



30 June 2014

INFORMATION RELEASE

Electronic payment instruments expanding in Hungary

The data published for the first quarter in the Payment table set of the Magyar Nemzeti Bank reveal a further increase in the use of the domestic electronic payment instruments at the previously observed slow rate. With regards to the development of the infrastructure necessary for transacting the electronic payments in the first quarter of 2014, it can be stated that the number of household bank accounts, debit cards and POS devices facilitating card payments practically stagnated, while there was a significant increase in the ratio of the cards featuring contactless payment function and the POS devices necessary for such payments. Electronic payments in Hungary are still safe; the ratio of the payment card-related frauds compared to the turnover is low as usual.

As of 2014, the MNB introduces the publication of quarterly data uniformly for all data ranges in the Payment table set, as a result of which it will be possible from now on to observe the payment processes in Hungary more frequently.

The number of the payment accounts dropped by 1 per cent in the first quarter of 2014 relative to the end of last year. Within the 10.49 million accounts, there was yet another minor decrease in the number of household bank accounts, while the number of the business organisation accounts did not change significantly. There was a similar decrease in the number of the payment cards; the 7.54 million debit cards represent a 1 per cent decrease compared to the end of 2013, while the number of credit cards fell by 4 per cent to 1.32 million by the end of the quarter following the increase in the previous year. The number of virtual cards to be used for online purchases increased by 2 per cent to 629,000, while the number of the cards featuring contactless payment function went up by 25 per cent reaching 2.2 million, thus already a quarter of the payment cards offer this latter function. The number of online card acceptors increased by 7 per cent, while the number of physical card acceptance points and POS terminals operated by them fell by 1 per cent relative to the end of 2013. The ratio of POS terminals supporting contactless payment rose to 39 per cent in the first quarter.

No significant difference could be observed in the area of payment card transactions relative to the previous trends. The number of purchases made in the first quarter with cards issued in Hungary was 79.7 million, worth HUF 573.2 billion. The total value of the 25.3 million cash withdrawals was HUF 1,437.8 billion. At HUF 6,660, the average value of purchase transactions in Hungary was slightly lower than in previous periods, while the

domestic cash withdrawal amounts were higher by more than two-thousand forint, i.e. HUF 56,860, in this period relative to the previous half year. With regards to purchase transactions, the ratio of online purchases and remote transactions in the case of other order types further increased, thereby accounting for 8 per cent of the total purchases in the first quarter of 2014.

The number of forint credit transfers grew by 3 per cent, reaching 52 million in the first quarter of 2014 year-on-year, while their aggregate value was higher by 13 per cent. The number of credit transfers initiated in batch went up by 7 per cent. The number of direct debits, used primarily for the regular payments of the households, increased at a similar rate as before, i.e. by 2 per cent to 16.45 million year-on-year; however, their aggregate value fell by 2 per cent in this period.

Based on the latest figures for the second half of 2013, the number of frauds committed with payment cards issued in Hungary increased by 2 per cent compared to the previous half-year; however, the ratio of the frauds relative to the turnover further decreased, and four-fifths of them are still related to cross-border transactions. The ratio of frauds in remote, typically online, transactions continued to increase, thus already 71 per cent of all frauds and 65 per cent of the total loss are attributable to such frauds. Following the decrease experienced in previous years, the number and value of frauds in the domestic acceptance network increased once again in the second half of 2013; however, its ratio compared to the turnover is still extremely low, with merely five frauds per one-million card transactions.

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Detailed tables: [Payment table set](#)

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