

Bancontact Payconiq Company presents: The Big Bancontact Payconiq Company Payment Survey 2019

Seven out of ten Belgians have a payment app on their smartphone

Banking and payment apps are gaining strongly in popularity in Belgium. Over a period of eighteen months, the number of Belgians with a banking or payment app on their smartphone has risen by a quarter. That's according to the Big Bancontact Payconiq Company Payment Survey 2019. And young people are taking to mobile payments a good deal faster than the older generations.

Five years ago, just a few people were paying for things with their smartphone. Today, **mobile payments are becoming increasingly a part** in our daily lives — according to an online survey conducted among 1000 Belgians in April by the iVOX research bureau on behalf of Bancontact Payconiq Company. This payment survey is repeated at regular intervals to record the **development of payment traffic in Belgium.**

1. MOBILE PAYMENTS RISING FAST

Making mobile payments has clearly gained ground since Bancontact Company's first Big Payment Survey in September 2017 (i.e. before the merger with Payconiq, ed.). Today, almost 7 out of 10 (68%) smartphone owners say that they have downloaded **at least one banking or payment app**. That represents a sharp rise **of 24%** in the space of just a year and a half. Back in 2017, only 55% of Belgians had a banking or payment app on their smartphone or tablet.

Young people appear to have adopted the new payment technology much faster than the older generation. Which is only logical, given that they spend their lives with a smartphone in their hand. In fact, 83% of under-35s carry a banking or payment app around with them. That figure falls to 60% for the over-55s.

And most Belgians **really do use their banking and payment apps**, too. In fact, more than 8 out of 10 (85%) Belgians who have installed the Payconiq by Bancontact app, actually use it to make payments. For banking apps that figure even rises to 9 out of 10 (89%). That's twice as many compared with 2017. Back then, 4 out of 10 Belgians (42%) said that they actually used the banking and payment apps on their smartphone.



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Half of Belgians (50%) say that they find paying with their phone extremely practical. Because it's fast (66%), easy (62%) and because you can also pay for small amounts without the need to have cash in your pocket (35%). 6 out of 10 Belgians who have the Payconiq by Bancontact app even admit that they really couldn't do without it any more. "Our payment app is doing well," confirms **Nathalie Vandepuete**, CEO of Bancontact Payconiq Company. "In 2018, we recorded **34 million mobile payments**. That's an **increase of 100%** compared with 2017. And **peer-to-peer payments**, i.e. payments between users, actually **rose by 191%**, to 5.7 million."

2. CONTACTLESS: STILL WORK TO BE DONE

Contactless payments are also on the rise. With contactless, all you have to do is tap your bankcard or smartphone on the payment terminal. Virtually everyone in Belgium (96%) has heard of contactless and 1 in 3 Belgians (32%) **pay contactlessly sometimes** with their smartphone or bankcard. That's already **four times as many** as eighteen months ago (8%). **Almost half (46%)** of young people say that they have paid contactlessly at some stage. "In 2018, the number of contactless payments we handled rose **explosively by 610%** compared with 2017, to a total of 31 million," says Ms Vandepuete.

But there hasn't been a big **breakthrough among the general public** yet. The number of Belgians who would like to pay **contactlessly** more often has remained steady since 2017, at 3 out of 10 (30%). One in four don't even know if their bankcard is fitted with a **chip** that makes contactless payments possible. "It takes **time to put new solutions** on the market and ensure they gain broad acceptance," says **Thierry Huque, CTO of Bancontact Payconiq Company**. "It was the same forty years ago with the introduction of the Bancontact card, which today everyone uses without even thinking about it."

Certainly **confidence** in contactless and mobile payments is not yet up to the same level as traditional payment methods. For half of Belgians (51%), there's a perception that these methods **are less secure** than paying with a card or cash. This **feeling of insecurity** is also quite subjective, because smartphones are secured with a code and fingerprint, as well as an additional separate code for the banking or payment app.

When it comes to **contactless payments with no PIN code** (up to 25 euro), the level of doubt is even higher. Only 4 out of 10 Belgians (37%) trust them. Most of the people surveyed (74%) indicated that they **prefer to pay with a PIN code**, because they can then be sure that it's secure. This group is also of the opinion that it should always be **obligatory** to enter a PIN code when not paying with cash.

3. BANKCARD FIRMLY ENSCONCED IN THE LEAD

The transition to mobile and contactless is well underway, but is happening less quickly in Belgium than in some other countries. That's because **paying by card** here is so efficient and firmly entrenched. Almost all Belgians (96%) say that they are happy with the bankcard and PIN code system. Confidence is also extremely high, at 97%. To illustrate this point: there are more than 16 million Bancontact cards in circulation, or one and a half cards for every Belgian.

The type of payment methods that Belgians use depends very much on the situation. **Cash** is still the most popular method in, say, a café (69%) or at the baker's (67%). In virtually all other situations, such as in the supermarket or clothes store, the **bankcard** leads the way as the most favoured method of payment. Almost half of Belgians (45%) say that they **vary the payment method they use** in line with what is most convenient at the time. And that while your smartphone has the advantage of enabling you to pay for everything using **the same mobile payment channel**: splitting the bill in a restaurant, paying in-store, making a transfer to a friend, paying online, settling bills, paying for things at a flea market — and so on.

"I think that the ease and convenience of the classic payment card has made us a little lazy," analyses **Nicolas van Zeebroeck**, professor of digital economics and strategy at ULB-Solvay. "Once consumers become totally convinced about how payment apps are **easy to use**, they'll soon make the switch."

4. TOWARDS A CASHLESS SOCIETY?

The days of the physical wallet are by no means numbered. Yet in the end, according to the survey, Belgians will embrace **the digital payment trend**. Almost 4 in 10 of the people surveyed (37%) **believe in a cashless society** where no one will still pay with cash in the future. More than that, 3 out of 10 respondents (32%) see cash disappearing from our wallets **within ten years**. People under 35 (46%) believe a good deal more in a cashless society than over-55s (30%).

This means that Belgians are certainly open to innovations on the payment market, but are not (yet) in any hurry to embrace them. Having said that, there are a lot of **merchants** who are in favour of the new forms of payment. Many small businesses already offer contactless and mobile payments in their stores. These payments take less time and help make queues shorter. “In the end, we are aiming for totally cashless payments,” argues a concert organiser. “That’s because it’s safer if we don’t have to take the contents of the till to the bank any longer.” “It also means we won’t make any mistakes when giving change,” adds a Ghent-based grocer. “It speeds things up, too,” says a librarian from Brussels. “A few months ago virtually no one paid with their smartphone. Nowadays some 10% of customers are already getting their phones out.”

“Merchants have already taken a step towards the new payment apps, but shoppers don’t always realise it,” says fintech expert **Peter Vander Auwera** from the innovation platform nexxworks. “The main thing I see is too little awareness campaigns. Many customers don’t realise that they can use payment apps when they go to the butcher or baker. Yet it’s available in even the smallest shops.”

“The **key lies partly with merchants**: they are the people best placed to help guide consumers,” believes Thierry Huque from Bancontact Payconiq Company. “Each new payment method has its own procedure. But if a merchant doesn’t explain it properly to the shopper, the general public will find it harder to make the switch to this new technology.”

5. PAYING LOCALLY IS BEST

The way in which we pay for things has changed somewhat since 2017. And in that short space of time, quite a few **payment providers** have entered the market. “Today’s payment market is very fragmented, but that makes sense because we are in the midst of an innovation phase,” says Nicolas van Zeebroeck from ULB-Solvay.

All bankcards in Belgium feature both an international and a Belgian payment system (such as Bancontact). However, it is not always clear for Belgians whether they are working with a **national or international payment solution**. In actual fact, it is the merchant who chooses which system to offer. If shoppers themselves had the choice, **88% of them would consciously opt** for a Belgian payment system. The survey shows that **consuming locally** is fairly important for Belgians, at an average of 7.1 out of 10. Two out of three (65%) believe that Belgian money should be managed by **Belgian companies**, with over half (55%) concerned about **foreign interference** in our money management.

For more information:

About Bancontact Payconiq Company: bancontactpayconiq.com

About the Bancontact card: bancontact.com

About the Payconiq by Bancontact app: payconiq.be

About Bancontact Payconiq Company

In 2018, Bancontact Company and Payconiq Belgium joined forces and merged to become Bancontact Payconiq Company. The new company is a joint initiative by AXA Bank, Belfius, BNP Paribas Fortis, ING and KBC. The new product, the Payconiq by Bancontact payment app, combines the best of two worlds. The app is targeted at all Belgians and operates on iOS and Android smartphones. It has been supported by 20 banks since the outset and already has over 290,000 payment points. Mobile payments are fast gaining ground in Belgium. The Bancontact card remains the go-to method for electronic payments, with more than 1.42 billion transactions per year in Belgium. The payment app and payment card complement each other perfectly so that users, wherever they are and at all times, have an easy way to pay for large and small amounts: at a merchant's till (contactlessly or otherwise), online or between friends (including remotely). Bancontact Payconiq Company is a team of passionate professionals who believe in providing reliable, innovative and easy-to-use payment solutions to enhance their day-to-day shopping experience. Cashless payment solutions are evolving rapidly against a strong, locally based background that is helping to drive the prosperity of the Belgian economy while at the same time providing a major challenge for the company. Bancontact Payconiq Company's values are based on four principles: daring, simple, people-based and reliable. Daring: as a pioneer, with a sense of constant innovation and a challenging mindset of discovery. Simple: because clarity and straightforwardness are key for the company, merchants and consumers alike. And, naturally, people-based and reliable: for customers, as well as for partners and stakeholders. Bancontact Payconiq Company aims to remain a beacon of trust and dependability in the payment world.

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