

The contactless revolution ten years on



- Contactless debit and credit cards were first used in the UK a decade ago
- Millennials lead contactless adoption – over three quarters have made a contactless payment
- A quarter of Brits have made contactless payments using mobile devices

London, UK – 4 September 2017: Ten years on from the introduction of contactless cards in the UK, Visa's annual Digital Payments study released today reinforces the country's leading position in driving contactless payments. The study of 2,000 consumers in the UK shows that two-thirds (66%) of Brits have used contactless cards to make a payment since they were introduced in September 2007.

Across the UK, contactless payments have grown in recent years, with a record 34% of card payments using contactless in June 2017.¹ More broadly, the UK is the leading market in Europe in terms of transaction volumes using contactless payments – ahead of Poland, France, Spain and Finland.²

Millennial shoppers (aged 18-35) have embraced contactless payments most enthusiastically, with over three quarters (76%) making a purchase with their contactless card – up a huge eleven percentage points on 2016 (65%). Over 65s are more tentative when it comes to 'tap to pay', 55% of this group have done so, a slight increase on last year's figure of 52%. The sectors that have seen the greatest uptake of contactless usage are, in general, located on the high street – grocery stores and supermarkets see the highest level of contactless payments, followed by fast food restaurants and, increasingly, commuter transport.

Almost a fifth (16%) of all bank owned contactless payment terminals are located in London, which leads the UK in contactless usage, likely also driven by the successful integration of the technology across the Transport for London network.³ Four in five (78%) Londoners have made a payment using a contactless debit or credit card, 12 percentage points above the national average. Outside of the 'London Bubble', there is the most room for growth in the North West and South West regions of England, where 41% of consumers are yet to make a contactless purchase using their card.

Comfort in using contactless is driving adoption of new payment methods. Just over a quarter (26%) of the country has used a mobile device to pay contactlessly in a shop, rising to 36% among contactless card users. Fifty-seven percent of those who have used contactless cards have also used their mobile devices for online banking, compared with just 35% of non-contactless users. These consumers are also almost twice as likely to have made high value purchases using their mobile device (27% vs 16%).

Kevin Jenkins, Managing Director for Visa UK & Ireland, says: "The introduction of contactless cards in the UK ten years ago was a watershed moment for consumers. Whether buying lunch, commuting without having to top-up, queuing at bars and festivals, or donating to charity, Brits have come to expect a painless payment experience.

1. UK Finance contactless figure, June 2017
2. Visa data
3. UK finance – as of May 2017 there were 420,842 bank owned contactless terminals outside the M25 compared to 79,406 inside the M25

"Yet there's still room for the uptake of contactless to grow, particularly outside London and the South East. Our study shows the appetite for adopting new payment methods is greater than ever and with mobile devices opening up myriad new ways to pay, the next ten years looks set to see contactless payments become an ever greater part of our day to day lives."

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Notes to editors:

Appendix: Regional Figures

Respondents from UK regions who have used a contactless debit or credit card to pay for everyday goods and services

Region	Percentage of respondents
London	78%
Wales	70%
East Midlands	68%
South East England	68%
Northern Ireland	67%
Eastern England	65%
Yorkshire & Humberside	64%
Scotland	63%
North East England	62%
West Midlands	62%
North West England	59%
South West England	59%

About Visa

Visa Inc. (NYSE:V) is a global payments technology company that connects consumers, businesses, financial institutions, and governments in more than 200 countries and territories to fast, secure and reliable electronic payments. We operate one of the world's most advanced processing networks — VisaNet — that is capable of handling more than 65,000 transaction messages a second, with fraud protection for consumers and assured payment for merchants. Visa is not a bank and does not issue cards, extend credit or set rates and fees for consumers. Visa's innovations, however, enable its financial institution customers to offer consumers more choices: pay now with debit, pay ahead with prepaid or pay later with credit products. For more information, visit our website (www.visaeurope.com), the Visa Vision blog (vision.visaeurope.com), and [@VisaInEurope](https://twitter.com/VisaInEurope).

About the Digital Payments Study

The Digital Payments study was commissioned by Visa and conducted by Populus between June and July 2017 in 22 European markets including Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Israel, Italy,

Netherlands, Norway, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, Turkey and the UK. There were 2,077 respondents in the UK. The study provides a snapshot of consumer attitudes and behavioural insights around alternative forms of payments including mobile payment, digital wallets, and peer-to-peer payments among others.

For more information, visit www.visaeurope.com

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