

# Snapshot of Payments in the UK Over Time.





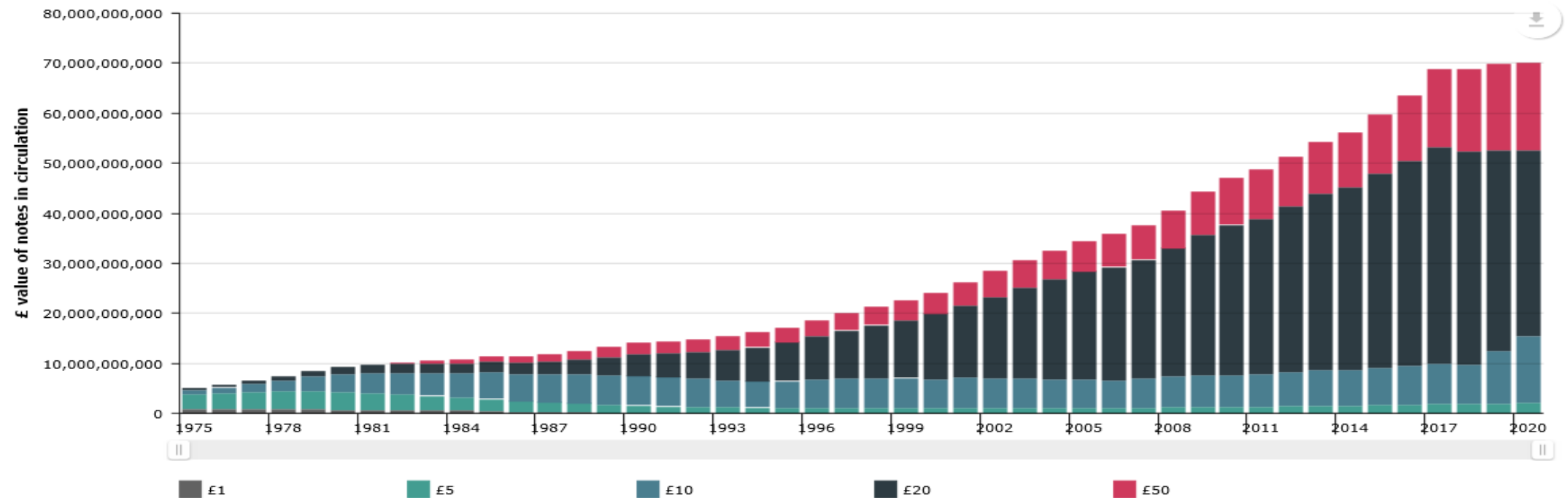
# Cash



# Notes in Circulation in the UK

## Notes in circulation

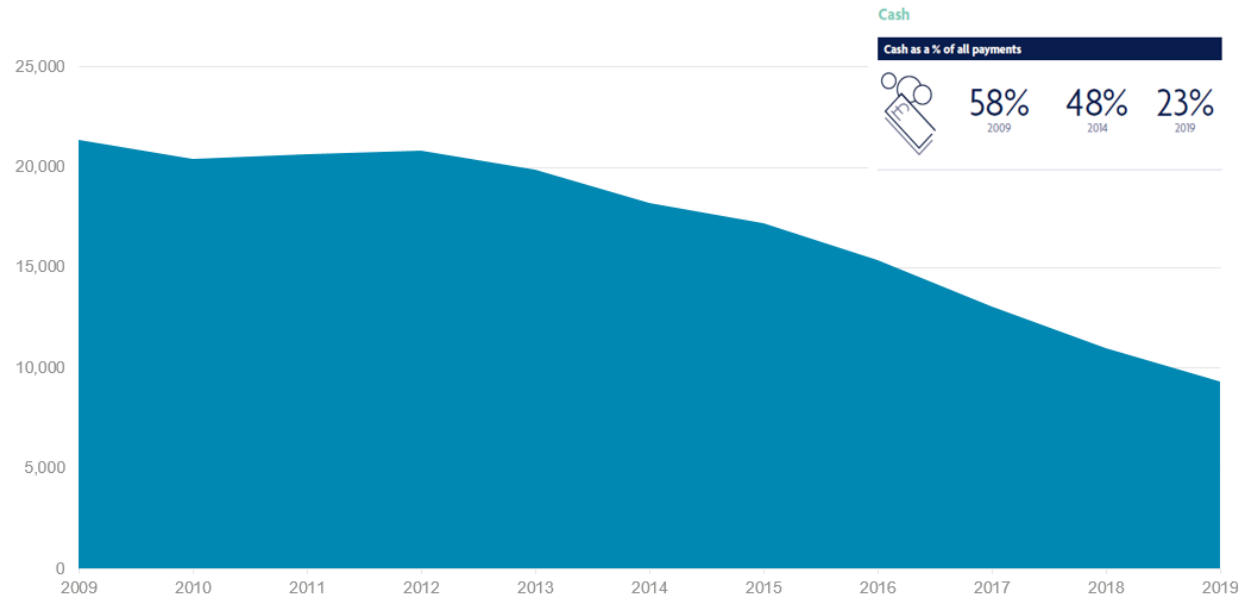
The total value of our notes in circulation has tended to increase over time with growth driven in recent years by the £20 and £50 note. We measure the value of notes in circulation on the last day in February each year.



Source: Bank of England

# Total Number of Cash Payments (2009 -2019)

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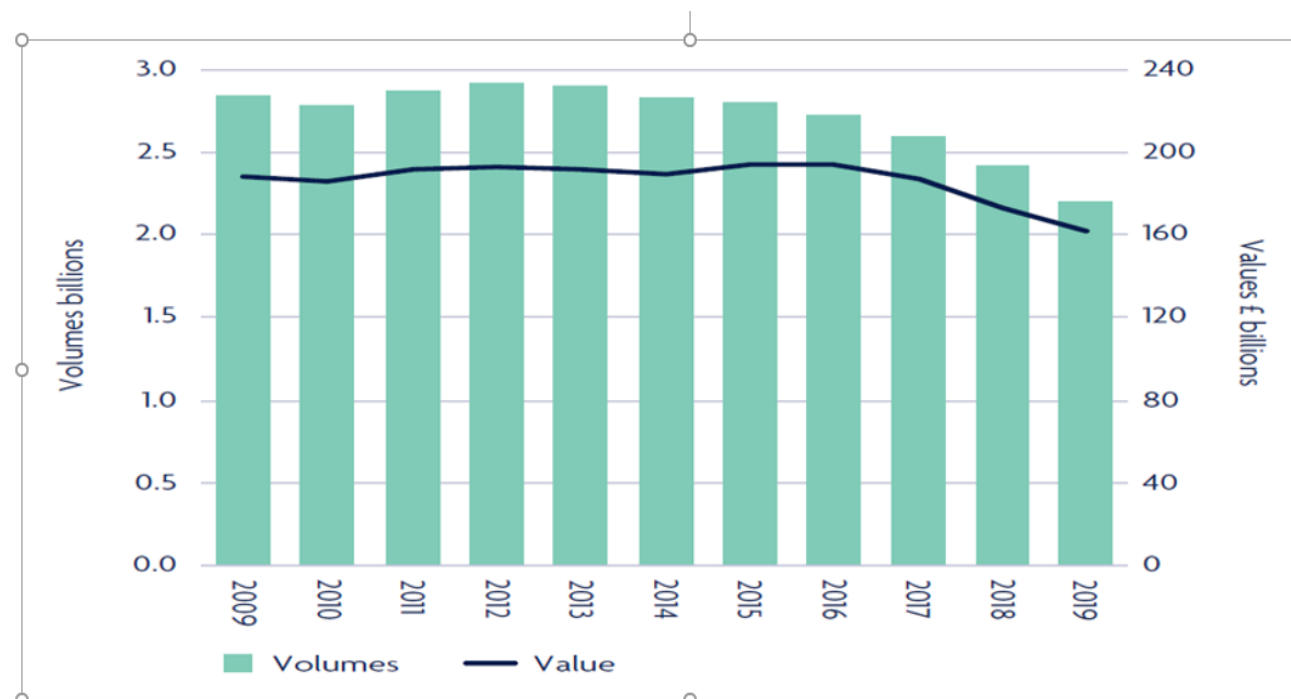


Source: UK Finance Payments Market Report, 2020

- There has been a steady decline in the number of cash payments made in the UK since 2012.
- In 2019, the total number of cash payments were less than half those of a decade ago.
- In 2009, more than one in every 2 transactions were paid for in cash. By 2019, only 1 payment in every 4 was settled in cash.

# Cash Machine Withdrawal Volumes and Values

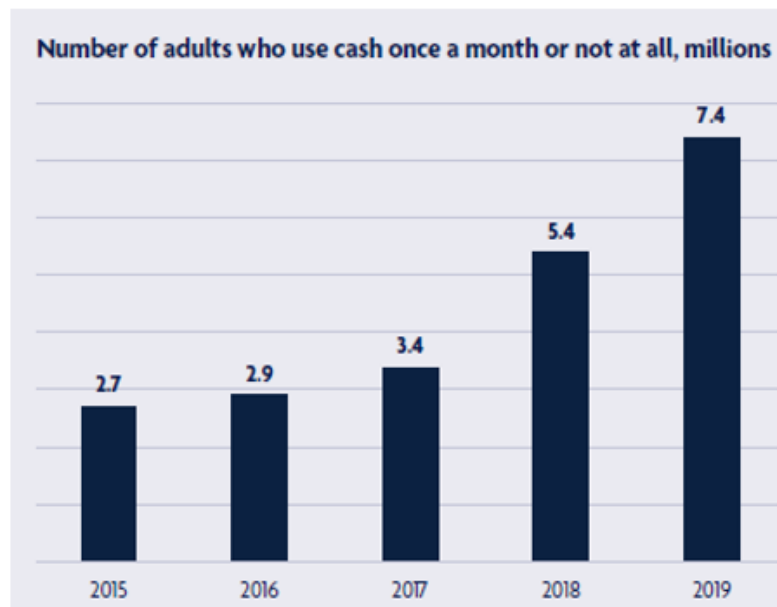
PSR RESTRICTED



Source: UK Finance Payments Market Report, 2020

- The number of cash withdrawals from ATMs were relatively steady until 2016 when a steady decline began to be observed.
- By 2019, both the number of withdrawals and the amount of cash taken from ATMs were lower than a decade ago. Withdrawals fell by 9 percent over 2018/2019

# Use of Cash In the UK



During 2019, there were 2.1 million adults in the UK who mainly used cash for their day-to-day spending, representing 3.8% of adults.

**Number of adults who mainly use cash for day-to-day spending, millions**

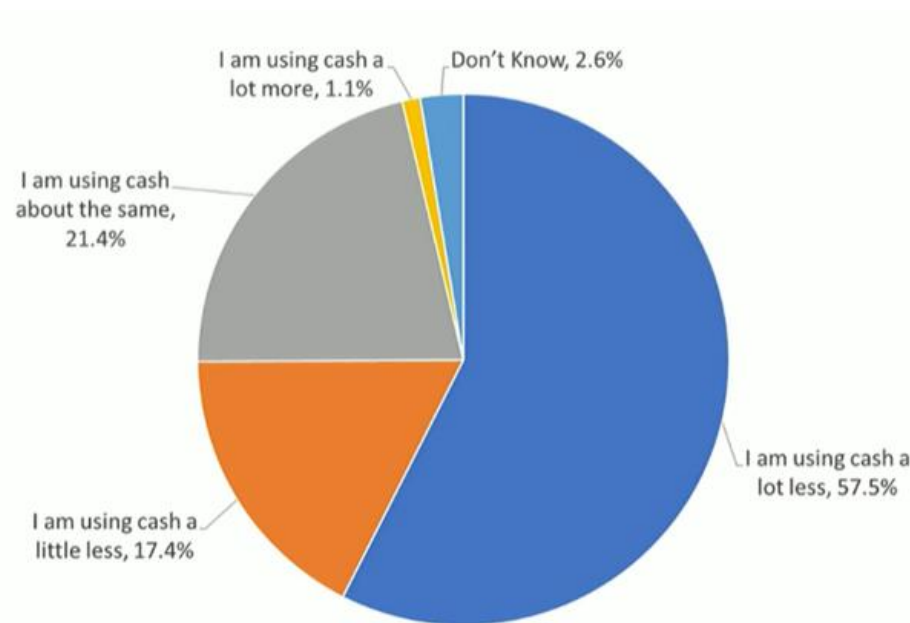


2016	2.7 million
2017	2.2 million
2018	1.9 million
2019	2.1 million

Source: UK Finance Payments Market Report, 2020

- By 2019, more than 9 out of every 10 persons did not use cash for daily purchases.
- In 2018, the number of people who almost never used cash had doubled to 5.4 million compared with three years earlier. This grew even further to 7.4 million one year later.

# Use of Cash since Covid 19



Source: YouGov, commissioned by LINK Research, 2020

- Use of cash for all services more than halved since the outbreak of Covid 19, according to a study by Link Gov. UK.
- 1 out of every 5 people found that there was no change in how they used cash since the outbreak.



# Infographic on Accessing Cash

How people access their cash:



**ATMs**

80% of the total value of  
cash withdrawals (£162bn)



**Branches/Over  
the counter**

6% (£12.8bn)



**Cashback**

2% (£3.8bn)

Source: UK Finance, UK Payment Markets 2020



# Ability to access Cash

**Analysis by the PSR and FCA of data provided by banks, building societies, post office and Independent ATMs in March 2020 found the following in terms of access to cash.**

Based on access via **free or charging ATMs**, bank branches and Post Offices, on average across UK local authorities:

- 93% of the population is currently within 1 mile of access to cash
- 99% of the population is within 3 miles of access to cash
- The coverage does not include cashback, which provides an additional source of cash for people.

Based on access to **free** ATMs, bank branches and Post Offices, on average across UK local authorities:

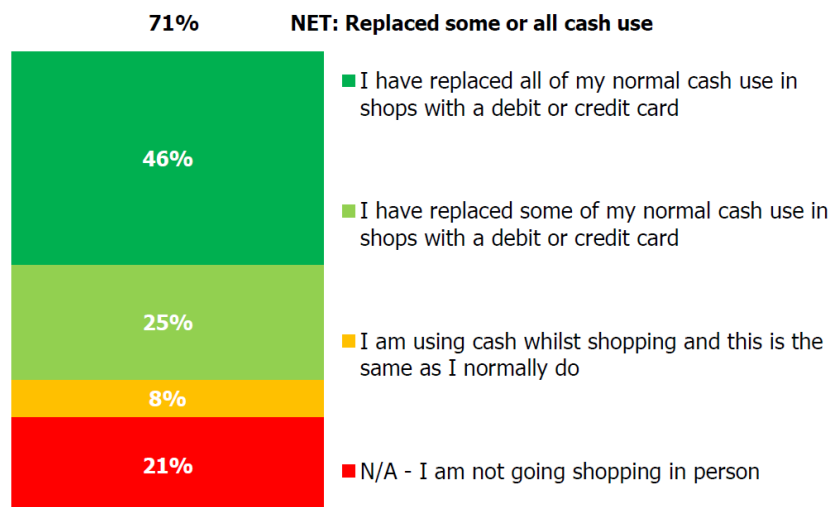
- 88% of the population is currently within 1 mile of free access to cash
- 97% of the population is within 3 miles of free access to cash

<https://www.psr.org.uk/psr-focus/access-to-cash/coverage-of-access-to-cash-across-the-uk>

# Use of Cash for Shopping since Covid 19

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Which of these statements about shopping in person at the moment best apply to you?



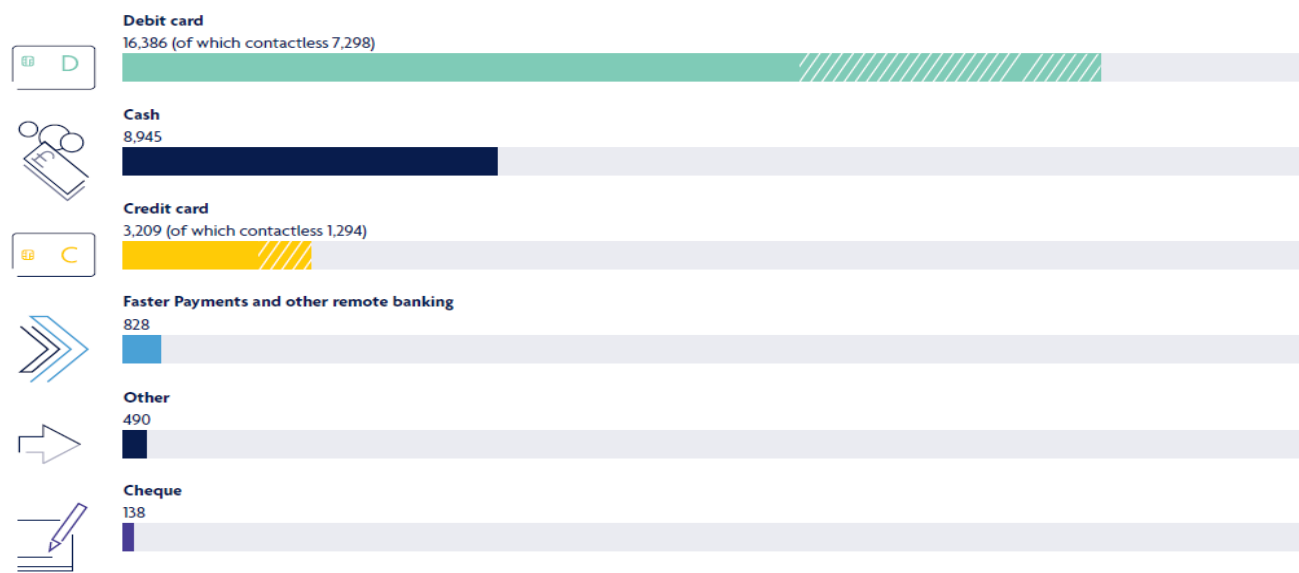
Which Survey, 2020

- In May, a Which study found that nearly half of all people who previously used cash for shopping, now pay entirely with a debit or credit card following the outbreak of Covid 19.
- A further 25% have replaced some of their cash purchases with cards.

# Use of Other Payment Methods



# Spontaneous Consumer Payment Volumes by Method, 2019



Source: UK Finance Payments Report, 2020

- In 2019, the most popular method for settling spontaneous payments was debit card. Spontaneous purchases are payments that consumers are not committed to advancing each month.
- Consumers used debit cards almost twice as much as cash and more than five times as much as credit cards.

# Number of Annual Payments per Adult in Each Age Band in 2019

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Age	16 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65+
Cash	106	103	142	173	234	230
Cheque	2	1	2	4	3	5
Debit card	290	389	438	306	267	207
Credit card	29	53	39	87	69	75
Faster Payments*	19	19	18	24	18	16
Standing order	8	10	12	8	8	8
Direct Debit	45	79	83	84	76	78
Other, including store cards, prepaid cards and PayPal	10	10	12	8	10	5
<b>Total</b>	<b>508</b>	<b>664</b>	<b>746</b>	<b>695</b>	<b>685</b>	<b>624</b>

\* and other remote banking

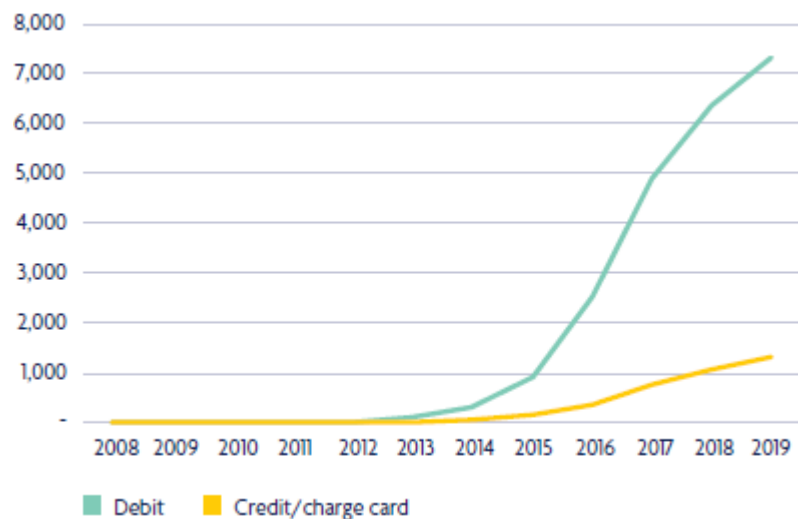
Source: UK Finance Payments Report, 2020

- In 2019, adults over 55 years, were twice as likely to pay by cash than those under 35 years.
- Adults over 45 years were almost twice as likely to pay by credit card than those below this age.
- Adults under 45 years made 58% of their payments by debit cards, compared with 38% those above this age.



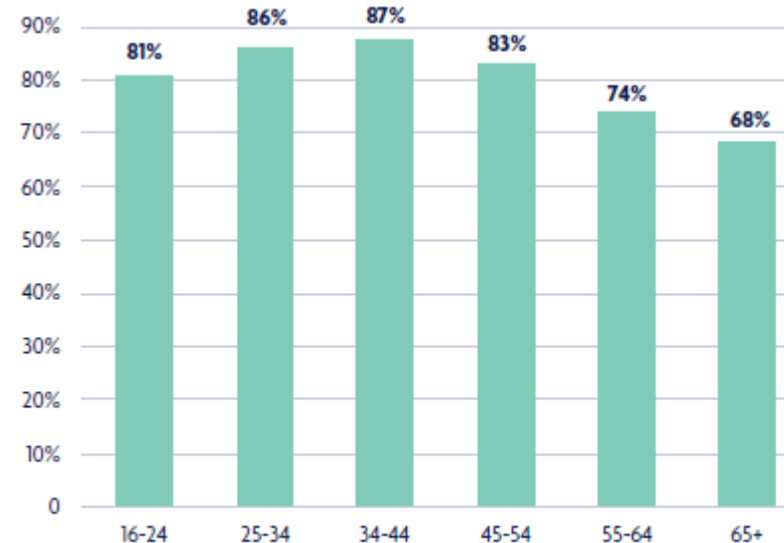
# Growth and Breakdown of Contactless Payments, 2019

Growth of Contactless Payments  
2008-2019



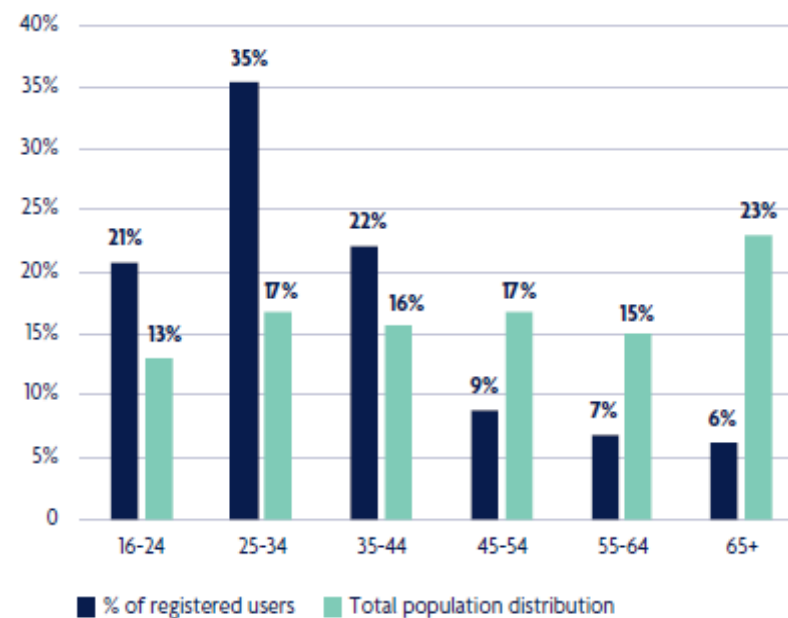
Source: UK Finance Payments Report, 2020

Breakdown of Contactless Payments by Age Group  
2019



- There was a significant increase in use of contactless payments since 2015.
- In 2019, contactless payments by debit cards significantly outstripped (7 times higher) contactless payments by credit cards.
- All age groups appear to make good use of contactless payments. More than 8 out of every 10 adults under 55, and 7 out of every 10 adults over 55 used contactless payments in 2019.

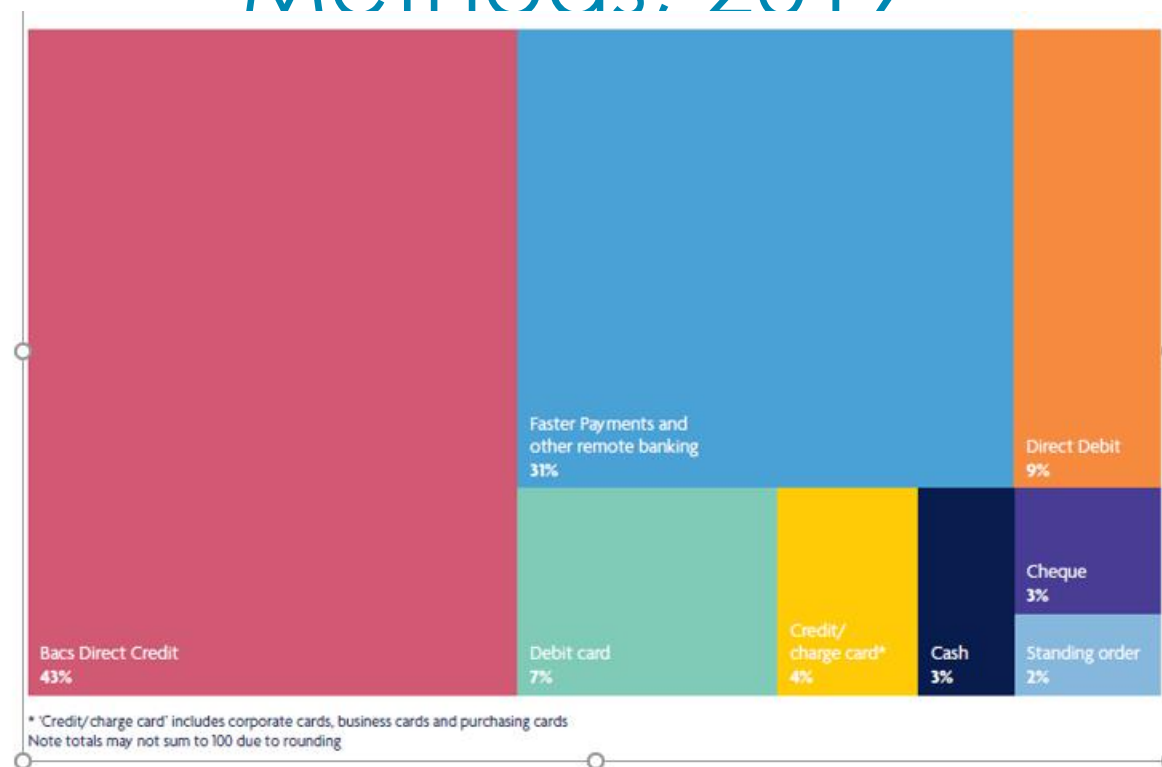
# Proportion of mobile payment users in each age group vs. population distribution



Source: UK Finance Payments Report, 2020

- Adults over 65 years were least likely to use mobile payments; while those between 25 to 34 years were most likely to do so.

# Business Payments by Various Payment Methods. 2019



Source: UK Finance Payments Report, 2020

- In 2019, most business payments were facilitated by Bacs or Faster Payments.
- Businesses used both debit and credit cards to settle just 1 in every 10 payments.
- Cash was rarely used as a form of payment by businesses.

# Comparison of Business Payments in 2019

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Number and value of payments made by businesses and consumers in 2019	
Consumer	Business
Number of payments <b>35,345 million</b>	Number of payments <b>4,694 million</b>
Value <b>£1,716,648 million</b>	Value <b>£7,026,623 million</b>
<b>Total</b>	
Number of payments <b>40,040 million</b>	
Value <b>£8,743,271 million</b>	

Source: UK Finance Payments Report, 2020

- In 2019, the number of payments made by businesses to consumers were just 4% higher than payments from one business to another.
- The value of payments made by consumers were more than double the value of payments made by businesses; and were also almost 9 times higher in frequency.