

Cash use and the cost of living crisis

European Payments Study
2022



Enryo

Intelligent solutions in times of change

Contents

1. [About this study](#)
2. [Executive summary](#)
3. [Payment behaviour](#)
4. [Spending of cash](#)
5. [Future cash use](#)
6. [Cost of living](#)
7. [Methodology](#)



1. About this study





1. About this study

This study asked citizens in eight European countries about their use of payments for everyday items and their attitudes towards the cost of living crisis.

The study intends to provide insights into how people across Europe are using cash, cards and mobile payments, and how this might change in the coming years. With rising costs and difficult economic conditions ahead, it also seeks to understand how European citizens intend to manage their money in light of recent developments.

The research was conducted between the end of August and early September 2022.

The study was commissioned by LINK with analysis from Enryo.



2. Executive summary





2. Executive summary

The past few years have been defined by events. The UK leaving the European Union, the Covid-19 pandemic and now, rising inflation and a cost of living crisis.

In 2021, we ran a research project that explored how people used cash, cards and mobile payments in eight European countries, selected to provide an overview of the whole of Europe: Estonia, France, Germany, Italy, the Netherlands, Spain, Sweden and the UK. In 2022, we ran the same questions to the selected countries, with new questions about how they intend to save given the cost of living crisis.

The two studies enable us to make a comparison between cash use over a 12 month period following the end of the Covid-19 lockdowns. The latest study also provides important insights into how people will change their spending behaviour given the rising cost of living.

The headline findings are outlined on the following pages.





2. Executive summary

Cash remains a popular payment method across Europe.

- The majority of people use cash regularly but the extent varies: most citizens are regular cash users in Germany, Spain and Italy; less in the UK and the Netherlands.
- Even 28% of Swedes use cash regularly.
- On average, 67% of people in Europe use cash regularly, with 57% using it once a week or more, and 10% once a fortnight.
- Little has changed over the past year, except in Germany, where rare cash users have significantly increased.

Card use is extremely popular across Europe.

- On average, 85% of people in Europe use cash regularly, with 80% using it once a week or more, and 5% once a fortnight.
- However, cash is used more regularly than cards in Spain, Germany and Italy, where regular cash use is extremely high.

Mobile payments are used across Europe but they're not as popular as cash.

- However, it's popular in some high cash countries, which suggests that there's a great disparity between heavy digital and heavy cash users but also potential for cash use to fall over the coming years.
- On average, 36% of people in Europe use mobile payments regularly, with 33% using it once a week or more, and 3% once a fortnight.

Over the next few years most people in high cash use countries intend to use cash less often in comparison to how they use cash today.



2. Executive summary

Most people said that they used cash in the past two weeks.

- This is even the case in Sweden, where nearly three quarters (73%) of people have used cash to pay for something in the past two weeks.
- In all other countries, over 85% have used it in the past two weeks, the highest being 98% in Italy.

In most countries the most popular place to spend cash is in local convenience stores or supermarkets.

- Cafes are also popular, as well as restaurants and using cash to pay for parking.
- Cash is also popular for person-to-person payments, with an average of 22% using it to pay family or friends.
- In Italy and Spain, the most popular place to spend cash is in cafes.

Concern about the cost of living crisis is highest in Italy and lowest in Sweden.

- However, overall, concern is high with an average of 85% of people across Europe concerned.

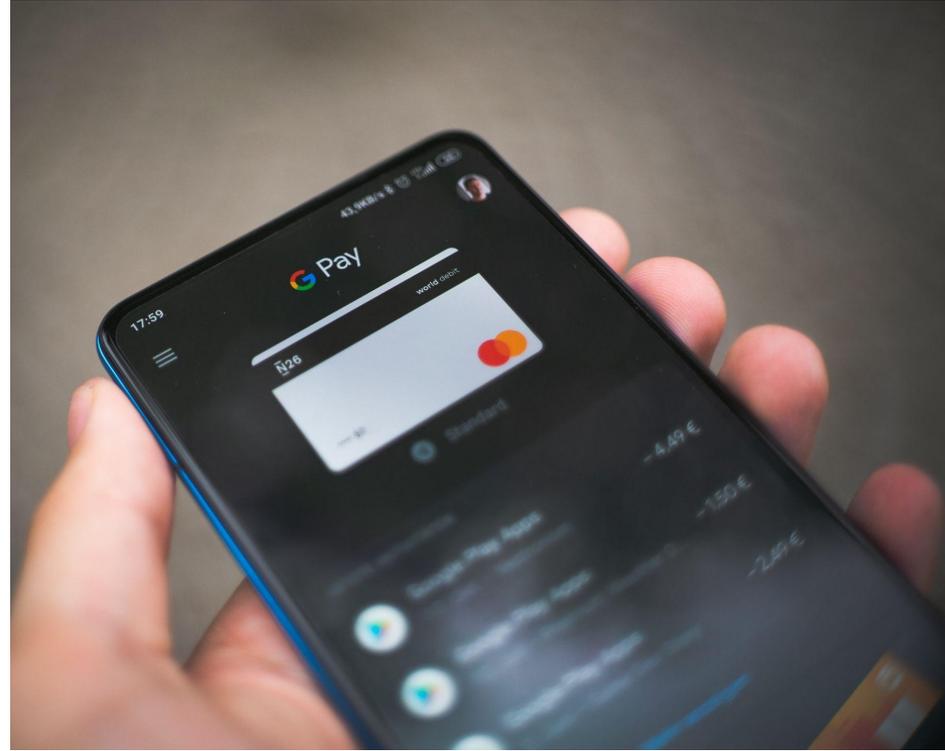
On average, the most popular option to save is to stop eating in restaurants or ordering takeaways.

- Postponing expensive purchases, such as holidays, and getting work done on the house are also popular.
- There is some variation in this, for example, in Estonia and Sweden, the most popular option is to purchase value brands, or near expiry date products. In France and Italy, reducing car use is the most popular.

On average, 1-in-10 (11%) people intend to use cash more frequently to save money.

- This is slightly higher in France (14%) and Germany (13%).
- Even 8% of people in Sweden intend to use cash more frequently in light of the cost of living crisis.

3. Payment behaviour



3. Payment behaviour - People who use cash regularly



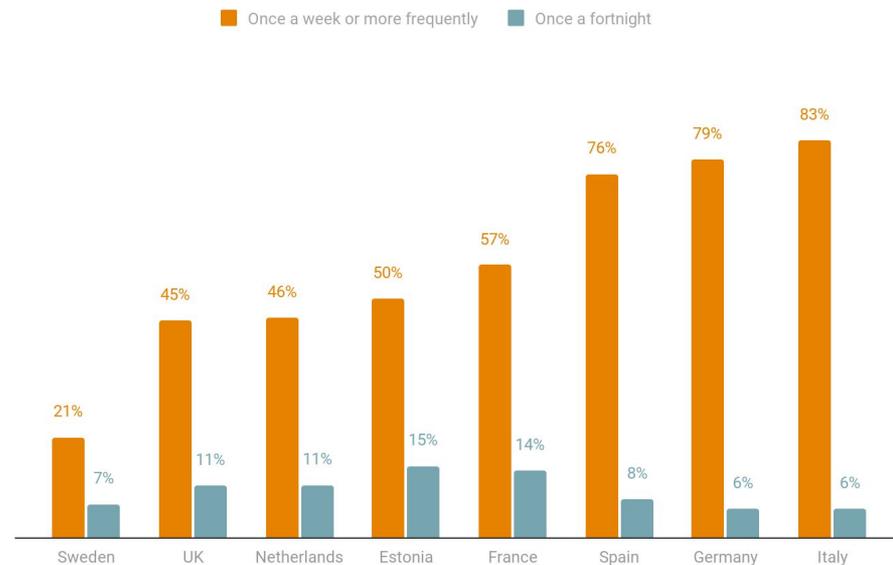
Cash remains a popular payment method across Europe.

For the purpose of this study we have defined 'regular cash use' as using it at least once a fortnight to purchase everyday items. As we can see in this chart, the majority of citizens in the selected countries use cash regularly.

There are, of course, variations. In Spain, Germany and Italy, over 8-in-10 citizens use cash regularly. In France and Estonia, it's around 7-in-10 and in the UK and the Netherlands, it's over half.

The exception is Sweden, which is commonly regarded as a very low-cash using country. However, even 28% of Swedes use cash regularly, with a fifth (21%) using it once a week or more frequently.

On average, 67% of people in Europe use cash regularly, with 57% using it once a week a week or more, and 10% once a fortnight.



3. Payment behaviour - People who use cards regularly



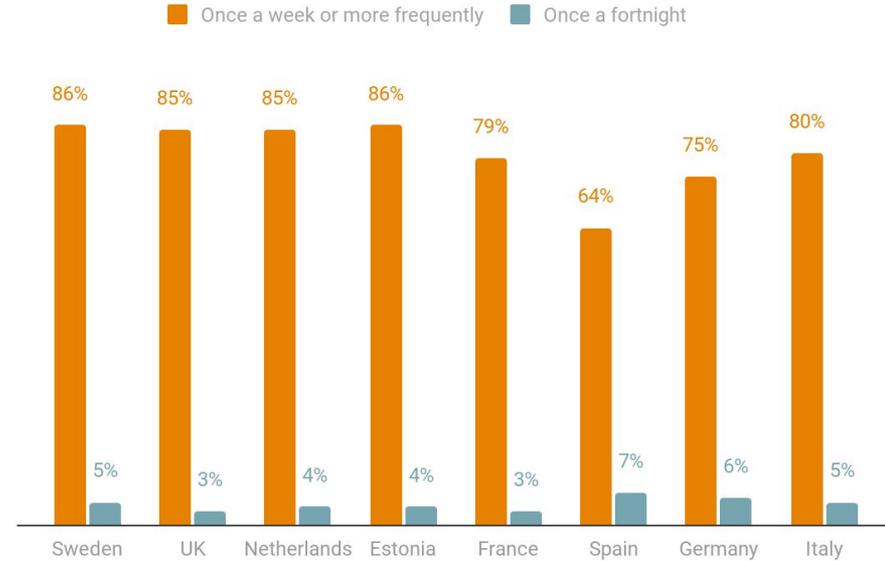
Card use is extremely popular across European countries.

Defining 'regular use' in the same way, we can see from the chart that regular card use is extremely popular in all European countries selected by this study.

In Spain, Germany and Italy, while regular card use is high, it is not as high as regular cash use:

- In Spain, regular cash use is at 84%, while regular card use is at 71%.
- In Germany, regular cash use is at 85%, while regular card use is at 81%.
- In Italy, regular cash use is at 89%, while regular card use is at 85%.

On average, 85% of people in Europe use cash regularly, with 80% using it once a week or more, and 5% once a fortnight.



3. Payment behaviour - People who use mobile regularly



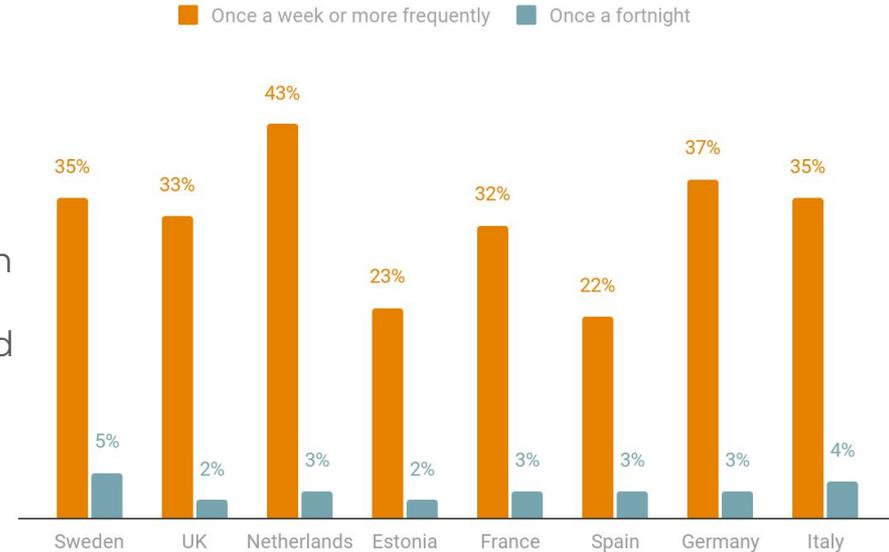
Mobile payments are used across Europe but they're not as popular as cash.

Mobile payments are not as popular as cards or cash in the select countries but they are a prominent feature of each individual payments landscape.

They are most popular in the Netherlands where 46% of people use them regularly.

Interestingly, mobile payments are relatively popular in countries with high cash use. For example, 40% of people in Germany use mobile payments regularly and 39% in Italy. This could suggest that there's a great disparity between heavy digital and heavy cash users but also potential for cash use to fall over the coming years.

On average, 36% of people in Europe use mobile payments regularly, with 33% using it once a week or more, and 3% once a fortnight.



3. Payment behaviour - Cash use 2021 v 2022

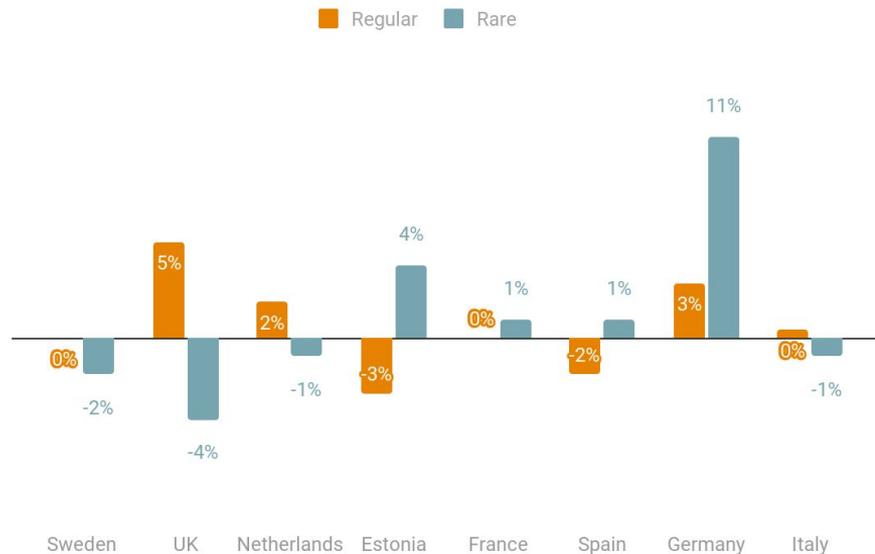
Little has changed over the past year, except in Germany, where rare cash users have significantly increased.

We asked the same countries and sample about their cash use in 2021, which means we can see how it's changed over the past year.

As the chart demonstrates, there has been a 5% increase in regular cash users in the UK between 2021 and 2022, and a 3% increase in Germany.

However, Germany has also witnessed an 11% increase in rare cash users (using cash once a month or less). This is a significant development as we know Germany has a high level of regular cash users. This could have been caused by the discouragement of cash over the Covid-19 lockdowns.

There has been a slight decline in rare cash users in Sweden and a very slight increase in France. In Estonia, there was a 3% drop in regular users, which has resulted in a 4% increase in rare cash users.



4. Spending cash





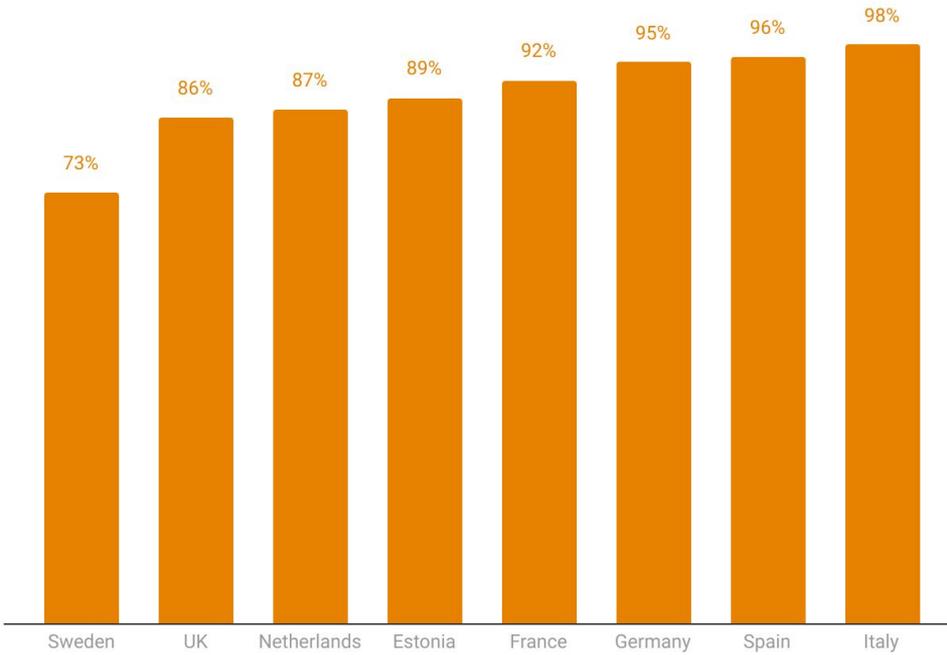
4. Spending cash - Use of cash in past 2 weeks

Overall, most people said that they used cash in the past two weeks, even in Sweden.

An alternative way to understand the role of cash in payments landscape is to ask people if they have used cash to pay for something in the past 2 weeks.

As the chart shows, even in Sweden, nearly three quarters (73%) of people have used cash to pay for something in the past two weeks. In all other countries it's over 85% with cash being used by 98% of people in the past two weeks in Italy.

While a smaller percentage of people said they used cash regularly, when asked about their recent spending we can see that the use of cash is actually higher than people may remember. This demonstrates the important role that cash plays in people's lives and the necessity of research to understand it.



4. Spending cash - Popular places to spend cash (European average)

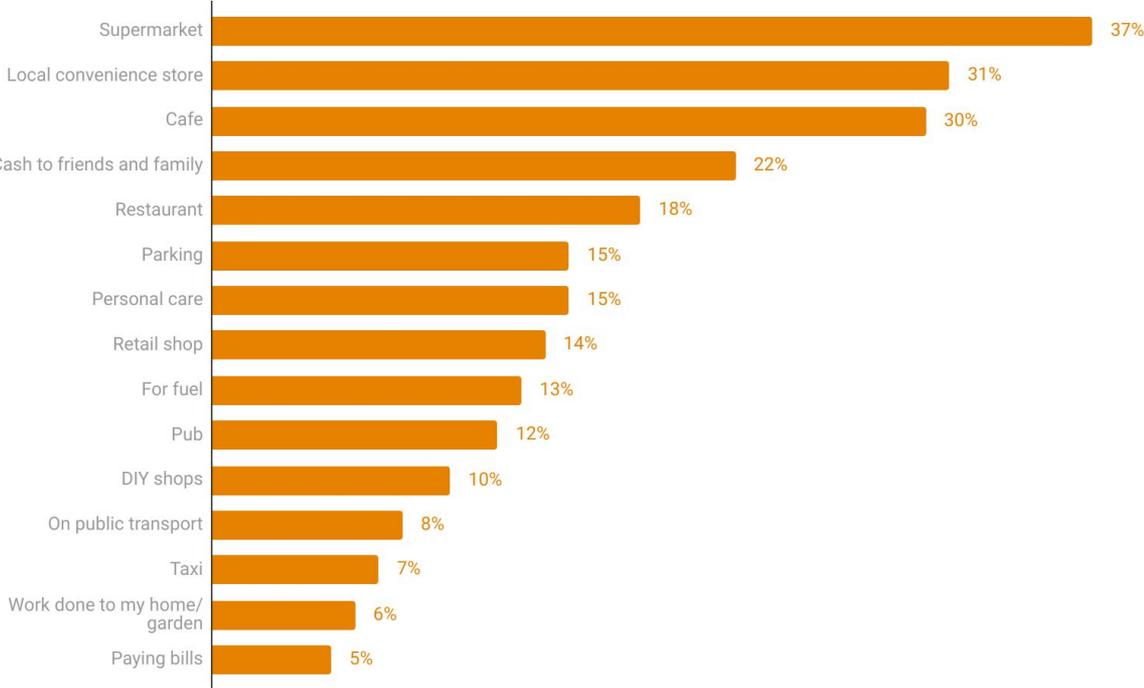


In most countries the most popular place to spend cash is in local convenience stores or supermarkets.

On average, across the selected countries, the most popular place to spend cash is in local convenience stores or supermarkets.

Cafes are also popular, as well as restaurants and using cash to pay for parking.

Interestingly, over a fifth (22%) of people said that they use cash to pay family of friends, demonstrating that cash continues to play an important role in person-to-person payments.



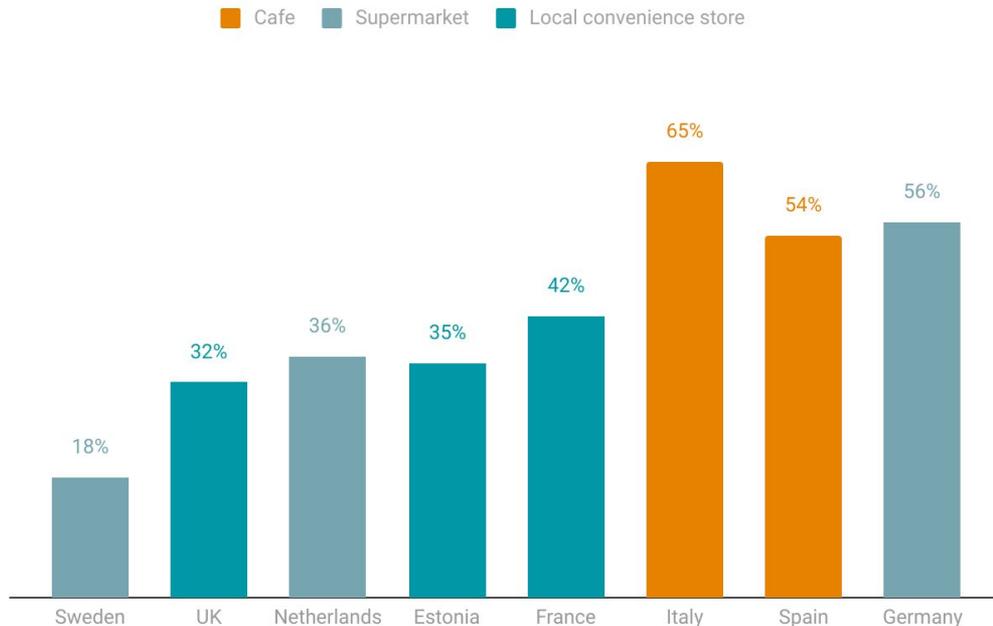
4. Spending cash - Popular places to spend cash



In Italy and Spain, the most popular place to spend cash is in cafes.

The only two countries where the supermarket and local stores are not the most popular places to spend cash are Italy and Spain, where the cafe takes the top spot.

This is an interesting insight as it provides detail on Spain and Italy's high cash use, where it is seemingly favoured for low-value transactions in cafes. It also suggests that if quick and convenient digital alternatives are introduced in cafes and their use encouraged, cash transactions could fall.



5. Future cash use





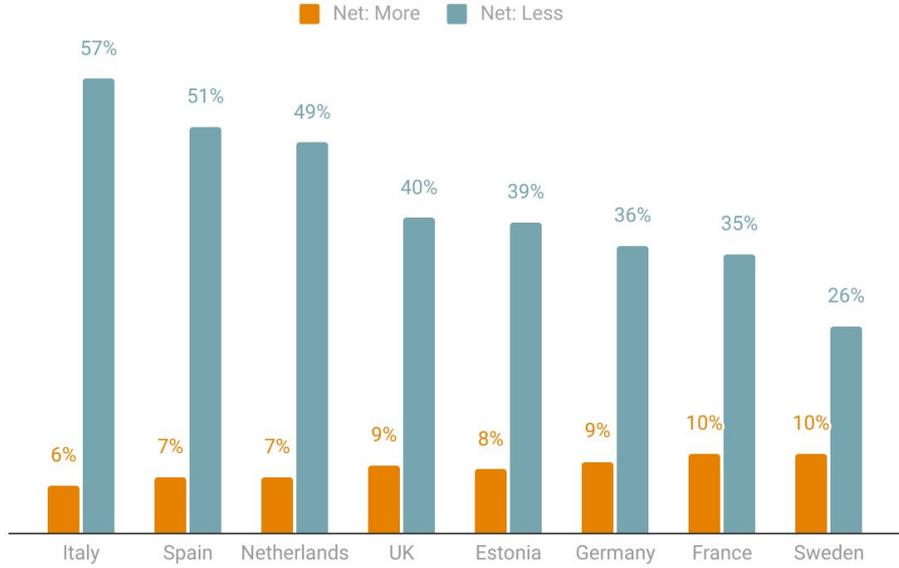
5. Future cash use - Intended use of cash over the next few years

Over the next few years most people in high cash use countries intend to use cash less often, when compared to how they use cash today.

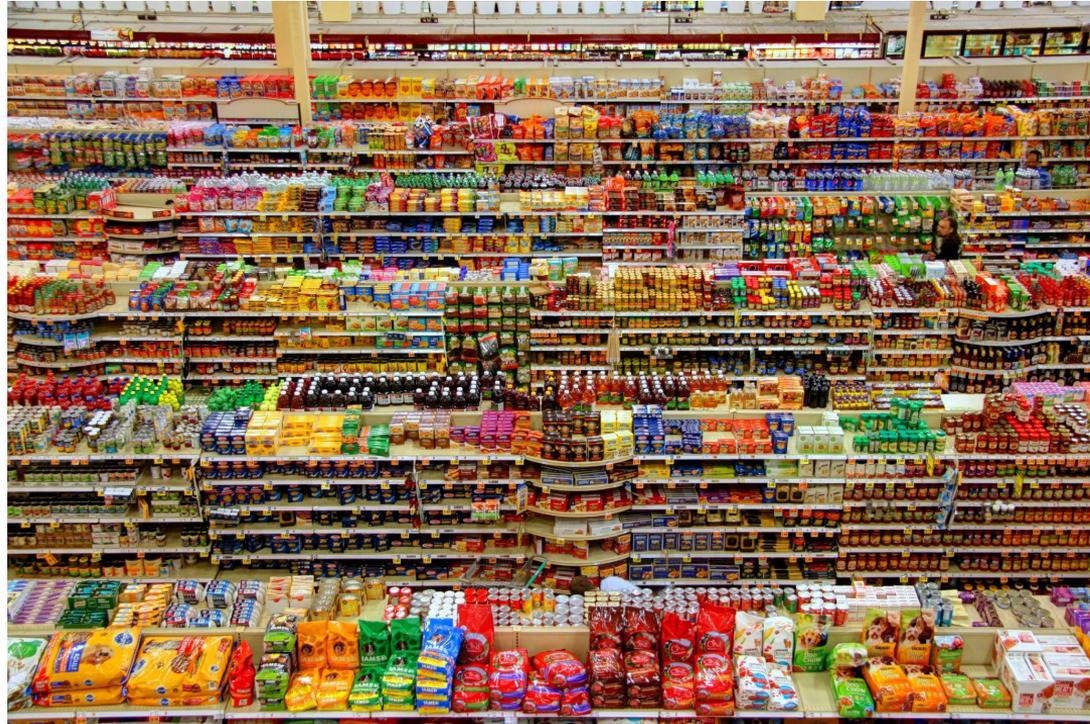
Nearly 6-in-10 (57%) Italians and half (51%) of Spaniards said this was the case. This is not surprising for high cash use countries as it's likely that digital payments will increase adoption in line with other European countries, which judging by earlier results in this survey, seems to be slower in Italy and Spain.

The pace of change seems to also be slower in Germany (36%) and France (35%), perhaps reflecting a cultural preference for cash and the limitations of digital adoption.

Only a quarter (26%) of Swedish people intend to use cash less often, which reflects the high level of digital adoption that has already taken place. In contrast, 1-in-10 (10%) of Swedes intend to increase their use of cash. This may reflect the economic situation and the divide between the digitally savvy and those that prefer, or have no option but to use, cash.



6. Cost of living



6. Cost of living - Concern about the current cost of living crisis



Concern about the cost of living crisis is highest in Italy and lowest in Sweden.

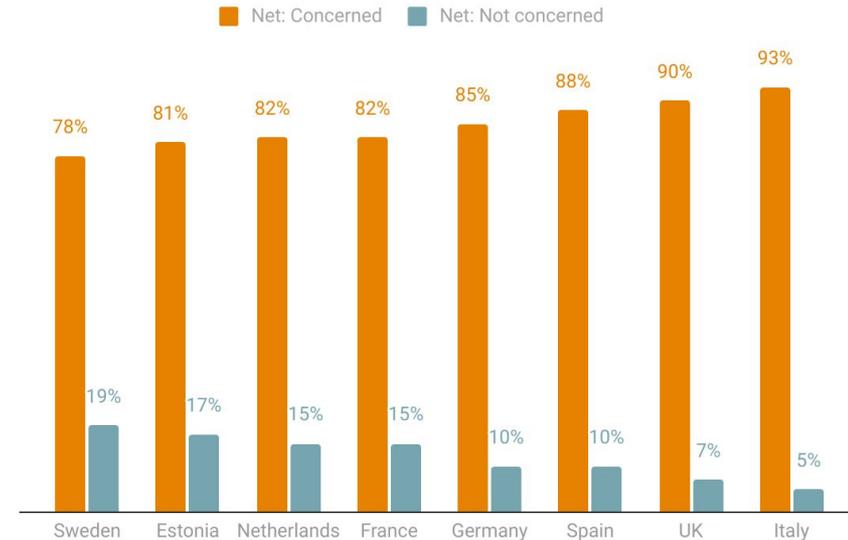
The survey found that the highest level of concern is in Italy, where over 9-in-10 (93%) expressed concern and in the UK, where it was felt by a similar amount (90%).

Concern is also high in Spain (88%) and Germany (85%), where it's over 8-in-10.

It's slightly lower in France (82%), the Netherlands (82%) and Estonia (81%), where it's at 8-in-10.

Concern is lowest among our surveyed countries in Sweden, where it's just below 8-in-10 at 78%.

However, overall, concern is high with an average of 85% of people across Europe concerned.



6. Cost of living - How people intend to save money (European average)

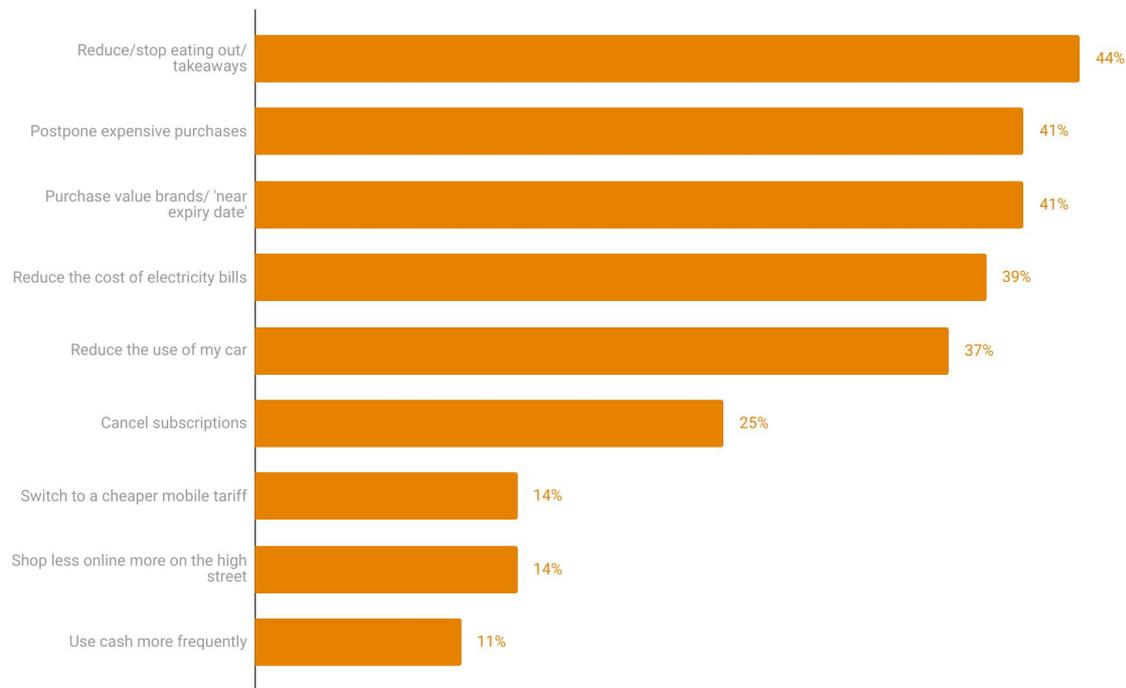


On average, the most popular option to save money is to stop eating out in restaurants or ordering takeaways.

Postponing expensive purchases, such as holidays, and getting work done on the house are also popular options.

Reducing the cost of electricity bills is also a popular option, as well as saving on fuel cost by reducing the use of a car.

Some people are also considering cancelling subscriptions (e.g. for the gym or a streaming service). Other options include switching mobile tariff, shopping less online and, for 11%, using cash more frequently.



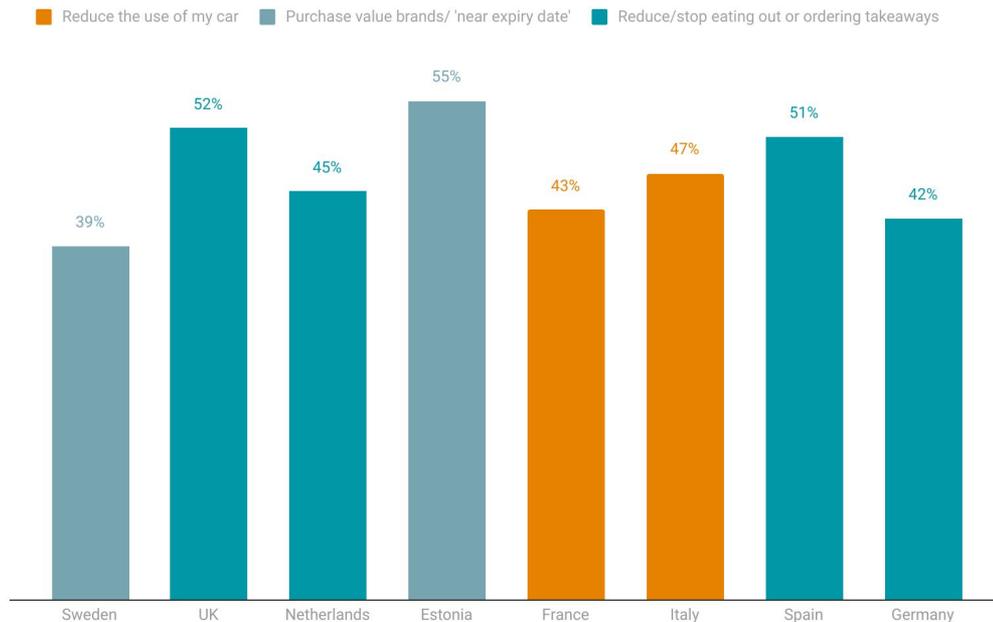
6. Cost of living - How people intend to save money



There is country-to-country variation on the most popular ways to save.

In Estonia and Sweden, the most popular option to save money in the current economic climate is to purchase value brands, or near expiry date products.

People also intend to save on fuel costs by reducing the use of their car. This is a much more popular option in Italy and France than the other European countries.





6. Cost of living - How people intend to save money

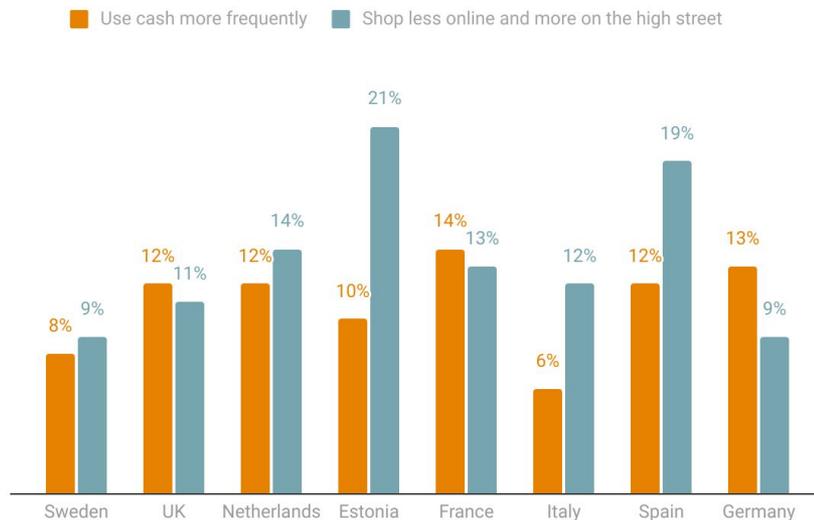
Some people also intend to save money by changing their payment behaviour.

For example, a fifth (21%) of people in Estonia and Spain (19%) said they intend to shop less online and more on the high street.

Some people intend to use cash more frequently. This is highest in France (14%), Germany (13%), Spain, the Netherlands and the UK (all 12%). 10% of people in Estonia said they would also use cash more frequently.

Despite an overall low level of cash use, 8% of Swedish adults said they intend to increase their use of cash. In Italy, the response was low at 6%, which is likely due to an overall very high level of cash use as a standard.

On average, across our selected countries, 1-in-10 (11%) people intend to use cash more frequently to save money as a result of the cost of living crisis.



7. Methodology

All figures, unless otherwise stated, are from YouGov Plc The survey was carried out online. The figures have been weighted.

Estonia	Total sample size was 500 adults. Fieldwork was undertaken between 30th August - 6th September 2022.
France	Total sample size was 1,017 adults. Fieldwork was undertaken between 30th - 31st August 2022.
Germany	Total sample size was 2,195 adults. Fieldwork was undertaken between 26th - 30th August 2022.
Italy	Total sample size was 1,047 adults. Fieldwork was undertaken between 30th - 31st August 2022.
Netherlands	Total sample size was 1,007 adults. Fieldwork was undertaken between 26th - 31st August 2022.
Spain	Total sample size was 1,074 adults. Fieldwork was undertaken between 1st - 2nd September 2022.
Sweden	Total sample size was 1,012 adults. Fieldwork was undertaken between 29th - 31st August 2022.
UK	Total sample size was 2,069 adults. Fieldwork was undertaken between 18th - 19th August 2022.



[LINK](#) is the UK's largest cash machine network, connecting virtually all the UK's ATMs and providing communities with access to cash through services such as cashback at retailers' tills and Banking Hubs. LINK is the only way banks and building societies can offer their customers access to cash across the whole of the UK. All the UK's main debit and ATM card issuers are LINK Members.



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We offer support and guidance by providing agile and innovative solutions to:

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- Stakeholder & political engagement
- Risk & resilience planning.