

UK Plastic Cards 2013



Plastic cards are the most popular non-cash payment method in the UK. They allow cardholders to pay for goods and services easily and conveniently, and provide a secure alternative to cash and cheques. Today, most consumers pay for many of their purchases with a plastic card and most retailers accept plastic, as do an increasing number of professional service providers. The majority of purchases on the internet are made using plastic cards.

Plastic cards are issued by a variety of organisations such as banks, building societies and other financial services companies. The types of cards issued and their level of functionality vary from card issuer to card issuer and between the different card schemes under which the cards are issued. These include American Express, Diners Club, JCB International, Maestro, MasterCard and Visa. These card schemes are responsible for setting the rules that govern transaction processes and transmission of money between participants.

This report looks in detail at how plastic cards are held and used, and includes summary tables on cards in issue, the number and value of transactions, and point-of-sale terminals.

UK Plastic Cards 2013 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.

You may be interested in a series of publications from the Payments Council including *UK Payment Statistics*, *UK Payment Markets*, *UK Cash & Cash Machines*, *UK Automated Payments*, *UK Consumer Payments* and *UK Cheques*.

A glossary of terms used in this publication can be found at:

www.theukcardsassociation.org.uk

Colleagues working on behalf of The UK Cards Association will be happy to help if you have any queries regarding this publication.

For queries about the data in this publication please contact Information Management:

David Obuwa/Nigel Burt
Tel [020 3217 8421/8244](tel:02032178421)
Email camis@ukpayments.org.uk

For member enquiries relating to users and holders of cards, and forecasts, please contact Policy and Markets:

Andrew MacLachlan
Tel [020 3217 8302](tel:02032178302)
Email pmr@ukpayments.org.uk

For membership information or further details about The UK Cards Association please contact:

Tel [020 3217 8200](tel:02032178200)
Email support@ukcards.org.uk
www.theukcardsassociation.org.uk

UK Plastic Cards 2013

The UK Cards Association is the leading trade association for the cards industry in the UK. With a membership that includes all major credit, debit and charge card issuers, and card payment acquirers, the Association contributes to the development of legislative and regulatory frameworks; develops industry best practice; safeguards the integrity of card payments by tackling card fraud; develops industry standards; and co-ordinates other industry-wide initiatives across matters relating to both card payments and the provision of credit.

Table of Contents

1	Overview of the UK Plastic Card Market	5	5	Card Acceptance	38
1.1	Number of cards in issue	5	5.1	Card acceptance	38
1.2	Number of cardholders	5	6	Online Card Transactions	39
1.3	Card transactions in 2012	6	6.1	Internet card payments	39
1.4	Credit card borrowings	7	7	Plastic Card Fraud	41
1.5	The future	8	7.1	Plastic card fraud – overview	41
Key Statistics 2012		9	7.2	Fraud in the card-not-present environment	41
2	Credit and Charge Cards	10	7.3	Fraud in the face-to-face environment (including cash machines)	42
2.1	Credit cards – overview	10	7.4	Cross border losses	42
2.2	Credit and charge card transactions	14	7.5	Fraud-to-turnover ratios	42
2.3	Personal credit card holding and use	15	8	Recent Regulatory Developments	43
2.4	Personal credit and charge card products	16	9	Card Technology – The Future	44
2.5	Business and purchasing cards	17	9.1	Cards go mobile	44
2.6	Credit card spending patterns	18	9.2	Changes at the shop counter	44
2.7	Borrowings	21	9.3	The end of plastic cards	44
2.8	Credit card forecasts	24	10	A comparison of the UK Cards Market with other countries 2011	45
3	Debit Cards	26	10.1	Cards held	45
3.1	Debit cards – overview	26	10.2	Card usage	46
3.2	Debit card usage	27	11	Summary Tables	48
3.3	Debit card spending patterns	28	11.1	Cards in issue	48
3.4	Debit card holding and use	32	11.2	Transaction volumes	49
3.5	Debit card forecasts	34	11.3	Transaction values	51
4	Other Cards	35	11.4	Point-of-sale terminals	53
4.1	ATM-only cards	35	Boxes		
4.2	Store cards	35	Credit card profiles		13
4.3	Prepaid cards	36			

Charts

1	Overview of the UK Plastic Card Market			
1.1	Number of cards at year-end	5		
1.2	Number of plastic card holders	6		
1.3	Number of plastic card purchases	6		
1.4	Value of plastic card purchases	7		
1.5	Plastic card payment volumes forecasts	8		
2	Credit and Charge Cards			
2.1	Number of credit and charge cards in issue	10		
2.2	Credit and charge card purchases	11		
2.3	Comparison of average monthly gross and net credit card lending to individuals	11		
2.4	Credit card borrowings	12		
2.5	Distribution of accounts by APR as at end 2012 Q3	12		
2.6	Delinquent accounts up to six months overdue	13		
2.7	Write-offs as a percentage of credit card borrowings	13		
2.8	Total volume of transactions on credit and charge cards	14		
2.9	Total value of transactions on credit and charge cards	14		
2.10	Total cash advances on credit and charge cards	15		
2.11	Number of credit and charge card holders	15		
2.12	Multiple credit cardholding by demographic group 2012	15		
2.13	Regular users of credit cards for purchases	16		
2.14	Personal credit and charge cards	16		
2.15	Credit and charge cards: product types other than standard	17		
2.16	Spending on credit cards by sub-sector 2012	18		
2.17	Number of credit card purchases by sub-sector 2012	19		
2.18	Borrowings (excluding student loans) at year-end	21		
2.19	Consumer credit borrowings as at end-2012	22		
2.20	Consumer credit borrowings as at end-2007	22		
2.21	Relationship between balance transfers and interest-bearing balances	22		
2.22	Number and value of balance transfers	23		
2.23	Gross credit card lending and repayments	23		
2.24	Average annual repayment ratio of gross credit card lending	23		
2.25	Accounts up to three payments overdue, average for the year	24		
2.26	Credit and charge cards: UK purchase forecasts	24		
3	Debit Cards			
3.1	Number of debit cards in issue showing card types	26		
3.2	Card transactions as a percentage of the UK card market	26		
3.3	Retail Sales: proportions using debit cards, credit & charge cards, cash and cheques	27		
3.4	Average number of transactions per cardholder per year	27		
3.5	Changes in debit card average transaction values compared to official price indices	28		
3.6	Spending on debit cards by sub-sector 2012	29		
3.7	Number of debit card purchases by sub-sector 2012	29		
3.8	Number of debit card holders	32		
3.9	Holders of debit cards by demographic group 2012	32		
3.10	Multiple debit card holding 2012	32		
3.11	Regular debit card users and regular users of both debit and credit cards	33		
3.12	Debit card use by holders in different demographic groups 2012	33		
3.13	Debit card: UK purchase forecasts	34		
4	Other Cards			
4.1	Cards with ATM functionality	35		
4.2	Percentage breakdown: consumer vs business to business gift cards and vouchers	36		
5	Card Acceptance			
5.1	Number of outlets and terminals accepting plastic cards	38		
5.2	Average number and value of transactions per terminal	38		
6	Online Card Transactions			
6.1	Consumer internet card spending	39		
6.2	Consumer internet card payment volumes	39		
6.3	Consumer internet purchases by sector 2012	40		
6.4	Consumer internet purchases by type of retailer 2012	40		
7	Plastic Card Fraud			
7.1	Fraud Losses on UK plastic cards	41		
7.2	Fraud-to-turnover ratios	42		
10	A Comparison of the UK cards Market with Other Countries 2011			
10.1	Number of cards per adult 2011 USA and Western Europe, end of year	45		
10.2	Number of cards per adult 2011 UK and BRIC countries, end of year	45		
10.3	Number of payments per adult 2011 USA and Western Europe	46		
10.4	Value of card purchases per adult 2011 USA and Western Europe, sterling equivalent	46		
10.5	Number of payments per adult 2011 UK and BRIC countries	47		
10.6	Value of card purchases per adult 2011 UK and BRIC countries, sterling equivalent	47		
	Tables			
2	Credit and Charge Cards			
2.1	Comparing top ten merchant categories for credit card usage in 2011 and 2012 – based on number of purchases	19		
2.2	Comparing top ten merchant categories for credit card usage in 2011 and 2012 – based on value of purchases	20		
2.3	Comparing top ten merchant categories for credit card usage in 2011 and 2012 – based on average transaction value	20		
3	Debit Cards			
3.1	Top ten merchant categories for debit card usage for 2011 and 2012 – based on number of purchases	30		
3.2	Top ten merchant categories for debit card usage for 2011 and 2012 – based on value of purchases	30		
3.3	Top ten merchant categories for debit card usage for 2011 and 2012 – based on average transaction value	31		
4	Other Cards			
4.1	Store cards	35		
4.2	Number of prepaid card programmes – UK	37		

UK Plastic Cards 2013



Name of Contact	
Name on Card	
Company Name	

Address										
	Post / Zip code									

Telephone number	
------------------	--

Description of goods/services	
-------------------------------	--

Card <i>(please circle which card)</i>	MasterCard	Maestro	VISA	Switch

Card number	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
-------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------

Expiry date	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
-------------	----------------------	----------------------	----------------------	----------------------

Valid from date*	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Issue Number*	<input type="text"/>
------------------	----------------------	----------------------	----------------------	----------------------	---------------	----------------------

** This data is only required for some cards e.g. Maestro*

Date of Transaction	<input type="text"/>	/	<input type="text"/>	/	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
---------------------	----------------------	---	----------------------	---	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------

Total Amount <i>(including VAT)</i>	£	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
-------------------------------------	---	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	---	----------------------	----------------------	----------------------	----------------------	----------------------

For UK Payments Use Only

Accounts Postings

Sales A/c in Nominal Ledger							£							-		
VAT	3	1	0	8	0		£							-		
Total cash	2	0	0	0	0		£							-		

UK Payments Unit	Corporate Communications
Signature	