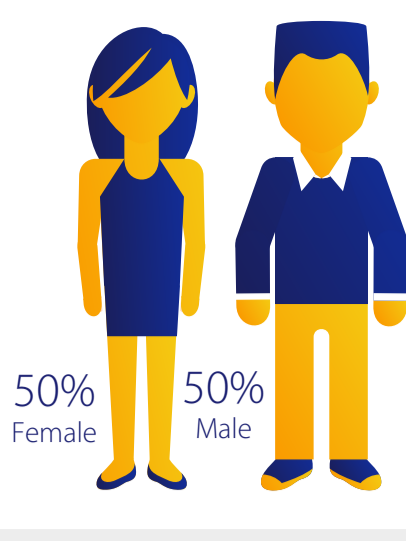


What does the Mobile Payments user in Europe look like?

18-24 year olds engage most readily with Digital Payments using a mobile device.

What is a "Mobile Payments User"? Someone who uses their phone, tablet or wearable to manage their money or make a payment in person, online or in-app.

87% of this group have used a mobile device for payments or mobile banking



Behaviours

Mobile Payments users are just as likely to buy high-value items purchase using their mobile device. The goods and services they are most likely to pay for on their mobile device are:

59% transfer money to friends and family

75% of Mobile Payments users 'showroom', looking at an item in-store before buying online



53% pay their household bills

47% pay for bus and train tickets

44% buy high-value items (holidays, furniture)

40% purchase takeaway food

36% buy music, TV shows and movies

Usage

The preferred devices for Mobile Payments users to make payments at least a few times a week are:

In three years Mobile Payments users expect that they:



35% pay with smartphones

32% pay with wearables

28% pay with tablets

89% will be using smartphones

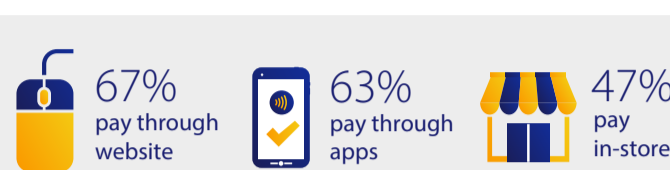
71% will be using tablets

44% will be using wearables

71% of Mobile Payments users use at least one kind of wallet service

47% of web-based wallet users opt to have their debit card as the default card

When using a mobile device, Mobile Payments users tend to pay through web browsers



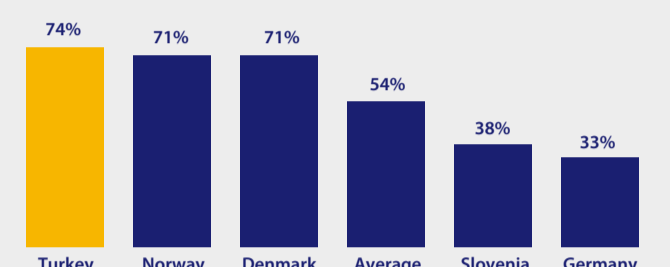
67% pay through website

63% pay through apps

47% pay in-store

The number of Europeans using their mobile devices to pay has tripled over the past year

Uptake of mobile payments has greatly increased in the last 12 months. 54% of respondents regularly use their mobile device to pay for goods and services, which is three times as many as in 2015 (18%) when this study was first conducted.



64% state convenience is the primary driver

55% like they can carry less cash

Convenience is the main reason why the Mobile Payments user chooses mobile wallet, web-based wallet and card-on-file solutions.

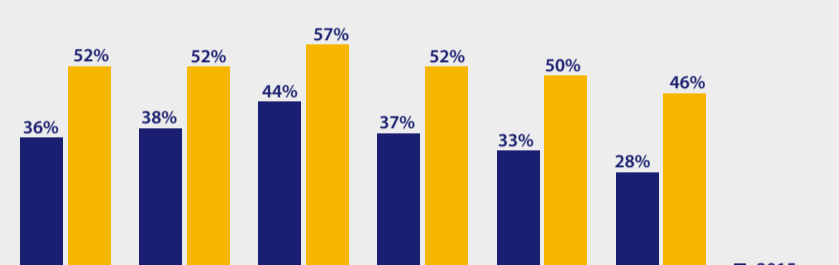
Attitudes towards using mobile payments have shifted in the past year, as people become more open-minded to the use of mobile devices.

One year ago, 38% of people surveyed said they had never used a mobile device to make payments- that number has dropped to 12% today.

Increased popularity and consumer confidence in contactless cards is driving consumer interest in Mobile Payments

Contactless cards have seen a sharp rise in popularity since 2015. **52%** of respondents use contactless cards to pay for everyday goods and services – up from **36%** in 2015.

This usage trend is reflected across all age groups.



People who pay by contactless card are more interested in using a mobile device as a payment method than those who don't (52% of contactless card users vs 32% of non-contactless card users).

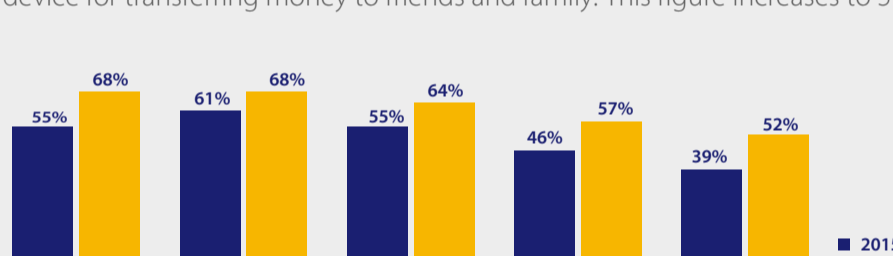
There is a clear correlation between current contactless card usage and interest in future use of a mobile payments.

49% to pay through a retailer's app

50% to pay for a meal

Mobile payments are helping consumers keep track of their finances and driving engagement between consumers and their banks

Consumers - especially Mobile Payment users - are having a more direct relationship with their banks because of increased capabilities of smartphones and tablets. 41% of respondents regularly check their balance online or via a banking app. This figure increases to 53% for Mobile Payments users. 45% of respondents have used their mobile device for transferring money to friends and family. This figure increases to 59% for Mobile Payments users.



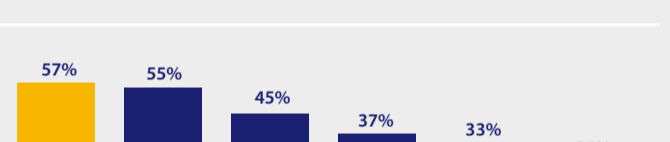
Mobile banking use is increasing across all age groups

37% of Mobile Payments users cite tracking their spending as a benefit

37% of Mobile Payments users suggest that safety and security are a benefit of wallet services

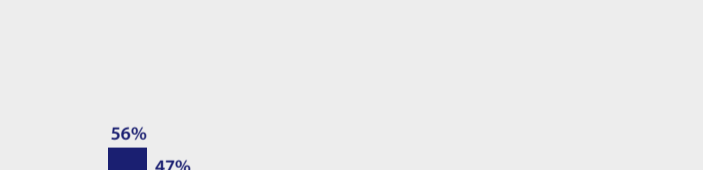
Mobile Payments users cite money management and security as key benefits of using mobile wallet services:

Young consumers are most comfortable using mobile devices to transfer money



When it comes to digital wallets, debit cards are the preferred choice

Most respondents (59%) use a digital wallet. Young consumers are more likely to have debit cards loaded on their wallet services. For those respondents who have both debit and credit cards saved in a wallet system, a **debit card is the default card for 51% of 18-24 year olds and 48% of those 65 and over.**



23% Just debit cards

24% Just credit cards

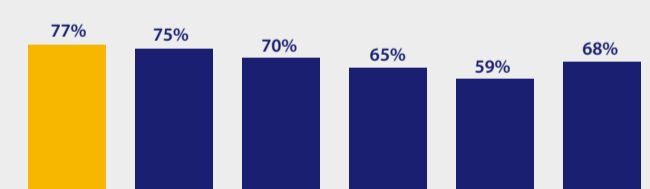
38% Both debit and credit

Consumers overwhelmingly "showroom", preferring to see an item in-store before buying online

The experience of the store is important for all audiences whether they end up purchasing an item in-store or online.

For respondents who prefer to buy items in-store, **60% enjoy the experience of interacting with staff and seeing the item in person.**

This is broadly true across all age groups, however those 65+ value this the most (73%), and those 25-34 the least (53%).



69% of all respondents said they tend to purchase medium to high-value items this way

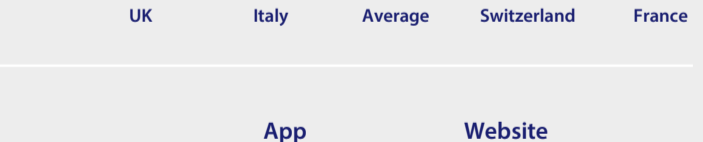
75% of Mobile Payments users said they tend to showroom for medium to high-value items

Showrooming is an overwhelmingly popular behaviour shared by consumers of all ages and regions.

Brits are the most prolific showroomers in Europe - 80% of all British respondents say they tend to purchase medium to high-value items this way, whilst the French are the least likely (60%)



Consumers are more interested in purchasing through a retailer's website than their app.



Fraud and security concerns are still the primary obstacles to Mobile Payments adoption

The top factors which deter people from adopting digital payments are: **Fraud and security (65%).** 62% of people in 2015 cited fraud and security as the main reason for not using mobile to pay for goods and services. This figure has remained almost the same the 2016 data (65%).

Respondents are not seeing a compelling reason to switch (55%).

Privacy concerns (51%). In 2015, just under half of the respondents (45%) cite privacy and data as concerns holding them back. This figure has increased slightly to 51% in 2016.

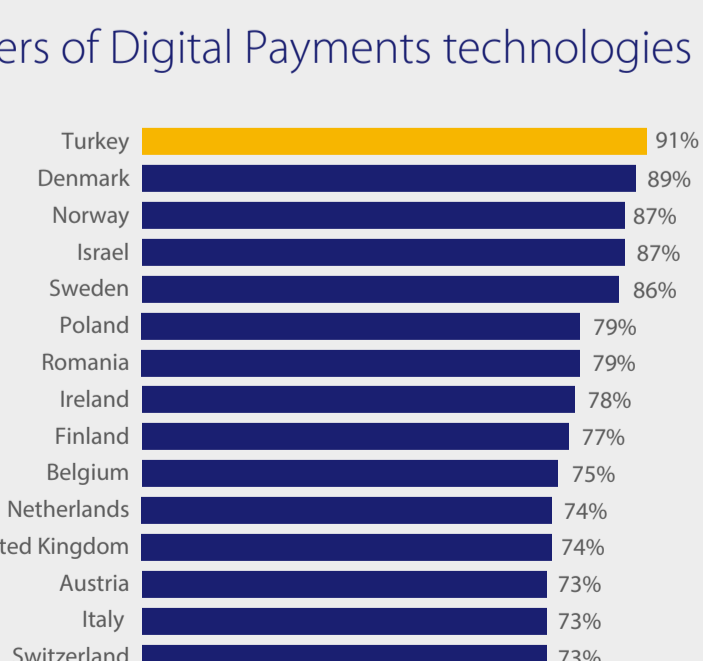
Lack of knowledge is still a blocker to Mobile Payments adoption. A quarter of respondents (24%), who are not Mobile Payments users, state that a lack of understanding of the technology was a primary obstacle to adoption.

Europeans are particularly heavy users of Digital Payments technologies

Nine in ten (**91%**) Turkish respondents have used a mobile device to make payments, and nearly three quarters (**74%**) say they use their mobile device for payments on a regular basis compared with the European average of 54%

Compared with other countries, Germany (59%) and France (64%) have the lowest proportion of the Mobile Payments users who use their mobile device for payments on a regular basis (72%) are much closer to the average.

When looking at making digital payments in the future, around half of respondents in **France (52%) and Germany (49%) express interest in paying for goods and services on a mobile device**, compared to 76% in Italy and 71% in Spain.



Sample size: 36,843 + Israel

Markets: 19 countries – Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Israel, Italy, Netherlands, Norway, Poland, Romania, Slovenia, Spain, Sweden, Switzerland, Turkey and the UK. Fieldwork dates: August – September 2016

Terminology: Mobile Payments user: A person who uses a mobile device (smartphone, tablet or wearable) to manage their money or make payments. Showroomer: A person who likes to visit a shop to see the product before buying it using a mobile device.

Mobile wallet services: Allow customers to enter their card details into their mobile devices to use them as a contactless form of payment in shops and in-app without producing their bank card or entering card details.

Web-based wallet services: These are used online only, enabling people to enter card details and delivery information once to a centralised location to pay for goods and services across different websites.

Card-on-file solutions: Keep payment cards secure and encrypted for companies such as Amazon, eBay and Netflix. Customers load their card information once and details are stored by the merchant for future purchases.

