



EUROPEAN CENTRAL BANK

EUROSYSTEM

# Dispute management

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Euro Retail Payments Board

6 December 2022

Digital euro project team



# Objective of today's exchange



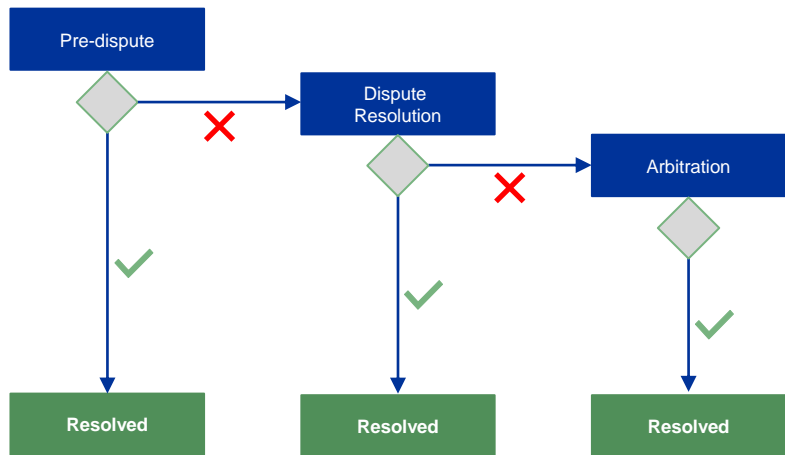
Present the investigation of **dispute management** for the digital euro.



Invite **your feedback on the Eurosystem's analysis of dispute management** (followed by written procedure until 23 January 2023) as input for Eurosystem preparations of final decisions on these functionalities by Governing Council in H1 2023

# Introduction to dispute management and its relevance for a payment scheme

- Disputes occur in any payment scheme for various reasons (e.g. technical errors, fraud, non-delivery of goods/services)
- Dispute management implies the right to request information and to be financially reimbursed if applicable



Dispute management rules and procedures enhance consumer protection, thus, drive **trust in the payment method**



# Options for responsibility division when introducing a dispute management for the digital euro

|                                       | Intermediaries not involved  | Intermediaries involved   |
|---------------------------------------|--|---|
| Eurosystem not operationally involved | <b>Option 1:</b> Do “nothing”, rely on e.g. EU’s Online Dispute Resolution only  | <b>Option 2:</b> Address dispute management defining scheme rules and regulations without technical support on scheme level. Shift of responsibilities to intermediaries                              |
| Eurosystem operationally involved     | <b>Option 4:</b> Define scheme rules <b>and</b> introduce a dispute management system of scheme level <b>without</b> intermediary involvement, interacting directly with end users | <b>Option 3:</b> Define scheme rules <b>and</b> technical functionality on scheme level, providing integration possibility to intermediaries enabling application of defined dispute management rules |

Regardless of the option chosen the Eurosystem will not take any financial liability vis-à-vis the end user

 Considered a viable option. To be assessed further, particularly, impact on end-users, intermediaries and Eurosystem

 Considered not a viable option

# Way forward and discussion

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# Way forward



**Further investigation** on dispute management



**Consultation of Eurosystem committees**



**Outreach to other Central Banks and international fora, as well as external stakeholders**



Eurosystem views to be **updated in Q1 2023** based on the outcome of Eurosystem committees' consultation, preliminary external discussions and further internal analysis, and to be **finalized towards the end of the investigation phase**



Review of combined design decisions (“Bringing it all together”) in Q2 2023 and feedback by stakeholders on overall design prior to Governing Council decision making thereafter

# For feedback

We invite **reflections on all aspects of the analysis**, including the following questions:

- View on the need of dispute management processes for a pan-eurozone payment method like the digital euro considering the prioritised use cases: P2P, POS and e-commerce?
- View on the role of the Eurosystem vs. the role of the intermediaries in regard to dispute management processes for the digital euro, particularly considering the proposed dispute management option 2 and 3?
- Key considerations when implementing dispute management processes for both the Eurosystem and intermediaries?

**Thank you**

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