

NEWS & NOTES *continued*

## ELECTRONIC TRANSACTIONS

## Cash No Longer King

*Sweden is quickly becoming dependent on credit cards and mobile payments.*

While credit cards and payments using mobile devices are becoming increasingly common in many places, Sweden has been quicker to embrace the cashless revolution than other countries. *The New York Times* reports that more than half the branches of Sweden's largest financial institutions, including SEB, Swedbank and Nordea Bank, keep no cash on hand and do not accept cash deposits. Last year, the country's bank vaults held approximately 3.6 billion *kronor*—less than half the 8.7 billion they stored in 2010.

The convenience of paying by mobile app and plastic has caused many Swedes to choose digital over cash payments. Bills and coins represent just 2 percent of the country's economy, compared to 7.7 percent in the United States and 10 percent in countries that have adopted the euro. According to Euromonitor International, a privately owned London-based intelligence firm, the average number of consumer payments made with cash is around 75 percent worldwide, but only about



◀ Despite cash's waning popularity, Sweden recently redesigned its paper currency featuring famous Swedes, including Greta Garbo on the 100 kronor.

20 percent of all payments in Sweden are made with coins and notes.

Not everyone is thrilled with Sweden's cashless transition, and many consumer organizations warn of an increasing threat of electronic fraud and invasion of privacy. Advocates say that going cash-free is safer. Banks report they save a significant amount on security costs because of the reduced risk of armed robberies.

While cash is clearly less popular than electronic payments, Sweden's central bank, the Riksbank, predicts that paper money and coins will still be circulating in 20 years and has issued newly redesigned currency. Sweden's new bank notes—the 20-, 50-, 200- and 1,000-krona bills—became legal tender on October 1, 2015. The country's revamped 100- and 500-krona notes and 1-, 2- and 5-krona coins will begin circulating in October of this year.

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