



# PSR Card-Acquiring Market Review: Merchant survey results

September 2020

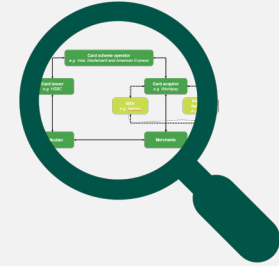
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# Introduction

# Background and objectives

The PSR is currently conducting a market review on the supply of card-acquiring services (CAS) because stakeholders raised concerns that the supply of CAS may not be working well for merchants and, ultimately, consumers.



## Research objectives

1. How do merchants access information about card-acquiring services, how do they assess that information, and do they act on it?
2. What are the outcomes for UK merchants in terms of satisfaction, or dissatisfaction, with the level of service provided by acquirers?
3. From whom do merchants buy card acquiring services, and what else do they buy along with the service?
4. Do merchants have credible alternatives to Mastercard and Visa card-acquiring services?

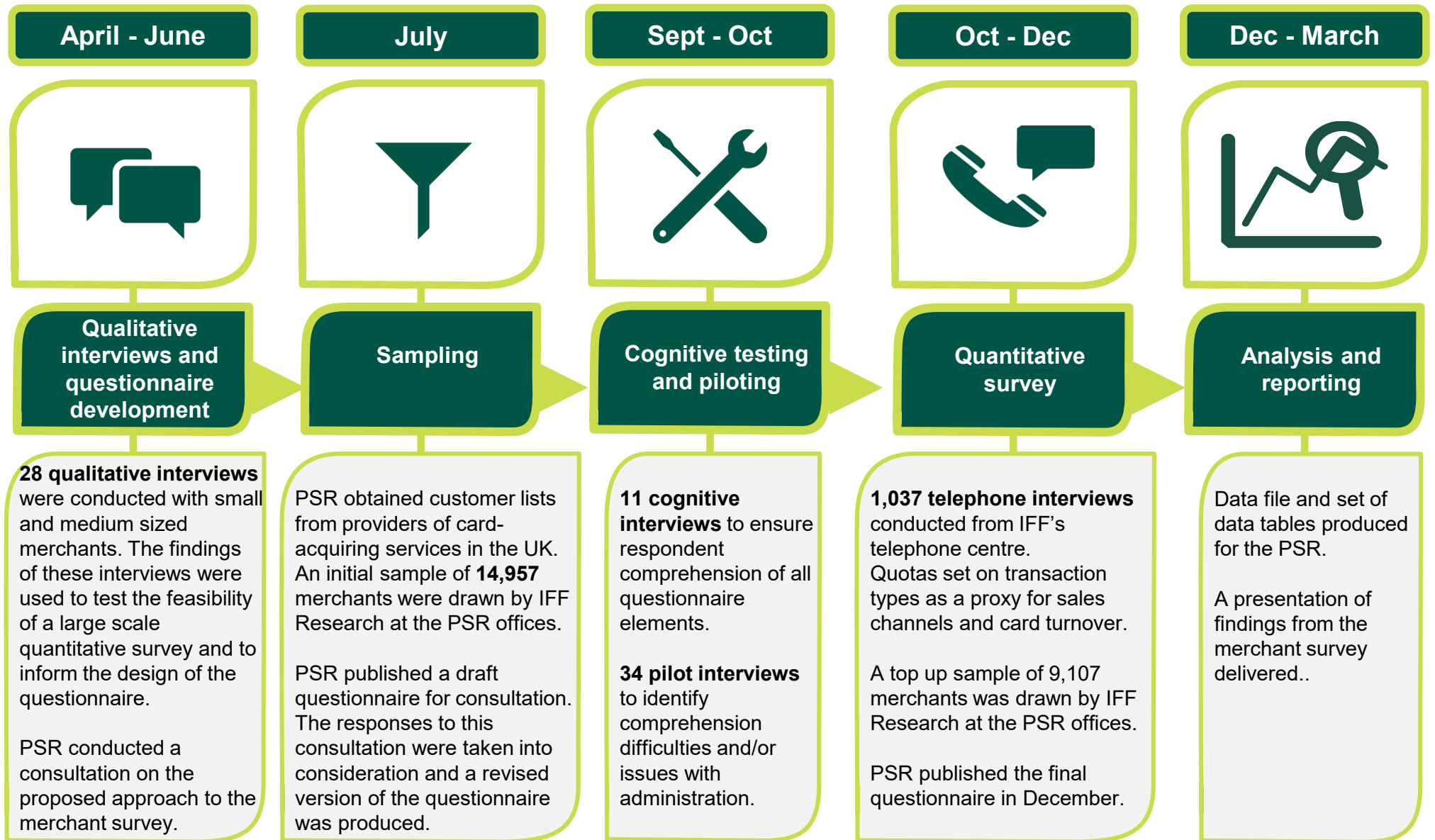
## Methodology

To answer the research questions IFF Research conducted a quantitative telephone survey with 1,037 small and medium sized merchants that use card-acquiring services.

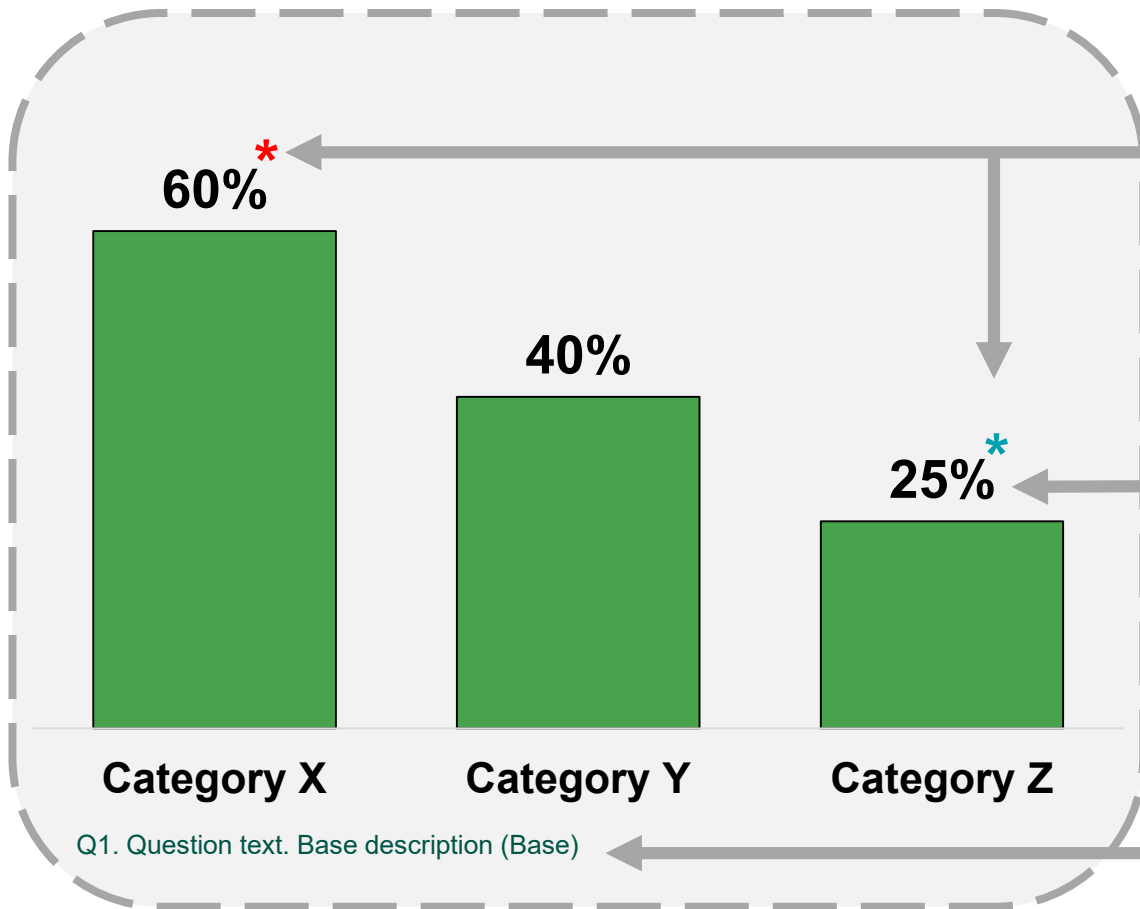
Small and medium sized merchants are defined as those that took less than £10 million in turnover from card payments in the calendar year 2018.

The profile of surveyed merchants in terms of card turnover, transaction types and sector is presented on slide 54.

# Project overview and IFF's role



# Slide conventions



Asterisks are used to denote significant differences between a group and the total population. A red asterisk signifies a result which is significantly higher and blue significantly lower.

Unless stated otherwise, results presented are weighted to make it representative of the underlying population of small and medium sized merchants that use card-acquiring services

In some cases rounding means that the figures presented in charts do not sum to 100%.

Every chart is accompanied by a sentence that explains which question in the merchant survey the source data comes from, which types of merchants were asked the question and the number of merchants that were asked the question.

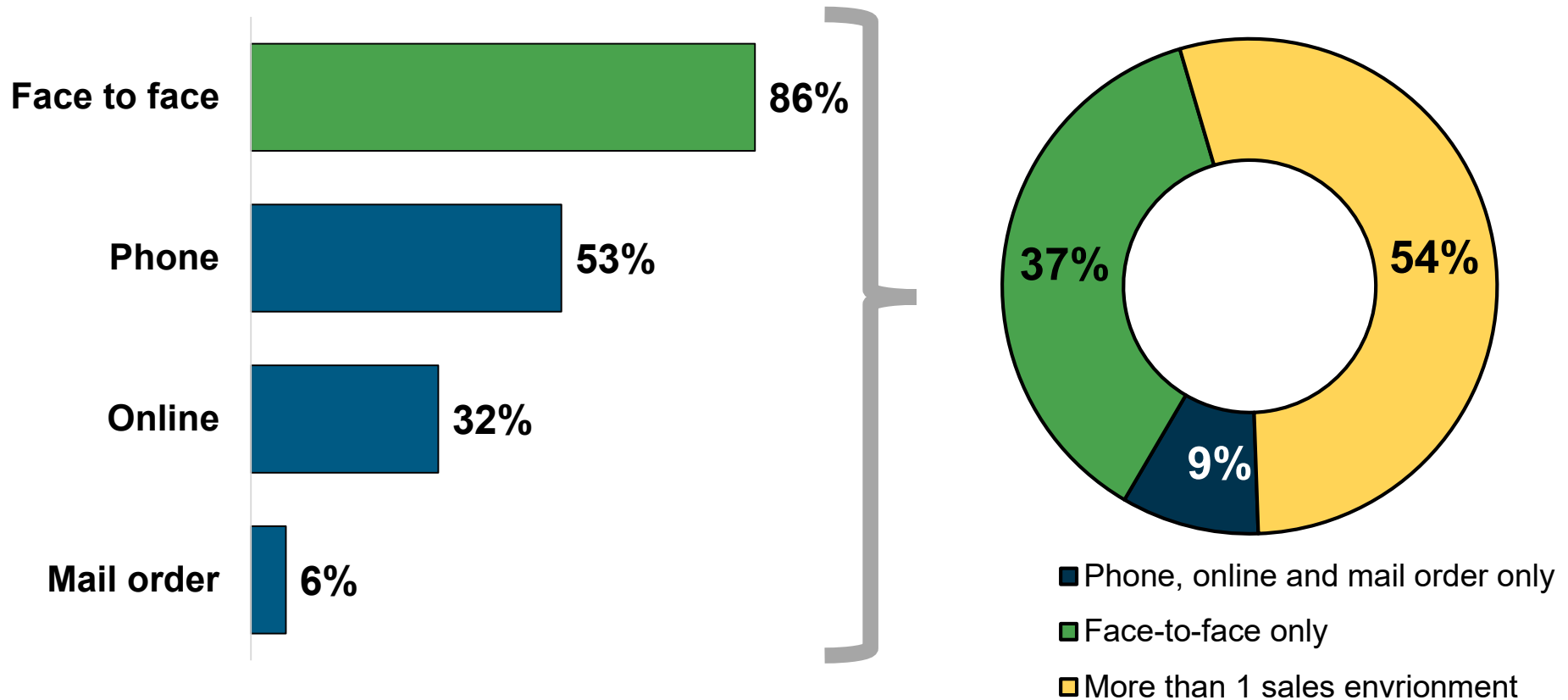
# Merchants and their relationships with providers of card-acquiring services



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# How merchants accept card payments

Around two-fifths of merchants reported accepting card payments in face-to-face environments only. More than half reported accepting card payments in at least two operating environments.

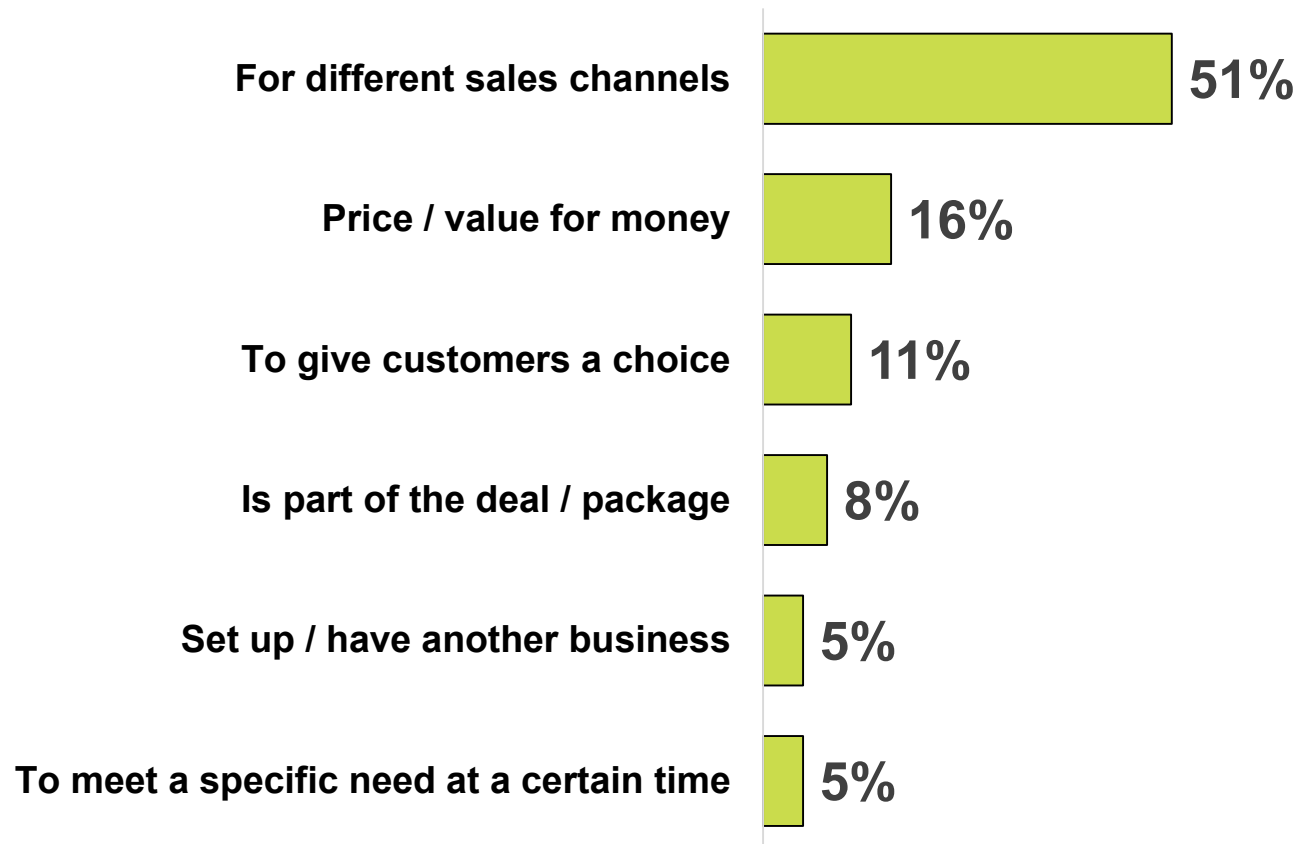


B3. Do you accept card payments...?. Read out. Multicode. All merchants (1037)



# Merchants with more than one provider

15% of merchants used more than one provider. The most common reason for this was for different sales channels. Around one in six used multiple providers to get value for money and roughly one in ten used more than one to give customers a choice.



C2. You mentioned you use more than one provider for card-acquiring services, why is this? Not read out. Multicode. Merchants that use more than one provider (174).

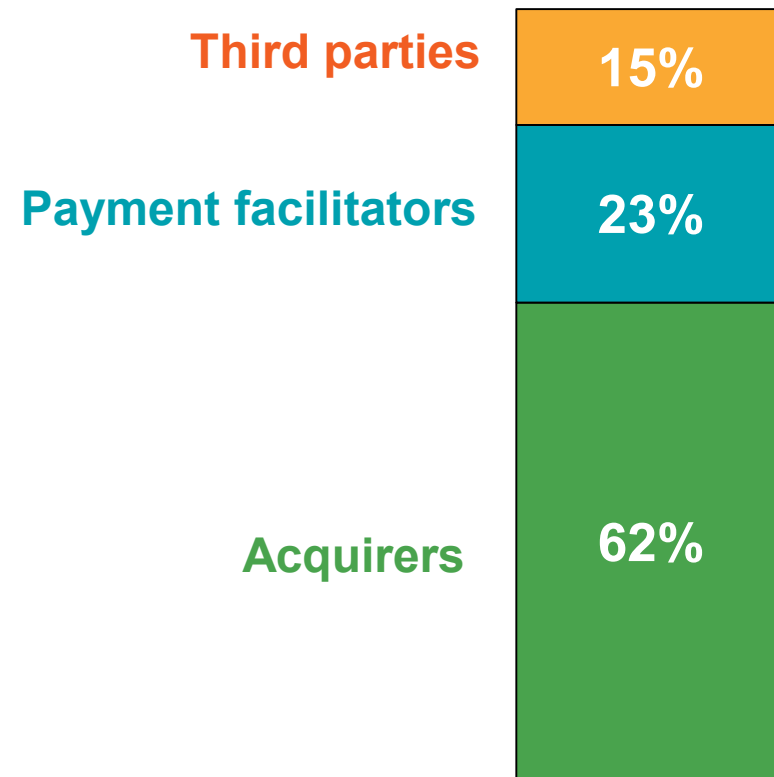
# Main providers

Merchants identified 66 different providers when asked to name their main provider of CAS. Three-fifths identified an acquirer, a quarter identified a payment facilitator and around one in seven identified a third party.

## Top 15 main providers identified

Barclaycard
Elavon
First Data
Global Payments
I-Zettle
Lloyds Cardnet
PaymentSense
PayPal
Payzone
Retail Merchant Services
Sage Pay
Square
Stripe
SumUp
Worldpay

## Main providers identified by provider type

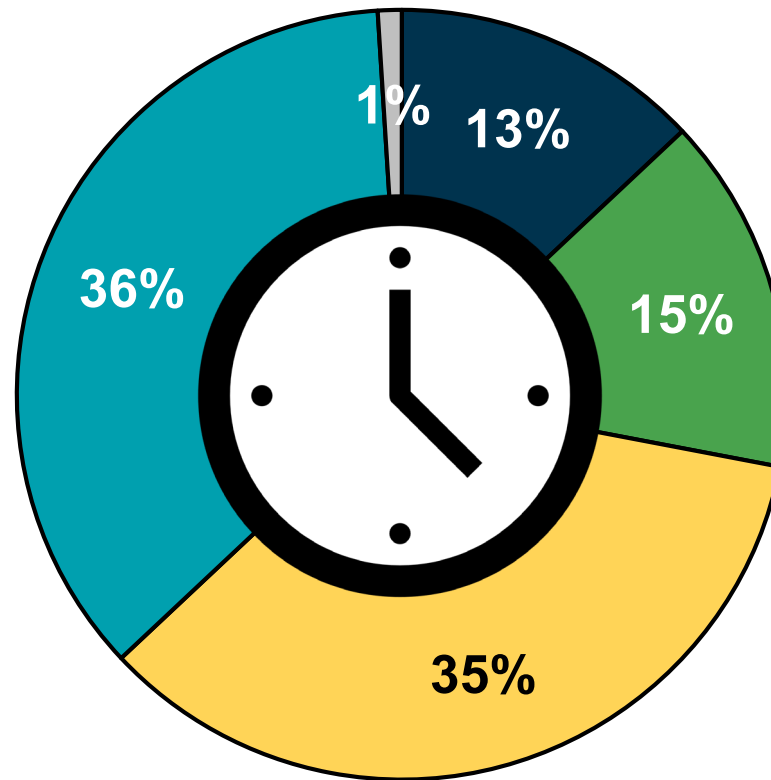


A6/A6D/A7. Main provider of your card-acquiring services. Single code. Derived. All merchants (1037)

A main provider is the only provider used by a merchant or, where more than one provider is used, the provider that processed the largest volume of card payments in the last financial year. Please note that although some identified third parties as their provider of card-acquiring services these organisations cannot actually provide card-acquiring services.

# Length of time with main provider

Seven in ten merchants had been with their main provider for more than 2 years. Around one in eight merchants had been with them for less than 1 year.

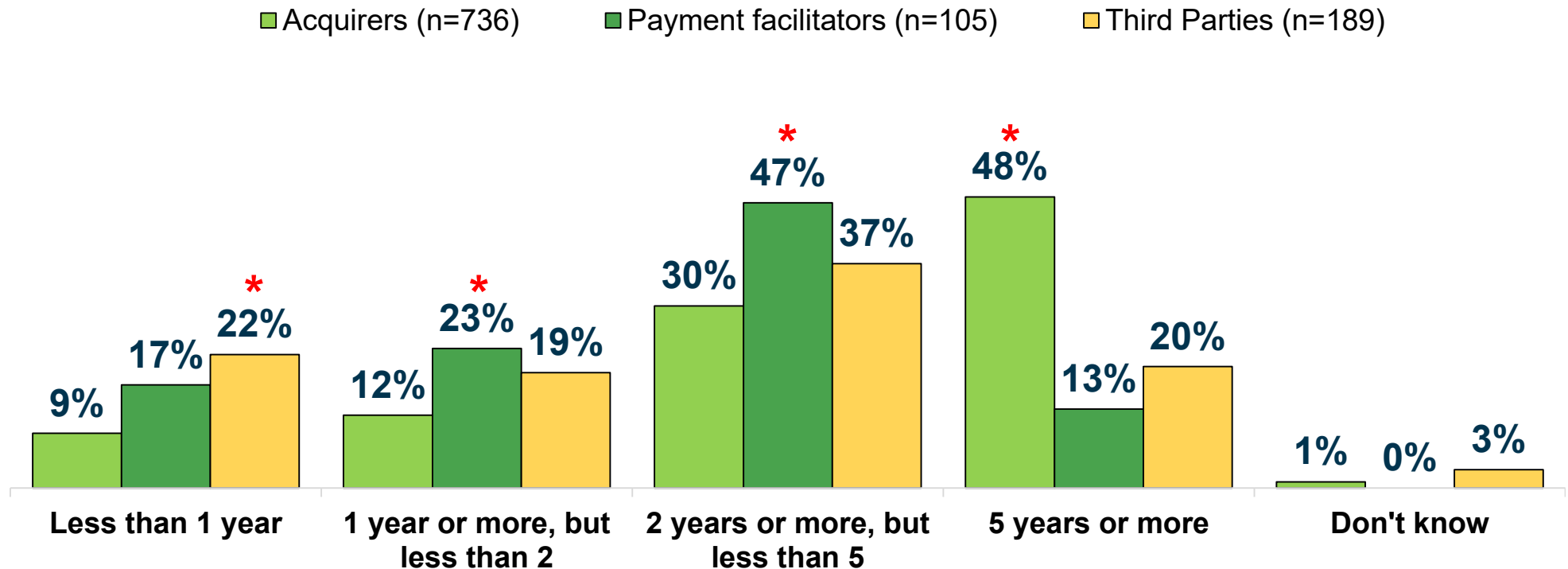


■ Less than 1 year ■ 1 to 2 years ■ 2 to 5 years ■ 5 years or more ■ Don't know

C5. How long have you been with [CAS provider]? Not read out. Single code. All merchants (1037)

# Length of time with main provider by provider type

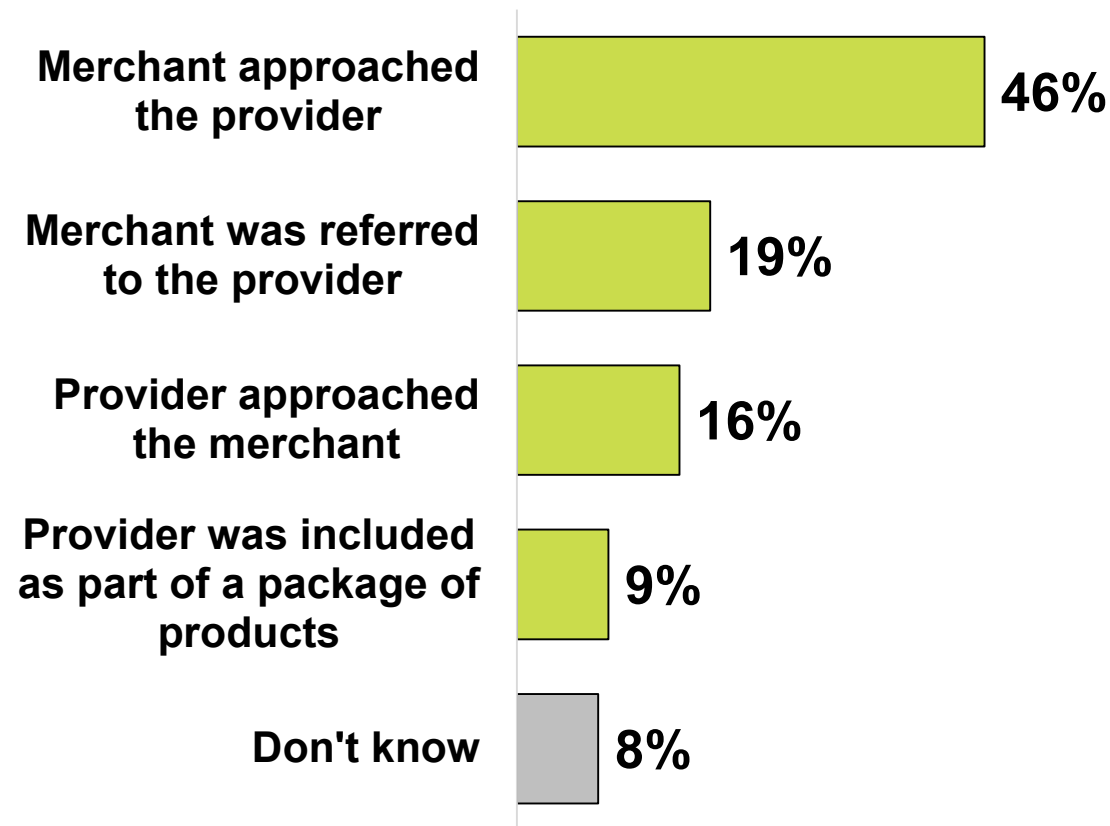
Merchants that used acquirers were more likely to have been with their provider for five years or more. Those that used third parties were more likely to have been with them for less than a year.



C5. How long have you been with [CAS provider]? Not read out. Single code. Merchants where the type of CAS provider is known (1030)

# How relationship with main provider was first established

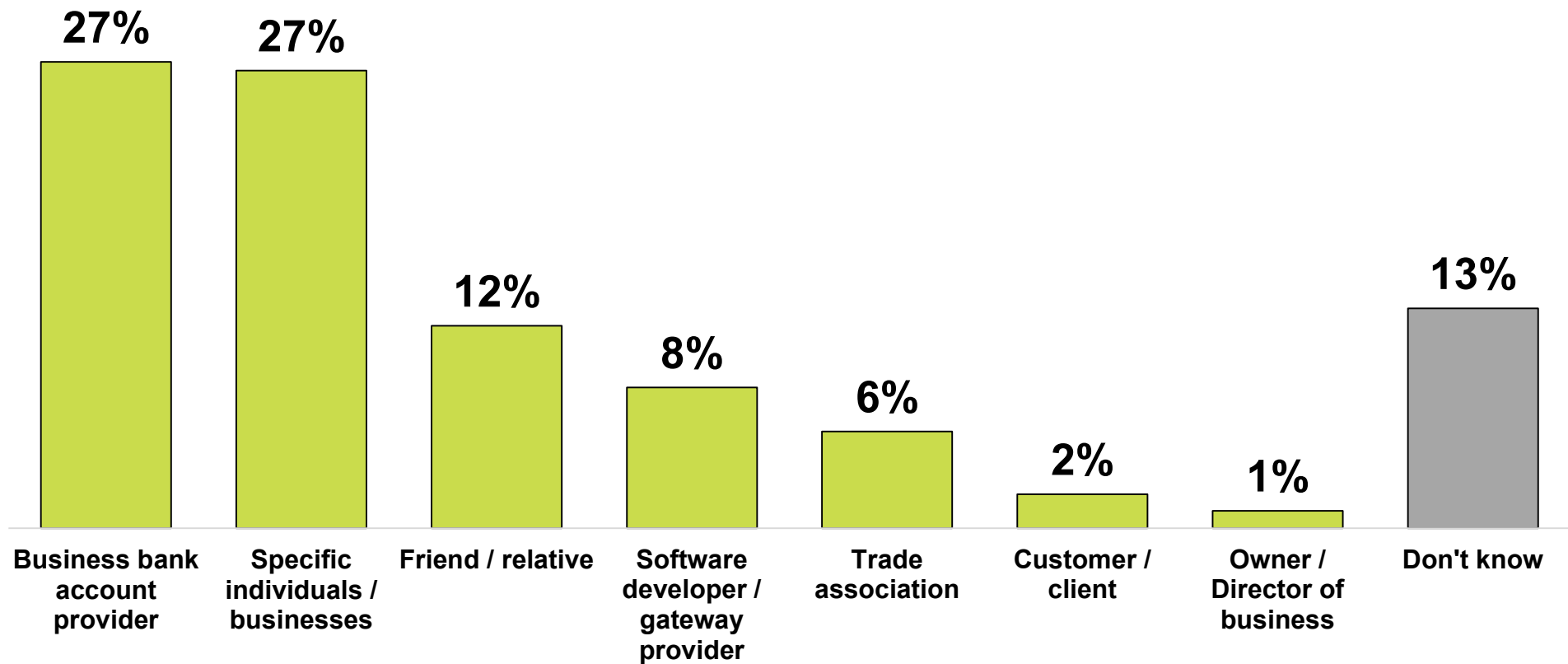
Most merchants established the relationship with their main provider by approaching them directly. Many were also referred to the provider or were approached by the provider.



C1. How was your relationship with [CAS provider] first established? Read out. Single code. All merchants (1037)

# Referrals to main provider

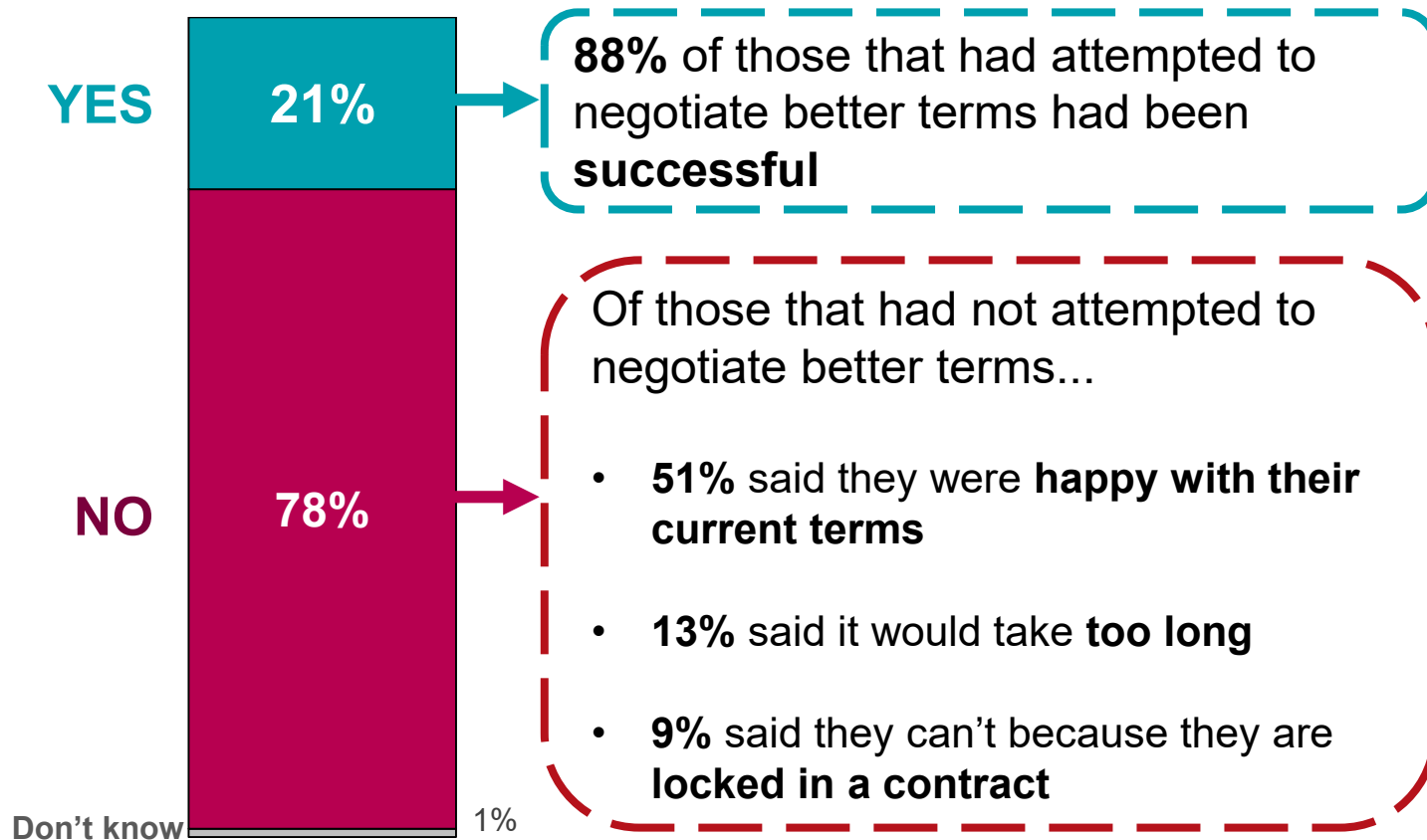
Business bank account providers were the most common party to refer merchants on to their main provider. Many businesses mentioned specific individuals and businesses that referred them.



C1a. Can you tell me the name of the party that referred you? Not read out. Single code. Merchants that were referred to their provider (187)

# Negotiation of better terms with main provider

Only a fifth of merchants had tried to negotiate better terms with their main provider in the past. Of these, the majority had been successful.



C13. Since being with [CAS provider] have you attempted to negotiate better terms for the card acquiring services you buy? Not read out. Single code. All merchants (1037)

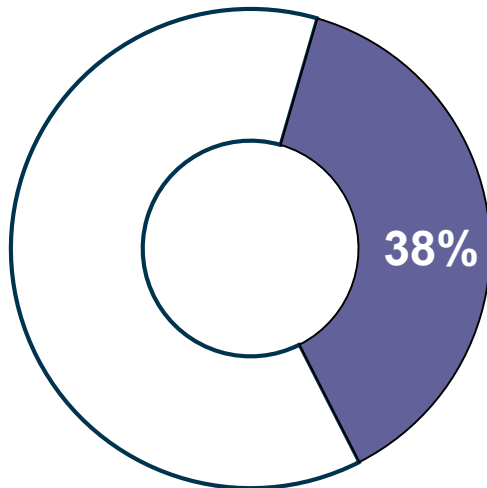
C14. Did you successfully negotiate better terms? Not read out. Single code. Merchants that attempted to negotiate better terms (340)

C15. Why have you not attempted to negotiate better terms for the card-acquiring services you buy? Not read out. Multicode. Merchants that had not attempted to negotiate better terms (678)

# Merchant satisfaction with main provider (1)

Around two-fifths of merchants had contacted their main provider in the last year. The most common reason was issues with accepting card payments. The majority of merchants were satisfied with the customer service provided.

Had contact with their provider in the last year



Reasons for contact



Satisfaction with customer service



C10. Within the last year, have you had to directly contact [CAS provider] for any reason, excluding renegotiation of contractual terms? Not read out. Single code. All merchants (1037)

C11. What was the reason for your most recent contact? Not read out. Multicode. Merchants that communicated with provider in last 12 months (454)

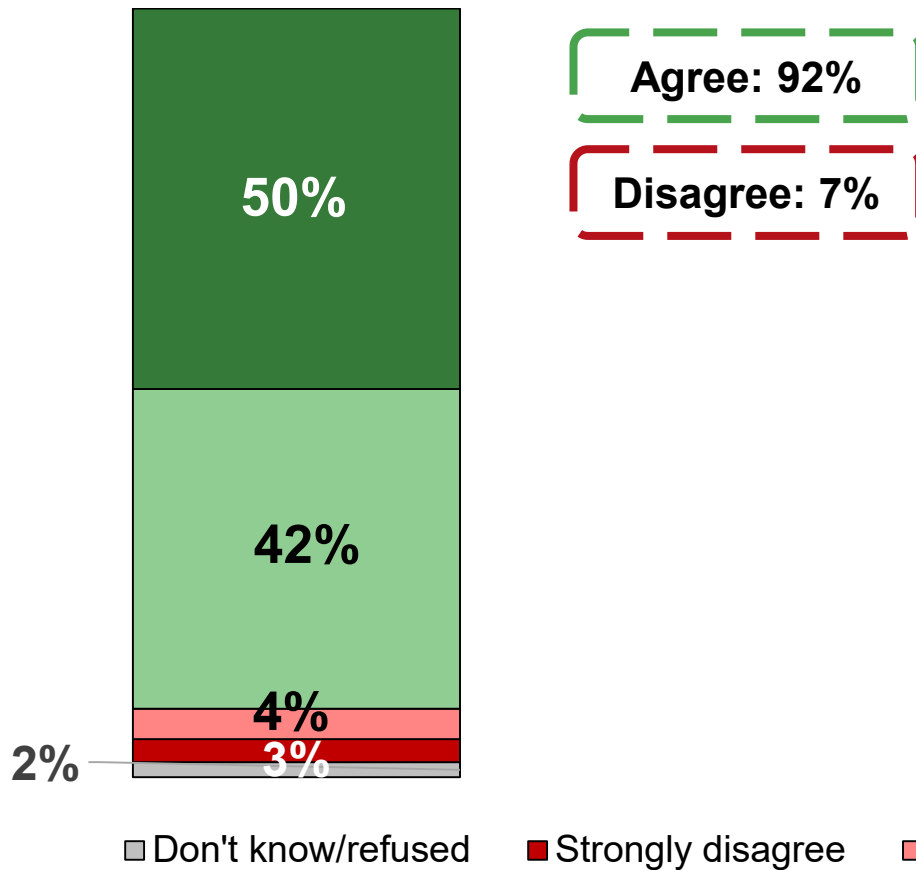
C12. To what extent were you satisfied with the customer service you received when you made contact? Read out. Single code. Merchants that communicated with provider in last 12 months (454)



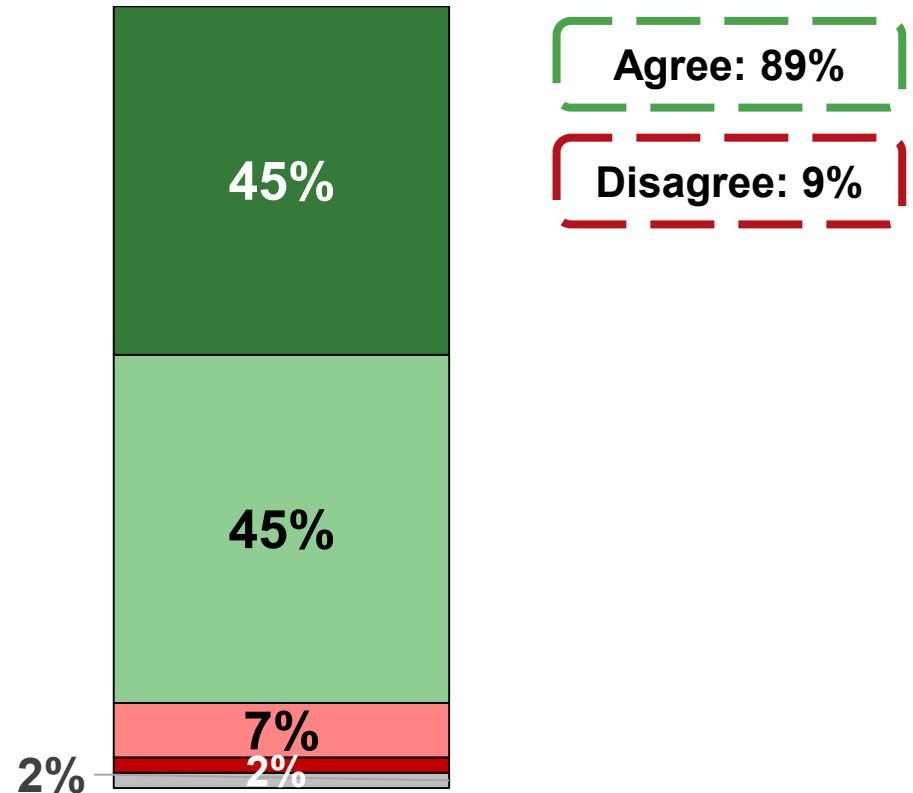
# Merchant satisfaction with main provider (2)

Nearly all merchants felt they received enough information to understand the cost of CAS and are provided enough support to comply with requirements.

Receive enough support to help comply with requirements to accept card payments



Receive enough information to help you understand the price you pay for card-acquiring services



■ Don't know/refused
■ Strongly disagree
■ Tend to disagree
■ Tend to agree
■ Strongly agree

C16\_1/2. To what extent do you agree with the following statements...? Read out. Single code. All merchants (1037)

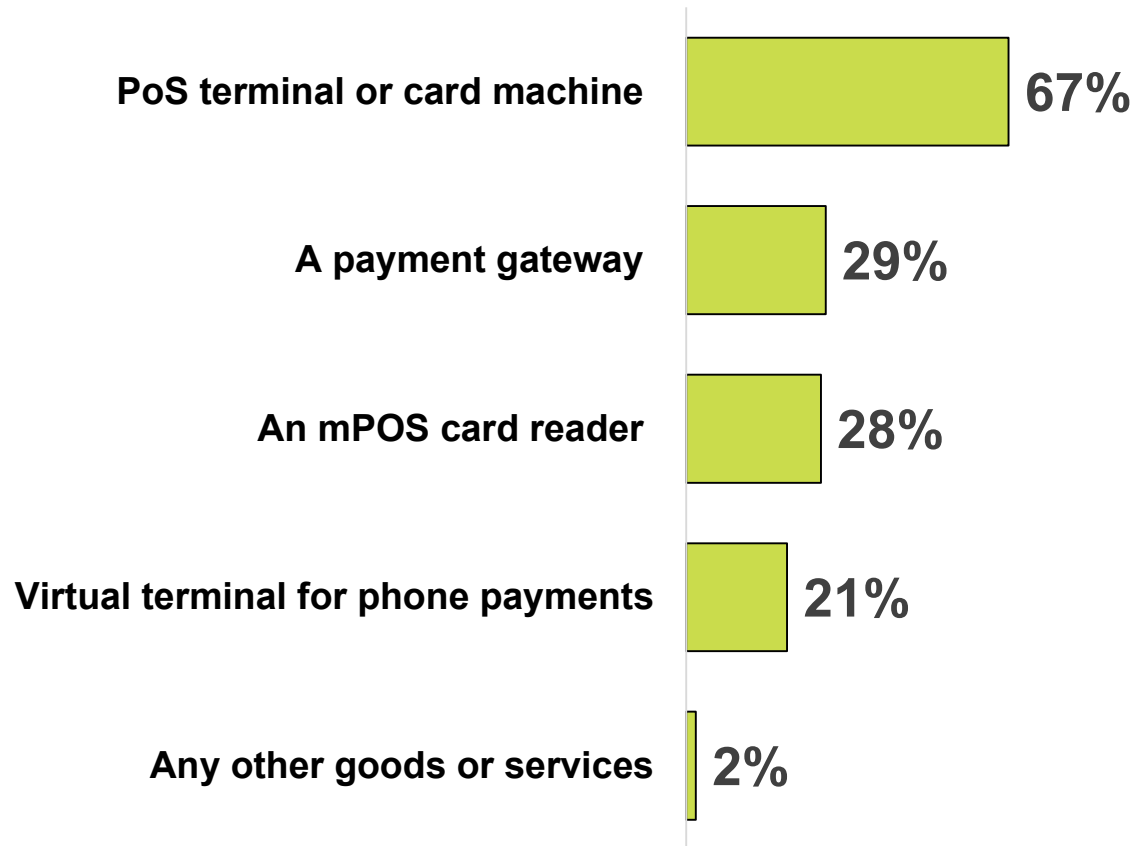
# Other products used by merchants to accept card payments



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# Products used to accept card payments

In addition to card-acquiring services, merchants used other products to accept card payments from customers. The most common products used were PoS terminals or card machines, followed by payment gateways and mPOS card readers.

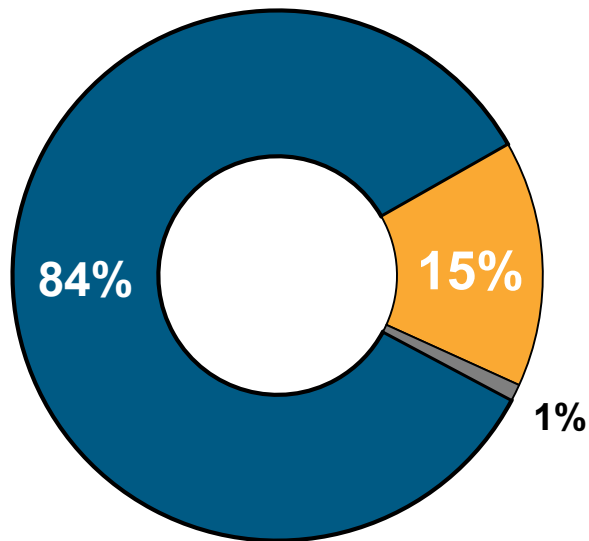


A8/A9. Do you buy or rent any of the following goods or services from [CAS provider/a different provider]? Read Out. Multicode. Derived. All merchants (1037)

# Merchants that source card acceptance products from other providers

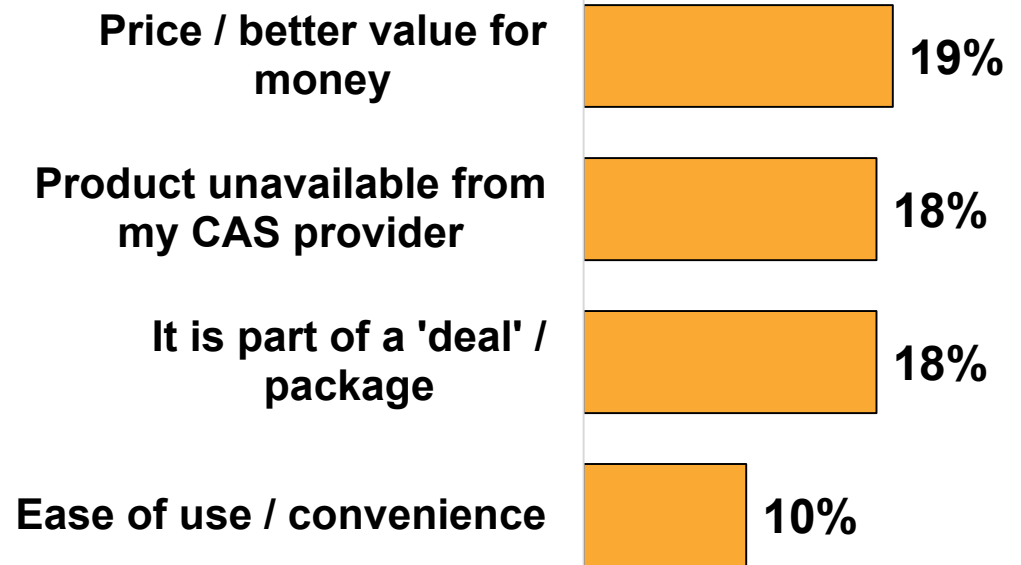
Some merchants used a different provider for other products to accept card payments. This was usually because other providers were better value for money or because the products were unavailable from their main provider.

## Used different provider for other card acceptance products



■ No ■ Yes ■ Don't know

## Reasons why



A8b. Do you buy or rent any of these goods or services from another provider? Not read out. Single code All merchants (1037)

C3. You told me that to accept card payments, you buy products from different providers. Why do you source products from providers other than [CAS provider]? Not read out.

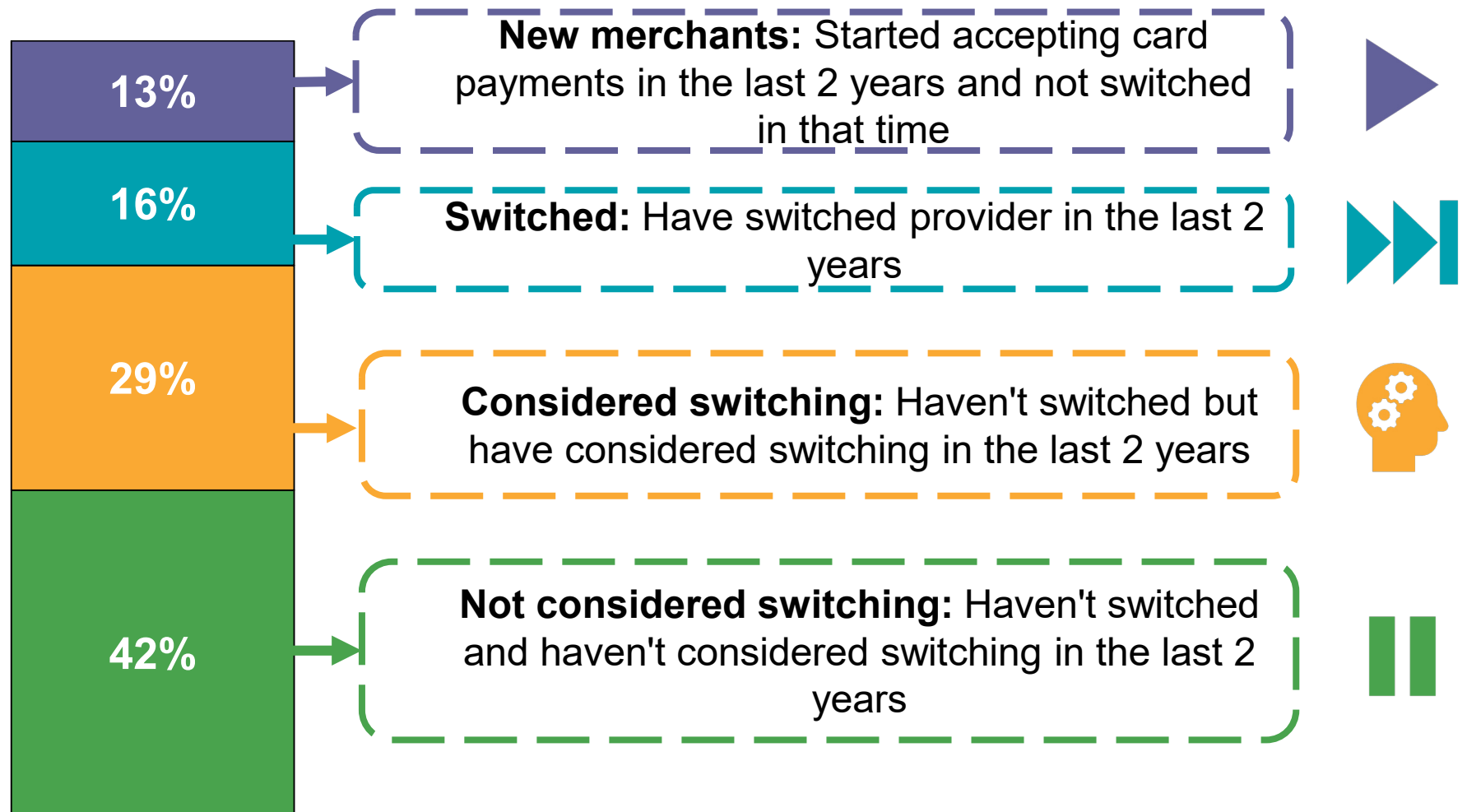
Multicode. Merchants that buy products from different providers (207)

# Card-acquiring services: switching



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# Summary of switching behaviour, considerations of switching and new merchants



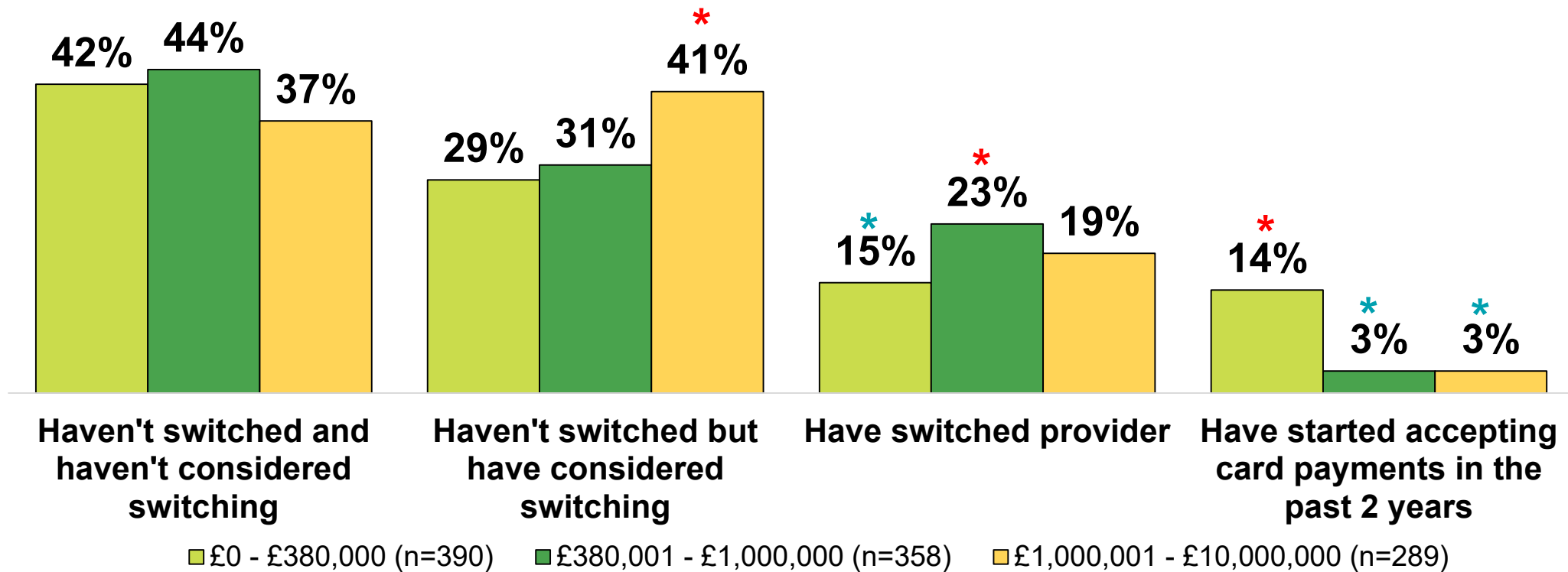
C5. How long have you been with [CAS provider]?. Not read out. Single code. All merchants (1037)

C6. Since your business started accepting card payments, have you had a different provider for card-acquiring services other than [CAS provider]?. Not read out. Single code. All merchants (1037)

D3. When was the last time you considered switching away from [CAS provider]?. Not read out. Single code. Merchants that have been with provider for more than 2 years (789)

# Switching behaviour by annual card turnover

Merchants with high card turnover (£1m-£10m) were more likely than average to have considered switching provider over the last 2 years. Those with card turnover between £380k and £1m were most likely to have actually switched.



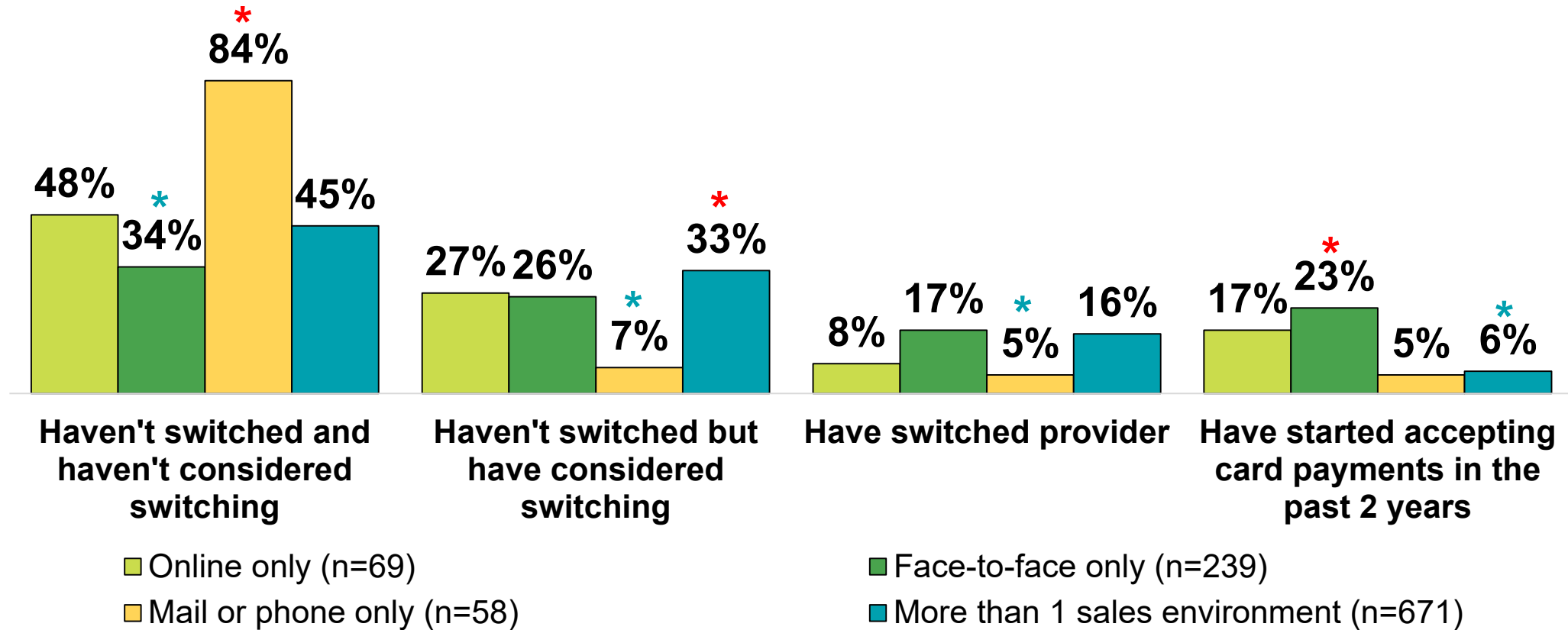
C5. How long have you been with [CAS provider]?. Not read out. Single code. All merchants (1037)

C6. Since your business started accepting card payments, have you had a different provider for card-acquiring services other than [CAS provider]?. Not read out. Single code. All merchants (1037)

D3. When was the last time you considered switching away from [CAS provider]? Not read out. Single code. Merchants that have been with provider for more than 2 years (789)

# Switching behaviour by operating environment

Merchants that operate in multiple environments were the most likely to have considered switching over the last 2 years.



C5. How long have you been with [CAS provider]?. Not read out. Single code. All merchants (1037)

C6. Since your business started accepting card payments, have you had a different provider for card-acquiring services other than [CAS provider]?. Not read out. Single code. All merchants (1037)

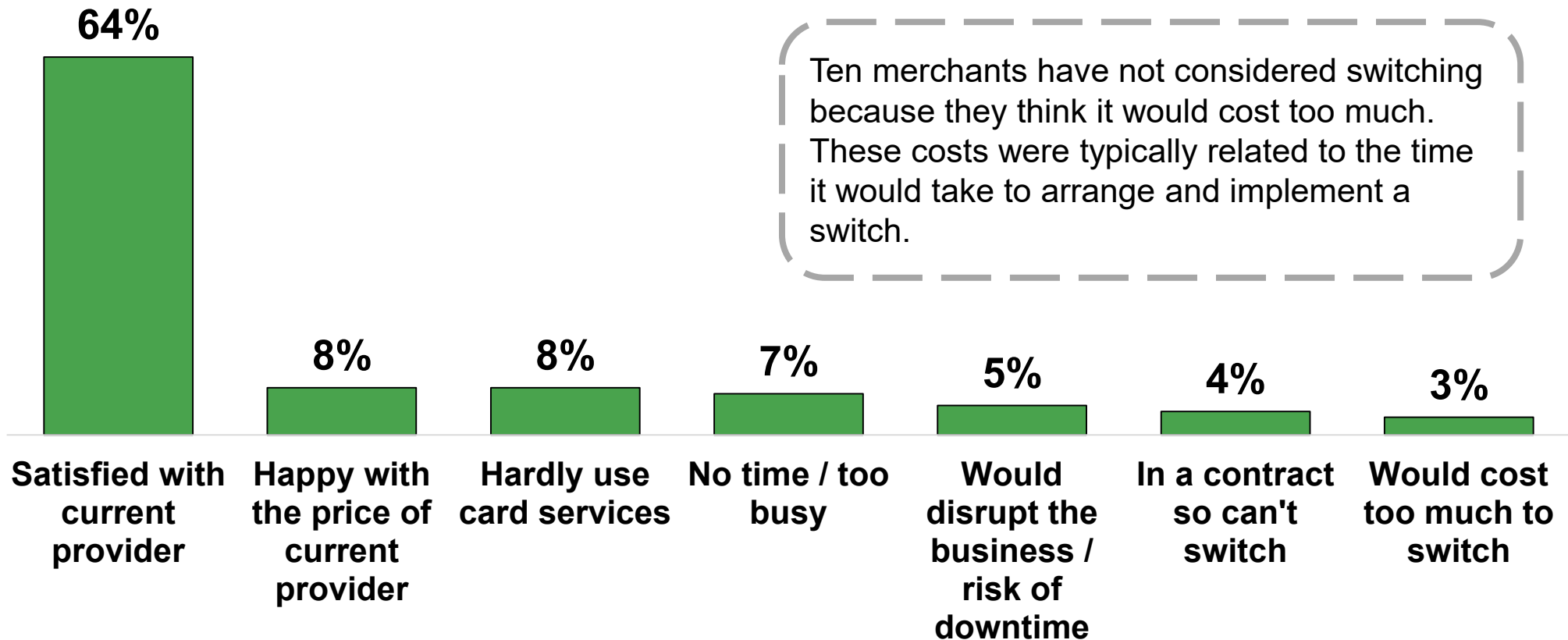
D3. When was the last time you considered switching away from [CAS provider]? Not read out. Single code. Merchants that have been with provider for more than 2 years (789)



# Not considered switching: reasons for not considering switching



Around two-thirds of merchants that have not considered switching over the last 2 years said that this was because they are satisfied with their current provider.

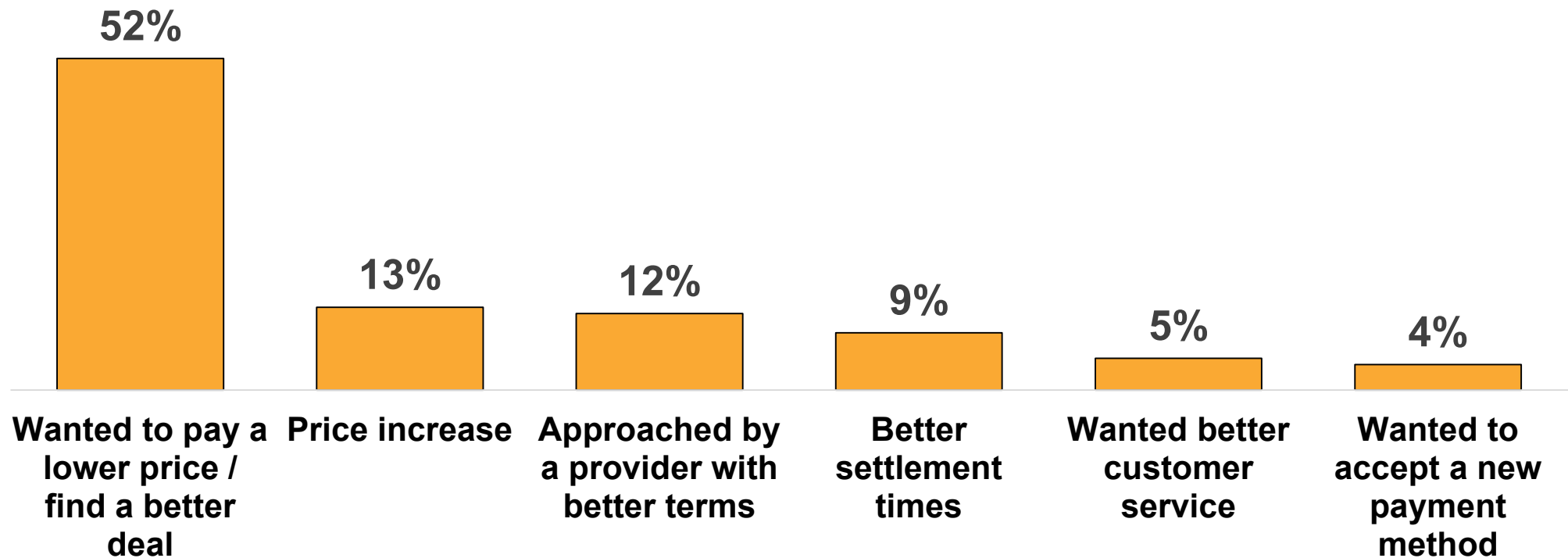


E1. Why have you not considered switching away from [CAS provider]?. Not read out. Multicode. Merchants that have not switched and not considered switching (448)  
E2. You mentioned that you haven't considered switching your provider because it would cost too much. What specifically about switching do you think would cost money? Not read out. Multicode. Merchants that have not considered switching because it would cost too much (10)

# Considered switching: motivation



The majority of merchants that considered switching over the last 2 years (but ultimately did not) did so because they wanted to pay less. Other reasons included being approached by a different provider and wanting faster settlement times.

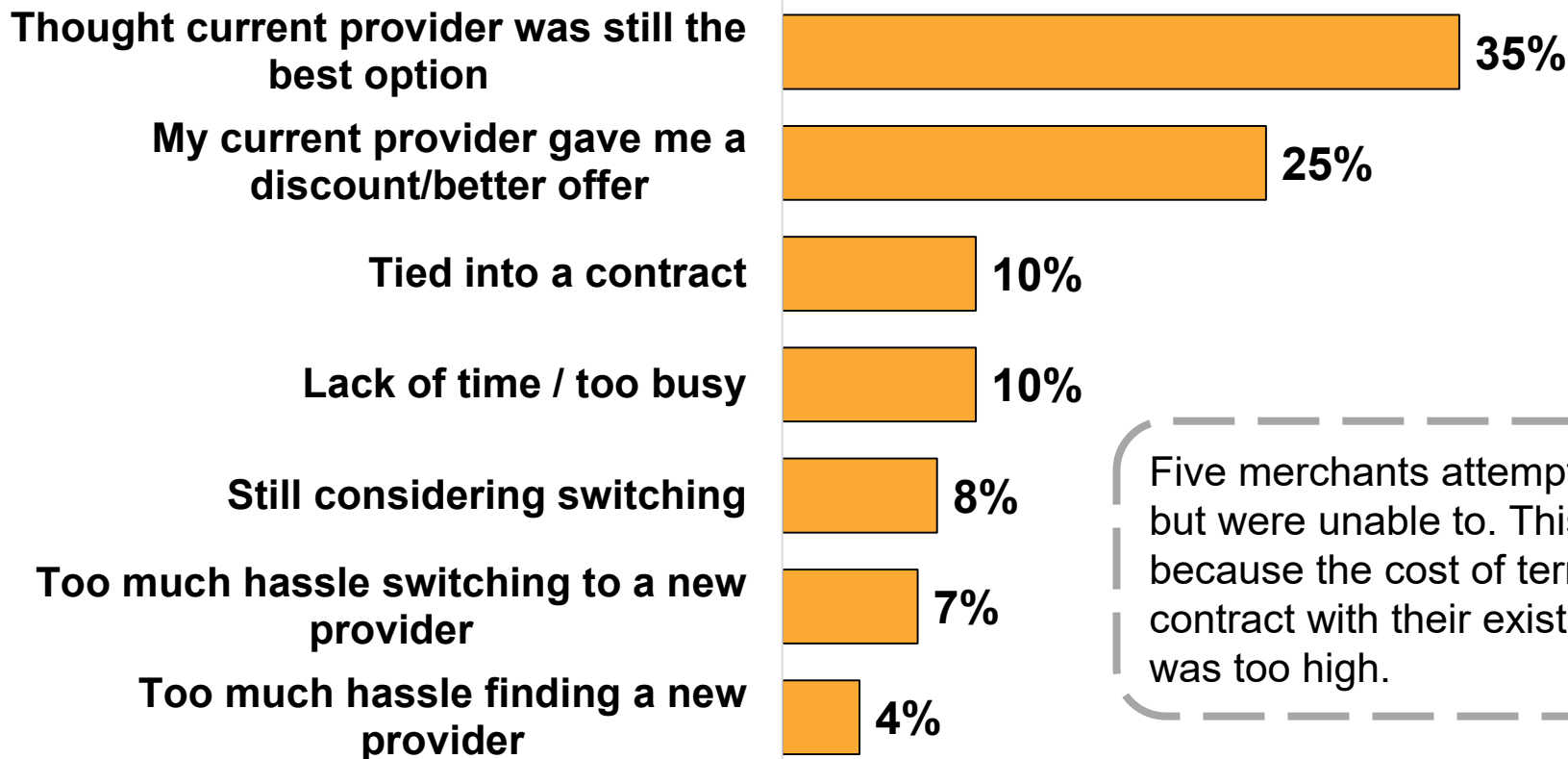


F1. Thinking about the last time you considered switching away from [CAS provider], what motivated this? Not read out. Multicode. Merchants that have not switched but considered it (341)

# Considered switching: reasons for not switching



When asked why merchants decided not to switch their provider after they considered switching, the most common reasons were that they decided their current deal was the best option or because their existing provider offered a better deal.



Five merchants attempted to switch but were unable to. This was typically because the cost of terminating the contract with their existing provider was too high.

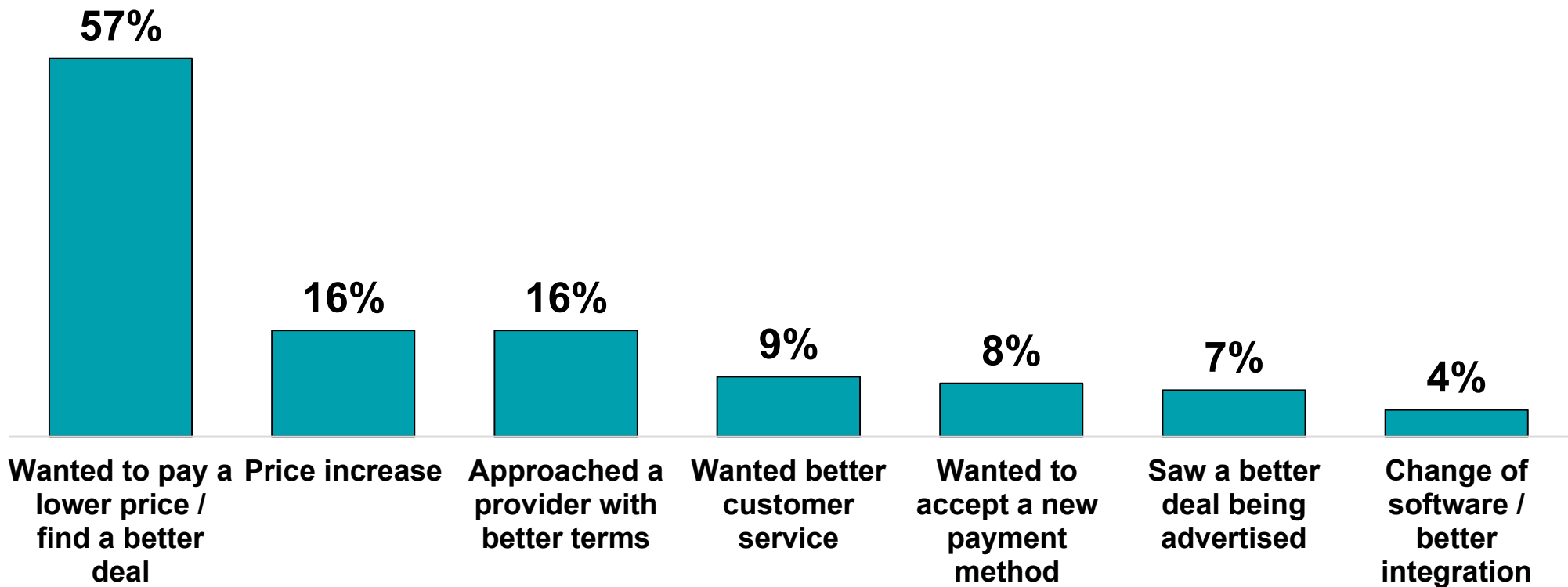
F8. You mentioned that you considered switching your provider in the last 2 years but have not actually switched. Why is that? Not read out. Multicode. Merchants that have not switched but considered it (341)

F9. You said that you attempted to switch but ultimately couldn't. Why is that? Not read out. Multicode. Merchants that attempted to switch but could not (5)

# Switched provider: motivation



The majority of merchants that had switched over the last 2 years did so because they wanted to pay less. Other reasons included being approached by a different provider with better terms and because they wanted better customer service.

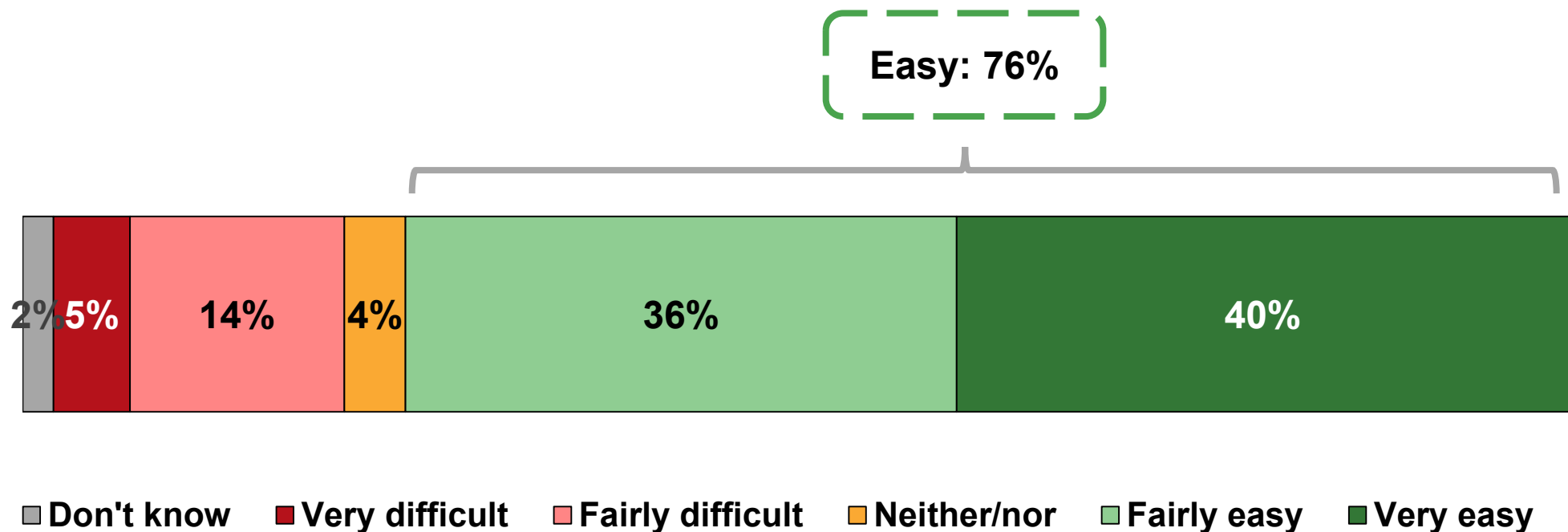


G1. Thinking about when you switched to [CAS provider], what motivated this? Not read out. Multicode. Merchants that have switched in the past 2 years (181)

# Switched provider: experience of switching



Three-quarters of merchants that had switched their provider in the last 2 years found the process to be easy, while a fifth found it to be difficult.

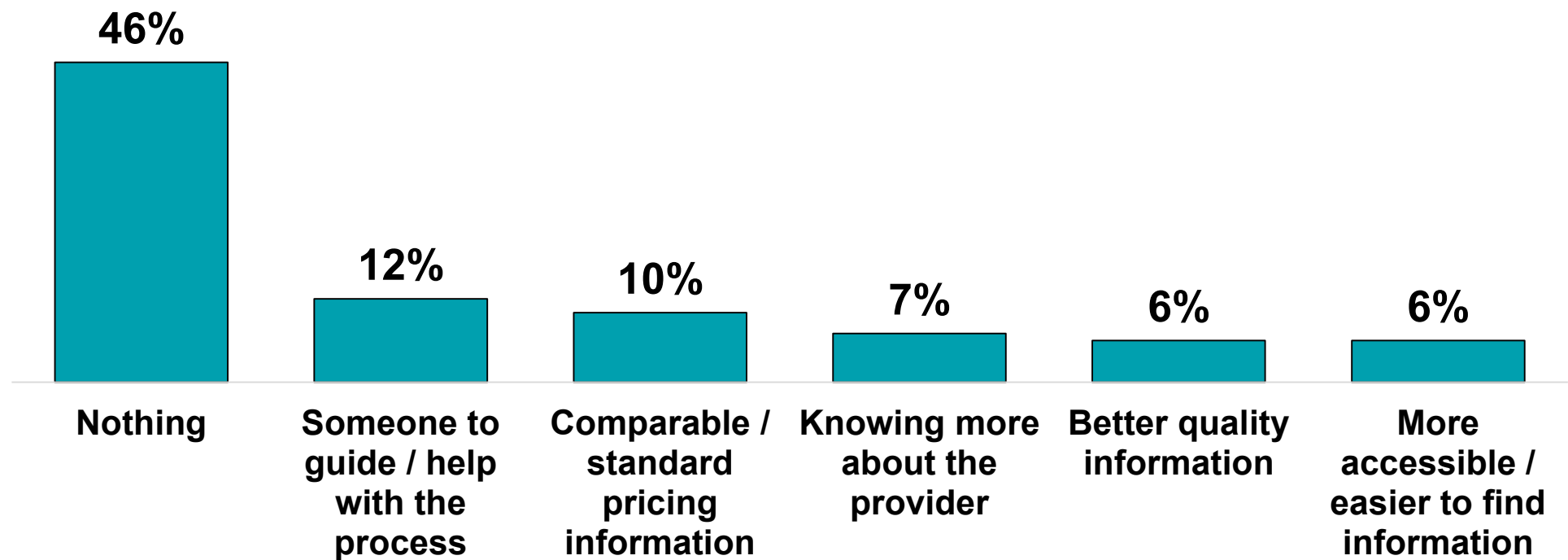


G8. How easy or difficult did you find the process of actually switching from one provider to another? Read out. Single code. Merchants that switched in past 2 years (181)

# Switched provider: reflections on switching



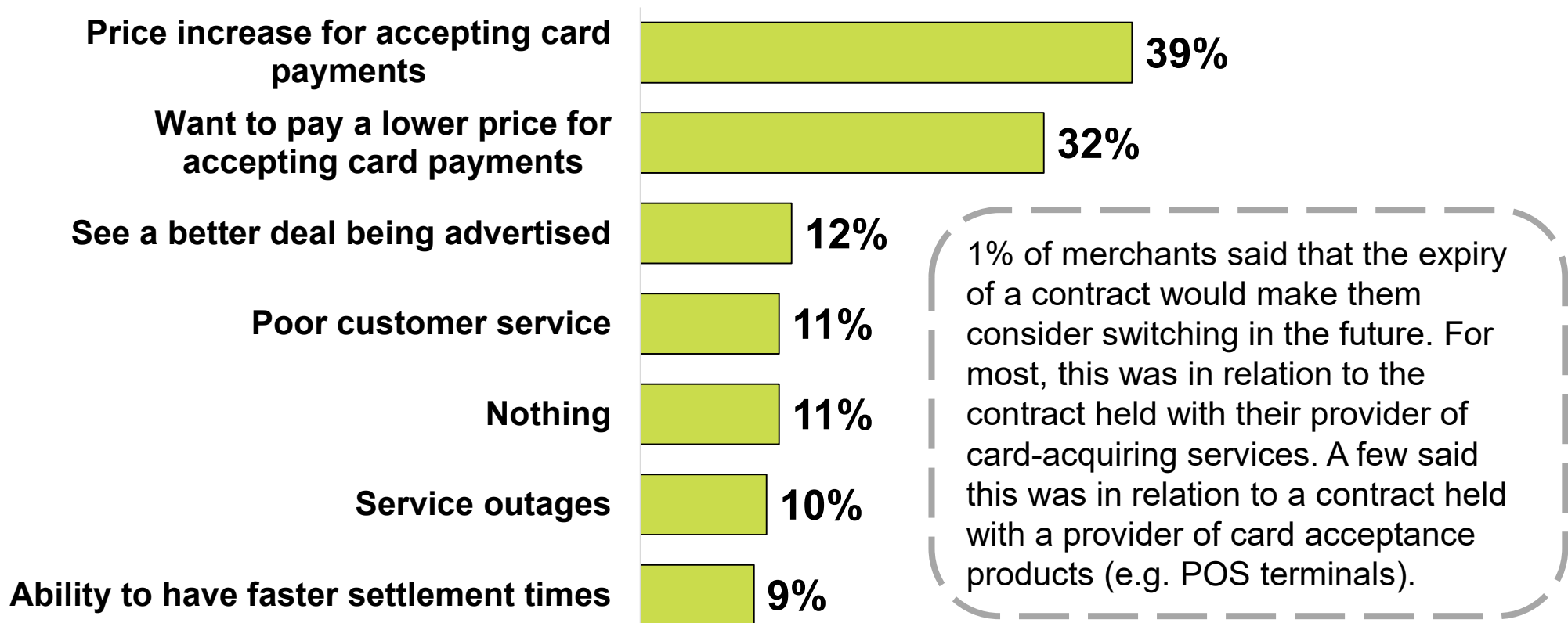
When asked what would have helped them feel more confident in making their decision about switching, nearly half of merchants said “nothing”. Among those that could identify something, someone to support them with the process and comparable pricing information were most commonly mentioned.



G9. What, if anything, would have helped make you feel more confident in making the decision about which provider to switch to? Not read out. Multicode. Merchants that switched in past 2 years (181)

# Future switching behaviour

When asked what would make them consider switching in the future, most merchants said a price increase from their current provider or a desire to reduce the price of accepting card payments.



H1. What, if anything, would cause you to think about switching away from [CAS provider] to another provider? Not read out. Multicode. All merchants (1037)

H2. You mentioned that contract expiry may be a reason for you to consider switching in the future. Which products do you have mind? Not read out. Multicode. Merchants that would consider switching at contract expiry (14)

# Card-acquiring services: shopping around

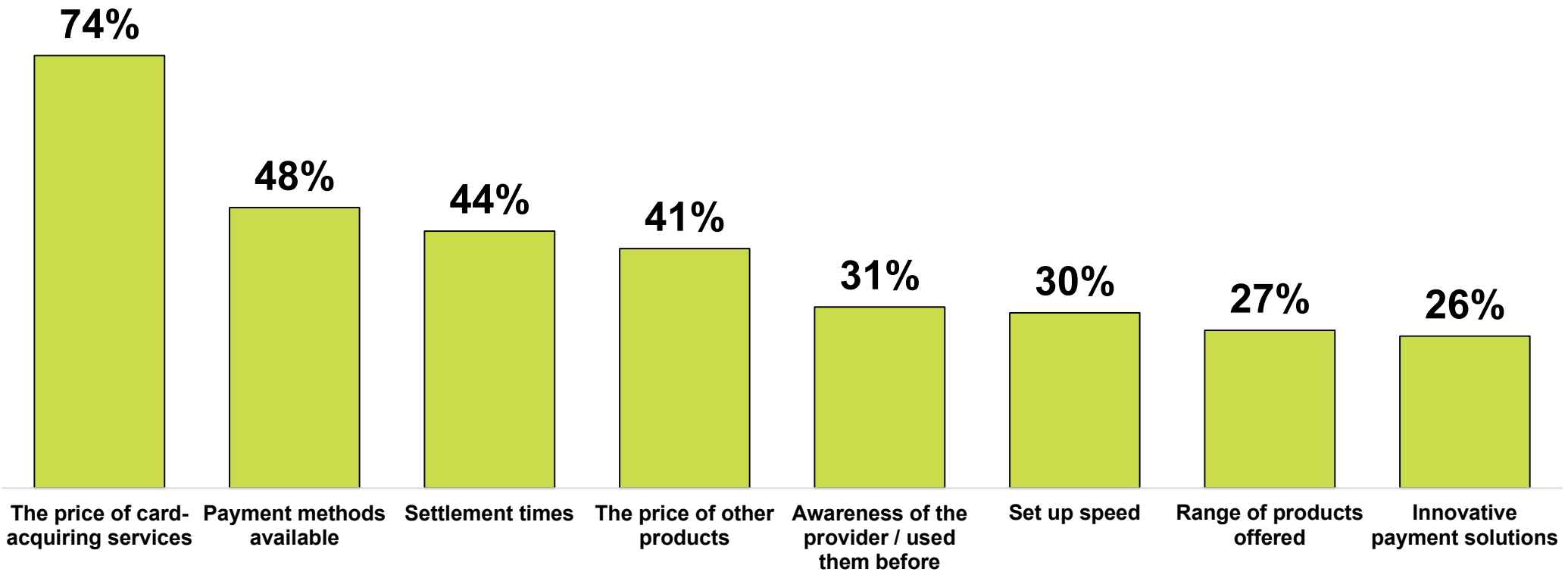


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# Factors considered when choosing a provider by merchants that have been with the same provider for more than 2 years

The factor most commonly considered by merchants that have been with their provider for more than 2 years was the price of CAS. Other prominent factors were the payment methods offered, settlement times and the price of other card acceptance products.



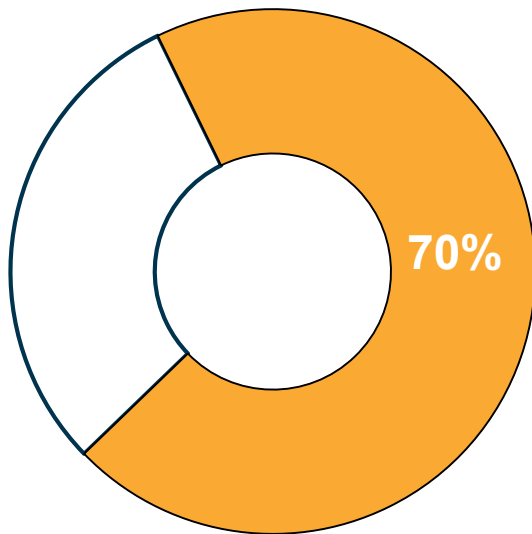
C8. What factors did you consider when choosing [CAS provider]? Read out. Multicode. Merchants that have been with provider 2 or more years (789)

# Considered switching: shopping around (1)

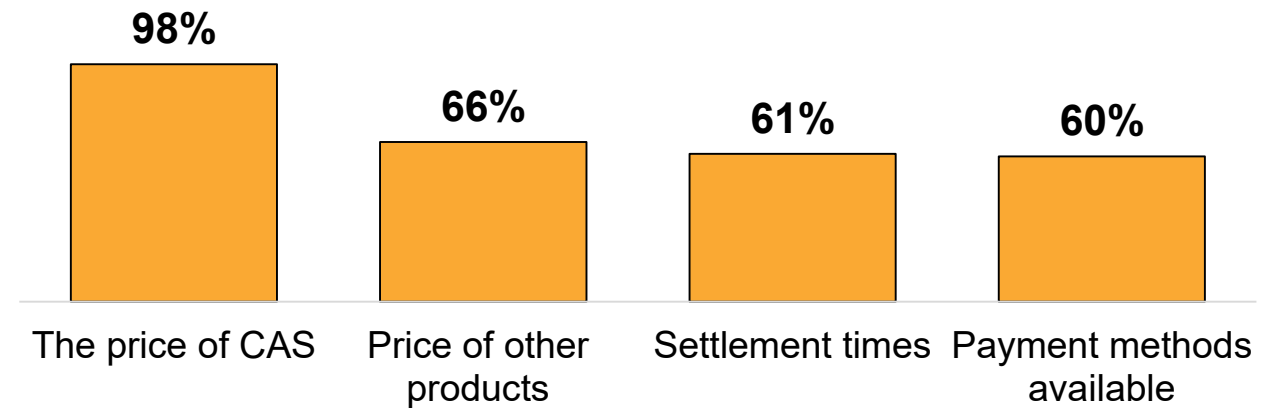


Almost three-quarters of merchants had shopped around for providers when they considered switching in the last 2 years. The factor most commonly considered by merchants when shopping around was price.

Shopped around when considering switching



Factors considered when shopping around



Experience of shopping around



F2. When you last considered switching, did you shop around? Not read out. Single code. Merchants that have not switched but considered it (341)

F7. What factors did you consider when comparing providers? Read Out. Multicode. Merchants that shopped around (250)

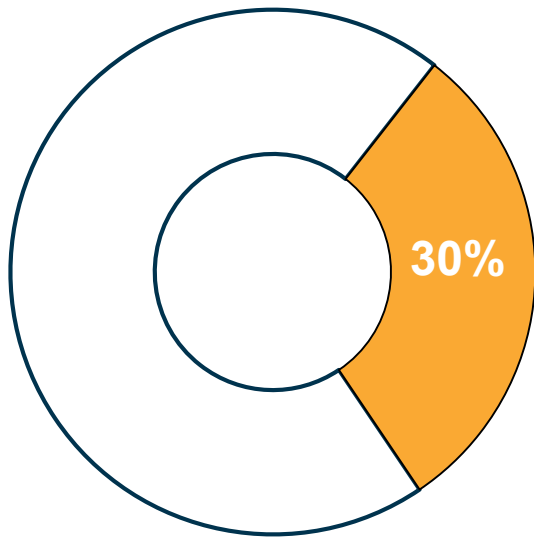
F4. How easy or difficult did you find the process of shopping around? Read out. Single code. Merchants that shopped around (250)

# Considered switching: shopping around (2)

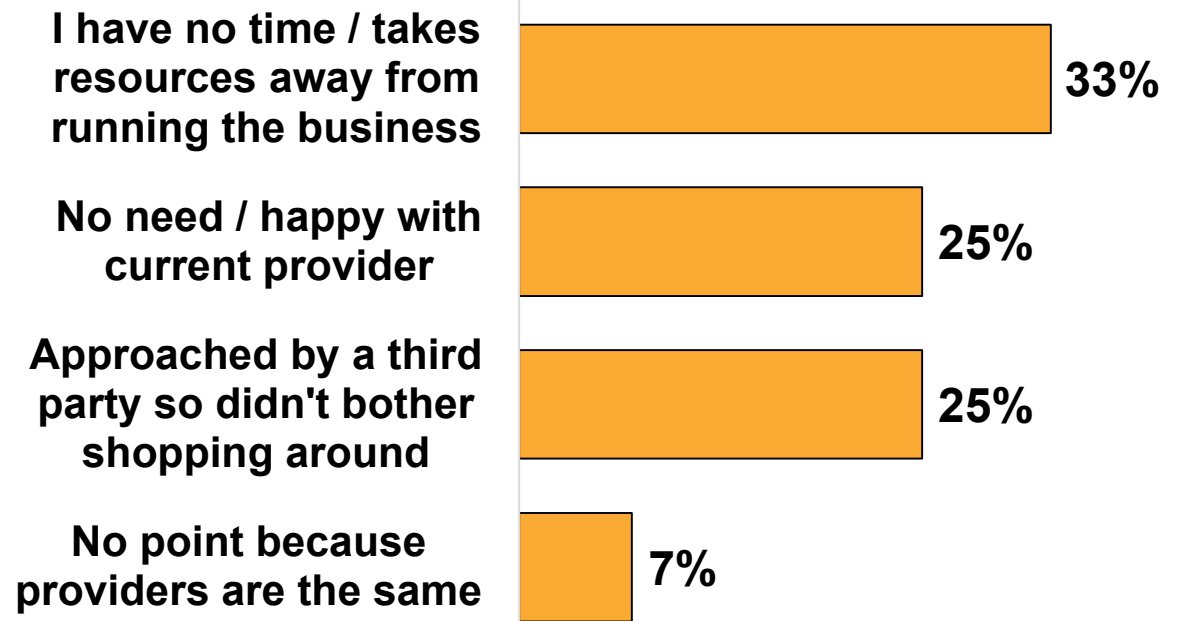


Around one-third had not shopped around for providers when they considered switching. This was typically because they did not have the time to do so or because they decided they were satisfied with the provider.

Did not shop around when considered switching



Reasons why



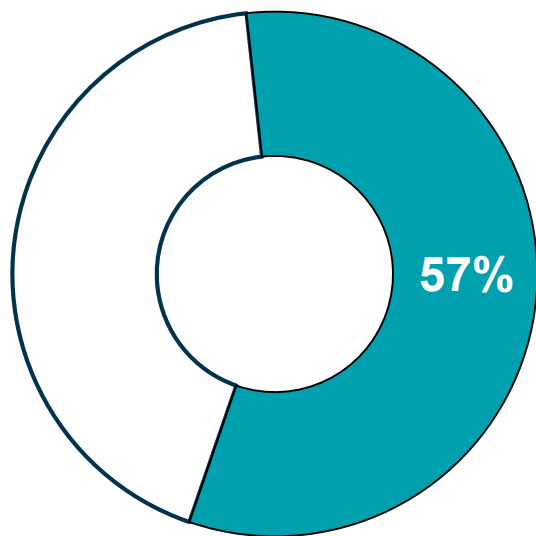
F2. When you last considered switching, did you shop around? Not read out. Single code. Merchants that have not switched but considered it (341)

F3. Why did you not shop around? Not read out. Multicode. Merchants that have not switched but considered it and not shopped around (88). Reasons mentioned by 5% or less of merchants are not presented on this slide.

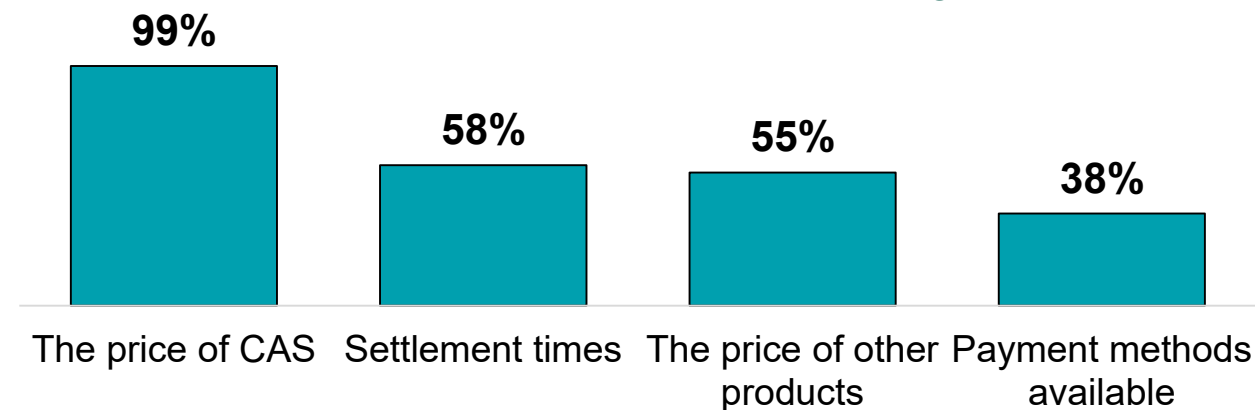
# Switched provider: shopping around (1) ▶▶

Three-fifths of merchants shopped around before switching their provider. When shopping around, price factors were considered by most merchants. Half found shopping around to be easy, while a quarter found it difficult.

Shopped around before switching



Factors considered when shopping around



Experience of shopping around



G2. When you last switched provider did you shop around? Not read out. Single code. Merchants that have switched in the past 2 years (181)

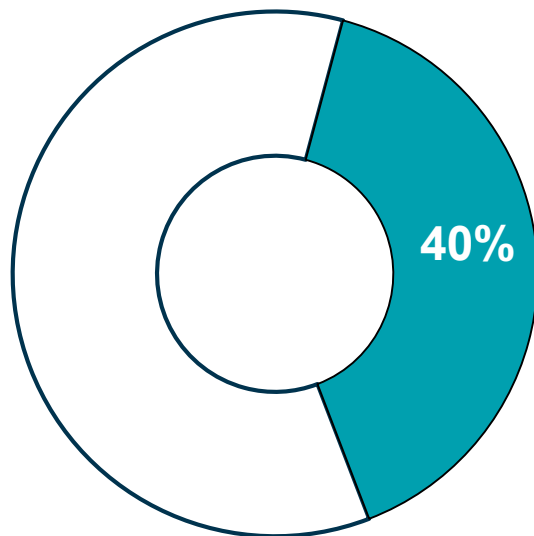
G7. What factors did you consider when comparing providers? Read out. Multicode. Merchants switched in the past 2 years and shopped around (123)

G4. To what extent did you find the process of shopping around easy or difficult? Read out. Single code. Merchants switched in the past 2 years and shopped around (123)

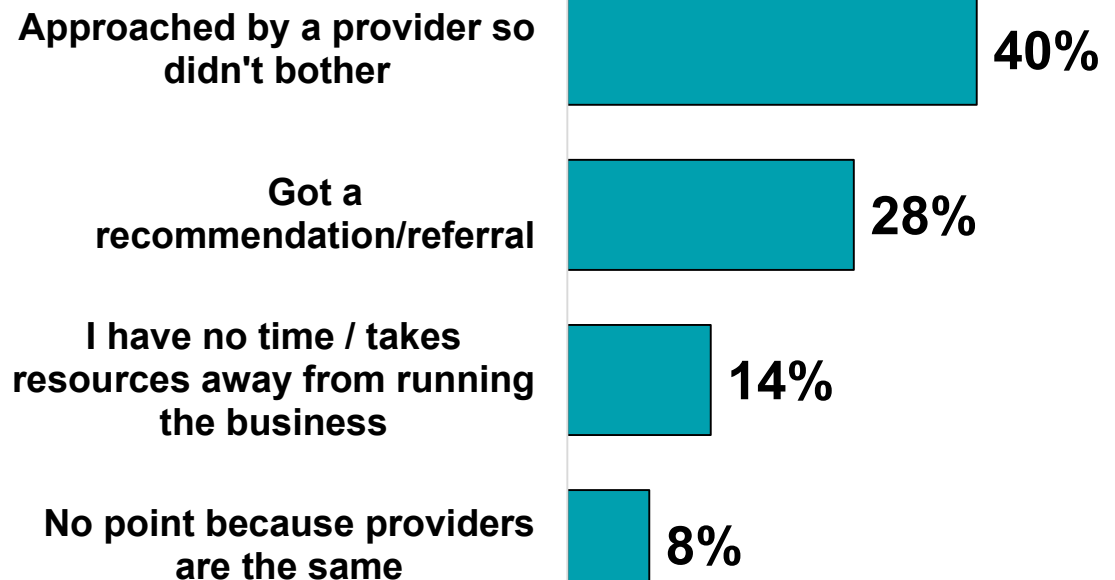
# Switched provider: shopping around (2) ▶▶

Two-fifths of merchants that had switched in the last 2 years had not shopped around for providers before switching. This was often because they had switched after being approached by a different provider or after receiving a recommendation/referral.

Did not shop around before switching



Reasons why



G2. When you last switched provider did you shop around? Not read out. Single code. Merchants that have switched in the past 2 years (181)

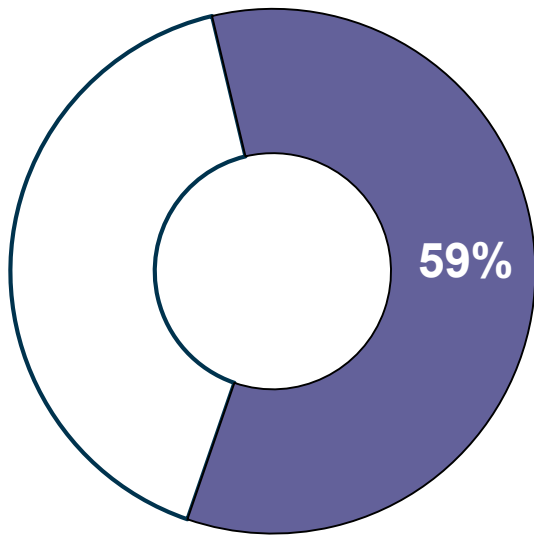
G3. Why did you not shop around? Not read out. Multicode. Merchants that have switched in past 2 years and not shopped around (50)

# New merchants: shopping around

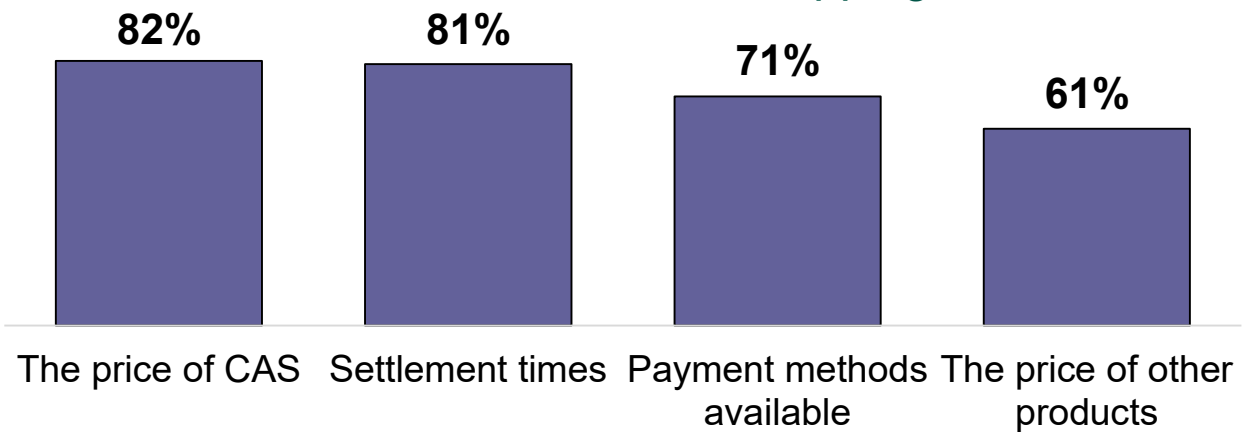


Three-fifths of new merchants (i.e. started accepting card payments in the last 2 years) shopped around before choosing a provider. Price factors and settlement times were the most commonly considered factors. Four-fifths of new merchants found shopping around to be easy.

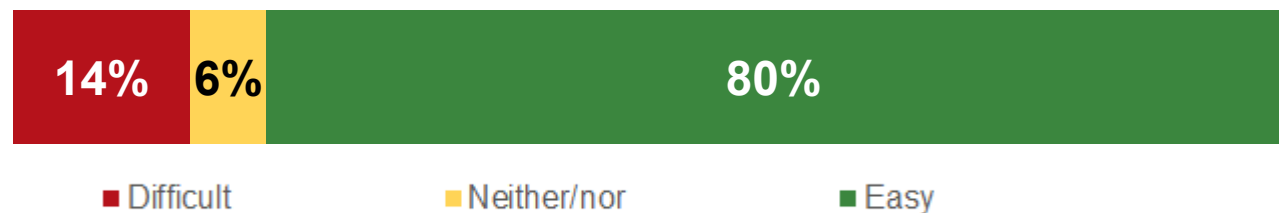
Shopped around before choosing provider



Factors considered when shopping around

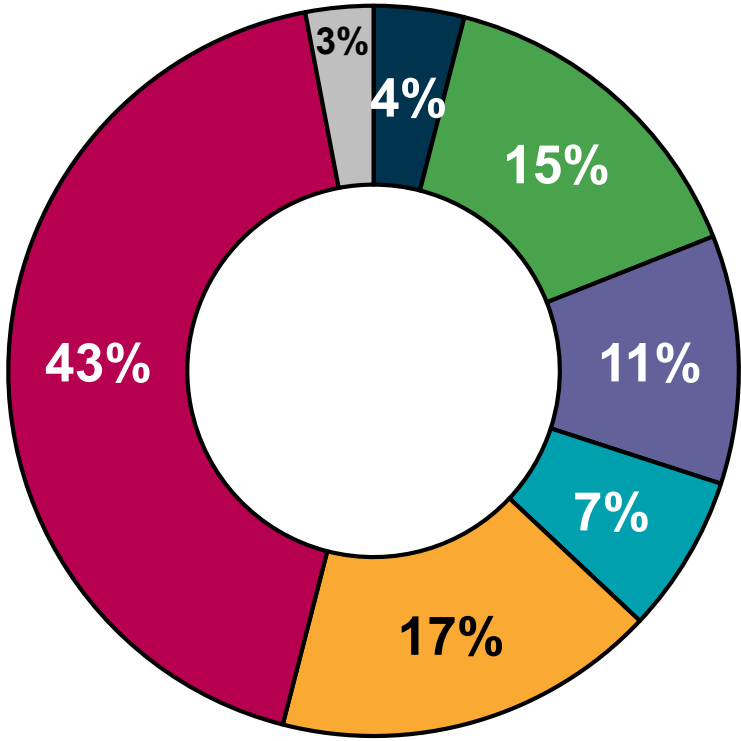


Experience of shopping around



G2. When you last switched provider did you shop around? Not read out. Single code. Merchants that have started accepting card payments in the past 2 years (67)  
G7. What factors did you consider when comparing providers? Read out. Multicode. Merchants started accepting card payments in the past 2 years and shopped around (37)  
G4. To what extent did you find the process of shopping around easy or difficult? Read out. Single code. Merchants switched in the past 2 years and shopped around (37)

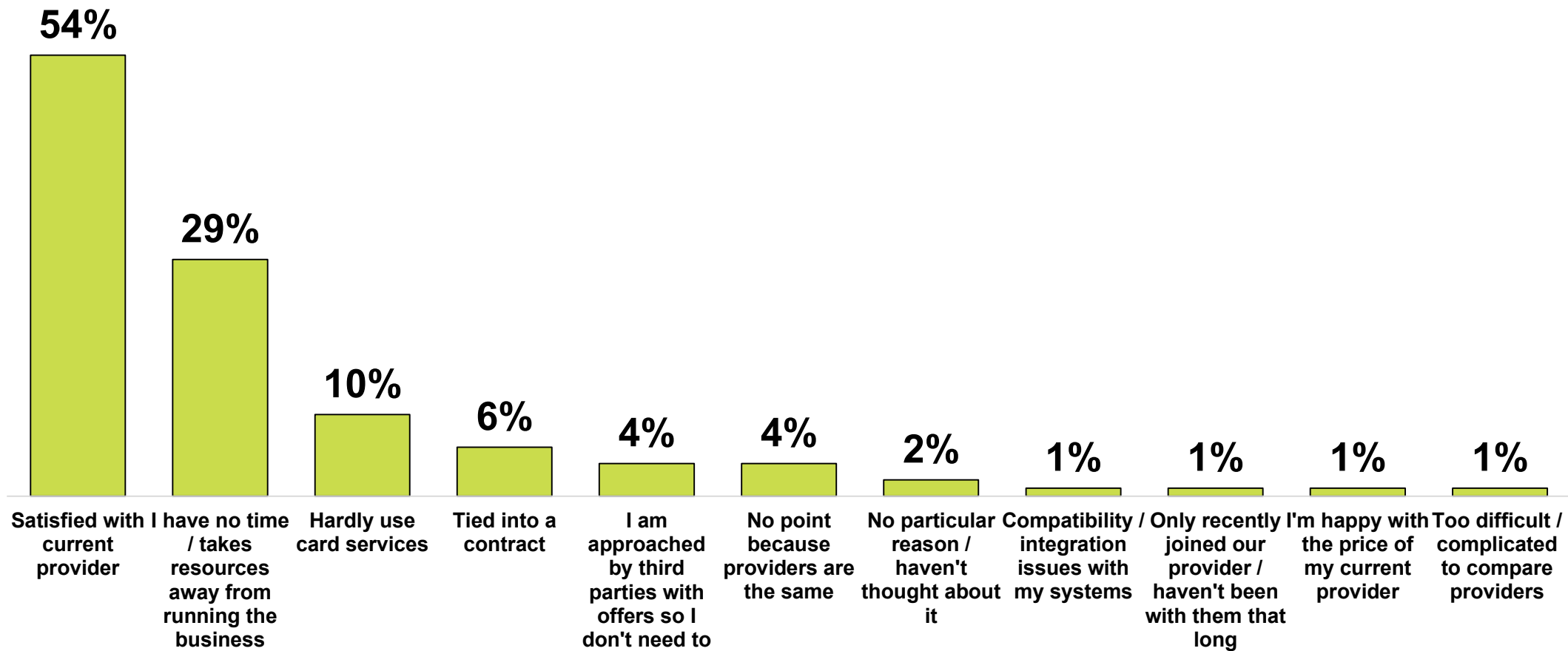
# How frequently merchants shop around for different providers



- More than once a year
- Every 2 years
- Less than every 3 years / hardly eve
- Don't know
- Once a year
- Every 3 years
- Never

D1. How frequently does your business shop around for different providers? Not read out. Single code. All merchants (1037)

# Reasons for never shopping around for different providers



D2. Why do you not shop around for providers? Not read out. Multicode. Merchants that never shop around (348)



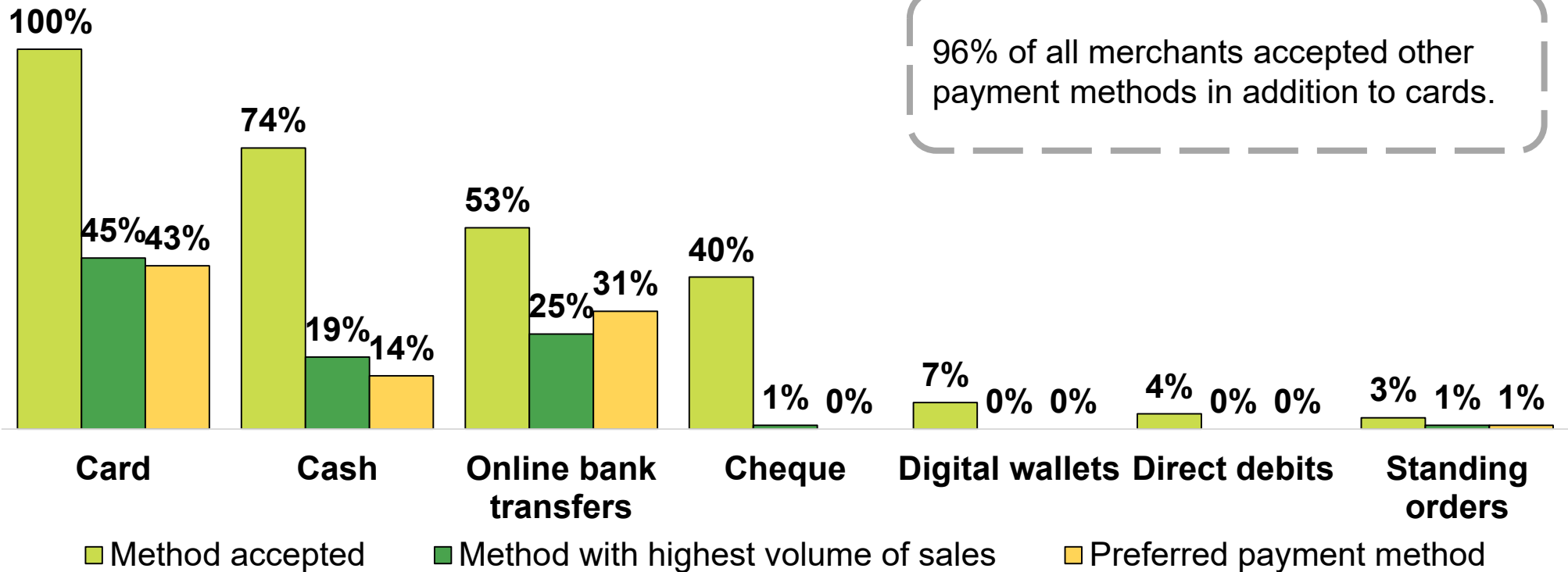
# Card-acquiring services: payment methods



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# Payment methods accepted

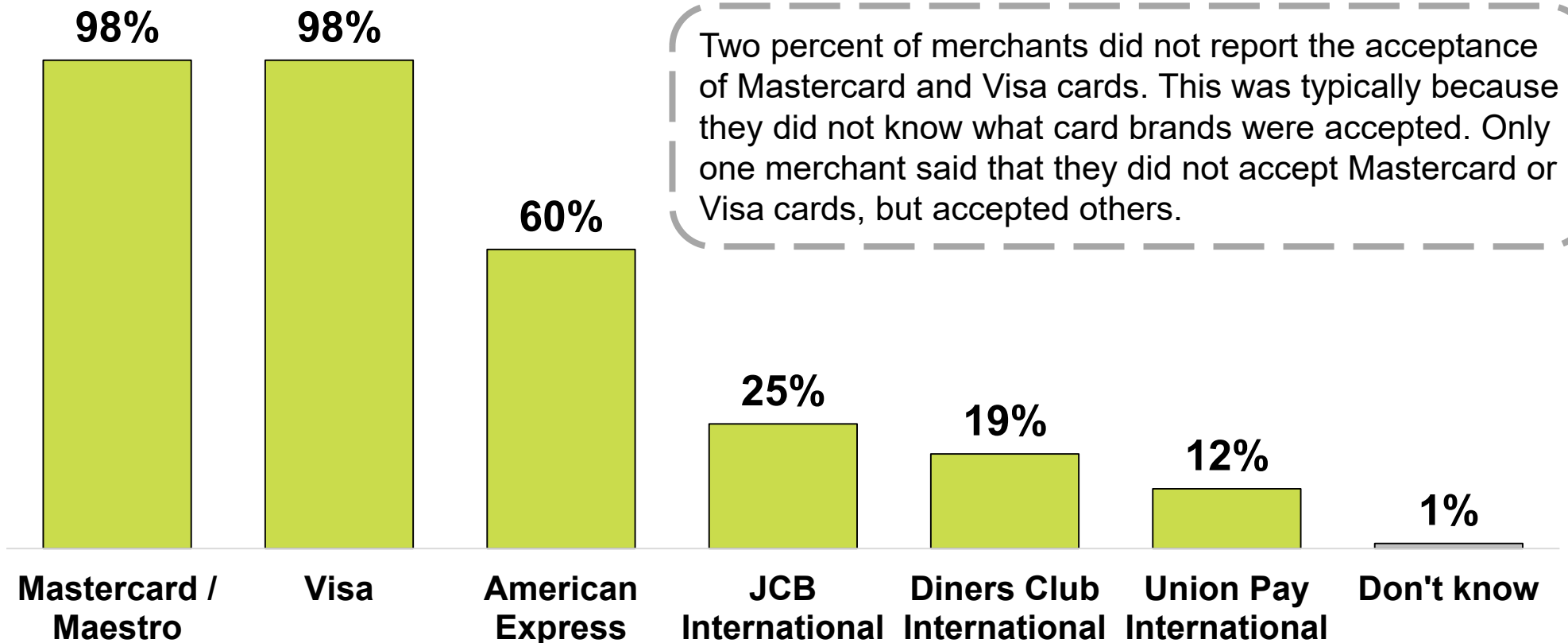
Cards were the payment method through which the highest volume of sales were made for nearly half of all merchants. Online bank transfers were the method through which the highest volume of sales were made for a quarter, and cash was the method through which the highest volume of sales were made for a fifth.



11/12/13. Which payment methods other than card are accepted? Not read out. Multicode. Which payment method accounted for highest volume of sales? Not read out. Single code. What is your preferred payment method? Not read out. Single code. All merchants (1037)

# Card brands accepted

Nearly all merchants accepted Mastercard and Visa card brands. American express was accepted by three-fifths.



15. Which of the following card brands does [CAS provider] allow you to accept payment from? Read out. Multicode. All merchants (1037)

# Attempts by merchants to influence customers choice of payment methods (1)

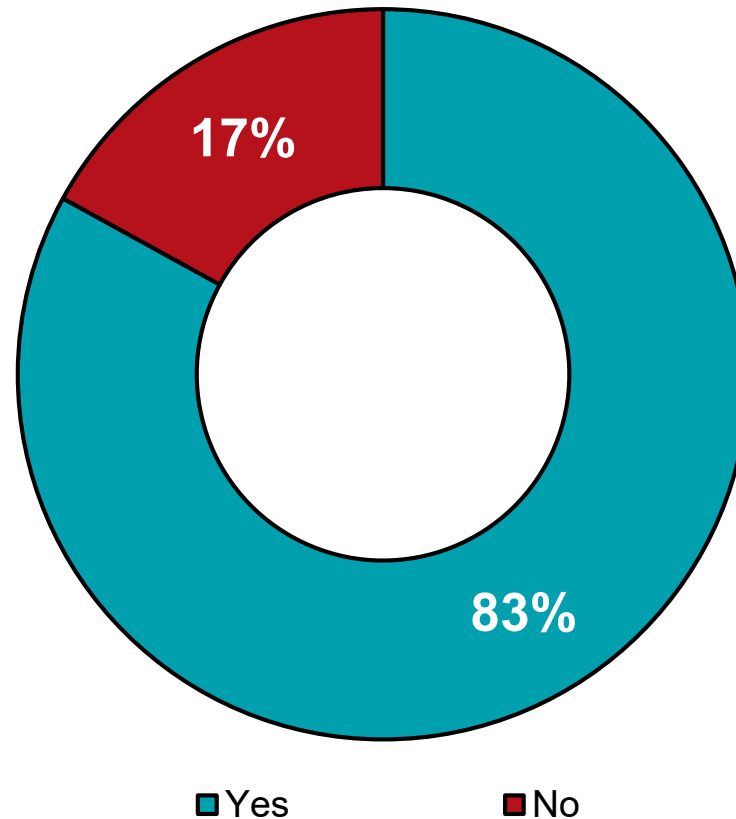
Less than one in ten merchants had attempted to influence customers to not use Mastercard or Visa cards over the last year. This had usually been done by verbally asking customers to use a different payment method and was typically motivated by a desire to reduce costs.



16. Over the last year did your business take any steps to attempt to influence customers into not paying with Mastercard or Visa cards? Not read out. Single code. All merchants (1037)  
 113. Are you currently taking steps to influence customers to use certain payment methods or cards other than Mastercard or Visa cards? Not read out. Single code. All merchants (1037)  
 111. Why did you try to influence customers to use a payment method other than Mastercard or Visa cards? Not read out. Multicode. Merchants that have attempted to influence (90)  
 110. What steps did you take when attempting to influence customers to use a payment method or card other than Mastercard or Visa cards? Not read out. Multicode. Merchants that have attempted to influence (90)

# Attempts by merchants to influence customers choice of payment methods (2)

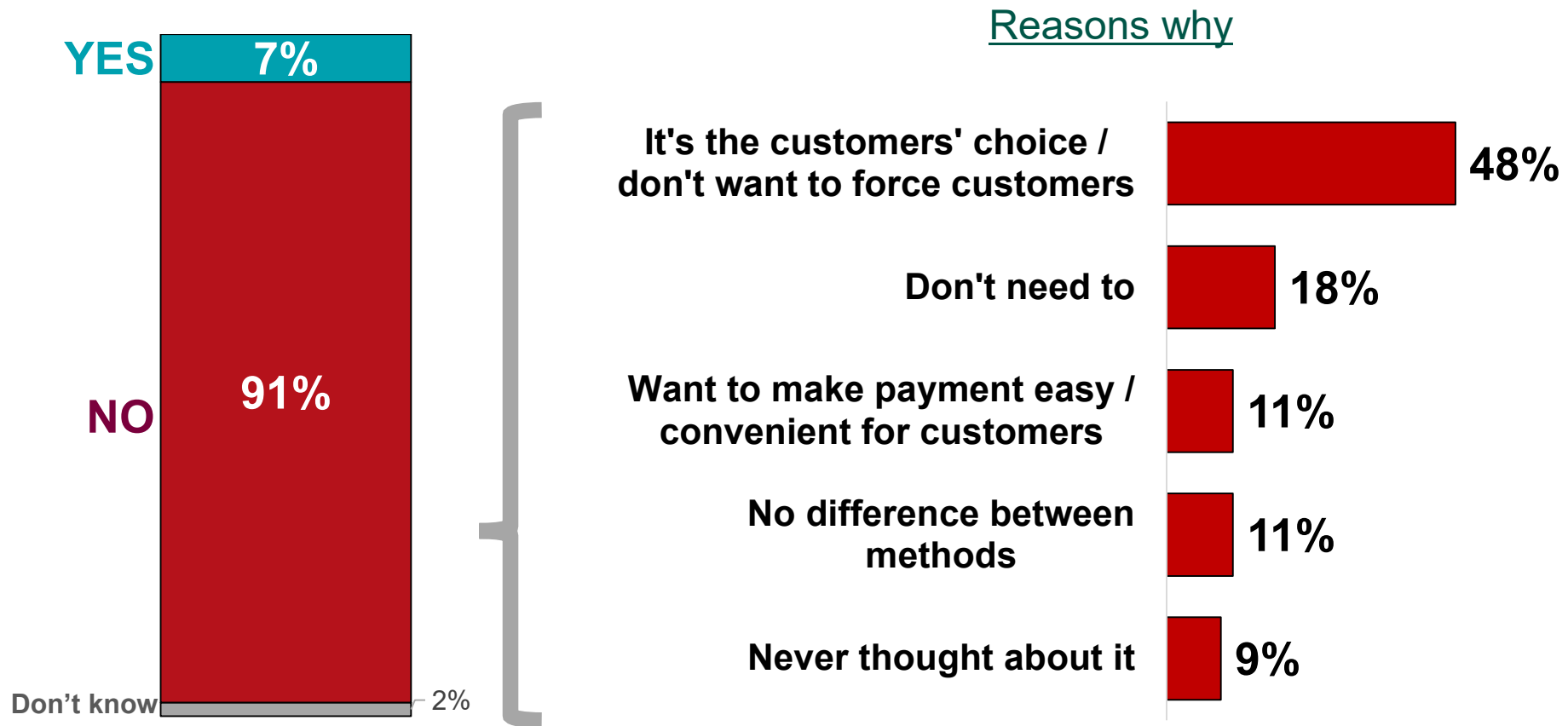
The majority of merchants that had attempted to influence customers to not use Mastercard or Visa cards over the last year said that the steps taken were successful.



I12. Generally, did the steps your business take to influence customers to use payment methods or cards other than Mastercard or Visa cards result in a change to the payment methods they used? Not read out. Single code. Merchants that have attempted to influence (90)

# Attempts by merchants to influence customers' choice of payment methods (3)

The majority of merchants had not attempted to influence customers to use payment methods other than Mastercard or Visa cards. The most common reason why merchants had not done so was because they felt customers should have a choice.

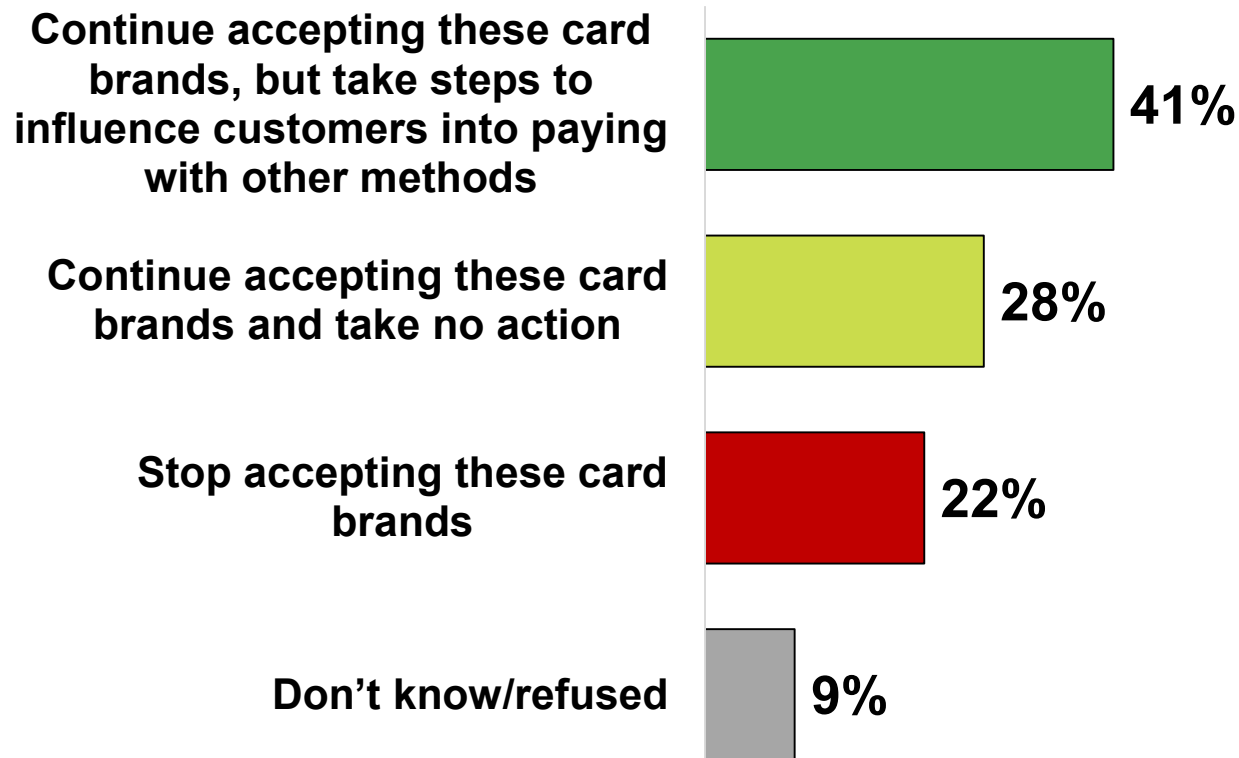


16. Over the last year did your business take any steps to attempt to influence customers into not paying with Mastercard or Visa cards? Not read out. Single code. All merchants (1037)

17. Why is that? Not read out. Multicode. Merchants that have not attempted to influence (929)

# Merchant response to increase in cost of card acceptance (1)

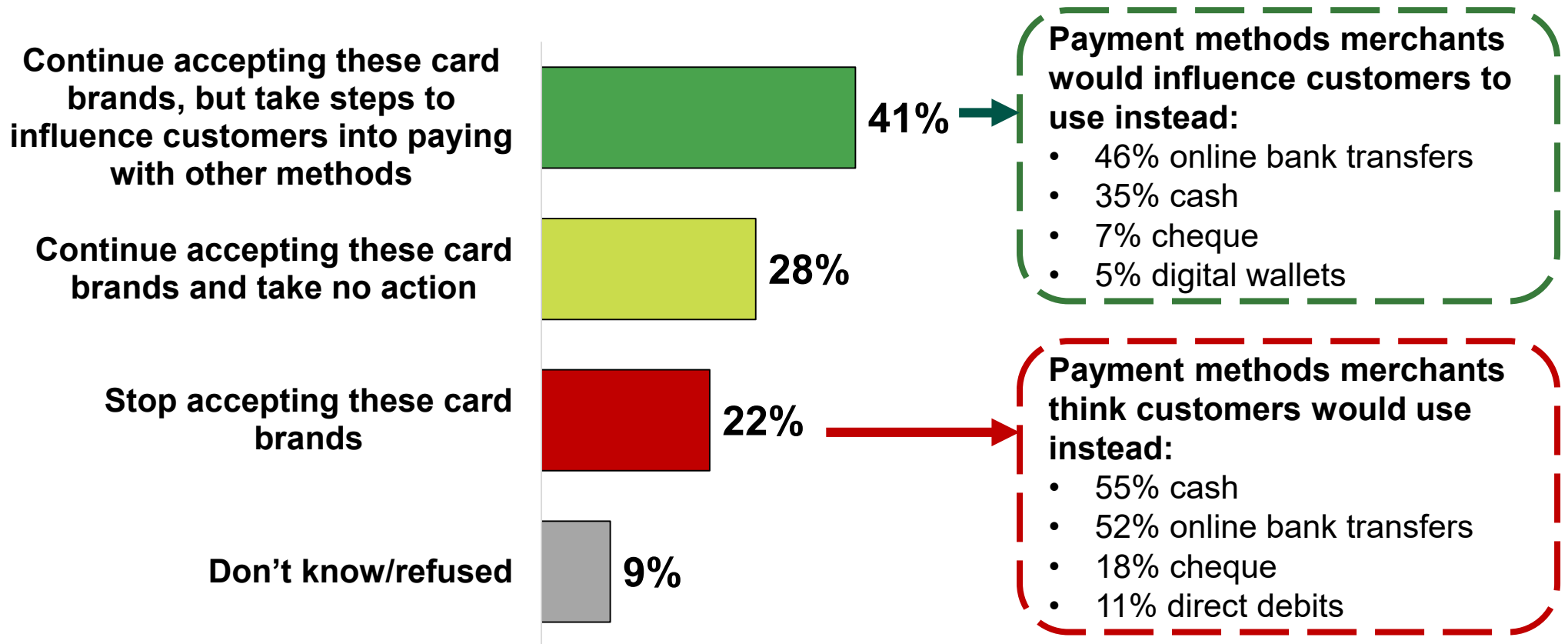
When asked what they would do if the cost of accepting Mastercard and Visa cards increased by 10% for all providers, most merchants said they would continue accepting these cards but would take steps to influence customers to pay with other methods.



I14. Thinking about how much you pay to accept payments from customers that use Mastercard and Visa cards, what would you do if the cost of accepting such cards went up by 10%? The cost increase is universal and applies to all providers that offer card-acquiring services for Mastercard and Visa cards. Would you....? Read out. Single code. Merchants that accept Mastercard and/or Visa (1025)

# Merchant response to increase in cost of card acceptance (2)

Those that would continue accepting Mastercard and Visa cards but would take steps to influence customers to pay with other methods often said they would steer customers to use online bank transfers or cash instead.



I14. Thinking about how much you pay to accept payments from customers that use Mastercard and Visa cards, what would you do if the cost of accepting such cards went up by 10%? The cost increase is universal and applies to all providers that offer card-acquiring services for Mastercard and Visa cards. Would you...? Read out. Single code. Merchants that accept Mastercard and/or Visa (1025)

I15. What payment method(s) or cards would you try to influence customers to use instead of Mastercard or Visa cards? Not read out. Multicode. Merchants that would influence customers to not use Mastercard/Visa (439)

I16. What other payment methods or cards do you think your customers would choose instead? Read out. Multicode. Merchants that would stop accepting Mastercard/Visa (172)



# Summary of merchant survey results

# Summary of merchant survey results (1)

## **How do merchants access information about card-acquiring services, how do they assess that information, and do they act on it?**

Over half of all merchants (54%) have shopped around for different providers in the past; 19% did so at least once a year, 11% once every 2 years and 24% every 3 years or less often. Among those that never shop around for providers, most (54%) said they didn't because they are satisfied with their current provider.

With regard to switching behaviour over the last two years, 42% of merchants did not switch nor considered switching; 29% considered switching, but did not switch; 16% have switched their provider; and 13% started accepting card payments in the last two years and did not switch in that time.

## **What are the outcomes for UK merchants in terms of satisfaction, or dissatisfaction, with the level of service provided by acquirers?**

Amongst the merchants that contacted their main provider in the last year, four-fifths of merchants (82%) were satisfied with the customer service they received. Only 8% were dissatisfied.

More than nine in ten merchants (92%) agreed that they receive enough support from their provider to help them comply with requirements imposed on the business to accept card payments.. Only 7% disagreed.

Around nine in ten merchants (89%) agreed that they receive enough information from their provider to help them understand the price they pay for CAS. Only 9% disagreed.

# Summary of merchant survey results (2)

## **From whom do merchants buy card acquiring services, and what else do they buy along with the service?**

When asked to identify their main provider, three-fifths of merchants (62%) reported to use an acquirer. A quarter (23%) reported to use a payment facilitator. 15% identified a third party provider as their provider of card-acquiring services.

Nearly all merchants (97%) used other card acceptance products supplied by their main provider. The most commonly used products were PoS terminals (63%), payment gateways (25%), mPoS card readers (25%) and virtual terminals for phone payments (19%).

## **Do merchants have credible alternatives to Mastercard and Visa card-acquiring services?**

Nearly all merchants (98%) accepted Mastercard and Visa card brands and cards were the payment method through which the highest volume of sales were made for around half of all merchants (45%).

Most merchants (91%) had not taken steps to influence customers to use payment methods other than Mastercard or Visa card brands over the last 12 months. This was typically because merchants felt customers should have a choice in how they pay for products (48%).

# Appendices: Profile of merchants

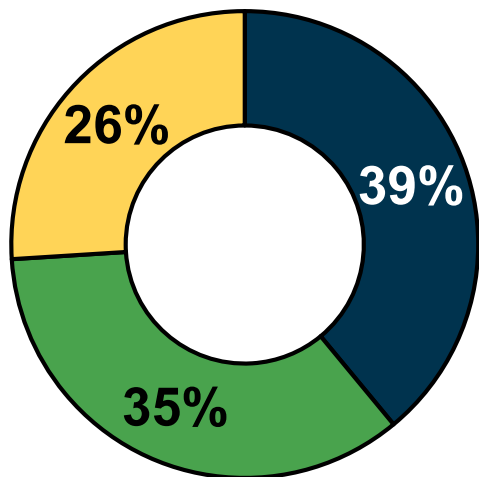


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# Profile of sampled merchants

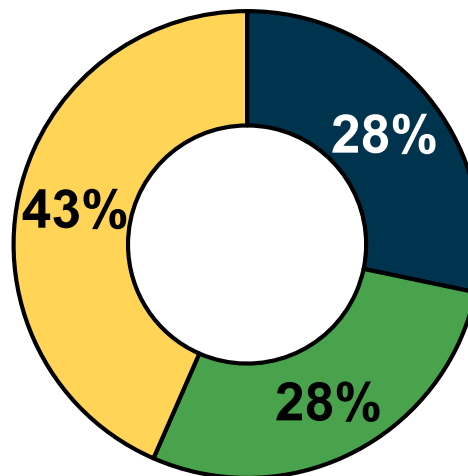
24,064 merchants were sampled for the quantitative survey. The charts below present the profile of these merchants in terms of card turnover, transaction types accepted and sector.

2018 card turnover



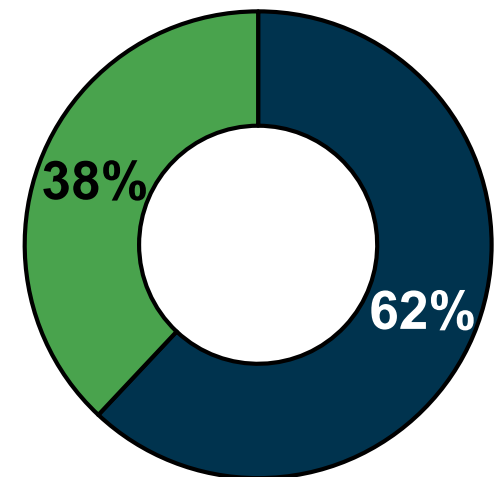
- £0 - £380,000
- £380,001 - £1,000,000
- £1,000,001 - £10,000,000

Types of transaction



- CNP only
- CP only
- Mixed

Sector



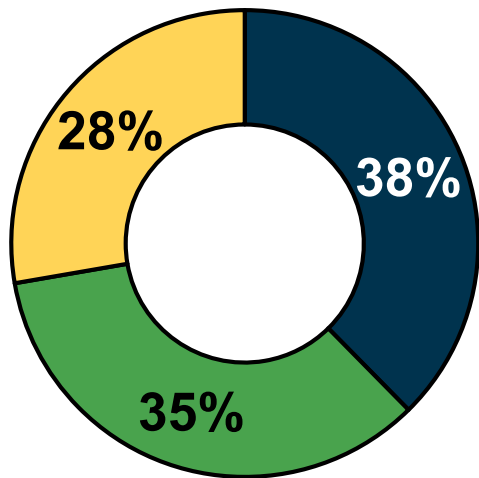
- Services
- Retail

Sample data: All merchants (24,064)

# Profile of surveyed merchants

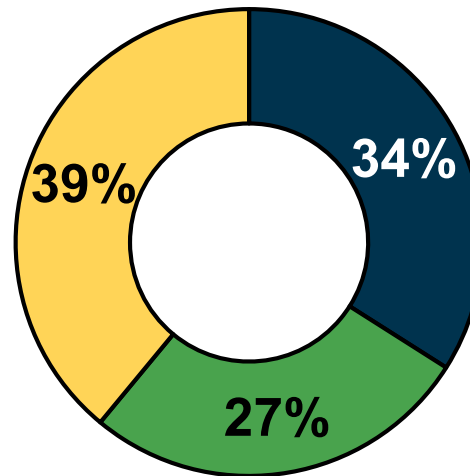
1,037 quantitative interviews were completed with merchants. The charts below present the profile of these merchants in terms of card turnover, transaction types accepted and sector.

2018 card turnover



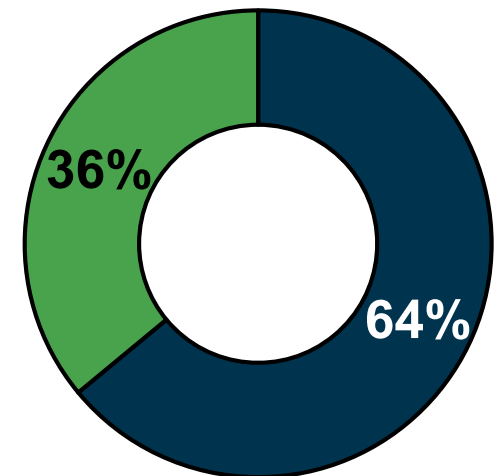
- £0 - £380,000
- £380,001 - £1,000,000
- £1,000,001 - £10,000,000

Types of transaction



- CNP only
- CP only
- Mixed

Sector



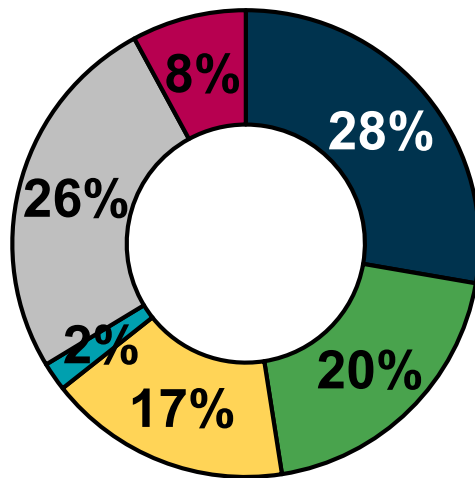
- Services
- Retail

Sample data: All merchants (1037). Unweighted.

# Profile of surveyed merchants

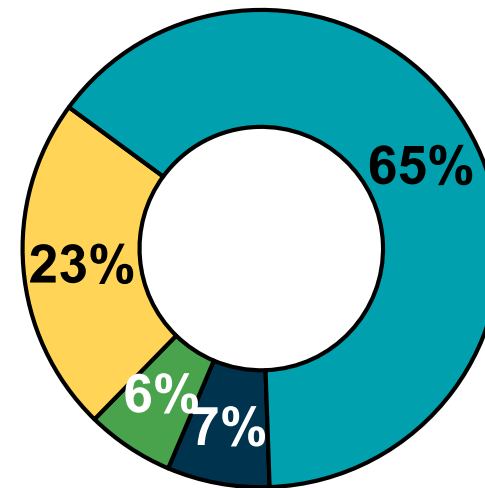
The charts below present the profile of interviewed merchants in terms of card turnover and operating environment.

2018 card turnover



- £0 - £380,000
- £380,001 - £1,000,000
- £1,000,001 - £10,000,000
- More than £10,000,000
- Don't know
- Refused

Operating environments



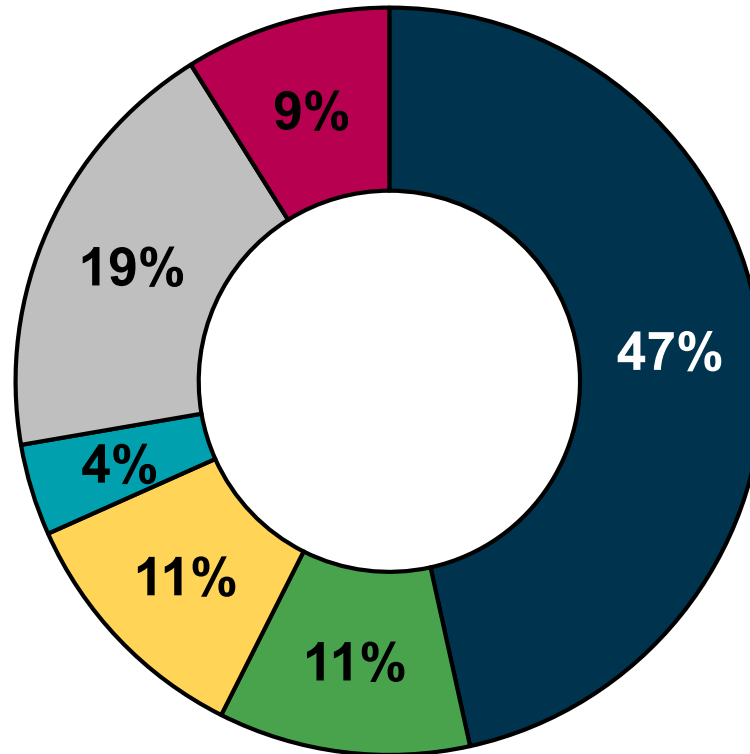
- Online only
- Mail order or telephone order only
- Face-to-face only
- More than 1 sales environment

B3. Do you accept card payments...? Read out. Multicode. All merchants (1037). Unweighted.

B6. What was your business's approximate turnover from card transactions in the 2018 financial year? Not read out. Single code. All merchants (1037). Unweighted.

# Profile of surveyed merchants

Total 2018 turnover



■ £0 - £380,000

■ More than £10,000,000

■ £380,001 - £1,000,000

■ Don't know

■ £1,000,001 - £10,000,000

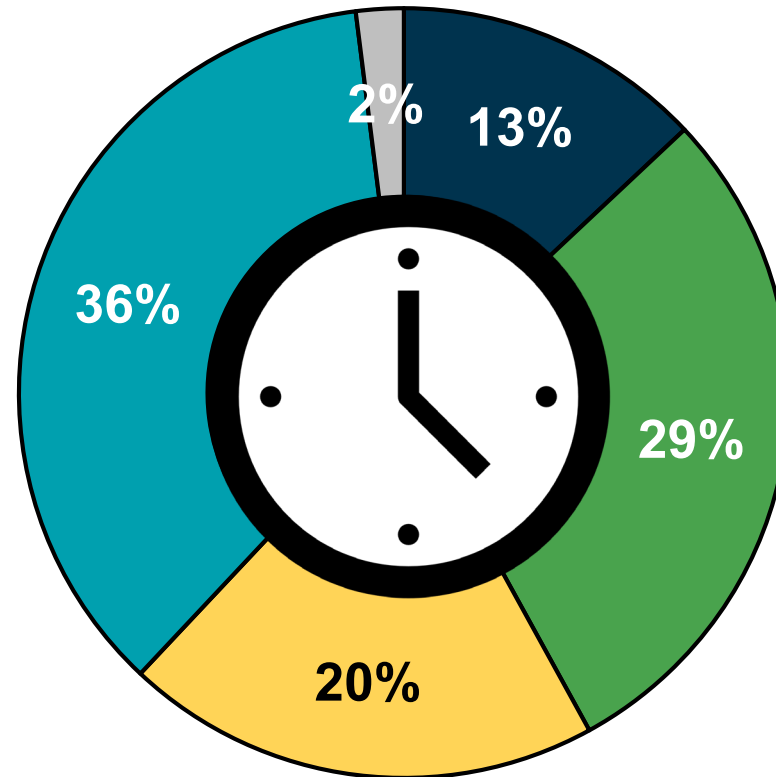
■ Refused

B5. What was your business' approximate turnover in the 2018 financial year? Not read out. Single code. All merchants (1037).



# Profile of surveyed merchants

Length of time merchants have accepted card payments

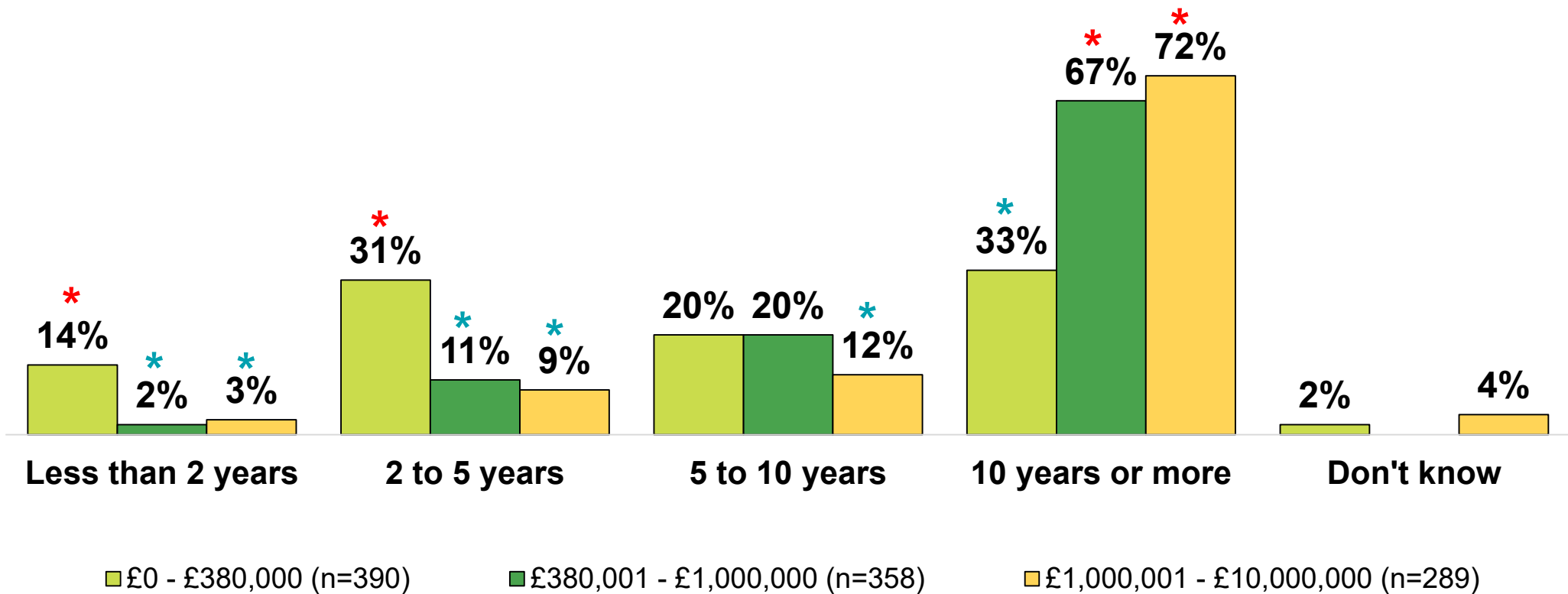


■ Less than 2 years ■ 2 to 5 years ■ 5 to 10 years ■ 10 years or more ■ Don't know

B1. How long has your business been accepting card payments? Not read out. Single code. All merchants (1037)

# Profile of surveyed merchants

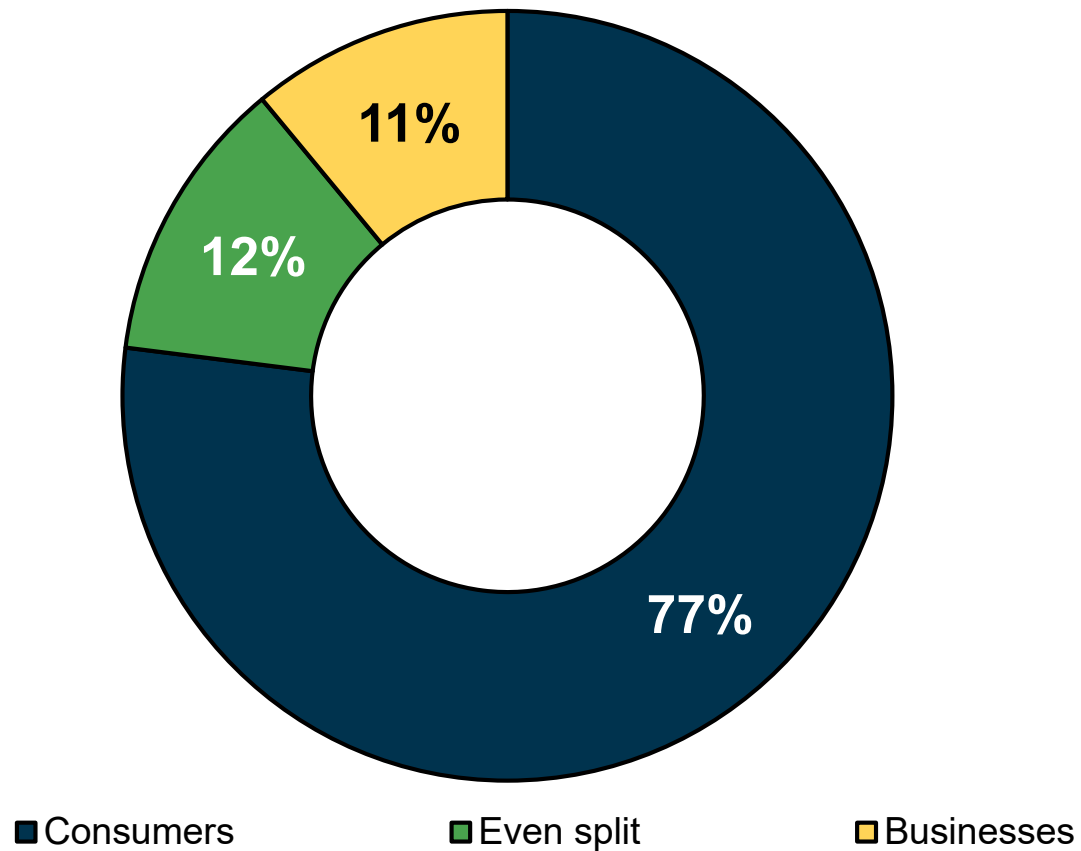
## Length of time merchants have accepted card payments by card turnover



B1. How long has your business been accepting card payments? Not read out. Single code. All merchants (1037)

# Profile of surveyed merchants

## Main customer base of merchants



B2. Does your business sell mainly to businesses or to end consumers? Not read out. Single code. All merchants (1037)

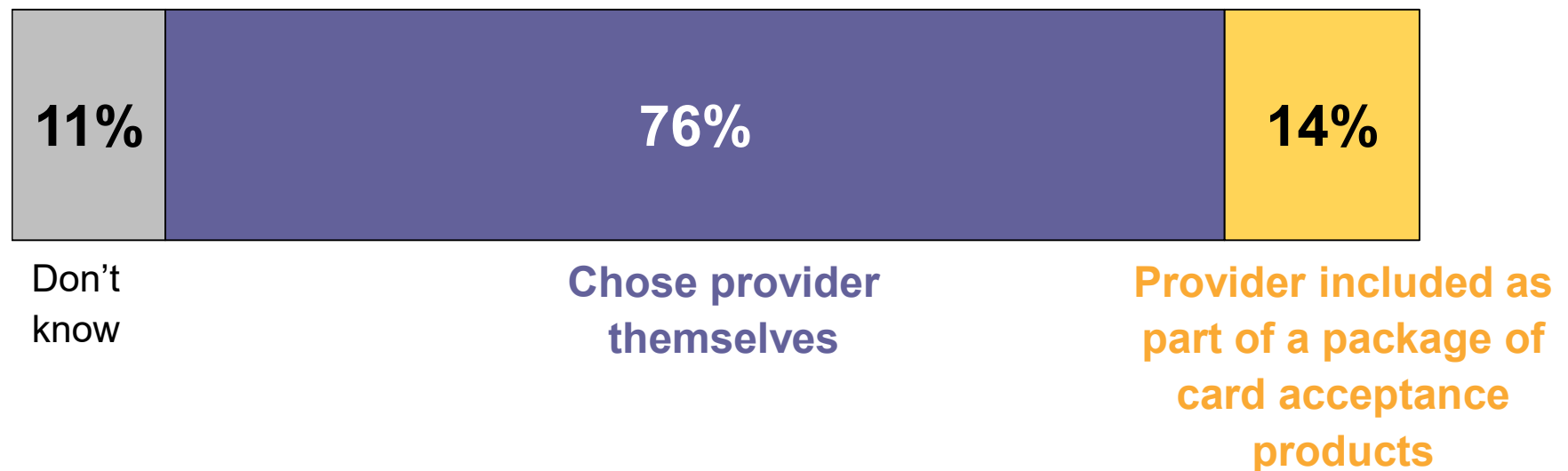
# Appendices: Merchants and their relationships with providers



IFF Research

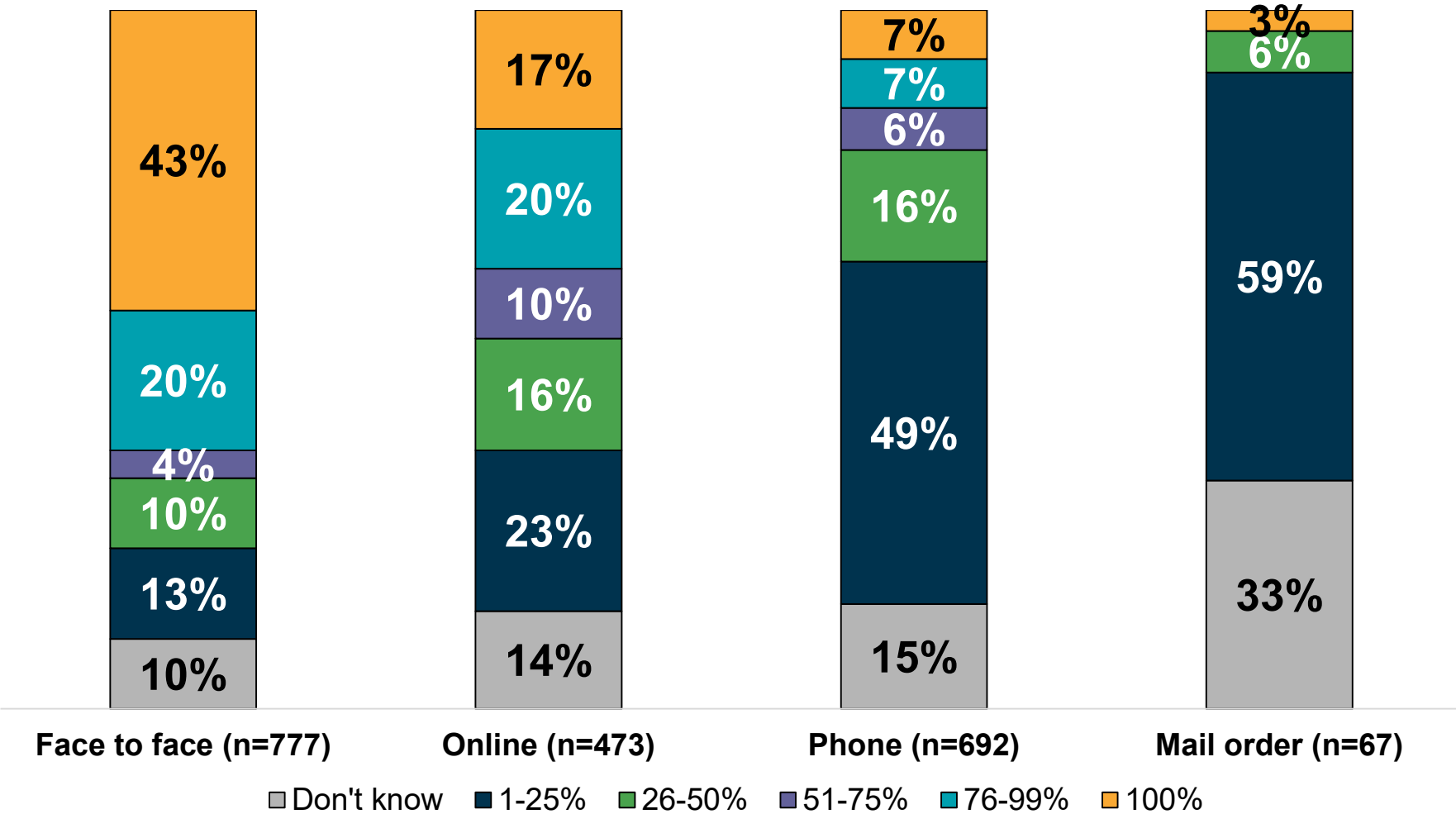
# How merchants access card-acquiring services

The questionnaire was framed according to responses to this question to create realistic choice scenarios for merchants based on how they chose their provider of CAS.



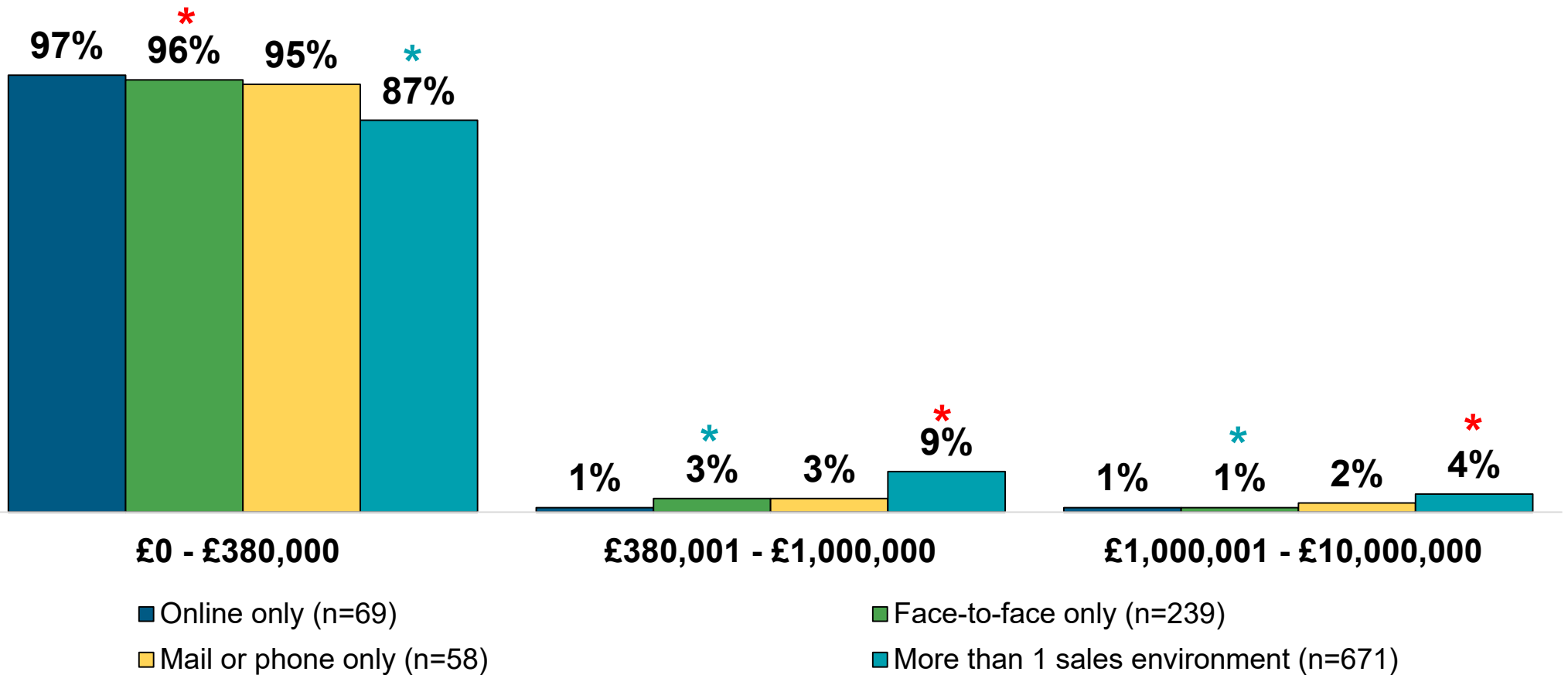
A11. You mentioned that you use [MAIN PROVIDER] for card-acquiring services [IF A9=1-5: and that you buy at least one other product to accept card payments from another provider]. Can I just check, when you started using [MAIN PROVIDER] did you choose them as a provider of card-acquiring services yourself or did you choose a package of products to accept card payments and the package already included [MAIN PROVIDER] as a provider of card-acquiring services? Read out. Single code. All merchants (1037)

# Proportion of 2018 turnover taken through each operating environment



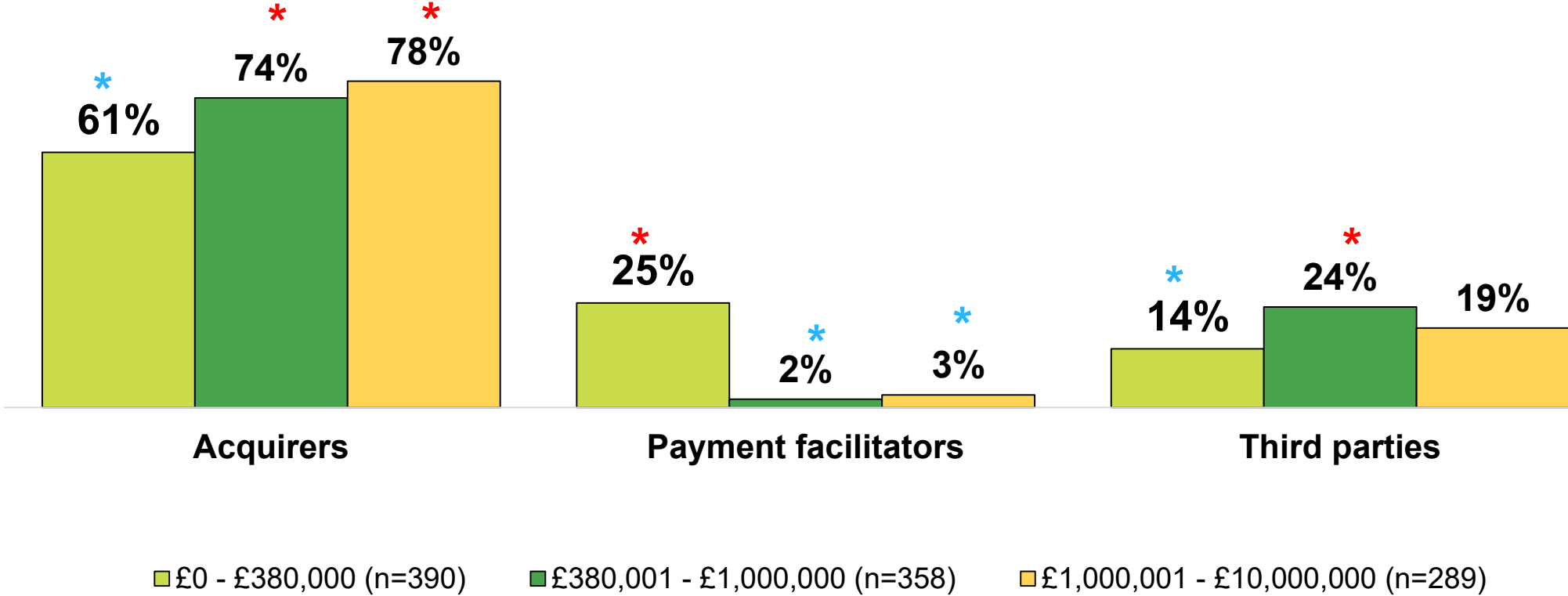
B4. In the last financial year what proportion of total card payments did you take...? Not read out. Numeric. Merchants that accepted card sales in each environment.

# Card turnover by operating environment



B3. Do you accept card payments...?. Read out. Multicode. All merchants (1037)

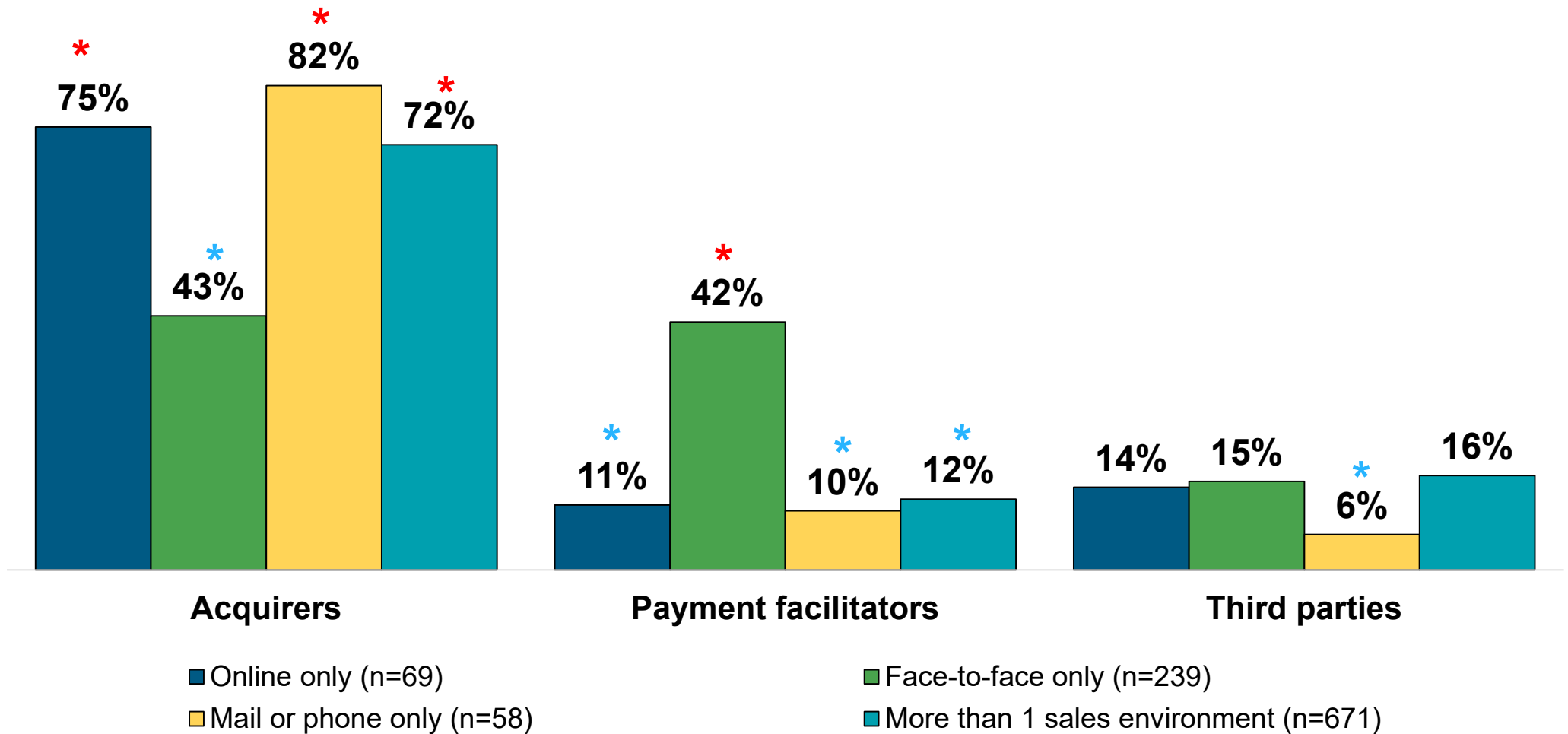
# Type of provider by card turnover



A6/A6D/A7. Main provider of your card-acquiring services. Single code. Derived. All merchants (1037)

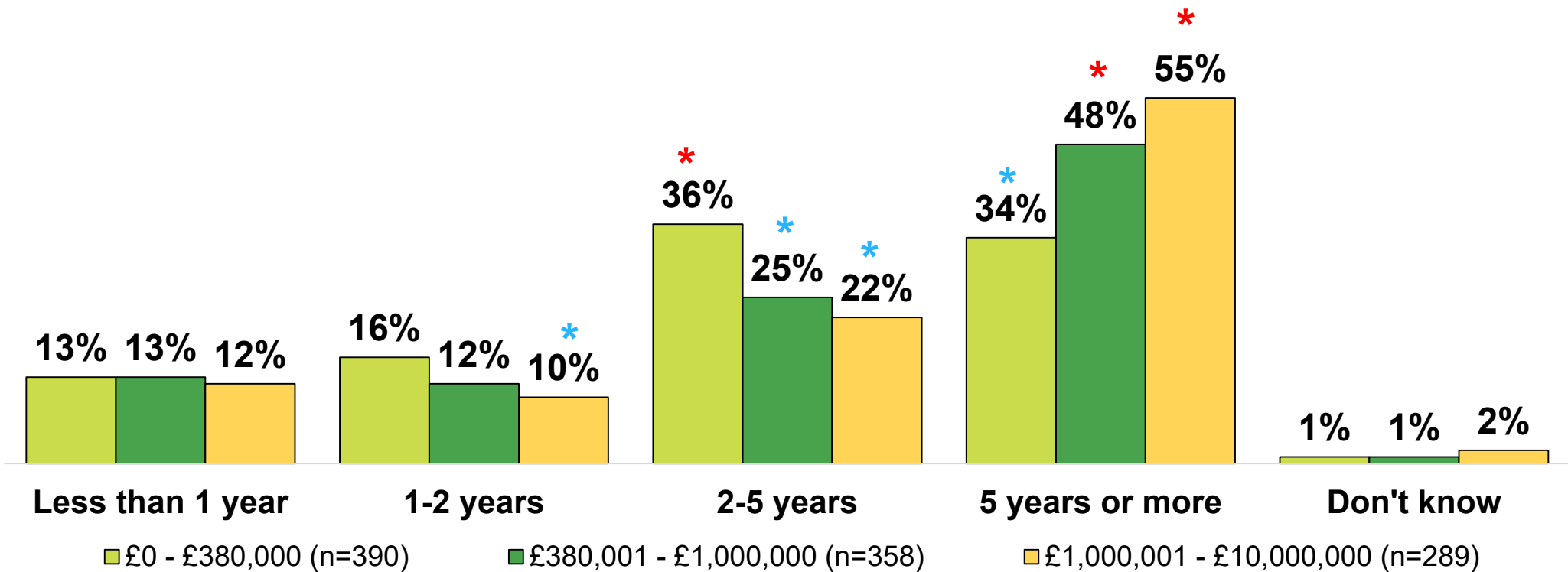


# Type of provider by operating environment



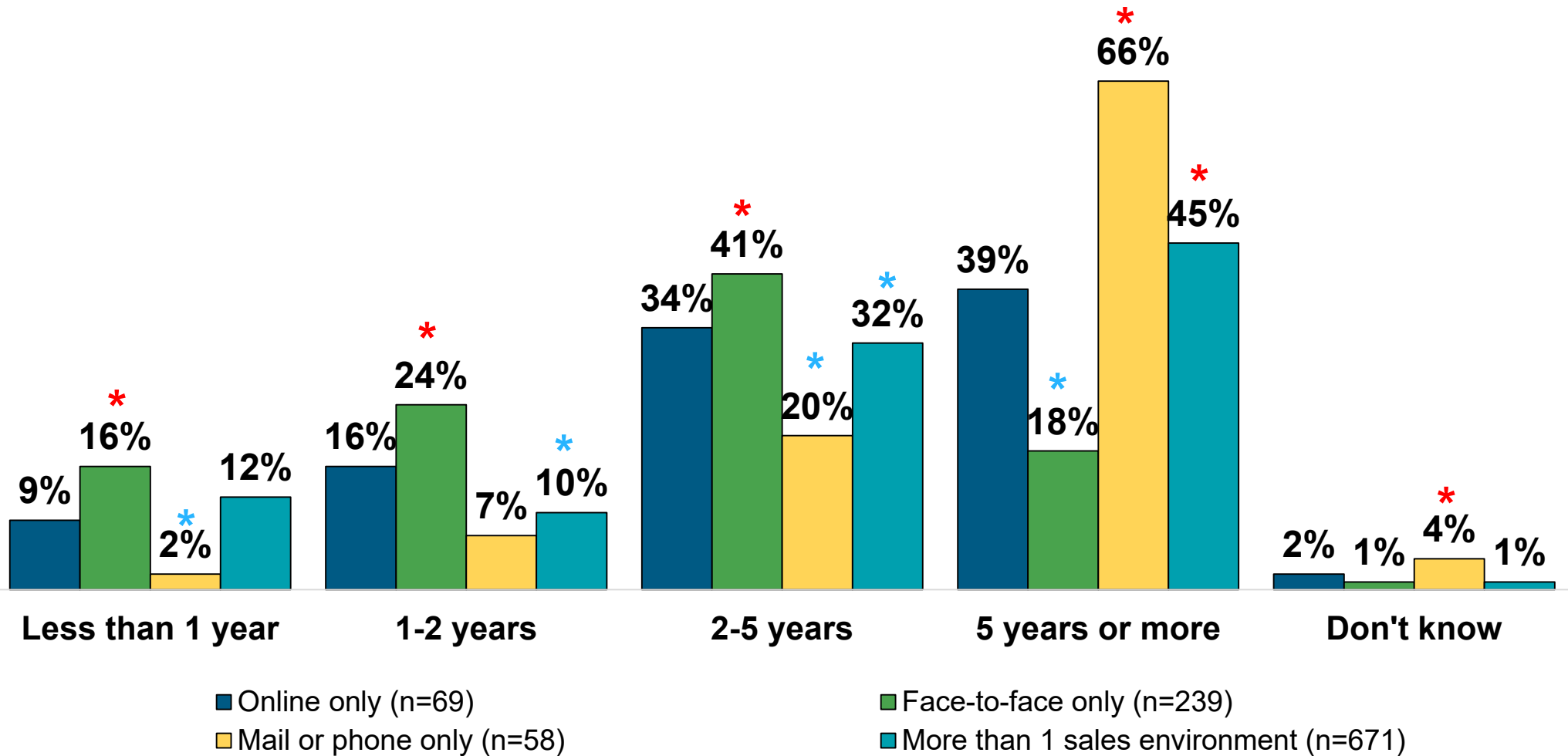
A6/A6D/A7. Main provider of your card-acquiring services. Single code. Derived. All merchants (1037)

# Length of relationship by card turnover



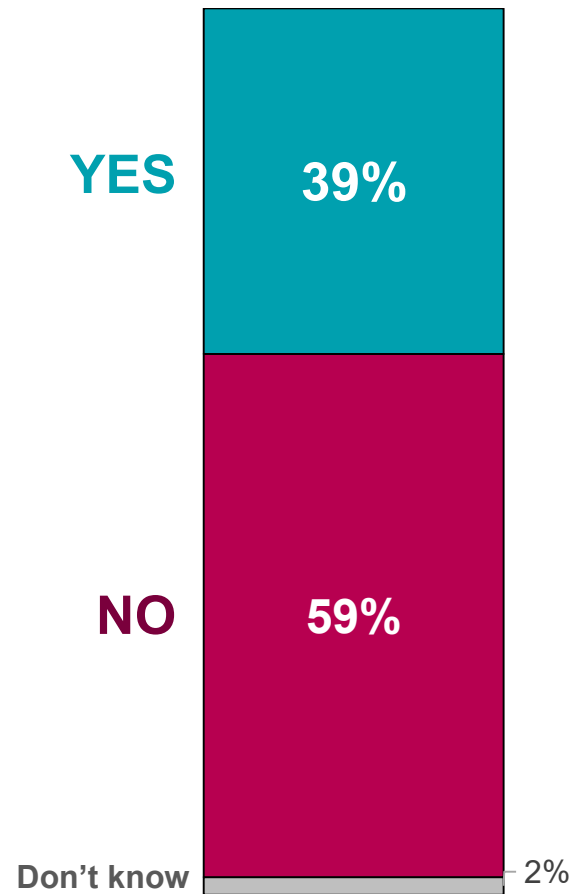
C5. How long have you been with [CAS provider]? Read out. Single code. All merchants (1037)

# Length of relationship by operating environment



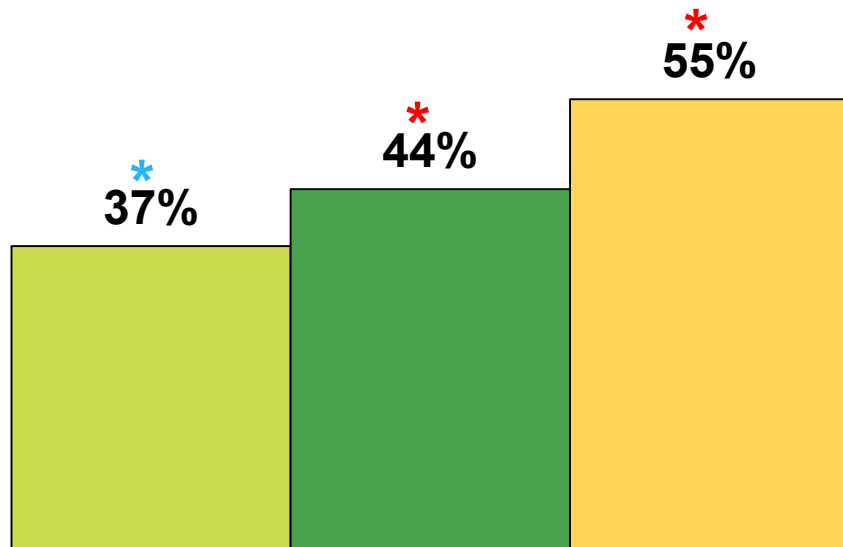
C5. How long have you been with [CAS provider]? Read out. Single code. All merchants (1037)

# Whether merchants have ever used different providers



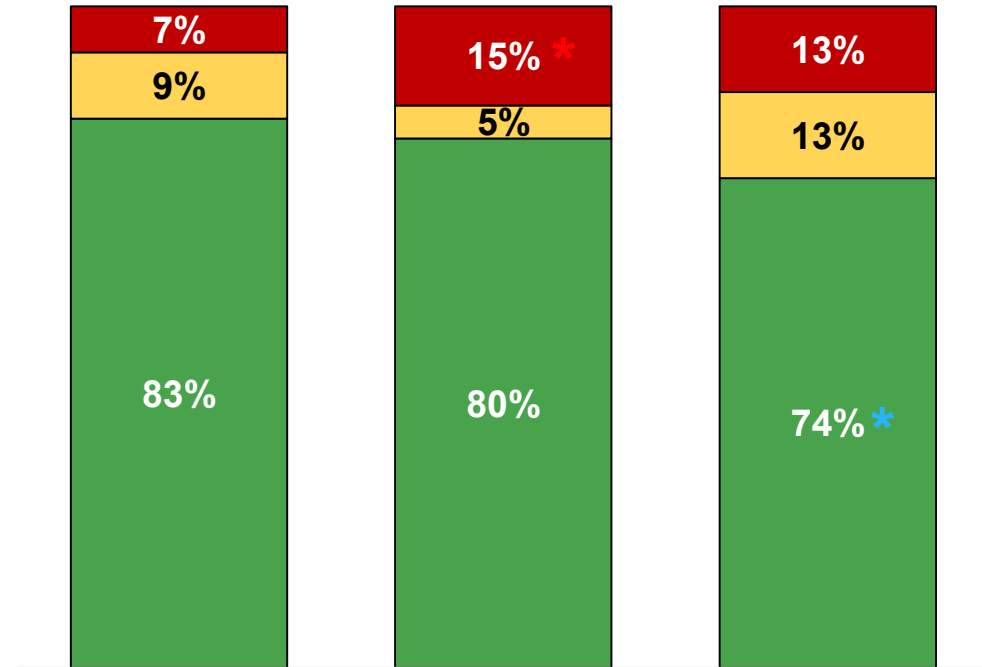
C6. Since your business started accepting card payments, have you had a different provider for card-acquiring services? Not read out. Single code. All merchants (1037)

# Contact with provider by card turnover



Contacted provider

- £0 - £380,000 (n=390)
- £380,001 - £1,000,000 (n=358)
- £1,000,001 - £10,000,000 (n=289)



£0 - £380,000 (n=138)

£380,001 - £1,000,000 (n=155)

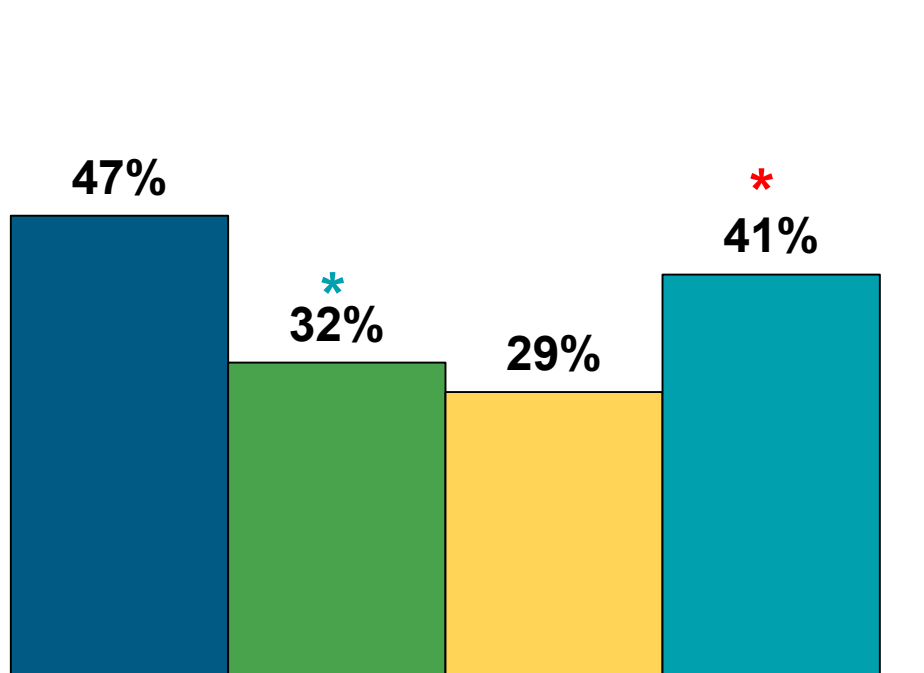
£1,000,001 - £10,000,000 (n=161)

- Satisfied
- Neutral
- Dissatisfied

C10. Within the last year, have you had to directly contact [CAS provider] for any reason, excluding renegotiation of contractual terms? Not read out. Single code. All merchants (1037)

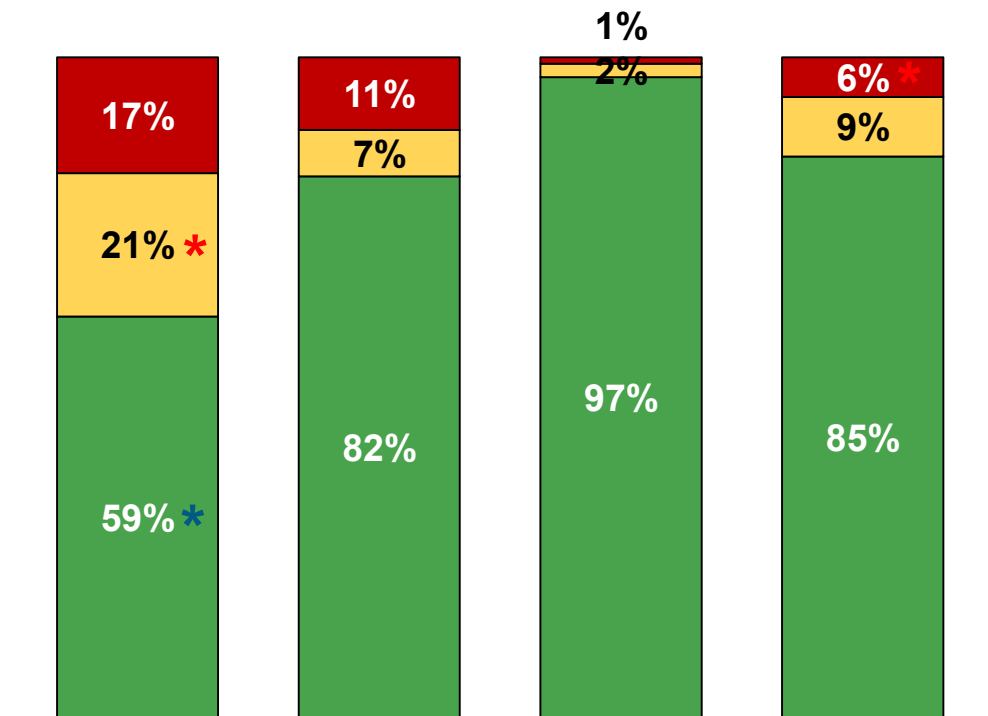
C12. To what extent were you satisfied with the customer service you received when you made contact? Read out. Single code. Merchants who contacted their provider (454)

# Contact with provider by operating environment



Contacted provider

- Online only (n=69)
- Face-to-face only (n=239)
- Mail or phone only (n=58)
- More than 1 sales environment (n=671)



Online only (n=36) Face-to-face only (n=96) Mail or phone only (n=23) More than 1 sales environment (n=299)

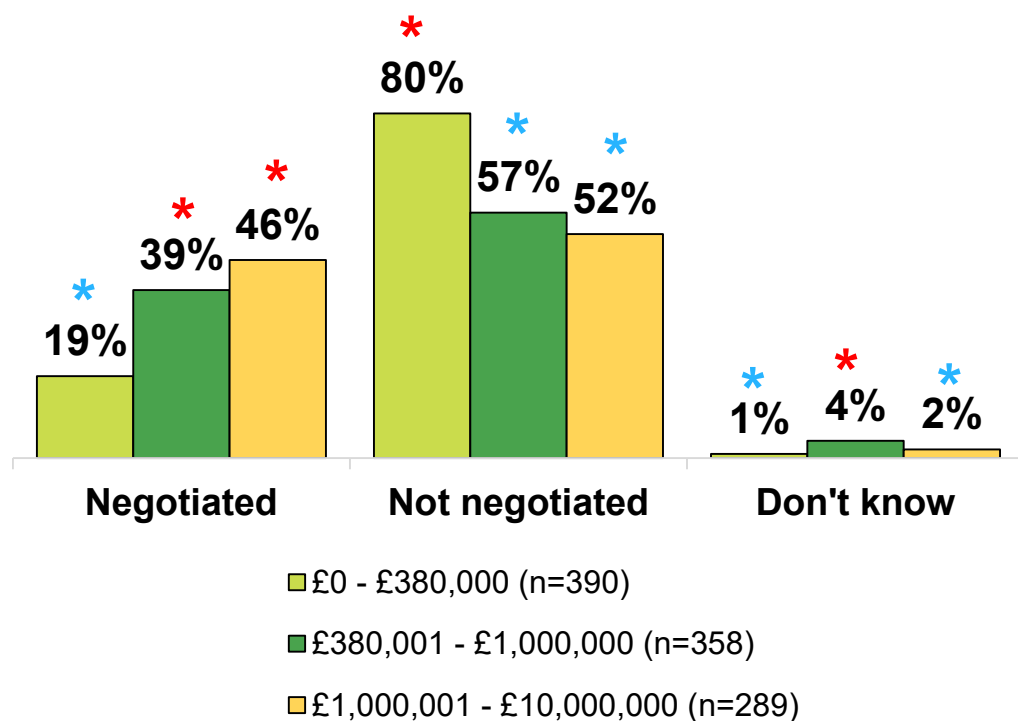
- Satisfied
- Neutral
- Dissatisfied

C10. Within the last year, have you had to directly contact [CAS provider] for any reason, excluding renegotiation of contractual terms? Not read out. Single code. All merchants (1037)

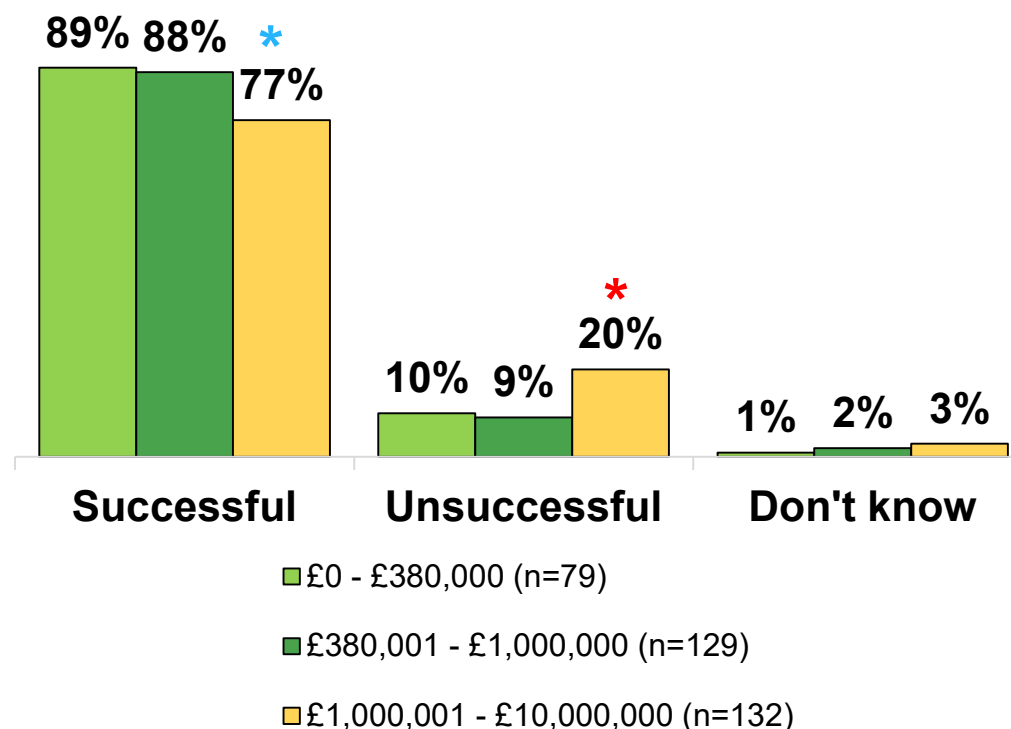
C12. To what extent were you satisfied with the customer service you received when you made contact? Read out. Single code. Merchants who contacted their provider (454)

# Negotiations by card turnover

Whether attempted to negotiate better terms



Whether negotiation was successful

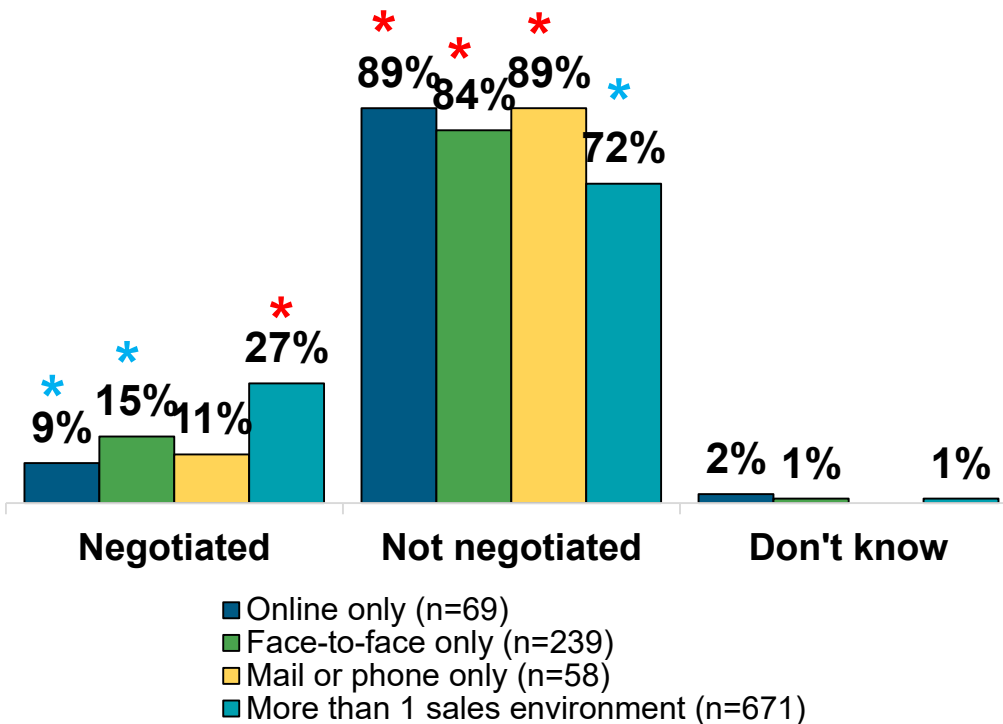


C13. Since being with [CAS provider] have you attempted to negotiate better terms for the card acquiring services you buy? Read out. Single code. All merchants (1037)

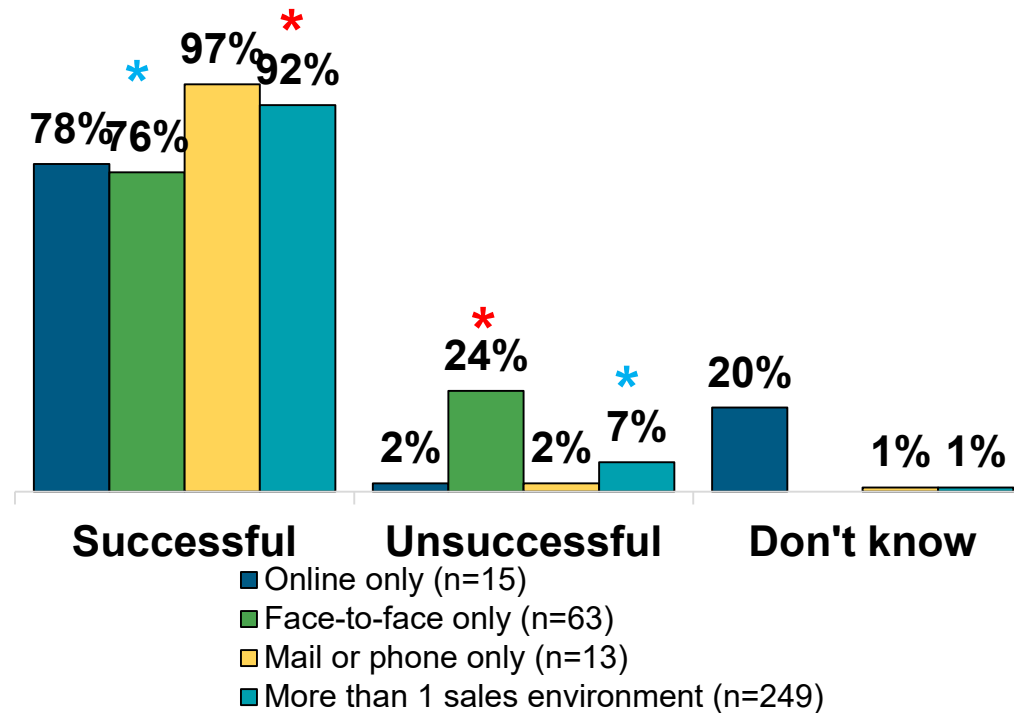
C14. Did you successfully negotiate better terms? Not read out. Single code. Merchants that attempted to negotiate better terms (340)

# Negotiations by operating environment

Whether attempted to negotiate better terms



Whether negotiation was successful



C13. Since being with [CAS provider] have you attempted to negotiate better terms for the card acquiring services you buy? Read out. Single code. All merchants (1037)

C14. Did you successfully negotiate better terms? Not read out. Single code. Merchants that attempted to negotiate better terms (340)



# Appendices: Other products used by merchants to accept card payments

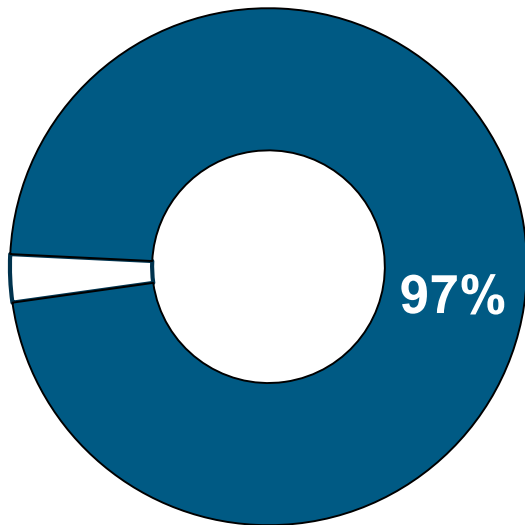


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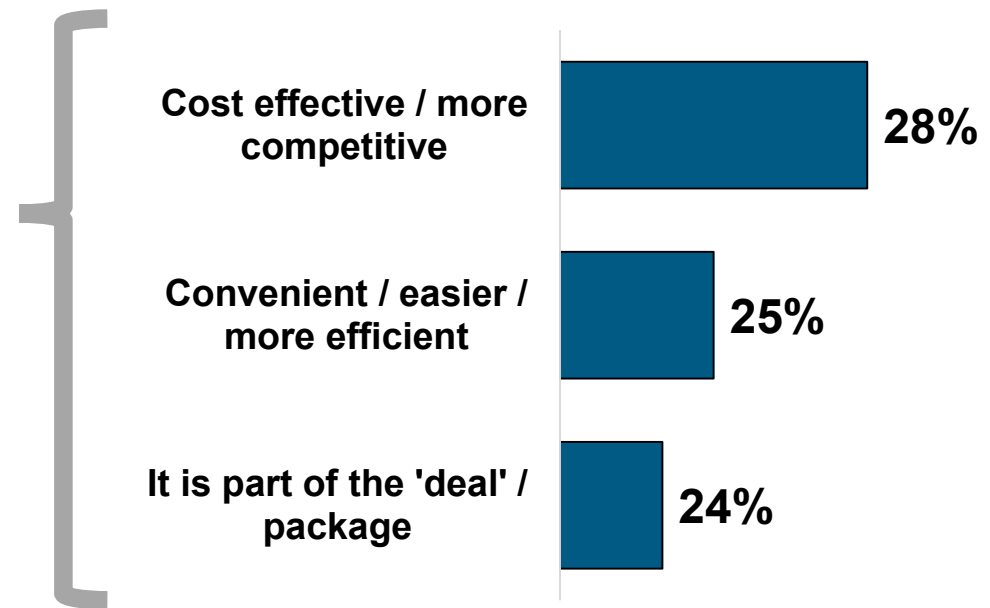
# Use of main provider for other card acceptance products

The majority of merchants use their provider of card-acquiring services for other products used to accept card payments. This was typically because it was felt to be more cost effective or convenient, or because it came as a package.

Used main provider for CAS and other card acceptance products



Most common reasons why

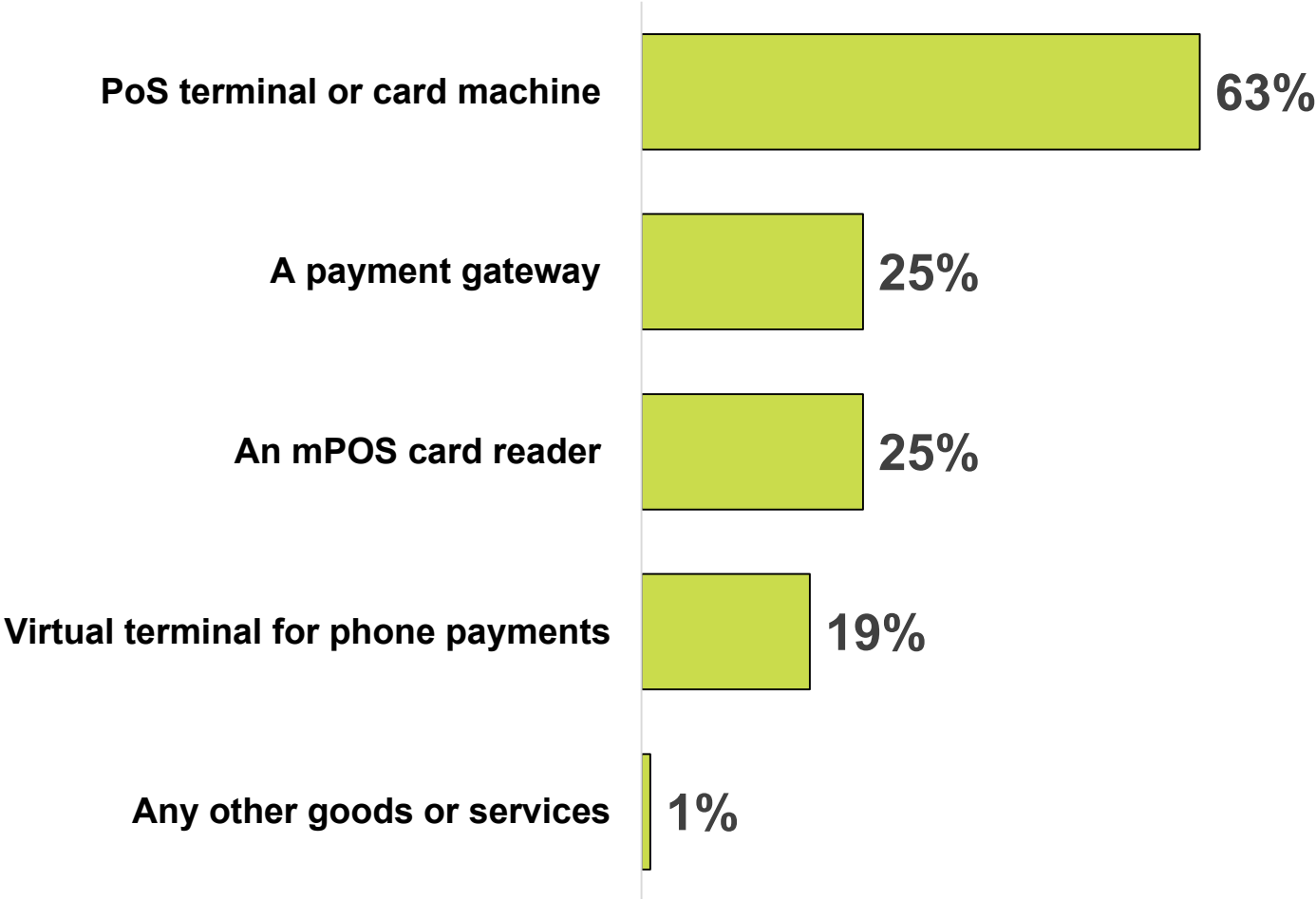


A8. Do you buy or rent any of the following goods or services from [CAS provider]? Read Out. Multicode. All merchants (1037)

C4. Why do you source multiple products from [CAS provider]? Not read out. Multicode. Merchants that buy products from the same provider (980)

A main provider is the only provider used by a merchant or, where more than one provider is uses, the provider that processed the largest volume of card payments in the last financial year.

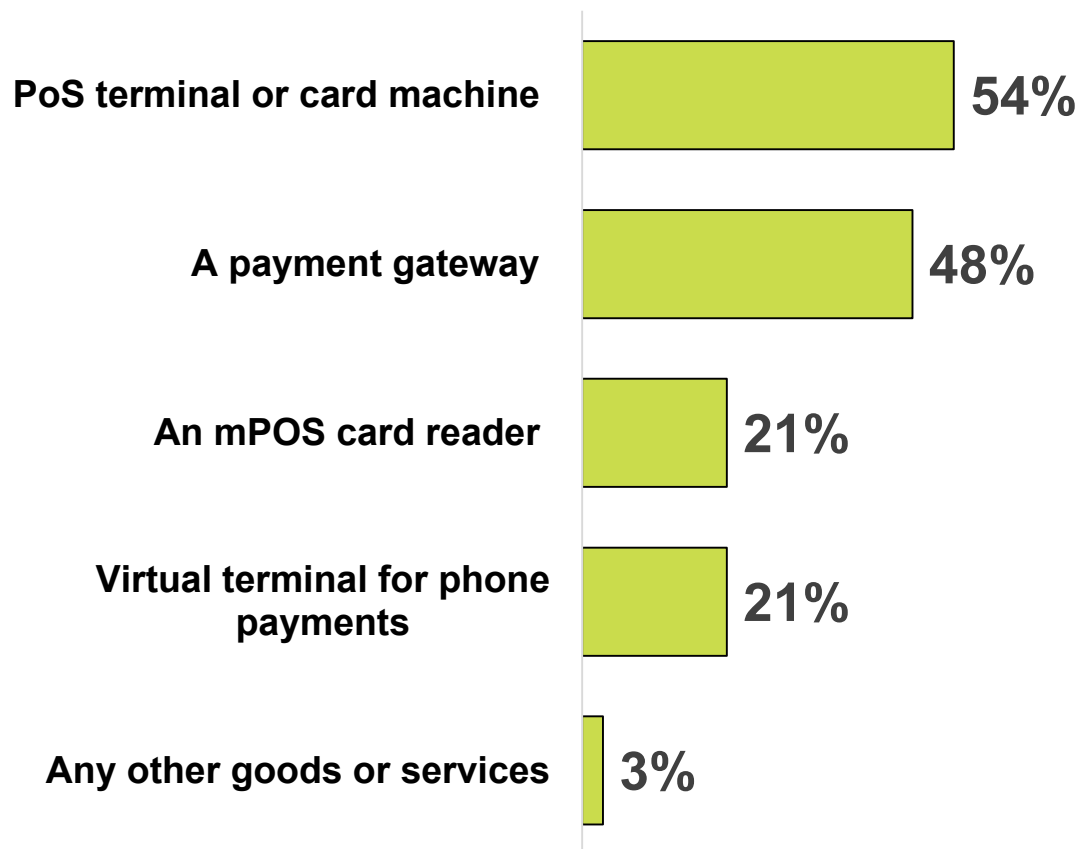
# Card acceptance products sourced from main provider



A8. Do you buy or rent any of the following goods or services from [CAS provider]? Read Out. Multicode. All merchants (1037)

# Additional card acceptance products and providers identified by merchants

## Card acceptance products not sourced from main provider



## Top 15 providers of additional card acceptance products

AIB merchant services
Barclaycard
First data
Global payments
I-Zettle
Lloyds Cardnet
PaymentSense
PayPal Here / PayPal Pro
Payzone
Retail Merchant Services
Sage Pay
Stripe
SumUp
Verifone
Worldpay

A9. Which goods or services do you buy from [different provider]?. Read Out. Multicode. Merchants that purchase additional products from a different provider (207)

A10. And what are the names of the providers who supply these goods or services? Not read out. Single code. Merchants that buy additional products from another provider (207)

# Appendices: Shopping around



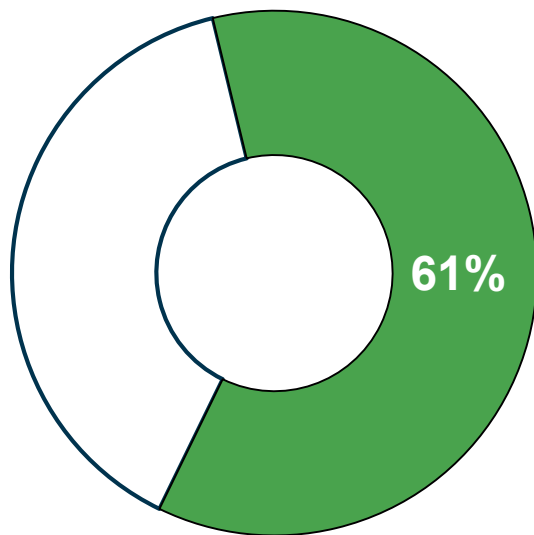
IFF Research

# Not considered switching: shopping around

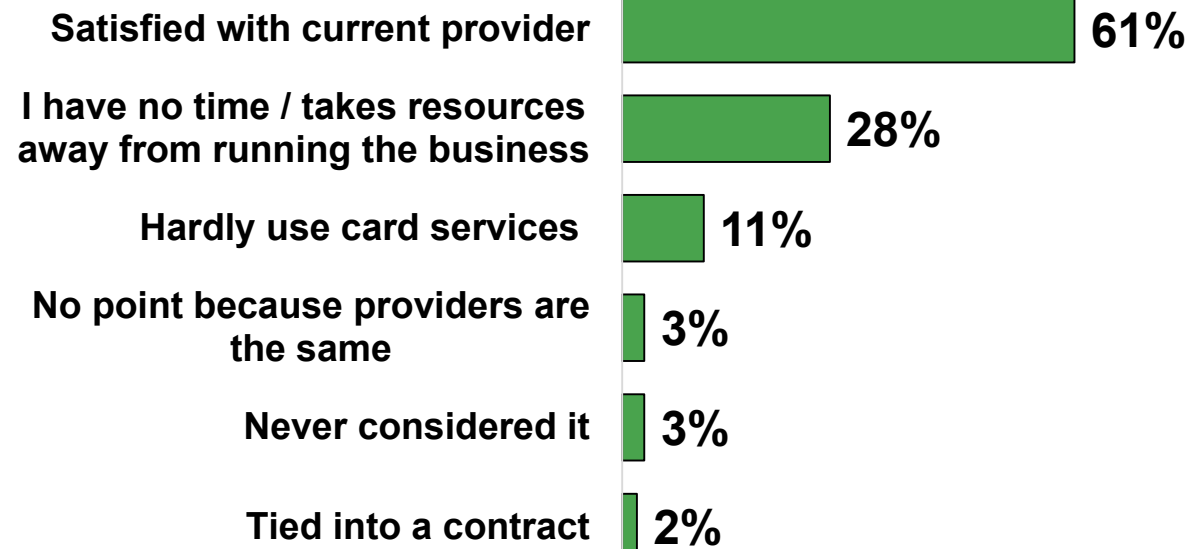


Three-fifths of merchants that had not considered switching over the last 2 years said that they had never shopped around for other providers. This was usually because they were satisfied with their current provider.

Never shopped around for providers



Reasons why

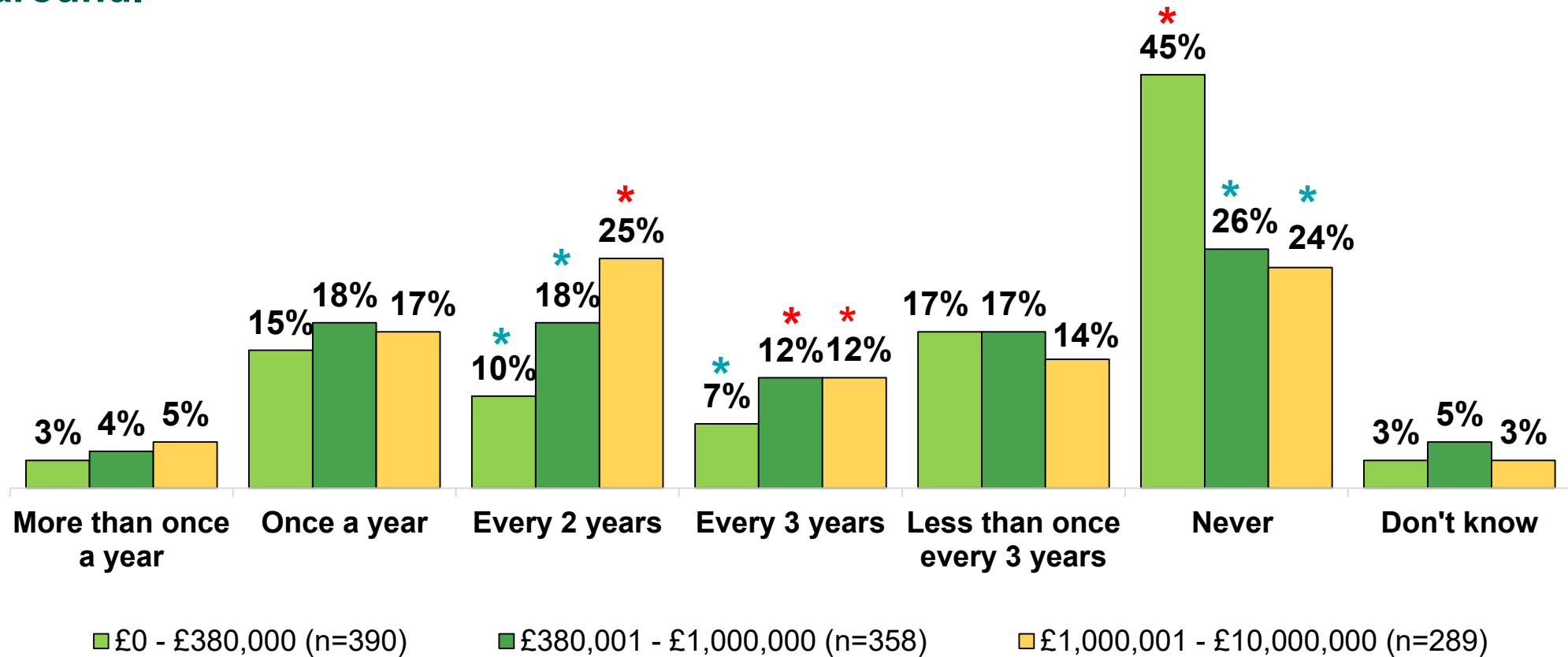


D1. How frequently does your business shop around for different providers? Not read out. Single code. Merchants that have not switched and not considered switching (448)

D2. Why do you not shop around for providers? Read Out. Multicode. Merchants that have not switched and not considered switched and not shopped around (233)

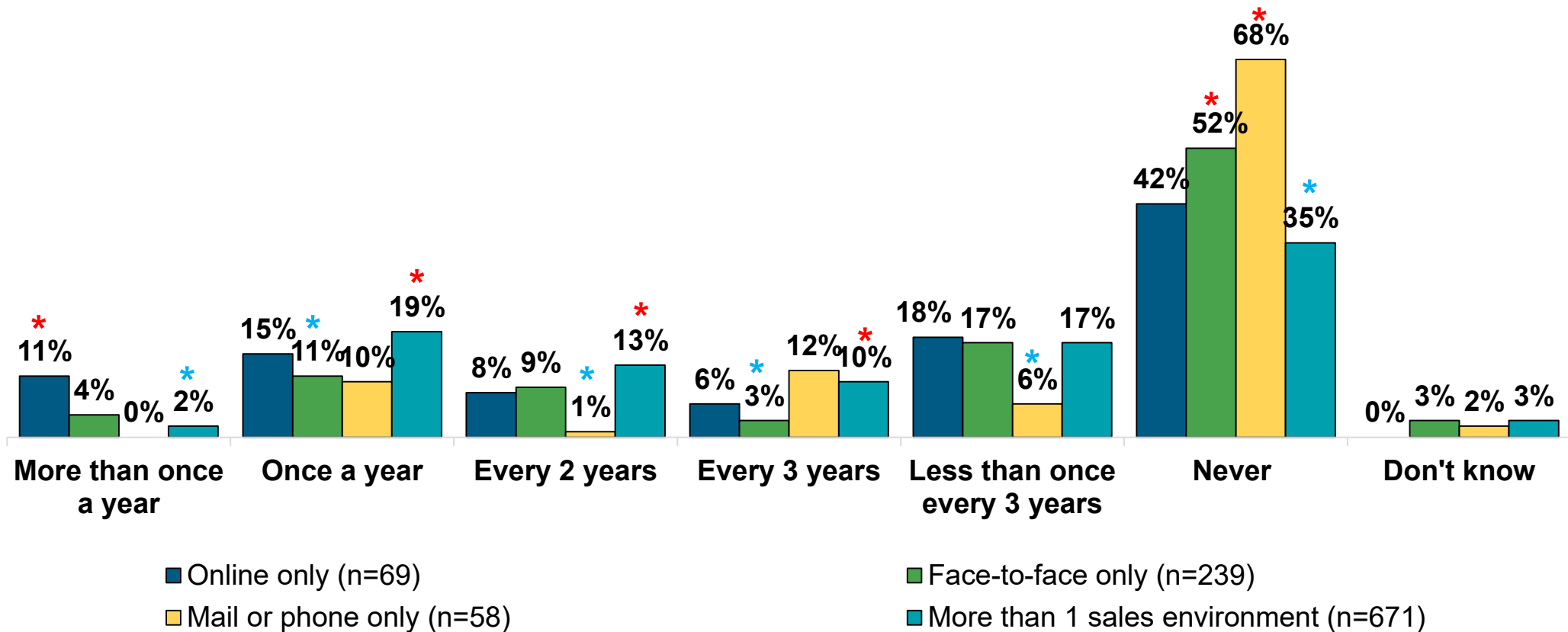
# Frequency of shopping around by turnover group

Merchants in the lowest turnover group were most likely to have never shopped around.



D1. How frequently does your business shop around for different providers? Not read out. Single code. All merchants (1,037)

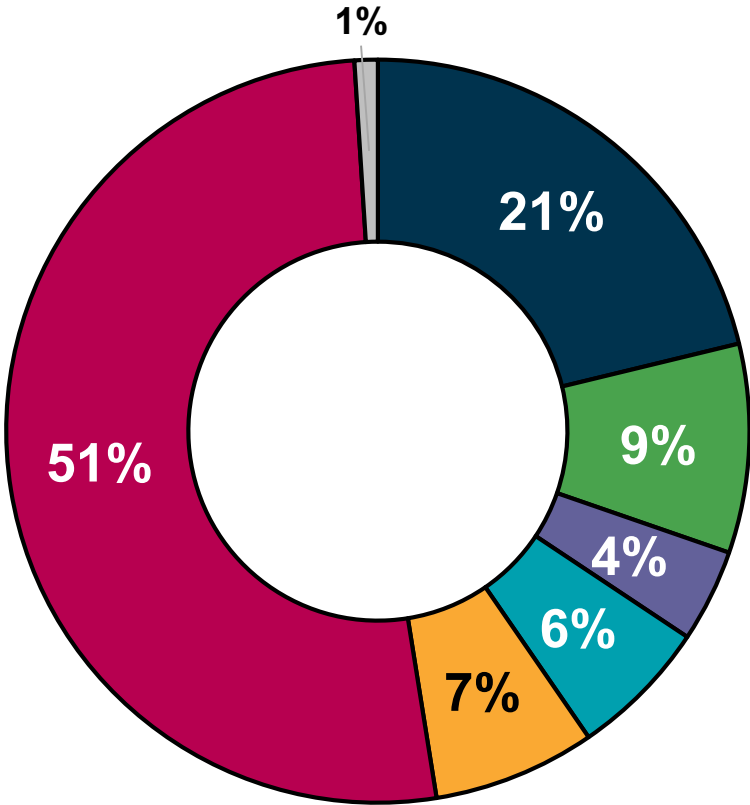
# Frequency of shopping around by operating environment



D1. How frequently does your business shop around for different providers? Not read out. Single code. All merchants (1037)



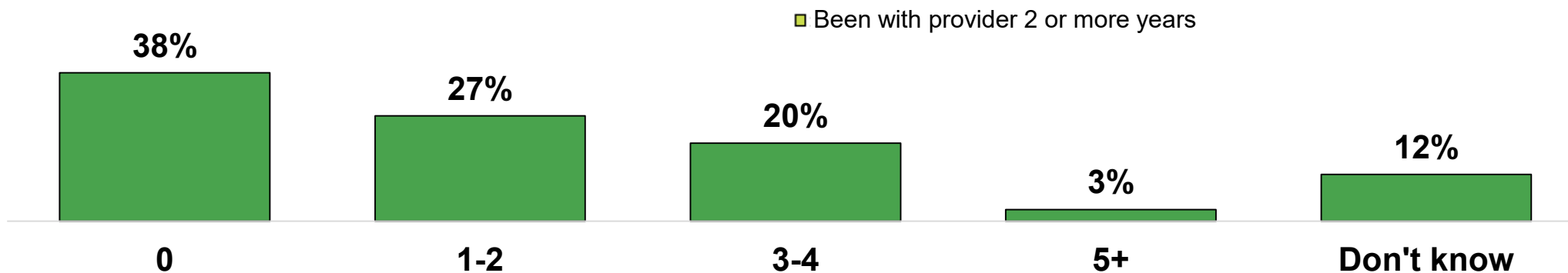
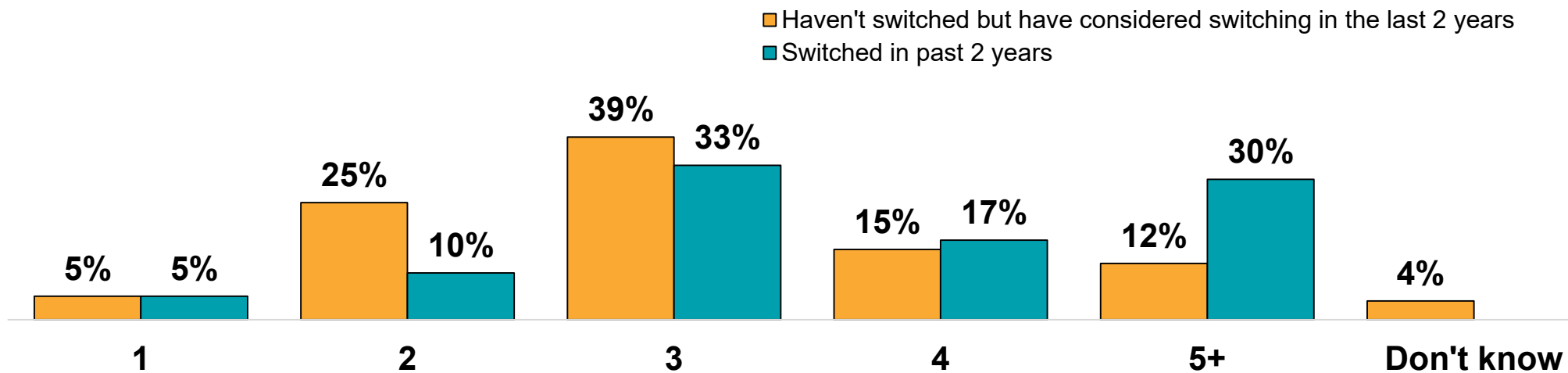
# The last time merchants that have used the same provider for more than 2 years, considered switching



- Within the last 6 months
- 6 to 12 months ago
- 12 to 18 months ago
- 18 months to 2 years ago
- Over 2 years ago
- Never considered switching

D3. When was the last time you considered switching away from [CAS provider]? Not read out. Single code. Merchants that have been with a provider for more than 2 years (789)

# Number of providers compared by switching behaviour



F5. When you shopped around for providers, how many did you research and compare? Not read out. Single code. Merchants that haven't switched by considered and shopped around (250)

G5. When you shopped around for providers, how many did you research and compare? Not read out. Multicode. Merchants that have switched (160)

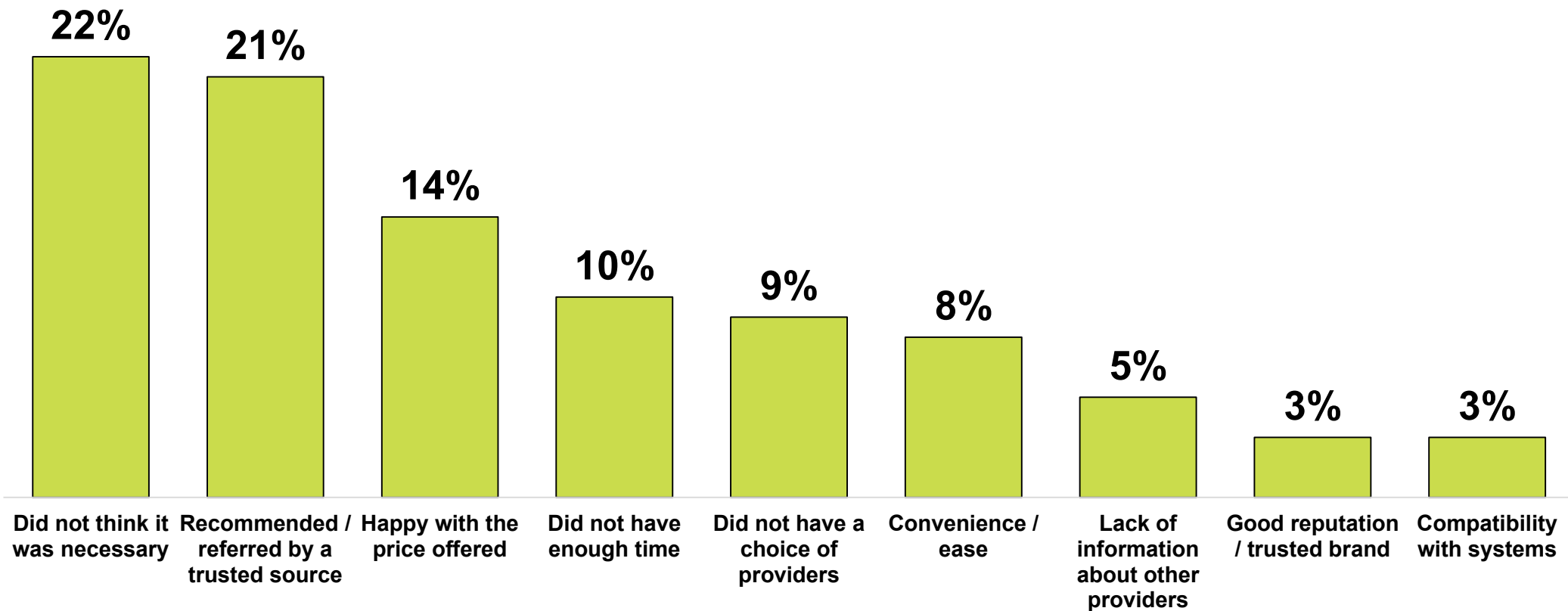
C7. When you first established a relationship with [CAS provider], how many other providers did your business compare? Read out. Single code. Merchants that have been with provider 2 or more years (789)

# Top 12 providers that merchants researched and compared before switching or considering switching

Barclaycard
Elavon
I-Zettle
Lloyds Cardnet
PaymentSense
PayPal
Payzone
Sage Pay
Square
Stripe
SumUp
Worldpay

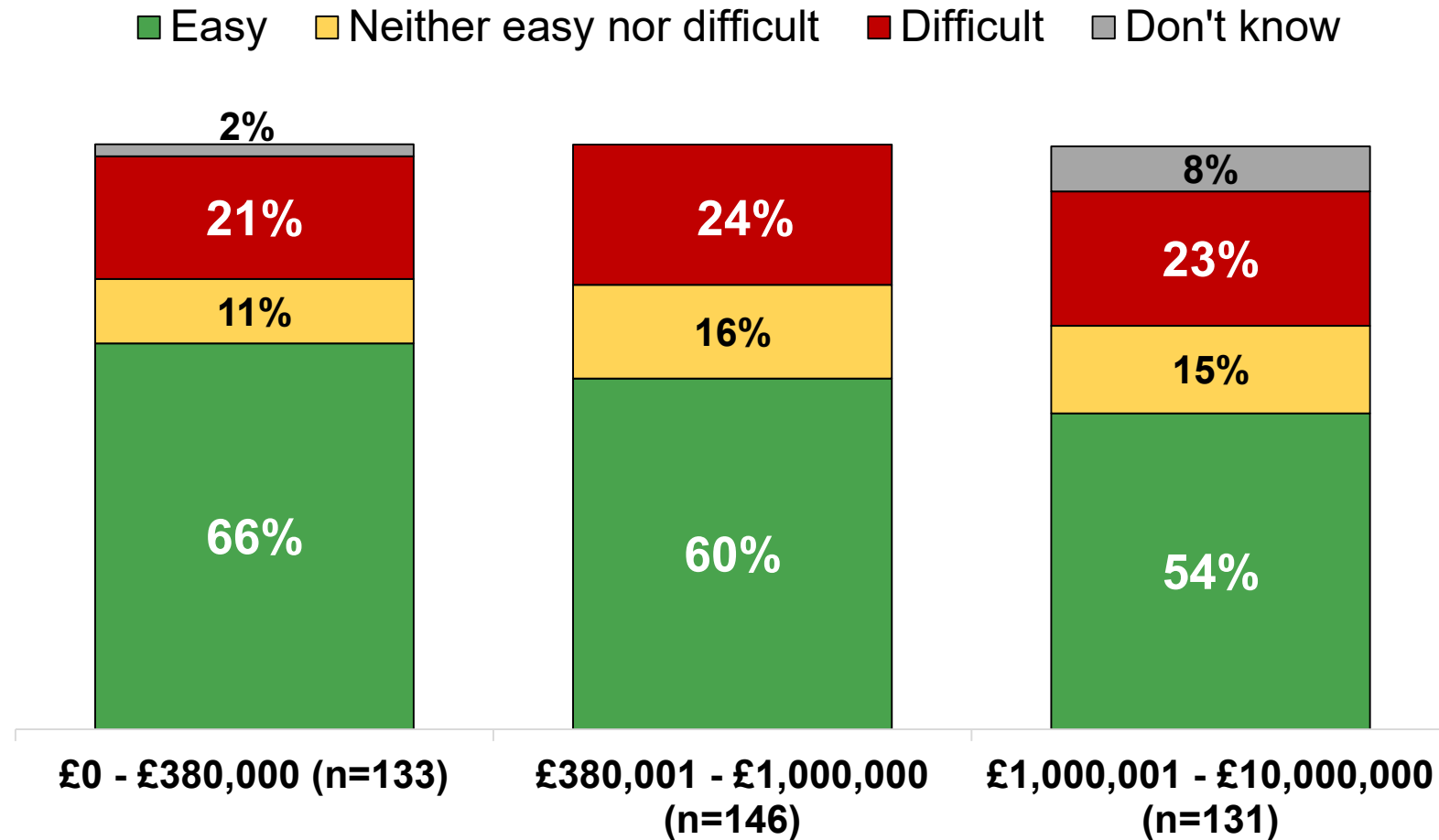
F6/G6 Which providers did you research and compare? Not read out. Multicode. Merchants that had not switched providers in the last two years but have considered switching and shopped around for providers (250) and merchants that have switched in past two years and shopped around for providers (160)

# The reasons why some, that have been with the same provider for more than 2 years, did not consider other providers before choosing their current one



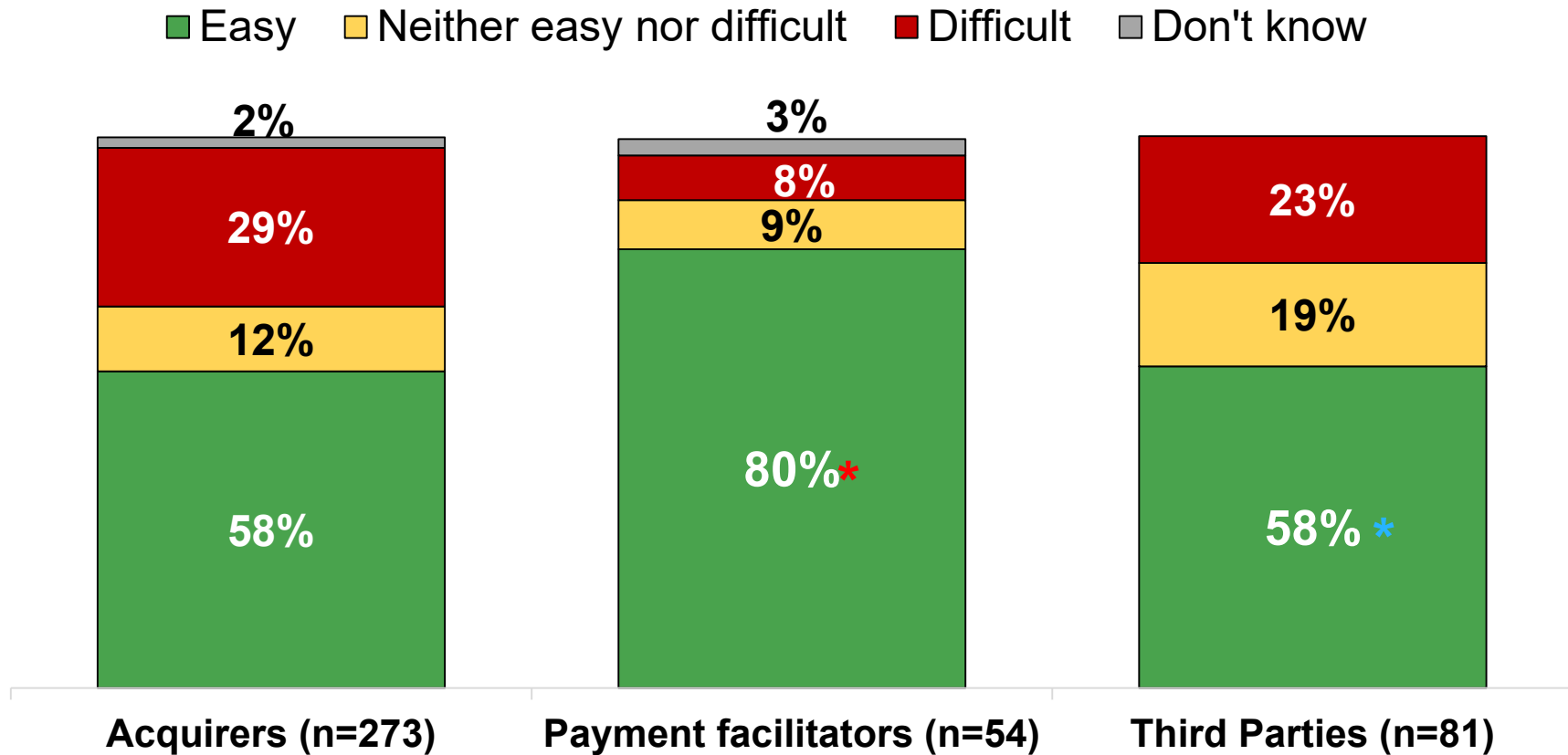
C9. Why did you not consider any other providers? Not read out. Multicode. Merchants that did not consider other providers (247)

# Ease of shopping around by card turnover



F4/G4. How easy or difficult did you find the process of shopping around? Read out. Single code. Derived. Merchants that shopped around (410)

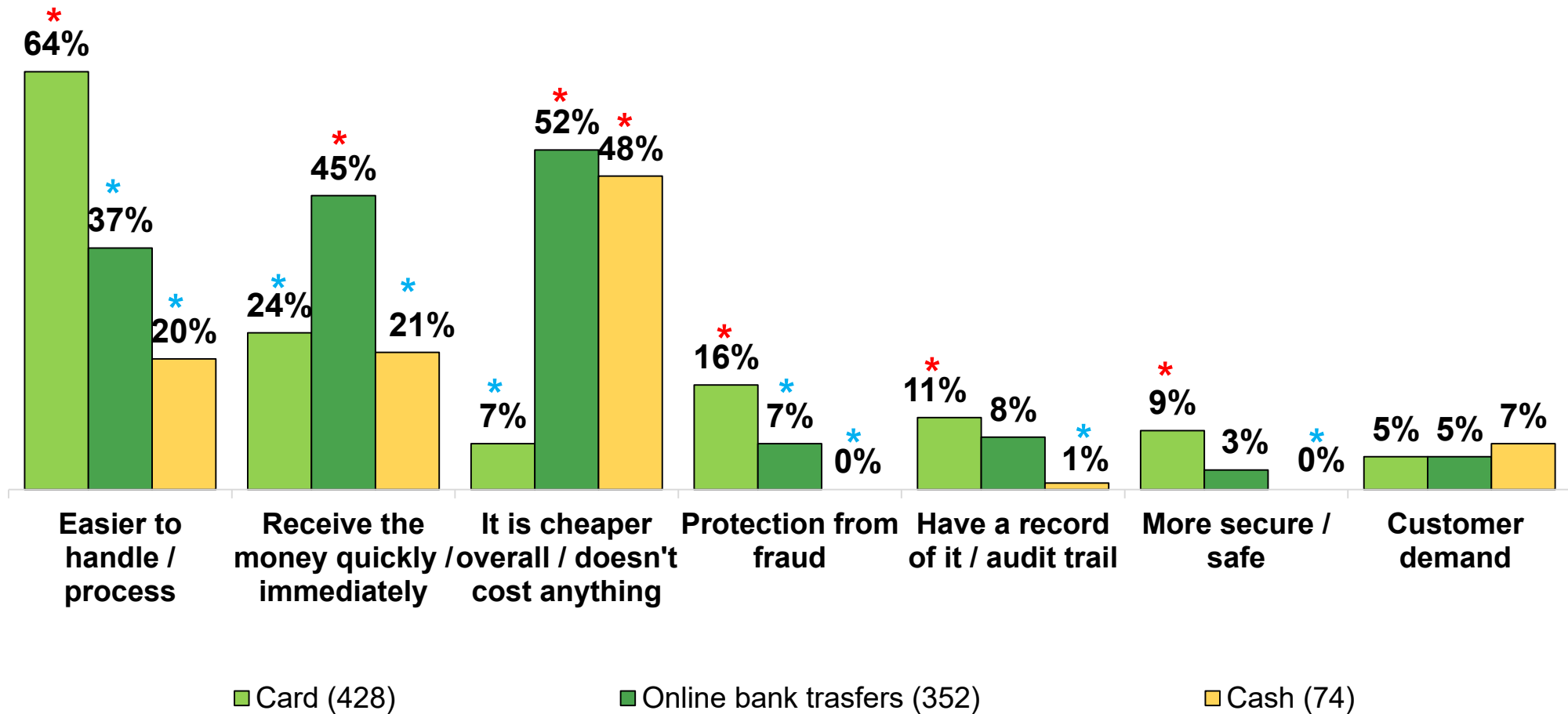
# Ease of shopping around by provider type



F4/G4. How easy or difficult did you find the process of shopping around? Read out. Single code. Derived. Merchants that shopped around where the type of CAS provider was known (408)

# Appendices: payment methods

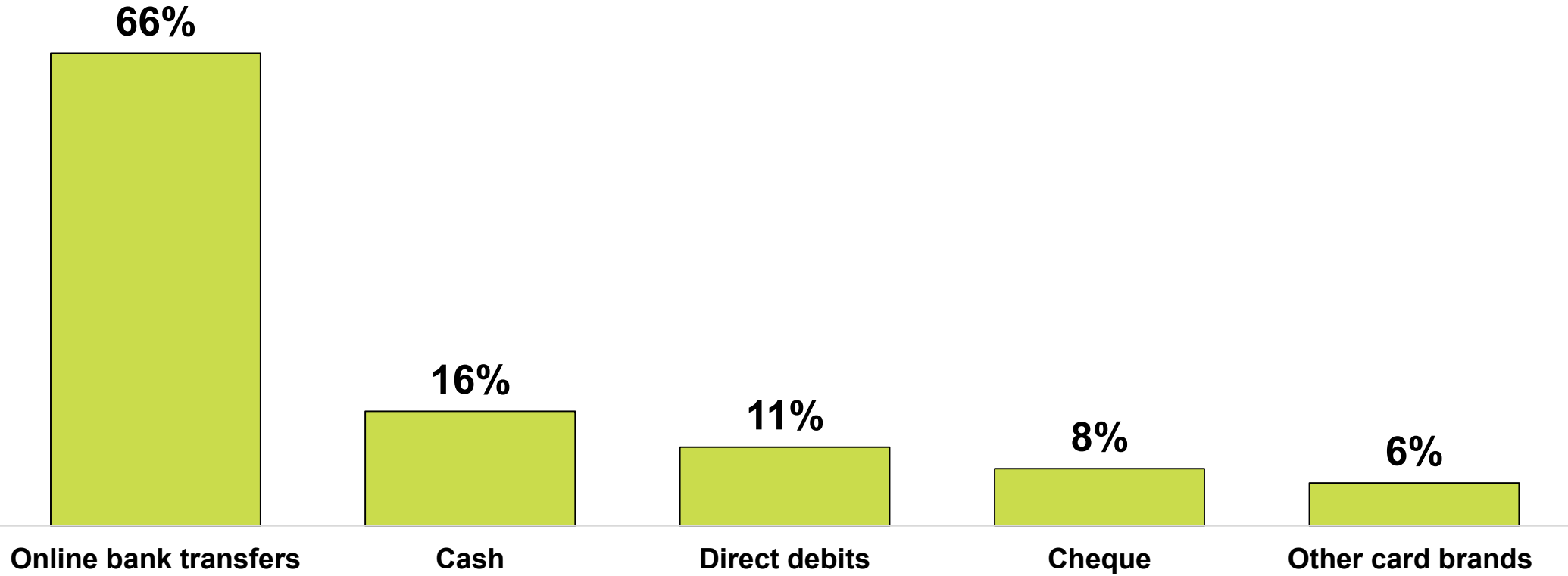
# Reasons for a preferred payment method



14. Reason for preferred payment method Read out. Multicode. Merchants that said cards, online bank transfers or cash were their preferred payment method (854)

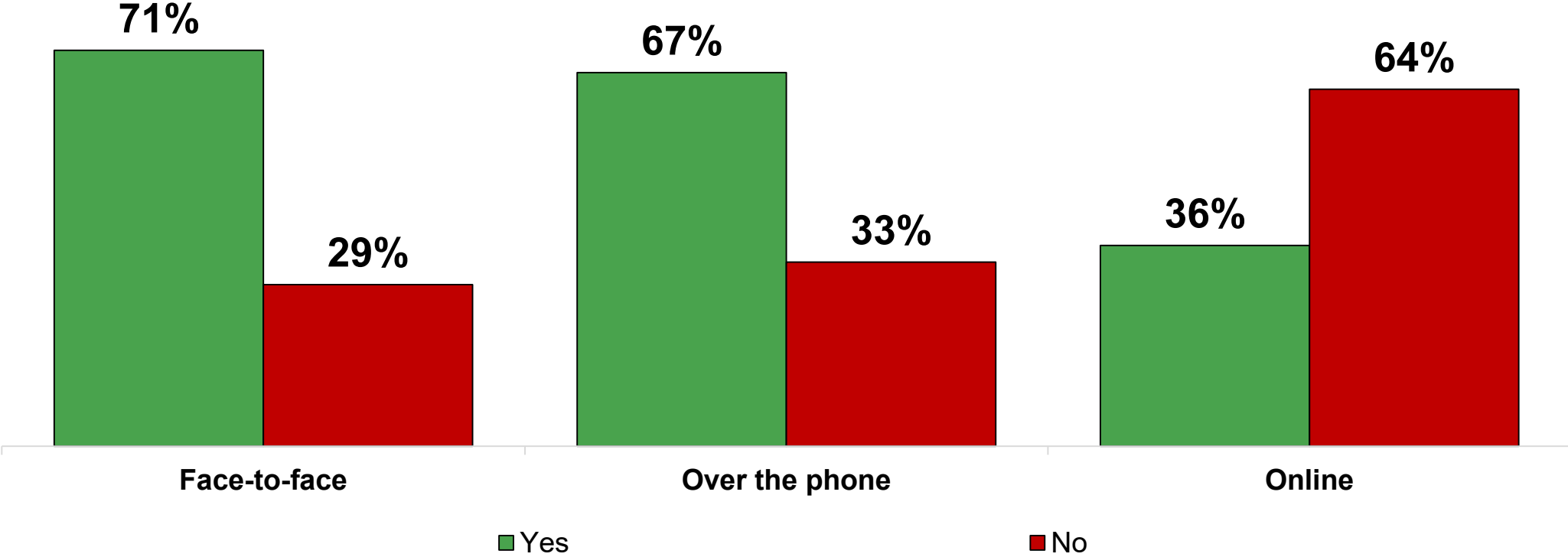


# Payment methods merchants attempted to influence customers to use instead of Mastercard and Visa cards



18. What payment methods or cards did you try to influence customers to use instead of Mastercard or Visa cards? Not read out. Multicode. Merchants that have attempted to influence (90)

# Settings in which merchants made attempts to influence the payment methods used by customers



19 Did you try to do this...? Merchants that have attempted to influence and accept payment face-to face (66); online (40); and over the phone (72). NB: Results for merchants that have attempted to influence and accept payment by mail order have been omitted from this chart because of a low base (4).



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