

Paypal scraps fees to help consumers tackle Ireland's €575m I.O.U. problem

- Cash and 'old' banking methods frustrate efforts to pay back family and friends
- Research reveals 300,000 people have fallen out with family and friends over unpaid debts
- PayPal's Louise Phelan declares war on cash by scrapping fees for Euro transfers in Ireland
- PayPal has more than 1 million active accounts in Ireland

Dublin, Thursday 14th June 2018 – New research from PayPal¹ reveals that Irish consumers owe their family and friends an estimated €575 million² in small, unpaid debts. Efforts to pay back the nation's I.O.U. debt are being frustrated by costly and inefficient ways of repayment. PayPal has scrapped its fees for Euro money transfers between friends and family in Ireland to encourage more consumers to turn away from cash and embrace faster mobile payments.

The cost of using cash

Despite the popularity of smartphones in Ireland, people still rely heavily on cash. Two thirds (67%) of the survey respondents state that they use cash most often to pay friends and family. In fact, Irish consumers carry more cash on them today (€57 on average) than they did two years ago (€39). Many people do not realise the financial and time cost involved in using cash. A third of Irish consumers (33%) have had to pay fees at a cash machine, or for internet or telephone banking just to make a payment to their friends or family. Consumers can pay a standard flat fee such as 35c for cash machine withdrawals using a debit card, or up to 1.5% for withdrawals from a cash machine using a credit card, depending on their bank.³

Cash and 'old' money transfers delay repayment

On average, Irish adults are owed €152 each through small loans they have made to their friends and family. PayPal's research estimates this could amount to over €575 million in unpaid debts nationwide. 1 in 5 consumers (19%) blame their failure to repay on not carrying enough cash on them, or not being able to access a cash machine. The implications of unpaid debt on personal relationships are significant. A quarter of respondents (25%) state they will never lend money to their indebted loved one again, while 1 in 12 (8%) admit to having fallen out with their loved ones when a small loan has not been repaid.

PayPal cancels fees to encourage cheaper and faster repayment

In a bid to encourage more consumers to move away from cash and traditional bank transfers, PayPal has removed all fees for Euro money transfers between friends and family in Ireland using the PayPal app⁴. Smartphone alternatives like the PayPal app help eliminate many of the problems associated with cash and old-fashioned transfers. Payments can be sent with just the recipient's email address or mobile number, rather than a sort code and bank account number.

Louise Phelan, Vice President at PayPal, comments: "Cash is still king in many people's eyes, but it doesn't deserve our loyalty. Cash comes with hidden costs and frustrations, both financial and personal. There seems to be an Irish taboo around asking to be paid back by friends and family. Almost a third of us prefer to do nothing and not ask to be paid back, leaving many people out of pocket."

Louise adds, "In this day and age, we should expect more from our financial services. We have these incredibly powerful computers in our pockets, which should make our lives easier. Not only does the PayPal app save you the time and hassle associated with sending money to friends and family, it can now help save you money too. We've scrapped fees for Euro money transfers across the nation, so now there's no excuse for not settling up!"

How to send money with no fees

- Download the PayPal app on the [App Store](#) or [Google Play](#).
- Register or login to your PayPal account, and select Send Money.
- Add your contacts to select a recipient from your address book. There's no need for a sort code and account number!
- Enter the amount and hit send. It's that simple and fast.

- Registered PayPal users receive the funds in just 20 seconds on average. If the recipient doesn't already have a PayPal account, they can open one easily for free.

For more information, visit [the PayPal Ireland](#) website.

Notes:

- All research data sourced from a nationally representative survey conducted by Censuswide on behalf of PayPal in May 2018. The research polled 1,014 adults in Ireland.
 - The €575 million I.O.U. is based on the average amount owed to each Irish adult, according to the Censuswide survey, multiplied by the Irish adult population in 2017 of 3,785,500 as [estimated by the CSO](#).
 - Visit [Money Guide Ireland](#) for more details on cash machine fees.
 - PayPal previously charged a 3.4% fee + 35c on the portion of a Euro money transfer between friends and family in Ireland funded by a credit card or debit card.
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<https://newsroom.ie.paypal-corp.com/2019-09-19-Paypal-scrap-fees-to-help-consumers-tackle-Irelands-575m-IOU-problem>