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THE UKCARDS ASSOCIATION

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MEDIA ALERT

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THE UK CARDS ASSOCIATION PUBLISHES UK PLASTIC CARDS REPORT 2013

Plastic cards are an essential feature of daily life. They allow consumers to easily and conveniently pay for goods and services more securely than using either cash or cheques. It is not surprising that card payments continue to grow, nearly doubling over the past decade. 73% of all retail spending that takes place on the high street is made using cards. Each debit cardholder made on average 205 transactions in 2012, an increase of 10 transactions on 2011. The equivalent figure for credit cards is 68 purchases per year. This migration away from cash and cheques has been encouraged by the growing number of point-of-sale terminals and the number of UK retail outlets accepting cards. Over the past decade this number has increased by 64% to stand at over 1 million businesses who accept cards.

Plastic cards have facilitated the development of e-commerce. The majority of purchases on the internet are made using them.

Debit and credit cards will continue to play a central role in society and the economy. The value of card payments is forecast to nearly double in the next decade to £840 billion. Most of this will come from debit cards as several factors converge to drive higher usage. Young people, who have grown up with cards are likely to turn to cards habitually to pay; the advent of contactless payments will increase the willingness of cardholders to make low value payments; and technological innovation that allows payments to be made using mobile phones rather than cards will become popular.

UK Plastics Cards 2013 – an annual publication which brings together information on how many cards we have and what we spend our money on, both in the high street and online. It also includes details of personal plastic card spending habits, and forecasts how our use of plastic is expected to change over the next ten years.

Below is a snapshot of some of the statistics that can be found in the report:



All cards

- There were 169.0 million cards in issue:
 - 56.4 million credit cards
 - 6.6 million charge cards
 - 88.6 million debit cards
 - 17.4 million ATM-only cards

Debit cards

- 91% of the UK adult population have a debit card
- There are now almost 47 million cardholders
- Debit cards were used to make 50% of the value of UK retail sales
- Debit cards were used to make 7.7 billion purchases in the UK to a value of £337 billion
- The number of debit card holders increased by around a million compared to 2011

Credit cards

- 61% of the UK adult population have a credit card
- There were just over 30 million credit card holders
- 81% of all credit and charge card spending in 2012 was made by cardholders who repaid the balance in full
- Credit and charge cards were used to make 2.2 billion purchases in the UK to a value of £140 billion.
- Around 40% of outstanding credit card balances bear 0% interest or are repaid in full each month

Contactless Cards

- 32million cards in circulation in the UK
- 70 contactless transactions per minute at the end of 2012. This increased to 120 in March 2013, and is predicted to rise to 300 transactions per minute at the end of 2013.

Internet card use

- Online debit card spending passed online credit card spending for the first time. In 2012, debit card spending was £35 billion, compared to £34 billion on credit cards. In contrast, in 2007 the figure was £34 billion for both debit and credit card spending (£14 billion debit card and £20 billion credit card), an increase of 100 per cent.
- Total online card spending increased by £5 billion in 2012. Consumers spent £68 billion online last year – 15% of personal card spending.
- Online debit card volumes are almost one and a half times those of credit cards. Debit card volumes were 542 million in 2012, compared to 388 million credit card payments.

The Future

- Both debit and credit card payment volumes and values are forecast to increase substantially over the next 10 years
- The combined total of payments in the UK is expected to almost double, from 9.9 billion in 2012 to 17.3 billion in 2022
- Total values are expected to increase from £477 billion to £840 billion.

-Ends-

If you would like to purchase a copy of the *UK Plastics Cards 2013 Report* at a cost of £750 please contact: Doriëna Koldenhof on 020 3217 8368 or Doriëna.koldenhof@paymentscouncil.org.uk
For further information please contact The UK Cards Association Press Office on 020 3217 8436 / 07767

114703 or email press@ukcards.org.uk

Notes to Editors:

About The UK Cards Association:

The UK Cards Association is the leading trade association for the card payments industry in the UK. With a membership that includes all major credit, debit and charge card issuers, and card payment acquirers, the Association advances industry best practice, contributes to the development of legislative and regulatory frameworks, and safeguards the integrity of card payments by tackling card fraud, developing industry standards and co-ordinating other industry-wide initiatives. More information about The UK Cards Association is available at www.theukcardsassociation.org.uk

