

Smart devices on track to replace cash and cards as UK mobile payments projected to hit over £1.2bn a week by 2020



VISA EUROPE | NEWS RELEASE

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- UK mobile payments predicted to grow three-fold in the next five years as shoppers embrace new options and spend more on mobile
- One in four estimate spending more than £50 a week on mobile by 2020

London, 4 June 2015: The UK is becoming an increasingly “cash-last” society as one in four Brits expects to use their mobile phone to make payments on a daily basis by 2020, growing from the one in 12 who do so already today. According to new research from Visa Europe, consumer adoption of mobile payments will grow faster than ever in the next five years, with six in ten Britons (60%) expecting to use their mobile devices for payments at least once a week by 2020.

The UK mobile payments boom will see an upsurge in the weekly value spent using mobile devices, with the market growing to an estimated £1.2bn per week by 2020. The average shopper expects to spend £27 on mobile each week by 2020, £10 more than is spent today. In fact, nearly a quarter of respondents (24%) predict they will spend more than £50 a week using their mobile device by 2020.

While apps and music are still the items purchased most frequently via mobile devices today, Visa has observed a growing number of consumers already buying higher value items, with electronics (23%) and clothes (22%) among their top-five most purchased m-commerce items.

The British embrace of digital payments is a sign of shoppers’ growing comfort with new methods to pay as they become more widely available, easier to use and better understood. With the increasing publicity around m-commerce options, digital wallets and contactless payments, 43% of shoppers say they would be interested in using a mobile wallet service and nearly half (47%) are interested in using their smartphone to make everyday contactless payments in a shop.

Jeremy Nicholds, Executive Director for Mobile, Visa Europe said:

“While we’re excited to see consumers saying they expect to triple their weekly spend using mobile payments over the next five years, we at Visa think those numbers could be rather conservative and that the actual adoption rate will be much higher. This is particularly true when you look at the growth in contactless usage, which saw European usage grow by 2x and spend grow by 3x over the last 12 months. Contactless and online commerce enhancements have been key in paving the way for the next generation of mobile payment technology. The environmental conditions are already in place to meet the demands and expectations for digital payments. It’s no longer a question of ‘if’ consumers will embrace this new way to pay – it’s when – and for us the next 12 months are when mobile payments become mainstream.”

People who are already using their mobile devices to make transactions are also open to other mobile money services. The research highlights that these ‘mobile money’ users are five times more likely to be interested in paying friends through a smartphone app compared to non-users (48% vs. 9%). One in five would be open to social media payments too, compared with only one in twenty non-users.

When looking at the main concerns about mobile payments, a third of respondents admitted that they simply didn’t know enough about it. As with other new technologies, this has resulted in apprehension about issues like privacy, fraud and security.

Jeremy Nicholds continued:

“We’re witnessing a huge surge in interest from consumers in the UK for faster and more convenient payment methods as mobile and online commerce technologies continue to evolve at pace. This is why Visa Europe spends more than €200 million in on innovation including a number of secure payment technologies such as tokenisation to address security and convenience. When it comes to money, concerns over control and security are understandable though a simple lack of knowledge is often an underlying cause, and consumers are quick to see the benefits of convenience. We’ve seen this with contactless card adoption – once people learn about the technology, see others using it and get used to paying with it, usage soars.”

About Visa Europe

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

Visa Europe is at the heart of the payments ecosystem providing the services and infrastructure to enable millions of European consumers, businesses and governments to make electronic payments. Its members are responsible for issuing cards, signing up retailers and deciding cardholder and retailer fees. Visa Europe is also the largest transaction processor in Europe, responsible for processing more than 16 billion transactions annually – at a rate of 1,622 transactions per second at peak times.

There are more than 500 million Visa cards in Europe, while €1 in every €6 spent in Europe is on a Visa card. Total expenditure on Visa cards exceeds €2 trillion annually, with €1.5 trillion spent at point-of-sale.

Since 2004, Visa Europe has been independent of Visa Inc. and incorporated in the UK, with an exclusive, irrevocable and perpetual licence in Europe. Both companies work in partnership to enable global Visa payments in more than 200 countries and territories.

For more information, visit www.visaeurope.com and @VisaEuropeNews

About the ‘Mobile Money’ report

The mobile money research was conducted between 30 April and 20 May 2015 in six European countries: Finland, France, Germany, Poland, Spain and the UK. The total sample size was 12,015 consumers, approximately 2,000 respondents per country.

For more information, visit www.visaeurope.com