



World on the move for mobile banking

Empowering personal finance anywhere, anytime

ING International Survey Mobile Banking July 2016

thinkforward



This survey was conducted
by Ipsos on behalf of ING



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About the ING International Survey

The ING International Survey aims to gain a better understanding of how retail customers – and potential customers – of ING Bank around the globe spend, save, invest and feel about money. It is conducted several times a year, with past reports online at

www.economics.com/iis.

This survey was conducted by Ipsos between 18 March and 6 April 2016 using internet-based polling.

European consumer figures are an average, weighted to take country population into account.

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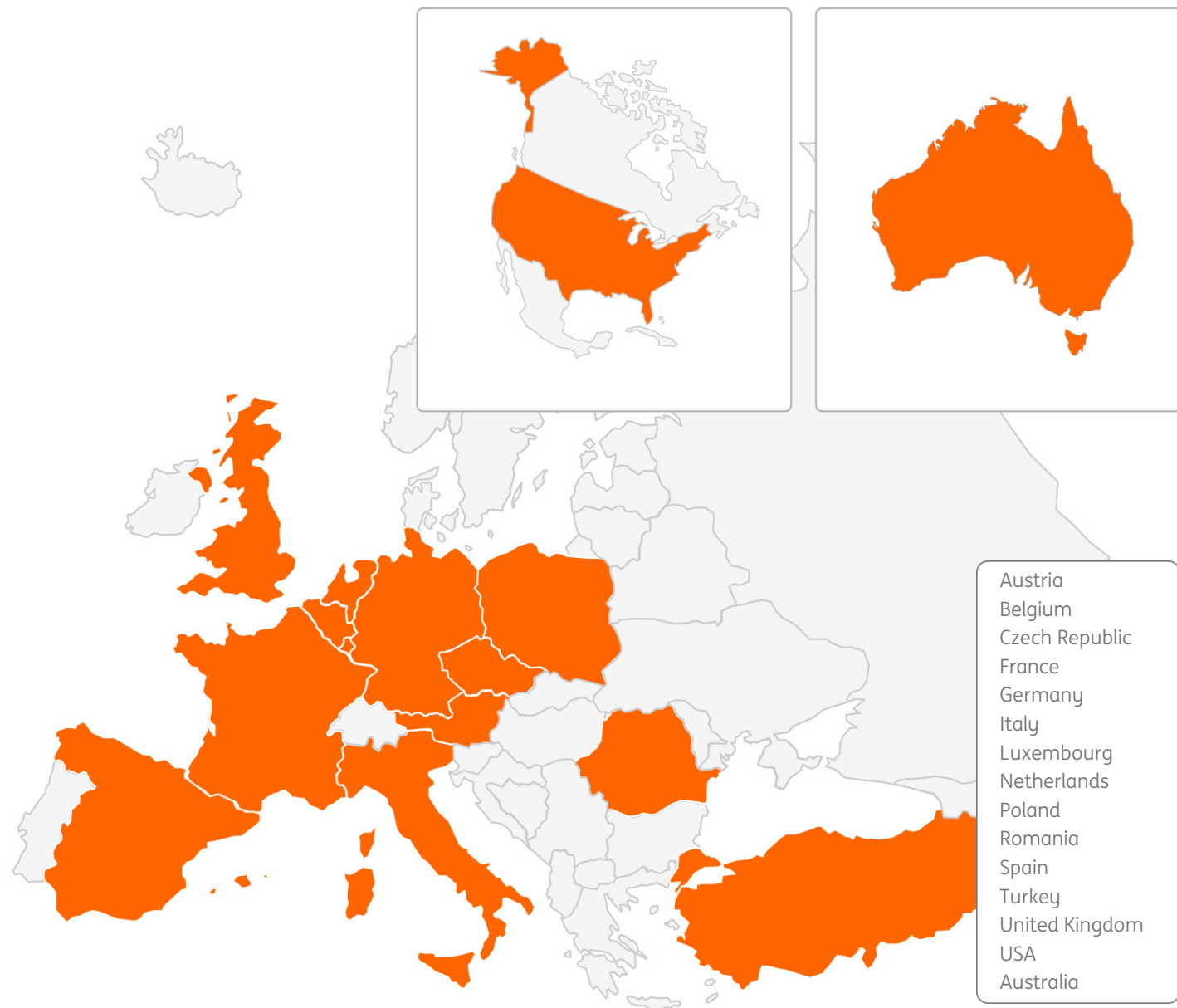
countries are compared in this report.

1,000

About 1,000 respondents were surveyed in each, apart from Luxembourg, with 500.

14,579

is the total sample size of this report.



Banking, shopping and payments happen more and more by mobile

ING survey reveals that people in 15 countries are increasingly benefiting from managing their money on the go

Our mobile devices – whether they are smartphones or tablet devices – are becoming ever more useful and integral to our lives. The ING International Survey on Mobile Banking 2016 reveals the share of mobile device users in Europe who bank by mobile has grown to 47%. And another 16% expect to join their ranks in the next 12 months.

The results are up from Mobile Banking 2015, when mobile bankers were a 41% share of European mobile device users, with another 15% expecting to adopt the technology that year.

Responses were similar in the USA and Australia.

Noticeable differences exist between countries, however. Countries like the Netherlands may be approaching “peak mobility” with expected uptake slowing, while people in Romania, Italy and Poland are still predicting a big take-up of mobile banking over the next 12 months.

During the year to April 2016, the percentage of mobile device owners that took up mobile banking was higher in Austria, Luxembourg and the Czech Republic.

Mobile banking benefits persist

In all countries, at least 50% indicate their money management has improved as a result of using mobile banking services and technologies.

Turkey is the country where people seem to feel most positively about the effect of mobile banking on money management; people in Luxembourg appear

to be the least positive on mobile banking.

The report further confirms that many people, though, feel they go on benefiting from the ability to bank by mobile over time – instead of the effects wearing off, as some might expect.

Mobile shopping on the rise

The proportion of mobile device owners who are shopping by smartphone or tablet is rising at an impressive rate in many of the 15 countries surveyed for Mobile Banking 2016.

“In all countries, at least 50% indicate their money management has improved as a result of using mobile banking services and technologies”

The USA, France and the Netherlands see the biggest rises year on year in the proportion of people making purchases by mobile.

In the last 12 months, the most popular purchases were items of clothing, with electronics coming a relatively close second. Games, holidays, groceries and home-delivered meals were also popular.

There are differences – in Turkey, for instance, which boasts the world’s largest meal-ordering platform, home-delivered meals are particularly popular. And more people in the USA buy music by mobile device.

Confidently cashless?

People in many countries also agree they are using physical cash much less in 2016 than 12 months ago.

Turkey, Italy, Romania and Poland have particularly high shares who agree with the statement. In Turkey, 67% agree – the highest share in the survey and just ahead of Italy (66%).

Smaller shares opting for digital payments instead of cash are in Austria (28%) and Germany (31%).

More people are taking advantage of the convenience of mobile payment apps, our survey suggests. This partly reflects the wider rollout of such apps around the world in 2015 and 2016.

Across Europe, 40% of people now say they have used a mobile payment app, up from 33% in 2015.

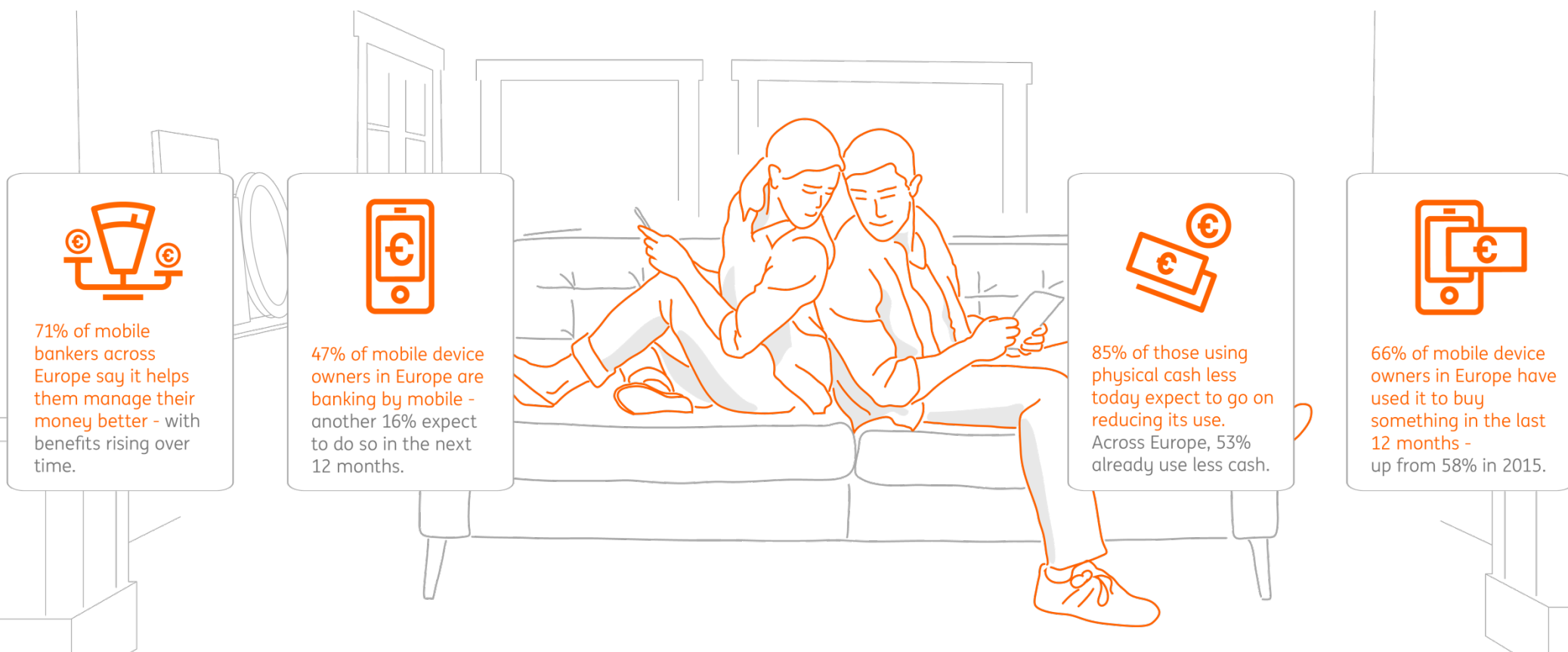
We should note that internet polling will likely include more technology users and, by extension, people who bank, shop and pay by smartphone or tablet.

Ian Bright, senior economist
Fleur Doidge, editor



Moving on up – the world is going mobile

Do you do it online or by using one of the new breeds of mobile app? We asked almost 15,000 people in 15 countries about their choices around mobile banking, mobile shopping and mobile payments. The findings confirm the rising popularity of ways of living and working that are facilitated by mobile technology. A “mobile device” is defined in this survey as a smartphone or tablet – not a laptop.



A man with a beard and short hair, wearing an orange blazer over a white shirt with a colorful geometric pattern, is smiling while looking at a black smartphone in his right hand. He is standing outdoors in front of a white wall and green foliage.

Bank on mobile
for learning
and earning

Surge in mobile banking seen across many countries

Mobile banking is gathering momentum. The ING International Survey on Mobile Banking 2016 reveals that 47% of smartphone or tablet users in Europe now bank on the go. And another 16% expect to join their ranks in the next 12 months.

The results are up from Mobile Banking 2015, when mobile bankers were a 41% share of mobile device users, with another 15% expecting to adopt the technology that year.

The increase from 2015 in Turkey, Romania and Spain is partly due to increased internet penetration. When people have regular internet access, they may avail themselves more of related offerings – such as mobile banking.

In an online poll, people without internet access will be under-represented – so results are adjusted by current internet penetration rates to more closely reflect the total population.

Internet penetration figures are from Eurostat, the Turkish Statistical Institute, the US Census Bureau and the Australian Communication and Media Authority, which use different calculation methods.

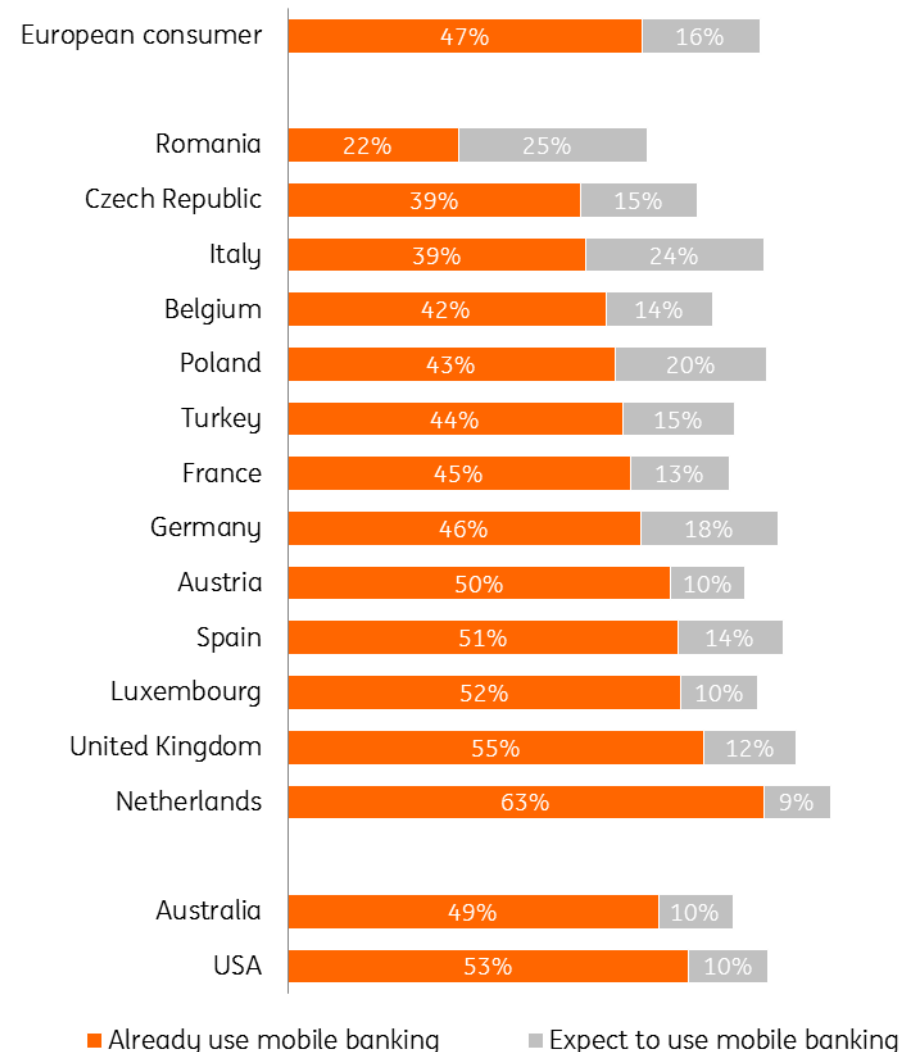
Dutch are still the top mobile bankers

The Netherlands has the highest share (63%) who bank by mobile, up from (58%) in 2015. Only nine percent expect to adopt mobile banking over the next 12 months, a rate essentially unchanged since 2015. Are the Dutch approaching “peak mobility”? Users also predict relatively low uptake in Austria, Luxembourg, Australia and the USA. Romania, Italy and Poland expect big gains this 12 months.

The question

Do you use mobile banking?

Percent of smartphone or tablet owners who answered “yes” and “no, but I expect to use it in the next 12 months”, multiplied by internet penetration.



Sample size: 12,776

Austria and Luxembourg leap into mobile banking for 2016

Year-on-year growth rates for mobile banking vary by country, with an average rise of just three percentage points to 56% in Europe.

Poland, the United Kingdom and France appear closest to the European average.

The fastest annual growth rates are in Austria (13 percentage points), Luxembourg (12 percentage points) and the Czech Republic (10 percentage points).

Countries with big shares of the population who were already banking by mobile in 2015, including the USA, Spain and the Netherlands, have grown their shares more slowly.

In Romania, just 33% have moved to mobile banking, up from 25% in 2015. Still seemingly in an earlier phase of adoption, Romania may continue to catch up fast.

Turkey put on a growth spurt in 2015 and a 20% increase was predicted for the following year. But these expectations have not been fulfilled: in 2016 the share of mobile bankers in Turkey has not grown.

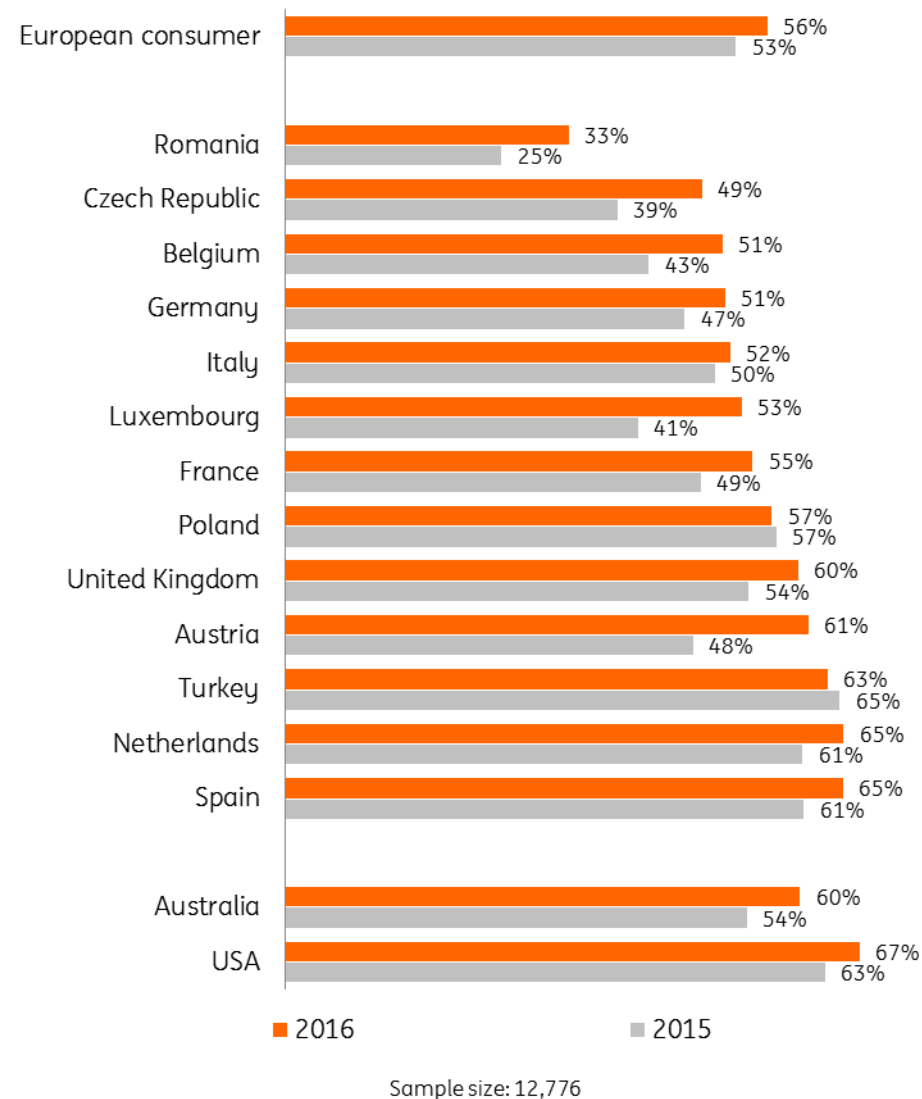
Adoption follows the curve

New technology has a standard adoption trajectory. At first, only a few people decide to try it. As time passes, more do so, with market penetration rising; eventually the curve flattens as the market approaches saturation. In our survey, this could be happening in several countries including the Netherlands, Spain, Turkey or perhaps even the USA.

The question

Do you use mobile banking?

Percent in 2016 versus 2015 who answered “yes” – not adjusted for internet penetration. Question was asked only to people who owned a mobile device.



But Turks more positive on their money management

In 2016, 71% of mobile bankers in the 13 European countries we surveyed indicate mobile banking has improved how they manage money.

In all 15 countries, at least 50% indicate their money management has improved as a result of using mobile banking services and technologies.

Spain and Romania this year are closest to the European average, with 68% and 72% of people in those countries, respectively, saying mobile banking has improved their ability to manage funds.

Luxembourg and Austria may have the least positive view of mobile banking. In these countries, opinions appear divided, with roughly half of respondents not prepared to say mobile banking has had a positive effect on their ability to manage money.

Turkey is the most positive about the benefits of mobile banking for money management, followed by the USA, Romania, Italy and Poland.

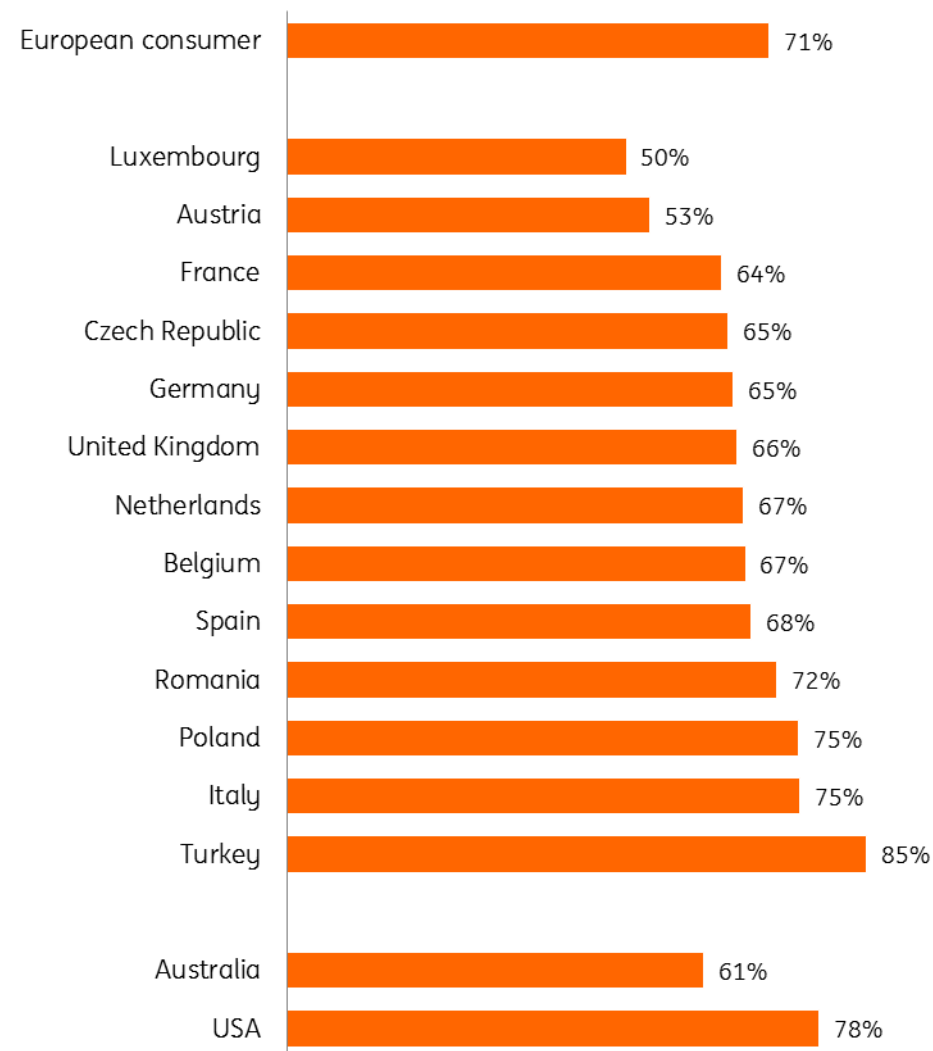
Turkey was also the most positive in this sense in 2015. However, the results are not comparable with this year's figures as 2016's answer categories for this multiple-choice question are slightly different.

See page 10 for details of the different categories and how people actually answered.

The question

How has mobile banking changed the way you manage your finances?

Percent who gave an answer indicating their management of money had improved.



Sample size: 7,925

Mobile banking can help people make better choices

In every country, including the USA and Australia, over half of mobile bankers say it has helped them manage money. However, there are different reasons for this, as our results show.

About half say they are now in more control of their finances, with 23% saying mobile banking helps them pay their bills on time.

Sixteen percent indicate they're saving more, and 13% say they're overdrawn less often as a result of mobile banking.

Mobile banking can help people avoid natural thinking traps, such as present bias or procrastination, by automating certain decisions – such as whether to commit an additional sum to a savings account every pay day.

Twenty-six percent say, however, that nothing has changed – while four percent claim mobile banking has actually worsened their ability to manage money.

This year we delved deeper into the benefits of mobile banking by using different answer categories.

Answers of another category

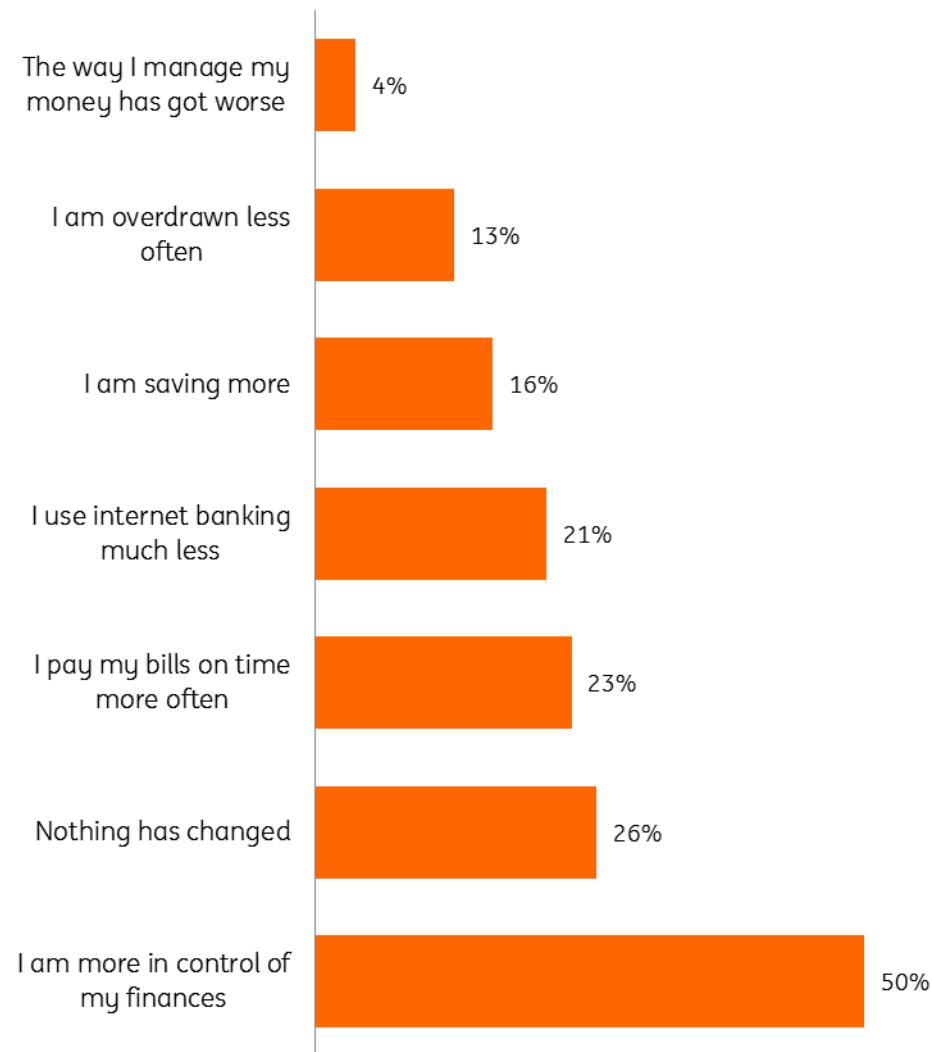
Responses are not directly comparable with last year's results, due to the slightly different answer categories chosen for 2016.

Additional options include “nothing has changed” and “since using mobile banking, the way I manage my money has got worse”. One choice, “since using mobile banking, I never miss a payment”, was subsumed in “I pay my bills on time more often”.

The question

How has mobile banking changed the way you manage your finances?

Asked to mobile bankers. An eighth option, “other”, was not incorporated in the chart because it was only selected by 0.5% of respondents.



Sample size: 6,104

Learning and earning from mobile banking over time

A common assumption is that people adapt to new developments, becoming less satisfied as the benefits of an innovation wear off. But our results consistently suggest that this does not happen with mobile banking.

Our Mobile Banking 2015 survey asked if the benefits from a move to mobile banking wear off over time. In 2016, we asked the same question but used different answer categories, as detailed on page 10.

Even so, the result seems to hold true this year across Europe – with improvements to money management consolidating as the years progress.

Of those who had started using mobile banking by 2014, 53% say they are more in control of their finances. A slightly lower (47%) share of people who have only been using mobile banking since 2015 agree.

As time goes on, gains may increase and become more obvious to users. Furthermore, practice so often makes perfect; it's possible that people are simply getting better at using mobile banking technologies as well.

Mobile banking, it seems, is no fad.

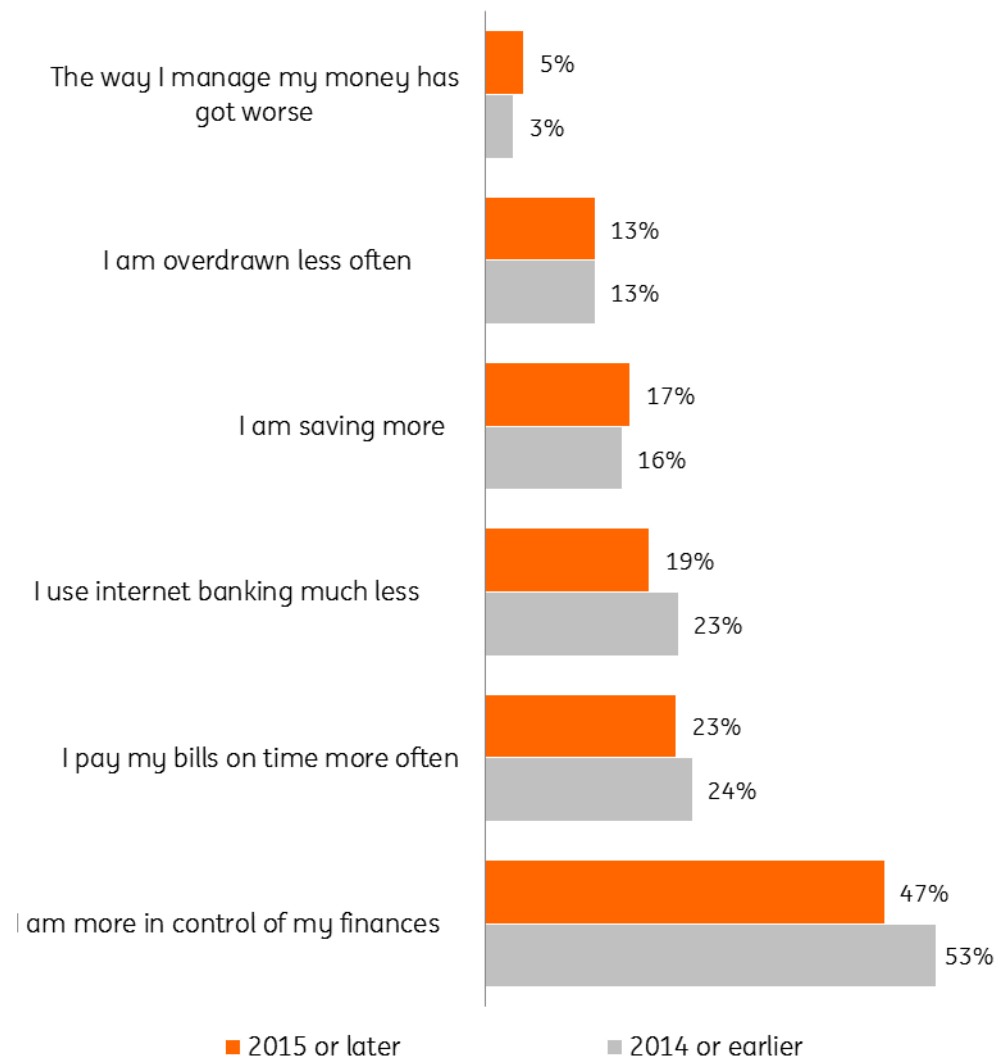
People may get better at mobile banking over time whether the overall effect of mobile banking is positive or not.

Similar proportions of experienced users and beginners say mobile banking has made their money management “worse”.

The question

How has mobile banking changed the way you manage your finances?

Percent who answered “Since using mobile banking ...” who adopted mobile banking in 2015 or later versus those who started using mobile banking in 2014 or earlier



Sample size: 7,434

Does where you live make a difference longer term?

How do the benefits of mobile banking vary over time across the 15 countries in the survey?

We find that the net gains that people experience from mobile banking do not wear off – in fact they increase as time goes on. However, people in some countries do see the benefits consolidate more over time.

The share of Dutch “old hands” at mobile banking that say it improves their money management (76%) is substantially higher than the proportion of those seeing benefits that only started mobile banking more recently (60%).

Other countries where the benefits from mobile banking continue to increase as time goes on include Austria, Romania, the Czech Republic and Australia.

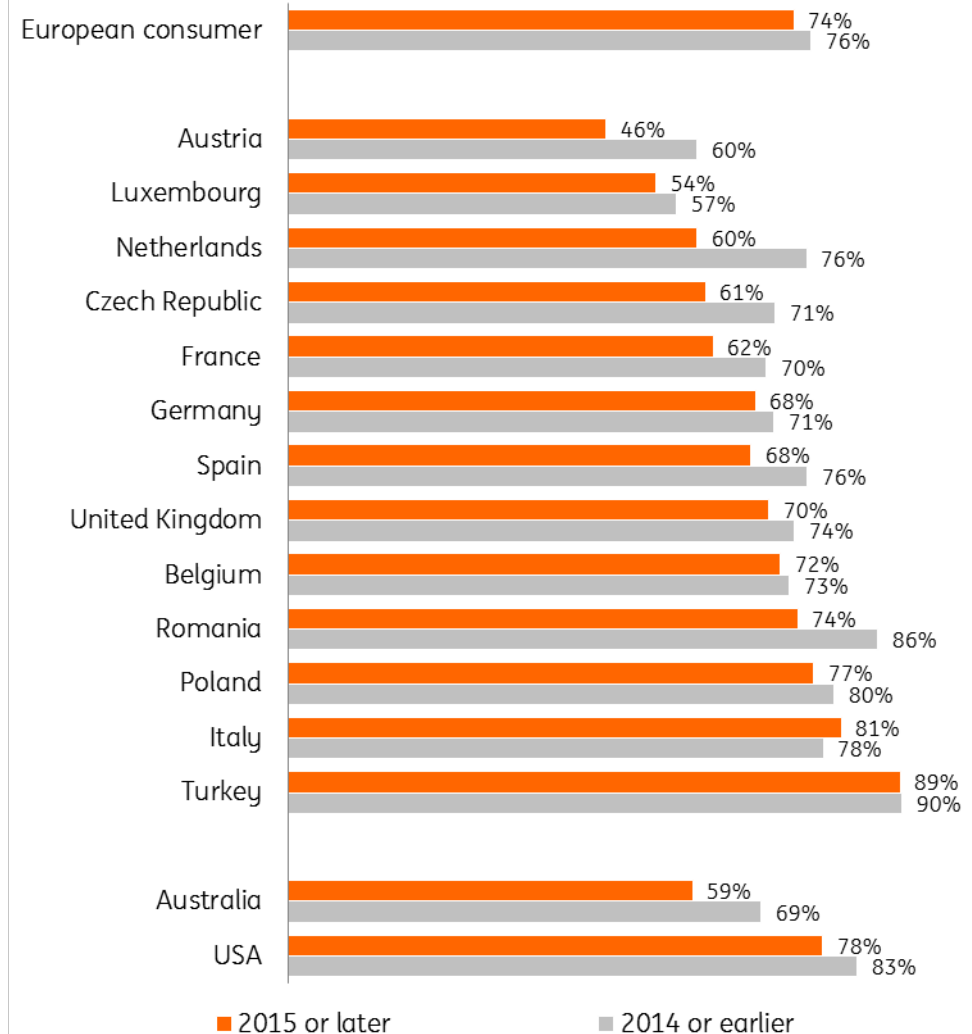
In some countries, early adopters and veteran users appear to enjoy similar gains over time from using mobile banking – such as Turkey, Belgium, Germany and Italy.

However, benefit consolidation is seen everywhere. Practice so often makes perfect – as we noted on page 11 – and learning takes time.

The question

How has mobile banking changed the way you manage your finances?

Percent who began using mobile banking in 2015 or later, versus those who adopted the technology in 2014 or earlier, giving an answer indicating that mobile banking helps them manage money.



Sample size: 6,047

Saving time to bank in a multiple choice world

There are so many ways to bank – but which methods do people generally prefer? Most people (91%) use an automated teller machine (ATM), with 48% choosing to visit an ATM several times a month and another 19% several times a week.

But internet banking on a computer or laptop and mobile banking are convenient, allowing people to bank even more frequently. In fact 19% log on via internet banking every day and 12% choose to bank by mobile device on a daily basis.

However, despite the numerous ways to bank, many respondents still need to visit a bank branch several times a year (38%) or several times a month (21%). Surprisingly, three percent visit a branch every day.

The least frequent ways to bank include social media, such as Twitter or Facebook, telephoning the bank directly or its call centre, posting a letter or sending an email, or meeting with bank staff at a location other than a branch office. Most people use these methods only occasionally, if ever.

Responses are broadly similar to last year.

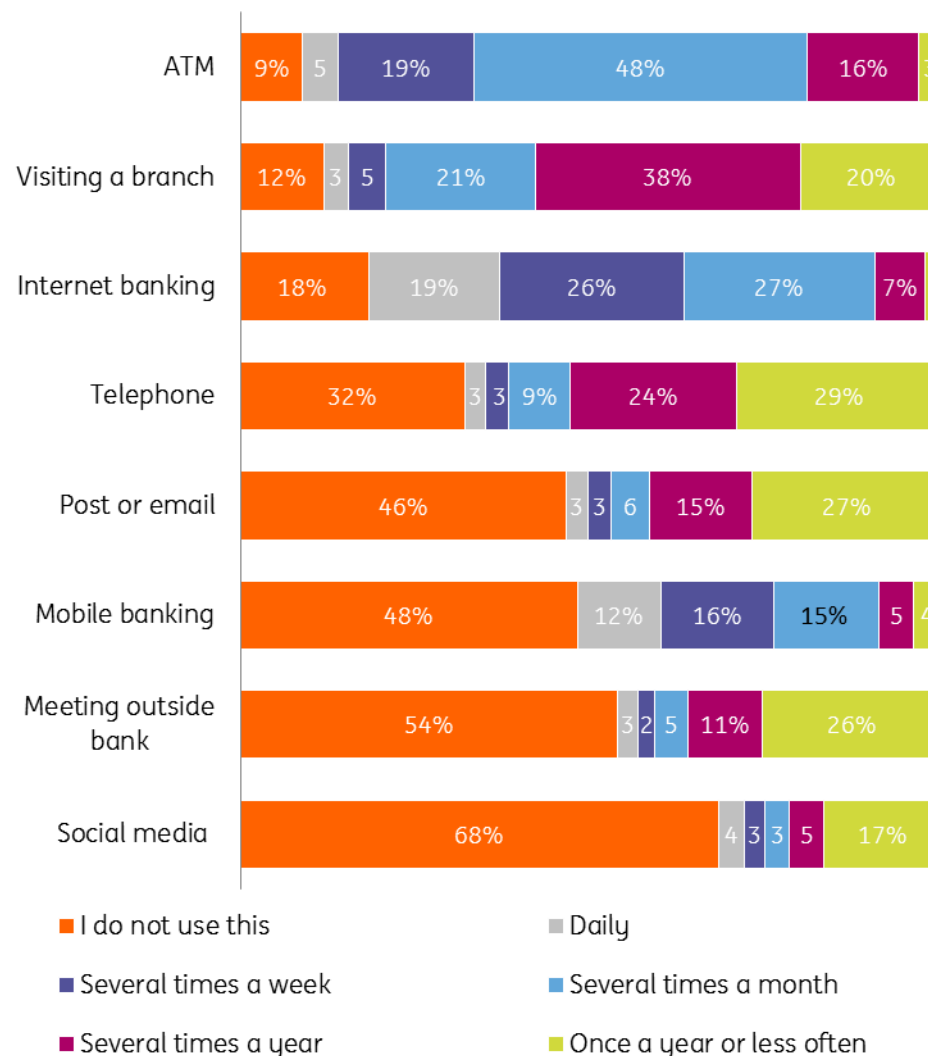
Can we help you? Advice by smartphone

About half (47%) of those surveyed say they would like to receive financial advice from their bank on their smartphone. Austrians appear least likely (21%) to agree with the statement, and people in Turkey the keenest (76%) on help via this channel. Hovering around the average are Italy, the USA and Poland. Some nations may be more conservative, while others prefer a more personal touch.

The question

Please state which of the following types of banking you use and how often.

Mobile banking by internet browser and mobile banking by mobile app options have been merged.



Sample size: 11,012



Shopping on
the go – a
pleasure for all

Shopping by mobile phone makes impressive gains

The proportion of mobile device owners who are shopping by smartphone or tablet is rising at an impressive rate in many of the 15 countries surveyed for Mobile Banking 2016.

The USA, France and the Netherlands see the biggest rises year on year in the proportion of people making purchases by mobile. In the Netherlands and France in 2016, 58% of people bought at least one item by smartphone or tablet in the previous 12 months. That compares with 42% in 2015. The USA's share rises from 58% in 2015 to 74% in 2016.

The average European rise in the proportion that shopped by mobile in the past 12 months is eight percentage points year on year.

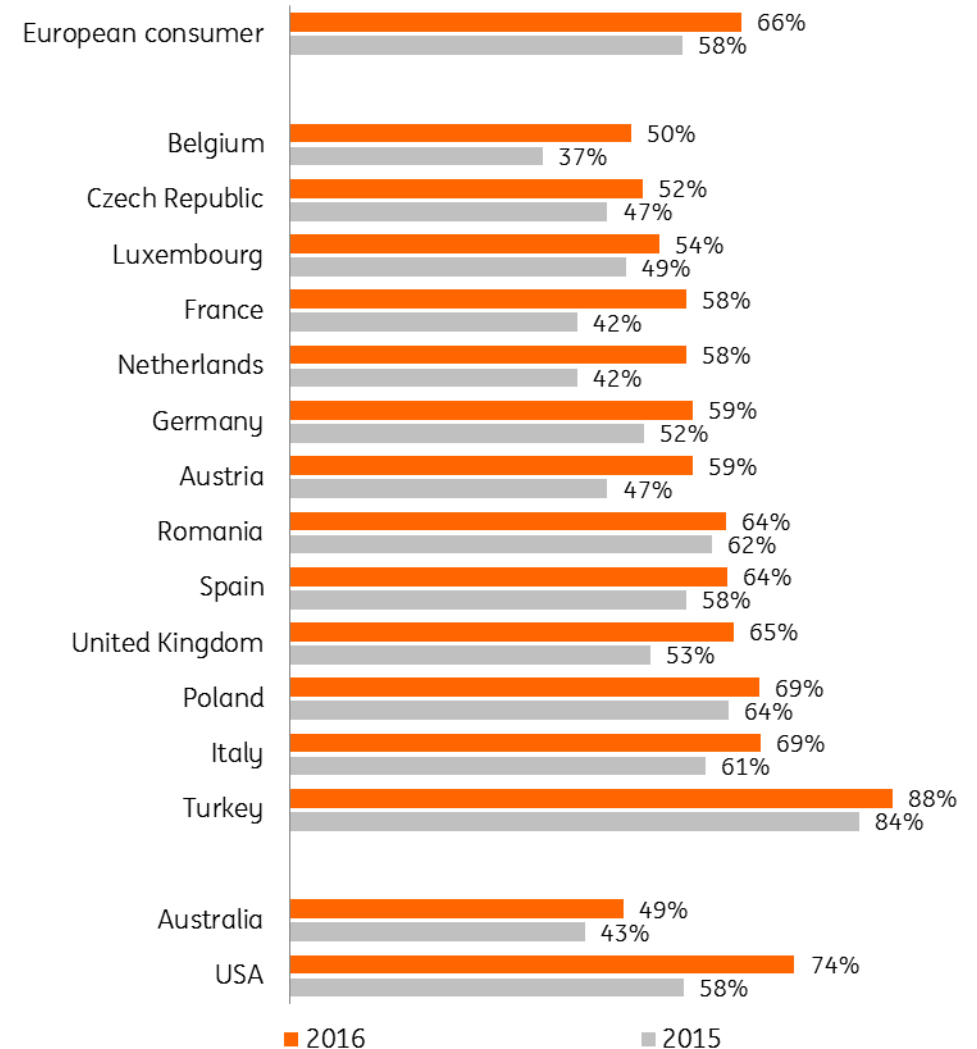
The smallest increase in mobile shopping is in Turkey, which already has a large share which buys by mobile. Its share of mobile shoppers is only up four percentage points year on year – from 84% in 2015 to 88% in 2016.

We should note that internet polling will likely include a larger share of technology users and, by extension, mobile shoppers.

The question

Which of the following have you purchased in the last 12 months using a mobile device, such as a smartphone or tablet?

Percent who selected one or more item categories, from a list of seven.



Sample size: 12,776

Clothing comes top for some – but choices do vary

When shopping by smartphone or tablet in the last 12 months, the most popular purchases are items of clothing, with electronics coming a relatively close second.

Games, holidays, groceries and home-delivered meals are also frequent choices.

Buying clothing by mobile is most popular in Turkey, where 63% of mobile device owners made the purchase in the last 12 months, and least in Belgium (28%) and the Czech Republic (29%).

Mobile device owners in the Czech Republic also bought the least items by mobile in the last 12 months, looking across all seven purchase categories.

Home-delivered meals are also especially popular in Turkey, after clothing and electronics.

Thirty-four percent of people in the USA bought music by mobile in the last 12 months. In the USA, music is the number-three purchase after clothing and electronics, with games and groceries less often chosen.

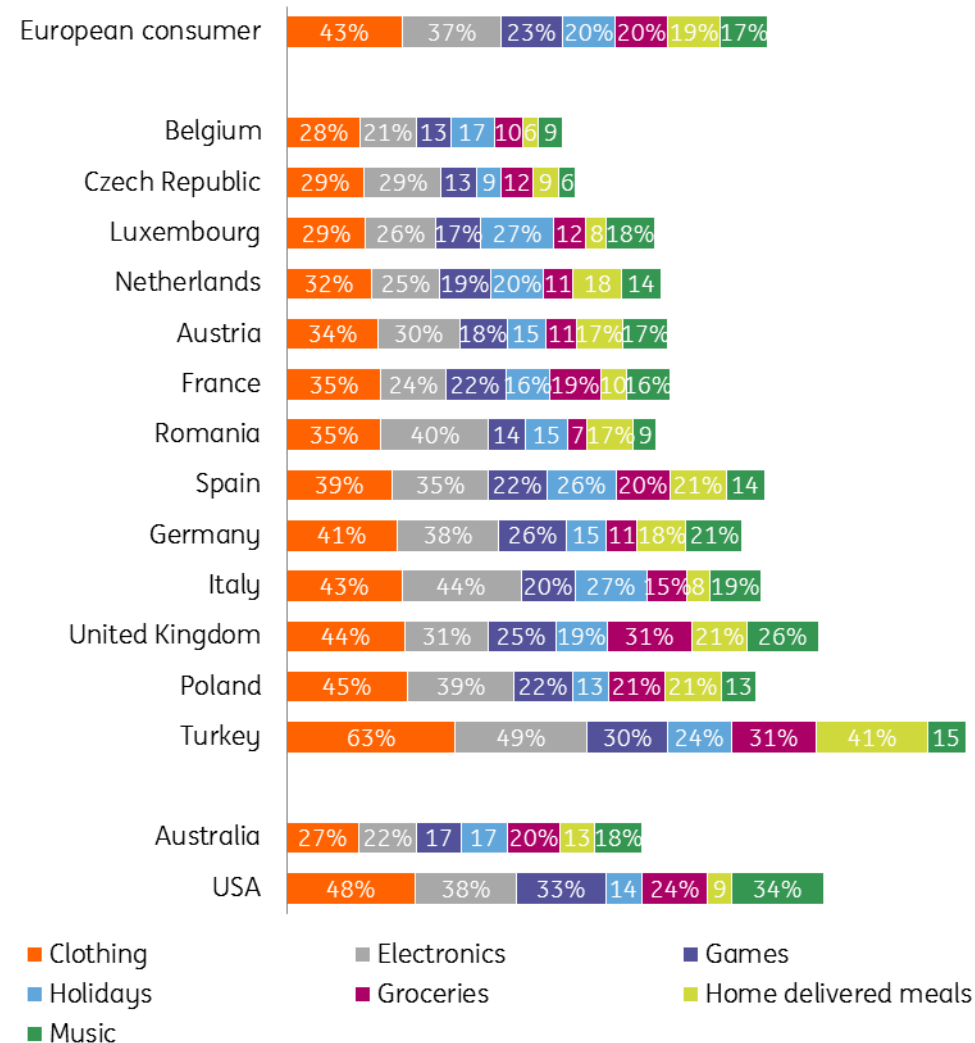
Cooking up a feast in Turkey?

Turkey is home to the world's largest home-delivered meal ordering platform, Yemek Sepeti. And it has many other popular mobile purchasing platforms, like Trendyol, Markafoni and Morhipo. A high share in the survey bought one or more items by mobile in the last 12 months – but respondents in Turkey also tend to be young, educated and professional.

The question

Which of the following have you purchased in the past 12 months using a mobile device, such as a smartphone or tablet?

Percent who bought at least one item.



Sample size: 12,776

Do banking and shopping by mobile go hand in hand?

What is the correlation between mobile shopping and mobile banking? Comfort with using a mobile device for one purpose may quite naturally encourage people to spread their wings and experiment with other functions.

In Mobile Banking 2016, 82% of mobile bankers across Europe also shop with their smartphone or tablet. The question was asked only to those who indicate they possess a smartphone or tablet.

The countries with the biggest correlation between mobile banking and mobile shopping are Turkey, where 96% of mobile bankers also shop on the go, Romania (90%) and Poland (86%).

In Turkey, only 75% of people who are not users of mobile banking shopped by mobile phone in the last 12 months.

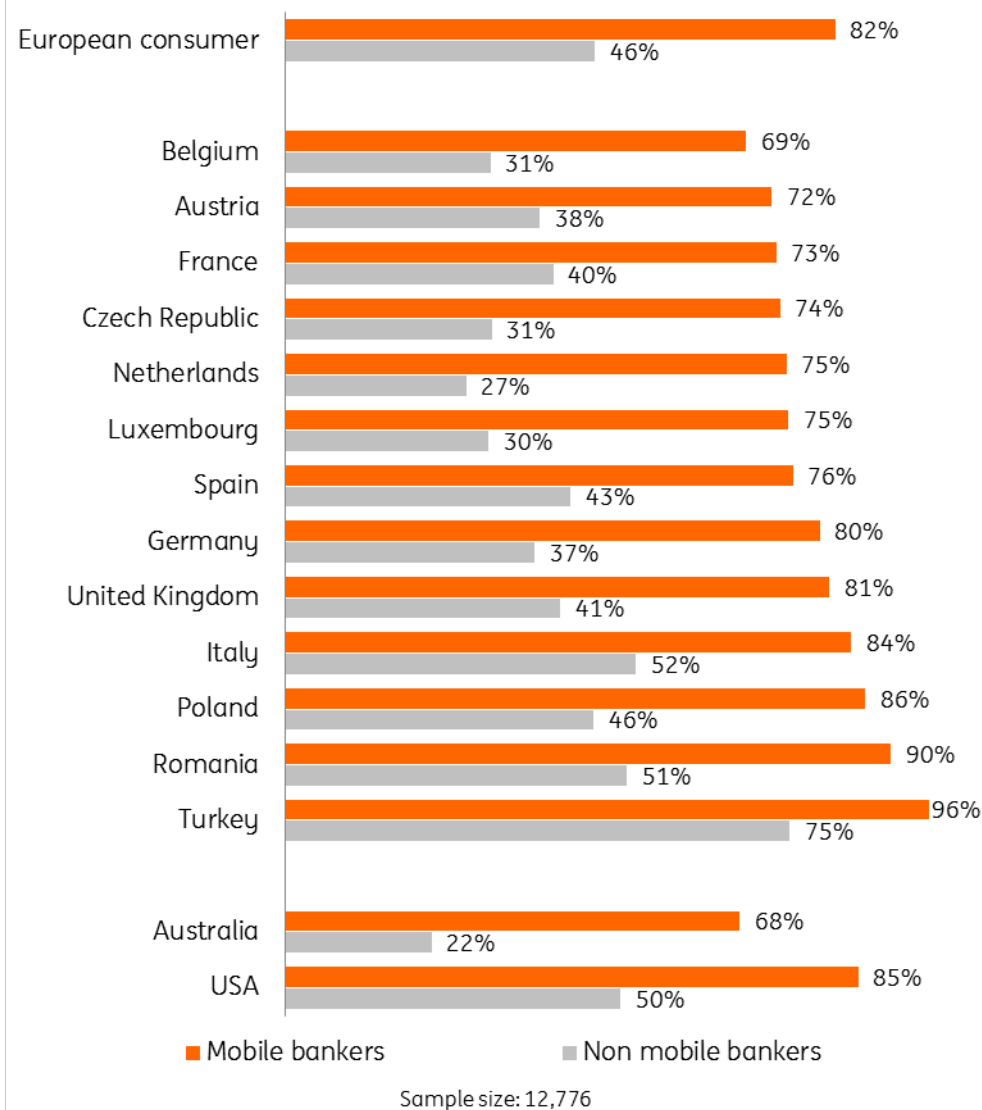
Overall, of people in Europe who do not use mobile banking, 46% still shop on the go using their mobile or smartphone.

The lowest share is in Australia, where only 22% of non-mobile bankers choose to shop by mobile.

The question

Which of the following have you purchased in the past 12 months using a mobile device, such as a smartphone or tablet?

Comparing the proportion of mobile bankers versus non-mobile bankers who shopped by mobile phone in the last 12 months. Respondents were asked to select from seven types of item. Multiple selections permitted.



Gender does not matter much – but age group might

Our 2016 results find that men are only a little more likely (69%) to shop online than women (64%). The figure has risen from 2015, however, for both men (61%) and women (54%).

But there is a more noticeable difference between responses from different age groups. The 18-24s are most likely to say they have bought at least one item by mobile over the past 12 months, closely followed by the 25-34s.

As their age climbs, people appear less likely to have shopped using a smartphone or tablet in the last 12 months.

Sixty-two percent of those aged 45-54 and 43% of those aged 55 or older indicate making a purchase by mobile in the last 12 months. In 2015, just 37% of those aged 55 or older bought an item by mobile in the previous 12-month period.

In purchase choices there is less variation across ages. But when it comes to gender, men are somewhat more likely to choose electronics or games, whereas women opt for clothing.

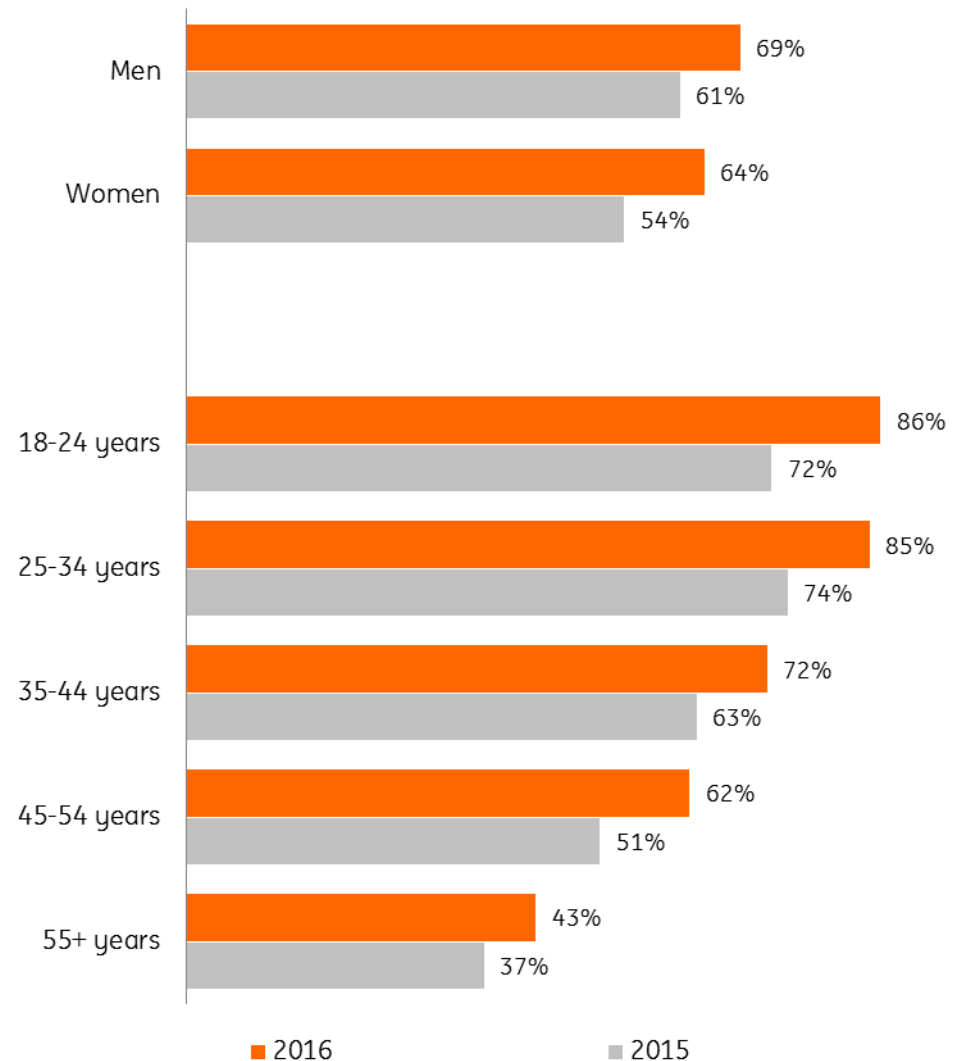
Taxis or public transport fares and furniture are the items least often bought by mobile in our survey, across ages and genders.

All demographics are also relatively unlikely to say they bought holidays using their mobile device in the past 12 months. This seems to make sense, because holidays tend to be a relatively big-ticket item requiring a greater degree of organisation and planning ahead.

The question

Which of the following have you purchased in the past 12 months using a mobile device, such as a smartphone or tablet?

Percent of mobile device owners who shopped by mobile in 2016 versus those who did so in 2015.



Sample size: 7,434

“Click and buy” brings many people back for more

One-click ordering, where customers allow an e-tailer to save their payment details for future purchases, is an easy way to buy.

It not only takes advantage of natural biases, such as the tendency to choose a default option, but also helps people manage busy lives by streamlining the purchasing process.

Our survey finds that 50% of mobile shoppers across Europe are more likely to return to a store that saves their payment details for one-click ordering, down from 55% in Mobile Banking 2015.

Non-mobile shoppers may use a web browser to navigate to an e-tail portal to sign up for one-click ordering.

Turkey has the highest shares of both mobile shoppers (69%) and non-mobile shoppers (32%) who say that one-click ordering encourages them to return to a store.

The lowest share (27%) of mobile shoppers who agree “click and buy” encourages them to return to a store is in the Netherlands and Austria. The Netherlands is also home to the smallest proportion (nine percent) of non-mobile shoppers agreeing with the statement.

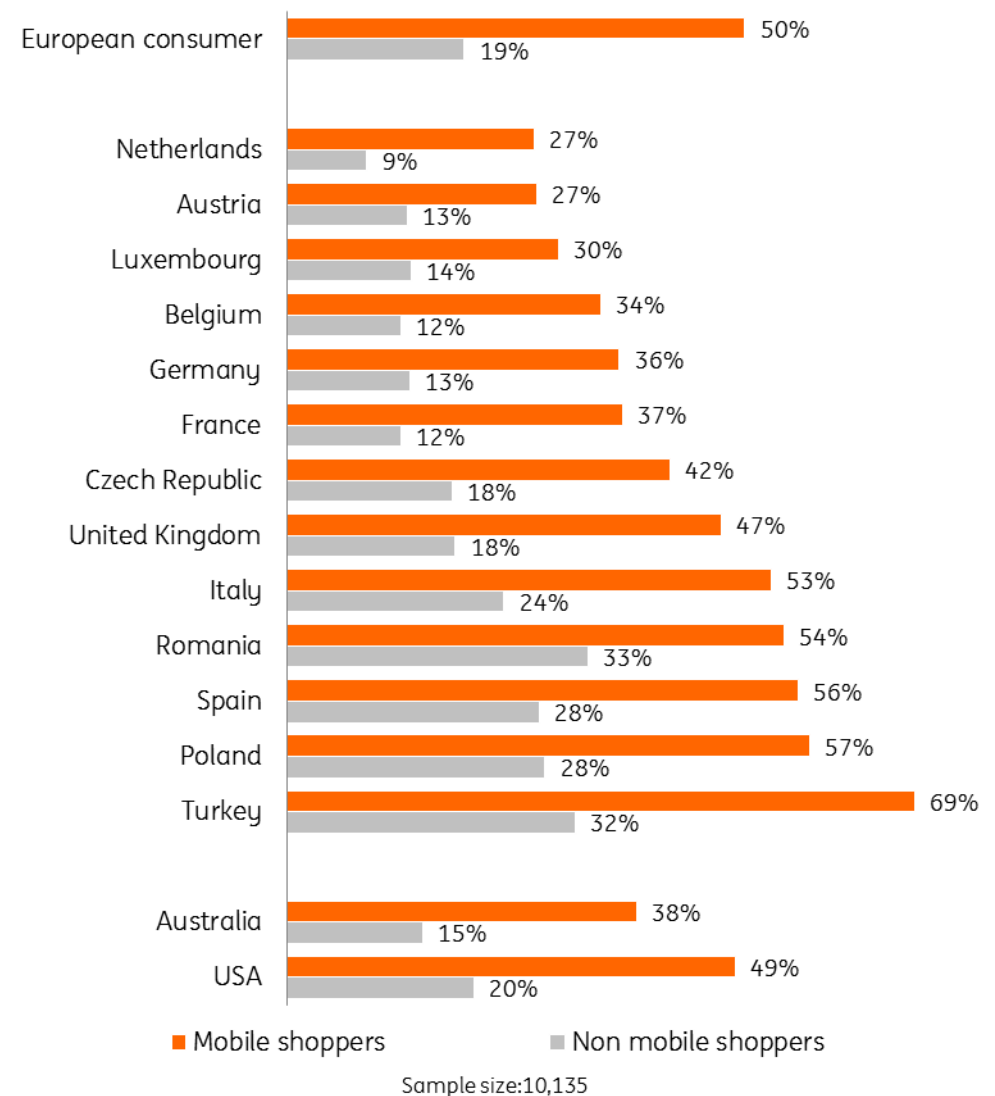
Are easier choices best?

The relative difficulty of entering data, text and clicks on a smaller screen may itself make one-click ordering more appealing to mobile shoppers. But some may worry if their personal data, such as credit card details, will be kept safe. And taking the easier default option can mean people do not shop around and may miss better deals available elsewhere.

The question

“If a store saves my payment details for one-click ordering, I am more inclined to shop there often”

Percent who answered “strongly agree” or “agree”



A photograph of two women standing on a rocky shore next to a clear, turquoise lake. They are both looking at a smartphone held by the woman on the right. The woman on the left is wearing a grey jacket and blue jeans, while the woman on the right is wearing a purple jacket and blue jeans. The background features a dense forest of evergreen and deciduous trees, with some trees showing autumn foliage. In the distance, there are mountains under a cloudy sky. The water in the lake is very clear, reflecting the surrounding trees and sky.

Pay when you
can – wherever
the road leads

Cashless society closer in places like Turkey and Italy

There are more ways to pay than ever. Our survey underlines that, increasingly, people may be gradually reducing their reliance on physical cash as their trust in new technology rises.

People in many countries agree they are using physical cash much less in 2016 than 12 months ago.

Turkey, Italy, Romania and Poland have particularly high shares who agree with the statement. In Turkey, 67% agree – the highest share in the survey and just ahead of Italy (66%).

The results are slightly higher than in 2015, with 53% of people in Europe agreeing they use less cash today, versus 50% in 2015. Closest to the average in this respect are the United Kingdom (52%), France (53%), the Czech Republic (54%) and Australia (53%).

The smallest shares opting for digital payments instead of cash are in Austria (28%) and Germany (31%).

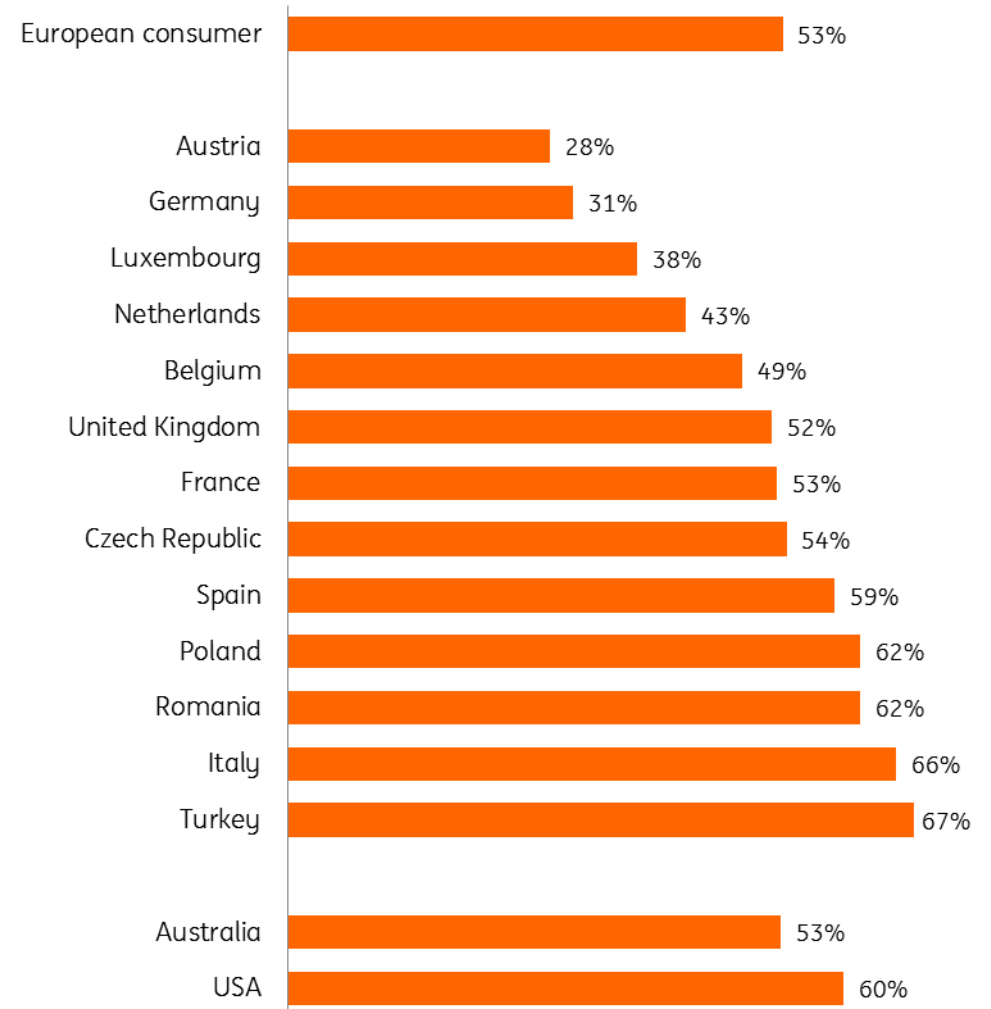
Advantages and disadvantages of cash

Should countries get rid of cash? Some say that cash transactions facilitate illegal activities and tax evasion. Cash transactions can be expensive for service providers to administer too. Other people highlight the flexibility and ease of cash use. Physical cash can still be used, of course, when the computers or internet go down.

The question

“I use physical cash much less than 12 months ago”

Percent who answered “strongly agree” or “agree”



Sample size: 14,579

Death of cash in sight? Not yet but use is declining

The chart opposite compares people who have already started using less cash with those who still prefer to use physical notes and coins, as well as whether they expect to keep doing so in future.

And the use of cash appears to be falling across the board.

Among people in Europe who used less cash during the 2015 year, 85% say they expect to reduce cash use even more in the next 12 months.

Only 15% of those who reduced cash use in the last year say they won't further reduce their use of coins and notes in the next 12 months.

Among those who say they did not reduce cash use much in the year to 2016, the principle of inertia may be coming into play, with only 21% saying they expect to use physical money less in the next 12-month period.

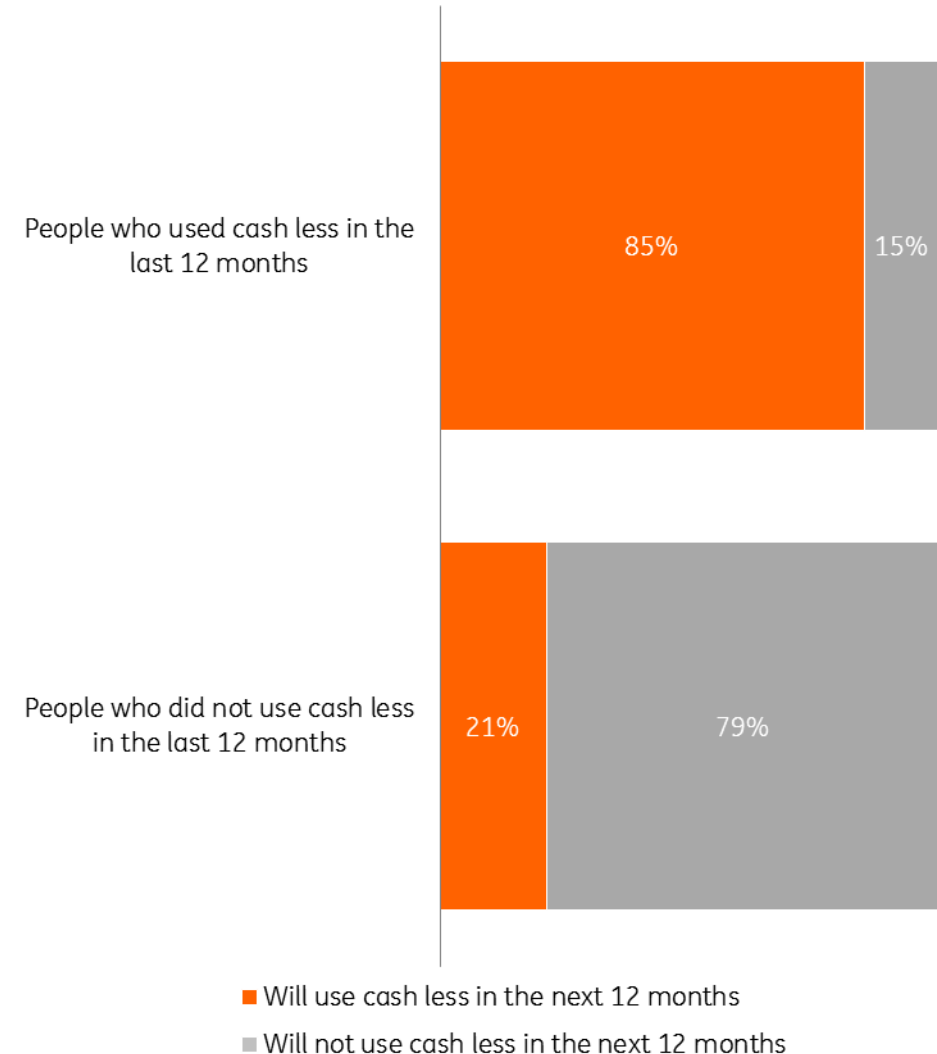
The results mirror responses in 2015 (not shown in the graph), when 84% of respondents who said they used less cash in 2014 indicated they would continue to reduce their dependence on physical currency in 2015.

The Mobile Banking 2015 intentions of those who did not reduce cash use in 2014 were similar too. Twenty percent of those who did not use less cash in 2014 nevertheless indicated they would reduce their dependence on cash in 2015.

The question

“I use physical cash much less than 12 months ago”/“I think I will use physical cash less in the next 12 months”

Percent who “agree” or “strongly agree” with the statements.



Sample size: 11,084

Why wait when I can pay now with my mobile?

Many people love their smartphones – and the devices are becoming more useful and integral to our lives. This year we asked people if they expect to make even more smartphone payments in future.

Overall, 52% of people in Europe agree they will pay “more and more” with their smartphone in the future. The share rises to 73% in Turkey and falls as low as 26% in Austria.

After Turkey, people in the USA (62%), Romania (62%) and Italy (61%) are the most positive about paying by mobile.

In our survey, people in Turkey, for example, appear keener on mobile payments and mobile shopping than average even though mobile banking penetration is only 44% – less than the European average of 47% in 2016.

Different telecommunications access, pricing structures or cultural norms in different countries probably play a role in the results.

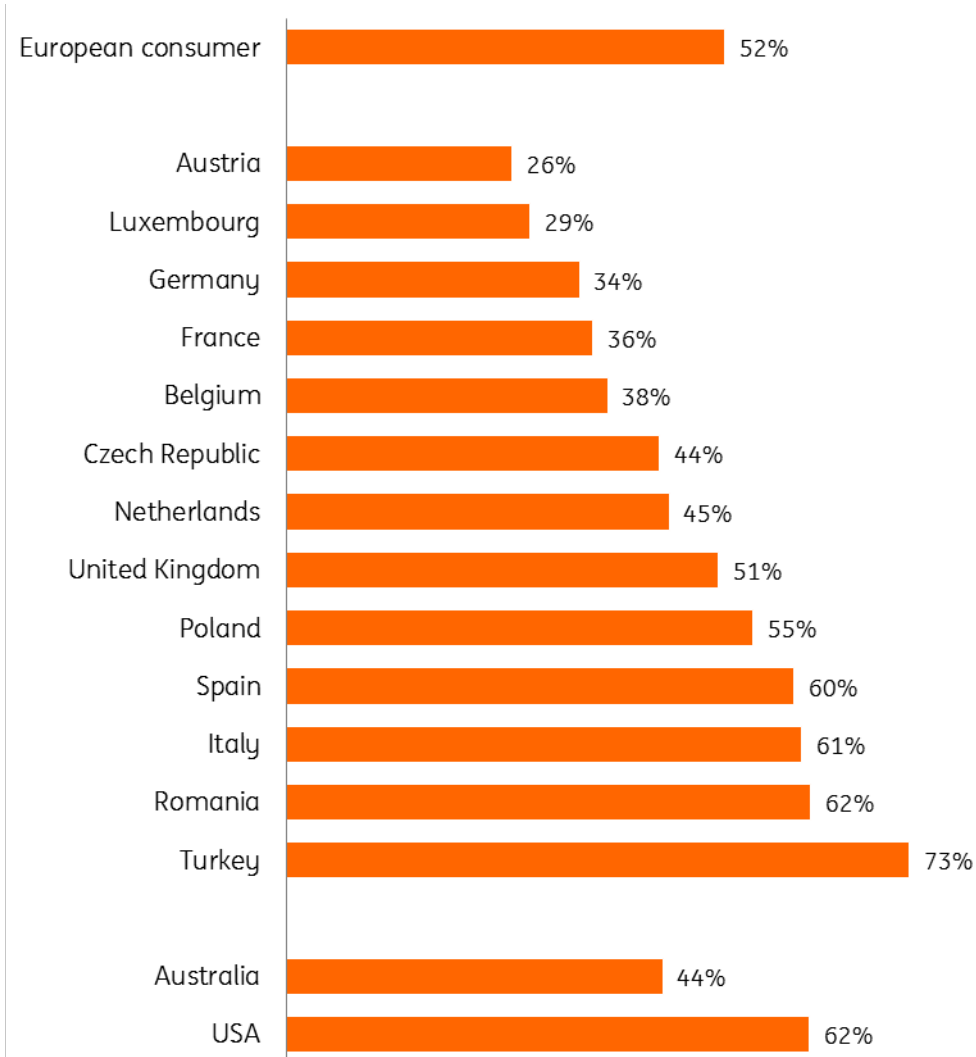
What is a mobile payment?

There are many ways to pay on the go. In our survey, a mobile payment means using a mobile payment app such as Google Wallet, Android Pay or Apple Pay, perhaps with contactless payment technology, or a web browser on a smartphone or tablet. It does not include paying online by laptop or PC.

The question

“In the future, I expect to pay more and more with my smartphone”

Percent who “agree” or “strongly agree” with the statement.



Sample size: 12,309

Getting real about the rise of virtual currencies

A technology topic much discussed in recent years is the role of digital or virtual currency. How will people use cryptocurrencies such as bitcoins in the future?

Last year, only 28% of people in Europe agreed bitcoins are the future of spending online. People across Europe, the USA and Australia appear less enthused about their potential in 2016, however.

In 2016, just 33% in Europe agree with the statement – and even fewer in the USA and Australia. Luxembourg, the Netherlands and Australia are least likely to agree digital currencies are the future of spending online, while Turks and Italians seem more positive.

We asked fewer questions about Bitcoin than in 2015, when we confirmed that most people in the countries surveyed either disagreed with the statement or had no opinion about the use of bitcoins.

Such technologies are predicted, however, to have an influence on the way money is transacted in the world of financial services.

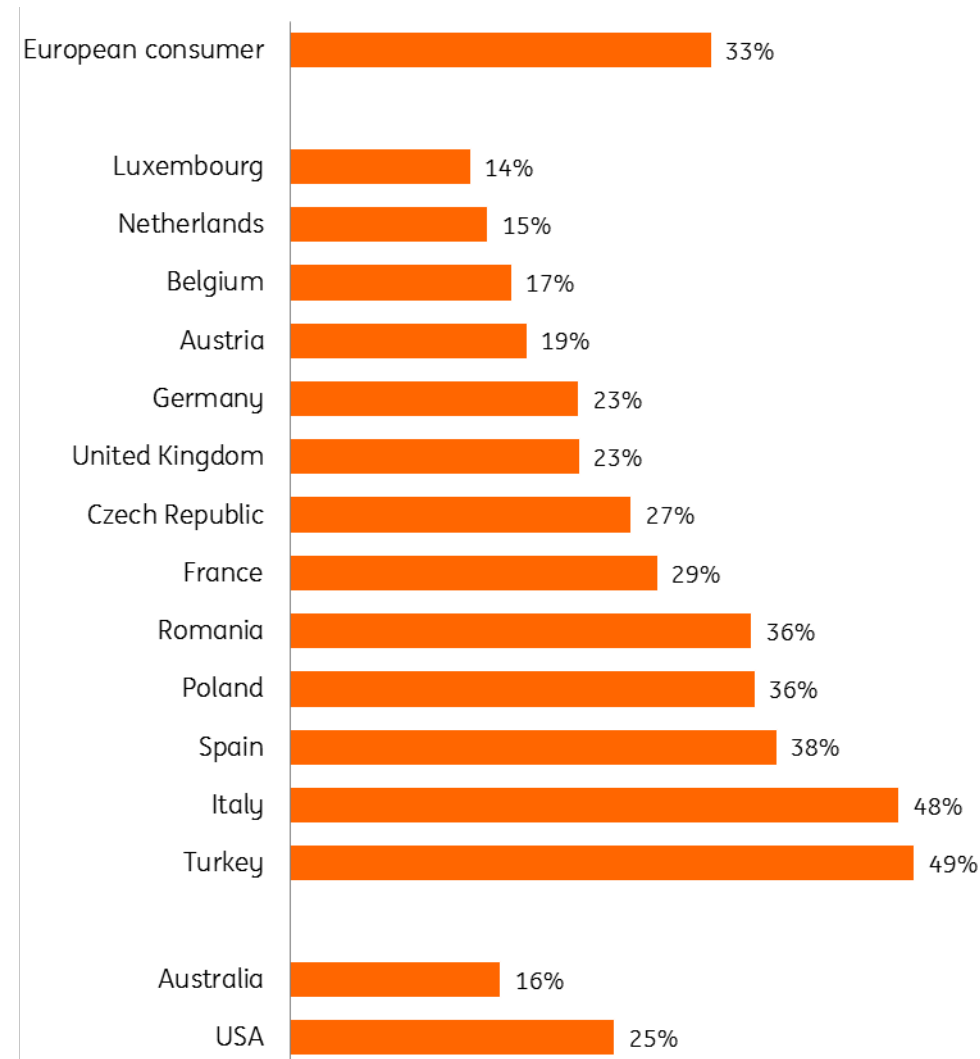
Blockchain, bitcoins and more

Bitcoin is a virtual currency system based on “blockchain” digital technology. It is often discussed as a potential alternative to physical cash or other kinds of digital payments. Advantages include that its tokens, known as bitcoins, can be traded online like physical cash, without third-party taxes and fees. Others worry about bitcoins’ volatility and popularity on the black market.

The question

“Digital currencies – such as bitcoins – are the future of spending online”

Percent who “agree” or “strongly agree” with the statement.



Sample size: 14,579

Czechs “confident” about contactless payments

Many people wonder if digital payments are safe or sufficiently secure. This typically covers questions around personal privacy, the potential for fraud, and worries about hacking or cyberattack.

Contactless payments – using a special chip embedded in a card or mobile device – are becoming more popular. According to Visa Europe’s 2016 report, three billion “wave and pay” payments were completed in Europe between 1 May 2015 and 30 April 2016.

In our survey, we are seeing increasing confidence in this way of paying year on year. And the Czechs may be leading the way: 69% of people in the Czech Republic agree they feel confident of contactless payment security – up from 56% in 2015.

In most countries surveyed in 2016, people indicate greater confidence in contactless payments. Luxembourg, Austria, Turkey and the USA appear to show small falls but this result is probably only “noise” – within the margin of error.

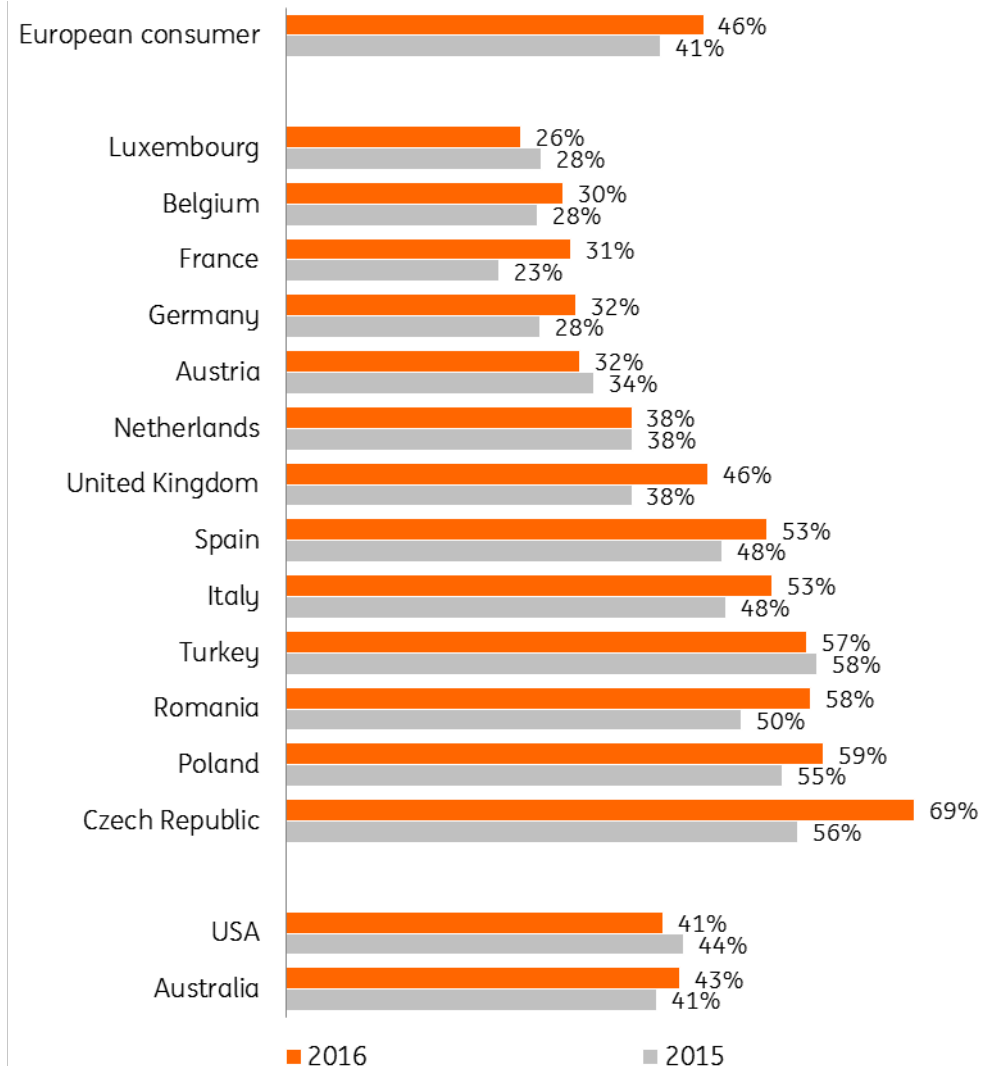
FUD for thought

It is natural to have some fear of the unknown. When new technologies are introduced, people often express a degree of fear, uncertainty and doubt – or “FUD”, as information technology experts often call it. As people begin to experiment this FUD typically dissipates: users of the new technology learn more about how it works and gradually become more confident.

The question

“I would feel confident that my money is secure if I used contactless payments”

Percent who “agree” or “strongly agree” with the statement.



Sample size: 14,579

Mobile payment app use rises – but not everywhere

More people are taking advantage of the convenience offered by mobile payment apps, our survey suggests. This partly reflects the wider rollout of such apps around the world in 2015 and 2016.

But there are interesting differences in the data across countries.

Across Europe, 40% of people now say they have used a mobile payment app, up from 33% in 2015.

People in the Netherlands, Poland and Turkey are seeing the fastest adoption rates, bringing the European average up to 40%.

In the USA and Luxembourg, mobile payment app uptake may seem like it actually stalled in 2016 – with the share of people using these apps remaining at 42% and 20% respectively. This result is however well within the margin of error.

In our survey, “mobile payment apps” means apps like Google Wallet and Apple Pay, retailer apps or mobile payment buttons, and excludes mobile banking apps.

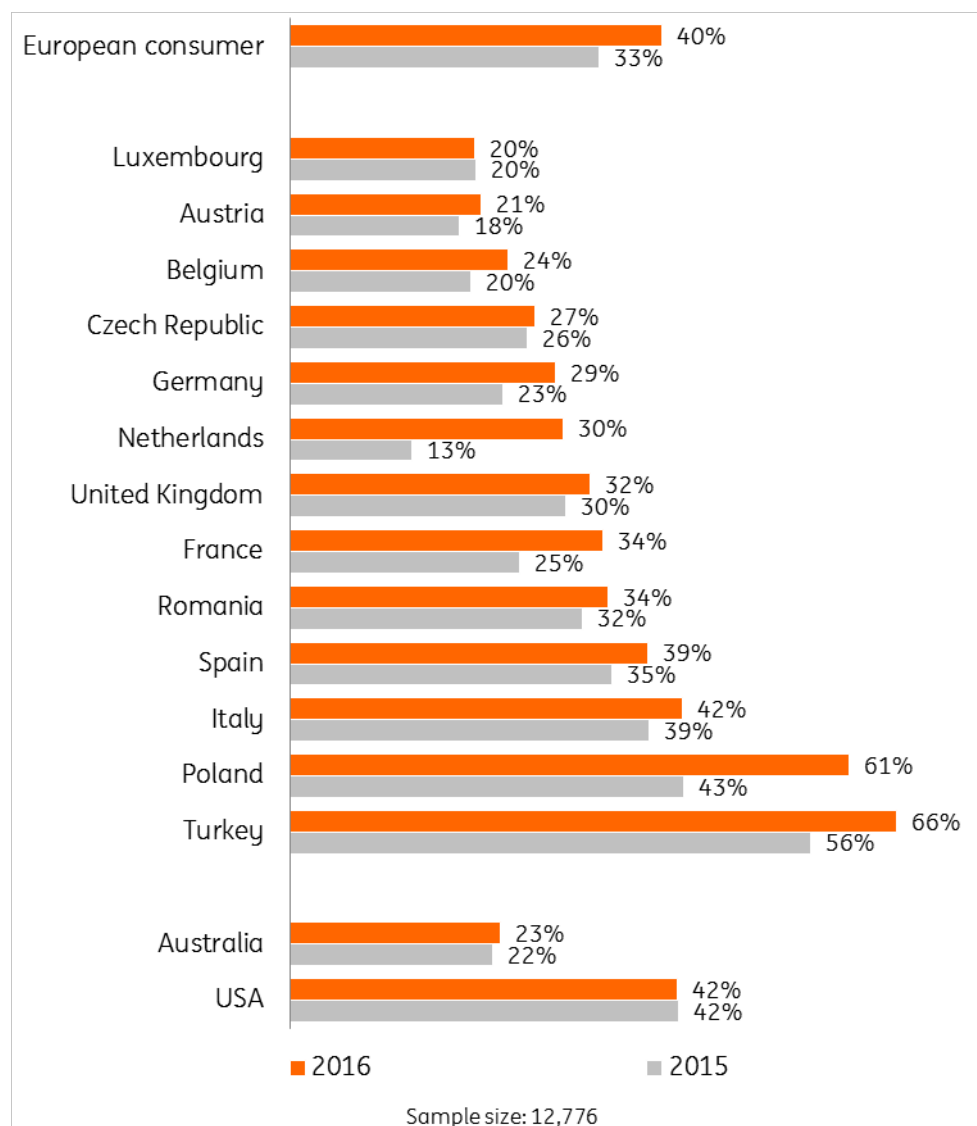
Why pay with a mobile app?

A mobile payment app is a special software program for making payments that sits on your smartphone or tablet device. Well known examples include Apple Pay and Google Wallet, but banks and other companies (for example Starbucks) have their own mobile payment apps. Instead of logging on with a web browser to a web store or online banking, the user clicks directly on the app to pay.

The question

Have you ever used a mobile payment app?

Year on year comparison of those who answered “yes”. Question only asked to those who indicate they own a mobile device.



But more are sure they will pay by app this year

Although mobile payment uptake might seem slow in some countries, more people in 2016 indicate they will move to using mobile payment apps in the next 12 months.

The share who expect to use mobile payment apps is steadily increasing – with 56% of people in Europe in total indicating they “certainly” or “probably” will use the technology in the next 12 months.

This year 24% of people in Europe say they “certainly” will use a mobile payment app – up from 19% in 2015. The high was in Turkey (46%), followed by Poland (37%), and both see big nine percentage point increases from 2015.

In 2015, the Netherlands, Austria and Belgium were at the lower end of the scale. This year about twice the proportion of Dutch (15%) say they “certainly will” adopt the technology, moving the Netherlands from last to ninth place.

Fewer people in Austria and the Czech Republic are certain they will use mobile payment apps in the next 12 months.

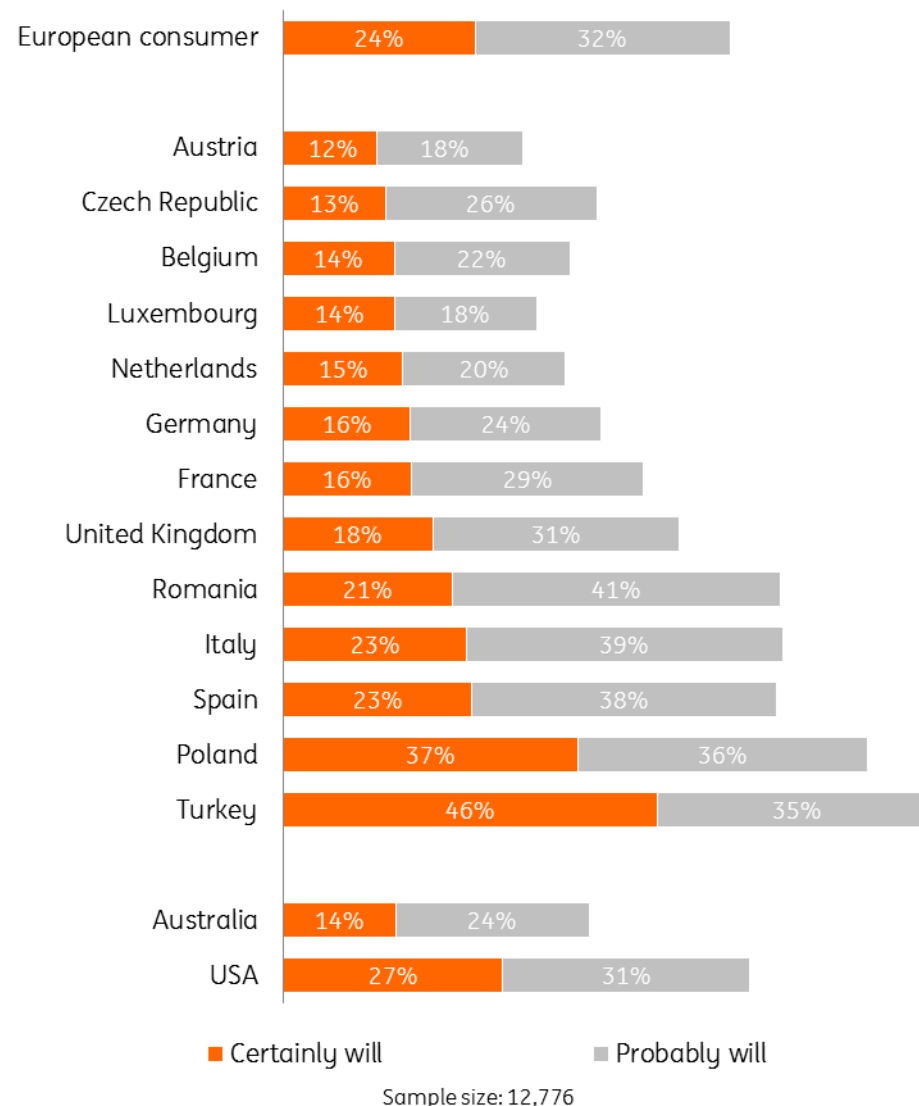
An increase in confidence?

Overall mobile payment app uptake rates differ little from last year. However there are differences in the percentages who say they “certainly will” use mobile payment apps in the next 12 months – as compared to those who “probably will”. This more definite response hints at increased levels of confidence in the usefulness – and usability – of these newer mobile technologies.

The question

In the next 12 months, do you think you will use a mobile payment app?

Percents saying “yes, I certainly will” and “yes, I probably will”. Question only asked to those who indicate they own a mobile device.



“It’s easier and quicker” the top reasons for app use

The reasons for using a mobile payment app remain the same as Mobile Banking 2015. Across all 15 countries, people indicate they are easier (45%) and quicker (53%) than other ways to pay, and the shares who selected these options are similar in 2016.

People in Luxembourg are the most likely to say they use mobile payment apps because they are easier (63%) or quicker (58%).

Trust in mobile payment apps does not appear to have increased in 2016. Just 25% say they use mobile payment apps because they trust them – compared to 24% in 2015.

Within Europe, Romania and Italy have the smallest shares of users who say they trust mobile payment apps.

Other top reasons include “I can use it in many different locations”, “because I like to use new technology” and “it’s easier to track what I spend”.

Recommendations from a bank or somebody else, perhaps surprisingly, remain low on the list of reasons chosen.

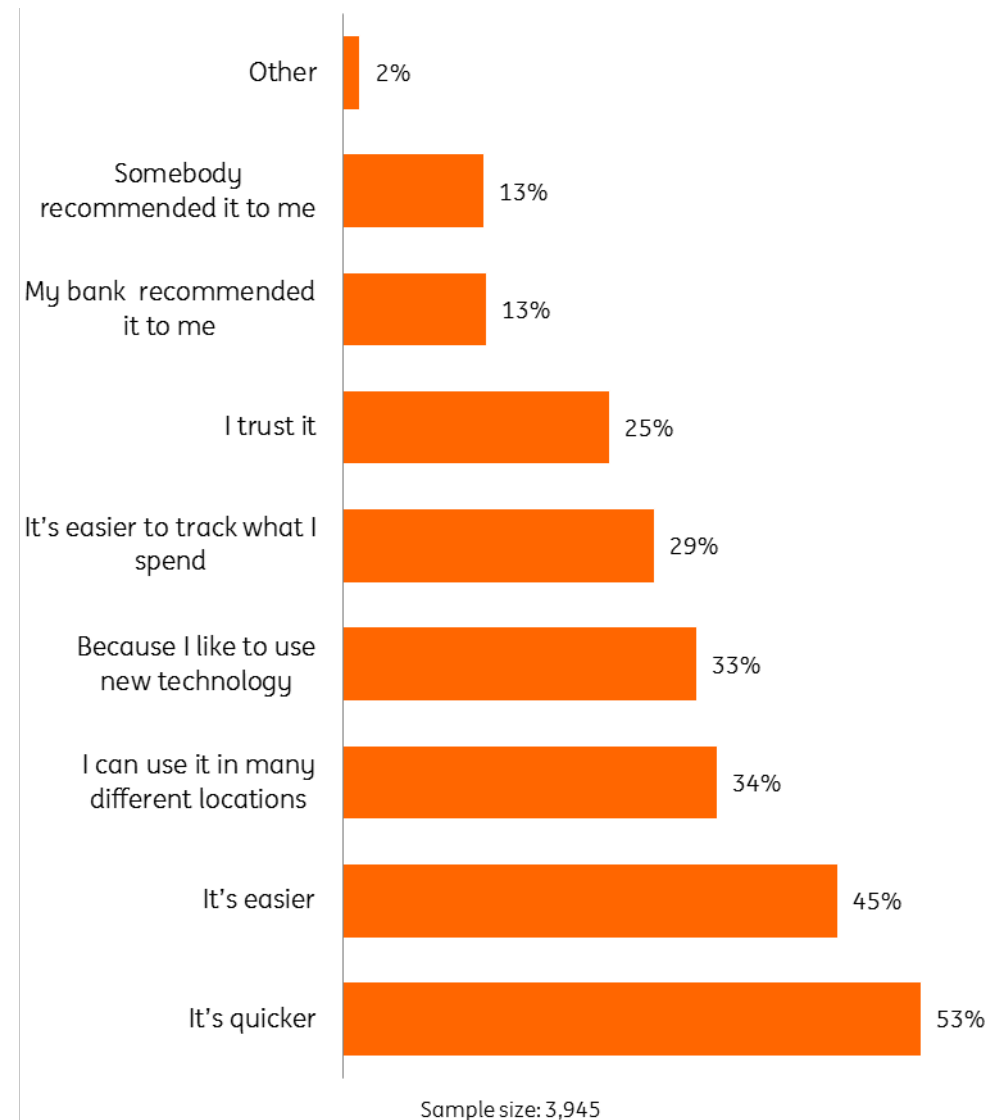
And what is putting people off?

We also asked non-users the reasons for their choice: the proportion who chose each answer is the same as last year. The top reason for avoiding a mobile payment app is still “I don’t trust it”, with 42% choosing this reason in 2015 also. Almost as many say “I have never had the opportunity to use it”, with “I don’t understand it” next. Some disagree with users, saying it’s no easier or quicker.

The question

Why have you used a mobile payment app?

All nine choices were given and respondents could make multiple selections.



Banks still ahead but the “challengers” are coming

Banks remain the most trusted provider of mobile payment apps in this year’s survey – but third-party offerings such as Apple Pay and Google Wallet are gaining ground.

Across Europe, 84% of respondents in 2015 choose their bank as the most trustworthy provider. That share shrinks to 75% in 2016.

While “other banks”, “other suppliers” and “social media” have all garnered a larger share of support this year, trust is increasing faster for Apple Pay, Google Wallet and other named groups.

These third-party mobile app brands add six percentage points to their share in 2016. This may reflect, in part, that mobile payment apps from Google and Apple – well-known and trusted brands worldwide – have only recently become available in many countries.

As a market matures, increasing numbers of brands, products and services typically appear – competing for the attention of consumers, who themselves may be more likely to branch out and look for better deals elsewhere.

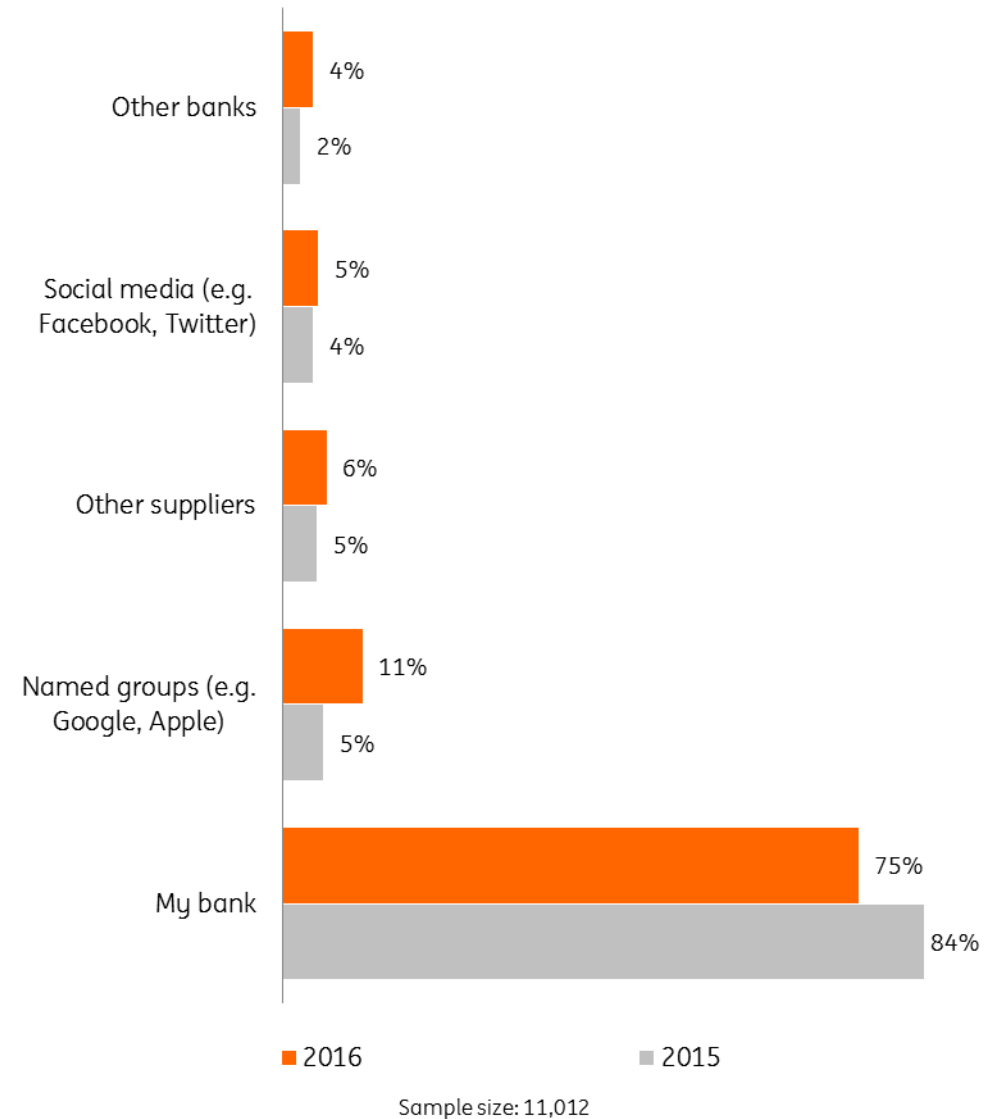
FinTech set to shake things up

Banks and other traditional financial services firms cannot rest on their laurels in the face of advancing “challengers” – many of which hail from the burgeoning financial technology space. Mobile payments are just one area where non-finance specialists are looking to leverage technology expertise: others include virtual currencies, peer-to-peer services and online banking.

The question

Of the following channels, which would you trust most?

Asked only to people who indicate they have a smartphone or tablet.



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