



Submission to the National Transport Authority on the National Maximum Taxi Fare Review Report 2019

Dublin Chamber supports the roll-out of card payment schemes in taxis and mandatory acceptance of payment cards. These enhancements are a step towards the overall goal of an accessible and modern transport system for Dublin. Dublin's transport offering is critical for all of its citizens, businesses, visitors and investors. As the majority of taxis (60%) operate in Dublin, changes to this industry have a significant impact in the city. The National Transport Authority's recently published consultation on the National Maximum Taxi Fare Review Report 2019 proposes the introduction of 'Mandatory Acceptance of Payment Cards in all Taxis'. The Chamber fully supports this recommendation and believes that this move represents a positive shift in terms of user experience of the taxi industry.

Rising demand for card payments

There is a growing trend in consumer behaviour towards exclusive use of card payments. In the past five years, and since the last taxi fare review in particular, there has been a significant and rapid change in how people use, spend and carry cash. Dublin is moving towards becoming a cashless city, in line with international trends, with increasing numbers of people not carrying cash. In terms of e-payments, Ireland is currently ranked 10th of 27 European countries in 2017, and ahead of the EU average, for the combined use of card payments, credit transfers and direct debits.¹

While a significant number of consumers still carry small amounts of cash, their preferred method of payment is by card; this has largely been driven by the roll-out of contactless payment. The proportion of people using contactless payment is continuing to rise. In H2 2018, contact payments grew in volume by 59% year-on-year, resulting in 195 million transactions valued at €2.5 billion.²

The wider acceptance of card payments across society has significant economic benefits; it also has the potential to increase tax revenues and effectively remove the grey economy. In 2018, Visa carried out a study of the economic impact of cities moving towards a cashless society, projecting that by going cashless Dublin could generate €1.35 billion in annual savings.³ Government policy generally recognises the benefits of e-commerce. In 2013, the Government launched its National Payments Plan to promote the use of innovative and secure online payments in order to reduce reliance on cash and cheque.

¹ BPI Payments Monitor 2019, <https://www.bpfi.ie/wp-content/uploads/2019/05/BPFI-Payments-Monitor-H2-2018-FINAL-for-website.pdf>

² BPI Payments Monitor 2019, <https://www.bpfi.ie/wp-content/uploads/2019/05/BPFI-Payments-Monitor-H2-2018-FINAL-for-website.pdf>

³ Silicon Republic, 12 April 2018, <https://www.siliconrepublic.com/companies/dublin-cashless-contactless-payments-visa-p2p>

With the roll out of the leap card and card payment options on ticket machines cash is no longer needed to access the Luas, Dart or DublinBus. Access to DublinBikes is exclusively available by card payment and card payment options are being installed in parking meters across the city. The taxi industry is one of the only aspects of Dublin's transport offering that has been slow to move towards accepting card payment.

Payment technologies

Technology is constantly evolving and there are more payment methods available than ever before. While there is a clear demand for enhanced roll-out of card payment in taxis, there is also an appetite on the part of consumers for mobile-based instant payment solutions Both would provide the basis for an innovative payments infrastructure to serve the consumers well in the future. Currently cashless payments can be made to drivers via apps such as FreeNow. 48% of those ordering a taxi in Dublin do so through an app service. This is by far the most popular method for ordering a taxi in the city and is particularly popular among those aged 18-35. These payment methods are simple to use, secure, fast and portable.

New technologies may present new challenges that should be considered, e.g. banking system outages, blackouts, additional costs and connectivity. Despite these potential challenges, the Chamber is firmly of the view that the benefits outweigh any potential negatives.

Tourism and nightlife

As highlighted in the report, the NTA receives a considerable number of complaints each year in regards to the lack of card payment options, particularly at transport hubs such as Train Stations or Airports. The lack of card payment options goes against Dublin's smart city credentials and for the tourism sector in particular this represents a major frustration and can create a negative first impression for visitors to Ireland. The tourism sector is a huge industry in Ireland, with 11.2 million overseas visitors delivering €6 billion to the economy and supporting over 325,000 jobs across the island.

According to the NTA's report, the top three reasons cited by taxi users for using a taxi on the last occasion are social (57%), leisure (25%) and work (11%). The taxi industry is a complementary industry to Dublin's social life and night life. As these industries also move towards a cashless system with the majority of venues accepting cards. The taxi industry must likewise adapt to the consumer or risk missing out on customers.

Benefits to the taxi industry

While the proposed change would result in charges for taxi operators, the NTA has taken into account the additional costs of implementation; in order to alleviate this they have taken the impact of costs into consideration when conducting the fare review. It should be noted that taxi drivers are potentially losing out on customers who no longer carry cash. Beyond greater customer access, there are other benefits to taxis. Going cashless should improve drivers' safety as they are less likely to be targets for robbery. Less administration will also be required in terms of counting cash and depositing it into bank accounts, with the associated handling costs.