

CEPS-ECRI-BEUC Breakfast Debate

Dynamic Currency Conversion

Valuable service or deceptive business model?

In the Financial Services Action Plan published in March of this year, the European Commission criticised the practice of dynamic currency conversion (DCC) and announced its intention to propose solutions. What is DCC? It is a service offered to consumers when paying for purchases or withdrawing money in a foreign currency, which immediately converts the amount of the transaction into their home currency. DCC services are offered by physical and online merchants, as well as by ATMs. For example, a Belgian tourist making a purchase in say Croatia will be offered the choice of making the payment in euros (the consumer's home currency) or kuna (local currency). When presented with such a choice, the majority of consumers opt for their home currency – which they are familiar with – for the sake of convenience. The available evidence shows, however, that the acceptance of DCC by consumers is almost always to their detriment: the final bill is often much higher than when opting for the local currency.

The aim of this breakfast debate is to discuss the DCC service, its advantages and drawbacks, the EU legal framework within which it operates, and possible remedies to prevent placing consumers at a disadvantage.

AGENDA

18 January 2017

Place du Congrès 1, 1000 Brussels

8:00-8:30	Registration and coffee
8:30-8:45	Welcome speeches Karel Lannoo or Sylvain Bouyon, CEPS Monique Goyens, Director General, BEUC—
8:45-10.00	Panel debate Philippe Pellé, DG FISMA, European Commission Elie Beyrouthy, American Express Pascale Marie-Brien, Senior Policy Adviser, EBF Paul Thomalla, ACI Worldwide Jean Allix, Special Adviser, BEUC Moderator: Karel Lannoo or Sylvain Bouyon, CEPS
	Q&A session



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