

# Payment Regions



▶ Interesting research from the UK payments association

## Payment Regions

Welcome to Payment Regions, an online guide that gives you an insight into the nation's payment habits and trends across the country.

Different parts of Britain are each steeped in their own history and traditions and likewise, its inhabitants have a variety of different payment attitudes, preferences and behaviours.

Nationally, over the past few years we've seen certain trends emerge. Cheque use has continued to fall at a slow and steady pace - a trend that has been in motion since the early 90s, when the number of cheques written peaked at 11 million per day; this figure dropped to 4.4 million in 2007. Conversely, the number of plastic cards held has continued to rise, nearly doubling in the last ten years from 75 million cards in issue in 1997, to 144 million in 2007. Over the last couple of years the overall rise in plastic card numbers can largely be attributed to an increase in the number of debit cards (4.8% in the last year), while the number of credit cards in issue has actually decreased (-3.2% in 2007).

Other obvious trends include the increased use of phone and internet banking. The introduction of the Faster Payments Service in May 2008, which speeds up phone and internet payments, will probably encourage many more people to use these channels to make payments, rather than for just checking their statement.

Whilst the picture laid out above is one of overall nationwide trends, it is worth noting that some regions deviate from the national perspective.

For example, whilst Britain's commitment to plastic cards remains strong, the population of the North East hold the least number in the UK by far, at just 86% of adults compared to a national average of 94%.



# Payment Regions continued



## ▶ Interesting research from the UK payments association

Similarly, over the last year, Yorkshire and the Humber has seen a 7% decline in its number of credit/charge card holders from 67% to 60%. This is a stark contrast from a much smaller national decline of just 2%. In other regions, such as the North East and the East Midlands, the number of people using cheques has risen by 7% and 5% respectively, in spite of the overall national decline of 1%.

Through breaking down the regions into a broad North-South\* view, we can study further patterns and trends. In the South, more adults have plastic cards, on average, (95%) compared to their northern neighbours (92%). The North tends to be more cash-happy, with its adult inhabitants making more cash machine withdrawals than the South, and withdrawing 17% more cash annually (an average of £4,200 per person compared to £3,441 in the South). Southerners, however, continue to be the heavier users of cheques with 40% of adults using this payment method for spontaneous payments; compared to 33% in the North. Spontaneous payments include any form of payment which is not a regular bill, such as purchases made in shops.

When it comes to managing their money, people in the North are more likely to always check their bank or card statement carefully for unfamiliar transactions (82% compared to 80% in the South). Southerners are however, more likely to use Direct Debits or standing orders (78% compared to 73% in the North). Interestingly, whilst adults in the South are more likely to use phone or internet banking (52% compared to 49% in the North), out of those adults who use the internet for shopping, it is Northerners who are marginally more likely to shop online (17 transactions per adult compared to 16 in the South).

To compare the payment profiles of each region with the rest of Great Britain, please see the statistics overleaf.



## Key statistics

### Adults in Britain:

- 94% hold a plastic card, 87% a debit card, and 64% a credit/charge card.
- 82% always check their bank or card statements carefully for unfamiliar transactions.
- 76% have Direct Debits or standing orders.
- Take out an average of £3,839 per year in cash through 59 cash machine withdrawals a year.
- 50% use phone or internet banking.
- Who shop online, make an average of 17 online purchases a year.
- 37% regularly use cheques for spontaneous payments.

## North East

- 86% of adults in the North East hold a plastic card; the least of any region. Debit card holding has risen by 6% to 84%, over the last year, whilst credit/charge card holding remained the same at 55%.
- 82% of adults in the North East always check their bank or card statements carefully for unfamiliar transactions. This has risen by 2% over the last year and is now in line with the national average of 82%.
- There has been a 2% fall in the number of people using Direct Debits or standing orders (68%), which is 8% below the national average, making the North East the least likely region to use automated payments.
- Adults in the North East make the highest number of withdrawals from cash machines per year - an average of 76 compared to the national average of 59. The total value per person of these withdrawals is £4,791.
- The North East has seen an 8% rise in adults using phone or internet banking (50%).
- Adults in the North East, who shop online, make an average of 16 purchases over the internet a year - one purchase more than last year - yet still below the national average of 17 purchases.
- The North East has seen the largest rise in cheque users (7%) with 32% of adults using cheques for spontaneous payments. This is higher than any other region, and is in contrast to the national decline in cheque use of 1%.

## North West

- 95% of adults in the North West hold a plastic card, 88% a debit card and 64% a credit/charge card.
- 80% of adults in the North West always check their bank or card statements carefully for unfamiliar transactions. Although this figure has risen by 5% over the last year, it is still below the national average of 82%.
- 79% of adults have Direct Debits or standing orders, which is also the case in East Anglia.
- Adults in the North West withdraw £3,819 per year through 56 cash machine withdrawals.
- A 4% increase in adults using telephone or internet banking confirms the North West has the highest users of remote banking (55%) in Britain. This region is above the national average of 50%, and 9% above Yorkshire and the Humber and Scotland - the regions with the lowest number of remote banking users.
- Adults in the North West, who shop online, make an average of 18 purchases over the internet per year - one above the national average - making this region, along with Yorkshire and the Humber, one of the two most popular regions for internet shopping.
- The region has seen a 9% decline in the number of people who use cheques for spontaneous payments, to 32%; this is the largest decline of any region.

## Yorkshire and the Humber

- Over the last year, the number of adults in Yorkshire and the Humber who hold plastic cards has fallen by 3% to 92%. Both debit, and credit/charge card holding has fallen - by 4% and 7% respectively to 85% and 60%.
- 84% of adults in Yorkshire and the Humber always check their bank or card statements carefully for unfamiliar transactions. This has risen by 6% over the last year.
- 75% of adults have Direct Debits or standing orders, a decrease of 8% on the previous year.
- Adults in Yorkshire and the Humber each take out an average of £3,948 per year in cash through 60 cash machine withdrawals.
- Yorkshire and the Humber is the only region to have seen a decline (3%) in the number of phone and/or internet banking users, slipping below the national average of 50% to 46%. Together with Scotland, this region now has the lowest number of phone and internet banking users.
- Despite the fall in the number of people using online or phone banking, adults in the region, who shop online, make two more online purchases than last year (18 purchases in total). This makes Yorkshire and the Humber, along with the North West, one of the two most popular regions for online shopping.
- 36% of adults regularly use cheques for spontaneous payments.

## East Midlands

- Over the last year, the East Midlands has seen the largest rise (10%) in the number of adults with plastic cards. 95% (compared to a national average of 94%) of adults in the East Midlands now hold a plastic card, 87% a debit card and 61% a credit/charge card.
- 81% of adults in the East Midlands always check their bank or card statements carefully for unfamiliar transactions. This has risen by 2% over the last year, but is still below the national average of 82%.
- The percentage of people using Direct Debits or standing orders has remained the same from 2006, with 73% of people using automated payments.
- Adults in the East Midlands each take out an average of £3,606 per year in cash through 59 cash machine withdrawals.
- Online and telephone banking usage in the East Midlands has increased by 3% in the last year; 48% of adults now use this service.
- Adults in the East Midlands, who shop online, make an average of 15 purchases over the internet, making them, along with Londoners, the lowest users of online shopping.
- Despite a national decline in spontaneous cheque use, the number of adults writing cheques in the region (40%) has risen slightly above the national average of 37%, and increased 5% on the previous year.

## West Midlands

- 92% of adults in the West Midlands hold a plastic card, 84% a debit card and 64% a credit/charge card.
- Adults in the West Midlands make up the highest proportion of people (85%) who always check their bank or card statements carefully for unfamiliar transactions. This has risen by 5% over the last year.
- The West Midlands has seen a 4% decline, over the past year, in those using automated payments. Only 73% of adults in this region use Direct Debits or standing orders, below the national average of 76%.
- Adults in the West Midlands each withdraw an average of £3,386 per year in cash through 54 cash machine withdrawals.
- 48% of adults use phone or internet banking, which, despite a 1% increase on last year, is still 2% below the national average.
- Adults in the West Midlands, who shop online, make an average of 17 purchases over the internet per year, which is surprisingly high given they are below average for phone and internet banking.
- The number of adults writing cheques for spontaneous payments has fallen below the national average of 37% to 31%. This marks a decline of 7% on last year which is the second biggest decrease after the North West, where the number of adults using cheques for spontaneous payments dropped by 9%.

## South West

- 95% of adults in the South West hold a plastic card, 89% a debit card and 67% a credit/charge card. Interestingly, this is the only region where the proportion of adults holding plastic cards has not changed over the last year.
- 79% of adults in the South West always check their bank or card statements carefully for unfamiliar transactions. Whilst this has risen by 2% over the last year, it is still 3% below the national average of 82%.
- The number of adults with Direct Debits or standing orders has fallen by 7% to 78%. Despite this fall, the South West is above the national average of 76%.
- Adults in the South West each take out an average of £4,335 per year in cash through 54 cash machine withdrawals.
- 53% of adults use phone or internet banking, placing this region in the top three for users.
- Adults in the South West, who shop online, make an average of 17 purchases over the internet, which mirrors the national average.
- Despite a national decline, adults in the South West use the same number of cheques for spontaneous payments as last year (44%), which makes this the region with the highest proportion of cheque users.

## East Anglia

- More adults in East Anglia hold a plastic card (97%) than in any other region. This region is 4% above the national average of 87% for debit card holding, making it the region with the highest proportion of debit card holders. When it comes to credit/charge card holding, adults in this region are in line with the national average of 64%.
- 80% of adults in East Anglia always check their bank or card statements carefully for unfamiliar transactions. This has risen by 4% over the last year, but needs to improve further as it is still below the national average of 82%.
- 79% of adults have Direct Debits or standing orders. This is a 1% rise, taking the region above the national average of 76%.
- Adults in East Anglia make fewer trips to the cash machine than any other region in Great Britain. On average they withdraw cash 47 times per year from cash machines, below the national average of 59 withdrawals, which totals £2,869.
- 52% of adults use remote banking (phone or internet), slightly above the national average of 50%.
- Adults in East Anglia who shop online, make an average of 17 purchases over the internet.
- Despite reflecting a national decline of 1% in spontaneous cheque users, 41% of adults in East Anglia still use cheques, slightly above the national average of 37%.

## Greater London

- 95% of adults in Greater London hold a plastic card, 84% a debit card and 66% a credit/charge card.
- 84% of adults in Greater London always check their bank or card statements carefully for unfamiliar transactions. This has risen by 8% over the last year - the biggest increase, which is shared with Scotland.
- The region has seen a 1% fall in the number of adults who have Direct Debits or standing orders to 73%, which is 3% below the national average.
- Adults in Greater London each take out an average of £3,241 per year through 56 cash machine withdrawals.
- Interestingly, the capital is behind the national average of phone and internet banking users, with just 48% of adults using this service.
- Adults in London, who shop online, make an average of 15 purchases over the internet each year. Surprisingly, London is one of the two regions that makes the lowest number of online payments.
- The percentage of adults using cheques for spontaneous payments in the capital has risen slightly by 1% to 36%. Although the number of cheque users in London is still below the national average of 37%, this rise contradicts the 1% decline that has been seen nationally.

## South East

- 96% of adults in the South East hold a plastic card, 89% a debit card and 70% a credit/charge card. The proportion of adults holding credit/charge cards is highest in this region, with 70% of adults holding this card - 6% above the national average. As plastic card holding is high in the South East, it is reassuring to know that 84% of adults in this region always check their bank or card statements carefully for unfamiliar transactions. This has risen by 5% over the last year.
- Adults in the South East are the most likely to have Direct Debits or standing orders (82%), above the national average of 76%.
- Adults in the South East each take out an average of £4,105 in cash per year through 71 cash machine withdrawals.
- 54% of adults use phone or internet banking. This figure remains unchanged from last year and is still 4% above the national average.
- Adults in the South East, who shop online, make an average of 16 purchases over the internet each year, just below the national average of 17 purchases.
- The proportion of adults using cheques for spontaneous payments has fallen by 2% to 43% in the last year. Whilst this fall shows that the number of cheque users is diminishing, this region still makes up the second highest proportion of cheque users after the South West.

## Wales

- Reflecting the national average, 94% of adults in Wales hold a plastic card, 90% a debit card and 67% a credit/charge card. The proportion of adults who hold a credit/charge card has fallen by 5% in the last year.
- The percentage of adults who always check their bank or card statements carefully for unfamiliar transactions is lowest in this region (75%) and has dropped by 5% over the last year. This is the only region in which this has fallen.
- 80% of adults have Direct Debits or standing orders, which is above the national average of 76%.
- Adults in Wales take out less cash than any other region in Great Britain - £1,180 less than the national average. They make, on average, 49 cash machine withdrawals per year which totals £2,659.
- Wales has seen one of the largest growths (5%) in the number of adults (52%) using phone or internet banking.
- Adults in Wales, who shop online, make an average of 16 purchases over the internet annually, just below the national average of 17 purchases.
- After the North West and West Midlands, Wales has shown the largest decline in the number of cheque users for spontaneous payments, falling 4% to 38%.

## Scotland

- Scotland has seen a 2% decrease in the proportion of adults who hold a credit/charge card (59%), and a 2% increase in the proportion who hold a debit card (83%). 92% of adults hold a plastic card.
- 81% of Scottish adults always check their bank or card statements carefully for unfamiliar transactions. This is just below the national average of 82%, although this figure has risen by 8% over the last year. Scotland shares the joint highest increase with Greater London.
- The number of adults who have Direct Debits or standing orders has risen to 73%, but despite the slight increase of 1%, this region remains behind the national average of 76%.
- Adults in Scotland each take out an average of £5,650 in cash per year through 67 cash machine withdrawals.
- Despite a rise of 6%, just 46% of adults in the region use phone or internet banking, which is behind the 50% national average, placing Scotland, together with Yorkshire and the Humber, as the regions with the lowest users of phone or internet banking.
- Adults in Scotland, who shop online, make 17 online payments per year, which matches the national average.
- 27% of adults use cheques for spontaneous payments. This is a 3% decline on last year, making Scottish adults the least likely to write cheques, and putting this region 10% behind the national average.