

RETAIL PAYMENTS: A SNAPSHOT

- Total UK retail sales rose by 4.1% in 2018 to £381 billion, from £366 billion in 2017
- Average transaction value (ATV) of a retail purchase stood at £23.34 in 2018 (2017: £22.57)
- Our sample: 34% of the entire retail industry



For the first time, the number of retail transactions exceeded 20 billion in a single year:

Our figures suggest there were 20.1 billion retail transactions in 2018



For the first time, credit card spending has outstripped cash spending:

Credit cards were used to pay for £82 billion worth of goods in 2018 as cash sales fell below £80 billion.



Card costs continue to rise:

Retailers spent £1.3 billion with third parties to accept customer payments – up £70 million on last year, largely driven by a 56% increase in card scheme fees.

FACTORS IMPACTING CARD COSTS FOR MERCHANTS

- REGULATED BY INTERCHANGE FEE REGULATION
- REGULATED BY EUROPEAN COMMISSION DEAL
- REGULATED BY BOTH
- NOT REGULATED

Regulation of card payment fees must be expanded and simplified in order to cover the full range of transactions and prevent abuse by card companies. The fee structure as it stands today is unnecessarily complex, hindering both transparency and competition. Regulators must tackle this complexity, and the extensive carve-outs in existing rules, to ensure businesses and consumers are adequately protected.

