

Consumer Payment Preferences - UK - 2022

Report Price: £2195 | \$2995 | €2600

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This report looks at the following areas:

- The impact of COVID-19 on the payments market.
- Frequency of use for consumer payment methods.
- Preferred payment methods for different transactions.
- Preferences in paying individuals.
- Important factors when selecting payment options.
- Consumer attitudes towards payment methods and payment innovations.

25% of consumers are interested in learning about paying in cryptocurrency, rising to 49% of 18-24 year olds. While cryptocurrency predominantly remains a niche investment product in the UK, payment products such as BottlePay and Cash App are set to bring bitcoin payments to a wider audience. However, it will take considerable time for cryptocurrency to become a viable payment method for many due to the unfamiliarity of the product and price volatility of the tokens.

The high levels of inflation and surging energy prices are likely to lead to many households cutting back on non-essential spending. For the payments market there will be an emphasis on tools to track spending and this could promote digital methods over cash. With uncertainty over rising bills, clear communication on new prices will be required from energy providers to avoid households switching away from direct debits and towards card payments, avoiding expected large sums being removed from their accounts.

Cash continues to play an important role in the payments market and will do for some time to come. However, its decline is set to continue as the convenience, speed and expenditure-tracking benefits of digital payments continue to capture a larger part of the market. The increase to the contactless limit will see contactless card transactions continue to account for the majority of card purchasing moving forwards.



“Contactless card payments have accelerated due to the pandemic and the increase in transaction limits. Despite cash usage declining significantly, it will continue to play an important role for the foreseeable future with consumers prioritising familiarity.”

– Adrian Reynolds, Senior Analyst – Financial Services

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The shift towards digital payment methods provides strong opportunities for NFC-enabled devices that can offer mobile payments. The rising use of smartwatches will promote mobile wallets such as Apple Pay and Google Pay, with the latter set to become integrated into future Fitbit smartwatches. Smart jewellery such as payment rings will also offer convenient payment innovation, with devices such as RingPay not requiring charging.



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- **Bank of England warns of decline in living standards in 2022**
- **Food and drink prices likely to become a bigger issue**
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