



Communications

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Results of the 2020 survey on payment methods

In autumn 2020, the Swiss National Bank conducted its second representative survey on payment methods, the first one being in 2017. As part of the survey, some 2,100 people resident in Switzerland were interviewed about their payment behaviour and the reasons behind their choices. Following the personal interviews, participants then recorded detailed information in a payment diary on all non-recurring payments (e.g. in supermarkets and restaurants or online) executed over a period of seven consecutive days. Overall, around 22,000 such transactions were recorded in the payment diaries. Furthermore, at the end of the one-week period, the respondents were requested to provide details of their recurring payments (e.g. rent, insurance premiums and similar), irrespective of whether or not these payments were actually made during the reference week.

The survey shows significant changes in payment method use compared with 2017, with large shifts from cash to non-cash payment methods. These shifts can be observed to varying degrees across all population groups. They have also been more pronounced than respondents in 2017 had anticipated. Moreover, the majority of respondents expect the growing trend towards cashless payments to continue in the years ahead.

On the one hand, these changes reflect the fact that the population has become increasingly aware and appreciative of innovations in the field of cashless payment methods. In terms of ease of use and speed, the debit card now has a better ranking than cash. At highly frequented points of sale (POS), it has replaced cash as the preferred payment instrument. This can be attributed in particular to the now widespread ownership and use of payment cards with the contactless function.

On the other hand, the coronavirus pandemic has further accelerated the changes in payment method use. One-third of respondents state that they have made lasting adjustments to their payment behaviour as a result of the pandemic and are now making increased use of



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card payments. It is, however, not possible to make a statement on the relative impact of the coronavirus pandemic on changes in payment method use based on the survey data.

As before, the population does not feel particularly restricted in its choice of payment method. Overall, it rates the availability and acceptance of both cash and non-cash payment instruments as good. The perceived acceptance of non-cash payment methods has increased further since 2017. As for cash, information provided by respondents indicates certain restrictions on its acceptance. Such constraints on cash acceptance are likely a reflection of the fact that shops are frequently recommending cashless payment as a result of the pandemic.

In specific terms, the 2020 survey on payment methods yields the following results:

Cash and debit cards continue to be the two most widely owned payment instruments among Switzerland's population. In total, 97% of respondents keep cash in their wallets or at home to cover day-to-day expenses, while 92% own a debit card (2017: 88%) and 78% hold a credit card (2017: 63%).

In terms of the number of non-recurring payments made, cash continues to be the payment instrument most frequently used by the population, although its usage share has dropped significantly compared with 2017. While 70% of these payments were still being settled in cash in 2017, in 2020, this share was 43%. The corresponding shares for debit and credit card payments, meanwhile, have climbed to 33% (2017: 22%) and 13% (2017: 5%) respectively. As before, there is an above-average number of cash-oriented consumers in Italian-speaking Switzerland, in the 55-and-over age group and in households with low to medium income levels.

In terms of the transaction value of non-recurring payments, the debit card has replaced cash as the payment instrument with the highest share. The value share for debit card payments currently amounts to 33% (2017: 29%), that of cash stands at 24% (2017: 45%). This development is largely due to the fact that cash is now only the most widely used payment method for small amounts (of less than CHF 20), whereas in 2017, it was still predominantly used for payments of up to CHF 50.

Contactless card payments are widespread in Switzerland. A total of 92% of all respondents hold a debit or credit card with the contactless payment function, with 60% of debit and credit cardholders stating that they always or usually pay using the touch-free function.

Mobile payment apps are registering robust growth. Having played only a marginal role in 2017 (11%), mobile payment apps have recorded a sharp rise in ownership since then (2020: 48%). At the same time, their usage in terms of volume and value has increased from virtually zero to 5% and 4% respectively.

By far the most widely used method for settling recurring payments in Switzerland is via online banking transfers. In terms of transaction value, 62% of all payments are settled via online banking. Payments made using direct debit and eBill follow with shares of 17% and

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6% respectively. The small share for eBill is likely primarily due to the relatively low level of familiarity with this form of payment and its functions to date.

In addition to its function as a method of payment, cash also plays a significant role for households in Switzerland as a store of value. Cash is kept for this purpose by 70% of survey respondents. The majority of respondents state that they keep cash reserves of less than CHF 1,000, with the 100-franc note cited as the most commonly held banknote. The main reasons cited for using cash as a short or long-term store of value are the immediate availability of cash when required and, to a lesser extent, provision for crisis situations.

You can find the full report on the 2020 payment methods survey at www.snb.ch.