Almost four in ten say they won’t need cash in ten years time as contactless proves popular for many

- 43% of people look to contactless payments as the payment method of the future.
- Within the next five years, one in three (34%) expect to be using a mobile device on a day-to-day basis to make payments.
- By 2025, over one in five (22%) think they will be regularly using their fingerprint to pay for goods and services.

The latest research from Lloyds Bank on the future of payments shows many people believe they won’t need cash in the near future as they increasingly turn to cards, contactless payments and other new technologies.

Over four in ten (43%) agree that contactless payments are the future, whilst a quarter (25%) think that in five years’ time they will no longer need cash to pay for goods or services.

Recent data from the UK Cards Association shows shoppers used credit and debit cards for 1.1 billion transactions in May, up ten percent in a year, as the rise of contactless payments increasingly replaced the use of cash in low value transactions.

Payment predictions for ten years time
The consumer research shows that the majority of people surveyed think that they will still be using credit and debit cards (63%) as well as cash (52%) as day-to-day methods of payments by 2025. This is followed closely by contactless payments with nearly half (48%) expecting to use it on a daily basis in the next decade.

In addition, a quarter of people (27%) think they will make payments using wearable tech such as watches or wrist bands in ten years time, one in five (22%) think they will be regularly using their fingerprint, and 7% think they will make payments using a microchip embedded in their body by 2025.

Almost one in ten (9%) of those aged over 45 think they will still be paying by cheque in 2025 compared to just 4% of 18 to 44 year olds.

Claire Garrod, Head of Personal Current Accounts at Lloyds Bank said: “Whether it is contactless, wearable tech, or fingerprint ID, people are increasingly expecting to use new technologies to make payments rather than rely on cash. The benefits of these new developments are gradually being understood and embraced by banks and their customers, to make payments more convenient without compromising security.”
The rise of mobile
With the launch of Apple Pay this year, it is unsurprising to see that over a third (34%) expect to be using a mobile device as a day-to-day method of payment in the next five years.

However there is still some way to go to persuade many people about the benefits of mobile payments, with almost half (47%) saying don’t feel that mobile will ever be a main method of paying for goods and services. However, those that said this were significantly more likely to be aged over 45 (59% of those aged over 45 vs. 37% of 18 to 44 year olds).

When asked about why they don’t currently use mobile to make payments, two in five (44%) said they do not think it is secure or safe. 18% don’t have the right phone, 17% don’t know anything about mobile payments, with 16% also saying they don’t know how to use the technology, showing a gap in knowledge on how to use the technology and its benefits that will need to be addressed before some can start to embrace it.

The decline of cash
One in four (25%) think that in five years’ time they will no longer need cash to pay for goods or services. This figure rises to 39% of people in ten years time, and 48% of people in 20 years time.

Half (50%) of those aged between 55 and 75 are likely to think that they will always need to have cash compared to 40% of those aged between 18 and 54. Women (46%) are significantly more likely to think they will always need to have cash in the future compared to 40% of men.

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This information is intended for the sole use of journalists and media professionals.

Notes to editors:

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Lloyds Banking Group will offer its Lloyds Bank, Halifax and Bank of Scotland customers access to Apple Pay, which is transforming mobile payments with an easy, secure and private way to pay, from the Autumn of this year.

The Lloyds Bank Spending Power Report is derived from independent consumer research and current account data of Lloyds Bank, Halifax and Bank of Scotland customers. This provides a robust and representative sample of the entire UK market and its essential spending behaviours.

Each month, over 2,000 adult bank account holders are asked about their current and future spending habits and how their commitments affect their spending power. Consumer research is
compiled in conjunction with Ipsos MORI: Ipsos MORI interviewed a representative sample of adults who hold a bank account aged 18-75 across the United Kingdom. Each question was answered by 2,070 people except for the question about why respondents do not use a mobile device to make payments (answered by all those not currently using mobile n=1,981) Interviews were conducted online between 21st and 29th May and 15th and 24th June 2015. Survey data were weighted to the known population proportions of this audience.

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i People or people’s refers to people surveyed as per Editor’s notes.
ii UK Cards Association data, July 2015.