



# Canadian Consumer Payments Survey, 2020



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# Table of Contents

## Introduction

Background and Objectives

How did we do it? – Methodology

Significance Testing

Sample Profile

THE VIEW FROM 30,000 FT

COVID-19 IMPACT SUMMARY

## Detailed Findings

Payment Preferences

Bank Branch and ABM Visits

Cash Withdrawals

Cheque Payments

Interac and Scheme Debit

Credit Cards

Contactless Payments

Mobile Payments

Online Purchases and Payments

Online Bill Payments

Preauthorized Payments

Loyalty Redemptions

Wearables

Prepaid Cards (Payment Brands)

Gift Cards

Person-to-Person (P2P) Payments

International Remittances

Virtual Currencies

# Background & Objectives

## Background

- ❖ TSI has been conducting primary research amongst Canadian consumers since 2013 in an effort to expand the scope of Canadian Payments Forecast and provide unique insights into rapidly emerging payment areas. In 2015, as part of our new **Canadian Payment Insights Program**, we launched the first **Canadian Consumer Payments Survey** that was made available to subscribers. This year, 2020, we have updated and extended the survey to track important new developments in the marketplace.

## Objectives

- ❖ The primary objective of the 2020 Canadian Consumer Payment Survey is to track payment preferences and payment behaviour of Canadian consumers. This year, a particularly important objective was to assess the impact of the COVID-19 pandemic on the payments behaviour and expectations of Canadian consumers. We also included new sections on loyalty redemptions and wearables.
- ❖ 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.



# How Did We Do It? – 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=2005
- ❖ 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>B</b>	65	58
Row 3	46	49 <b>C</b>	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

## Document Navigation

- ❖ 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.

# Sample Profile



	Unweighted #	Unweighted %
<b>Gender</b>		
Male	919	46
Female	1082	54
<b>Age</b>		
18-34	525	26
35-54	800	40
55+	680	34
<b>Region</b>		
BC	273	14
Prairies	377	19
Ontario	799	40
Quebec	413	21
Atlantic	143	7
<b>Income</b>		
Less than \$50,000	680	34
\$50,000 - \$100,000	734	37
More than \$100,000	464	23
DK/Rather not say	127	6
<b>Lifestage</b>		
Single	796	40
Couple (no kids)	580	29
Family	629	31



	Unweighted #	Unweighted %
<b>Education</b>		
High School or Less	433	22
Some College/University	385	19
College/University Grad	831	41
Post Grad	336	17
<b>Employment</b>		
Employed	1235	62
Unemployed	205	10
Retired	363	18
Other	202	10
<b>Urban/Rural</b>		
Urban	1531	76
Rural	474	24





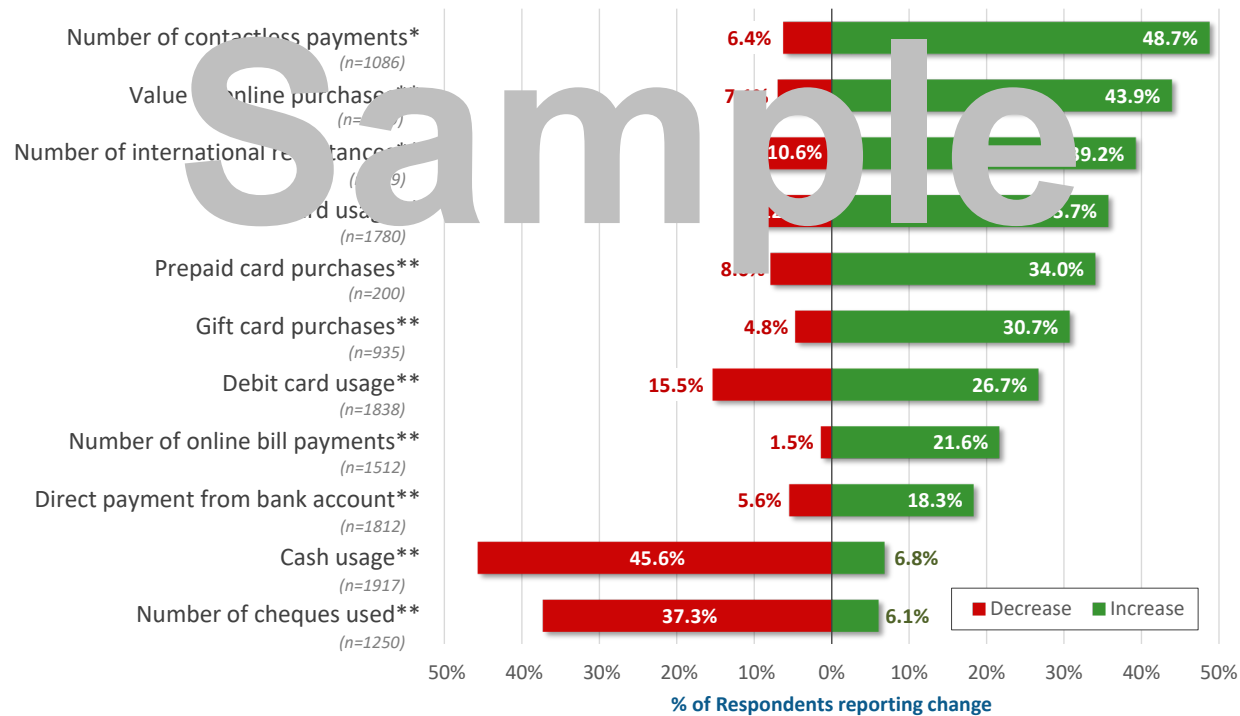
# The View from 30,000 ft

# Sample

# Substantial increases in contactless, online purchases and international remittances; significant declines in cash and cheque usage

- ❖ Nearly one in two contactless users and more than four in ten online shoppers reported increases in usage (P12M)
- ❖ More than four in ten cash users and over a third of cheque users have decreased their usage of those instruments over the past year, while very few have increased their usage.
- ❖ Credit card usage over the past twelve months remained relatively stable.

## Change in Payment Patterns (2020 - P12M)



Source: Canadian Consumer Payments Survey  
Base: 2020 User base, as specified

\* P6M  
\*\* P12M

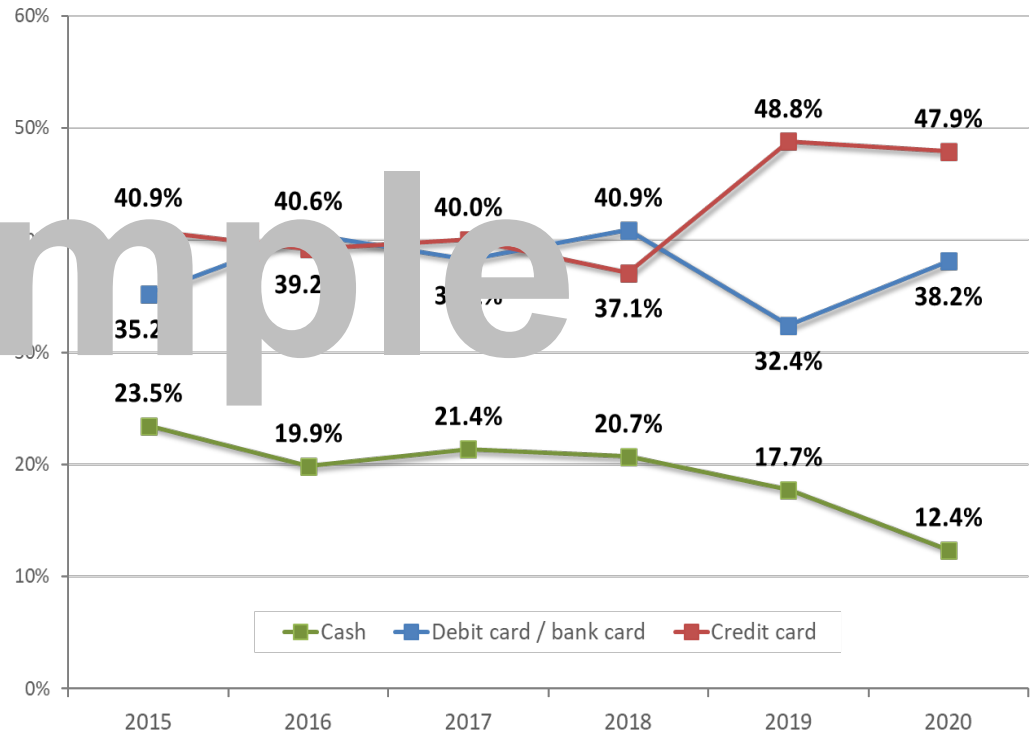
# Payment Preferences Sample

## Credit cards remain most popular payment method for everyday purchases; cash accelerates its downward trend

- ❖ Almost every second Canadian (47.9%) prefers credit cards for every day payments, compared with almost four in ten (38.2%) for debit/bank cards
- ❖ Debit card popularity as an everyday payment mechanism rebounded in 2020 after a sharp decline in the previous year
- ❖ The decline of cash as a preferred option for everyday payments appears to be accelerating
- ❖ Credit cards are favoured by people with higher levels of education and incomes, while debit cards and cash are more commonly used by the less well-educated and lower income earners (who might not qualify for credit cards)

Payment Preference	Total (A)	<\$50k (B)	>\$50k (C)	High School (D)	Post Grad (E)
Sample size n=	(2005)	(680)	(1198)	(433)	(336)
Credit card	48%	36%	54% <b>B</b>	32%	62% <b>D</b>
Debit card / bank card	38%	42% <b>C</b>	37%	48% <b>E</b>	28%
Cash	12%	20% <b>C</b>	8%	18% <b>E</b>	7%

Preferred Payment Method  
(for Everyday Payments)



Base: All respondents: 2020 (n=2005)

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?

# Cash Withdrawals

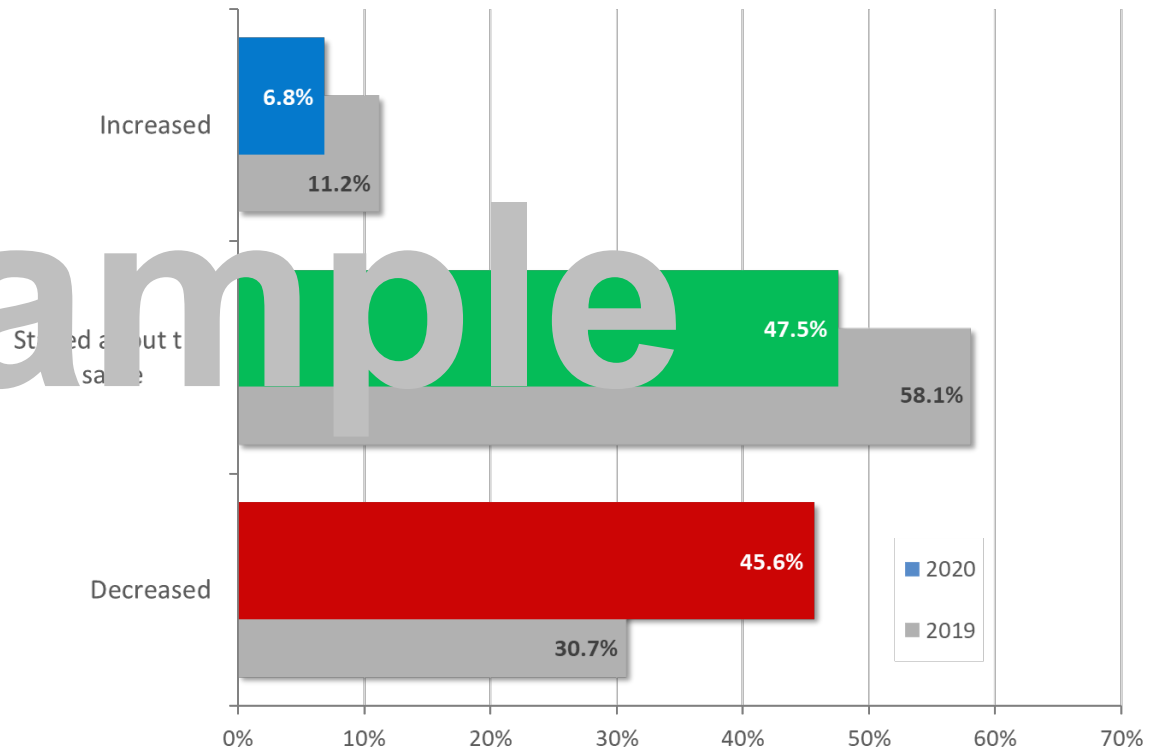
# Sample

## Decline in cash usage gains momentum

- ❖ More than four out of ten cash users (45.6%) indicated that their cash usage decreased over the past year, representing a significant shift since the 2019 survey
- ❖ The proportion of cash users who increased their cash usage over the past year fell sharply from 11.2% in 2019 to just 6.8% in 2020
- ❖ Young adult Canadians in the 18-34 age group were found to be significantly more likely to have increased their cash usage over the past year

Change in Cash Usage	18-34 (A)	35-54 (B)	55+ (C)
Sample size n=	(505)	(766)	(646)
Increased	12%	6%	4%
Stayed the same	45%	47%	51% A
Decreased	43%	48%	45%

### Change in Cash Usage (P12M)



Base: Cash users 2020 (n=1917)

Source: Canadian Consumer Payments Survey

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...

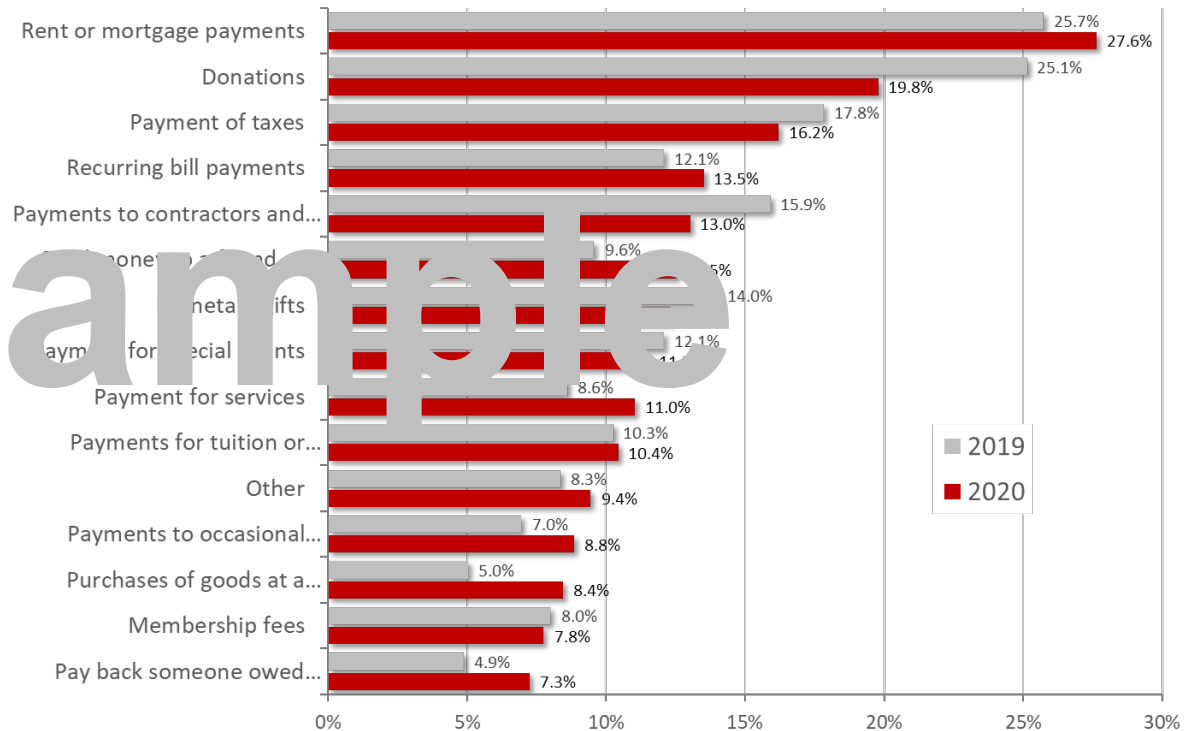
# Cheque Payments

# Sample

# Rent/mortgage payments most common reason for using personal cheques

- ❖ Amongst cheque users, rent or mortgage payments remain the most frequently cited reasons for using personal cheques for payment, with 27.6% of those who had used cheques in the past twelve months mentioning this category
- ❖ This reflects a slight increase in the incidence of rent/mortgage cheque payments over the 25.7% recorded in the 2019 survey
- ❖ The second most common use of cheques, namely donations, saw a sharp decrease in the number of mentions over the past year, falling from 25.1% in 2019 to 19.8% in 2020
- ❖ Uses that saw an increase in the number of mentions this year include sending money to a friend or relative in need, payments to both professional and occasional service providers and purchases of good at a retailer

Reasons for Cheque Usage (P12M)



Base: made cheque payments P12M 2020 (n=1006)

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?



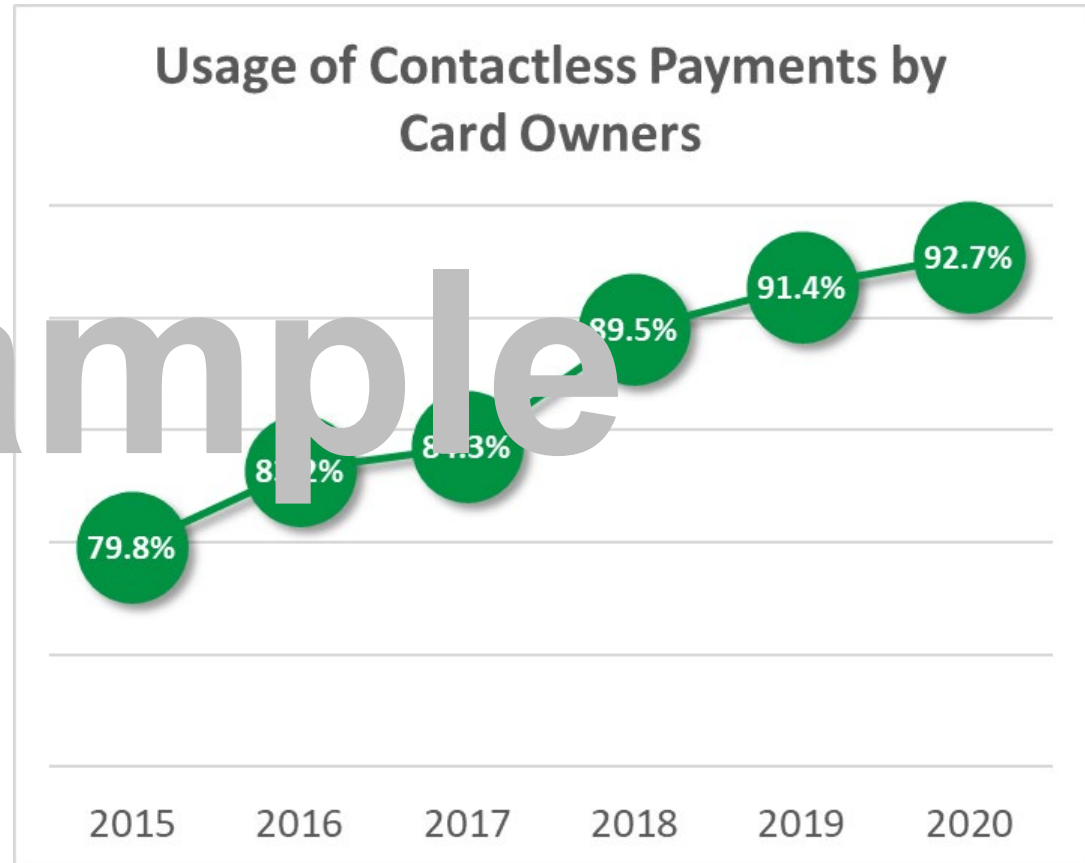


# Contactless Payments

# Sample

## Usage of contactless cards continues to rise

- ❖ The incidence of past six month contactless card usage amongst contactless card owners increased once again over the past year, from 91.4% in the 2019 survey to 92.7% in the 2020 survey
- ❖ There are few significant differences in usage incidence across the key demographic factors such as gender, age, income and education year, indicating that contactless payments has a broad mass market appeal
- ❖ Usage of contactless payments remains least likely amongst contactless card owners who prefer to use cash for every day purchases.
- ❖ As noted earlier in this report, the advent of the COVID-19 pandemic has seen an increase in the use of contactless payments



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?

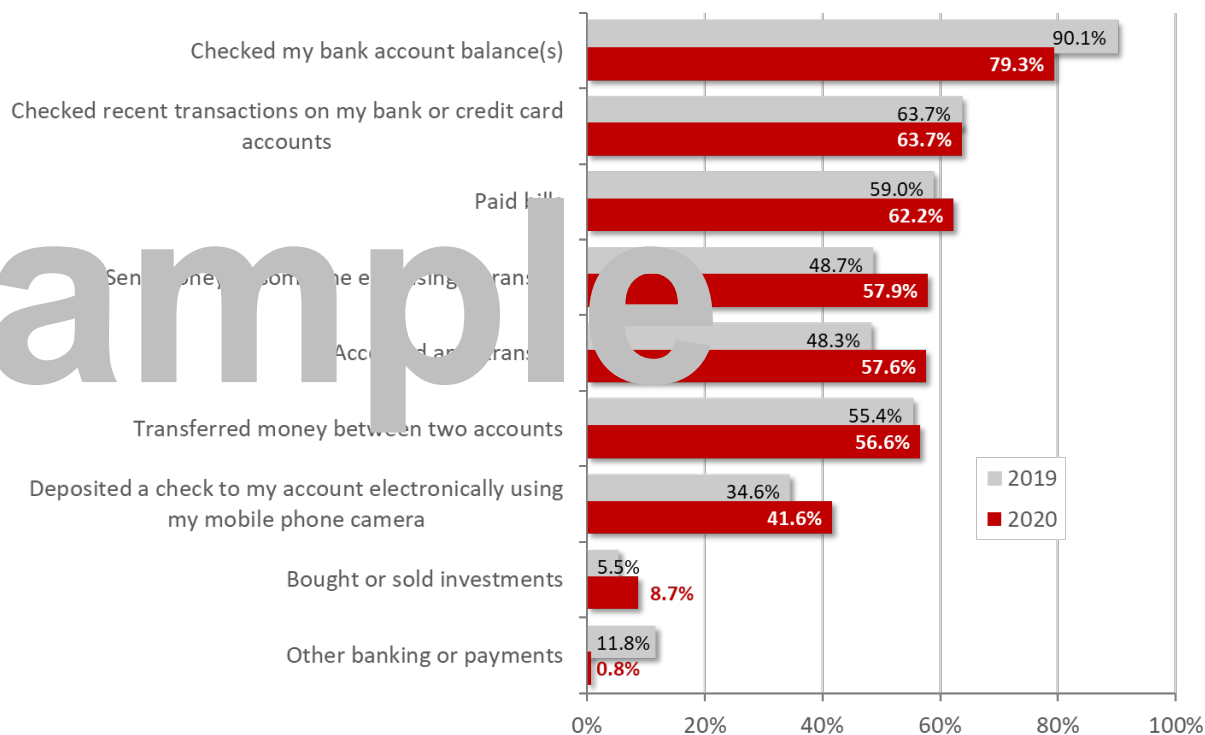
# Mobile Payments

# Sample

## Significant increases in Interac e-Transfers and electronic cheque deposits

- ❖ 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 67.1%
- ❖ 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. This is significantly down from the 90.1% recorded in 2019
- ❖ More than six out of ten of mobile banking users have checked recent transactions on their account(s) (63.7%) , or used their smart phone for bill payments (62.2%) (P6M)
- ❖ Interac e-transfers (both sending and receiving) are significantly up from 2019, reaching 57.9% and 57.6% respectively. Intuitively, it makes sense that these should be in balance
- ❖ Depositing cheques (Remote Deposit Capture) using a smart phone was also significantly higher at 41.6% of mobile banking users

### Use of Smart Phones for Mobile Banking (P6M)



Base: Those who conducted a mobile banking transaction P6M (n=1055)

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?

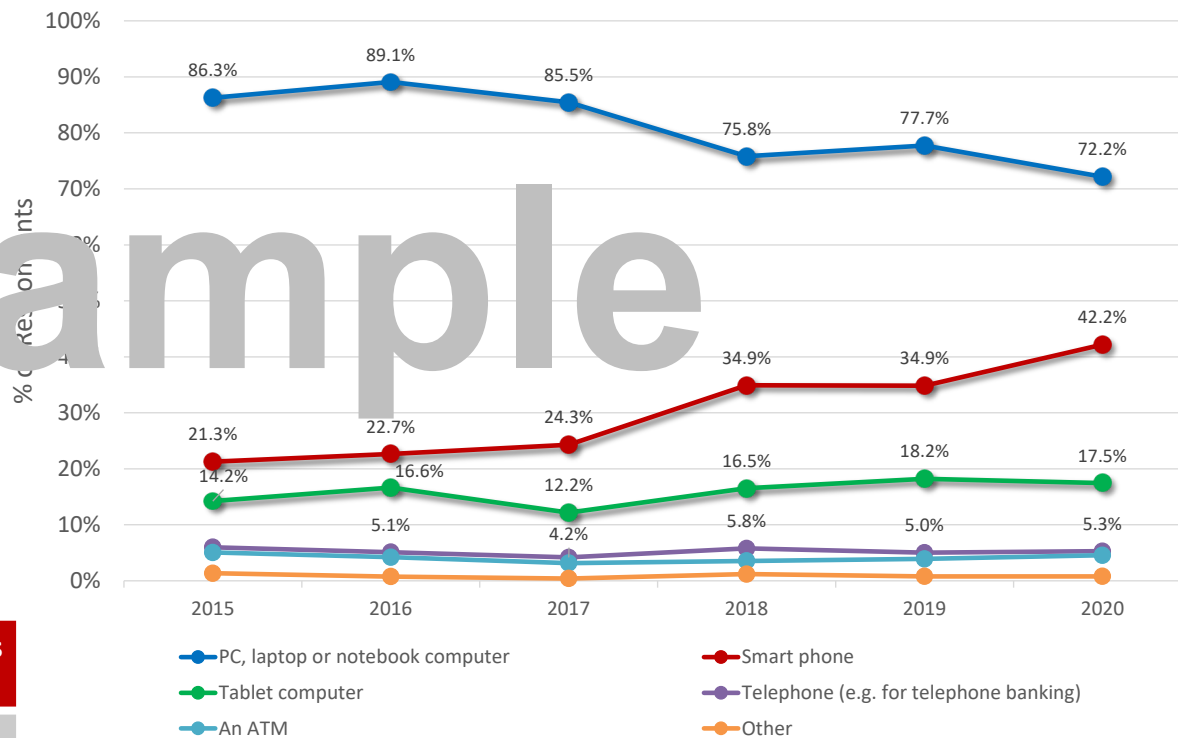
# Online Bill Payments

# Sample

# Smart phones increase their prominence as devices for online bill payment

- ❖ Almost three quarters of online bill payers (72.2%) used a PC, laptop or notebook computer to pay bills online in the past twelve months
- ❖ Smart phones were used by 42.2% of online bill payers to pay their bills online in the past year, a significant increase over the previous year
- ❖ Women continue to be more likely to use smart phones for online bill payments than men
- ❖ 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 year age group

### Devices Used for Online Bill Payments (P12M)



Base: Respondents who paid bills online P12M: 2020 (n=1512)

Source: Canadian Consumer Payments Survey

Description	18-34 yrs (A)	35-54 yrs (B)	55+ years (C)
Sample size n=	(341)	(646)	(525)
PC, laptop...	60%	69%	84%
Smart phone	64%	49%	20%
Tablet	16%	19%	16%

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

# Virtual Currencies

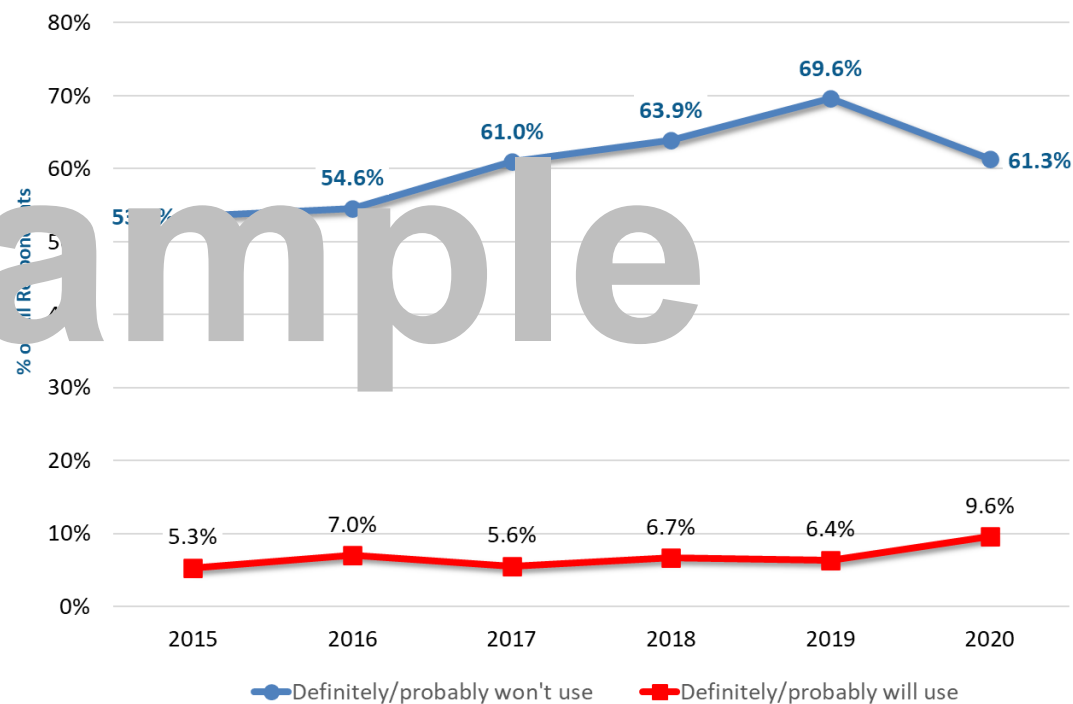
# Sample



## 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 from 69.6% in 2019 to 61.3% in 2020
- ❖ At the same time, the proportion of adult Canadians intending to use a virtual currency in the next twelve months rose from 6.4% in 2019 to 9.6% this year
- ❖ While it is too early to say whether these changes are the beginning of a new trend, they represent the first indication of a change in Canadians' hesitancy to use virtual currencies

### Virtual Currency Usage Intent Trend



Base: Total Sample 2020 (n=2005)

Source: Canadian Consumer Payments Survey

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



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