



Consumer Research 2024-2025

Full Report | V4

16 June, 2025

PSR Payment
Systems
Regulator

Thinks
— Insight & Strategy —

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1

Executive summary

Background and objectives

Background

Following previous research in 2017, 2020 and 2022, the Payment Systems Regulator (PSR) commissioned Thinks to conduct **qualitative and quantitative research to understand consumers' experience and perceptions of payments.**

This wave has seen a significant redesign of the research programme, reflecting the priorities of a larger, increasingly data-driven PSR. As such, tracking change over time is not the priority for this wave.

This report sets out detailed analysis of the qualitative and quantitative phases of the research.

Research objectives

The research was designed to explore:

- **Consumer understanding of payments**, including understanding of particular areas of the PSR's work
- **Consumer attitudes towards** different types of payments and payment systems
- **The needs, issues or concerns of consumers** with regards to payments
- **Consumer use, availability, preferences and motivations** for using different types of payments
- Any impact of regional differences or protected characteristics of the Equality Act

We conducted a mixed methods programme of research

Phase 1: Qualitative Research

- Qualitative fieldwork was conducted between 5th November and 13th December 2024. This comprised:
 - 9 focus groups with 54 consumers, split by region and socioeconomic group (90 minutes)
 - 18 depth interviews with consumers with characteristics which may make them more vulnerable, including 8 digitally disengaged, 6 with financial vulnerabilities and 4 with recent experience of APP fraud (60 minutes)
- More detail on qualitative sample can be found on slides 6 and 7.

Phase 2: Quantitative Research

- Quantitative fieldwork was conducted between the 9th-17th January 2025
- 2462 respondents completed a c.10-minute bespoke online survey
- The survey was designed and weighted to be nationally representative of the UK adult population by:
 - Gender
 - Age group
 - Socioeconomic grade (SEG)
 - Region
- This survey was boosted to reach a minimum of 250 consumers in each of the devolved nations

Key findings

1. Consumers' payment behaviours are guided by context and rooted in habit.

- In a world with a wide range of payment methods, most consumers feel they are confident using a range of them and do so in their lives.
- Their decisions about which to use are fast and shaped by the external context and their own habits.

2. In different scenarios and settings, consumers prioritise different needs.

- For more frequent, low-value payments, consumers prioritise convenience factors such as ease of use and speed.
- For larger payments, reassurance factors like protection and security become more important.
- For recurring payments like utility bills, reliability is key (while ease of use and security remain important).

3. Consumers use a range of payment types to meet these needs.

- Cash, debit and credit cards and mobile wallets (for those familiar with them) are felt to meet consumers' need for sufficiently easy and quick payments for lower-value goods and services.
- Credit cards are felt to sufficiently meet the need for protection for larger items, while the reliability of direct debits and standing orders meet their needs for recurring payments

4. Contactless card payments remain the overall most frequently used payment type.

- While we cannot make direct comparisons to the previous waves of research, the overall picture of consumer payment behaviour is one of relative consistency (unlike the significant changes after Covid).
- There remains a solid group of regular cash users (11% of consumers using cash daily and 40% weekly or more), which skews to those who are male, older, lower SEG and more likely to have a disability or be digitally disengaged.

Key findings

4. Contactless mobile wallet payments in-person continue to grow – but still just a third (34%) of consumers use them weekly or more often.

- Use of contactless mobile wallets is concentrated among younger consumers (particularly 18-24s) – and under 34s are also more likely to report that they are using mobile wallets more than this time last year. There is even a growing contingent of consumers who regularly only carry their phone to make payments – 52% of 18-24s and 37% of 25-34s.
- Consumers remain less likely to state that they use mobile wallets for online payments (40% monthly or more often) than online card payments (91% monthly or more often) – however, qualitatively, we find that consumers may not differentiate between the experience of online card and mobile wallet payments.

5. Consumers are largely satisfied with payment systems and the vast majority (95%) feel that payments are working well.

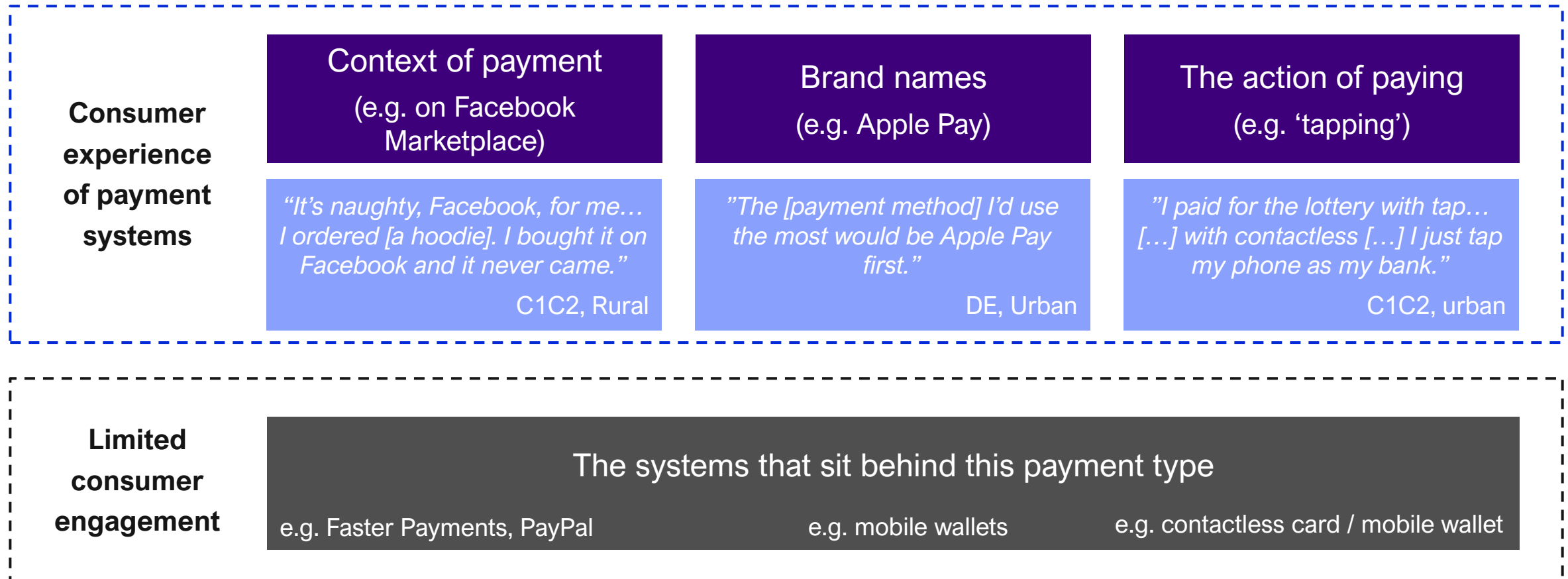
- 92% of consumers agree that they can make and receive payments in a timely manner (1% disagrees) and 87% agree that they feel their money is secure when making payments (2% disagree).
- This is not to say that consumers never report experiencing issues relating to payments. Some report experiencing limited payments choice (39%), attempted fraud (36%), IT failure (25%) or blocked payments (22%). However, these issues are often associated with the actions of non-payments platforms (e.g. social media) or individuals (vendors, fraudsters).
- Consumers struggle to envision how payments in the UK could be further improved. When pressed, they tend to suggest looking for any action to tackle these issues (e.g. protecting payments choice, greater protection against fraud), but are unsure about how this might be done in practice.

2

Perceptions and needs of payment systems

Consumers do not think about payments as ‘systems’, focusing instead on their immediate experience of these systems

Consumers’ experience of paying is the lens through which they perceive payment systems. They have little reason to engage with the details of the systems that sit behind them.



Consumers' payment behaviours are guided by context and rooted in habit

In a world where there is significant choice available, **consumers feel they are overwhelmingly capable and comfortable using a range of payment types.**

"So, I use cash if I'm just going to the shops, or I'll tend to use my bank card or the contactless one."

Suburban, DE

Needs from payments are largely context-dependent: **consumers need different things from payments depending on what they're paying for and where.**

"That's definitely card, but not my physical card, Apple Pay... but if I was going out to a restaurant, I'd take out cash because you know, supporting local."

Rural, C1C2

Consumers **rarely spend much time giving conscious thought** to what payment method to use, relying instead on a **fast, almost 'instinctive' selection, heavily guided by habit.**

"It's not harder [to use cash], you just don't, you know? I think if you get into the habit, you do that rather than finding a cash machine."

Rural, C1C2

In some instances, **retailers or digital platforms may 'nudge' consumers towards selecting certain payment types** – and if they are comfortable with this payment method, consumers will often go along with this.

"On Ryanair, you've got this big bar with Apple Pay then it's everything else [...] it's just easier to press the button."

Urban, DE

When actively reflecting on their own behaviour, consumers tend to focus on convenience factors for everyday payments

Ease of use is consumers' top priority for lower value payment types, followed by speed.

Consumers' most important factor for each use case			
	Lower value item in person	Public transport	Supermarket / grocery shop
1	Ease of use 43%	Ease of use 41%	Ease of use 37%
2	Speed 18%	Speed 21%	Speed 15%
3	Budgeting 9%	Reliability 8%	Budgeting 10%

Q14. When making a payment, what factors are most important to you? Please select the one factor which is most important to you for each of these payment types. Base: All respondents (n=2462), N/As for each use case filtered out.

Cash preference for everyday payments varies by region

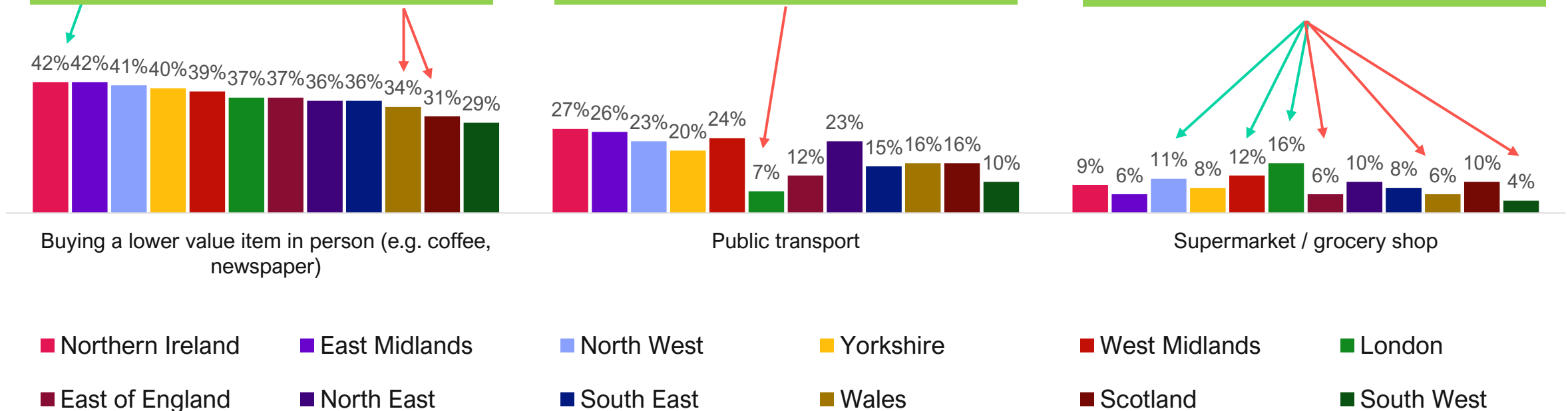
Consumers' preferred payment type for use case

% of consumers selecting each payment type (excluding those who do not use this use case)

Wales and Scotland are significantly less likely than most English regions to say they prefer using cash for lower value items in person, while Northern Ireland is the region most likely to say they prefer cash.

Public transport behaviours are likely to be shaped by transport patterns (e.g. relative bus / train use) and the availability of payments methods on these (e.g. contactless-only options in London, which has the lowest cash

Consumers in London (16%), the West Midlands (11%) and North West (11%) are the most likely to say that they prefer using cash for supermarket and grocery shops, while those in the East of England (6%), Wales



Q14. When making a payment, what factors are most important to you? Please select the one factor which is most important to you for each of these payment types. Base: All respondents (n=2462), Northern Ireland (n=253), East Midlands (n=143), North West (n=222), Yorkshire and the Humber (n=159), West Midlands (n=180), Greater London (n=281), East of England (n=200), North East (n=87), South East (n=249), Wales (n=254), Scotland (n=253), South West (n=172). N/As for each use case filtered out.

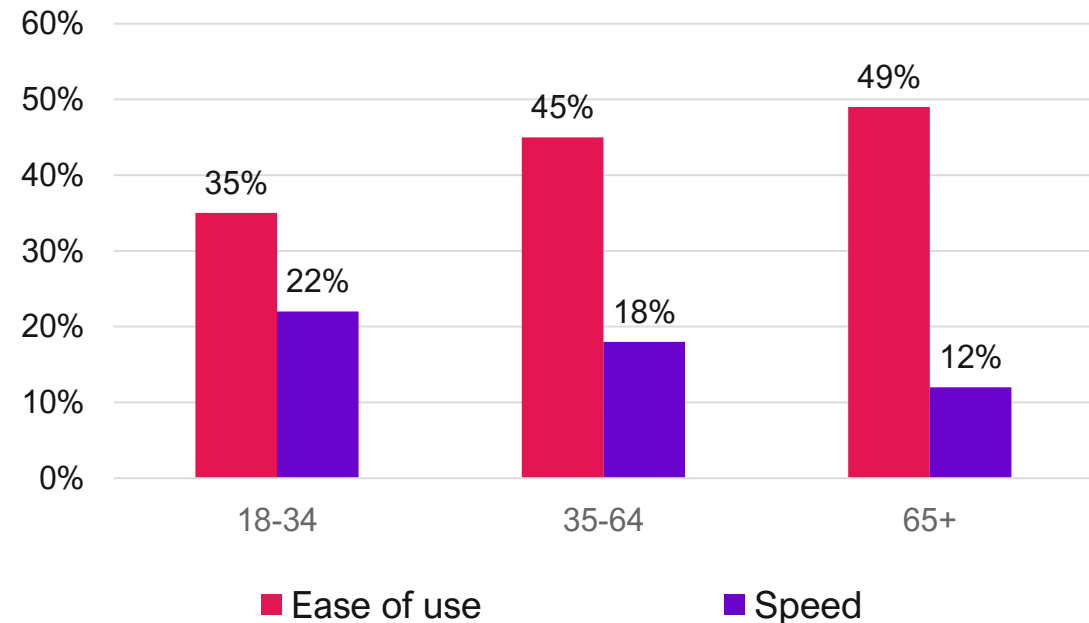
Of these convenience factors, older consumers are particularly likely to prioritise ease of use

While ease of use remains the top factor for all age groups, **18-34s are significantly more likely to say their top priority is speed**, and **significantly less likely to say that it is ease of use compared to other groups.**

Rural-urban location and socio-economic grade do not make a significant difference to consumers preferences for ease-of-use vs speed.

Consumers most important factors for lower-value in-person payments

% of consumers selecting each factor



Q14. When making a payment, what factors are most important to you? Please select the one factor which is most important to you for each of these payment types. Base: All respondents (n=2462), 18-34 (n=673), 35-64 (n=1198), 65+ (n=591), N/As for each use case filtered out.

Debit and credit cards, cash and mobile wallets meet consumers’ need for sufficiently easy and quick payments for smaller items

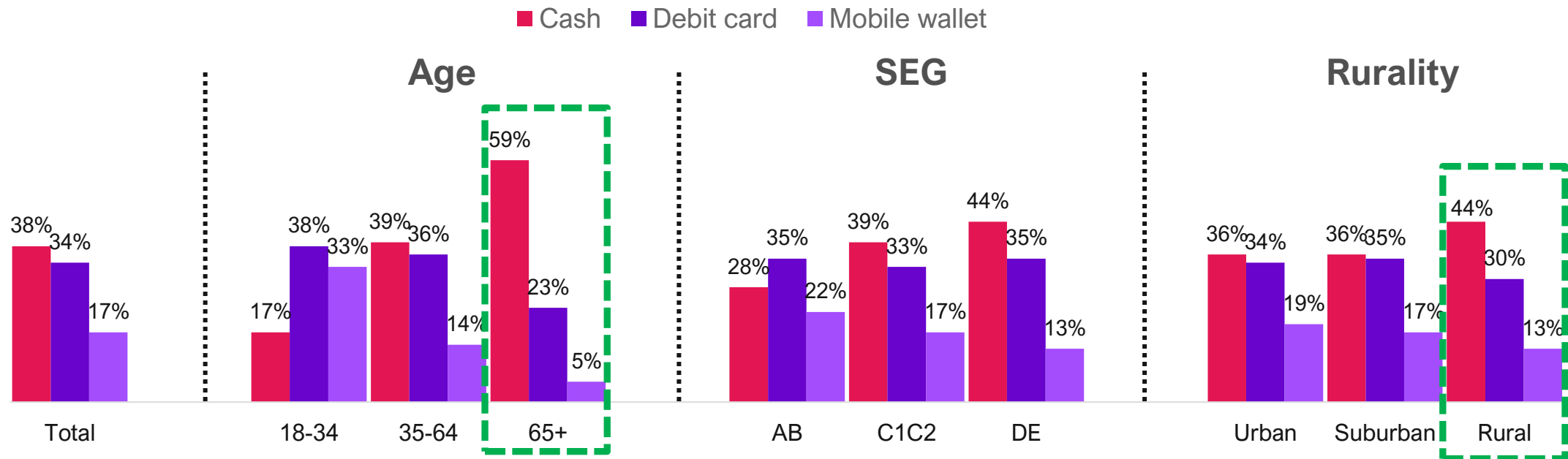
Consumers stated preferred payment method for use case			<div>Cash, contactless cards and (for familiar customers) mobile wallets are seen to be sufficiently easy to use and quick – meeting their needs for small, frequent payments.</div> <div><i>“It’s just simpler to pay with cash. If I’ve got cash, your cash is there and that’s it.”</i></div> <div>C1C2, Urban</div> <div><i>“How much simpler can you get than waving it over the machine and you’ve paid?”</i></div> <div>C1C2, Rural</div>
Lower value item in person	Public transport	Supermarket / grocery shop	
1 <div>Cash* 38%</div>	Debit card 53%	Debit card 53%	
2 <div>Debit card 34%</div>	Cash 21%	Credit card 20%	
3 <div>Mobile wallet 17%</div>	Mobile wallet 18%	Mobile wallet 15%	

While at 38%, cash is the payment type consumers are most likely to say that they ‘prefer’ for lower value, in-person items, qualitatively we find that **consumers may be less likely to use cash in practice** (e.g. because they do not have enough cash on them, or they do not want to break into a note). Combining digital methods, 59% of consumers preferred payment method is either debit card, credit card or mobile wallet.

Q13. Below are some goods and services that people may pay for. Which of the following payment types do you typically use for each one? If you don’t make this type of payment, please select ‘not applicable’. Base: All respondents (n=2462), 18-34 (n=673), 35-64 (n=1198), 65+ (n=591), N/As for each use case filtered out. N.B. the combined debit card, credit card and mobile wallet for lower value items in person is 59%. For more detail, see appendix slide (XX).

The preference for cash for lower value items is primarily driven by older consumers, and does not extend to 18-34s and AB SEG

Consumers preferred payment method for small, in-person items
 % of consumers selecting payment method (excluding those who do not use this use case)



These demographic patterns hold for other lower-value payment types like public transport and supermarket shopping – although with cash less popular overall for these use cases.

Q13. Below are some goods and services that people may pay for. Which of the following payment types do you typically use for each one? If you don't make this type of payment, please select 'not applicable'. Base: All respondents (n=2462), 18-34 (n=673), 35-64 (n=1198), 65+ (n=591), AB (n=667), C1C2 (n=1208), DE (n=587), urban (n=1114), suburban (n=891), rural (n=457). N/As for each use case filtered out.

For larger or 'riskier' payments, reassurance factors like protection and security become more important

Protection and security are the top factors for higher value payments (followed by ease of use, reliability and credit)

Consumers' most important factor for use case	
Buying a higher-value item (e.g. flights, white goods)	
1	Protection 27%
2	Security 17%
3	Ease of use 13%

While just 9% say that receiving credit is the most important factor, this is higher than for other use cases. This is relatively consistent across demographic groups.

Protection is significantly more likely to be the top priority for women (28% to 23% men), rural consumers (30% to 24% urban) and those aged 65+ (34% to 19% of 18-34s and 26% of 35-64s).

Speed is significantly more likely to be the top priority for younger consumers (6% of 18-34s to 3% of over 35s).

Q14. When making a payment, what factors are most important to you? Please select the one factor which is most important to you for each of these payment types. Base: All respondents (n=2462), 18-34 (n=673), 35+ (n=1789), urban (n=1114), rural (n=457). N/As for each use case filtered out. For more detail, see appendix slide (XX).

For higher-value items, consumers are most likely to prefer credit cards, as they're felt to offer greater protection when something goes wrong

Consumers stated preferred payment method for use case	
Buying a higher-value item (e.g. flights, white goods)	
1	Credit card 42%
2	Debit card 38%
3	Buy Now, Pay Later 6%

Consumers largely agree that **credit cards meet the factors that they prioritise for high-value costs**. These are protection (27%), security (17%) ease of use (13%) and reliability (10%).

Consumer awareness of additional protections for credit card payments is high. However, details of exactly how Section 75 protections work (e.g. £100 minimum) are more limited, particularly among younger consumers.

As a result, **consumers are more likely to associate credit cards with higher-value spending, particularly those where there is a perceived risk of non-fraudulent issues** (e.g. flights or hotel cancellation, white goods breaking).

"I bought my fridge recently using credit card. Because everything over £100 is covered, isn't it? You get additional protection."

AB, Urban

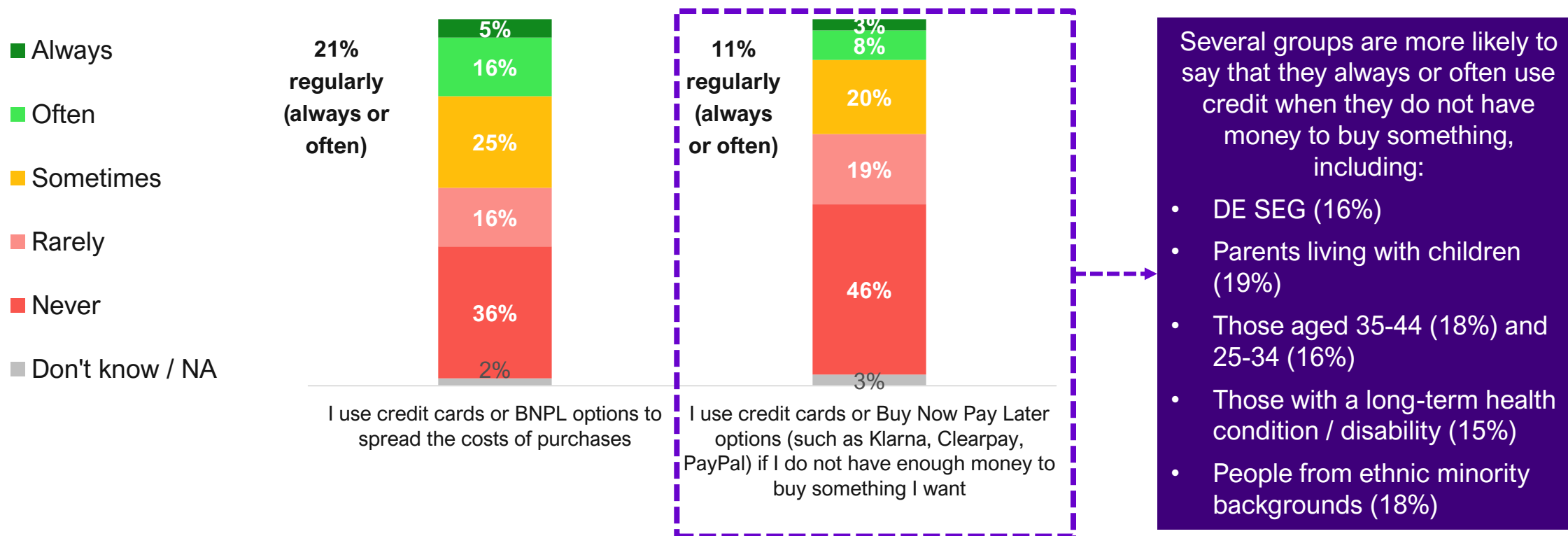
"Definitely for bigger things like holidays and stuff [...] The bank sees it as their money so they're going to want to get bit back."

C1C2, Rural

Q13. Below are some goods and services that people may pay for. Which of the following payment types do you typically use for each one? If you don't make this type of payment, please select 'not applicable'. Base: All respondents (n=2462), 18-34 (n=673), 35+ (n=1789), urban (n=1114), rural (n=457). N/As for each use case filtered out. For more detail, see appendix slide (XX).

Parents and lower SEG groups are more likely to regularly use credit to pay for things that they cannot currently afford

Consumer credit behaviour % of consumers selecting each option



Q11. How often, if at all, do you take the following approaches to pay for goods and services? Base: All respondents (n=2462), DE (n=587), parents with children in their household (n=749), 25-34 (n=426), 35-44 (n=404), those with a LTHC/disability (579), any ethnic minority background (n=579).

Case study: Jess (DE, rural, FV)

Jess is a mum of three who has struggled to make ends meet since her disability stopped her from working.

Over the last few years, as the cost of living has increased, Jess often finds that she runs out of money before the end of the month.

In the past, Jess would have only used credit to pay for more expensive things. However, in recent years Jess has started using Klarna to pay for things like children's clothes and food shopping.

Jess does worry about not being able to make her payments and running into trouble. But, if Buy Now Pay Later didn't exist as an option, she feels her only choice would be to make major sacrifices for her and her children.

"I wouldn't have even thought of using [BNPL] two years ago. But then to get two days' worth of food shopping would be £30, now it's £75. So, I'm relying more on Klarna."

"If I can't afford it now, my finances aren't going to get any better. How am I going to afford it in 3 months? But that isn't an option."

Reliability is key for payments that recur on a regular basis, especially utilities and housing costs

For recurring payments, reliability is key (particularly for bills and housing costs, where the consequences of missing payments may be significant).

Consumers' most important factor for use case			
	Utility bills	Rent / mortgage	Entertainment subscriptions
1	Reliability 28%	Reliability 27%	Ease of use 25%
2	Ease of use 20%	Ease of use 17%	Reliability 24%
3	Security 14%	Security 16%	Trust 11%

Q14. When making a payment, what factors are most important to you? Please select the one factor which is most important to you for each of these payment types. Base: All respondents (n=2462), N/As for each use case filtered out. For more detail, see appendix slide (XX).

The reliability of direct debits and standing orders makes them comfortably the preferred payment types for recurring payments

Consumers stated preferred payment method for use case			
	Utility bills	Rent / mortgage	Entertainment subscriptions
1	Direct debit / s. order 74%	Direct debit / s. order 64%	Direct debit / s. order 62%
2	Debit card 12%	Direct bank transfer 16%	Debit card 20%
3	Direct bank transfer 8%	Debit card 12%	Credit card 6%

For most consumers, using direct debits or standing orders means that they **do not have to worry about forgetting to make a payment.**

“I just set up a direct debit and it comes out at the beginning of the month because I get paid at the end of the month, so I get no surprises. So, everything comes out and I know what I've got.”
C1C2, Suburban

N.B. Qualitative research indicates that consumers may not always differentiate between a standing order / direct debit and a recurring debit or credit card payment that is initiated by the provider.

Q13. Below are some goods and services that people may pay for. Which of the following payment types do you typically use for each one? If you don't make this type of payment, please select 'not applicable'. Base: All respondents (n=2462), N/As for each use case filtered out. For more detail, see appendix slide (XX).

While most prefer automatically recurring payments, manual bank transfers play a role for some who are financially stretched

Relatively few consumers prefer to use direct bank transfers for recurring payments (16% for rent/mortgage, 8% for utility bills, 5% for entertainment subscriptions).

However, for this minority, the ‘manual’ elements of making a direct bank transfer can be important for budgeting strategies.

Case Study: Tommy (DE, Urban)

Tommy often gets paid in cash, and not always at the same time every month. Tommy likes to pay for things like rent and bills as soon as he's paid, so he can work out his budget for the month.

Tommy is resistant to his landlord (the council) and utility companies pushing him towards standing orders or direct debits. He worries that because the money isn't in his bank account, he'd be charged extra for late payment or otherwise punished and feels like he would have less control over his budgeting than he does now.

"It's a straight bank transfer [...] I just pay them. Like whenever I get paid, they get paid, that's the bottom line of it."

"Sometimes they try and like pressure you. But if I don't get paid on that day, how's it going to work?"

**Across payment contexts, there
are some consumers who are
fundamentally resistant to digital
payments**

Qualitatively, those resistant to digital payment methods fall into three overlapping groups

Larger group →

1. 'Cash is king'

These consumers have a strong personal attachment to cash.

They are often suspicious about digital payments methods (e.g. about privacy) and the effects of an increasingly cashless society.

"The plan is by 2030 they want to eradicate cash completely... they want to track you, intense personal tracking."
DE, Suburban

2. Digitally disengaged

These consumers have limited confidence or ability to access digital payments.

Given the scale of these barriers, they have little motivation to overcome them and often feel excluded when cash is not available.

"I like that I can withdraw money, work it out a bit like my nanny probably did back in the day.."
AB, Rural

3. Pragmatic users

These consumers may sometimes use digital payments but prefer cash for pragmatic reasons.

This might be rooted in habit, relative confidence and the tangibility of cash helping them to manage their budget.

"I definitely feel that my spending is a lot more mindful when I have cash... I think that's going to last me X number of days."
DE, Rural

← More entrenched resistance



"I'm a believer that cash is king. I don't want them tracking my spending habits, like what I spend. Why should the government and banks know I just bought a pizza from Sainsbury's?"

"I'm old school. I started going to football in the late 80s. £3 for the programme, cash, cash for the hot dog. Maybe I'm stuck in the 90s, but I just prefer it that way."

Case study: Des (DE, suburban)

Des lives in outer London and works as a tradesperson and is paid in cash.

He is very suspicious of digital payments, which he sees as a means of surveillance by governments and the banks.

Des also feels reassured by the tactile experience of holding and paying with cash.

Des is sometimes forced to pay using digital methods, so does carry a card and keep some money in a current account. He's a season ticket holder at a football club that has cashless food and drinks stalls

Des doesn't see what's wrong with cash and why fewer places are accepting it, which he finds frustrating. He's suspicious about the motivations and outcomes of an increasingly cashless society.

Case study: Mavis (C1C2, rural, DD)


Mavis is a 62-year-old from rural Northern Ireland. Mavis isn't confident using digital systems, and she has always been resistant to using digital payments.

Mavis feels that with her lack of confidence and knowledge, she might be more vulnerable to fraud if she used digital payments.

She prefers getting money out of the bank in-branch in a batch, rather than using a cash machine, which she worries about the risks of using.

She is very resistant to online banking but has now set up direct debits for her utilities with her daughter's support.

Mavis is confident using cash and feels excluded and 'cross' when goods and services do not accept it, which she notices is happening more and more often.



"It's too much of a swing to online banking and debit card payments. I don't think that's a good thing [...] I think my grandchildren would think I'm an ancient person."

"It annoys me [not accepting cash]. That would make me cross because I'm 62, people older than me can't pay it. Let people have their choice, I won't be going back there."



"I've obviously used contactless before in the past when I've had to. I know it works and it's fine, but I just prefer to pay cash."

"I like to have cash. You know what you're spending and know what you're left with, that's why I prefer cash."

Case study: Julie (C1C2, Urban)

Julie lives in Glasgow and uses a mixture of payment types.

Years ago, Julie ran up some credit card debts, feeling that it was like "endless money that you don't need to pay back". As a result, she got rid of her credit card.

While Julie still uses her debit card every now and then for contactless payments, she feels that the intangibility of digital payments can make it hard to get a sense of exactly how much you're spending.

For this reason, Julie's using cash more often. She finds that by taking cash out and holding it physically, it's easier to track spending and manage her budget.

In contrast to cash, cheques rarely inspire the same attachment

A small minority of consumers who say they use cheques do so because they are a helpful way to make payments that they might struggle to do otherwise (e.g. due to lack of confidence making bank transfers). However, most say if they do receive a cheque, they find it a long-winded or frustrating experience.

It is clear, that **cheques do not inspire the same symbolic and often emotional attachment that cash does.**



Case Study: Agatha (C1C2, Suburban, DD)

Agatha uses cheques to send money to family in cards. She does not use digital banking, and feels that even if she could, it would lack the sentimental value of something tangible in their card.

If cheques weren't an option, Agatha would be worried about the security of sending cash in the post or getting the details wrong if making an in-branch bank transfer.

"[Bank transfers] are a bit of a palaver, mind you. You've got to make sure your numbers are right. The bank told me if it goes into somebody else's account, you can't get it back."

Case Study: Peter (AB, Urban)

Peter is the treasurer of a local charity, and for years has used cheques to make grants.

In a world of easy and quick-to-use bank transfers, Peter feels like he wastes a lot of time writing cheques. There is also uncertainty about when people will cash them, which can cause issues with cash flow. He'd be keen to stop and simply pay by Faster Payments in future.

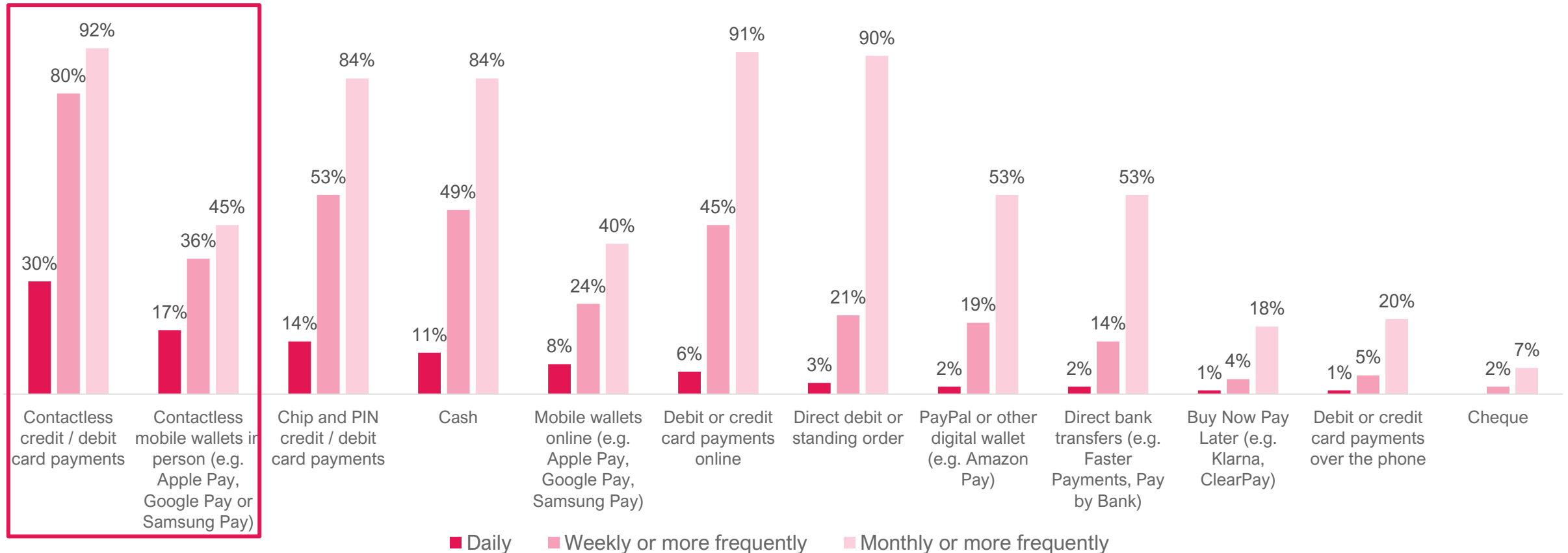
"Because I've got to get the cheques counter signed then put them in the post, it'd be quicker and cheaper to do it by the banks. I'll probably look at that now, by the end of this year."

3

Consumer usage of payment systems

Consumers are most likely to report using contactless payment methods most frequently

Regularly used payment types
% of customers using this payment type

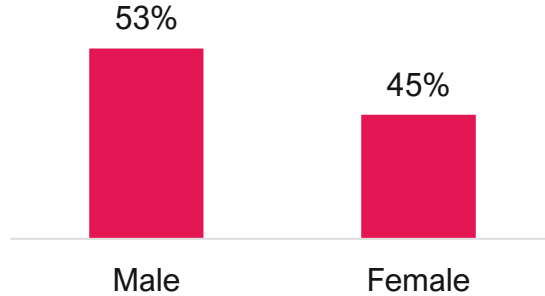


Q12. Roughly how often, if at all, do you tend to make payments or other financial transactions using each of the following payment types? Base: All respondents (n=2462).

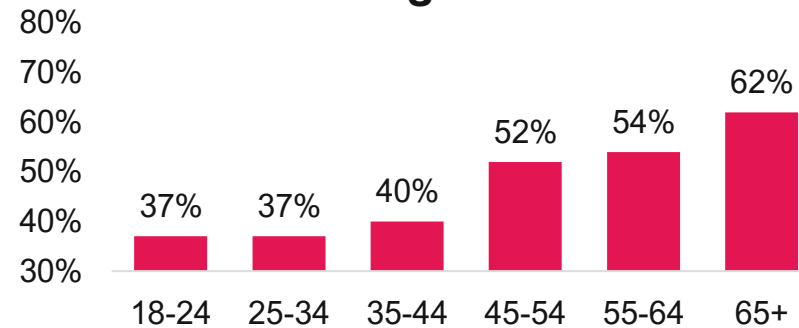
Regular cash users are more likely to be male, older, lower SEG and have a disability (while ethnicity and rurality makes little difference)

% of consumers using cash weekly or more often

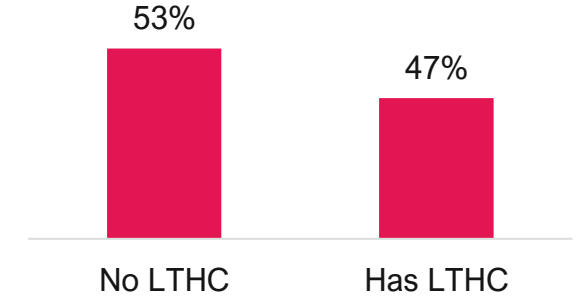
Gender



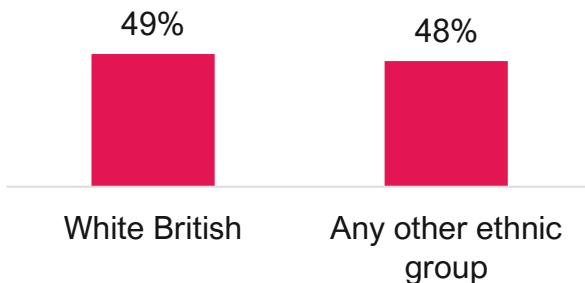
Age



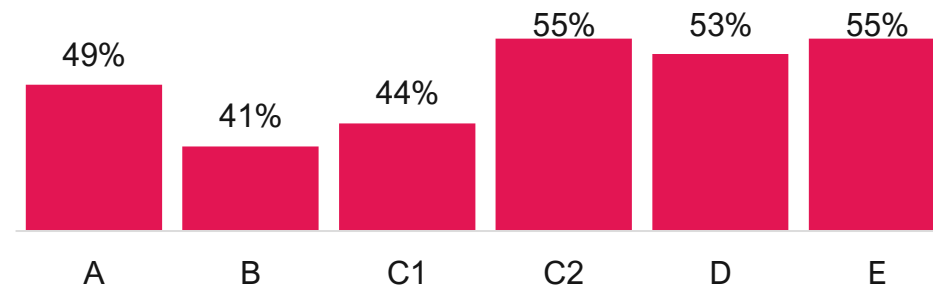
LTHC or disability



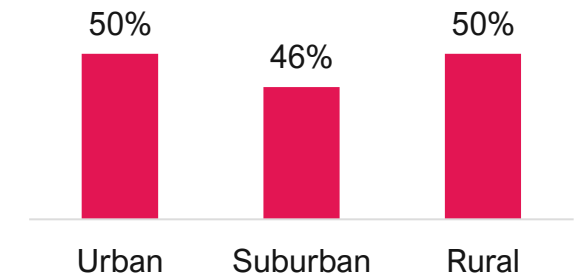
Ethnicity



SEG



Rurality

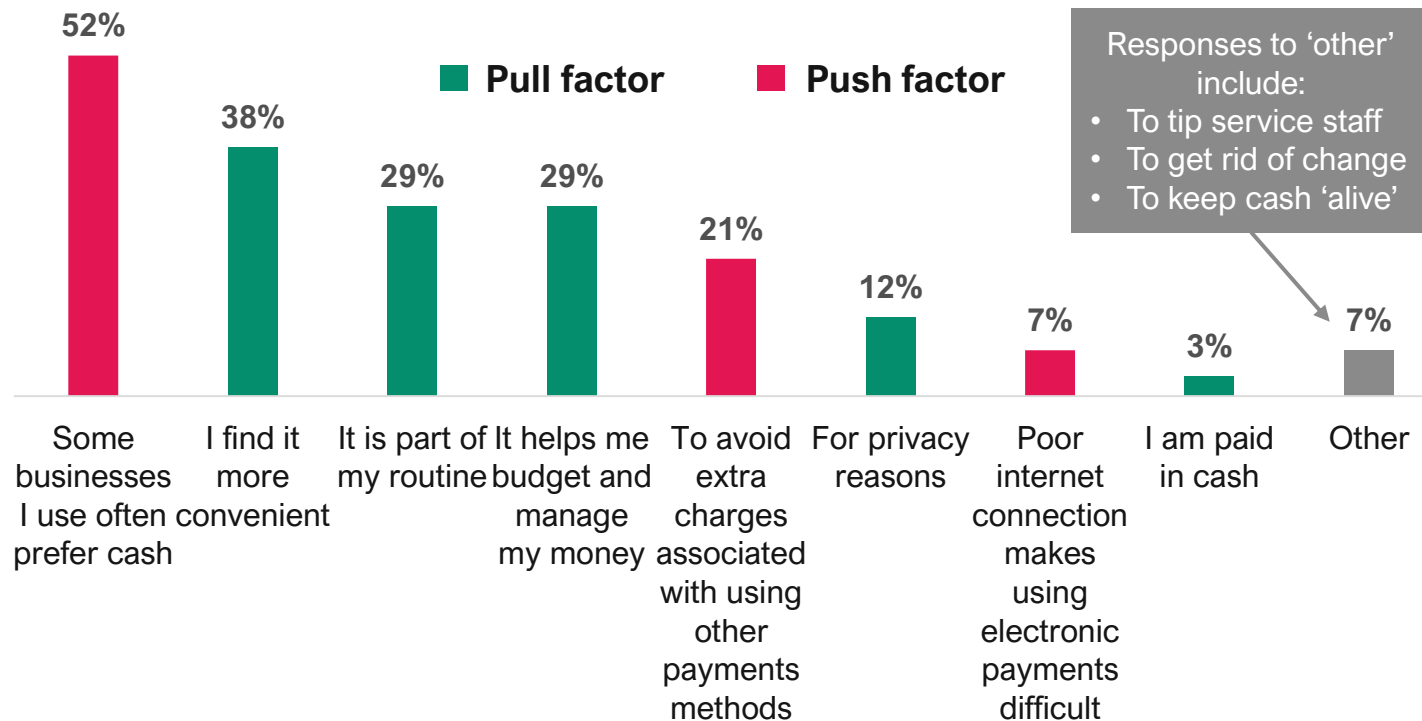


Q12. Roughly how often, if at all, do you tend to make payments or other financial transactions using each of the following payment types? Base: All respondents (n=2462).

Cash usage is driven by a combination of ‘pull’ factors, and ‘push’ factors rooted in barriers to accessing other payment methods

Reasons for using cash payments

% of consumers who use cash payments monthly or more often



Motivations for using cash vary significantly by age group:

- 18-34s are the most likely to say that they use cash because that is how they are paid (6%)
- Over 65s are most likely to agree that they use cash because businesses they use prefer it (63%), it’s part of their routine (38%) and they find it more convenient (49%)

There are also significant differences between socioeconomic grade:

- AB consumers are more likely to use cash because of businesses’ preference (57%)
- DE consumers are more likely to use cash because it’s part of their routine (35%), they find it more convenient (43%), for budgeting (39%) and for privacy reasons (14%)

Q21. You indicated earlier that you use cash on roughly a monthly basis or more regularly. To what extent are you motivated to use cash by the following factors? Please select all that apply? Base: Respondents who use cash monthly or more often (n=2096), monthly cash user 18-34 (n=507), monthly cash user 65+ (n=536), monthly cash user AB (n=566), monthly cash user DE (n=496). No responses to ‘I do not have a bank account’.

Younger respondents are significantly more likely to be regular mobile wallet users

"It saves me carrying my wallet and is very fast."

Survey respondent, 19, Male

"It's easier for me to double click a button on my phone to pay for something than get out my purse and find my card."

Survey respondent, 21, Female

"My son tried to get me to link my debit card to my phone but because of limited sensation in my hands, I have gone back to using a physical card."

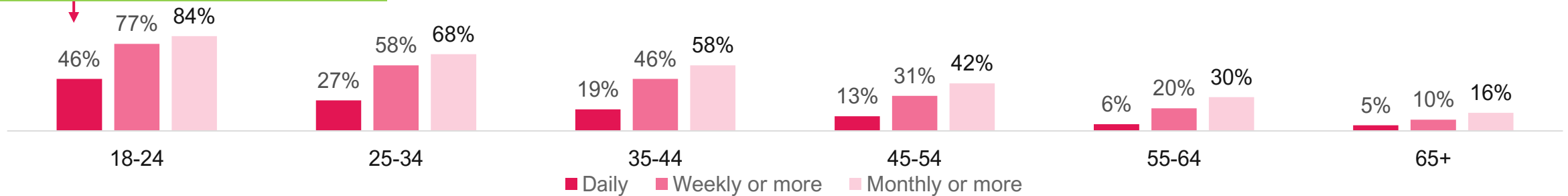
Survey respondent, 72, Female

"I don't trust having everything electronically stored on the phone, if your phone goes flat or gets stolen, you're stuffed."

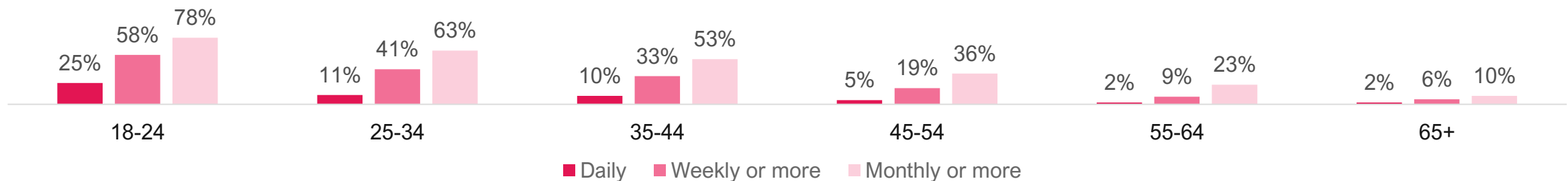
Survey respondent, 62, Male

Almost half of those aged 18-24 use contactless mobile wallets daily

Contactless mobile wallet use by age



Online mobile wallet use by age

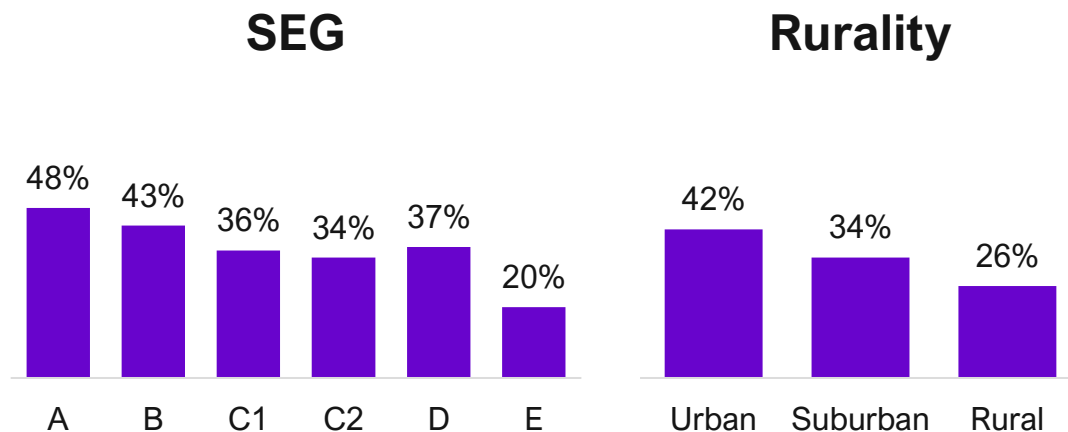


Q12. Roughly how often, if at all, do you tend to make payments or other financial transactions using each of the following payment types? Base: All respondents (n=2462), 18-24 (n=259), 25-34 (n=417), 35-44 (n=402), 45-54 (n=412), 55-64 (n=395), 65+ (n=579).

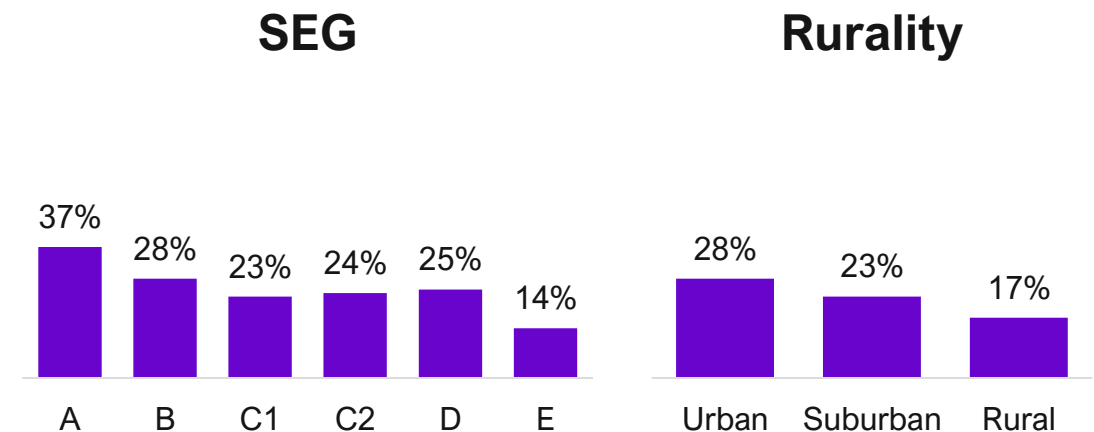
More affluent customers and those living in urban areas are more likely to report being regular users of mobile wallets

% of consumers using mobile wallets weekly or more often

Mobile wallet payments in person



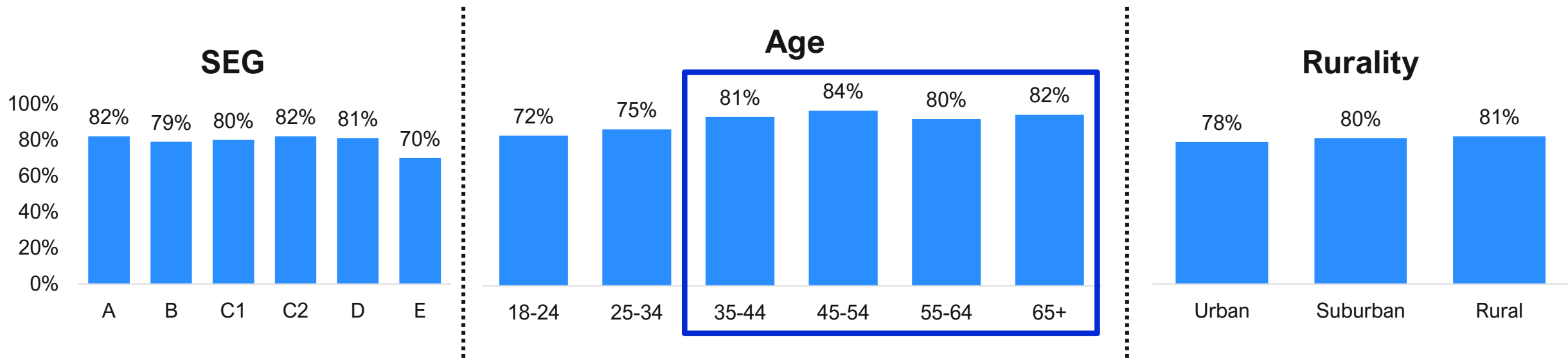
Mobile wallet payments online



Q12. Roughly how often, if at all, do you tend to make payments or other financial transactions using each of the following payment types? Base: All respondents (n=2462), Urban (n=1144), Suburban (n=916), Rural (n=402), A (n=172), B (n=451), C1 (n=746), C2 (n=509), D (n=320), E (n=264).

In contrast, consumers reporting regular use of contactless credit or debit cards are more likely to be older, with other demographics making little difference

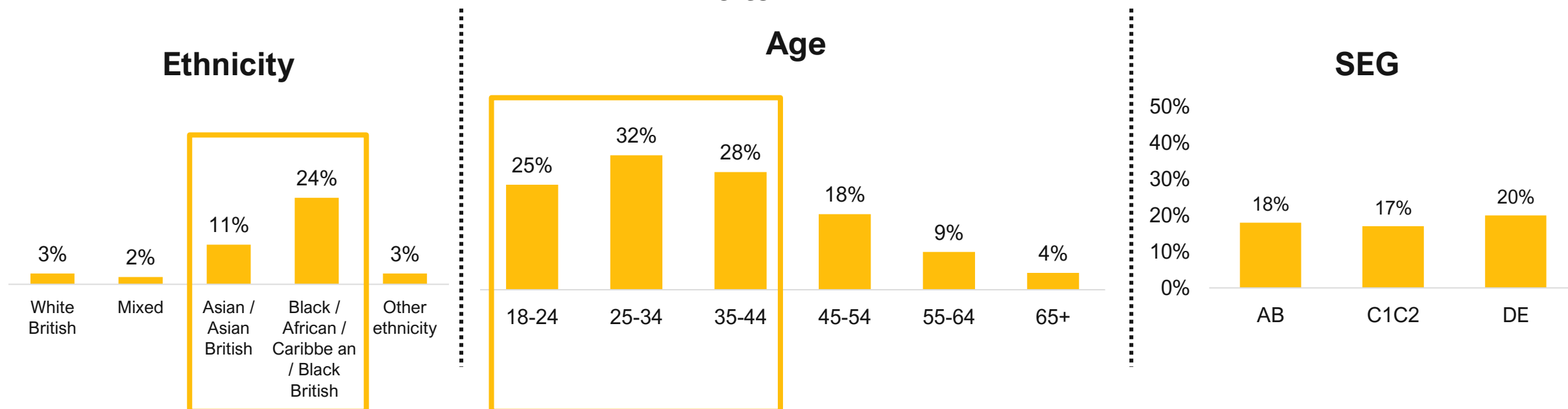
% of consumers using contactless credit / debit card payments weekly or more often



Q12. Roughly how often, if at all, do you tend to make payments or other financial transactions using each of the following payment types? Base: All respondents (n=2462), 18-24 (n=259), 25-34 (n=417), 35-44 (n=402), 45-54 (n=412), 55-64 (n=395), 65+ (n=579), Urban (n=1144), Suburban (n=916), Rural (n=402), A (n=172), B (n=451), C1 (n=746), C2 (n=509), D (n=320), E (n=264).

Younger consumers and those from an ethnic minority background are significantly more likely to say they regularly use Buy Now Pay Later methods; SEG makes little difference

% of consumers using Buy Now Pay Later weekly or more often



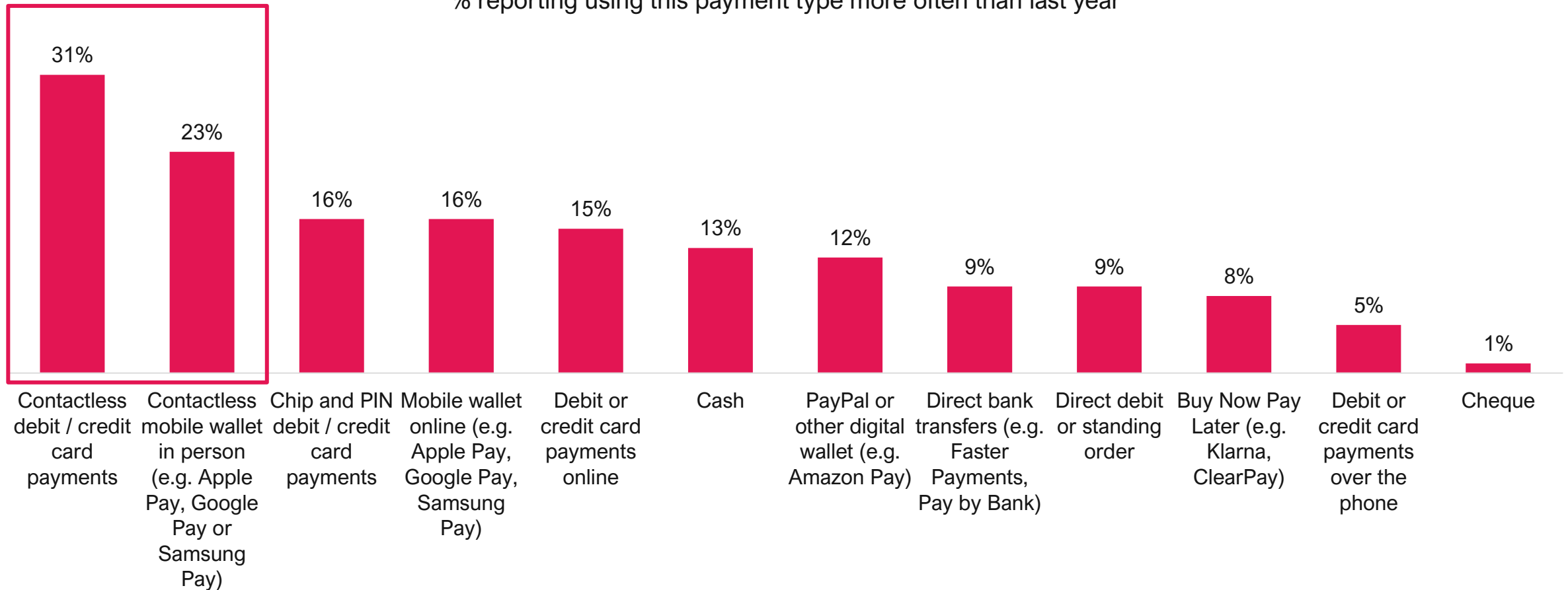
Consumers' confidence using Buy Now, Pay Later is the lowest of any payment type (37%), but is far higher among the younger audience who are more likely to regularly use it (44% of 18-24s, 51% of 25-34s and 55% of 35-44s).

Q12. Roughly how often, if at all, do you tend to make payments or other financial transactions using each of the following payment types? Base: All respondents (n=2462), 18-24 (n=259), 25-34 (n=417), 35-44 (n=402), 45-54 (n=412), 55-64 (n=395), 65+ (n=579), A (n=172), B (n=451), C1 (n=746), C2 (n=509), D (n=320), E (n=264), White (n=2074), Mixed ethnicity (n=53), Asian/ Asian British (n=182), Black/ African/ Caribbean/ Black British (n=97), Other ethnicity (n=21).

Contactless payment types are increasing in popularity, with a third of customers saying they use contactless more than last year

Reported change in payment type use

% reporting using this payment type more often than last year



Q15. Compared to this time last year, do you use this form of payment more often, less often, or about the same as before? Base: All respondents (n=2462).

Customers are embracing contactless payment methods due to their convenience

The primary reason given for increased use of contactless payments is **convenience**. Customers who report using either contactless debit / credit card payments or contactless mobile wallets more this year than last year are choosing these payment types because:

- They don't require a PIN number
- Mobile wallets don't require you to carry a wallet
- The £100 means more purchases can now be made using these payment types than in the past.

"Seems more convenient, isn't it? You don't have to carry loads of cash around, which is a bit risky, isn't it, if you've got like loads of cash in your wallet or your purse."

C1C2, Suburban

"I think it's just easy [to use mobile payments] and I've always got my phone. Often now I don't even take my purse or bag or anything out with me because it's just there."

AB, Rural

Some customers also report an increased trust in these payment types as they have become more established, or discovering they are easier to use than had been expected.

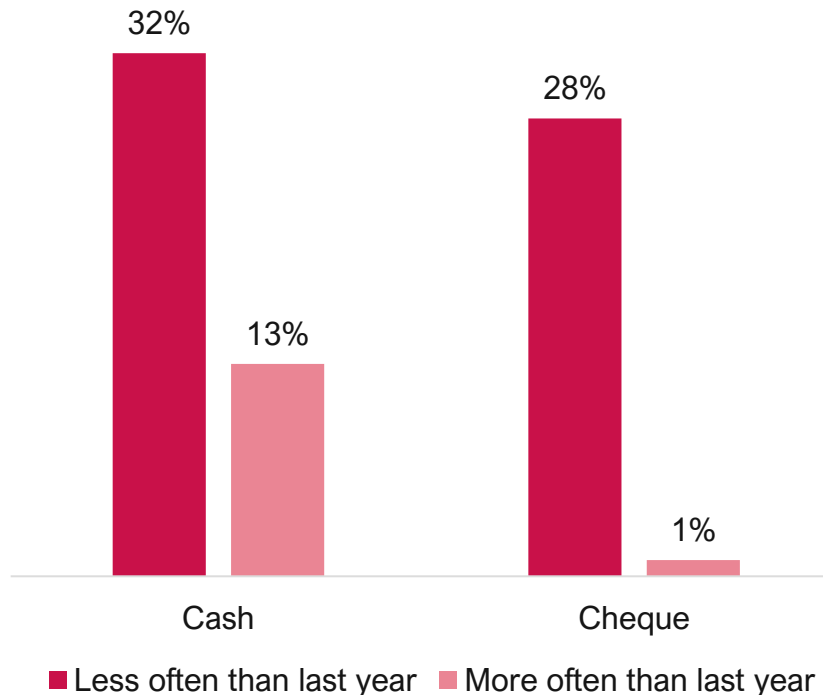
"It's easy payments, but it's security too. People don't know that when you use Apple Pay, they don't give the merchant your card number, they generate a fake number... I like that for the security."

AB, Urban

As contactless is on the rise, use of cash and cheques is declining

Reported change in payment type use

% reporting using this payment type less/more often than last year



Customers are moving away from cash payments, primarily due to finding other methods more convenient. Customers report **fewer businesses accepting cash**, especially since COVID, and customers are making more purchases online. Some also cite **security concerns** as well as **issues with accessing cash machines**.

An already infrequently used payment type, customers believe there are very few scenarios where using a cheque might be useful, calling them **'redundant' or 'obsolete'**.

"I used to pay my children's pocket money in cash to them, but they both want it on their cards now and I don't really carry it."

AB, Rural

"I use cash less now because digital payments are more convenient and widely accepted, making it easier to track spending and avoid carrying physical money."

Survey respondent

"Cheques? Cheques are pretty well obsolete now, aren't they?"

DE, Suburban

"I used to work in completions. We'd get cheques and it used to be a friggin' nightmare. No more cheques, I'm done with cheques."

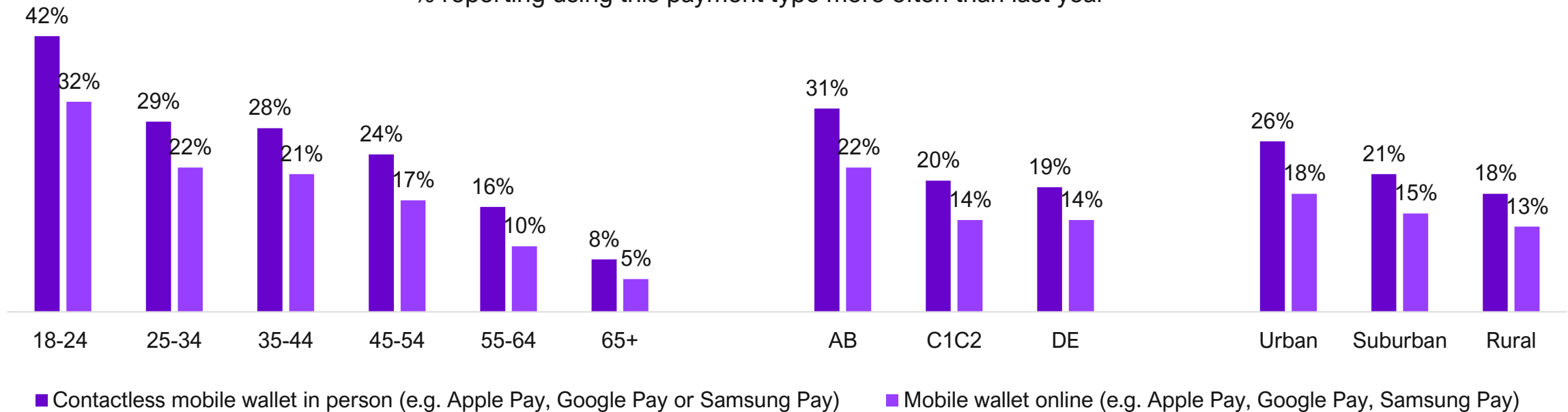
AB, Suburban

Q15. Compared to this time last year, do you use this form of payment more often, less often, or about the same as before? Base: All respondents (n=2462).

Mobile wallet use is growing, in person and online - particularly among the groups that are already most likely to be using them

Mobile wallet use growth is highest for consumers who are younger, higher SEG, and live in urban areas - the groups with the highest base adoption of these payment types.

Reported increase in mobile wallet use
% reporting using this payment type more often than last year



Q15. Compared to this time last year, do you use this form of payment more often, less often, or about the same as before? Base: All respondents (n=2462), 18-24 (n=259), 25-34 (n=417), 35-44 (n=402), 45-54 (n=412), 55-64 (n=395), 65+ (n=579).

There is a growing minority who now solely use their phone to make purchases

There is a modest-sized but growing group for whom contactless mobile wallet payments are becoming their primary method of making offline purchases.

23% of respondents reported regularly only taking their smartphone with them when leaving the house. Members of this group are typically urban dwellers (27% urban respondents agreeing vs 18% rural) from higher SEGs (28% of AB, 23% C1C2 and 18% DE). Age is the strongest predicting factor, with 52% of 18-24-year-olds reporting taking this approach.

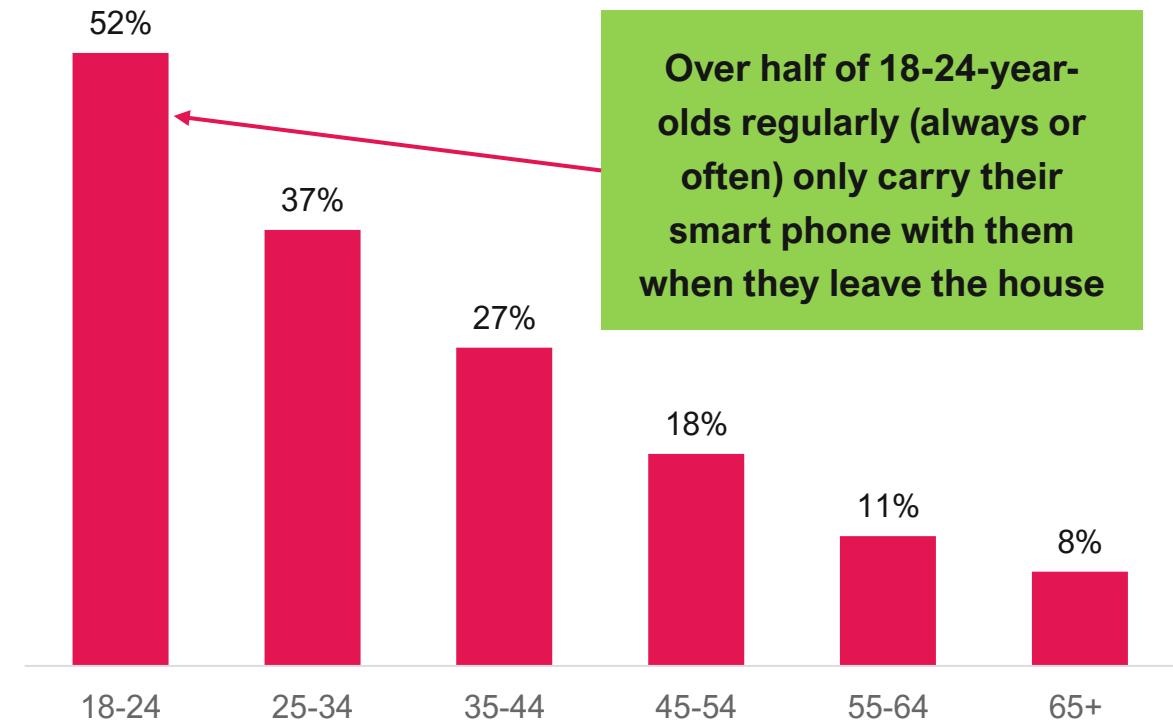
This group say this payment type is more convenient, as they already always carry their phone so don't need to worry about carrying anything else on them.

Others, typically older customers, struggle to understand how contactless mobile wallets could be more convenient and may lack confidence using them: **Just 20% of over 65s are confident with mobile wallet payments in person, compared to 83% of 18-24s.**

For those already using contactless credit and debit cards, mobile wallets don't appear to offer any additional convenience.

'When I leave home, I only bring my smart phone with me to make payments'

% regularly taking this approach



4

Challenges with payment systems

Overwhelmingly, consumers are satisfied with the state of payment systems in the UK

95%

of consumers agree that payment systems in the UK are working well
(2% disagree)

92%

of consumers agree that they can make and receive payments in a timely manner
(1% disagree)

87%

of consumers agree that they feel their money is secure when making domestic payments
(2% disagree)

When it comes to choice, speed and convenience, most consumers struggle to think of how today's payments systems might be improved...

Answers for "Finally, what one thing could be done to make your experience of using payments better or what one challenge when making payments would you like to see addressed?"

"I don't know."

"Nothing."

"Payment methods meet all my needs."

"None."

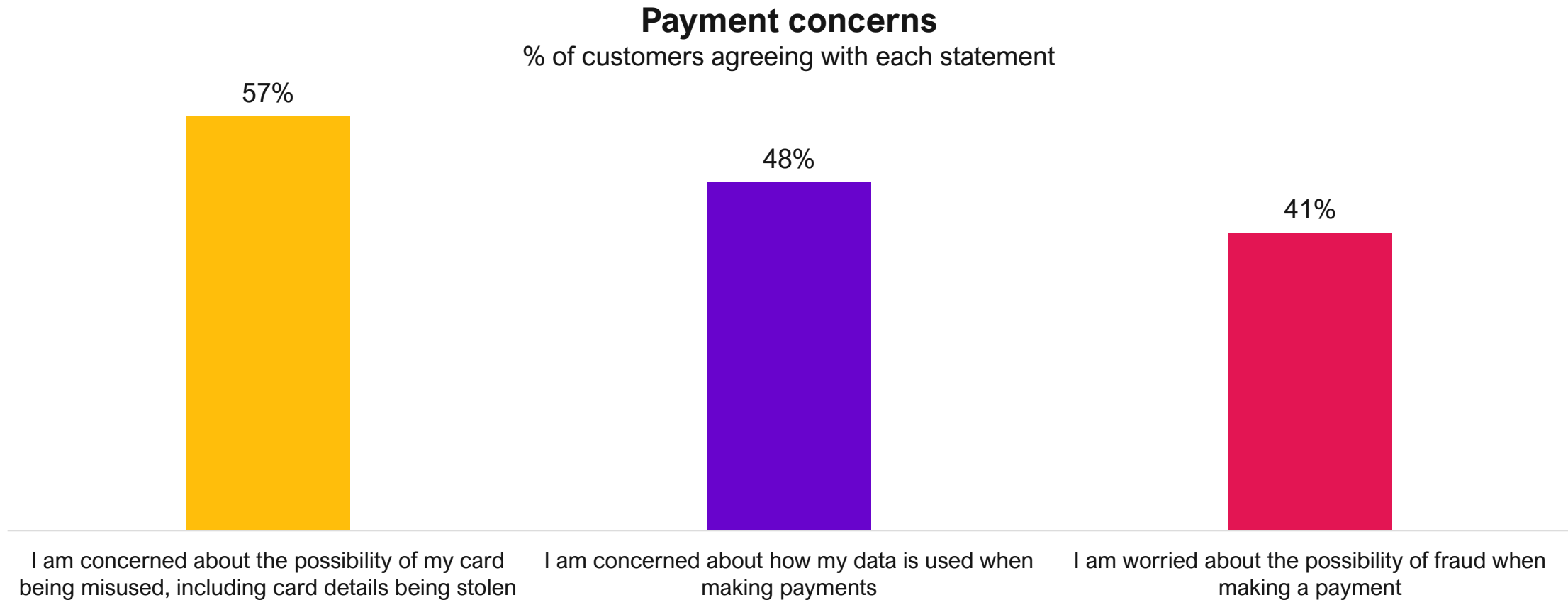
"Nothing at present."

"There is nothing I can think of."

"The system works fine."

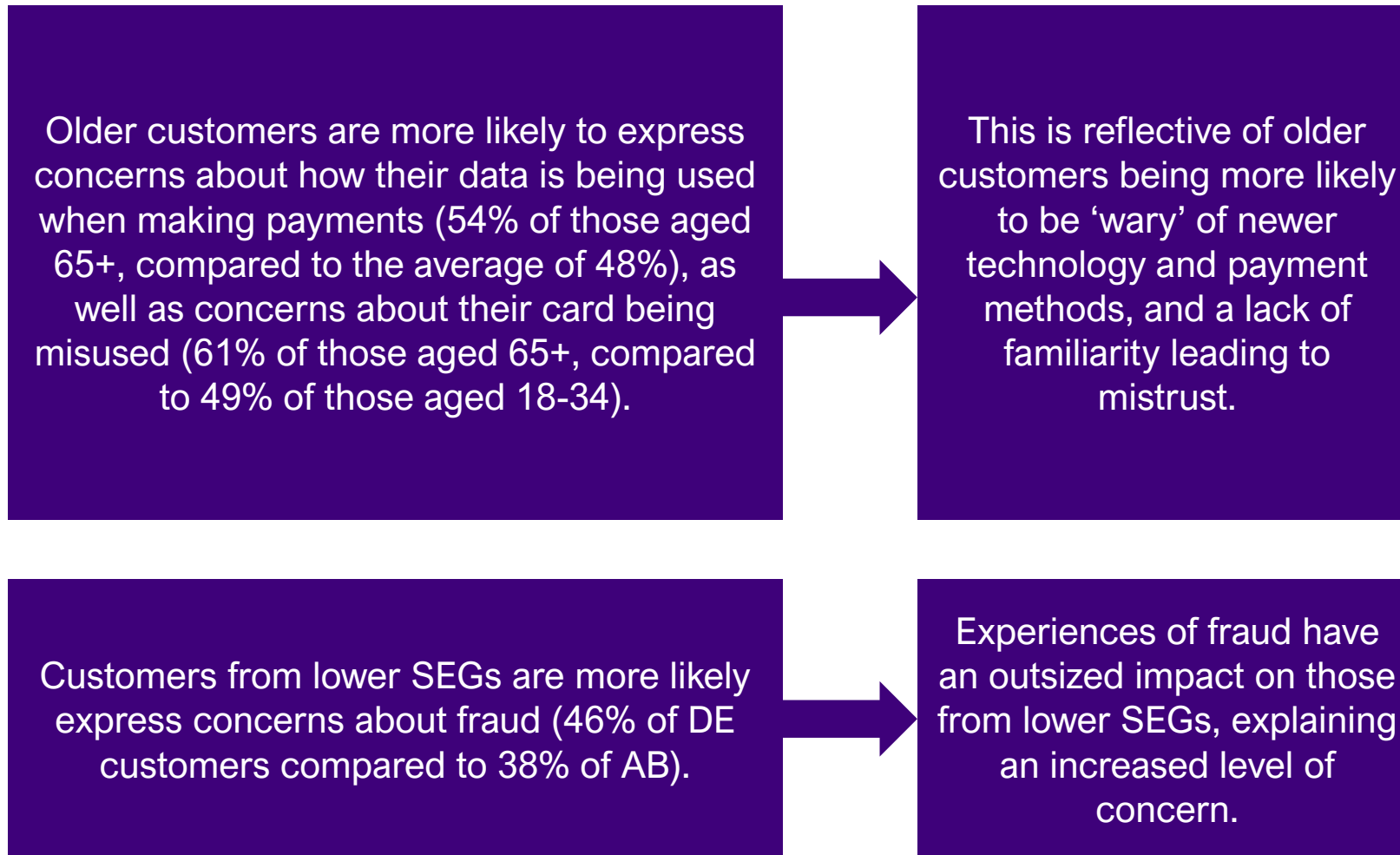
Q19. To what extent, if at all, do you agree or disagree with each of the following statements. Base: All respondents (n=2462).

...however, a substantial number express some level of concern when they think about payments in general



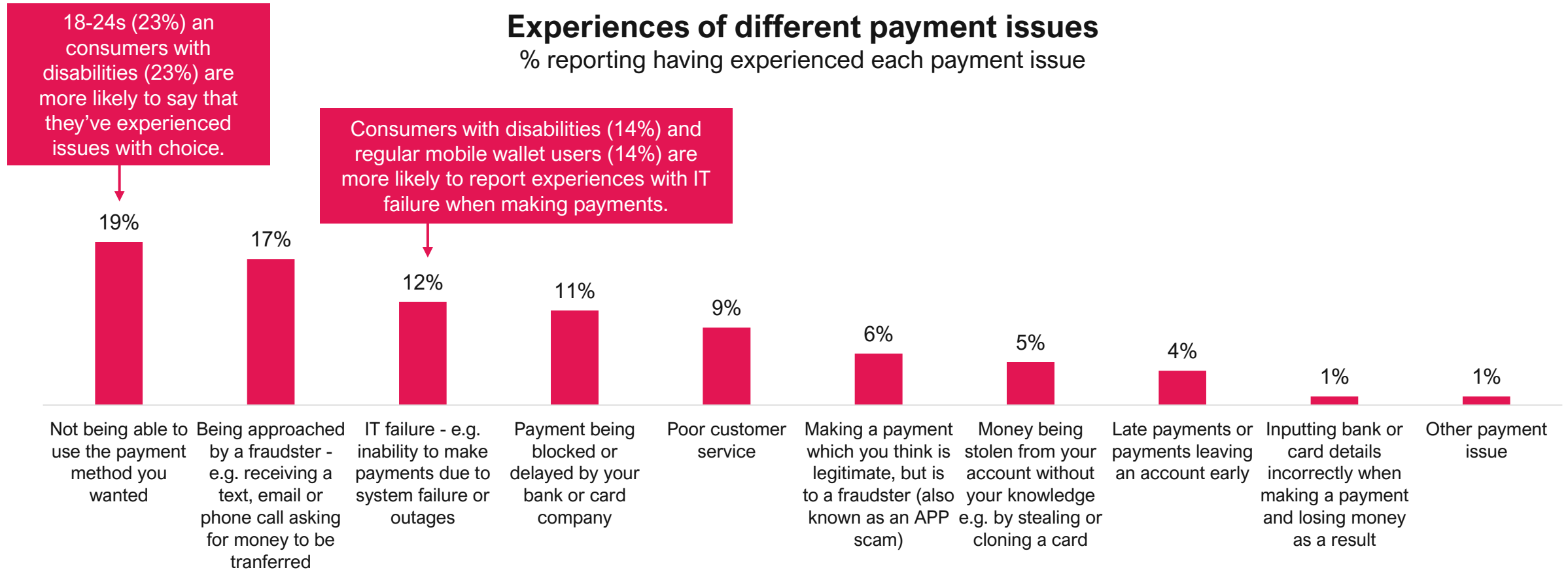
Q19. To what extent, if at all, do you agree or disagree with each of the following statements. Base: All respondents (n=2462).

Trends in concern align with typical circumstances of each demographic



Q19. To what extent, if at all, do you agree or disagree with each of the following statements. Base: All respondents (n=2462), 18-24 (259), 25-34 (417), 35-44 (402), 45-54 (412), 55-64 (395), 65+ (579), A (172), B (451), C1 (746), C2 (509), D (320), E (264).

Almost half of consumers have experienced a payment issue, most commonly not being able to use their preferred payment methods



47% of customers have experienced any of these payment issues, with 18-24-year-olds (60%) and people from ethnic minorities (58%) significantly more likely to experience an issue than the average.

Across demographics, customers feel strongly about being able to use their preferred payment type

Issues with using preferred payment methods typically applies to in-person payments, and fall into 2 categories:

Cash only businesses

Customers who typically make payments using a contactless mobile wallet are particularly impacted by this, as they may not have access to another payment type.

It can also cause issues for other customers who don't typically carry cash, as many customers report struggling to access working ATMs.

Businesses that don't accept cash

This can be an issue for all customers who prefer cash payments but is felt most harshly by those belonging to the 'cash is king' group.

This group strongly oppose having the option to pay with cash taken away from them and will often look to make a purchase elsewhere rather than use another payment type.

Case study: Cari (rural, DE)

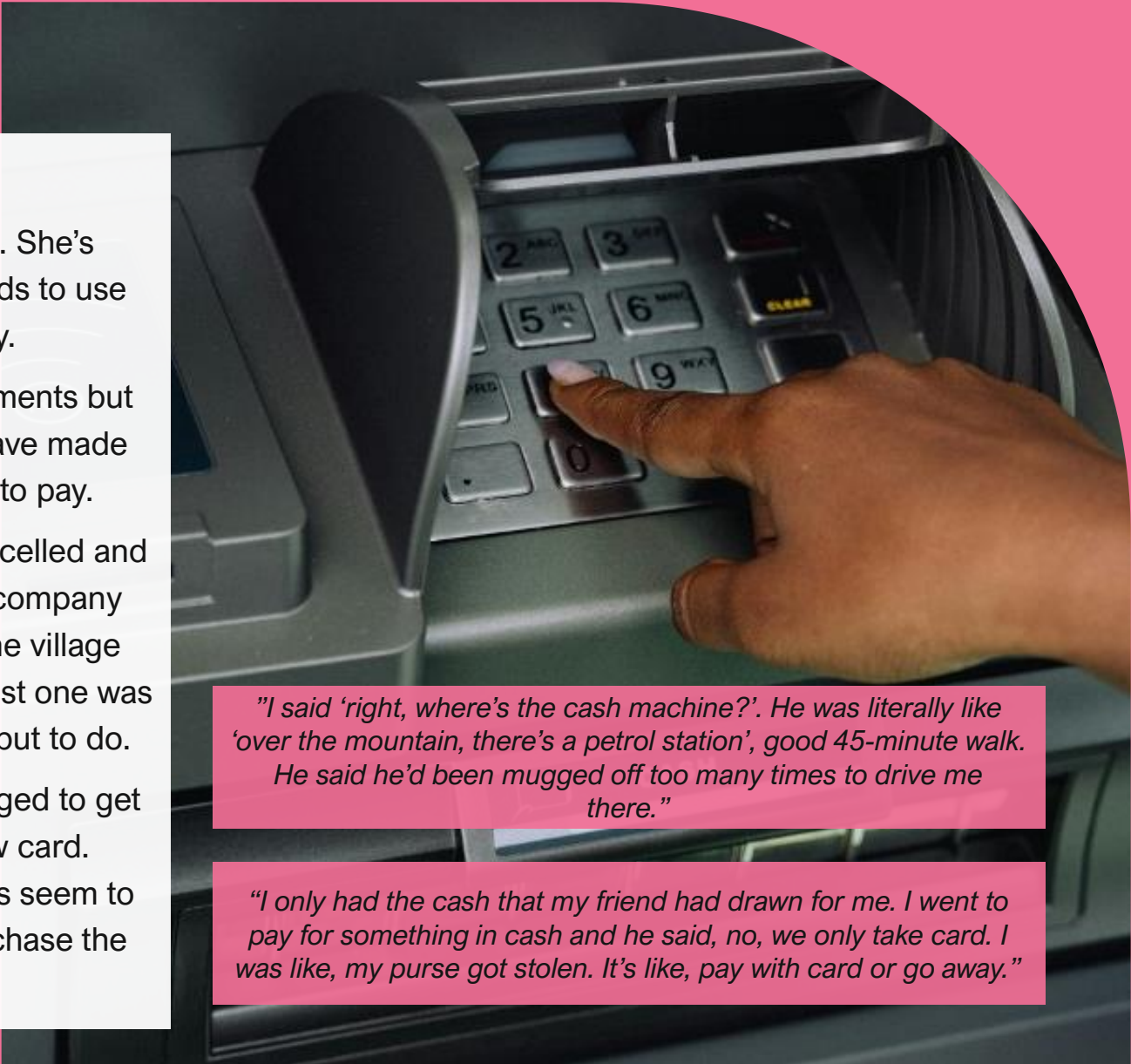
Cari lives in a village in the South Wales valleys. She's confident using a range of payment types but tends to use her contactless debit card most frequently.

Cari doesn't spend much time thinking about payments but had two frustrating experiences recently which have made her concerned about the lack of choice in how to pay.

Cari was recently travelling when her train was cancelled and terminated early in a small village. The local taxi company only took cash, which she didn't have to hand. The village didn't have a cashpoint, and she was told the nearest one was a 45-minute walk away, which she had no choice but to do.

Cari also recently had her purse stolen. She managed to get cash out of the bank while she waited for a new card.

However, she was frustrated by how many retailers seem to only accept card, making it difficult for her to purchase the essentials.



"I said 'right, where's the cash machine?'. He was literally like 'over the mountain, there's a petrol station', good 45-minute walk. He said he'd been mugged off too many times to drive me there."

"I only had the cash that my friend had drawn for me. I went to pay for something in cash and he said, no, we only take card. I was like, my purse got stolen. It's like, pay with card or go away."

Consumers tend to make a clear distinction between their views of APP fraud and other fraud types

Consumers are far more likely to feel that they would be vulnerable to money being stolen without their knowledge, feeling it is something that could happen to anyone and that they have little to no responsibility for.

"I've lost money from my account before. I think it's so easy now to get people's details that everyone is so vulnerable to money being taken out of their account."

Rural, AB

However, customers view APP scams as being associated with 'other people', and not something they could fall victim to. Typically, customers feel victims have some level of culpability and so have limited sympathy. This is particularly true for those falling for more 'obvious' scams, such as romance scams.

That being said, customers do acknowledge that scams are becoming 'more sophisticated' and are empathetic to the more vulnerable group they see as the targets of these scams.

"If it's vulnerable people, old people or people with vulnerabilities, then they just get scared and know they probably believe what the person's telling them, so they will pay."

Urban, AB

"I sort of sit on the fence on that one because I agree in that respect that banks need to do more to protect customers. But also, you know, it's a certain amount of responsibility that comes down to the individual as well."

Rural, AB

Case study: Eoin (*C1C2, rural, AFV*)

Eoin works as an equine coach in Northern Ireland. The equipment he needs is expensive, so he is always on the look out for good deals or second-hand equipment.

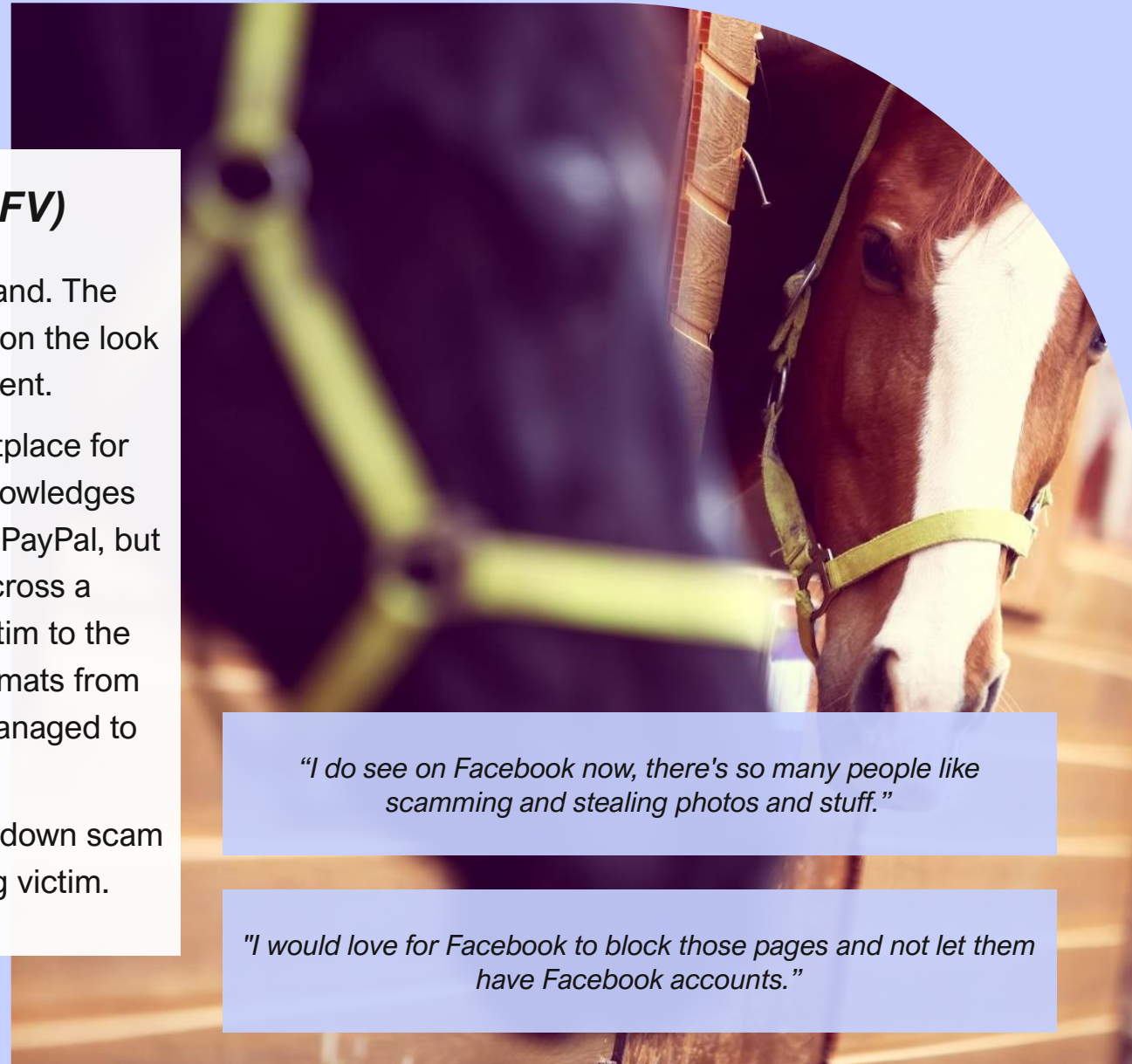
Last year, Eoin saw a listing on Facebook Marketplace for some second-hand mats, at a price he now acknowledges was 'too good to be true'. He paid for the mats via PayPal, but never received them. Eoin eventually came across a

Facebook page where other users had fallen victim to the same scam, and were warning others not to buy mats from the scammer. After some back and forth, Eoin managed to claim his money back from PayPal.

Eoin feels Facebook should be doing more to take down scam accounts, to protect people like him from falling victim.

"I do see on Facebook now, there's so many people like scamming and stealing photos and stuff."

"I would love for Facebook to block those pages and not let them have Facebook accounts."



Although experiences of fraud impacts customers' attitudes, they have little impact on reported behaviour

Customers who have experienced fraud say they are now more 'careful' or 'wary' when making payments as a result of the experience.

"Making me more conscious and suspicious of any type of payment."

Survey respondent

"Made me very cautious about buying things."

Survey respondent

However, **few report actually changing their preferred payment method** – to some extent, people feel they have no choice but to continue using these payment methods as the payment needs to be made, and so they accept the risk (even though they feel less comfortable than before).

"It didn't affect my use of payment methods, but I would be far more aware if I encountered that situation again."

Survey respondent

"It did not affect the use of payment method, rather it taught me to do appropriate due diligence on merchants not previously used."

Survey respondent

Consumers were **more likely to report moving away from specific platforms or actions** (in line with the customer 'experience' associated with the fraud). For example, consumers are more likely to report moving away from 'shopping online' than from using online mobile wallets.

"I dare not buy things online anymore."

Survey respondent

"Nothing came, so I would think twice before ordering from Amazon again."

DE, Rural, AFV

A fifth of APP fraud victims say that they were severely affected, and over a third have experienced fraud more than once

21%

of APP fraud victims report that they were severely affected

- 4% experienced multiple times but largely unaffected
- 26% mildly affected on more than one occasion
- 6% severely affected on multiple occasions)

36%

of APP fraud victims report that they have experienced fraud on more than one occasion

- 6% severely affected across multiple occasions
- 26% mildly affected across more than one occasion
- 4% experienced multiple instances of fraud, but say they are not personally affected by it

While few consumers are aware of the PSR's app fraud reimbursement policy, when they hear about it most are positive

Very few consumers are aware of the PSR's APP fraud reimbursement policy (when tested in the qualitative research).

When they hear about the policy, the **majority are positive and feel reassured that a protection like this exists**. Some also feel that it would help to incentivise financial institutions to do more to crack down on fraud.

"I didn't know about that policy. I think that's good, yeah, I think that's a good policy."
DE, Suburban, AFV

However, a minority **do raise concerns that fraudsters could learn to game this system**, or that the policy could **disincentivise people from guarding against guarding against APP fraud**.

"The only downside is people might take advantage, and scam that way by saying they've lost money when they haven't."
DE, Urban

However, 65% of reimbursed APP fraud victims (to 46% not reimbursed) say that they have become more vigilant about avoiding fraud looking to the future (Thinks/PSR 2024), indicating that **reimbursement does not lead to complacency**.

A quarter of those experiencing payment issues have experienced an IT failure

Lack of access to a cash point

Issues accessing ATMs were particularly common in rural and suburban areas, where customers report ATMs being few and far between. Broken ATMs can be particularly disruptive for the customers who rely on them.

Card machine outages

Card machine outages mean customers must find an alternate way to make a purchase (usually cash), which can result in being unable to make the purchase.

Problems with banking apps

Some consumers report their banking apps crashing or displaying error codes, which can prevent them from checking their balance or making transactions. Closures of bank branches has led to an increased reliance on online banking, which can make these problems even more frustrating.

Issues with online payments

Some consumers report problems with completing online purchases (due to connectivity issues or issues with payment systems themselves) which can result in incomplete or even duplicate transactions. For some this causes anxiety around making purchases online.


Case study: Zoe (DE, suburban, DD)

Zoe lives in outer London and typically uses a combination of cash and her debit card.

Zoe likes the option of using cash and often keeps a few notes on her for smaller purchases. Sometimes she thinks that she'd like to pay with cash more often, but can find it a hassle to keep getting more out the ATM.

Recently, Zoe also had an experience where there was a card machine outage when she was at the supermarket. Zoe had some cash on her, but not enough to cover the shopping.

She had urgent shopping to get which she couldn't pay for. She described this as a "nightmare" and wished that she had the cash on her.



"I think there was a power surge or something, it had done something to the [machines]."

"Because I didn't have the cash, the shop had to go back. That can be a nightmare."

5

Looking ahead

While consumers are broadly with the state of payments, some do make suggestions for areas for further improvement

Fraud protection

Scams and fraud are the issue related to payments that is often most top of mind for consumers.

Consumers often call for more protection from fraud, even if they struggle to articulate what this means practically (e.g. whether they would accept more friction).

Some consumers spontaneously call for reimbursement of money lost to fraud – and consumers we spoke to are largely positive about the PSR's APP fraud reimbursement policy (see slide 57).

Reduced friction

Today's payments landscape has far less friction than previously, driven by the ascendancy of contactless payment and the increase of the limit to £100.

Consumers largely feel that this is appropriate – **but some call for a continued elimination of friction, such as** raising the contactless limit even more.

It should be stated that this may come into tension with protecting consumers from fraud and other harm (which is a priority for more consumers).

Greater choice

There has been a proliferation of different payment methods, meaning that in theory there is more choice than ever for how one wants to pay.

However, **instances where retailers limit choice (or disincentivise some options) are frustrating** for consumers.

Retailers not accepting cash is a particular frustration – for those who are driven to use cash by digital exclusion, budgeting, or personal preference. But frustration about having one's choice limited is not restricted to cash.

Survey respondents:

"Just for companies to work harder on fraudulent activity."

"We can have our money guaranteed when it is stolen."

"I would like my bank to not block my contactless every few uses."

"Having a bigger limit on contactless purchases."

"More places accepting cash. Cash is king."

"Many stores do not accept my primary credit card, Amex, and this is frustrating."

Consumers also point to some technological and infrastructural changes that may make a difference to their payments' experience

Greater resilience of IT systems

While relatively few consumers report issues with payment outages, those that do may raise **concerns about the resilience of increasingly digitised payments systems** and the personal impact of losing the ability to make a payment.

This includes reference to outages of card networks and online banking systems.

Improved supporting infrastructure

Beyond the direct impact from issues with digital payments infrastructure, there can be **knock-on effects on consumers' ability to make payments from other, non-payment specific systems and infrastructure**.

This may include poor internet connectivity stopping consumers from making bank transfers or disrupting a retailer's acceptance of card payments.

Improved payments tracking

A small minority of consumers call for **innovations to help track payments and manage budgets**.

One idea shared was for a system to allow you to track recurring card payments alongside direct debits and standing orders, so it's harder to lose track of a repeated payment.

Another idea shared was to create a system to track all bank accounts, credit cards and investments (in line with open banking services).

Survey respondents:

"IT connections. When they go down you can't use your money."

"If [online banking] is 'down' it's like putting all your eggs in one basket."

"Sometimes the system does not work because of the internet connection."

"Poor Internet coverage which can cause problems when trying to pay with a phone."

"Being able to cancel subscriptions on cards like you do direct debit."

"A system where I can view all my credit cards, banks, investments in one."



Thank you

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6

Appendix

Further detail on qualitative sample

Further detail on qualitative sample: focus groups

Focus groups were split by location and socioeconomic grade:

		Location		
		Urban	Suburban	Rural
Socio-economic grade (SEG)	AB	London	Merseyside	Norfolk
	C1C2	Glasgow	Cardiff	Northern Ireland
	DE	Merseyside	London	South Wales

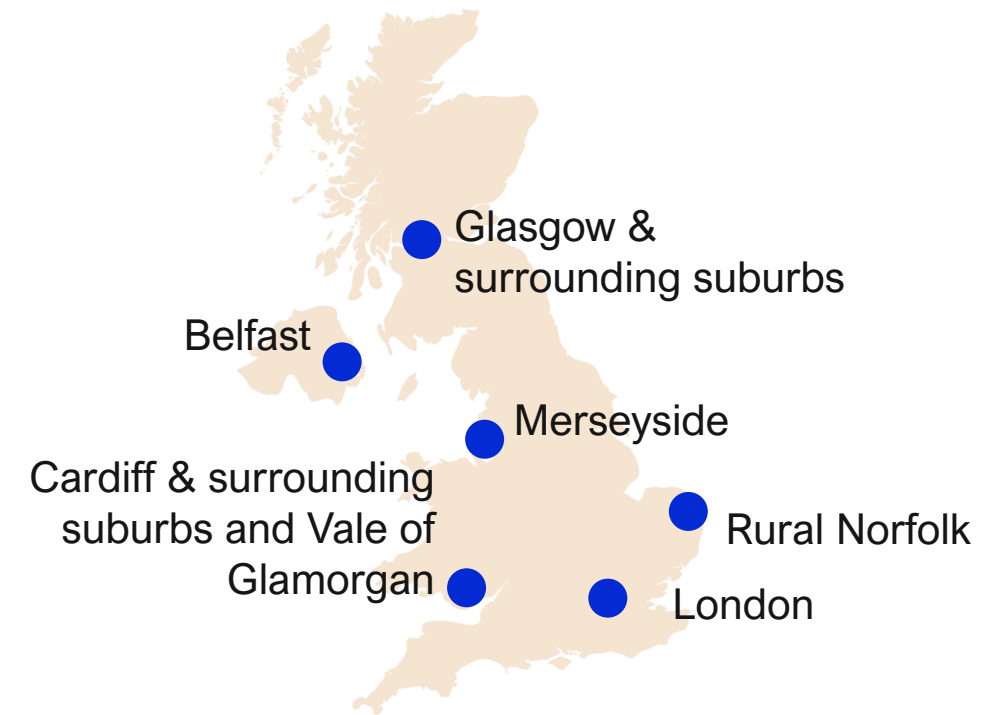
Each focus group included:

- A mix of ages/life stages;
- A mix of genders;
- At least one participant from an ethnic minority background.

We recruited for a range of payment behaviours across the groups:

- Min. 15 early adopters, defined as those who have higher levels of usage or dependency on newer or more innovative payment systems, e.g. Apple Pay or Samsung Pay, and those who tend to use innovative financial tools.
- Min. 15 traditionalists, defined as those who have higher levels of usage or dependency on less innovative payment systems, e.g. cash and ATMs, and lower levels of confidence with online or mobile banking.

Fieldwork locations:



Further detail on qualitative sample: depth interviews

Depth interviews covered three vulnerable audiences (which are not mutually exclusive), comprising:

- 8 digitally disengaged consumers, who are either not online or have low levels of digital confidence;
- 6 financially vulnerable consumers, who are less resilient to financial shocks;
- 4 recent authorised push payment (APP) fraud victims.

Among the 8 digitally disengaged consumers:

- All had low levels of confidence online;
- 5 did not have or use online or mobile banking;
- 3 did not have internet access at home.

Among the 6 financially vulnerable consumers

- All D/E SEG
- 4 had detrimental life events in the last 2 months
- 2 had a long-term health condition or disability impacting their life

Among the 4 APP fraud victims:

- All had experience losing money to APP fraud in the last 6 months
- There was a mixture of value lost to APP fraud

Where quotes are from depth interviews, they will be attributed with an additional:

- **DD** (digitally disengaged)
- **FV** (financially vulnerable)
- **AFV** (recent APP fraud victim)

List of options provided for use case questions

Preferred payment types for use cases

Use cases	Payment types
Rent / mortgage	Cash
Utility bills	Debit card (contactless, Chip and Pin, online or over the phone)
Buying a lower value item in person (e.g. coffee, newspaper)	Credit card (contactless, Chip and Pin, online or over the phone)
Buying a higher value item (e.g. flights, furniture, white goods)	Mobile wallet (e.g. Apple Pay, Google Pay, or Samsung Pay)
Supermarket / grocery shop	Buy Now Pay Later (e.g. Klarna, ClearPay)
Entertainment subscription services (e.g. Netflix, Sky, Spotify)	PayPal or other digital wallets (e.g. Amazon Pay)
Public transport (e.g. bus, train)	Direct bank transfers (e.g. Faster Payments, Pay by Bank)

Q13. Below are some goods and services that people may pay for. Which of the following payment types do you typically use for each one? If you don't make this type of payment, please select 'not applicable'. Q14. When making a payment, what factors are most important to you? Please select the one factor which is most important to you for each of these payment types. 'Other payment type (please specify)', 'Don't know', and 'Not applicable – I don't make these types of payments' also available.

Top factors for use cases

Use cases	Payment types
Rent / mortgage	Security – ensuring your money is safe and does not get lost, and that your personal and account details are kept secure
Utility bills	Trust – I have trust that the payment will be made
Buying a lower value item in person (e.g. coffee, newspaper)	Speed – ensuring the payment is made and that your money is transferred as quickly as possible
Buying a higher value item (e.g. flights, furniture, white goods)	Reliability – ensuring the payment system works and your money is transferred without any problems
Supermarket / grocery shop	Ease of use – ensuring that it is straightforward for you to make the payment or transfer money
Entertainment subscription services (e.g. Netflix, Sky, Spotify)	Additional benefits – such as reward schemes or loyalty programmes
Public transport (e.g. bus, train)	Protection – easily being able to raise a dispute or get a refund if something goes wrong
	Budgeting – It helps me keep an eye on and control my spending
	Credit – not having to pay straight away, or being able to split payments into smaller amounts
	Choice – This was the only payment method available to me

Q14. Below are some goods and services that people may pay for. Which of the following payment types do you typically use for each one? If you don't make this type of payment, please select 'not applicable'. Q14. When making a payment, what factors are most important to you? Please select the one factor which is most important to you for each of these payment types. 'Other payment type (please specify)', 'Don't know', and 'Not applicable – I don't make these types of payments' also available.

Further detail on consumers' payments needs and perceptions

Some respondents say that they did not use certain use cases and were filtered out from analysis

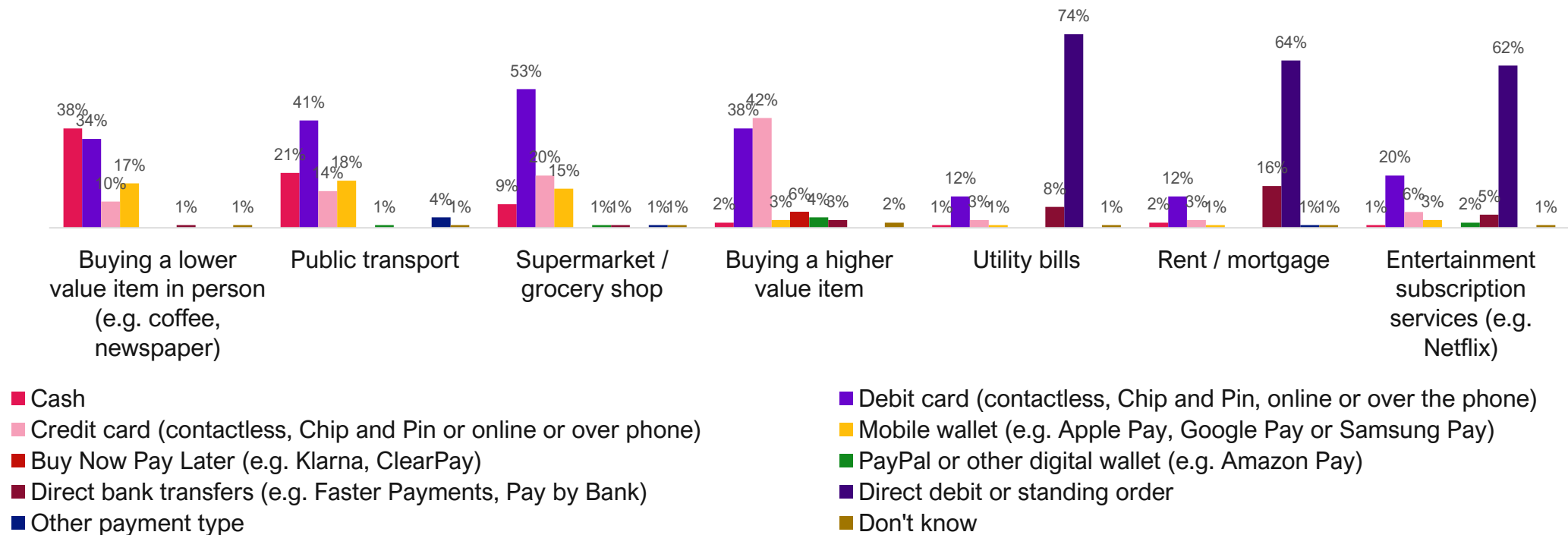
Use cases	Percent (and number) selecting 'Not applicable – I don't make these types of payments' and filtered out of Q13/14 answers
Rent / mortgage	41% (1014)
Utility bills	7% (163)
Buying a lower value item in person (e.g. coffee, newspaper)	2% (46)
Buying a higher value item (e.g. flights, furniture, white goods)	3% (77)
Supermarket / grocery shop	0% (9)
Entertainment subscription services (e.g. Netflix, Sky, Spotify)	23% (567)
Public transport (e.g. bus, train)	22% (539)

Q13. Below are some goods and services that people may pay for. Which of the following payment types do you typically use for each one? If you don't make this type of payment, please select 'not applicable'. Base: All respondents (n=2462), N/As for each use case filtered out.

Consumers use a wide range of different payment types in order to meet their payment needs in different scenarios

Consumers' preferred payment type for use case

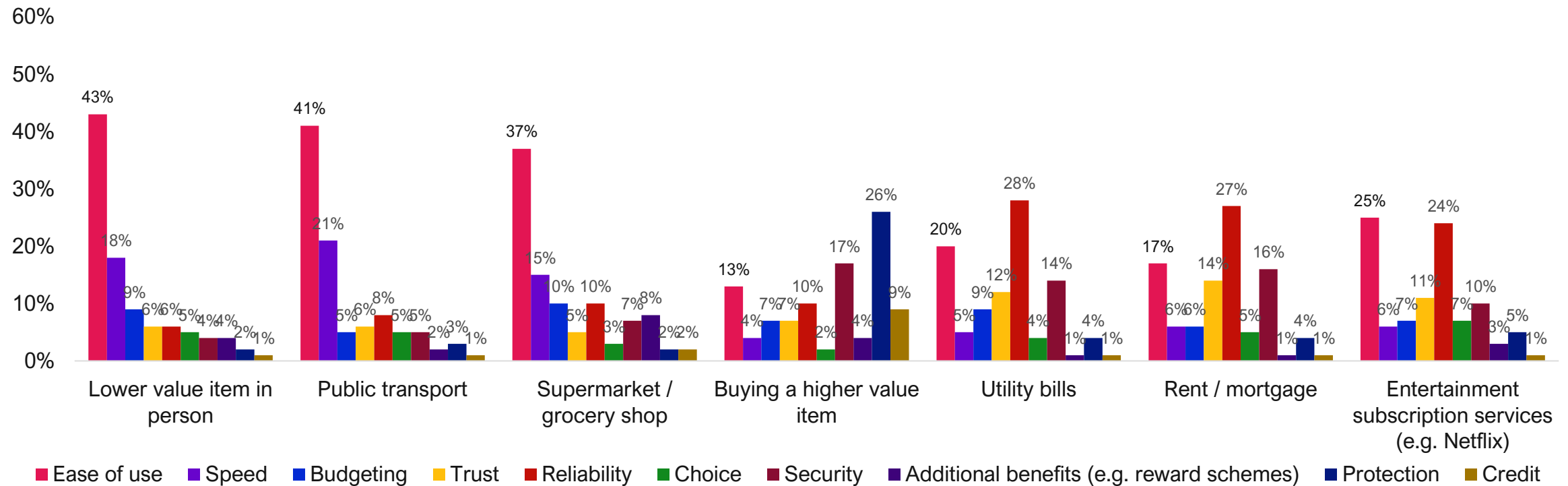
% of consumers selecting each payment type (excluding those who do not use this use case)



Q13. Below are some goods and services that people may pay for. Which of the following payment types do you typically use for each one? If you don't make this type of payment, please select 'not applicable'. Base: All respondents (n=2462), N/As for each use case filtered out.

Consumers have different needs for different use cases (with ease of use remaining a significant factor across all use cases)

Consumers' most important factors for use case
 % of consumers selecting each factor

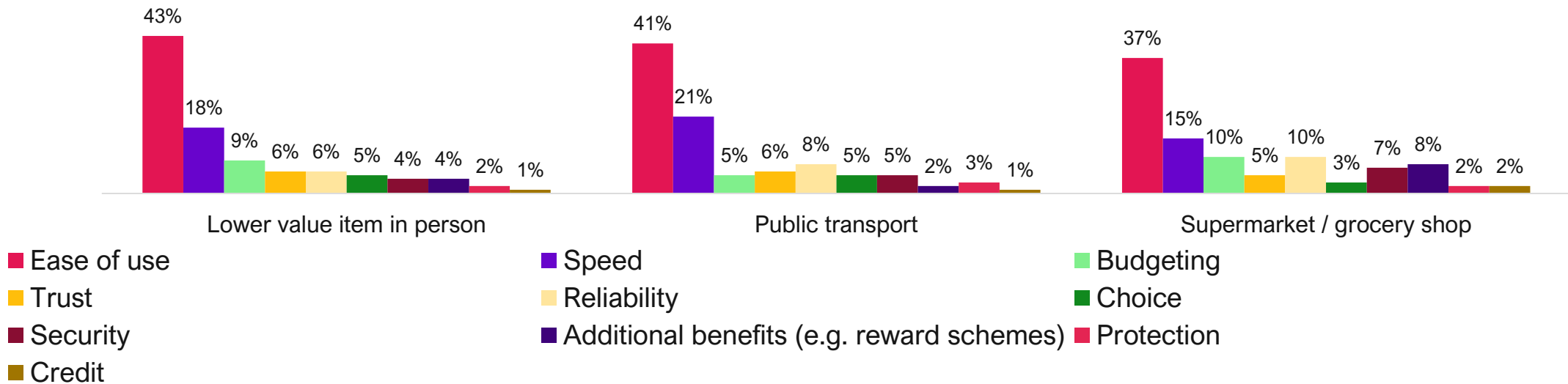


Q14. When making a payment, what factors are most important to you? Please select the one factor which is most important to you for each of these payment types. Base: All respondents (n=2462), N/As for each use case filtered out.

When actively reflecting on their own behaviour, consumers tend to foreground convenience factors for everyday payments

Ease of use is consumers' top priority for lower value payment types, followed by speed.

Consumers' most important factors for use case
% of consumers selecting each factor

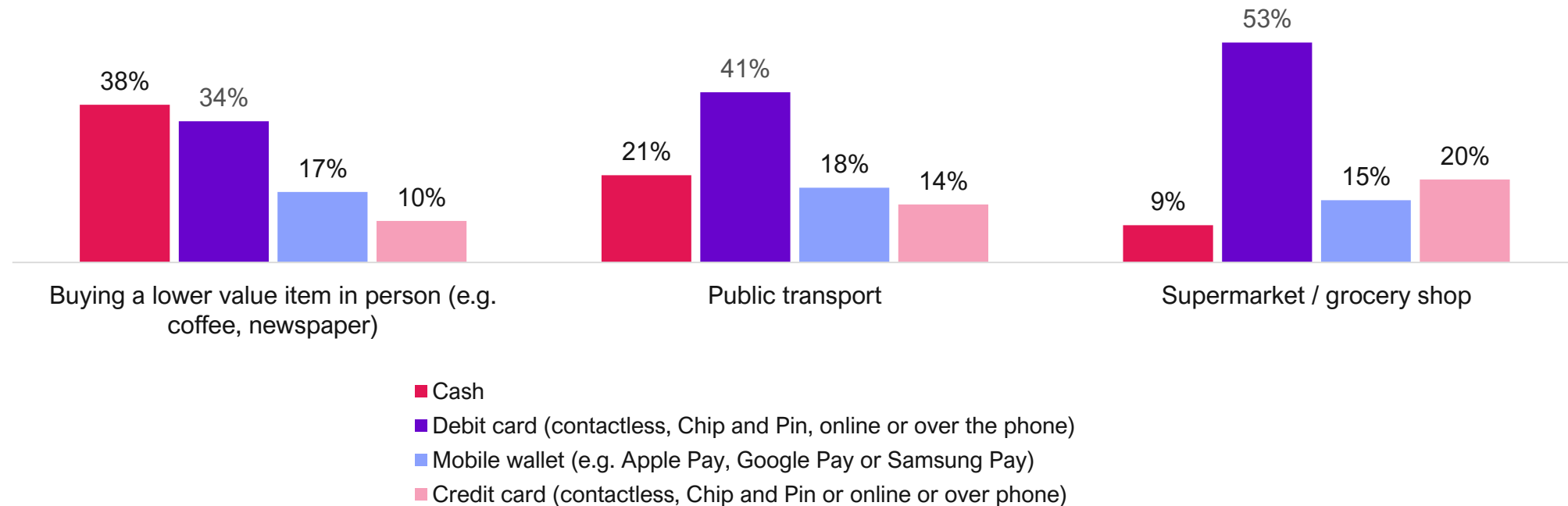


Q14. When making a payment, what factors are most important to you? Please select the one factor which is most important to you for each of these payment types. Base: All respondents (n=2462), N/As for each use case filtered out.

When it comes to smaller, in-person transactions, debit cards and cash are consumers' preferred payment types

Consumers' preferred payment type for use case

% of consumers selecting each payment type (excluding those who do not use this use case)



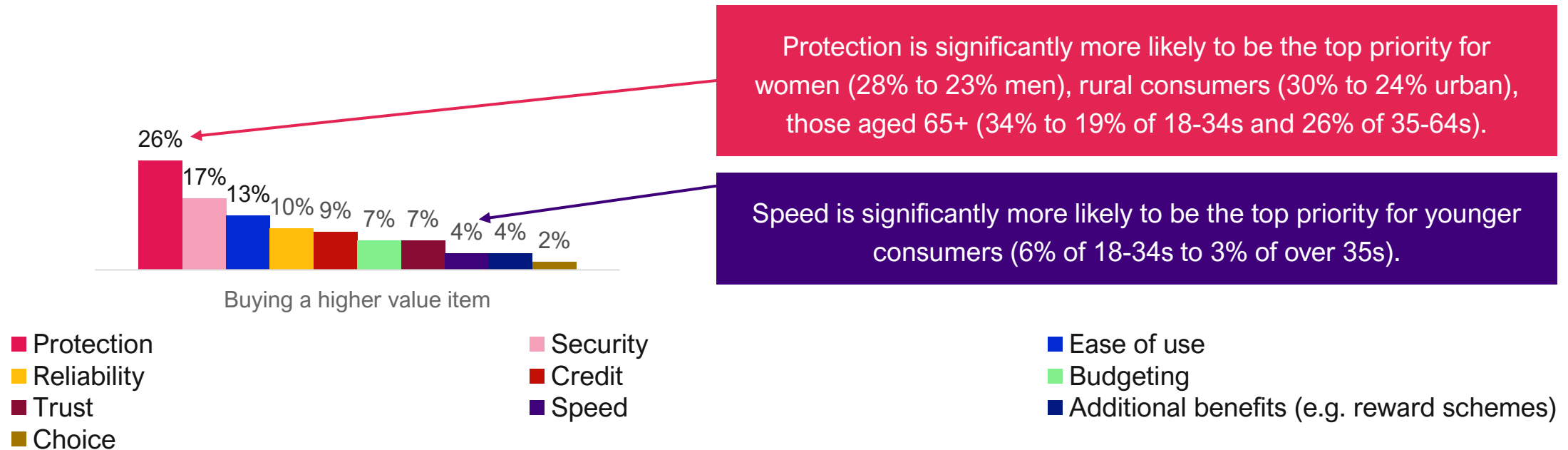
Q13. Below are some goods and services that people may pay for. Which of the following payment types do you typically use for each one? If you don't make this type of payment, please select 'not applicable'. Base: All respondents (n=2462), N/As for each use case filtered out.

For larger or 'riskier' payments, reassurance factors like protection and security become more important

Protection and security are the top factors for higher value payments (followed by ease of use, reliability and credit)

Consumers' most important factors for use case

% of consumers selecting each factor

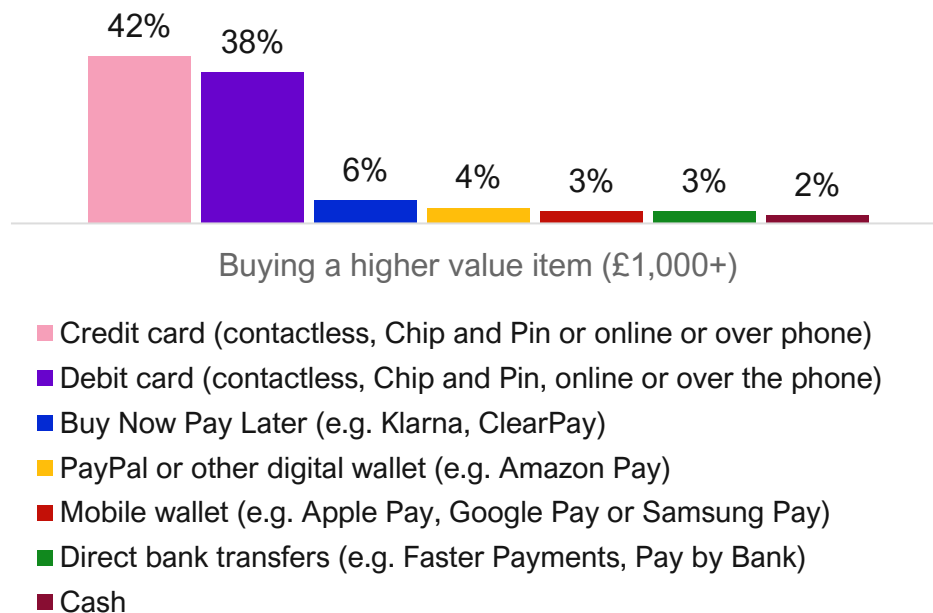


Q14. When making a payment, what factors are most important to you? Please select the one factor which is most important to you for each of these payment types. Base: All respondents (n=2462), N/As for each use case filtered out.

For higher-value items, consumers are most likely to prefer using credit cards

Consumers' preferred payment type for use case

% of consumers selecting each payment type (excluding those who do not use this use case)



Consumers largely agree that **credit cards meet the factors that they prioritise for high-value costs**. These are protection (27%), security (17%) ease of use (13%) and reliability (10%).

Consumer awareness of additional protections for credit card payments is high. However, details of exactly how Section 75 protections work (e.g. £100 minimum) are more limited, particularly among younger consumers.

"I bought my fridge recently using credit card. Because everything over £100 is covered, isn't it? You get additional protection."

AB, Urban

As a result, **consumers are more likely to associate credit cards with higher-value spending, particularly those where there is a perceived risk of non-fraudulent issues** (e.g. flights or hotel cancellation, white goods breaking).

"Definitely for bigger things like holidays and stuff [...] The bank sees it as their money so they're going to want to get bit back."

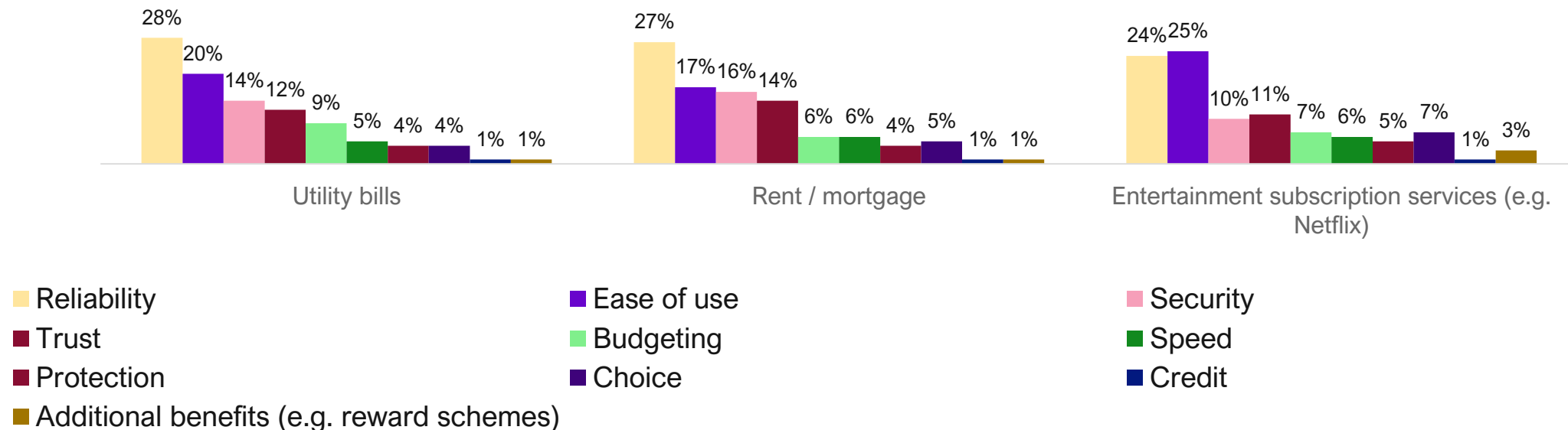
C1C2, Rural

Q13. Below are some goods and services that people may pay for. Which of the following payment types do you typically use for each one? If you don't make this type of payment, please select 'not applicable'. Base: All respondents (n=2462), N/As for each use case filtered out.

Reliability is key to the popularity of payments that recur on a regular basis

For recurring payments, reliability is key (particularly for bills and housing costs, where the consequences of missing payments may be significant).

Consumers' most important factors for use case
 % of consumers selecting each factor

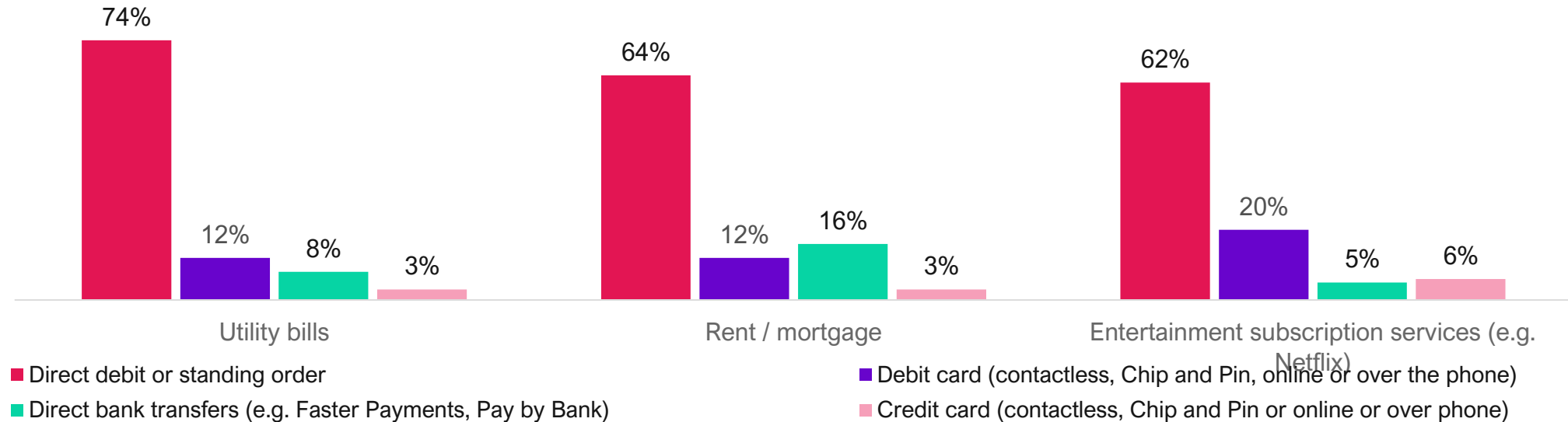


Q14. When making a payment, what factors are most important to you? Please select the one factor which is most important to you for each of these payment types. Base: All respondents (n=2462), N/As for each use case filtered out.

Direct debits and standing orders are comfortably the preferred payment types for recurring payments

Consumers' preferred payment type for use case

% of consumers selecting each payment type (excluding those who do not use this use case)



For most consumers, using direct debits or standing orders means that they **do not have to worry about forgetting to make a payment.**

"I just set up a direct debit and it comes out at the beginning of the month because I get paid at the end of the month, so I get no surprises. So everything comes out and I know what I've got."

C1C2, Suburban

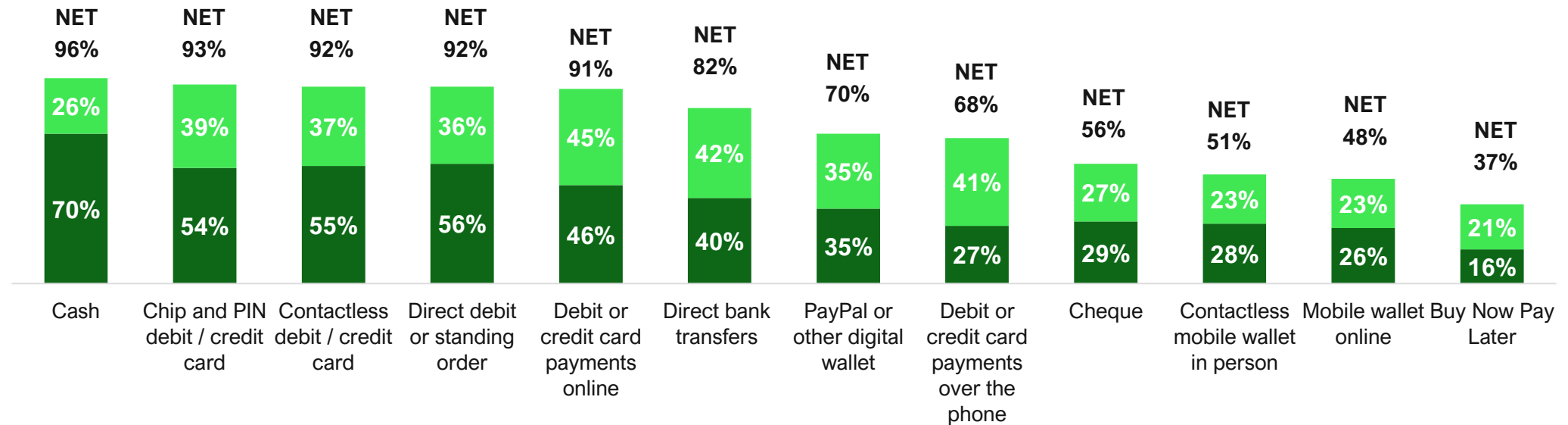
Q13. Below are some goods and services that people may pay for. Which of the following payment types do you typically use for each one? If you don't make this type of payment, please select 'not applicable'. Base: All respondents (n=2462), N/As for each use case filtered out.

Consumers are largely confident using a range of payment types, with mobile wallets and BNPL the methods with the least confidence

Consumers' reported confidence in payment types

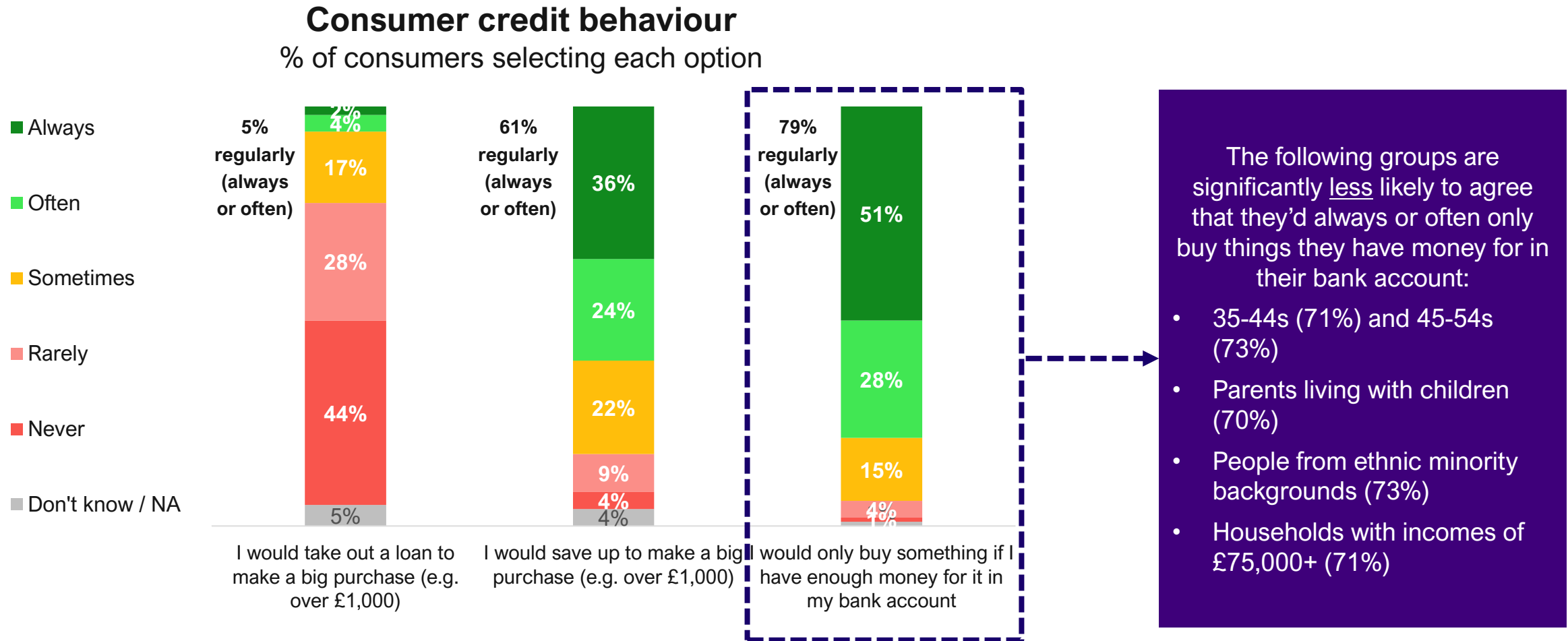
% of consumers selecting each option

■ Very confident ■ Fairly confident



Q20. In general, how confident are you using the following payment types? Base: All respondents (n=2462).

Consumers tend to report a cautious approach to credit



Q11. How often, if at all, do you take the following approaches to pay for goods and services? Base: All respondents (n=2462), 35-44 (n=404), 45-54s (n=395), parents with children in their household (n=749), any ethnic minority background (n=579), those with a LTHC/disability (579), N/As for each use case filtered out.