

## Dutch payment data shows improving in-store retail sales

Dutch consumers are beginning to find their way back to the shops. After slumping in the first weeks of the country's 'intelligent lockdown', the number of debit card transactions has increased again. Transactions are still 22% below last year's number but still a significant improvement from the 35% we saw in late March



### Clear improvement in debit card pin transactions

The Netherlands went into 'intelligent lockdown' in mid-March and the number of debit card transactions plummeted.

The combination of social distancing and many restaurants, shops and sports clubs closing their doors had a huge effect on the number of transactions taking place, as analyses based on ING's pin transaction data show.

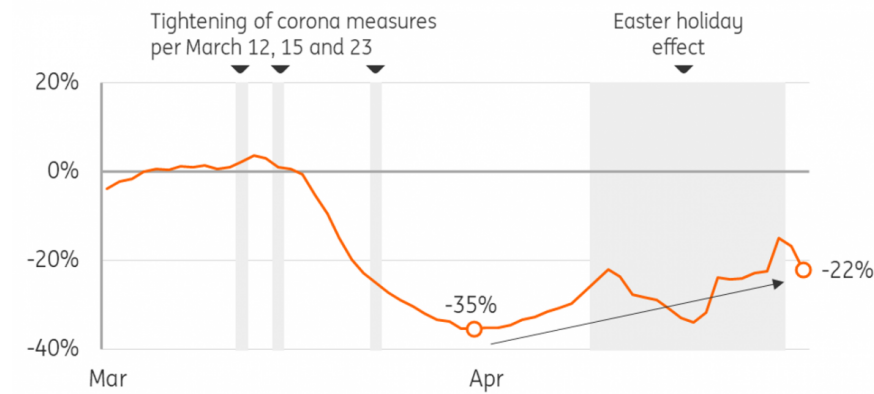
At the low point, late March, consumers used their debit card 35% less often than in 2019. The biggest declines were seen in spending on 'appearance' (-84%) and 'leisure facilities' (-80%). Since then, there has been some improvement. Right now, the total number of transactions is 'just' 22% below last year's level. As the number of transactions has increased, the value of debit card

transactions – turnover – has picked up too, from -32% at the lowest point to -18% currently.

## Payment by debit card shows signs of improvement

Number of debit card transactions, 7-day rolling sum, change year-on-year, trend-adj

Lates data point: 27 April, 2020



Source: ING

## Uneven improvement

While some types of businesses have seen substantial improvements since mid-March, others have not.

Leisure facilities, such as restaurants and cinemas, have seen only a modest improvement because most of this part of the economy is still in lockdown. The number of transactions is still 75% lower on the year. The category 'transport' has also seen a limited recovery. More transactions at fuel stations indicate the Dutch are hitting the road again, but public transport is still quite deserted. Much more pronounced is the improvement in the 'appearance' sector, up 20 percentage points since the low point. This is mainly driven by more transactions in clothing stores, as businesses in contact-based industries (such as hairdressers) are still closed. Leisure goods have seen significant improvement as well, up 23 percentage points.

The news that, here and there, shops are reopening again suggests further improvement of the total number of transactions is in the pipeline.

## Fewer debit card transactions generally means lower turnover

Debit card transactions in the week up to 27 April, change vs year earlier, trend-adjusted

Type of terminal location	# transactions	in €
All locations	-22%	-18%
Essentials (e.g. supermarkets, drugstores)	+0%	+19%
Appearance (e.g. clothing shops, perfumery, jeweler)	-64%	-64%
Leisure goods (e.g. toys, books, sports, electronics)	-7%	-4%
DIY (e.g. hardware and furniture stores, garden centres)	+38%	+26%
Other non-food stores (e.g. department stores)	-14%	+1%
Leisure facilities (e.g. restaurants, cinema, sport club)	-67%	-75%
Transport (e.g. petrol station, parking, public transport)	-39%	-44%

Source: ING

## A cold comfort: a bit more free spending

Because Dutch consumers tend to use their debit card for about 60% of their discretionary spending, this data provides a good indicator of how consumer spending is taking a hit from Covid-19.

At the lowest point, the combination of debit card, cash withdrawals and online figures showed us that more than 20% of total discretionary spending did not take place. Currently, this loss has moved closer to 15%. A significant improvement, but still cold comfort.