

Payment patterns in Sweden 2018

May 2018

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Swedish households are increasingly using electronic means of payment such as bank cards and Swish, at the same time as the use of cash is declining. Debit cards are still dominant among electronic means of payment, but Swish is becoming increasingly popular. 80 per cent of the survey respondents said they used a debit card for their most recent purchase. The corresponding figure for 2016 was 64 per cent. Six out of ten say that they have used the mobile payment service Swish during the past month, and the same number say that they have used cash during the past month. Although the use of cash is declining, few households experience problems with shops refusing to accept cash payments. Payment patterns also differ with regard to different population groups, where younger people tend to prefer electronic payments to a greater extent. The use of cash is somewhat greater in rural areas than for the country as a whole and is at around the same level as in the 2016 survey.

About the survey

Every second year the Riksbank carries out a survey to obtain a picture of payment patterns in Sweden and how they change over time. In the survey, a random sample of 2,000 individuals in the age group 16-84 were interviewed. This year's survey has been supplemented with an in-depth study of rural areas¹ to chart how payment patterns there differ from the national average. The supplementary survey consisted of around 500 interviews.

Swish payments increasing rapidly

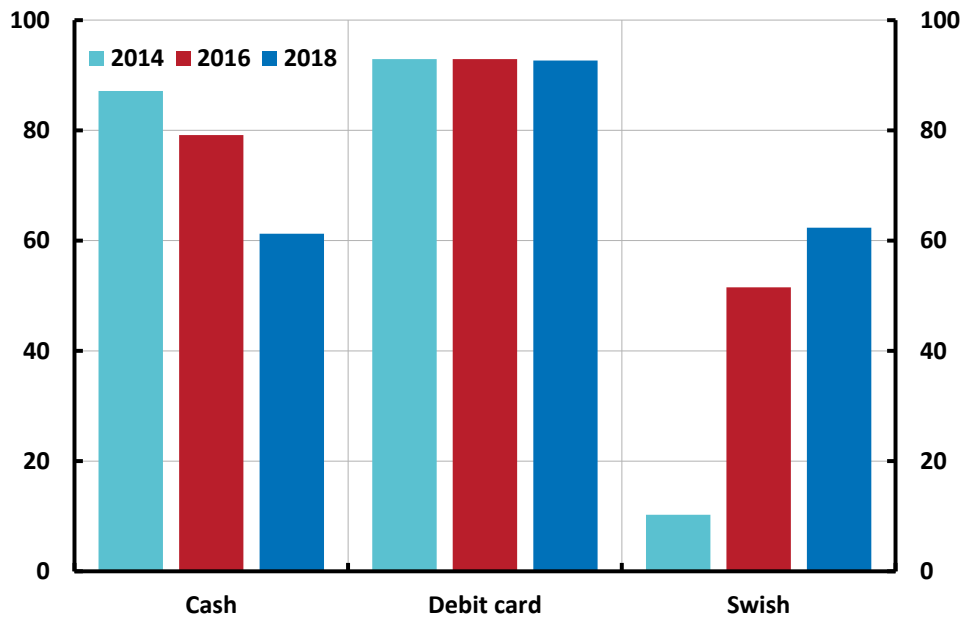
The introduction of the Swish mobile payment service enables immediate digital transfers person to person and person to business. The use of Swish has increased very rapidly in recent years. In 2014, around 10 per cent of the respondents had used Swish during the past month and in 2018, around 60 per cent have used Swish. In rural areas, the use of Swish is somewhat lower in 2018 and is around 50 per cent.

Parallel to the increase in popularity of Swish, the percentage of households stating that they used cash during the past month has continued to decline. Six out of ten people in Sweden have used cash as a means of payment in the last month. The corresponding figure for 2016 was eight out of ten, which indicates that fewer households are choosing to pay in cash. On the other hand, the question says nothing about how often the respondents have used cash in the past month. It is sufficient that cash has been used once or a few times in the past month for the respondent to state that they have used this means of payment. This year, four out of ten state that they have not used cash at all during the past month. This result is not unique for Sweden as a whole, but also applies to those who live in more sparsely-populated areas. Seven out of ten state that they would be able to cope without cash in society as it is at present. In rural areas, almost six out of ten say they would cope without cash.

¹ The sampling framework comprises the population in 33 rural municipalities that according to the Swedish Board of Agriculture's definition have a population of less than five inhabitants per square kilometre.
<http://www.jordbruksverket.se/etjanster/etjanster/etjansterforutvecklingavlandsbygden/alltomlandet/sahardefinierarvilandsbygd.4.36.2991bd13f31cadcc256b.html>

Which means of payment have you used in the past month?

Per cent



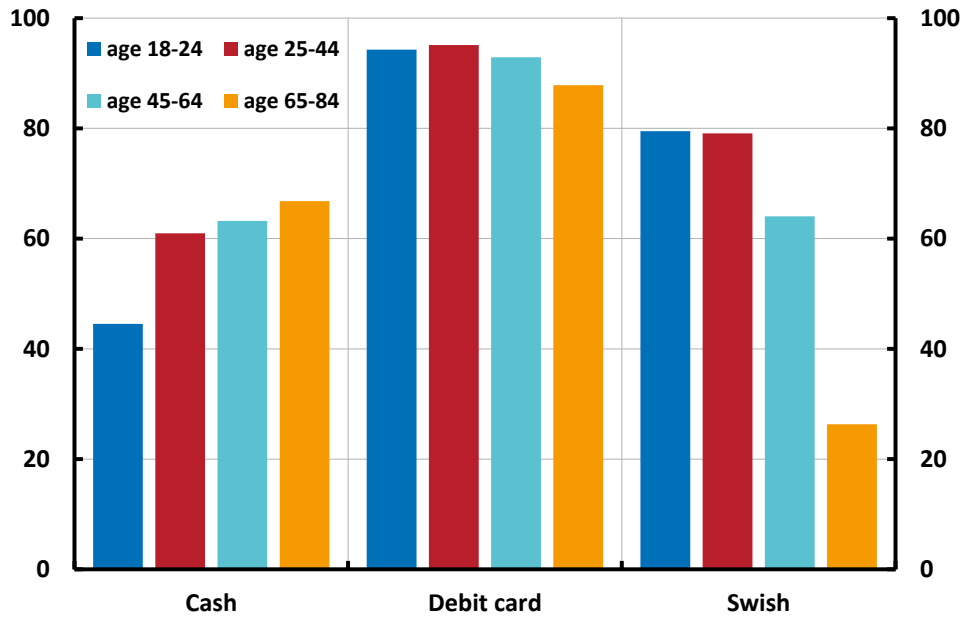
Source: The Riksbank

Age is a determinant in choice of payment – except with regard to debit cards

There are demographic differences in the choice of means of payment. Younger people use cash to a lesser extent than older people, preferring electronic payments such as Swish. In the age range 18-24, 45 per cent have used cash in the past month, while almost 80 per cent have used Swish. With the exception of the oldest age group, Swish is used to a high extent in other age groups. In the age range 45-64, 64 per cent state that they have used Swish in the past month and in the age ranges 25-44 and 18-24 the corresponding figure is around 80 per cent. Around 90 per cent or more in all age groups have stated that they have used debit cards in the past month.

Which means of payment have you used in the past month? – linked to age

Per cent



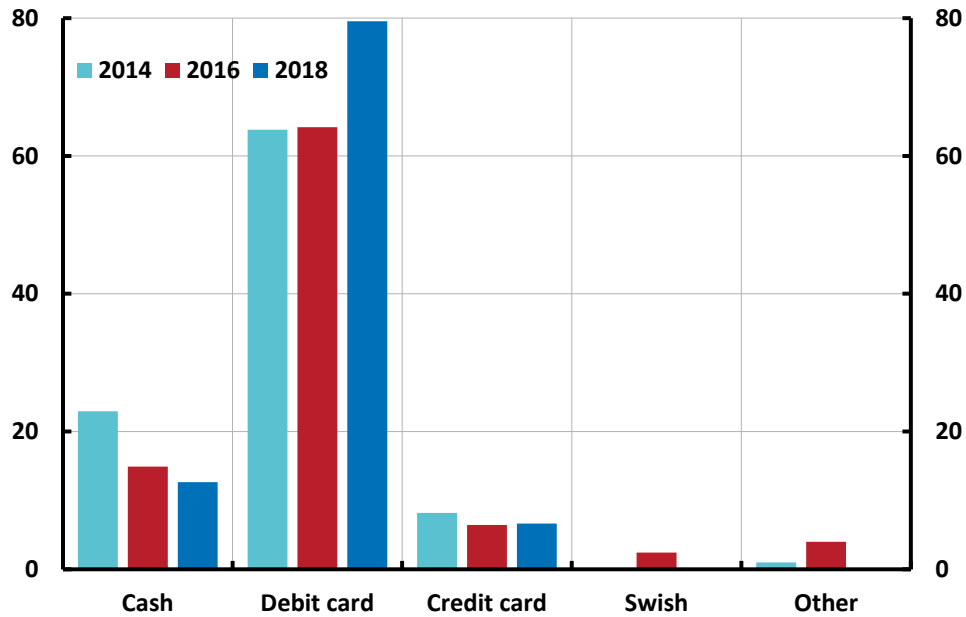
Source: The Riksbank

Swedish households prefer debit cards

Card payments using debit cards retain their position as favourite among Swedish households. This year, 80 per cent state that they paid by debit card for their most recent purchase, 13 per cent that they used cash and 7 per cent that they used a credit card. Purchases regarding sums under SEK 100 also occur increasingly with debit card. Mobile payments such as Swish are still used to a very limited extent for purchases in an actual shop. Card payments with debit cards are also the preference in rural areas, where 74 per cent paid for their most recent purchase with a debit card. On the other hand, a somewhat larger percentage paid in cash – 20 per cent, compared with 13 per cent for the country as a whole.

How did you pay the last time you bought something?²

Per cent



Source: The Riksbank

Continued reduction in cash use

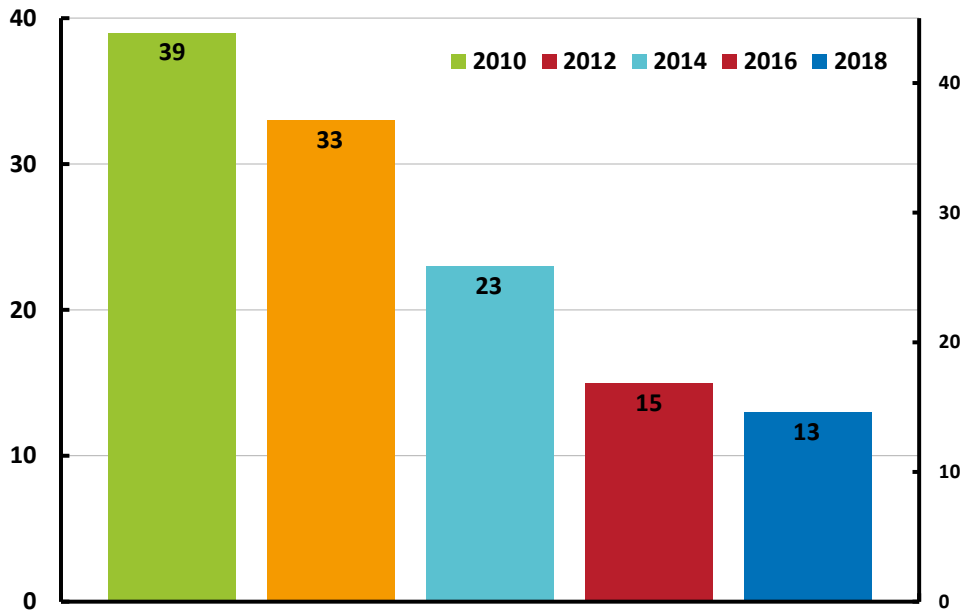
For eight years, the percentage of respondents paying in cash has declined from around 40 per cent to 13 per cent. The percentage of respondents who used cash for their most recent purchase has on average declined by 15 per cent a year between 2010 and 2016.³ The rate of decline was particularly high between 2012 and 2014 and amounted to around 30 per cent.

² 2018 the question refers to purchases in a shop. Previous years the question referred to the most recent payment made.

³ Usually the interview survey "Payment patterns in Sweden" is carried out every other year. As this year's survey was carried out in March, however, it is only 1½ years since the previous survey. If one makes an adjustment for the shorter time interval between the surveys, the percentage who used cash for their most recent purchase has continued to decline by around 15 per cent a year even after 2016.

Percentage who responded that they paid in cash for their most recent purchase⁴

Per cent



Source: The Riksbank

Cash withdrawals made less often

The number of cash withdrawals from ATMs and bank offices is continuing to decline. This year, 20 per cent state that they never withdraw cash, 42 per cent state that they withdraw cash less often than once a month, 31 per cent state one to three times a month and 6 per cent state one or more times a week. Compared with 2016, the percentage of households withdrawing cash one to three times a week has declined by around 10 percentage points and the percentage withdrawing cash less often than once a month has increased by a corresponding amount. Cash withdrawals are somewhat more common in rural areas, but the difference is not appreciably large.

Withdrawals of cash from shops (cashback) are also made less often. More than 60 per cent of respondents say that they never withdraw cash in shops. This result also applies to rural areas.

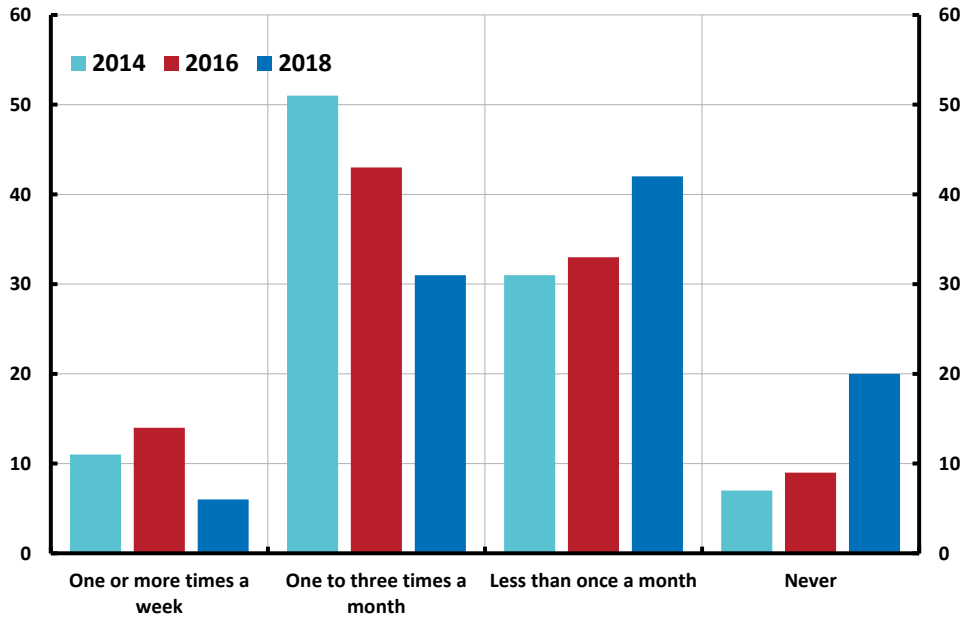
If there was a charge of SEK 3-5 per cash withdrawal, around 30 per cent say that they would continue to pay in cash around as often as they do today. Around 30 per cent would change over to paying with debit cards, however.

The size of cash withdrawals has remained relatively constant since 2012. Around 30 per cent withdraw SEK 200-400, around 20 per cent withdraw SEK 500 and around 20 per cent withdraw more than SEK 1,000.

⁴ See footnote 2.

How often do you withdraw cash from an ATM or cash desk at a bank?

Per cent



Source: The Riksbank

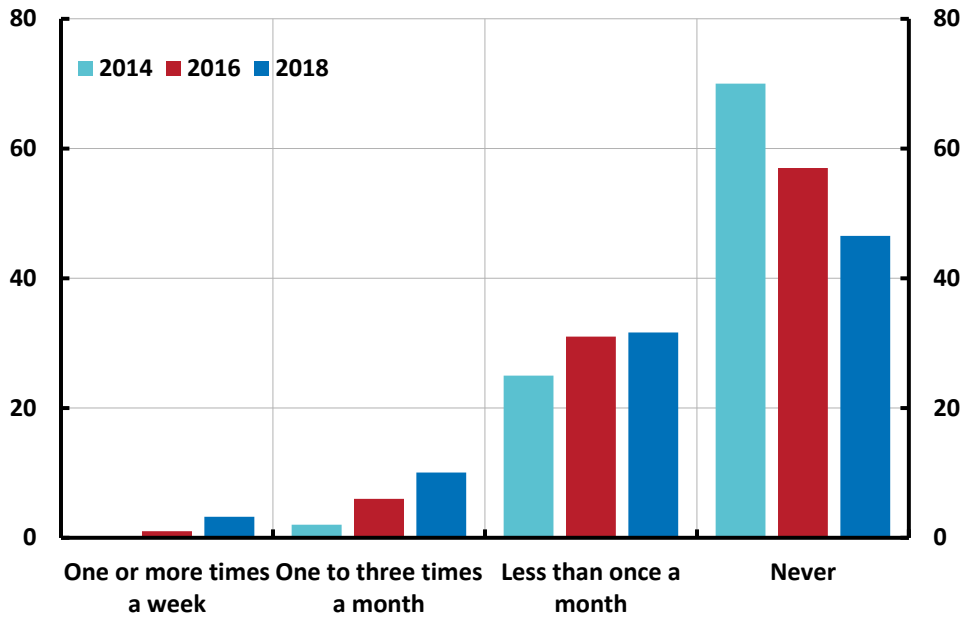
Swedish households rarely experience shops refusing to accept cash

The payment market is two-sided, which means that both households and shops must accept a means of payment for it to work and to be usable in practice. To gain an idea of the retail trade's acceptance of cash, a question was asked about how often households experience that the shop where they are making a purchase does not accept cash.

Almost half of the respondents never experience problems paying in cash in a shop. Around 30 per cent experience a problem less than once a month, 10 per cent experience a problem one to three times a month and 3 per cent experience a problem one or more times a week. Although relatively few experience problems paying in cash, this problem is arising more often now than in earlier surveys. Problems paying in cash in shops are less common in rural areas. 63 per cent never experience a problem paying in cash, 22 per cent experience a problem less than once a month, 7 per cent experience a problem one to three times a month and 2 per cent experience a problem one or more times a week.

How often do you experience that the shop where you are making a purchase does not accept cash?

Per cent



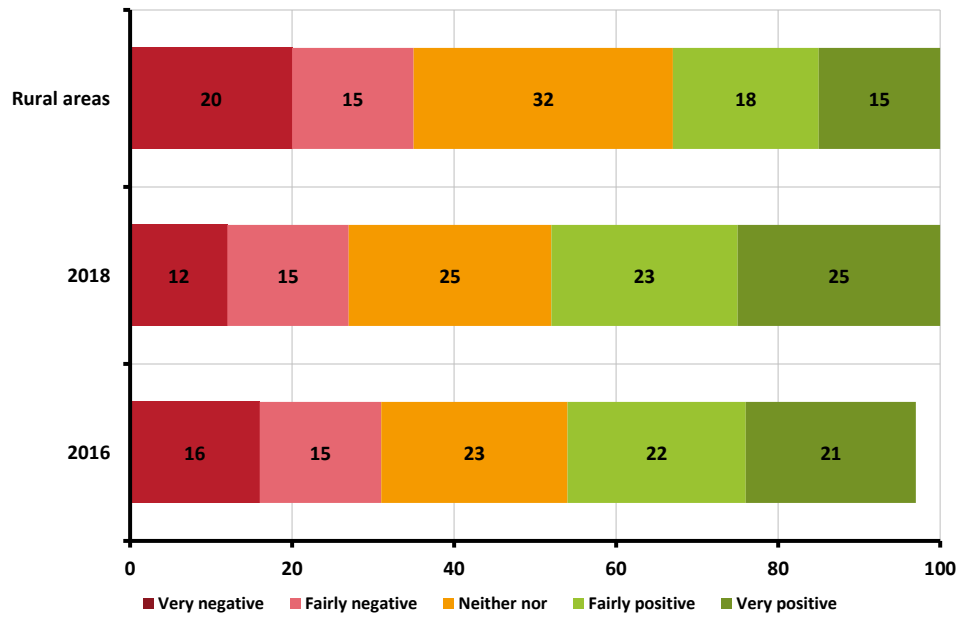
Source: The Riksbank

Slightly more positive to the decline in the use of cash

Half of the respondents were positive or very positive to the decline in the use of cash, while 27 per cent were negative or very negative. The number of respondents with positive attitudes had increased and the number with negative attitudes declined in relation to 2016. In rural areas, the percentage with a positive attitude to developments (33 per cent) was almost as great as the percentage with a negative attitude (35 per cent). On the other hand, the percentage that was neither positive nor negative to the decline in the use of cash was larger and amounts to around 30 per cent.

*Attitudes to the decline in the use of cash*⁵

Per cent



Source: The Riksbank

⁵ Rural areas refers to 2018.



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