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# Survey on Payment Methods 2020

SCHWEIZERISCHE NATIONALBANK  
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# Survey on Payment Methods 2020

Survey on payment behaviour and  
the use of cash in Switzerland



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# Contents

	Page
<b>Preface</b>	<b>4</b>
<b>1 Executive summary</b>	<b>5</b>
<b>2 Rationale, scope and methodology</b>	<b>7</b>
<b>3 Ownership and assessment of payment instruments</b>	<b>9</b>
3.1 Ownership of payment instruments	9
3.1.1 Ownership of cash for payment purposes	9
3.1.2 Ownership of non-cash payment instruments	12
3.1.3 Conclusion	13
3.2 Assessment of payment instrument attributes	14
<b>4 Payment behaviour</b>	<b>16</b>
4.1 Payment method use for non-recurring payments	17
4.1.1 Overview	17
4.1.2 Key factor: Payment amount	18
4.1.3 Key factor: Payment location	20
4.1.4 Key factor: Socio-demographic characteristics	21
4.1.5 Conclusion	22
4.2 Payment method use for recurring payments	24
4.3 Factors influencing choice of payment method for everyday use	25
4.3.1 Prerequisites: Acceptance and availability	26
4.3.2 Individual preferences and needs	27
4.3.3 Self-assessment of changes in payment behaviour	29
4.3.4 Conclusion	30
<b>5 Use of innovation-driven payment methods</b>	<b>31</b>
5.1 Contactless card payments	31
5.2 Mobile payment apps	33
5.3 Invoice approval with eBill	35
5.4 Outlook and socio-demographic aspects	36
<b>6 Use of cash as store of value</b>	<b>37</b>
6.1 Store-of-value behaviour	38
6.2 Store-of-value reasons	40
6.3 Conclusion	40
Appendix 1: Survey methodology	41
Appendix 2: Distribution of sample by socio-demographic characteristics	42
Appendix 3: Glossary	43

A remarkable technological development is currently underway in payment transactions, with people profiting from a growing range of non-cash payment methods. This trend, compounded by the coronavirus pandemic, means that the replacement of cash with innovation-driven payment methods is increasingly a topic of public discussion. But how significantly has the Swiss population actually adapted its payment behaviour in recent years, and what motivates its choice of payment method? How important are innovation-driven payment options? And, more fundamentally, how much freedom of choice is there among the various payment methods? Has there been a change in the acceptance and availability of the various payment methods in Switzerland?

These and other questions are the focus in the second representative survey on payment methods, commissioned by the SNB and carried out in autumn 2020. The survey provides detailed insight into payment behaviour and the population's attitudes regarding various payment options. Considerable thanks are thus due to the respondents. This review is only possible thanks to their willingness to openly provide information about their payment behaviour and the underlying motives.

The survey results show that, in terms of the number of payments made, cash continues to be the payment instrument most frequently used by the Swiss population. Compared with 2017, however, when the first payment methods survey was carried out, its usage share has dropped significantly. The coronavirus pandemic has given additional impetus to this shift from cash to non-cash payment methods. Additionally, the 2020 survey on payment methods demonstrates clearly that the various payment instruments complement one another well in different situations. Thanks in part to the broad availability of a range of means of payment, Swiss residents continue to feel scarcely any restrictions in their choice of payment method. I am certain that it will continue to be possible for people to choose freely between cash and cashless payment methods in future, and that this freedom will continue to be of importance to them.

The findings from the survey are also of particularly great interest in the current environment and contribute to an in-depth discussion of questions concerning payment behaviour. Furthermore, the SNB survey provides important information regarding the cash requirement and the efficiency of the existing payment transactions system. It therefore helps the SNB to fulfil two statutory tasks of equal importance: ensuring the supply and distribution of cash, and facilitating and securing the operation of cashless payment systems. Only when the population has confidence in both cashless payment transactions and in cash itself can it have genuine freedom of choice in selecting a payment method.

I hope you find this study interesting and informative.

Fritz Zurbrügg  
Vice Chairman of the Governing Board

**In autumn 2020, the Swiss National Bank conducted its second representative survey on payment methods, the first one being in 2017.**

As part of the survey, some 2,100 people resident in Switzerland were interviewed about their payment behaviour and the reasons behind their choices. Following the personal interviews, participants then recorded detailed information in a payment diary on all non-recurring payments (e.g. in supermarkets and restaurants or online) executed over a period of seven consecutive days. Overall, around 22,000 such transactions were recorded in the payment diaries. Furthermore, at the end of the one-week period, the respondents were requested to provide details of their recurring payments (e.g. rent, insurance premiums and similar), irrespective of whether or not these payments were actually made during the reference week.

**The survey shows significant changes in payment method use compared with 2017, with large shifts from cash to non-cash payment methods.** These shifts can be observed to varying degrees across all population groups. They have also been more pronounced than respondents in 2017 had anticipated. Moreover, the majority of respondents expect the growing trend towards cashless payments to continue in the years ahead.

**On the one hand, these changes reflect the fact that the population has become increasingly aware and appreciative of innovations in the field of cashless payment methods.** In terms of ease of use and speed, the debit card now has a better ranking than cash. At highly frequented points of sale (POS), it has replaced cash as the preferred payment instrument. This can be attributed in particular to the now widespread ownership and use of payment cards with the contactless function.

**On the other hand, the coronavirus pandemic has further accelerated the changes in payment method use.** One-third of respondents state that they have made lasting adjustments to their payment behaviour as a result of the pandemic and are now making increased use of card payments. It is, however, not possible to make a statement on the relative impact of the coronavirus pandemic on changes in payment method use based on the survey data.

**As before, the population does not feel particularly restricted in its choice of payment method.**

Overall, it rates the availability and acceptance of both cash and non-cash payment instruments as good. The perceived acceptance of non-cash payment methods has increased further since 2017. As for cash, information provided by respondents indicates certain restrictions on its acceptance. Such constraints on cash acceptance are likely a reflection of the fact that shops are frequently recommending cashless payment as a result of the pandemic.

In specific terms, the 2020 survey on payment methods yields the following results:

**Cash and debit cards continue to be the two most widely owned payment instruments among Switzerland's population.** In total, 97% of respondents keep cash in their wallets or at home to cover day-to-day expenses, while 92% own a debit card (2017: 88%) and 78% hold a credit card (2017: 63%).

**In terms of the number of non-recurring payments made, cash continues to be the payment instrument most frequently used by the population, although its usage share has dropped significantly compared with 2017.** While 70% of these payments were still being settled in cash in 2017, in 2020, this share was 43%. The corresponding shares for debit and credit card payments, meanwhile, have climbed to 33% (2017: 22%) and 13% (2017: 5%) respectively. As before, there is an above-average number of cash-oriented consumers in Italian-speaking Switzerland, in the 55-and-over age group and in households with low to medium income levels.

**In terms of the transaction value of non-recurring payments, the debit card has replaced cash as the payment instrument with the highest share.** The value share for debit card payments currently amounts to 33% (2017: 29%), that of cash stands at 24% (2017: 45%). This development is largely due to the fact that cash is now only the most widely used payment method for small amounts (of less than CHF 20), whereas in 2017, it was still predominantly used for payments of up to CHF 50.

**Contactless card payments are widespread in Switzerland.** A total of 92% of all respondents hold a debit or credit card with the contactless payment function, with 60% of debit and credit cardholders stating that they always or usually pay using the touch-free function.

**Mobile payment apps are registering robust growth.** Having played only a marginal role in 2017 (11%), mobile payment apps have recorded a sharp rise in ownership since then (2020: 48%). At the same time, their usage in terms of volume and value has increased from virtually zero to 5% and 4% respectively.

**By far the most widely used method for settling recurring payments in Switzerland is via online banking transfers.** In terms of transaction value, 62% of all payments are settled via online banking. Payments made using direct debit and eBill follow with shares of 17% and 6% respectively. The small share for eBill is likely primarily due to the relatively low level of familiarity with this form of payment and its functions to date.

**In addition to its function as a method of payment, cash also plays a significant role for households in Switzerland as a store of value.** Cash is kept for this purpose by 70% of survey respondents. The majority of respondents state that they keep cash reserves of less than CHF 1,000, with the 100-franc note cited as the most commonly held banknote. The main reasons cited for using cash as a short or long-term store of value are the immediate availability of cash when required and, to a lesser extent, provision for crisis situations.

The report is structured as follows: Chapter 2 addresses the rationale, scope and methodology of the survey. In chapter 3, the focus is on the ownership and assessment of the various payment instruments among the Swiss population. Chapter 4 examines payment behaviour and the choice of payment method, and identifies the influencing factors. The use of innovation-driven payment methods is explored in chapter 5, while chapter 6 discusses the use of cash as a store of value.



Under the National Bank Act, the SNB is tasked with pursuing a monetary policy serving the interests of the country as a whole. It ensures price stability, while taking due account of economic developments. Among other things, this requires it to ensure the supply and distribution of cash in Switzerland. Additionally, the SNB is entrusted with the task of facilitating and securing the operation of cashless payment systems. By fulfilling these equally important tasks, the SNB creates the necessary conditions for the public to choose its preferred method of payment for each individual transaction.

In-depth knowledge and understanding of the use of cash and non-cash payment instruments<sup>1</sup> and also of the associated developments help the SNB to fulfil the aforementioned tasks. Surveys that investigate the payment behaviour of the public are a widely used method in this regard, also internationally.<sup>2</sup> In autumn 2020, a payment methods survey was therefore conducted for the second time on the SNB's behalf, following the first survey in 2017.

The survey focuses on the payment behaviour of households and has the following objectives:

- Gain insights into the prevalence and use of payment methods as well as the reasons behind the choice of payment instrument
- Track the changes in payment behaviour
- Gain a deeper understanding of the use of innovation-driven payment methods
- Collect data on the use of cash as a store of value

The survey consists of a telephone interview on payment habits and attitudes towards the various payment instruments, on the one hand, and the keeping of a payment diary, on the other. In the diary, respondents recorded details of all payments executed over a period of seven consecutive days, providing information on the amounts spent as well as the payment location and payment instrument used in each case. Recurring payments (rent, insurance premiums or similar) were

not taken into account. The term 'payment location' is broadly defined for the purposes of this survey, and encompasses not only specific physical POS (e.g. supermarkets, restaurants), but also online purchases, counterparties (e.g. person-to-person, or P2P) and payment purposes (e.g. eating and drinking out). Information on when cash in wallets was replenished or spent was also recorded.

With regard to recurring payments, respondents were asked in a supplementary question for each expenses category to make one entry for the amounts, frequency and payment method used. Details of these payments were provided from bank statements or from memory. In a separate list, respondents were asked to specify all the payment instruments they own. Compared with the 2017 payment methods survey, this information, on recurring payments and ownership of payment methods, constitutes a significant expansion.

The market research institute DemoSCOPE was commissioned by the SNB to conduct the survey. Between August and November 2020, the institute interviewed 2,126 Swiss residents aged 15 and over. Table 2.1 summarises the key aspects of the study design. Further details on the methodology can be found in Appendix 1.

<sup>1</sup> The terms 'payment method' and 'payment instrument' are used synonymously throughout this report; cf. glossary.

<sup>2</sup> For instance, the Deutsche Bundesbank's *Payment behaviour in Germany* or the European Central Bank's *Study on the payment attitudes of consumers in the euro area (SPACE)*.

Table 2.1

**KEY ASPECTS OF SURVEY DESIGN**

	<b>Description</b>
Method	Computer-assisted telephone interview (CATI) and paper or online diary
Survey population	Language-assimilated resident population of Switzerland aged 15 and over
Sampling procedure	Stratified random sample at individual level based on FSO sampling frame
Field time	Mid-August to mid-November 2020
Gross sample	2,434 interviews and 2,144 diaries
Adjusted sample	2,126 interviews and diaries
Incentive	SNB giveaway and postal cheque/bank transfer to the value of CHF 100

Source(s): SNB

### Key points

- Cash and debit cards continue to be the two most widely owned payment instruments among Switzerland's resident population.
- Some 97% of respondents keep cash in their wallets or at home to cover day-to-day expenses. At CHF 138, the average amount of cash held in a wallet has changed little compared with 2017 (CHF 133).
- The 200-franc and 1000-franc notes are still widely held among the population, though they are primarily used for more expensive purchases that occur less frequently.
- The share of respondents who hold debit (92%) or credit (78%) cards has increased further from the already high levels in 2017.
- The most substantial rise in ownership was seen in the case of innovation-driven payment methods, such as mobile payment apps (48%; 2017: 11%).
- Compared with 2017, there have been significant changes in respondents' assessment of payment instruments in terms of security, acceptance, ease of use, speed and cost. The debit card now ranks highest in three of these categories, narrowly making it the best-rated payment instrument overall.

Based on the responses provided in the interviews, this chapter explores which cash and non-cash payment instruments are owned by respondents (cf. chapter 3.1) and discusses how the attributes of these payment methods are rated (cf. chapter 3.2). Describing the ownership and assessment of the various payment instruments establishes the framework within which households – in their own estimation – operate when making their payments. This is particularly relevant later in the report, when the factors influencing the choice of payment method are examined (cf. chapter 4.3).

### 3.1 OWNERSHIP OF PAYMENT INSTRUMENTS

In a first step, the ownership of cash for payment purposes is addressed (cf. chapter 3.1.1). This includes a detailed account of the way in which cash is obtained. Subsequently, the ownership, withdrawal and use of large-denomination banknotes are treated separately. In a second step, the ownership of and access to non-cash payment instruments is explored on the basis of a self-assessment by the respondents (cf. chapter 3.1.2).

#### 3.1.1 OWNERSHIP OF CASH FOR PAYMENT PURPOSES

Almost all respondents use cash for payment purposes, with 97% saying they keep cash in their wallets or at home to cover day-to-day expenses. The average amount of cash held by respondents in their wallets is CHF 138, which is almost unchanged compared with the 2017 survey (CHF 133). Most survey participants continue to hold rather small amounts of cash, while a few respondents report carrying quite high amounts on their person. This becomes evident when the average is compared with the median.<sup>1</sup> At CHF 90 (2017: CHF 99), the median is substantially lower than the average.

As in 2017, median cash holdings in wallets vary quite considerably in certain socio-demographic groups (cf. chart 3.1). Overall, however, the pattern across these groups remains unchanged, although in some cases it is more pronounced in quantitative terms. The greatest differences continue to be seen between the age groups. In the 55-and-over age group, median holdings of cash are now almost three-and-a-half times the amounts held by those aged 15 to 34 (2017: two-and-a-half times). With regard to the language regions, respondents in Italian-

<sup>1</sup> The median is also referred to as the middle value: 50% of respondents report a lower amount than the median and 50% report a higher amount.

speaking Switzerland once again have the largest median amounts of cash in their wallets, while those in the French-speaking part of the country carry the smallest amounts. Compared with 2017, there was a substantial decline in cash holdings in the Italian and French-speaking regions, while the average amount held in wallets in German-speaking Switzerland hardly changed. In terms of distribution by income group, it is worth noting that respondents in the two highest income brackets hold significantly less cash than in 2017. The changes in distribution across both the age and the income groups are consistent with changes related to ownership of non-cash and innovation-driven payment methods in the respective groups (cf. chapters 3.1.2 and 5).

### Cash withdrawals

In principle, there are several ways for households to access cash holdings. The primary source is likely to be linked to a bank or postal account. Almost all respondents report having at least one bank account and thus access to cash services (cf. box ‘Digital banks and fintechs in area of cashless payment transactions’).

Of all respondents, 92% state that they typically make cash withdrawals. As in 2017, ATMs are once again cited as being the most frequently used sources of accessing cash, with 87% of respondents saying they primarily use this channel. Meanwhile, a total of 8% usually withdraw cash at a bank or post office counter.<sup>2</sup> On the whole,

<sup>2</sup> Given that the two questions on cash withdrawals and the main source of cash were asked independently of each other, the percentages provided do not have to correspond exactly. In particular, respondents may have indicated that they do not generally withdraw cash, but may also have noted that, if they do, they primarily withdraw it from ATMs.

respondents appear satisfied with the cash withdrawal options in Switzerland. A large majority (92%) is of the view that there are sufficient ways to access cash. Moreover, three-quarters of respondents found that the selection of cash withdrawal methods has either increased or not changed in the last two years, whereas one-quarter had the impression that there were fewer options available. The decline in withdrawal options is perceived very differently, especially across age groups. While 29% of respondents aged 55 and over felt there was a decrease, only 15% in the youngest age group were of the same opinion; among those aged 35 to 54, the figure was 26%.

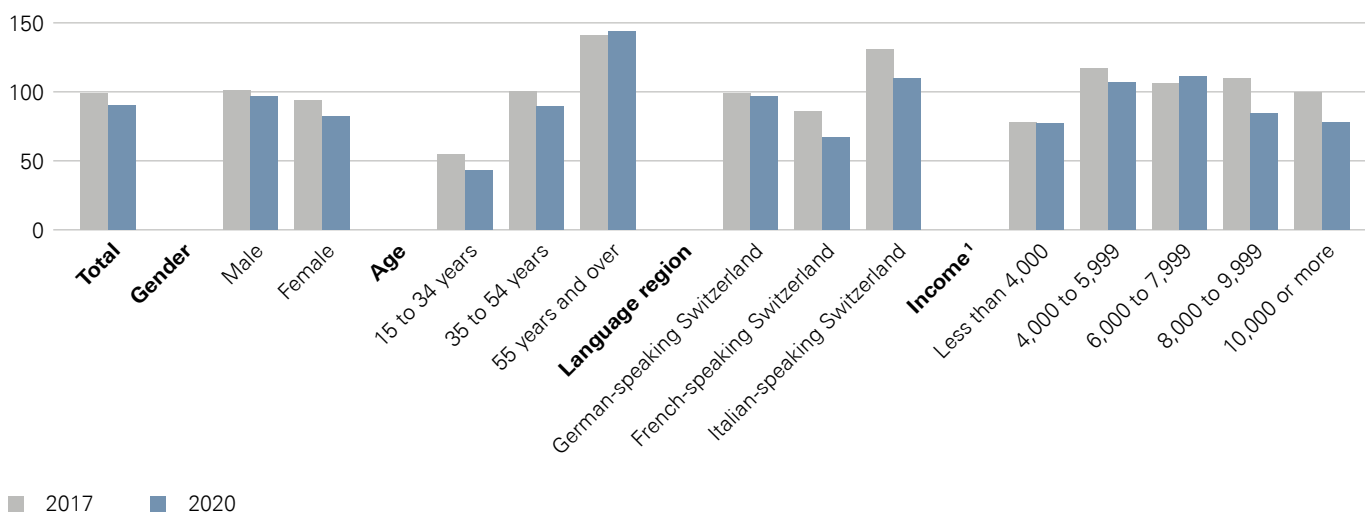
As regards the main reasons for withdrawing cash, the one given most by respondents was that the cash was intended either for immediate purchases (63%) or to top up the amount of cash in their wallets for forthcoming purchases (38%). One reason that was mentioned far less frequently than in the 2017 survey was the withdrawal of cash for bill payments at post office counters, which fell from 17% of responses to 5%. The proportions among respondents aged 55 and over (9%), as well as in the two lowest household income groups (12% and 9%) and in Italian-speaking Switzerland (12%), were higher than the average, but likewise lower than in 2017.

The most frequently obtained denominations at respondents’ main sources of supply are the 100-franc, 50-franc and 20-franc notes. For all three denominations, more than 50% of respondents state that they usually withdraw the cash in these banknotes (cf. chart 3.2). The dominance of the 100-franc note has declined since the last survey, especially at ATMs, and withdrawals are now more evenly distributed across these three denominations. The more

Chart 3.1

### MEDIAN CASH HOLDINGS IN WALLET

Value in CHF of Swiss franc cash (notes and coins) in wallet; from payment diary



Question: How much cash (Swiss franc coins and notes) do you carry in your wallet or on your person?  
 Basis: All respondents (2,126 people) by socio-demographic group (cf. appendix 2)  
 Point of capture: At the beginning of keeping the payment diary

<sup>1</sup> The income indicated is the monthly gross household income of respondents in Swiss francs.

Source(s): SNB

balanced prevalence of these notes could also be related to the fact that the introduction of a new ATM software, concluded in October 2020, gave more customers the opportunity to determine which denominations are dispensed at ATMs.

### Large-denomination banknotes

Despite being withdrawn less frequently – as seen in chart 3.2 – the 200-franc and 1000-franc notes nevertheless account for a large share of the value of banknotes in circulation due to their higher value (end-2020: 76% of total banknotes in circulation).<sup>3</sup> Against this background, the question arises as to how the two largest denominations are distributed among the population and for what purposes they are used.

Overall, 40% of respondents indicate that they have had at least one 1000-franc note in their possession in the last one to two years; for the 200-franc note, the corresponding figure was 80% (cf. chart 3.3). The share of those in possession of a 1000-franc note has thus remained unchanged since 2017, while considerably more respondents have reported owning a 200-franc note (2017: 66%). The distribution across the various socio-demographic characteristics has thus been retained and essentially corresponds to the distribution of cash holdings in general.

### Digital banks and fintechs in area of cashless payment transactions

In addition to traditional banks, there are also a large number of 'new' providers in the area of cashless payment transactions, namely digital banks and fintechs domiciled in Switzerland and abroad. They are characterised by the fact that they use digital offerings to attract new customers and do not operate any physical branches. The survey interviews reveal that virtually all respondents have at least one banking relationship, with 8% holding an account at either a digital bank or a fintech. Accounts with the latter two institutions are more commonly held by men, by respondents in the two younger age groups and by those in the highest income bracket.

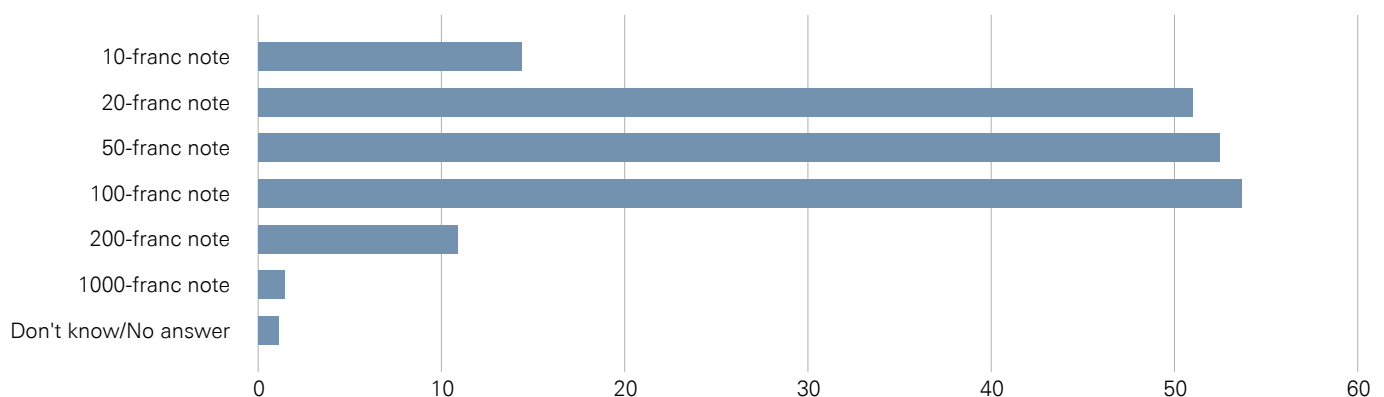
The main reasons given by respondents who hold such an account for using these digital options are the lower fees compared with traditional banks (51%) and in particular the relatively low cost of international payments (42%). In addition, just under one-third find them easier to use and make payments with. Digital bank accounts are rarely used as savings or salary accounts. This suggests that the services offered by these new providers are used to complement those of traditional banks. While in the case of transaction accounts there is a certain shift to digital banks and fintechs for cost reasons, other banking operations continue to be settled at traditional banks.

<sup>3</sup> Source: SNB data portal, data.snb.ch, *Table selection, Swiss National Bank, Key figures for the SNB, Banknotes and coins in circulation.*

Chart 3.2

### CASH WITHDRAWAL: DENOMINATIONS

Shares of basis in percent (multiple answers possible); from personal interview



Question: In which denomination do you usually withdraw cash at the preferred source?

Basis: All respondents holding a bank account and withdrawing cash at a preferred source (2,001 people)

Source(s): SNB

The principal intended use of the 200-franc and 1000-franc notes is to pay in cash for goods and services (cf. chart 3.4), a purpose that has grown in prominence since 2017. The most frequently given use for the 1000-franc note is now also the payment of goods and services, this having been only the second most-cited reason in 2017. When the 1000-franc note is used by Swiss households to purchase goods, it tends to be primarily for cars (37% of respondents who pay for purchases with this note) or for furniture and fittings (15%). The decreasing prominence of payments at post office counters as a use for these two large-denomination banknotes is noticeable. While this was the primary use for the 1000-franc note in 2017, the latest survey findings reveal that it is now in second position, with just half the number of mentions. Still of minor relevance for both these denominations is their use as a store of value (cf. chapter 6) and for gifting purposes.

### 3.1.2 OWNERSHIP OF NON-CASH PAYMENT INSTRUMENTS

According to the survey, the Swiss population owns an average of four different non-cash payment instruments per capita.<sup>4,5</sup> These increasingly also include innovation-driven payment methods (cf. chapter 5). In particular, the number of respondents using mobile payment apps is now considerably higher; the share of those in possession of such a payment instrument has more than quadrupled since 2017, from 11% to 48% (cf. chart 3.5). Use of mobile payment apps is particularly prevalent among certain socio-demographic groups. For instance, respondents aged 15 to 34 (67%) as well as those with higher incomes (64%) cite mobile payment apps considerably more frequently than the relevant peer groups. A significant proportion of respondents also mention online payment methods (31%) and online banking (77%).<sup>6</sup> In terms of ownership, the

4 This refers to the number of different categories of non-cash payment instruments. The survey thus ascertains whether respondents own a specific type of card (e.g. debit card), but not how many cards of that type; the same also applies to all other types of payment methods in the survey.

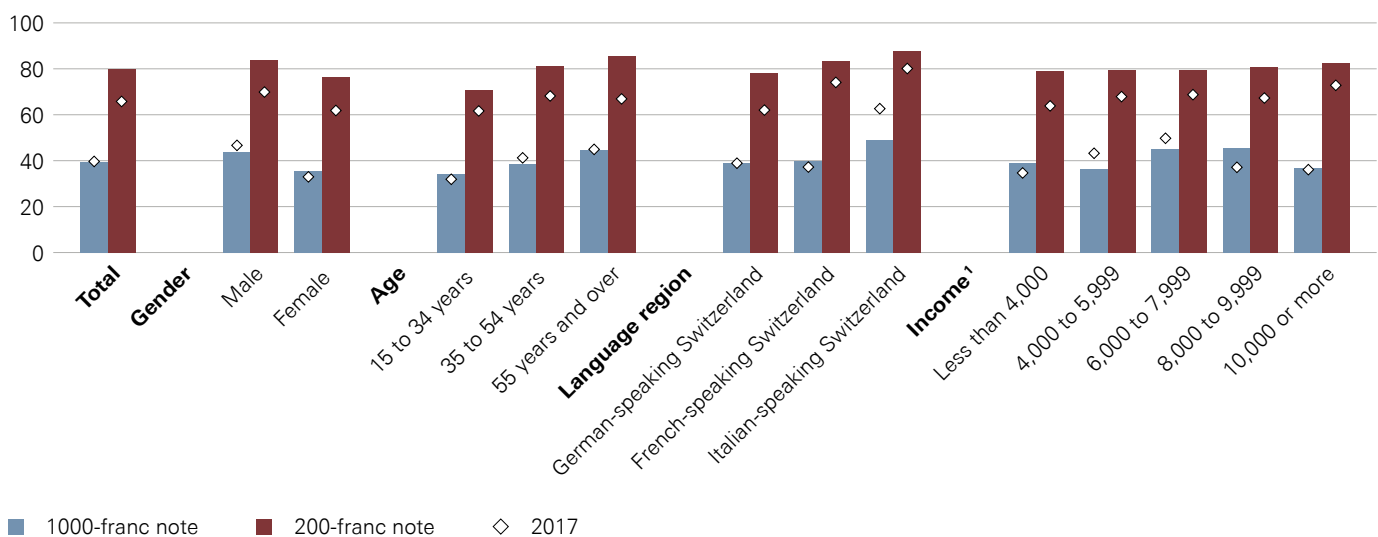
5 In 2017 respondents reported having an average of 2.2 non-cash payment instruments at their disposal. The marked difference from the current survey may be attributed in particular to the fact that in 2020, there were considerably more response options available than in 2017. The 2017 survey only explicitly mentioned debit and credit cards as well as other payment cards and mobile payment apps, while other payment methods could be listed under 'Other'. Considering such a lower number of response options, it is not surprising that a systematically lower number of payment methods were specified.

6 Online payment methods and online banking were not explicitly provided as response options in the 2017 survey. For this reason, the number of mentions is likely to have significantly under-represented actual ownership in 2017, with the result that the increase up to 2020 has been overestimated. In 2017, online payment methods were mentioned by 6% of respondents and online banking by 30%.

Chart 3.3

#### OWNERSHIP OF LARGE DENOMINATIONS

Shares of relevant basis in percent; from personal interview



Question: Have you owned one (or more) 1000-franc or 200-franc note(s) in the last 1–2 years?

Basis: All respondents (2020: 2,126 people; 2017: 1,968 people) or respondents by socio-demographic group (cf. appendix 2)

1 The income indicated is the monthly gross household income of respondents in Swiss francs.

Source(s): SNB

latter has now become as widespread as credit cards, which also saw a rise since 2017 (up from 62% to 78%). Among the non-cash payment instruments, the debit card remains at the top of the list, with 92% of respondents reporting owning one.<sup>7</sup>

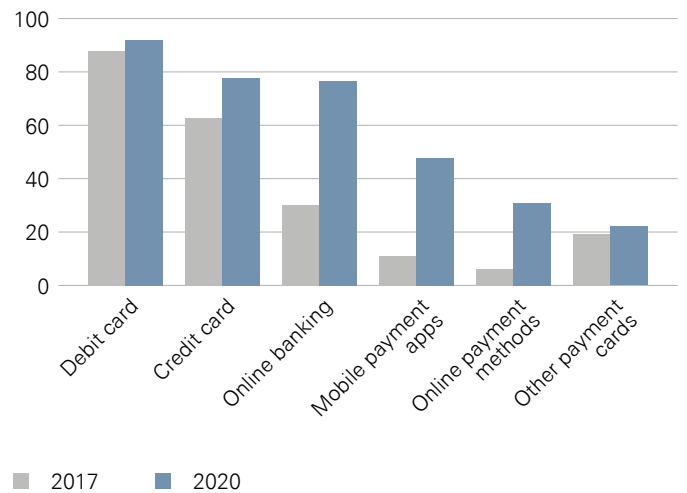
### 3.1.3 CONCLUSION

Overall, cash remains the most prevalent method of payment in Switzerland in terms of ownership. It is apparent, however, that newly emerging innovation-driven payment methods are becoming increasingly widespread among the population. In particular, a much larger proportion of the population now owns a selection of non-cash payment instruments. Owing to these developments, the population has a wider range of payment methods at its disposal on average than in 2017. This has further improved on what was already a good starting point, enabling consumers to choose a payment method that is ideally adapted to the payment situation and best suits their individual preferences and needs. Chapter 4 explains how this is ultimately reflected in actual payment behaviour and in the choice of payment method on a day-to-day basis.

Chart 3.5

### OWNERSHIP OF NON-CASH PAYMENT INSTRUMENTS

Shares of basis in percent (multiple answers possible); from personal interview



Question: Other than cash, numerous (non-cash) payment methods are also available. Which of the following non-cash payment instruments do you own?  
Basis: All respondents (2020: 2,126 people; 2017: 1,968 people)

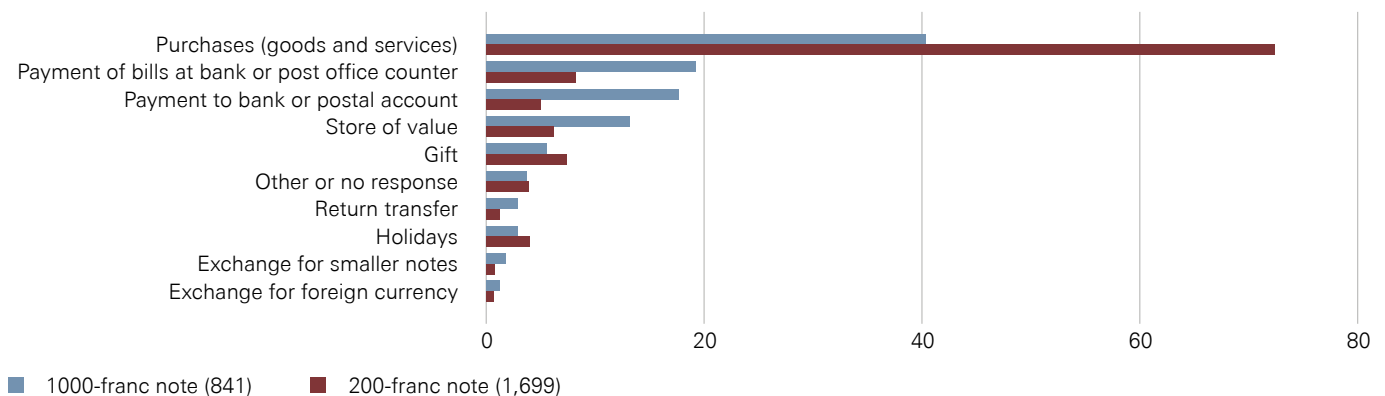
Source(s): SNB

<sup>7</sup> Detailed definitions of the individual non-cash payment instruments and procedures can be found in the glossary.

Chart 3.4

### USE OF LARGE DENOMINATIONS

Shares of relevant basis in percent (multiple answers possible); from personal interview



Question: What did you use the 1000-franc or 200-franc note for, or, what do you use 1000-franc or 200-franc notes for in general?  
Basis: Respondents who have owned one (or more) 1000-franc or 200-franc note(s) in the last 1–2 years (cf. legend)

Source(s): SNB



### 3.2 ASSESSMENT OF PAYMENT INSTRUMENT ATTRIBUTES

In addition to familiarity with and ownership of payment methods, respondents were also asked about their overall assessment of payment instruments with respect to security, acceptance, ease of use, speed and cost. The question here is restricted to the more widespread methods of payment which could be used directly at the payment location – cash, debit and credit cards, and mobile payment apps.

In most cases, the various payment instruments were rated good to very good with respect to these attributes, although there were some noticeable differences compared with the 2017 survey. These relate not only to the evaluation of the individual payment methods in absolute terms, but also to their ranking and to their evaluation in relative terms (cf. chart 3.6). The debit card now ranks highest in three of the five assessment categories (security, ease of use, speed), narrowly making it the best-rated payment instrument overall and replacing cash in top position. This results mainly from the fact that cash, in absolute terms, is rated less favourably – almost across the board – than in 2017, while the evaluation of the debit card has hardly changed. Cash continues to get the best rating for acceptance and cost, although with a notably lower score for the former in particular. This could also be a result of the acceptance constraints during the coronavirus pandemic (cf. chapter 4.3). Furthermore, cash has lost out on first place with regard to ease of use and speed. In fact, where speed is concerned, cash has moved from first to last position in the overall ranking. This may be a consequence of increased use of the contactless

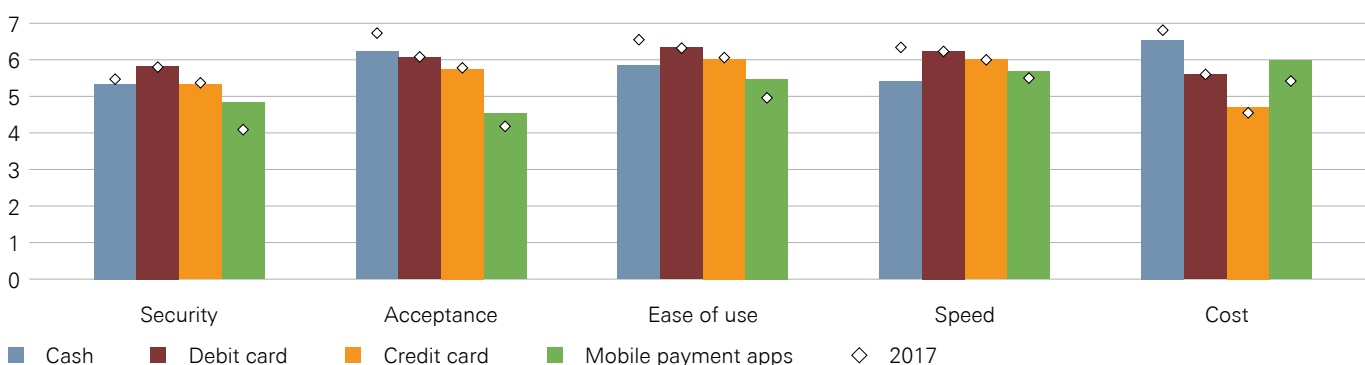
function in payment cards and the growing familiarity with mobile payment apps. Even if this does not directly improve the ranking of these methods of payment in terms of speed, the bar by which cash is measured now appears to be higher.

Like the debit card, the credit card now also ranks one place higher relative to the other payment methods in terms of ease of use and speed, and is rated the second-best payment instrument in these categories. The better ratings for debit and credit cards in terms of ease of use and speed are likely due to the introduction and increased availability of the contactless payment technology, as well as to the increase in the limit for contactless payments not requiring a PIN from CHF 40 to CHF 80 on account of the coronavirus pandemic (cf. chapter 5.1). The credit card continues to be ranked worst in terms of cost. Despite the improved rating in absolute terms, mobile payment apps have remained in last place relative to the other payment methods with respect to security, acceptance and ease of use. They moved up one place with regard to speed and cost, and are now ranked second best for the latter category.

Chart 3.6

#### ASSESSMENT OF ATTRIBUTES BY PAYMENT INSTRUMENT

Rating on a scale of 1 (very poor) to 7 (very good); from personal interview



Question: How do you assess the various payment methods with regard to the following aspects? It is irrelevant to your answer whether or not you own these payment methods.

Basis: All respondents (2020: 2,126 people; 2017: 1,968 people)

Source(s): SNB



## Expenses management

Besides their primary purpose of settling payments, payment instruments can also help households keep track of spending and not exceed a given budget.

This attribute is often primarily associated with cash, since the amount held in a wallet is a reflection of immediately available funds. However, non-cash payment methods, too, can be used to manage expenses. In conjunction with technical solutions such as online and mobile banking apps or mobile payment apps, spending can be monitored easily and promptly.<sup>1</sup>

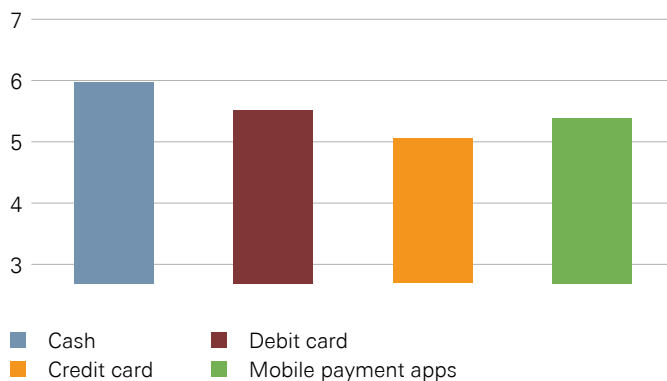
The survey findings indicate that expenses management is a central issue. Keeping track of current expenses is important for 96% of respondents. This applies to almost the same extent for all socio-demographic groups considered. The reason mentioned most by respondents as to why this is important to them is that they wish to stay within a set budget. Either the budget is more or less self-imposed (52%) or is dictated more directly by income (23%), or the budget constraints arise from the need to avoid debt (26%).

When asked about the payment instrument that best helps manage spending at the POS, cash ranks highest (cf. chart on assessment of expenses management attribute), as it did in a comparable question in 2017.

<sup>1</sup> Cf. also Till Ebner, Thomas Nellen and Jörn Tenhofen (2021), *The rise of digital watchers*, SNB Working Papers, 2021-01, and Ulf von Kalckreuth, Tobias Schmidt and Helmut Stix (2014), Using cash to monitor liquidity – implications for payments, currency demand and withdrawal behavior, *Journal of Money, Credit and Banking*, 46(8), pp. 1753–1785.

## ASSESSMENT OF EXPENSES MANAGEMENT ATTRIBUTE

Rating on a scale of 1 (very poor) to 7 (very good); from personal interview



Question: How do you assess the various payment methods with regard to the following aspects? It is irrelevant to your answer whether or not you own these payment methods.

Basis: All respondents (2020: 2,126 people; 2017: 1,968 people)

Source(s): SNB

It is followed by the debit card and mobile payment apps, which receive similarly good ratings in this respect. The credit card is rated worst.

The majority of respondents turn to online banking (48%) or mobile banking (12%) as a general way to monitor spending and keep expenses in check. The second most frequently mentioned method also relies on the list of bank account transactions and credit card payments, albeit in the form of statements sent by post (25%). Using cash for this purpose is cited by 11% of respondents.

### Key points

- In terms of the number of transactions, cash remains the most commonly used method of payment in Switzerland for settling non-recurring payments on a day-to-day basis (43%). Compared with 2017 (70%), however, cash has lost considerable ground.
- The debit card (33%) and credit card (13%) have become more prominent, with the majority of corresponding payments now being settled with the contactless function. Having hardly been used at all in 2017, mobile payment apps have also significantly increased their usage share (5%).
- In terms of transaction value, cashless payments now have a share of 76%, compared with 55% in 2017. In this regard, the debit card (33%) has replaced cash (24%) as the payment instrument with the highest value share.
- By far the most widely used method for settling recurring payments in Switzerland is via online banking transfers (volume share: 49%; value share: 62%); this is followed by direct debits and eBill (volume share: 27%; value share: 24%).
- Owing to the overall high level of availability and acceptance of both cash and non-cash payment instruments, the population does not feel particularly restricted in its choice of payment method at the POS. While the acceptance of non-cash payment instruments has improved further, acceptance of cash has seen a slight decline as a result of the coronavirus pandemic.
- An individual's perception of the ease of use and speed of a payment method influences their choice of payment instrument in day-to-day payment situations. In this respect, the debit card has replaced cash as the preferred choice of payment method at many key POS.
- On the whole, the survey paints a picture of a population that is increasingly aware and appreciative of the options available for non-cash payment thanks to innovation in this area. The coronavirus pandemic has further accelerated the changes in payment method use.

This chapter first takes a look at Switzerland's payment method use for non-recurring payments (cf. chapter 4.1). These include all types of everyday expenses (e.g. food, clothes and restaurant visits), irrespective of whether or not these were conducted in person or remotely (online, for instance). The evaluations are based on information recorded by respondents over the space of one week in a payment diary. In addition to an overview of general usage behaviour, chapter 4.1 focuses on the extent to which differences in payment method use can be attributed to the payment amount, payment location and socio-demographic characteristics.

Non-recurring payments are distinct from recurring payments, which are made, for example, to pay rent or health insurance premiums. Recurring payments were reported once by respondents at the end of the diary week on the basis of related documentation. The use of payment methods for these recurring payments is described in chapter 4.2.

Chapter 4.3 focuses on classifying the changes in payment method use observed since 2017. It explores the reasons behind situational choices of payment method in everyday life and describes respondents' self-assessment of previous and expected changes to their own payment behaviour.

## 4.1 PAYMENT METHOD USE FOR NON-RECURRING PAYMENTS

### 4.1.1 OVERVIEW

A total of 21,853 non-recurring payments were recorded in the 2,126 diaries (cf. table 4.1). Respondents made an average of 1.47 payments per day, slightly lower than in 2017 (1.65). Meanwhile, the average transaction amount increased to CHF 50 (2017: CHF 41). The median value of payments was CHF 19 (2017: CHF 16).

In terms of the number of transactions, cash remains Switzerland's most frequently used method of payment for non-recurring payments, with a share of 43% (cf. chart 4.1). In the space of three years, the share of cash declined by 27 percentage points. With a share of 33%, the debit card is the second most frequently used payment

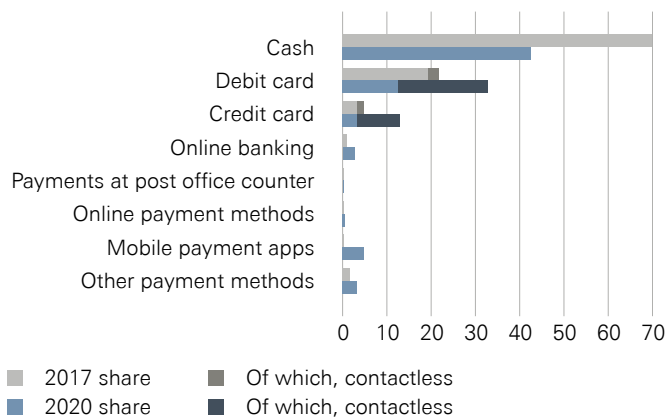
instrument. Its growing prevalence has been influenced by the significant rise in the use of the contactless function; the share of touch-free debit card payments as a percentage of all transactions increased from 2% in 2017 to 20%. As in 2017, the credit card follows in third place.<sup>1</sup> Its share rose from 5% to 13%, an increase that is also mainly due to the greater number of contactless payments. In total, touch-free card payments (including those with prepaid cards) climbed to 30% (2017: 4%). The volume share of mobile payment apps grew from almost zero to 5% (cf. chapter 5 for a detailed appraisal of the use of innovation-driven payment methods).

<sup>1</sup> Figures for credit cards shall hereinafter also include payments made with prepaid cards.

Charts 4.1

#### VOLUME SHARE BY PAYMENT METHOD

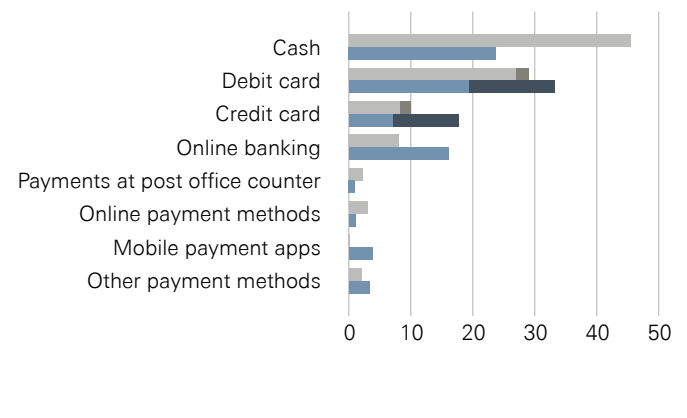
Shares of basis in percent; from payment diary



Basis: 21,853 transactions (2020); 22,517 transactions (2017)  
Source(s): SNB

#### VALUE SHARE BY PAYMENT METHOD

Shares of basis in percent; from payment diary

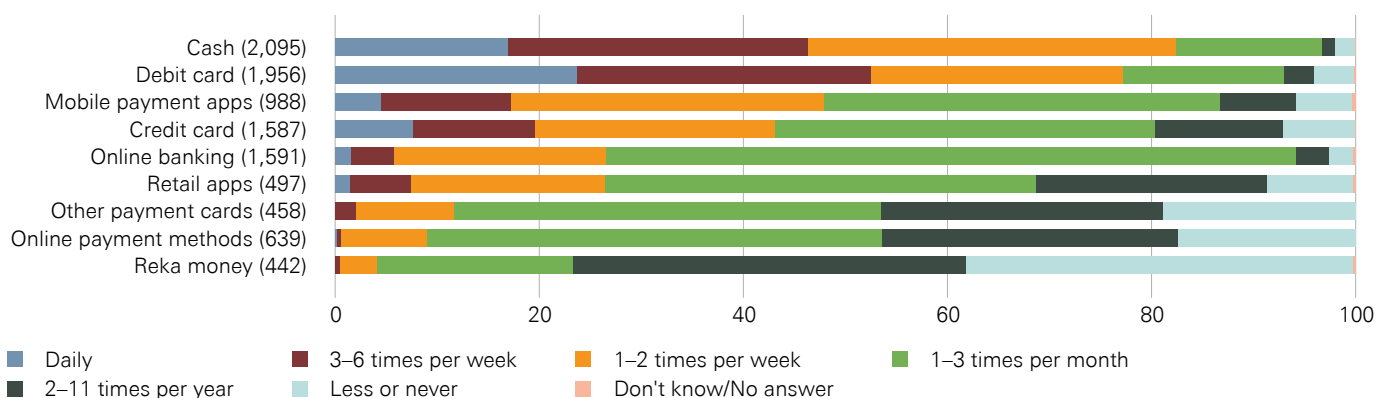


Basis: 2020: CHF 1,094,780; 2017: CHF 916,617  
Source(s): SNB

Chart 4.2

#### USAGE FREQUENCY OF CASH AND NON-CASH PAYMENT METHODS

Shares of relevant basis in percent; from personal interview



Question: How often do you generally use the following payment methods?  
Basis: Respondents who own the respective payment instrument (cf. figures in brackets above)  
Source(s): SNB

In terms of transaction value, the debit card now has the largest share, at 33%, representing an increase of around 4 percentage points since 2017. By contrast, the value share of cash payments dropped substantially from 45% to 24%. Credit card payments follow in third place, with a volume share of 18% (2017: 10%). The value share of transfers via online banking doubled in the three years from 8% to 16%, while that of payments with mobile payment apps advanced from close to zero (2017: 0.2%) to 4%.

Not only do cash and debit cards account for a large share of usage according to diary entries, they are also used frequently according to respondents' self-assessment in the interviews (cf. chart 4.2). Here, too, the decline in cash usage is evident, however. While 95% of respondents cited using cash at least once a week in 2017, this figure was down to just 82% in 2020. By contrast, the share of debit card usage rose in the same period by 4 percentage points to 77%. Considerably more respondents now also report using credit cards (43%; 2017: 27%) and mobile payment apps (48%; 2017: 28%) at least once a week.

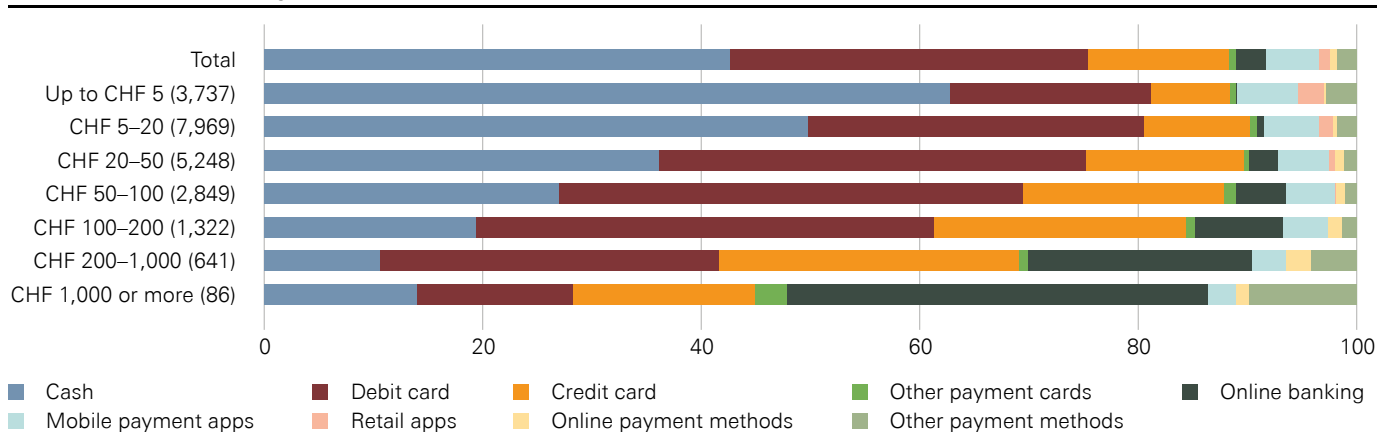
#### 4.1.2 KEY FACTOR: PAYMENT AMOUNT

As already noted in 2017, the influence of the payment amount on the use of individual payment methods is once again evident. The proportion of cash payments decreases considerably as the payment amount increases (cf. chart 4.3). Whereas the majority of payments up to CHF 50 were still made in cash in 2017, cash payments in 2020 were only in the majority for amounts up to CHF 20. In the CHF 50 to CHF 200 range, the bulk of payments are settled by debit card. For larger amounts, there is a growing prominence of credit card payments and, especially for payments in excess of CHF 1,000, of transfers via online banking. Mobile payment apps, on the other hand, register similarly high usage shares for both small and medium amounts (up to CHF 100), and thus show a less clear usage pattern with regard to payment amount.

Chart 4.3

#### VOLUME SHARES OF PAYMENT METHOD BY VALUE RANGE

Shares of relevant value range in percent; from payment diary



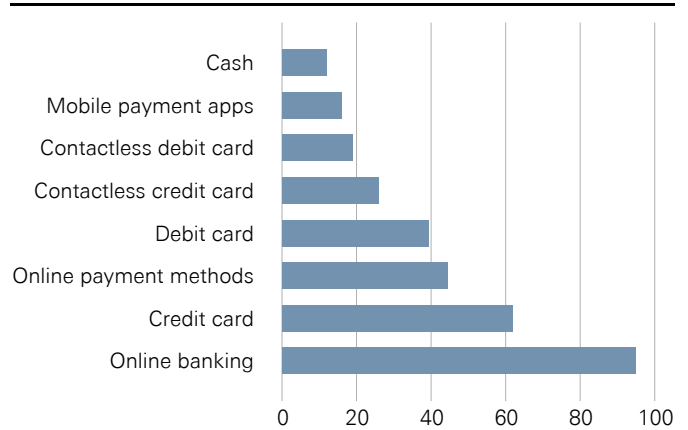
Basis: 21,853 transactions amounting to CHF 1,094,780 (in total) or transactions by value range (cf. figures in brackets above)

Source(s): SNB

Chart 4.4

#### MEDIAN AMOUNT BY PAYMENT METHOD

Median of relevant basis in CHF; from payment diary



Basis: 21,853 transactions with a total value of CHF 1,094,780

Source(s): SNB

The influence that the payment amount has on the payment method used can also be seen in the respective median amounts settled with the individual payment instruments.<sup>2</sup> As in 2017, cash payments recorded a median value of CHF 12 (cf. chart 4.4). For mobile payment apps and contactless debit card payments, the median accounts for less than CHF 20. The median values for all other payment instruments were substantially higher, with CHF 40 for non-contactless debit card payments, CHF 44 for online payment methods (e.g. PayPal) and CHF 62 for non-contactless credit card payments. In the case of online banking transfers for non-recurring payments, the median payment amount was CHF 95.

<sup>2</sup> The median is used here in order to avoid distortions owing to outliers resulting from the less frequently used payment methods.

Table 4.1

**PAYMENTS RECORDED BY SOCIO-DEMOGRAPHIC CHARACTERISTIC**

From diary entries

	Number of transactions	Average number of transactions per person per day	Average amount per transaction in CHF
<b>Total</b>			
Total	21 853	1.47	50.10
<b>Gender</b>			
Male	10 957	1.49	50.65
Female	10 896	1.44	49.55
<b>Age</b>			
15 to 34 years	5 426	1.27	42.60
35 to 54 years	8 075	1.59	50.15
55 years and over	8 352	1.51	54.90
<b>Language region</b>			
German-speaking Switzerland	15 666	1.49	49.90
French-speaking Switzerland	5 185	1.42	51.10
Italian-speaking Switzerland	1 001	1.44	48.00
<b>Residential environment</b>			
City/town (urban)	13 986	1.53	48.75
Conurbation (periurban)	4 566	1.41	55.00
Country (rural)	3 300	1.31	49.00
<b>Level of education</b>			
Tertiary	10 531	1.60	50.95
Upper secondary	9 725	1.42	51.15
Compulsory	1 346	1.08	34.20
<b>Monthly household income</b>			
Less than CHF 4,000	1 850	1.29	41.60
CHF 4,000 to 5,999	3 019	1.36	51.90
CHF 6,000 to 7,999	3 936	1.56	47.30
CHF 8,000 to 9,999	3 776	1.50	51.00
CHF 10,000 or more	7 922	1.57	53.45
<b>Employment status</b>			
Employed	14 647	1.54	49.95
Unemployed	487	1.28	46.10
In training/education	1 357	0.99	27.25
Retired	4 772	1.48	57.60

Source(s): SNB

### 4.1.3 KEY FACTOR: PAYMENT LOCATION

In addition to the payment amount, the payment location also has an influence on payment method use (cf. chart 4.5). As in 2017, the majority of non-recurring payments are made in shops selling day-to-day items (unchanged at 44%). The share of payments for eating and drinking out (including delivery services) – the second most used option – fell by 4 percentage points to 21%. By contrast, the volume share of online purchases climbed 3 percentage points to 4%. Moreover, it was noted that payments in shops selling consumer durables (e.g. furniture stores) increased from 4% to 7%. These changes in consumption are likely due, at least to some degree, to shifts in consumer behaviour and to restrictions imposed by authorities in response to the coronavirus pandemic. There have been no significant changes from 2017 in the number of payments processed at any other payment locations.

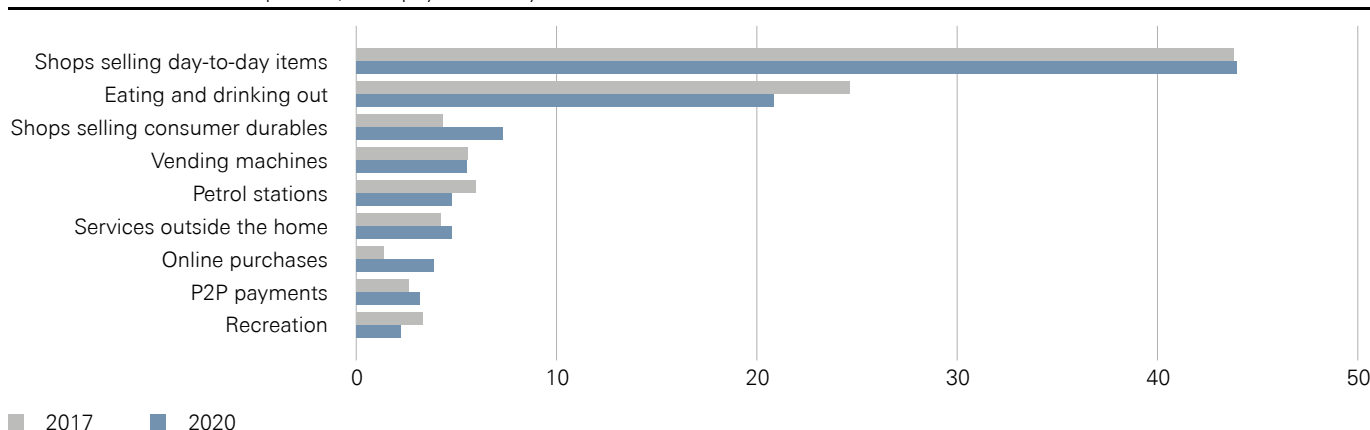
Chart 4.6 illustrates the significant differences in the usage shares of the individual payment methods based on payment location.<sup>3</sup> Overall, it is apparent that cash has become less important across all major payment locations, while card payments have grown in prominence. Although 41% of the population’s payments in shops selling day-to-day items are made in cash (corresponding roughly to the total across all payment locations), there are clearly divergent patterns of use for the individual payment methods at most other payment locations. For instance, cash continues to be used more often than average for eating and drinking out (53% cash share), at vending machines (62%) and for P2P payments (74%). It should

<sup>3</sup> This evaluation is based on volume shares; qualitatively speaking, the statements apply equally to value shares.

Chart 4.5

#### VOLUME SHARE AT SELECTED PAYMENT LOCATIONS

Shares of relevant basis in percent; from payment diary



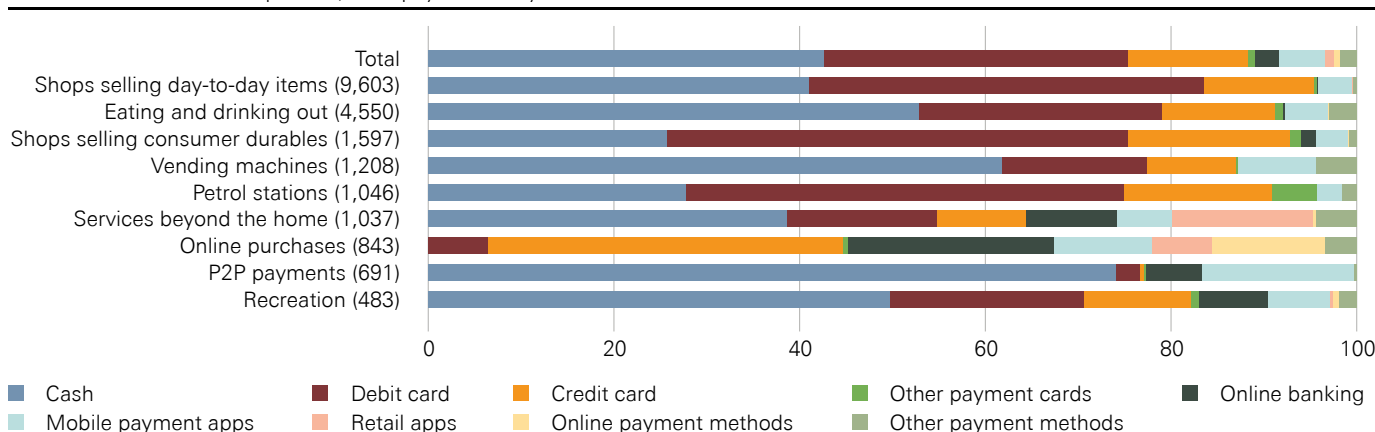
Basis: 21,853 transactions (2020); 22,531 transactions (2017)

Source(s): SNB

Chart 4.6

#### VOLUME SHARE BY PAYMENT METHOD AT SELECTED PAYMENT LOCATIONS

Shares of relevant basis in percent; from payment diary



Basis: 21,853 transactions (in total) or by payment location (cf. figures in brackets above)

Source(s): SNB

be noted that the cash share has also fallen sharply at these payment locations since 2017. Debit card usage shares at petrol stations (47%), in shops selling consumer durables (50%) and in shops selling day-to-day items (42%) are considerably higher than the average (33%). The shares for credit card payments are above average in shops for consumer durables (17%), at petrol stations (16%), and most especially for online purchases (38%). Where the latter is concerned, the credit card is by far the most widely used payment instrument, as was already the case in 2017. Having accounted for a very negligible share across the board in 2017, mobile payment apps now make up a considerable share of the volume with regard to P2P payments (16%), online purchases (11%) and payments at vending machines (8%) (cf. also chapter 5.2).

Use of the individual payment methods continues to deviate most significantly from average usage in connection with online purchases. Besides the credit card, the population also relies on online banking transfers (22% volume share), online payment methods (12%) and mobile payment apps (11%), with the latter posting the strongest growth since 2017, with an increase of 9 percentage points. By contrast, the prominence of the debit card (6%; 2017: 19%) and of cash for online purchases has declined considerably since 2017.<sup>4</sup> While 9% of online purchases were still paid for with cash in 2017, it was practically no longer used for this purpose in 2020.

#### 4.1.4 KEY FACTOR: SOCIO-DEMOGRAPHIC CHARACTERISTICS

In some cases, diary entries reveal substantial differences in the use of individual payment methods among the socio-demographic groups.<sup>5</sup> The corresponding pattern is similar to that of 2017. The age of respondents continues to have a strong influence on payment method use (cf. chart 4.7). The proportion of payments processed with cash is higher in the 55-and-over age group than by respondents on average. Although cash usage has also decreased in this age group since 2017, the decline has been less pronounced than in the younger age categories. Meanwhile, the majority of respondents in the youngest age group rely on the debit card (44%; 2017: 26%) for payments, and also use mobile payment apps more frequently than the peer groups. The shares of payment instruments in the middle age group of 35 to 54 year-olds roughly reflect the usage shares across the entire population.

As in 2017, it is evident that household income has a major influence on payment method use. As incomes rise, usage of credit cards and mobile payment apps increases, while cash usage declines. Debit card usage shares, by contrast, exhibit comparatively small fluctuations. There are still considerable variations between the language regions in payment method use. In the Italian-speaking part of the country, cash continues to be used by the majority. At 57%,

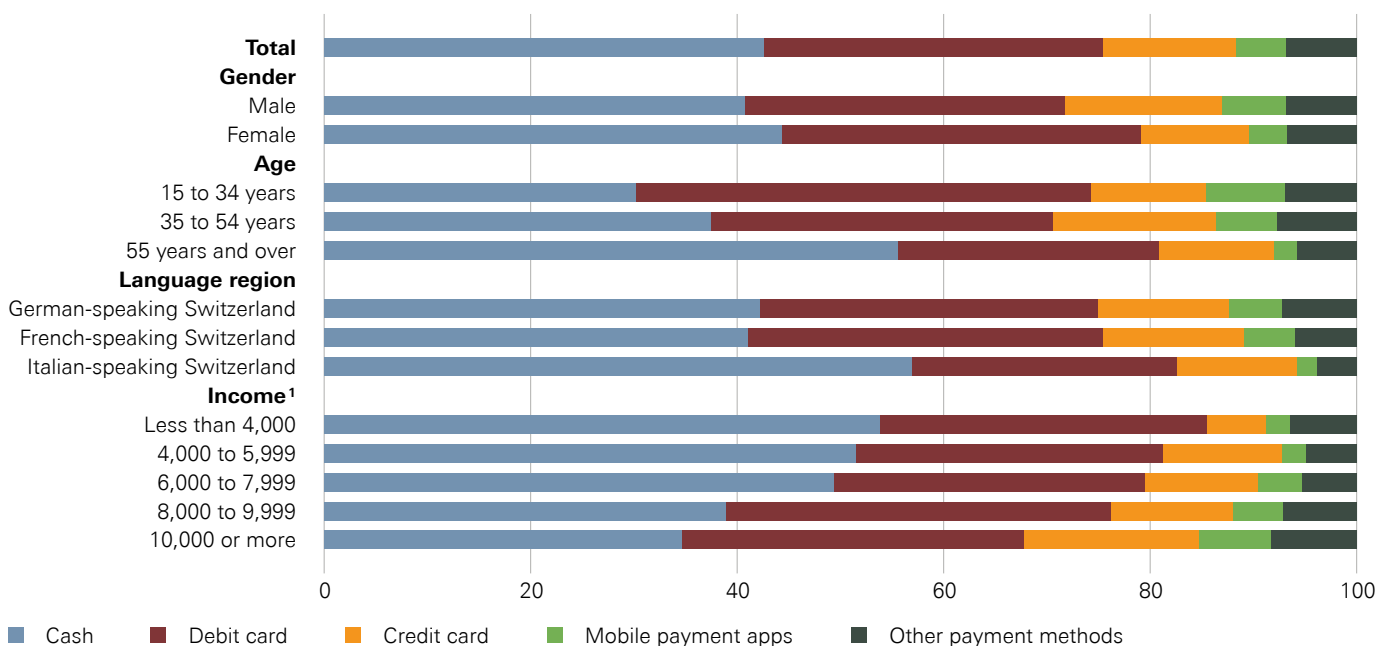
4 With the launch and distribution of internet-enabled debit cards, it cannot be ruled out that their share will increase again.

5 Appendix 2 describes in detail the socio-demographic characteristics and the breakdowns by group.

Chart 4.7

#### VOLUME SHARE BY PAYMENT METHOD AND SOCIO-DEMOGRAPHIC CHARACTERISTIC

Shares of relevant basis in percent; from payment diary



Basis: 21,853 transactions or number of transactions by socio-demographic group (cf. table 4.1)

<sup>1</sup> The income indicated is the monthly gross household income of respondents in Swiss francs.

Source(s): SNB



the usage share has thus declined far less significantly since 2017 than in the rest of Switzerland.

Differences in payment method use by gender and residential environment are also apparent, at least in certain cases. Women tend to use cash and debit cards somewhat more frequently, while men opt for credit cards and mobile payment apps. In contrast to 2017, there are noticeable differences between the residential environments with regard to the shares using cash and non-cash payment instruments. Cash usage declined less strongly among rural dwellers than among periurban or urban dwellers. Almost half of the payments made by those living in rural areas were still being settled with cash. The growth in card payments was correspondingly low in this residential environment. Meanwhile, urban dwellers make the least use of cash and opt for card payments the most.

#### 4.1.5 CONCLUSION

An analysis of the data provided in the payment diaries shows a marked change in payment method use among the Swiss population between 2017 and 2020. While cash has remained the most frequently used payment instrument, it has lost considerable ground since the 2017 survey. In terms of transaction value, the debit card has replaced cash as the payment instrument with the highest share. The credit card and mobile payment apps have also gained further prominence. In terms of volume and value, usage shares for day-to-day payments have thus shifted significantly from cash to non-cash payment methods, especially to the debit card.

Findings of studies in other countries<sup>6</sup> show a general trend away from cash and towards a greater use of non-cash payment methods. The fact that shifts in the same direction can be observed in Switzerland since 2017 across all amount classes, major payment locations and socio-demographic groups suggests that this change in trend in payment behaviour is also significant in this country. Chapter 4.3 goes into more depth on the background for this trend. The coronavirus pandemic and the associated shifts in consumer behaviour have further accelerated these developments (cf. box 'Impact of coronavirus pandemic on payment method use').

Based on the survey data, it is not possible to make a clear statement on the relative importance of the general trend or the pandemic for changes in payment method use since 2017. An initial, tentative assessment can be made with the help of a comparable study on payment method use from Germany.<sup>7</sup> A comparison of its findings with those in this chapter suggests that the structural changes in Switzerland have taken place faster since 2017 than they have in Germany. Based on a similar point of departure, the share of cash usage in Germany fell between 2017 and 2020 by 14 percentage points (in volume terms) and by 16 percentage points (in value terms). The decline was thus considerably less pronounced than in Switzerland, where the drop amounted to 27 percentage points (in volume terms) and 21 percentage points (in value terms). Given that both countries were similarly affected by the pandemic, it does not appear plausible to attribute this significant disparity primarily to corresponding changes in consumer behaviour. Rather, an important part of the difference is likely to result from varying trends that are independent of the pandemic.

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7 Cf. Deutsche Bundesbank (2021), *Payment behaviour in Germany in 2020 – making payments in the year of the coronavirus pandemic. Survey on the use of payment instruments.*

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#### Impact of coronavirus pandemic on payment method use

There are two aspects of paramount importance with regard to the changes in payment behaviour from cash towards cashless payments since 2017, as described in chapter 4. On the one hand, the changes reflect a general trend that is attributable to the adoption of technological developments. This trend is reflected in the fact that non-cash payment methods have in the meantime come to be considered, at least in part, as easier to use than cash (cf. chapters 3 and 4.3). On the other hand, the results below suggest that the coronavirus pandemic has further accelerated developments towards increased cashless payments.

To begin with, diary entries show that the share of cash usage for non-recurring payments was lower in the phase beginning on 19 October 2020, when infection rates were elevated and restrictions were heightened, than between mid-August and mid-October (cf. chart below on volume share by payment method).<sup>1</sup> This is likely a reflection, at least in part, of temporary

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6 Cf. European Central Bank (2020), *Study on the payment attitudes of consumers in the euro area (SPACE).*

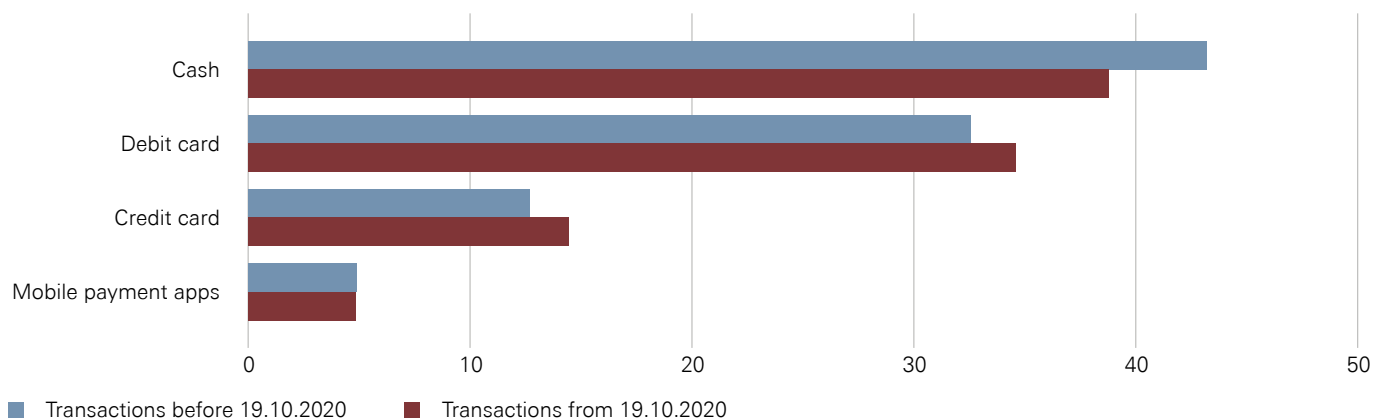
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1 19 October corresponds as closely as possible to the point in time when the second pandemic wave in Switzerland became evident. For the progression of case numbers, cf. [www.covid19.admin.ch/en/epidemiologic/case?detTime=total](http://www.covid19.admin.ch/en/epidemiologic/case?detTime=total).



## VOLUME SHARE BY PAYMENT METHOD: CHANGE DURING COURSE OF SURVEY

Shares of relevant basis in percent; from payment diary



Basis: 19,152 transactions before 19 October 2020; 2,700 transactions from 19 October 2020

Source(s): SNB

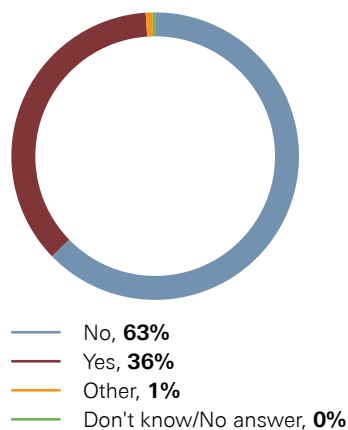
adjustments in consumer behaviour, including the tendency to purchase more in value terms at shops selling day-to-day items and to eat out less frequently.

Moreover, according to respondents' self-assessment, the pandemic has had a lasting impact on their payment method use, with about one-third of them reporting that their payment behaviour has changed for the long term as a result (cf. chart below on long-term changes to payment behaviour). Within this group of respondents, the majority state that they intend to consistently pay more often by card or increasingly pay touch-free (cf. chart below on type of long-term change to payment behaviour). This self-assessment of sustained changes in payment behaviour is consistent with the fact that in summer 2020 – in other words after the first wave of the pandemic – cash withdrawals from ATMs recovered, but remained below the pre-crisis level, while the number of card transactions at POS settled above the pre-crisis level.<sup>2</sup>

<sup>2</sup> Cf. SIX BBS Ltd, *Monitoring Consumption Switzerland* (<https://monitoringconsumption.com>), and Sébastien Kraenzlin, Christoph Meyer and Thomas Nellen (2020), *COVID-19 and regional shifts in Swiss retail payments*, SNB Working Papers, 2020-15.

## CORONAVIRUS: LONG-TERM CHANGES TO PAYMENT BEHAVIOUR

Shares of relevant basis in percent; from personal interview

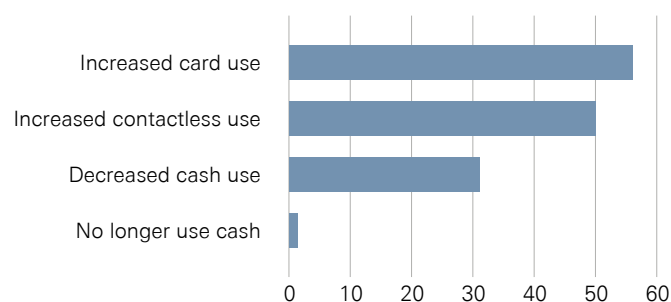


Question: Do you feel that your payment behaviour, i.e. use of various payment methods, has changed in a lasting way as a result of the coronavirus pandemic?  
Basis: All respondents (2,126 people)

Source(s): SNB

## CORONAVIRUS: TYPE OF LONG-TERM CHANGE TO PAYMENT BEHAVIOUR

Shares of basis in percent (multiple answers possible); from personal interview



Question: How has your payment behaviour, i.e. use of various payment methods, changed in a lasting way as a result of the coronavirus pandemic?  
Basis: Respondents who indicate their payment behaviour has changed in a lasting way as a result of the coronavirus pandemic (792 people)

Source(s): SNB

## 4.2 PAYMENT METHOD USE FOR RECURRING PAYMENTS

In addition to providing information on non-recurring payments made during the one-week diary period, survey respondents were also asked to indicate their recurring payments.<sup>8</sup> These payments are typically made with varying frequency, for instance rent or telephone bills are usually settled on a monthly basis, while insurance

<sup>8</sup> In the 2017 survey, recurring payments were not recorded with the same level of detail. For this reason, no comparisons will be made with 2017.

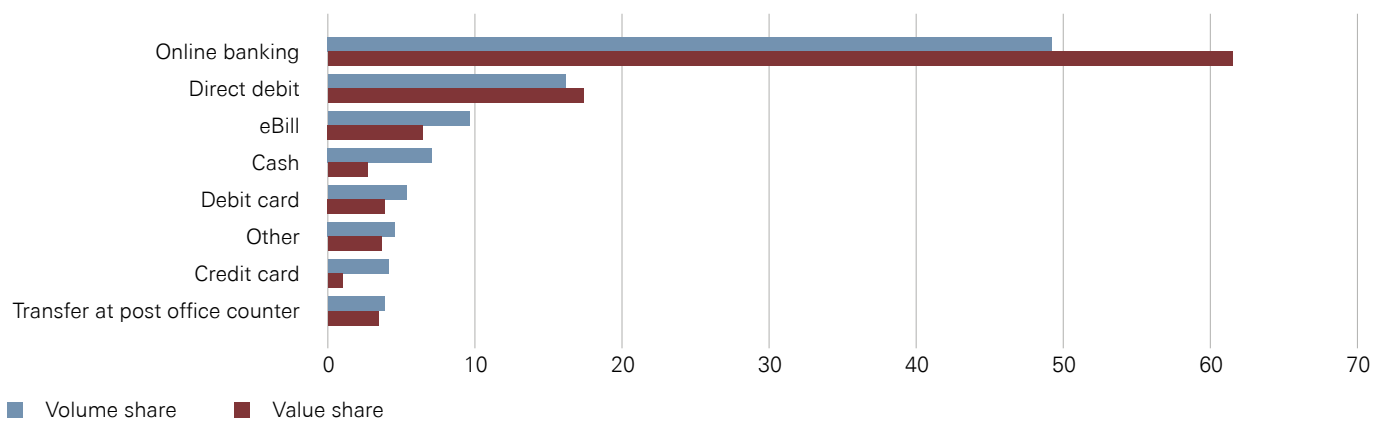
premiums generally tend to be paid annually. For the purposes of comparability of all recurring payments, the payments and their values provided in this section are based on the annual figures.

The findings show that the Swiss population generally uses other methods of payment to settle recurring payments than those for the day-to-day non-recurring payments described in chapter 4.1 (cf. chart 4.8). Just under half of the recurring payments – to the value of 62% of payment amounts – are settled via online banking transfers. In addition, direct debits and eBill are used for around a quarter of payments (volume share: 26%;

Chart 4.8

### VOLUME AND VALUE SHARES BY PAYMENT METHOD: RECURRING PAYMENTS

Shares of relevant basis in percent; from responses on recurring payments



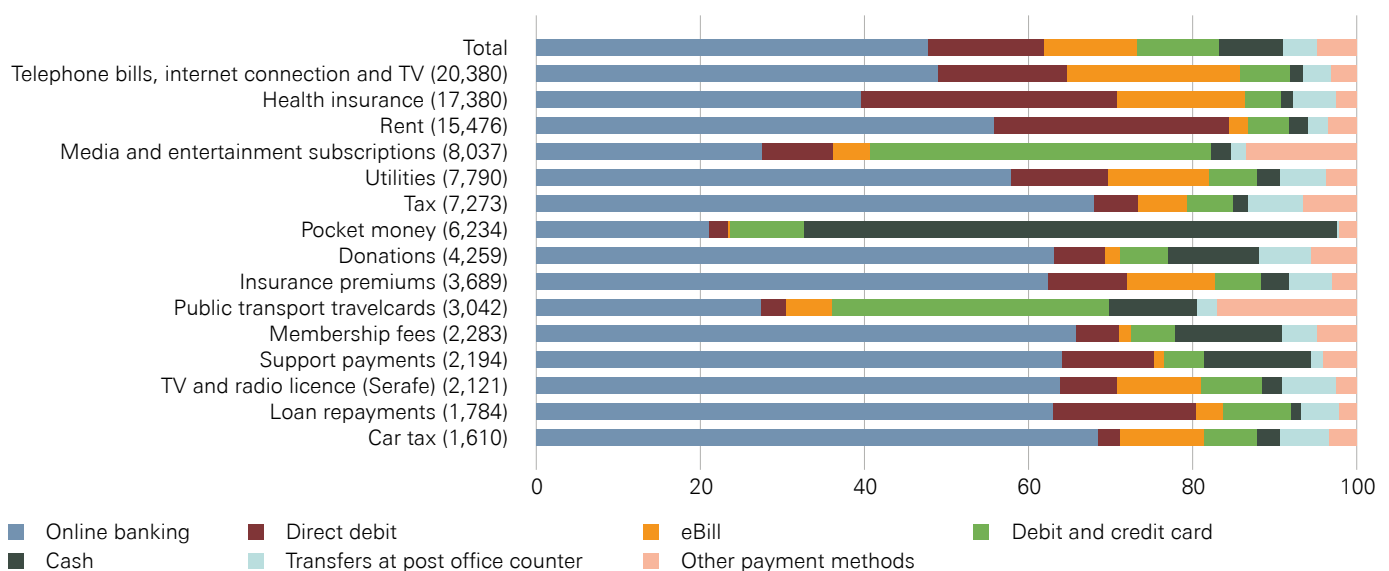
Basis: 106,767 transactions carried out annually (volume share) to the value of CHF 95,500,259 (value share)

Source(s): SNB

Chart 4.9

### VOLUME SHARE BY PAYMENT METHOD: RECURRING PAYMENTS

Shares of relevant basis in percent; from responses on recurring payments



Basis: 107,395 recurring transactions<sup>1</sup> (in total) and by recurring expense (cf. figures in brackets above)

<sup>1</sup> Transactions refer to the annual total of all transactions carried out. Details provided for monthly payments were annualised.

Source(s): SNB

value share: 24%). Cash is used to settle 7% of recurring payments, representing a value share of 3%. The debit card is used for 5% of these payments and accounts for a value share of 4%.

The main reason for the pronounced difference in payment method use compared with non-recurring payments is that the underlying payment purposes are generally not linked to a physical POS. The majority of recurring payments are related to a means of communication (e.g. telephone bills, internet connection and television) and account for a volume share of 19%. Around 16% of payments are made to settle bills for health insurance premiums and 14% go towards rent or mortgage interest. Recurring payments for utilities and taxes as well as media and entertainment subscriptions account for 7% each. In terms of value, payments for rent or mortgage interest and for taxes are the most significant at 30% each. Health insurance premiums account for a value share of 15%.

Depending on the purpose, the prominence of the individual payment methods differs for recurring payments (cf. chart 4.9). For instance, transfers via online banking are the most prevalent payment method across almost all payment purposes. There are a few exceptions: In the case of pocket money, cash is used for two-thirds of payments, while media and entertainment subscriptions are most frequently paid for with credit card. Travelcards for public transport, meanwhile, are purchased more often than average with cash and debit card. This is likely due to the fact that, in many cases, these purchases are made at a physical POS. Moreover, rent and health insurance premiums are paid more frequently by direct debit than other payments.

Differences in payment method use for recurring payments can also be observed in the context of socio-demographic characteristics. Usage shares in the 55-and-over age group are slightly lower for online banking transfers, but higher

for direct debits and payments at post office counters. By contrast, those aged 35 to 54 make greater use of online banking transfers. As with non-recurring payments, people in Italian-speaking Switzerland also tend to be more cash oriented.

### 4.3 FACTORS INFLUENCING CHOICE OF PAYMENT METHOD FOR EVERYDAY USE

Chapter 4.1 indicates that the use of individual payment instruments for non-recurring payments varies depending on the payment amount and payment location. This next chapter sheds greater light on the factors and considerations influencing this situational choice of preferred payment method. It also addresses the extent to which the importance of these considerations has changed since 2017 and to what extent this can explain the shifts observed in payment method use for non-recurring payments.

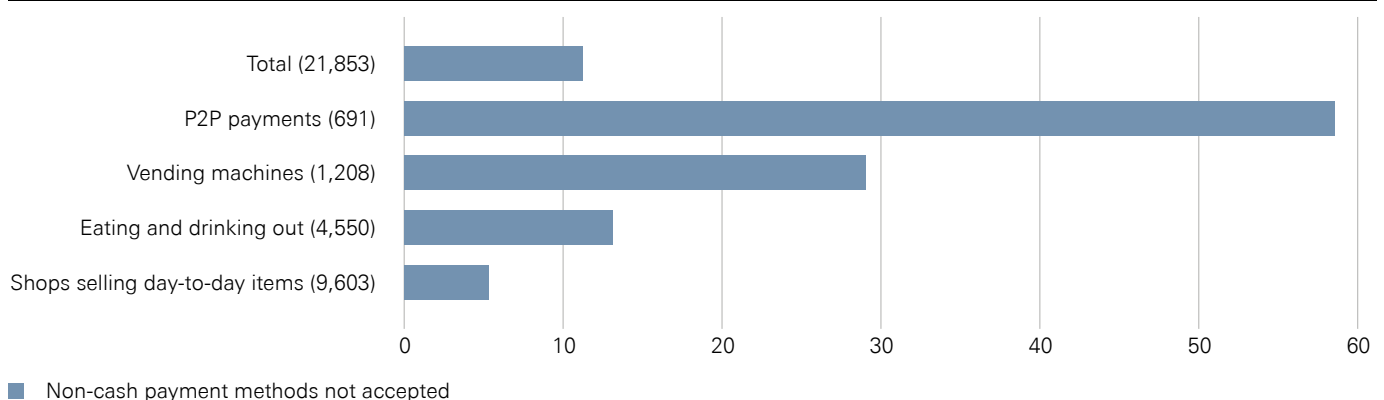
To this end, two aspects must be distinguished. The main prerequisites for genuine freedom of choice are the acceptance of the preferred payment method at the POS and the availability of the corresponding payment method (cf. chapter 4.3.1).<sup>9</sup> Once these prerequisites have been met, preferences and needs – as well as the assessment of how certain payment methods meet these needs – influence the choice of payment method in the specific payment situation (cf. chapter 4.3.2). The importance of these aspects for changes in payment method use is also evident in households' backward-looking and forward-looking self-assessments of payment behaviour (cf. chapter 4.3.3).

<sup>9</sup> Availability in this context is taken to mean that respondents have the relevant non-cash payment instruments with them or carry sufficient cash on them to make a payment.

Chart 4.10

#### ACCEPTANCE CONSTRAINTS: NON-CASH PAYMENT METHODS

Shares of relevant basis in percent; from payment diary



Question: Would the shop/payment recipient have accepted alternative payment methods other than cash?

Basis: Transactions by payment location (cf. figures in brackets above)

Source(s): SNB

### 4.3.1 PREREQUISITES: ACCEPTANCE AND AVAILABILITY

With a view to the mandatory prerequisites for using the relevant preferred payment method in a specific payment situation in everyday life, it is evident that the acceptance of cash and non-cash payment instruments in Switzerland is generally deemed to be good.

For non-cash payment methods, in particular, diary entries show that acceptance is at a high level and has improved further since 2017 (cf. chart 4.10). In specific terms, respondents said that 11% of payments were settled in cash and that a cashless payment would not have been possible (2017: 18%). Of relevance are prior acceptance barriers at individual specific payment locations, especially for P2P and vending machine payments, although these too have decreased since 2017: for P2P payments, the absence of a non-cash payment option was cited in 59% of cases (2017: 72%); for vending machine payments, the corresponding figure was 29% (2017: 33%). This increased acceptance is attributable to technological adjustments at vending machines and to the growing distribution and use of mobile payment apps (cf. chapters 3 and 5).

In the case of cash, information provided by respondents suggests certain constraints with regard to acceptance.<sup>10</sup> For a total of 21% of payments, it was reported that they

<sup>10</sup> Since this aspect was not explicitly surveyed in 2017, comparative statements are not possible.

were settled using non-cash payment methods and that cash would not have been accepted (cf. chart 4.11). First, these constraints on cash acceptance relate to online and mail order purchases, for which cash is not an option for payment processing, or at least not an obvious one.<sup>11</sup> However, online purchases account for only a small proportion of the transactions with limited acceptance of cash. Second, and more importantly, there has been an increase in the non-acceptance of cash payments in shops selling consumer durables (a constraint is cited in 34% of transactions at this payment location), in shops selling day-to-day items (20%) and for eating and drinking out (17%). Since these payment locations are the three most widely used POS by the public, they account for the bulk of payments with limited cash acceptance.

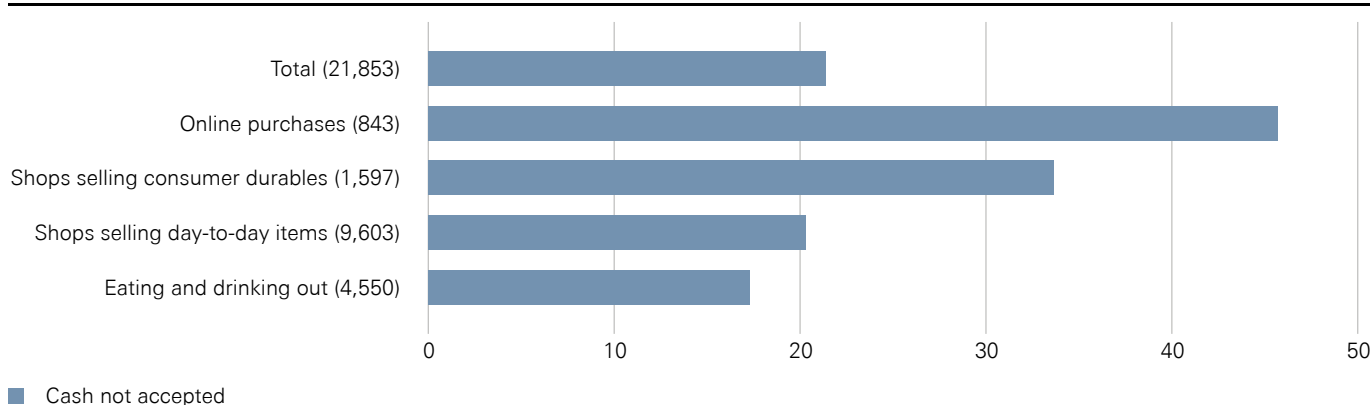
Constraints on the acceptance of cash are possibly related to the widespread notices at shops and restaurants to the effect that non-cash payment methods are preferred – at least temporarily – in view of the coronavirus pandemic. Diary entries therefore likely overstate the actual non-acceptance of cash. This interpretation is supported by the fact that nine out of ten respondents report that, prior to the pandemic, they had not experienced a situation in which

<sup>11</sup> It is interesting to note that around 40% of online purchases indicate that cash payment would have been possible. This can be explained by the widespread option available in Switzerland of making online purchases on account, the invoice for which can then potentially be paid for with cash via transfer at post office counters. Also feasible are online orders that are picked up at the POS and paid for in cash, or meal deliveries that are ordered online and paid for in cash at the door.

Chart 4.11

#### ACCEPTANCE CONSTRAINTS: CASH

Shares of relevant basis in percent; from payment diary



Question: Would the shop/payment recipient have accepted cash as an alternative payment method?

Basis: Transaction by payment location (cf. figures in brackets above)

Source(s): SNB

cash was not accepted. It is not possible at this juncture to estimate the extent to which the pandemic-related favouring of non-cash payment methods by shops will affect cash acceptance in the longer term.

In order for there to genuinely be a choice in any given payment situation, not only must the payment recipient accept the relevant payment methods, but the consumer must also have both sufficient cash holdings and the desired non-cash payment method available. According to diary entries, the consumer generally ensures that this availability is guaranteed. For instance, for 13% of cashless payments, respondents report not having carried enough cash on them to pay the required amount in cash. Conversely, in the case of 10% of cash payments, they report not having had an alternative available in the form of an operational non-cash payment instrument.

Together with the finding that most respondents own multiple payment instruments, as discussed in chapter 3, this information on availability likely explains why most respondents do not perceive acceptance constraints on the part of the payment recipient as a nuisance. Overall, 83% of respondents state that they were not bothered by or did not even notice the described pandemic-related constraints on cash acceptance. This is consistent with the fact that only 8% of respondents cite acceptance as the most important criterion for their choice of payment method in normal circumstances (cf. chapters 3 and 4.3.2).

#### 4.3.2 INDIVIDUAL PREFERENCES AND NEEDS

Working on the assumption that the prerequisites for a free choice of payment method are readily met in everyday life, the following still applies: Priority is given to subjective factors. To start with, there are different preferences among the population for a basic form of payment (cash or non-cash). These preferences are, in turn, influenced by individual needs and also by assessments of the extent to which a particular payment method fulfils these needs in a given payment situation. In this regard, the survey points to a change since 2017 – significant in part – which is in line with the change in payment method use according to diary entries.

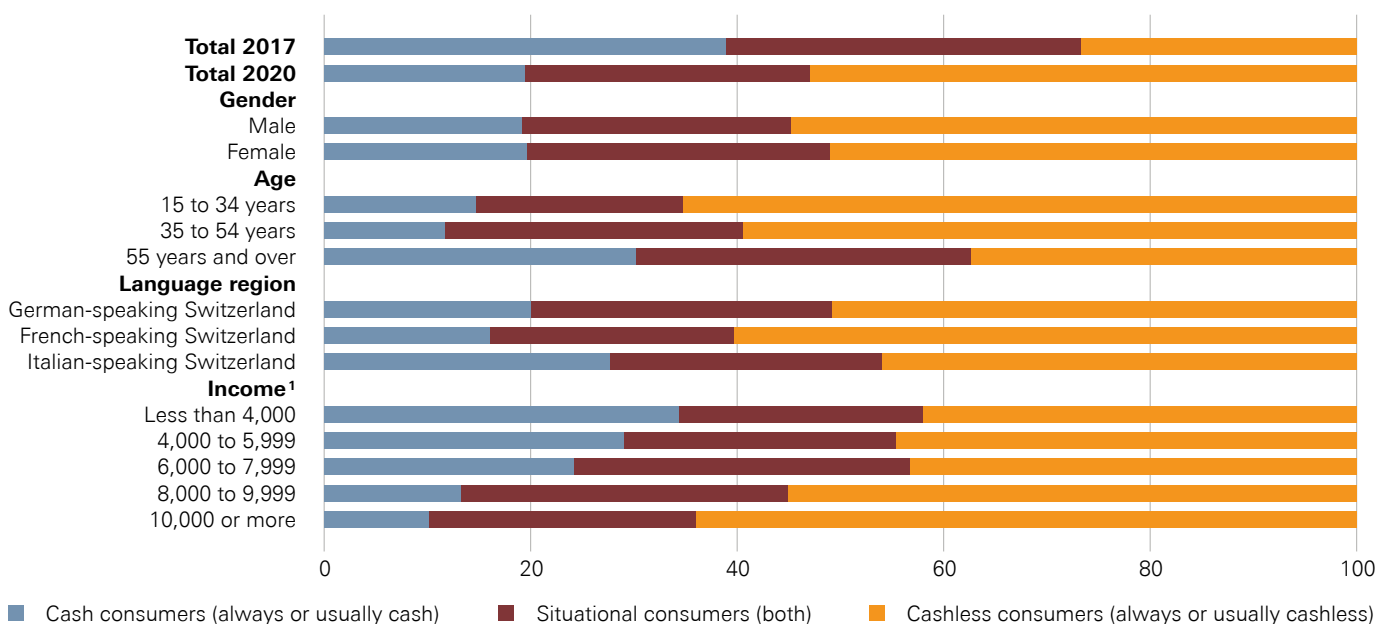
Considering their basic preferences, respondents can be assigned to one of three payment types – the cash consumer, the cashless consumer and the situational consumer. Respondents are referred to as cash consumers if they themselves report always or predominantly using cash to make their payments. The term cashless consumer applies to those who always or predominantly use non-cash payment methods. Meanwhile, the situational consumer includes all those who indicate that they make both cash or non-cash payments, depending on the situation.

Compared with 2017, there have been substantial changes with regard to the distribution of these three payment types. The share of cashless consumers has doubled in the space of three years and, at 53%, now accounts for more than half of the population (2017: 26%). At the same time, the share of cash consumers has decreased by half, from

Chart 4.12

#### PAYMENT TYPES BY SOCIO-DEMOGRAPHIC CHARACTERISTIC

Shares of relevant basis in percent; from personal interview



Question: How do you generally pay for everyday expenses (e.g. food shopping)?

Basis: All respondents (2,126 people) or respondents by socio-demographic group (cf. appendix 2)

<sup>1</sup> The income indicated is the monthly gross household income of respondents in Swiss francs.

Source(s): SNB

39% to 19%. The share of situational consumers has also declined – albeit considerably less sharply – to 28% (2017: 34%). These shifts in distribution extend across all income and age groups and are evident in all language regions (cf. chart 4.12). The diaries reveal that the type-specific differences in the use of payment methods reflect the basic preferences, and that these differences have become even more pronounced since the 2017 survey. Accordingly, cashless consumers rely on non-cash payment instruments for 74% of payments, which corresponds to an increase of 22 percentage points in the usage share since 2017. Situational consumers are also using cash far less frequently than before and now make cash and non-cash payments in roughly equal proportions (cash share in 2017: 67%). Conversely, cash consumers continue to report a very high level of cash usage; they settle 82% of their transactions in cash (2017: 88%).

When it comes to explaining preferences in payment behaviour and the corresponding changes since 2017, three aspects stand out.

First, these preferences are an expression of different needs that are brought to bear on the preferred choice of payment method. This is suggested by a type-specific analysis of the responses to the question as to which payment method attribute respondents normally consider to be the most important when choosing a payment instrument (cf. chart 4.13).<sup>12</sup> In a payment situation,

12 Since this question was not asked in 2017, comparative statements are not possible.

cashless consumers regard speed (29%) and ease of use (28%) as key attributes, with security in third place (20%). Ease of use (26%) and security (25%) are also essential factors for many situational consumers, while 16% of them value speed. In the case of cash consumers, the focus is on a completely different need, namely assistance in the management of expenses (35%), followed by security (25%) and ease of use (16%).

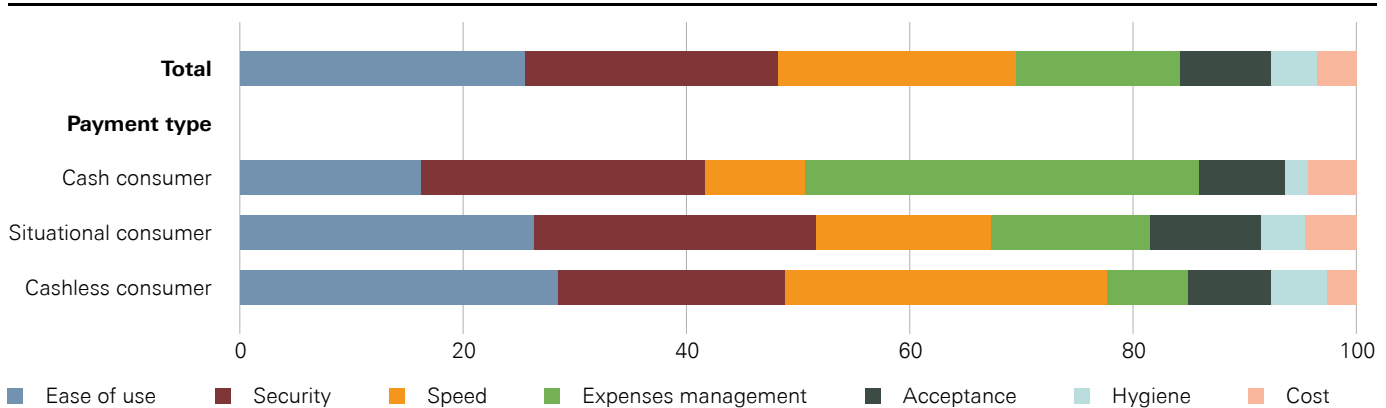
Second, the choice of payment method depends to a large extent on the respondents' assessment of the capacity of the individual payment instrument to actually meet these needs in a given payment situation. A decisive factor influencing this assessment is the payment location, as shown in chart 4.14. On the one hand, it is clear that the frequently cited need for security as a decision criterion does not figure prominently in the actual payment situation – evidence that the security of cash and cashless payments is perceived as good in Switzerland.<sup>13</sup> On the other hand, it is evident that convenience is by far the most frequently cited reason for the payment method typically chosen at a given payment location. This is followed by the speed of the payment process. In other words, respondents felt that the widespread need to choose the payment method deemed most easy to use, depending on the situation, is readily met at most payment locations. Exceptions to this are online payment locations and hotels and, to a lesser extent, vending

13 In this context, security is specifically defined as security against financial loss as well as the secure use of a payment method. What is important here is that the population generally considers the use of both cash and the various non-cash payment instruments to be secure (cf. chapter 3).

Chart 4.13

### CHOICE OF PAYMENT METHOD: KEY DECISION CRITERION BY PAYMENT TYPE

Shares of relevant basis in percent; from personal interview



Question: Which criterion do you usually deem most important when deciding which payment method to use?

Basis: All respondents (2,126 people)

Source(s): SNB

machines for drinks or snacks as well as taxis. At these payment locations, convenience and speed are cited considerably less frequently as selection criteria, while acceptance and security are cited considerably more often than elsewhere.

Third, the assessment of which payment method is the most convenient to use at a given payment location has shifted from cash to debit card since 2017; notably at highly frequented payment locations such as supermarkets and specialist food stores. The same trend – albeit less pronounced – is evident for payments in restaurants and takeaways. This underscores the findings in chapter 3.2, according to which the population now rates the debit card as easier to use than cash.

#### 4.3.3 SELF-ASSESSMENT OF CHANGES IN PAYMENT BEHAVIOUR

It can be concluded from the above that a significant proportion of the population has considerably adjusted its preferences and habits regarding the choice of payment method as well as its assessment of the individual payment methods since 2017. The respondents' self-assessment of their past and expected payment behaviour also confirms the increased willingness to change.

Looking back, 60% of respondents in this survey state that they currently pay less often in cash than three years previously, while in the multi-year outlook in 2017, 46% expected their cash payment frequency to decline. What is relevant here is that, according to half of these respondents, the decrease in their cash usage was not as

a result of the pandemic (cf. box 'Impact of coronavirus pandemic on payment method use').

The current outlook also suggests that the move towards an increased use of non-cash payment methods is likely to continue (cf. chart 4.15), with 57% of respondents now stating that they intend to pay less often in cash in the future (2017: 46%). This more frequently cited intention to change – compared with 2017 – extends across all age and income groups, although respondents aged 55 and over as well as those in the lowest income group continue to assume with above-average frequency that cash usage will remain unchanged. What is remarkable, however, it that there is a particularly widespread intention to change in Italian-speaking Switzerland.

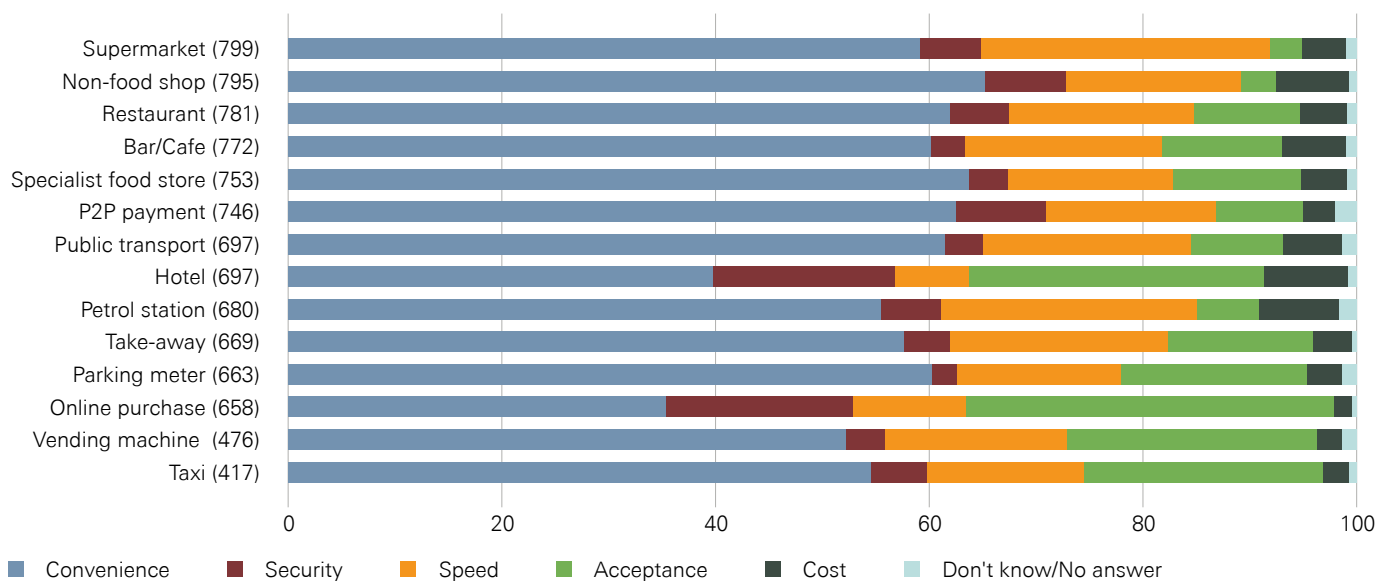
In addition, the primary reason given by those who expect to rely increasingly on cashless payments in the future is that these payments will become even more widely accepted and more convenient. Meanwhile, it was stated far less frequently than in 2017 that the anticipated decline in cash usage is mainly a consequence of keeping up with a social trend.

At the same time, habit remains the most commonly cited reason among a smaller proportion of the population who expect to continue paying cash with the same frequency over the coming years. But here, too, the prevalence of habits has decreased considerably. Three years ago, three out of four respondents maintained that payment method use was acceptable as it was, whereas in 2020, only every second respondent cited this as an explanation.

Chart 4.14

#### KEY DECISION CRITERION IN PAYMENT METHOD CHOICE BY PAYMENT LOCATION

Shares of relevant basis in percent; from personal interview



Question: Why do you most frequently use this particular payment method at the respective point of sale?

Basis: Respondents who pay at the respective payment location (cf. figures in brackets above; total number of respondents: 807 people)

Source(s): SNB



#### 4.3.4 CONCLUSION

Overall, the shifts in the shares of payment type, the changes in the assessment of the various payment methods, and the respondents' self-assessment of their own usage behaviour suggest that the relative utility calculus between cash and non-cash payment methods has shifted substantially in favour of the latter since 2017.

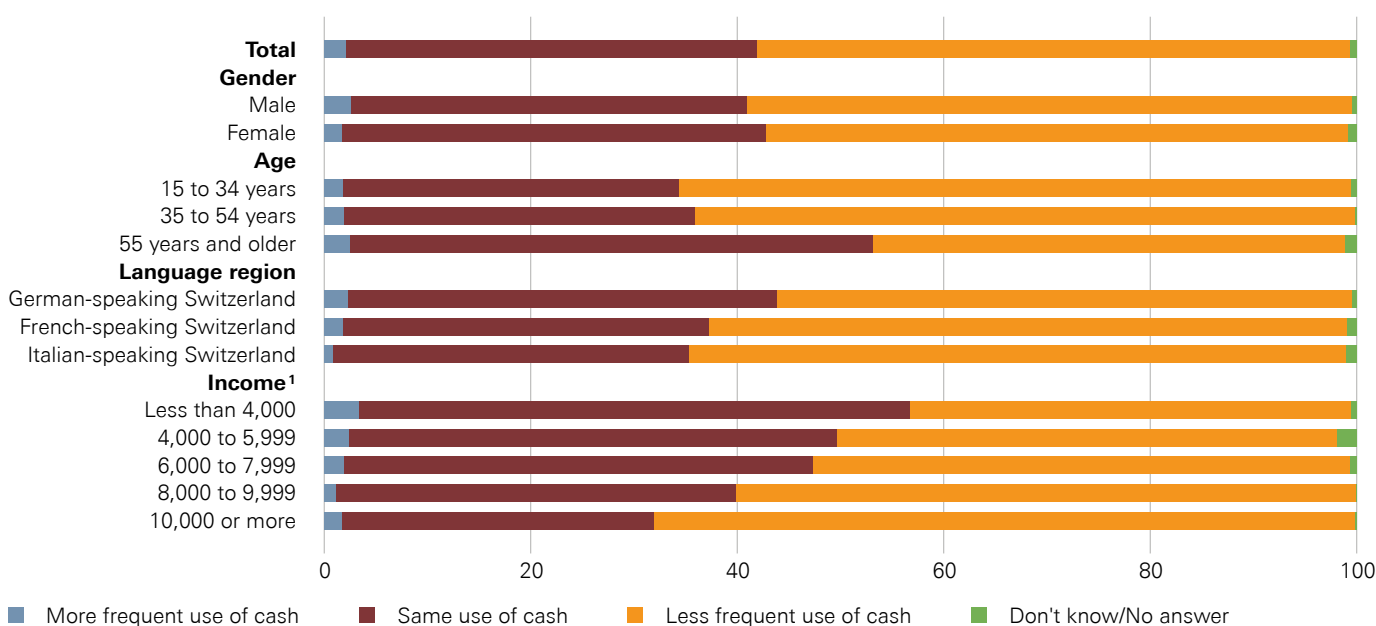
One plausible explanation for this is that technological advances have further improved the ease of use of non-cash payment methods, such as the now widespread contactless function for debit and credit cards or access to mobile payment apps via facial recognition (cf. chapters 3 and 5).

A significant proportion of the population has become increasingly aware of the options available to it as a result of ongoing innovation in the area of non-cash payment methods, and increasingly appreciates them; it is adapting its earlier payment behaviour accordingly. However, the motivation and needs of those with a clear cash preference, now a minority of the population, suggest that, for them, the need for change is low and their payment behaviour is thus likely to remain more constant.

Chart 4.15

#### EXPECTED FUTURE PAYMENT BEHAVIOUR

Shares of relevant basis in percent; from personal interview



Question: Compared with today, do you think that in two years' time you will be paying with cash more often or less often than you do at present, or the same?  
 Basis: All respondents (2,126 people) or respondents by socio-demographic group (cf. appendix 2)

<sup>1</sup> The income indicated is the monthly gross household income of respondents in Swiss francs.

Source(s): SNB



### Key points

- Contactless payments are widespread in Switzerland. A total of 92% of all respondents hold a card with the contactless payment function, with 60% of debit and credit cardholders stating that they always or usually pay touch-free.
- The majority of respondents welcome the increase in the limit for contactless payments not requiring a PIN from CHF 40 to CHF 80.
- Mobile payment apps are registering robust growth. Having played only a marginal role in 2017, mobile payment apps have recorded a sharp rise in popularity as well as in ownership and use in the last three years. In 2020, 48% of all respondents owned a mobile payment app. In terms of usage, mobile payment apps have a volume share of 5% and a value share of 4%.
- Depending on the area of application, mobile payment apps offer an alternative to cash but also to conventional non-cash payment methods. With regard to the most significant area of application – P2P payments – mobile payment apps are used as an alternative to cash.
- Direct debits and eBill are mainly used for recurring payments. eBill and its functions have been relatively unknown up to now.
- Innovation-driven payment methods are used to an above-average extent by men, by people younger than 55 years and by those in the highest income bracket.

As shown in chapters 3 and 4, innovation-driven payment methods are proving to be important drivers of usage dynamics in cashless payment transactions. In the case of non-recurring payments, this can be seen on the one hand in the significantly increased prominence of contactless card payments (cf. chapter 5.1), and on the other in the fact that paying by smartphone has now also become well-established in Switzerland. Mobile payment apps<sup>1</sup> thus show the strongest growth momentum of all payment methods (cf. chapter 5.2). Innovations in the area of payment methods are not solely limited to non-recurring payments, however. In the case of recurring payments,<sup>2</sup> eBill has the option of digital and automated invoice approval as an alternative to direct debit (cf. chapter 5.3).<sup>3</sup>

### 5.1 CONTACTLESS CARD PAYMENTS

The technology for making contactless card payments (via near field communication, or NFC) has existed in Switzerland since 2014.<sup>4</sup> Contactless payments have since become widespread in Switzerland. A total of 92% of all respondents report holding a payment card (debit or credit card) with the contactless payment function. While in 2017, just 15% of debit and credit cardholders stated that they always or usually pay touch-free, this share had risen in 2020 to 60% (cf. chart 5.1).

#### Payment shares with contactless function

The contactless function plays the most important role for non-recurring payments at physical POS, such as at retail outlets or at vending machines and parking meters. Overall, 30% of non-recurring payments are touch-free. By contrast, just 16% of payments are made in the conventional way by inserting the debit, credit or prepaid card into a terminal. While contactless payments clearly outstrip conventional payment methods in terms of volume share, the types of payment are more evenly balanced in terms of value share. Accordingly, a relatively high share (27%) of non-recurring payment amounts are processed by card without using the contactless function.

<sup>1</sup> In addition to mobile payment apps (such as Twint), retailer apps tailored to specific merchants (such as SBB Mobile) and mobile banking apps also enable payment via smartphone (cf. glossary). However, these are not covered in the scope of this chapter.

<sup>2</sup> Recurring expenses primarily include rent or mortgage interest, taxes and health insurance premiums.

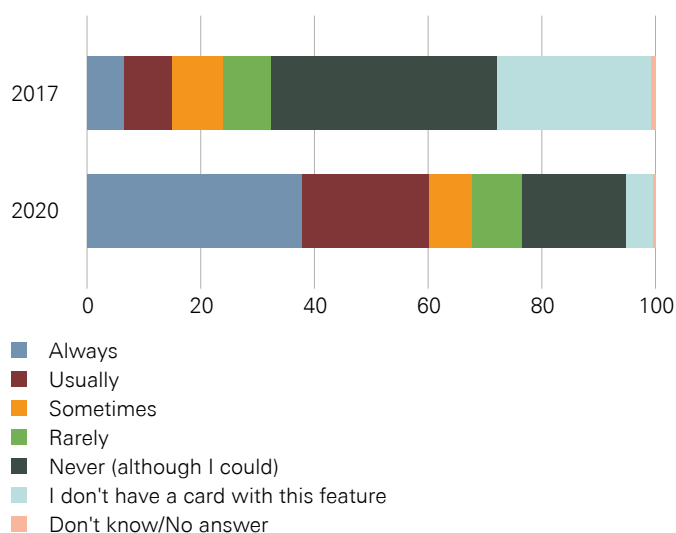
<sup>3</sup> The payment methods survey asked in-depth questions about innovation-driven payment methods (especially mobile payment apps and eBill) for the first time in 2020. As a result, few comparisons can be drawn with 2017 – i.e. with the results of the last payment methods survey – in chapter 5.

<sup>4</sup> For the purposes of this survey, all payments made using NFC are defined as 'contactless', even in cases where the PIN code is required.

Chart 5.1

### USE OF CONTACTLESS FUNCTION

Shares of relevant basis in percent; from personal interview



Question: When you pay with your card, how often do you use the contactless payment function?

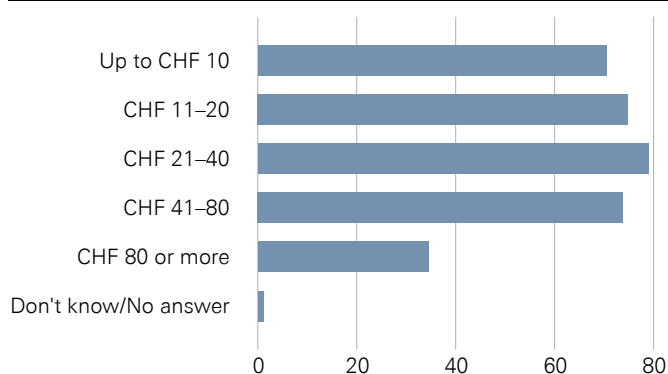
Basis: Respondents with a debit or credit card (2020: 2,062 people; 2017: 1,843 people)

Source(s): SNB

Chart 5.2

### PAYMENT AMOUNT WITH CONTACTLESS FUNCTION

Shares of basis in percent (multiple answers possible); from personal interview



Question: For what payment amounts do you use the contactless payment function?

Basis: Respondents using the contactless function (1,580 people)

Source(s): SNB

This is compared with 24% of payment amounts settled using the touch-free function.

#### Contactless payment limit without PIN

Until April 2020, only amounts up to CHF 40 could be paid in Switzerland using the contactless function and without entering a PIN. Owing to health-related concerns, the limit for using the contactless function without needing to enter a PIN was increased in April 2020 to CHF 80. As before, amounts exceeding this limit can also be paid using the same function, but continue to require the entry of a PIN code. Entering a PIN for amounts over CHF 80 seems to be the biggest hurdle in using the contactless function. While almost all users of this function pay for amounts under CHF 80, only 35% report paying touch-free for amounts in excess of CHF 80 (cf. chart 5.2). It seems, however, that the PIN limit has diminished in importance as a barrier to use: in 2017, just 21% of respondents who paid with the contactless function reported using it for amounts above the CHF 40 limit that applied at the time.

For amounts under CHF 80, usage behaviour adapted quickly to the new PIN-free limit. In other words, for payments below this level, the payment amount has virtually no bearing on the use of the contactless function. The proportion of respondents using the function for amounts between the previous and the new limit (CHF 41 to CHF 80) is roughly the same as the proportion of those who report paying touch-free for amount ranges below the previous limit of CHF 40.

This is consistent with the fact that the majority of respondents who use the contactless function consider the current limit of CHF 80 (40%) to be appropriate (cf. chart 5.3). While about a quarter of these respondents could envisage a further increase in the limit to over CHF 80, 31% would choose a limit below CHF 80. Of these, only 11% would like to see a return to the previous limit of exactly CHF 40.

#### Reasons for and against using contactless function

As in 2017, the main reasons for using the contactless function are the speed (60%) and convenience (39%) of the payment process. In view of the coronavirus pandemic, it is not surprising that hygiene concerns (28%) were also cited as a factor. The most frequently given reasons for not using the contactless function were lack of confidence in the new technology (30%), lack of engagement with the new technology (21%) and concerns about fraud (20%).

## 5.2 MOBILE PAYMENT APPS

Mobile payment apps, such as Twint, enable payments to be made using smartphones. These apps can be used not only to buy goods and services at physical points of sale or remotely via online purchases, but also to settle P2P payments. A transaction with a mobile payment app is generally made by bank transfer (if linked to an account), credit card payment (if linked to a credit card), or e-money (if a prepaid app is used or if linked to a prepaid card).

### Prevalence and use of mobile payment apps

Having played only a marginal role in 2017, mobile payment apps seen a sharp rise in popularity as well as in ownership and use in the last three years (cf. chapters 3.2 and 4.1). According to the survey interviews, just under half of all respondents (48%) own a mobile payment app, and, in an open-ended question, 69% cited these apps as a possible alternative method of payment to cash. In connection with non-recurring payments, mobile payment apps have a volume share of 5% and a value share of 4%.

The mobile payment app of choice in this regard is Twint. With a share of 77% of all installed mobile payment apps, this Swiss app is by far the most prevalent solution. Other apps such as Apple Pay, Google Pay or Samsung Pay have considerably lower shares. Furthermore, the majority of mobile payment apps are linked to a bank account (65%), while 25% of apps are paired with a credit card and 9% of apps make prepaid (e-money) payments (cf. chart 5.4).<sup>5</sup>

### Areas of application of mobile payment apps

The survey interviews reveal that 85% of respondents who own a mobile payment app use it for P2P payments, 48% for online purchases, 44% for payments at retail outlets and 38% for payments at vending machines and parking meters (cf. chart 5.5).

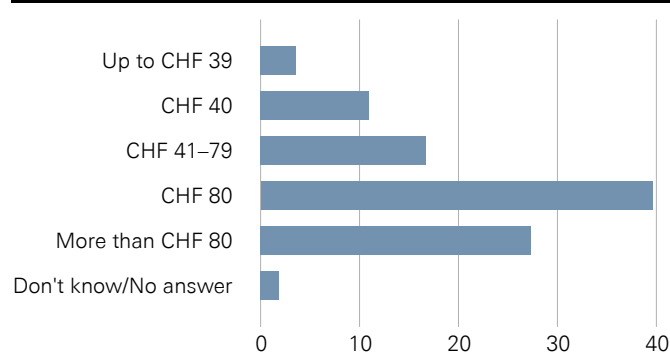
Depending on the area of application, mobile payment apps offer an alternative not only to cash, but also to conventional non-cash payment methods, such as payment cards or online banking (cf. chart 5.6). Of those respondents who now make P2P payments with mobile payment apps, the large majority (80%) state that they previously made such payments with cash. In the case of online purchases, mobile payment apps are primarily replacing credit and prepaid cards as well as transfers (e.g. via online banking or at post office counters): 67% report having made online purchases with a credit or prepaid card and 21% via transfer. Of those respondents who pay at retail outlets with mobile payment apps, 48% previously paid with debit card and 40% with cash. At vending machines and parking meters, cash used to be the principal payment method (80%).

<sup>5</sup> The relatively high share (65%) of mobile payment apps linked to an account is consistent with Twint's high share (77%) of all mobile payment apps installed by respondents. Unlike other apps, Twint connectivity with an account is possible and widely used.

Chart 5.3

### DESIRED LIMIT FOR CONTACTLESS PAYMENTS NOT REQUIRING PIN

Shares of relevant basis in percent; from personal interview



Question: What do you consider to be the optimal limit or up to which amount would you like to be able to pay contactless, i.e. without entering your PIN?

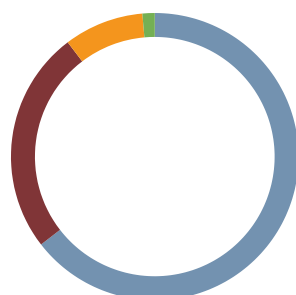
Basis: Respondents using the contactless function (1,580 people)

Source(s): SNB

Chart 5.4

### PAYMENT METHODS PAIRED WITH MOBILE PAYMENT APPS

Shares of basis in percent; from responses on payment instrument ownership



- Bank account, **65%**
- Credit card, **25%**
- e-money, **9%**
- Don't know/No answer, **1%**

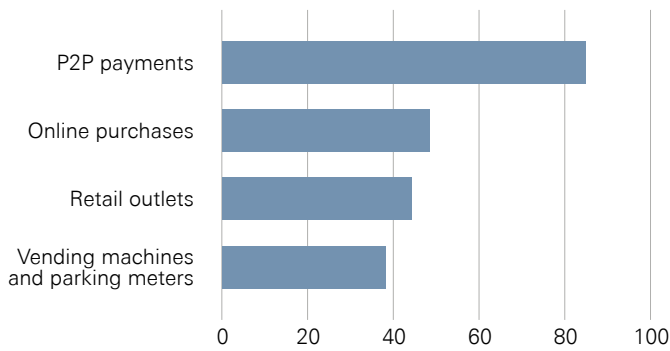
Basis: All mobile payment apps owned and recorded by respondents (1,029 people with 1,251 mobile payment apps)

Source(s): SNB

Chart 5.5

**AREAS OF APPLICATION OF MOBILE PAYMENT APPS**

Shares of basis in percent (multiple answers possible); from personal interview



Question: Do you use mobile payment apps at the following locations and/or for the following areas of application?

Basis: Respondents using mobile payment apps (1,012 people)

Source(s): SNB

**Reasons for and against using mobile payment apps**

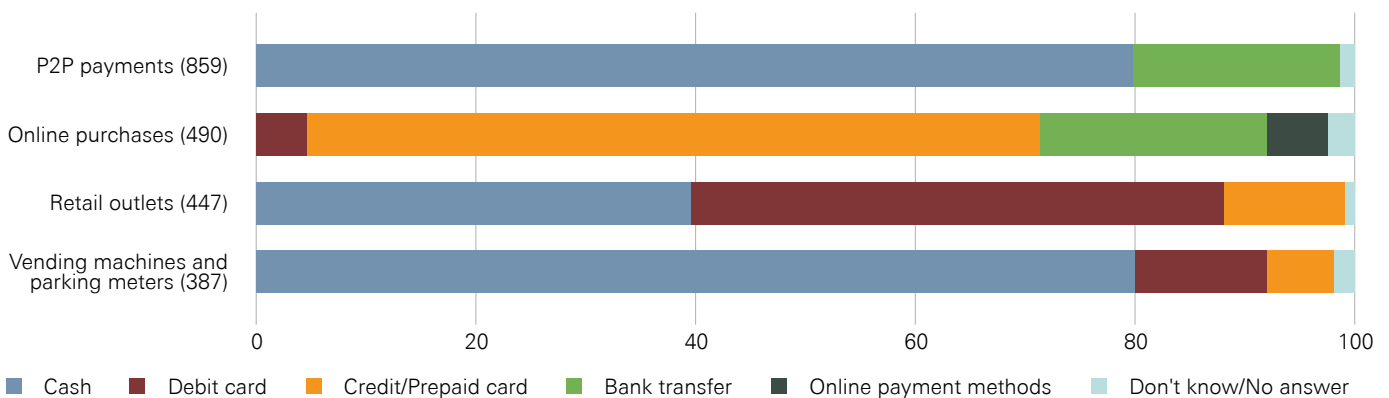
Convenience and speed of the payment process were cited by a majority of respondents (57%) who own mobile payment apps as the main reasons for using them. Another point highlighted is that smartphones and thus payment apps are conveniently always close to hand (14%). Moreover, the areas of application discussed in the previous section were also cited. Overall, 22% of respondents report using a mobile payment app because accounts are settled this way in their immediate circle – e.g. after dining out together. Meanwhile, 11% use these apps in situations where the appropriate amount of cash had previously been required (e.g. for vending machines, parking meters and P2P payments). Lastly, the immediate transfer of money from the payer to the payee (13%) is also cited as a reason for use.

Security concerns, on the other hand, are the main reason for not owning and using mobile payment apps. Of the respondents who do not have a mobile payment app installed, 21% are concerned about financial loss, while 20% expressed reservations with regard to data protection. In addition, 21% say they do not use a mobile payment app because it offers no added value in comparison with conventional payment methods. A further 16% of respondents consider such apps to be inconvenient and impractical. Finally, 14% state that they do not know how to install a payment app on their smartphone, while 13% do not own a smartphone.

Chart 5.6

**PAYMENT METHODS REPLACED BY MOBILE PAYMENT APPS**

Shares of relevant basis in percent; from personal interview



Question: Which payment method did you previously use in the areas of application where you are now using a mobile payment app?

Basis: Respondents using mobile payment apps for respective area of application (cf. figures in brackets above)

Source(s): SNB

### 5.3 INVOICE APPROVAL WITH EBILL

Similar to direct debit, eBill is a payment procedure used to settle and approve invoices. In the case of direct debit, the invoicing party directly charges the account for which they have a debit authorisation, while with eBill, invoices can be received directly through online banking. Individual invoices can then be approved or rejected. It is also possible to set up a standing approval function with eBill for the automatic approval of invoices. This function in eBill corresponds to a digital version of the consent given via direct debit for the periodic collection of amounts due, and can therefore be considered by end users as an alternative to direct debit.

#### Prevalence and use of eBill

Based on their functions, direct debit and eBill are mainly used for recurring expenses. Their value shares for recurring costs are 17% for direct debit and 6% for eBill. The bulk of recurring payments (62%) are settled via online banking transfers.

According to the interview, 60% of respondents use at least one of these two methods, although usage of both is currently equally balanced (cf. chart 5.7). At present, 18% utilise both direct debit and eBill, while 25% rely exclusively on direct debit and 16% opt solely for eBill.

#### Reasons for and against using eBill

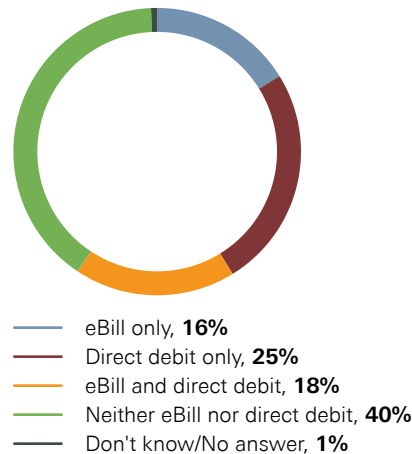
Asked about the reasons for using eBill, the large majority of respondents (76%) cite the ease and speed of handling. Among the respondents who use eBill but not direct debit, 47% gave greater control over the debited amounts as the principal reason.

The main factor for the comparatively low use of eBill and its functions is lack of familiarity with the payment method. Roughly 64% of all non-users and 49% of those who rely exclusively on direct debit report being unfamiliar with the method of payment. In addition, the latter state that they only use direct debit because the amount is charged without the need for approval (27%). This feature is also available in eBill by means of the standing approval function. Moreover, the proportion of eBill users to have set up the standing approval function (13%) is also relatively small, which suggests that a significant proportion of respondents are not familiar with the standing approval feature in eBill. In contrast to the reasons described in the chapters on contactless card payments (cf. chapter 5.1) and mobile payment apps (cf. chapter 5.2), a lack of confidence in the technology or barriers to switching from the older to the newer technology play a minor role in the non-use of eBill.

Chart 5.7

### USE OF DIRECT DEBIT AND EBILL

Shares of basis in percent; from personal interview



Question: Do you use direct debit? / Do you use eBill?  
Basis: All respondents (2,126 people)  
Source(s): SNB

## 5.4 OUTLOOK AND SOCIO-DEMOGRAPHIC ASPECTS

For non-recurring payments, innovation-driven payment methods such as contactless card payments or mobile payment apps are now widely used in Switzerland. While contactless payments now represent one of the most important payment methods, mobile payment apps do not yet occupy a dominant position in payment transactions. For recurring payments, card payments and mobile payment apps do not feature prominently. By contrast, direct debit and eBill – besides online banking – have a certain significance for recurring expenses, but are hardly used for non-recurring payments. Although both payment methods have a similar area of application, they are currently being used in parallel.

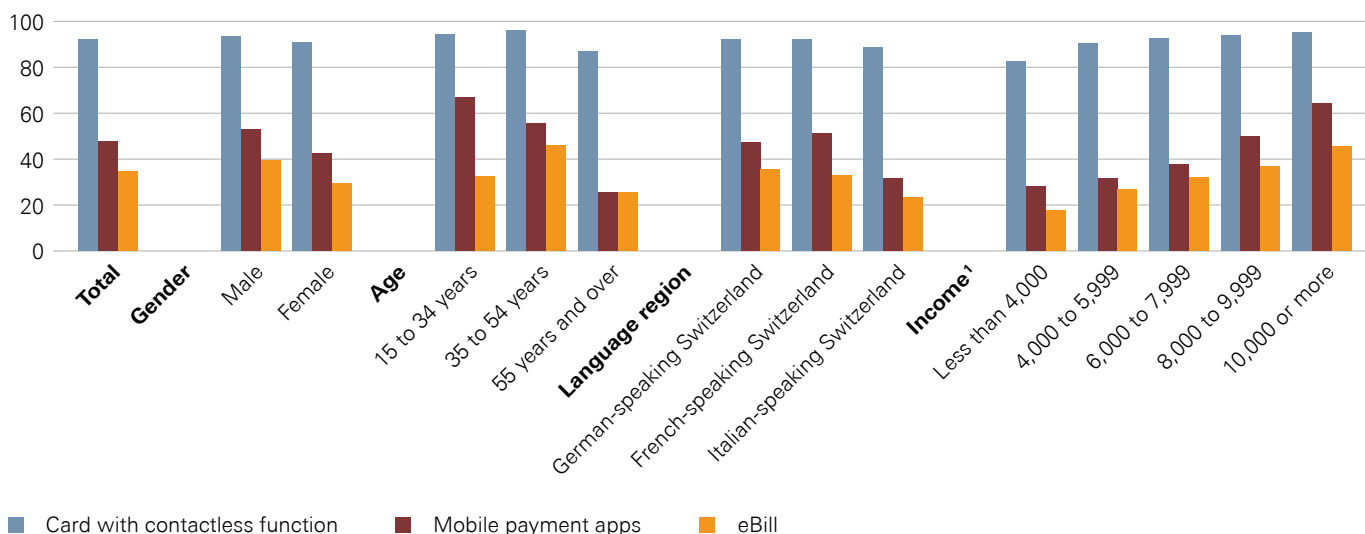
The sharp rise in the use of the contactless function and, in particular, mobile payment apps for non-recurring payments since 2017 is remarkable. This momentum is likely to continue in the future, with contactless payments and mobile payment apps gaining in prominence. On the one hand, 34% of all respondents state that, going forward, they would like to pay less often with cash and more often with card; a further 21% intend to use mobile payment apps instead of cash more frequently. On the other hand, a similar pattern emerges for the contactless function and mobile payment apps with respect to the socio-demographic characteristics of payment method users – the high level of ownership among the younger population suggests that the prominence of these payment methods will continue to rise in the years ahead (cf. chart 5.8).

Looking at all innovation-driven payment methods, it is evident that they tend to be used more by men, by the two younger age groups and by people in the highest income bracket. With regard to the different language regions, a lower prevalence of innovation-driven payment methods is discernible in Italian-speaking Switzerland. On the whole, the findings therefore point to a pronounced socio-demographic heterogeneity in terms of the use of innovation-driven payment methods among the population.

Chart 5.8

### OWNERSHIP OF INNOVATION-DRIVEN PAYMENT METHODS BY SOCIO-DEMOGRAPHIC CHARACTERISTIC

Share of respective basis in percent; from personal interview



Question: Other than cash, numerous non-cash payment methods are also available. Which of the following non-cash payment instruments do you own?  
Basis: All respondents (2,126 people)

1 The income indicated is the monthly gross household income of respondents in Swiss francs.

Source(s): SNB



### Key points

- More than two-thirds of Switzerland's population use cash as a short or long-term store of value.
- More than half of the respondents who store cash reserves state that they hold less than CHF 1,000 for this purpose.
- The main reasons cited for using cash as a store of value are the immediate availability of cash when required and, to a lesser extent, provision for crisis situations.
- For the purposes of storing cash, the notes primarily used by households are the 100-franc note, followed by the 50-franc and 200-franc notes. The 1000-franc notes, by contrast, are rarely used as a store of value.

Chapter 4.1 shows that the prominence of cash as a payment method is diminishing. At the same time, however, the number of Swiss franc banknotes in circulation is on the rise.<sup>1</sup> These developments suggest that cash is increasingly being used for store-of-value purposes both at home and abroad.<sup>2</sup> The storage of cash by private individuals in Switzerland is also likely to contribute to this, at least to a certain extent.

Against this background, this chapter addresses the role played by cash as a store of value for households and which denominations are primarily used for this purpose. It also considers the reasons for keeping cash as a store of value.

When interpreting the data on the use of cash as a store of value, two aspects need to be taken into account. First, the questions on this topic have been amended significantly compared with the 2017 payment methods survey.<sup>3</sup> A new distinction has been made between the

1 Source: SNB data portal, data.snb.ch, *Table selection, Swiss National Bank, Key figures for the SNB, Banknotes and coins in circulation.*

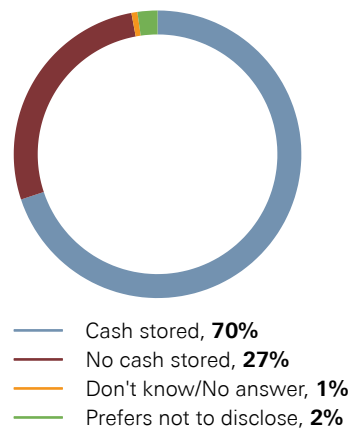
2 Foreign holdings of Swiss francs (transactions or store of value) are not covered by the survey. Estimates of Swiss franc banknotes in circulation not used for transactions can be found in Katrin Assenmacher, Franz Seitz and Jörn Tenhofen (2019), *The demand for Swiss banknotes: some new evidence, Swiss Journal of Economics and Statistics*, 155(14), pp. 1–22.

3 For this reason, this chapter does not consider the 2017 results in comparison.

Chart 6.1

### USE OF CASH AS STORE OF VALUE

Shares of basis in percent; from personal interview



Question: Do you, or does your household, hold cash reserves for everyday expenses, targeted saving or as a long-term store of value?

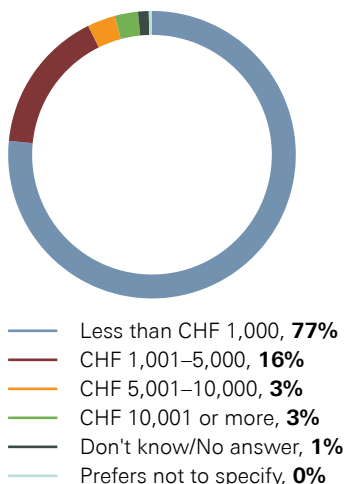
Basis: All respondents (2,126 people)

Source(s): SNB

Chart 6.2

### PERSONAL CASH RESERVES: AMOUNT

Share of basis in percent; from personal interview

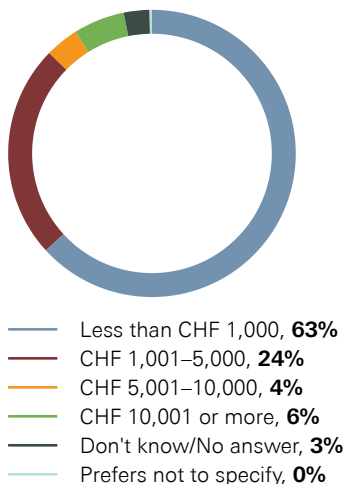


Question: How much cash do you hold as a reserve for everyday expenses, unforeseen expenses, targeted saving or as a store of value?  
 Basis: Respondents who provided details of personal cash reserves (617 people)  
 Source(s): SNB

Chart 6.3

### HOUSEHOLD CASH RESERVES: AMOUNT

Share of basis in percent; from personal interview



Question: How much cash does your household hold as a reserve for everyday expenses, unforeseen expenses, targeted saving or as a store of value?  
 Basis: Respondents who provide details of cash reserves for the entire household (837 people)  
 Source(s): SNB

use of cash as a short-term store of value (cash reserves for everyday expenses, for unforeseen expenses and for targeted saving for a specific expense) and its use as a long-term store of value. Furthermore, the information provided could refer either to personal cash reserves or to the cash reserves of an entire household. While these adjustments help to improve the quality of data on the use of cash as a store of value, they come at the expense of the comparability of data over time.

Second, given that this is a sensitive topic for reasons of security and confidentiality, it is to be expected that the responses will not be completely reliable. Likewise, the answers to these questions are unlikely to be fully representative, due in particular to the typically limited coverage of very affluent households in surveys.<sup>4</sup> The results should therefore be considered with a certain degree of caution.

#### 6.1 STORE-OF-VALUE BEHAVIOUR

In addition to holding cash in wallets, roughly 70% of respondents also report storing cash at home or in a safety deposit box (cf. chart 6.1). These cash reserves can serve as both short and long-term stores of value. While an average of 85% of the value stored by households is intended for short-term use – in other words, cash is used for everyday expenses, unforeseen expenses and targeted saving purposes – 15% of cash reserves on average constitute a long-term store of value.

The following evaluations are based on information provided by those respondents who use cash as a short or long-term store of value. In over three-quarters of the cases in this group, cash reserves held by individuals amount to less than CHF 1,000, while 16% report holding between CHF 1,001 and CHF 5,000. Only 3% have cash reserves in excess of CHF 10,000 (cf. chart 6.2).

As expected, the cash reserves reported for the entire household are higher. The share of households with cash reserves up to CHF 1,000 is 63%, while 24% have amounts between CHF 1,001 and CHF 5,000. A further 6% have cash reserves in excess of CHF 10,000 (cf. chart 6.3).

With regard to socio-demographic characteristics, it is noteworthy that fewer individuals and households in French-speaking Switzerland report storing cash than in the other two language regions. However, there are no significant differences with regard to age and income. A smaller proportion of cashless consumers hold cash as a store of value compared with the two other payment types (cash and situational consumers). This could be due to the fact that cashless consumers see no reason for this, since they lack the payment purpose.

<sup>4</sup> Cf. OECD (2013), *OECD Guidelines for Micro Statistics on Household Wealth*.



Regarding the amount of cash held over time, 57% of respondents who keep cash reserves state that they hold about the same amount as they did three years earlier, while 21% say they hold more. The main reason given for the increased holdings is that respondents have more money available to them in the form of income or assets compared with the previous reference date. A similarly sized group (20%) report keeping lower levels of cash and justify this, among other things, by saying that cash reserves are less important as a result of the growing prominence of non-cash payment methods or that the stored cash was spent and not replaced.

### Denominations

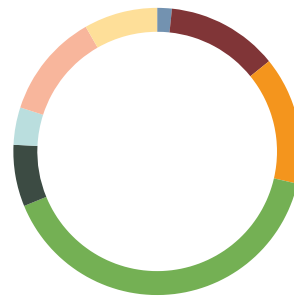
Among the respondents who hold cash as a short-term store of value, 40% opt primarily for the 100-franc note. This is followed by the 50-franc and 20-franc notes, which are cited by 14% and 13% respectively as the main denominations held (cf. chart 6.4). For cash held as a long-term store of value, the 100-franc note is again the most frequently cited denomination of choice (17% of the corresponding group of respondents). This is followed by the 200-franc and 50-franc notes, each of which are held by 6% of respondents primarily for this purpose. It is worth noting, however, that the share of respondents who did not provide any information on this (58%) is considerably higher than in the case of short-term stores of value (cf. chart 6.5). One possible reason for this is that these respondents were genuinely unaware of the denominations in which their cash reserves are held as long-term stores of value (at home or in a safety deposit box), or that they did not wish to provide any information on this for reasons of confidentiality.

The share of the 1000-franc note in the cash reserve for short and long-term stores of value is comparatively low. Owing to its high face value, however, the 1000-franc note is likely to account for an ample proportion – in value terms – of the total amount of cash used as a store of value.

Chart 6.4

### SHORT-TERM CASH RESERVES: DENOMINATION

Share of basis in percent; from personal interview



- 10-franc notes, **2%**
- 20-franc notes, **13%**
- 50-franc notes, **14%**
- 100-franc notes, **40%**
- 200-franc notes, **7%**
- 1000-franc notes, **4%**
- Coins, **12%**
- Don't know/No answer, **8%**

Question: In which denomination(s), i.e. which banknotes, do you mainly hold this cash for unforeseen expenses/targeted saving?

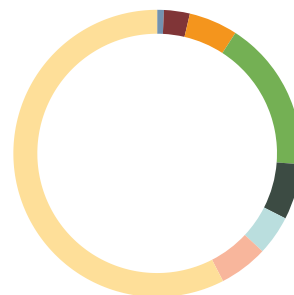
Basis: Respondents who hold cash reserves themselves or in their household for unforeseen expenses, targeted saving and as a long-term store of value (852 people)

Source(s): SNB

Chart 6.5

### LONG-TERM CASH RESERVES: DENOMINATION

Share of basis in percent; from personal interview



- 10-franc notes, **1%**
- 20-franc notes, **3%**
- 50-franc notes, **6%**
- 100-franc notes, **17%**
- 200-franc notes, **6%**
- 1000-franc notes, **4%**
- Coins, **5%**
- Don't know/No answer, **58%**

Question: In which denomination(s), i.e. which banknotes, do you mainly hold this cash as a long-term store of value?

Basis: Respondents who hold cash reserves themselves or in their household for unforeseen expenses, targeted saving and as a long-term store of value (852 people)

Source(s): SNB

## 6.2 STORE-OF-VALUE REASONS

Around three-quarters of respondents who hold cash reserves as a short or long-term store of value<sup>5</sup> cite the immediate availability of cash when they require it as the main reason (cf. chart 6.6.). This is supported by the fact that the majority of cash amounts held in reserve are below CHF 1,000. The second most frequently cited reason by respondents with a cash reserve, albeit with a much smaller share of 17%, is that they want to use it as a safety net for crisis situations. This could be attributable to the fact that the 2020 survey was conducted during the coronavirus crisis. Conversely, owing to the persistently low interest rate environment, households continue to see no pressing reason to keep cash at home or in a safety deposit box. A plausible explanation for this is that the vast majority of individuals have so far not been directly affected by negative interest rates.

<sup>5</sup> The question regarding reasons for holding cash as a store of value was asked in general terms and no distinction was made between short and long-term storage.

## 6.3 CONCLUSION

Based on the information provided by respondents on cash reserves, it is possible to estimate the total cash holdings by households in Switzerland not intended for immediate payment purposes. It is worth noting here that this estimate of cash holdings will tend to be too low, in view of the issues mentioned earlier in the chapter. According to the estimate, cash reserves held by individuals in Switzerland amount to a total of around CHF 10 billion, or roughly 12% of total banknotes in circulation.<sup>6</sup> Overall, the importance of the use of cash as a store of value is similar to that already seen in 2017. Likewise, an international comparison shows that the amounts of cash held per person in Switzerland and in the euro area are at a similar level.<sup>7</sup>

Furthermore, the survey results suggest that holding cash as a short and long-term store of value plays a subordinate role compared with other categories of financial assets (e.g. account deposits, savings in pillar 3 pension schemes or securities). Specifically, the share of financial assets held in cash by households in Switzerland is typically in the low single-digit percentage range.

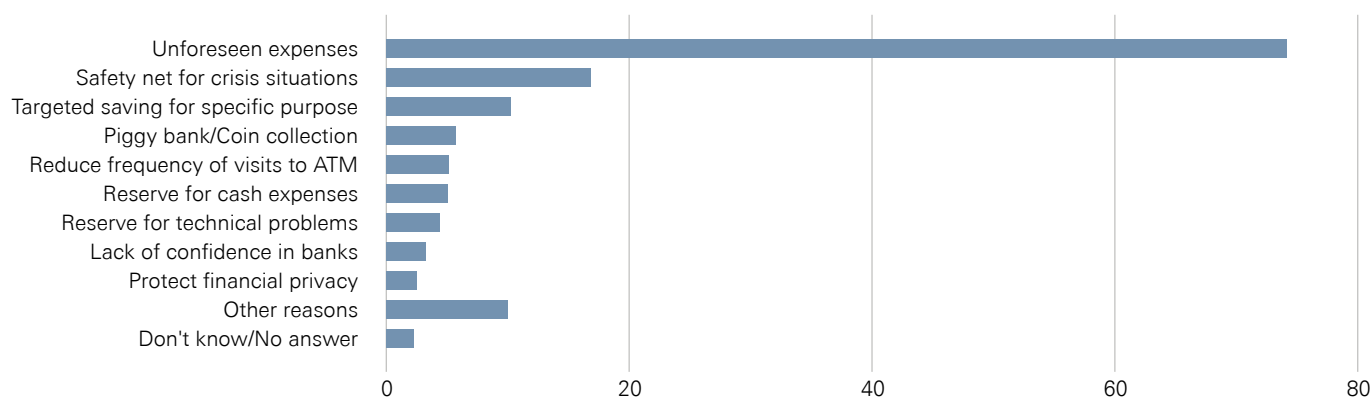
<sup>6</sup> At the time the survey was completed in November 2020, banknotes in circulation amounted to approximately CHF 86 billion (cf. data.snb.ch, Table selection, Swiss National Bank, Key figures for the SNB, Banknotes and coins in circulation).

<sup>7</sup> In the euro area, cash reserves held by the majority of respondents amount to less than EUR 1,000. Cf. European Central Bank (2020), *Study on the payment attitudes of consumers in the euro area (SPACE)*, p. 52.

Chart 6.6

### USE OF CASH AS STORE OF VALUE: MAIN REASONS

Share of basis in percent (multiple answers possible); from personal interview



Question: Which are the three most important reasons why you/your household hold/s cash reserves?

Basis: Respondents who hold cash reserves for unforeseen expenses, targeted saving or as a long-term store of value (1,155 people)

Source(s): SNB

# Survey methodology

---

The respondents in the survey on payment methods were surveyed between mid-August and November 2020. The sampling frame for person and household surveys used by the Federal Statistical Office (FSO) served as the basis for the sampling procedure. The sampling frame uses data on residents from cantonal and communal population registers, which are updated every quarter. A stratified random sample was drawn from it for the 2020 payment methods survey, based on the characteristics of language region, gender and age.

The vast majority of the personal interviews for the survey – comprising some 200 questions – were conducted in the form of computer-assisted telephone interviews (CATI).<sup>1</sup> The second part of the survey involved keeping a payment diary, for which respondents had the choice of entering their data digitally (via browser access) or on paper. Two-thirds of the respondents opted for the digital diary, which could be accessed via internet-enabled devices, such as a PC, laptop, smartphone or similar. For the paper version, respondents received a payment diary plus a small notebook for recording expenses on an ongoing basis throughout the day.

By way of compensation, the participants received CHF 100 after completion of the survey. In addition to a thank you letter, respondents were also sent a small package of shredded Swiss banknotes withdrawn from circulation. Compensation of this size is appropriate and in line with market norms for surveys that take up a comparable amount of participants' time.

A total of 2,434 people were interviewed during the field phase, of which 2,144 returned a fully completed payment diary. The high response rate of 88% can be attributed to a number of different factors. First, respondents were reminded about the payment diary by telephone or email and, second, compensation was only paid following submission of a fully completed diary.

After concluding the survey, DemoSCOPE then cleansed the data. This ensured that interviews not conducted according to specifications or with an excessively high item non-response rate were removed from the dataset. Furthermore, only those interviews that could be paired with a completed diary were included in the dataset. Upon examination of these diaries, DemoSCOPE identified ten diaries that did not meet the required standards in terms

of quality. These, together with an additional eight diaries that were received after conclusion of the survey, were removed from the dataset. Overall, a total of 308 responses were eliminated, leaving a total of 2,126 correct responses (interview and diary) for evaluation. All entries in the payment diaries were also assessed for plausibility in order to rectify any misstatements or oversights during the recording.

The adjusted dataset was weighted according to the structural characteristics of the statistical population, so as to be able to draw representative conclusions about Switzerland's resident population aged 15 and over. Post-stratification weights were calculated for the dataset. Specifically, all interviews and payment diaries were weighted according to language region, age and gender, in line with the actual proportions found in the population as a whole. In the report, all data on number of persons, number of payments or total value of payments represent weighted totals.

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## Methodological differences between 2017 and 2020 surveys

In contrast to the 2020 survey on payment methods, the 2017 survey was based entirely on face-to-face interviews – or computer-assisted personal interviews (CAPI) – with respondents selected by random quota sampling. The coronavirus pandemic necessitated a switch to CATI. This procedure allowed the personal interview to be retained and methodological effects to be minimised, and ensured that the two survey findings were as comparable as possible.

At the same time, the change in survey methodology meant that the previous method of random quota sampling could no longer be used. The FSO's sampling frame which was used instead, however, formed the basis for a high-quality survey of individuals. The adjustment of the sampling procedure resulted in comparatively more people with high incomes and tertiary education being surveyed compared with 2017.

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<sup>1</sup> Only three interviews took place face-to-face in respondents' homes at their request.

# Distribution of sample by socio-demographic characteristics

## SOCIO-DEMOGRAPHIC CHARACTERISTICS

	Number in sample	Description
<b>Total</b>		
All respondents	2,126	Size of adjusted sample with all respondents
<b>Gender</b>		
Male	1,048	Male participants in payment methods survey
Female	1,078	Female participants in payment methods survey
<b>Age</b>		
15 to 34 years	610	Respondents aged between 15 and 34 years
35 to 54 years	727	Respondents aged between 35 and 54 years
55 years and over	788	Respondents aged at least 55 years
<b>Language region<sup>1</sup></b>		
German-speaking Switzerland	1,506	Respondents resident in German-speaking Switzerland
French-speaking Switzerland	520	Respondents resident in French-speaking Switzerland
Italian-speaking Switzerland	100	Respondents resident in Italian-speaking Switzerland
<b>Residential environment<sup>2</sup></b>		
City/town (urban)	1,302	Respondents resident in the category 'urban centre'
Conurbation (periurban)	464	Respondents resident in the category 'area under influence of urban centres'
Country (rural)	359	Respondents resident in the category 'areas not under influence of urban centres'
<b>Level of education<sup>3</sup></b>		
Tertiary	941	Respondents with final education qualification from a university of applied sciences ('Fachhochschule'), higher technical school ('Höhere Technische Lehranstalt'), business school, college of education, university or the Swiss Federal Institute of Technology (ETH)
Upper secondary	982	Respondents with a final school-leaving certificate from a high school ('Mittelschule'), vocational high school ('Berufsmittelschule') or grammar school ('Gymnasium')
Compulsory	179	Respondents having completed primary school, lower secondary level, or no education
<b>Income</b>		
Less than CHF 4,000	205	Respondents with monthly gross household income of less than CHF 4,000
CHF 4,000–5,999	318	Respondents with monthly gross household income of between CHF 4,000 and CHF 5,999
CHF 6,000–7,999	361	Respondents with monthly gross household income of between CHF 6,000 and CHF 7,999
CHF 8,000–9,999	360	Respondents with monthly gross household income of between CHF 8,000 and CHF 9,999
CHF 10,000 or more	721	Respondents with monthly gross household income of at least CHF 10,000
<b>Employment status</b>		
Employed	1,357	Respondents in employment (full-time, part-time, self-employed)
Unemployed	54	Respondents (temporarily) without employment
In training/education	196	Respondents in training/education, including apprentices
Retired	461	Respondents in retirement

<sup>1</sup> The linguistic classification of place of residence (municipality) is based on the most commonly spoken local language according to the FSO structural survey (available in German and French only): [www.bfs.admin.ch](http://www.bfs.admin.ch), *Statistiken finden, Regionalstatistik, Atlanten, Statistischer Atlas der Schweiz, Atlaskapitel Schweiz, Statatlas Schweiz 01 – Bevölkerung, Räumliche Gliederungen der Schweiz, Analyse-Regionen, Sprachgebiete, 2016 – Karte nach Gemeinden*. For purposes of presentation, Italian-speaking municipalities outside Canton Ticino are included in the category 'Italian-speaking Switzerland'.

<sup>2</sup> The breakdown by residential environment is based on the system applied by the FSO (available in German and French only): [www.bfs.admin.ch/bfs/de/home/statistiken/querschnittsthemen/raeumliche-analysen/raeumliche-gliederungen/raeumliche-typologien.html](http://www.bfs.admin.ch/bfs/de/home/statistiken/querschnittsthemen/raeumliche-analysen/raeumliche-gliederungen/raeumliche-typologien.html)

<sup>3</sup> Due to a lack of information on level of education, income and employment status, or due to rounding, the sum of the socio-demographic categories does not necessarily correspond to the total.  
Source(s): SNB

## Glossary

Contactless function	Facilitates the transfer of payment information between a physical device (e.g. smartphone or payment card) and a terminal at a point of sale (POS, cf. payment location) without the need for any physical contact between the device and the terminal. Contactless payments are typically transferred using near field communication (NFC) or bluetooth low energy (BLE) technology, or by scanning a quick response code (QR code).
Credit card	Payment card that enables the holder to make payments or cash withdrawals on credit up to an agreed threshold. Interest is generally not charged until expiry of the deadline specified in the invoice (usually one month). Thereafter, the cardholder has the option to pay in instalments, upon which interest is levied.
Debit card	Payment card tied to a bank or postal account that enables the cardholder to charge payments and cash withdrawals directly to their account (e.g. Maestro and PostFinance card).
Direct debit	Direct debit is a payment procedure used to settle and approve invoices. In the case of direct debit, the invoicing party (payment recipient) directly charges the account for which the invoice recipient (payer) has issued a debit authorisation.
eBill	With eBill, invoices can be received and settled directly through online banking. Individual invoices can then be approved or rejected. It is also possible to set up a standing approval function with eBill for the automatic approval of invoices. This function in eBill thus corresponds to a digital version of the consent given through direct debit for the periodic collection of amounts due and can be considered as an alternative to direct debit (cf. direct debit).
e-money	e-money describes any electronically stored monetary value in the form of a claim against the issuer, which is issued in exchange for the payment of funds in order to carry out transactions. This includes prepaid credit and prepaid cards with a wide range of uses.
Mobile payment apps	Mobile payment apps represent a form of mobile payment. These apps can be used not only to buy goods and services (at physical points of sale or remotely), but also to settle P2P payments. A transaction with a mobile payment app is generally made by bank transfer (if linked to an account), credit card payment (if linked to a credit card), or e-money (if a prepaid app is used or if linked to a prepaid card). Payment at a point of sale works by scanning a QR code, or via BLE or NFC (cf. contactless payment app is Twint (cf. chapter 5.2).
Online banking (e-banking and m-banking)	Online banking refers to the conduct of banking transactions via the internet, irrespective of location or opening hours. Banks offer their customers the corresponding websites or portals (e-banking), as well as specific apps (mobile banking or m-banking), through which customers can conduct their banking business online.
Online payment method	Payment methods via the internet that are usually paired with a payment card and are used primarily to settle online purchases (e.g. PayPal or Sofortüberweisung). The term is used throughout this report to encompass all payments made via the internet that are not executed through a specific online banking application (cf. online banking), a specific mobile payment app (cf. mobile payment apps) or a retail app (cf. retail apps).
Other payment cards	Retailer cards with a payment function (e.g. those of petrol stations or retailers) as well as prepaid cards that can only be used with certain retailers (e.g. voucher cards) or in a restricted way (university, canteen, laundry cards, etc.).
Payment instrument	These include cash, payment cards (debit, credit, prepaid and other payment cards), (online banking) transfers, direct debits and e-money. In addition, mobile payment apps and online payment methods are also covered by this term for the purposes of this report.
Payment location	Refers to the POS where goods or services are purchased and paid for. For the purposes of this report, the term 'payment location' covers specific POS (e.g. supermarkets, restaurants and online platforms) as well as counterparties (e.g. P2P) and payment purposes (e.g. 'eating and drinking out').
Payment method	Cf. payment instrument
Point of sale (POS)	Cf. payment location
Retail apps	Similar to mobile payment apps (cf. mobile payment apps), retail apps facilitate payments via smartphone. In contrast to mobile payment apps, however, retail apps are specific to the retailer. They make possible the purchase of goods and services with the relevant retailer. An example of a widely used retail app in Switzerland is SBB Mobile. A payment with a retail app may be based on a credit card payment, e-money (usually prepaid card payment, cf. e-money) or a bank transfer. In addition, a retail app may also be linked to a mobile payment app so that payments with the retail app are in turn indirectly based on the underlying payment instrument of the mobile payment app.

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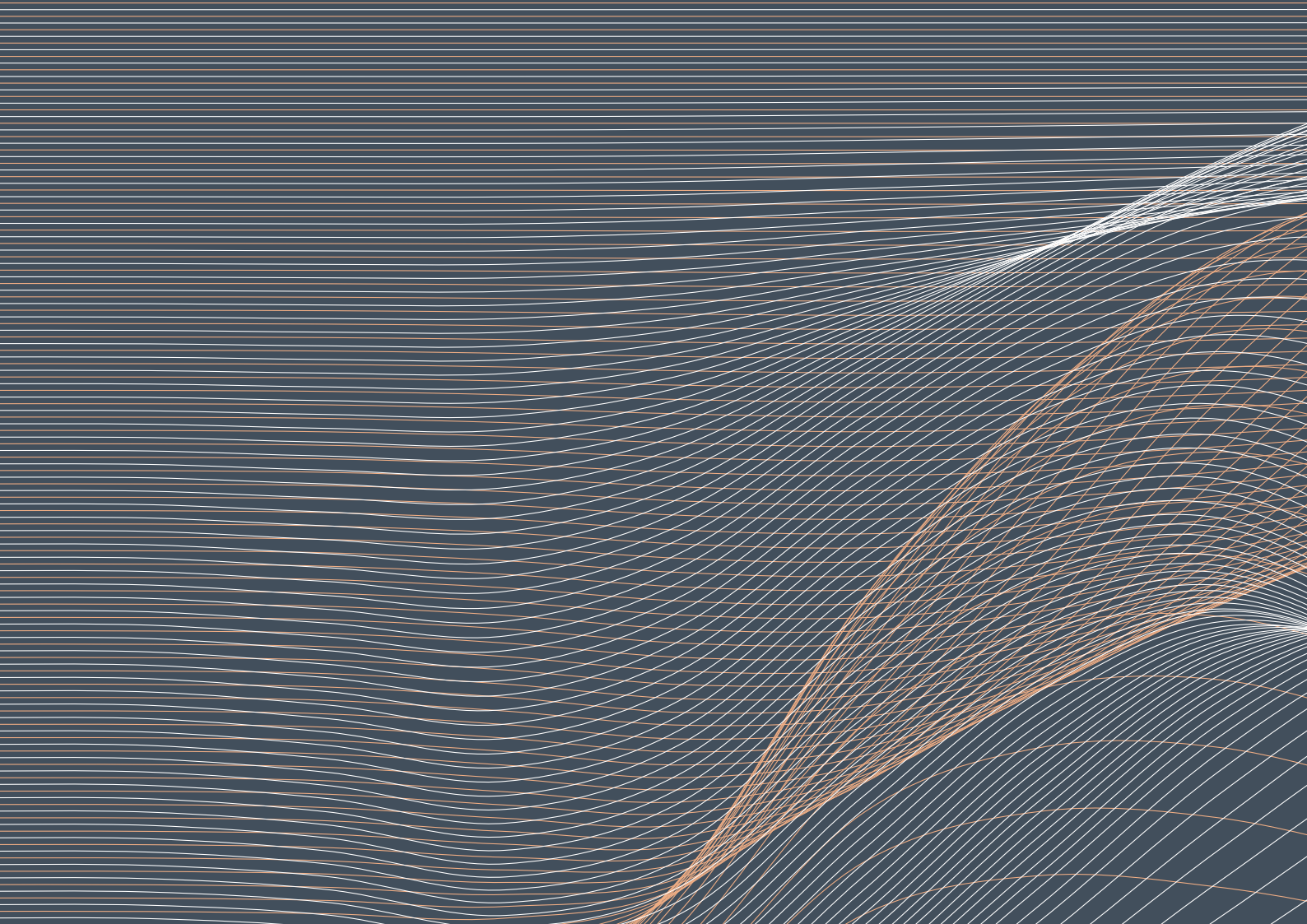
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