



# All aboard for the cashless society

But most say they will never be completely cash free

ING International Survey Mobile Banking 2017 – Cashless Society April 2017

thinkforward



This survey was conducted  
by Ipsos on behalf of ING

ING The ING logo, which features a golden lion standing on its hind legs, with its front paws resting on a small globe.

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# About the ING International Survey

The ING International Survey aims to learn how retail customers – and potential customers – around the globe spend, save, invest and feel about money. It is conducted online several times a year, with reports hosted at [www.economics.com/iis](http://www.economics.com/iis).

Ipsos conducted this survey between 7 February and 27 February 2017. Sampling reflects gender ratios and age distribution, selecting from pools of possible respondents furnished by panel providers in each country. European consumer figures are an average, weighted to take country population into account.

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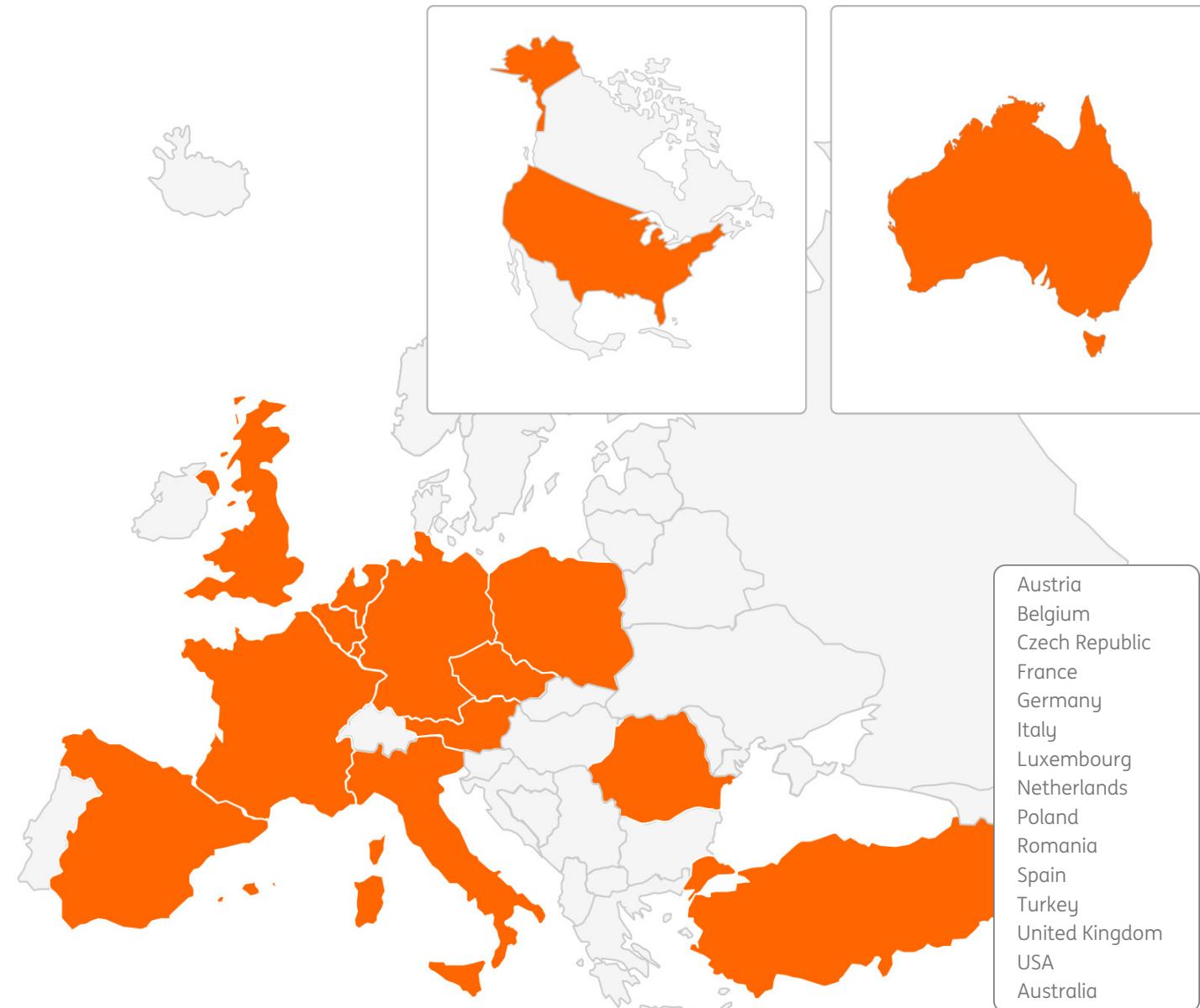
countries are compared in this report.

1,000

About 1,000 adults over 18 were surveyed in each, apart from Luxembourg, with 500.

14,692

is the total sample size of this report.



# Decline in cash use continues across Europe, the USA and Australia

## One in five in Europe now rarely carry physical currency; withdrawing large notes won't affect people's finances

Money has taken on many forms over millennia; our relationship with currency often alters along with it. Lately, a key theme has been technological change: notes and coins, initially pushed off centre stage by debit and credit cards, are increasingly being replaced by digital alternatives to cash, including mobile payments.

The ING International Survey Mobile Banking 2017 – Cashless Society report explores the attitude of the general public in 15 countries around alternatives to cash. Our results suggest a cashless society is not only possible but could be accepted by at least part of the population in many European nations.

About one in five (21%) in Europe now say they rarely carry physical notes and coins.

### Many are reducing cash use

Fifty-four percent of people in Europe agree or strongly agree that "I use physical cash much less than 12 months ago".

Of that proportion, nearly eight in 10 (78%) also say they expect to go on using fewer notes and coins in the next 12 months. Once people start to reduce their cash use, it seems they're inclined to go on using less cash.

This year's results tally with our mobile banking surveys in 2016, 2015 and 2014 which also found people are reducing reliance on physical cash. Increasingly they're transacting via non-cash methods, including mobile payment apps.

In fact a fraction of the population appears to have largely dispensed with cash. This subset only uses notes and coins once a month, once a year or even less often.

Living comfortably without physical cash was considered the stuff of science fiction only a few decades ago. Today it is a realistic proposition.

However, we also see a gulf between those choosing to use physical cash less often and those who – currently – are sticking with notes and coins.

**"Our results suggest that a cashless society is not only possible but could be accepted by a large part of the population across Europe"**

About a third (34%) agree that if it were up to them, they would go completely cashless – although there are differences between countries.

### Authorities may favour cashless

Meanwhile, more countries are actively discouraging or outlawing large cash payments. Non-cash transactions may be preferred by some vendors.

Harvard professor of public policy Kenneth Rogoff, writing in his 2016 book *The Curse of Cash*, argues that physical cash can facilitate corruption and tax

evasion. In his view, many of its disadvantages could be usefully reduced if larger denomination notes were withdrawn from circulation.

In our survey, just six percent in Europe indicate it might affect their finances if the largest denomination note was withdrawn in their country.

Indeed, large denomination notes are being phased out in several countries. The €500 bill, set to be withdrawn by the end of 2018, is one example.

But if Rogoff is correct, there may be no need to go entirely cashless to obtain a better quality of life.

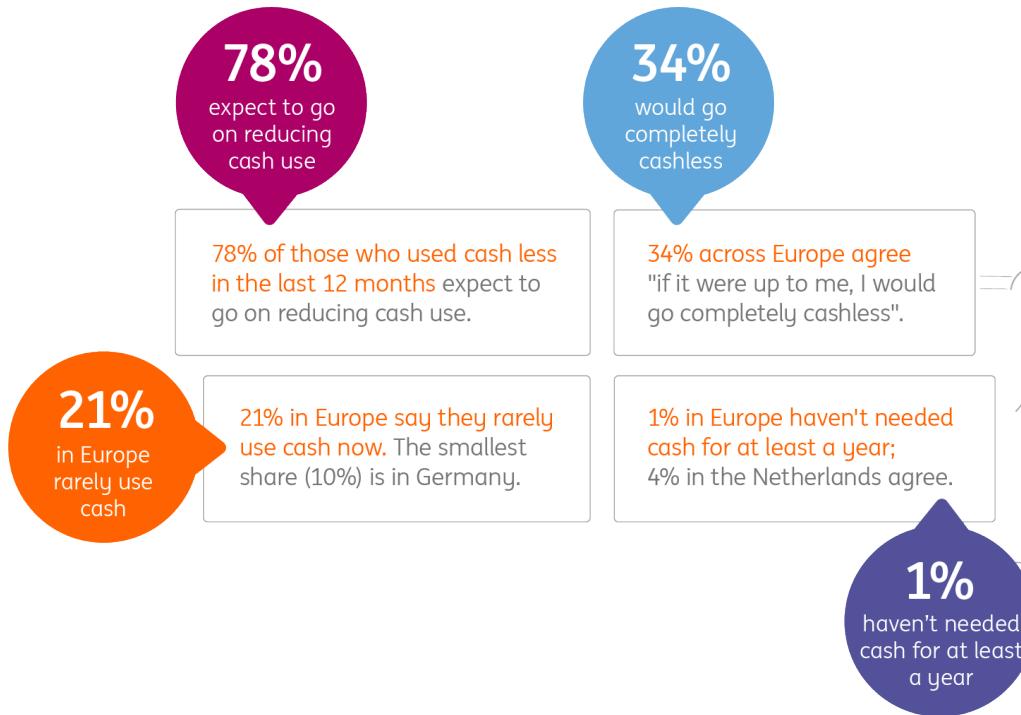
For those who want or need the feel of cold, hard cash, that could still be possible without holding back the many who indicate they are comfortable with new ways of paying.

Fleur Doidge, editor  
Ian Bright, senior economist



# How would you like to pay?

Alternatives to cash are multiplying across Europe, the USA and Australia. ING's International Survey Mobile Banking 2017 – Cashless Society set out to discover people's preferences when paying: more than a third in Europe say they'd prefer to be cash free, with some not using notes and coins for more than a year.



# One in five across Europe in 2017 rarely carry cash

ING International Survey Mobile Banking 2017 – Cashless Society suggests “the cashless society” concept could be moving beyond buzz-phrase status to become reality. About one in five (21%) across 13 European countries now say they rarely carry cash.

Today's alternatives go well beyond cheques, from credit and debit cards to mobile wallets and other e-payments technologies, including mobile apps on a tablet, smartphone or wearable device.

In France and the USA, people appear least likely to carry cash, with Poland, the Netherlands and Belgium next.

At the other end of the scale is Germany, where just 10% of respondents say they rarely carry cash.

The United Kingdom is closest to the European average.

Results match our mobile banking surveys in 2016, 2015 and 2014 which found people are reducing reliance on physical cash, while increasingly transacting via non-cash methods.

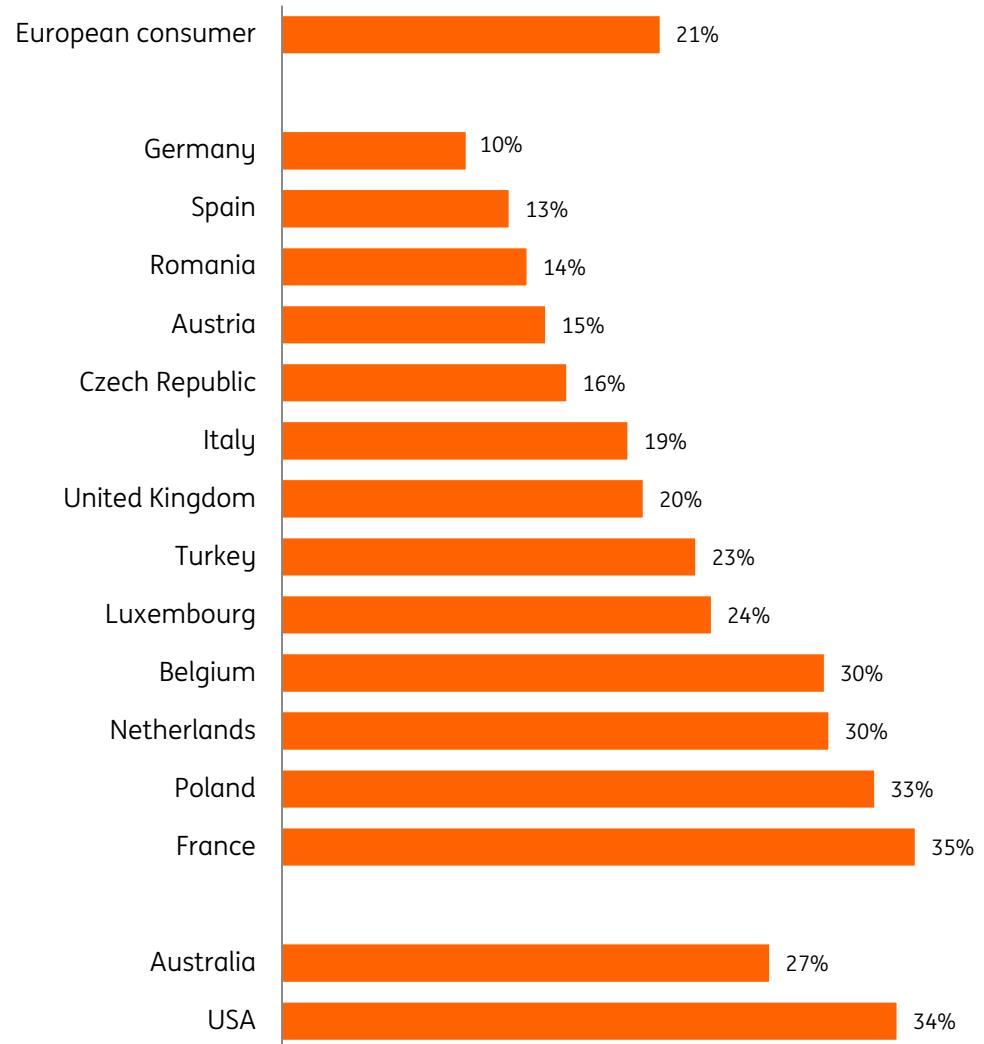
## Are some more likely to go cash free?

A mobile banker, in our 2017 research, was defined as a person aged 18 or older who owns a smartphone, tablet or wearable device and has done his or her banking on this device at least once. The full database shows that more mobile bankers (25%) than non-mobile bankers (16%) in Europe indicate they rarely carry cash.

The question

## Do you generally carry cash?

Shares answering “no – not often” or “no – almost never”. Possible choices included “yes – almost always” and “yes – often”.



Sample size: 14,692

# But most still resort to cash use several times a week

Our 2017 survey results confirm that many people across all 15 countries surveyed still use cash from day to day.

But the picture is mixed. We also find in every country that some people have largely dispensed with cash – having not used physical notes and coins since last month, last year or even longer ago.

The Netherlands has the largest proportion who say this (17%) – just ahead of the USA (13%).

A fraction of the population in every country polled say they do not even remember when they last used cash.

People in the Netherlands, followed by the USA, are also least likely to say they have used cash in the last three days.

Those residing in Turkey, Romania and Spain in our study are most likely to say they used cash in the last three days, with Italy, the Czech Republic, Austria and Germany next.

## What have you got in your pocket?

When Europeans were asked how much cash was in their purse or wallet at the time of the survey, three percent said they had none at all. For the rest, amounts held were split into roughly even proportions: 17% had the equivalent in their local currencies of €1-€10; 18% had €10-€20; and 22% had €20-€40. One in five (20%) had €40-€70 that day and 19% had more than €70.

The question

## When was the last time you used cash?

Asked to everyone. Options given included: "last 24 hours"; "last 48 hours"; "last 72 hours"; "last week"; "last month"; "last year (2016)"; "longer than one year ago"; and "I don't remember".

	Last three days	Last week	Last month	Last year+	I don't remember
European consumer	82%	13%	4%	1%	1%
Netherlands	60%	21%	13%	4%	2%
USA	63%	21%	10%	3%	3%
France	64%	22%	9%	2%	2%
Belgium	68%	20%	7%	2%	3%
Poland	75%	17%	5%	2%	2%
Australia	76%	16%	6%	1%	2%
United Kingdom	78%	15%	5%	1%	1%
Luxembourg	82%	14%	3%	0%	1%
Germany	87%	11%	2%	0%	0%
Austria	88%	10%	1%	1%	1%
Czech Republic	88%	9%	1%	1%	1%
Italy	89%	9%	1%	1%	0%
Spain	89%	9%	1%	0%	1%
Romania	91%	7%	1%	0%	1%
Turkey	92%	6%	1%	0%	1%

# Are you a cash-free devotee or happy with the hard stuff?

The full 2017 database records that 54% of people in Europe agree or strongly agree with the phrase “I use physical cash much less than 12 months ago”.

Seventy-eight percent also say they expect to go on using fewer notes and coins in the next 12 months. Once people start to reduce their cash use, they may go on using less cash.

But there seems to be a gulf between those who are choosing to use physical cash less often and those sticking with notes and coins.

In 2017, 82% of the group who did not less cash the previous year do not plan to reduce their cash use in the next 12 months either.

About 10% across Europe selected “I don’t know” as their reply.

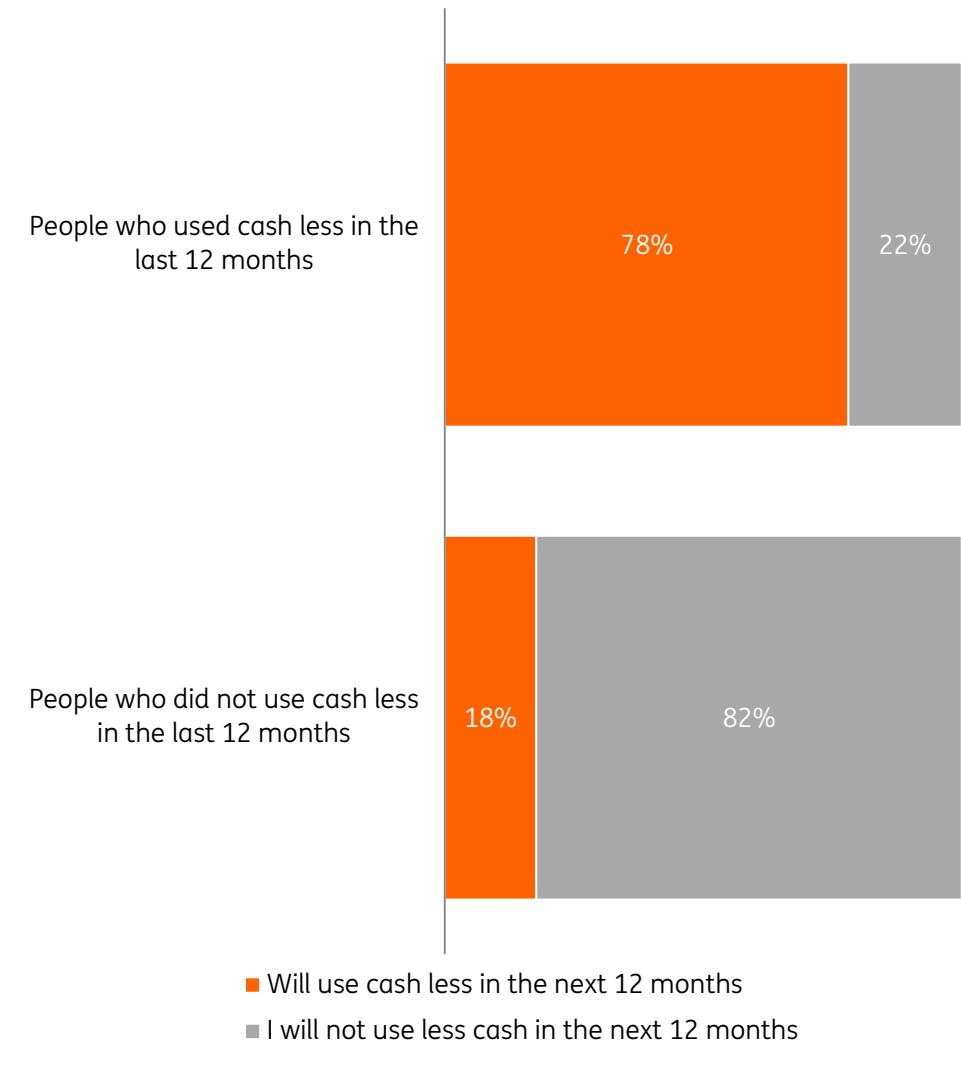
## Comparison with previous three years

We asked the same two questions in 2014, 2015 and 2016: about half in Europe said they were using less cash than the previous year. Also, about 80% of those who did not reduce cash use in the previous 12 months said they had no plans to do so in the next 12 months either. However, higher shares in 2016 (85%) and 2015 (84%) than in 2017 said they'd use less cash in the next 12 months.

The question

“I use physical cash much less than 12 months ago”; “I think I will use physical cash less in the next 12 months”

Shares in Europe. Answer categories for both questions were: “agree”, “strongly agree”, “disagree”, “strongly disagree”; and “I don’t know”.



Sample size: 12,939

# More people choose cash for smaller transactions

Many might assume that regular bills, such as for electricity, rent or even the weekly food shop, are usually paid without cash. In our study, only 12% of respondents in Europe usually pay their utility bills, rent or mortgage in cash, for example.

The shares who pay rent or mortgage and utilities with cash in Romania (41%; 37%) and Turkey (35%; 24%) are much larger than in other countries polled.

Some two-thirds (67%) of people in Europe still choose notes and coins when buying items such as lunch or a cup of coffee. More than half pay cash for taxi fares, bus tickets or pocket money.

Large shares indicate "I never have this type of expense" in relation to rent/mortgage (25%); public transport (20%); taxis (33%); pocket money (29%); and lending money to friends or family (32%).

Results were similar in the USA and Australia.

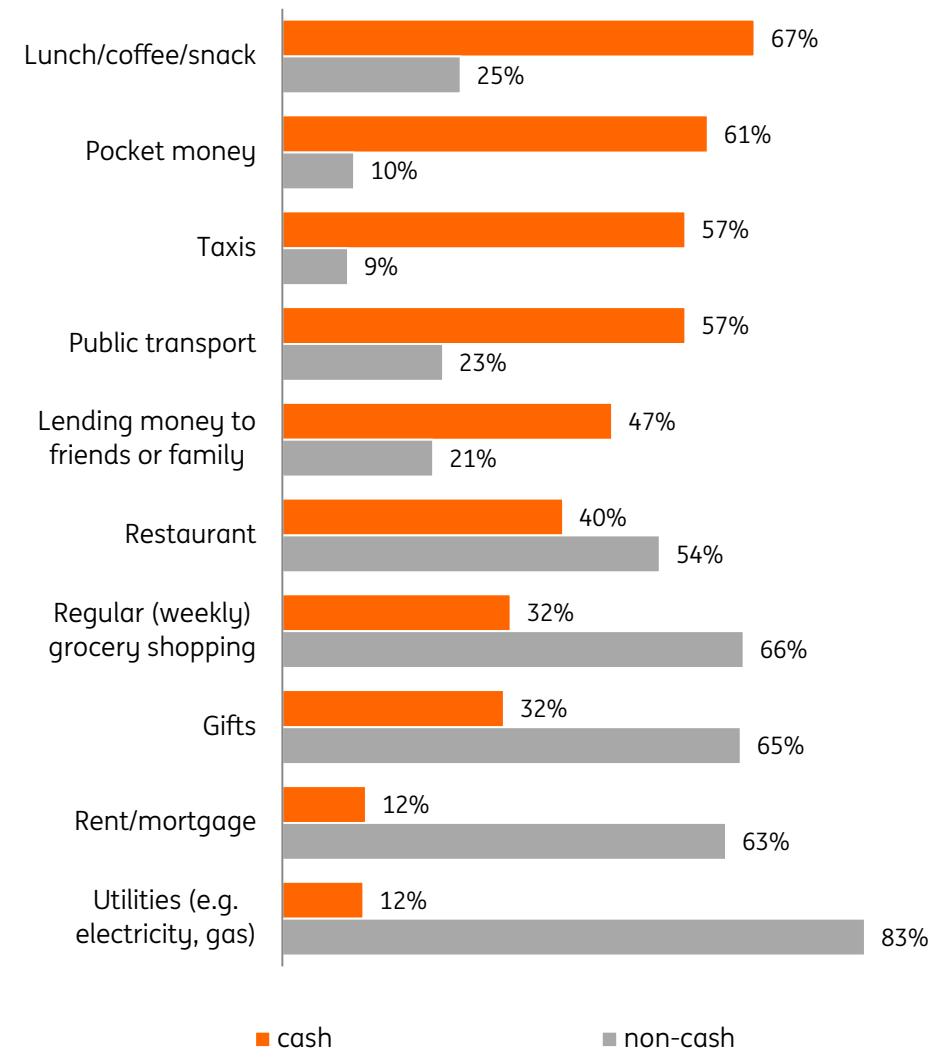
## Cash chosen less often as amounts rise

Eighty-eight percent in Europe usually choose cash if paying €1-€10. About half say they opt for cash for €11-€50 sums, with the share who choose physical money falling to 12% if spending more than €100. Results are similar to the European average in the USA and Australia. Austrians, Romanians and Germans are likelier than average to pay cash for larger amounts.

The question

## How do you USUALLY pay for the following expenses?

Shares in Europe indicating whether they tend to pay with or without cash for specific items. People could also reply "I never have this type of expense".



# How many would ditch physical notes and coins?

About a third (34%) of people in Europe on average agree they would go completely cashless if they had the choice. The proportion rises to a high of 42% in Turkey and 41% in Italy.

The UK (21%) has the smallest share who agree with the statement.

People may like the convenience of a card or mobile payment, instead of having to count and handle physical cash.

However there can be a down side. Behavioural science suggests that when people do not physically handle money, they do not tend to feel the "pain" of handing over cash as much when paying for something.

Interestingly, the Netherlands has a low share who say they would go completely cashless even though people in that country are at the forefront when it comes to using less cash on a daily basis.

More in Europe agree with the statement in the 25-34 and 35-44 age brackets, with the lowest share among the over-65s.

Roughly equal shares of men and women agree with the statement.

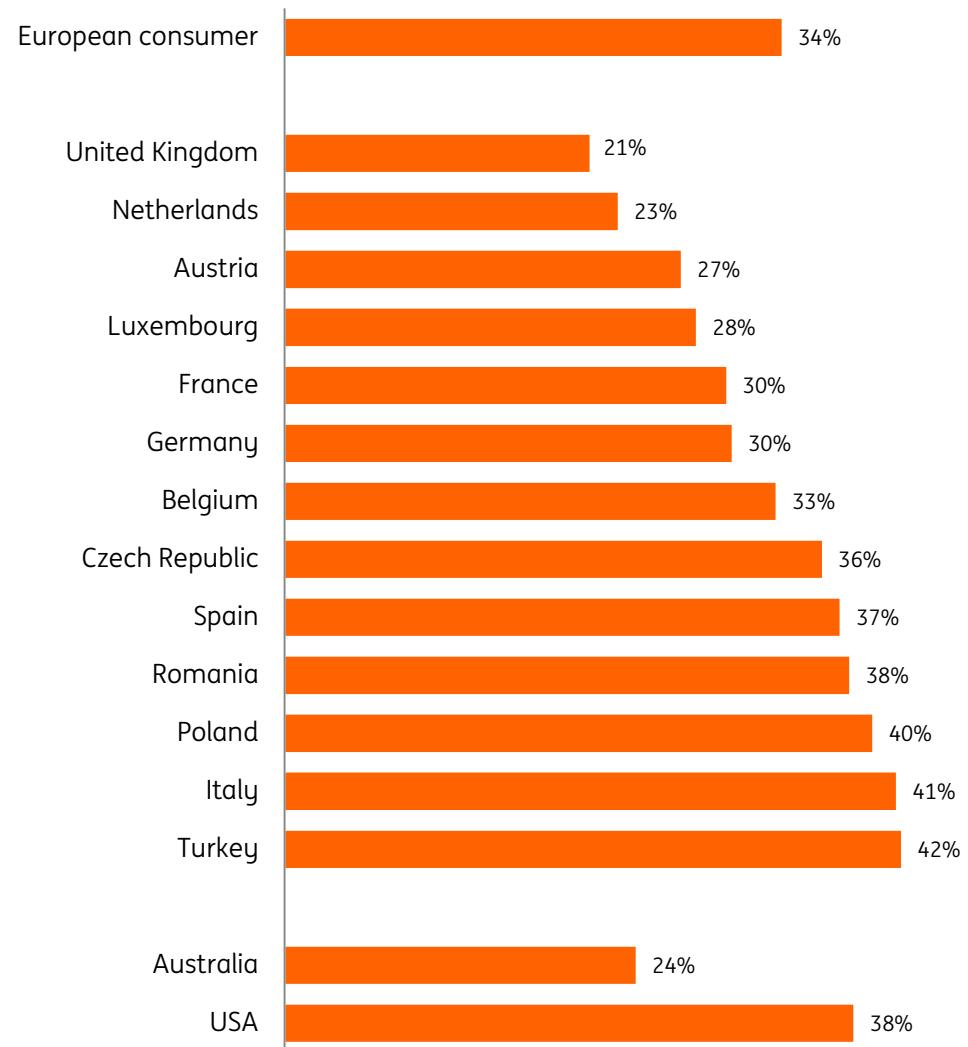
## Cash-only shopping - or non-cash options?

Sixty-eight percent of people in Europe, given a choice of buying either from a cash-only store or one where physical notes and coins are not accepted, agree they would prefer the latter. People in France (81%) and Belgium (78%) were more likely to say this. We did not ask if they prefer businesses to take both types of payment.

The question

"If it were up to me, I would go completely cashless."

Shares who select "agree" or "strongly agree". People could also reply "I don't know".



Sample size: 14,692

# Surprisingly similar results for cash and cash-free security

More than half (55%) of people in Europe indicate they believe there is a "high" or "very high" level of security when paying without cash.

Only 11% believe security is "low" or "very low".

However, nearly a third (32%) across Europe are ambivalent about the security on offer – saying that security when paying without cash is "neither low nor high".

About three percent indicate they do not have an opinion on the matter, selecting the "I don't know" option.

We also asked people to estimate the level of security they have when paying with cash – and a similar proportion (12%) say cash security is "low" or "very low".

Perhaps surprisingly, higher shares in eight of 15 countries feel cash payments are secure – rating cash security as "high" or "very high".

Germany and Austria stand out here – contrasting most strikingly with Belgium, where just a third feel cash transactions are secure.

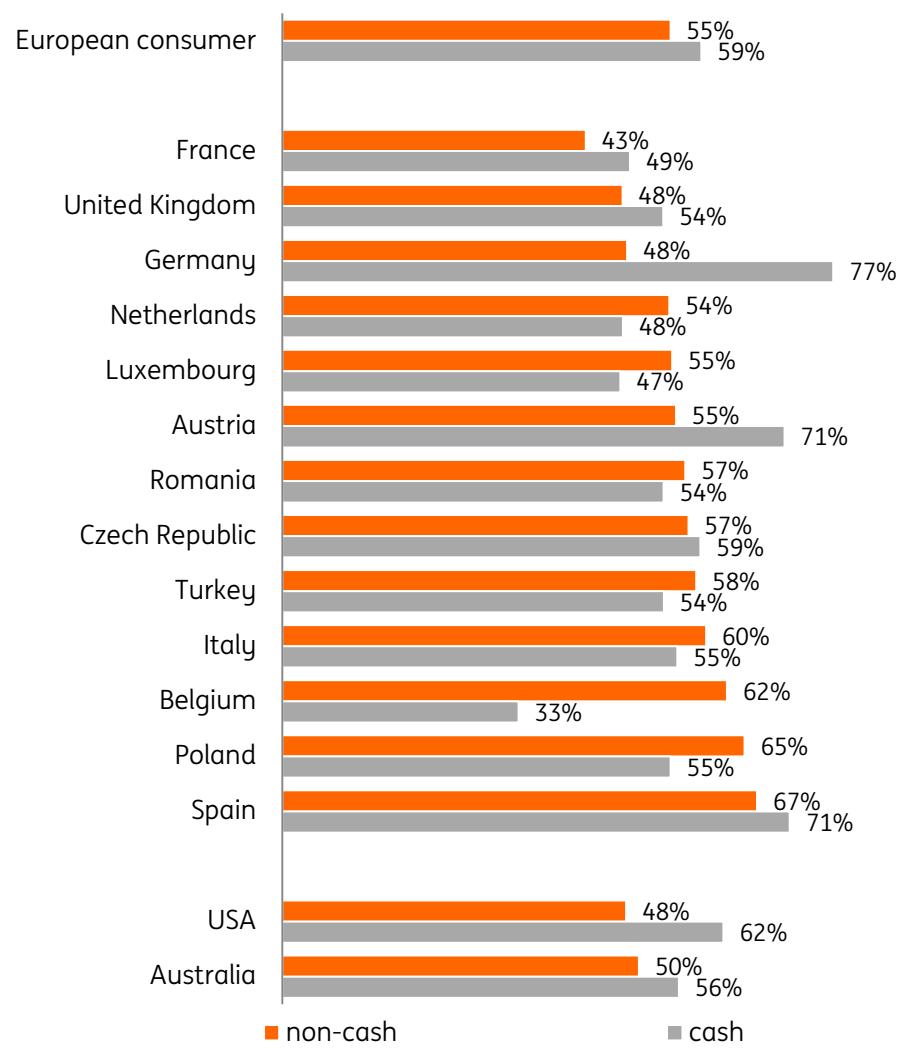
## Why might people see cash as secure?

Compared with non-cash, higher shares (59%) in Europe say they feel cash is secure. This may be partly because hard cash must be physically handed over, which means it is easier to know when a payment has been made and by whom. Yet physical money is very portable, relatively untraceable and can easily be lost or stolen.

The question

Please indicate the level of security you believe you have when paying without cash/with cash.

Shares who say "high" or "very high". Possible answers include "I don't know". "Without cash" includes, for example, card, mobile banking, cheque, bank standing order, etc.



# Privacy a trade-off for cashless convenience

People are less positive when asked about the levels of privacy on offer in non-cash transactions relative to cash transactions.

Less than two-fifths (37%) across Europe indicate that privacy is "high" or "very high" when paying without cash – for example, by card, mobile device, standing order or even cheque.

The USA and Australia are similar to Europe in this respect.

The proportions drop to 27% in the Netherlands, Luxembourg and Austria, and rise to just over half (53%) in Romania.

More say privacy when using cash is "high" or "very high".

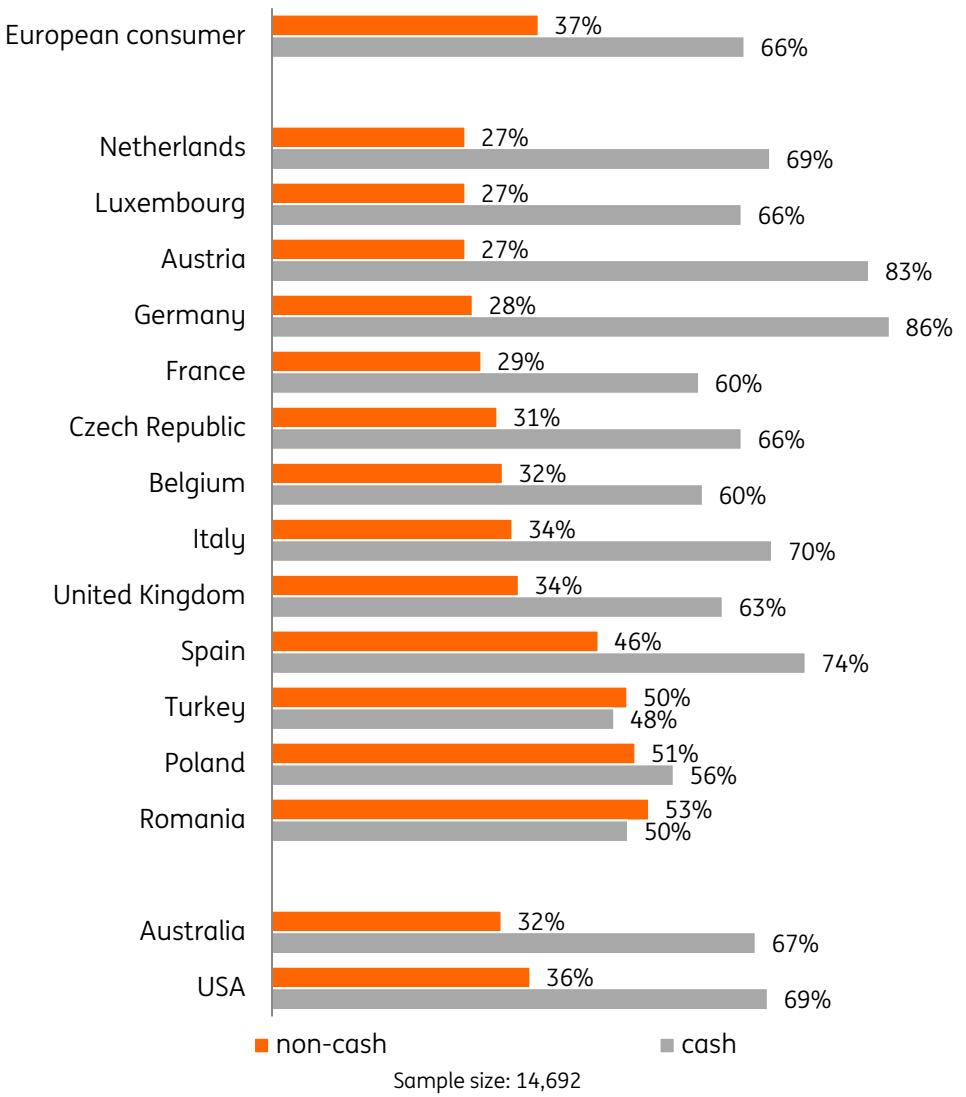
On average, 66% in Europe indicate they believe cash transactions are highly private. The high is 86% in Germany; the low in Turkey (48%).

When people want transactions to remain private, they may choose to pay cash. But the convenience and traceability of many non-cash methods have their own appeal.

The question

Please indicate the level of privacy you believe you have when paying without cash/with cash.

Shares who choose "high" or "very high". Possible other answers include "I don't know". "Without cash" includes, for example, card, mobile banking, cheque, bank standing order, etc.



# Comfortable cash-free? Yes – for shorter lengths of time

About half of respondents in Europe indicate they feel comfortable they could manage for at least a week without physical cash.

Nearly three in ten (29%) even say they could last “forever” without the hard stuff.

Digging into our full database reveals the lowest share who say this is in the Czech Republic (13%).

And more than half (52%) of people in Romania suggest they could be comfortable “forever” without cash – the survey high.

Interestingly, our results also suggest that those who have completed more years of formal education are likelier to feel they are able to go longer without cash.

Education level can be a rough proxy for income. Those with higher earnings may be more likely to have access to banking and online services in general.

Our survey asked how “comfortable” people feel about going for specified periods of time without cash where there are no ATMs.

Their answers might reflect attitudes towards the “cashless” concept or beliefs on the availability of alternative payment methods.

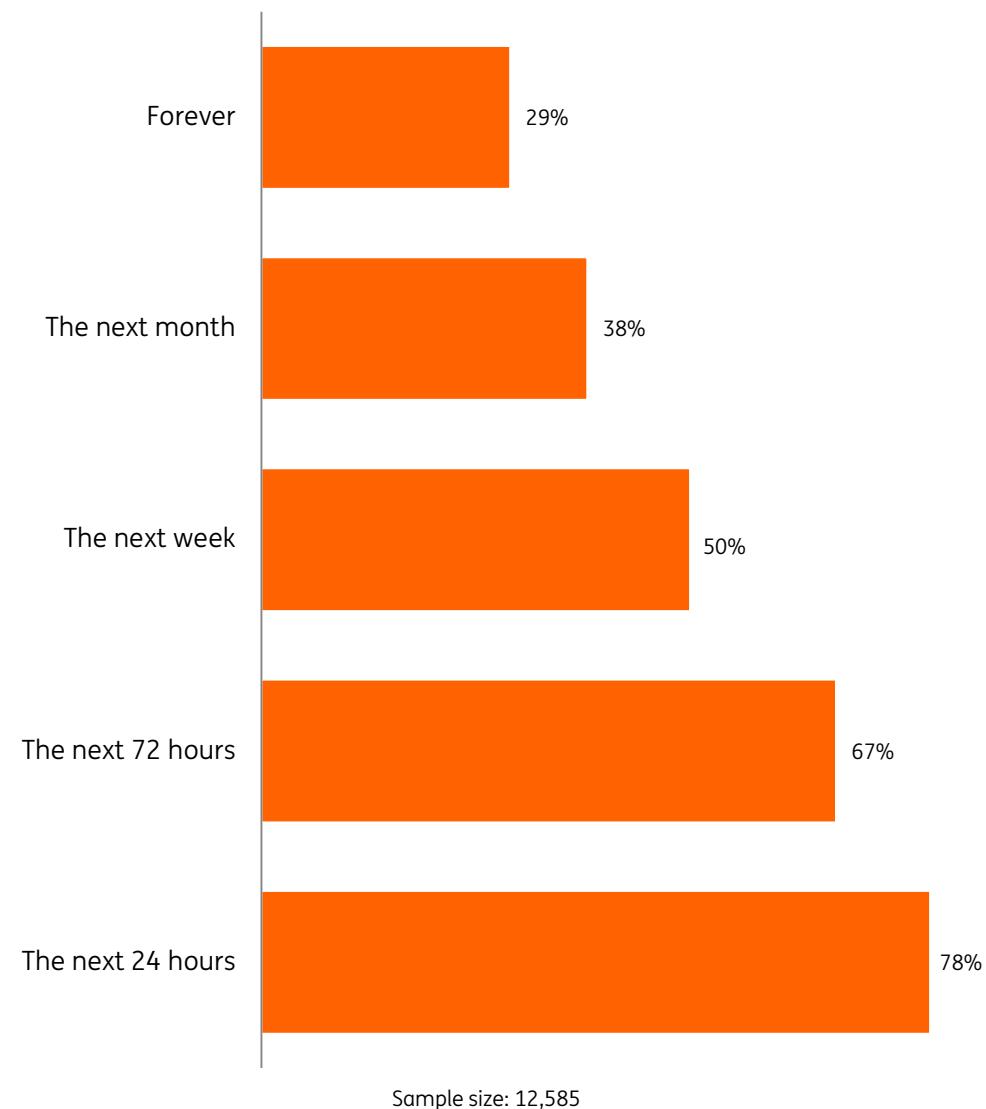
Australians are more likely (84%), compared to the European average, to say they could last a day without cash – but not forever (27%).

In the USA, high shares indicate they would be comfortable for 24 hours (89%) or even “forever” (39%) without notes or coins.

## The question

Imagine you don’t have any cash on you, but you do have cards and mobile. How comfortable are you that you could get by for the following period of time?

Shares in Europe who are “comfortable” or “very comfortable” without cash in a location with no ATMs.



# How people feel about losing larger banknotes

Some economists, including Harvard professor Kenneth Rogoff, have supported the idea of partly eliminating cash.

The arguments typically put forward are that this would reduce cost, including costs related to crime and the hidden economy, while increasing the ability of organisations to monitor and manage financial transactions – including levying taxes or fees.

Governments in some countries have already withdrawn certain large-denomination notes from circulation.

We asked people in Europe, the USA and Australia if withdrawing the highest denomination note in their country would affect their finances.

Only six percent in Europe say “yes”. The exception is Turkey (15%).

The only larger proportion is in the USA (18%). The highest-value US bill available at the time of this report is \$100.

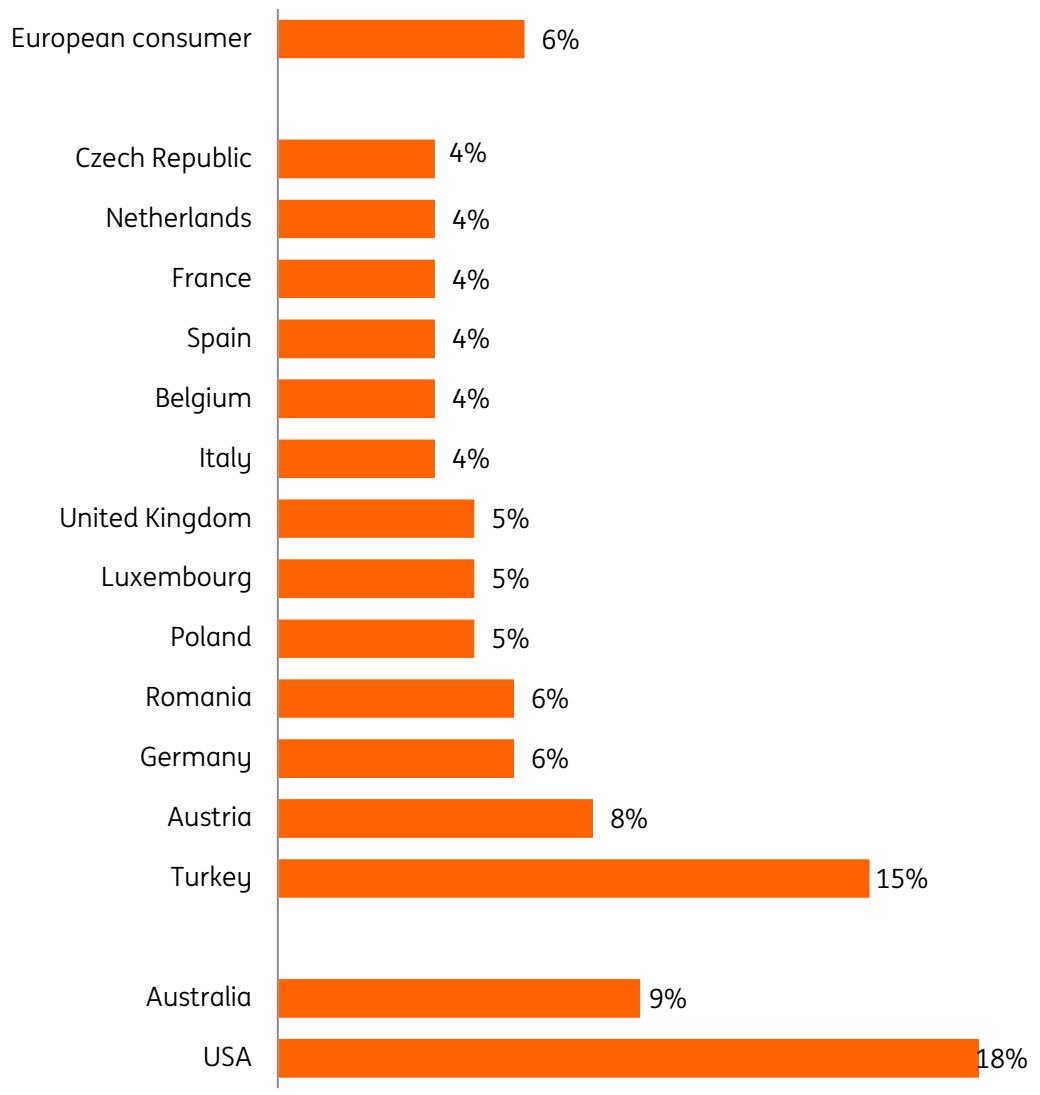
The biggest Eurozone banknote is €500 – one of the highest-value bills in the world. This note is set to be withdrawn from circulation by the end of 2018.

Many countries have restrictions on the size of cash transactions. In France, for instance, the limit for cash purchases was reduced from €3,000 to €1,000 in 2015.

The question

Imagine the highest denomination note will be withdrawn from circulation. Would it affect your finances?

Shares who choose “yes”. Other possible replies include “no” and “I don’t know”.



# Most say they will never go completely cash-free

Around three-quarters (76%) of the people in Europe say they will never go completely cashless.

The lowest share is in the Netherlands (59%), followed closely by Belgium (62%) and France (62%).

Higher proportions of people living in Italy (85%), Germany (84%) and Austria (84%) agree with the statement.

In Europe, those who disagree represent 20% of the population we surveyed. Four percent selected "I don't know" as their answer.

The USA and Australia approximate the European average.

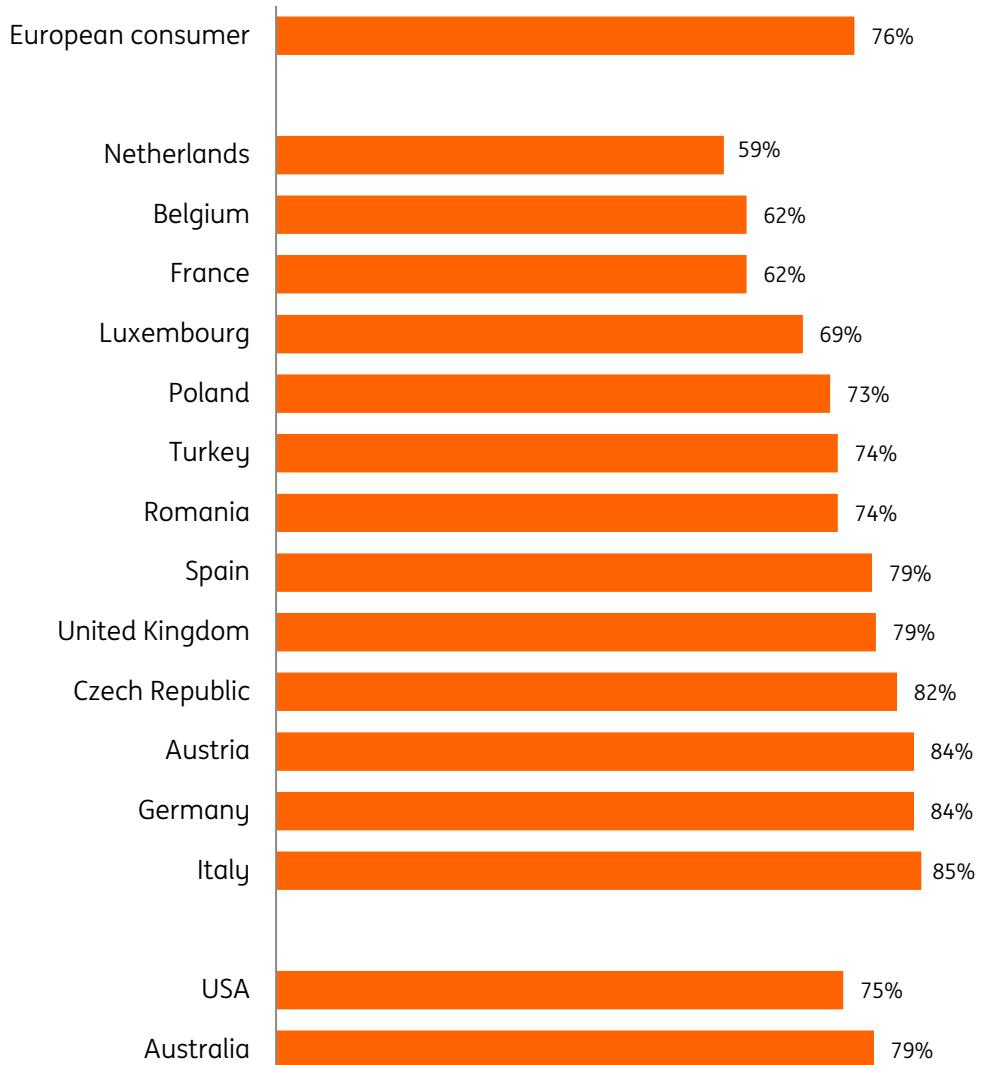
## Age and gender differences

Both genders are as likely to say they will never go completely cashless. However, our results do show age differences. Europeans aged 65 years or older are most likely to agree with the statement (86%). Smaller shares of younger respondents agree: Europeans aged 18-24 are least likely to agree (68%) they'll always use cash.

The question

"I will never go completely cashless."

Shares who "strongly agree" or "agree". Other possible answers include "strongly disagree", "disagree" and "I don't know".



Sample size: 14,692

# Further reading

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