



PAYMENTS SURVEY

2020



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ABOUT THE PAYMENTS SURVEY

THE PAYMENTS SURVEY IS AN ANNUAL PUBLICATION OF THE BRC MEASURING THE SALES VOLUMES AND VALUES OF DIFFERENT PAYMENT CHANNELS EMPLOYED BY RETAILERS ACROSS THE UK.

Conducted by the BRC for over twenty years, the Survey utilises an exclusive set of data from retailers to assess the changing approaches in the ways that customers choose to pay for goods. It also provides a unique look at the cost of collection across different payment channels and provides a valuable benchmarking tool for BRC members.

The data for this survey was gathered in 2020 and covers the 2019 calendar year. The survey was completed by retailers that represent almost a third of UK retail annual sales turnover which in 2019 was £394 billion. Past data going back as far as 2014 is also considered in the report.

This survey has been compiled on a consistent basis since 1999. It is recognised as providing an independent and definitive view of not only the cost of collection but also the important trends within the UK payments market.

It provides the only representative and reliable measure for the cost of payment collection, as it draws on exclusive data straight from the point of sale. The BRC Payments Survey is widely accepted as the leading indicator of retail payments in the UK, with costs and inputs defined by those directly responsible for retail financial operations.

The survey collects data that refers to the costs associated with taking payment from customers in stores, over the internet or through mail order or telephone order (MOTO). Within the different payment types, the costs include items such as Merchant Service Charges (inclusive of card acquiring fees, interchange and card scheme fees), fraud, bad debt, losses, Cash-In-Transit, and related administration costs in all categories. These costs amount to £1.1 billion across the retail industry and therefore account for one of the key cost elements in retailing operations today.

THE PRIMARY PURPOSE OF THE SURVEY IS TO:

- Provide participating BRC members with data to allow them to benchmark and improve their own payments cost structure
- Compare the results with previous surveys in order to analyse how the mix of payment methods and the collection costs have changed
- Keep the BRC informed of payment market trends within its membership to enable the BRC to provide unique data on retail payments and related issues
- Ensure that cost savings from the Interchange Fee Regulation are fully realised by retailers, and to identify the source of any cost increases imposed by the payments industry
- Provide a strong evidence-base in support of BRC advocacy and campaigns on behalf of our members
- Support the work of regulatory authorities within the UK and Europe with pertinent data in a consolidated format

KEY RESULTS

TOTAL UK RETAIL SALES ROSE BY 3.4% IN 2019 TO £394 BILLION, FROM £381 BILLION IN 2018. ACROSS OUR SAMPLE, REPRESENTING 28% OF THE ENTIRE INDUSTRY, WE REPORTED 5.3 BILLION RETAIL TRANSACTIONS.

Extrapolated for the retail industry as a whole, this implies 19.1 billion retail transactions overall in 2019 (20.1 billion implied transactions in 2018). The ATV of any given retail transaction stood at £24.08 in 2019 (2018: £23.06).

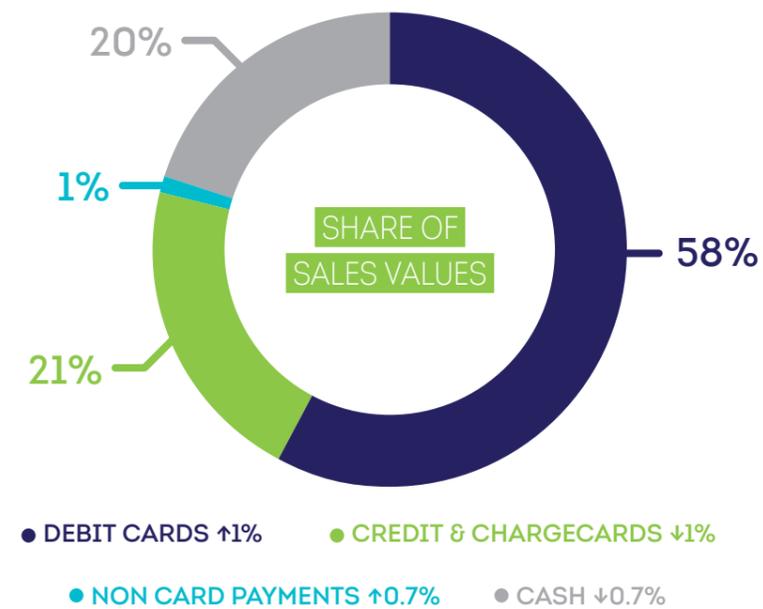
- **Excessive Card Costs:** Retailers spent more than £1.1 billion in 2019 to accept payments from their customers. Cash remains the most cost-effective payment acceptance channel for retailers with an average transaction cost of just 1.4 pence per transaction. Debit cards remain around four times as expensive to process, measured in pence per average transaction, whilst credit cards are more than three times as expensive to process as debit cards.
- **Action Needed on Cards:** Cards accounted for almost 80% of retail spending prior to a Covid-19, and a range of sources indicate that the pandemic has gone significantly further to increase the UK's reliance on them. With a series of consultations underway by HM Treasury or the Payment Systems Regulator (PSR), there has never been a more appropriate time for decisive action to protect businesses and consumers from the market failures in Europe's largest card market.
- **Consider Switching:** Some retailers were able to secure savings in 2019 by renegotiating with, or switching, their payment service providers. For larger merchants with their own legacy systems this can be a costly and time-consuming exercise not to be repeated often, whilst smaller merchants can be subject to onerous restrictions. Regulators should consider common standards, interoperability and the concept of a "portable accreditation" to help facilitate the switching process for merchants, and prohibit restrictions that tie merchants to payment service providers.
- **Prepare for Strong Customer Authentication (SCA):** Approximately £1 in every £5 of retail spending took place online in 2019, with the pandemic accelerating a digital shift in 2020 with record numbers of people now shopping online. SCA implementation is now required by the revised date of 14th September 2021, however retailers that have not already begun to prepare and have not discussed SCA with their gateway or card acquirer should do so immediately.
- **Protect Access to Cash:** Retail transactions made by cash have tumbled more than 15% in five years, and a range of sources indicate that this trend in cash usage has been accentuated by the pandemic in 2020. Yet cash continues as a valued payment method for consumers, especially for budgeting and control purposes. Access to cash is a concern for the retail industry, with retailers or the Post Office increasingly standing in to provide financial services after widespread closures of bank branches and ATMs. When banking services are provided by merchants, regulators should ensure that they are compensated fairly.

KEY FIGURES

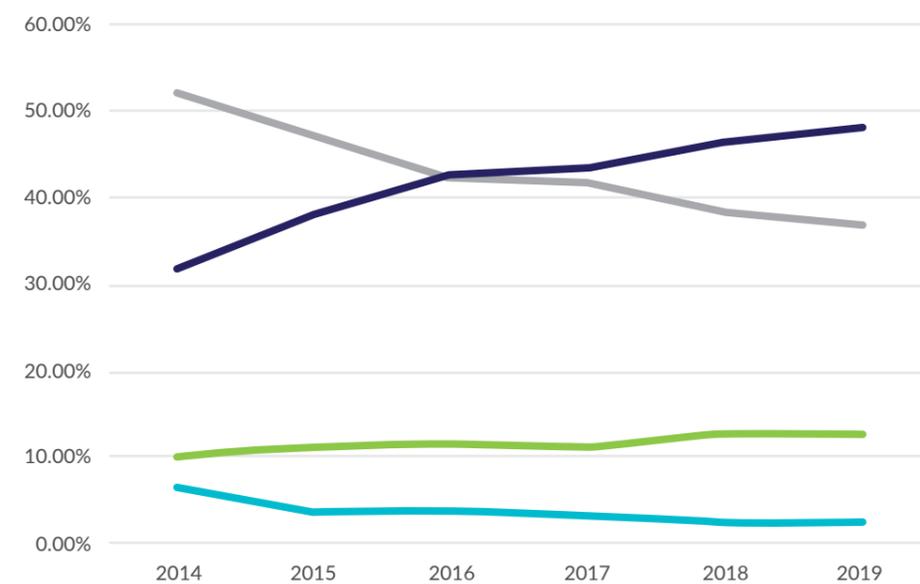
Value (sales turnover)	Total	Share	Annual Δ (share)
Cash	£77.6 bn	19.7%	↓ 0.7 pp
Debit Cards	£227.7 bn	57.8%	↑ 1.0 pp
Credit & Charge Cards	£80.8 bn	20.5%	↓ 1.0 pp
Alternative Payments	£7.9 bn	2.0%	↑ 0.7 pp

Volume (transactions)	Total	Share	Annual Δ (share)
Cash	7.0 bn	36.9%	↓ 1.4 pp
Debit Cards	9.2 bn	48.2%	↑ 1.7 pp
Credit & Charge Cards	2.4 bn	12.4%	↓ 0.4 pp
Alternative Payments	0.5 bn	2.5%	No change

ATV	2019	2018	Annual Δ
Cash	£12.50	£10.21	↑ £2.29
Debit Cards	£22.82	£23.16	↓ £0.34
Credit & Charge Cards	£33.52	£31.71	↑ £1.81
Alternative Payments	£12.20	£15.76	↓ £3.56



SHARE OF RETAIL TRANSACTIONS



- DEBIT CARDS (48%) ● CREDIT & CHARGE CARDS (12%)
- ALTERNATIVE PAYMENTS (2.5%) ● CASH (37%)

CASH

Cash was used to pay for £77.6 billion worth of goods in 2019 – accounting for just under 20% of sales value, compared with £77.7 billion in 2018 – accounting for just over 20% of sales value. A small year-on-year drop but continuing the longer-term trend in the decline of cash. The volume of cash purchases also continued to decline in 2019, with the share of cash transactions falling 1.4 percentage points to just under 37% of retail transactions (7 billion transactions).

The average transaction value (ATV) of a cash purchase increased from £10.21 in 2018 to £12.50 in 2019. This continues a longer-term trend seen over the previous five years of increasing ATVs for cash, likely reflecting displacement of cash by contactless transactions for lower value transactions.

Date	Share of retail sales value	Share of retail transactions	Average Transaction Value (ATV)
2019	19.68%	36.93%	£12.50
2018	20.40%	38.34%	£10.21
2017	22.01%	41.81%	£10.78
2016	23.22%	42.28%	£9.87
2015	23.32%	47.15%	£9.21
2014	26.40%	52.09%	£8.59

ENSURING ACCESS TO CASH

The share of retail transactions made by cash has tumbled more than 15% in five years, from over half of retail transactions in 2014. This is a major long-term trend, with drivers both on the supply and demand side, with important consequences for businesses and consumers.

The period covered by this Survey data predates the pandemic, yet a range of sources indicate that the trend in cash usage has been accentuated in 2020 with a sharp decline in cash withdrawals, more shoppers going online, and bricks-and-mortar retailers encouraging customers to pay by card to assist social distancing as well as reporting significant falls in the share of cash sales. It is still too early to assess the longer-term impact of the pandemic on cash access and usage.

Despite its diminishing values and volumes, cash clearly remains an important part of the payment mix in the UK and still accounts for well over a third of all retail transactions. Cash continues to be a valued payment method for consumers with research from the PSR suggesting that over a quarter of consumers prefer to use cash, especially for budgeting and control purposes. Almost all major bricks-and-mortar retailers accept both cash and card.

Access to cash is a concern for the retail industry, and the BRC continues to support the Which? Freedom to Pay campaign, the findings of the Access to Cash Review, and welcomes the Government's pledge – in the 2020 Budget – to legislate to protect access to cash.

Retailers and the Post Office have been increasingly called upon to stand in for banks in recent years to provide the financial services to customers abandoned by the widespread closure of bank branches and ATMs.



GOVERNMENT AND REGULATORS SHOULD ENSURE THAT, WHERE BANKING SERVICES ARE PROVIDED BY MERCHANTS, THERE ARE APPROPRIATE MECHANISMS IN PLACE TO ENSURE THAT MERCHANTS ARE COMPENSATED FAIRLY. THERE ARE A HANDFUL OF WAYS IN WHICH RETAILERS SUPPORT BANKING CONSUMERS' ACCESS TO THEIR OWN CASH:

- **CASHBACK:** Following pressure from retailers, both major card schemes have now announced initiatives to remunerate retailers that offer cashback services. The level and coverage of this remuneration is, however, highly inadequate. The government could further help safeguard consumers' access to cash by guaranteeing through regulation a minimum payment to merchants for the provision of cashback services, and universal coverage of this scheme.
- **ATMS:** There are now 10,000 fewer ATMs in operation in the UK than in 2017, with alarming consequences for some of the UK's more remote communities. The move towards pay-to-use ATMs is also concerning, especially in less economically developed areas, where the least well-off are penalised for withdrawing their own cash and disincentivised to do so, with adverse knock-on effects for local retailers.

The BRC welcomed PSR proposals to review the structure of LINK interchange fees to ensure the long-term viability of ATMs across the UK, however the level of LINK interchange fees also have a part to play in retaining free-to-use ATMs after cuts to interchange fees in July 2018 and January 2019.

Any new structure for LINK interchange fees should bolster the current Financial Inclusion Programme and actively incentivise the operation free-to-use ATMs in rural, isolated and socio-economically deprived areas. This mechanism or interchange fee structure should support the operation of more than one ATM in these areas to ensure resilience in access to cash for communities that may otherwise be compromised by technical or supply issues.

The BRC is also supportive of the Community Access to Cash Pilots exploring new ways of maintaining cash access and enabling businesses to continue to bank cash.

The Pilots alone will not solve the access to cash issue, but this initiative can be part of the solution and retailers await with interest the findings of the Pilots.

CARDS

Cards were used to pay for £308.5 billion worth of goods in 2019, accounting for 78% of all retail sales. This compares with £298 billion worth of sales in the previous year, also 78% of sales. There were 11.6 billion retail transactions in 2019 made on a debit, credit or charge card, giving cards a 61% share of retail payments by volume – up from 59% the previous year.

By value, debit cards account for 74% of retail purchases by cards, or 79% of card purchases by volume. Credit and charge cards account for the remainder.

Date	Share of retail sales value	Share of retail transactions
2019	78.29%	60.58%
2018	78.36%	59.21%
2017	75.69%	54.78%
2016	74.56%	54.03%
2015	74.91%	49.21%
2014	71.63%	41.64%



STRONG CUSTOMER AUTHENTICATION (SCA)

Approximately £1 in every £5 of retail spending took place online in 2019, with the pandemic accelerating a digital shift in 2020 with record numbers of people now shopping online. Online sales are more important now than ever before, yet the coming year will bring further new challenges for retailers with new rules coming impacting all merchants trading online.

Strong Customer Authentication (SCA) is intended to enhance the security of payments and affect the way banks check that the person making a payment is permitted to do so. The new rules were due to be implemented from 14th September 2019, however the BRC was instrumental in securing extra time to prepare for SCA to minimise the disruption to online retailers and their customers.

A managed rollout for SCA has been agreed between industry and the Financial Conduct Authority (FCA) to facilitate the best customer and industry outcomes, and a central Programme Management Office (PMO) established in which the BRC and our members participate. The PMO has been structured to coordinate and help answer the industry's remaining difficult questions.

The focus of the rollout is a technology called 3D Secure which will help to facilitate the authentication of the majority of card-based transactions. However, there are other SCA compliant solutions available in the market, such as those provided by Payment Initiation Services (e.g. through Open Banking), Apple Pay or Google Pay as well as other potential solutions.

SCA IMPLEMENTATION IS NOW REQUIRED BY THE REVISED DATE OF 14 SEPTEMBER 2021, HOWEVER RETAILERS THAT HAVE NOT ALREADY BEGUN TO PREPARE AND HAVE NOT DISCUSSED SCA WITH THEIR GATEWAY OR CARD ACQUIRER SHOULD DO SO IMMEDIATELY.

RETAILERS SHOULD VISIT THE BRC OR SCA PMO WEBSITE FOR INFORMATION, UPDATES AND TO REVIEW THE LATEST GUIDANCE PUBLISHED BY UK FINANCE IN OCTOBER 2020. THE SCA PMO WEBSITE ALSO HAS A SERIES OF WEBINARS WHICH ARE NOW AVAILABLE TO VIEW ON DEMAND.

DEBIT CARDS

Debit card usage continued to grow in 2019 with almost £228 billion spent via this payment channel, accounting for 58% of retail sales by value. This is up from the £216 billion spent on debit cards in 2018, accounting for 57% of sales.

Our figures suggest that debit cards were used to make 9.2 billion transactions in 2019, accounting for 48% of retail purchases by volume – up from 46% in 2018. Debit cards are now firmly established as the leading payment category in UK retail with almost half of all retail transactions by volume, and well over half of retail sales by value.

The ATV of a debit card purchase decreased modestly to £22.82, from £23.16 in 2018. This follows a longer-term trend in debit card ATVs which has been attributed to the growth of contactless card payments for lower value transactions. This trend has been matched by an increasing ATV for cash payments.

Date	Share of retail sales value	Share of retail transactions	Average Transaction Value (ATV)
2019	57.76%	48.20%	£22.82
2018	56.83%	46.46%	£23.16
2017	54.85%	43.55%	£23.01
2016	54.05%	42.58%	£23.38
2015	53.42%	38.07%	£26.14
2014	49.52%	31.74%	£26.42

CREDIT CARDS

Retail purchases by credit card decreased slightly to approximately £81bn in 2019, from £82 billion in 2018, leaving credit card payments as a share of overall sales value at 20.5%, down from 21.5% in 2018. Despite this modest fall, credit card purchases remain ahead of cash as share of overall retail sales value, having eclipsed retail spending by cash for the first time in 2018.

Credit cards as a share of all retail payment transactions remained broadly the same, falling less than 0.5 percentage points to just over 12% of transactions, with an implied figure of 2.4 billion retail purchases by credit card in 2019 – 2.6 billion in 2018, and 2.2 billion in 2017.

The ATV for credit cards increased in 2019 to £33.52, from £31.71 in 2018.

Date	Share of retail sales value	Share of retail transactions	Average Transaction Value (ATV)
2019	20.53%	12.38%	£33.52
2018	21.51%	12.75%	£31.71
2017	20.84%	11.23%	£31.54
2016	20.51%	11.44%	£32.72
2015	21.48%	11.14%	£35.91
2014	22.11%	9.90%	£37.84

ALTERNATIVE PAYMENTS

THE BROAD ALTERNATIVE PAYMENTS CATEGORY (PREVIOUSLY 'NON CARD PAYMENTS') ENCOMPASSES SOME ONLINE PAYMENT CHANNELS, COUPONS OF VARIOUS TYPES, AND CERTAIN CONSUMER CREDIT FACILITIES – NOT INCLUDING CREDIT CARDS.

E-commerce has been growing consistently, accounting for more than 19% of the retail market in 2019 (ONS), and whilst cards account for most transactions conducted online, some retailers have opted for alternative online payment channels such as PayPal. Retailers are also utilising coupons and mobile wallet schemes to drive footfall, often with the assistance of third parties specialising in marketing. And consumer credit is offered by many retailers that tend to sell higher value products such as beds, furniture and fashion.

Alternative Payments accounted for £7.9 billion of retail spending in 2019, accounting for just 2% of retail sales by value – an increase of 0.7 percentage points. There was no change in the proportion of Alternative Payments as a percentage of overall retail transactions in 2019, still accounting for 2.5% or approximately 500m transactions. The ATV of this category fell from £15.76 in 2018 to £12.20 in 2019.

Date	Share of retail sales	% of retail transactions	Average Transaction Value (ATV)
2019	2.03%	2.49%	£12.20
2018	1.20%	2.44%	£15.76
2017	2.30%	3.41%	£27.99
2016	2.23%	3.70%	£11.10
2015	1.77%	3.64%	£9.08
2014	1.97%	6.27%	£5.31



COST OF COLLECTION

THIS SECTION OF THE BRC PAYMENTS SURVEY COVERS THE EXPENDITURE THAT RETAILERS INCUR FOR ACCEPTING PAYMENTS, TAKING ACCOUNT OF THE VARIOUS COST FACTORS INCLUDING BANK CHARGES, TRANSIT COSTS, CASH AND CARD HANDLING CHARGES, AND WRITE OFFS (LOSSES).

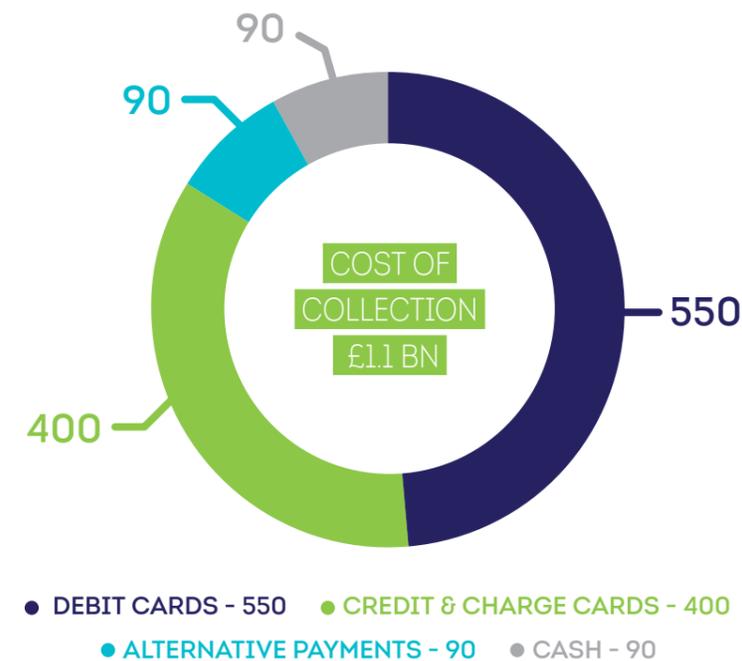
Our figures imply that retailers spent more than £1.1 billion in 2019 (0.28% of turnover) to accept payments from their customers, each transaction costing retailers 8.28 pence on average to process. The cost of collection reported in this year's Survey – and the feedback received from BRC members – suggest that savings have been made by a number of more sizeable retailers through renegotiating contracts, switching payment service providers, or investing heavily in technology in counter fraud measures.

As usual, cash remains the most cost-effective payment acceptance channel for retailers with an average transaction cost of just 1.4 pence per transaction. Debit cards remain around four times as expensive to process, measured in pence per average transaction, whilst credit cards are more than three times as expensive to process than debit cards.

Measured as a percentage of turnover, the average transaction cost for cash remained lowest at 0.11%, whilst debit cards more than twice as expensive to accept, and credit cards were more than four times as expensive as cash or twice as expensive as debit cards.

Average transaction cost (pence)				
Year	Cash	Debit Cards	Credit & Charge Cards	Average for all payment types excluding AP's
2019	1.42	5.88	18.4	5.64
2018	1.66	6.22	18.19	5.85
2017	1.44	5.63	16.66	4.93
2016	1.46	5.55	16	4.81
2015	1.39	5.79	28.41	6.03
2014	1.22	9.46	33.85	6.99

Average transaction cost (% turnover)				
Date	Cash	Debit Cards	Credit & Charge Cards	Average for all payment types
2019	0.11%	0.24%	0.49%	0.28%
2018	0.16%	0.27%	0.61%	0.33%
2017	0.14%	0.25%	0.62%	0.34%
2016	0.15%	0.24%	0.49%	0.31%
2015	0.15%	0.22%	0.79%	0.35%
2014	0.14%	0.36%	0.89%	0.44%



CASH

The cost for a retailer to process a cash transaction remains relatively low, accounting for less than 8% of retailers' overall payment acceptance costs, despite driving 37% of all transactions. Retailers spent less than £90m in 2019 to process cash payments.

The average cost to handle a cash transaction measured in pence per transaction fell from 1.66 pence in 2018 to 1.42 pence in 2019, and the average cost per transaction in cash measured as a percentage of cash turnover also fell from 0.16% in 2018 to 0.11% in 2019.

The average cost to a retailer of processing a cash transaction remains well below the costs associated with handling card payments, and cash is still the most cost-effective payment acceptance channel for retailers.

CARDS

Compared to cash, the cost to the retail industry of processing card transactions remains very high. Cards account for 61% of retail transactions, but 83% of retailers' cost of collection.

Credit and Charge Cards remain most expensive, still accounting for 35% of payment costs (£400 million), yet just 12% of transactions. The average transaction cost of a credit card measured in pence per transaction stood at 18.40 pence in 2019, up from 18.19 pence in 2018.

Retailers also spent at least £550 million to process debit cards in 2019, accounting for 48% of retailers' payment costs. The average transaction cost of a debit card measured in pence per transaction fell to 5.88 pence in 2019 from 6.23 pence in 2018, yet still higher than 2017 (5.63 pence).

Not all cards are regulated. Unlike credit and debit cards, commercial cards are not subject to interchange fee caps and therefore incur some of the highest costs for retailers in processing payments. Additional data gathered in this Survey showed that merchants paid an average of 65.11 pence per transaction in 2019 to process unregulated commercial cards.

These cost pressures are acutely felt by businesses, large and small, at a time when the retail industry is facing more pressures than ever before.

ACTION NEEDED ON CARDS

AS A PAYMENT METHOD THAT ACCOUNTED FOR 80% OF RETAIL SPENDING PRIOR TO A COVID-19, ALMOST EVERY MERCHANT IN THE UK MUST ACCEPT CARD PAYMENTS AND PROCURE CARD-ACQUIRING SERVICES.

Card fees are therefore a key cost of doing business for all merchants, with the costs of card services ultimately reflected in consumer prices.

A range of sources indicate that the pandemic has gone significantly further to increase the UK's reliance on card payments, it has therefore never been so important that the Government and its regulators take decisive action to protect people and businesses from the adverse impacts of market failures in Europe's largest card market.

Furthermore, there has never been a more appropriate time for action with a series of consultations underway by HM Treasury or the Payment Systems Regulator (PSR) including the Payments Landscape Review, the future PSR Strategy call for input, and the ongoing PSR Market Review into card-acquiring. At the same time, the UK's departure from the EU allows greater sway for an autonomous UK approach to tackling long-standing problems in card payments:

Issuing: The Interchange Fee Regulation (IFR) intended to slash the excessive charges levied on merchants and their customers, collected by card-issuing banks. This went some way to tackling the perverse incentives of a market that drives costs up rather than down. However, the PSR has found that SMEs received little or no benefit, and interchange fees remain a significant component of merchants' card costs and difficult to justify with schemes operating successfully in Europe and Canada with zero interchange fees. Perverse incentives continue as card schemes use thinly veiled circumventions of the IFR to win over card-issuing banks with alternatively labelled kickbacks that have a similar impact on the costs borne by end users.

Card schemes: Clearly the least competitive layer of the card payments ecosystem, with a duopoly controlling 98% of the UK market. The card schemes levy hundreds of fees on transactions across countless variables making it impossible for even the largest merchant to accurately forecast card costs, and consumers ultimately pay the bill in the form of higher prices. Complex billing structures have further become a powerful tool to bamboozle political, regulatory or legal attempts to rein in increasing abuses of the schemes' dominant market positions, which has seen scheme fees billed to merchants double since implementation of the IFR (PSR Card-Acquiring Review, Interim Report). The increases in scheme fees reported in previous BRC Payment Surveys – 39% in 2017 and 56% in 2018, measured as a percentage of turnover – are clear demonstrations of an abuse of market dominance, and retailers have received notices of further fees that they must pay to accept payments online.

Acquiring: The PSR are already carrying out a market review into card-acquiring services following concerns that the supply of these services may not be working well for merchants, and ultimately consumers. The interim report demonstrates that card scheme services are adversely affecting the supply of card-acquiring services more than any other factor, and recognises a lack of transparency around fees and the complexity of comparing prices. Shopping around is part of the answer, identified by the report, but for large merchants with their own legacy systems, this can be a costly and time-consuming exercise not to be repeated often. Smaller merchants can be subject to onerous restrictions.

Open banking is too often cited as the remedy for an uncompetitive card market, yet an alternative payment method – as far away and uncertain of success as it is – will not satisfy the end users harmed by the lack of competition or effective regulation card payments.

THE BRC ASSERT THAT THE FOLLOWING MEASURES ARE NECESSARY TO PROTECT CONSUMER AND BUSINESS END USERS OF THE CARD PAYMENT ECOSYSTEM:

- The Competition and Markets Authority (CMA) should investigate and act against the card schemes for abuse of their dominant market position in contravention of Chapter 2 of the Competition Act (1998)
- The PSR should investigate and act against the card schemes for circumvention of the IFR as transposed into UK law
- The PSR should use its existing powers to abolish interchange fees in the UK, as advocated by the UK Supreme Court and practiced effectively abroad
- The Government should enhance the provisions of the IFR, as transposed into UK law, and bolster the powers of the PSR to:
 - Cover all card types: bring commercial cards within scope of the regulation
 - Cover all transactions: to include where only the merchant UK-based
 - 'Utilitise' scheme fees: similar to water and sewerage service pricing
 - Simplify card fees: limiting the range of card payment fees levied
- The PSR should consider common standards, interoperability, and the concept of a "portable accreditation" to help facilitate the switching process for merchants, and prohibit restrictions that tie merchants to card-acquirers



METHODOLOGY

THE BRC CIRCULATED A QUESTIONNAIRE TO ALL BRC MEMBERS AND RESPONSES WERE RECEIVED FROM MEMBERS WHO ACCOUNT FOR AN ANNUAL SALES TURNOVER OF JUST UNDER £110 BILLION, WHICH WAS 28% OF TOTAL UK RETAIL SALES (2019: ALMOST £394 BILLION).

Most of these retail sales arose from more than 10,000 shops of all types, in addition to sales paid for via internet, mobile or MOTO channels.

The survey covered the following cost items:

 <p>BANK OR THIRD PARTY HANDLING CHARGES</p> <p>Service charges, night safe costs, etc.</p>	 <p>CASH-IN-TRANSIT</p> <p>Costs incurred in using a Cash-In-Transit service provider to collect cash and cheques, and to deliver notes and coins to retailers for change.</p>	 <p>OTHER CASH HANDLING CHARGES</p> <p>Third party handling costs for 'Prime Count' and provision of coins.</p>
 <p>CARD MERCHANT SERVICE CHARGES</p> <p>Card Merchant Service Charges, including acquirer processing fees, interchange and card scheme fees.</p>	 <p>WRITE OFFS (LOSSES)</p> <p>All write-offs, including losses, arising through till and banking discrepancies, Chargebacks, unpaid cheques, bad debt and fraud.</p>	 <p>OTHER CARD HANDLING COSTS</p> <p>Including depreciation of PIN pads and any card specific hardware, maintenance of PIN pads and server costs, specific additional Call Authorisation costs, terminal rental, storage and recording of signature receipts.</p>

 <p>DEBIT CARDS</p> <p>Total for all MasterCard debit, Maestro, Visa debit, Visa Electron and VPAY card transactions.</p>	 <p>CREDIT AND CHARGE CARDS</p> <p>Total for all MasterCard and Visa credit and charge cards, Diners, JCB, American Express and any other cards or Store cards that do not include a Visa or MasterCard logo on them.</p>	 <p>ALTERNATIVE PAYMENTS</p> <p>Total for all other payment types accepted at point of sale and/or internet that are not included within any of the other categories. The totals provided excluded retailer own branded gift vouchers redemptions. Examples of payment types included in the 'Non Card Payments' category here were cheques, PayPal, and coupons issued by third parties (not own-branded coupons) used as part payment for goods.</p>
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THE BRITISH RETAIL CONSORTIUM

The BRC's purpose is to make a positive difference to the retail industry and the customers it serves, today and in the future.

Retail is an exciting, dynamic and diverse industry which is going through a period of profound change. Technology is transforming how people shop; costs are increasing; and growth in consumer spending is slow.

The BRC is committed to ensuring the industry thrives through this period of transformation. We tell the story of retail, work with our members to drive positive change and use our expertise and influence to create an economic and policy environment that enables retail businesses to thrive and consumers to benefit. Our membership comprises over 5,000 businesses delivering £180bn of retail sales and employing over one and half million employees.



BRITISH RETAIL CONSORTIUM

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