

Debit Card Report

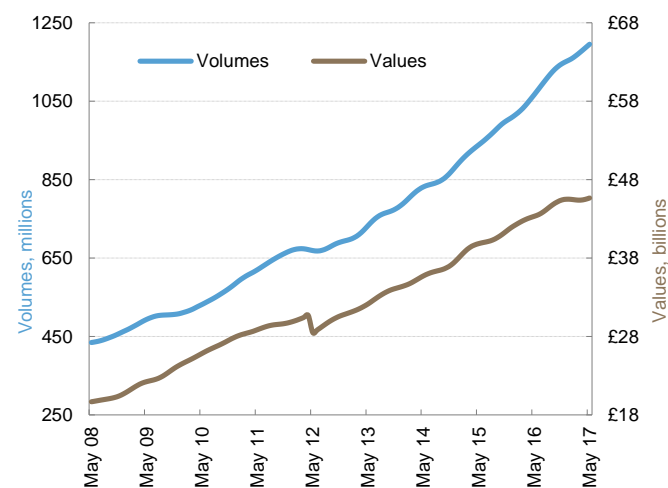
May 2017

Key statistics

- ✓ During May the total **number of debit cards** decreased slightly by 0.2 million (-0.2%) to 99.6 million
- ✓ 73% of all debit cards in issue are now **contactless**
- ✓ In **total**, there were 1.2 billion debit card purchases made in May, worth £46 billion
- ✓ Since May 2016 the **number of debit card payments** increased by 11%
- ✓ Debit card **spending abroad** continued to decline (-3.7%) between April and May, while **domestic** spending increased (+0.7%)
- ✓ **The average transaction value (ATV)** for all debit card purchases reached the lowest level (£38.20) since November 2002
- ✓ **The average number of transactions** per debit card increased from 11 to 12 between May 2016 and May 2017
- ✓ **Average monthly spend** per card increased to £459 in May, up from £428 a year ago

	May-17	Monthly growth rate	Apr-17	Annual growth rate	May-16
Total volume of debit card purchases (billion)	1.20 ↑	0.9%	1.19	12%	1.07
Total value of debit card purchases (£ billion)	45.7 ↑	0.4%	45.5	5.4%	43.3

Chart 1
Debit card purchases and spending



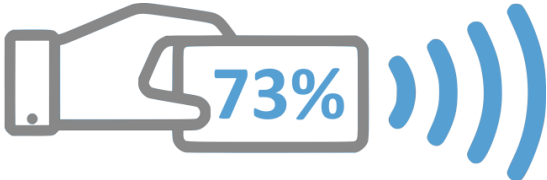
Debit card ATV
at the lowest
level
£38.20
since
2002

Apart from actual card numbers the data referred to depict the underlying trend following seasonal adjustment using X-12 ARIMA. The X-12 ARIMA monthly seasonal adjustments include trading days and leap years. The 2016 data set has been fully reconciled with annual data published in UK Payment Statistics 2017.

1. Number of cards

Following a slight drop (-0.1%) in April, the **number of debit cards** in issue continued to decline to stand at 99.6 million at the end of May, down by 0.2% on April. When compared to May 2016, the number of debit cards in circulation decreased by 1.7 million. This, in part, stems from the limited scope for large scale growth due to high levels of holding among the UK's population; 96% of UK adults have a debit card.

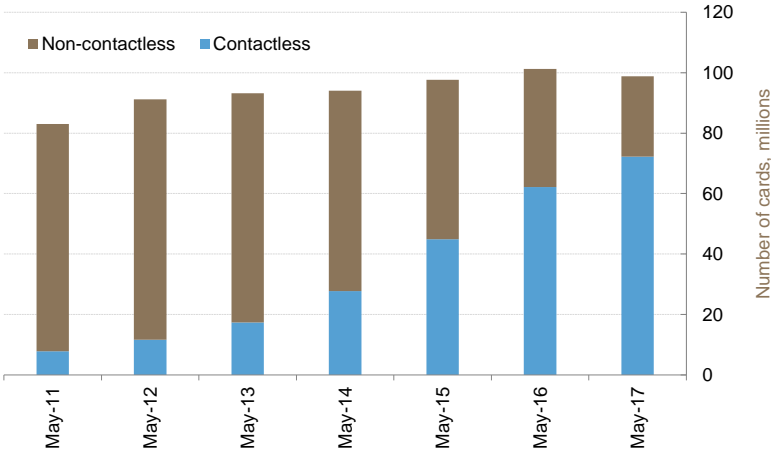
The number of contactless debit cards continued to grow strongly as most issuers now provide contactless cards as standard. According to data reported to The UK Cards Association, the number of **contactless debit cards** in issue grew by 0.4 million to 73.0 million, accounting for 67% of all contactless cards in the UK. This growth is attributable to rising adoption of contactless technology. 73% of debit cards in circulation are now contactless, up from 61% a year ago.



of debit cards are now
contactless

	May-17	Monthly growth rate	Apr-17	Annual growth rate	May-16
Number of debit cards in issue (million)	99.6 ↓	-0.2%	99.8	-1.7%	101.3
Number of contactless debit cards (million)	73.0 ↑	0.5%	72.6	17%	62.2

Chart 2
Number of debit cards and contactless debit cards in issue



2. Domestic spending

During May domestic spending amounted to £42.5 billion after increasing by 0.7% on April – the strongest growth rate in seven months, in part, driven by increasing inflation to the highest level since April 2012. The corresponding number of purchases also increased to just above 1 billion, after growing by 0.7% – half of the monthly growth rate a year ago (+1.4%). This subdued growth, in part, stems from the continuing economic and political uncertainty in the UK.

The domestic **average transaction value** (ATV) fell by 20p between April and May, falling under £40 mark for the second consecutive month (£39.49). This measure has declined notably since peaking at £48.70 in June 2010. Growing adoption of contactless payments and changing consumer habits have been the main factors putting downward pressure on the domestic ATV.

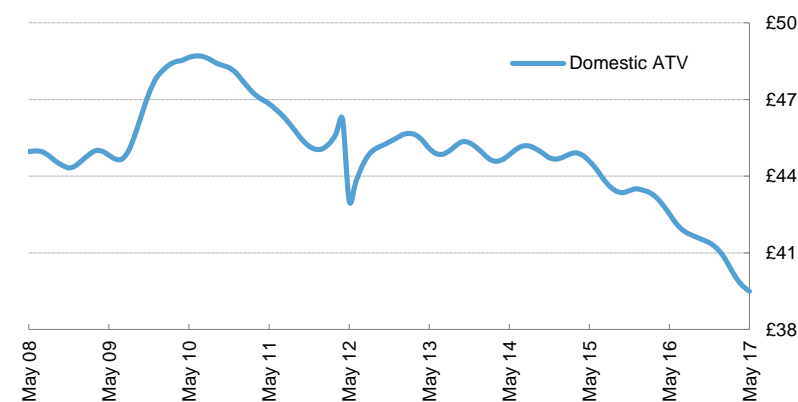
During May each debit card was used to make on average 10.8 payments in the UK, while the average monthly spend per card increased to £427.

Of all **debit card** purchases
in the UK
1 in 3
is in **supermarkets**



	May-17	Monthly growth rate	Apr-17	Annual growth rate	May-16
Volume of domestic purchases (million)	1,077 ↑	1.2%	1,064	15%	936
Value of domestic purchases (£ billion)	42.5 ↑	0.7%	42.2	6.9%	39.8
Average transaction value (£)	39.49 ↓	-0.5%	39.70	-7.1%	42.52
Average spend per card (£)	427 ↑	0.9%	423	8.7%	393
Average number of purchases per card	10.8 ↑	1.4%	10.7	17%	9.2

Chart 3
Domestic average transaction values



3. International spending

Debit card transactional activity and spending abroad continued to decline for the sixth consecutive month. **Cross-border spending** declined by 3.7% during May with a total of £3.1 billion spent. The corresponding **number of purchases** fell by 2.4% and amounted to 118 million. This decrease, in part, is a reflection of the large fall in the value of sterling since the second half of 2016 following the Brexit vote.

The **international ATV** has been broadly stable for over the last three years. The ATV decreased by 34p between April and May to £26.45. When compared to a year ago this measure stood at £27.07.

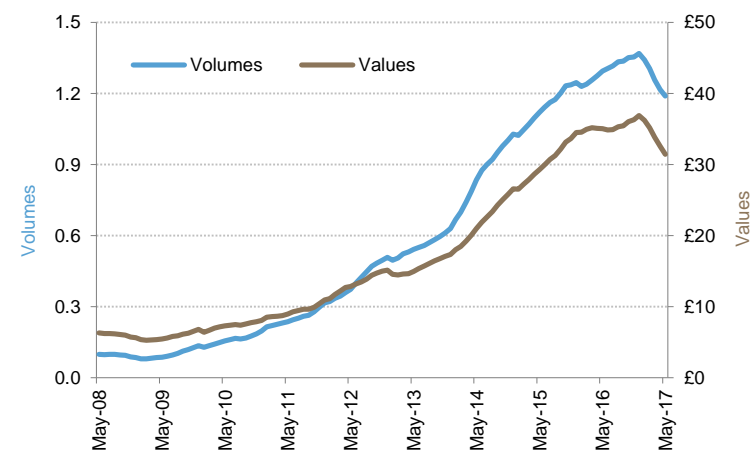
During May **average monthly spend** per card outside the UK decreased by £1.13 to £31.4. When considering the **average number of transactions** per card, each debit card was used 1.19 times, down from 1.22 in April.

	May-17	Monthly growth rate	Apr-17	Annual growth rate	May-16
Volume of international purchases (million)	118 ↓	-2.4%	121	-9.7%	131
Value of international purchases (£ billion)	3.13 ↓	-3.7%	3.25	-12%	3.55
Average transaction value (£)	26.45 ↓	-1.3%	26.79	-2.3%	27.07
Average spend per card (£)	31.4 ↓	-3.5%	32.6	-10%	35.0
Average number of purchases per card	1.19 ↓	-2.2%	1.22	-8.2%	1.29



85% of international purchases on debit cards are made online

Chart 4
International monthly debit card spending



Summary table

	All cards ¹		Total transactions ²		Domestic transactions ²		International transactions ²		Average transaction value			Average monthly spend per card			Average number of transactions per card		
	Number	% Change	Volume	Value	Volume	Value	Volume	Value	Total	Domestic	International	Total	Domestic	International	Total	Domestic	International
			Millions	£ millions	Millions	£ millions	Millions	£ millions	£	£	£	£	£	£	£	£	£
2006	68.7	2.5%	4,554	199,578	4,472	194,592	82	4,985	43.82	43.51	60.85	242	236	6.1	5.53	5.43	0.10
2007	71.6	4.3%	4,846	220,269	4,759	215,084	87	5,186	45.45	45.20	59.31	256	250	6.0	5.64	5.54	0.10
2008	76.2	6.5%	5,298	238,851	5,210	233,277	88	5,573	45.08	44.78	63.09	261	255	6.1	5.79	5.70	0.10
2009	79.2	3.9%	5,938	271,397	5,843	265,846	95	5,551	45.71	45.50	58.30	285	280	5.8	6.24	6.14	0.10
2010	84.6	6.8%	6,520	315,312	6,357	307,860	163	7,452	48.36	48.43	45.77	310	303	7.3	6.42	6.26	0.16
2011	86.3	2.0%	7,579	348,933	7,324	339,479	255	9,454	46.04	46.35	37.05	337	328	9.1	7.32	7.07	0.25
2012	91.0	5.5%	8,125	359,561	7,675	345,040	449	14,521	44.25	44.95	32.31	329	316	13.3	7.44	7.03	0.41
2013	95.7	5.1%	8,921	392,919	8,293	375,269	628	17,651	44.04	45.25	28.09	342	327	15.4	7.77	7.22	0.55
2014	96.4	0.8%	10,051	432,181	9,074	407,139	977	25,042	43.00	44.87	25.64	374	352	21.6	8.69	7.84	0.84
2015	98.8	2.5%	11,452	481,349	10,102	445,530	1,349	35,819	42.03	44.10	26.55	406	376	30.2	9.66	8.52	1.14
2016	99.6	0.8%	13,049	526,920	11,469	484,097	1,579	42,823	40.38	42.21	27.11	441	405	35.8	10.91	9.59	1.32
May-16	101.3	0.0%	1,067	43,330	936	39,782	131	3,547	40.62	42.52	27.07	428	393	35.0	10.53	9.24	1.29
Jun-16	101.4	0.2%	1,082	43,559	950	40,023	132	3,536	40.26	42.15	26.72	429	395	34.9	10.66	9.36	1.30
Jul-16	101.2	-0.3%	1,097	43,908	964	40,376	133	3,532	40.02	41.89	26.52	434	399	34.9	10.84	9.53	1.32
Aug-16	100.6	-0.6%	1,112	44,357	978	40,809	134	3,549	39.89	41.73	26.47	441	406	35.3	11.06	9.72	1.33
Sep-16	101.3	0.7%	1,126	44,806	990	41,216	135	3,590	39.81	41.62	26.52	442	407	35.4	11.11	9.78	1.34
Oct-16	101.1	-0.2%	1,137	45,164	1,000	41,522	137	3,642	39.73	41.51	26.67	447	411	36.0	11.25	9.90	1.35
Nov-16	101.4	0.3%	1,145	45,415	1,008	41,735	137	3,680	39.65	41.40	26.83	448	412	36.3	11.30	9.95	1.35
Dec-16	99.6	-1.7%	1,152	45,507	1,015	41,834	136	3,673	39.51	41.20	26.95	457	420	36.9	11.56	10.19	1.37
Jan-17	99.6	0.0%	1,158	45,489	1,024	41,880	134	3,609	39.30	40.90	27.01	457	420	36.2	11.62	10.28	1.34
Feb-17	99.5	-0.1%	1,166	45,418	1,036	41,916	130	3,502	38.96	40.47	26.97	456	421	35.2	11.71	10.41	1.30
Mar-17	99.8	0.3%	1,175	45,392	1,050	42,016	125	3,376	38.63	40.02	26.93	455	421	33.8	11.77	10.52	1.26
Apr-17	99.8	-0.1%	1,185	45,482	1,064	42,235	121	3,248	38.38	39.70	26.79	456	423	32.6	11.88	10.66	1.22
May-17	99.6	-0.2%	1,195	45,661	1,077	42,532	118	3,129	38.20	39.49	26.45	459	427	31.4	12.00	10.82	1.19

¹ This data set is available in 2017 UK Payment Statistics (not seasonally adjusted).

² Depicts the underlying trend following seasonal adjustment using X-12 ARIMA. The X-12 ARIMA monthly seasonal adjustment takes into account trading days and leap years.

Institutions currently issuing debit cards are:

AIB Bank (FT)	Citibank	Metro Bank	Standard Chartered
Bank of Cyprus	Harrods Bank	National Australia Group	The Co-operative Bank
Bank of Ireland	HSBC Bank plc	Nationwide BS	The Royal Bank of Scotland Group
Barclays Bank	Investec Bank	Virgin Money plc	Tesco Bank
C. Hoare & Co	Lloyds Banking Group	The Santander Group	TSB Bank