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COVID Triggers Changes in Payments Habits Amongst Over Eight in Ten Consumers

Research released by Paysafe shows almost 60% of Europeans and North Americans tried a new payment method in the last 12 months

LONDON--(BUSINESS WIRE)-- More than eight in ten consumers (86%) say that their payments habits have changed since the start of the pandemic, with 59% trying a new payment method for the first time – a number which rises to 77% among the 18- to 24-year-old age group. That's according to new research released by leading specialised payments platform, Paysafe (NYSE: PSFE), in which 8,000 consumers were surveyed for the company's latest [Lost in Transaction report](#).

The research*, which was conducted on behalf of Paysafe by Sapio Research in March and April 2021 and covers the US, UK, Canada, Germany, Austria, Bulgaria and Italy, explored changing consumer behaviours towards payments. Unsurprisingly, the key driver cited by respondents for adopting new payments methods was due to being unable to make in-person payments (33%), but wanting to track spending more closely (26%) and concerns over fraud (25%) also came up as strong trends.

In terms of awareness, more than a third (38%) of consumers say they are now more informed of the wide range of different payment methods available to them than they were prior to the pandemic, and almost a third (31%) are now more likely to use an alternative payment method when making an online purchase, rather than just automatically reaching for their credit or debit card.

That said, card payments continue to be the dominant online payment method overall, with more than half of global consumers having used a debit (54%) or credit (51%) card to complete a transaction in the past month. Against this backdrop, however, digital wallets are emerging as the most popular alternative payment method with 43% of respondents using them globally in the last month and the number rising across Europe with 47% of respondents in the UK and 55% in Italy. Overall, 32% of consumers globally are using digital wallets more frequently than prior to the pandemic, 13% are using prepaid cards more and 8% are using online cash, or eCash, solutions, more regularly.

The research also reveals that having a choice of payments at the online checkout has been a key differentiator, even more so during the pandemic, with more than half (53%) of all consumers agreeing they would not return if they suffered a poor experience or lack of choice. Although a large proportion of consumers (63%) seek tighter payment security measures, the number of consumers prioritising convenience has increased by 110% in the past 12 months.

When it comes to in-store shopping, 43% of consumers also noticed which retailers made efforts to upgrade their checkout in reaction to the pandemic, with 28% saying that businesses did not react quickly enough to make it safer. However, nearly half (48%) of consumers reveal they are planning to shop in stores as frequently as they did pre-COVID-19, highlighting the importance of an updated checkout for offline retailers too. And, indicating a perhaps surprising comeback for cash after the pandemic, 50% of consumers plan to make at least 25% of their transactions using cash in the future.

Philip McHugh, CEO at Paysafe, comments: “Consumers have adapted and gotten to grips with alternative payment methods over the last year, partly because they had to due to the pandemic. Through our ongoing research into payment trends, we continue to witness that COVID-19 has been a real accelerator in the adoption of alternative payment methods and choice is everything. The good news is, it’s now easier than ever for merchants to integrate into a payments platform and access a huge range of payments methods via one connection.”

McHugh added: “Concerns around payments security have also been a constant theme coming through in our research and consumers are increasingly alert to the threat of cyber risks, so it’s not just about offering choice, it’s also about ensuring peace of mind from a security standpoint, coupled with a frictionless experience. No doubt about it, this has been a tough year for retail, but we’re also seeing many merchants – both online and offline - swiftly adapt to these trends and modify their payments offering to remain competitive; the ones that succeed to do this will be the ones who emerge from this crisis stronger than before.”

To read additional key takeaways from the research, as well as further analysis, read the full report www.paysafe.com/en/blog/lost-in-transaction-consumer-payment-trends-2021

NOTES TO EDITORS

***About the research**

Paysafe’s Lost in Transaction survey was conducted among 8,111 consumers (representative by age and gender) in the US (2,000), UK, Canada, Germany, Austria, Bulgaria, Italy (all 1,000). The interviews were conducted online by Sapio Research in March - April 2021 using an email invitation and an online survey.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. In this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 1.1 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample. The sample was selected from online partner panels.

About Paysafe Limited

Paysafe Limited (“Paysafe”) (NYSE: PSFE) (PSFE.WS) is a leading specialised payments platform. Its core purpose is to enable businesses and consumers to connect and transact seamlessly through industry-leading capabilities in payment processing, digital wallet, and online cash solutions. With over 20 years of online payment experience, an annualised transactional volume of US \$92 billion in 2020, and approximately 3,400 employees located

in 12+ global locations, Paysafe connects businesses and consumers across 70 payment types in over 40 currencies around the world. Delivered through an integrated platform, Paysafe solutions are geared toward mobile-initiated transactions, real-time analytics and the convergence between brick-and-mortar and online payments. Further information is available at www.paysafe.com.

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