

# Only a quarter of contactless card owners have ever made a contactless payment

LONDON, UK: With evolving technology, a growing emphasis on a cashless society and a demanding, time-poor culture, products that aim to make consumer payments as easy as possible are rapidly appearing on the market.



However, despite being the much hyped next stage of consumer payments - and the widespread roll out of these cards in the UK, latest research from Mintel reveals that only 5% of Brits have used a contactless card - while almost three times as many (14%) say they have been issued with a card and not yet used the contactless feature.

Even among those who have used the contactless feature, it seems approval is far from overwhelming. Just 43% of those using the feature had used it within the few days preceding Mintel's research, and while three fifths (62%) do agree that it is more convenient, the balance of responses (29% neither agree nor disagree and 9% disagree) hints at acceptance, rather than outright enthusiasm.

Furthermore, Mintel's research strongly suggests that there is still a significant proportion of the population who have been issued with a contactless card but have not yet realised - as while 9 million consumers 'know' they have a contactless card, 3.8 million 'aren't sure'. Today, some 72% of consumers think contactless cards should only be issued on request.

Toby Clark, head of UK Financial Services at Mintel, said: "Consumers are still wary of contactless card payments, and compulsory upgrades risk further undermining consumers' goodwill towards the banks. There is anecdotal evidence of disgruntled customers closing accounts rather than have to carry a contactless card. If they only realise that they have been issued with this card months after the event, the reaction will be even less favourable."

Despite the best intentions of technology giants, barely anyone has managed to go cashless yet - 86% of UK consumers had bought something with cash in the last few days preceding Mintel's research. However, some consumers are eager to embrace the payment options afforded by technology. Indeed, some 8% of UK internet users say that if their mobile operator allowed them to use their mobile as a contactless payment device, they'd apply for the service straight away. A further two fifths (37%) would be interested, but prefer to take a 'wait and see' approach. Men are much more likely than women to be tempted by the idea of using their mobile to pay for goods and services (11% men versus 6% women would apply straight away). Predictably, there's also a strong link between how rapidly they have adopted other new technologies. Almost two thirds (62%) of smartphone users would at least consider this kind of payment technology, rising even further to

71% among tablet owners.

"Although most people are happy with the status quo, there are also a good proportion of people who are willing to consider new ways of paying. And if anything, people are even more interested in the additional, non-payment, features that the shift to mobile payments could offer - real-time card balances and alerts, for example, or the ability to store discount vouchers on a handset and apply them at the checkout." Clark continues.

In addition, while the opportunities for combining technology with payments continue to expand, it appears consumers are much more wary about less established technology. Some 64% worry about the security of using a mobile instead of a payment card, and 58% about contactless payments.

"People are worried about the security implications of contactless cards - in particular, how easy it would be for thieves to use stolen or lost cards. For those who have been issued with a card, though, it's not security that's preventing people from using contactless cards. Instead, it's the limited acceptance and a lack of a compelling reason to switch from chip & PIN. Consumers are not going to be convinced to buy into new payment technology - unless the industry can convince them that it is a genuine upgrade to what they've already got," Clark concludes.

Source: Mintel Oxygen Reports

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