



# Consumers turn to cash in the face of recent payment issues

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- **Majority of Brits say businesses need to do more to keep payment systems stable.**
- **Cash remains a national treasure and is more popular than digital wallets.**
- **Over half of 18–24-year-olds use cash at least once a week.**

Almost a quarter (22%) of UK adults have experienced card and phone payment issues in the last six months, with more than two-thirds saying it's made them more likely to carry cash, according to new research\* from KPMG UK.

While the majority (76%) of UK consumers are confident in the stability of the payments systems of retailers and financial institutions, global IT outages and fraud are creating concerns among the public about the impact these events have on their ability to make payments. More than seven in ten adults think that businesses need to do more to ensure the stability of payment systems.

Meanwhile, a separate study\*\* from KPMG UK of 200 payments professionals working in UK financial institutions and retailers shows that most (68%) have either started or undertaken significant payment system improvements in the last year. Stability and service availability concerns were ranked by the least number of financial institutions and retailers as a primary trigger for payments modernisation.

## **Cash remains a national treasure; is more popular than digital wallets**

High profile IT outages and the ongoing growth of fraud are also reinforcing concerns about a cashless society. The survey found that more than three quarters (77%) of adults would be concerned if the UK went cashless, a marginal increase from 72% who expressed concern last year.

More than half (53%) of consumers say they use cash at least once a week, a slight uptick from 47% last year. When it comes to cash usage across age groups, more than half (52%) of 18–24-year-olds use it at least once a week, up from 45% in 2023. Only marginally more (58%) adults aged 55 and over use it at least once a week.

While cash remains popular, when it comes to physical payments, cards are king. 44% of adults used a debit card the last time they made an in-person payment, followed 23% who used a credit card and 20% who used cash. Just nine percent of adults used a digital wallet to make a physical payment.

These findings echo some of the themes put forward in the Chancellor's new National Payments Vision unveiled earlier this month, which sets out a plan for a UK payments infrastructure that promotes consumer choice, underpinned by advanced technology, security and resiliency.

**Peter Harmston, payments lead at KPMG UK said:**

*“Black Friday is a particularly crucial period when it comes to the convenience, stability and security of payments and a reminder of how vital the resilience of the UK’s payment infrastructure is for consumers, businesses and the economy.*

*“Greater public awareness of major events that disrupt payments, coupled with ongoing concerns related to fraud, are reinforcing consumer preference for choice in how they pay, with some migrating back to the comfort of cash in times of trouble. And with over half of young adults using cash at least once a week, it’s clear that cash needs to be protected and offered alongside other payment methods.*

*“The government’s new vision for the UK payments infrastructure will hopefully refocus efforts on how the UK can maintain its legacy as a world leader in payments innovation. As part of this, financial institutions and retailers will need to demonstrate that their payments systems not only support consumer demand for choice and convenience, but critically, are resilient in the face of broader threats to the stability and availability of payment services.”*

**Notes to editors:**

\*Research conducted, on behalf of KPMG UK by One Poll between the 1<sup>st</sup> October and the 4<sup>th</sup> October 2024, with a nationally representative sample size of 2,000 UK Adults.

\*\*Research conducted, on behalf of KPMG, by Coleman Parkes in July 2024, among 100 financial institutions and 100 retailers.