

Debit Card Report

July 2017

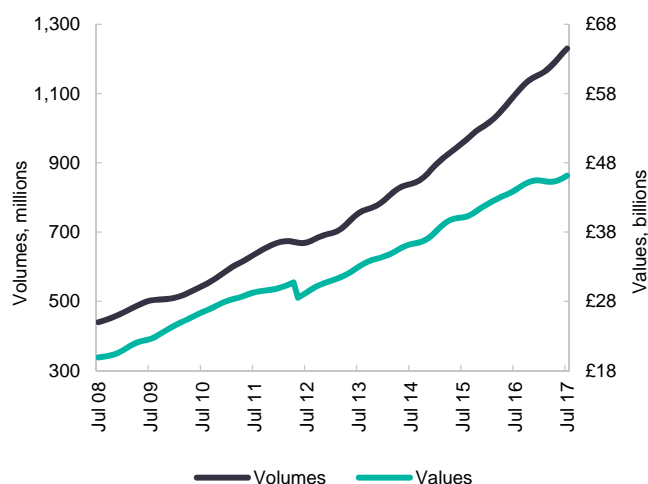


UK
FINANCE

	July-17	Monthly growth rate	June-17	Annual growth rate	July-16
Number of debit cards in issue (million)	98.7 ↑	0.3%	98.4	-2.5%	101.2
Total volume of debit card purchases (billion)	1.23 ↑	1.1%	1.22	12%	1.10
Total value of debit card purchases (£ billion)	46.2 ↑	0.8%	45.8	4.8%	44.0
Average transaction value (£)	37.52 ↓	-0.3%	37.62	-6.6%	40.17
Average spend per card (£)	468 ↑	0.6%	465	7.5%	435
Average number of purchases per card	12.5 ↑	0.8%	12.4	15%	10.8

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.

Total payments and spending



In total, there were 1.2 billion **debit card payments** made in July, worth £46.2 billion.

Since July 2016 the number of debit card payments has increased by 12%.

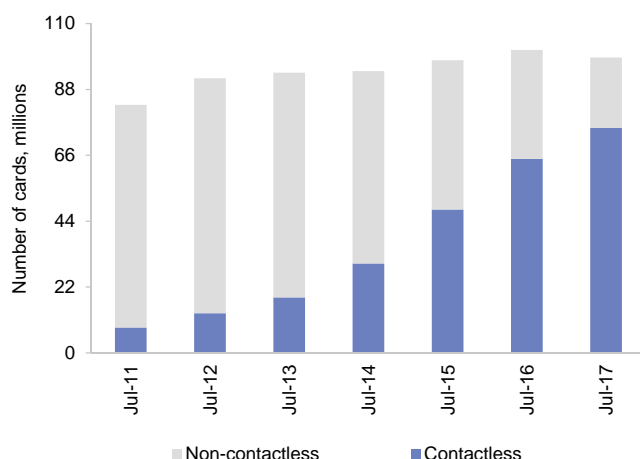
Debit card spending grew at its highest monthly rate (+0.8%) since September 2016.

Spending abroad recorded the first increase in eight months, after growing by 1.4% on June – the strongest growth in 14 months.

The average transaction value (ATV) for all debit card purchases reached its lowest level (£37.52) since May 2002, and compares to £48.60 at its peak in June 2010.

Average monthly spend per card reached a record £468, up from £435 a year ago.

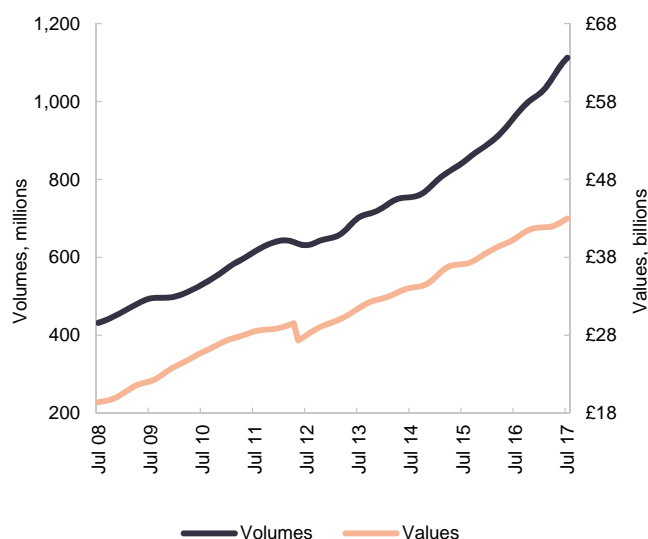
Number of debit cards in issue



The **number of debit cards** in issue increased for the second consecutive month and reached 98.7 million at the end of July, up by 0.3% (0.3 million) on June. When compared to July 2016, the number of debit cards in circulation decreased by 2.5 million.

The number of **contactless debit cards** continued to grow strongly as most issuers now issue contactless cards as standard. According to data reported to UK Finance, the number of contactless debit cards in issue grew by 1.0 million to 75.2 million, accounting for 67% of all contactless cards in the UK. This growth is attributable to the growing adoption of contactless technology. 76% of debit cards are now contactless, up from 64% a year ago.

Domestic spending

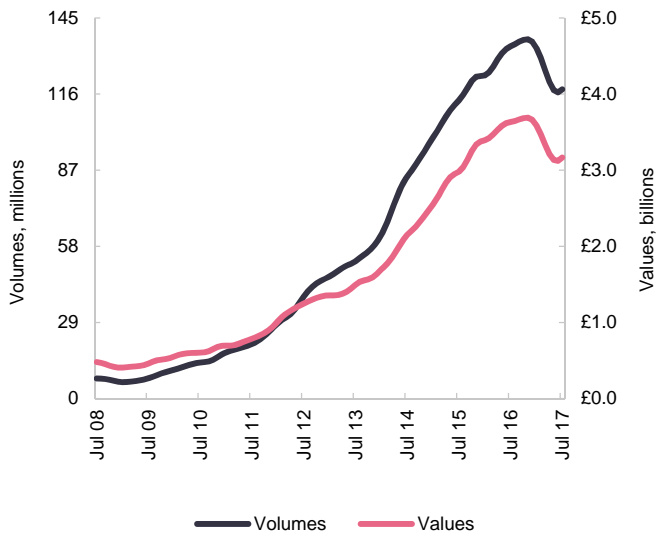


During July **domestic spending** amounted to £43.0 billion after increasing by 0.8% – the strongest growth rate in ten months. This growth, in part stems from higher annual inflation (2.6%), growing steadily to its highest levels since 2013.

The corresponding **number of purchases** also increased to just over 1.1 billion, after growing by 1.1% – below the monthly growth rate a year ago (+1.4%). This subdued growth, in part, stems from the continuing economic uncertainty in the UK, a relatively low rate of economic growth and weak consumer confidence.

During July each debit card was used to make on average 11.3 payments in the UK, up from 9.5 a year ago. The average monthly spend per card increased to £436, up from £399 in July 2016.

International spending

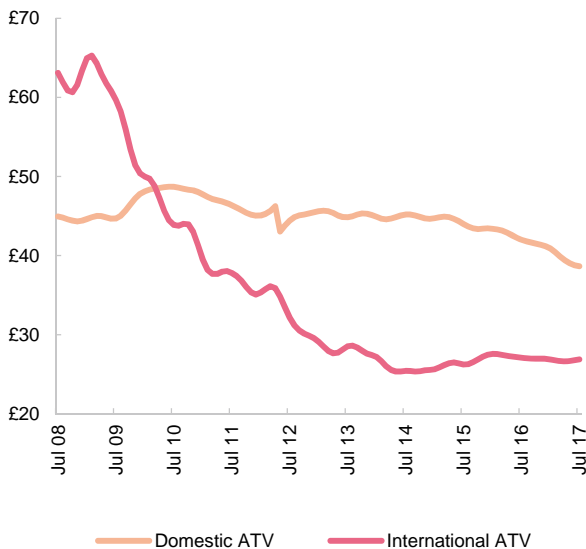


Debit card transactional activity and spending abroad recorded monthly growth after being in decline for seven consecutive months, coinciding with the summer holiday season.

Cross-border spending increased by 1.4% during July with a total of £3.2 billion spent, compared to £3.6 billion a year ago. The corresponding **number of international purchases** grew by 1.0%, amounting to 118 million, down from 134 million purchases in July 2016. This annual decrease, in part, highlights the growing consumer preference to holiday in the UK as sterling's purchasing power abroad has weakened considerably since the Brexit vote.

During July average monthly spend per card outside the UK decreased by 36p to £32. When considering the average number of transactions made per card abroad, each debit card was used 1.19 times, down from 1.33 times a year ago.

Average transaction values



The **domestic average transaction value (ATV)** continued to decrease (-12p) between June and July to £38.65, and compares to £41.99 a year ago. This measure has declined considerably since peaking at £48.70 seven years ago.

Growing adoption of contactless payments and changing consumer habits coupled with intense price competition in the retail market have been the main factors applying downward pressure on ATVs in recent years.

The **international ATV** has been broadly stable for more than four years. The ATV for cross-border purchases increased by 10p between June and July and reached £26.88. When compared to a year ago, this measure stood at £27.08.

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	199,661	4,472	194,564	82	5,097	43.84	43.50	62.22	242	236	6.2	5.53	5.43	0.10
2007	71.6	4.3%	4,846	220,290	4,759	215,094	87	5,196	45.46	45.20	59.43	256	250	6.0	5.64	5.54	0.10
2008	76.2	6.5%	5,298	238,761	5,210	233,281	88	5,480	45.07	44.78	62.05	261	255	6.0	5.79	5.70	0.10
2009	79.2	3.9%	5,938	271,387	5,843	265,850	95	5,537	45.71	45.50	58.17	285	280	5.8	6.24	6.14	0.10
2010	84.6	6.8%	6,520	315,222	6,357	307,862	163	7,360	48.35	48.43	45.19	310	303	7.2	6.42	6.26	0.16
2011	86.3	2.0%	7,579	348,936	7,324	339,460	255	9,477	46.04	46.35	37.14	337	328	9.1	7.32	7.07	0.25
2012	91.0	5.5%	8,125	359,662	7,676	345,055	449	14,606	44.27	44.95	32.52	329	316	13.4	7.44	7.03	0.41
2013	95.7	5.1%	8,921	392,853	8,293	375,185	628	17,668	44.04	45.24	28.11	342	327	15.4	7.77	7.22	0.55
2014	96.4	0.8%	10,050	432,189	9,075	407,165	975	25,025	43.00	44.87	25.66	374	352	21.6	8.69	7.84	0.84
2015	98.8	2.5%	11,447	481,256	10,098	445,521	1,349	35,736	42.04	44.12	26.49	406	376	30.1	9.65	8.52	1.14
2016	99.6	0.8%	13,045	527,095	11,463	484,098	1,582	42,997	40.40	42.23	27.17	441	405	36.0	10.91	9.59	1.32
Jul-16	101.2	-0.3%	1,096	44,040	962	40,407	134	3,633	40.17	41.99	27.08	435	399	35.9	10.84	9.51	1.33
Aug-16	100.6	-0.6%	1,111	44,461	976	40,815	135	3,645	40.01	41.81	27.01	442	406	36.2	11.05	9.71	1.34
Sep-16	101.3	0.7%	1,125	44,863	989	41,196	136	3,667	39.89	41.66	26.98	443	407	36.2	11.11	9.76	1.34
Oct-16	101.1	-0.2%	1,136	45,165	999	41,481	137	3,684	39.76	41.51	26.96	447	410	36.4	11.24	9.89	1.35
Nov-16	101.4	0.3%	1,145	45,381	1,008	41,692	137	3,689	39.65	41.37	26.95	448	411	36.4	11.29	9.94	1.35
Dec-16	99.6	-1.7%	1,151	45,469	1,015	41,807	136	3,662	39.50	41.19	26.94	456	420	36.8	11.55	10.19	1.36
Jan-17	98.2	-1.5%	1,157	45,438	1,023	41,851	133	3,587	39.28	40.90	26.87	463	426	36.5	11.78	10.42	1.36
Feb-17	98.1	-0.1%	1,165	45,327	1,035	41,856	130	3,470	38.91	40.43	26.74	462	427	35.4	11.88	10.56	1.32
Mar-17	98.4	0.3%	1,176	45,243	1,051	41,909	125	3,334	38.48	39.89	26.66	460	426	33.9	11.95	10.68	1.27
Apr-17	98.3	-0.1%	1,189	45,290	1,068	42,079	121	3,211	38.11	39.40	26.63	461	428	32.7	12.09	10.87	1.23
May-17	98.1	-0.2%	1,202	45,481	1,085	42,347	118	3,134	37.82	39.03	26.67	464	432	31.9	12.26	11.06	1.20
Jun-17	98.4	0.3%	1,217	45,779	1,100	42,656	117	3,123	37.62	38.77	26.78	465	433	31.7	12.36	11.18	1.18
Jul-17	98.7	0.3%	1,230	46,154	1,112	42,988	118	3,167	37.52	38.65	26.88	468	436	32.1	12.47	11.27	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