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PayPoint welcomes Irish energy regulator's stand against surcharging pay-as-you-go energy payments

1 September 2014: Retail payments network PayPoint has welcomed the Irish Energy Regulator's call to retailers to stop charging extra fees to pay-as-you-go customers for their gas and electricity payments in-store. At the same time, PayPoint is calling on banks in Ireland to reverse the recently imposed increases in cash banking charges, which are threatening small businesses and the most financially disadvantaged people in Ireland.

Seamus Smith, Managing Director of PayPoint UK & Ireland, said: "According to the Irish CSO, a fifth of Irish households don't have a bank current account, includng 37% of those with the very lowest incomes. All these people depend on cash to pay for their essential services, such as gas and electricity pre-payments.

"Charging extra to cash payers for these basic human necessities cannot be justified. When retailers sign to provide payment services, they agree that they will not make extra charges to customers to use the service, so they should honour their contracts. We hope all other network operators will support the regulator's call and look to enforce their contracts."

PayPoint argues that the situation has been caused by the actions of the banks, which have in the last 18 months more than doubled charges to small businesses for banking cash.

"Nearly two-thirds of all consumer payments in Ireland are made in cash," adds Seamus Smith, "including virtually all transactions for transactions less than €10 – the typical amount that consumers spend on meter top-ups. Retailers have to bank this cash and the banks' unjustifiably high charges are a major cause of these problems for small businesses and the financially disadvantaged."

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Note to editors

The retail payment network operators collect consumers' prepayments on behalf of the energy companies after collecting the cash from the retailers via their bank accounts. Over the last 12 to 18 months, the banks have more than doubled the cost to retailers of depositing cash into their account. Whereas it used to cost €0.17- €0.20 for every €100 deposited, it now costs €0.45 at AIB, €0.48 at Bank of Ireland and €0.50 (0.05%) at Ulster Bank.