

## Generation Z ready for biometric security to replace passwords



- Three-quarters of 16-24 year olds would feel comfortable using biometric security
- 69% believe it will be faster and easier than passwords and PINs
- Half of young people foresee the death of passwords by 2020

**London, 12 January 2015** – 16 to 24 year old consumers in the UK have the greatest appetite for biometric security measures and the greatest need to use them in place of traditional authentication such as passwords. Research from Visa Europe suggests this generation's approach to existing security options is placing them at greater risk of data or financial compromise.

The research reveals that Generation Z (16-24 year olds) are more likely than older age groups to use only a single PIN number (32%) or password (14%) when protecting their personal data. In addition, this generation is more liberal in sharing their security information than older generations:

- 34% have shared their debit or credit card PIN number with someone, versus 23% of all respondents
- 32% have shared their smartphone password, versus 10% of all respondents
- 22% have shared their internet banking password, versus 7% of all respondents

This group is also more likely to find existing security measures an irritating step when paying for something (64% vs 59% of all adults). Perhaps as a result, more than half of Generation Z believes that passwords and PIN codes will no longer be necessary by the end of the decade.

In their place, this group is keen to see biometric security, such as facial recognition, fingerprint and retina scans become available to replace them. Three-quarters (76%) of Generation Z would feel comfortable making a payment using biometric security and 69% believe this will make their lives faster and easier.

They also believe that, overall, biometrics are more secure than non-biometric identification methods. When asked to rate biometric forms of authentication on a scale of 1 to 10 (with 1 being least secure and 10 being most secure), generation Z awarded biometrics a 7 on average, compared with non-biometrics being rated a 6 out of 10.\*

### **Jonathan Vaux, Executive Director at Visa Europe, commented:**

"We have more logins and passwords than ever to help keep us secure online and on the high street, but for Gen Z it just feels like an unnecessary burden. Biometric authentication using fingerprint recognition or retinal scans offers an ideal solution, combining unique security and ease of use. As products come online with these features integrated, we expect to see multiple passwords as the industry standard begin to decline.

"For banks and product providers this means two challenges. Firstly, to continue and quicken the pace of development on biometrics to answer this demand from Generation Z. Secondly, to continue to evaluate the increasing range of authentication options to ensure customer convenience and security as payment increasingly becomes embedded into a range of applications."

Of the new payment methods available to consumers, Generation Z is most keen on verification via fingerprint scanning. Nearly 70% of 16-24 year olds say they want to use rather than passwords by 2020. Other methods interest this generation such as retina scans (39%) and facial recognition (27%), though voice recognition (12%), fast DNA samples (15%) and implanted chips (16%) remain less popular at present.

ENDS

### **Note to editors:**

Visa Europe commissioned Opinion Matters to carry out research with 2,088 UK adults between 17th and 24th November.

\*As part of the research, consumers were asked to rate their confidence (on a scale of 1 to 10, with 1 being the least secure and 10 being the most secure) in the security levels of both non-biometric and biometric methods of authentication. The average scores for each method can be found below:

#### Biometric

- Facial recognition – 6.50
- Fingerprint – 7.94
- DNA – 8.11
- Retina scan – 7.82
- Voice biometric – 6.41

#### Non-biometric:

- Signature – 4.68
- PIN – 6.39
- Password – 6.01
- Being asked your mother's maiden name and similar traditional security questions – 5.19

Therefore, average confidence levels on a scale of 1 to 10 total:

- All biometrics – 7.36
- All non-biometrics – 5.57

### **About Visa Europe**

Visa Europe is a payments technology business owned and operated by member banks and other payment service providers from 37 countries across Europe.

Visa Europe works at the forefront of technology to create the services and infrastructure which enable millions of European consumers,

businesses and governments to make electronic payments. Its members are responsible for issuing cards, signing up retailers and deciding cardholder and retailer fees.

Visa Europe operates a high volume, low cost business model that provides services to its members. Its surplus is reinvested into the business and used to improve capital and reserves.

There are 500m Visa cards in Europe, while €1 in every €6.50 spent in Europe is on a Visa card. In the year to September 2013, total expenditure on Visa cards reached €2 trillion, while point-of-sale spend increased by 8.5% to €1.4 trillion. Annual online spending on Visa cards continues to grow (20% year-on-year) and now stands at €240bn.

Since 2004, Visa Europe has been independent of Visa Inc. and incorporated in the UK, with an exclusive, irrevocable and perpetual licence in Europe. Both companies work in partnership to enable global Visa payments. As a dedicated European payment system Visa Europe is able to respond quickly to the specific market needs of European banks and their customers - cardholders and retailers - and to meet the European Commission's objective to create a true internal market for payments.

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