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ZHAW School of Management and Law

Cash is again the most widely used means of payment

The downward trend in cash use has stopped. Around every third payment in Switzerland is made in cash. However, most money is spent with a credit card. This is shown by the current Swiss Payment Monitor of the ZHAW and the University of St. Gallen.

Cash continues to play an important role in the payment behaviour of the Swiss population even after the Corona pandemic. 29 percent of daily payments are made in cash - and thus more than with a debit card (27 percent) or credit card (18 percent). Another 18 percent of payments are made with a mobile device such as a mobile phone, tablet or smartwatch. On the one hand, this includes payments directly via the bank account, for example with TWINT, but on the other hand also payments with a credit or debit card stored in an app, such as with Apple Pay or Samsung Pay. This is the result of the sixth Swiss Payment Monitor conducted by the ZHAW School of Management and Law and the Center for Financial Services Innovation at the University of St. Gallen. For the study, around 1,450 people representative of the whole of Switzerland were surveyed at the end of 2022.

In terms of turnover, the credit card dominates

Most money is spent with credit cards in Switzerland: 27 percent of turnover is achieved with this means of payment. The share of turnover is as high as 34 percent if mobile payments by credit card are included. These have increased significantly in terms of number and turnover in 2022. Although payments with TWINT, which are usually processed directly via the bank account, still account for around half of mobile payments, the share of mobile payments with Apple Pay, Samsung Pay or Samsung Pay has increased significantly. However, payments via Apple Pay, Samsung Pay or Google Pay have gained shares in relative terms. 28 percent of sales are settled via a debit card, while cash follows in third place in terms of sales with a 17 percent share. "Cash is mainly used for small amounts of up to 20 francs, which is why it is used frequently but plays a less important role in terms of turnover," explains Tobias Trütsch, payment economist at the University of St. Gallen.

Larger amounts of cash at home

Cash use differs strongly according to demographic characteristics. People with a lower level of education and lower income resort more often to cash as a means of payment. While those under 30 use cash for 28 percent of payments, this share drops to 24 percent for those aged 30 to 44, and then rises to 38 percent with age up to those over 60. Around one in six people in Switzerland now do without cash altogether. This behaviour increases with age, higher income and is less common in German-speaking Switzerland. The average amount of cash that a person carries in



their wallet or keeps at home has increased noticeably in the current survey for the first time in three years. "One possible explanation for this behaviour lies in the energy crisis feared for this winter, for which part of the population may have wanted to arm themselves with higher cash reserves," suspects ZHAW payments expert Marcel Stadelmann.

Neobanks increasingly as main bank connection

More than every third person surveyed has already used new online solutions from a neobank at least once. "The typical neobank user is male, younger than 45, well educated and has a household income of more than 9,000 francs," says Marcel Stadelmann. In addition, the percentage of neobank users in French-speaking Switzerland is higher than in the rest of Switzerland, at 43 per cent. Revolut is used most often (15 percent), followed by the Swiss providers Neon (14 percent) and Credit Suisse CSX (11 percent). One and a half years after its launch, Yuh already has a usage share of 10 percent. 36 percent of the users of neobanks use their offer as their primary means of payment or as their main banking connection, which is 7 percentage points more than six months ago.

Swiss Payment Monitor

The Swiss Payment Research Center (SPRC) at the ZHAW School of Management and Law and the Swiss Payment Behaviour Lab at the University of St. Gallen have been working independently on payment-related issues for years. Together, they have been conducting the Swiss Payment Monitor annually since 2018 and semi-annually since 2021. When it was first published, it was the first Swiss payment study to combine a consumer perspective with a macroeconomic view. The combination of an online survey and a diary survey, as well as the link with public data from the Swiss National Bank (SNB), allows the daily use of payment methods to be mapped realistically. A total of 1459 people aged between 18 and 87 from all three parts of the country were representatively surveyed in 2022 from the end of October to mid-November. The study is financed by the two research institutions, the industry organisation of all major Swiss issuers of credit cards of the international card organisations (Swiss Payment Association) and the industry partners Nets and Worldline.

www.swisspaymentmonitor.ch | www.swisspaymentbehaviour.ch

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