

# Nearly 75% of people still want the option to set their own contactless limit

Submitted by: KIS Finance

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A recent study by KIS Finance (<https://www.kisbridgingloans.co.uk/>) has revealed some interesting statistics in relation to the limit for contactless payments increasing to £100 today.

Key Statistics:

- 73.1% of people want the option to set their own contactless limit.
- 44.8% of people are happy for the contactless limit to increase to £100.
- 38.1% of people think that the contactless limit should be kept at £45.
- 12.2% of people think that the contactless limit should have been kept at £30.
- Less than 1% of people would be happy for the contactless limit to go above £100/become limitless.

Today, the limit for contactless payments has increased from £45 to £100 per transaction. The Chancellor, Rishi Sunak, has stated that this “will make it easier than ever to pay safely and securely” as well as providing a welcome boost for retailers and shoppers after a very difficult year for the economy.

Contactless card payments were introduced in 2007, with a limit of £10 per transaction. The limit has been raised gradually over the years with an increase to £20 being made in 2012 and then to £30 in 2015.

At the start of the pandemic in 2020, shoppers were encouraged to only use card payments in shops, due to hygiene reasons, with some smaller retailers not allowing any cash payments at all. This change in spending behaviour prompted the government to make card transactions even easier by raising the limit to £45.

Should banks give customers the option to set their own spending limits?

The survey results send a very clear message that customers want the option to set their own contactless limits. Nearly three quarters (73.1%) of people said that they want their bank to introduce this option, rather than the limit automatically increasing to £100.

Currently only the Lloyds Banking Group (Lloyds Bank, Halifax, and Bank of Scotland) and Starling Bank have introduced personalised contactless limits which can be controlled through their apps. Some banks,

such as HSBC and Nationwide will give their customers the ability to request a non-contactless card but others have no plans to introduce either function.

The two main reasons that people provided for wanting to set their own limit were:

- To control spending (47.1%)
- Concerns over card theft (33.5%)
- Other (19.4%)

Holly Andrews, Managing Director at KIS Finance (<https://www.kisbridgingloans.co.uk/>) says:

“While many are happy for the contactless limit to increase to £100, the vast majority of shoppers want to be able to set their own limit.

When asked for their reasons why, almost 50% of people stated that they want to be able to control their own finances as they fear a limit so high could see spending get out of hand.

For those who have a tendency to make impulse purchases on a regular basis, contactless cards make this kind of spending even easier. When you have to enter your PIN number, you have a moment to stop and think and realise what you’re doing. When you pay with cash, you can see the money physically leaving your hand. Using a contactless card is a completely mindless process.

With £100 as the new limit, shoppers could see spending rack up a lot faster than they’re used to, especially as we head towards the festive season.

Concerns over an increase in card theft are also shared by a great number of shoppers. With the cumulative cap for contactless payments rising to £300 on 15th October, this could see criminals spend hundreds of pounds before the victim even realises that their card is missing.

As people try to regain control over their finances after a very difficult year, we need to see every bank introducing personalised contactless limits, making it an industry standard. Increasing the contactless limit to £100 for customers who are already in their overdrafts and/or regularly relying on credit cards for every day spending could have a detrimental effect.”

[ENDS]

Notes to journalists/editors:

All figures, unless otherwise stated, are from a survey conducted with The Leadership Factor. The total

sample size was 2,000. Fieldwork was undertaken between 9th September 2021 and 15th September 2021. The survey was carried out online.

Further data breakdowns (by age, gender, region, and city) are available on request.

About KIS Finance:

KIS Finance are an independent finance broker specialising in bridging finance, development finance, commercial mortgages, equity release, and secured loans. Their team of advisors have considerable experience across multiple different areas of the