



Canadian Consumer Payments Survey, 2021



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Background & Objectives

Background

- ❖ **Canadian Consumer Payments Survey, 2021** is a comprehensive update of our annual survey to track the payment preferences and payment behaviour of Canadian consumers. This is the seventh year of publication, and the scope has grown considerably as the payments landscape in Canada has changed. It provides unique insights into rapidly emerging payment areas and is an important source of information for our annual **Canadian Payments Forecast**. It is one of the anchor reports and data sources in our continually expanding **Canadian Payment Insights Program**.

Objectives

- ❖ This year, 2021, our Canadian Consumer Payment Survey continues to track important developments in the Canadian consumer payments market. A particularly important objective has been to assess the impact of the extended COVID-19 pandemic on the payments behaviour and expectations of Canadian consumers. Consumer payments behaviour has changed substantially as a result of the restrictions on movement and shopping brought about but the pandemic
- ❖ TSI's Canadian Consumer Payment Survey is the most comprehensive consumer payments survey in Canada and addresses all major types of consumer payments instruments and modalities in a single survey.



Methodology

- ❖ The study was conducted online
- ❖ All respondents met the following criteria:
 - *Resident in Canada*
 - *18 years or older*
 - *Could access the survey online*
 - *Had to have a bank card, cheque book or an account with a bank or credit union*
- ❖ The sample was demographically balanced by gender, age and region
- ❖ This study was conducted in English.
- ❖ Fieldwork was completed from April 13 to 22, 2020
- ❖ The sample size was n=2002
- ❖ This document should be read in conjunction with the three detailed report tables prepared as part of this study.
- ❖ Detailed report tables include:
 - ❖ ***Volume 1: Demographics***
 - ❖ ***Volume 2: Payment Behaviour 1***
 - ❖ ***Volumes 3: Payment Behaviour 2***



Significance Testing

❖ All the figures presented in this report have been tested for statistical significance. The following symbols are used to denote differences that emerged:



» Significantly **higher** at the 95% confidence level



» Significantly **lower** at the 95% confidence level

❖ When testing numbers across columns, the following convention is used:

	Column A	Column B	Column C
Row 1	70	50	50
Row 2	71 B	65	58
Row 3	46	49 C	42

Column A is significantly higher than both Column B and Column C, at the 95% confidence level

Column B is significantly higher than *only* Column C

Column C is significantly lower than both Column A and Column B, at the 95% confidence level

Revised Time Series

- ❖ Canadian Consumer Payments Survey has been conducted since 2015. We have accumulated seven years of trend data.
- ❖ This year, 2021, we changed the methodology used in the analysis of selected time series data to ensure that the trends that we depict more accurately reflect the what's happening in the market. This has resulted in the revision of a number of time series, which may make comparison with prior reports difficult.
- ❖ The revisions have specifically affected some of the time series where we use survey data to estimate average transaction values (and in a few isolated cases, volumes). For the most part, these changes have been instituted by inflating the average values assumed for the top range bins. Should subscribers wish to obtain more details of specific changes, please contact us.
- ❖ Trends based on survey incidence have not been affected by this change in methodology.



Photo by [Lukas Blazek](#) on [Unsplash](#)

Document Layout and Navigation

- ❖ We have changed the document layout this year, moving to a widescreen format. This allows us to increase the real estate allocated to text and charts on a single page, making the report more readable.
- ❖ We have also streamlined the analysis to improve the quality of the report. As a result, some of the charts previously included in the report have been consolidated or removed. We have also placed more emphasis on analyzing trends rather than simply descriptive analysis of survey findings.
- ❖ We believe that these changes will make the report more useful. We would value subscriber feedback on these changes.
- ❖ In order to make navigation easier within the document, we have included hyperlinks on each page as follows:


Section Contents

- ❖ Clicking on the 'Section' block will take the reader to the start of the current section. Clicking on the 'Contents' block will take the reader to the Table of Contents.
- ❖ These navigation blocks are included at the bottom of all pages.



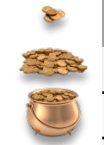



Photo by [Honey Yanibel Minaya Cruz](#) on [Unsplash](#)




Sample Profile



	Unweighted #	Unweighted %
Gender		
Male	935	47
Female	1060	53
Age		
18-34	377	19
35-54	745	37
55+	880	44
Region		
BC	280	14
Prairies	378	19
Ontario	801	40
Quebec	395	20
Atlantic	148	7
Income		
Less than \$50,000	691	35
\$50,000 - \$100,000	738	37
More than \$100,000	438	22
DK/Rather not say	135	7

	Unweighted #	Unweighted %
Lifestage		
Single	745	37
Couple (no kids)	655	33
Family	602	33
Education		
High School or Less	443	22
Some College/University	361	18
College/University Grad	830	41
Post Grad	356	18
Employment		
Employed	1131	56
Unemployed	205	10
Retired	514	26
Other	152	8
Urban/Rural		
Urban	1533	77
Rural	469	23

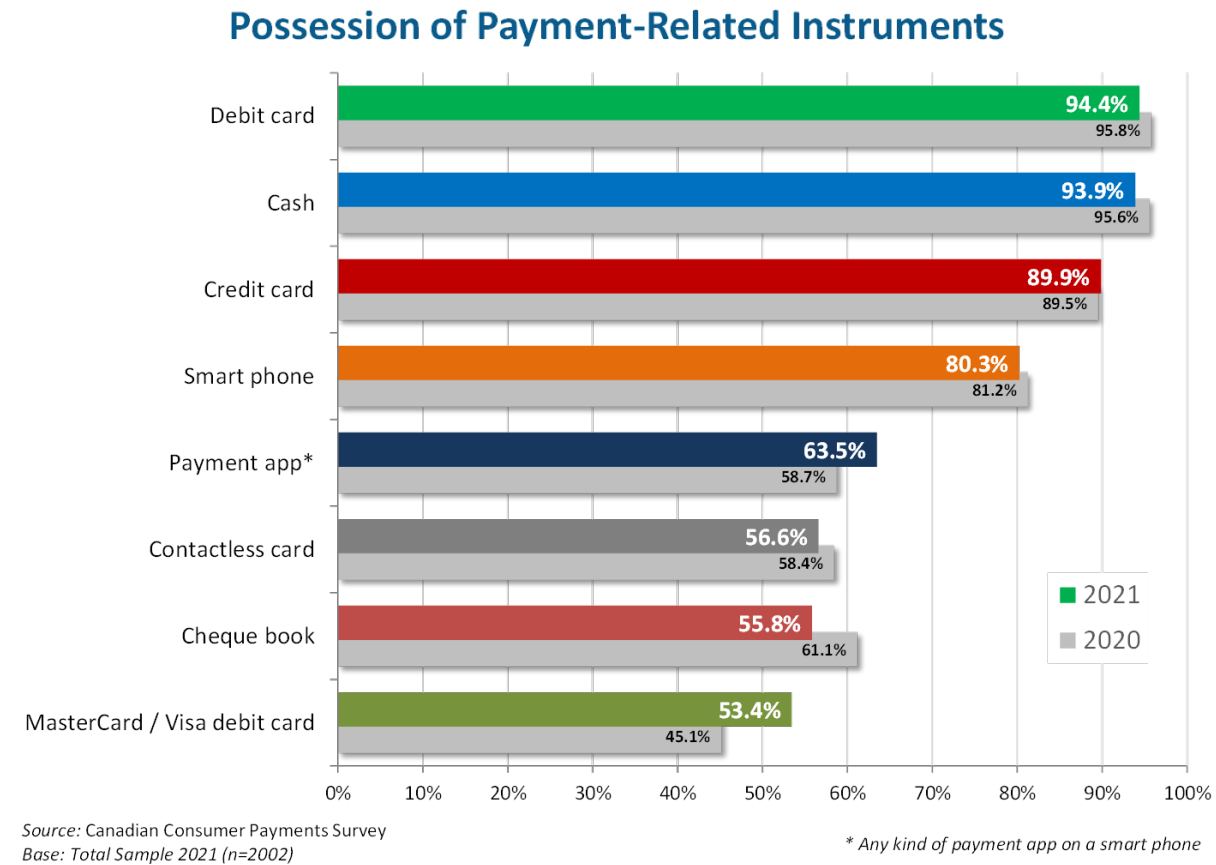




The View from 30,000 ft



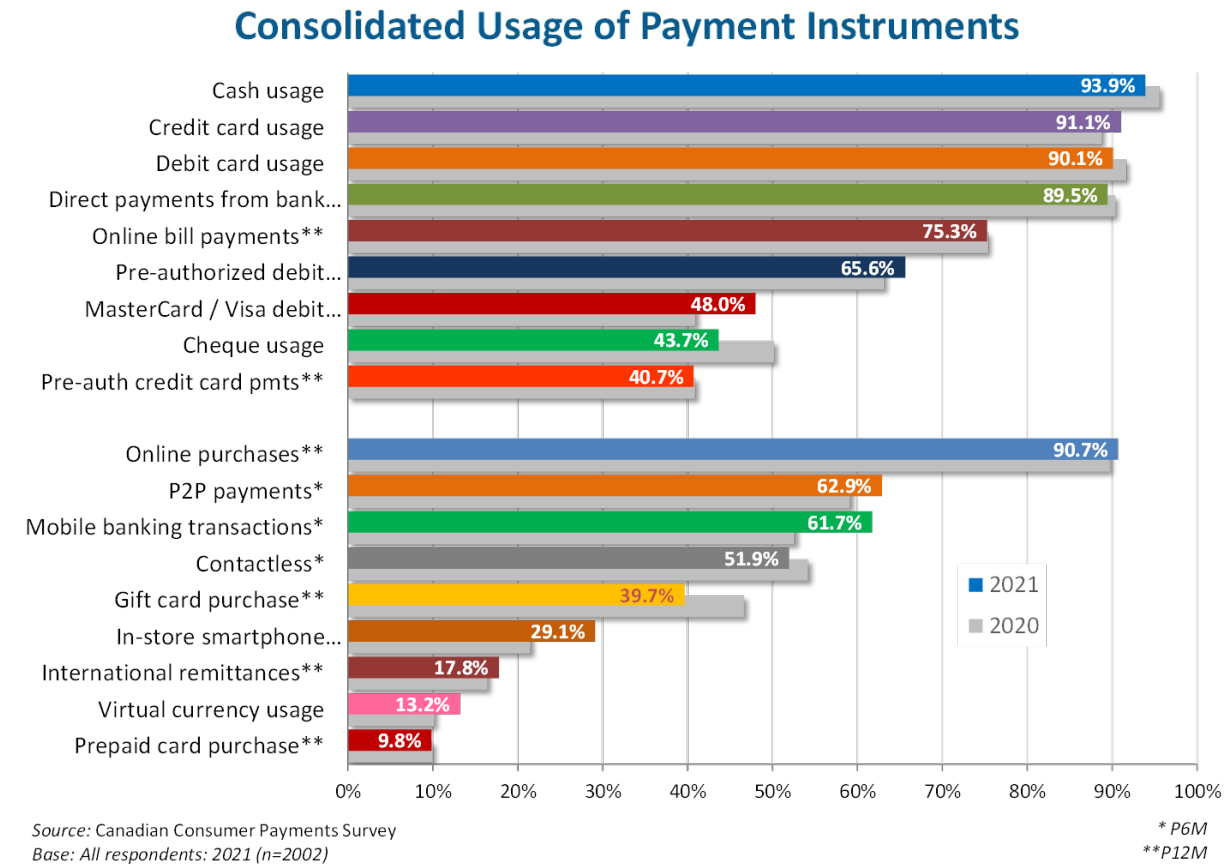
Debit cards, cash and credit cards remain ubiquitous payment instruments

- ❖ Debit cards, cash and credit cards have retained their dominance as consumer payment instruments, with the majority of consumers possessing all three.
- ❖ The proliferation of smart phones – more than 80% of adult Canadians have them – and related payment apps is ushering in a new era of secondary payment channels which allow payment functionality in an increasingly digital world, one where contact is not a requirement (although proximity may be).
- ❖ Contactless card penetration showed a decline over the year, although this decline is not statistically significant.
- ❖ Scheme Debit ownership increased appreciably over the year. To some extent this is indicative of increased consumer awareness of the ability to use these instruments for online payments, which have flourished as a result of the pandemic.
- ❖ The possession of cheque books has continued to decline as consumers seek, and find, alternatives to making payments with cheques.



Usage of payments instruments impacted by the COVID-19 pandemic

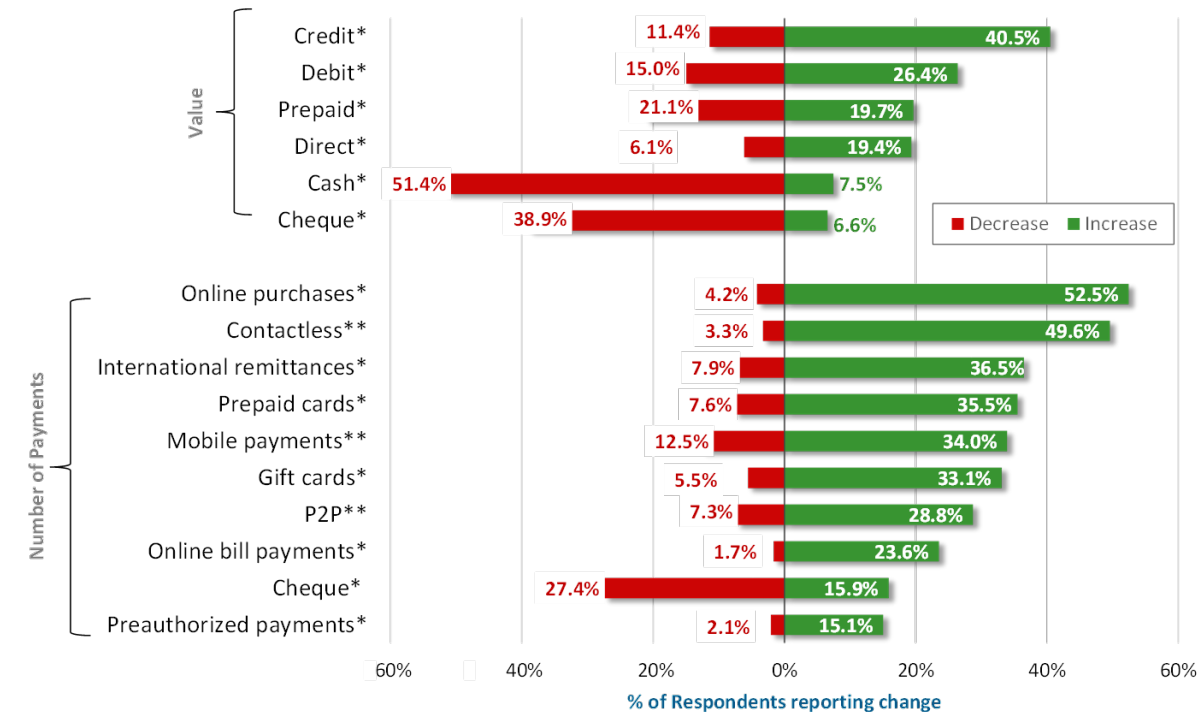
- ❖ With the exception of cheques, the usage primary payment instruments – cash, debit, credit cards and payments directly from a bank account – dominate the consumer payments landscape.
- ❖ Cash and debit card payments were reportedly used by fewer consumers in the 2021 Canadian Consumer Payments Survey (CCPS), while the incidence of credit card usage showed a slight increase.
- ❖ The incidence of online purchases edged up off an already high based, breaching the 90% mark.
- ❖ The incidence of cheque payments showed a substantial decline over the past year, a continuation of the long-term decline in cheque usage.
- ❖ The incidence of MasterCard/Visa Debit usage increased substantially over the past survey year, as did the incidence of in-store mobile payments, mobile banking transactions and P2P payments. Much of this can be attributed to the increased frequency of remote or contactless transactions, stemming in part from measures to limit exposure to COVID-19.
- ❖ The incidence of gift card usage decreased significantly over the year, a phenomenon attributed partly to changes in pandemic-related spending shifts.



The number of consumers spending more on their credit cards surges

- ❖ More than four out of ten consumers (40.5%) said that their credit card expenditure had increased over the past 12 months, compared with only 26.4% of those who spent more on the debit card purchases in this period.
- ❖ More than one half of consumers (51.4%) said that their cash expenditure had decreased, while 38.9% indicated a decrease in the value of cheques written.
- ❖ More than one quarter of adult Canadians (27.4%) reported a decreased in the number of cheques written. Interestingly, this was somewhat offset by the 15.9% of respondents who said that the number of cheques that they had written had increased.
- ❖ Increases in the number of online purchases and contactless payments were reported by about one half of adult Canadians, 52.5% and 49.6% respectively, highlighting the surge in these payment and shopping behaviours brought about by the pandemic.
- ❖ Prepaid cards showed notable increases in value and volume, but the base of prepaid card users is relatively small, which could lead to year-on-year volatility.

Change in Payment Patterns (2021 - P6/12M)



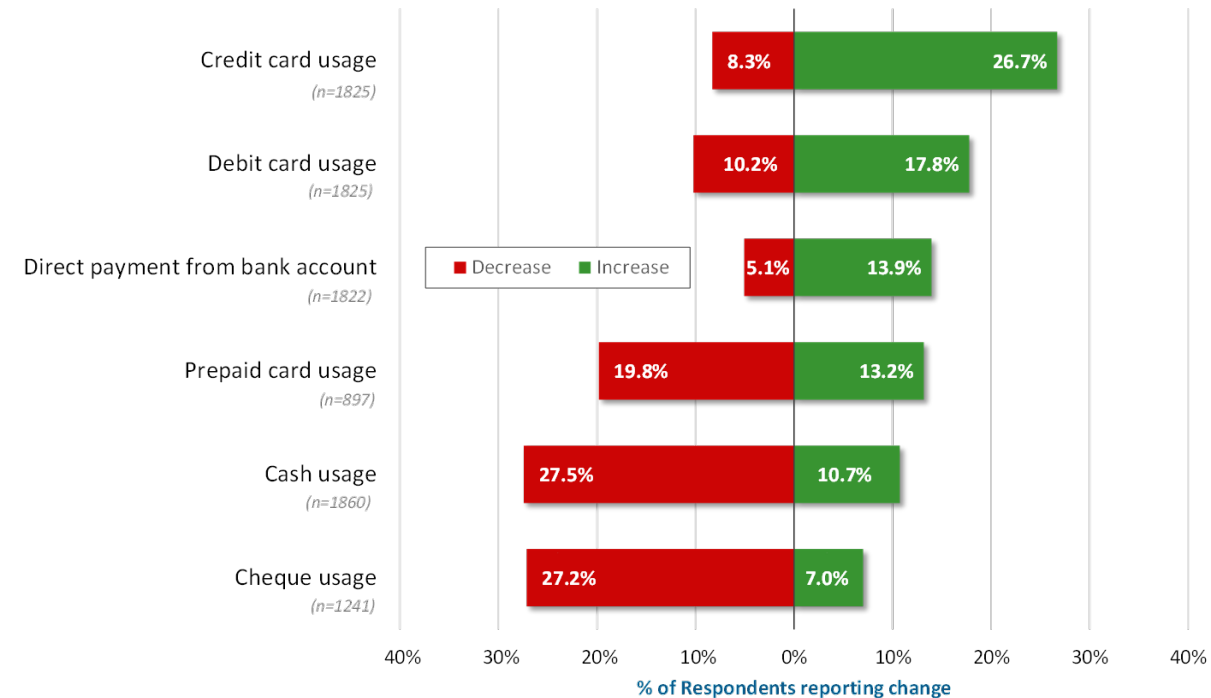
Source: Canadian Consumer Payments Survey
Base: Sample varies by user base

** P6M
*P12M

Expectations for increased credit card expenditure continues

- ❖ More than one quarter of credit card users (26.7%) expect to increase the value of their credit card expenditure over the next twelve months, compared with 17.8% of debit card users, indicating a continued shift to credit card usage.
- ❖ The value of cash and cheque payments expected to be made by users of these respective payment instruments over the next twelve months is set to decline overall, with those saying that they expect to decrease the value of payments on those instruments heavily outweighing those that expect to increase the value of their payments.
- ❖ Overall, the net proportion of people making payments directly from their bank are expecting to increase the value of their direct bank account payments.
- ❖ Prepaid card usage, by value, is expected to show a net decrease of 6.6% over the next twelve months.

Expected Change in Payment Patterns (2021 - N12M)



Source: Canadian Consumer Payments Survey
Base: 2021 User base, as specified

Q11 : Over the next twelve months, how do you expect the value of your monthly payments to change, on average, for each of these forms of payment?...

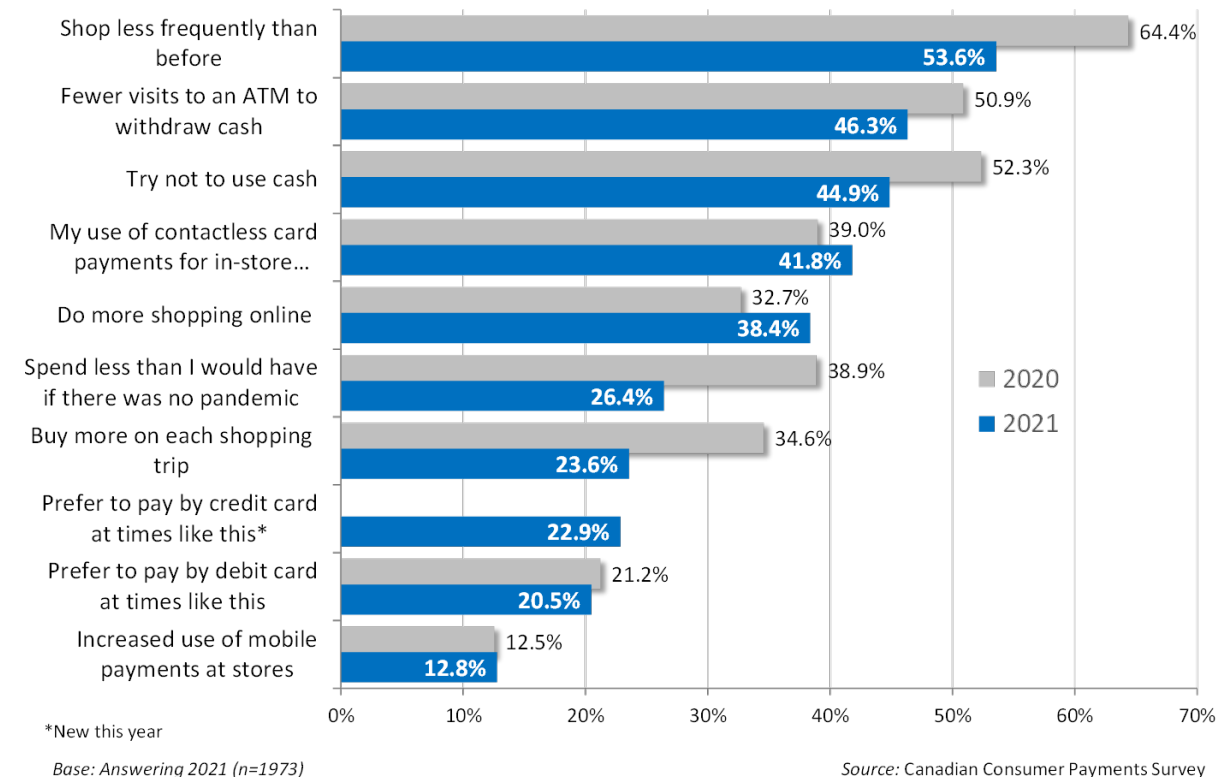
COVID-19 Impact

- Summary -

The effects of the COVID-19 pandemic have attenuated over the year

- ❖ More than one half (53.6%) of adult Canadians said that they had reduced their shopping frequency as a result of the COVID-19 pandemic, down from the 64.4% who had reported shopping less frequently in the 2020 survey.
- ❖ While adult Canadians are still mindful of situations where contact with other people can increase the risk of infection, fewer people are concerned with using cash, making trips to an ATM to withdraw cash, curtailing their expenditure and buying more on each shopping trip (i.e. stockpiling) than one year ago.
- ❖ Women are more likely than men to demonstrate conservative shopping and spending behaviour as a result of the pandemic.
- ❖ Online shopping continues to increase, though, and more people are keen to use contactless forms of payment wherever they can, suggesting that these may be enduring shifts in Canadian consumer payment and shopping behaviour.
- ❖ Those in the 55+ year age group were least likely of all age groups to increase their online shopping, or use mobile payments.

Impact of COVID-19 on Shopping and Payment Behaviour



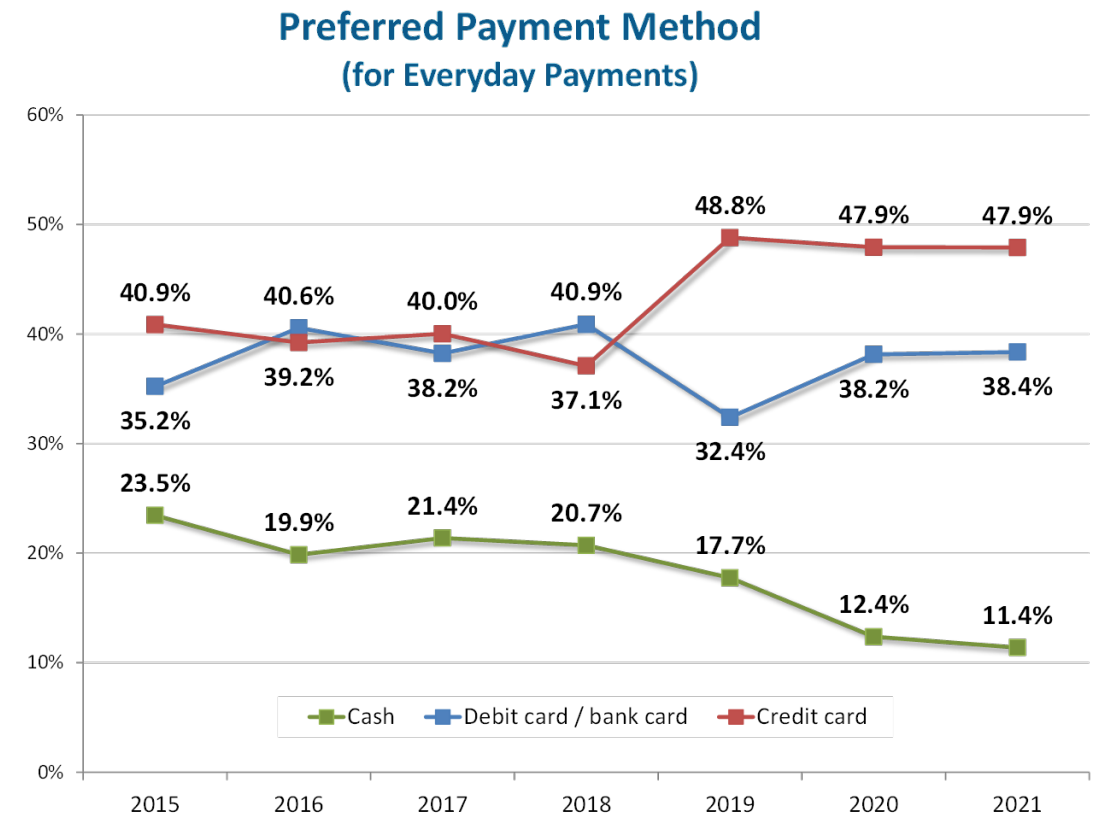
C01. Which of the following statements describes how your shopping and/or payments behaviour has changed as a result of the COVID-19 pandemic?

Payment Preferences

Credit cards remain most popular payment method for everyday purchases

- ❖ Almost every second Canadian (47.9%) prefers credit cards for every day payments, compared with 38.4% for debit/bank cards
- ❖ Both debit card and credit card popularity have remained stable over the past year
- ❖ Cash continues to decline as a preferred option for everyday payments, with only about one in ten people (11.4%) preferring this option
- ❖ Prepaid cards and cheques, while technically options available for everyday payments, have the support of less than 2% of adult Canadians.
- ❖ Credit cards are favoured by people who are in higher income brackets and with higher education levels, while debit cards and cash are more commonly used by those in lower income groups (who might not qualify for credit cards), and with lower levels of education

Payment Preference	Total (A)	<\$50k (B)	>\$50k (C)	High School (D)	Post Grad (E)
<i>Sample size n=</i>	<i>(2002)</i>	<i>(691)</i>	<i>(1176)</i>	<i>(443)</i>	<i>(356)</i>
Credit card	48%	35%	57% B	34%	59% D
Debit card / bank card	38%	48% C	33%	43% E	29%
Cash	11%	15% C	9%	20% E	8%



Base: All respondents: 2021 (n=2002)

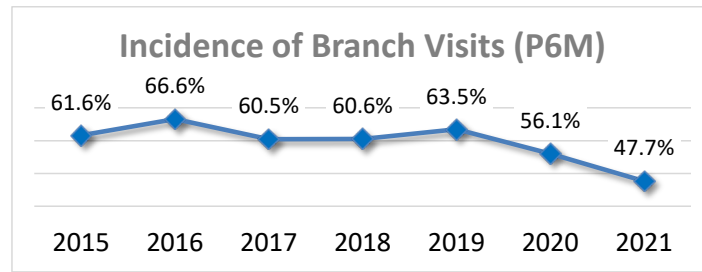
Source: Canadian Consumer Payments Survey

Q9. Thinking about the way you pay for your everyday purchases, what is your preferred method of payment for these purchases?

Bank Branch and ABM Visits

Cash and cheque transactions continue to dominate branch visits

- ❖ Over the past two years, the incidence of bank branch visits has fallen sharply, from 63.5% in 2019 (pre-pandemic) to 47.7% in 2021*.

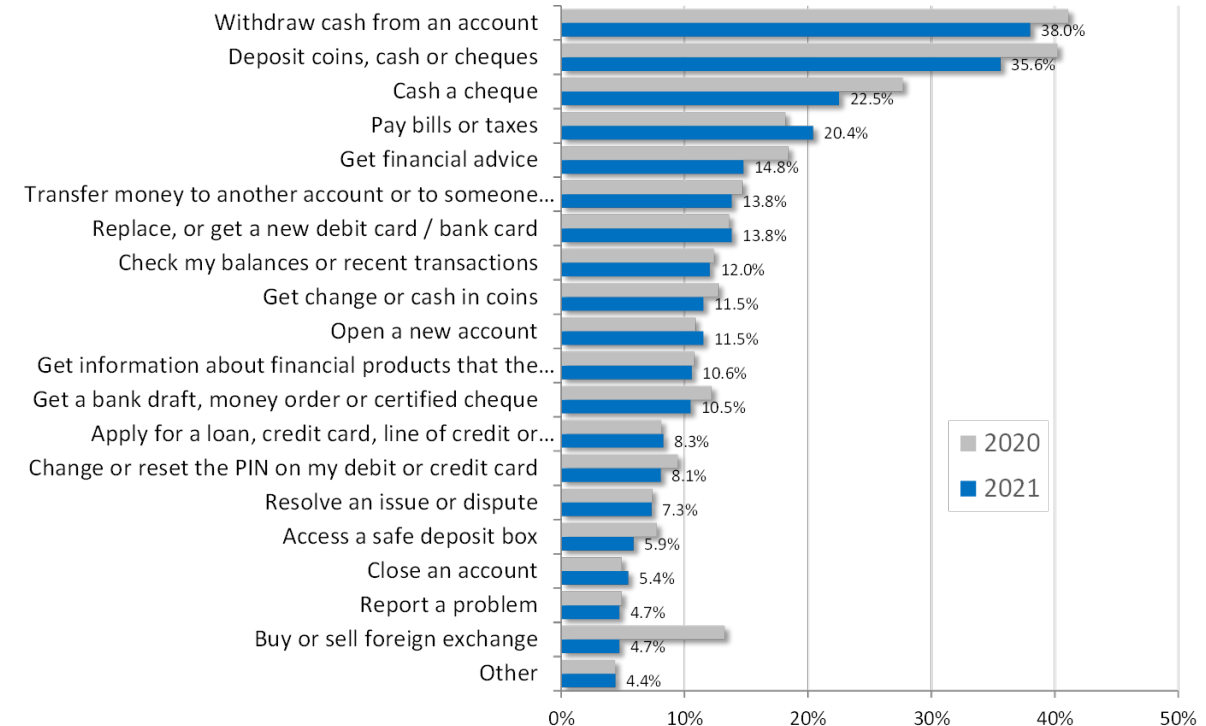


- ❖ Almost four out of ten of those who visited a bank branch in the past six months (38.0%) withdrew cash from the bank. A little more than one third (35.6%) deposited cheques cash or coins at the branch. While the incidence of cash withdrawals is high, this may not be the primary reason for the bank visit.
- ❖ Bank offerings have changed as a result of the pandemic with more services being available online and more consumers becoming familiar with using online banking services. It is worth noting, though, that the majority of reasons for visiting a bank branch are not yet feasible to conduct in a virtual or purely digital environment,, and a few will endure for many years while cash and cheques remain payment instruments of choice.

Q19. In the past six months, for which of the following reasons, if any, did you visit a bank or credit union branch in Canada (other than to conduct a transaction at an ATM)?

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Reasons for Visiting a Bank Branch (P6M)



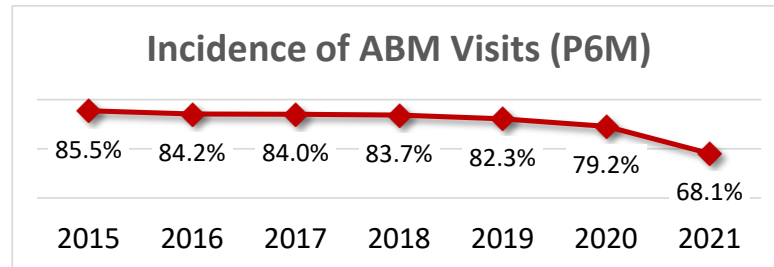
Base: Those who visited a bank branch P6M 2021 (n=955)

Source: Canadian Consumer Payments Survey
Note: Responses include multiple mentions

* Excluding visits to conduct an ATM transaction

ABM visitors remain loyal to their bank's ABMs

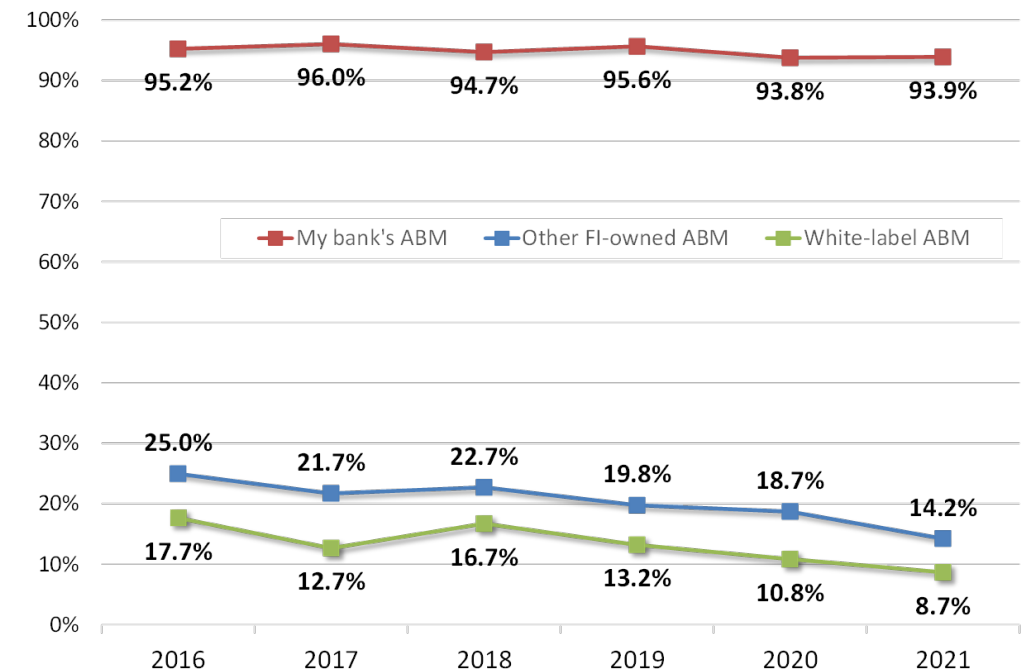
- ❖ The incidence of ABM visits mirrored the sharp drop in branch visits, plummeting from 82.3% in the 2019 survey to just 68.1% on the 2021 survey. The decline in ABM visits is driven by two main factors, namely pandemic related limitations on the movement of people, and the desire amongst many consumers to avoid the use of cash for payment transactions.



- ❖ More than nine out of ten adult Canadians who had visited an ABM in the past six months (93.9%) had visited an ABM owned by their own financial institution, while only 14.2% had visited an ABM owned by another financial institution and 8.7% had visited a white-label ABM.
- ❖ Canadians who prefer using debit cards for everyday payments were more likely to have visited any class of ABM over the past six months.

Q20. In the past six months, at which types of ABM / ATM in Canada, if any, have you conducted transactions??

ABM Visits by Ownership of ABM (P6M)



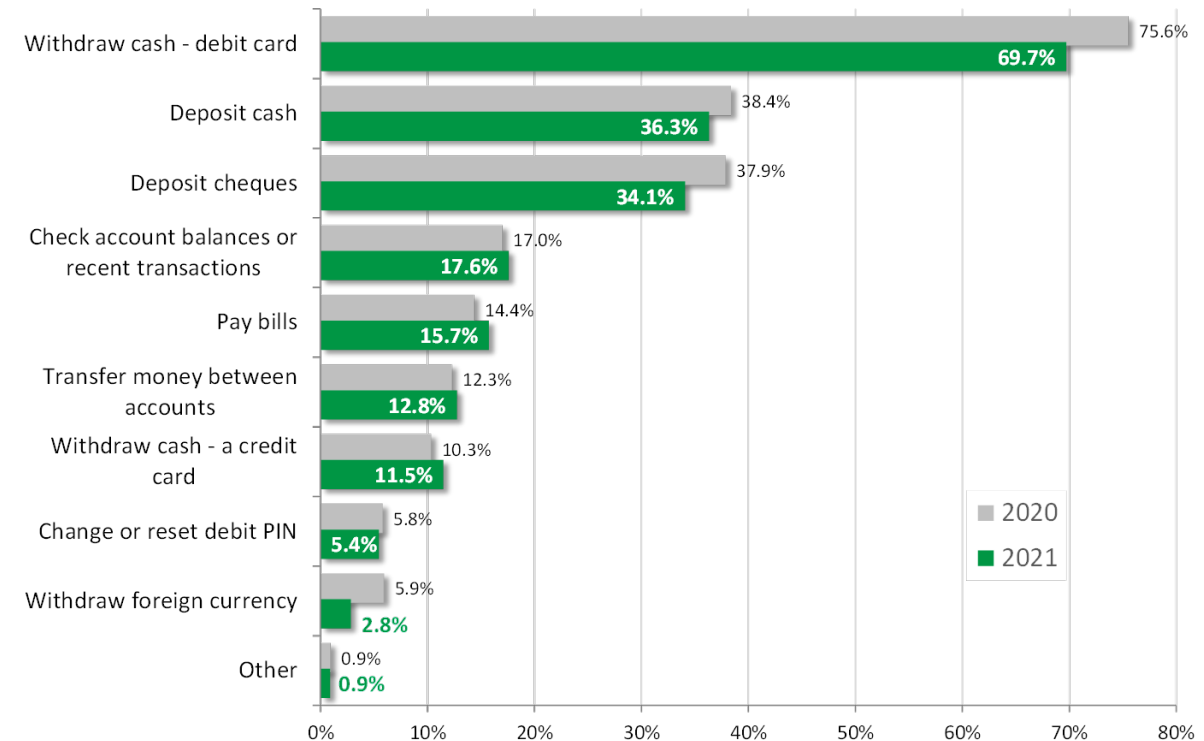
Note: Multiple mentions
Base: Those who visited an ABM P6M: 2021 (n=1341)

Source: Canadian Consumer Payments Survey

Debit card cash withdrawals remain the top reason for ABM visits

- ❖ Withdrawing cash using a bank/ debit card remained the most common reason for adult Canadians to visit an ABM over the past six months, but the proportion doing so fell significantly over the year – from 75.6% in 2020 to 69.7% in 2021. This is a continuation of the decline in cash withdrawals at ABM's over the years, but is more pronounced over the past year with consumers wanting to avoid cash usage in times of pandemic.
- ❖ Depositing cash and depositing cheques were almost tied for second place, both declining modestly over the past year. The more pronounced decline in cheque deposits may be due to the adoption of the mobile deposit facility offered by some banks.
- ❖ The use of an ABM to pay bills, withdraw cash using a credit card and transfer money between accounts all grew slightly over the past 12 months, the highest growth being in bill payments.
- ❖ The increase in credit card usage for cash withdrawals is also likely a result of the pandemic as consumers have had to rely more on lines of credit to maintain liquidity.
- ❖ Younger adults (18-34) are significantly less inclined to withdraw cash at an ABM than older adults, but are significantly more inclined to use an ABM to transfer money between accounts.

Reasons for Visiting an ABM (P6M)



Base: Those who visited an ABM P6M 2021 (n=1341)

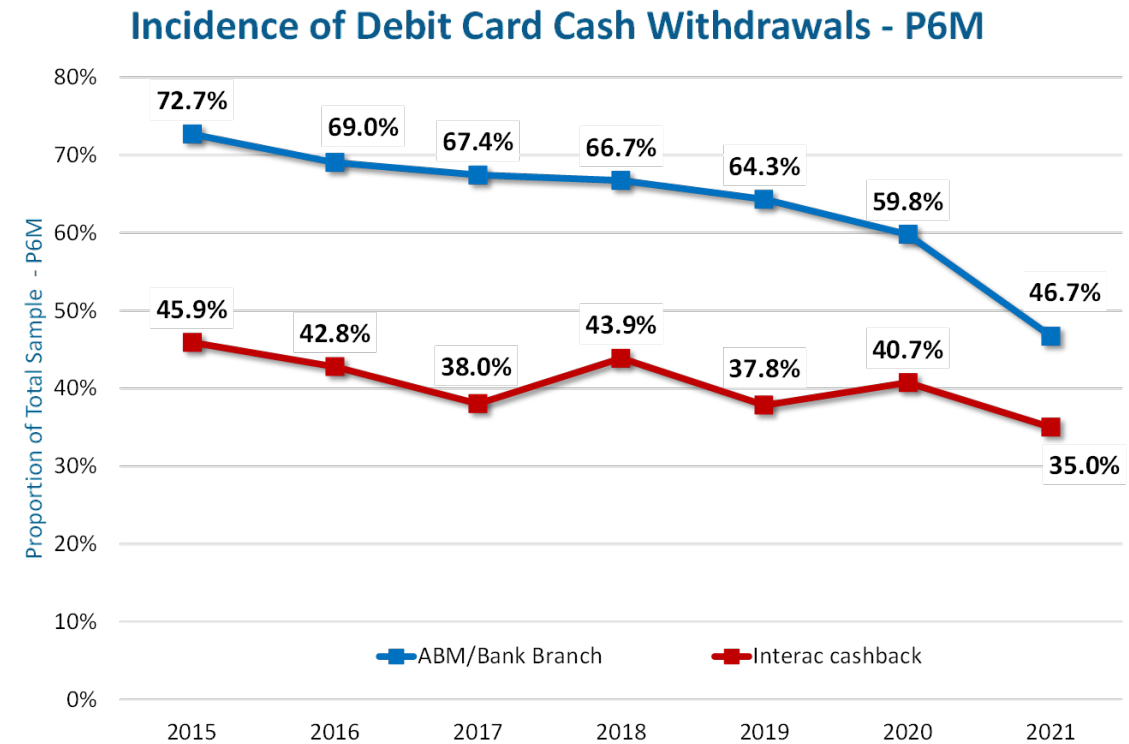
Source: Canadian Consumer Payments Survey

Q21. In the past six months, for which of the following reasons did you conduct a transaction at an ABM in Canada?

Cash Withdrawals

Decline in incidence of debit card cash withdrawals

- ❖ The incidence of cash withdrawals using a debit card at ABMs or bank branches experienced a sharp decline in 2021, from 59.8% to 46.7%, mirroring the decline in ABM visits. Since 2015, the incidence of debit card cash withdrawals has decreased by twenty-six percentage points.
- ❖ The incidence of Interac cashback withdrawals also experienced a significant decline over the past year, more than five percentage points, from 40.7% to 35.0%. This follows the overall trend to a decreasing reliance on cash payments.
- ❖ The incidence of cash withdrawals from at an ABM or bank branch is rapidly converging with that of Interac cashback withdrawals, with only an 11.7% difference in 2021, compared with a 26.8% difference in 2015.
- ❖ Older Canadians (55+) were the least likely to have received cashback at a merchant in the past six months, and most likely to have withdrawn cash at an ABM or bank branch. The converse is true for the early adopter group.



Base: Total Sample 2021 (n=2002)

Note: Change in methodology for assessing Interac debit owners

Source: Canadian Consumer Payments Survey

Note: Multiple mentions

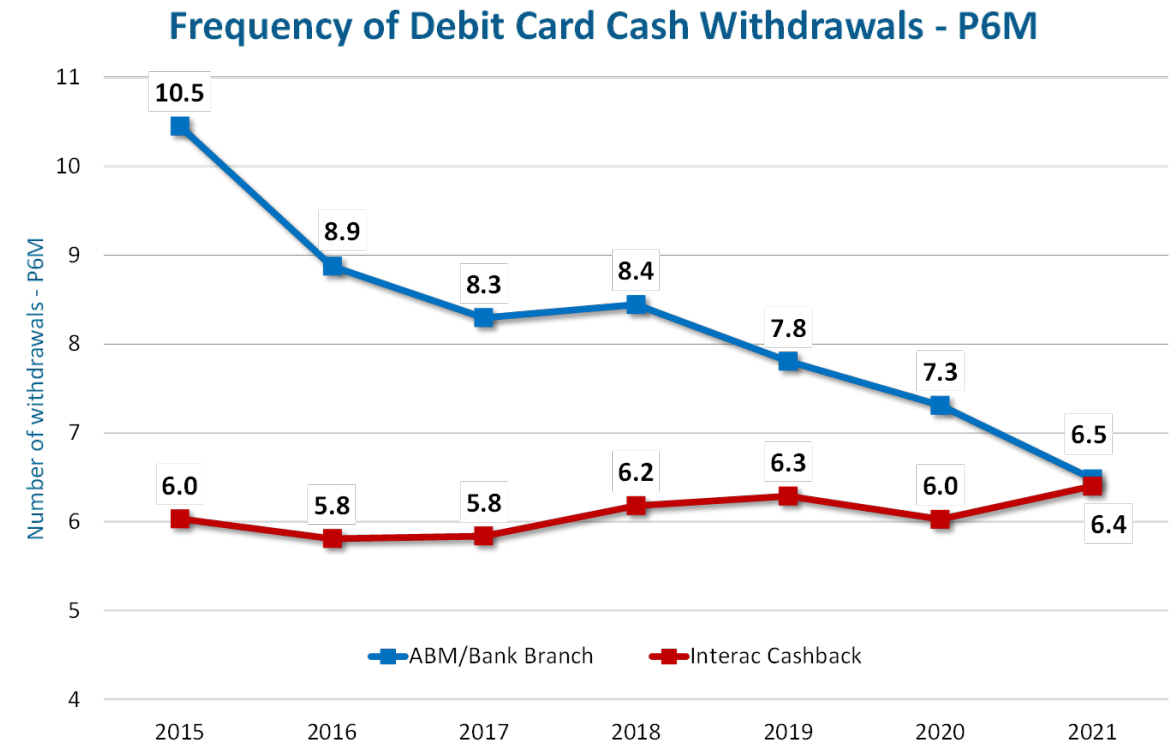
Q19-In the past six months, for which of the following reasons, if any, did you visit a bank or credit union branch in Canada (other than to conduct a transaction at an ATM)?

Q21-In the past six months, for which of the following reasons did you conduct a transaction at an ABM / ATM in Canada?

Q24-In the past 6 months, how many times, if any, have you used your bank / debit card to get cashback at a merchant (e.g. at Sobey's, Metro, Home Depot, Shoppers Drugmart etc.)?

Frequency of ABM/branch cash withdrawals decline

- ❖ The declining trend in the average number of cash withdrawals by those who had visited an ABM or bank branch in the past six months continued in 2021, falling to 6.5 in 2021.
- ❖ The decline in 2021 is part of the long-term downward trend in cash withdrawals at bank branches and ABMs.
- ❖ Counterbalancing the downward trend in bank branch / ABM cash withdrawals using a debit card, the average number of Interac cashback withdrawals over the past six-months increased from 6.0 in 2020 to 6.4 in 2021.
- ❖ While cash withdrawals at ABMs/Bank branches seem to be converging with Interac cashback withdrawals, it is worthwhile noting that the incidence of ABM/Branch withdrawals is higher than that of Interac cashback transactions, while the corresponding value of each withdrawal is 2.3 times that.
- ❖ The Prairies had the highest cashback withdrawal frequency of all the regions, at 7.2 in the past six months ousting Quebecers from the top spot, while those living in BC had the lowest, at 4.5.



Base: ABM/branch withdrawals 2021 (n=1126)
Interac cashback 2021: (n=701)

Source: Canadian Consumer Payments Survey

Q22-In the past six months, approximately how many times have you WITHDRAWN CASH, either at an ABM/ ATM or a bank / credit union branch in Canada?

Q24-In the past 6 months, how many times, if any, have you used your bank / debit card to get cashback at a merchant?

Value of ABM/Branch cash withdrawals increases

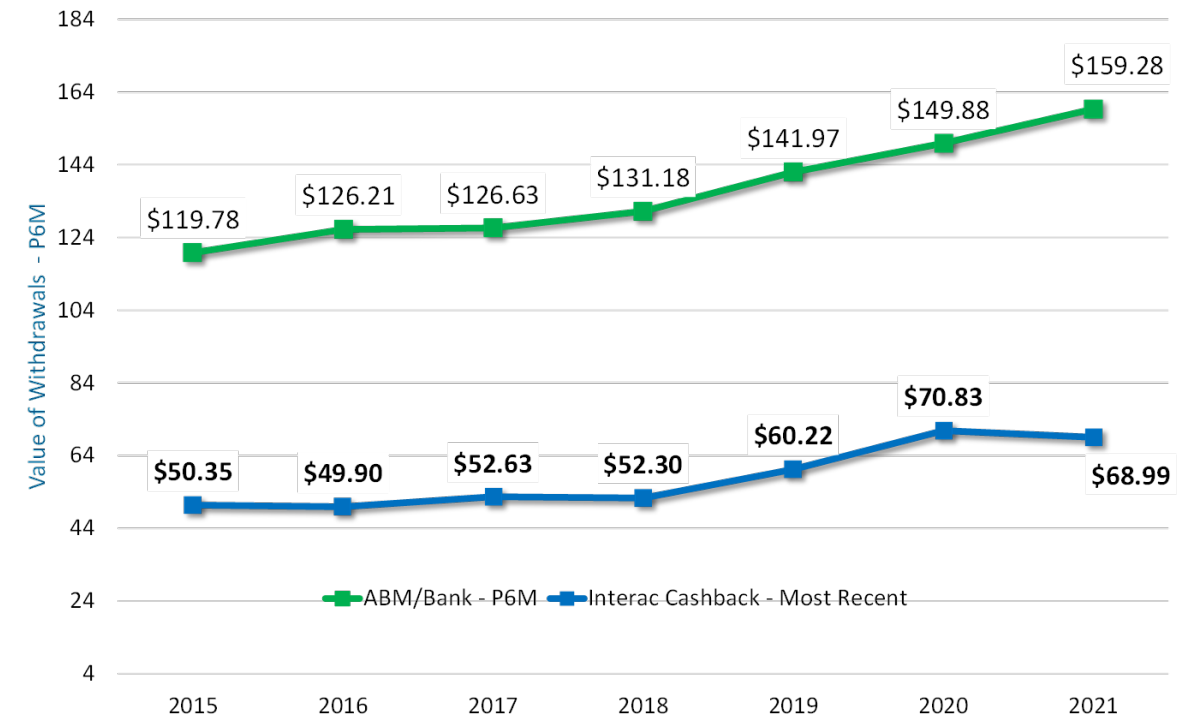
- ❖ The upward trend in the average withdrawal amount over the past six months continues, rising to \$159.28 in 2021 (vs \$119.78 in 2015) and representing a growth of 33% over the period
- ❖ The median withdrawal value has grown at a slower rate over this period risen from \$78.21 in 2015 to \$96.59 in 2021, a 23% growth of 23%
- ❖ On average, men withdrew 20% more than women at ABMs and bank branches
- ❖ The average value of the most recent Interac cashback withdrawal dipped slightly, to \$68.99 in 2021, a decrease of 2.6% over the previous year.
- ❖ The median cashback withdrawal value has remained stable since 2015, ranging from \$49.35 in 2015 to \$49,89 in 2021. This points to a cadre of higher-end users that are increasing the value of their withdrawals, while the behaviour of the majority remains constant.
- ❖ Interac cashback users in the early adopter or early majority groups tended to withdraw more than those in other adopter groups. Amongst laggards, average value of the most recent Interac cashback withdrawal was only 68% of the early adopter groups.

Q23-What was your AVERAGE cash withdrawal amount on these occasions, over the past six months?

Q25-How much cash did you withdraw on the most recent occasion that you got cashback at a merchant?

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Average Value of Debit Card Cash Withdrawals - P6M

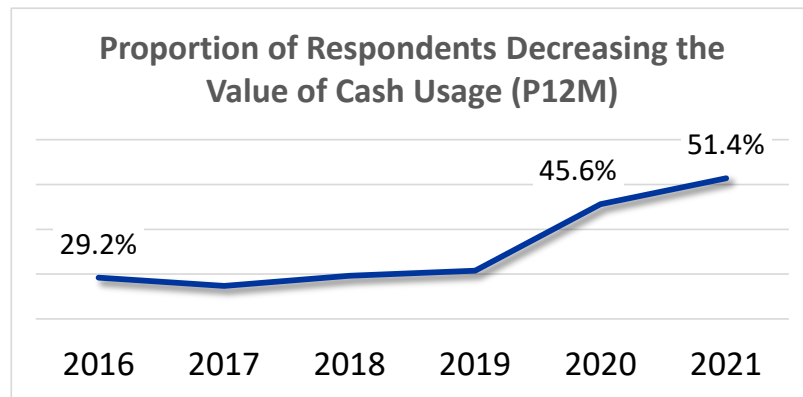


Base: ABM/branch withdrawals 2021 (n=1126)
Interac cashback 2021: (n=701)

Source: Canadian Consumer Payments Survey

Decline in cash usage accelerates

- ❖ More than half of all cash users (51.4%) indicated that their cash usage decreased over the past year, representing a significant shift away from cash over the last two survey years



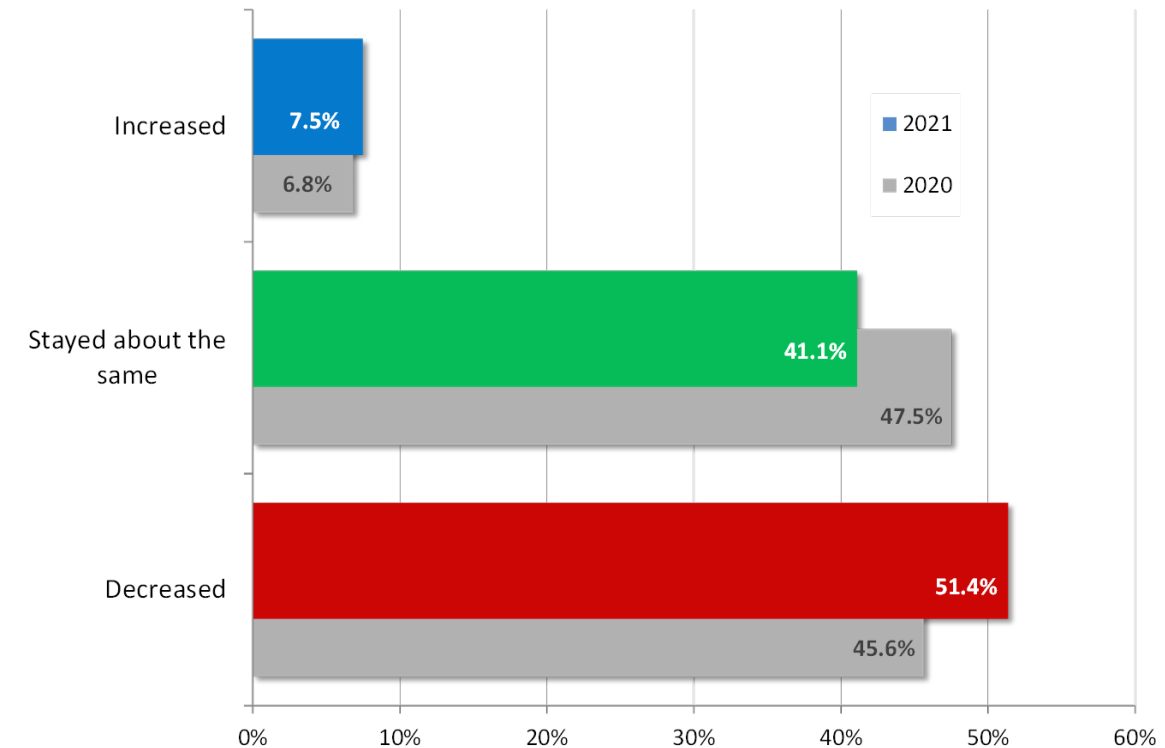
- ❖ Cash users in the 18-34 age group were significantly more likely to have increased their cash usage over the past year than older users

Change in Cash Usage	18-34 (A)	35-54 (B)	55+ (C)
Sample size n=	(505)	(766)	(646)
Increased	13%	6%	3%
Decreased	43%	52%	50%

Q10 B. Thinking about the different ways that you pay for goods and services in a typical month, how has your usage of each of the following changed over the past year? Cash...

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Change in Value of Cash Usage (P12M)



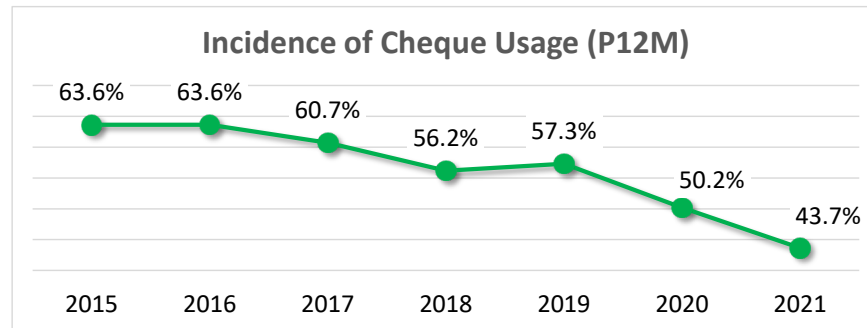
Base: Cash users 2021 (n=1880)

Source: Canadian Consumer Payments Survey

Cheque Payments

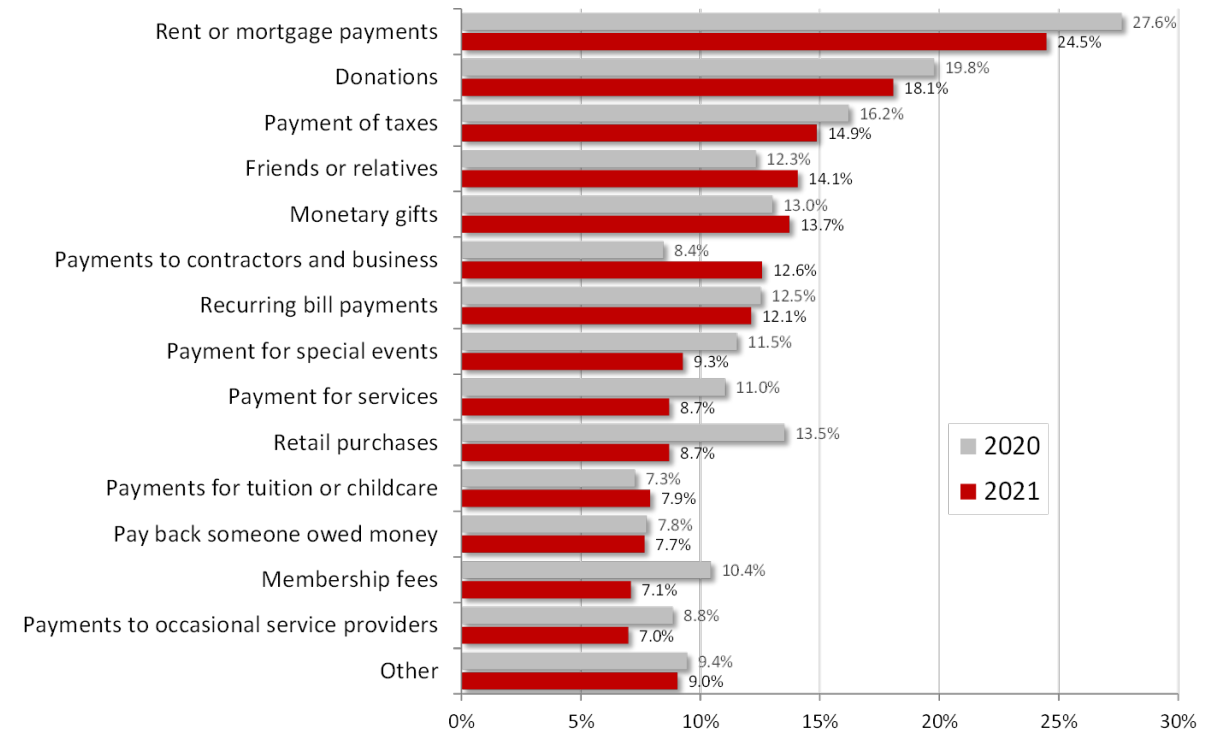
Cheque usage plunges across the board

- ❖ The incidence of cheque usage in the past twelve months plunged a further 6.5 percentage points over the past year, reaching 43.7% in the 2021 survey. The strong downward trend experienced in 2020 has continued in 2021.



- ❖ Rent or mortgage payments remain the most frequently cited reasons for using personal cheques for payment, with 24.5% of users mentioning this category of payments, substantially down from the 27.6% recorded in the 2020 survey.
- ❖ The use of cheque to pay friend/relatives and to contractors increased, in part, due to changes in expenditure behaviour, with more P2P payments and more home renovations taking place.

Reasons for Cheque Usage (P12M)



Base: made cheque payments P12M 2021 (n=874)

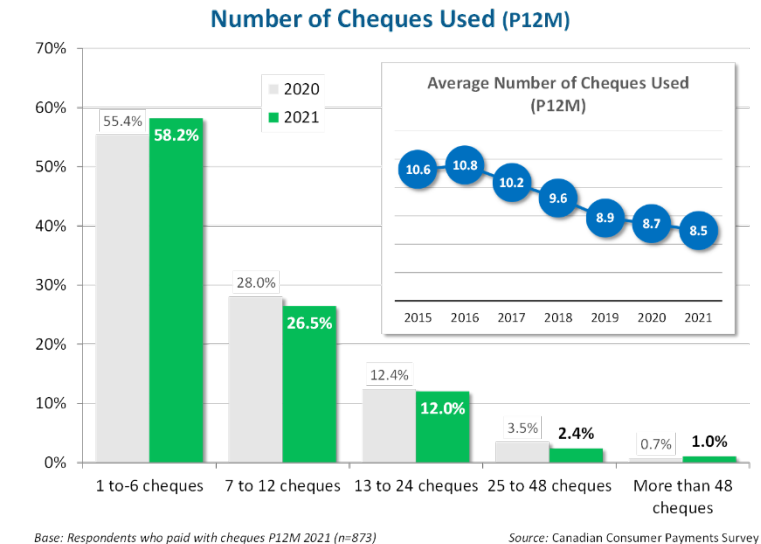
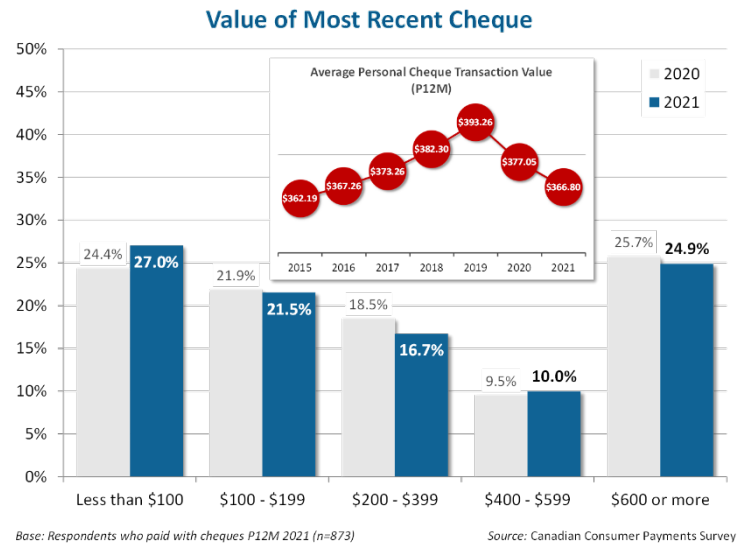
Source: Canadian Consumer Payments Survey
Note: Responses include multiple mentions

Q47. In the PAST YEAR, for which of the following reasons, if any, did you use personal cheques to PAY for something?

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Average cheque value and number of cheques written declines

- ❖ The average value of cheque written most recently was \$366.80, a 2.7% decline over the value recorded in the 2020 survey year.
- ❖ The average value of the most recent cheque written tends to rise with increasing age and is highest amongst retirees
- ❖ The distribution of value of the most recent cheque written is strongly bimodal, with modes at less than \$100 and \$600 or more, indicating that a certain segment of cheque users prefers to use cheque for high-value payments.
- ❖ The average number of cheques used by those who made cheque payments over the past twelve months continued its downward trend, dropping to 8.5 in the 2021 survey year. The decline has been steady since 2016.
- ❖ Somewhat surprisingly, cheque users in the early adopter group tend to write cheques more frequently than those in other adopter groups, 11.7 in the past twelve months vs. 8.0 for all others.



Q48. Approximately how many personal cheques did you use for payments in the past year?\

48A. What was the value of the cheque that you wrote most recently?

Changing cheque usage patterns amongst cheque users

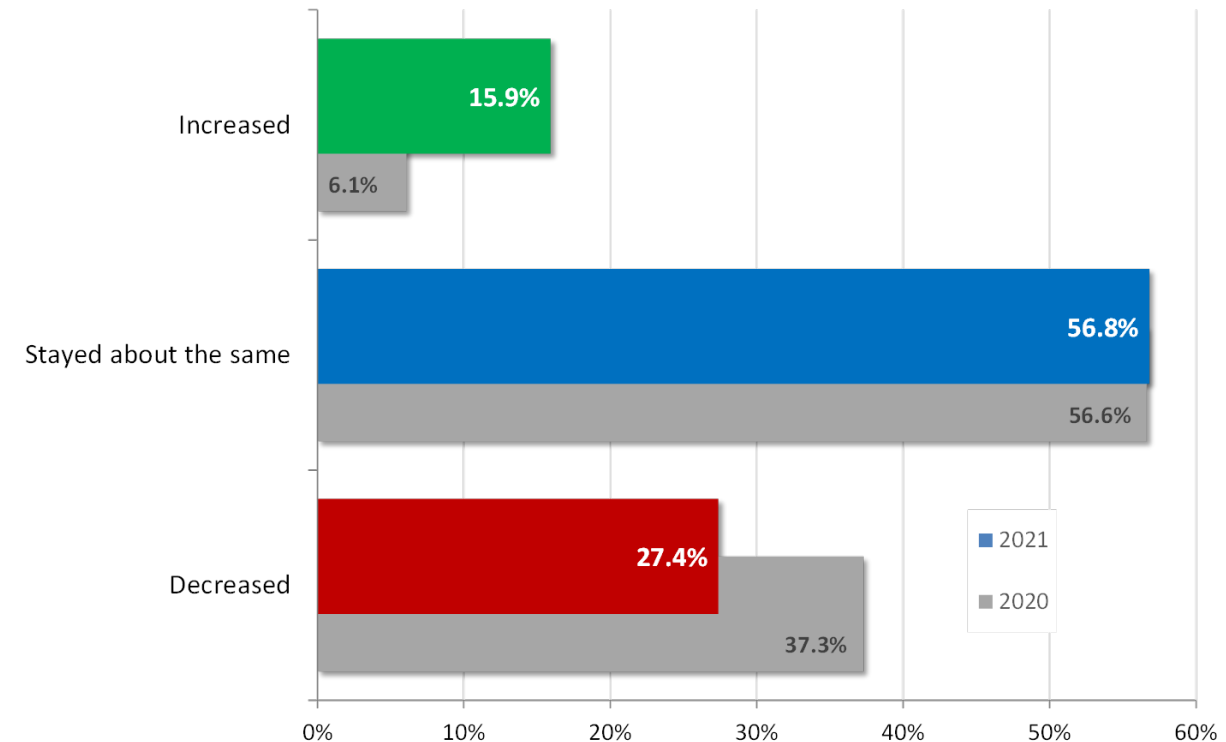
- ❖ While the incidence of cheque usage is down significantly over the pervious survey year, those who did use cheques in the past twelve months reversed prior trends in cheque usage, with a significant proportion increasing their cheque usage over the past year, and fewer decreasing their cheque usage. This may be a consequence of not having viable alternatives in times of pandemic.
- ❖ Cheque users in the early adopter age group are the most likely of all adopter groups to have increased their cheque usage over the past year, with 49% of that group saying that their usage had increased.
- ❖ Cheque users in 18 to 34 year age group were significantly more likely to have increased their cheque usage than those in older age groups, while those in the 55+ year age group were least likely to have increased usage

Change in Cheques Used	18-34 (A)	35-54 (B)	55+ (C)
Sample size n=	(153)	(287)	(436)
Increased	34%	14%	6%
Decreased	15%	29%	34%

Q10E. How has the value of your monthly payments changed, on average, over the past twelve months for each of the following forms of payment - Cheques?

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Change in Number of Cheques Used (P12M)



Base: Respondents who paid with cheques P12M 2021 (n=873)

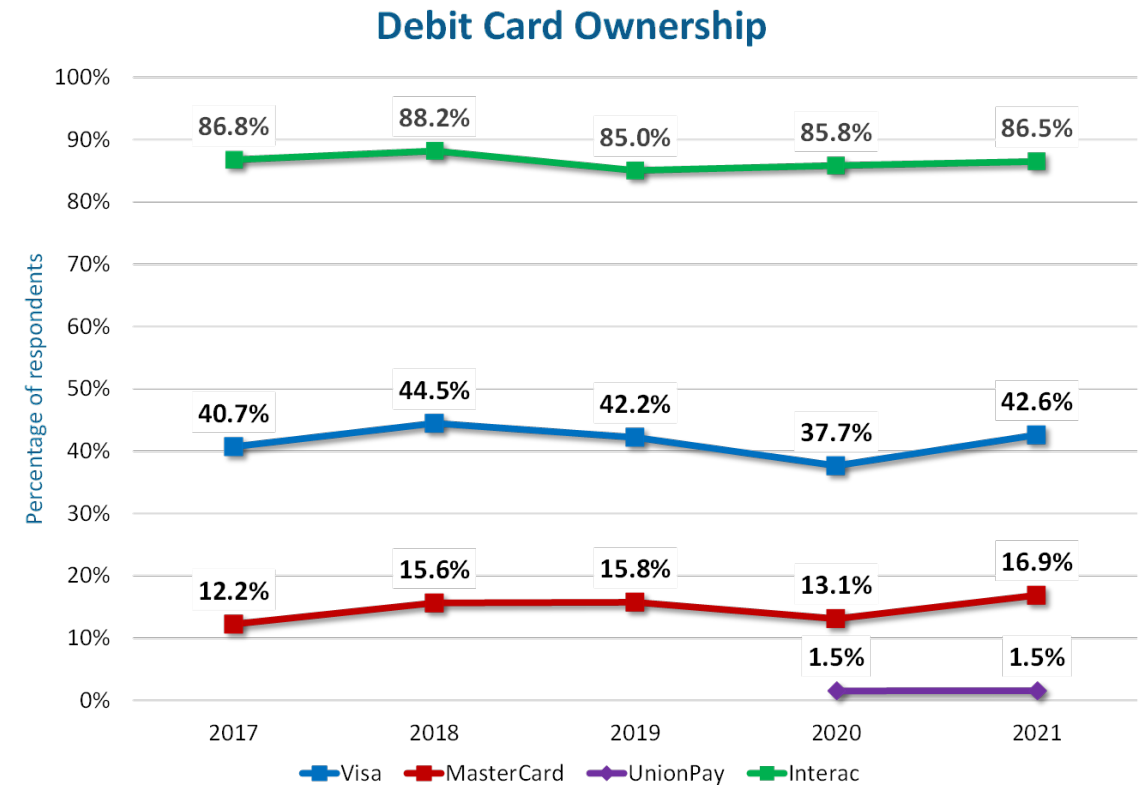
Source: Canadian Consumer Payments Survey

Debit

Interac dominates ownership across all debit card brands

- ❖ Interac Debit card ownership in Canada is high, with almost nine out of ten adult Canadians (86,5%) owning one.
- ❖ More than one half of adult Canadians (53.4%) own a scheme debit card.
- ❖ Visa Debit ownership follows Interac at a distant second, with an incidence of 42.6% and MasterCard at an even more distant third, at 16.9%. Ownership of both scheme debit brands increased over the past survey year, with Visa gaining 4.9 percentage points and MasterCard gaining 3.8 percentage points.
- ❖ MasterCard and Visa debit ownership is much higher in the 18 to 34 year age group than in other age groups – 53% higher for MasterCard debit and 31% higher for Visa debit
- ❖ Relative newcomer UnionPay, has an ownership base of just 1.5%.

Note: We have changed the methodology for evaluating Interac debit ownership in the 2021 survey. In addition, the way of determining the incidence of Scheme Debit ownership was changed in the 2020 survey to include UnionPay. The chart presented here combines the historical Scheme Debit data with data from the new question. Readers should exercise caution in interpreting these data since the apparent decline in Scheme Debit ownership is likely a result of the change in wording of the question.



Base: Total Sample 2021 (n=2002)

Note: Change in methodology for assessing Interac debit owners

Source: Canadian Consumer Payments Survey

Note: Multiple mentions

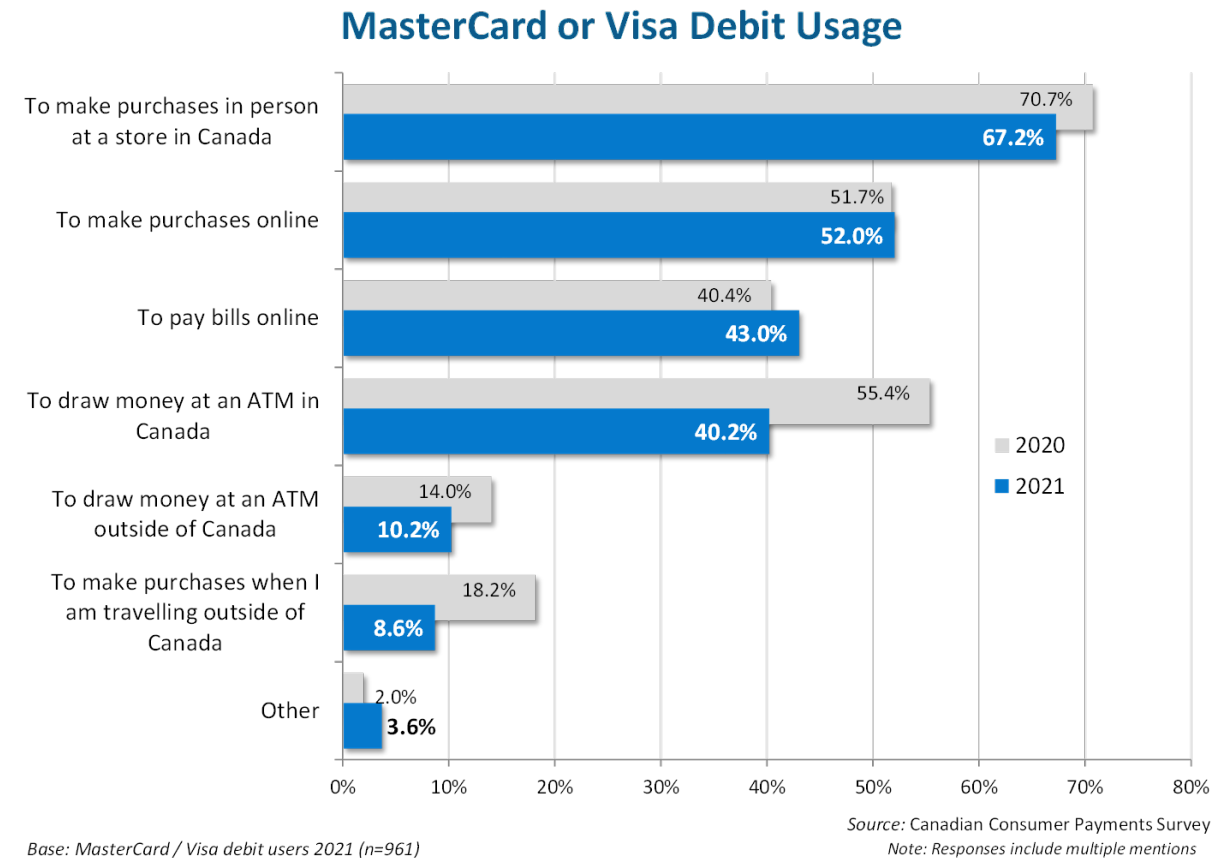
Q10 C. ...how has your usage of each of the following changed over the past year? Debit...

Q16B: Which of the following payment scheme debit cards do you own? Survey years 2017 to 2019

D01: Which of the following debit cards brands, if any, do you personally currently own? In the case of co-branded debit cards, please select all of the brands on debit cards that you own: 2020 survey

The pandemic has an impact on Scheme Debit usage

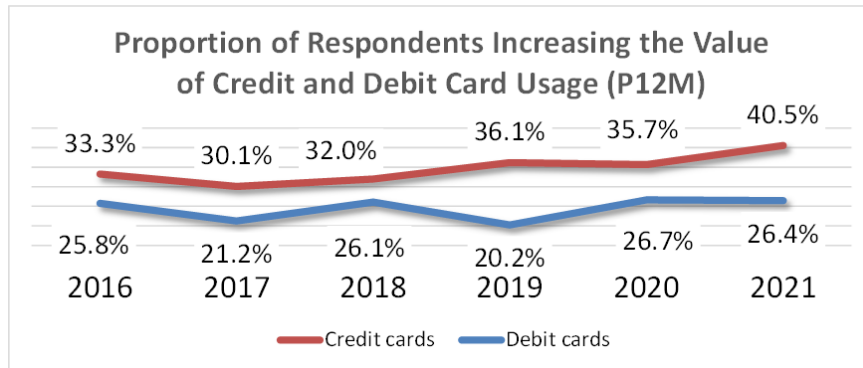
- ❖ More than two thirds (67.2%) of scheme debit card owners report having used their cards for in-store purchases in Canada in the past six months, which is clearly indicative of the lack of awareness of the subtleties of payments networks in Canada.
- ❖ Online purchases remained stable, with a little more than one half of scheme debit owners (52.0%) having made online purchases using their scheme debit cards in the 2021 survey year.
- ❖ The incidence of using scheme debit for online bill payments increased slightly in the 2021 survey, to 43.0%.
- ❖ Cash withdrawals at ATM's both within Canada and outside of Canada fell significantly over the survey year, as did purchases when travelling outside of Canada. This is largely due to the COVID-19 pandemic, which saw significantly lower cash withdrawals and cash usage, as well as much less foreign travel, over the past year.



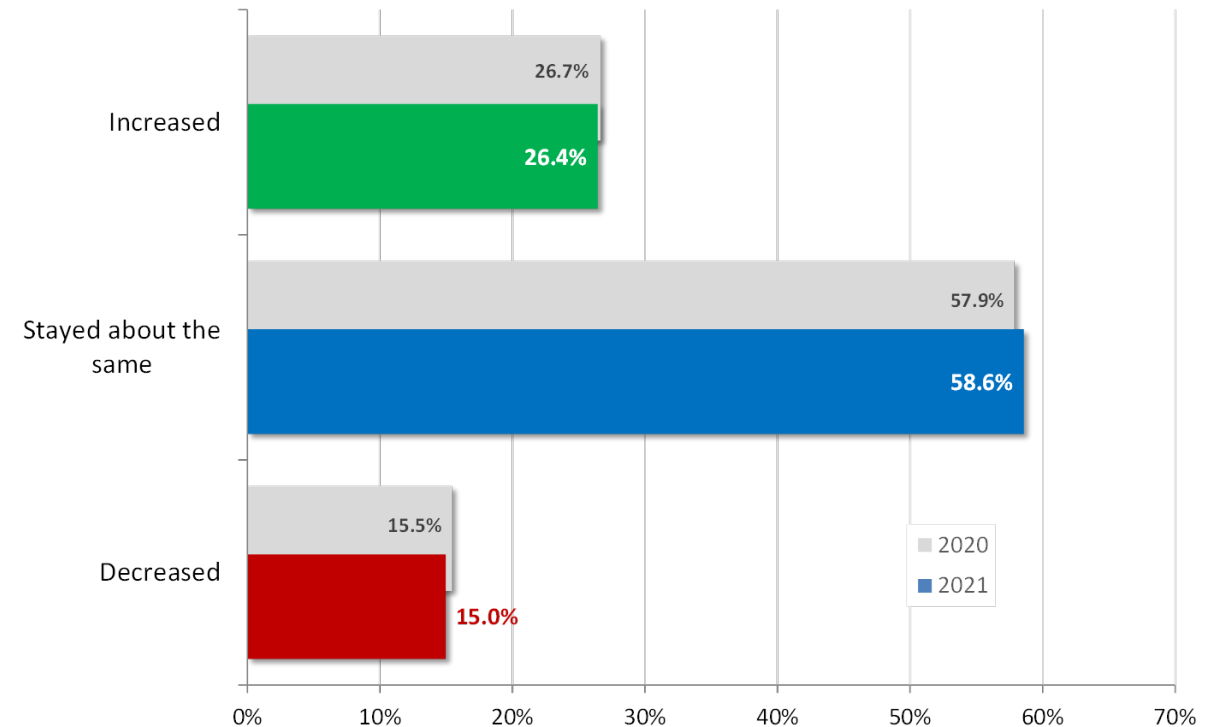
Q17: For which of the following, if any, have you ever used your payment scheme debit card?

Debit value has modest upward momentum, lags behind credit

- ❖ About one quarter of debit card users (26.4%) had increased the value of their credit card purchases in the past twelve month, an inconsequential change over the year. The proportion of users that stated that they had decreased the value of their debit card purchases over the past twelve months was also similar to that of the 2020 survey, coming in at 15.5% in 2021.
- ❖ Momentum in the value of debit card expenditure is lower than that for credit cards, with increases in incidence of higher credit card values (P12M) outstripping that of debit cards over the period since we started tracking this data in 2016.



Change in Value of Debit Card Payments (P12M)



Base: Debit card users 2021 (n=1804)

Source: Canadian Consumer Payments Survey

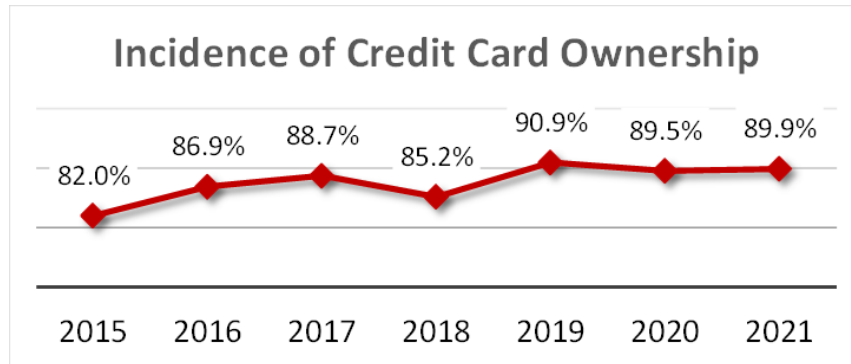
Q10D. how has the value of your monthly payments changed, on average, over the past twelve months for each of the following forms of payment – Debit cards?

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Credit Cards

MasterCard maintains its edge over Visa as primary credit card

- ❖ The incidence of credit card ownership has remained relatively stable over the past few years, hovering around the 90% mark.

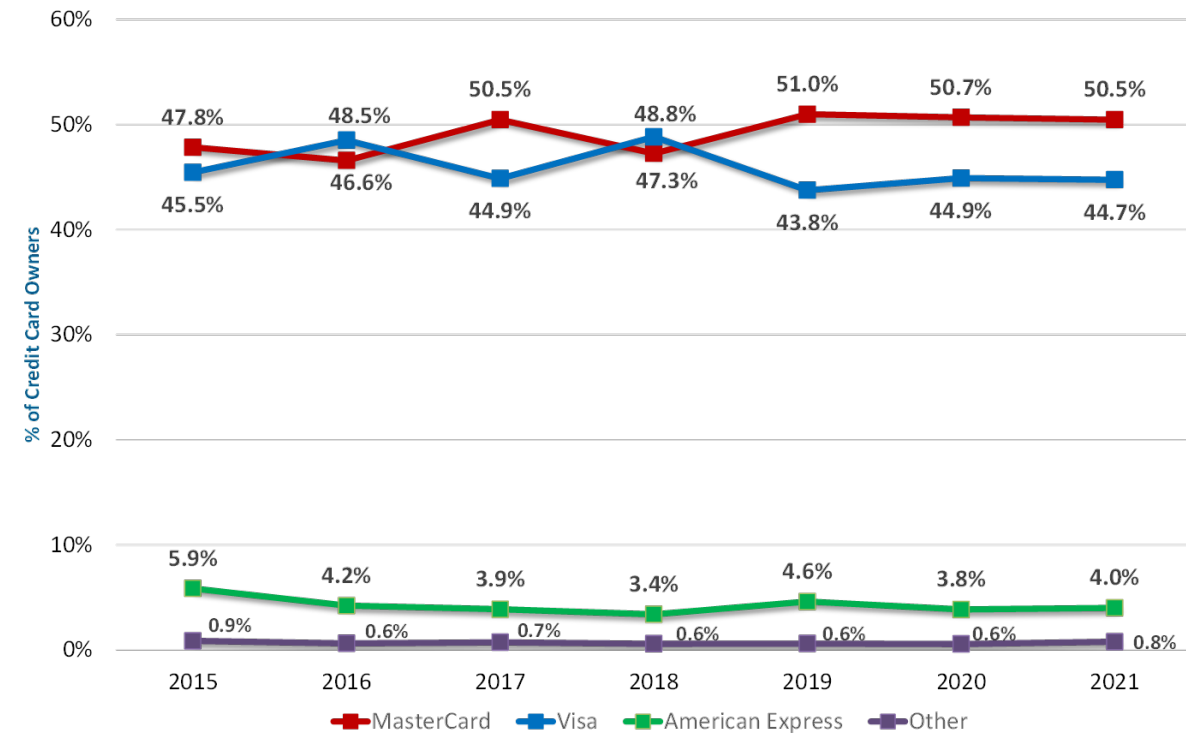


- ❖ The incidence of MasterCard ownership (as the primary credit card) amongst credit card owners has exceeded that of Visa ownership since the 2019 survey year. Both brands have fairly balanced shares of the market and periodically alternate for the top primary credit card brand spot.
- ❖ American Express credit cards remain a niche product in the Canadian market, with an incidence of just 4.0% in the 2021 survey year.

Q13. Which one of the following brands of credit card would you consider to be your primary credit card, i.e. the one that you use most frequently?

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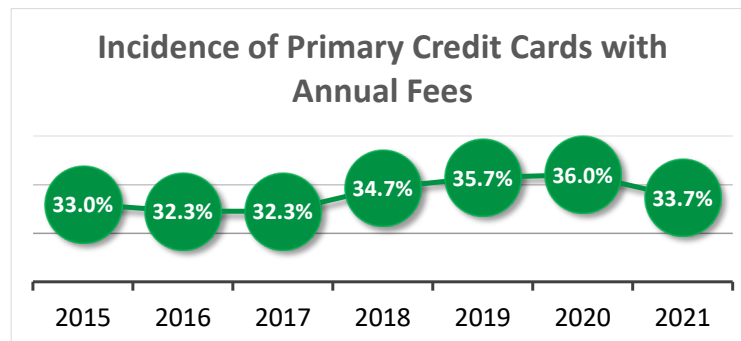
Credit Card Ownership by Brand



Base: Credit card owners 2021 (n=1799)

Cashback rewards remain the most popular loyalty scheme on credit cards

- ❖ More than eight out of ten credit card owners (82.7%) have a loyalty of reward program attached to their primary credit card.
- ❖ Cashback rewards are the most popular, with an incidence of 27.3% in the 2021 survey year, followed by PC Optimum at 17.3% and AIR MILES at 14.9%.
- ❖ In the 2021 survey, the incidence of Aeroplan linked credit cards was ranked at number 7 in the field, compared with a 5th place ranking the previous year, indicating the impact that the COVID-19 pandemic has had on travel-related reward programs.
- ❖ Early adopters are more likely to have a loyalty program linked to their primary credit card than those in other adopter groups.
- ❖ The incidence of credit cards that carry annual fees dropped to 33.7% in the 2021 Canadian Consumer Payments Survey.

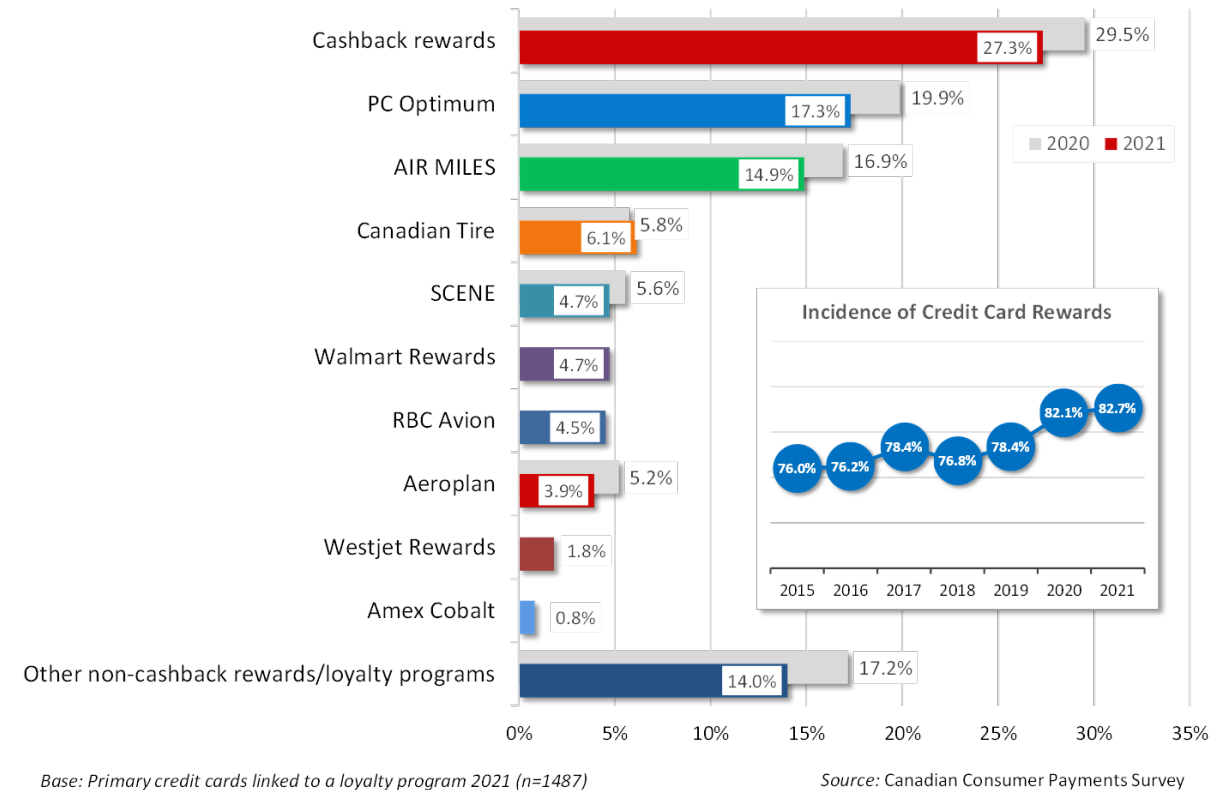


Q14. To which kind of loyalty programs, if any, is your primary credit card linked?

Q15-Do you pay an annual fee for your primary credit card?

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Credit Card Loyalty Program Membership



Fraudulent use and hacking of credit cards on the rise

- ❖ More than one in ten (10.8%) Canadian credit card owners reported fraudulent use of their credit cards over the past 12 months in the 2021 survey, an increase of 12.5% on the 9.6% recorded in the 2020 survey.
- ❖ Almost one in ten credit card owners indicated that their credit card information had been hacked in the past twelve months. This proportion has also increased over the past survey year, but to a lesser extent than reports of fraudulent use.
- ❖ Fraudulent activity and hacking were significantly more prevalent in the early adopter group over the past 12 months than for other adopter groups, 23% vs. 10% for fraudulent use, and 24% vs 8% for hacking.
- ❖ The dotted line projections are used to show the cumulative projections based on an assumption that the percentage point change from 2018 to 2019 is repeated in 2020 and 2021.

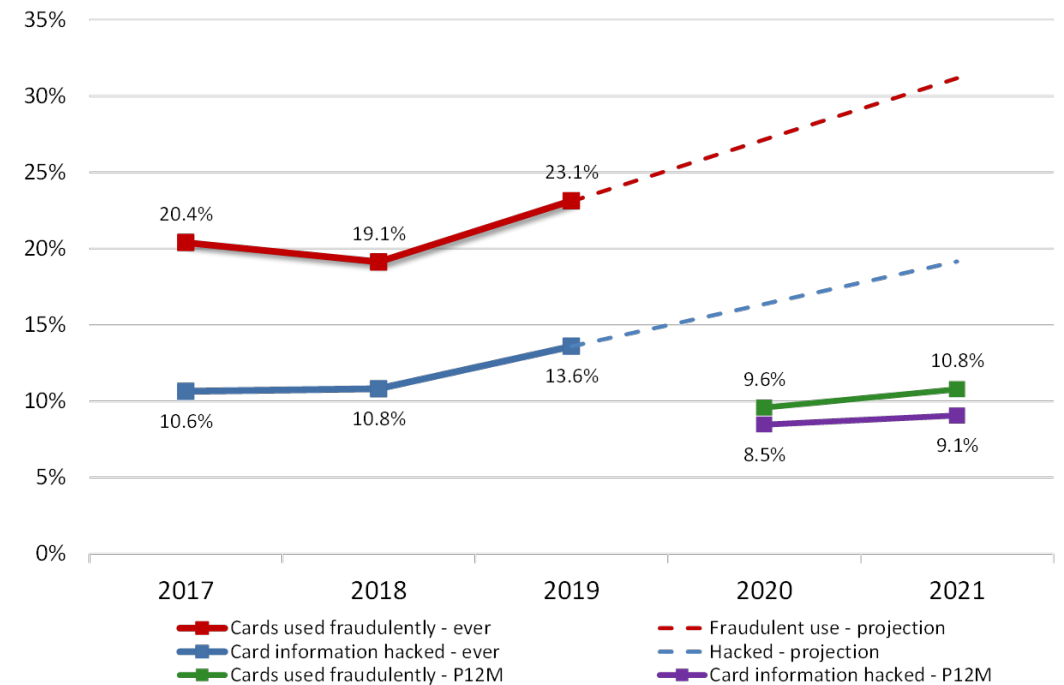
NOTE: The way these questions were asked in the 2020 survey differs from that of previous surveys. The current questions focus on fraudulent use or hacking in the past 12 months, whereas in prior surveys credit card owners were asked if their cards had ever been used fraudulently or been hacked. The period change (“ever” vs P12M) accounts for the difference in fraudulent activity.

Q15A: To your knowledge, has your credit card been used fraudulently in the past 12 months?

Q15B : To your knowledge, has your credit card information been hacked in the past 12 months?

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Credit Card Owners who have Experienced Payment Security Issues

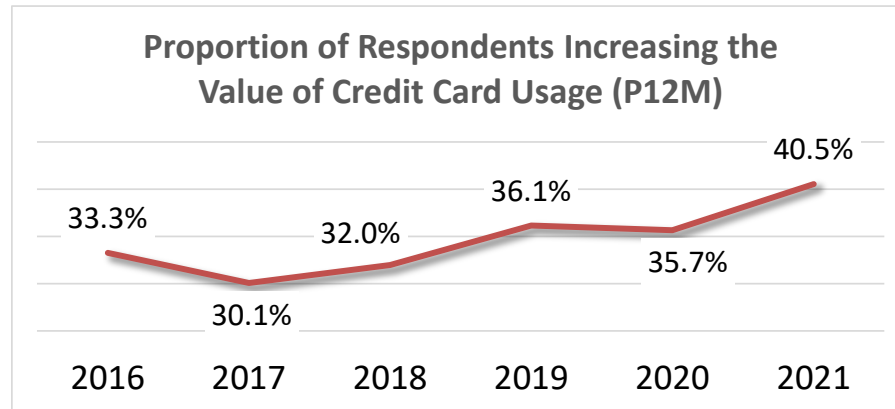


Base: Those who own a credit card 2021 (1799)

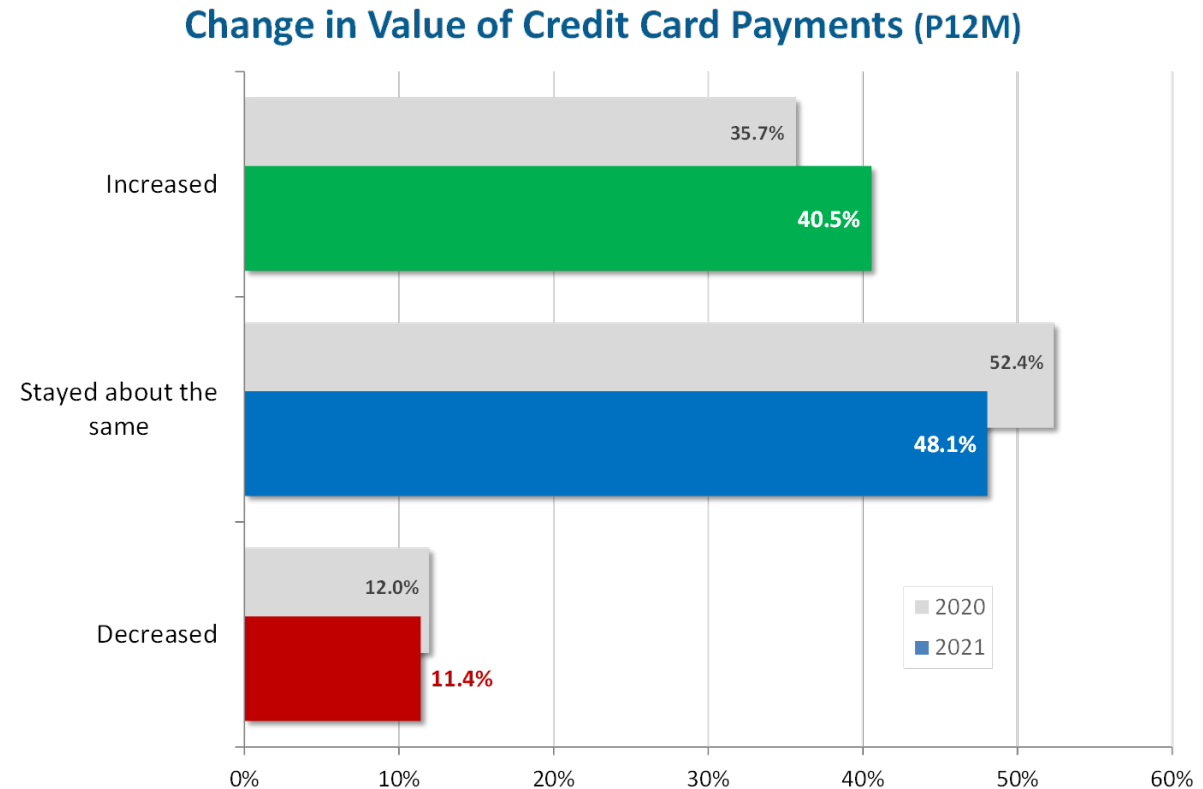
Source: Canadian Consumer Payments Survey

Growth in the value of credit card purchases remains strong

- ❖ More than four out of ten credit card users (40.5%) had increased the value of their credit card purchases in the past twelve month. This is a substantial increase from the previous year (35.7%).



- ❖ The proportion of users that stated that they had decreased the value of their credit card purchases over the past twelve months was not markedly different to that of the 2020 survey, with the result that the change in market momentum is a result of change in share of those who expenditure values stayed about the same.



Base: Credit card users 2021 (n=1718)

Source: Canadian Consumer Payments Survey

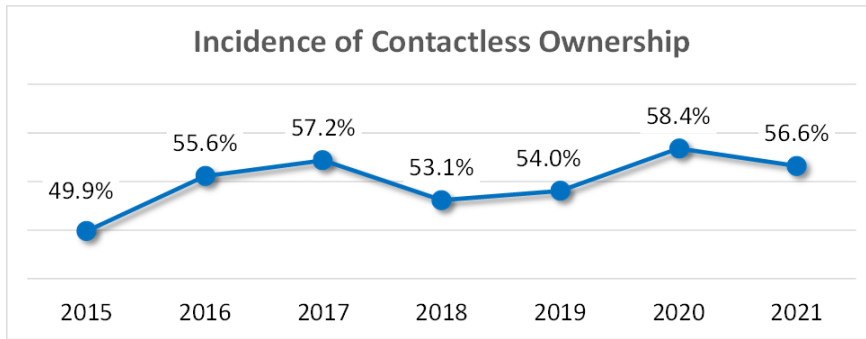
Q10D. how has the value of your monthly payments changed, on average, over the past twelve months for each of the following forms of payment – Credit cards?

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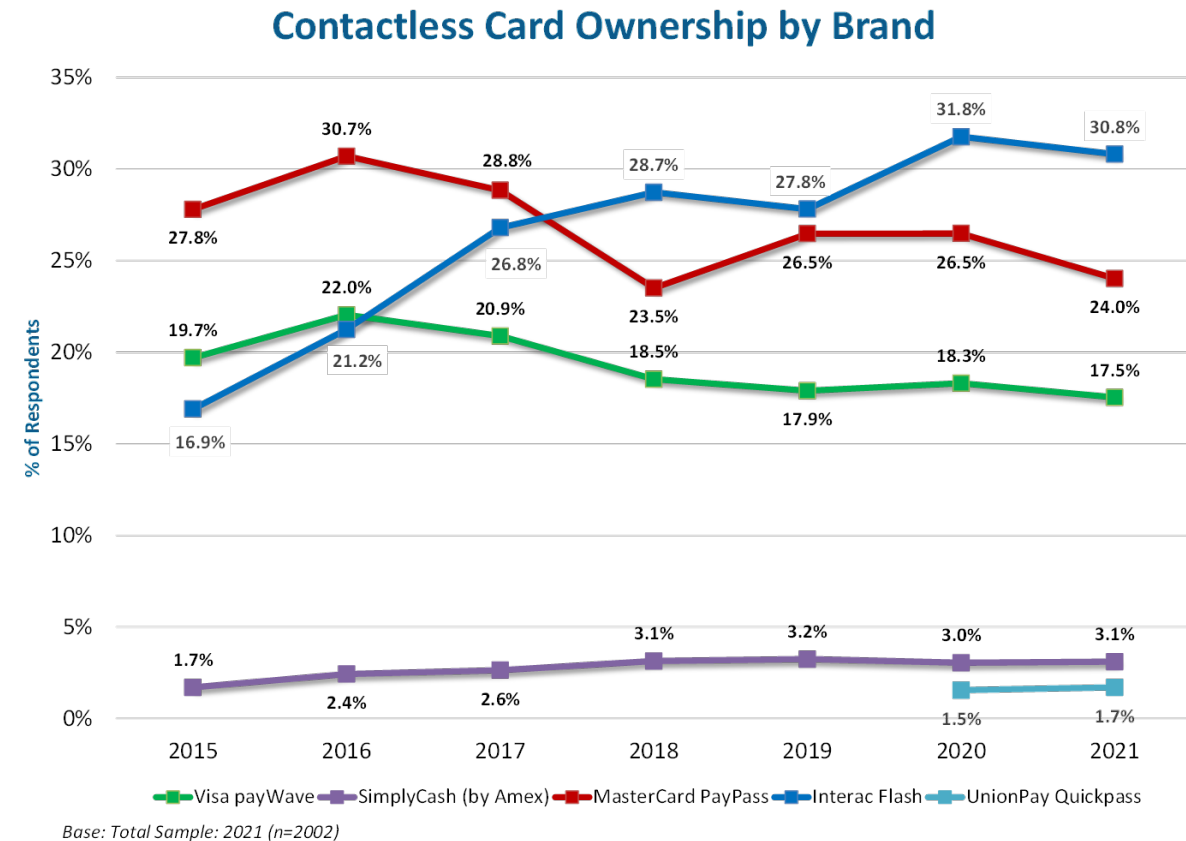
Contactless Payments

Interac Flash contactless ownership consolidates its lead

- ❖ The incidence of contactless card has moved in a fairly narrow band over the past five years, settling on 56.6% in the 2021 survey year.



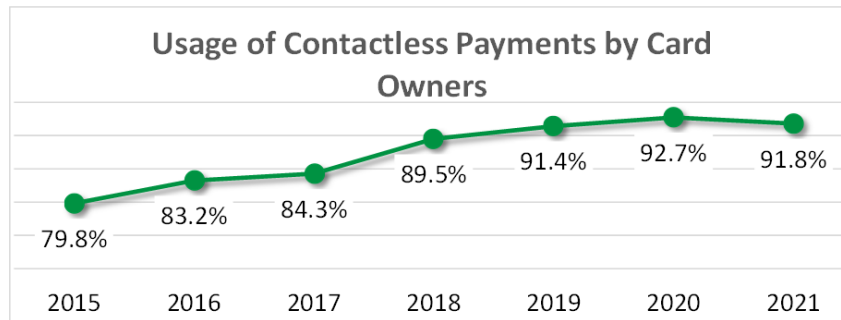
- ❖ Interac Flash has been the dominant contactless card brand for the past four years, with MasterCard PayPass at times a close second, but losing ground over the last two years.
- ❖ Visa payWave continues to lag, with an incidence of 17.5%, but is still almost six times higher than the incidence of Amex's SimplyCash.
- ❖ Ownership of UnionPay QuickPass edged up slightly over the year, but still retains an insignificant share.



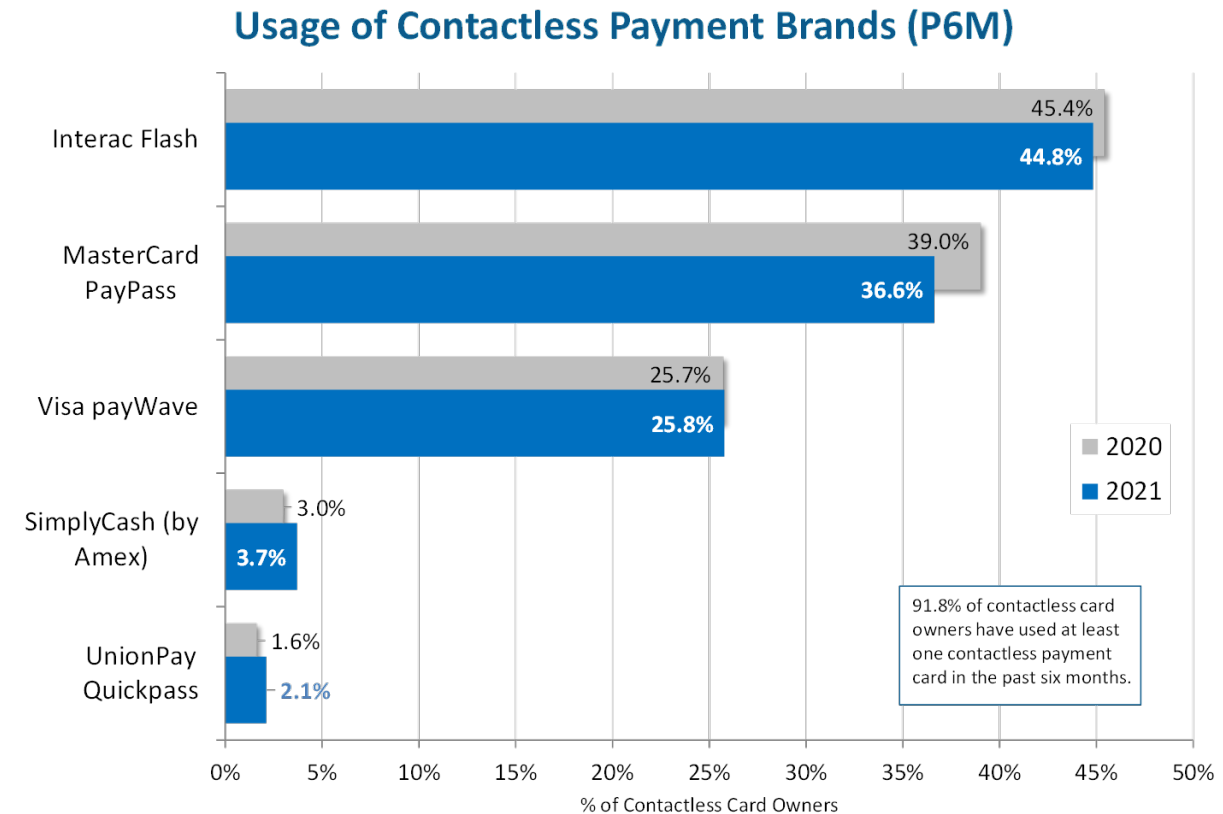
Q27. Which of these brands of contactless payment cards, if any, do you own?

Interac Flash has highest proportion of contactless card users

- ❖ The incidence card usage of past six month contactless amongst contactless card owners stabilized at 91.8% in 2021.



- ❖ Interac Flash retained its top spot as contactless payment brand, with 44.8% of contactless owners having used it to pay for something in the past six months.
- ❖ MasterCard PayPass retained its second place position, being used by 36.6% of contactless owners, while Visa payWave remains firmly in third place, being used by 25.8% of contactless owners.



Base: Contactless card owners 2021 (n=1133)

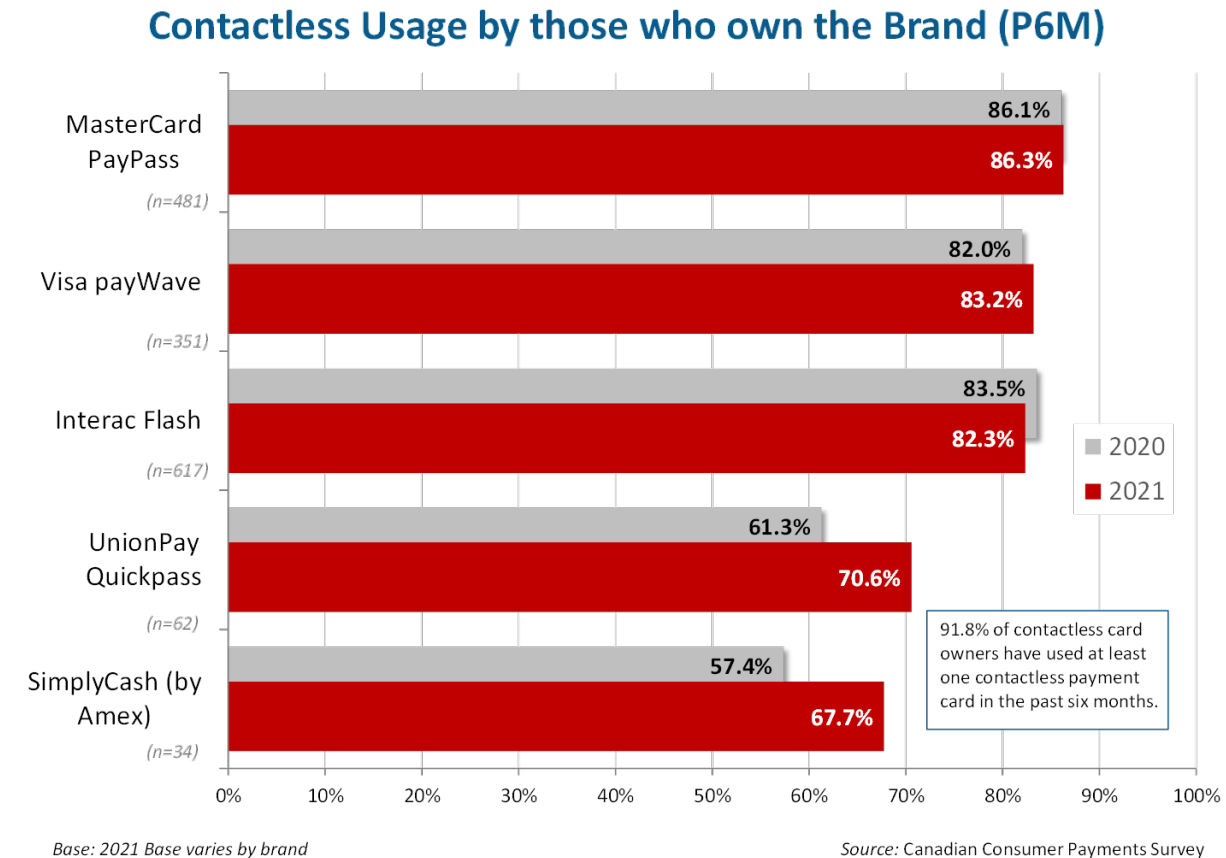
Source: Canadian Consumer Payments Survey

Q28. Which of these cards have you used to make contactless payments (i.e. tap or wave your card in front of the terminal to pay) for goods or services in the past 6 months?

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UnionPay QuickPass and Amex SimplyCash increase adoption for payments

- ❖ Usage of MasterCard PayPass amongst its owners stabilized at 86.3% in 2021, and remains the highest brand usage across all major contactless payment brands.
- ❖ Usage of Interac Flash and Visa payWave by brand owners remained fairly stable with Visa and Interac being neck-and-neck.
- ❖ The proportion of UnionPay QuickPass owners who used their contactless cards to make a payment in the past six months jumped to 70.6% in 2021, from 61.3% in 2020
- ❖ A similar phenomenon was experienced among American Express SimplyCash owners where the proportion of owners using the cards jumped from 57.4% in 2020 to 67.7% in 2021.
- ❖ The relatively high penetration of usage amongst brand owners is indicative of the broadening base of contactless payments in Canada, and the increases in usage amongst SimplyCash and QuickPass owners shows the pandemic has increased the adoption of contactless payments over the past year.



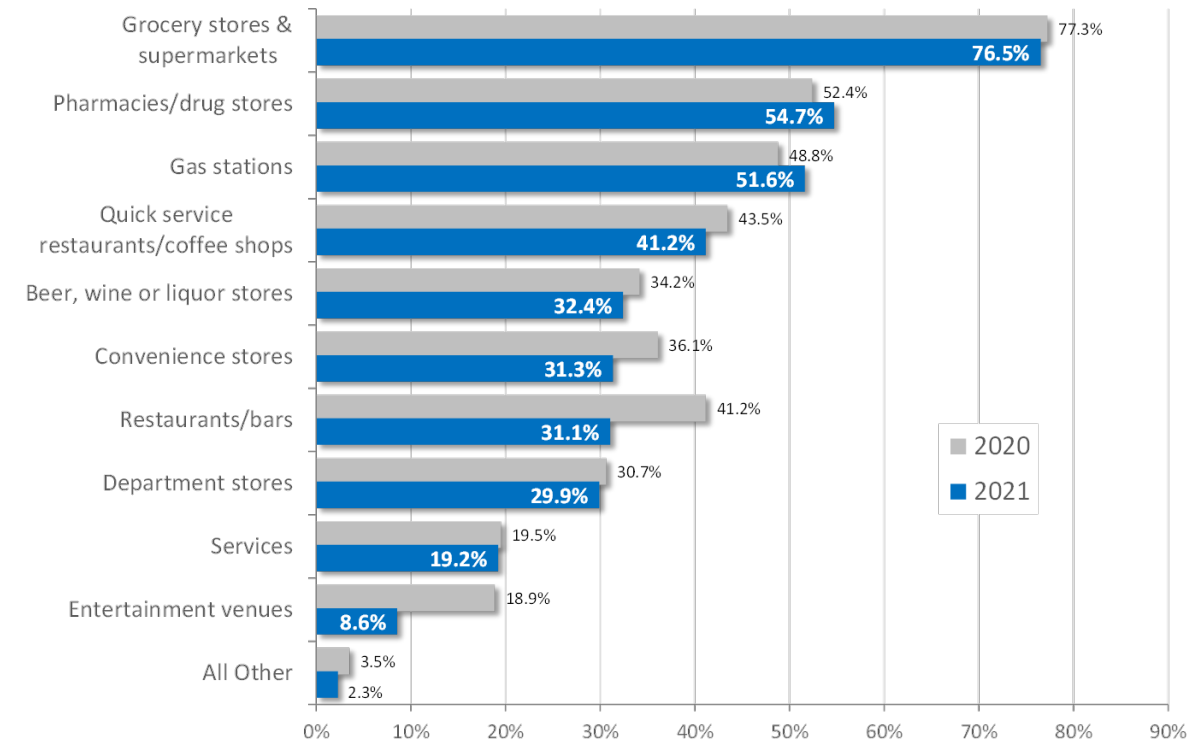
Q28. Which of these cards have you used to make contactless payments (i.e. tap or wave your card in front of the terminal to pay) for goods or services in the past 6 months?

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Pandemic impacts on where contactless cards were used

- ❖ More than three quarters of contactless card users (76.5%) have used their cards to pay for goods at grocery stores or supermarkets.
- ❖ Pharmacies / drug stores and gas stations attracted more than half of all contactless users in the 2021 survey, 54.7% and 51.6% respectively. The user base for both of these categories increased over the past year.
- ❖ Restaurants, entertainment venues and convenience stores all saw substantial declines in the number of contactless users making contactless payments in these categories, largely due to the lockdowns that were put in place across the country at various times over the past year in order to prevent the spread of the COVID-19 virus.
- ❖ Contactless users in the 18 to 34 year age group were significantly more likely than those in older age groups to have made contactless payments at restaurants and entertainment venues in the past six months, while those in older age groups were far more likely to have made contactless payments at pharmacies and gas stations.

Usage of Contactless Payments at Merchants (P6M)



Base: Contactless card users 2021 (n=1040)

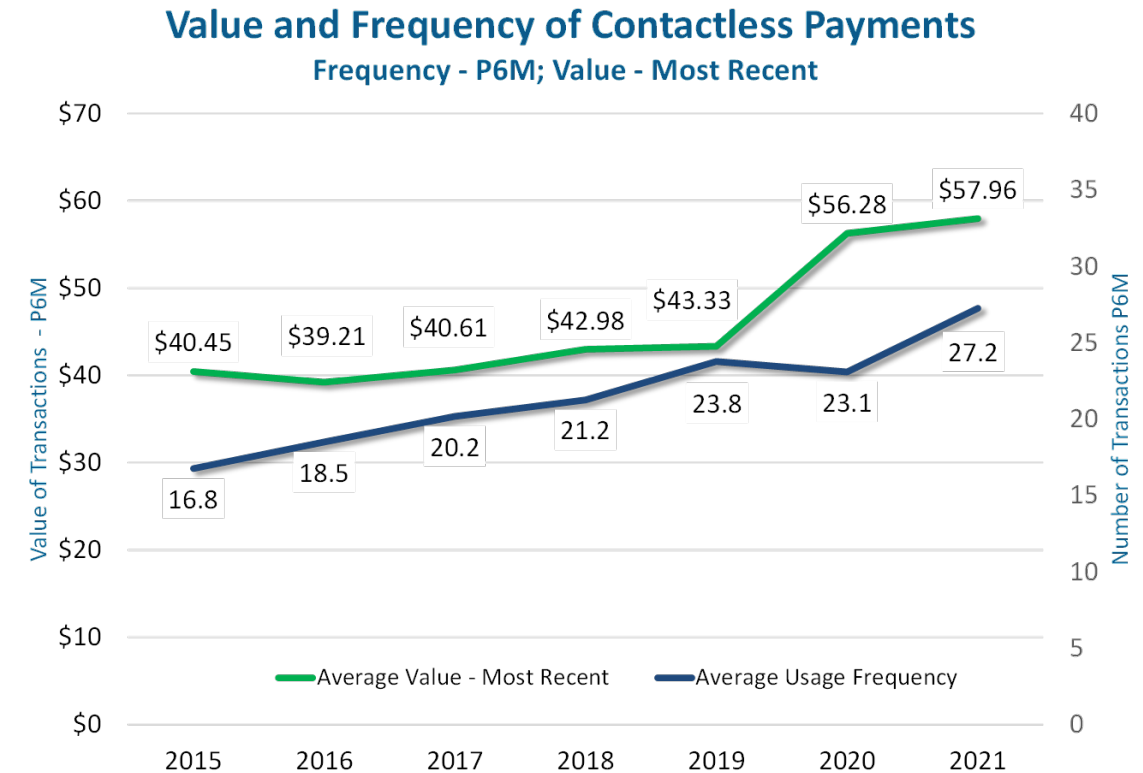
Source: Canadian Consumer Payments Survey

Q31. In the past six months, at which of the following types of merchants did you use the contactless payment option on your payment card to pay for goods and services?

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The Average value and frequency of contactless transactions increases

- ❖ Usage frequency of contactless payment cards over the past six months increased substantially over the past year, from 23.1 transactions in the 2020 survey to 27.2 transactions in 2021.
- ❖ There are few significant differences in usage frequency across key demographic groups.
- ❖ The average value of the most recent contactless transaction amongst contactless payment users was \$57.96 in the 2021 survey, slightly higher than the \$56.28 recorded in the previous survey year. The increased transaction limits on contactless credit card purchases that were instituted more than a year saw the sharp increase in average transactions values that were recorded in the 2020 survey.
- ❖ The average most recent transaction value of heavy contactless users (more than two transactions a month, on average) amounted to \$60.86 in the 2021 survey year, 13% higher than that of light users
- ❖ Early adopters had the highest average most recent transaction value at \$70.31, more than 23% higher than those in other adopter groups.



Base: Contactless users: 2021 (n=1032)

Source: Canadian Consumer Payments Survey

Q29-In the past six months approximately how many times have you used the contactless payment option on your payment card (i.e. tap or wave your card in front of the terminal) to pay for goods or services?

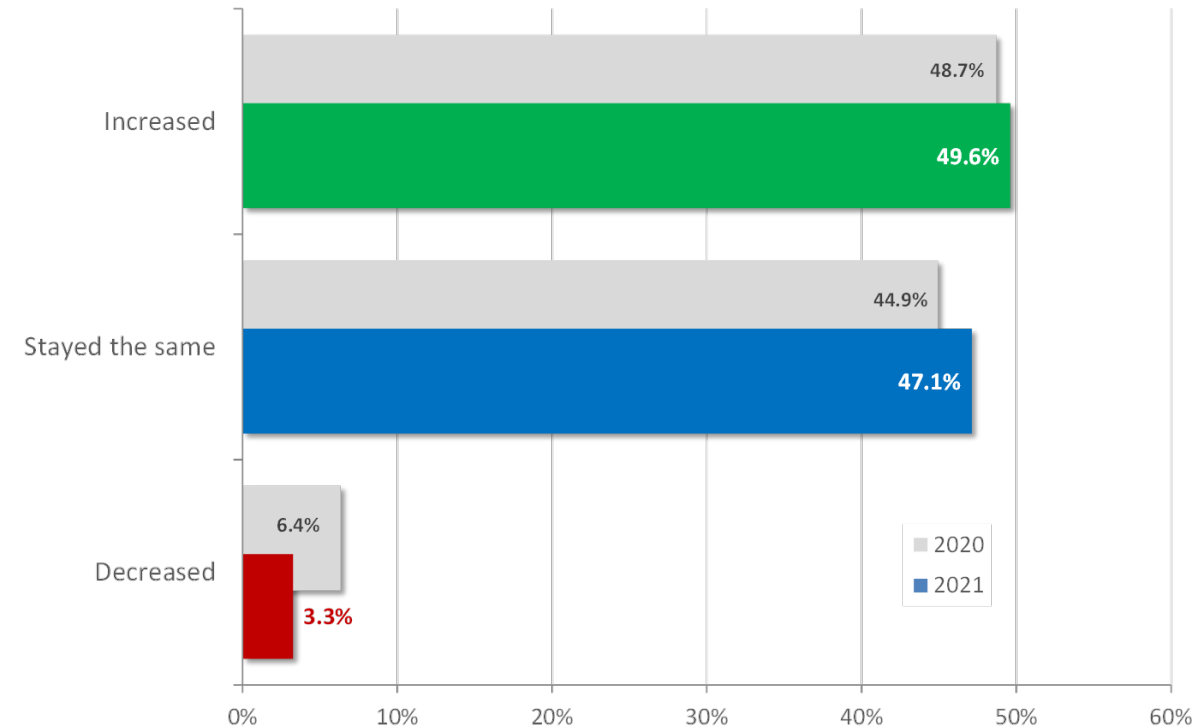
Q30-On the most recent occasion that you used the contactless payment option on your card to pay for goods or services, approximately how much did you spend?

Contactless usage continues to build strong upward momentum

- ❖ Almost five out of ten contactless card users (49.6%) have increased their use of contactless cards over the past six months, compared with only 3.3% who have reported a decrease in usage.
- ❖ The proportion of contactless users who reported a decrease in usage over the past six months has almost halved over the past year, resulting in a significant increase in upward momentum.
- ❖ Just under one half of contactless users (47.1%) report no change in contactless card usage over the past six months.
- ❖ Both light and heavy users reported strong increases, with 53% of those who have used their cards more than twice a month and 45% of light users reporting an increase.
- ❖ Contactless card users in the 18-34 age group are the most likely to have increased their usage over the past six months.

Change in Usage	18-34 (A)	35-54 (B)	55+ (C)
Sample size n=	(228)	(430)	(374)
Increase	59%	49%	40%

Change in Number of Contactless Payments (P6M)



Base: Contactless card users 2021 (n=1040)

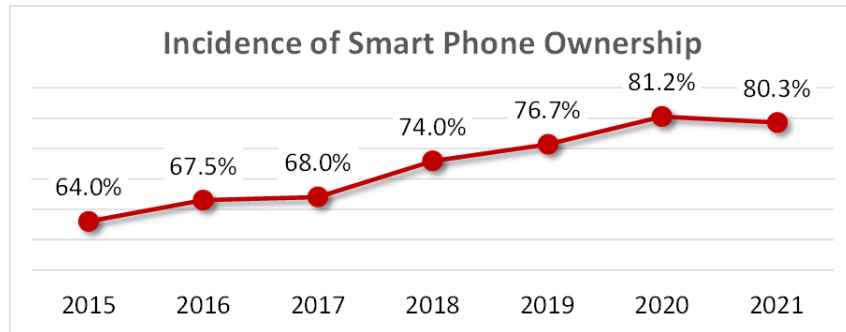
Source: Canadian Consumer Payments Survey

Q32-How has the number of contactless payments that you made changed over the past six months?

Mobile Payments

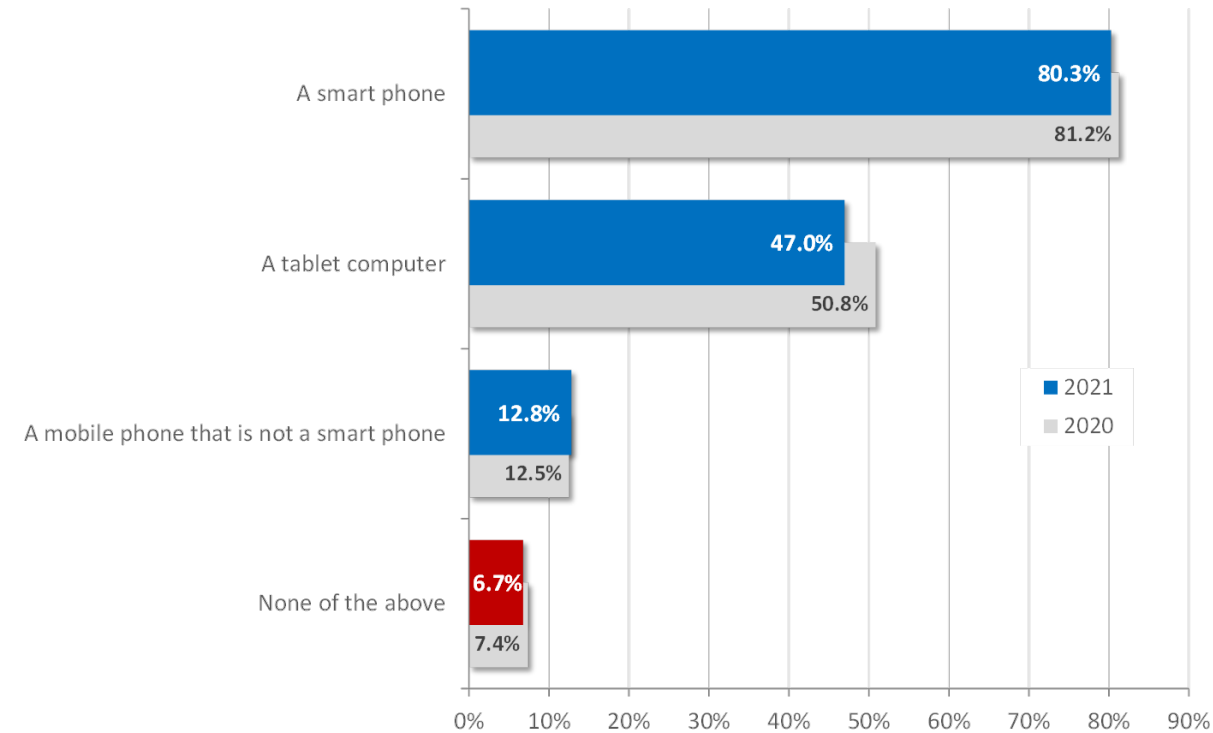
Smart phones dominate mobile connectivity devices

- ❖ Smart phones remain the most dominant mobile connectivity device, with more than eight out of ten adult Canadians (80.3%) owning a smart phone. Smart phone penetration stabilized in the 2021 survey year.



- ❖ Smart phone ownership varies with age, with only 71% of Canadians in the 55+ age group owning a smart phone, compared with 87% of those in younger age groups.
- ❖ Almost one half of adult Canadians (47.0%) own a tablet computer.
- ❖ The incidence of mobile phone owners (non smart phone) remained virtually unchanged over the year, at 12.8%.

Mobile Device Ownership



Base: All respondents: 2021 (n=2002)

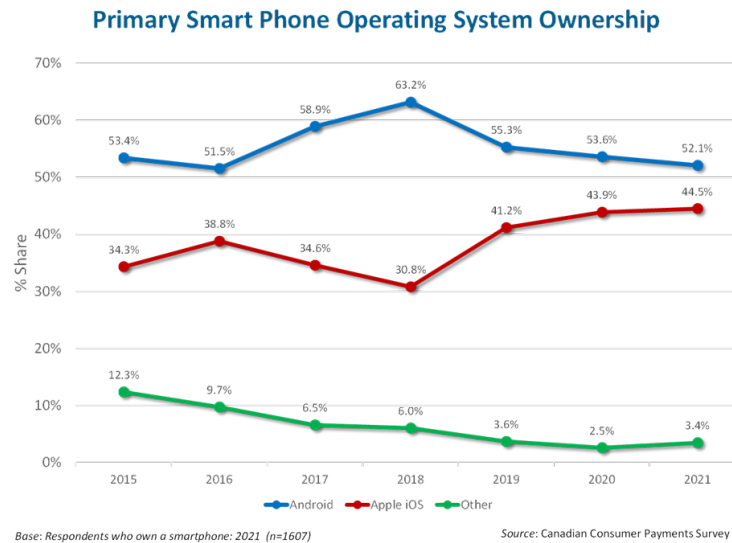
Source: Canadian Consumer Payments Survey

*Note: Responses include multiple mentions

Q33. Which of the following types of devices, if any, do you personally own?

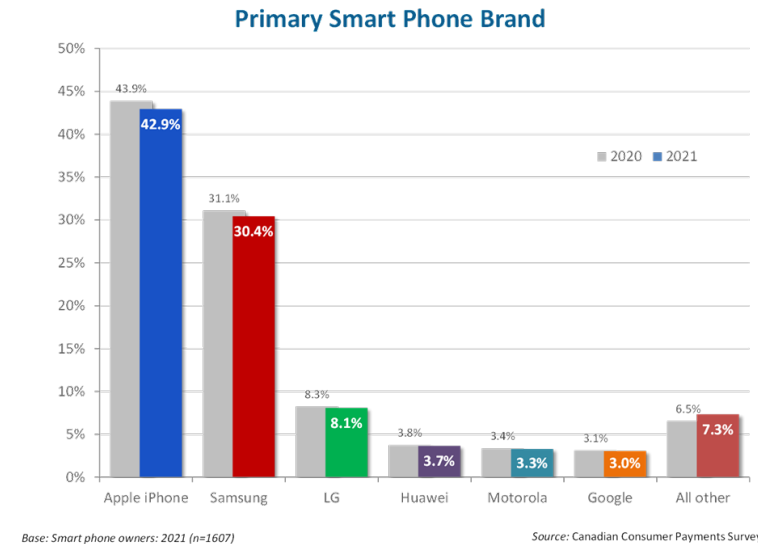
Android OS dominates, while iPhone is most popular device

- ❖ Android remains the most popular operating system of primary smart phones in Canada, but gave up 1.4% of its share, falling to 52.1% in 2021. Android's loss of share was accompanied by an increase in Apple iOS's share of the market, but also by an increase of other niche operating systems.
- ❖ While Android dominates in terms of operating system, the iPhone is the most popular smart phone brand.
- ❖ More than four out of ten smart phone owners (42.9%) cite Apple's iPhone as their primary smart phone device vs. 30.4% who own Samsung devices. LG devices trail in a distant third place as the primary smart phone device of 8.1% of adult smart phone owners.
- ❖ The average smart phone age is 2.2 years, insignificantly higher than in 2020.



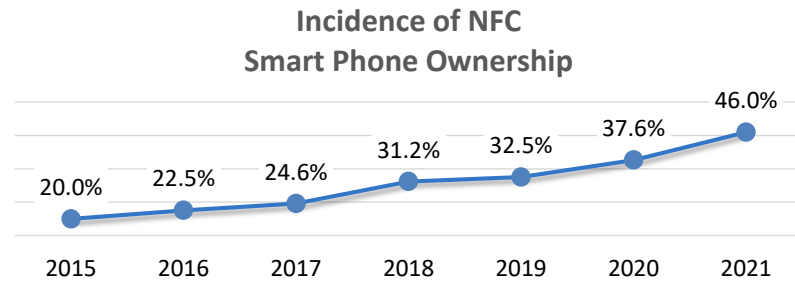
Q34. Which operating system does your smart phone use? If you have more than one smart phone, please select the operating system of your primary device - the one you use most often

Q34B. Which of the following brands of smart phone is your primary device?



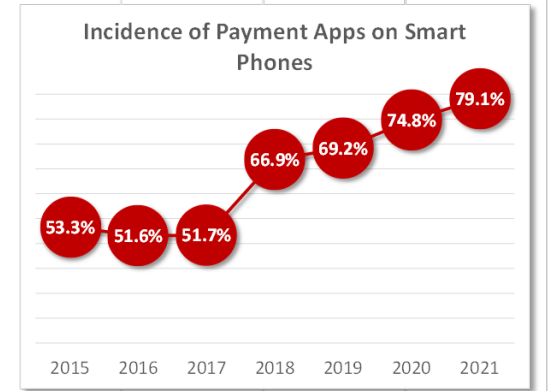
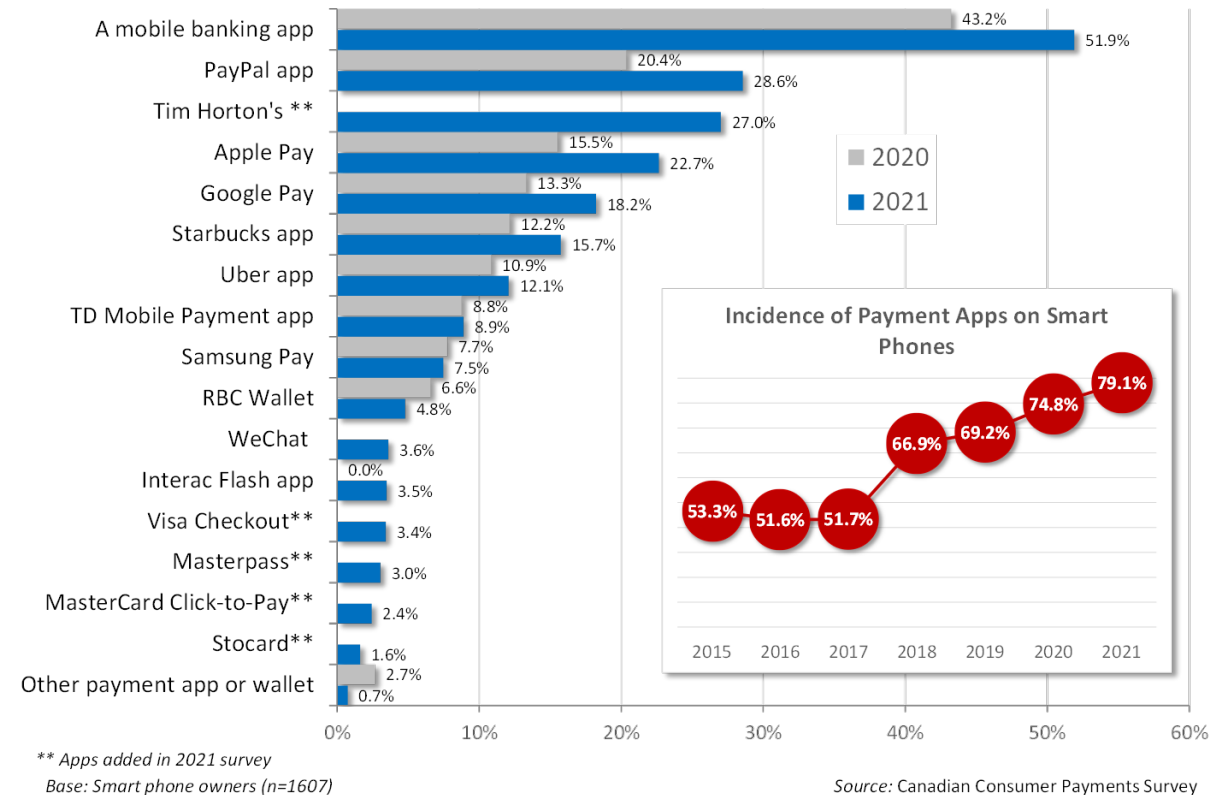
Incidence of NFC capability and payment apps on smart phones increases

- ❖ The proportion of primary phones with NFC payment capability increased to 46.0% in 2021, a sharp increase over the year.



- ❖ About eight out of ten smart phone owners (79.1%) have a payment app installed on their smart phones, with a mobile banking app being the most frequently installed.
- ❖ There have been strong increases in payment apps from major brands over the past year, with the incidence of PayPal, Apple Pay, and Google Pay increasing substantially since the 2020 survey, while Samsung Pay appears to be struggling to gain traction.
- ❖ Apple Pay is now on about one half of the iPhones currently in use as a primary smart phone device.

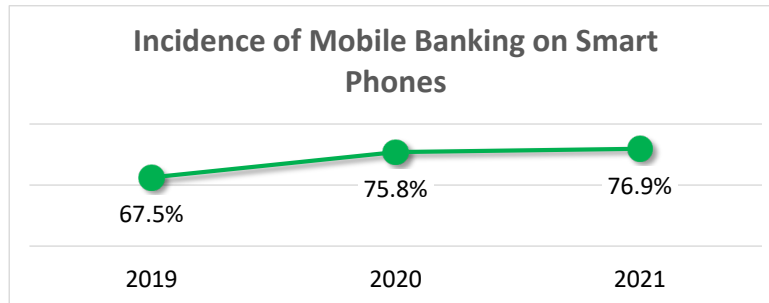
Payment Applications Installed on Smart Phones



Q36. Which of the following services or applications, if any, do you currently have on your smart phone?

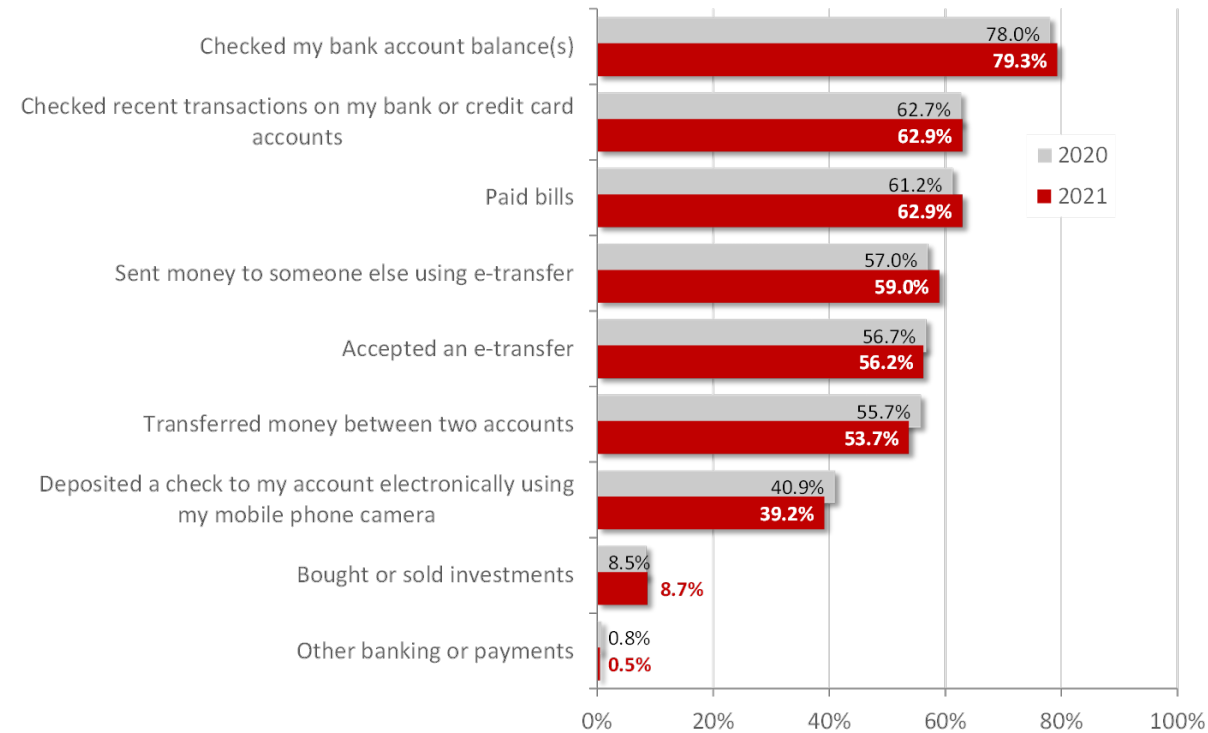
Mobile banking activities remain stable

- ❖ The proportion of smart phone owners who have conducted a mobile banking transaction of some description on their smart phones in the past six months remains virtually unchanged at 76.9%



- ❖ Mobile banking behaviour of smart phone owners has not changed appreciably over the past year, indicating that this has become a mainstream method of banking for consumers.
- ❖ Checking account balances remains the most popular mobile banking activity with 79.3% of mobile banking users having done so in the past six months.
- ❖ Sending and receiving Interac e-transfers remain popular with those doing mobile banking.

Use of Smart Phones for Mobile Banking (P6M)



Base: Those who conducted a mobile banking transaction P6M: 2021 (n=1236)

Source: Canadian Consumer Payments Survey

Note: Responses include multiple mentions

Q37. In the past six months, which of the following, if any, have you used the mobile banking app on your smart phone to do?

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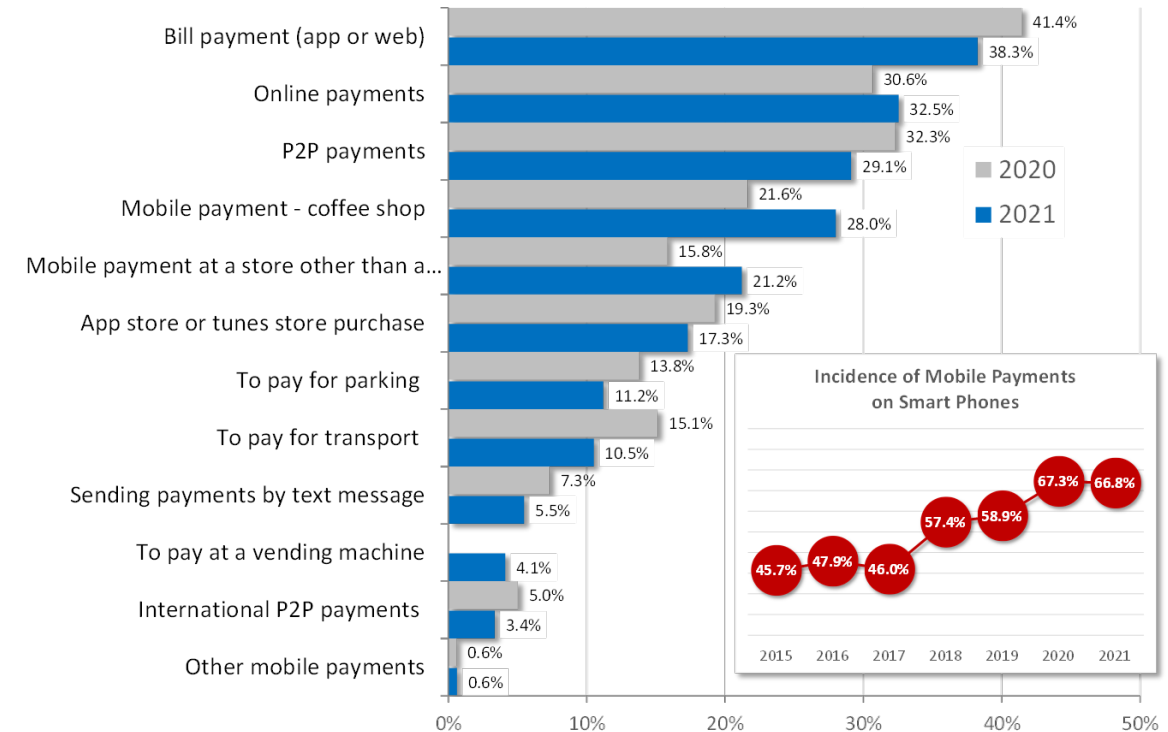
In-store mobile payments increase substantially

- ❖ Just over two-thirds of smart phone owners (66.8%) have made a payment originating on their smart phone in the past six months. This is not significantly different to the 67.3% recorded in the previous survey year.
- ❖ Bill payments using mobile banking remain the most common form of mobile payment, with 38.3% of smart phone owners saying they have done so in the past six months, slightly down over the year.
- ❖ In-store mobile payments at a coffee shop or a store both experienced strong increases over the year, a result of consumers' increasing preference for contactless payments in physical settings.
- ❖ Payments for transport and parking were, down over the year, largely as a result of the impact of the pandemic on mobility.
- ❖ Mobile payment behaviour varies significantly with age, with millennials almost twice as likely as those in the 55+ age group to have made a mobile payment in the past six months

Mobile payments	18-34 (A)	35-54 (B)	55+ (C)
Sample size n=	(327)	(651)	(627)
Payment P6M	88%	74%	42%

Q38. In the past six months, which of the following types of transactions, if any, have you conducted using your smart phone?

Payments Made Using a Smart Phone P6M



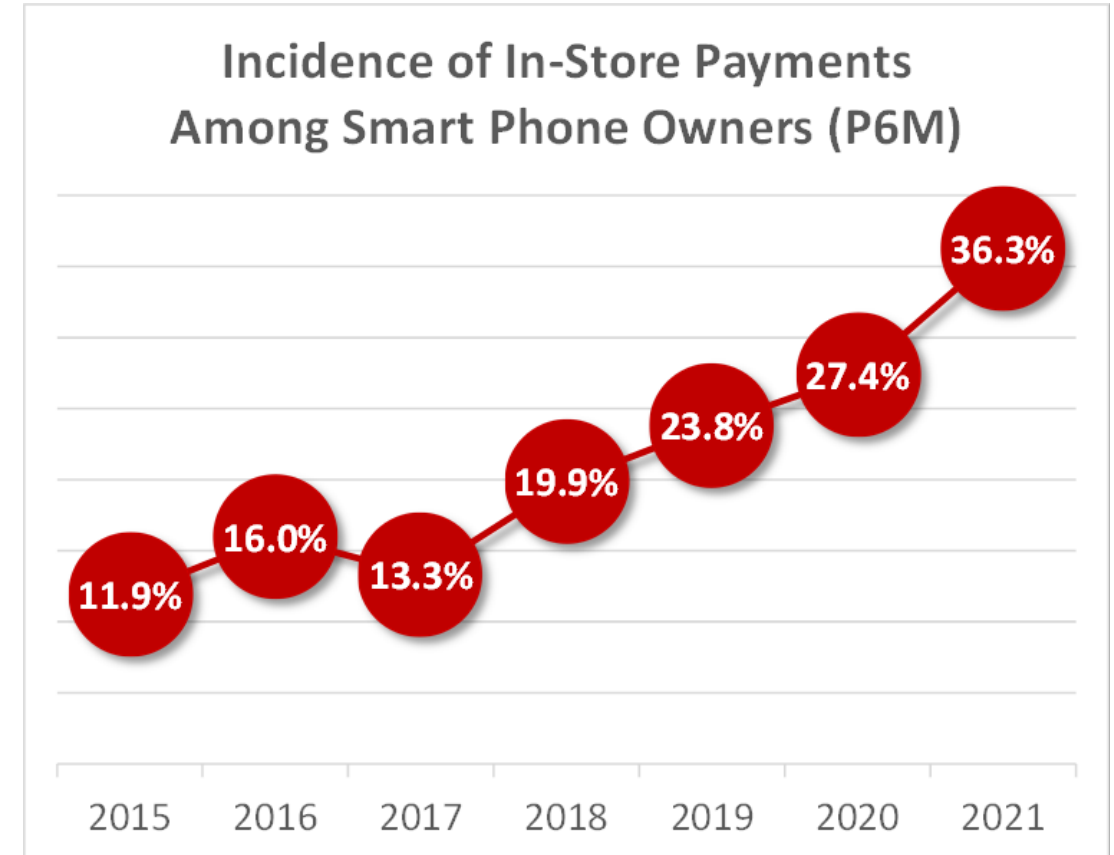
Base: Smart phone owners 2021 (n=1607)

Source: Canadian Consumer Payments Survey

Incidence of in-store payments rises consistently

- ❖ The incidence of in-store mobile payments (including at coffee shops) has increased sharply over the past year, now exceeding one third of smart phone owners (36.3%), compared with 27.4% in 2020
- ❖ Early adopters are more than twice as likely as laggards to have made an in-store mobile payment in the past six months. The gap between the two groups, while large, has narrowed over the past year.
- ❖ In-store mobile payment behaviour also varies significantly with age, with millennials three more than twice as likely as those in the 55+ age group to have conducted an in-store mobile payment in the past six months. The gap in behaviour by age group has also narrowed over the past year.

In-store mobile payments	18-34 (A)	35-54 (B)	55+ (C)
Sample size n=	(327)	(651)	(627)
Payments P6M	50%	39%	22%

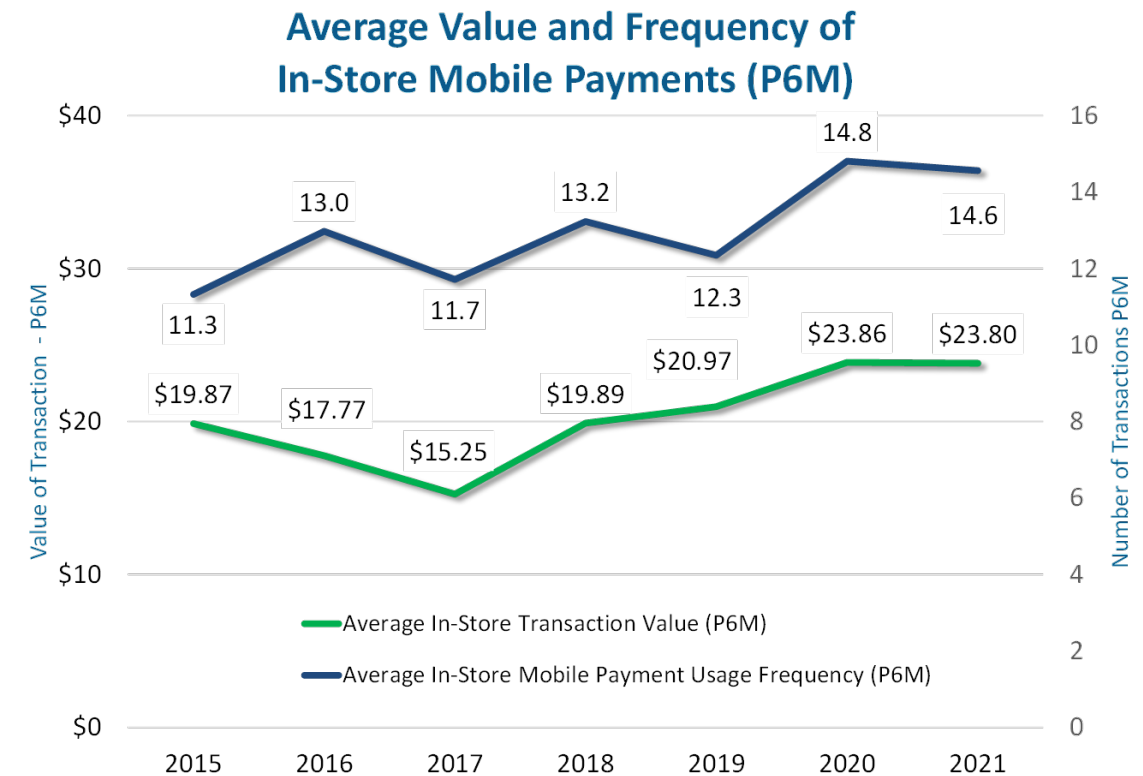


Q38. In the past six months, which of the following types of transactions, if any, have you conducted using your smart phone? In-store payments.

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Value and frequency of in-store mobile payments remain flat

- ❖ The average frequency of in-store mobile payments amongst those who had made an in-store mobile payment in the past six months remained fairly stable over the past year, averaging 14.6 transactions in the past six months.
- ❖ While the number of transactions has remained flat, the proportion of smart phone owners making mobile payments has increased substantially, a key contributor to overall market growth.
- ❖ The average transaction value of in-store mobile payments stabilized at \$23.80 in 2021, not significantly different from the previous year.
- ❖ The average in-store mobile transaction value was just 41% of the average value of the most recent contactless transaction, indicating that mobile payments remain confined to relatively small transaction values, at least for the present.
- ❖ The average in-store mobile payment value for early adopters was 30% higher than the average across the other adopter groups.



Base: In-store mobile users: 2021 (n=558)

Source: Canadian Consumer Payments Survey

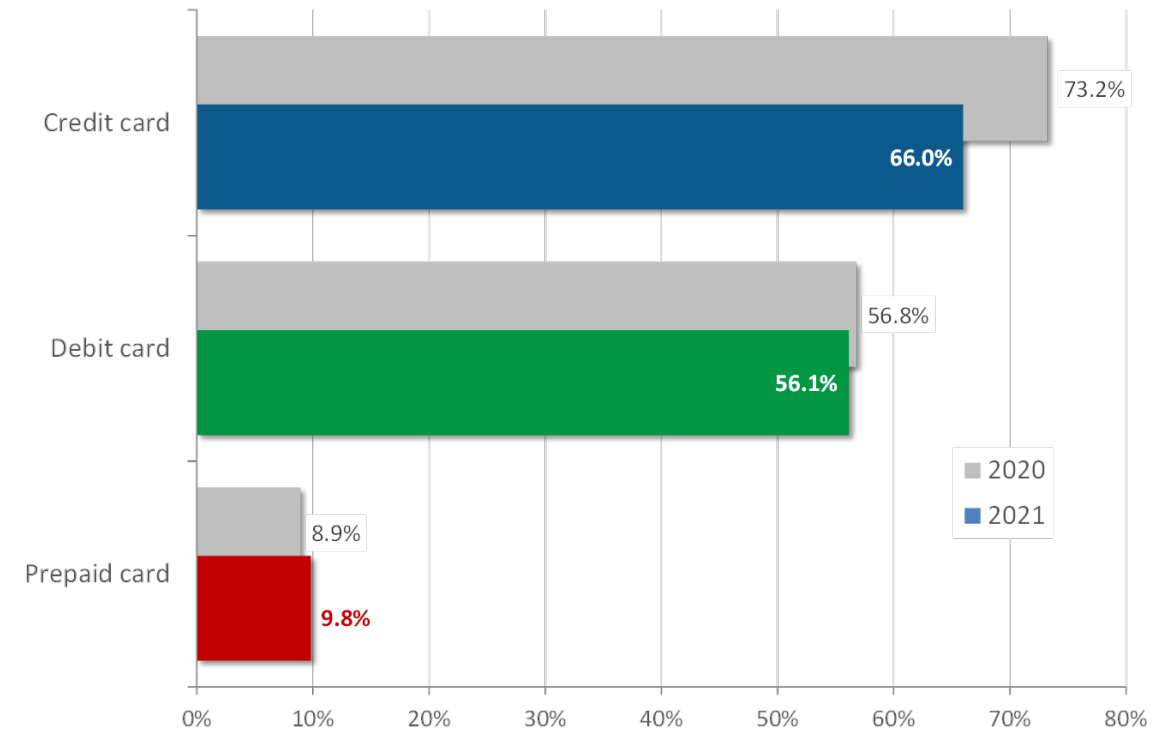
Q40. Over the past six months, in which range was the average transaction value of the mobile payments that you made in person at a store or coffee shop?

Q39. In the past six months, approximately how many times have you used your mobile phone to make a payment in person at stores (including at coffee shops)?

Payment type used by mobile 'Pays' follows everyday preferences

- ❖ Less than one quarter of smart phone owners (22.9%) have one of the 'Pays' apps (Apple Pay, Google Pay or Samsung Pay) on their smart phones.
- ❖ About two thirds of those that do have a 'Pays' app on their phone (66.1%) used one of those apps to make an in-store mobile payment.
- ❖ Credit card payments are the most popular form of payments amongst in-store mobile shoppers using one of the 'Pays' apps, with almost two thirds of mobile payers (66.0%) using this form of payment.
- ❖ Debit follows at 56.1%, not significantly changed from the previous year.
- ❖ Almost one in ten 'Pays' users used a prepaid card on their phone to make a mobile payment.
- ❖ Unsurprisingly, the types of payments employed by people using mobile 'Pay' apps corresponds closely to their everyday payment preferences for debit, credit or other forms of payment

Payment Instruments Used by Mobile "Pays" (P6M)



Base: In-store mobile payers: 2021 (n=583)

Source: Canadian Consumer Payments Survey

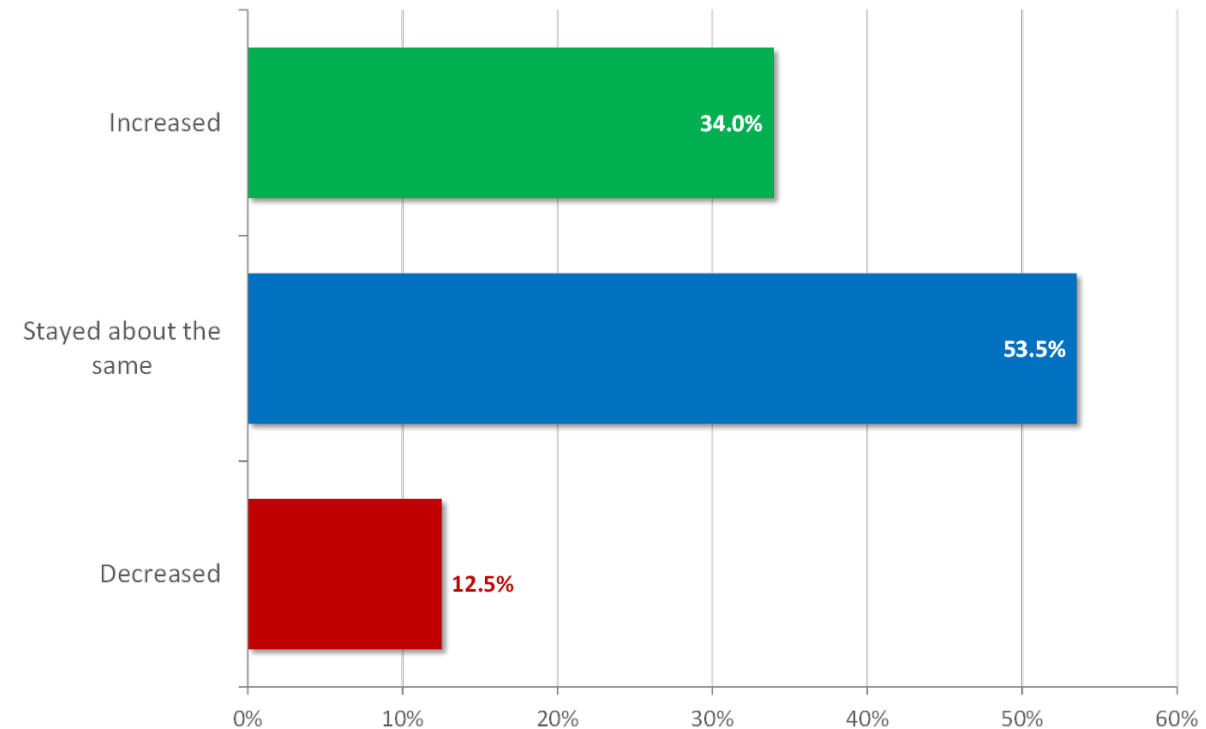
Q40C: In the past six months, which payment types have you used to make an in-store mobile payment using your mobile payment app?

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In-store mobile payment usage builds upward momentum

- ❖ More than one third of smart phone owners who have made an in-store mobile payment in the past six months (34.0%) indicated that the number of payments they had made increased over that period, while about one in eight (12.5%) said that it had decreased.
- ❖ The substantial differential between those that reported an increase and those that reported a decrease points to significant upward momentum in in-store mobile payments, but this upward momentum is substantially lower than the momentum for contactless and online payments.
- ❖ Those in the 18 to 34 year age group as well, as early adopters, were overwhelmingly more likely to report an increase in the number of in-store mobile payments compared with their counterpart demographic groups.

Change in Number of In-Store Mobile Payments (P6M)



Base: In-store mobile payers: 2021 (n=583)

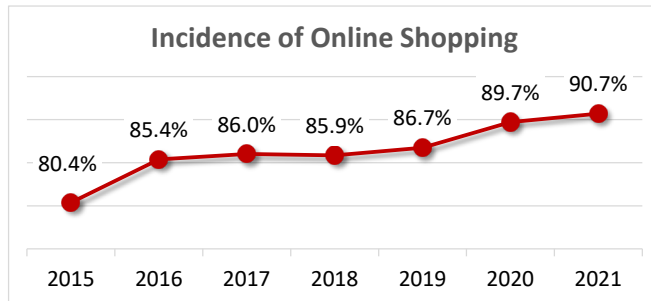
Source: Canadian Consumer Payments Survey

Q40A - How has the number of in-store mobile payments that you made changed over the past six months?

Online Purchases and Payments

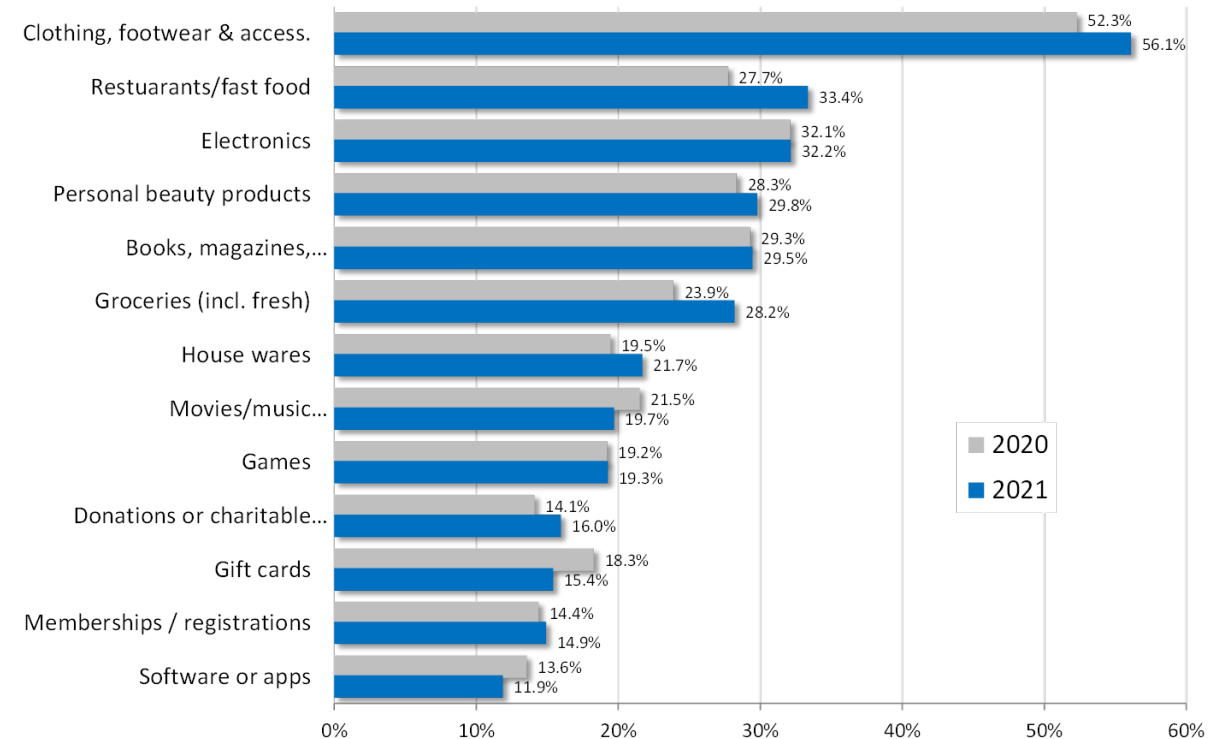
The pandemic impacts on shopping categories

- ❖ The incidence of online purchases in the past twelve months inched up to 90.7% in 2021.



- ❖ 'Clothing, footwear and accessories' continue to dominate the online shopping space with more than half (56.3%) of online shoppers having made online purchases in this category in the past twelve months.
- ❖ The categories 'Restaurants/Fast food' and 'Groceries' showed the sharpest gains over the past year, while expenditure on 'Travel'* and 'Entertainment' * plummeted to relatively insignificant levels over the past year.
- ❖ These shifts were largely a result of shoppers adapting their behaviour to restrictions placed on movement and shopping as a result of the pandemic.

Top Categories of Online Purchases (P12M)



** New this year

Base: Online purchasers P12M: 2021 (n=1816)

Source: Canadian Consumer Payments Survey

*Note: This chart shows the online purchases categories with the highest incidences in the 2021 survey year. The 'Travel' and 'Entertainment' categories plummeted from 28.6% and 21.1% respectively, to 9.0% and 5.3% respectively.

Q50 In the past twelve months, did you order or buy anything online?

Q51. In the past twelve months, which of the following categories of products and services did you order or purchase online?

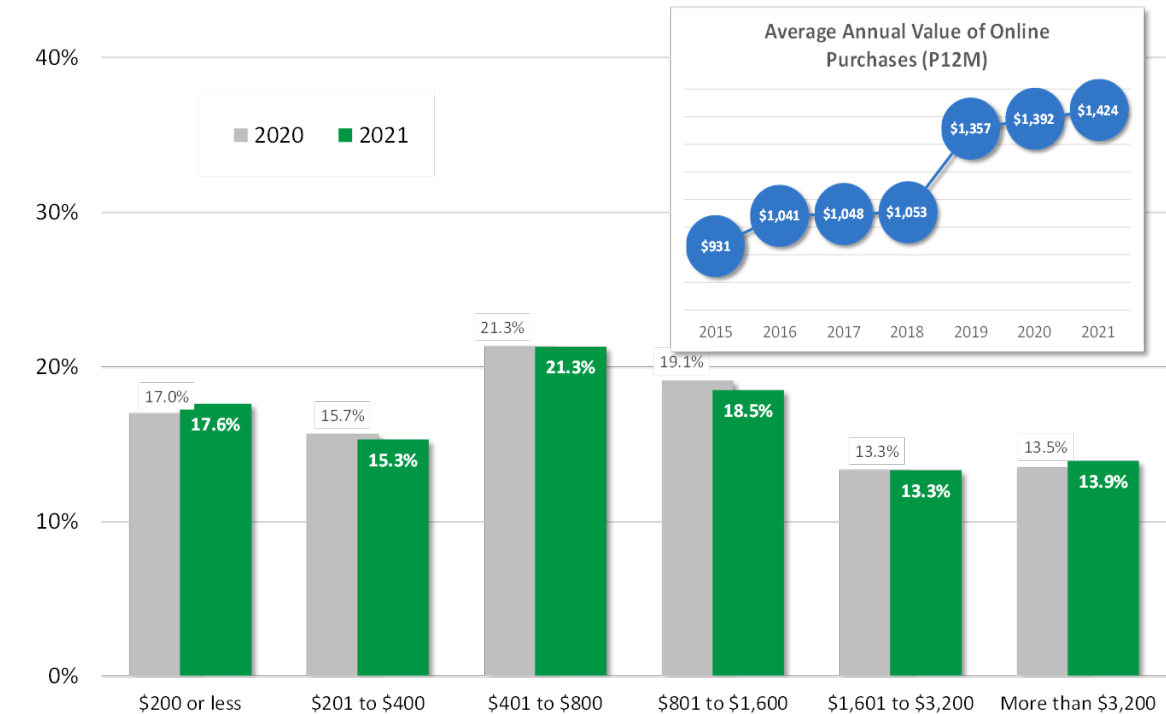
The average annual value of online purchases edges up

- ❖ The annual value of online purchases averaged \$1,424 in 2021, a small increase of 2.2% over the previous survey year.
- ❖ The frequency distribution by range value hints at a tri-modal distribution, with modes at less than \$200, between \$400 and \$800 and above \$3,200. suggesting light, medium and heavy shoppers.
- ❖ The average purchase frequency was 12.2 times in the past twelve months and the average most recent expenditure was \$117.37.
- ❖ Heavy online spenders spent more than six times that of light online spenders (\$3,706 vs \$568) in the past twelve month period, while heavy credit card users spent 74% more than light credit card users.
- ❖ Online purchasers with household incomes of \$100k or more spent 87% more than those in the <\$50k income group. The value of online purchases increased across each of the income groups over the past year, with the highest increase (15%) in the <\$50k income group, compared with 8% in the other two income groups.

Online shopping (P12M)	<\$50k (A)	\$50-\$100k (B)	\$100k+ (C)
Sample size n=	(580)	(677)	(436)
Annual purchases	\$1,058	\$1,466 A	\$1,984

Q53. Approximately how much did you spend on online purchases, IN TOTAL, over the past twelve months?

Annual Value of Online Purchases (P12M)



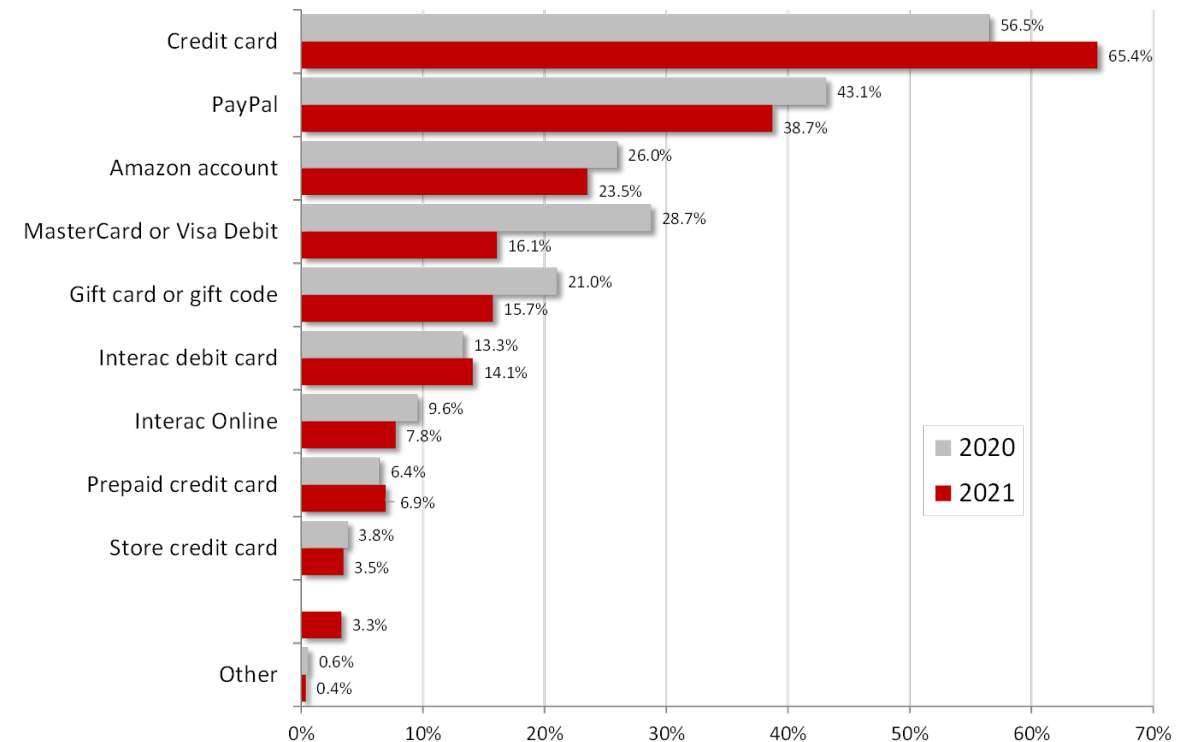
Base: Online purchasers P12M: 2021 (n=816)

Source: Canadian Consumer Payments Survey

Credit card usage for online payments regains momentum

- ❖ Credit cards remain the most popular method of payment for online purchases, with 65.4% of online shoppers paying for goods or services by credit card in the past twelve months, a return to level recorded in the 2019 survey.
- ❖ The surge in proportion of online shoppers using credit cards for online payments is partly attributable to the continued pandemic, where consumers income security is at stake and a shift to more credit-based spending, coupled with the near ubiquity of credit card acceptance across online stores.
- ❖ Credit card payments dominate across all demographic groups, but are significantly higher in the 35+ years of age income groups, while the 18-34 year age group has a strong interest in the use of debit for online payments.
- ❖ PayPal lost ground over the year, to 38.7% compared with 43.1% in the 2020 survey.
- ❖ Year on year, there is significant volatility in online payment methods used by online shoppers, especially in PayPal, Amazon accounts and Scheme Debit payments.

Payment Methods for Online Purchases (P12M)



Base: Online purchasers P12M: 2021 (n=1816)

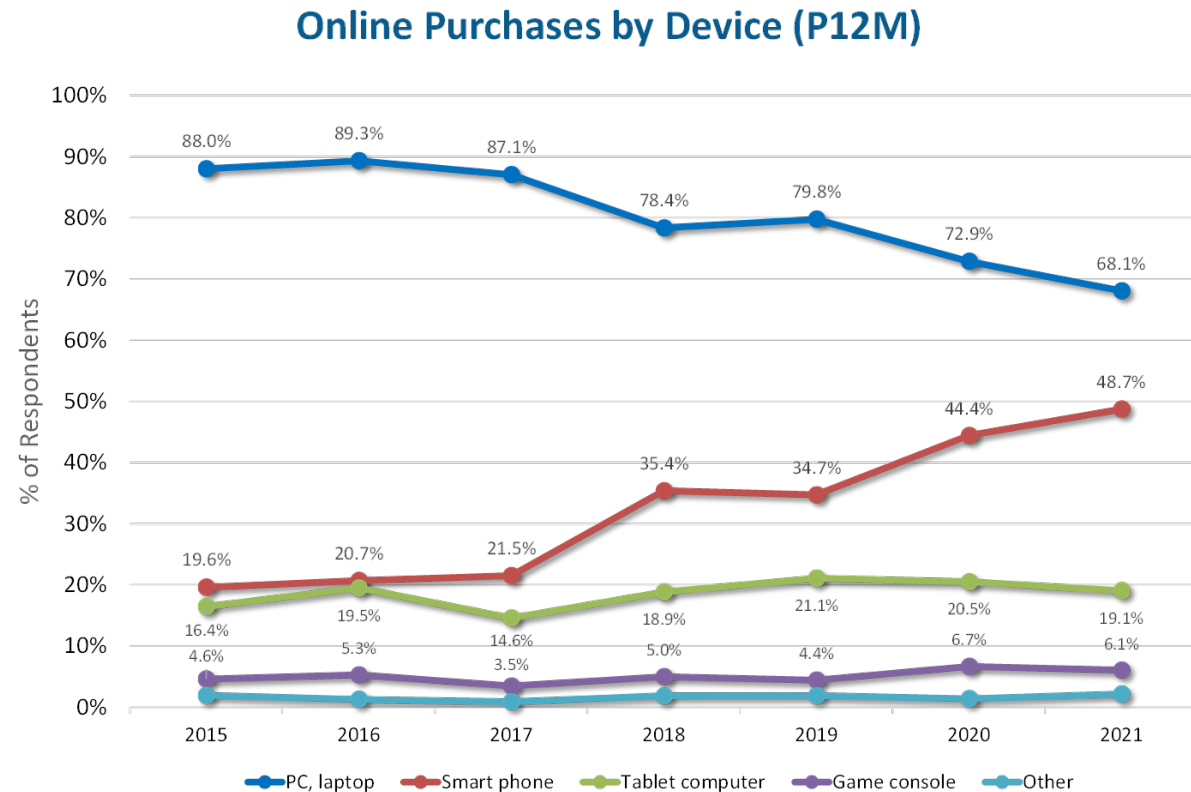
**Multiple mentions
Source: Canadian Consumer Payments Survey

Q54. Which of the following methods did you use to pay for the purchases you made online in the past twelve months?

Smart phones grow in prominence as a device for online purchases

- ❖ The use of a PC or laptop for online purchases is declining, with 68.1% using these devices for online shopping in the past twelve months, compared with 72.9% a year ago.
- ❖ Smart phone usage for online purchases continues to rise, with almost one half of online shoppers (48.7%) using these devices for online shopping in the past twelve months vs. 44.4% in 2020.
- ❖ Tablet computers held steady at 19.1% of online shoppers.
- ❖ The use of different devices for online purchases varies significantly with age, with smart phones being the online shopping device of choice in the 18 to 34 year age group

Device	18-34 yrs (A)	35-54 yrs (B)	55+ yrs (C)
Sample size n=	(480)	(738)	(581)
PC, laptop...	60%	65%	77%
Smart phone	69%	60%	24%
Tablet	16%	22% A	19%
Game console	12% C	7%	-%



Base: Online purchasers P12M: 2021 (n=1816)

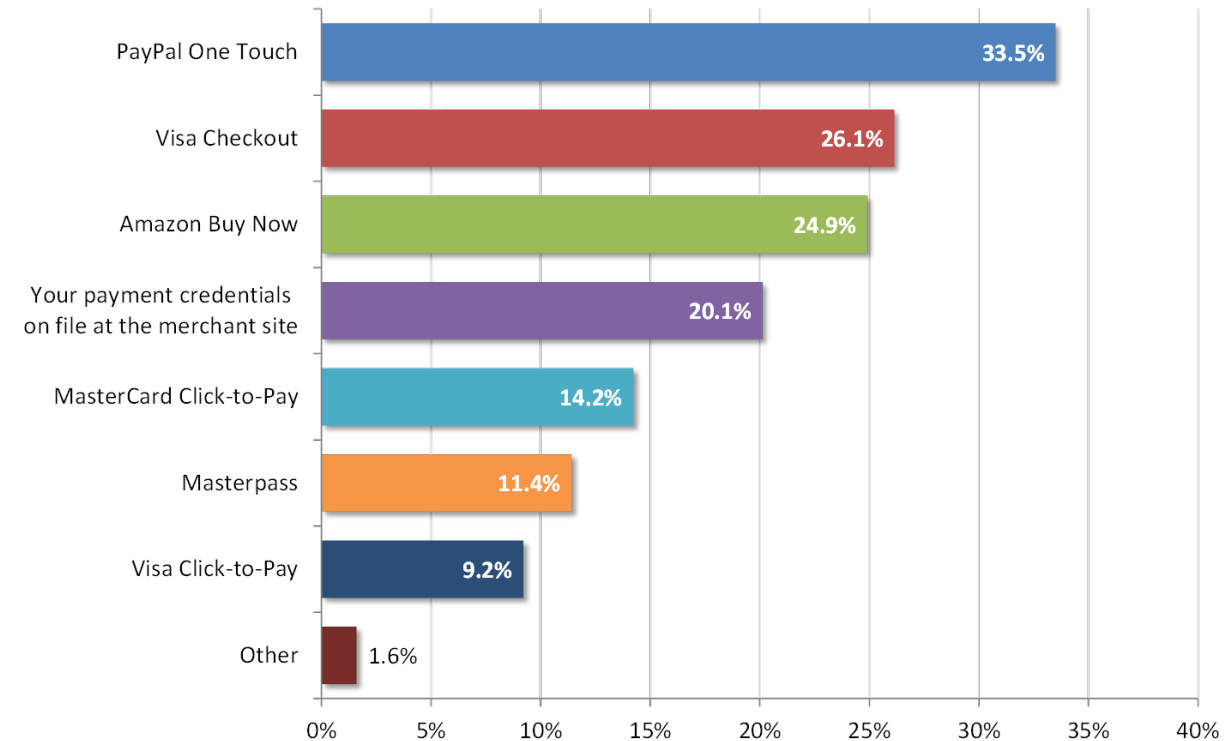
**Multiple mentions
Source: Canadian Consumer Payments Survey

Q52. In the past twelve months, which of the following devices did you use to place online orders or make online purchases?

One-click checkout payment services become mainstream

- ❖ One-click services are becoming an important way to ensure rapid payments in the online checkout process, reducing the rate of cart abandonment. The incidence of use of one-click services at checkout was 44.9% amongst online shoppers in the 2021 Canadian Consumer Payments Survey.
- ❖ Amongst those that used the service to pay in the past twelve months, one third (33.5%) had used PayPal One Touch, with Visa Checkout following at 26.1% and Amazon Buy Now closely behind at 24.9%.
- ❖ One-click checkout/payment services were used by one in five one-click users who had their payment credential stored on file with the merchant.
- ❖ Early adopters were more likely to use the specific one-click service offerings of payment schemes than other adopter groups and showed the same propensity for using card-on-file schemes as other groups.
- ❖ PayPal One Touch, Visa Checkout and Amazon Buy Now are the preferred one-click services in the 18-34 year age group.

Use of One-Click Services for Online Purchases (P12M)



Base: Respondents who used One-Click services for online purchases P12M: 2021 (n=815)

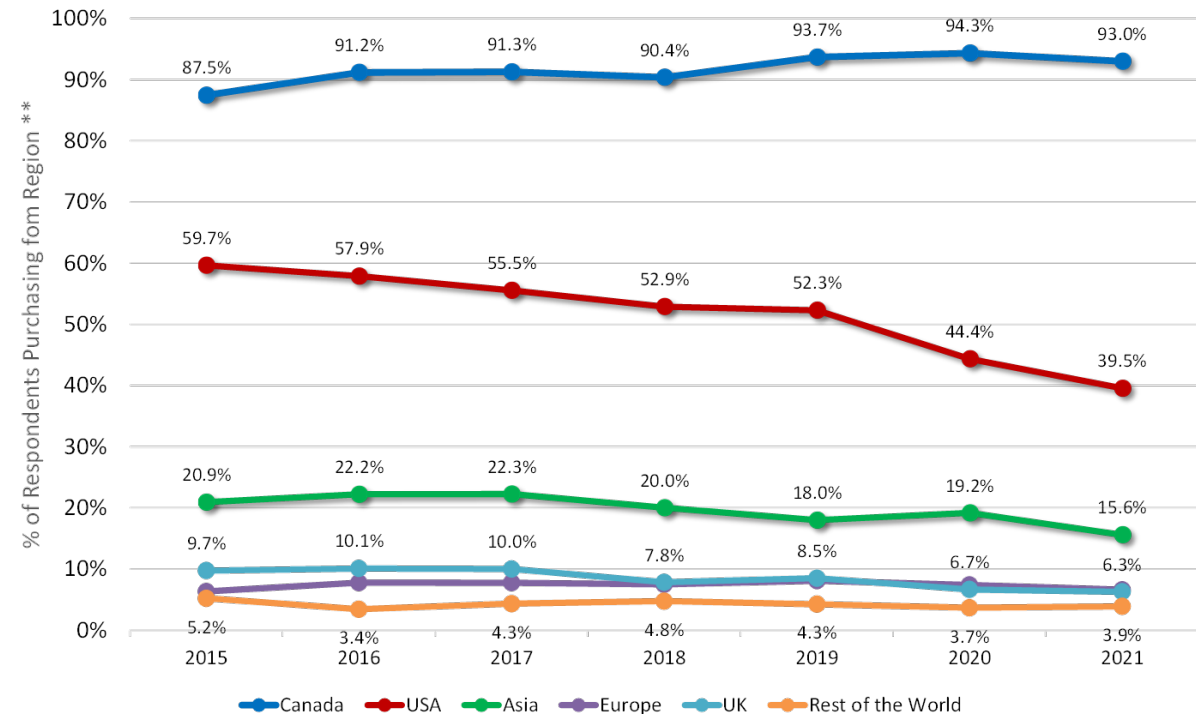
Source: Canadian Consumer Payments Survey

Q54A-In the past twelve months, which, if any, of the following one-click payments services have you used when you have made online purchases?

The pandemic affects region of online purchase

- ❖ More than nine out of ten online shoppers (93.0%) have bought something online from Canada in the past twelve months.
- ❖ In the 2021 survey, 57.0% of online shoppers bought something from only one region in the past year, a substantial increase from the 51.1% recorded in the previous year.
- ❖ On average, online shoppers have purchased from 1.6 regions over the past twelve months, compared with 1.8 in the previous year.
- ❖ The USA continues to be the second most popular online shopping destination amongst Canadian online shoppers, although the incidence has fallen monotonically over the past seven years, dropping to 39.5% in 2021. The steeper declines in 2020 and 2021 are likely influenced by the pandemic.
- ❖ Fewer online shoppers purchased items from Asia in 2021 compared with 2020, dropping from 19.2% to 15.0% of online shoppers. This is also likely due to the impact of the pandemic on online shopping behaviour.

Online Purchases by Region (P12M)



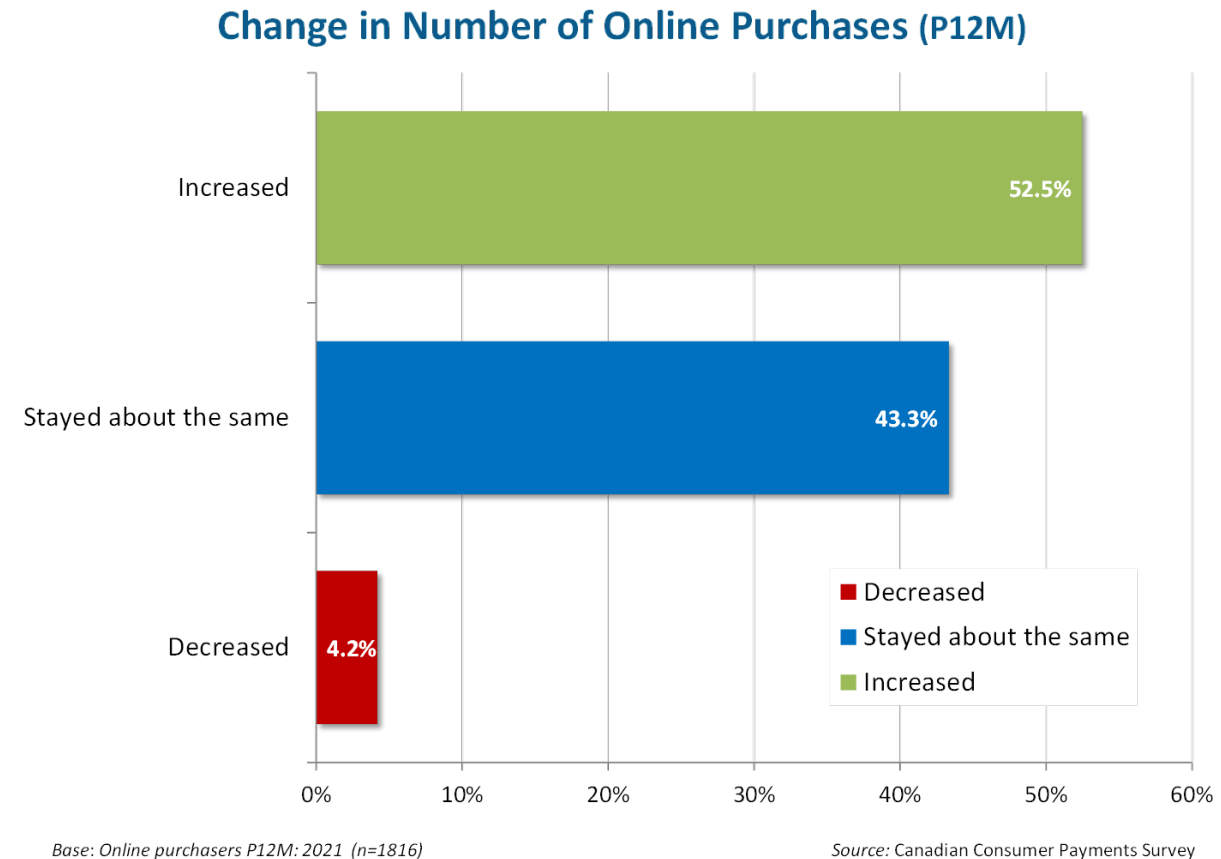
Base: Online purchasers P12M: 2021 (n=1816)

**Multiple mentions
Source: Canadian Consumer Payments Survey

Q55. From which countries / regions did you purchase goods or services online in the past twelve months?

Frequency of online purchases sees strong upward momentum

- ❖ More than one half of online shoppers (52.5%) have increased the number of online purchases made over the past twelve months.
- ❖ Only 4.2% of online shoppers have shopped online less frequently over the past year
- ❖ While the total value of purchases has only edged up 2.2% in the past year, the increased frequency indicates that online shoppers are purchasing smaller basket sizes on each shopping occasion.
- ❖ Income plays a major role in the frequency of online shopping, with larger proportions of those in higher income groups reporting increases on the number of online purchases compared with online shoppers in lower income groups. This is partly attributable to higher levels of disposable income amongst higher income groups.

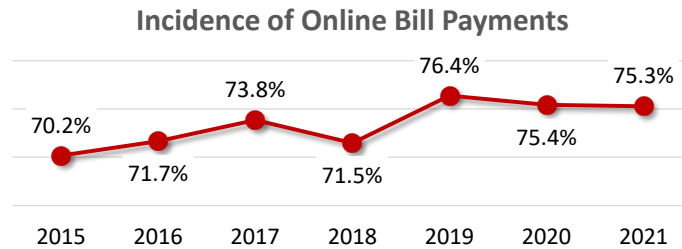


Q56-How has the NUMBER of online purchases that you made changed over the past twelve months?

Online Bill Payments

Three quarters of adult Canadians pay bills online

- ❖ About three quarters of adult Canadians (75.3%) made online bill payments in the past twelve months. The incidence has remained fairly stable over the last few years.

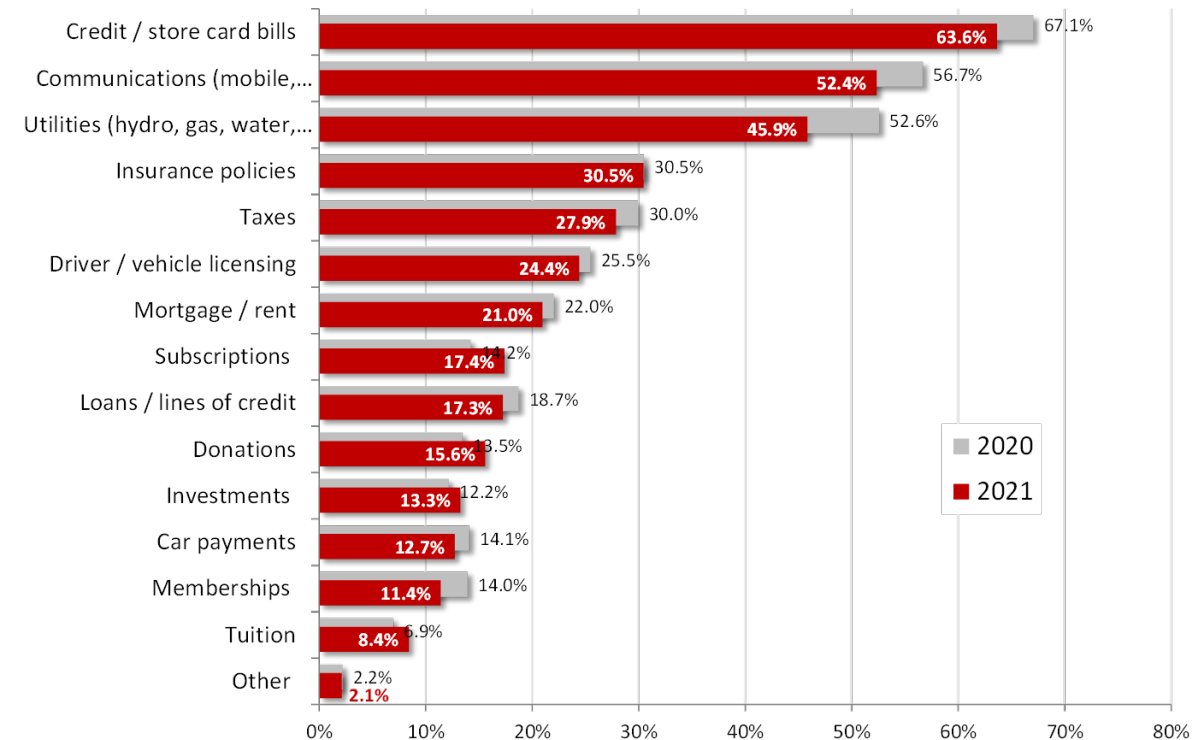


- ❖ Credit and store card bills remain the most popular online bill payment category, with almost two thirds of online bill payers (63.6%) paying this type of bill online, followed by telecommunications services at 52.4%
- ❖ The incidence of bill payments in the top three categories has declined over the past year, which could be attributable to a change in spending patterns brought about by the pandemic.
- ❖ The average number of bills paid per month was 5.6 in the 2021 survey, while the total value of bills paid, on average, was \$642.

Q57. In the past year, did you pay any of your bills online – excluding any preauthorized payments (i.e. payments that are automatically transferred out of your bank or credit union account)?

Q58. Which of the following types of bills did you pay online in the past year?

Online Bill Payments by Category (P12M)



*New this year

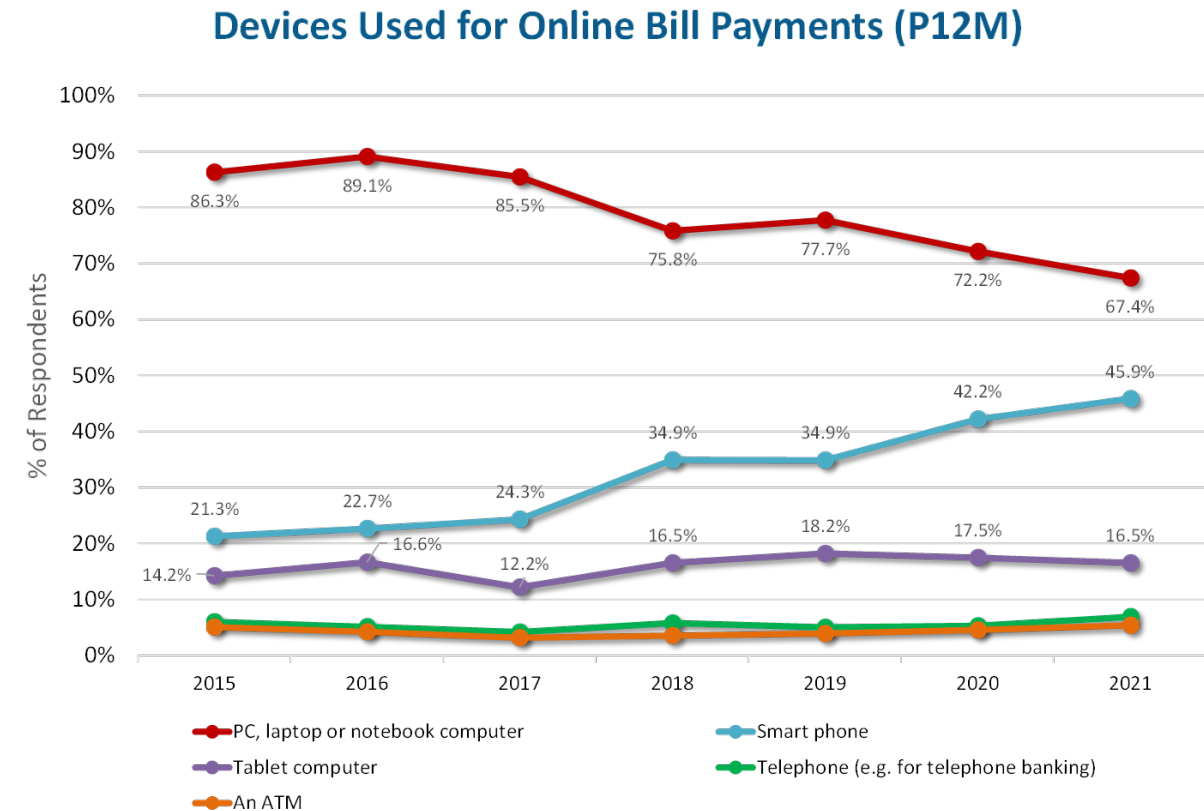
Base: Online bill payers P12M: 2021 (n=1507)

Source: Canadian Consumer Payments Survey

Smart phones increase their prominence as devices for online bill payment

- ❖ The incidence of devices used to pay bills online mimics those used for online shopping almost exactly. Some two thirds of online bill payers (67.4%) used a PC, laptop or notebook computer to pay bills online in the past twelve months, significantly lower than the previous year.
- ❖ The incidence of smart phones for online bill payments increased to 45.9%, whilst the use of tablet computers faltered at 16.5%.
- ❖ Women continue to be more likely to use smart phones for online bill payments than men (52.4% vs. 38.2%).
- ❖ The use of different devices to pay bills online varies significantly with age group, with smart phone bill payments clearly being mainstream in the 18-34 and 35 to 54 year age groups.

Description	18-34 yrs (A)	35-54 yrs (B)	55+ years (C)
Sample size n=	(272)	(589)	(667)
PC, laptop...	54%	61%	82%
Smart phone	64%	59%	22%
Tablet	17%	17%	16%



Base: Online bill payers P12M: 2021 (n=1507)

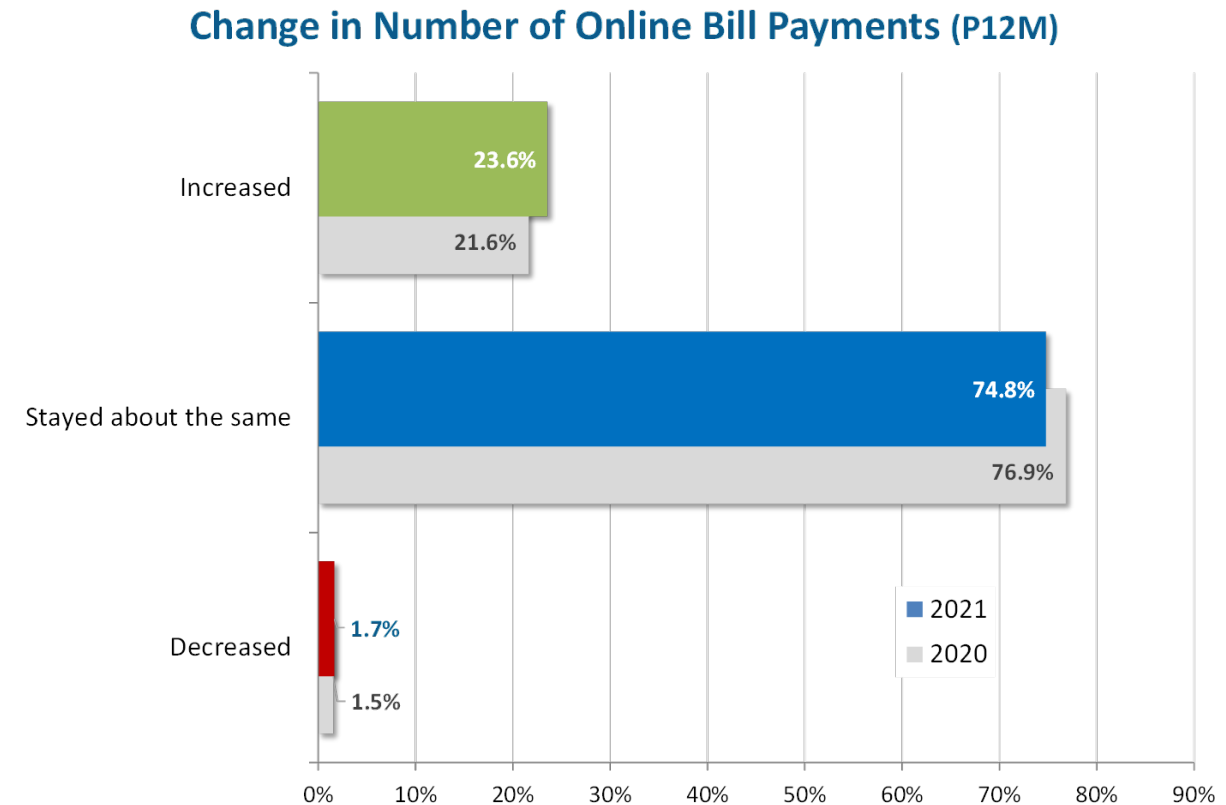
Source: Canadian Consumer Payments Survey

Q59. In the past twelve months, which of the following devices did you use to make online bill payments?

Online bill payments continue to rise, but momentum is modest

- ❖ Almost one quarter of online bill payers (23.6%) reported an increase in the number of bills they had paid online over the past year. Only 1.7% of online bill payers reported a decline in the number of online bills paid over the past year.
- ❖ While this indicates that there is still momentum in the bill payments market, momentum is not as strong as in other growth segments, and is stabilizing.
- ❖ Early adopters are significantly more likely than those in other adopter groups to have increased the number of bills they paid online in the past year
- ❖ Online bill payers in the 18-34 year age group are two-and-a-half times as likely as those over 55 to increase the number of bills they paid online in the past year

Online Bill Payments	18-34 (A)	35-54 (B)	55+ (C)
Sample size n=	(272)	(589)	(667)
Increased	37%	23%	15%



Base: Online bill payers P12M: 2021 (n=1507)

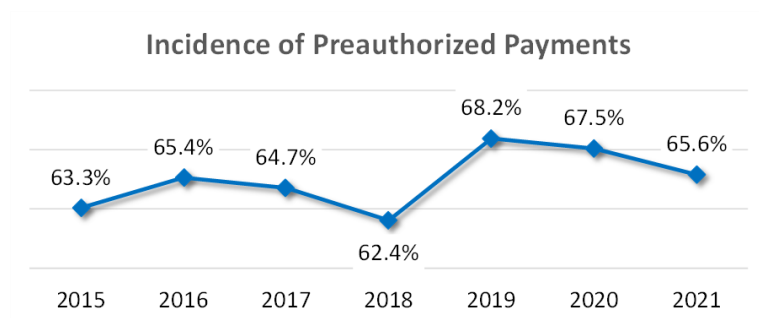
Source: Canadian Consumer Payments Survey

Q60. Over the past twelve months, how has the number of bills that you paid online changed?

Preauthorized Payments

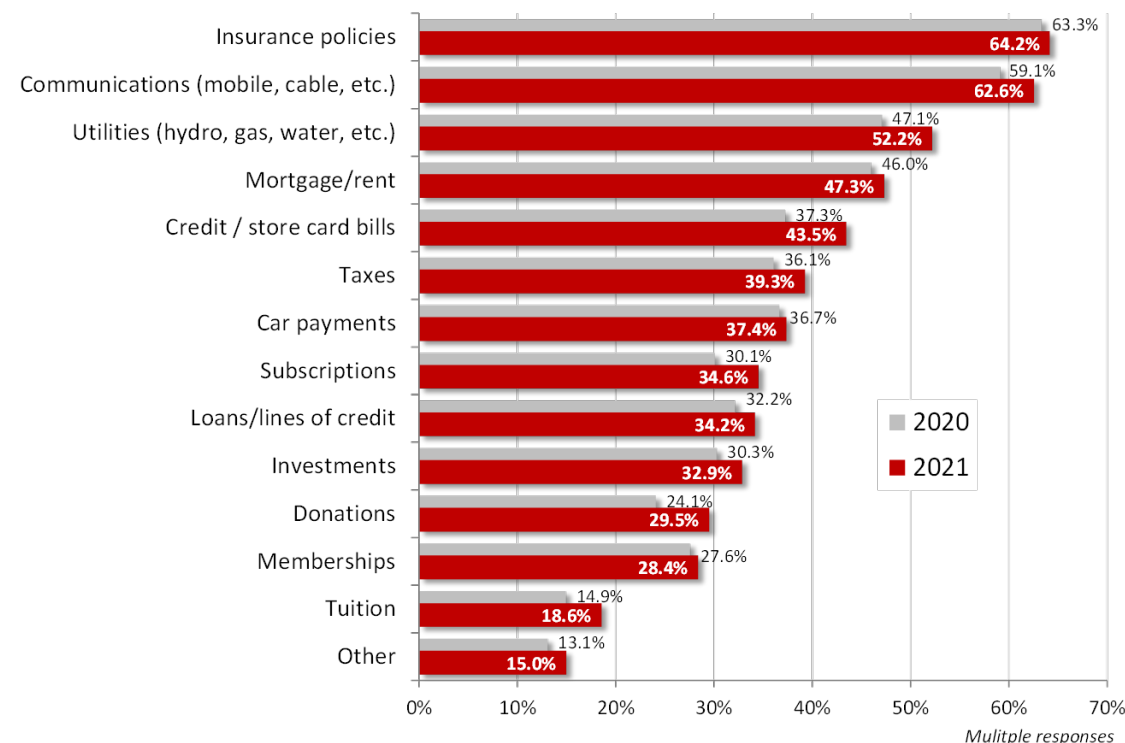
Insurance continues to top the list of preauthorized payment categories

- ❖ Almost two thirds of adult Canadians (65.6%) have used preauthorized bill payments in the past twelve months.



- ❖ The use of preauthorized payments to pay insurance policies topped the list, with 64.2% of preauthorized payers making payments in this category. This is closely followed by preauthorized payments for communication services (mobile, cable, internet, etc.) at 62.6%.
- ❖ The incidence of preauthorized payments increased across most categories, signifying a broadening of the base of bills paid, even in the face of a stagnating incidence in the general adult population.
- ❖ The average number of monthly preauthorized payments made was 5.2, while the total value of monthly payments was \$592.

Preauthorized Bill Payments by Category (P12M) Bank and Credit Card Combined



Base: Preauthorized payers P12M: 2021 (n=1314)

Source: Canadian Consumer Payments Survey

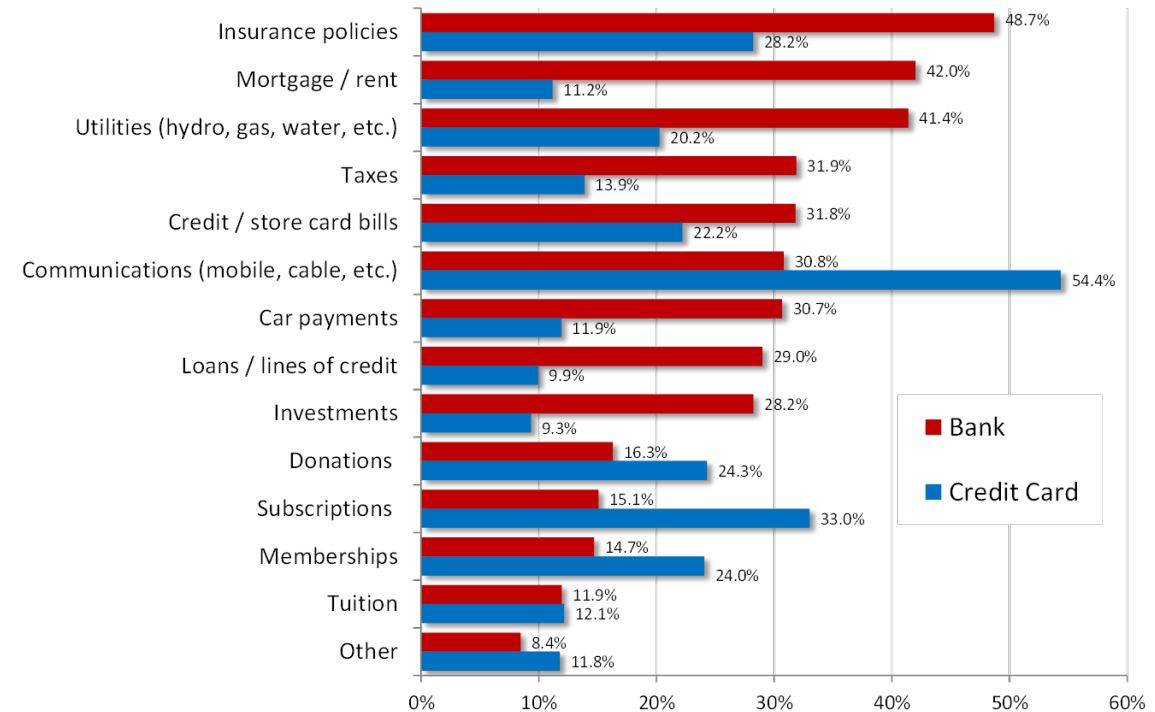
Q61. In the past twelve months, have you had any preauthorized bill payments, either through your bank account or through a credit card?

Q62.A. Which of the following types of bills have you set up for preauthorized payments directly from your bank account? Credit card?

Communications bills dominates preauthorized payments by credit card

- ❖ More than nine out of ten preauthorized payers (92.5%) made preauthorized payments directly from their bank account over the past twelve month, compared with 60.9% who make such payments using a credit card
- ❖ The top categories of preauthorized payments by credit card are communications bills (54.4%), subscriptions (33.0%), insurance policies (28.2%), donations (24.3%), and memberships (24.0%). With the exception of insurance policies (although it does depend on the type of insurance policy), the incidence of preauthorized payments with a credit card is higher than directly through a bank for these categories.
- ❖ In many cases credit card preauthorized payments are easier to organize for these categories than payment through a bank account.
- ❖ Bank preauthorized payments, while more ubiquitous, are more likely to be used for stable, recurring bill payments.

Preauthorized Bill Payments by Category (P12M)



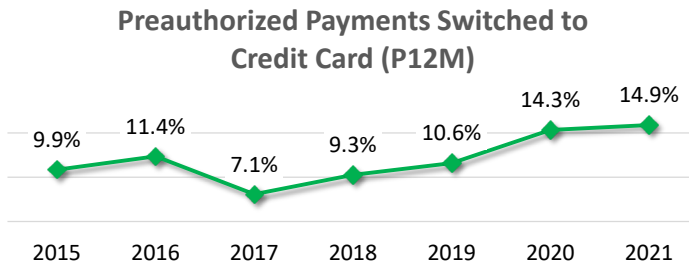
Base: Preauthorized payers P12M: 2021 (Bank n=1215); (Credit card n=815)

Source: Canadian Consumer Payments Survey

Q62.A. Which of the following types of bills have you set up for preauthorized payments directly from your bank account?
Credit card?

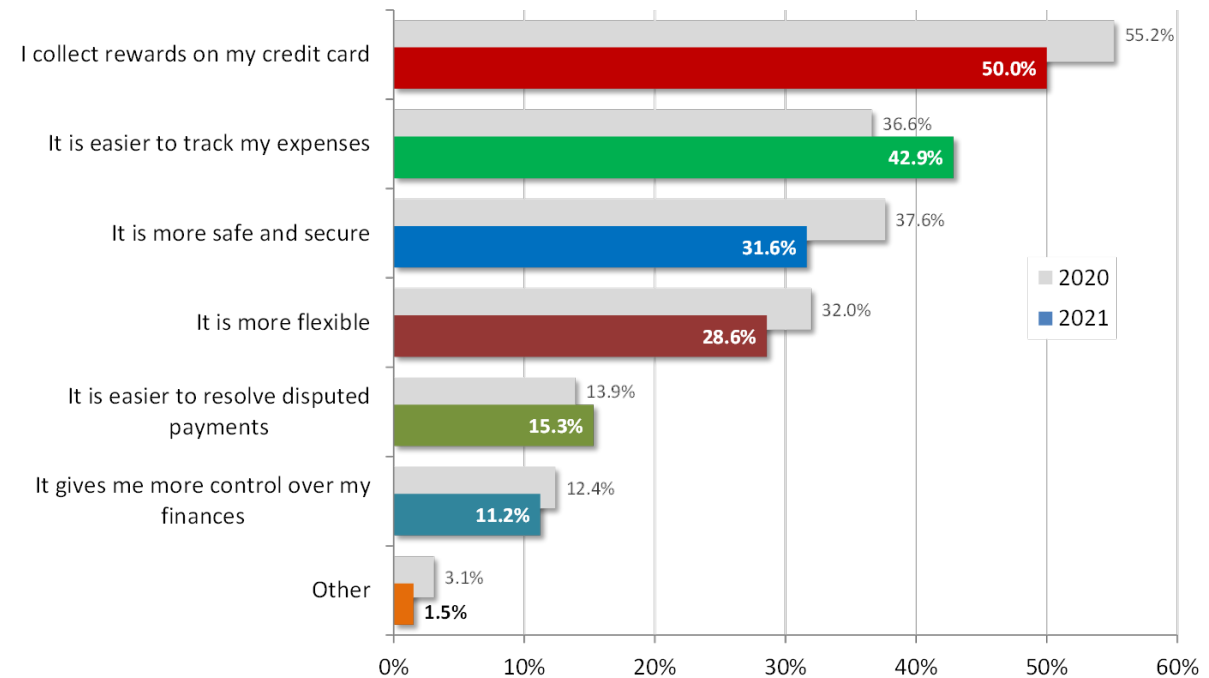
Rewards remain a major attraction for credit card preauthorized payments

- ❖ The proportion of preauthorized payers who switched preauthorized payments to their credit cards in the past twelve months has stabilized at 14.9% this year, a marginal increase over the last year, but this represents a significant number of people who have



- ❖ One half of preauthorized payers (50.0%) who switched the source of their preauthorized payments to their credit cards cite the collection of rewards as an important reason for switching.
- ❖ More than four in ten preauthorized switchers (42.9%) say that it is easier to track their expenses with credit card-based payments.
- ❖ Perceptions of safety and security of credit card preauthorized payments decreased over the year.

Reasons for Switching Preauthorized Payments to Credit Card (P12M)



Base: Those who switched preauthorized payments to a credit card P12M: 2021 (n=196)

Source: Canadian Consumer Payments Survey
Note: Responses include multiple mentions

Q63. In the past twelve months, have you switched any of your preauthorized bill payments to be paid from your credit card, as opposed to directly from your bank account?

Q63A. Why did you switch one or more of your preauthorized payments to a credit card?

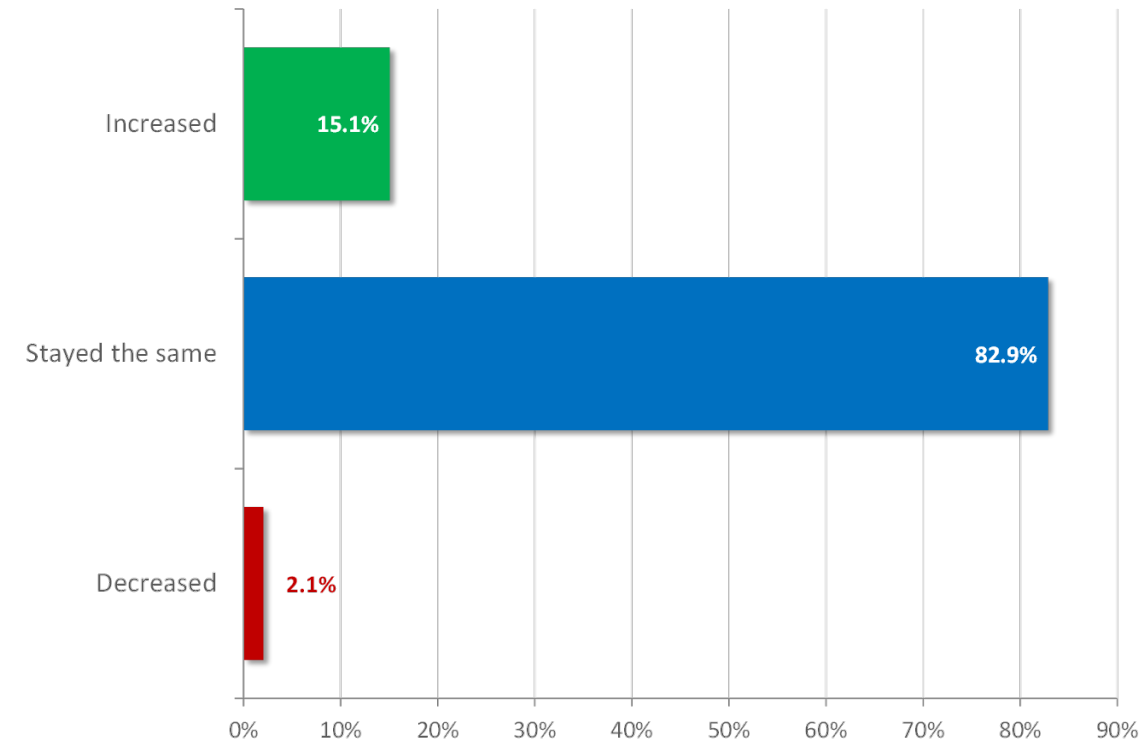
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Weak upward momentum for preauthorized payments

- ❖ The incidence of preauthorized payers citing an increase in the number of preauthorized payments over the past twelve months was 15.1%, while only 2.1% said that the number had decreased.
- ❖ The large base of users whose number of preauthorized payments has remained stable (82.9%), indicates a market with weak momentum.
- ❖ Preauthorized payers in the 18-34 year age group were three times as likely as those in older age groups to increase the number of preauthorized payments in the past twelve months

Online Bill Payments	18-34 (A)	35-54 (B)	55+ (C)
Sample size n=	(225)	(483)	(625)
Increased	31%	11%	9%

Change in Number of Preauthorized Payments (P12M)



Base: Preauthorized payers P12M: 2021 (n=1314)

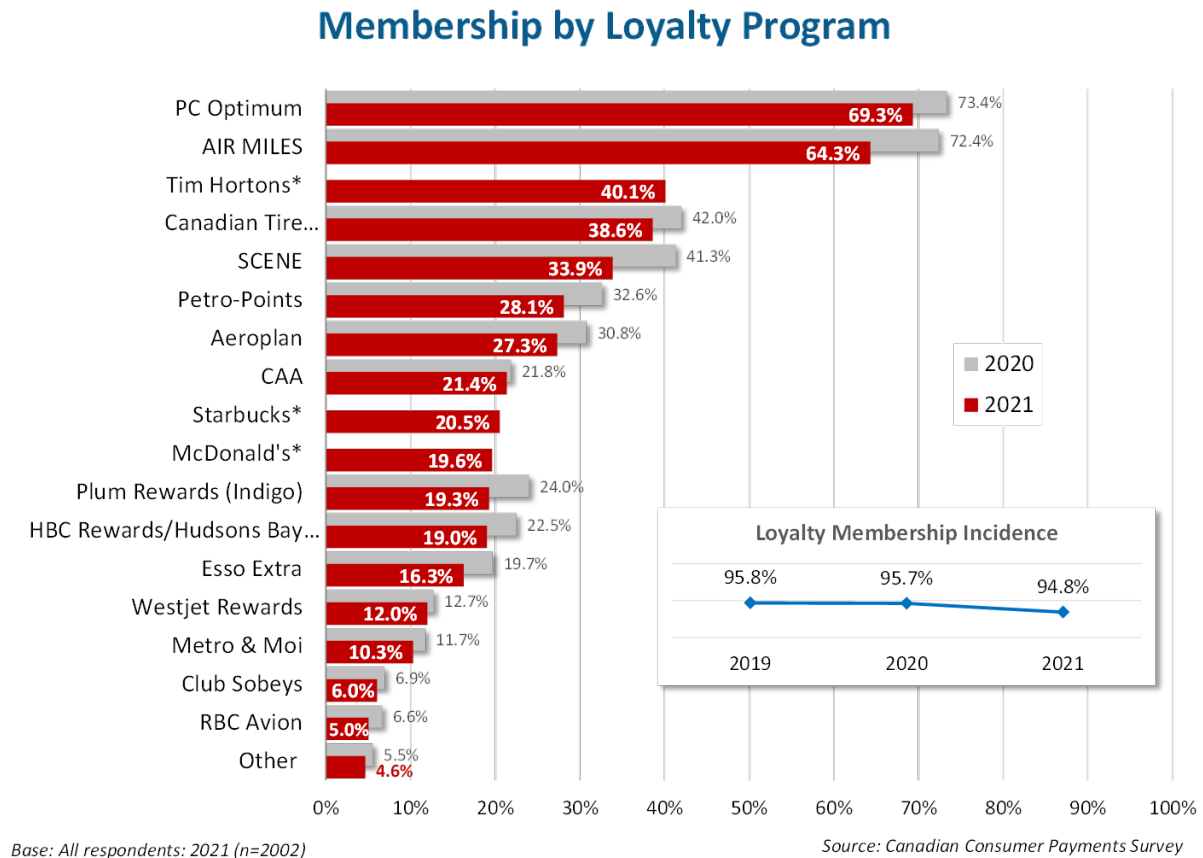
Source: Canadian Consumer Payments Survey

Q63B-Over the past twelve months, how has your number of preauthorized payments changed?

Loyalty Redemptions

Shift in membership of loyalty programs as a result of the pandemic

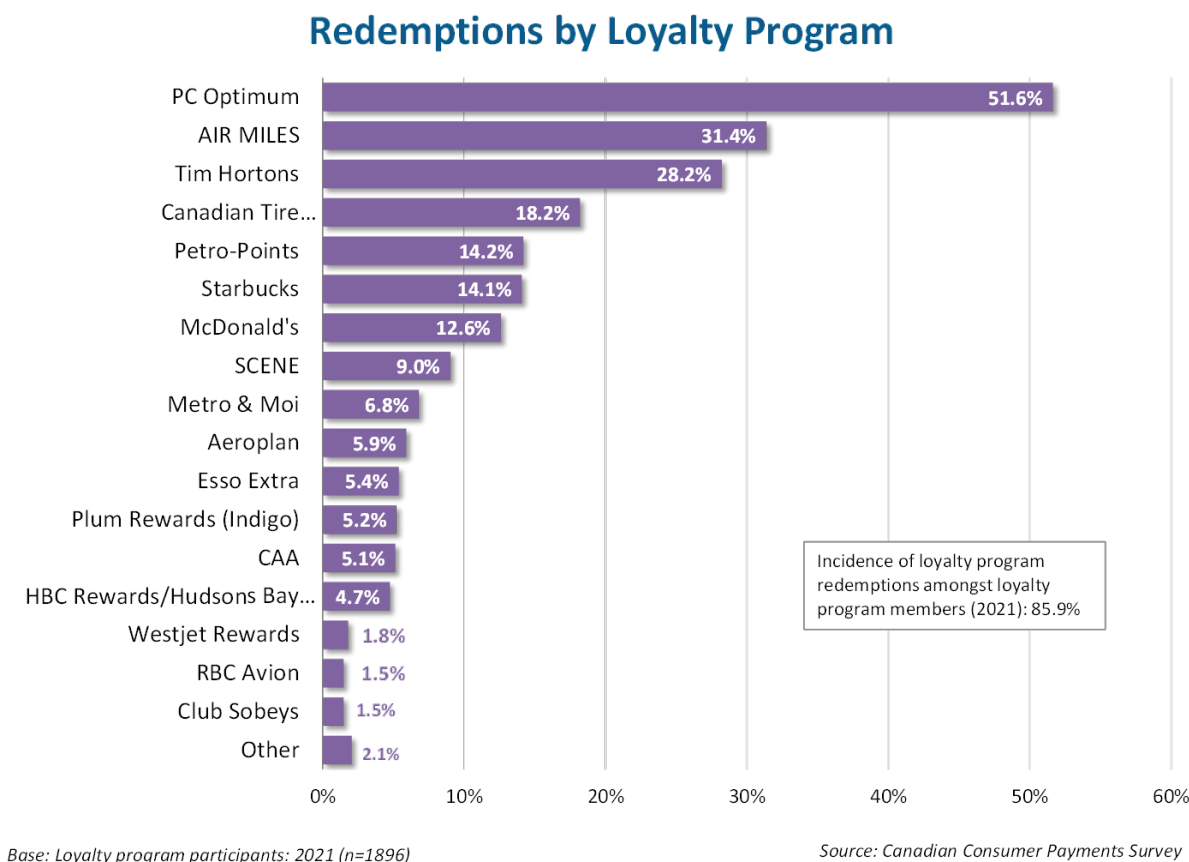
- ❖ Loyalty programs are almost ubiquitously supported in Canada, with an incidence of membership around 95%, which has remained largely stable over the past few years.
- ❖ More than a third of adult Canadians (35.6%) have six or more loyalty or reward program memberships.
- ❖ Two loyalty/reward programs stand head and shoulders above the others in a very crowded space: PC Optimum, with membership incidence of 69.3% and AIR MILES with 64.3%.
- ❖ There have been declines in loyalty program membership across the board over the past year, much of it a result of restrictions resulting from the pandemic, with fewer opportunities to shop, travel. AIR MILES and SCENE were the biggest losers, but Plum Rewards, Esso Extra and Petro-Points also showed significant declines in membership.
- ❖ Given that overall loyalty membership (membership of one or more programs) has not changed much over the year, it suggests that consumers have opted out of certain programs while still maintaining others.



QL01. Which of the following loyalty programs are you currently a member of?

The large majority of loyalty members have redeemed rewards P12M

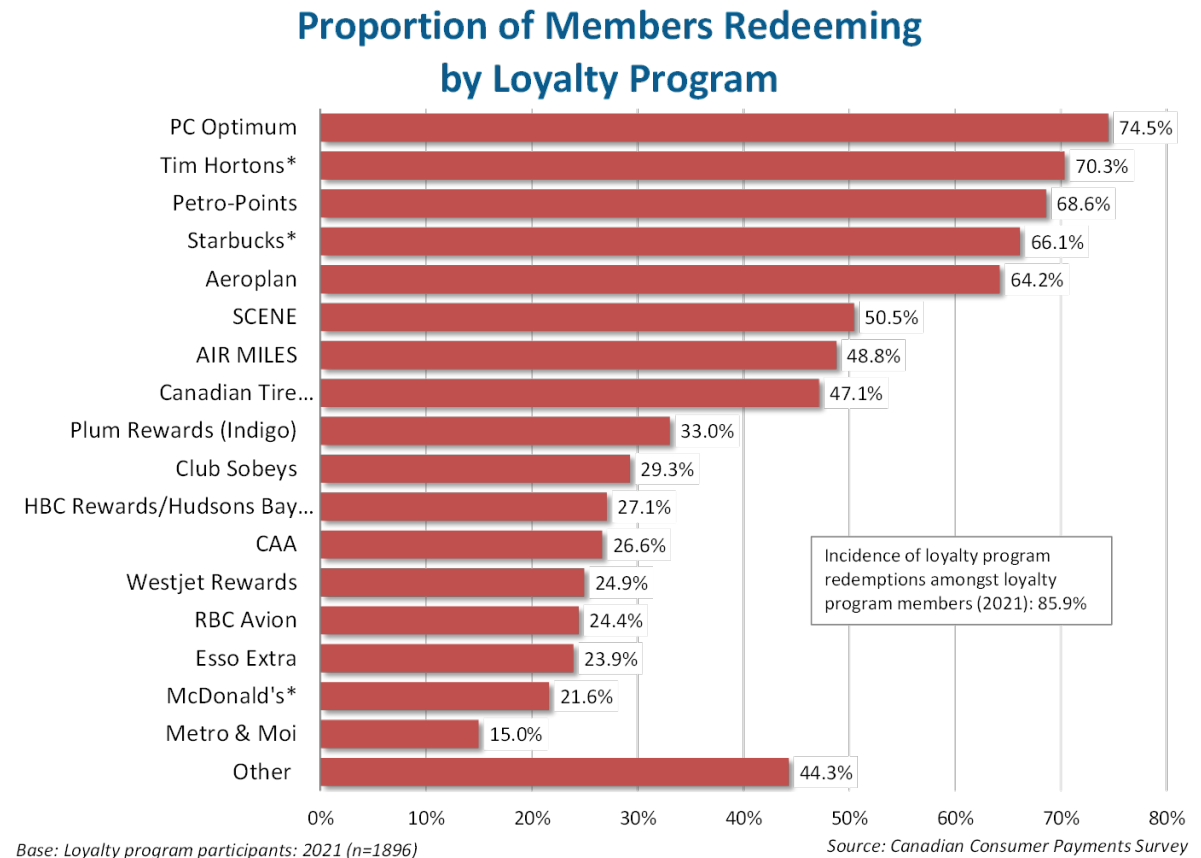
- ❖ The incidence of reward redemptions by members of loyalty programs was 85.9% in 2021, indicating that the vast majority of loyalty program members have made a loyalty redemption from at least one of the programs that they are members of in the past twelve months.
- ❖ Redemption of PC Optimum rewards was highest, with 51.6% of loyalty program members redeeming PC Optimum rewards in the past twelve months. This is twenty percentage points higher than the next most popular reward redemption brand, AIR MILES.
- ❖ The incidence of reward redemptions at Tim Horton's came in at a close third to AIR MILES.
- ❖ The ranking of memberships tends to follow the ranking of redemptions in most years. Over the past twelve months there have been some notable shifts. Coffee shops and fast food programs tend to show a higher incidence of redemptions than their membership rank (e.g. McDonald/s and Starbucks each went up three rank levels), while the incidence of redemptions in travel and entertainment programs tended to lose rank (e.g. SCENE and CAA went down three rank levels).



L01A - For which of the loyalty programs that you participate in have you redeemed any loyalty rewards over the past twelve months? Please select all that apply.

Five loyalty programs had redemptions by more than 60% of members P12M

- ❖ The PC Optimum program also recorded the highest incidence of redemptions from their members in the past twelve months, with around three quarters of their members (74.5%) having redeemed rewards from the program in the past twelve months.
- ❖ Five programs had more than 60% of their members redeeming loyalty rewards in the past twelve months, with two coffee brands in the top five (Tim Horton's with 70.3% and Starbucks with 66.1%).
- ❖ By comparison, McDonalds only had about one in five members of its loyalty program redeem rewards in the past twelve months, and Metro and Moi only had 15.0% of members making redemptions (compared with PC Optimum's 74.5%). This might suggest that these programs are relying more on breakage than rewards in their loyalty programs.
- ❖ In some cases, the pandemic may have made it difficult for members to redeem rewards, for example with the HBC rewards program, CAA, Westjet Rewards and RBC Avion.



L01A - For which of the loyalty programs that you participate in have you redeemed any loyalty rewards over the past twelve months? Please select all that apply.

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Pandemic has a major impact on types of rewards redeemed

- ❖ Discounts on purchases and free products or services are the most popular types of rewards that redeemers have redeemed over the past twelve months, at 45.7% and 45.6% respectively.
- ❖ Most other categories of rewards have experienced a significant decline compared to redemptions recorded in the 2020 survey. Gift cards declined the most (almost sixteen percentage points), followed by travel and entertainment. Curtailed in-store shopping opportunities during the pandemic has limited the appeal of gift card redemptions, while there have been severely limited opportunities to redeem entertainment and travel rewards.
- ❖ The average value of redemptions has also decreased significantly over the past year, from \$243.75 to \$188.51. This may also be a consequence of the fact that during the pandemic the opportunities for redeeming high value rewards (e.g. travel and entertainment) have been limited. Redemptions are lowest in the 18-34 age group.

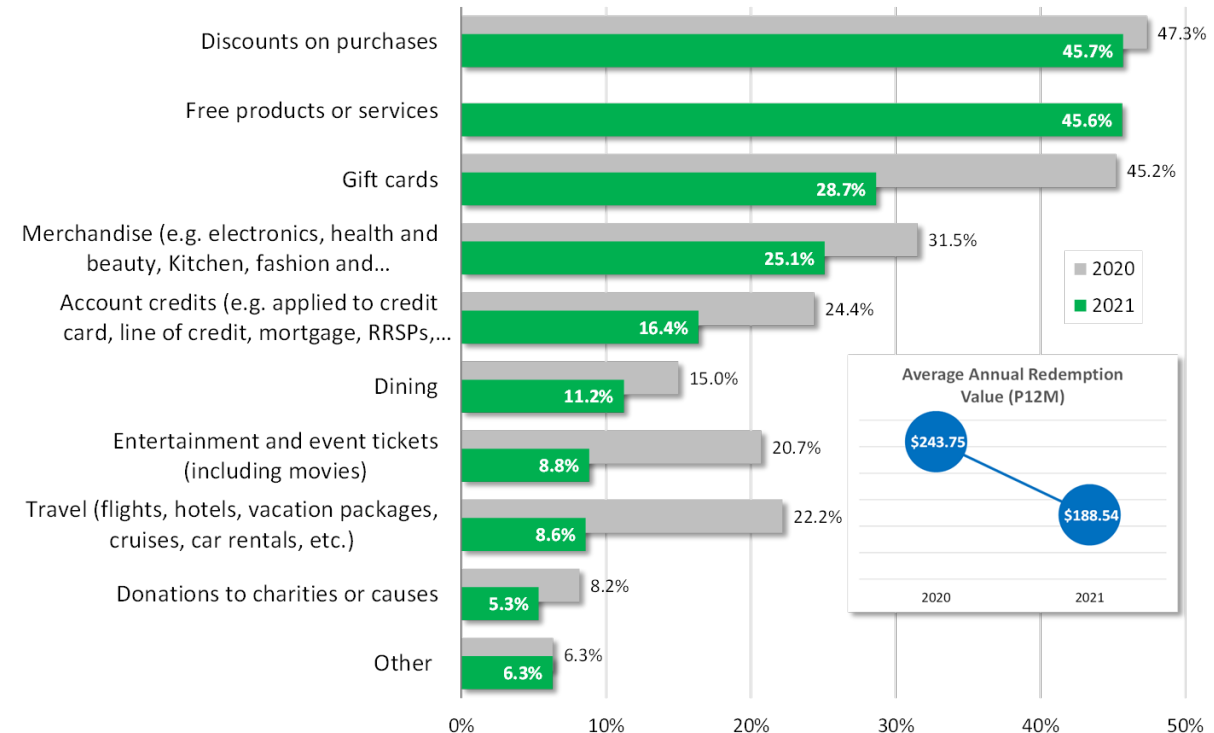
Rewards redeemed	18-34 (A)	35-54 (B)	55+ (C)
Sample size n=	(288)	(641)	(731)
Avg. total value	\$148	\$201	\$204

QL02 - For which of the following products, services or rewards have you redeemed loyalty points/cash over the past twelve months?

QL03 - What was the approximate value of all the loyalty rewards, offers or cash benefits that you redeemed over the past 12 months?

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Loyalty Redemptions by Type (P12M)



Base: Loyalty redeemers P12M: 2021 (n=1630)

Source: Canadian Consumer Payments Survey

Wearables

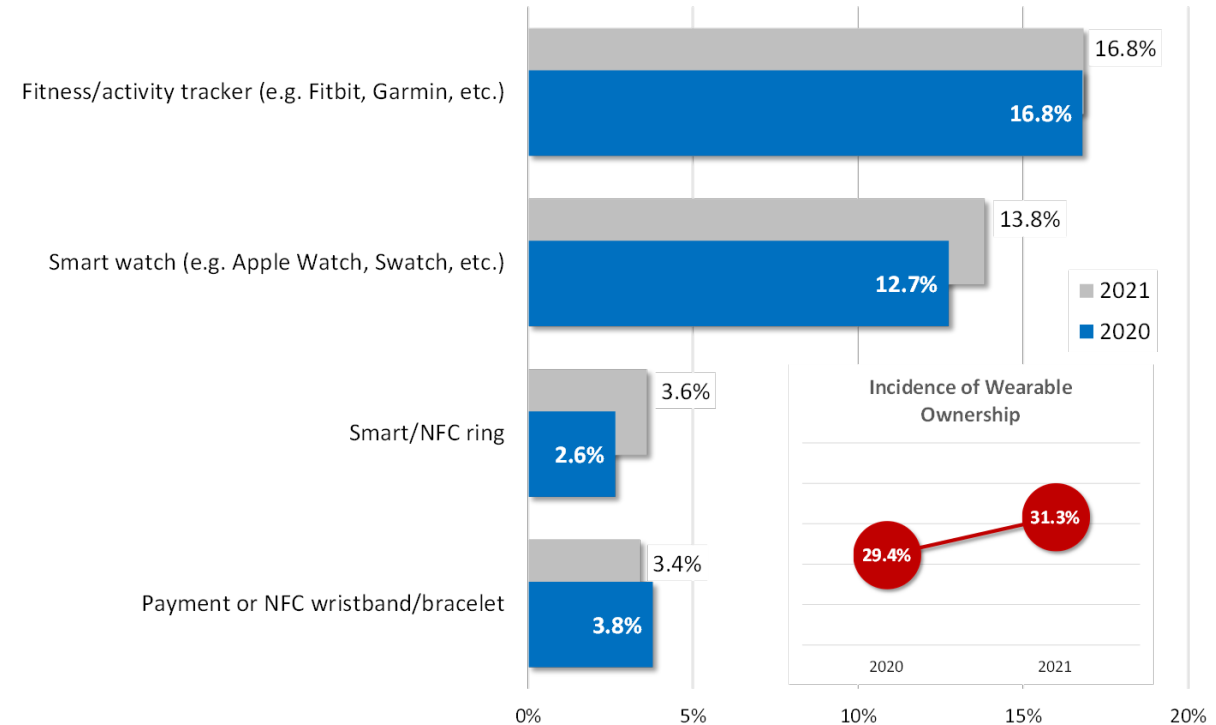
Fitness trackers and smart watches are the most popular wearables

- ❖ Three out of ten (31.3%) adult Canadians own at least one smart wearable device. Fitness trackers have the highest incidence, at 16.8%, unchanged from the 2020 survey, followed closely by smart watches at 12.7%.
- ❖ The vast majority of wearable owners (84.6%) own a single device.
- ❖ Women are significantly more likely than men to own a fitness tracker (20% vs 13% respectively).
- ❖ The wearables trend is age-related, with 18-34 year-olds more than twice as likely to own a smart wearable device than people over 55. The difference is even more stark in the case of smart watches, where 18-34 year-olds are almost four times more likely than people over 55 to own a smart watch. In both cases the gap in the incidence between these age categories has narrowed over the past year.

Ownership of a smart wearable device?	18-34 (A)	35-54 (B)	55+ (C)
Sample size n=	(492)	(737)	(622)
Any smart wearable	45%	34%	19%
Smart watch	23%	16%	6%

W01-Which of the following types of smart wearable devices do you own?

Wearables Ownership by Type

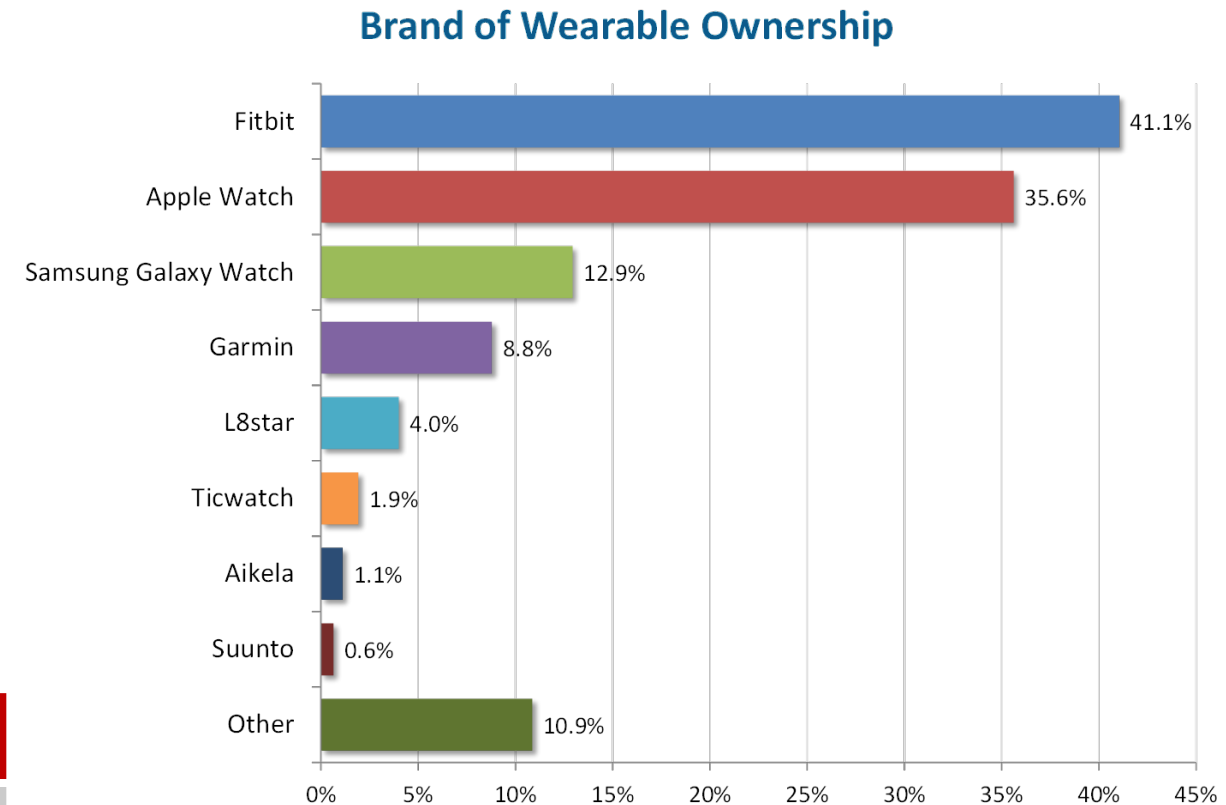


Base: Wearable owners in 2021: (n=627)

Source: Canadian Consumer Payments Survey

Fitbit fitness trackers have the highest incidence

- ❖ About four out of ten wearable owners (41.1%) own a Fitbit fitness tracker device.
- ❖ Apple Watch follows as a close second, with an incidence of 35.6% amongst wearable owners.
- ❖ The Samsung Galaxy Watch trails by more than twenty percentage points.
- ❖ Given that women are more likely to own a fitness tracker than men, it is not surprising that significantly more women own a Fitbit fitness tracker than men.
- ❖ Wearables owners in the 18-34 year age group are significantly less likely to own a Fitbit than those in older age groups. They are also less likely to own a Garmin fitness tracker. Wearables owners in that age group are, however, significantly more likely to own an Apple Watch.



Base: Wearable owners 2021 (n=627)

Source: Canadian Consumer Payments Survey

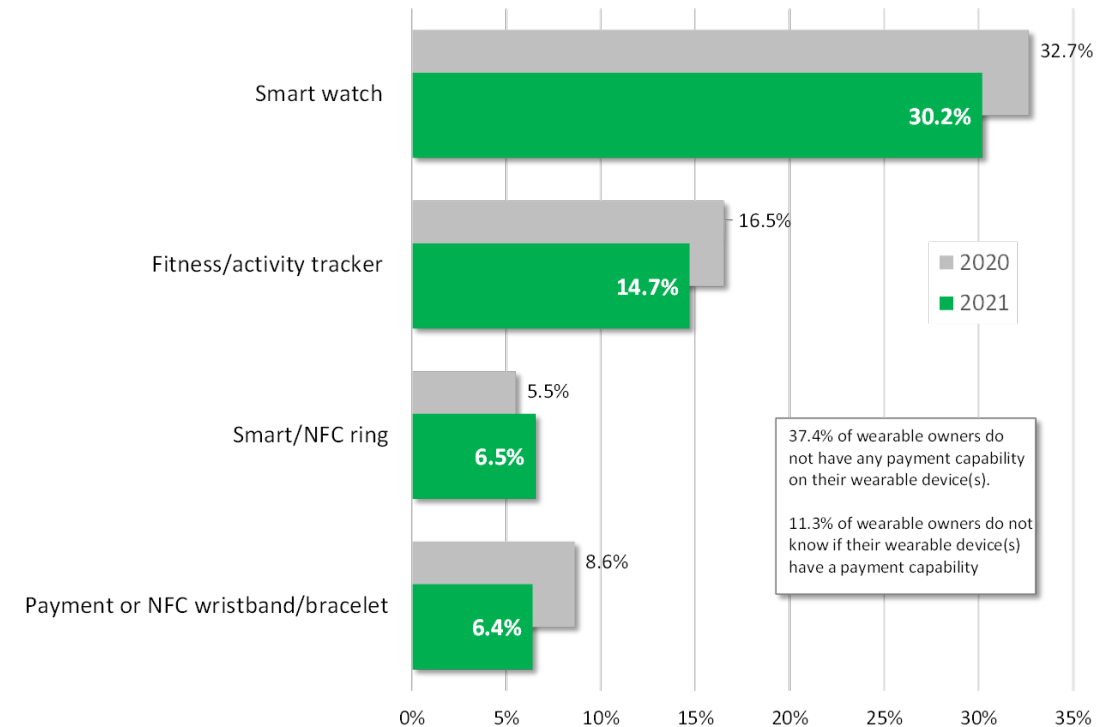
Ownership of a smart wearable device?	18-34 (A)	35-54 (B)	55+ (C)
Sample size n=	(169)	(256)	(168)
Fitbit	31%	43%	56%
Apple Watch	46%	36%	17%

W01A-Which brand(s) of smart wearables do you own?

Smart watches are the most common payment-capable wearable

- ❖ Just over half (51.2%) of those who own wearable devices state that their smart wearable device is capable of making contactless payments.
- ❖ Almost four out of ten wearables owners (37.4%) are certain that do not have any payment capability on their wearable device(s), while 11.3% are unsure.
- ❖ Smart watches account for three out of ten (30.2%) contactless payment-capable wearable devices worn by adult Canadians in 2021. Looked at differently, 68.2% of smart watch owners have a device that is capable of making payments.
- ❖ Fitness trackers trail in contactless payment capability with roughly half the incidence (14.7%) of smart watches with such a capability. Only 27.3% of wearable owners with fitness trackers state that their device is capable of making contactless payments.

Incidence of Wearables with Payment Capability



Base: Wearable owners: 2021: (n=627)

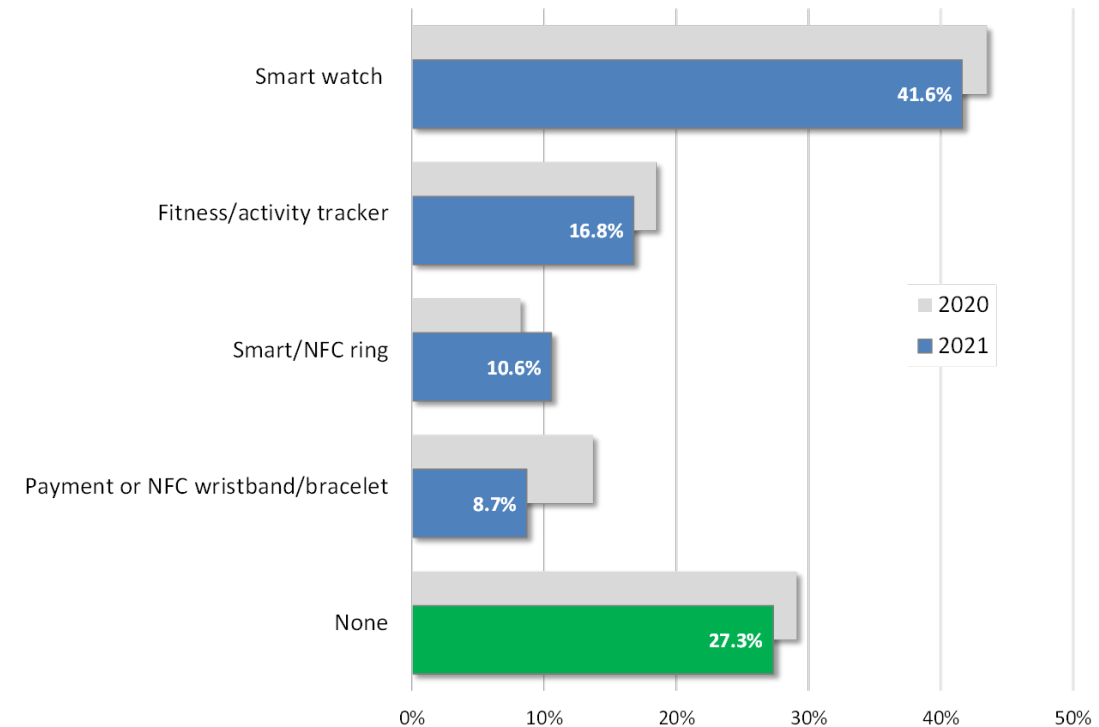
Source: Canadian Consumer Payments Survey

QW02- Which of the wearable device(s) that you own, if any, are capable of making contactless (tap) payments?

Smart watches dominate as wearables used for contactless payments

- ❖ Almost three quarters (72.7%) of contactless payment-capable wearable device owners actually used their devices to make contactless payments in 2021. This is slightly up from the 70.9% recorded in the 2020 survey.
- ❖ The incidence of wearables being used as contactless payment devices is highest for smart watches (41.6%). This is not surprising given that smart watches are the wearable devices most likely to have contactless payment capability.
- ❖ Fitness trackers trail at some distance, with a payment usage incidence of 16.8% of contactless payment capable wearable devices.
- ❖ About seven out of ten wearable owners who have a contactless-payment-capable smart watch (70.4%) have made an in-store payment with their device, while the corresponding percentage of for payment-capable fitness owners is 58.7%. This is a relatively high uptake of wearable payments, and hints at the appeal of wearable payments for in-store transactions.

Usage of Wearables as a Payment Device



Base: Wearable owners with payment-capable devices: 2021 (n=321)

Source: Canadian Consumer Payments Survey

QW03-Which of the wearable device(s) that you own, if any, have you used to make contactless (tap) payments in a store?

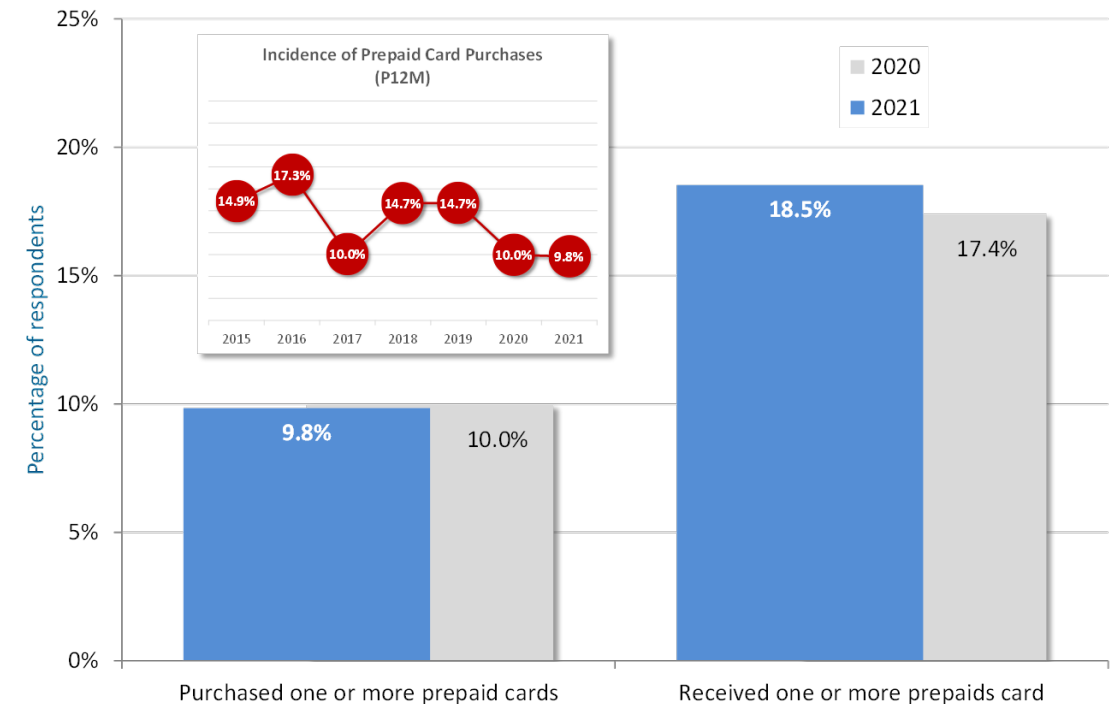
Prepaid Cards (Payment Brands)

Recipients of branded prepaid cards significantly outnumber purchasers

- ❖ About one in ten adult Canadians (9.8%) purchased one or more prepaid cards over the past twelve months. Almost two in ten (18.5%) received one or more prepaid cards from an organization or another person.
- ❖ Approximately three quarters of adult Canadians (73.5%) have neither purchased nor received any branded prepaid cards over the past twelve months.
- ❖ The incidence of prepaid card purchases has remained static over the past year, after falling in the 2019 survey.
- ❖ The receipt/purchase of prepaid cards varies significantly with age. 18-34 year-olds were more than twice as likely as those in the 55+ age group to have received a branded prepaid card in the past year, and three times as likely to have purchased one

Received/purchased prepaid card (P12M)	18-34 (A)	35-54 (B)	55+ (C)
Sample size n=	(377)	(745)	(880)
Received	28%	18%	12%
Purchased	16%	11%	5%

Incidence of Purchase and/or Receipt of Prepaid Cards (P12M)



Base: All respondents: 2021 (n=2002)

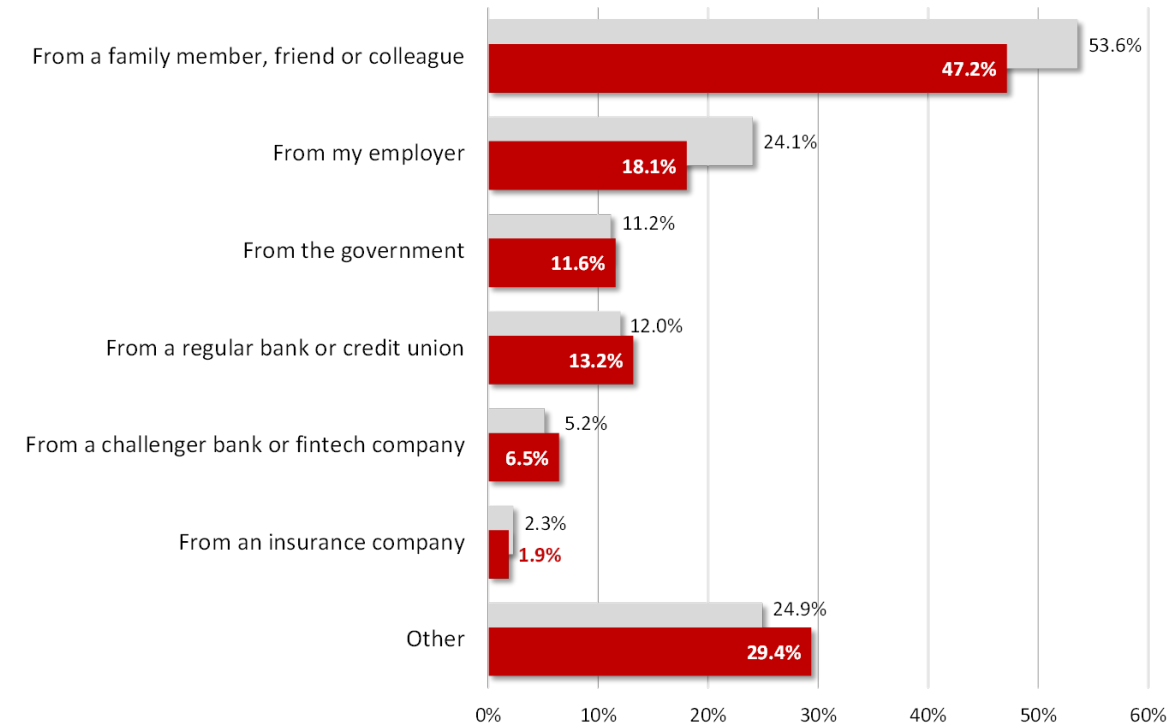
Source: Canadian Consumer Payments Survey

Q64A-In the past twelve months, did you receive or purchase any prepaid Visa, MasterCard, UnionPay or American Express cards?

Family, friends and colleagues are the main providers of prepaid cards

- ❖ Almost one half of the recipients of prepaid cards (47.2%) that had not purchased by themselves obtained them from family members, friends or colleagues
- ❖ Less than one in five (18.1%) received prepaid cards from their employer in the past twelve months, and about one in ten (11.6%) from government
- ❖ The incidence of prepaid card recipients receiving a branded prepaid card from a challenger bank or fintech company increased over the year from 5.2% in 2020 to 6.5% in 2021. The base size is very small for this group and therefore this increase may not be statistically significant.

Sources of Prepaid Cards for Recipients (P12M)



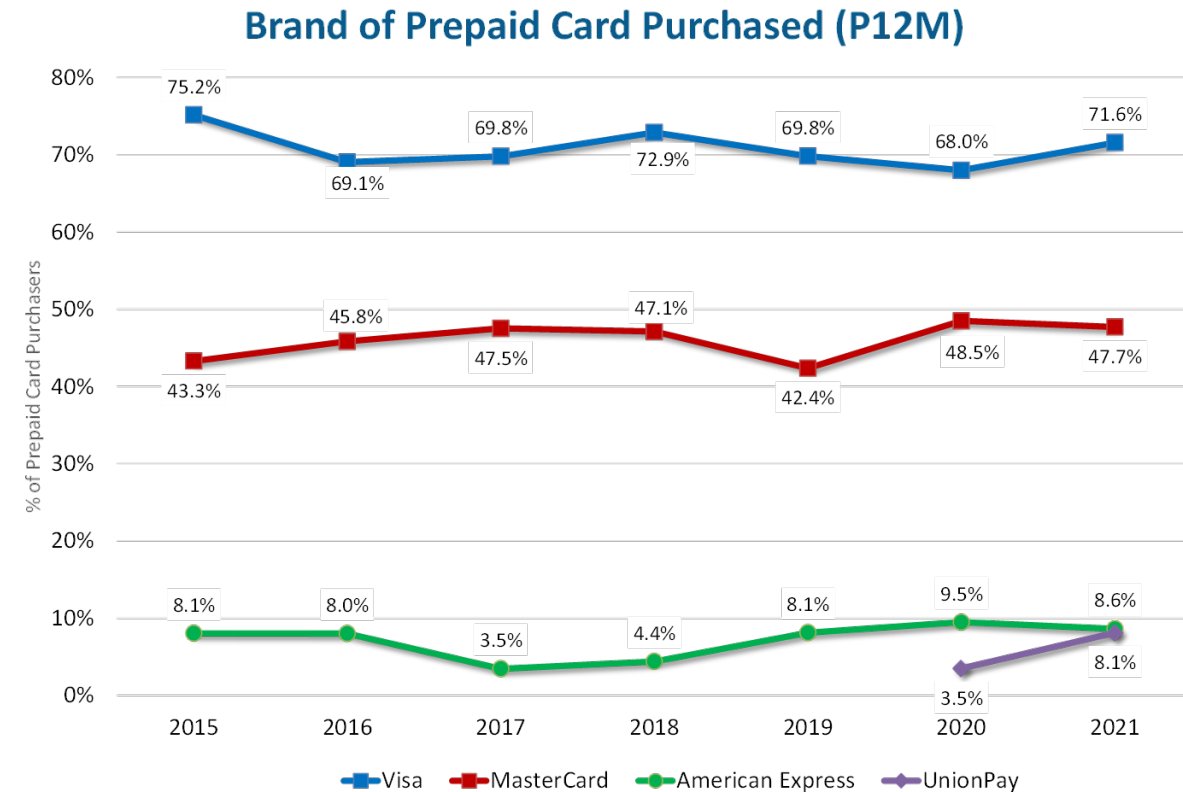
Base: Prepaid card recipients: 2021 (n=371)

Source: Canadian Consumer Payments Survey

Q64B-Where did you get the prepaid card(s) that you received, but didn't purchase?

Visa remains the dominant prepaid card brand

- ❖ Visa branded prepaid cards remains the dominant brand, chosen by more than seven out of ten (71.6.0%) of those who bought prepaid cards in the past twelve months
- ❖ Almost one half (47.7%) of prepaid card purchasers bought a MasterCard prepaid card in the past twelve months.
- ❖ The incidence of American Express prepaid card purchases in the past twelve months dipped slightly to 8.6% in the 2021 survey.
- ❖ UnionPay prepaid cards were included for the first time in the 2020 survey, with 3.5% of prepaid card purchasers having purchased this brand of prepaid card in the past twelve months in that year. There has been a substantial increase in UnionPay prepaid card purchase over the past year, reaching an incidence of 8.1% in 2021, and rivalling that of American Express. However, the small sample sizes across the entire prepaid card category make it impossible to assess whether this is a statistically significant difference from the previous year.

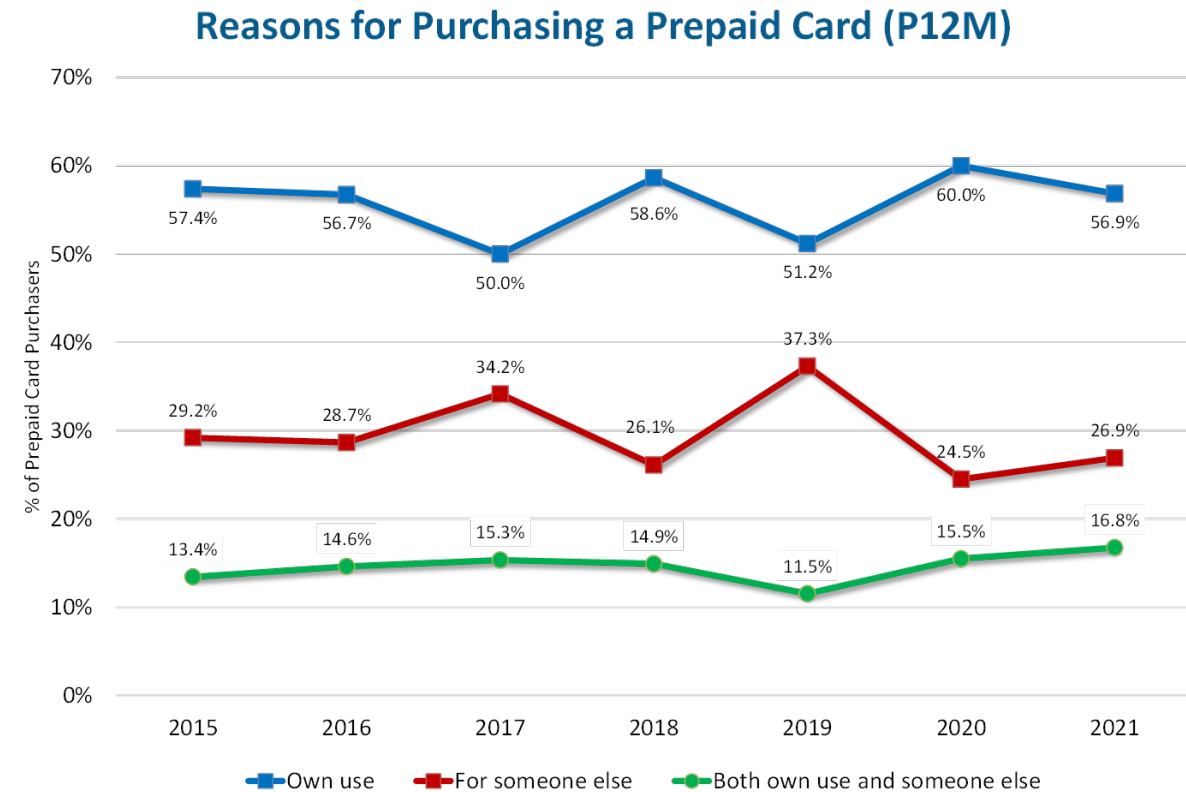


Base: Prepaid card purchasers: 2021 (n=197)

Q66. Which of the following brands of general purpose prepaid cards did you purchase in the past year?

Purchases of prepaid cards for own use fluctuates within a range

- ❖ The proportion of prepaid card purchasers buying branded prepaid cards exclusively for their own use fluctuates in a range between 50% and 60% from one year to the next, while those buying branded prepaid cards for others mirrors these fluctuations in the opposite sense. When purchases for oneself rise, purchases for others declines, and vice versa.
- ❖ In 2021, the proportion of purchasers buying for own use dipped slightly to 56.9%, while purchasers buying for someone else increased to 26.9%. The sum of these two has remained virtually static at around 85% for the past 5 years.
- ❖ Directionally, women appear to be more likely than men to purchase prepaid cards for own use (64.0% vs. 48.0%), although this is not a defining trend and has switched from year to year.

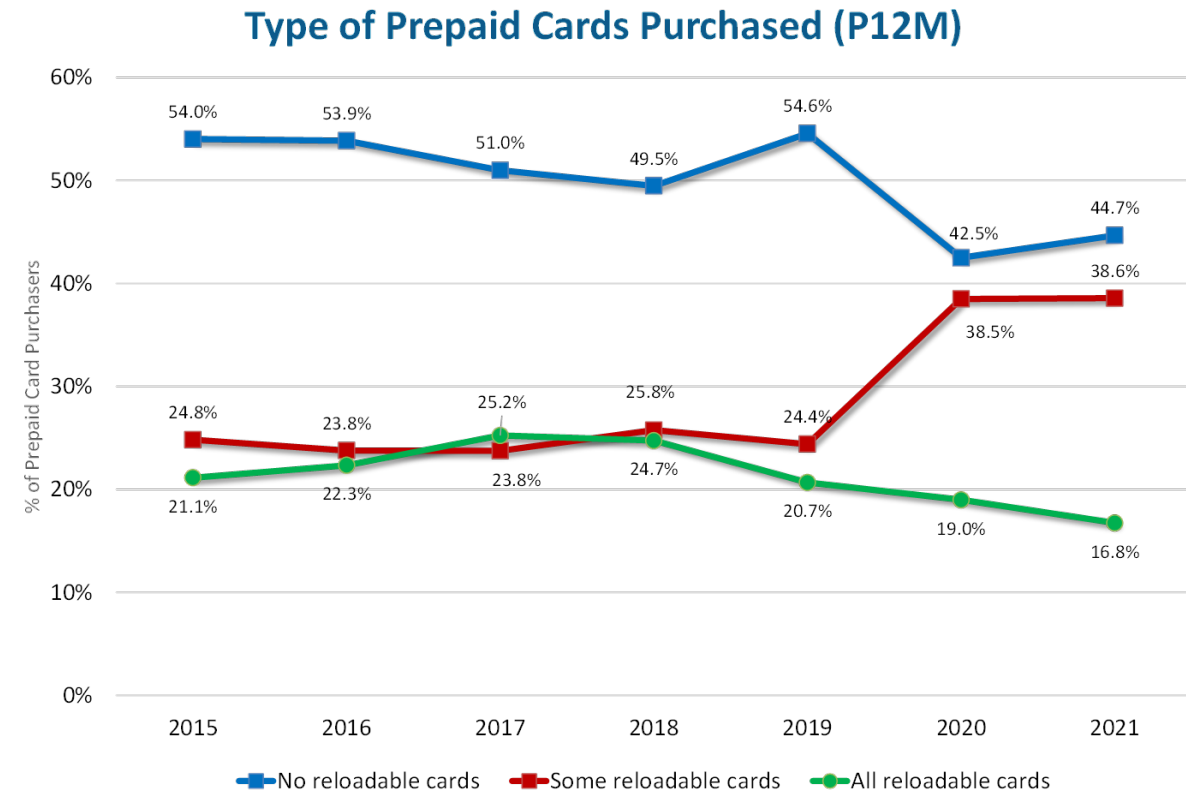


Base: Prepaid card purchasers: 2021 (n=197)

Q65. Were the prepaid cards that you purchased for own use, someone else or both?

Decline in non-reloadable prepaid card purchases

- ❖ Non-reloadable prepaid cards were the exclusive choice of more than four in ten prepaid card purchasers in the past twelve months (44.7%), a slight increase over the years, but still significantly lower than the 54.6% recorded in the 2019 survey.
- ❖ The opposite trend was observed in the proportion of prepaid card purchasers who purchased some reloadable and some non-reloadable cards. The incidence of such mixed purchases remained static over the year at 38.6% but is still significantly higher than the 24.4% recorded in 2019.
- ❖ The proportion who bought only reloadable cards has been trending downward over the last five years, reaching 16.8% in the 2021 survey, significantly lower than the peak of 25.2% reached in 2017.

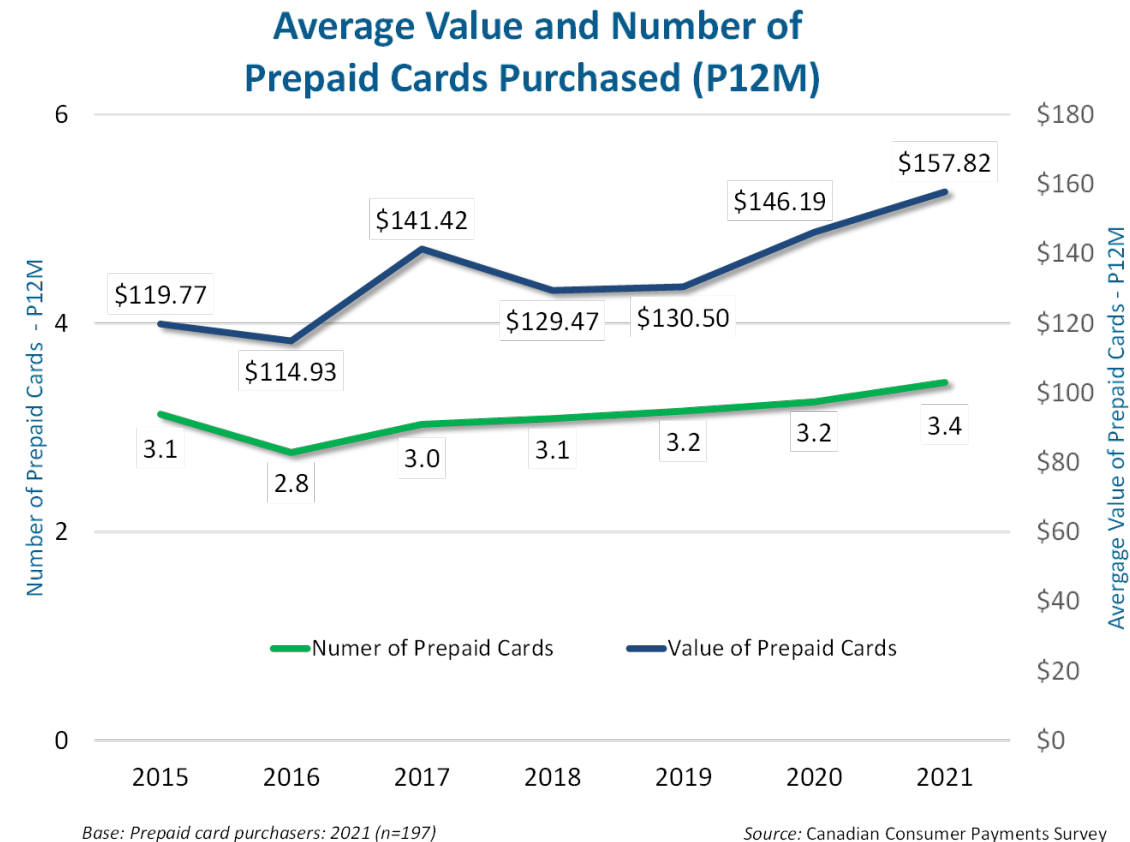
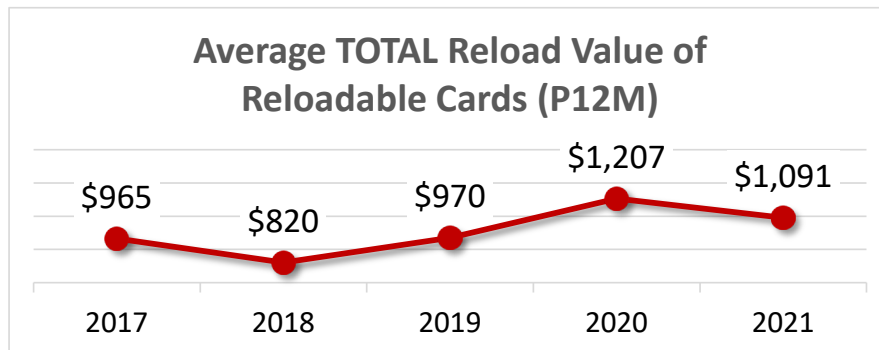


Base: Prepaid card purchasers: 2021 (n=197)

Q68. How many of these prepaid cards, if any, were reloadable?

The average value and number of prepaid cards purchased edges up

- ❖ On average, prepaid card purchasers purchased 3.4 prepaid cards in the past twelve months, a slight uptick from the 2020 survey.
- ❖ About one half of all prepaid card purchasers (55.5%) purchased only one or two prepaid cards in the past twelve months.
- ❖ The average value of prepaid cards rose substantially over the past year, averaging \$157.82 in the 2021 survey, compared with \$146.19 in the 2020 survey.
- ❖ The average total value loaded onto all **reloadable** cards owned by prepaid card purchasers dipped to \$1,091, a drop of 9.6% over the previous survey year.

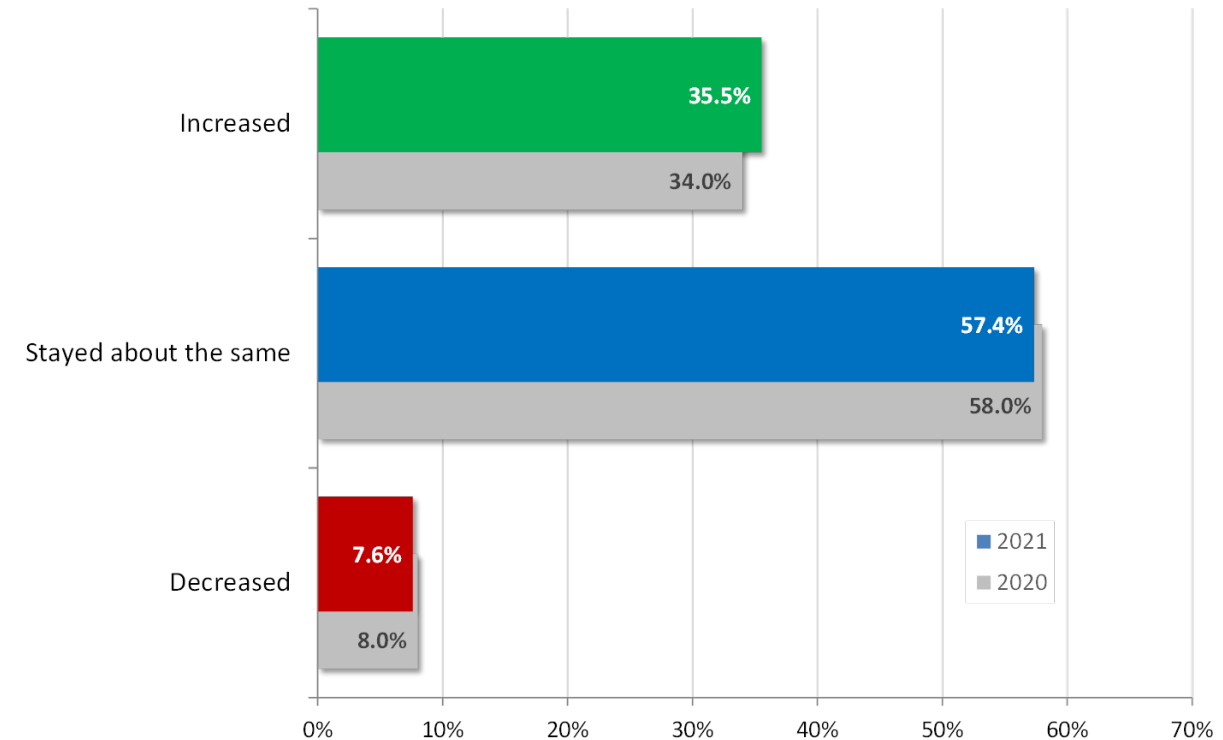


Q67-In the past 12 months, how many Visa, MasterCard or American Express prepaid cards did you purchase?
 Q69-What was the average value of the prepaid cards (reloadable and non-reloadable) that you purchased in the past twelve months?
 Q70A : Thinking now about all of the reloadable prepaid credit cards that you own, approximately how much, IN TOTAL, did you load onto ALL of your reloadable prepaid credit cards over the past twelve months?

Strong upward momentum in the prepaid card market continues

- ❖ More than one third or prepaid card purchasers (35.5%) indicated that the number of cards that they had purchased over the past year had increased, those who recorded fewer prepaid cards purchases over the past twelve months inched down to 7.6% of prepaid card purchasers.
- ❖ These percentages are not significantly different from those in the 2020 survey, indicating that while there is significant upward momentum in the prepaid card market, that momentum has not changed over the year.
- ❖ Prepaid card purchasers in the 18-34 years age group were almost twice as likely to have increased their purchases of prepaid cards over the past twelve months than those in either of the other age groups.

Change in Number of Prepaid Cards Purchased (P12M)



Base: Prepaid card purchasers: 2020 (n=197)

Source: Canadian Consumer Payments Survey

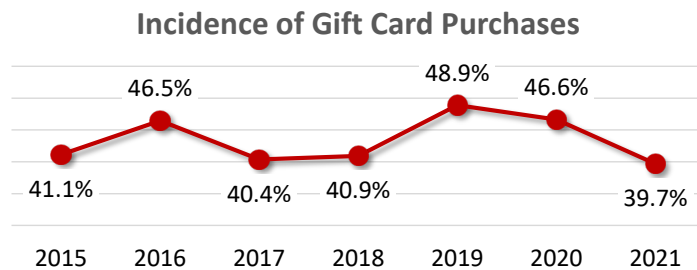
Q70. How has the number of prepaid cards that you purchased over the past twelve months changed?

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Gift Cards

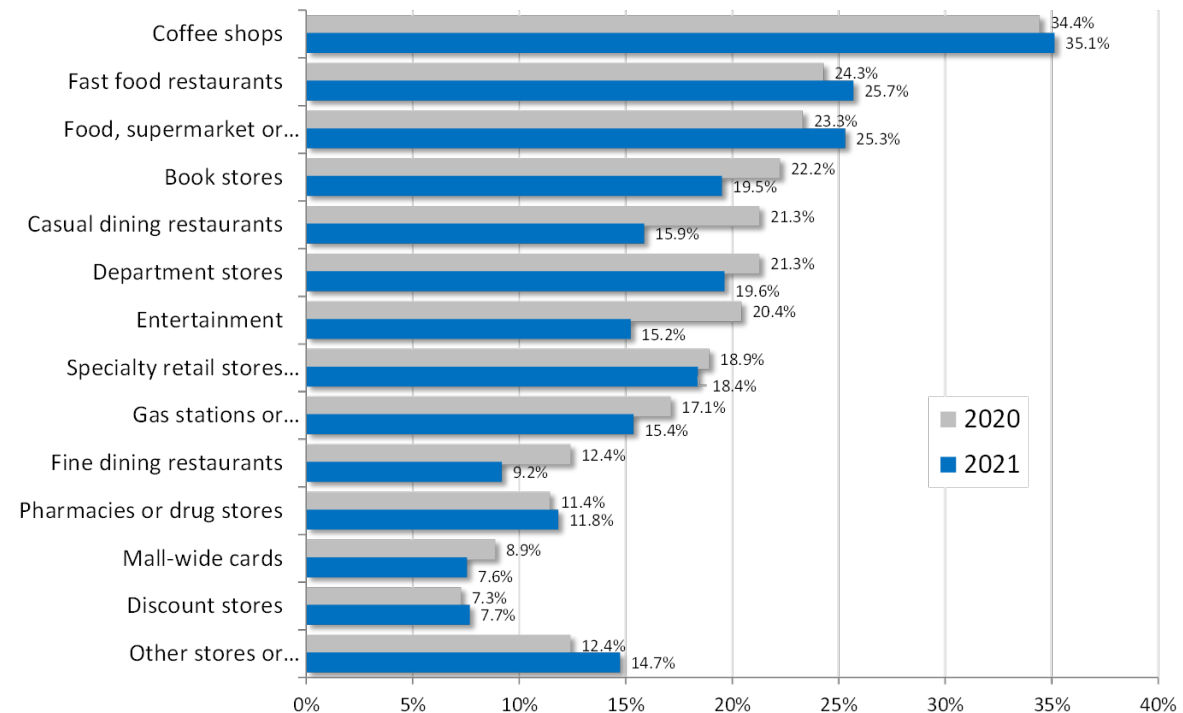
Decrease in incidence of gift card purchases over the past twelve months

- ❖ Almost four out of ten adult Canadians (39.7%) have purchased a gift card in the past twelve months, a significant drop from 46.6% recorded in the 2020 survey. This is in part attributable to the limited mobility of adult Canadians as a result of pandemic restrictions.



- ❖ Coffee shop gift cards remain the most popular category with one in three (35.1%) gift card purchasers buying them in the past year, followed at some distance by fast food restaurants (25.7%) and food, supermarket or grocery stores (25.3%).
- ❖ Pandemic-influenced shifts in gift card purchasing patterns are evident in the different categories, with increases in food and fast-food categories accompanied by decreases in entertainment, dining and department store categories, essentially any category that is more likely to require a personal presence.

Categories of Gift Cards / Vouchers Purchased (P12M)



Base: Gift card purchasers P12M: 2021 (n=794)

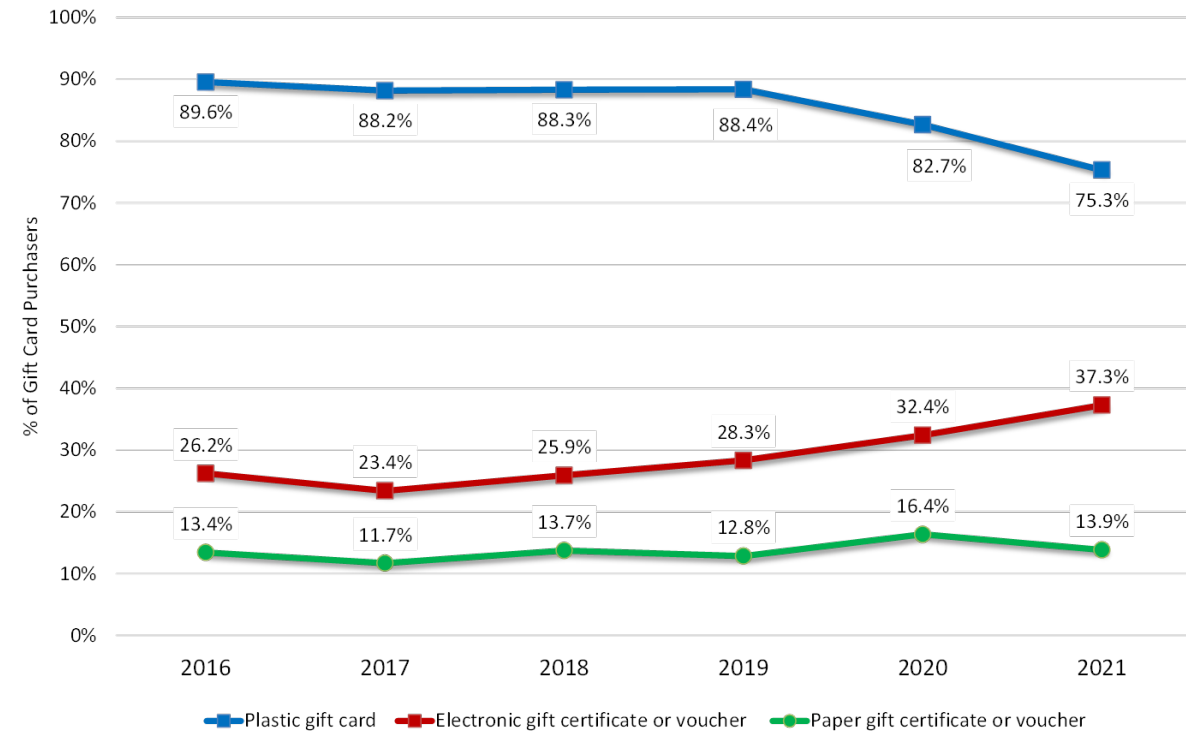
Multiple responses
Source: Canadian Consumer Payments Survey

Q72. Which categories of gifts cards /gift certificates /gift vouchers did you purchase in the past twelve months?

Electronic gift cards gain ground

- ❖ About three quarters of gift card purchasers (75.3%) purchased one or more plastic gift cards over the past twelve months. This is substantially down from the incidence of 88.4% recorded in 2019.
- ❖ The decline in the plastic gift card form factor is somewhat offset by the increase in incidence in electronic gift certificates/vouchers purchases over this period, rising from 28.3% in 2019 to 37.3% in 2021. Apart from the relative convenience offered by electronic gift cards, familiarity is increasing, and the willingness of consumers to move to non-contact solutions for gifting in times of a pandemic have likely facilitated the substitution of plastic gift cards with electronic gift cards.
- ❖ Paper gift certificates or vouchers showed a decline over the past year, with just 13.9% of gift card purchasers having purchased a paper gift certificate in the past twelve months. In many cases, paper gift cards are the only options available to gift card purchasers in certain settings, especially small businesses that cannot afford to setup the infrastructure required to handle plastic gift cards.

Type of Gift Cards Purchased (P12M)



Base: Gift card purchasers P12M: 2021 (n=794)

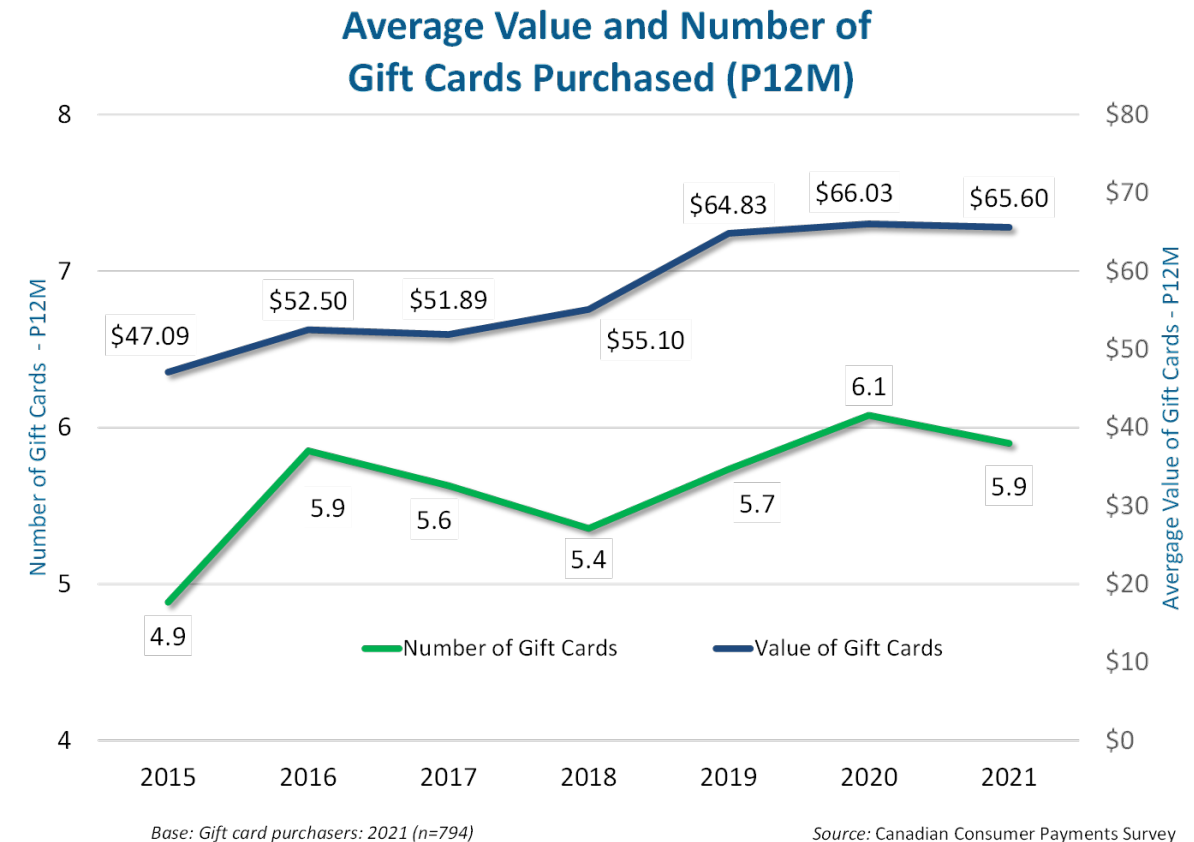
Source: Canadian Consumer Payments Survey
Note: Includes multiple mentions

Q73. Which of the following types of gift cards/ gift certificates/ gift vouchers have you purchased in the past year?

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Average number of gift cards purchased dips

- ❖ The average number of gift cards purchased by those who had purchased a gift card in the past twelve month period dipped to 5.9, reversing the upward trend of the previous two years.
- ❖ More than half of card purchasers (55.7%) bought four or fewer gift cards over the past year
- ❖ Gift card purchasers in the 55+ age group purchased, on average, 27% more gift cards in the past twelve months than those in the 18-34 year age group.
- ❖ The average value of gift cards purchased over the past twelve months remained fairly stable over the year at \$65.60, a marginal dip from the \$66.03 in the 2020 survey.
- ❖ Gift card purchasers from Quebec had the highest average value of gift card purchases, at \$73.41, almost 40% higher than the average value purchased in BC, which came in at \$52.59. The average value in Ontario was close to that in Quebec, at \$70.30.
- ❖ Households with incomes of \$100k or more purchased gift cards with an average value 40% higher than those in households with incomes of \$50k or less - \$80.79 vs. \$57.63.

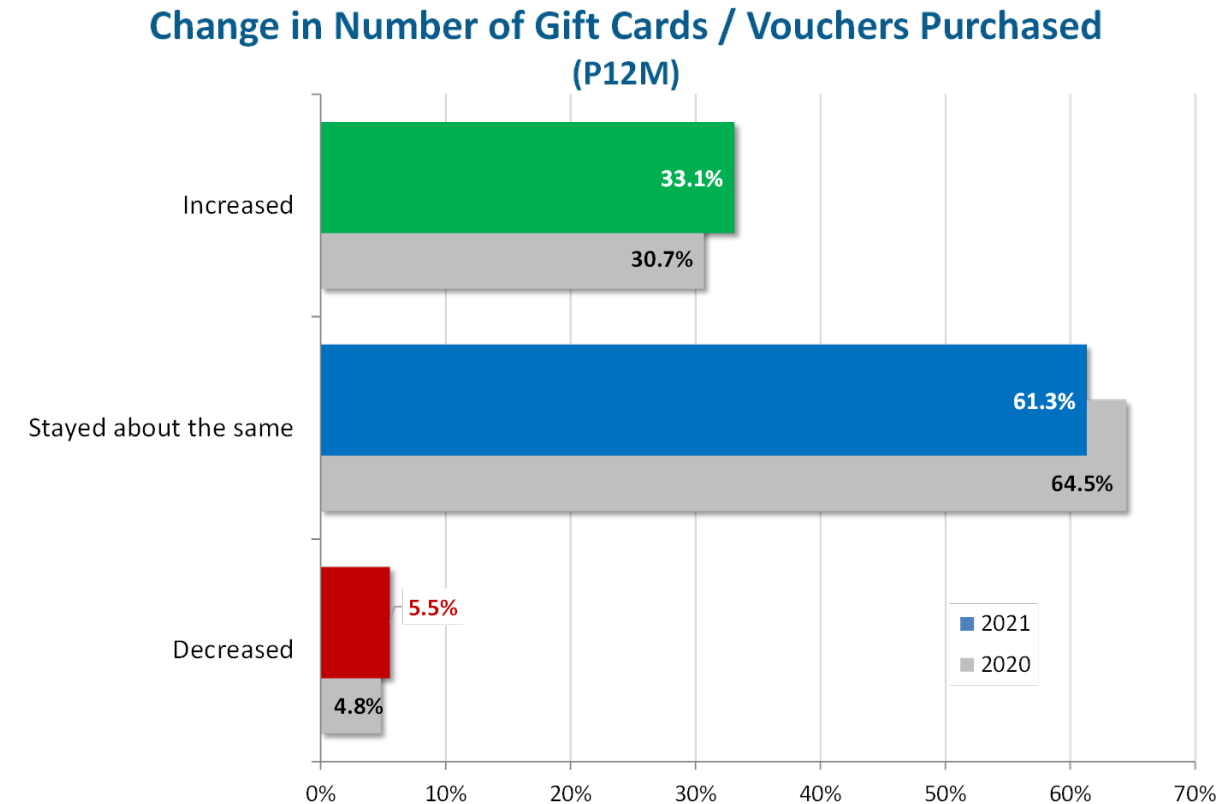


Q74-In the past 12 months, how many gifts cards / gift certificates / gift vouchers, in total, did you purchase?

Q75-What was the average value of the gift cards / gift certificates / gift vouchers that you purchased in the past twelve months?

Increased upward momentum in the number of gift cards purchased P12M

- ❖ About one third of gift card purchasers (33.1%) had increased the number of gift cards that they had purchased over the past year, while about one in twenty (5.5%) had decreased their number of gift card purchases. The net increase rose over that of the 2020 survey year, pointing to an upward momentum in the gift card market.
- ❖ Early adopters were significantly more likely to have increased their purchases of gift cards over the past twelve months than those in other adopter groups. Other than that, there were no major differences across demographic groups.



Base: Gift card purchasers P12M: 2021 (n=794)

Source: Canadian Consumer Payments Survey

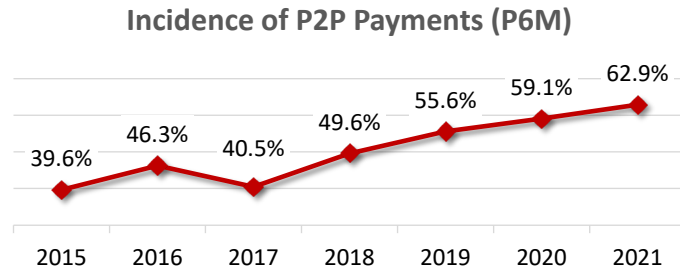
Q76. How has the number of gifts cards / gift certificates / gift vouchers that you purchased changed over the past twelve months? [

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Person-2-Person (P2P) Payments

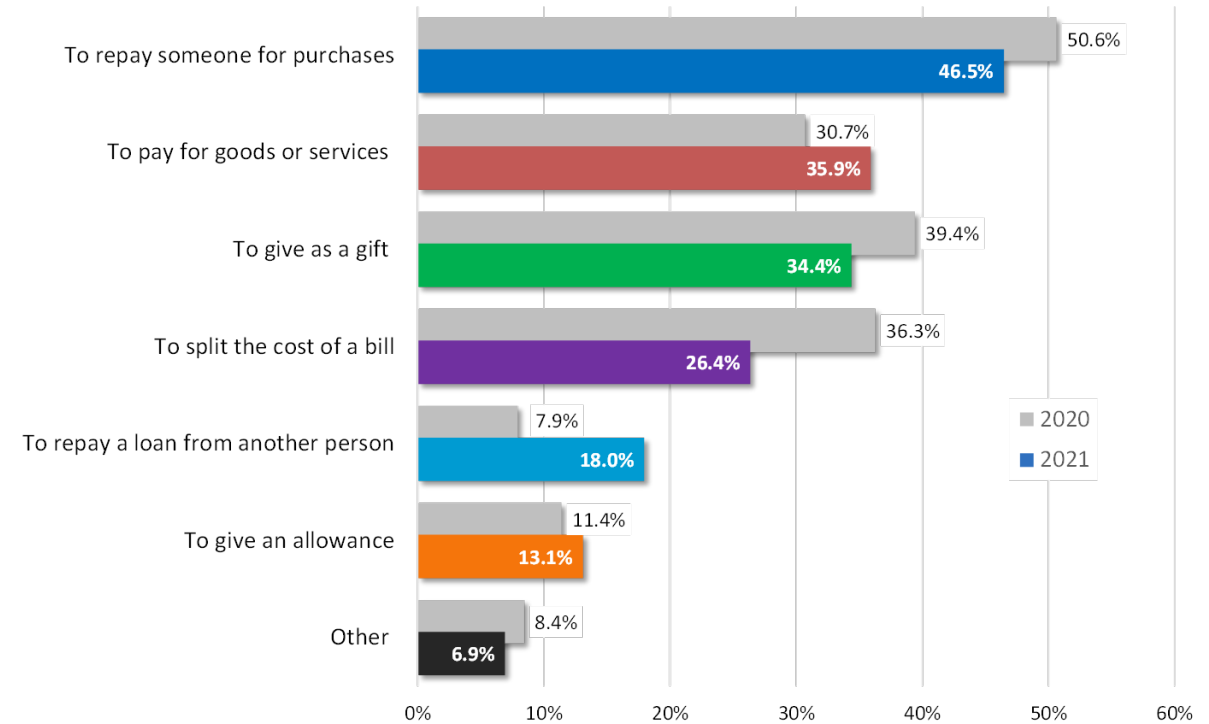
The incidence of P2P payments increases

- ❖ The incidence of P2P payments increased to 62.9% in the 2021 survey, compared with 59.1% in the 2020 survey.



- ❖ Repaying someone for purchases made on their behalf was the most common reason cited for P2P payments, with an incidence of 46.5% amongst P2P payers and significantly lower than in the 2020 survey.
- ❖ Splitting the cost of a bill showed the largest decline over the year, followed by gifting, and repayments for purchases, while payments for goods or services, repayment of loans and payment of allowances all increased. These shifts are partly due to changes in behaviour as a result of restrictions arising from the pandemic.

Reasons for P2P Transfers (P6M)



Base: Those who made a P2P payment P6M: 2021 (n=1259)

Source: Canadian Consumer Payments Survey

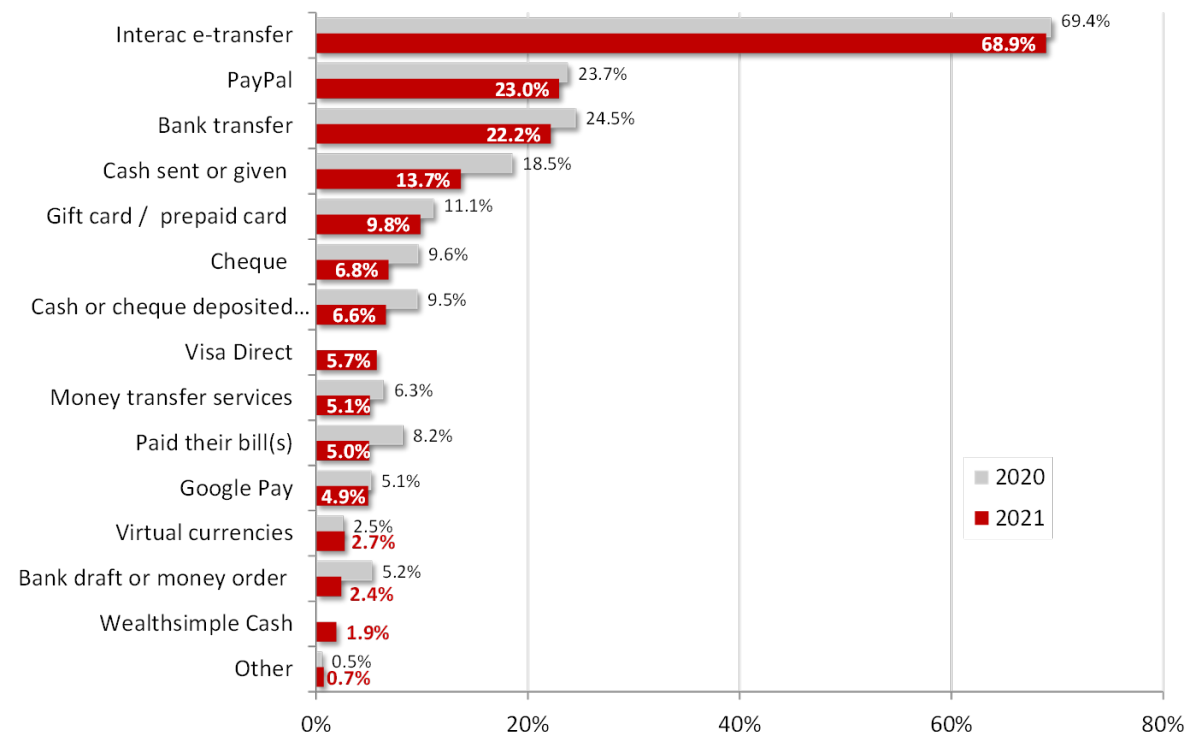
Q42A-In the past 6 months, for which of the following reasons have you given, transferred or sent money to another person in Canada?

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Interac e-transfer outstrips all other P2P transfer methods by far

- ❖ Interac e-transfer continues to dominate as the preferred method for conducting P2P payments, holding its ground at 68.9% in 2021, and more than three times as popular as its closest rivals.
- ❖ Interac e-transfer was more popular among women than men, and less popular in the 18-34 age group than those in other age groups, although still widely used.
- ❖ Bank transfers to a recipient's account and PayPal both trail at some distance, being used by fewer than one quarter of P2P transferors (23.0% and 22.2% respectively)
- ❖ The use of cash for P2P transfers dropped significantly over the past year, from 18.5% to 13.7%. This is largely due to mobility restrictions arising from the pandemic, coupled with a preference to avoid the use of cash during the times of pandemic.
- ❖ More than three quarters (77.4%) of those who made a P2P payment in the past six months made at least one P2P payment using their mobile phones, and 77.0% of those did at least one mobile Interac e-transfer. About one out of five mobile P2P payers (22.7%) made a mobile P2P payment using PayPal.
- ❖ All other mobile channels were used by less than 5% of mobile P2P payers.

Methods of P2P Payment (P6M)



Base: Those who made a P2P payment P6M: 2021 (n=1259)

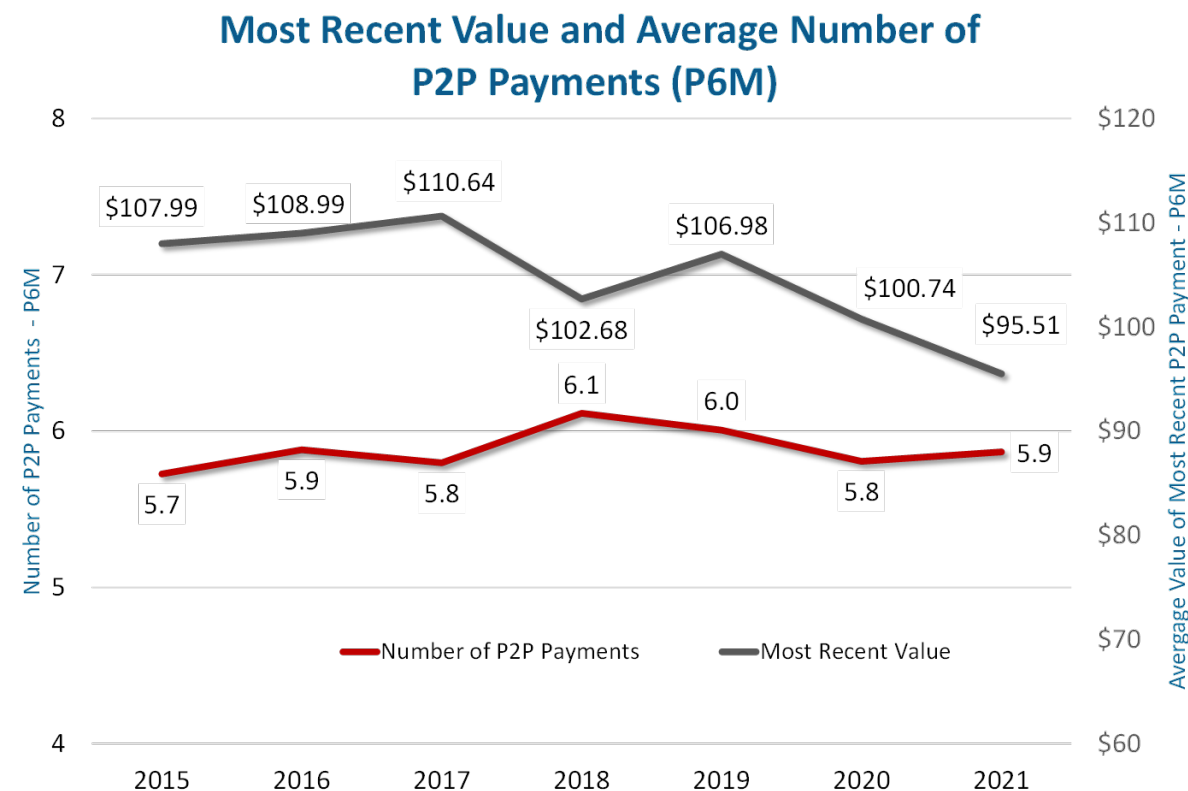
Source: Canadian Consumer Payments Survey

Note: Responses include multiple mentions

Q43. In the past 6 months, which of the following means have you personally used to give, transfer or send money to another person in Canada?

Average number of P2P payments edges up; average most-recent value dips

- ❖ The average number of P2P payments made by those who had made a P2P payment in the past six months edged to 5.9 payments over the six-month period, or just less than one a month. This halts the downward trend that was evident in the prior two years.
- ❖ P2P payers in the 55+ age group made, on average, 25% fewer payments than those in either of the other age groups.
- ❖ Recent immigrants recorded the highest average number of P2P payments at 7.4 in the past six months, 27% higher than the P2P payer population average.
- ❖ The average value of the most recent P2P payment dropped by 5% over the past year, to \$95.51.
- ❖ P2P payers in the 55+ age group paid, on average, 47% more on their most recent payment than those in the 18-34 age group - \$114.91 vs. \$78.30.
- ❖ The distribution of the value of most recent P2P payments is bimodal, with one mode in the \$26-\$50 range, and the other above \$200.



Base: Those who made a P2P payment P6M: 2021 (n=1259)

Source: Canadian Consumer Payments Survey

Q44-Approximately how many times, have you given, sent or transferred money to someone else in Canada in the past six months?

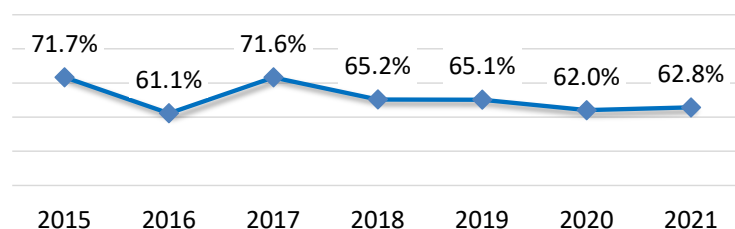
Q45-Approximately how much money did you give, send or transfer to another person on the most recent occasion when you conducted a person-to-person payment transaction?

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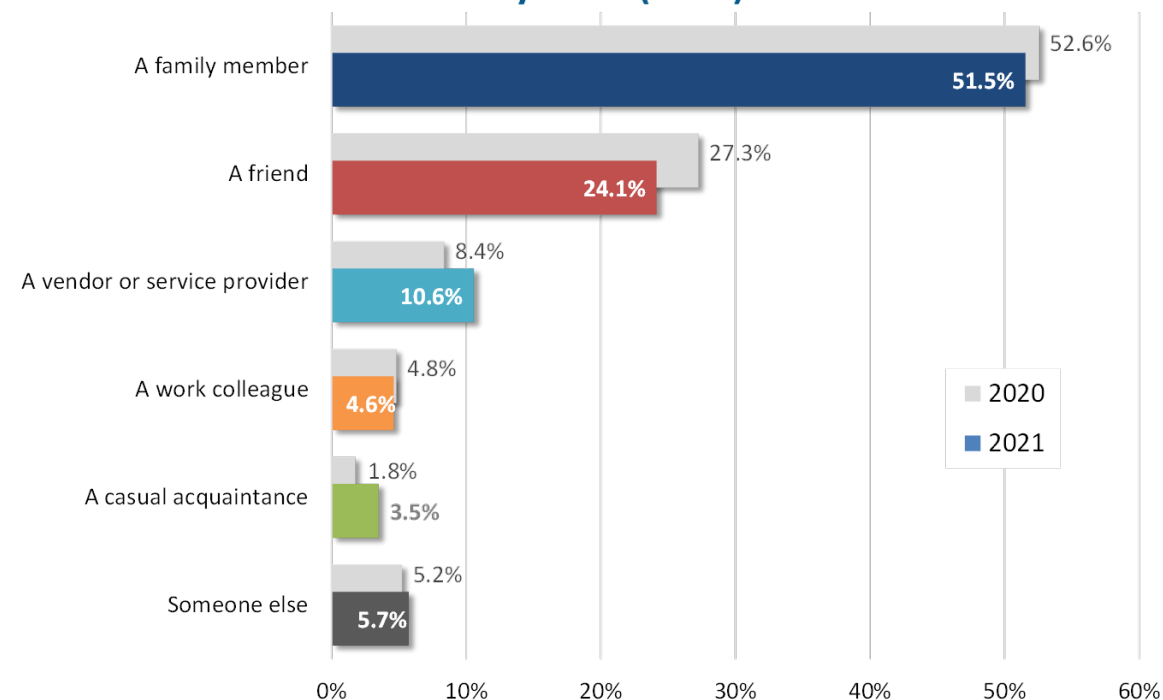
Family and friends are the most common recipients of P2P payments

- ❖ About one half of the most recent P2P transactions (51.5%) were payments to a family member.
- ❖ A little less than a quarter of such payments went to friends (24.1%), down more than three percentage points over the year.
- ❖ Payments to vendors or service providers accounted for around one in ten (10.6%) of the most recent P2P transactions, and showed an increase over the year.
- ❖ The incidence of making payments to people who are not the in payor's presence (i.e. remote payments) has remained stable over the past year, at 62.8%

Incidence of Remote P2P Payments (P6M)



Relationship with Recipient of the Most Recent P2P Payment (P6M)



Base: Those who made a P2P payment P6M: 2021 (n=1259)

Source: Canadian Consumer Payments Survey

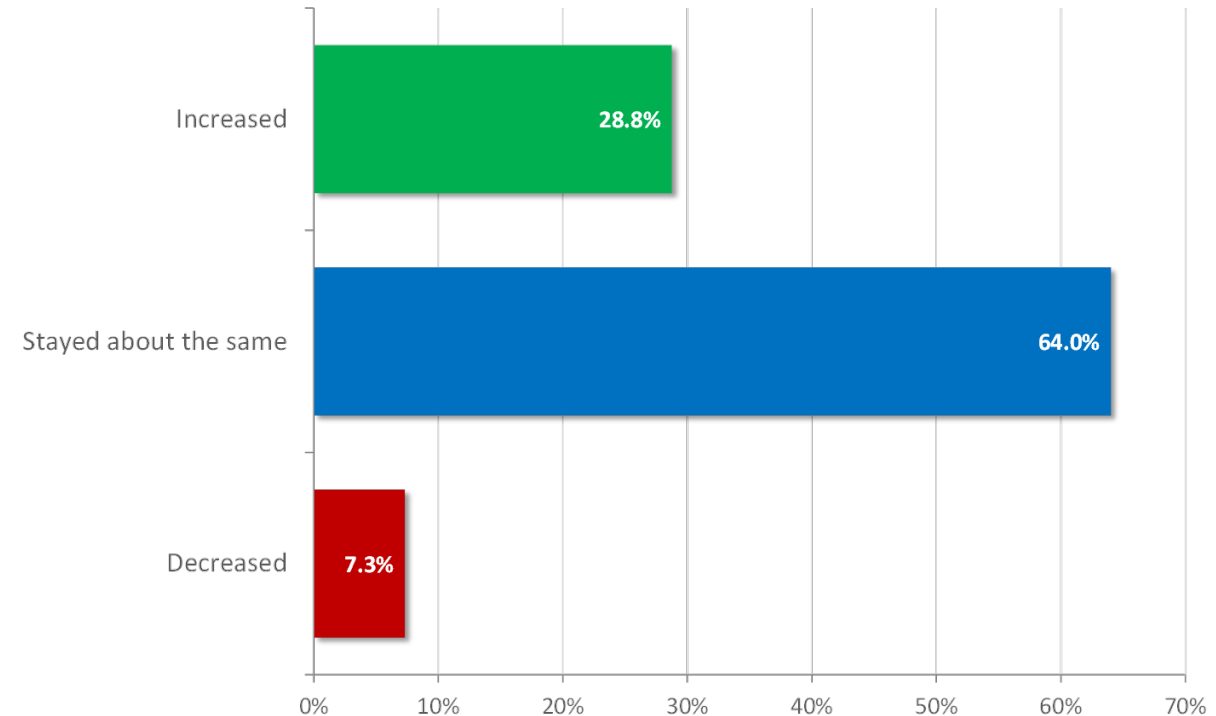
Q46-For your most recent person-to-person payment, was the person that you paid with you at the time that you made the payment (i.e. in your presence)?

Q46A-For your most recent person-to-person payment, what was the relationship between you and the person that you made the payment to?

The number of P2P has modest upward momentum

- ❖ Almost three out of ten (28.8%) of those who made a P2P payment in the past six months said that the number of payments they made had increased in that period, while 7.3% indicated that their number of P2P payments had decreased. This points to modest upward momentum in the number of P2P payments.
- ❖ Interestingly, those P2P payers in the 18-34 year age group were more likely to increase and decrease the number of P2P payments made in the past six months, indicating dualism in the P2P behaviour of that group.
- ❖ Those in the early adopter and early majority groups were more likely to have increased their number of P2P payments in the past six months than those in the other adopter groups.

Change in Number of P2P Payments (P6M)



Base: P2P payers P12M: 2021 (n=1259)

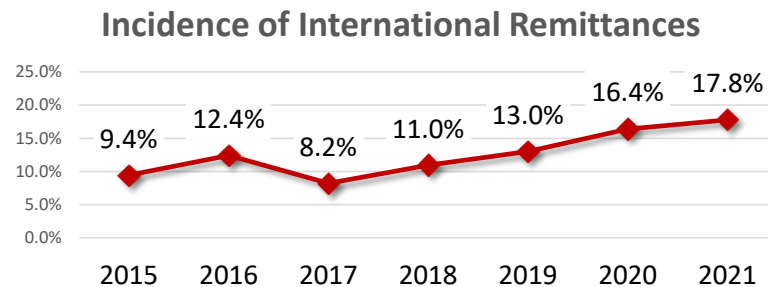
Source: Canadian Consumer Payments Survey

Q46B-Over the past six months, how has the NUMBER of P2P payments that you made changed?

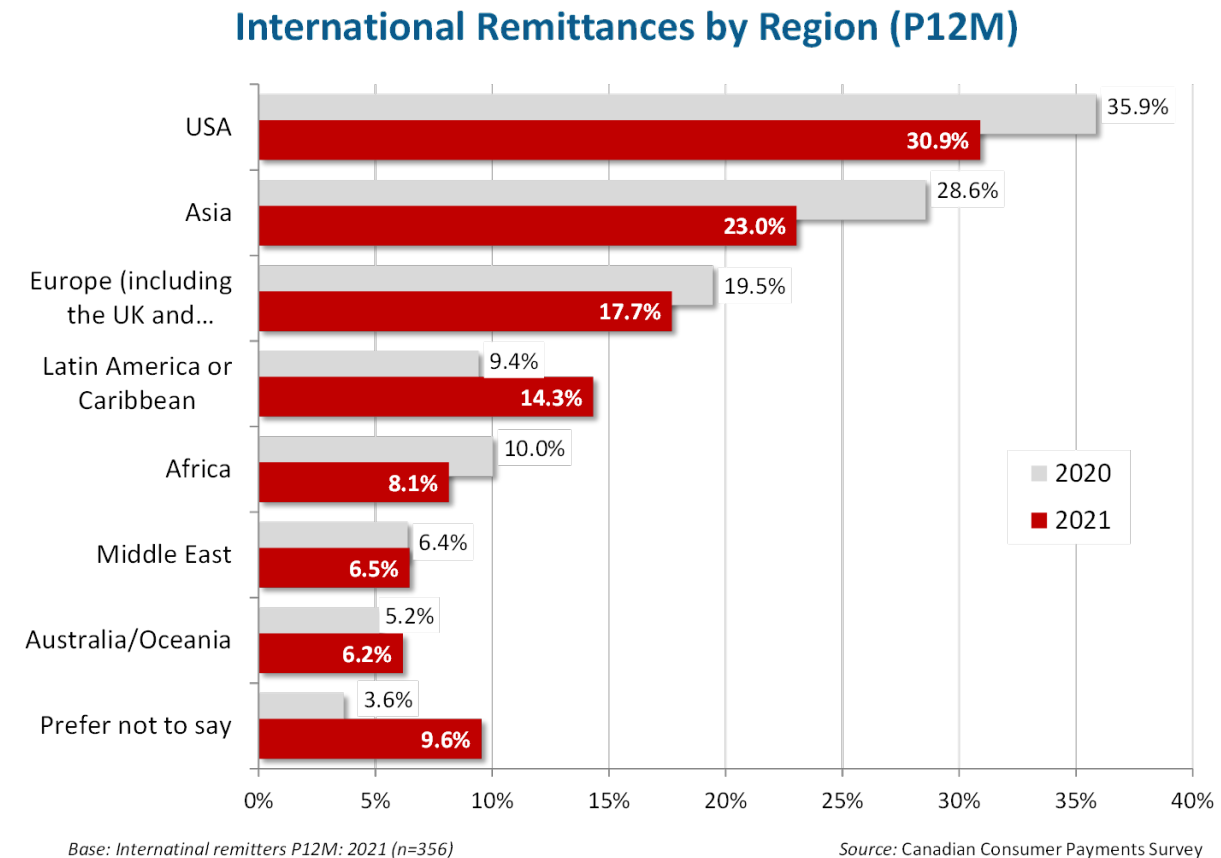
International Remittances

Incidence of international remittances increases; USA remains top destination

- ❖ The incidence of international remittances edged up to 17.8% in 2021, part of an upward trend that emerged in 2017.
- ❖ The incidence of remittances is, not surprisingly, about twice as high amongst foreign-born Canadians (29.9%) than those born in Canada (15.1%). After ten years of residency in Canada, the incidence of remittances drops off rapidly.



- ❖ The USA is the most popular destination for international remittances from Canada, with three out of ten remitters (30.9%) sending money to the USA in 2021, a sharp drop from 35.9% in the 2020 survey. The incidence of remittances to Asia also dropped dramatically, to 23.0% from 28.6% the previous year.

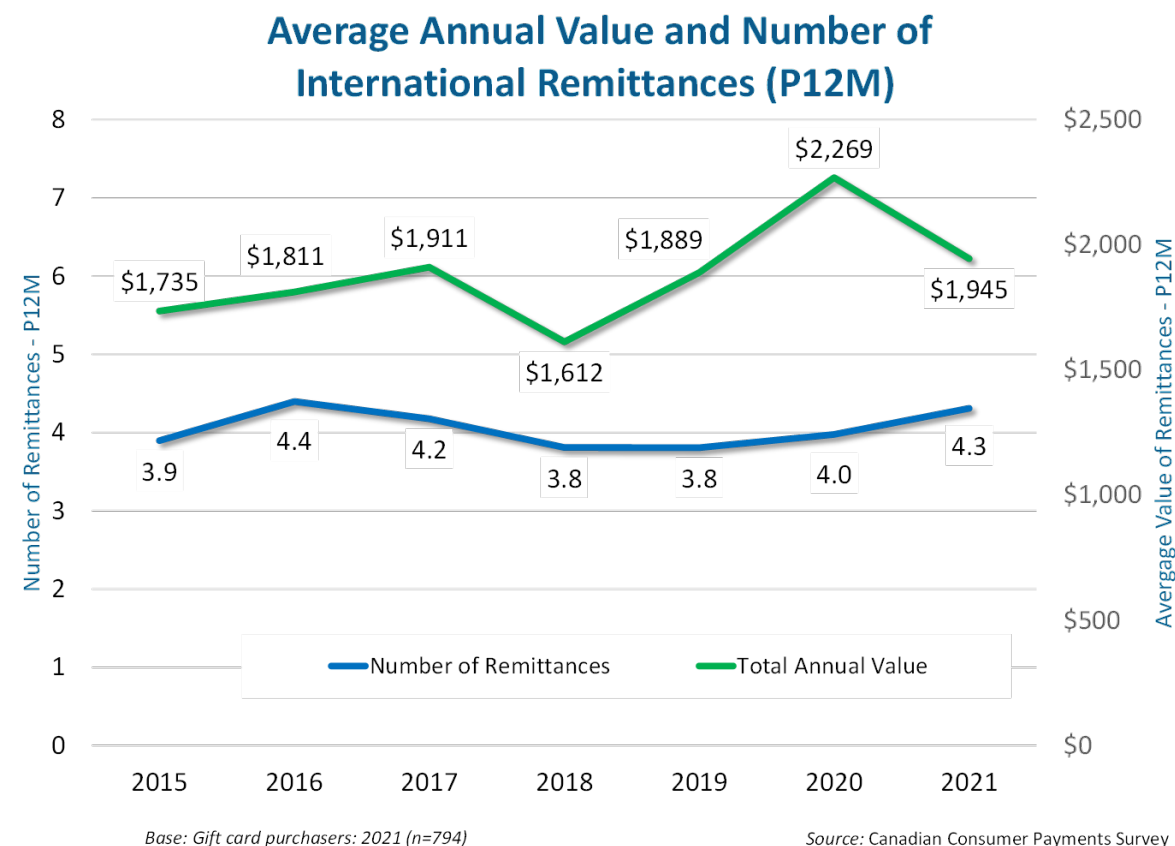


Q77. In the past twelve months, did you send or transfer any money to family members or friends in countries outside of Canada?

Q80. To which countries/regions did you send money to people in countries outside of Canada in the past 12 months?

The number of international remittances per person increases

- ❖ The average annual value of remittances per international remitter dropped by 14% over the year, from \$2,269, to \$1,945 in the 2021 survey.
- ❖ Almost four out of ten international remitters (37.9%) sent \$500 or less out of the country in the past twelve months
- ❖ The average annual value of international remittances over the past twelve months by Canadian born remitters was \$1,838, or 13% lower than the average of \$2,103 remitted by foreign born remitters, reversing the order found in the 2020 survey.
- ❖ The average number of international remittances sent by remitters rose to 4.3 remittances over the past twelve months, continuing the upward trend that has emerged since 2018.
- ❖ Immigrants who have been in the country for between 3 and 10 years sent the highest number of remittances, at 6.0 per year, of any demographic group and double that of those who have been in Canada for 10 years or more. The annual value of remittances sent by this group was \$3,400, also highest across all demographic groups and almost double that of immigrants of more recent or longer tenure.



Q78. Approximately how many times, in total, did you send money to family members or friends in countries outside of Canada in the past twelve months?

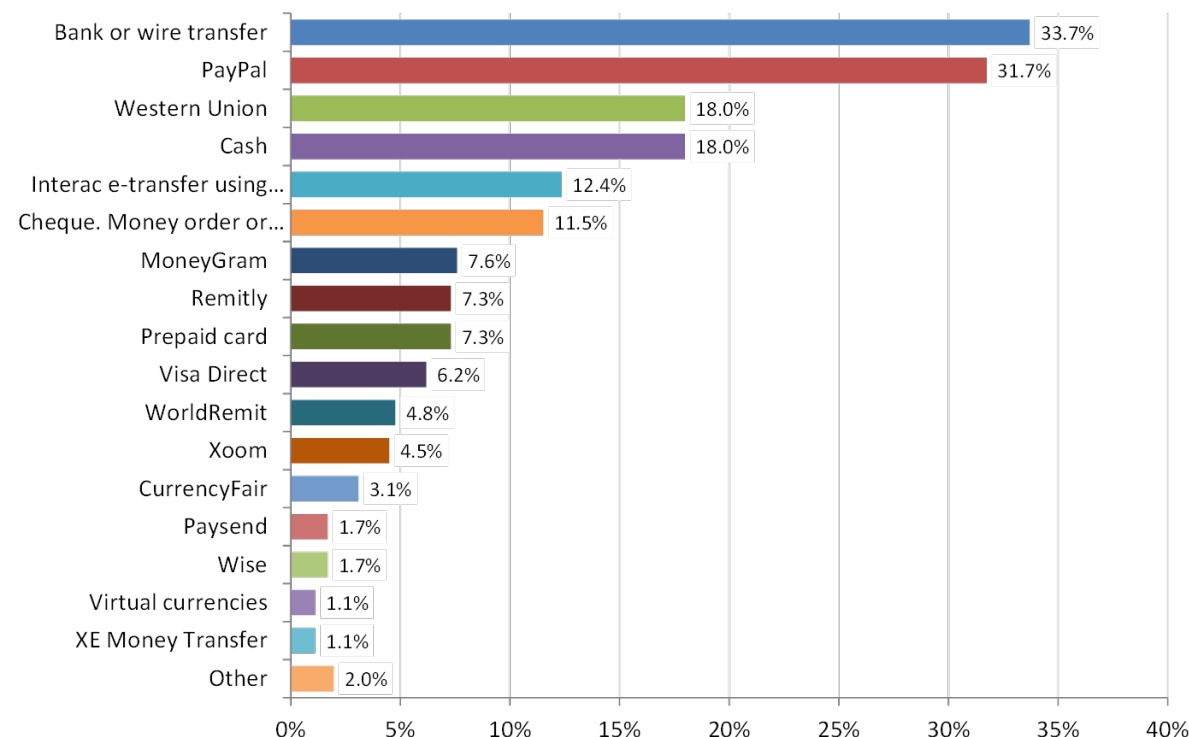
Q79. Approximately how much money, in total, did you send to family members or friends in countries outside of Canada in the past 12 months?

Wire transfers ousts PayPal as the most popular remittance vehicle

- ❖ Bank or wire transfers were used by one third of international remitters (33.7%). This is sharply higher than the 24.3% recorded in the previous survey year*.
- ❖ PayPal was ousted from the top spot by bank or wire transfers, with 31.7% of remitters using that service in the 2021 survey, compared with 36.8% in the previous survey year*.
- ❖ Cash was still used for international remittances by 18.0% of remitters.
- ❖ Of the Money transfer services included in the survey, Western Union had the highest incidence of usage, and was on a par with cash.
- ❖ Interac e-transfer using MasterCard Send featured in fifth place, with an incidence of 12.4%.
- ❖ There are many players offering international remittances services, some specializing in specific corridors. On average, each remitter used 1.75 services for their international remittance payments.

*In the 2021 survey this question was changed to include a wide range of specific international remittance services, and hence this may not be strictly comparable with findings from prior years.

Services Used for International Remittances (P12M)



Note: Question was changed this year to incorporate additional services

Base: International remitters P12M: 2021 (n=356)

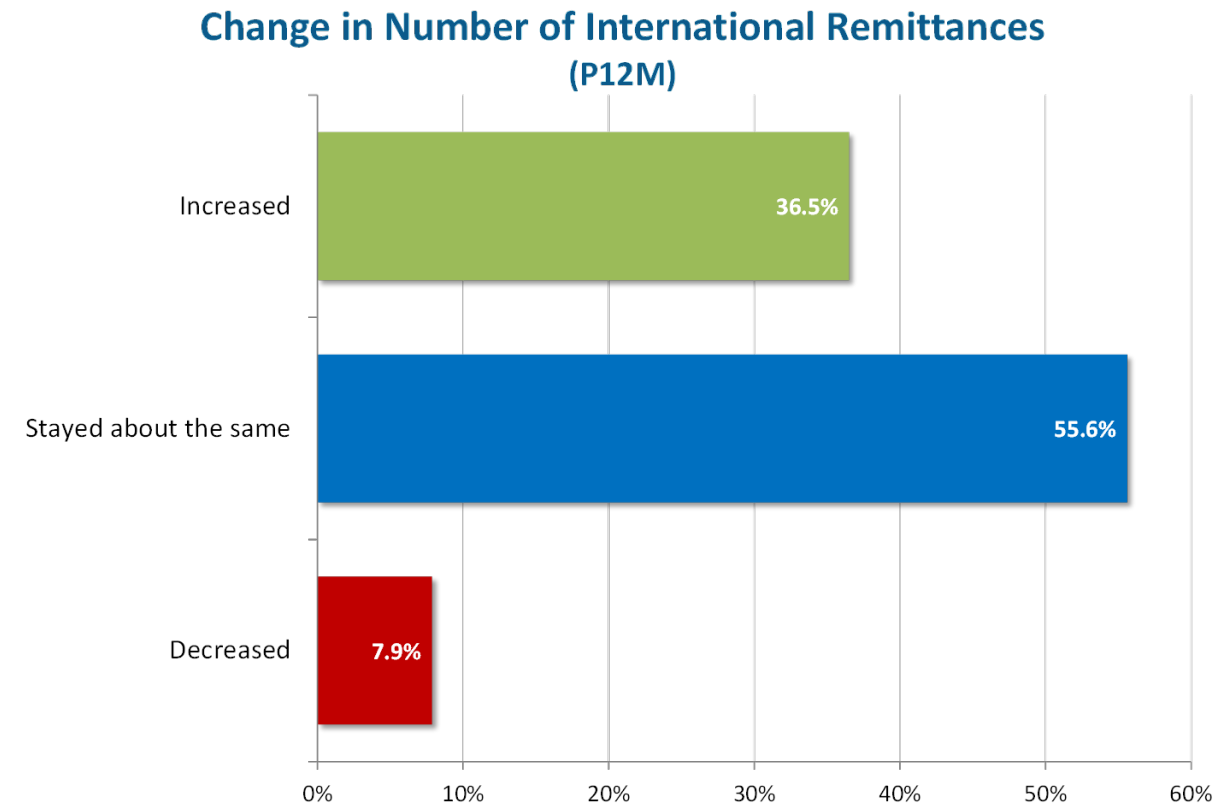
Source: Canadian Consumer Payments Survey

Q81. In the past 12 months, which of the following means have you personally used to transfer or send money to family members or friends OUTSIDE of Canada?

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The number of international remittances has strong upward momentum

- ❖ Almost four out of ten international remitters (36.5%) said that the their number of international remittances had increased over the past twelve months, while the number declined for only 7.9% of remitters, pointing to solid upward momentum in the number of remittances.
- ❖ Men were significantly more likely than women to have increased their number of remittances over the past twelve months – 45% vs. 29% respectively.
- ❖ Early adopters and those in the 18-34 year age group were also more likely than those in associated exclusive demographic groups to have increased the number of remittances sent over the past twelve months.



Base: International remitters P12M: 2021 (n=356)

Source: Canadian Consumer Payments Survey

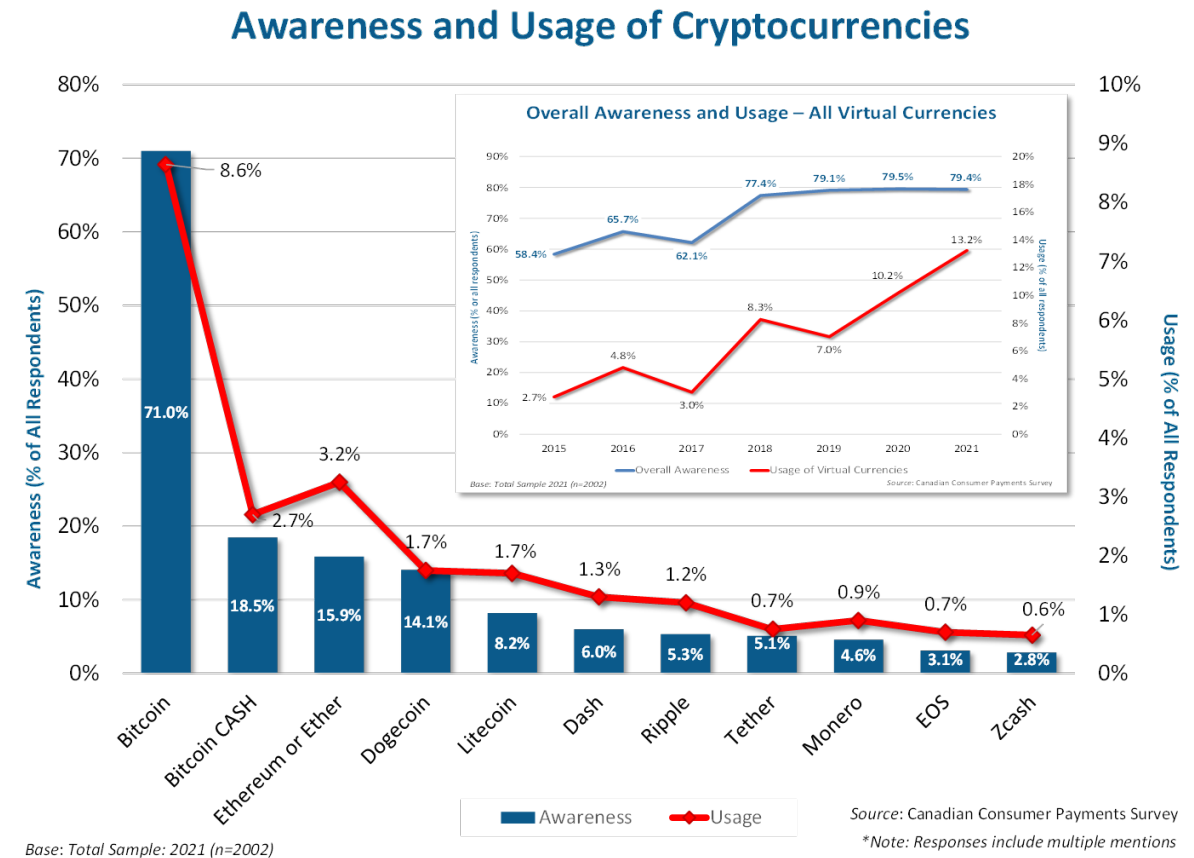
Q82. Over the past twelve months, how has the number of international remittances that you sent changed?

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Virtual Currencies

Usage of virtual currencies continues on an upward trend

- ❖ Eight out of ten adult Canadians (79.4%) are aware of virtual currencies, unchanged from the 2020 survey, indicating that awareness may have plateaued.
- ❖ Bitcoin remains by far the most visible virtual currency, with 71.0% of adult Canadians being aware of Bitcoin.
- ❖ Bitcoin CASH follows in a distant second place, with 18.1% of adult Canadians being aware of the currency, and likely benefits from the halo effect of Bitcoin itself.
- ❖ Ethereum/Ether follows at some distance with an awareness level of 15.9%.
- ❖ Usage has increased significantly over the past two years, with 13.2% of adult Canadians having used any virtual by 2021. This is likely due to the high levels of publicity covering virtual currencies over the past few years.
- ❖ Bitcoin, not surprisingly, has the seen highest usage of all virtual currencies, with 8.6% of adult Canadians having used or traded in Bitcoin. This is followed by Ethereum, with an incidence of usage more than two-and-a-half times less.

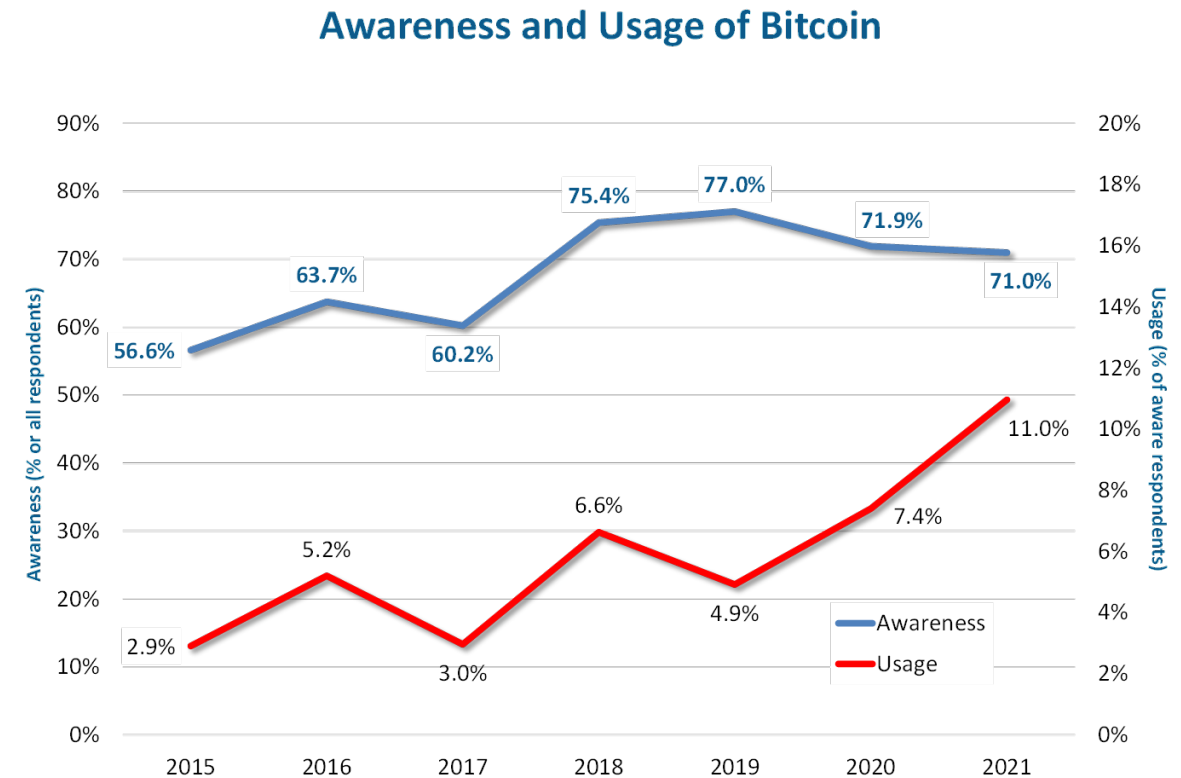


Q83. Which of the following digital currencies / cryptocurrencies have you heard of?

Q84. Which of these cryptocurrencies, if any, have you used or traded?

Usage of Bitcoin increases

- ❖ Awareness of Bitcoin remained stable in 2021, with 71.0% of adult Canadians being aware of the currency.
- ❖ Bitcoin usage ramped up over the past years, with 11.0% of those who are aware of Bitcoin using it.
- ❖ Usage of Bitcoin is significantly higher amongst men (16% vs. 6%), adults in the 18-34 year age group (18% vs. 4% for 55+) and early adopters (29% vs. 4% for laggards).



Base: Total Sample 2021 (n=2002)
Those aware of Bitcoin 2021 (n=1421)

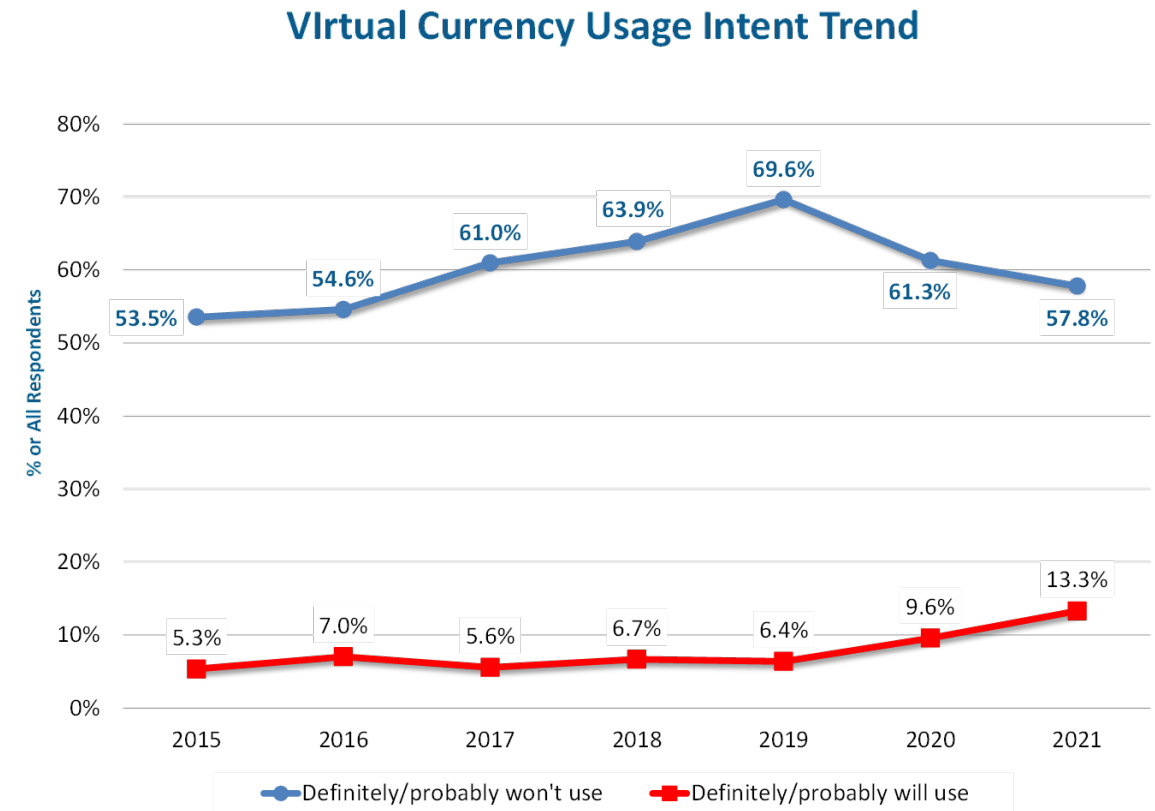
Source: Canadian Consumer Payments Survey

Q83. Which of the following digital currencies / cryptocurrencies have you heard of? Bitcoin...

Q84. Which of these cryptocurrencies, if any, have you used? Bitcoin...

Canadians' resolve not to use a virtual currency in future wavers

- ❖ After rising consistently over the previous four years, the proportion of adult Canadians who DO NOT intend to use a virtual currency in the next twelve months fell further in 2021, from 61.3% in 2020 to 57.8% in 2021, suggesting that a downward trend is emerging.
- ❖ At the same time, the proportion of adult Canadians intending to use a virtual currency in the next twelve months rose from 9.6% in 2020 to 13.3% this year, pointing to an upward trend.
- ❖ Early adopters are more than ten times as likely as laggards to anticipate possible usage of virtual currencies within the next twelve months.
- ❖ Future usage intent declines with increasing age, with 26% of those in the 18-34 age group saying that they definitely or probably will use a virtual currency within the next twelve months, compared with 3% for those in the 55+ age group



Base: Total Sample 2021 (n=2002)

Source: Canadian Consumer Payments Survey

Q85. In the next 12 months, how likely are you to use, or continue to use, any cryptocurrency?



Canadian Payments Insights

In-depth insights into Canadian Payment Frontiers

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