

Shoppers lose patience with cash-only businesses after five months

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Small businesses and startups have less than five months to switch from taking cash only to accepting cards before a shopper's expectations change, according to the latest research from Paymentsense (<https://www.paymentsense.com/uk/>). The research* revealed that UK shoppers would continue to visit an SME, small retailer, independent coffee shop or food outlet for an average of 4.6 months before becoming impatient with their cash-only status.

This follows recent warnings from the industry that the UK's cash payments system could collapse in the next two years (<https://www.bbc.co.uk/news/business-47456698>), according to the latest Access to Cash review which is urging the government and regulators to step in to ensure cash remains viable.

The survey also found that consumer patience levels vary regionally. Small businesses in Norwich benefit from the most forgiving population; with shoppers willing to wait an average of 6.5 months after their first visit to a business before expecting card payments to be introduced, closely followed by Cardiff (6 months).

The most impatient city is Birmingham, where consumers expect to have a cashless option within just 3.5 months; while Mancunians are only prepared to wait a few days longer (3.6 months).

The research also found that older shoppers are more impatient. Of all the groups questioned, millennials (25-34 yrs) were the most forgiving, willing to wait 5.1 months on average. Those over 65 were the least, only considering waiting 3.9 months.

Wealthier consumers with a household income of over £100,000 were willing to wait over half a year for card payment options (6.1 months). Those from households with an income of 25-50k were only willing to wait an average of 4.3 months.

The research also revealed that not accepting card payments is an instant turn off for some UK consumers. Over half (53%) of respondents would leave a small business immediately if card payments are not available, with 30% reporting they would be less likely to return in future.

Guy Moreve, CMO of Paymentsense, said: "Cash usage in the UK is shrinking at a rapid rate and consumers are now living totally cashless lives. Although it's important to recognise there's still a place for cash, it's difficult to ignore the signals that we're moving towards the complete digitalisation of money. Our research provides a snapshot of consumer attitudes towards cash-only businesses, but the general trend suggests these expectations are evolving as we get closer to becoming a cashless society. Our latest Future of Payments (<https://www.paymentsense.com/uk/future-of-payments/>) report also reveals that consumers are already looking ahead towards improved payment systems in the UK, from fingerprint scanning and microchips to voice ID and biometrics.

"This has serious implications for small business owners and startups during the critical first few months of trading. Our research suggests there's a definite time limit for new businesses to upgrade from cash-only transactions, after which customers may turn to competitors offering more convenient

alternatives. Giving consumers the shopping experience they expect is becoming increasingly important to influencing reputation and even trading longevity.”

*Study of 1,002 UK consumers. Research took place in December 2018.

Further reading:

See the full report on the Future of Payments from Paymentsense here:

<https://www.paymentsense.com/uk/future-of-payments/>

For advice on why SMEs should accept cards see here:

<https://www.paymentsense.com/uk/blog/why-small-businesses-need-to-accept-cards/>

To download infographic for this research see here:

https://www.dropbox.com/s/lvh3w56nr482whm/PS_0139_Don%27t%20Take%20Cards_infographic_V4.jpg?dl=0

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About Paymentsense

As Europe's largest merchant services provider

(<https://www.paymentsense.com/uk/blog/merchant-services/>), Paymentsense enables over 70,000 SMEs to process over £10 billion worth of card payments per year. From card readers

(<https://www.paymentsense.com/uk/card-readers/>) to semi-integrated solutions and payment gateways

(<https://www.paymentsense.com/uk/payment-gateway/>), Paymentsense supplies small businesses with low-cost card processing solutions that allow them to take payments in store

(<https://www.paymentsense.com/uk/accept-card-payments/>), online

(<https://www.paymentsense.com/uk/accept-payments-online/>), over the phone

(<https://www.paymentsense.com/uk/virtual-terminal/>) and on the move

(<https://www.paymentsense.com/uk/card-machines/mobile/>).

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