Everybody has heard of electronic money or cash, but it is a term which takes in very diverse meanings. When speaking of electronic cash, we normally think of the use of a credit card to pay for a purchase made over the Internet. Electronic cash ought to fulfil the basic characteristics of any currency, but in addition it has the peculiarity that its existence can only be shown using an electronic device. Let us consider some kinds of "electronic currencies" which are currently being used.

EOne company, e-gold.com, provides an electronic payment system backed up by metals of a sure and stable economic nature (gold, silver, platinum and palladium). It allows traditional cash to be exchanged in order to accumulate large sums of money and so make purchases on the Internet using very small amounts (micropayments) or amounts of great value. One of the main advantages of e-gold with regards to other kinds of traditional money is that it allows online business to be carried out instantaneously and transparently. Moreover, the cost of the transactions is lower than that associated with credit cards. On 1st July 2000 there were 8,26 million euros deposited in e-gold and 45,090 accounts, bringing an average of 183 euros per account.

Another form of payment which could be considered as electronic cash is the points system. Nowadays we often receive points for air miles, for using a credit card, for purchasing at a large store, for using the telephone, etc. These points can then be used to purchase different products. In order to get an idea of their importance, we merely need to consider that indicated by the consultancy Frequent Flyer Services: it estimates that at the beginning of the year 2000 there were more than 3 billion unused air miles with an average price per mile varying between one and three cents of a dollar, amounting to between 30 and 90 thousand million dollars. In some cases these points are already evolving towards use on the Internet. On the Internet itself there are many points systems: some companies offer points for hours spent surfing the Internet or for carrying out specific operations while visiting different web pages. These points can be accumulated and used to carry out purchases on the Internet. In some cases the points can be exchanged for conventional money. The equivalent amounts of money which can be obtained using a points system do not generally allow highly-priced products to be purchased. An example could be the company SurfMiles (www.SurfMiles.net) which offers the equivalent of 0,45 euros for each hour spent surfing the Internet, and the SurfMiles can be exchanged for pounds. However, the volume of electronic cash in circulation deriving from the use of points can be very large on a global scale.

It is obvious that the credit card shall continue to be the most used system for payments on the Internet over the next few years. Nevertheless, there are reasons to think that other payment methods will appear, since there are cases in which, for different reasons, sales cannot be made using a credit card:
1. When selling products worth less than 10 euros the costs imposed for making payment with a credit card are excessive and make its use untenable.

2. There is an entire group of possible Internet buyers aged between 12 and 18 who do not have a credit card and who are potential buyers of products valued at around 10 euros.

3. Amongst the adult population there is a large number of people who could be e-commerce consumers but who do not have a source of income which allows them to hold a credit card.

4. Among the potential buyers are those who do not wish to use their credit card for Internet transactions due to fear of fraud.

According to Jupiter Communications, it is believed that this group of buyers will carry out 20% of e-commerce purchases over the next 3 years. There is a need for a payment system which does not require having a credit card or a bank account. On the other hand, those suppliers who sell products worth less than 10 euros ought to offer their customers a payment system which costs less than a credit card if they wish to profit from microsales.

The Internet era is still at an early stage and is obvious that the Web is a means through which commercial transactions are going to increase. We need to have appropriate payment systems which allow suppliers and customers to do all they wish. Undoubtedly there remains much to do. The pressure of e-commerce on the Internet and the process of globalisation (which goes beyond national frontiers and demands greater agility in the payment systems) may bring about important changes with regards to electronic cash and maybe even the creation of a currency.