

Consumer Payments and Credit Cards - Canada - November 2017

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“Awareness of debit card rewards is not high but there are segments that prefer debit so banks can use an attractive rewards program as a first time relationship builder.”

– **Sanjay Sharma, Senior Financial Services Analyst**

This report looks at the following areas:

- Credit and cash are the most popular payment methods
- TD is the most popular choice for debit; TD & RBC are the leading issuers of credit cards
- Around one in four 18-24s would prefer to use debit exclusively
- Men over-55 more likely to exceed \$2,000 in monthly credit card spending
- Young males more willing to pay a higher fee for better credit card rewards

The world of payments continues to witness rapid innovations that are both a challenge and an opportunity for financial institutions. The adoption of mobile payments, provided by both financial and non-financial institutions, is the single biggest change in the payments world since the advent of online banking. Digital payments continue to garner a great deal of attention within the financial services industry, as innovation and technological advancements continue to push them forward. Consumer payment behaviours, however, are fairly engrained within older consumers. Financial services providers have an opportunity to highlight the security and efficiency of new payment processes, especially with younger and emerging generations who have yet to fully establish how they prefer to pay.

Most Canadians own credit and debit cards and the market place is extremely competitive. It is dominated by the major banks but smaller card companies and credit unions offer multiple options to consumers. This Report covers consumer attitudes and behaviour related to debit and credit cards while touching on different payment methods. It explores the competitive landscape of the major card issuers, payment methods, usage, rewards and attitudes related to debit/credit cards.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Financial concerns can lead to cautious spending habits

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Awareness of mobile payment high; cryptocurrencies is lower

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Canada's population is aging

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Canada will become increasingly diverse

Growth in smartphone ownership a boon for mobile banking

Financial concerns can lead to cautious spending habits

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China's Alibaba bringing online payment platform Alipay to Canada

Venmo testing physical debit card

PayPal debuts a credit card that offers 2% cash back

Apple's new money transfer service Apple Pay Cash to launch in late fall 2017

Uber launches credit card

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CIBC and PC Financial end partnership; CIBC to rebrand digital bank as Simplii

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China's Alibaba bringing online payment platform Alipay to Canada

RBC launches two new iOS payment options

Equifax breach has a Canadian impact

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Venmo testing physical debit card

PayPal debuts a credit card that offers 2% cash back

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 TD is the most popular choice for debit; TD & RBC are the leading issuers of credit cards
 Awareness of debit rewards is not high
 Around three in ten would prefer to use debit exclusively
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