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30 March 2009

Card Expenditure Statistics [CES] – February 2009

Seasonally-adjusted

Plastic card spending in February amounted to £30.9 billion; there were 626 million purchases. There was a small rise of £300 million (1.6%) in spending on debit cards, but credit card spending showed no increase. These subdued figures slowed the annual rates of growth with debit cards 1.0% lower at 8.4% and credit cards 1.4% lower at 0.1%. In terms of the annual rate of growth in the number of purchases, credit cards have moved into negative growth (-0.6%) for the first time since November 2007; the annual rate of growth in the number of debit card purchases weakened by 1.1% to 8.9%. The recent drop in average transaction values that was apparent in December when it fell to £48.07 following the reduction in VAT and price cutting by retailers has now been eroded slightly with the February average moving up to £49.36.

National Statistics' headline comment accompanying the February **Retail Sales** 'volumes' was one of annual growth slowing with February showing the lowest growth since September 1995. Retail sales on plastic cards amounted to £14.9 billion in February, an increase of 2.2% from January and 1.2% higher than the average monthly spend over the previous six months. This is not inconsistent with National Statistics' message of slower growth as the plastic spending share of total retail sales¹ has increased from 64.1% to 65.6% over the past six months due to migration to debit cards from non-plastic payment means.

The plastic card spend in the **services sectors** weakened further in February and was 3.3% lower than the average monthly spend over the previous six months.

¹CES 3-month moving average spending for February of £14.95 billion expressed as a percentage of a similar 3-month moving average for National Statistics 'All retailing' (EAQV) based on the value of Retail Sales at current prices (SA) that gives a figure of £21.18 billion.

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Chart 1

Spending on plastic cards
Annual growth rates

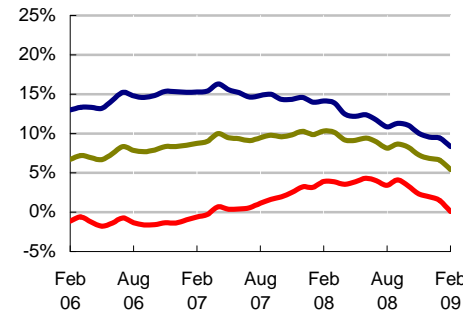


Chart 2

Percent of retail sales made on plastic cards
Three-month moving average

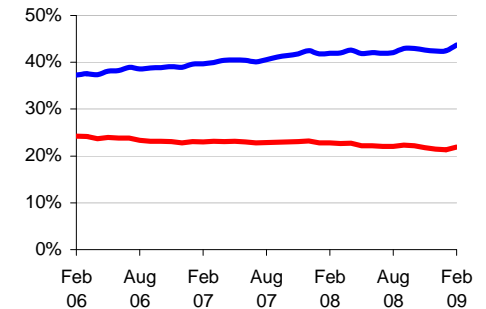


Chart 3

Average transaction values
Three-month moving average

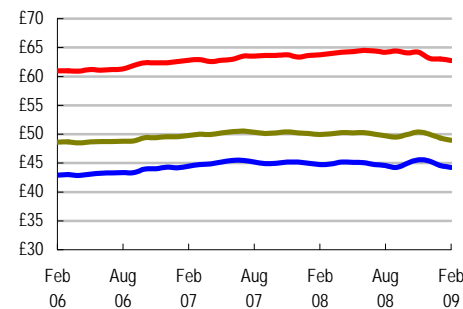
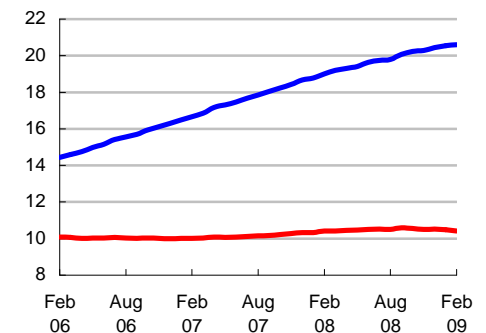


Chart 4

Average monthly expenditure
£ billions



— Debit cards
— Credit cards
— All plastic cards