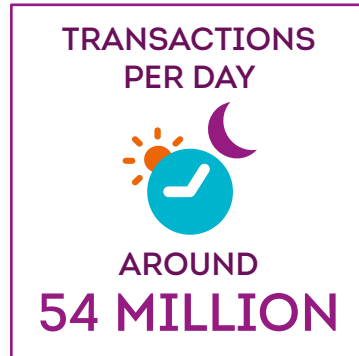


RETAIL PAYMENTS: A SNAPSHOT

- Total UK retail sales rose by 4.3% in 2017 to £366 billion (£351 billion in 2016)
- Average transaction value (ATV) of a retail purchase stood at £22.57 in 2017 (2016: £18.42)
- Our sample: 48% of the entire retail industry



76% OF ALL RETAIL SALES



**PASSING THE
75% MILESTONE**

FOR THE FIRST TIME, CARDS ACCOUNT FOR MORE THAN 75% OF RETAIL SALES

- Cards were used to pay for £277.1 billion worth of goods in 2017, accounting for 76% of all retail sales and passing the 75% milestone for the first time.
- Cash continued its ongoing decline both as a share of retail transactions ($\downarrow 0.5\%$) and as a share of retail sales ($\downarrow 1.2\%$).

AN ADDITIONAL £170 MILLION



**TO PROCESS CARD
PAYMENTS IN 2017**

CARD COSTS ON THE RISE

- The Interchange Fee Regulation (IFR) delivered savings for the retail industry and consumers, but these benefits have now been eroded by increases in other card fees. Many smaller retailers have questioned whether savings were ever passed on.
- Retailers spent an additional £170 million to process card payments in 2017, reaching almost £1 billion (£970m). These costs are borne by businesses, large and small, and add to the pressure on companies during a time of industry transformation.

SCHEME FEES INCREASED BY 39% IN 2017



ACTION NEEDED ON CARD FEES

- Increasing card costs shouldered by the retail industry have been driven entirely by scheme fee increases. Scheme fees increased by 39% in 2017 measured as a percentage of turnover, and the adverse impact of these scheme fee increases has been partly hidden by savings in other card charges. The scheme fee increases to retailers in 2018 range between 30% and 100% for domestic transactions alone.
- Regulatory action is needed to address the problem of soaring scheme fees, which come at a time when the retail industry is facing acute cost pressures elsewhere. The BRC is calling for:
 - Action to tackle the alarming increases to card scheme fees
 - Regulation to simplify fees and charges levied in the card payments industry
 - Expansion to the scope of the IFR to cover ALL card fees and charges