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Contact

020 3217 8436

press@ukcards.org.uk

## Card spending up as Chip & PIN celebrates 10 years

Almost four in every five pounds of spending at British retailers is now made through debit and credit cards, new figures released to mark a decade since the move to Chip & PIN reveal.

The UK Cards Association has published the data to mark the 10-year anniversary tomorrow (SUNDAY FEBRUARY 14, 2016) of the move to Chip & PIN. The changeover, on February 14, 2006, was the culmination of the largest change in the way we pay in the UK since decimalisation in 1971.

In 2006, when the switchover happened, 55 per cent of spending at retailers was made on payment cards, compared to 78.5 per cent in December 2015.

To mark this weekend's 10-year anniversary, UK Cards, which represents card issuers and acquirers, has published a report exploring the legacy of Chip & PIN and the impact it could have on the future of card payments.

Chip & PIN was introduced to combat fraud on lost and stolen and counterfeit cards.

Technology for the payment system was rolled out gradually by banks and retailers in the months leading up to the changeover. From February 14, 2006, all transactions had to be Chip & PIN.

Since it was introduced, there has been a reduction in fraud on counterfeit card and in high street fraud, with annual counterfeit card fraud losses alone down £81.9 million between 2004 and 2014.

The system on which Chip & PIN was built was designed to be forward-looking, so it could enable innovation.

Among the Chip & PIN system's successes are contactless cards, which are now used for a tenth of card transactions. It has also enabled card payments to be processed by mobile retailers and in unattended environments.

Forecasts suggest the amount spent on debit and credit cards could reach £901 billion in 2024.

Chip & PIN also provided more flexibility for retailers, who no longer had to serve customers at a fixed till point and could experiment with mobile points of sale, such as tablets.

Richard Koch, Head of Policy at The UK Cards Association, said:

“Chip & PIN was introduced a decade ago to combat the rising levels of counterfeit and stolen card fraud in the UK. It was the biggest change to consumer behaviour since decimalisation and it has been hugely successful in tackling counterfeit cards and reducing the threat of fraudsters using lost and stolen cards on the high street.

“The introduction of Chip & PIN was a break with an 18<sup>th</sup> Century system which relied on signing pieces of paper to authorise a payment. Chip & PIN was deliberately designed so it could deliver significant technical innovation and these successes have included contactless and mobile payments, which use the same robust security features.

“Chip & PIN was world-leading in 2006 and is the envy of many industries. It has proven both a huge success and a great foundation for the future.”

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#### NOTES TO EDITORS

1. For a copy of the report please contact The UK Cards Association press office
2. Counterfeit card fraud losses on UK-issued cards were £129.7 million in 2004, compared with £47.8 million in 2014, the most recent year for which figures are available.
3. The most recent card expenditure statistics available, for November 2015, are [here](#)
4. This is the logo which was used to publicise the switchover. Please contact UK Cards for a hi-res version.



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

#### **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 56 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)

