

Safety, Convenience
and Choice:

THE TRUE VALUE OF CARDS



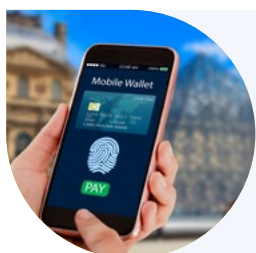
Research on the value and cost of cards in today's dynamic and vibrant payments ecosystem. Based on a survey of merchants and consumers in France.

Introduction

The number of payment options available on the French market is ever-growing, thanks to the continuous evolution in payment technology. The French recognise this, as evidenced by the fact that 86% of consumers consider their payment market to be more or as innovative as other payment markets in Europe, and 79% of merchants are satisfied with the payment solutions available to them.

Amongst the numerous options available, French consumers and merchants still express a preference for card and cash payments. In the last 12 months, 87% of French consumers reports having paid with cards; in the same amount of time, 75% of them have used cash. When asked what payment methods they prefer to accept, French merchants overwhelmingly indicate a preference for those payment methods as well.

“ 80% of French consumers prefer paying by card when buying online



Methodology:

This report is based on two surveys commissioned by Payments Europe and conducted by FTI Consulting in May 2023 and May 2024.

In 2023, the survey was completed by 1,560 merchants operating in France (264), Germany (252), Italy (263), Spain (271), Sweden (242) and Poland (268).

In 2024, the survey was completed by 13,000 consumers living in France (1,000), Austria (1,000), Greece (1,000), Czech Republic (1,000), Denmark (1,000), Finland (1,000), Germany (1,000), Hungary (1,000), Ireland (1,000), Latvia (1,000), Lithuania (1,000), Poland (1,000), and Sweden (1,000). Respondents were weighted on region, gender, and age to ensure representativeness.

Key highlights

The merchant perspective



Relationship with cash

When asked about their preferred payment method, **card payments are indicated as preferred choice by more than 95% of French merchants**, followed by cash.

Cards (debit and credit) are the main source of turnover for French merchants, amounting to 50% of it. Cash also remains very prominent, accounting for 32% of the total turnover. This is expected to change in the coming years, and the relevance of cash is expected to decline in favour of bank transfers.

In France, 71% of merchants express a preference for digital payments over cash and, given the choice, 64% of them would like to be able to refuse cash.

Cash is still indicated as the preferred payment method for its convenience and ease of use, but is not considered particularly reliable for anti-fraud measures, where cards take a clear lead.



What merchants really want

Safety and security are the top priorities for French merchants when choosing to accept a method of payment (selected by 41% of French merchants), followed by consumer preference (36%) and the ability to reach as many consumers as possible (33%).

81% of French merchants are actively trying to optimise their payment methods, mostly to increase turnover, reduce costs and reach a broader customer base.

In line with their European peers,

85% of French merchants believe that by accepting a large range of payment options, they have been able to increase turnover.



Card payments: cost and value

67% of French merchants prefer accepting cards over any other payment method

as they better guarantee payment, offer increased security and an improved customer experience.

90% of French merchants believe that the value offered by cards outweighs their cost, and a vast majority are satisfied with what they pay for card payments.

Moreover, 74% even state that the cost of cards has decreased or remained stable in the past years.



Market evolution: winners & winners

In line with their European peers, 79% French merchants appreciate the variety of payments options available to them.

85% of them believe offering the possibility to pay with a large number of different payment methods allows them to increase turnover, and **88% of them believe their customers are satisfied with the payment solutions available to them.**

94% of French merchants also consider that the introduction of contactless payments (via card or mobile) has benefitted their organisation.

Key highlights

The consumer perspective



Relationship with cash

French consumers tend to rely on cash less than their European peers. Indeed, the number of them who used cash in the past year is 8% lower than the European average. Moreover, **72% of French consumers stated that they would rather pay by card at a merchant even if the option to pay in cash was also available**, slightly above the European average.

Across Europe, cash remains the preferred payment method for transactions such as housekeeping and gardening, with an average of 48% of consumers choosing cash for such payments. In France, only 35% of consumers indicate cash as preferred payment method for this type of transactions.

Overall, French consumers are less trusting of cash than their European peers when paying for large amounts. Indeed, only 26% of them consider cash the safest payment method in these situations, against a 33% European average and compared to 51% of French consumers who consider cards to be the safest payment method in such situations.



Market evolution: winners & winners

85%

of French consumers feel that the currently available payment options respond to their needs.

Although instant payments and real-time bank transfers are less popular in France than in other European markets, 52% of French consumers highlight that they are available for person-to-person payments.

Looking at signs of increasing digitalisation of the payments market, more than half of French consumers surveyed expect to increase the number of instant payment transactions in the next 12 months. However, 33% of French consumers still indicate fraud to be a key concern for them when using real-time bank transfers, and 22% of them is worried they might not be accepted by merchants.



A look at consumer preference

Safety and security and availability for online payments are considered the most important factors for French consumers when choosing a payment provider.

Interestingly, 65% of French consumers consider the environmental and sustainability credentials of their payment provider to be important when choosing how to pay – slightly more than the European average.

The percentage of French consumers who would like to see more innovation in the payments market is lower than the European average, once again speaking to overall satisfaction with the available options.

It is also worth noting that the pickup of buy now, pay later (BNPL) has been lower in France than elsewhere in Europe, with only 8% of French consumers having used it in the past year – against a European average of 14%.



Spotlight: online transactions

French consumers fall slightly behind compared to their European peers in relation to their reliance on online purchases, with only 62% making online purchases on a monthly, weekly or daily basis compared to a European average of 71%.

When buying online, 80% of French consumers prefer paying by card, substantially higher than the average of EU countries surveyed (62%).



Key highlights

The consumer perspective



Value of cards

78% of consumers in France trust their cards more than other payment methods. 74% of them believe that card payments provide added value compared to other payment methods, including the simplification of returns and complaints, identified as a benefit of cards by 81% of consumers.

Across the board, consumers prefer paying with cards when considering convenience, safety and speed. In France, most consumers consider cards to be the best payment method due to their ease of use, their availability and their widespread acceptance online and in-store, both in France and abroad

Access to credit is also a feature of cards that 57% of French consumers identify as key. Indeed, compared to their peers in other European countries, French consumers rely substantially more on the use of credit cards specifically (69% having used one in the past 12 months, compared to the average EU of 48%).

Remarkably, French consumers trust cards even more than their European peers and rate them as the **best payment method for their safety and security, reliability and credibility, as well as insurance and consumer protection features**, with 81% of them believing their money will be reimbursed in the event of fraud.

Digital Euro

In line with the trend in other European countries, French consumers feel they have limited knowledge about the Digital Euro and its development, and 44% of them have never heard of it.

This also translates into uncertainty as to what benefits the Digital Euro could deliver, with **27% of consumers being unsure about how the Digital Euro would benefit them and 25% believing there would be no benefit at all.**

For the limited 9% of French consumers who consider themselves knowledgeable about the Digital Euro, over a third of them believe its main benefits would be increased speed and convenience.

