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SUMMARY

DIALOGUE FORUM E-KRONA

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Meeting 10. Swedish retail payments council, the Riksbank's consultation response and conclusions from the user studies

At this tenth meeting of the e-krona external dialogue forum, the Riksbank presented the Swedish retail payments council and proposal on how to continue further discussions with market participants on e-krona-related issues. The Riksbank also presented the part of the Riksbank's consultation response to the Payment Inquiry (SOU 2023:16) concerning the need for an e-krona in Sweden, as well as some of the conclusions from the user studies regarding retailers and the general public on behaviour and driving forces in the payments market.

The meeting ended with a retrospective on the dialogue forum.

The retail payments council seems to be a good next step for discussing e-krona issues

The Riksbank began by presenting the Swedish retail payments council and its new working committee. The Payment Council decided at a plenary session on 24 November 2023 to establish a working committee on digitalisation and new services where

questions about the role of the e-krona in the Swedish payments market will also be included. The payments council's working committee on payment service availability may also be relevant for discussing accessibility aspects of a possible e-krona.

Participants asked questions regarding representation on the new committee and whether questions regarding wholesale CBDCs¹ will be raised. There will be a constituent meeting of the committee at the beginning of next year, where representation and work programmes will be set.

The participants were in favour of the Swedish retail payments council as a forum for further discussion of the e-krona and considered it good to formalise the discussion in the channels that already exist. However, they pointed out that it may be important to have several forums or market consultations later on.

It is good that challenges are raised in the Riksbank's consultation response, but an e-krona is probably not the only solution

The Riksbank presented some of the e-krona-related parts of the Riksbank's consultation response to the Payment Inquiry (SOU 2023:16), which was submitted in October 2023. The participants discussed inclusion and how the e-krona can contribute to digital and financial inclusion. They also talked about which authority would be responsible for different parts of the e-krona. It would perhaps be natural for the Riksbank to be responsible for issuing it, but other authorities could take responsibility for distribution or accessibility, for instance. They compared it with the proposal put forward by the European Commission for the digital euro regarding post/government offices.

Participants talked about the potential benefits of introducing a new payment solution instead of making a copy of an existing, and perhaps outdated, solution with built-in structural difficulties. It was argued that many problems can perhaps be solved with the existing structure, but that one should take the opportunity for new thinking with regard to, for example, price models and regulation. Others argued that the problems that exist in the payments market must be viewed objectively and that suitable solutions must be identified from the point of view of the actual problem, regardless of the e-krona.

There was also discussion of the costs of an e-krona and who will pay for them. In this context, attention was drawn to the need for participants in the payments market to address the challenges, regardless of the costs. Furthermore, "timing" was discussed and one perspective that was put forward is that it may be good to wait and see how things go for the ECB, as there is no particular point to being first.

¹ For more information on the concept of wholesale CBDCs, see <https://www.ecb.europa.eu/press/key/date/2022/html/ecb.sp220926~5f9b85685a.en.html>

Interesting but rather expected conclusions from the user studies

The Riksbank presented some of the conclusions drawn from the in-depth interviews conducted with retailers and the general public.² The participants found the conclusions interesting, although most were considered quite expected. It was said that society at large has a high level of trust in the state and in the banks and that it is not surprising to hear that many expect someone else to make sure that things work out in the event of a crisis.

From the user study aimed at retailers, particular attention was paid to the importance of transparent price models and that there seem to be good opportunities to create new better models that are not based on copies of today's models.

The low need for anonymity surprised some, and participants questioned whether it also concerned crypto trading, and whether there was any difference between giving information to the state compared to other parties.

They also highlighted the generation gap when it comes to the role of cash in society. Many young people do not seem to want to use cash themselves but understand that others may have use for them.

The dialogue forum has been well organised and valuable!

Since this 10th meeting of the e-krona dialogue forum was the last, the meeting ended with a retrospective to identify what has worked well and to identify improvement areas for similar market consultations in the future.

The things which participants highlighted as being good with the dialogue forum set-up included the following:

- Good composition of the group. Good mix of perspectives and very competent and committed participants
- Good and clear themes at meetings
- Good background materials and preparation for meetings
- Good to distribute assignments to participants in advance and allow different people to make presentations
- Good with continuity – everyone has been kept up-to-date and been able to keep up with things, even though developments have been rapid

Things that could have been done better:

- Discussions have been open and flexible, but the Riksbank could have received even better feedback if it had been more open with its own thoughts
- Someone would have liked to have seen the Riksbank link the discussions even more to the work on the digital euro
- It was thought that some time had been wasted in the beginning, when participants often got stuck in discussions about the need for an e-krona

² For further information on the user studies, see <https://www.riksbank.se/en-gb/press-and-published/notices-and-press-releases/notices/2023/e-krona-study-on-behaviour-and-driving-forces-in-the-payment-market/>

- It has been difficult to represent oneself in the discussions. One is inevitably a part of one's organisation.
- The length of the meetings has made it difficult to squeeze these into people's schedules. At the same time, the meetings have been perceived as effective and valuable

Other comments for future market consultations:

- It would be easier with a common goal – identify the real problems and find solutions to them instead
- When the Swedish retail payments council's new committee has started - make sure that participants have plenty of time to absorb the material
- It would be interesting to discuss different models and scenarios in the future