## Understanding how Kiwis pay - now and into the future

Our vision is for New Zealand to have the world's most progressive payments system, while making sure payments are simple and secure for Kiwis. That's why we've partnered with Yabble to conduct some consumer research into what Kiwis think about our current payments system, and how they like to pay.

This research builds on the work we've been doing for the past 12 months, which looks into the evolving future of payments and what the industry needs to do to contribute to and prepare for that future. We've asked Kiwis to share their thoughts on how they might expect to pay into the future, and what's important to them when thinking about the future of payments.

Find out more key highlights from our research in the infographic below. Steve Wiggins

**CEO** 

Yabble

**ONLINE** 

N=985

N=1,009

## Kiwis are using a variety of payment methods, most popular are debit/EFTPOS cards, which had both high

N=1,009

N=985

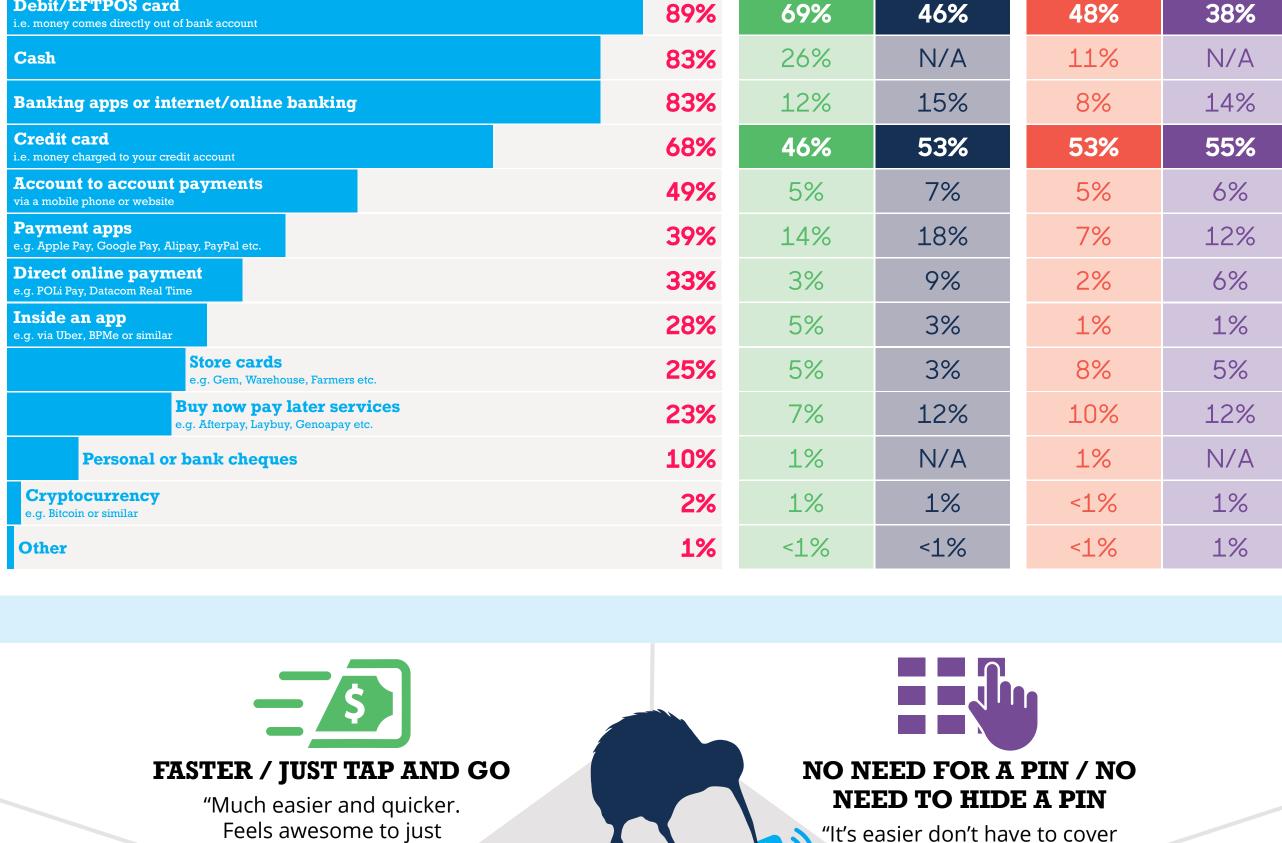
while entering PIN."

Payments behaviour

usage and preference. KIWIS PAYMENT METHOD BEHAVIOURS PAYMENT METHODS USED IN THE LAST 12 MONTHS PREFERRED WAYS TO PAY New generation payment services e.g. buy now / pay later and payment apps **EVERYDAY PURCHASES** PURCHASES are more likely to be used by younger Kiwis i.e. those 18 - 24 years. **IN-STORE** ONLINE **IN-STORE** 

**Debit/EFTPOS** card i.e. money comes directly out of bank account

tap and go."





of Kiwis

Those aged **AVAILABLE UNTIL PAYMENT IS MADE** 65+ are more likely "Sometimes I notice it's a Paywave to say they would

only after I've inserted the card." Looking to the future By 2025 Kiwis think in-store payments will involve biometrics, be more mobile, or made via microchips embedded into the body. Biometrics, including facial recognition / retina scanning and fingerprint scanning "By biometrics, either your fingerprint or face recognition. Your bank accounts will be connected to your biometric record." "Perhaps facial recognition when you enter store and automatic debiting of your account for anything in your basket or trolley that you leave with. i.e., no checkout." "Fingerprint recognition. You register your fingerprint at the store

and from them on you just have to put your hand on the scanner."

e.g. phone or smart watch

they make payments online vs in-store.

Biometrics, including facial recognition

/ retina scanning and fingerprint scanning

Via a device

"Scan the item you want to buy on your phone, and you are directly charged from your account."

2% Apple Pay / Google Pay or similar

"All by mobile apps or cards stored on my mobile i.e. Apple Pay."

"I don't foresee any drastic changes to what is already on offer."

"Using biometric data like fingerprints or iris scans."

approve payments direct from credit/debit accounts."

monthly or more often.

Frequently i.e. most weeks 49%

Desktop, laptop 43%

would like them to be faster.

**REAL TIME** 

**PAYMENTS** 

A new payment option

that would guarantee

payment is received

by the receiving party

and available to be used

38% of those who make

could be made easier.

**Getting all** 

of the information

(bank details etc)

"All the information

required such as the

27%

7% Unsure, maybe

Open banking enables

third parties (with the

customer's consent) to

securely access agreed

information relating to

with a bank or to initiate

their account(s) held

payments think the process

Too costly and

time consuming

"When depositing into

overseas account, the cost to send and

that any online

immediately.

"Facial recognition software to verify identity and

add fingerprint id to laptop or phone to make

"I think it will just be an easier process to pay online (it is already pretty easy), maybe

instant purchases."

vs. other age groups (14% vs. 8% overall). "Internal chips where you wave your hand over and it connects via the chip in your hand." Virtual wallets "Using less cash and probably more contact-less ways of paying. I wouldn't be surprised if tills disappear in the future and items are scanned via a different way, then paid for via some type of virtual wallet making it easier to spend less time in store." Cashless society

> "It will be completely cashless and probably cardless with all transactions done via your

mobile phone or watch."

**○ /○** Virtual wallets

Of Credit card

o payments

More instantaneous payments

"More user friendly but secure forms of credit card payments."

• "It will take less time, just press enter and payment will go through.

Seldom

Never

PROXY

**IDENTIFIERS** 

Being able to pay

payment using an

making the process

easier is important.

Too many hoops

and hurdles

"There are some

ridiculous hurdles to

overcome especially

**CONVENIENT** 

TO USE

16%

Changing

exchange rates

"Constantly fluctuating

exchange rates."

I CAN DO IT

VIA MY

**MOBILE** 

**PHONE** 

9%

13%

someone or receive

identifier other than an

account number e.g. a

mobile phone number.

i.e. every 6 months or so

VISA

ENTER

"Pay via an online wallet."

via a mobile device.

Regularly i.e. every month or so 37%

Don't have a preference

prefer not to use

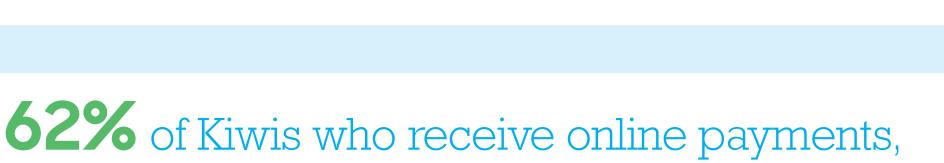
contactless payments

Via a device e.g. phone "I will be able to pay through my phone just "It is only five years away so probably not by scanning something." too different from the way we do it now."

🛊 Pay 😉 Pay

However, Kiwis expect there to be fewer changes in the way





Satisfaction with time it takes for money to be received

38% Very happy - it's as quick as I need

**NOTIFICATIONS** 

83%

Receiving a notification

email once a payment

via your mobile or

has been made / or

received by you.

Preferred device for online payments

Mobile

Frequency of online payments



**MORE INFORMATIVE** 

**TRANSACTIONS** 

84%

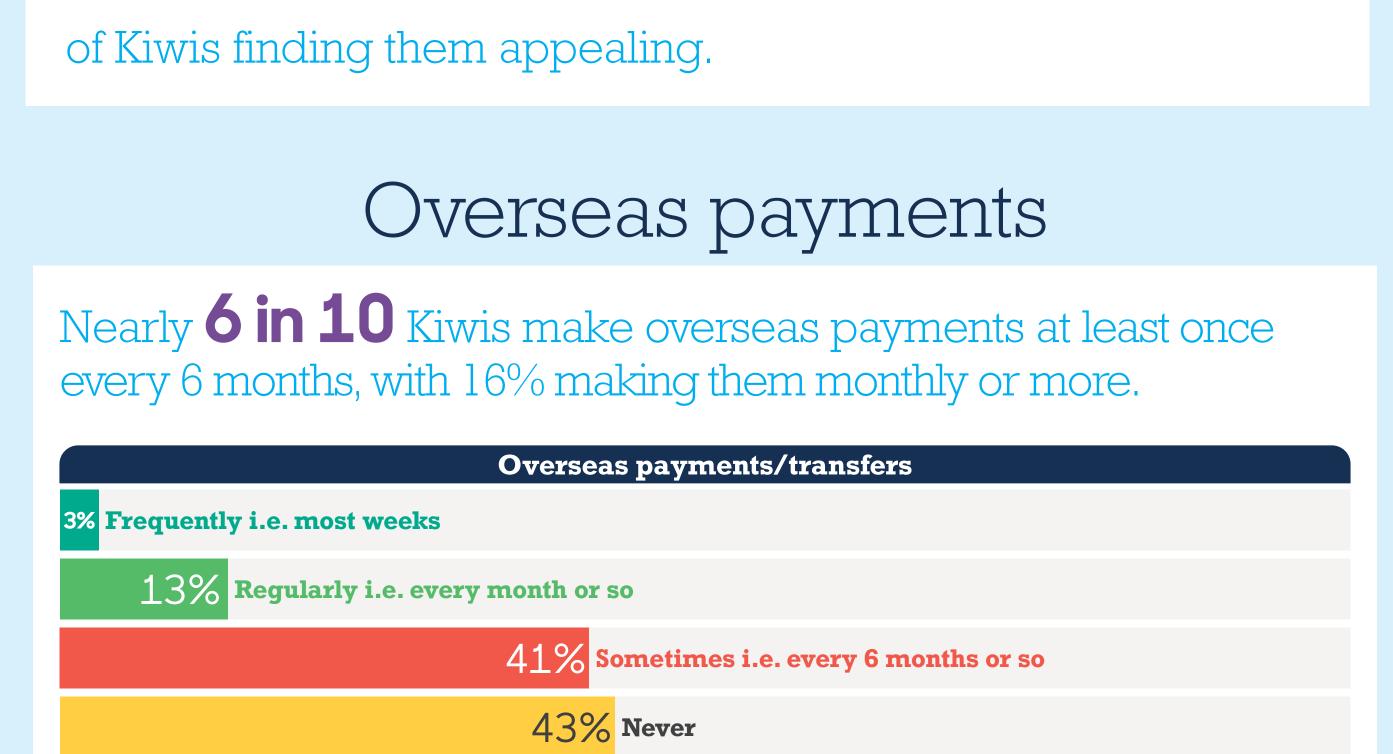
Being able to see more

information associated

with payments you

have made e.g. store

location and address.



What overseas payments pain points do Kiwis have?

**Currency amount** 

not confirmed

"Having to identify why

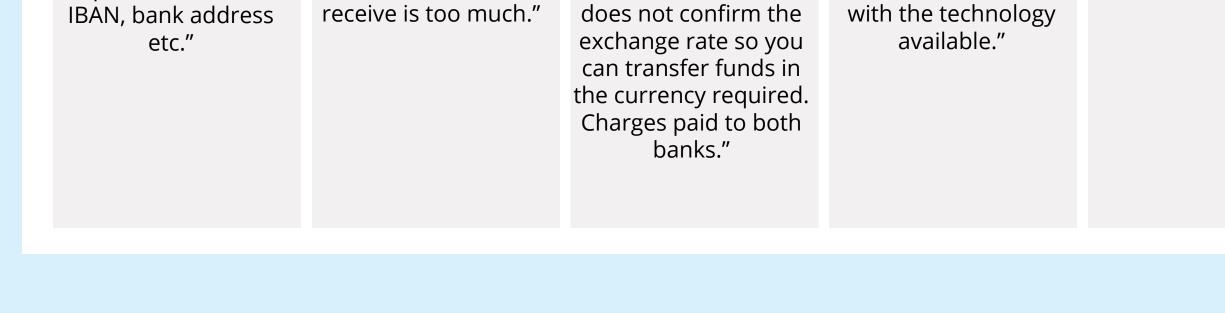
you want to transfer

the money. The bank

Future behaviours / open banking

Ranking of most important features if introduced to a new way to make a payment

17%



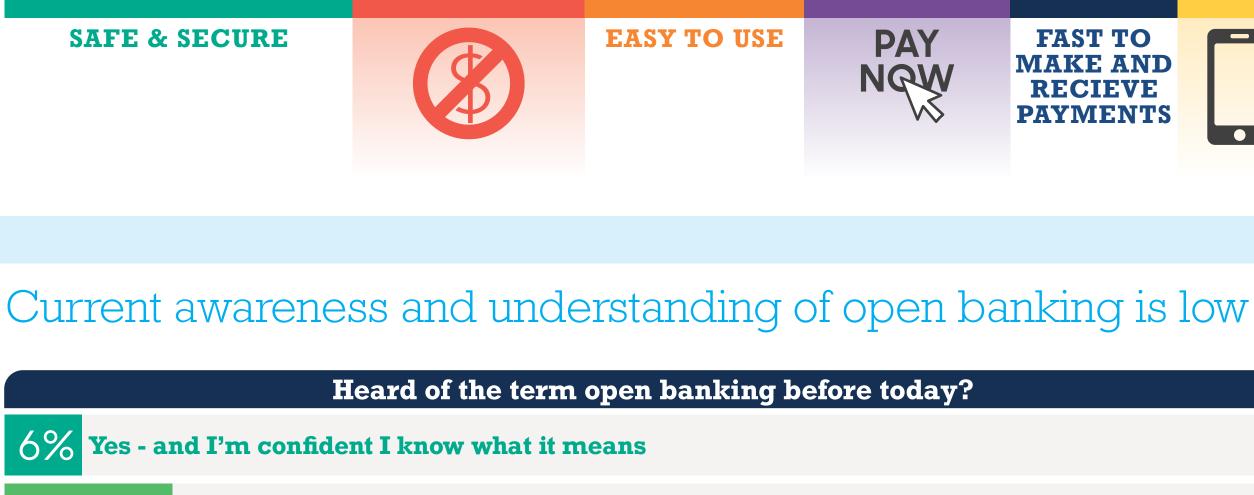
What are Kiwis looking for in new payment solutions?

NO EXTRA

OR FEES

18%

13% Yes - but I don't really know what it means







27% Not at all comfortable, would not use What are Kiwis most worried about? Those who are unsure or uncomfortable Trust issues providing an organisation other than their own

anything that is new and unusual is threatening." **Unwanted data sharing** "Who are they, how secure is the data and what else is Prefer to stay in control/private done with it? What guarantees do I have that data about my "Your finances are private and not something you want to spending habits isn't sold." share. I like being in charge of when things get paid and what amounts etc, so wouldn't want to pass that over to anyone Accountability for errors/correction of errors

**Study details:** 

22% Not that comfortable, unlikely to use

a payment from those NO accounts. Only 16% of Kiwis are currently comfortable with the idea of sharing their banking data. 4% Very comfortable, happy to use

who is accountable for mistakes."

Online survey conducted 2nd - 16th September 2020. Designed to provide insight around how Kiwi consumers are using payments and their awareness of various payment methods. It also measured appeal of ideas for new and different future payment methods. Total of 1,012 people answered the survey online. Representative of New Zealand population 18 years plus by age, gender, ethnicity and location.

Margin of error on results of +/- 3%.

an organisation make a payment on their behalf. Level of comfort having an organisation make a payment on their behalf 4% Very comfortable, happy to use 15% Somewhat comfortable, would likely use 33% Unsure, would depend on the circumstances

at present." "There is so much fraud and hacking these days that else and trust them."

bank access to banking data (N=845) Fear of cybercrime/hacking/security breaches

"Sounds complicated. I would need to see hard proof of

**Comfortable** 



## Awareness of open banking Before today were you aware of what open banking involved? is higher for younger Kiwis 14% YES 86%

No need for anyone else to access

**Uncomfortable** "You can never be sure how trustworthy they are." "I cannot see a need for anybody else to access my account

73% No