

Consumer Payment Preferences - UK - October 2015

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“The payments market defies all typical negative stereotypes of the financial services sector. It is dynamic, fast paced and innovative with multiple players competing to solve the payments challenges of both today and tomorrow. This is creating an environment that is both exciting and potentially hugely beneficial to both providers and consumers.”

– Jessica Morley, Financial Services Analyst

This report looks at the following areas:

- Incumbents and new entrants need to collaborate to innovate
- For consumers, choice is what matters
- The need to overcome the security barrier

The payments industry is fast becoming one of the most dynamic areas in financial services. With both incumbent players and new entrants investing in developments to make payments faster, more seamless and ultimately more integrated into everyday activities, new innovations are launching on an almost daily basis.

The rapid pace of change is creating new challenges for regulators as they fight to ensure that all competitors have an equal chance of entering the market and that consumers remain protected from fraud and cyberattack. However, it is also creating numerous opportunities to improve outcomes for consumers. More payment methods available means more choice. This means that individuals can base their selection of payment methods on their own personal preferences.

This report focuses on how these preferences vary according to attitude and context. There is a discussion of recent developments in the industry, as well as Mintel's exclusive consumer research. The research looks at which payment methods are used by consumers and how often. It also examines which alternative payment methods people are aware of and have used. There is also analysis of security concerns; perceptions of the various strengths and weaknesses of finance and technology providers; barriers to uptake and factors influencing the choice of payment method. Finally, the report looks at the current level of interest in using smartphones as payment devices and how and why this might change over time.

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...but it is not just out with the old and in with the new

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