

PAYMENTS DIRECTION

Insights and perspectives

Consumer survey results summary

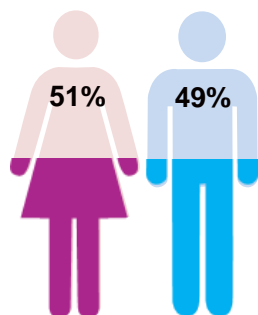
August 2017

Consumer sample profile

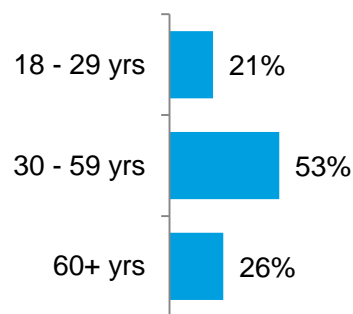
500 People across **New Zealand**

In **March 2017** IPSOS conducted a survey to provide an understanding of New Zealanders' thoughts & behaviors towards current and future payment methods.

Gender



Age



Occupation

Manager	7%
Farm manager / owner	1%
Professional	16%
Technician and trades worker	4%
Community worker	5%
Clerical or administrative worker	13%
Sales worker	4%
Machinery operator or driver	1%
Labourer	4%
Student	6%
Retired	16%
Not currently employed (e.g unemployed, stay at home parent etc)	14%
Something else	7%

Region



4%	Rest of Upper NI
34%	Auckland City
27%	Rest of Lower NI
11%	Wellington
13%	Canterbury
11%	Rest of the SI

Key areas & insights

Current payment methods

- Cash and EFTPOS are by far the most commonly used payment methods.
- People are generally disinterested in using store cards and cheques.
- However 36% of respondents still use cheques infrequently because they have to.
- Over a quarter of people are frustrated by existing payment methods.
- Ease & convenience are the most important features when choosing a payment method.

Future payment methods

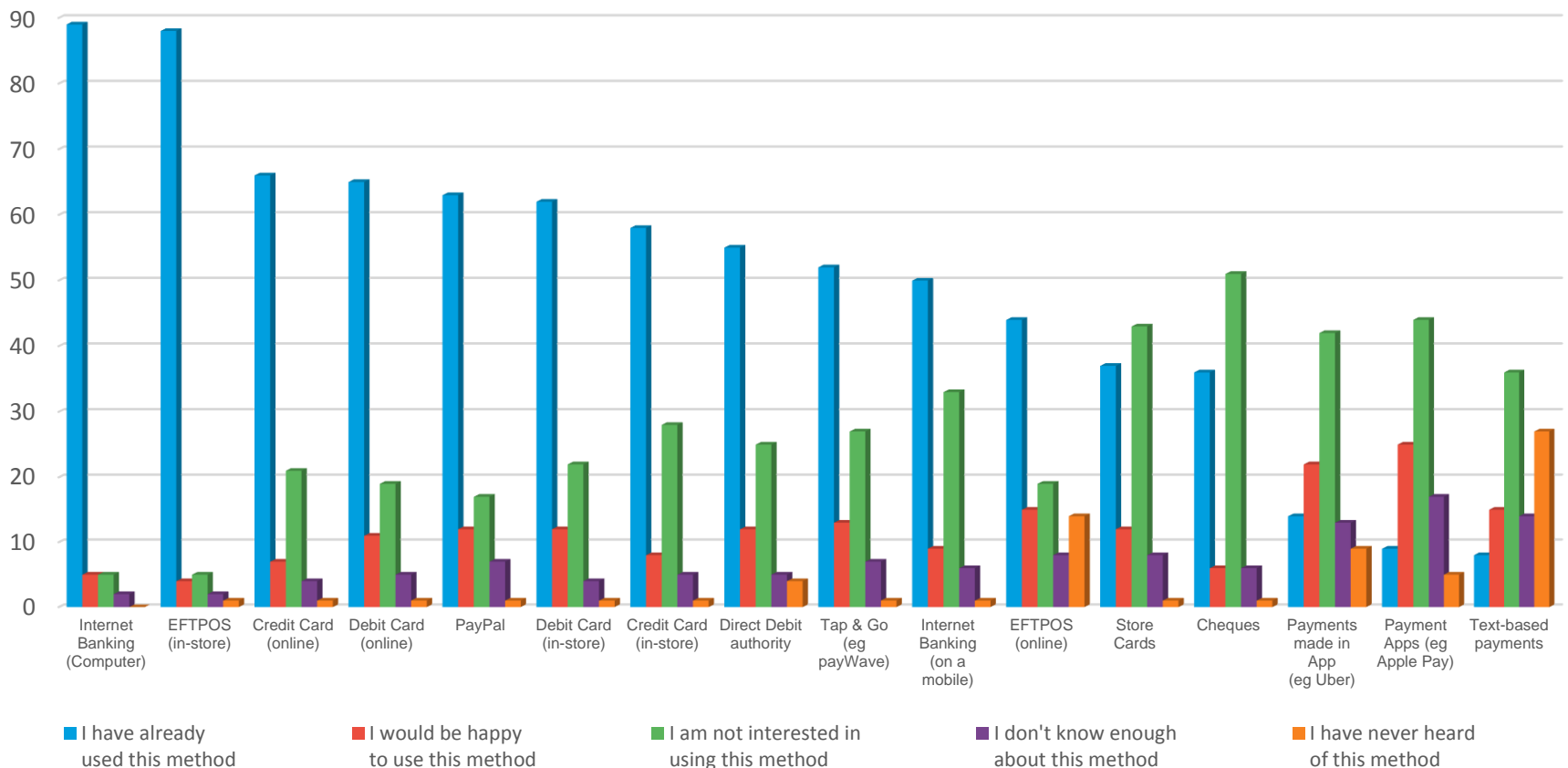
- Safety & security are the most important features when considering a future payment method.
- Improving speed and availability of payments is extremely important to people; they want near-instant payments 24/7 and to know when funds will be received.
- There is reluctance to share payments data with 3rd parties.

Adoption of new technology

- Young people are the most willing to adopt new payment technologies.
- There isn't a great appetite for biometrics, but fingerprint & eye recognition would be the most acceptable.
- Non-bank branded mobile payment apps need to do more to increase awareness before people will consider using them.

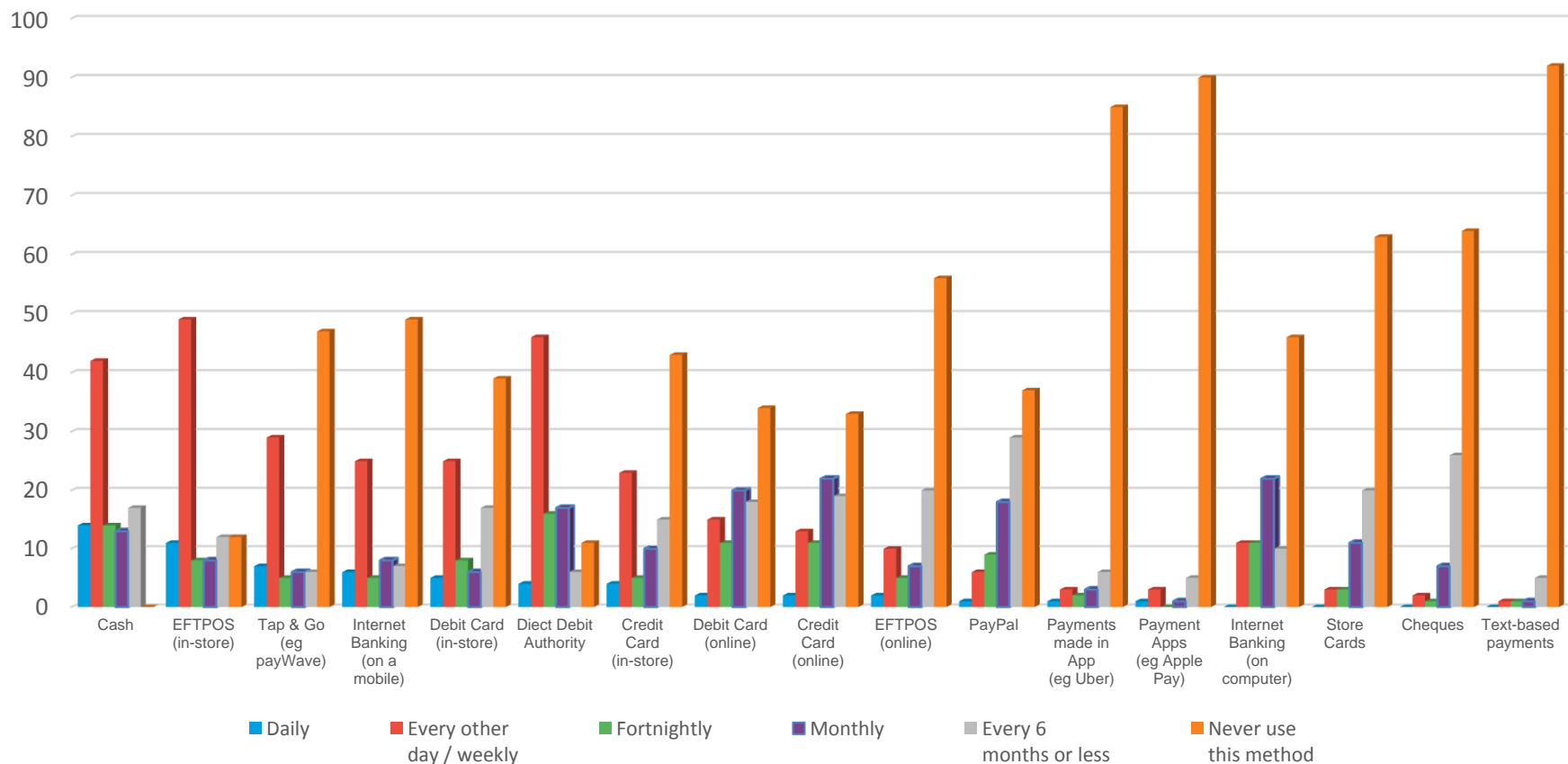
Current payment methods: Awareness & usage

EFTPOS, credit & debit cards remain the most widely used methods of payment whilst store cards and cheques are the payment types respondents were least interested in using. There is also some reluctance to use mobile based payment technology.



Current payment methods: Frequency of use

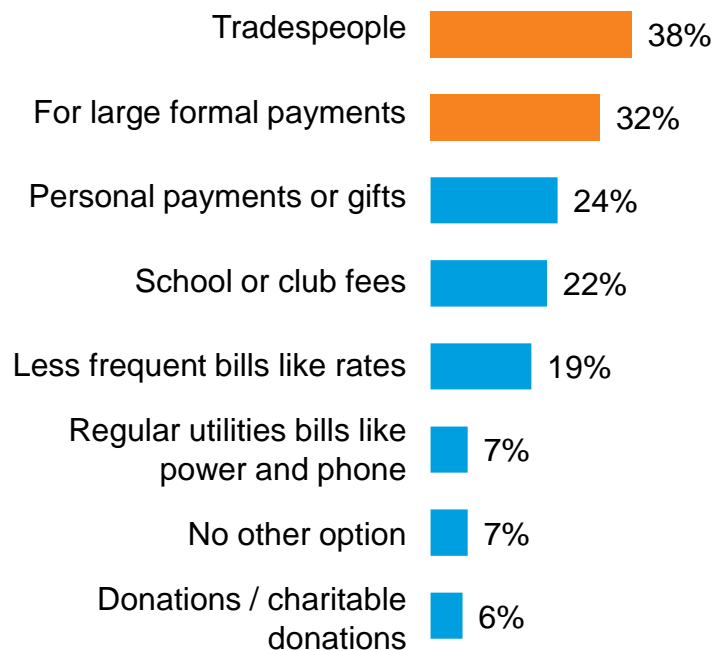
Cash and EFTPOS are the most frequently used options, with Tap & Go also regularly used. Mobile banking is becoming more popular than internet banking on a computer. Payment apps and text-based payments are the least likely to be used.



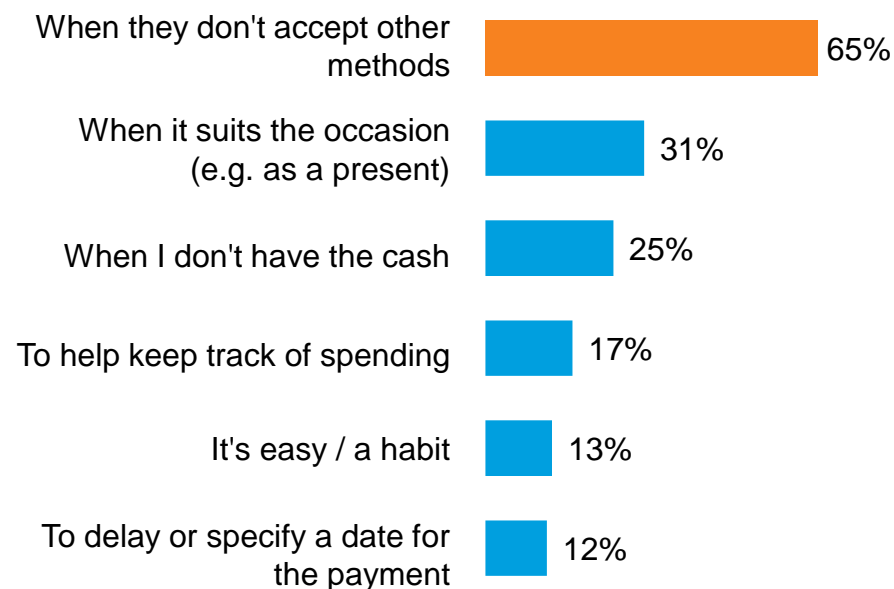
Current payment methods: Use of cheques

Over a third of respondents still indicated they use cheques. They are most commonly used for paying tradespeople or making large formal payments, or because there is no other option available.

Payments you usually use a cheque for



Reasons prefer to use a cheque



Current payment methods: Frustrations

Over a quarter of people are frustrated with the payment methods they use. PayPal was the most frustrating with difficulty and complexity cited as a key reason for this. Despite being used so frequently cash is one of the most frustrating methods of payment.

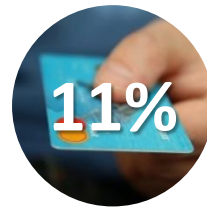
Payment method that frustrates you the most



PayPal



Cash



Tap and Go



Direct debit



Internet banking

“It can be **hard to use** sometimes and **too complicated.**”

“**You have to get money out** and there isn’t always an ATM nearby.”

“Sometimes **have paid without wanting to** use this method when my wallet has been too close to the EFTPOS machine.”

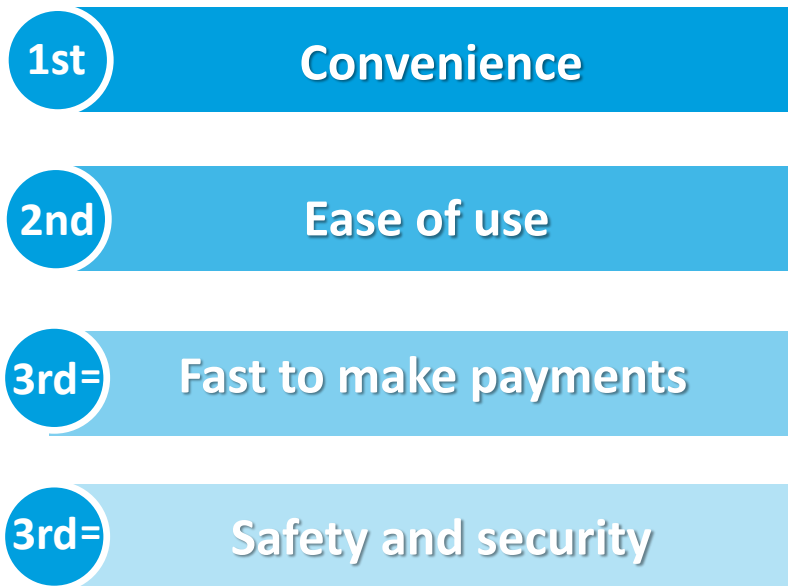
“All **the forms to fill in** and sign...”

“I’m not sure if the **payment has gone through.**”

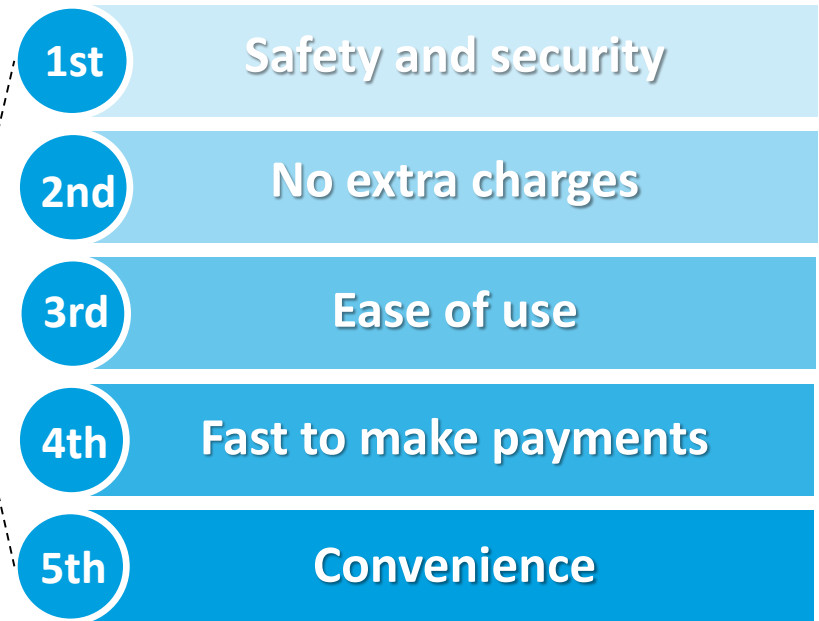
Future payment methods: Current v future features

People opt for easy and convenient payment methods today, but demand safety and security when considering a new method in the future. The response indicates that a new payment method would need to be proven as safe and secure before consumers buy-in to any additional benefits.

Important features for current payment methods

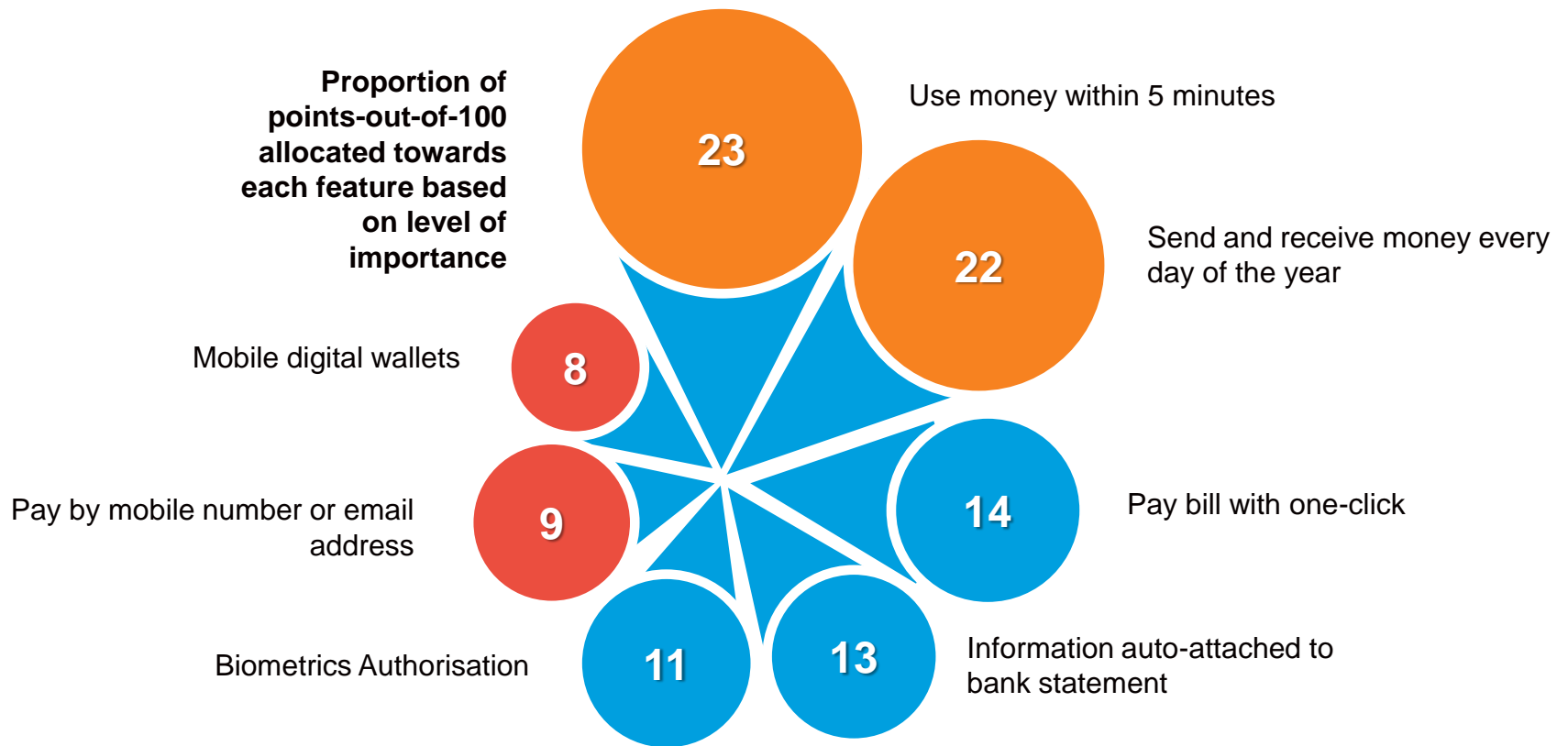


Important features for future payment methods



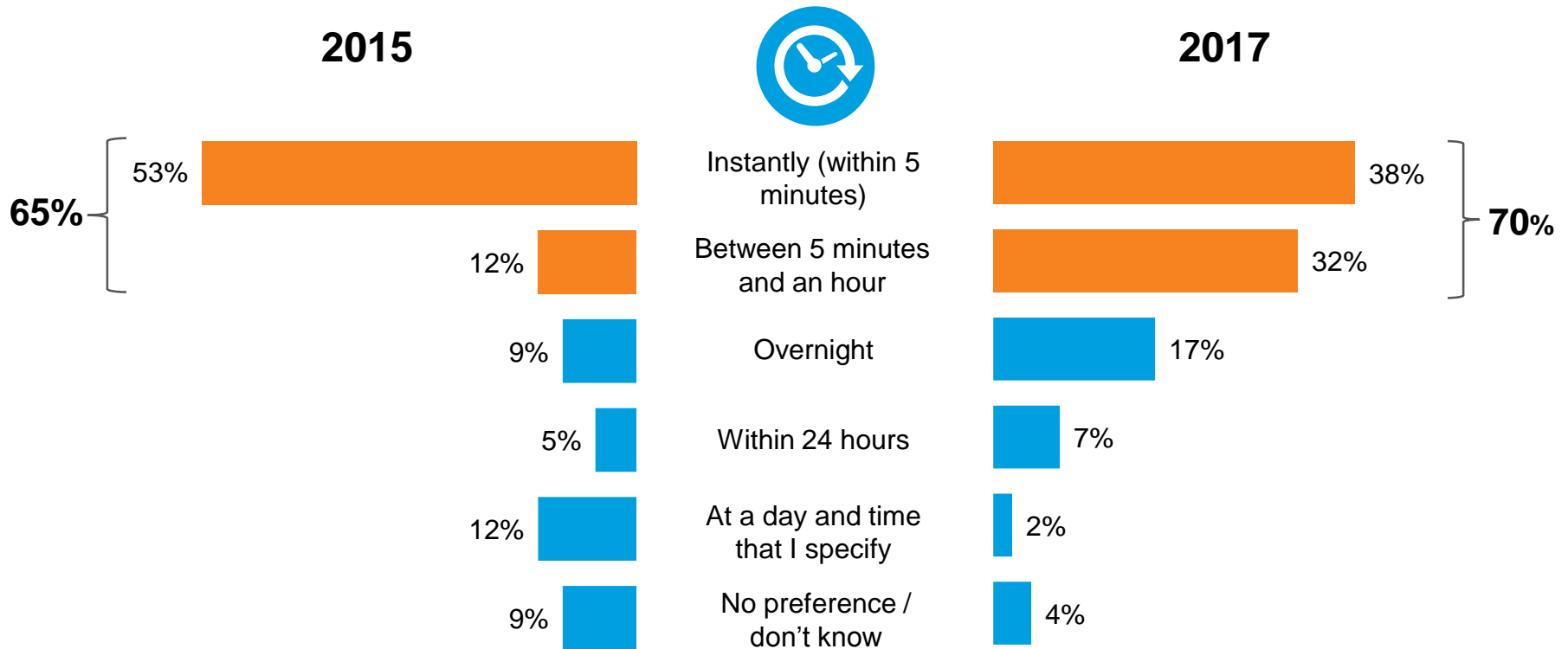
Future payment methods: Important features

Features relating to speed were the most popular when respondents were asked to allocate points to future payment features. Future technologies were considered less important in their own right; they would need to speed up the payment process to be considered.



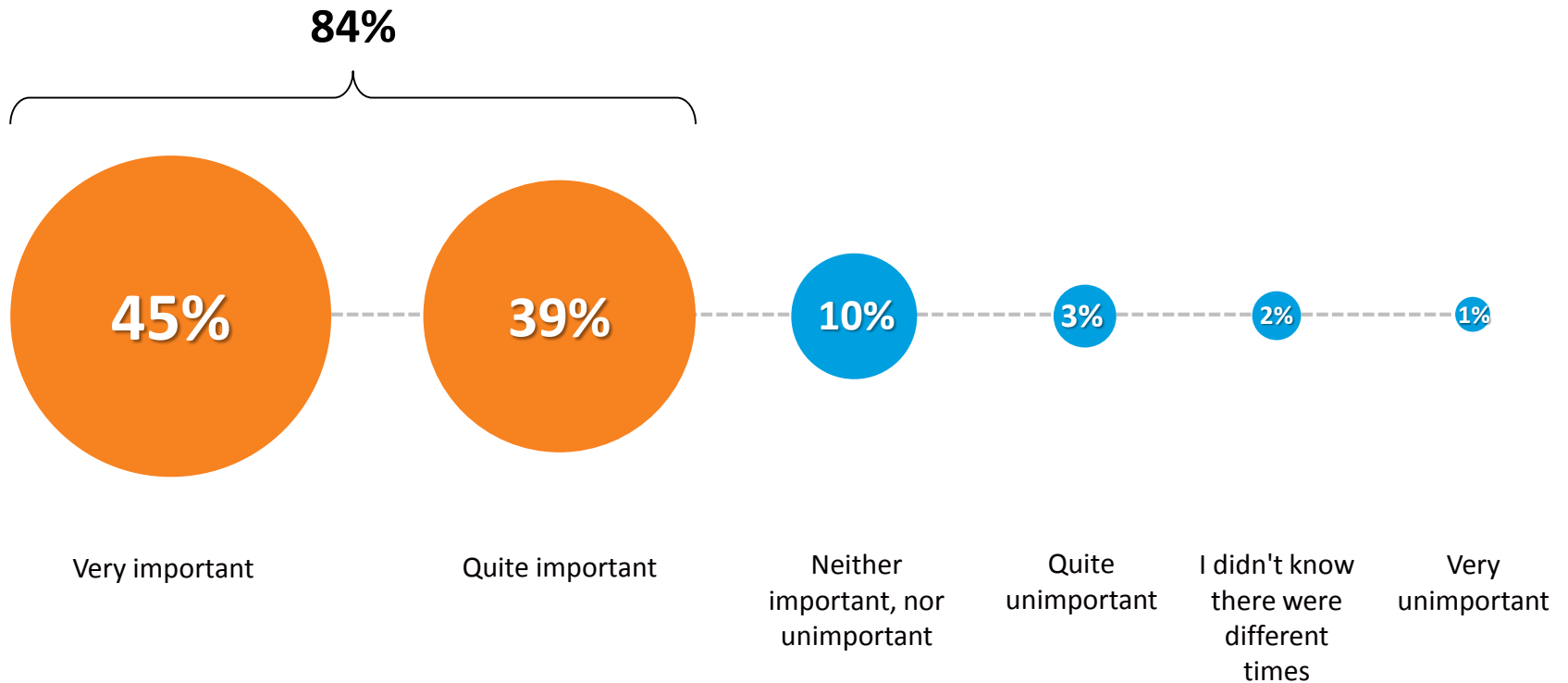
Future payment methods: Timing of payments

Over two-thirds of people want payments to be processed within an hour. This is a change in expectation from 2015 where the majority of respondents expected instant payments. Those who expect instant payments are also likely to 'love tech' (62%), be students (58%) or 18-29 years of age (52%).



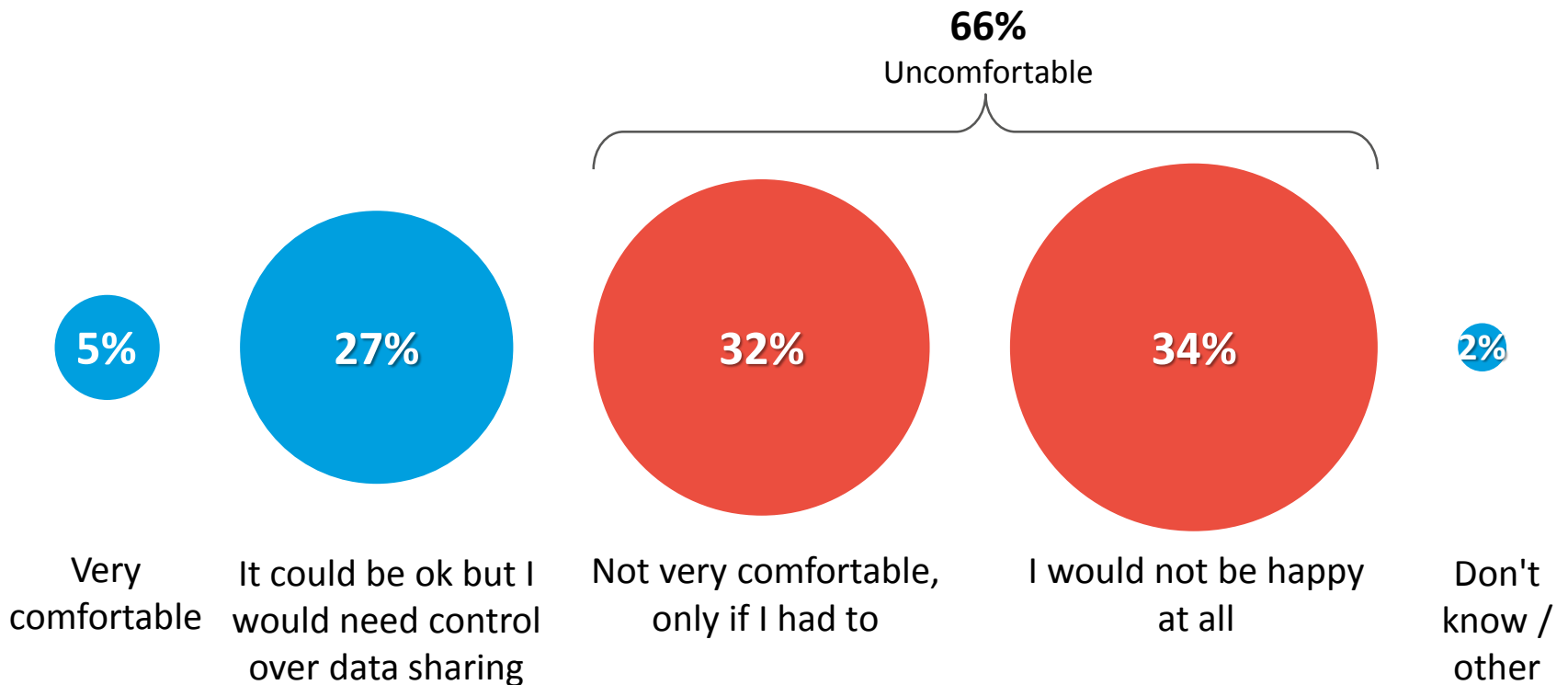
Future payment methods: Availability of funds

84% of people advised that it is important to know *when* funds will be received and available to use. There was no significant demographic differences for this question; the desire for this information is seemingly universal.



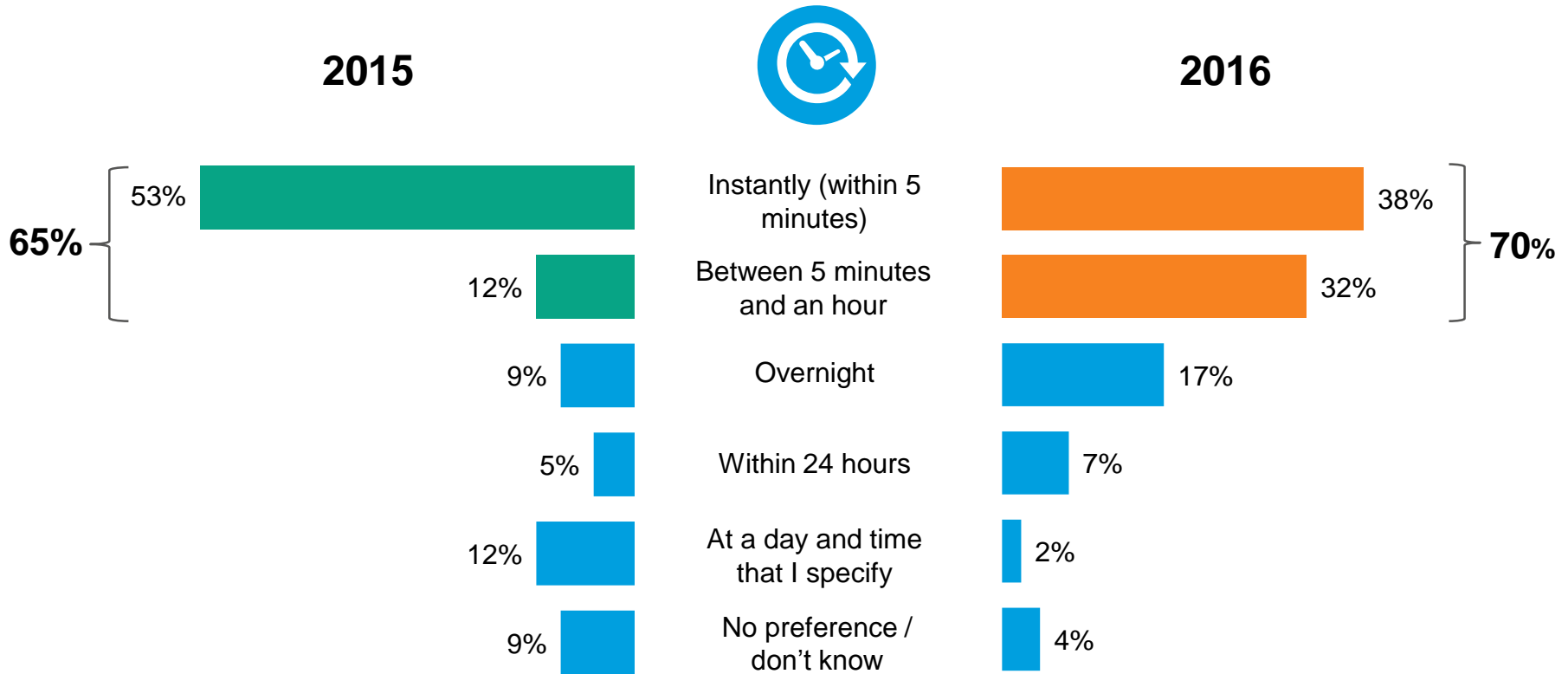
Future payment methods: 3rd party payments data

Two thirds of people aren't comfortable sharing payments data with 3rd parties even if it makes their lives easier and will be of benefit to them. Professionals and 'those who like to get new tech upgrades' were the most likely to be willing to share their data, whilst the most reluctant were those who are retired.



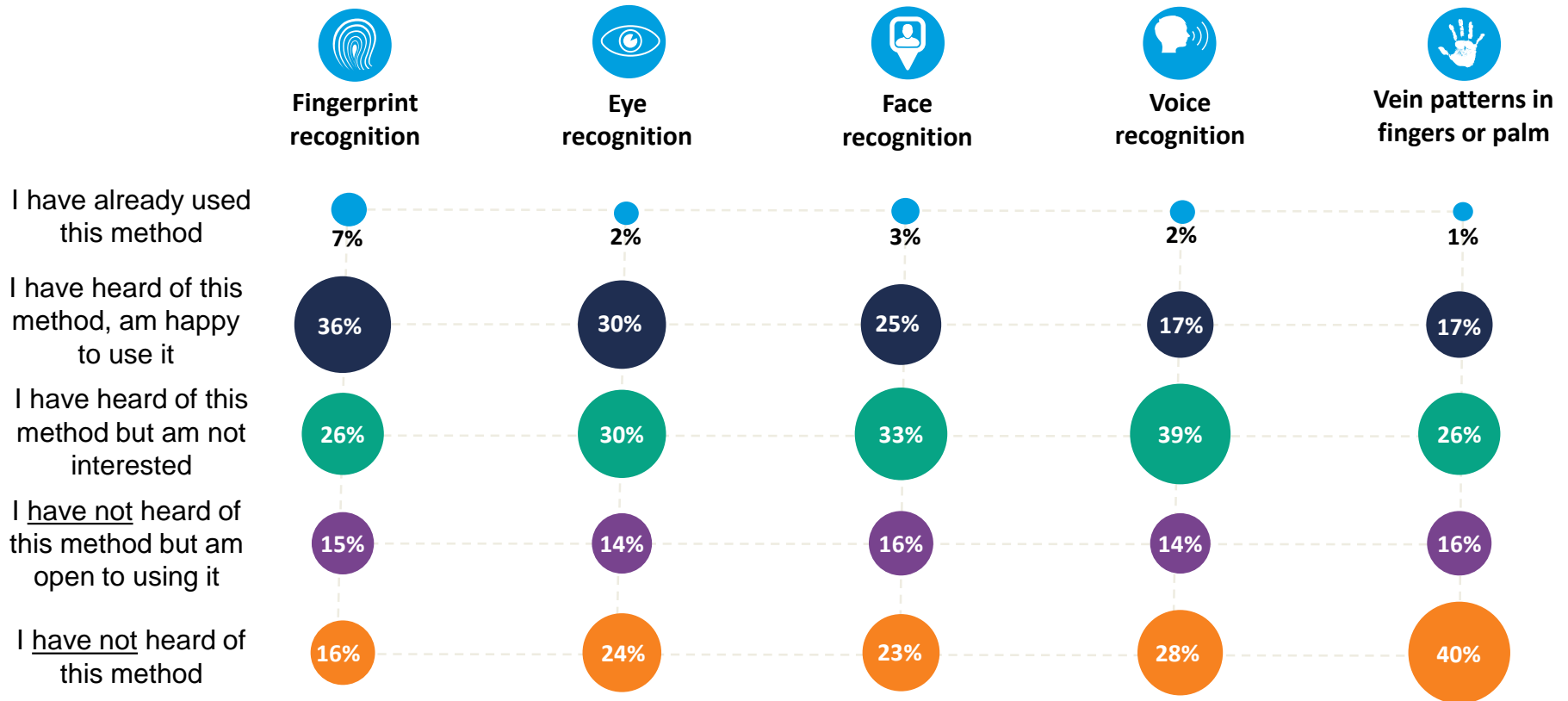
Adoption of new technology: Age

Younger people (18-29) are the most willing to adopt new technologies, however nearly half would still prefer to wait, don't have a preference, or indicated they don't tend to adopt new technology. The 60+ demographic would be least likely to adopt new technology.



Adoption of new technology: Biometrics

Very few of the respondents have used biometric technology. From the options given people would be most happy to use fingerprint and eye recognition technology.



Adoption of new technology: Non-bank apps

The majority of respondents are unfamiliar with the range of non-bank branded mobile payment apps presented to them and very few had used these in the past.

