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New payment methods will help drive cashless payments over the coming years

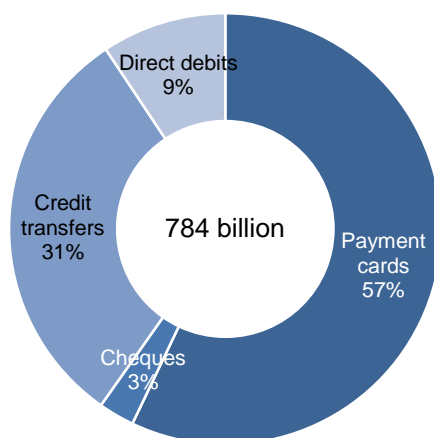
Increasing financial inclusion efforts, the rapid uptake of contactless and mobile payments, and the introduction of new payment systems are contributing to growth in cashless payments worldwide

Strong growth in cashless payments as cards increasingly preferred for everyday transactions

RBR's study, *Global Payment Cards Data and Forecasts to 2024*, reveals that in 2018 the number of cashless payments grew by 18% to reach 784 billion. Payment cards and credit transfers were the greatest contributors to this growth, with direct debit payments increasing by just 6%. Cheques continue to fall out of favour, and declined by 7%, dwindling in most markets as consumers and businesses alike move to digital. Even in the USA, where cheque usage is much higher than in other markets, cheques are ceding their share to alternative methods. The number of cashless payments is growing much faster than expenditure, indicating a shift from cash to cashless for ever-lower amounts, while the number of cash withdrawals at ATMs fell for the first time in many years, by 3%.

According to RBR's report, cards account for 57% of cashless payments. The uptick in payment card spending can be attributed to more people entering the banking system as a result of financial inclusion efforts – such as in India and Indonesia. Additionally, increased issuance of contactless cards, for example in China, where all newly-issued cards must be contactless, is driving card usage, boosted by rising numbers of EFTPOS terminals which accept such cards.

Number of cashless payments worldwide by type, 2018



Source: Global Payment Cards Data and Forecasts to 2024 (RBR)

Credit transfers' popularity in Asia-Pacific drives cashless expenditure

The RBR study shows that USD 1.2 quadrillion was spent via cashless payment methods in 2018, up 6% on the year before. While cards saw the highest growth in expenditure, they account for just 2% of cashless spending, being typically used for everyday, low-value payments. Mobile payments, popular particularly in areas with high smartphone penetration, are contributing to growing card usage for lower value transactions, for example on public transport.

Credit transfers, meanwhile, retain the lion's share of cashless expenditure, at 85%. Typically used by large businesses to make high-value salary payments and B2B transactions, these are also increasingly utilised for lower value peer-to-peer payments, for example in markets such as China and Russia. Valued for their speed and convenience, credit transfers account for the vast majority of cashless expenditure across almost all regions, although Asia-Pacific represents over 70% of the global total. The USA is a notable exception, as there, direct debits are often preferred for payroll and debt repayments and therefore account for the highest share of cashless spend.



PRESS RELEASE

Innovation continues as consumers move away from cash

New alternative payment methods abound, for example in Russia where the Faster Payments System introduced in 2019 allows consumers and businesses to make instant funds transfers via mobile phone numbers and QR codes. Such initiatives, combined with rising levels of e-commerce which increasingly drive card payments and credit transfers, indicate that cashless payments have yet to peak.

Daniel Dawson, who led RBR's *Global Payment Cards Data and Forecasts to 2024* research, commented: *"With increasing digitalisation and more people entering the formal banking system, there is still plenty of potential for cashless payments. The shift away from cash is likely to continue over the coming years as e-commerce rises and consumers opt for convenient alternative payment methods"*.

Notes to editors

These figures and insights are based on RBR's study, *Global Payment Cards Data and Forecasts to 2024*. For more information about this report or to discuss the findings in more detail please email Daniel Dawson (daniel.dawson@rbrlondon.com) or call +44 20 8831 7310.

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