



Bankcards were still the central means of payment for everyday expenditure in France in 2022

While payment digitisation continued in France, bankcards remained the predominant payment method for everyday expenditure in 2022. Overall, cashless transactions increased, bolstered by the development of contactless payments and mobile payments in particular.

Cards may have accounted for the majority of transactions in terms of volume for several years, but credit transfers predominate in terms of amounts exchanged. As such, instant credit transfers could gradually come to dominate in the next few years given their significant growth.

Meanwhile, cash continues to be widely used in household payments, accounting for half of all point-of-sale payments and just over one-fifth of expenditure.

Sophie Allain Des Beauvais, Louis-Alexandre Bayol, Isabelle Maranghi,
Adrien Mocek, Isabelle Valdés-Curien
Cash-Retail Payments Policy and Oversight Directorate

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In 2022:

France, No. 1

in Europe for cashless payment use in terms of transaction volumes, with cards playing a predominant role (accounting for 6 out of 10 cashless payments)

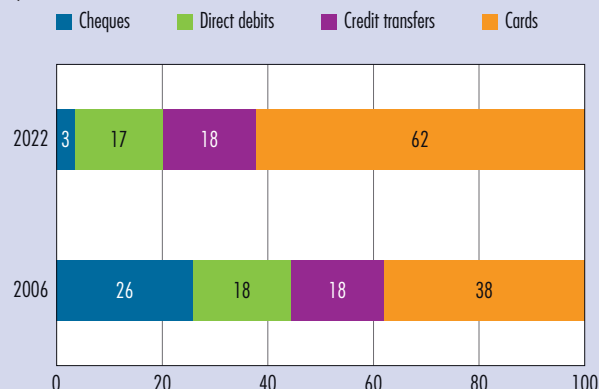
up 137%

the increase in the number of card payments by mobile phone compared with 2021

up 85%

the increase in the number of instant credit transfers compared with 2021

Use of the main cashless means of payment in France, in volume (%)



Source: Banque de France, *Breakdown of non-cash payment instruments* (2022 data).

Scope: Payments by individuals and corporate and institutional customers, excluding financial and monetary institutions.



1 At a time of increasing digital use, bankcards maintained their status as the primary everyday payment method

The use of cashless means of payment in the real economy has increased overall since the health crisis. This trend continued in 2022,¹ with 29.5 billion transactions accounting for around EUR 42,500 billion exchanged (compared with 24.9 billion transactions for EUR 28,500 billion in 2019).

The proportion of cashless payments made by card has risen steadily over the past ten years. Thanks to their diverse applications – in-store, remotely and on mobile phones – **cards continued to be the most widely used means of payment in terms of volume of transactions in 2022.**

Bankcards now account for more than 60% of cashless payments, up from 46% in 2012 (see Chart 1). Bankcards thus stand apart from other means of payment, whose use has remained relatively stable (credit transfers and SEPA² Direct Debits) or has followed a downward trend (cheque payments have declined by 64% in terms of volume since 2012).

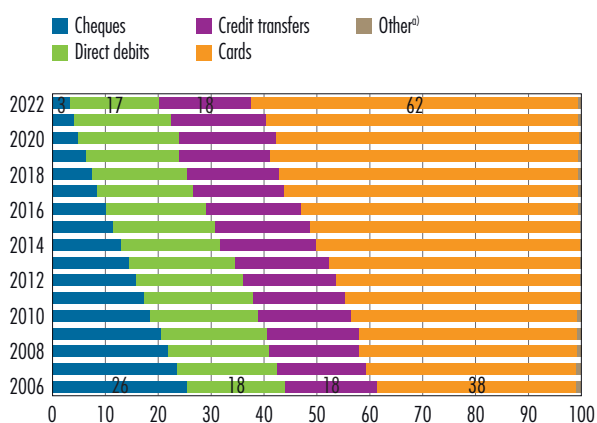
Against this backdrop of dynamic change, **the most innovative uses are showing the strongest growth rates.**

Some cashless methods have become firmly established, such as contactless card payments, which first came into use in 2012 with a EUR 20 payment limit, and were subsequently boosted by two successive regulatory increases to the payment ceiling in September 2017 (EUR 30) and May 2020 (EUR 50). This surge in contactless payments has notably been to the detriment of cash and traditional (contact) bankcard uses. Now, more than six face-to-face card payments out of 10 (see Chart 2 below) are contactless, for average amounts of less than EUR 20, and this means of payment has become an important part of the household payment landscape.

Card payment by mobile phone³ is also growing rapidly year on year (up 177% in 2021 and 137% in 2022) and now accounts for almost 6% of face-to-face card payments and a little under one in every 10 contactless payments.

C1 Use of the main cashless means of payment in France, in volume

a) In %

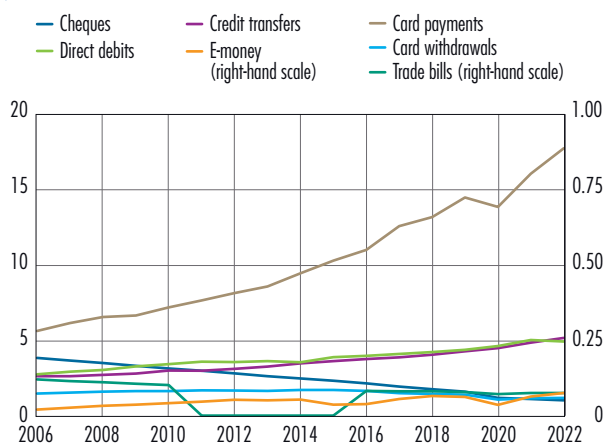


Source: Banque de France, *Breakdown of non-cash payment instruments* (2022 data).

a) E-money, trade bills.

Scope: Payments by individuals and corporate and institutional customers, excluding financial and monetary institutions.

b) In billions of transactions



¹ The cashless payments considered in this bulletin are all those carried out by individuals and corporate and institutional customers, excluding financial and monetary institutions.

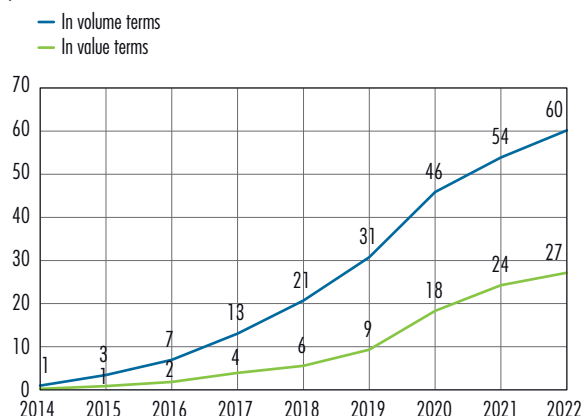
² Single European Payments Area.

³ Only mobile phone payments associated with a bankcard are considered in this section.



C2 Share of contactless payments in face-to-face card transactions

(%)



Source: Banque de France, *Breakdown of non-cash payment instruments* (2022 data).

Scope: Face-to-face payments by individuals and corporate and institutional customers, excluding financial and monetary institutions.

Note: Contactless payments are point-of-sale payments made using contactless cards or mobile phones (with an underlying bankcard).

At the same time, retailers are under pressure to install terminals (some of which are increasingly sophisticated), to cater to all these card payment use requirements: the number of point-of-sale terminals has therefore increased substantially over the past two years (up 27% on 2020).

2 Credit transfers are still indispensable to professionals

Bankcards are central to transaction volumes and their importance is growing. However, in terms of amounts exchanged, their significance remains relatively modest.

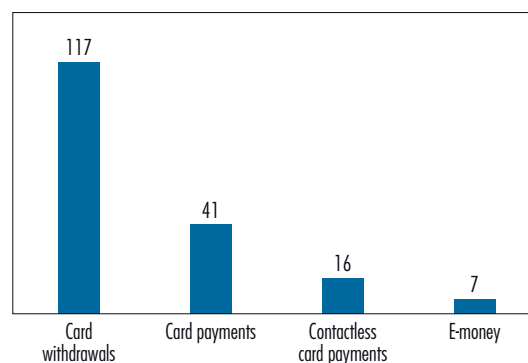
Cards are mainly used for small, everyday payments, as are instant transfers, which continued to develop in 2022. **Over the past three years, credit transfers have accounted for more than 90% of amounts exchanged using cashless means of payment.** This is because they are used in large-value transactions and, more generally, in payments by professionals.

Cheque use continued to decline, and was down 9% in terms of volume and 8% in terms of amounts exchanged in 2022. Cheques are somewhat antiquated and more vulnerable to fraud than other means of payment as they are paper-based. As such, they are gradually being replaced by electronic payment methods, particularly credit transfers, which can be arranged more and more easily via online banking or payment applications.

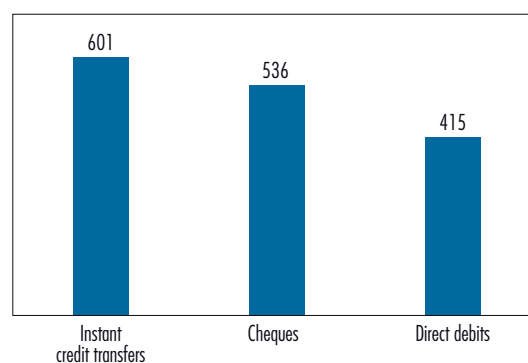
C3 Average cashless payment amounts broken down by use

(EUR)

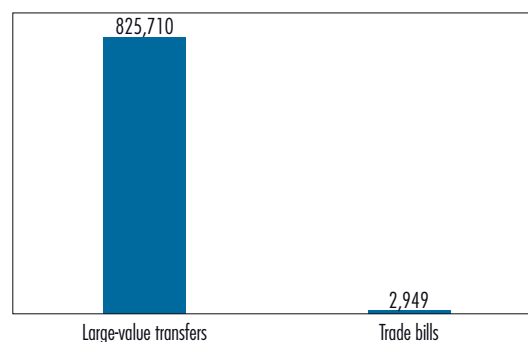
a) Use for everyday payments: average amount of less than or equal to EUR 100



b) All uses: average amount of between EUR 100 and EUR 600



c) Business use: average amount of more than EUR 2,000



Source: Banque de France, *Breakdown of non-cash payment instruments* (2022 data).

Scope: Payments by individuals and corporate and institutional customers, excluding financial and monetary institutions.

Note: Average amount = total amounts exchanged per payment instrument/total number of transactions

Despite this clear decline, **France sets itself apart in the European Union (EU) by having the most extensive cheque use:** 88% of the EU's total number of cheques are issued in France, well ahead of Italy (6%), the second largest user in terms of volume, and the other EU countries (see Chart 4).



Lastly, instant credit transfers stand out in that they have grown almost exponentially since their launch in 2018. While their market share remains modest (accounting for 4% of transfer volumes in 2022, compared with 2% in 2021), national and European strategies to promote instant transfers will boost their use. Aligning their billing with that for SEPA credit transfers should in practice make it free to use for French consumers and thus encourage its expansion (see Box 1).

Overall, means of payment cover a range of very different requirements depending on the amounts concerned: e-money payments⁴ tend more to involve small-value transactions such as paying for school or university meals (see Chart 3), while at the other extreme, credit transfers and trade bills, with average amounts of more than several thousand euro, are used in a professional context following secure protocols.

⁴ Electronic money is a monetary value stored in electronic form, including magnetically, representing a claim on the issuer, issued (by credit institutions or electronic money institutions) against the remittance of funds for the purpose of performing payment transactions and accepted by a natural or legal person other than the electronic money issuer.

BOX 1

The development of instant credit transfers in France

Instant credit transfers have been regulated under the SEPA¹ Instant Credit Transfer (SCT Inst) scheme since 2017. SEPA Instant Credit Transfers are made in euro and executed almost immediately (in less than ten seconds), and can be performed at any time (the service is available 24/7, every day of the year).

This means of payment, which guarantees that a beneficiary's account is credited almost instantaneously, is particularly suited to certain uses, notably for payments issued by private individuals and companies.

- For individuals, instant credit transfers are an attractive alternative to conventional transfers and cheques, giving the payer proof of settlement as soon as the transaction is completed, and guaranteeing that the beneficiary receives the funds immediately.
- For companies, instant credit transfers could replace cheques and conventional transfers when making business-to-business (B2B) transactions or paying social security contributions, employer contributions or even taxes. They also simplify cash management for the beneficiary, who is guaranteed immediate receipt of funds, and the payer, who does not have to anticipate the settlement of the debt. Lastly, it could be used for business-to-person (B2P) payments, such as insurance settlements or salary payments.
- Rolling out instant credit transfers to public entities could also have its appeal (for collection or payment of social security benefits, for example).

Instant credit transfers are therefore an innovation likely to inject new dynamism into the payments market and enable better European integration, while also prompting new use cases. The use of instant credit transfers continued to grow in 2022 (up 85% in volume and 138% in value), and is now a permanent feature of the cashless payment landscape, accounting for 4% of all transfers and 0.3% of the value exchanged. Although France still lags behind other European countries,² their use is expected to increase in the years to come, thanks to the implementation of national and European payment instrument strategies.

¹ Single European Payments Area.

² In December 2022, instant credit transfers accounted for 13.8% of all credit transfers issued in the euro area. Estonia leads the way in the adoption of SEPA Instant Credit Transfers, which accounted for 71.4% of all credit transfers issued in the country in 2022. It is followed by Lithuania (57.2%) and Spain (44.6%).



3 Cards are also the most widely used cashless means of payment in Europe

There is a certain disparity in the use of cashless means of payment in Europe. In 2022, France and Germany continued to issue the highest number of cashless payments in the European Union (20% in France and 19% in Germany). However, in terms of amounts exchanged, Germany and the Netherlands rank highest with 28% and 25%, respectively, ahead of France with 17%.

As for card payments, France tops the list of European countries both in terms of volume and amounts exchanged (27% of amounts paid by card in the EU), even though, generally speaking, cards are also the most widely used cashless means of payment in terms of volume in the other EU countries.

Until 2021, the only exception was Germany where direct debits were predominant (accounting for more than 43% of the total number of transactions in 2020 and 2021). This is because the majority of its card payments were completed via the Girocard interbank network, which relies on direct debit authorisations to process card payments. This share fell to 36% in 2022 due to the

increased use of electronic banking systems at the expense of the historical direct debit-based system. Nonetheless, Germany still accounted for the lion's share of issued direct debits in terms of volume in the EU in 2022, with 47%, ahead of France and the Netherlands, with 23% and 10%, respectively (see Chart 4a below).

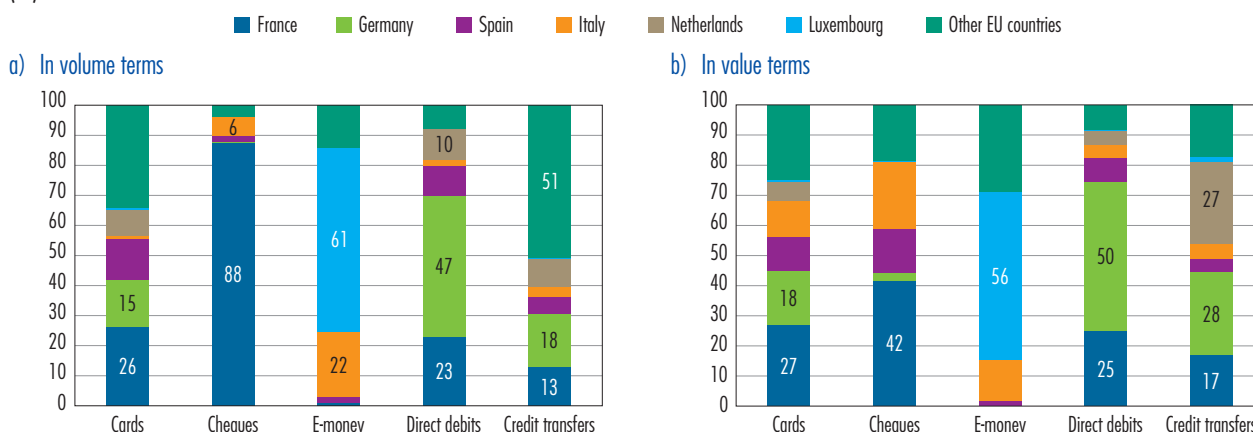
As is the case in France, credit transfers are by far the predominant cashless means of payment in terms of value in the EU, with a market share of over 92%.

The Grand Duchy of Luxembourg is the clear leader in e-money payments, both in terms of transaction volumes and value (61% and 56% of the EU total, respectively), because the PayPal e-money system was established in the country. Under European statistical reporting rules, all European flows associated with PayPal, which is Europe's leading issuer, are accounted for in Luxembourg. However, e-money only accounts for 6% of cashless transactions in terms of volume and less than 0.5% in terms of value exchanged in the EU.

Finally, other means of payment, such as trade bills (bills of exchange or promissory notes) used in Spain, France, Portugal and Austria and which account for less than 1% of amounts exchanged, have no equivalent in other EU countries.

C4 Use of cashless means of payment in the European Union

(%)



Source: European Central Bank, *Payment statistics*.



BOX 2

Means of payment used at point of sale by households in France – market shares

The means of payment “market share” measurement exercise was carried out on the basis of several available data sources. It covers household consumption payable in cash in France.¹

The breakdown of amounts spent by means of payment type is based on the findings of three European surveys² on household payment attitudes in the euro area for 2016, 2019 and 2022. Estimates for the other years of the different means of payments’ share of expenditure in value terms are based on the trends noted by the *Observatoire de la sécurité des moyens de paiement* (OSMP – Observatory for the Security of Payment Means)³ for cashless payments, and, more generally, are assessed using statistical methods such as numerical interpolation.

In this rapidly transforming landscape of payment means offerings, the payment attitudes of households at point-of-sale are evolving. The last decade has seen two interdependent phenomena: an increase in spending using cashless payment methods and a decline in spending in cash.

More precisely, the increased use by households of the latest payment means available (contactless and mobile payments) explains the rise in the share of household expenditure settled using cashless payment methods.

- Since its implementation in 2012, contactless payment use has grown constantly. This trend was accelerated by the health crisis of 2020, which pushed households towards contactless payments, and was further encouraged by increases to the payment limit (see Section 1). As a result, the share of households’ point-of-sale payments made using contactless cards reached 12%.
- Conversely, the market share of contact bankcards in expenditure has contracted over the past decade, falling below the 50% mark to 48% in 2023. It is therefore clear that it is through contactless payments that cards (contact and contactless) have maintained their market share at a stable level, at around 63% over the last three years.
- At the same time, mobile payments in the broadest sense (using applications installed on a mobile phone linked to bankcards or an e-money account) are rocketing. From being virtually non-existent in the 2010s, they exceeded 1% of point-of-sale expenditure in 2020, with their share quadrupling in the following three years, from 2020 to 2023.

Although cash is used less and less, it is still valued by French households, who settle a little over 20% of their point-of-sale expenditure with banknotes or coins (compared with 34% in 2012). Other indicators confirm the appeal and use of cash in French households. A European Central Bank study shows that in 2022, the French paid for one out of every two point-of-sale transactions in cash.⁴ The appeal of cash is also reflected in automated teller

1 Source: INSEE national accounting. Household consumption expenditure payable in cash is separated out from total expenditure by deducting spending that cannot be settled in cash (rent, gas and electricity bills, car purchases, etc.). This scope is thus far narrower than the scope used in the rest of this study. Based on growth forecasts provided by the Banque de France (*Macroeconomic projections*, September 2023) household consumption expenditure payable in cash is estimated at EUR 807 billion in 2023.

2 European Central Bank (ECB) surveys: SUCH (*Study on the use of cash by households in the euro area*) for 2016 and SPACE (*Study on the payment attitudes of consumers in the euro area*) for 2019 and 2022.

3 See the *Annual Report of the Observatory for the Security of Payment Means 2022* (2022 statistics, appendix 5), which presents the number and value of payments by card, direct debit, credit transfer, cheque, trade bills and e-money.

4 See Allain des Beauvais (S.), Bayol (L.A.), Laplace (E.) and Valdés-Curien (I.) (2023), “Three years after the beginning of the health crisis, cash is holding its own against other means of payment in France”, *Banque de France Bulletin*, No. 245/5, March-April.

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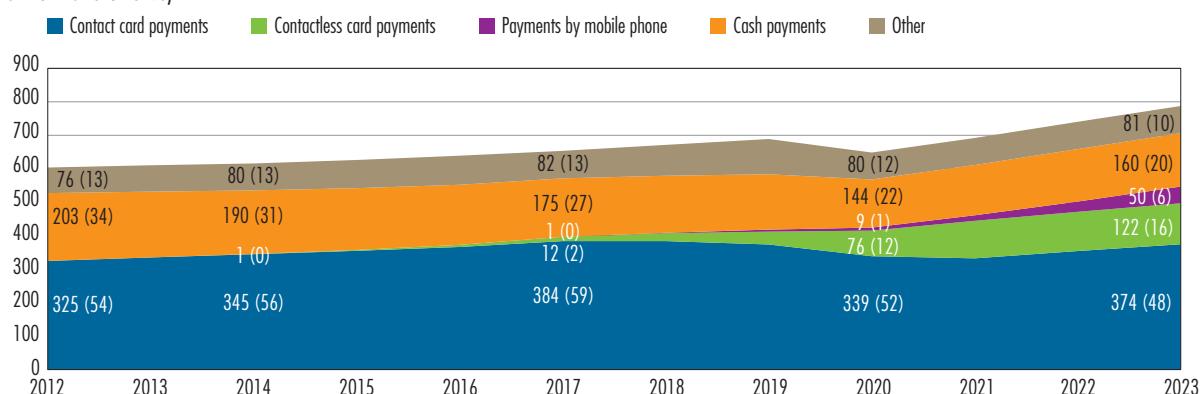


machine (ATM) withdrawal trends,⁵ with EUR 133 billion withdrawn in 2022 (up 5% in 2022 in terms of withdrawal numbers and up 7% in terms of amount). This is the third consecutive year of growth since 2020, reversing the decline seen in previous years, even though the pace of growth has fallen behind that of total transaction volumes.

The upturn in household consumption after the health crisis and rising inflation since 2022 have both contributed to the increase in ATM withdrawals. However, this demand for cash is not solely for transactional purposes. It also reflects cash requirements for hoarding purposes or cash demands linked to tourism.

Means of payment used by households in France by amount and market share

(EUR billions and %)



Source: Banque de France estimates.

Notes: The figures in % (in brackets) show the share of means of payment in current face-to-face consumption expenditure. "Other" mainly includes payment by cheque, credit transfer, direct debit, loyalty points, gift vouchers and cards, and e-money.

In conclusion, cashless money is still households' most widely used method in terms of value. In 2023, households are expected to settle 69% of their point-of-sale expenditure by cashless payment, using contact cards (48%), contactless cards (16%) or mobile payments (6%).

⁵ Withdrawals in France using a French-issued bankcard (individuals and corporate and institutional customers, excluding financial and monetary institutions).

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