department responsible.

4 Please give details of any estimation methods used to obtain the split in transaction number figures requested above.

B Merchant Labour Costs

Back office processing

5 Please fill out the table below, ideally with actual annual labour costs for each task for **face-to-face transactions only**. If you are unable to do this, please refer to the next sheet, "Annual labour hours spent", which will guide you through a suggested method for estimating annual labour hours spent for each of the activities listed. Please also add any additional back-office tasks connected with payment processing at the bottom of the table if you feel that they incur significant time and labour cost. If more than one grade of staff is involved in a task, please create a new line for each grade. *Also please indicate the methods of estimation of cost.*

List of back-office activities	Grade of staff used for task	Average wage per hour for that staff grade	Annual hours spent	Total annual costs	Cash costs	Domestic debit card costs	International four-party debit card costs	International four-party credit card costs	Three party and other credit cards costs	Method of estimation
Cash related tasks:										
Transport of cash to and from the safes and tills		#N/A		#N/A	#N/A					
Transport of cash to the bank		#N/A		#N/A	#N/A					
Transport of cash between stores		#N/A		#N/A	#N/A					
Transport of change from the bank		#N/A		#N/A	#N/A					
Handover of cash to cash transport and associated paperwork		#N/A		#N/A	#N/A					
Control of cash transport (cross-checking amount of cash received in the safe with amount of cash leaving the tills etc.)		#N/A		#N/A	#N/A					
Security monitoring of cash counting/handover/collection		#N/A		#N/A	#N/A					
Preparation of notes and coins to put in the tills		#N/A		#N/A	#N/A					
Filling the tills with coins and notes, both for staffed and self service tills		#N/A		#N/A	#N/A					
Identifying counterfeit notes (outside front-office time)		#N/A		#N/A	#N/A					
Dealing with cash loss (theft, till shortages, etc.) investigation		#N/A		#N/A	#N/A					
Calculating coin and note ordering requirements		#N/A		#N/A	#N/A					
Cash counting		#N/A		#N/A	#N/A					
Cash reconciliation at store level		#N/A		#N/A	#N/A					
Head office cash reconciliation		#N/A		#N/A	#N/A					
Card related tasks:										
Storing and filing of card signature (EFT) slips		#N/A		#N/A						
Checking card terminals for security		#N/A		#N/A						
Dealing with card fraud investigation		#N/A		#N/A						
Head office card reconciliation		#N/A		#N/A						
Common tasks:										
Journal uploading into the system		#N/A		#N/A						
Payment transaction related supervisory time not included in any other task		#N/A		#N/A						
Insert additional activities...		#N/A		#N/A						
Insert additional activities...		#N/A		#N/A						
Insert additional activities...		#N/A		#N/A						
Insert additional activities...		#N/A		#N/A						
Total			0,00	#N/A	#N/A	0,00	0,00	0,00	0,00	

Please explain briefly how this data was obtained (i.e. whether it is based on any time and motion studies carried out in your organisation, on ad-hoc measurements in a store, etc.) and indicate the person and department responsible.

6 Please detail whether you have separate back-office processing functions for face-to-face and at-distance payment transactions or alternatively your method for splitting out the costs detailed above between these two categories.

B Merchant Labour Costs

Outsourced cash handling, processing and transport; other outsourced activities

7 Cash deposit transport to the bank and between stores

Is the transport of cash to the bank (and, if applicable, between stores) currently outsourced?

Who is responsible for this task and how are the fees calculated?

If these activities are provided under a contract that includes other services, please indicate this here and detail the total contract (total value, services provided, how the fees are calculated, how the cost of just the cash transport activities may be split out and what are the main cost drivers for the fees).

Total annual fee paid for transporting cash deposit

8 Depositing of cash at the bank

How are the fees for the deposit of cash calculated?

If these activities are provided under a contract that includes other services, please indicate this here and detail the total contract (total value, services provided, how the fees are calculated, how the cost of just the cash depositing may be split out and what are the main cost drivers for the fees).

Total annual fee paid for depositing cash

9 Change money transport from the bank and between stores

Is the transport of change money from the bank (and if applicable between stores) currently outsourced?

Who is responsible for this task and how are the fees calculated?

If these activities are provided under a contract that includes other services, please indicate this here and detail the total contract (total value, services provided, how the fees are calculated, how the cost of just the change money transport may be split out and what are the main cost drivers for the fees). NB: If the fees for cash deposits and change transport are bundled, please detail the total contract in question 8 above, leaving this question blank to avoid double counting.

Total annual fee paid for transporting change

B Merchant Labour Costs

10 Obtaining change money

How are the fees for the ordering of change money calculated?

If these activities are provided under a contract that includes other services, please indicate this here and detail the total contract (total value, services provided, how the fees are calculated, how the cost of just obtaining change money may be split out and what are the main cost drivers for the fees).

Total annual fee paid to bank(s) only for getting change

11 Other outsourced tasks

Are there any other cash or card related tasks which are outsourced?

What are these tasks and who is responsible for them?

If these tasks are common across several of the main payment instruments listed in section A, please indicate how the cost can be split across these means of payments.

If these activities are provided under a contract that includes other services, please indicate this here and detail the total contract (total value, services provided, how the fees are calculated, how the cost of just these activities may be split out and what are the main cost drivers for the fees).

Total annual fees for any other outsourced tasks

Reviewer's conclusion

Was the retailer able to collect all the information? (Y/N)

Which information is missing?

C Merchant MSC and Devices Information

Bank charges for payment transactions

The following section deals with Merchant Service Charges, the fees paid by the merchant to an acquirer for services related to acceptance of payment cards. The components of MSC fees below (MIF, Scheme Fees and Other acquirer fees) are indicated as optional information, as they are often not known to merchants. As this information is nonetheless crucial for the purpose of the study, the Commission is planning to obtain it from alternative sources. However, if data on the MSC components is available to you, please provide it.

¹ Please provide the rate structure of Merchant Service Charges for card payment transactions as defined in your contracts charged by acquiring banks for face-to-face transactions only (if there are other card brands not included in this table, please expand the table to include all brands). If you are unable or unwilling to disclose exact rates, please indicate whether the MSC components take the form of a fixed annual fee, a fee per transaction or a percent of the transaction value by inserting an "x" in the relevant cells. If you can (e.g. if your acquirer makes it available), please also provide the respective price structure data for the components of MSCs: MIFs, Scheme fees and Other acquirer fees.

		Face-to-face transactions ONLY											
		MSC Fees			MIF			Scheme fees			Other acquirer fees		
		Fixed annual fee	Fee per transaction	Fee by value of transaction %	Fixed annual fee	Fee per transaction	Fee by value of transaction %	Fixed annual fee	Fee per transaction	Fee by value of transaction %	Fixed annual fee	Fee per transaction	Fee by value of transaction %
Domestic debit card													
International four-party debit card	Visa												
	Mastercard												
	Maestro												
International four-party credit card	Visa												
	Mastercard												
International three-party schemes and any other cards	Amex												
	Diners												
	Other												

² Please provide the total annual MSCs charged by acquiring banks for card payment transactions in the relevant year for face-to-face transactions only. These figures will most likely have to be provided from statements from the acquiring bank. If you can (e.g. if your acquirer makes it available), please also provide the respective total annual fee data for the components of MSCs: MIFs, Scheme fees and Other acquirer fees.

		Face-to-face transactions ONLY												
		Total MSC fees				MIF			Scheme fees			Other acquirer fees		
		Total bank fees	Total fixed	Total variable by number of transactions	Total variable by value	Fixed	Variable per number of transactions	Variable per value	Fixed	Variable per number of transactions	Variable per value	Fixed	Variable per number of transactions	Variable per value
Domestic debit card	0,00													
International four-party debit card	0,00													
International four-party credit card	0,00													
International three-party schemes and any other cards	0,00													
Total	0,00	0,00	0,00	0,00		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	

Please provide the information source for the data above and the person and department responsible.

C Merchant MSC and Devices Information

3 Please give details of any estimation methods used to obtain the split *by payment type* in the figures given above.

4 Please give details of any estimation methods used to obtain the split *between MIF, scheme fees and other fees* in the figures given above.

5 Please give details of any estimation methods used to obtain the split *between fixed, variable by number and variable by value fees* in the figures given above.

Devices information

6 Please fill in the tables below with relevant information by asset type for any assets used in cash and card processing. We have included a list in the table below, but this may not be comprehensive - please add any other assets that you feel are relevant.

NB: Assets acquired under a finance lease are considered to be purchased, not rented. Note also that assets provided for free by card acquirers should also be included by listing the number of assets provided free, and recording their purchase price as nil.

Type of device		Usage costs							Maintenance	
Device types	Brand	Total usage costs (Depreciation and rent)	Number of units bought	Number of units provided free	Replacement cost of one unit	% Annual depreciation	Annual depreciation amount	Number of units rented	Annual rent	Total annual maintenance fee
Staffed multifunctional cash register (POS system) - processing both cash and cards		0,00					0,00			
Staffed card terminals (if bought or rented separately from the cash register)		0,00					0,00			
Staffed cash only register		0,00					0,00			
Staffed card only register		0,00					0,00			
Self service multifunctional cash register (POS system) - processing both cash and cards		0,00					0,00			
Self service card terminals (if bought or rented separately from the cash register)		0,00					0,00			
Self service cash only register		0,00					0,00			
Self service card only register		0,00					0,00			
Dedicated phone lines		0,00					0,00			
Cash counters		0,00					0,00			
Counterfeit note detectors		0,00					0,00			
Safes		0,00					0,00			
Cash transport tubes		0,00					0,00			
Money boxes		0,00					0,00			
Software used for payment processing (please specify whether use)		0,00					0,00			
Hardware used solely for payment processing (please specify whett		0,00					0,00			
Insert...		0,00					0,00			
Insert...		0,00					0,00			
Insert...		0,00					0,00			
Insert...		0,00					0,00			
Total		0,00					0,00		0,00	0,00

Please provide the information source for the data above and the person and department responsible.

7 Please give details of any estimation methods used to obtain any of the figures above.

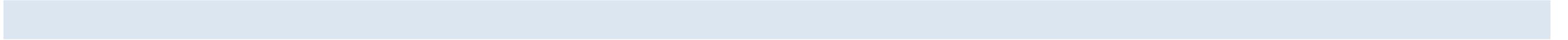
C Merchant MSC and Devices Information

Reviewer's conclusion

Was the retailer able to collect all the information? (Y/N)



Which information is missing?



D Merchant Other Information

Data Security Standards

1 Are you currently compliant with data security standard PCI-DSS ? (Y/N)

2 If you are not fully compliant, when do you expect to become compliant (please insert Not applicable if you have no intention of compliance)

3 If you are not fully compliant, please estimate the % completion of your compliance project as at the end of the financial year. (% based on expected capital investment - please insert Not applicable if you have no intention of compliance)

4 Please fill in the table below with the cost of PCI-DSS compliance for the **already effected** capital investment (i.e. until the end of the last financial year of reference) and ongoing costs incurred **in the last financial year.**

PCI-DSS project costs

Total cost

Annual cost

Total capital investment

Capital investment	
One off project implementation labour cost	
Any other major relevant item - please specify:	
<i>Less:</i> Capital expenditure which would have been incurred regardless of PCI-DSS	
	0,00

Expected life of PCI-DSS capital investment(in years)

#DIV/0!

Annual ongoing costs

Ongoing annual labour cost (internal)	
Ongoing annual software license cost	
Annual external audit fee	
Any other major relevant item - please specify:	

#DIV/0!

Please provide the information source for the data above and the person and department responsible.

D Merchant Other Information

Losses due to fraud and other causes

5 Please complete the table below for losses in the relevant year for **face to face transactions** only due to:

	Total cost	Cash	Domestic debit card	International four-party debit card	International four-party credit card	Three party and other credit cards	Method of estimation	Method of allocation
Cash losses (theft, till shortages, counterfeit notes)	0,00							
Card fraud (skimming, fake cards)	0,00							
	0,00							

Please provide the information source for the data above and the person and department responsible.

Surcharging/Rebate schemes

6 Please complete the table below with actual annual amounts for surcharging and rebates:

	Total cost	Cash	Domestic debit card	International four-party debit card	International four-party credit card	Three party and other credit cards	Method of estimation	Method of allocation
Annual value of rebates	0,00							
Annual revenue from surcharging	0,00							
	0,00							

7 Please describe any surcharging and/or rebate schemes that you had in operation in this financial year.

Opportunity cost of lost interest

8 Please fill in the table below relating to monies collected, but not yet banked:

Cash	Average daily balance of cash not banked (both the amount of change and notes that you regularly keep in tills to provide change on cash transactions, plus the average amount of cash income stored in safes waiting to be deposited).	<input type="text"/>
Cash	Average time taken from deposit at bank until the payment appears in the bank account	<input type="text"/> days
Domestic debit card	Average time taken from collection at till until the payment appears in the bank account	<input type="text"/> days
International four-party debit card	Average time taken from collection at till until the payment appears in the bank account	<input type="text"/> days
International four-party credit card	Average time taken from collection at till until the payment appears in the bank account	<input type="text"/> days

D Merchant Other Information

Reviewer's conclusion

Was the retailer able to collect all the information? (Y/N)

Which information is missing?

E Nature of Costs

In order to determine the **nature of some of the costs** inquired about, we would need to determine how they react to variations in transactions volume and value. Therefore, we ask you to consider the following **2 SCENARIOS**:

SCENARIO 1: assume the number of cash transactions and associated **cash turnover decrease by 1 transaction** from their current level and that your **card payments increase by 1 transaction**. In other words, one of your cash transactions is replaced by a card transaction.

SCENARIO 2: assume the number of cash transactions and associated **cash turnover decrease by 10%** from their current level and that this takes place for a sustained period of time (it is not a temporary variation, but one that stabilizes over a longer time, e.g. 3-4 years). Also assume that your **card payments increase by the equivalent amount**, such that your total turnover and number of transactions do not change (there is only a shift from cash payments toward card payments).

Please consider separately for the above 2 SCENARIOS whether and how your cash-related and card-related costs, respectively, would change as a result of the change in the use of cash and cards (but keeping in mind that your total volume of payments remains constant) and mark your answer in the below table in the following way:

- Mark **100% fixed** if you consider that the cost would not change;
- Mark **100% variable by value** if the cost could change and this is primarily a consequence of the fact that turnover has decreased/increased;
- Mark **100% variable by volume** if the cost would change and this is primarily a consequence of the fact that you would have to deal with a different number of transactions for each payment instrument.

In more complex cases, when you consider that certain cost items have a **mixed nature**, you have the option to split your response along the 3 cost nature types. In such cases, please use the total annual costs for that particular cost item (as reported on the previous sheets of the questionnaire) as the basis for the split. Please also make sure that the percentages **add up to 100%**.

For convenience, some of the cells have been already marked with their expected value. Should you notice any inaccuracies in this respect, please mark and correct them.

Cost item	SCENARIO 1			SCENARIO 2			Comments
	fixed	variable by value	variable by volume	fixed	variable by value	variable by volume	
Front office transaction time cost			100%			100%	
Back office transaction time cost							
Transport of cash to and from the safes and tills	100%						
Transport of cash to the bank	100%						
Transport of cash between stores	100%						
Transport of change from the bank	100%						
Handover of cash to cash transport and associated paperwork	100%						
Control of cash transport (cross-checking amount of cash received in the safe with amount of cash leaving the tills etc.)							
Security monitoring of cash counting/handover/collection							
Preparation of notes and coins to put in the tills	100%						
Filling the tills with coins and notes, both for staffed and self service tills	100%						
Identifying counterfeit notes (outside front-office time)							
Dealing with cash loss (theft, till shortages, etc.) investigation							
Calculating coin and note ordering requirements	100%						
Cash counting		100%			100%		
Cash reconciliation at store level							
Head office cash reconciliation							
Storing and filing of card signature (EFT) slips			100%			100%	
Checking card terminals for security	100%						
Dealing with card fraud investigation			100%			100%	
Head office card reconciliation							
Journal uploading into the system	100%						
Payment transaction related supervisory time not included in any other task							
Insert...							
Insert...							
Insert...							
Insert...							
Outsourced cash costs							
Cash deposit transport to the bank and between stores							
Depositing of cash at the bank							
Change money transport from the bank and between stores							
Obtaining change money							
Other outsourced tasks							
Fixed asset depreciation, rent and maintenance							
Staffed multifunctional cash register (POS system) - processing both cash and cards	100%						
Staffed card terminals (if bought or rented separately from the cash register)	100%						
Staffed cash only register	100%						
Staffed card only register	100%						
Self service multifunctional cash register (POS system) - processing both cash and cards	100%						
Self service card terminals (if bought or rented separately from the cash register)	100%						
Self service cash only register	100%						
Self service card only register	100%						
Dedicated phone lines	100%						
Cash counters	100%						
Counterfeit note detectors	100%						
Safes	100%						
Cash transport tubes	100%						
Money boxes	100%						
Software used for transaction processing	100%						
Hardware used for transaction processing	100%						
Insert...							
Insert...							
Insert...							
Insert...							
PCI-DSS costs	100%						
Losses due to fraud and other causes		100%			100%		
Surcharging/Rebate schemes							
Opportunity cost of lost interest							
Opportunity cost of average daily cash balance		100%			100%		
Opportunity cost of time delay in crediting		100%			100%		

Reviewer's conclusion

Was the retailer able to collect all the information? (Y/N)

Which information is missing?