



PRESS RELEASE

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Convenience and COVID-19 boost contactless spending

Concerns about coronavirus transmission has encouraged use of contactless cards and this trend will continue as contactless limits are increased and new habits become ingrained

Contactless payments are increasingly the norm in Europe

Global Payments Cards Data and Forecasts to 2025 shows that contactless payments still account for a small but growing proportion of total card spending as they are often subject to spending limits and therefore used for lower-value payments than traditional cards.

Usage of contactless cards still varies around the globe. In Europe it is particularly high – their convenience has led to rapid adoption by consumers and widespread acceptance exists thanks to card scheme mandates.

Convenience coupled with growing consumer confidence is driving the rise of contactless cards in Asia-Pacific, although uptake of the technology in the region varies considerably. All newly issued cards in China and Singapore are contactless while in Vietnam and Pakistan most cards still do not have contactless functionality.

Contactless payments perceived as a safer, more hygienic option

In response to the COVID-19 pandemic, many countries around the world imposed lockdowns and restricted the opening hours and customer capacity of stores. Meanwhile consumers reduced their visits to merchant outlets to minimise exposure to the virus. Together these factors have seen the total number of transactions, both cash and card, decline in many markets.

However, it is against this backdrop that contactless cards have gained new relevance as they are often viewed as a more hygienic alternative to cash and traditional card payments. The PIN entry limit has even been increased in many countries to encourage the use of contactless cards. In India, a cash-heavy economy, the limit was more than doubled in January 2021. A higher limit enables consumers to consolidate their purchases into fewer but higher value contactless payments.

Contactless acceptance is high and will expand further

The trend towards contactless payments is expected to continue even as lockdowns lift and pre-pandemic life resumes. The convenience of contactless payments – bolstered by higher PIN entry limits – makes them popular among many consumers and the formation of new habits during the pandemic will also contribute to growth.

Alongside the increasing use of contactless cards, contactless acceptance is now high – more than 70% of outlets globally accept contactless payments. Acceptance will continue to widen, driven not only by card scheme mandates and consumer demand but by merchant convenience too. Many merchants benefit from accepting contactless payments as they increase transactions at the point of sale. Wider contactless acceptance adds to the convenience of contactless cards for the consumer.

Daniel Dawson, who led RBR's *Global Payment Cards Data and Forecasts to 2025* research remarked: *"The COVID-19 pandemic has boosted an already active sector and encouraged transitions from both cash to cards and traditional card payments to contactless"*.

Notes to editors

These insights are based on RBR's study, *Global Payment Cards Data and Forecasts to 2025*. 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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