

Communications

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Results of the 2017 survey on payment methods

In the autumn of 2017, the Swiss National Bank (SNB) conducted a survey on payment methods for the first time. The aim of the survey is to obtain representative information on payment behaviour and the use of cash by households in Switzerland, and to ascertain the underlying motives for this behaviour.

As part of the survey, around 2,000 people resident in Switzerland were interviewed to obtain information on their payment behaviour generally and their use of cash in particular.

Following the interview, respondents recorded all the payments made by them over seven consecutive days in a payments diary, specifying the amount, place and method of payment. Recurring payments – such as rental expenses and insurance premiums – were to be entered in the diaries separately in aggregate form as one-off monthly amounts. In total, more than 22,500 transactions were recorded in respondents' diaries.

Overall, the survey paints a picture of multifaceted use of payment methods by households in Switzerland. The results indicate the well-functioning coexistence of cash and cashless payment methods, as well as a high level of satisfaction with existing payment options on the part of households.

As most places of payment offer freedom of choice when it comes to selecting payment methods, residents in Switzerland can choose the method that is most suitable from an individual perspective. This constitutes a significant benefit to the national economy. In addition, the fact that the Swiss public is able to choose their preferred method of payment in most situations proves that the SNB fulfils its statutory tasks of ensuring the supply and distribution of cash on the one hand, and facilitating and securing the operation of cashless payment systems on the other.

Press release

In detail, the 2017 survey on payment methods highlights the following findings:

Swiss residents aged 15 years and over execute on average 1.6 payments a day, with the transaction amount averaging CHF 41. The majority of these payments are below CHF 20, whereas just 2% of transactions involve sums of more than CHF 200.

Cash is the most common method of payment for households in Switzerland. Of the payments recorded, 70% were processed with cash. When measured in terms of value, by contrast, cash accounted for just 45% of the recorded expenditure. This difference is attributable to the fact that cash is a particularly popular payment method for small amounts. That said, cash is also often used when larger sums are involved: 35% of non-recurring payments that involve amounts of more than CHF 1,000 are settled with cash.

When executing payments, households resort to both small and large denomination banknotes. In particular, the 10-franc note and the 20-franc note are used very frequently in payments, but the two largest denominations are also widespread in Switzerland. 40% of respondents indicated that they had at least one 1000-franc note in their possession within the last two years, a figure that rises to 66% with respect to the 200-franc note. The two highest-value banknotes are first and foremost used for expensive, significant purchases of an infrequent nature – such as the purchase of cars, electronic goods and furniture – as well as for paying bills at post office counters.

In addition to an average cash sum of CHF 133 held in their wallets, the average Swiss resident also possesses approximately two different cashless methods of payment. The dominant methods of cashless payment are the debit card and the credit card. By comparison, more innovative payment procedures such as payment apps are still not very widespread.

The debit card (Maestro/EC card, PostFinance card) is by far the most commonly used cashless payment method in Switzerland. Of the transactions recorded in the survey, 22% were processed in this form, whereas credit card payments accounted for a share of 5%.

By contrast, the figures for usage of innovative payment procedures such as payment apps and contactless card payments are very modest. Since these payment options are used above all for small amounts, they may come to represent an interesting alternative to cash in time. That said, around half of respondents indicated that they would continue to pay in cash over the next few years just as often as they do today. In the light of this finding, it is possible that innovative payment options could actually displace existing cashless payment methods rather than cash payments.

The features of cash and debit cards as methods of payment are perceived as good to very good. Specifically, cash is highly valued from the perspective of acceptance and costs in particular, while the debit card fares very well in the area of security – i.e. the protection it offers against the financial consequences of loss or theft. These two payment methods are considered equally easy and quick to use.

Press release

On the one hand, the choice of payment method is influenced by the payment amount.

Cash and payment apps are used in particular to settle small and medium-sized amounts, whereas debit card usage is increasingly common for amounts above CHF 50, and credit card use becomes widespread for amounts above CHF 200. This shows that the different methods of payment complement each other well.

On the other hand, payment method preferences vary according to place of payment.

Factors such as individual preferences for a particular form of payment (cash or cashless) and the subjective evaluation of the simplicity of the payment procedure influence the choice of payment method. In particular, the evaluation of the simplicity of a payment method depends on the place of payment to a significant degree. Depending on the outcome of this evaluation, households therefore select different methods of payment at different places of payment. Thanks to the high level of acceptance of cashless forms of payment and the ready availability of cash, households in Switzerland genuinely do have the opportunity to use their preferred payment method at most places of payment.

The differences in payment behaviour that have been observed in other countries between groups with different socio-demographic characteristics are also evident in Switzerland.

In particular, the aspects of age and household income are significant when it comes to preferences for specific payment methods and the choice of payment method in any given situation. People over the age of 55 and respondents from low-income households show above-average attachment to cash. By contrast, people aged 15–34 or from high-income households have a preference for card payments. Moreover, a striking regional difference in Switzerland is the greater preference for cash payment in Ticino.

Overall, Switzerland's population exhibits similar payment behaviour to the euro area population on average.

However, it should be noted in this context that significant differences in payment behaviour can be observed between the individual countries of the euro area. For example, German-speaking countries and the countries of southern Europe use cash considerably more than French-speaking and northern euro area countries. By comparison, Switzerland finds itself somewhere in the middle.

In addition to its function as a method of payment, cash also plays an important role for households in Switzerland as a store of value.

Cash is kept for this purpose by 37% of Swiss households. The majority of these respondents say they hold less than CHF 1,000 as a store of value, whereby the 100-franc note is most commonly held. Immediacy of availability is cited as a key motive for the use of cash as a store of value. By contrast, setting aside funds for a crisis and the persistent low interest rate environment are currently factors that play a distinctly minor role.

You can find the full report on the 2017 payment methods survey at www.snb.ch.