

While debit cards and credit cards remain the two most popular payment methods overall, mobile and digital wallet usage has shot up.

52% of respondents now feel comfortable leaving home without a physical wallet and paying for everyday purchases with a mobile wallet — Apple Pay, Google Pay, or another app that enables them to pay with their smartphone.

And while consumers still prefer manually entering card details when paying for online gaming, online gambling, leisure, travel, hospitality, e-commerce payments, and crypto, overall more respondents are using credit cards stored in a mobile wallet (40%), rather than physical credit cards (36%) when paying online. This goes up to 59% among people who have changed payment preferences due to the cost-of-living crisis.

Even more significantly, 55% of respondents believe mobile wallets will fully replace cards within the next 10 years.

Adoption of digital wallets i.e. eMoney accounts that enable you to pay online without sharing your financial details, like Skrill, and NETELLER, is also on the rise.

40% of respondents told us they're paying online with digital wallets more often than they did a year ago. This goes up to 69% for respondents who have changed their payment habits because of the cost-of-living crisis.

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## Alternative payments: customer attitudes to mobile wallets by location

Latin American respondents were the biggest adopters of alternative payments. The research found they're more likely than respondents in other countries to feel comfortable leaving the house without a physical wallet, and the most likely out of all respondents to believe mobile wallets will fully replace cash within the next 10 years.

Peruvians are the heaviest mobile wallet users, with 67% relying on their mobile wallets for everyday purchases, followed by Argentinians (66%), Brazilians (65%), Mexicans and Colombians (both 63%), and Chileans (56%).

The least likely to feel comfortable leaving their physical wallet at home and paying with their smartphone were Canadians (34%), followed by Brits and Austrians (both at 39%).

While we stopped short of asking respondents why they felt comfortable (or not) replacing physical wallets with mobile wallets, it's likely that differences in the accessibility of banking services has a part to play.

The International Monetary Fund estimates that around three quarters of Latin America's 300 million digital payment customers and 30 million digital banking customers were previously unbanked.

Because the companies through which these customers have gained access to cards and other payment services are digital-first, they've essentially leapfrogged plastic and gone directly to mobile wallets.

By contrast, Canada, Austria and the UK had high proportions of consumers with access to cards before mobile wallets went mainstream. In the UK, for instance, the first contactless cards were issued in 2007 — seven years before Apple Pay's launch.

Consumers in these countries may simply have not seen much reason to switch so far, since swiping or tapping their cards has served them well for a long time. But the growing numbers of people who are comfortable using their smartphone as a physical wallet replacement suggests they're starting to warm up to the benefits, specifically greater security and convenience.

