

Debit Card Report

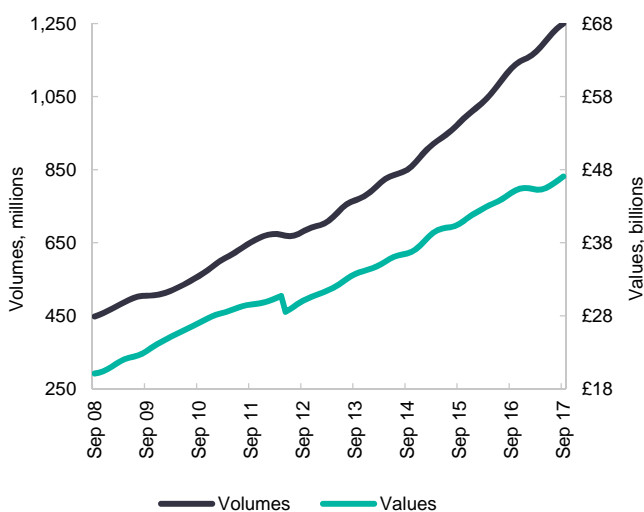
September 2017



	Sept-17	Monthly growth rate	Aug-17	Annual growth rate	Sept-16
Number of debit cards in issue (million)	98.4 ↑	0.2%	98.2	-2.9%	101.3
Total volume of debit card purchases (billion)	1.25 ↑	0.7%	1.24	13.0%	1.13
Total value of debit card purchases (£ billion)	47.1 ↑	0.9%	46.6	6.5%	44.8
Average transaction value (£)	37.66 ↑	0.2%	37.58	-5.3%	39.77
Average monthly spend per card (£)	478 ↑	0.8%	475	8.1%	443
Average number of purchases per card	12.7 ↑	0.6%	12.6	14.1%	11.1

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. Annual growth rate for total purchases are based on a 12 months rolling period.

Total payments and spending



In total, there were 1.3 billion **debit card payments** made in September, worth £47.1 billion.

The number of debit card payments increased by 13% annually.

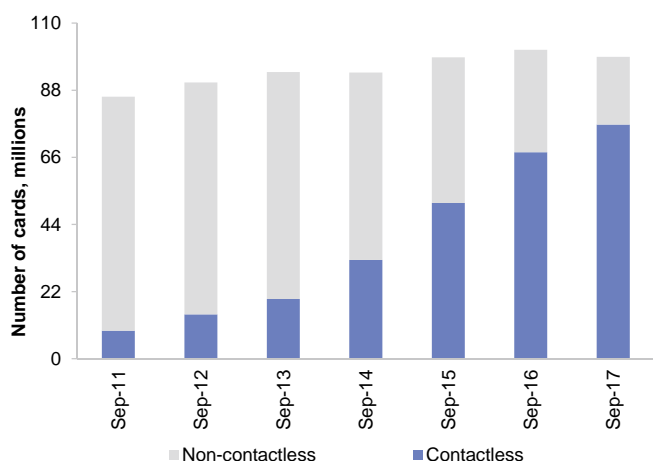
September saw domestic **debit card spending** continuing to rise month-on-month, increasing a further +0.9% when compared to August.

Spending abroad increased for the third month in a row, rising a further 1.0% on August. This exhibits a reversal in trend over the first six months of 2017.

The average transaction value (ATV) for all debit card purchases in September rose to £37.66. Despite this increase, the ATV growth rate fell by 5.3% from £39.77 a year ago and 22.5% down on its peak in June 2010 which stood at £48.58.

Average monthly spend per card continued to display a steady increase, rising a further 0.8% in September, to £478, up from £443 a year ago.

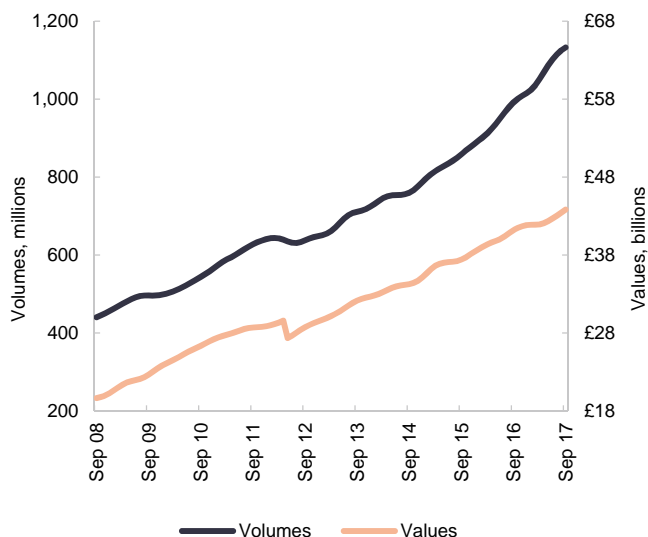
Number of debit cards in issue



Although the **number of debit cards** in issue has stabilised at around 98 million since the turn of the year there was a marginal increase in September. However, when compared to September 2016, the number of debit cards in circulation has decreased by 2.9 million. Circulation sometimes fluctuates monthly, however, annually the trend has recorded a sustained increase in the number of debit cards for more than a decade.

The number of **contactless debit cards** continue to show strong growth with most issuers now issuing contactless cards as standard. UK Finance reports that the number of contactless debit cards in issue grew by 0.9 million to 76.8 million. With their ever increasing popularity and ease of use, 78% of debit cards are now contactless, up from 67% a year ago and constitute 68% of all contactless cards.

Domestic spending

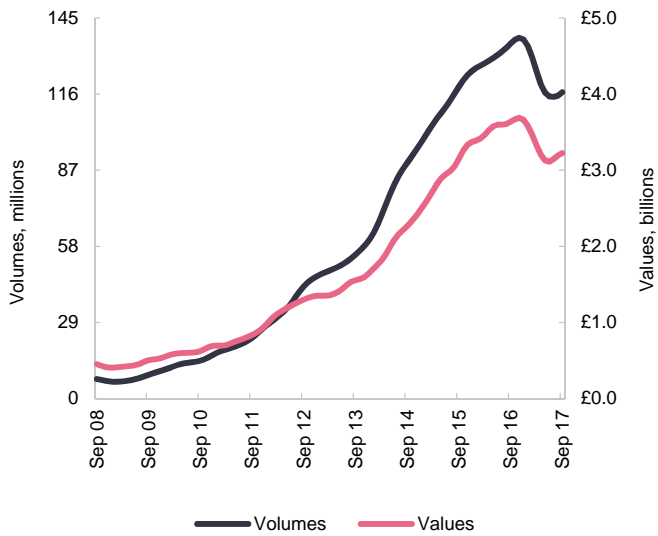


During September **domestic spending** amounted to £43.8 billion after increasing by 0.9% on August, the strongest growth rate for eleven months. This growth in part stems from higher annual inflation (2.8%), growing steadily to its highest levels since 2012. Another contributing factor is the ongoing migration of cash payments to cards, in particular contactless debit cards.

The corresponding **number of purchases** also maintained steady growth, rising by 0.7% to just over 1.1 billion, but below the monthly growth rate (+1.2%) of a year ago. The slower rate of growth, in part, stems from the continuing economic uncertainty in the UK, a relatively low rate of economic growth and weak consumer confidence.

Throughout September each debit card was used to make on average 11.5 payments in the UK, an increase of 18% from 9.8 a year ago. The average monthly spend per card increased to £446, up (£39) from £407 in September 2016.

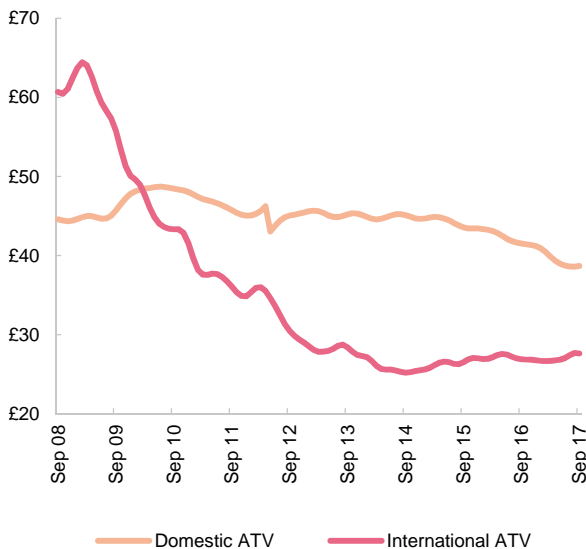
International spending



Cross-border spending increased by 1.0% during September with total expenditure in excess of £3.2 billion. The corresponding **number of international purchases** grew by 1.2%, amounting to 117 million. Regardless of the increase, both value and volume activity in September was lower than a year ago, by 11% and 14% respectively. This decrease, in part, highlights the growing consumer preference to holiday at home within the UK as sterling's purchasing power abroad has weakened considerably since the Brexit vote.

September saw the average monthly spend per card outside the UK increase by 0.9% to £33. When considering the average number of transactions made per card abroad, each debit card was used 1.19 times, down from 1.34 times a year ago.

Average transaction values



The **domestic average transaction value (ATV)** increased (10p) in September when compared to August; to £38.70, and compares to £41.53 a year ago. With the exception of September, this measure has displayed a constant decrease 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** saw a marginal decrease of (-0.1%) in September when compared to August £27.63, after rising slightly over the summer months. This in part is due to the preference to purchase lower value items via cross-border online retailers.

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	199,660	4,472	194,563	82	5,097	43.84	43.50	62.14	242	236	6.2	5.53	5.43	0.10
2007	71.6	4.3%	4,845	220,287	4,759	215,090	87	5,197	45.46	45.20	60.02	256	250	6.1	5.64	5.54	0.10
2008	76.2	6.5%	5,298	238,773	5,210	233,294	88	5,479	45.07	44.78	62.18	261	255	6.0	5.79	5.70	0.10
2009	79.2	3.9%	5,939	271,391	5,843	265,853	96	5,538	45.70	45.50	57.58	285	280	5.8	6.25	6.14	0.10
2010	84.6	6.8%	6,522	315,223	6,357	307,862	165	7,362	48.33	48.43	44.68	310	303	7.2	6.42	6.26	0.16
2011	86.3	2.0%	7,581	348,939	7,324	339,458	258	9,481	46.03	46.35	36.78	337	328	9.2	7.32	7.07	0.25
2012	91.0	5.5%	8,126	359,586	7,675	344,989	451	14,597	44.25	44.95	32.38	329	316	13.4	7.44	7.03	0.41
2013	95.7	5.1%	8,922	392,906	8,292	375,249	630	17,656	44.04	45.25	28.04	342	327	15.4	7.77	7.22	0.55
2014	96.4	0.8%	10,050	432,249	9,074	407,205	976	25,044	43.01	44.88	25.66	374	352	21.6	8.69	7.84	0.84
2015	98.8	2.5%	11,437	481,213	10,087	445,478	1,351	35,736	42.07	44.17	26.46	406	376	30.1	9.65	8.51	1.14
2016	99.6	0.8%	13,068	527,028	11,487	484,196	1,582	42,832	40.33	42.15	27.08	441	405	35.8	10.93	9.61	1.32
Sep-16	101.3	0.7%	1,127	44,831	992	41,195	135	3,636	39.77	41.53	26.89	443	407	35.9	11.13	9.79	1.34
Oct-16	101.1	-0.2%	1,138	45,156	1,002	41,487	137	3,669	39.67	41.42	26.84	447	410	36.3	11.26	9.91	1.35
Nov-16	101.4	0.3%	1,146	45,396	1,009	41,709	137	3,687	39.61	41.35	26.83	448	411	36.4	11.31	9.95	1.36
Dec-16	99.6	-1.7%	1,152	45,497	1,015	41,835	137	3,662	39.49	41.20	26.77	457	420	36.8	11.56	10.19	1.37
Jan-17	98.2	-1.5%	1,158	45,468	1,024	41,886	134	3,582	39.27	40.92	26.67	463	427	36.5	11.79	10.43	1.37
Feb-17	98.1	-0.1%	1,166	45,354	1,036	41,890	130	3,464	38.91	40.45	26.65	463	427	35.3	11.89	10.56	1.33
Mar-17	98.4	0.3%	1,176	45,257	1,052	41,930	125	3,327	38.48	39.88	26.69	460	426	33.8	11.96	10.69	1.27
Apr-17	98.3	-0.1%	1,189	45,296	1,069	42,091	120	3,205	38.09	39.36	26.76	461	428	32.6	12.10	10.88	1.22
May-17	98.1	-0.2%	1,203	45,491	1,087	42,364	117	3,126	37.80	38.98	26.84	464	432	31.9	12.27	11.08	1.19
Jun-17	98.4	0.3%	1,217	45,809	1,102	42,698	115	3,111	37.63	38.74	27.03	465	434	31.6	12.37	11.20	1.17
Jul-17	98.7	0.3%	1,230	46,211	1,115	43,063	115	3,148	37.57	38.62	27.40	468	436	31.9	12.46	11.30	1.16
Aug-17	98.2	-0.5%	1,241	46,637	1,126	43,444	115	3,193	37.58	38.60	27.68	475	442	32.5	12.63	11.46	1.17
Sep-17	98.4	0.2%	1,250	47,065	1,133	43,839	117	3,225	37.66	38.70	27.63	478	446	32.8	12.70	11.52	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