

Embargo

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## **£2.5bn spent using contactless cards in first half of 2015 as limit rises**

More than £2.5 billion was spent using contactless cards in the first half of 2015, new data from The UK Cards Association shows.

From today (TUESDAY, SEPTEMBER 1, 2015) the upper limit for contactless payments increases to £30. Payment terminals are being updated to accept the new limit from today and over a number of weeks to ensure national coverage.

Contactless spending has risen from £287 million per month in January 2015 to £567 million in June 2015, data from The UK Cards Association, the trade body for the cards payment industry, shows. In total, £2.5 billion was spent on contactless cards and devices in the first half of 2015, compared to £2.32 billion for the whole of 2014.

As the sole recipients of all the data from acquirers and card schemes The UK Cards Association's data is the single authoritative source of statistics for whole of the market for the whole of the UK.

The new £30 payment limit is being introduced in recognition of the popularity of contactless spending and as the number of contactless cards in circulation rises. More was spent using contactless cards between January and June of this year than in the whole of 2014.

It means consumers will begin to see an increasing availability of shops where they can make contactless payments up to a limit of £30 from today.

Graham Peacop, Chief Executive Officer of The UK Cards Association, said:

“Contactless payments are fast, easy and secure. With more contactless cards in wallets than ever before and a growing number of retailers accepting contactless payments, we have seen a huge rise in the number of payments being made.

“The growth in contactless payments shows people want to use contactless cards and increasing the limit gives customers even more opportunities to pay in this way.”

Paying with contactless cards is safe, using the same robust industry-standard secure encryption technology as Chip and PIN. For added protection, from time to time consumers will be asked to enter their PIN to verify they are the genuine card holder.

Fraud on contactless cards is extremely low, at less than one penny for every hundred pounds spent.

The average supermarket spend of £25 now falls below the contactless limit, giving shoppers more choice about the way they can pay for their goods. The average card spend in pubs, cinemas, dry cleaners, pet shops and gift shops also falls under the new £30 limit.

There are more than 69 million contactless payment cards in circulation. More than 9.3 million contactless payment cards were issued to consumers between January and June 2015.

The protection customers have when making a contactless transaction is no different from any other card transaction. Victims of fraud will get their money back.

The decision to raise the limit was taken collectively after extensive consultation with all of the parties in the cards payments industry. Software across the country's network of payment terminals is being upgraded to accommodate the new limit from today.

Kevin Jenkins, Managing Director UK & Ireland at Visa Europe, said:

“Contactless is becoming the ‘new normal’ as everyday Britons embrace the speed, convenience and safety of touch-to-pay technology. We’ve seen unprecedented growth in this area, with the number of Visa contactless transactions more than trebling in the past year in the UK. Today’s threshold increase to £30 gives consumers all the benefits of contactless across a broader range of their daily activities, and we expect to see this momentum continue to build as more people adopt mobile and wearable payment technology.”

Mark Barnett, President of MasterCard UK & Ireland, said:

“The pace of growth we are seeing in contactless is getting ever faster as we rely less and less on cash. Consumers enjoy the speed and convenience of tapping to pay. We expect this upward trend to persist with consumers continuing to migrate to contactless card payments and increasingly to mobile payments, as we work with partners such as Apple to enable more convenient ways to pay.”

Nicholas Stefanovitz, Vice President of Consumer Cards UK at American Express, said:

“American Express welcomes the increase in the contactless limit to £30 which gives card holders added flexibility and convenience when paying at point of sale.”

ENDS

## NOTES TO EDITORS

1. Contactless cards data for January to June 2015 is as follows:

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
<b>Total Number of Contactless Cards</b>	59,759,558	61,709,147	63,761,876	65,443,581	67,234,577	69,032,874
<b>Total Number of Contactless Terminals</b>	219,336	220,636	229,110	238,174	245,436	259,074
<b>Value (£s) of Contactless Transactions Acquired within the month</b>	<b>£287,135,390</b>	<b>£324,072,409</b>	<b>£431,122,612</b>	<b>£454,472,583</b>	<b>£515,926,971</b>	<b>£567,131,511</b>

(includes internal sites)						
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A full breakdown is available on request.

2. The average supermarket shop is £25.17
3. £46.92 is the average transaction value of a card payment
4. The UK Cards Association has published guidance for retailers on the new £30 limit [http://www.theukcardsassociation.org.uk/contactless\\_merchant/index.asp](http://www.theukcardsassociation.org.uk/contactless_merchant/index.asp)
5. Software will be rolled out across retailers who accept contactless payments from Tuesday, September 1, 2015. Once a terminal has updated it will be able to process contactless transactions up to the new £30 limit.
6. In 2014, the total annual contactless fraud loss was £153,000 compared with total spending of £2.32bn. This represents 0.7p in every £100 spent on contactless and is 10 times less than total card fraud losses (all forms, not just contactless) at 7.5p in every £100 spent on all debit and credit cards.
7. Detailed breakdowns of average transaction values across different retail categories is available on request.
8. Average transaction values (ATV) between £20 and £30 on debit and credit cards, broken down by merchant type, are as follows:

Category	ATVs 12M AVG
Catalogues	£20.93
Gift shops	£22.60
Laundry & cleaning	£28.74
Miscellaneous foodstores	£20.84
Public houses (pubs)	£25.97
Railways	£28.14
Record shops	£21.92
Supermarkets	£25.30
Video stores	£24.38
<b>All Food &amp; drink sector</b>	<b>£24.91</b>
<b>All Entertainment sector</b>	<b>£22.40</b>

9. Average transaction values (ATV) between £20 and £30 on debit cards, broken down by merchant type, are as follows:

Category	ATVs 12M AVG
Artists' supplies	£28.06
Automotive Fuels	£28.06
Cinema, theatre & dance	£28.92
Laundry & cleaning	£26.63
Off-licences	£24.55
Pet shops	£28.93
Photographic studios	£27.98
Public houses (pubs)	£23.71
Railways	£23.23
Record shops	£21.00
Religious goods	£29.45

Supermarkets	£24.09
Tobacconists	£27.97
Video stores	£24.55

## **ENDS**

For further information contact the press office on 020 3217 8436 or [Press@ukcards-ffauk.org.uk](mailto:Press@ukcards-ffauk.org.uk)

### **Notes to editors:**

#### **About The UK Cards Association**

The UK Cards Association is the trade body for the card payments industry in the UK, representing financial institutions which act as card issuers and acquirers. Members of the Association account for the vast majority of debit and credit cards issued in the UK - issuing in excess of 55 million credit cards and 95 million debit cards - and cover the whole of the payment card acquiring market.

The Association promotes co-operation between industry participants in order to progress non-competitive matters of mutual interest; informs and engages with stakeholders to shape legal and regulatory developments; develops industry best practice; safeguards the integrity of the card payments industry by tackling card fraud; develops industry standards; and co-ordinates other industry-wide initiatives such as those aiming to deliver innovation. As an Association we are committed to delivering a card payments industry that is constantly focused on improved outcomes for the customer.

[www.theukcardsassociation.org.uk](http://www.theukcardsassociation.org.uk)