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25 February 2009

## Card Expenditure Statistics [CES] – January 2009

Seasonally-adjusted

**Plastic card spending** in January amounted to £30.6 billion; there were 617 million transactions. Transaction volumes were very similar to the monthly averages for 2008 for both debit and credit card purchases, but the total value of January's plastic card purchases was £0.4 billion below the monthly average for 2008, with all of this fall attributable to lower spending on credit cards. The lower figures for the value of card purchases are reflected in a decline in the average transaction values [ATVs] with both debit and credit card ATVs in January lower than the monthly averages over 2008. Debit card ATVs were £44.63 compared to £45.00 during 2008, and credit card ATVs were £62.99 compared to £63.60 in 2008. Chart 3 shows these data. Whilst some of January's fall will be attributable to the reduction in VAT and price cutting by retailers, Chart 3 shows that there has been no upward pressure on ATVs since January 2006.

With the fall in purchase values, the **annual growth rates** continued to decline in January (see Chart 1). Total plastic card spending grew at 6.6%, which is the lowest annual rate of growth recorded since these rates were first calculated in 1996.

National Statistics' main message on the January **Retail Sales** 'volumes' was one of underlying growth remaining steady, although the seasonally-adjusted value was flat. [This seasonally-adjusted series is the most comparable with the CES, whereas National Statistics sales 'volumes' are values adjusted for inflation.] With plastic card purchases accounting for 63.8% of Retail Sales in the three months to January 2009<sup>1</sup> it is interesting to compare the CES with Retail Sales values. Over the three months to January 2009 retail sales on plastic cards contracted by 1.8% compared to the previous three month period although spending in the Food & drink sector declined by only 0.6%.<sup>70</sup>

The plastic card spend in the **services sectors** was also down in the three months to January compared to the previous three months, falling by 1.9%. The Motoring (cheaper fuel), Hotels and Travel sectors each experienced lower spending.

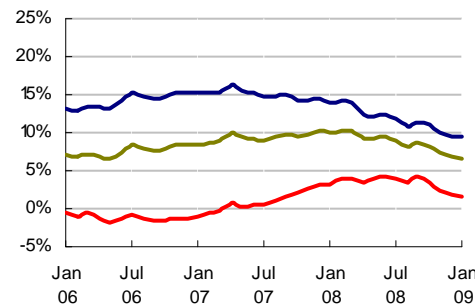
<sup>1</sup>CES 3-month moving average spending for January of £14.63 billion expressed as a percentage of a similar 3-month moving average for National Statistics 'All retailing' (EAQV) based on the value of Retail Sales at current prices (SA) that gives a figure of £22.93 billion.

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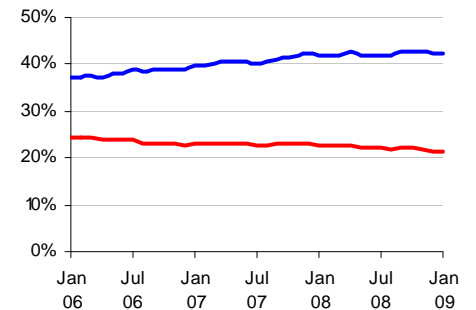
**Chart 1**

Spending on plastic cards  
Annual growth rates



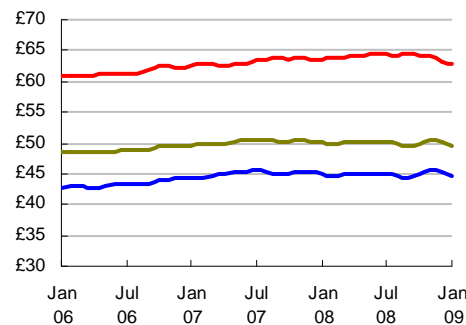
**Chart 2**

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



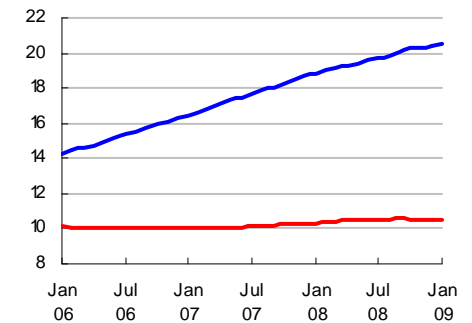
**Chart 3**

Average transaction values  
Three-month moving average



**Chart 4**

Average monthly expenditure  
£ billions



— Debit cards  
— Credit cards  
— All plastic cards