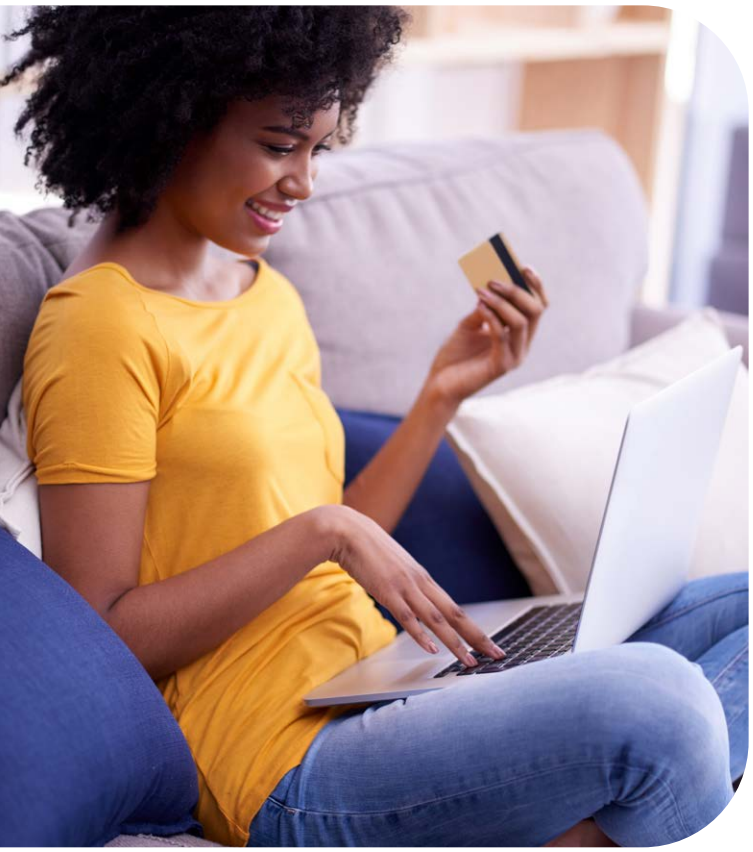
PAYMENTS STUDY REPORT

2023

South African Reserve Bank



In this first edition of its *Payments Study Report,* the South African Reserve Bank (SARB) provides key insights into consumer behaviour and preferences in relation to the payments instruments available in the Republic of South Africa.

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1. INTRODUCTION

The payment system landscape in South Africa is experiencing significant changes. The advent of mobile payments, the discontinuation of cheques, the entry of non-bank payment service providers and the emergence of new forms of retail payments that do not directly draw on bank accounts, such as e-wallets, are some of the recent changes that have been observed.

To monitor these developments effectively within South Africa, it is important for regulators, policymakers and the public to have access to comprehensive data on the use of payment instruments in the country. In line with the South African Reserve Bank's (SARB) National Payment System Framework and Strategy: Vision 2025 (Vision 2025) and to remain informed about developments in the national payment system (NPS), the SARB commissioned in 2023 the Payments Study (hereinafter referred to as the study).

The study is an extension and expansion of existing efforts within the SARB to assess the use of payment instruments and to broadly measure aggregate payment volumes and values in South Africa. Currently, data on aggregate volumes for payments are collected at various frequencies and used for the oversight and supervision of financial market infrastructures and the broader monitoring of retail payment streams. The data further support the interchange determination process facilitated by the SARB. By relying on past collection efforts and expanding on those, the study offers an authoritative view of the developments in the South African NPS.

The study made use of the Survey of Consumer Payment Choice (SCPC) and Diary of Consumer Payment Choice (DCPC) surveys. The SCPC – deemed a recall approach – is based on consumer choice and focuses on preferences, awareness, usage, reasons for adoption and barriers to entry. The DCPC measures actual payments where individuals are required to keep a record of transactions in a diary format over a set period of days. Both the SCPC and DCPC surveys are based on several similar approaches adopted from other countries and regions, most notably the Federal Reserve Bank of Atlanta,[1] complemented with additional questions and context relevant to the South African market.

Overall, the surveys used representative samples set out to align to the country's demographic profile, mimicking the South African population of people aged 18 years and older, which equates to a population size of 40.5 million people.[2]

Through the study the SARB aims to inform itself and other relevant regulatory authorities about the behaviour of businesses and consumers in their use of payment instruments and services. The study reveals useful insights on how different people make payments using different payment instruments across the country and for what purpose the various payments are made. The SARB plans to administer these surveys periodically (every year or every second year) as it aims to continue sharing useful insights that will expand its repository of data relating to the NPS and will, as appropriate, share the information with the public.

1 See Survey and Diary of Consumer Payment Choice, Federal Reserve Bank of Atlanta. https://www.atlantafed.org/banking-and-payments/consumer-payments/survey-and-diary-of-consumer-payment-choice

2 See Statistics South Africa, 'Mid-year population estimates 2022', Statistical Release P0302, 28 July 2022. https://www.statssa.gov.za/publications/P0302/P03022022.pdf

2. SURVEY METHODOLOGIES

The study utilised two distinct surveys – the SCPC and DCPC – which were based on the profile of adult South Africans to represent the broader population in its diversity across provinces, race, gender and age groups.

2.1 The SCPC

The SCPC was based on a nationally representative sample of at least 3000 participants, aged 18 years and older and living in metropolitan regions, cities, large and small towns as well as rural and deep rural areas of the country.

The respondent selection was based on random selection principles. No quotas were set for any demographic or other characteristics. The Kish grid[3] was used to select the secondary sampling unit (household) and primary sampling unit (respondent). The sample frame was based on Statistics South Africa's (Stats SA) 2022 mid-year population estimates.[4]

Part of the respondent selection process included Stats SA's enumeration areas (EAs). An EA is the smallest geographical unit (piece of land) into which the country is divided for enumeration purposes. EAs contain between 100 to 250 households.[5] All EA demographic characteristics are updated annually. Specific EAs were selected using the Probability Proportional to Size (PPS) principle. The principle is that the larger clusters have a greater probability of being sampled.[6]

All samples have a margin of error. The larger the sample, the smaller the margin of error, also referred to as precision or standard error. The margin of error of a 3 000 sample is 0.89% at a 95% confidence level. The statistical interpretation means one can be 95% confident that if a score in this report is, for instance, 80%, the score for the population (weighted and generalised) will be between 79% and 81%.

The SCPC followed a probability design with a multi-stratification sampling technique.[7] The strata were provinces, districts, sub-places and EAs. The sample was designed to disproportionally represent dominant population cohorts such as the densely populated Gauteng and less populated provinces such as the Northern Cape. As the sample design is based on

3 For a definition of Kish grid, see https://www.encyclopedia.com/social-sciences/dictionaries-thesauruses-pictures-and-press-releases/kish-grid

4 See Statistics South Africa, 'Mid-year population estimates 2022', Statistical Release P0302, 28 July 2022. https://www.statssa.gov.za/publications/P0302/P03022022.pdf

5 See Statistics South Africa, 'Community Survey 2007'. https://www.statssa.gov.za/?page_id=3917#:~:text=An%20enumerations%20area%20(EA)%20is,enumeration%20areas%20will%20be%20interviewed

6 See 'Steps in applying probability proportional to size (PPS) and calculating basic probability weights'. https://cdn.who.int/media/docs/default-source/hq-tuberculosis/global-task-force-on-tb-impact-measurement/meetings/2008-03/p20_probability_proportional_to_size.pdf?sfvrsn

7 See https://cales.arizona.edu/classes/rnr321/Ch4.pdf

random selection principles, the marginal differences across demographic profiles were proportionally corrected with the application of the random iterative method (RIM) weighting to actual population numbers. The weight efficiency was 87%, indicative of the balanced sample design in line with population proportions across provinces.

Interviews were conducted face to face in the homes of respondents. The interviews were conducted applying an electronic script platform, commonly referred to as a computer-assisted personal interview (CAPI) platform. A 45-minute questionnaire, divided into sections with built-in routing instructions to ease the interviewing process, was administered during the interviewing process.

The survey was conducted between April and May 2023. A sample of 3 036 was set and 3 068 interviews formed part of the final analysis. Scheduled appointments were honoured despite having reached the sample in an area, thus yielding slightly more interviews in some areas than scheduled in the original sample.

2.2 The DCPC

The DCPC is complementary to the SCPC, but distinct in that it is designed as a diary survey instrument to record actual payments over a specified time. Panellists were recruited nationally to participate in the three-month diary survey and record individual payments over several three-day periods. The survey panel design was based on quotas at provincial level and the same disproportional sample design principles applied. The diary database was weighted, applying the RIM weighting principles as in the SCPC.

The three-day time slots were distributed over three months and repeated 11 times to ensure mid-, end- and beginning-of-the-month cycles were captured. For instance, the panellist received a notice on a Monday to keep track of payments for Tuesday, Wednesday and Thursday. On Friday, the panellist was called and all transactions made on Tuesday, Wednesday and Thursday were recorded, one day at a time. This is referred to as a diary cycle. Every panellist completed 11 diary cycles over the three-month period. Each cycle was scheduled on different days of the week and different times of the month to ensure an even recording of payments over the survey period.

The DCPC design, based on the completion of diaries, required a sophisticated design and roll-out plan. A decentralised management system where separate teams managed individual panellists was developed specifically for this survey.

The DCPC questionnaire was administered in two parts. The first part included the recruitment and panel onboarding process. All the information about a panellist was recorded and stored per record. This made the administration of the payment diary process easier as panellists did not have to repeat any information. Each panellist was assigned a 13-digit unique identifier to match databases. Interviewers administered the process with the unique identifiers for the set of panellists for which they were responsible, ranging from 6 to 65 panellists per interviewer.

Each panellist was assigned an interviewer to monitor progress, answer any questions or queries and make sure panellists remained on track. A total of five dedicated teams managed the recruitment, onboarding and diary-completion process.

The DCPC was conducted between June and December 2023. A sample of 4 624 was achieved, yielding 210 207 payments with a collective value of R111.2 million. Some panellists dropped off before completing the three-month diary programme. The transaction data for those that dropped off were retained and included in the analysis, hence the higher base of 4 624.

The DCPC **sample of 4 624** respondents yielded **210 207 payments** with a collective value of **R111.2 million**.

3. A NOTE ON THE INTERPRETATION OF THE RESULTS IN THIS REPORT

All the figures in this report are based on weighted scores. Scores are rounded at one decimal and where there are no decimals, scores are shown as a rounded number or percentage. The base size for both surveys is 40.5 million people.

As the study was based on the probability sample design and random selection principles, the respondents in the report vary. For example, there are those who use all payment methods, have multiple jobs and live in secured residential areas, while there are others who withdraw all their cash once a month and only transact in cash, live in informal dwellings and receive social grants as the main source of income.

As this is a public perception study, the analysis of information collected reveals that consumers tend to mix the names of banks they use against the products offered. Furthermore, some respondents receive communication about the transaction on WhatsApp and therefore associated the WhatsApp platform name incorrectly as the WhatsApp Mobile Payments payment method, which is not yet available in South Africa.

In other instances, participants (respondents for the SCPC and panellists for the DCPC) referred to their debit card as a cheque card when cheque cards are no longer available as a product from banks. Another observation is the incorrect association of loyalty cards being part of the payment process. Respondents reported that they use loyalty cards to transact when it is not possible to do so unless the card has the capability. Loyalty cards are generally swiped at point of sale (POS) to receive rewards or discounts, but not necessarily to purchase.

Throughout the report there are 'fact boxes'. These were created using information from the SCPC and DCPC and explore specific topics and shed light on the differences between the survey cohorts.

4. CORRELATION VERSUS CAUSALITY

The surveys explored consumers' use and experiences of different payment methods. The data collected and analysed depict the correlating trends between certain payment methods used and the demographic profiles of the participants.

One such example is that many participants indicated that they were registered for online banking or had a banking app profile since 2020, which may be as a result of the COVID-19 pandemic. However, the reason for creating an online banking or banking app profile was not asked specifically; the assumption is thus made that the pandemic caused the increase in usage of these payment methods, but this may not be the only reason.

Further, although cash is observed to be used most often there is a correlation between cash transactions and debit card transactions. Cash transactions may not be practical (carrying a large amount of cash) when the transaction value is high, making a debit card payment more suitable. Suffice to say that there is a correlation between these payment methods, but it may not be the only reason why certain transactions are made using cash and others using a debit card as debit card transactions also include low payment values.

Finally, there may be misconceptions about the payment method brands or products. Consumers seem to be not too concerned about specific naming conventions or product descriptions. This may be due to a lack of knowledge and calls for further exploration of financial literacy programmes. It may also be due to a lack of interest in financial products.

The reader of the report is advised to keep in mind that although there are correlating trends, not all of these may be causal.

5. PROFILE OF STUDY PARTICIPANTS

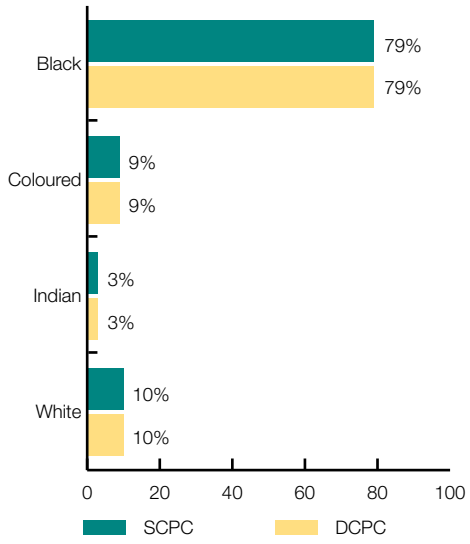
The size of the South African population aged 18 years and older is 40.5 million. Gauteng represents 30% of the population, followed by KwaZulu-Natal (18.3%) and the Western Cape (13.4%), with with eThekwini and Cape Town respectively the most densely populated metropolitan cities. In the analysis, province was used as a dependent variable. Below is an overview across both the SCPC and DCPC surveys at province level to illustrate the performance indicators:

Table 1: Profile of participants across both the SCPC and DCPC surveys

	SCPC survey		DCPC survey	
Province	**Percentage**	**Population**	**Percentage**	**Population**
Limpopo	7.9%	3 185 758	7.9%	3 192 681
Mpumalanga	7.5%	3 044 009	7.1%	2 871 989
Gauteng	30.0%	12 171 331	30.3%	12 277 901
North West	6.1%	2 458 008	6.6%	2 663 003
Free State	4.8%	1 930 002	4.8%	1 963 286
KwaZulu-Natal	18.3%	7 412 741	18.1%	7 320 614
Northern Cape	2.0%	804 149	2.1%	870 659
Eastern Cape	10.1%	4 094 761	10.2%	4 147 229
Western Cape	13.4%	5 415 950	12.9%	5 223 856

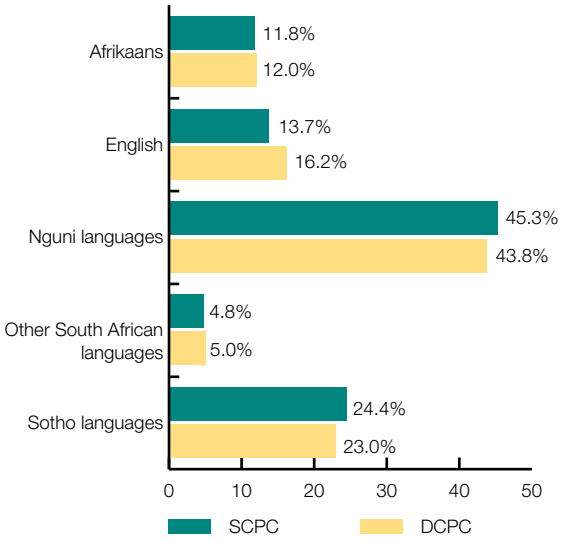
In terms of race, both surveys had similar proportions.

Figure 1: Race profile across both surveys



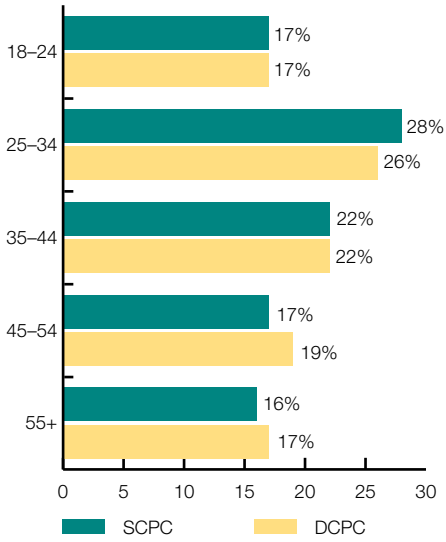
Similarly, the language profile across the two independent surveys is aligned. Note that the Sotho languages include Sepedi, Sesotho and Setswana, while the Nguni languages include IsiNdebele, IsiXhosa, IsiZulu and siSwati.

Figure 2: Language profile across both surveys



The age profiles across the two surveys are also well aligned and illustrate the comprehensive coverage of the nationally representative SCPC study as well as the DCPC panel.

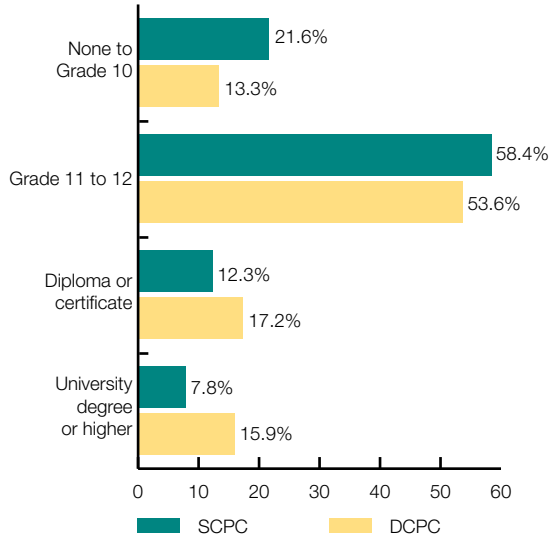
Figure 3: Age profile across both surveys



In terms of gender groups, both surveys had similar scores of males (48%) and females (52%).

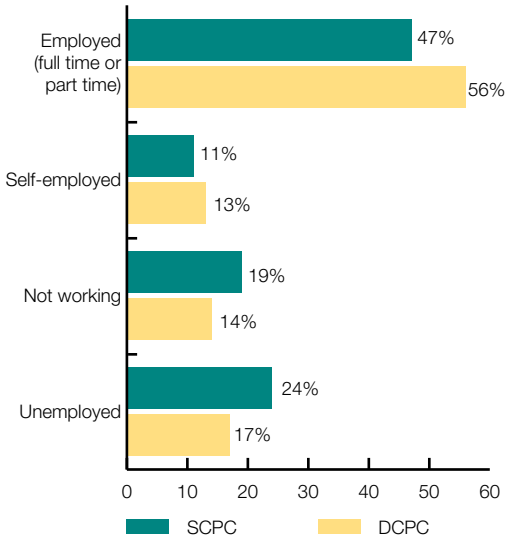
The education profile shows a slightly higher education profile for the DCPC. This was part of the design to increase the number of payments across lower usage methods to attain a larger base size. The SCPC confirmed the trend and the DCPC compensated for the design.

Figure 4: Education profile across both surveys



In terms of employment status, a similar profile shift based on the design of the DCPC is observed. It should also be taken into consideration that the SCPC recorded an unemployment rate of 24%. This is lower than the officially reported number of 34% (first quarter of 2023) as some participants who conduct an informal business (e.g. informal recyclable item collection of plastic bottles, papers, or cardboard) classified themselves as self-employed. Evidence of this was found in the SCPC where nearly a quarter (24%) of participants who are working, reported that they work in the informal sector.

Figure 5: Employment profile across both surveys

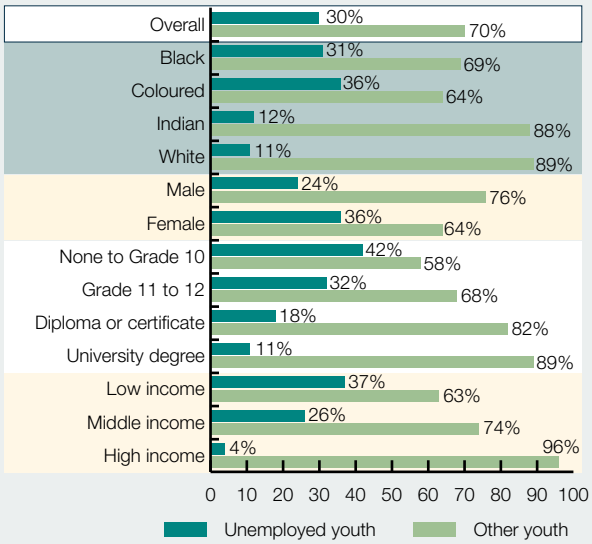


FACT BOX 1: Profile of the unemployed youth

In this exploration, the youth (people aged between 18 and 34 years) who classified themselves as unemployed were isolated from the other youth (students, employed, self-employed or not working). It is noted that some youth classified themselves as self-employed when working as waiters or waitresses, catering staff and other mainly informal employment activities. In official terms, these would most likely be classified as unemployed or part-time workers.

To illustrate the use of cash as a payment method, the dynamics of the unemployed (30%) against all other youth (70%) are illustrated below.

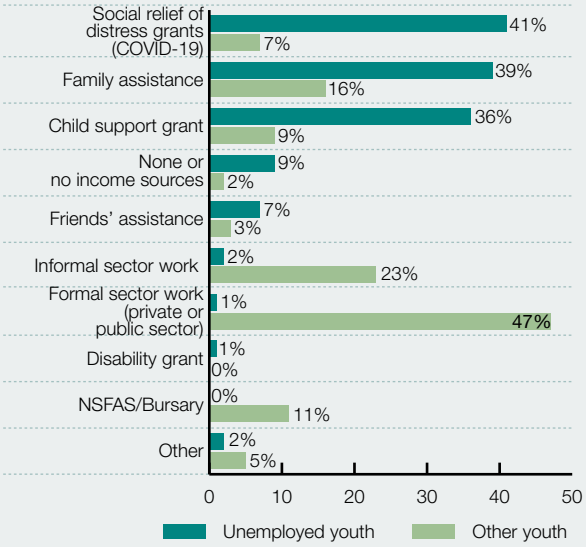
Figure 6: Profile of the two youth groups



The first distinction observed relates to the differences in sources of income. The unemployed youth rely on social support grants and the assistance of family or friends to meet their financial needs.

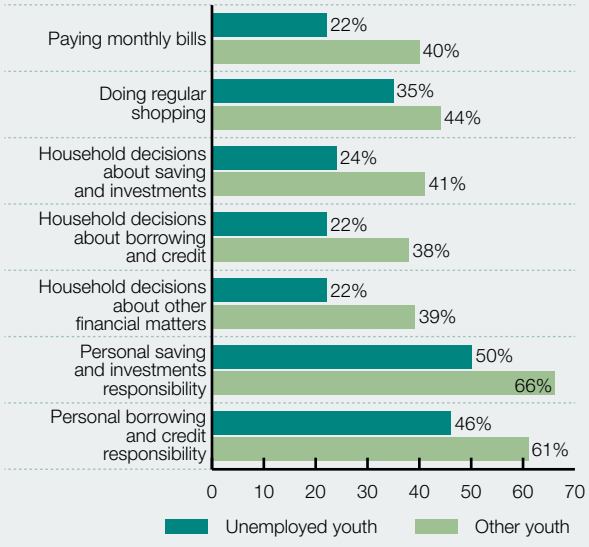
The 'other youth' category has mainly four sources of income: employment (formal or informal), family assistance, National Student Financial Aid Scheme (NSFAS) or child support grant for those with children.

Figure 7: Sources of income across youth groups



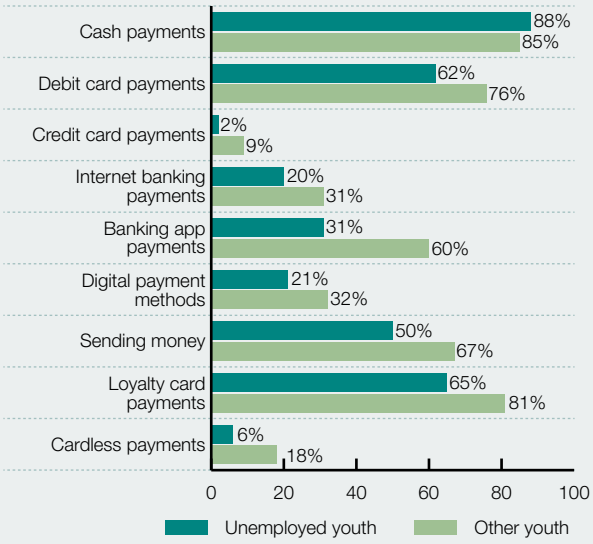
The second important distinction is that the 'other youth' category is more involved in household and personal financial decision-making processes. This sets them up from an early age to make better financial decisions later in life.

Figure 8: Involvement of the youth in household and personal financial decision-making



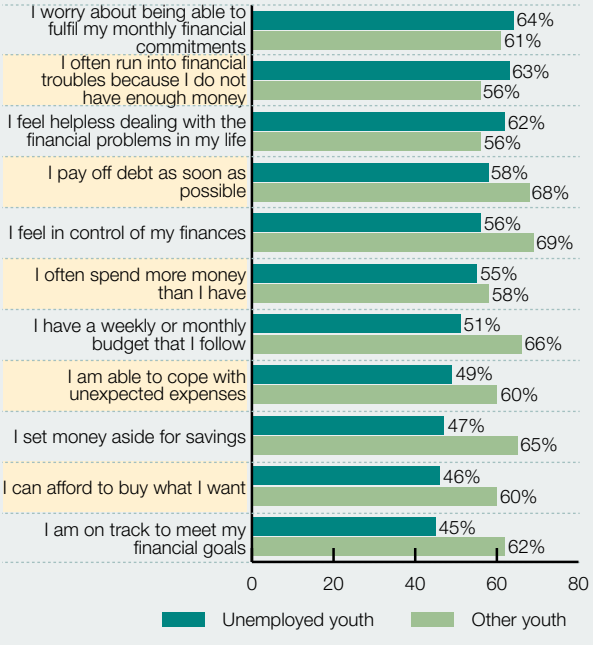
All payment methods are used by both groups. The unemployed youth use cash a little more than the 'other youth' group. The unemployed youth use all other payment methods less often.

Figure 9: Profile of payment methods used by the two youth groups



In the final view of the differences between these groups, the behavioural orientations illustrate the mindset and perception differences clearly. The 'other youth' group shows greater financial responsibility although both, to some extent, feel the pressure of not having enough finances.

Figure 10: Behavioural orientations between the two youth groups



6. INCOME PROFILES

An exploration of the different income levels is key to the study. In both surveys, household and personal income were recorded.

The average personal monthly gross income for the DCPC is higher than for the SCPC due to the DCPC focus on payments made across the different payment methods. The SCPC illustrates the national averages; these figures align with other national studies.

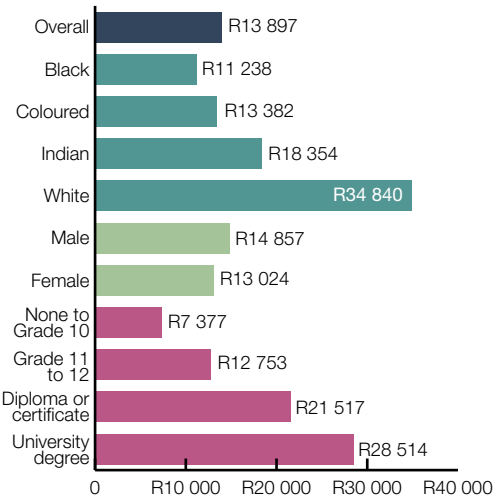
Table 2: Average income profiles across the surveys

SCPC		DCPC	
Household monthly gross income	**Personal monthly gross income**	**Household monthly gross income**	**Personal monthly gross income**
R13 897	R6 203	R20 613	R14 237

The SCPC was clustered into three categories based on monthly gross household income:

- Low-income group (R0–R7 500) **50.7%**
- Middle-income group (R7 501–R19 999) **25.5%**
- High-income group (R20 000+) **23.7%**

Figure 11: Average monthly household gross income (SCPC)



The DCPC was clustered into four categories to highlight the nuances in payment methods against income categories. These were based on monthly personal gross income as it was the individual who transacted.

The DCPC classifications were as follows:

- Low-income group (R0–R4 999) **36.1%**
- Low-middle-income group (R5 000–R11 999) **21.6%**
- High-middle-income group (R12 000–R24 999) **28.2%**
- High-income group (R25 000+) **14.1%**

In the DCPC, the overall average transaction value was R529.21. The low-income group with a personal gross income of less than R5 000 per month, recorded an average payment value of R299, which is consistent across provinces. The low-income cluster represents just over a third (36%) of the DCPC weighted population but only 33% of payments[8] and 16% of the total payment value[9] across all transactions measured in the panel.

The low-middle-income group has a personal gross monthly income of between R5 000 and R11 999. The average payment value increases from R299 to R413. There is somewhat greater variance between provinces. This group represents 22% of the population, slightly more (24%) in terms of volume and 19% of the total payment value. Gauteng is observed to have a much lower representation of this group, but the group is well represented in the Western Cape.

The next level, the high-middle-income group (between R12 000 and R24 999 per month) represents 28% of the population, slightly more (29%) in terms of

8 Payments refer to the number of transactions.

9 Payment value refers to the value of transactions.

payment volume and just over a third (34%) of the total payment value. The variance across provinces on the average value per payment is more pronounced for this income group. The average payment value for this group is R626 per transaction. In KwaZulu-Natal and Eastern Cape, the average values are slightly higher at R866 and R788 respectively.

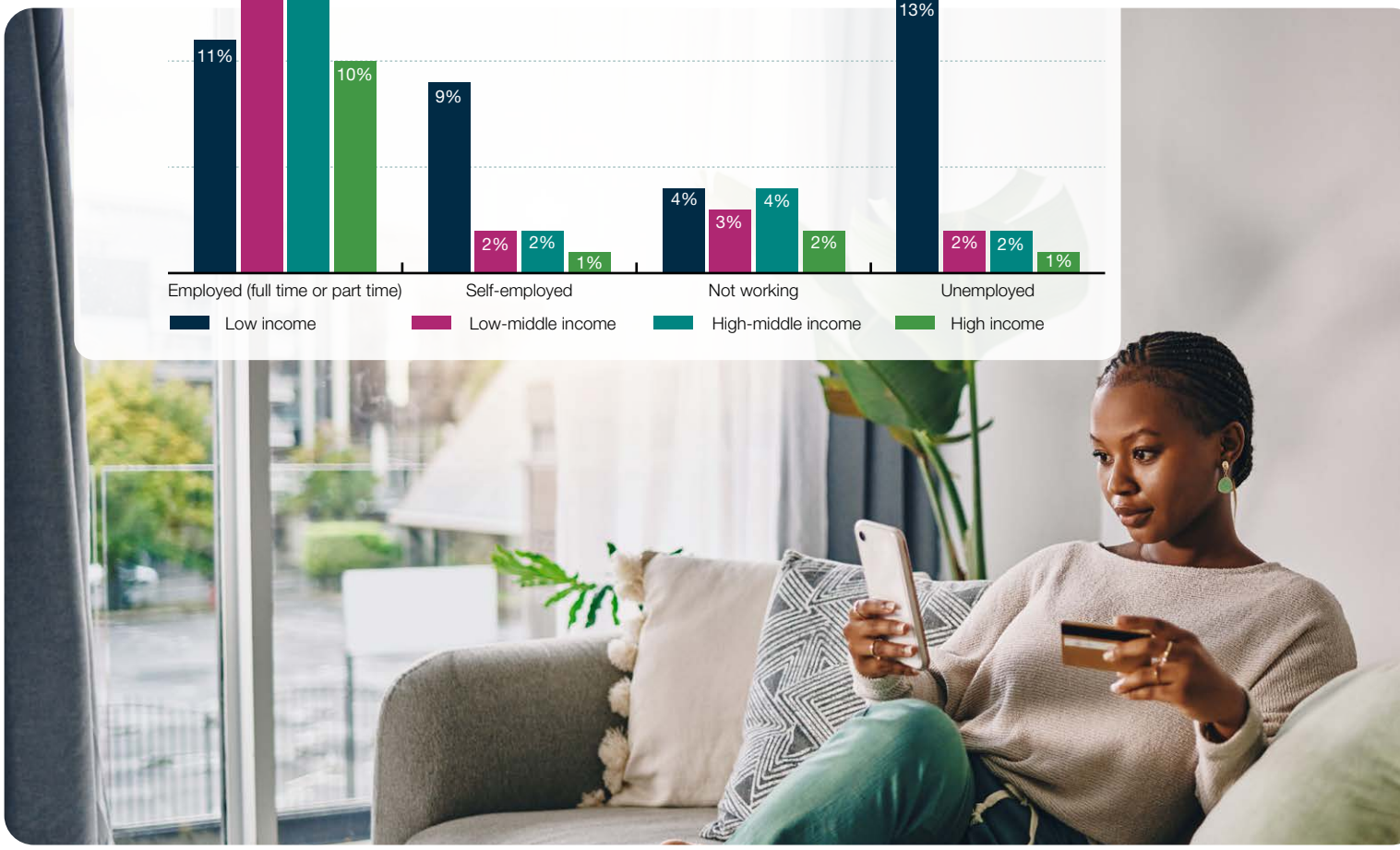
Lastly, the high-income group (more than R25 000 personal gross monthly income), represents only 14% of the population but 28% of the total payment value. The average transaction value for this group is R1 072. Gauteng (47%) is particularly well represented in this group with the highest transaction contribution across all provinces. The average value per payment varies substantially across the provinces, much more so than the other income classifications. For instance, Northern Cape has an average transaction value of R577, whereas Western Cape is more than double that at R1 320.

A correlation is observed between income and employment status. However, the low-income group and unemployed (13%) are misleading as many grant recipients fall into the low-income category but are not economically active.

As a final point on the income analysis, in the SCPC, 21% of South Africans could cover all household expenses over the past year. A third (32%) spent less to try to make ends meet, 28% borrowed food or money from family or friends to make ends meet and 27% withdrew money from savings.

The income analysis further highlights that borrowing from family or friends is the most frequently used form of accessing money. A very small percentage of money is borrowed from banks (6%) when people are under financial strain.

Figure 12: Income by employment status illustrates the impact of social grants (DCPC)



FACT BOX 2: The extent to which South Africans are financially stressed

Based on the SCPC, participants were clustered into three categories using the following statements:

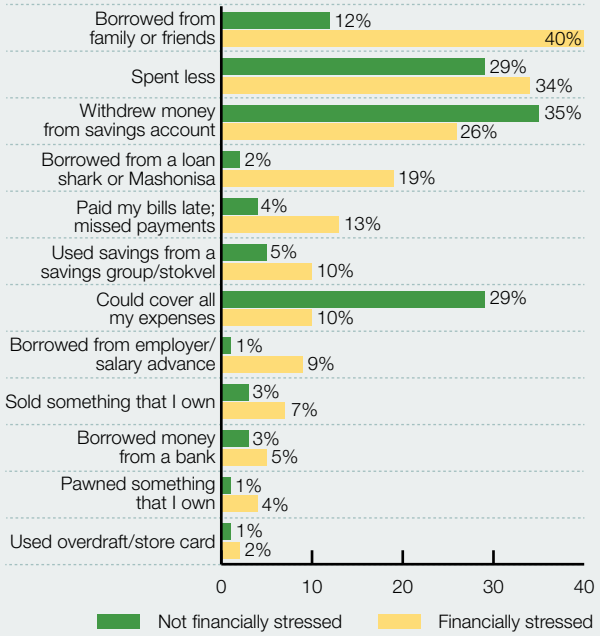
- I am on track to meet my financial goals.
- I am able to cope with unexpected expenses.
- I feel helpless dealing with the financial problems in my life.
- I feel in control of my finances.
- I often run into financial troubles because I do not have enough money.
- I worry about being able to fulfil my monthly financial commitments.

The three categories identified were:

- Financially stressed **36.8%**
- Neither nor stressed **41.8%**
- Not financially stressed **19.7%**

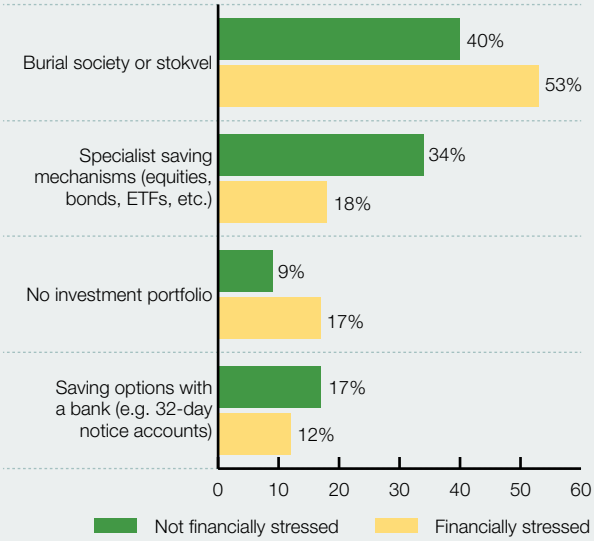
The manner in which consumers lean on different mechanisms to support the household when under financial strain is illustrated below.

Figure 13: Mechanisms to cover household expenses



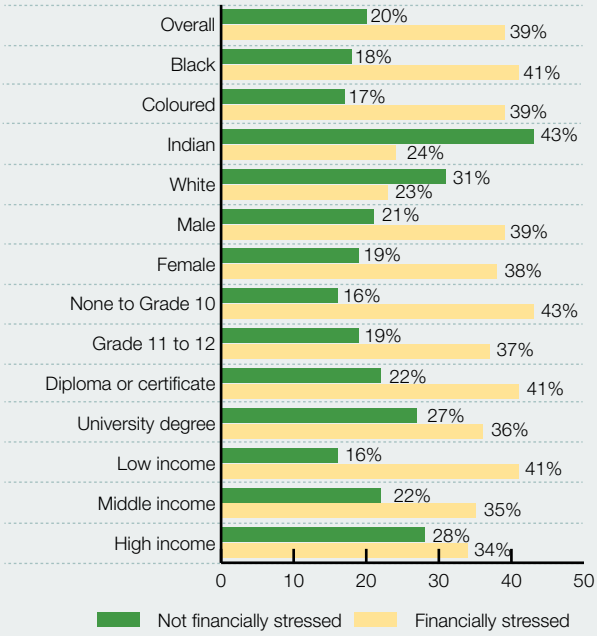
Of interest is that those under financial strain invest more frequently in informal saving mechanisms such as burial societies or stokvels.

Figure 14: Investment likelihood of financially stressed cohorts



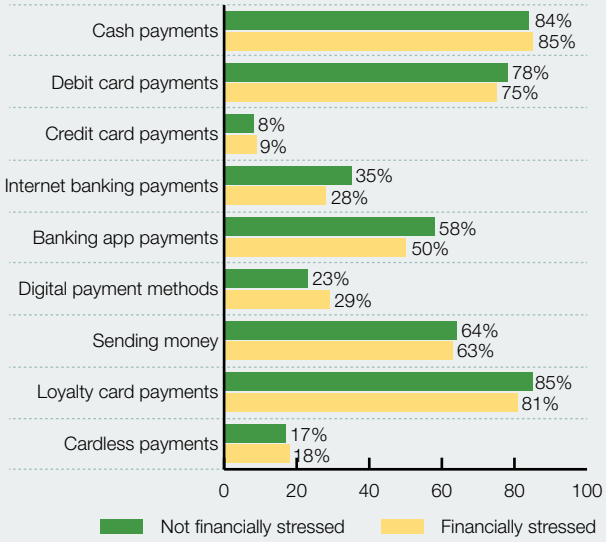
The financially stressed cohort is not just those in lower income clusters but cuts across all demographic and lifestyle categories.

Figure 15: Profile of the financially stressed cluster



The final interesting fact about the differences between the two clusters is that both use all payment methods.

Figure 16: Payment methods used by both clusters



The financially stressed cohort is not just those in lower income clusters but cuts across all demographic and lifestyle categories.

7. INSIGHTS ON PAYMENT METHODS

South Africans use cash most often as a payment method irrespective of what they buy, as this is a widely accepted payment method.

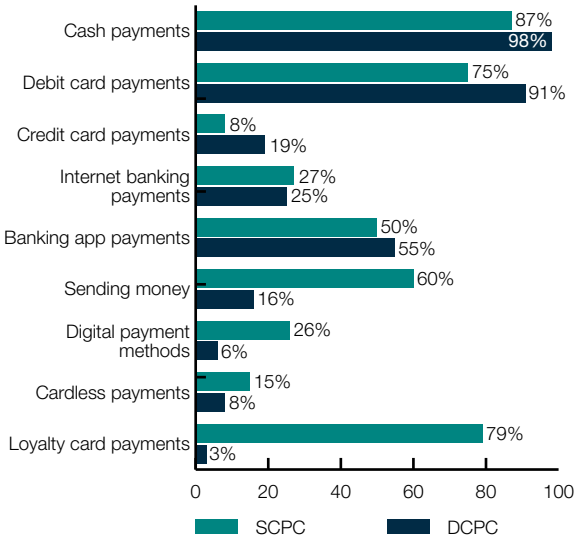
Other payment methods such as internet banking and banking apps have increased, especially since COVID-19. However, these are not POS-friendly payment methods and therefore their use is limited to buying certain goods or services. In the DCPC, internet banking and banking apps payment methods are mainly used for cellphone and data top-up payments, which seems to be a very elementary use of the sophisticated platforms.

Digital payment methods and virtual cards have a limited uptake in the market. The reported use of sending money in the SCPC was much higher than recorded in the DCPC. The reason seems to be the intermittent use of the payment method. The SCPC recorded all methods used in the past year; the DCPC recorded payments over a three-month timeframe. In other words, some consumers send money regularly, meaning monthly, weekly, or fortnightly. However, there are others that send money only when there is a need to do so. Very few of the latter were captured in the DCPC study. For example, in the DCPC, a payment aimed for an investment was paid via sending money, meaning it was transferred to someone else, presumably a broker, who would most likely conclude the investment at a later stage on behalf of the payer.

For some payment methods consumers were asked why they did not use a certain payment method. There are perceived barriers that underscore the need for financial literacy programmes.

Only 2% of the population in the SCPC reported using crypto assets as a payment method, mainly for investment purposes. No crypto-asset payments were recorded in the DCPC.

Figure 17: Overview of the payment methods measured in both surveys



At a high level and to set the foundation for the three main metrics used in the DCPC analysis, the three indicators are shown at provincial level. The average value per payment, across all payment methods, is R529.21

Table 3: Payment volume and value profiles by province (DCPC)

Provincial profile	Payment volume	Payment value	Average value per payments
Gauteng	30%	24%	R724.96
KwaZulu-Natal	18%	19%	R493.50
Western Cape	13%	15%	R511.02
Eastern Cape	10%	13%	R633.01
Limpopo	8%	9%	R365.67
Free State	5%	8%	R492.75
North West	7%	6%	R439.95
Mpumalanga	7%	3%	R464.62
Northern Cape	2%	2%	R492.80
Total	40 531 218	R111 242 680	R529.21

Taking this one step further, the table below illustrates the basic indicators across provinces. As expected, Gauteng, the economic hub of the country, has the largest average value per payment at R724.96. It is also the most densely populated with the smallest rural or farmland percentage compared to other provinces. It should be noted that several large payments were recorded in the Eastern Cape. This is unfortunately the nature of diary collection research; outliers may be recorded and can skew broad data trends.

Table 4: Payment volume and value profiles by province (DCPC)

Basic indicators	National	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpuma-langa	North West	Northern Cape	Western Cape
Population size (million)	40.5	4.1	2.0	12.3	7.3	3.2	2.9	2.6	0.9	5.2
Population percentage	100%	10%	5%	30%	18%	8%	7%	7%	2%	13%
Average number of payments	45.5	46.2	43.5	40.7	51.0	48.1	41.4	39.7	40.1	48.3
Average value per payment	R529.21	R633.01	R492.75	R724.96	R493.50	R365.67	R464.62	R439.95	R492.80	R511.02
Average household income (G)	R20 613	R17 796	R19 825	R25 712	R15 955	R18 484	R18 442	R18 814	R13 814	R22 242
Average personal income (G)	R14 237	R13 495	R14 379	R17 383	R9 829	R12 560	R11 853	R13 094	R10 665	R17 071
Average people per household	3.8	4.0	3.6	3.6	4.4	3.7	3.6	3.3	3.7	3.6

Monthly payments, as expected and in line with international trends, show a decrease in payments during the middle of the month and most payments being made at the end of the month. The cut-off dates between the beginning, middle and end of the month were based on frequency changes and to provide at least 10 days for each section of the month. It should be noted that public sector employees receive their monthly salaries around the middle of the month. This may have an influence on grocery and other payments, but most recurring payments remain at the end of the month as these are mostly for private sector institutions.

Table 5: Payment volume and value profiles by weekdays (DCPC)

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Overall
Beginning of the month (5th to 14th)	14%	12%	11%	14%	19%	16%	14%	**30.9%**
Middle of the month (15th to 24th)	13%	12%	8%	17%	15%	18%	16%	**29.6%**
End of the month (25th to 4th)	18%	11%	9%	14%	14%	19%	15%	**39.5%**
Overall	**15%**	**12%**	**9%**	**15%**	**16%**	**17%**	**15%**	**100%**

In line with the volume of payments per month, the average value follows a similar pattern. Beginning-of-the-month and mid-month payments are generally of a lower value than month-end payments. Although Tuesday marks the day on which the least transactions are made, it is not the lowest in value.

In addition, the DCPC illustrates day of the week expenditure patterns. Notably, and in line with international trends, Fridays and weekends show higher payment volumes and higher values per payment. A common trend, supported by the SCPC findings, is that those with greater income explore different payment methods, transact more and on average, spend more per transaction (i.e. the average value per payment is higher).

Table 6: Average payment value by weekdays and monthly cycles (DCPC)

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Overall
Beginning of the month (5th to 14th)	R416	R392	R417	R462	R397	R548	R534	**R453**
Middle of the month (15th to 24th)	R477	R377	R409	R371	R338	R545	R526	**R445**
End of the month (25th to 4th)	R609	R568	R657	R650	R586	R652	R804	**R651**
Overall	**R506**	**R459**	**R497**	**R521**	**R452**	**R589**	**R648**	**R529**

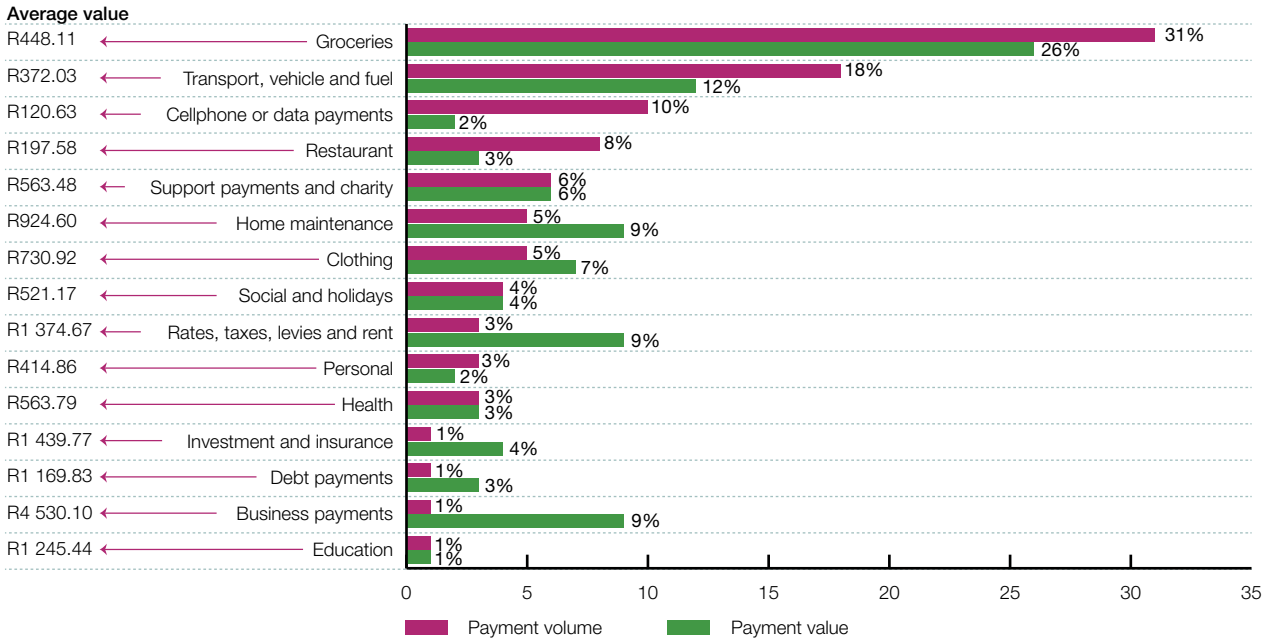
Measuring payments across the different payment methods provides insight into the payment method usage, but to deepen the insight of payment methods it is also necessary to include what the payments were made for.

In the DCPC survey, 38 payment classifications were measured and netted into 15 overall categories. The average value of payments across the categories varies substantially. Cellphone and data payments are the lowest in average value, whereas business payments, most likely for sole proprietors, are the highest.

In line with the higher average payment value on the monthly cycles, as seen earlier, rates, taxes, levies and rent as well as insurance and investments are less frequent payments (month-end payments) but more in terms of average value. Home maintenance and decoration are, as expected, higher in average value but are less frequent payments.

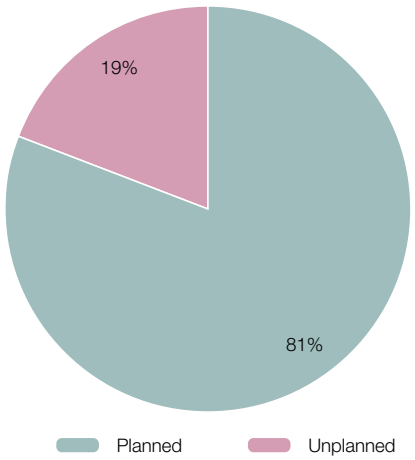
These categories are explored further for each payment method and the average value, transaction frequency and value differences are meaningful indicators of payment method applications.

Figure 18: Overview of the payment methods measured in both surveys



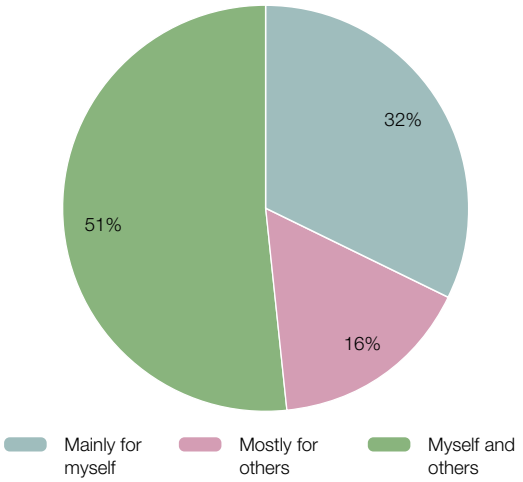
A very consistent pattern throughout the analysis of the DCPC, data indicators show that planned expenses are by far the majority of payments. However, 19% of payments (almost one in five) are unexpected. Considering that the average number of payments per month is 15, it means that three of those payments per month are unexpected. There is very little difference between the average value of transactions, whether planned (R527.34) or unplanned (R531.08).

Figure 19: Planned versus unplanned payments



In terms of the beneficiaries of payments made, payments spent on the payer (him- or herself) are generally lower in average value (R354.23). This is expected as it is for a single person and equates to about one in three transactions (32%). Payments with the highest average value (R787.57) are those made for others but are the least frequent (16%). Payments for the payer and others (assumed the family or household) are the most frequent type of payment and more so than the payments for individuals or the payer him- or herself (R669.08).

Figure 20: Beneficiaries of payments made*



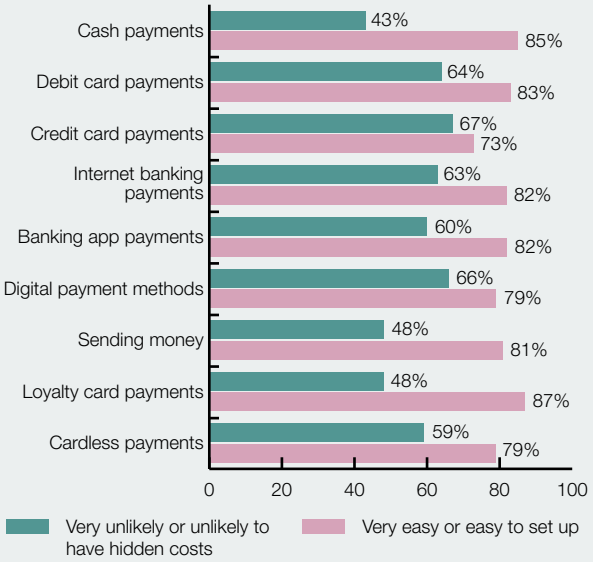
* Percentages are commonly rounded when presented in tables or graphs. As a result, the sum of the individual numbers may not always add up to 100%. Where the total adds up to 99%, please note this is due to rounding.

FACT BOX 3: Convenience versus fees as drivers of payment method choice

In this fact box, four attributes associated with the different payment methods are explored. The outcome is clear that convenience and ease of setting up or acquiring outweigh the costs or hidden costs of the payment methods.

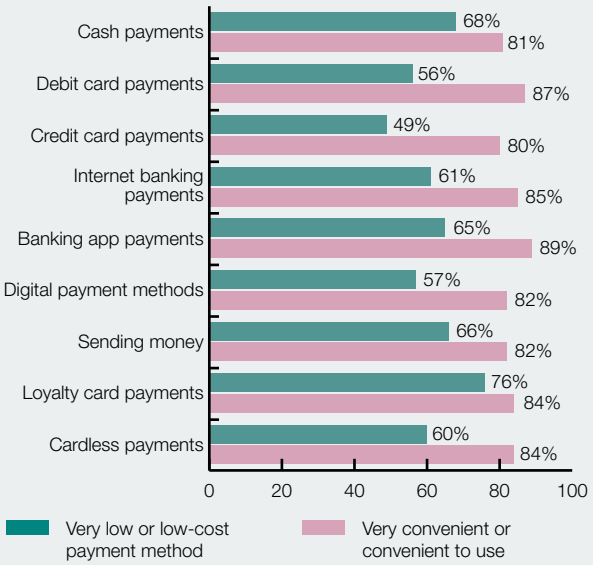
These attributes were ranked on a scale of one to five. In the graphs alongside, what is referred to as the Top 2 Box (T2B) score was used. The T2B is the netted score of the top-two data points on a five-point Likert scale; in the case of hidden costs, it is 'very unlikely or unlikely to have hidden costs'. The lower the percentage, the more likely it is that there are hidden costs associated with the payment method.

Figure 21: Setting up or acquiring a payment method against hidden costs of the payment method



In the other comparison – costs against convenience – which is in line with the previous graph, convenience outweighs costs for all payment methods, least likely, loyalty cards.

Figure 22: Setting up or acquiring against hidden costs of the payment method



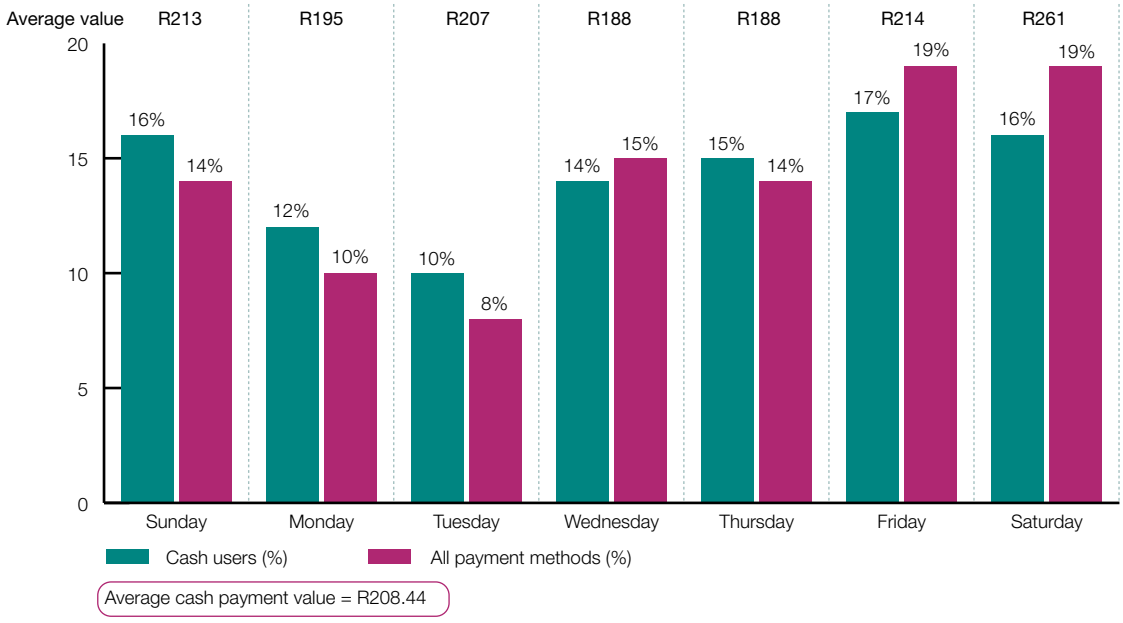
7.1 Cash payments

Table 7: Summary table of cash payments

Key indicators	SCPC	DCPC
Consumer population	35 055 760	39 732 077
Percentage of population (consumers)	85%	98%
Estimated percentage of payments (volume)		56%
Estimated percentage of payments (value)		21%
Total payment value over three months		R22 825 124
Average payment per transaction		R208.44

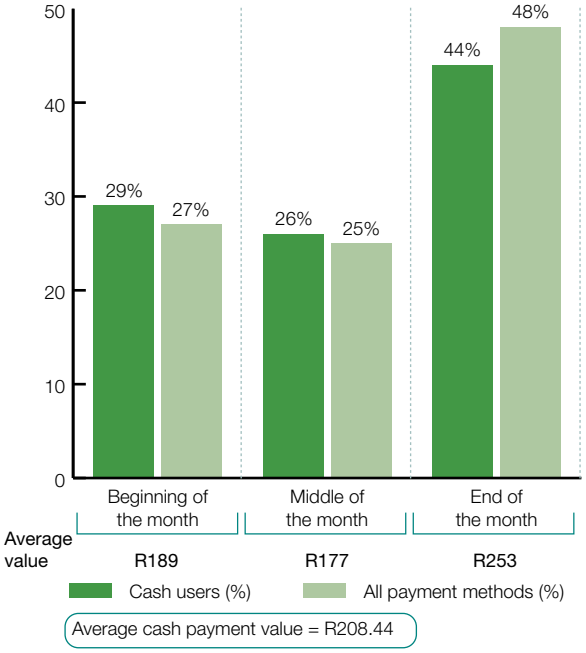
The first thing to note is the lower average value (R208.44 overall) of cash payments compared to the overall value of payments across all payment methods, which is R529.21 (refer to Table 3). Furthermore, although Tuesdays are lower in payment volume, the average value per payment is not the lowest across the week. Fridays and Saturdays, on the other hand, are higher in volume, value and average payment value compared to the rest of the week for cash payments.

Figure 23: Cash payments made by weekday



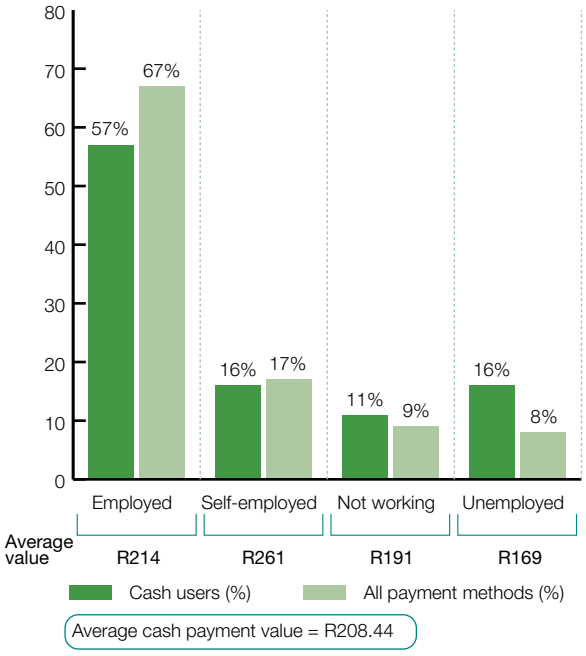
Moving to monthly cycles, as expected, the end-of-the-month (25th to 4th of every month) payment volume and value increase as monthly bills and other financial commitments are mostly actioned. There is a slight overflow to the beginning of the month (5th to 14th of every month), coupled with a normal increase in payments following receipt of a salary or a grant. The middle of the month (15th to 24th) is the lowest in terms of volume, value and average payment value particularly related to cash payments.

Figure 24: Cash payments made by monthly cycles



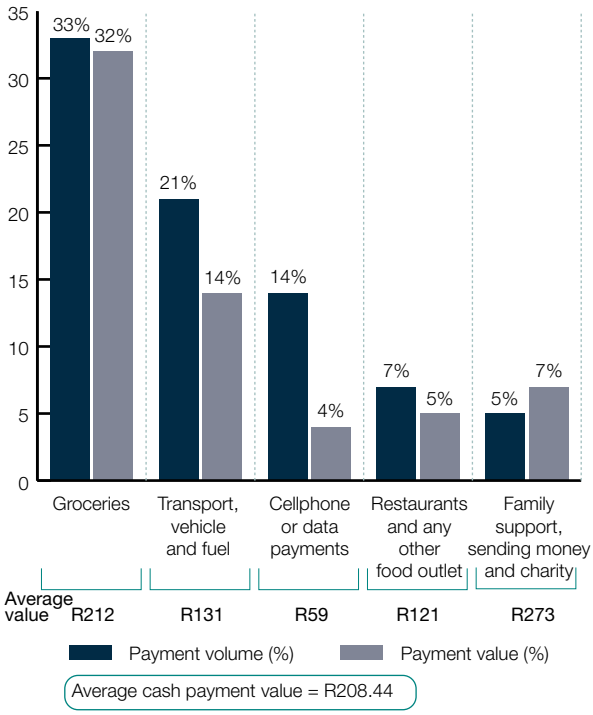
Economies are stimulated by the workforce of the country. This is not just true for cash payments but for all other payment methods. A total of 57% of payments (in volume) and 67% (in value) is from employed consumers. The self-employed group often manage business payments as part of their financial responsibilities and show a slightly different pattern compared to the employed cohort across all payment methods.

Figure 25: Cash payments made by employment status



Cash is widely accepted as a payment method and therefore applicable to almost all spending categories. Compare, for instance, the banking app average value for cellphone and data payments (R136.41) with cash payments (R58.67). It does raise the question about the efficiency of cash as consumers have to top up more regularly because of the small amount per payment. These could also be driven by available funds, but interesting to note, nonetheless.

Figure 26: What was paid using cash (1)



Compare Figure 26 with Figure 27 on page 21. The opposite trend is noted where the average value of transactions are high, but the volume and value contributions are low. The rates and taxes category for cash payments is much lower than this expense item for other payment methods. The 'other' category includes a range of items on which money is spent. Cash payments have a low share of these spending categories.

Cash is widely accepted as a payment method and therefore applicable to almost all spending categories.

Figure 27: What was paid using cash (2)

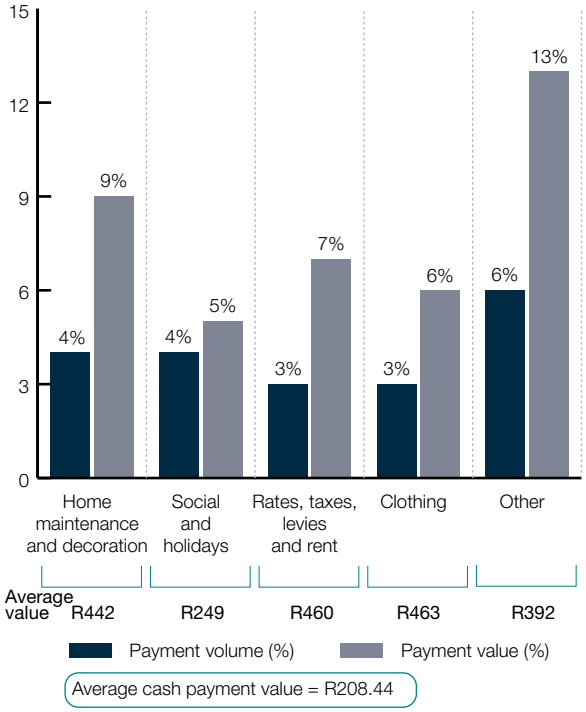
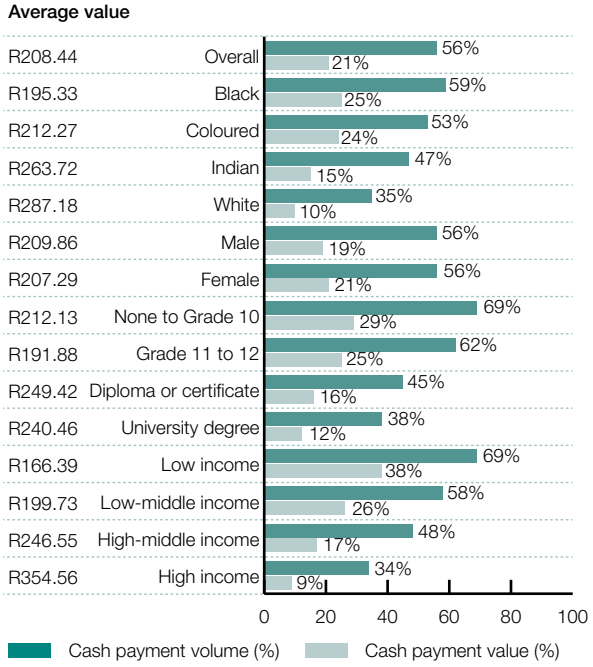


Figure 28: Cash payment volume and value differences across key demographic indicators



From a volume perspective, there are slight fluctuations across the race groups. The distinctions are clearer at the level of education and income.

At an overall level, although almost everyone uses cash as a payment method, it represents only 21% of the total payment value, again reiterating the small average value per payment. The differences between the demographic clusters are much more pronounced. The different income categories clearly illustrate that other payment methods are used by the more affluent for certain payments.

Despite the lower frequency and value contribution of the more affluent groups, the average value per payment is much higher. For the youth, although many payments are cash-based, the average value is much lower.

At 55%, automated teller machines (ATMs) remain the dominant point to access cash. In second place (at 28%) and a more recent addition to accessing cash is the cash-back at POS, particularly from major retailers.

The ability to access cash at the cash-back at POS has improved accessibility and made life easier for those who do not have ATMs in their area. In support of the ATM accessibility dynamic, lower-income individuals access cash more frequently at the cash-back at POS and the male/female percentages are almost reversed in the cash-back at POS compared to ATM access, the assumption being that females withdraw cash when doing household shopping. The cash-back at POS access point is an important facility for the general South African consumer, particularly in areas where ATMs are not available.

Most of those who use cash less than 20% of the time as a payment method indicate that the security risk is too high. The balance of the reasons align with points already raised, such as cash-in-transit heists, particularly of those vehicles that serve ATMs; it is expensive to withdraw cash; and the inconvenience of having to travel somewhere to access cash is an added burden.

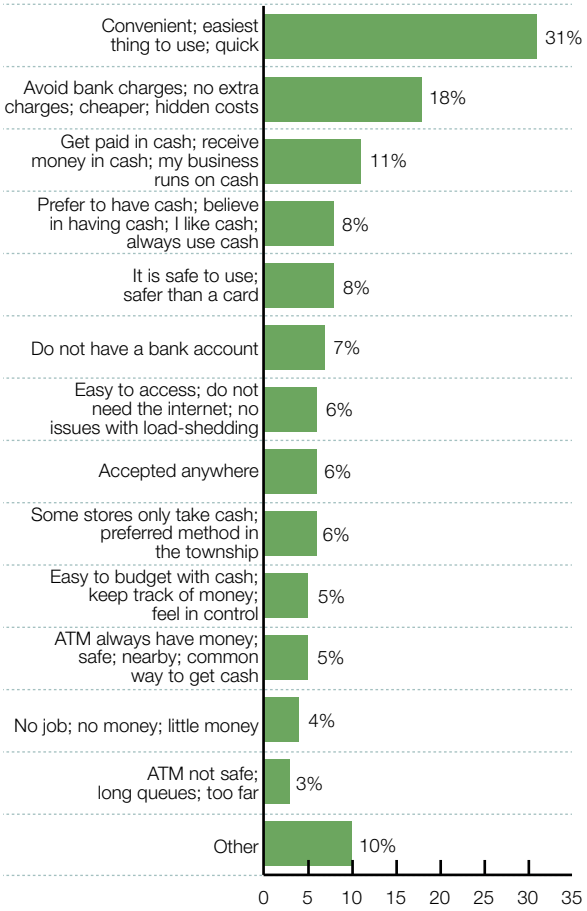
The DCPC further highlights that there are more people in the higher-income groups that do not use cash that often. The pattern across income groups

is the most stable indicator of the risks and dangers of using cash. These risks and dangers are perceived as the study did not ask about specific incidents or events that may have led to the practice of using cash less frequently. Those living in rural areas feel least vulnerable.

Figure 29: Reasons for not using cash

At the other end of the spectrum, those that use cash as a payment method (71% or more of the time) highlight its convenience. These frequent users state just about the opposite of those who do not use cash frequently, listing that it is less expensive and for some, safe to use. As the most common payment method in the country, many reasons were given why cash is preferred. Included under 'other' reasons are those who feel they are not educated enough to work with other payment methods and those who do not trust electronic or digital payment methods due to perceived fraud risks.

Figure 30: Reasons for using cash



FACT BOX 4: Estimated switch value between cash, debit card and credit card payments

For each payment method, the point at which 80% of all recorded payments for that payment method was reached, was considered the cut-off. The upfront transaction values are fairly small considering that the overall average payment value in the study is R529.21. For cash payments, the average transaction value is R208.44. Almost 9 in 10 (88%) of all cash transactions are between R300 and R349.

This certainly does not mean that only small value transactions were captured. The largest cash transaction recorded in the data was R50 056 for family support. The two largest transaction values recorded in the DCPC were R1 036 000 (banking app payment for an investment) and R1 500 000 (debit card payment for a business transaction).

The differences between the low-income group and other income groups are more distinct.

Table 8: The switch-value between different payment methods

	Cash	Debit card	Credit card
All	R300 – R349	R900 – R1 049	R1 000 – R1 199
Low income	R200 – R249	R750 – R899	R600 – R799
Low-middle income	R300 – R349	R900 – R1 049	R1 000 – R1 199
High-middle income	R350 – R399	R900 – R1 049	R1 200 – R1 399
High income	R500 – R549	R1 200 – R1 349	R1 000 – R1 199

7.2 Debit card payments

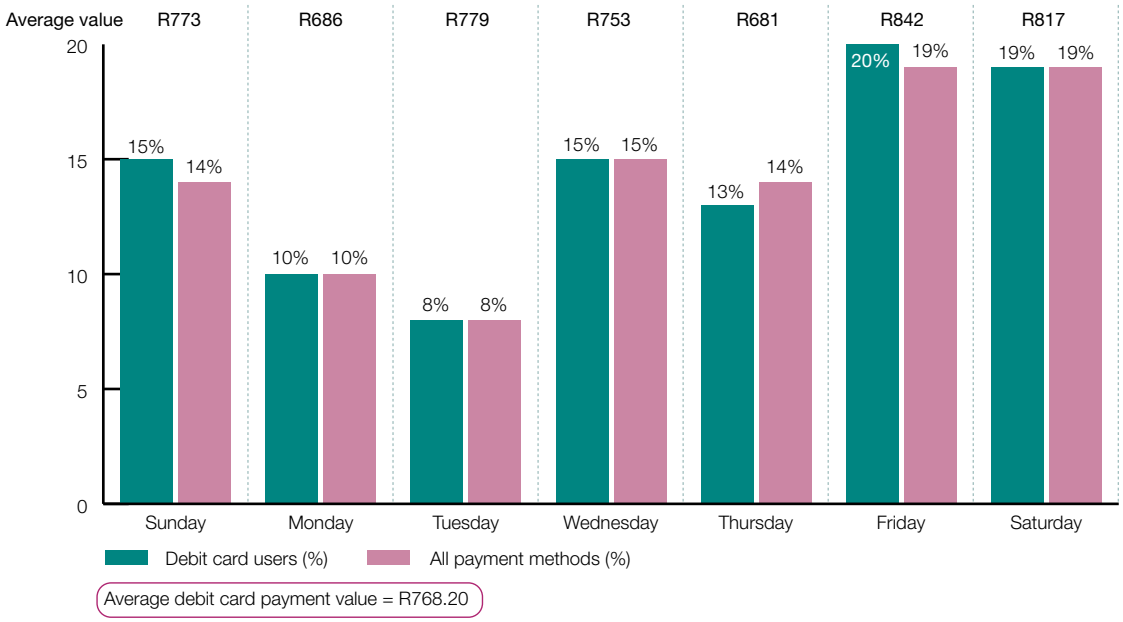
Table 9: Summary table of debit card payments

Key indicators	SCPC	DCPC
Consumer population	30 500 682	36 999 728
Percentage of population (consumers)	75%	91%
Estimated percentage of payments (volume)		34%
Estimated percentage of payments (value)		55%
Total payment value over three months		R60 584 212
Average payment per transaction		R768.20

The second largest payment method in South Africa follows a fairly similar pattern to cash payments, although the average amounts are much higher (refer to Fact Box 4).

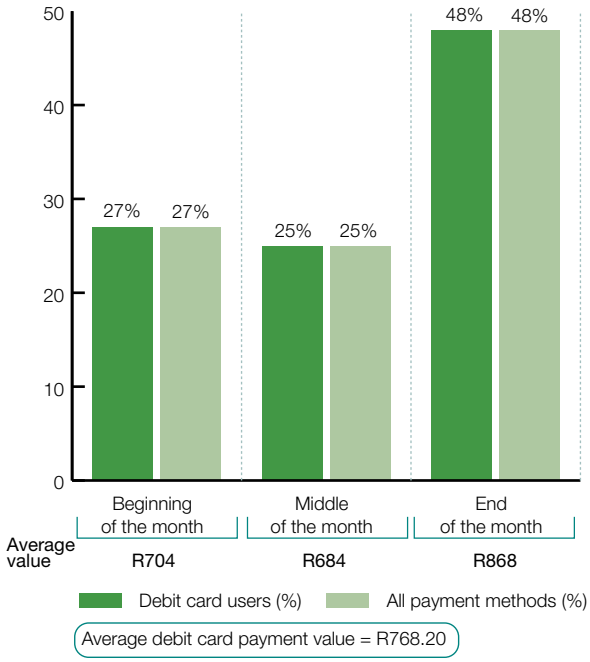
The overall pattern across weekdays remains the same for debit cards as for cash. However, the average value is much higher at R768.20 compared to R208.44 for cash payments. The average value fluctuates surprisingly little across weekdays and slightly higher on Fridays and Saturdays, in line with general expense trends.

Figure 31: Debit card payments made by weekday



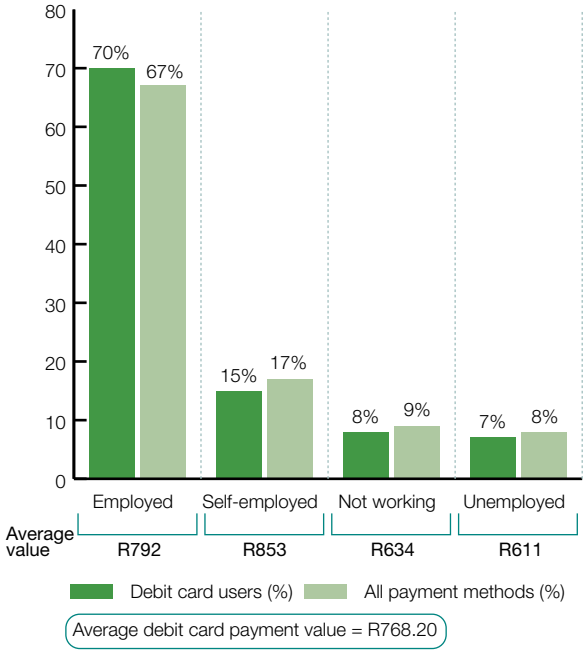
On a monthly cycle basis, similar trends are seen as with cash. However, recurring payments are included, pushing the month-end payment volume and value share higher. The volume and value contribution of debit cards across the month is very stable.

Figure 32: Debit card payments made by monthly cycles



The employed contribute the most to payment volume and value. As seen with cash payments, the self-employed, although much lower in volume and value share, have a much higher average payment value. It is likely that a share of the unemployed debit card payments are mainly from South African Social Security Agency (SASSA) cards.

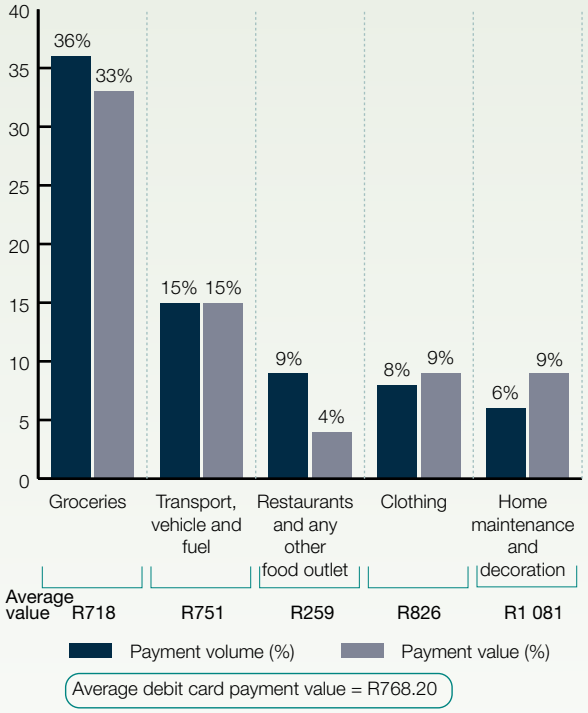
Figure 33: Debit card payments made by employment status



The most common debit card payment usage is at retail stores for groceries. Although used often, it contributes less to the overall value share of debit card payments. In other words, grocery shopping is

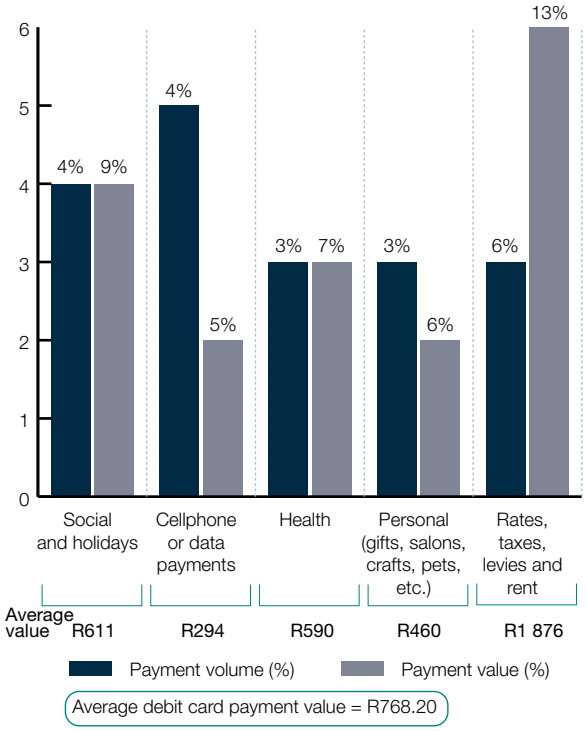
frequent but at a lower average value per transaction. The average grocery payment value using cash is R211.88 (see Figure 26), while the payment value on debit cards are more than triple that at R717.54. It may be because larger grocery payments are too impractical to pay for in cash as this will require consumers to carry large amounts of cash, which may be considered a risk. Home maintenance payments are often too high for cash payments as the average value illustrates.

Figure 34: What was paid using debit cards (1)



The second set of expenses are at much lower percentages. Monthly payments for rates and taxes (less frequent but high in value) come in at a high average value of R1 875.50. It is possible that the difference between using debit card and cash is based on practical reasons, although small transaction values are also paid using debit cards.

Figure 35: What was paid using debit cards (2)



Although very infrequent, business payments (mainly by the self-employed group) are large in value but small in volume. This is the expense with the highest average value across the debit card payment range.

Figure 36: What was paid using debit cards (3)

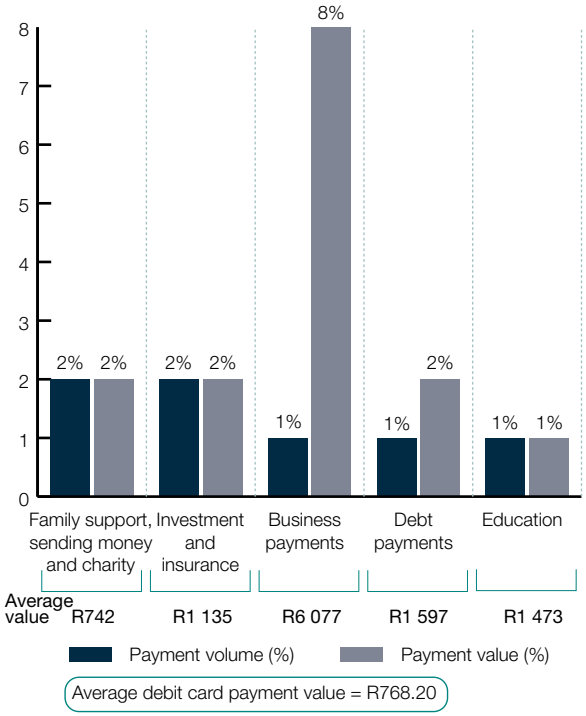
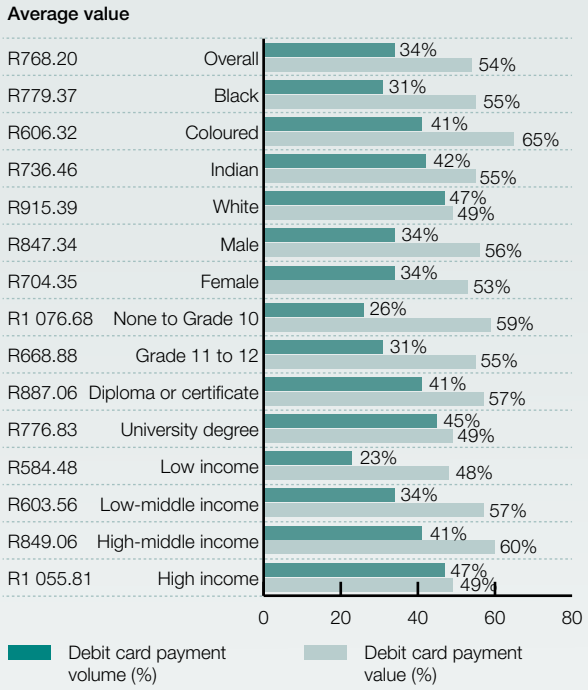


Figure 37: Debit card payment volume and value differences across key demographic indicators



Most (81%) payments are planned and the difference between planned and unplanned average values is minimal at R774 and R744 respectively. The debit card as a payment method offers little support for unplanned transactions in the form of credit, similar to cash.

The beginning, middle and end-of-month trends seen with debit card payments match that of cash and there are no indications that debit cards are used for more specific payments compared to cash. The use of the debit card for personal payments is a little less than for cash but that may just be by design as well as the slightly less average payment values, for which cash may still be suitable.

The number of people who have debit cards usually have more than one (1.4 on average). For SASSA cards, as expected, the number is one card per person with very few being used for business purposes. There are over 18 million SASSA cards in South Africa[10] and the 6.8 million recorded in this survey are used as a payment method.

Table 10: Estimated number of debit cards in the market

	Debit cards	SASSA cards (for payments)	Retail store cards[11]
Number of people with these cards	30 490 429	6 763 860	9 550 183
Average number of cards per person	1.4	1.0	1.2
Estimated number of cards	41 102 251	7 228 216	11 752 049

The debit card (including what consumers refer to as either a savings, cheque, or debit card) remains dominant (93%) compared to SASSA (6%) and retail debit cards (0.2%). There were changes to the naming of debit cards, particularly the cheque account card but these perceptions remain in the minds of consumers.

At an overall level, interest earned on debit cards is 1.26%. The results in this survey illustrate, as expected, that only 25% of those who opened a debit card account were influenced by the interest rate. It is also noted that as many as 33% of debit card holders are not aware of the interest rate.

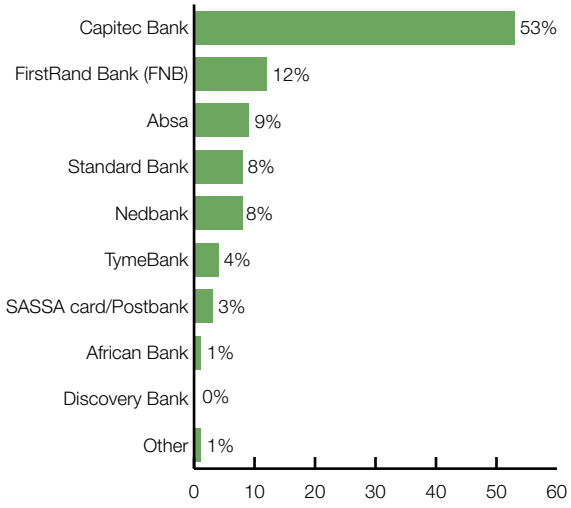
Capitec Bank Limited (Capitec), by a substantial margin, has the most debit card holders in the country. The pattern remains largely the same when all accounts are compared to the main account. The five largest banks,[12] as expected, feature at the top of the list. It should also be noted that these numbers do not reflect the value of the accounts, only if there is an account with the bank or not. Furthermore, only 6% of card holders have joint debit card accounts. Ninety-four percent have a card in their own name. In addition, 30% of card holders claim that the debit cards offer them benefits or rewards for using the card.

10 See South African Social Security Agency, Annual Performance Plan 2022–2023. https://static.pmg.org.za/SASSA_2022-23_Annual_Performance_Plan.pdf

11 For instance, see https://rcs.co.za/our-products/store-card/

12 Standard Bank of South Africa Limited, FirstRand Bank Limited, owner of First National Bank (FNB), Absa Bank Limited, Nedbank Limited and Capitec Bank Limited

Figure 38: Main debit card account held with which bank



As seen with the cash profile, ATMs (68%) remain the dominant access point for debit card holders followed by a banking app (57%). Four in 10 (40%) card holders visit the bank to access their accounts – a large percentage considering the available access point options. Visiting the bank requires logistics such as transport, time and other secondary expenses which result in less effective financial management and practices. Internet banking (18%) is much less frequently used than a banking app (57%).

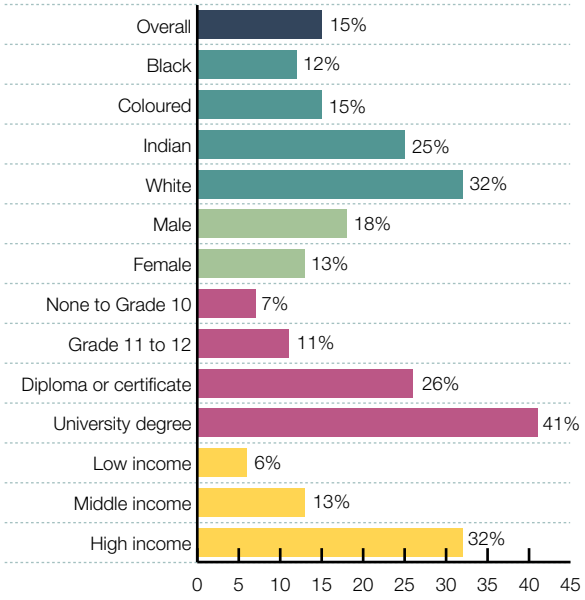
Thirty-five percent said they access the bank via short message service (SMS). It is assumed that this includes notifications from the bank when a transaction has been made which usually includes available balance and other transaction information. SMS notifications may be particularly useful to some at the beginning of the month when recurring payments are made.

In terms of unstructured supplementary service data (USSD), 22% of debit card consumers access their account using the USSD facility. This may include purchasing airtime, electricity and other functions as may be available on the USSD platform. Both SMS and USSD options are used more frequently than internet banking. Lastly, 12% of debit card holders accessed their account by phoning the bank. These figures are based on multiple access options so the total will be more than 100%.

Only 15% of debit card holders have an overdraft facility, with a clear skew towards higher-income earners with higher education qualifications. These are most likely bank policy-related practices as the age profile confirms proof of financial stability; older people tend to qualify for the overdraft facilities.

On average, people who have an overdraft facility access it 2.93 times per year. Many never do (42% of those that have the facility). Generally, the overdraft on a debit card is a temporary facility and as soon as money is deposited into the account, the overdraft is settled. It is different to a credit facility with monthly payment terms over a specified time frame.

Figure 39: Debit card account holders with an overdraft facility

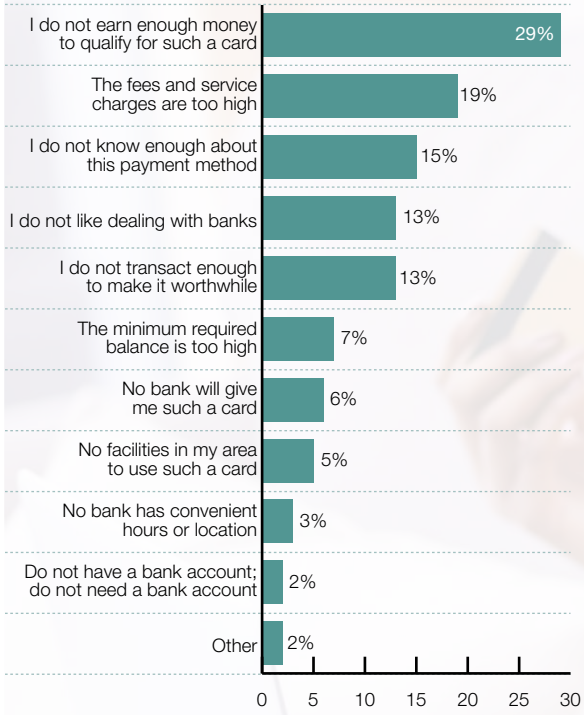


On average, people experience not having sufficient funds in their accounts almost twice a year (1.96 times). Collectively this translates to 45% of debit card holders who experience having insufficient funds at least once a year – a large percentage. The profile of those who experience this at least once a year includes all income groups equally. The Western Cape seems to have a higher frequency of debit card holders experiencing financial difficulties.

Of those that do not use a debit card (just over 10 million), almost one in three (29%) indicated that they do not have enough money to qualify for a debit card. This may just be a perception, or they might have applied and did not qualify for some reason. Interestingly, 15% claim they do not know enough about this payment method. Several other reasons are given, such as no bank facilities in the area (5%), most likely referring to areas outside metro regions, far away from large towns or business centres.

Those who believe they do not earn enough to qualify are linked with age and income. These practical reasons, as stated, may be perceptions or real experiences but from an NPS policy perspective, there are no criteria stipulating that one has to have 'enough' money to qualify for a debit card. This highlights a financial literacy issue that needs attention to address the perceived barrier.

Figure 40: Why some people do not have a debit card



7.3 Credit card payments

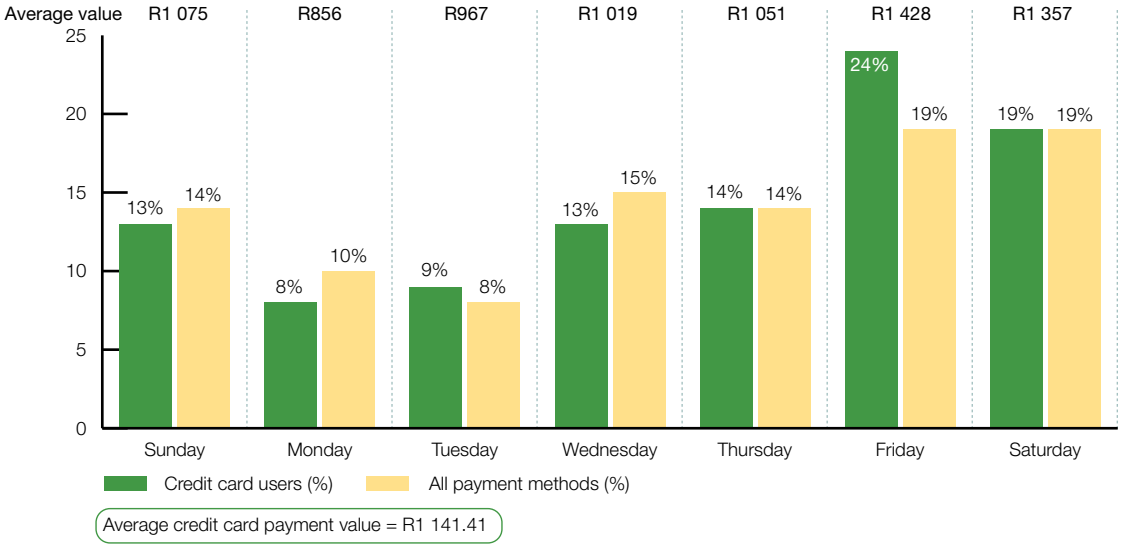
Table 11: Summary table of credit card payments

Key indicators	SCPC	DCPC
Consumer population	3 075 878	7 518 623
Percentage of population (consumers)	8%	19%
Estimated percentage of payments (volume)		1.9%
Estimated percentage of payments (value)		4.3%
Total payment value over three months		R4 764 236
Average payment per transaction		R1 141.41

In the SCPC, the percentage of people with a credit card was measured at 8% of South Africans. In the DCPC survey the percentage is much higher at 19%. There are two reasons for this, namely that (i) the DCPC sample was skewed towards the more affluent to obtain higher volumes on less-often used payment methods; and (ii) the credit card may be used by others, not just the person in whose name it is registered, the latter being the more likely reason for the higher usage as the results show.

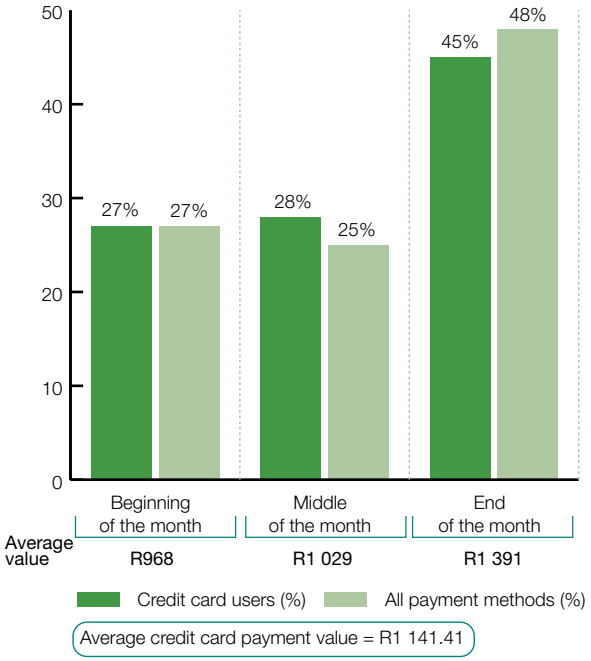
The weekday pattern for credit card payment usage is similar to other payment methods, particularly for Friday and Saturday payments. The average value is almost double that of debit card payments.

Figure 41: Credit card payments made by weekday



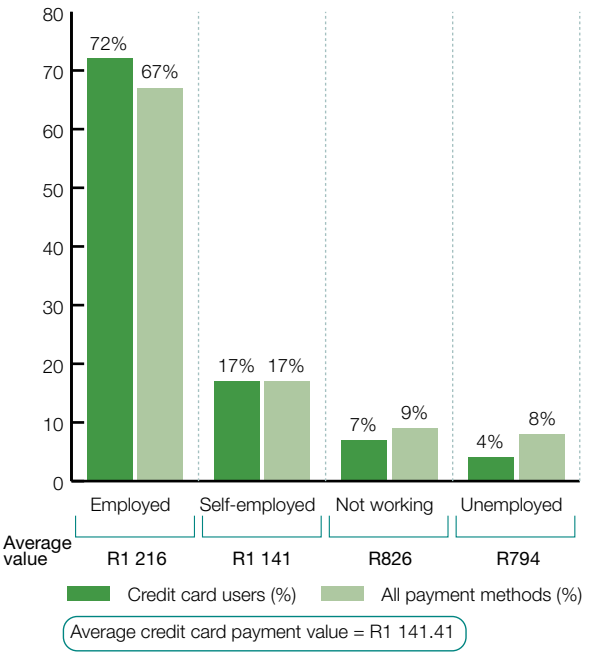
The monthly cycle payments are also very similar to those noted with cash and debit card payments. Month-end payments are a little more in terms of value representation than volume.

Figure 42: Credit card payments made by monthly cycles



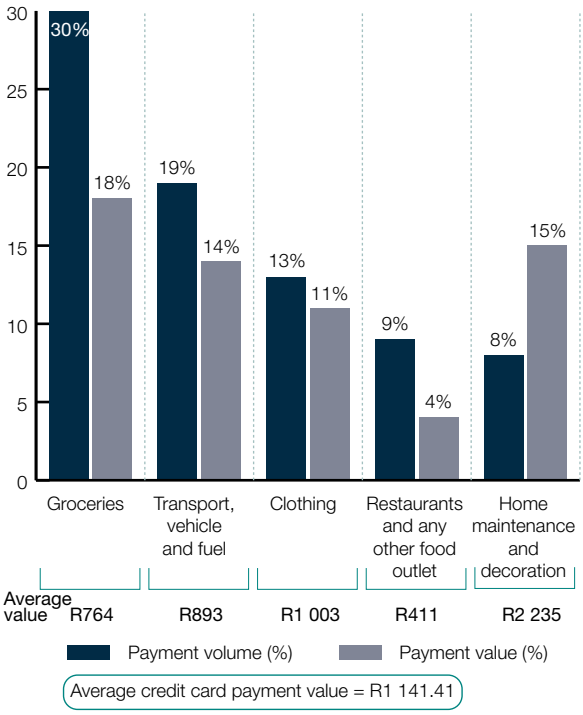
Other than the cash and debit card payments where the self-employed have greater average values, for credit card payments, the employed tend to use it for specific and larger payments.

Figure 43: Credit card payments made by employment status



The notion that credit cards are used as a stop-gap facility is most likely confirmed in the graph below. Although the order of the payment categories remains stable, the average value per transaction is higher than cash and debit cards.

Figure 44: What was paid using credit cards (1)

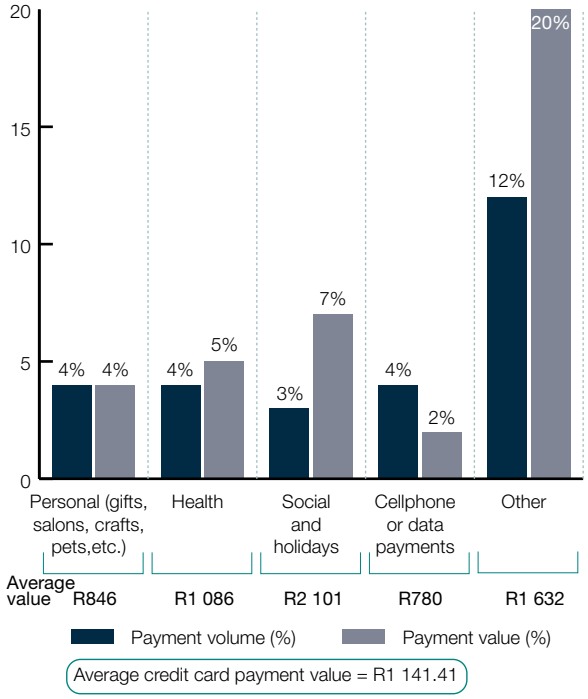


The average values and for what payments were made illustrate the value of having credit to pay for things that are difficult to cover in a normal month. The 'other' category represents 12% of payment volume but 20% of payment value, a further illustration that the high purchase value items are often paid for with a credit card. Included in this category are business payments, family support, rates, taxes, levies and rent, debt payments, investment, insurance and education.

Credit card ownership, as seen in the SCPC, is largely ring-fenced to the more affluent. This is confirmed with particular reference to the high-income group, most being in Gauteng.

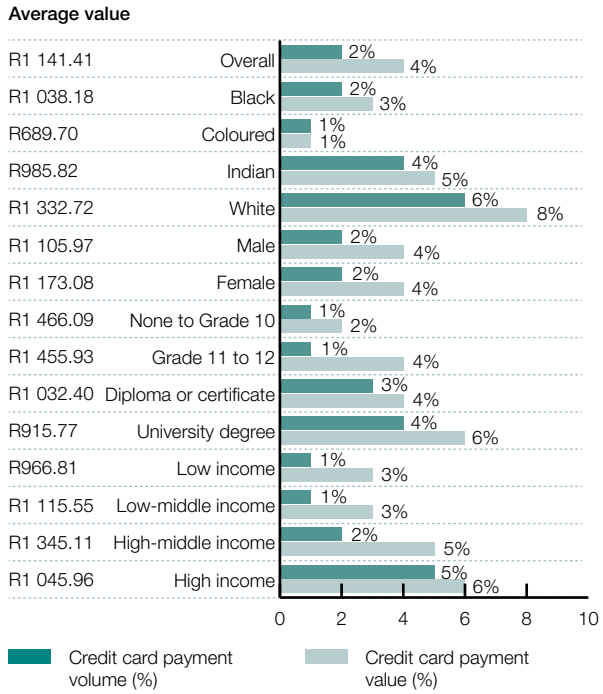
Interesting to note is that the average value per payment is much more stable across the demographic indicators, with the average value being R1 141.41, a high average compared to debit cards and cash.

Figure 45: What was paid using credit cards (2)



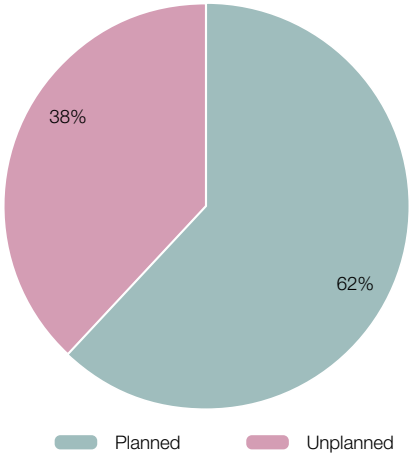
To further illustrate the value of the credit facility, in the below graph the average values for lower levels of education as well as lower levels of income are much higher compared to the average value of transactions for cash payments and debit card payments. The volume of transactions are low but the average value, and therefore the value contribution, is proportionally much higher.

Figure 46: Credit card payment volume and value differences across key demographic indicators



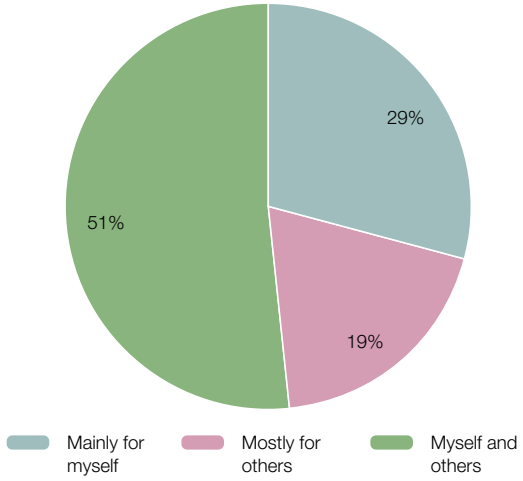
The fact that credit cards have a credit facility aligns well with the need to cover unexpected payments. It may not contribute that much to value but definitely in frequency. Considering the overall pattern was 80% planned versus 20% unplanned, the below graph illustrates the substantial change in pattern for credit card payments.

Figure 47: Planned versus unplanned payments using a credit card



The higher average payment value for 'mostly for others' is indicative of the cross-functional use of a credit card. Credit cards are not just used for own expenses but also to help others when in need, almost like a loan facility among friends and family. The 'mainly for myself' category changed from 32% (overall) to 29% for credit cards only, as seen below.

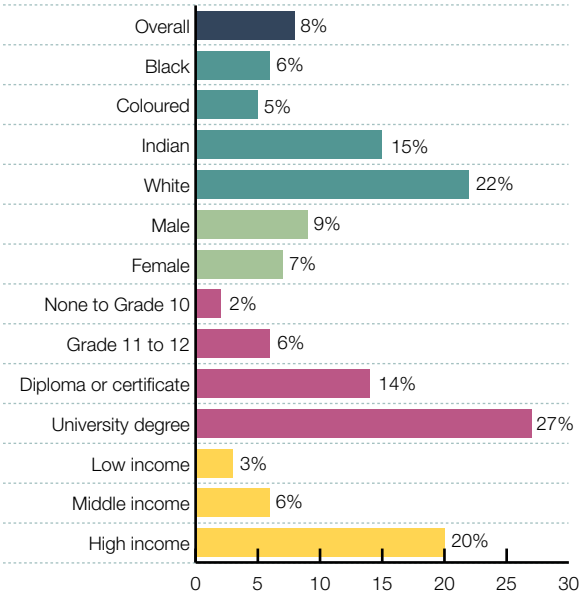
Figure 48: Beneficiaries of payments made using a credit card*



* Percentages are commonly rounded when presented in tables or graphs. As a result, the sum of the individual numbers may not always add up to 100%. Where the total adds up to 99%, please note this is due to rounding.

The profile of credit card holders confirms the level of education and higher-income levels of South Africans.

Figure 49: Credit card holder profile



The five major banks share the majority of the credit card holder market, with Capitec much less dominant compared to its share of the debit card market.

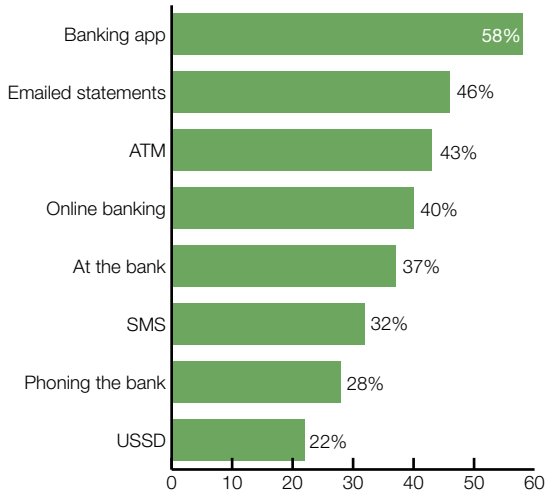
The main motivation to open a credit card is to have access to a credit facility at any time (37%), with the rewards, cash-back and loyalty points motivators in second place (25%), followed by the importance of a credit card for online and retail payments (11%).

Close to 8 out of 10 (77%) credit card holders have the card in their own name, meaning that the balance are joint account holders. It is therefore not surprising that the transaction data recorded in the DCPC showed a much higher population base and higher transaction value.

Most credit card holders access the account through the banking app (58%). However, the credit card access profile is much more diverse than for cash or debit cards. In other words, a range of account access points are relevant to credit card holders as seen in Figure 50.

The credit facility is accessed 5.63 times per year. Since the main reason cited for getting a credit card was to have access to credit at any time, the higher frequency of access to credit is sound. Only 12% of credit card holers did not access the credit facility in the past year, while 31% increased their credit limit in the past year. Consumers in the Western Cape (40%) seem to be under greater financial pressure and therefore the higher increased credit limit in the province makes sense. It was also the province with the highest percentage of those with insufficient funds on their debit card accounts.

Figure 50: Ways in which people access their credit card account



The higher-income earners (37%) increased their credit limit substantially more than the low-income earners (11%). Farmers or those living on farms (41%) also increased their credit limit more than other regions. The report's debt section provides further evidence of the higher percentage for farmers increasing their credit limit.

Despite the credit facility of a credit card, on average, credit card holders have insufficient funds 3.4 times a year compared to the 1.96 times per year, on average, for debit card consumers. The 58% of credit card holders who have experienced insufficient funds are also higher than that for debit card holders. The balance (42%) did not experience having insufficient funds when paying for something.

Those who experienced not having sufficient funds for a transaction at least once a year, represent a younger age profile and lower level of education. The joint account feature may play a role in these percentages.

As with debit cards, not having enough money to qualify for a credit card (24%) was cited as the

greatest barrier, followed by fees and service charges (17%). This may also include interest rates which are usually higher than other forms of credit. Fifteen percent stated that they did not meet the minimum criteria to get a credit card, while 7% said no bank will give them a credit card.

7.4 Internet banking payments

Table 12: Summary table of internet banking payments

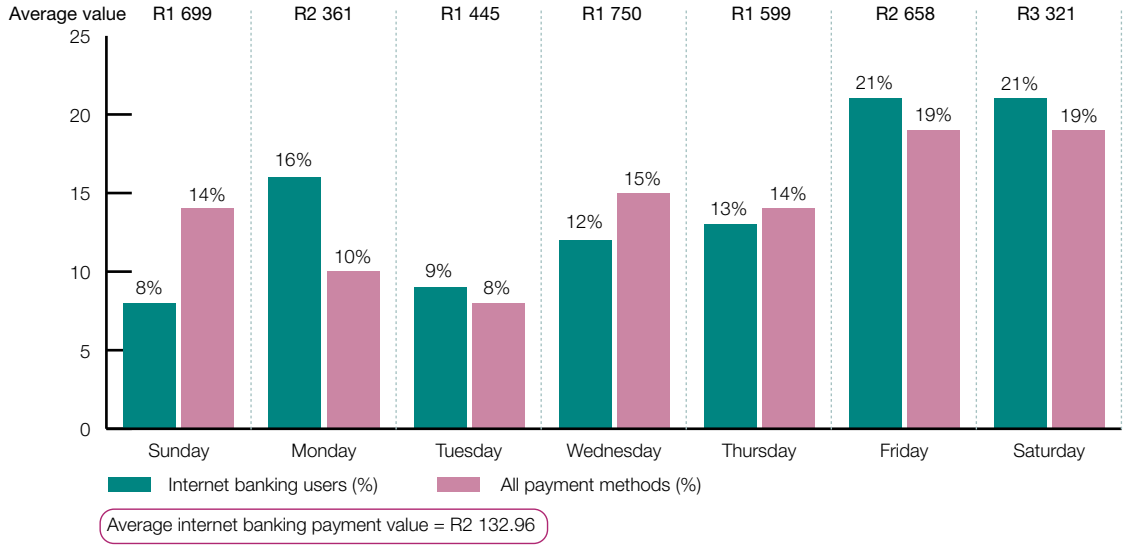
Key indicators	SCPC	DCPC
Consumer population	11 114 021	10 208 088
Percentage of population (consumers)	28%	25%
Average times per month it is accessed	5.76 times	
Estimated percentage of payments (volume)		1.6%
Estimated percentage of payments (value)		6.7%
Total payment value over three months		R7 444 034
Average payment per transaction		R2 132.96

Internet banking platforms have been available for longer than banking apps. In the SCPC, 27% of consumers in South Africa reported that they use their internet banking platform as a payment method, while the DCPC recorded 25%. Similar to banking apps (see Section 7.5), only certain payments are possible using internet banking or banking app payment methods. Most POS payments are not possible with these payment methods.

Two out of 10 (21%) consumers created their internet banking profile between 2019 and 2020, most likely coinciding with the COVID-19 pandemic, and almost 40% have been using internet banking for the past four years.

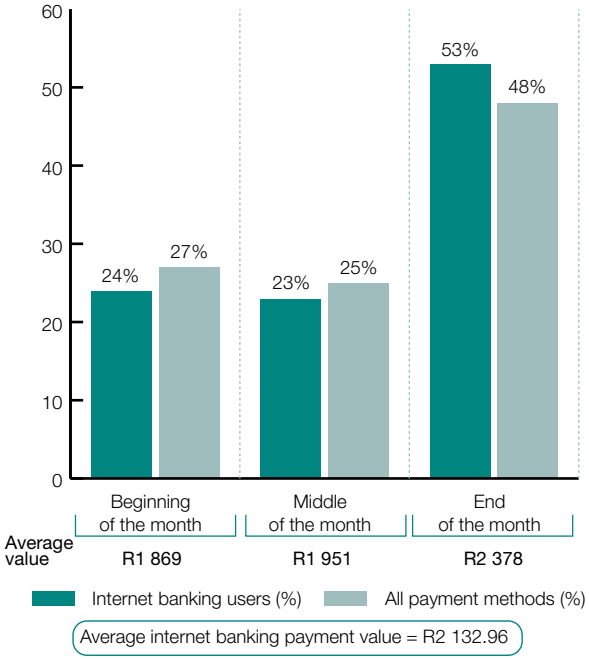
Usage of internet banking is more dominant on Mondays than on other weekdays. The average value for banking app payments is R1 136.80 whereas for internet banking it is almost double that at R2 132.96. However, payment volume for internet banking is lower and so is the payment value contribution.

Figure 51: Internet banking payments made by weekday



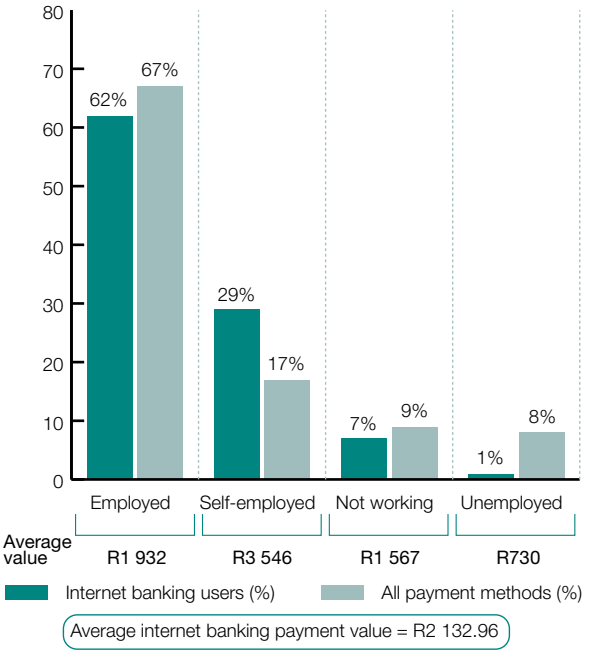
The internet banking payment platform is more commonly used for month-end payments than at other times of the month.

Figure 52: Internet banking payments made by monthly cycles



The employed cohort uses the internet banking platform more frequently than the other employment classifications. This is both in frequency and value. The average value difference is notable at almost double the average amount for the self-employed.

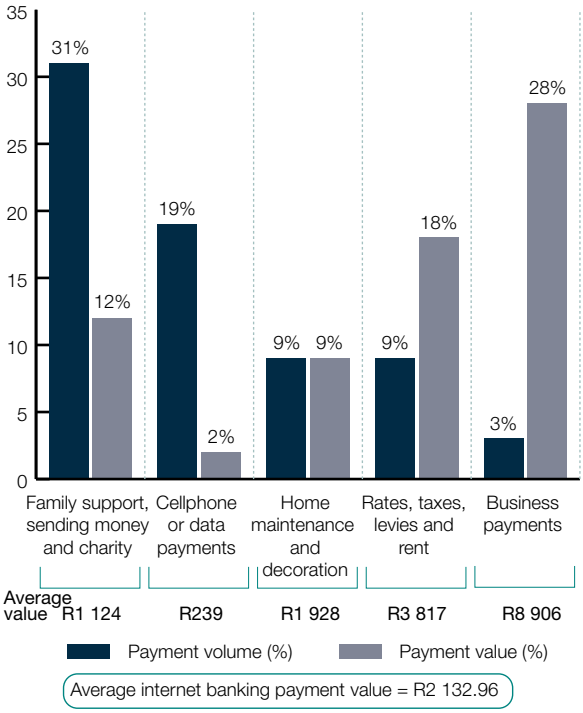
Figure 53: Internet banking payments made by employment status



In terms of what consumers paid for using the internet banking method, rates and taxes are usually month-end payments but much larger than home maintenance payments which may occur at any time of the month. With specific reference to the self-employed group, business payments are low in volume but much larger amounts per payment. A total of 238 internet banking payments for business expenses were recorded.

At an overall level, payment values for internet banking ranged from R50 to R85 000. The latter, which is an outlier, was a planned payment for a professional service.

Figure 54: What was paid using internet banking (1)



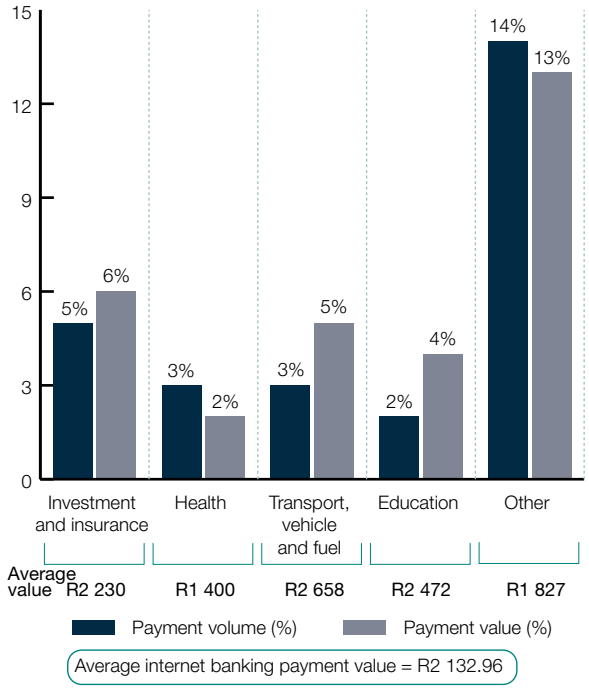
The POS payments are mostly excluded for internet banking payments as these are generally not listed as beneficiaries.

Groceries are paid for using the internet banking platform only 3% of the time, with a higher average value than cash or debit cards. These could include home delivery payments using the internet banking platform as an electronic funds transfer (EFT).

Comparing key demographic indicators across internet banking (Figure 56) and banking app profiles (Figure 62), both show very similar consumer profiles,

particularly in terms of level of education and income. Payment volume differences between male and female consumers are very small.

Figure 55: What was paid using internet banking (2)

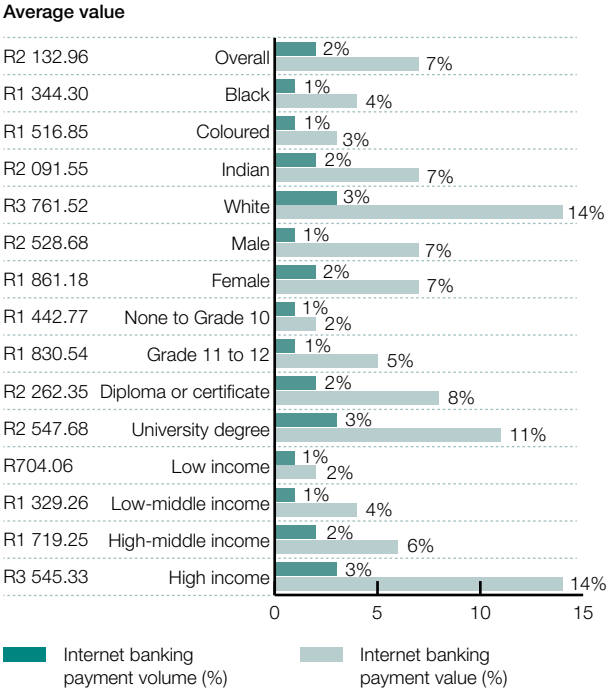


Internet banking payments are made more frequently by those aged 18 to 44 (64%) than the 45+ age group (36%). The pattern is very similar in value contribution. However, in terms of average value per transaction, the older age group has a higher average value of R2 820 compared to the younger age group (R1 749). The other indicators, such as income and level of education, follow similar patterns as observed in the banking app payment method profile.

Most internet banking payments are planned payments (86%), slightly more so than banking app payments. The unplanned payments are mainly focused on family support and sending money; these percentages are also seen in the beneficiary classification.

The main beneficiary group for internet banking payments are other people (39%), which sometimes includes the payer (37%). The average amount per payment is also higher when others are involved (R2 581). Of the 762 internet banking payments for family support or sending money, values range between R30 and R7 000. However, three payments of over R14 000 were recorded, two of which were made in Gauteng and one in the Western Cape.

Figure 56: Internet banking payment volume and value differences across key demographic indicators



Capitec (54%) dominates the internet banking market in terms of number of consumers, followed with an almost equal share by First National Bank (FNB) (15%), Absa (14%) and Standard Bank (13%). Nedbank has a 9% share. This information was established through a multiple response set and consumers may have more than one internet banking profile at different banks.

On average, consumers access their internet banking profile 5.76 times per month or roughly once or twice a week. Accessing the internet banking profile may not always include making a payment. It could also be to check balances, transfer funds from one account to another or to look for additional financial products or services.

7.5 Banking app payments

Table 13: Summary table of banking app payments

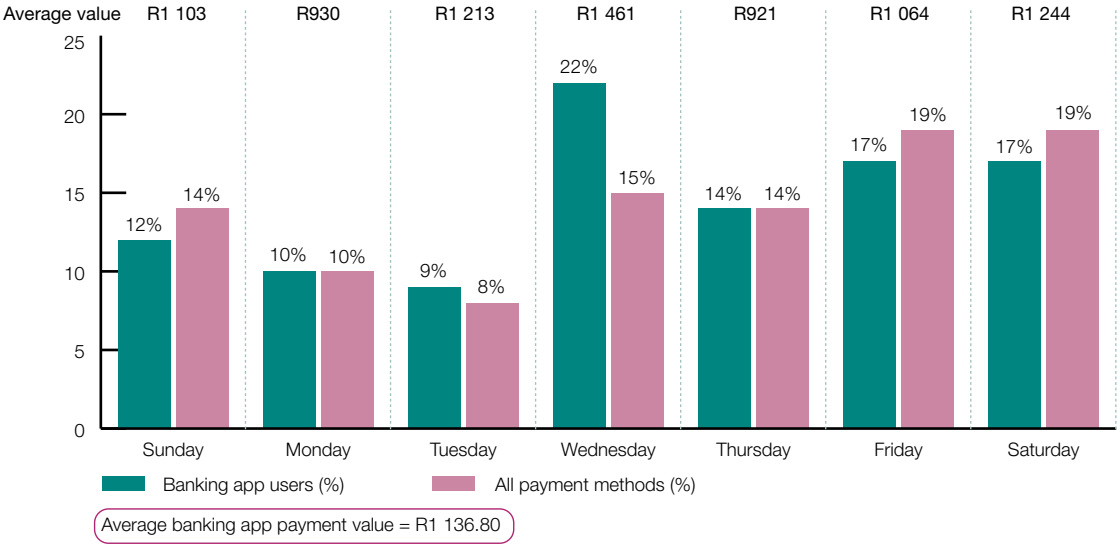
Key indicators	SCPC	DCPC
Consumer population	20 379 949	22 097 955
Percentage of population (consumers)	50%	55%
Average times per month it is accessed	6.12 times	
Estimated percentage of payments (volume)		5%
Estimated percentage of payments (value)		12%
Total payment value over three months		R12 867 444
Average payment per transaction		R1 136.80

In the SCPC it has been recorded that 50.3% of the population use banking apps as a payment method and 55% in the DCPC. Although there are many consumers of banking apps, these account for only 5% of overall payment volume and 11.5% or R12.9 million of payment value.

Banking apps are a more recent addition to managing money compared to internet banking. Six in 10 (61%) banking app consumers have been using it for the past four years. The main shift towards banking apps started between 2016 and 2018 when 23% of consumers created a banking app profile, compared to the 16% who created a profile before that. Between 2019 and 2023, 45% created a banking app profile. The global COVID-19 pandemic possibly also influenced the adoption of both internet banking and banking apps as payment platforms. Banking apps are accessed slightly more frequently (6.12 times per month) than internet banking profiles.

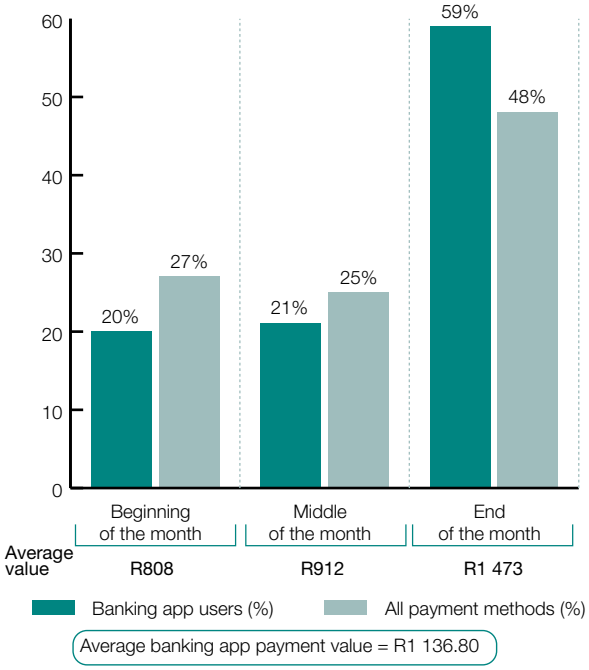
With the average payment value at R1 136.80, there is a slight variance across weekdays. At odds with the other payment methods having a higher frequency between Friday and Sunday, banking apps are mainly used on Wednesdays.

Figure 57: Banking app payments made by weekday



Monthly usage tends to support month-end payments both in terms of frequency and value. Considering the convenience of the banking app, which is accessible at any time and does not require the consumer to go anywhere to make the payment, the convenience factor may influence the mid-week payments when people frequent shops, banks, or other merchants.

Figure 58: Banking app payments made by monthly cycles



There is a slight advantage to the banking app for the self-employed person, which is the ability to transact without having to go anywhere. This group, proportionately, benefits more from the banking app than any other employment status cohort.

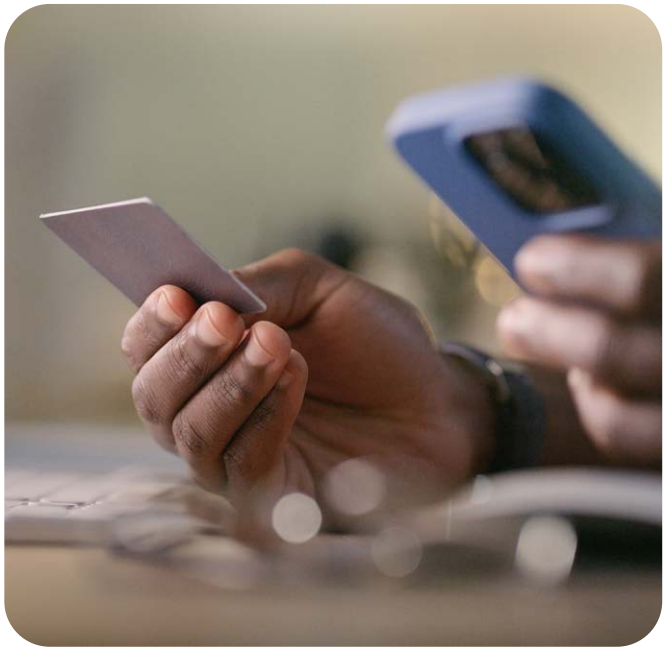
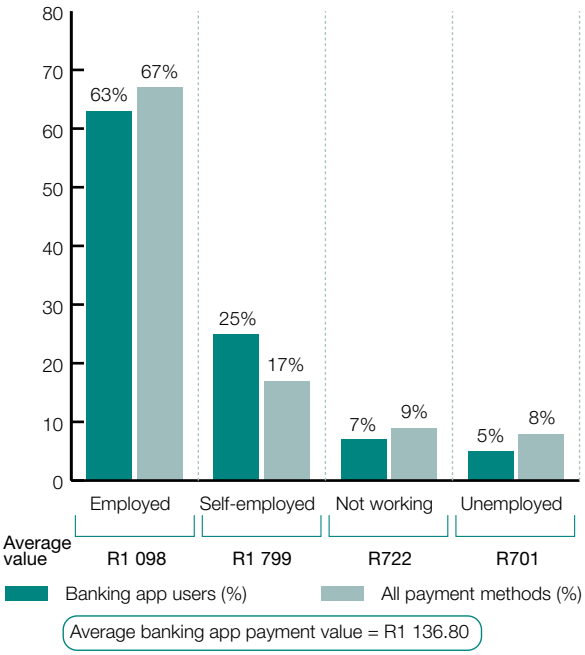
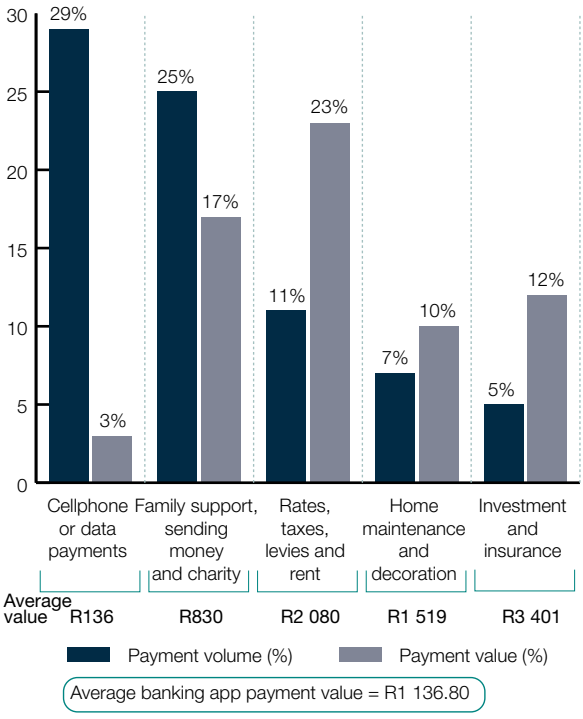


Figure 59: Banking app payments made by employment status



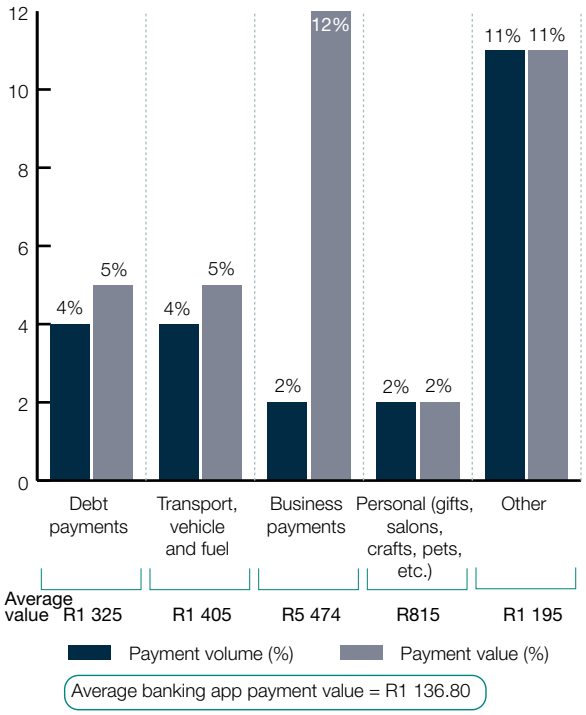
The real value of the banking app becomes evident in what the payment was for (i.e. cellphone or data purchases and family support payments). The former has the highest volume but lowest average payment value (R136.41). The use of the banking app for cellphone or data payments seems like an underutilisation of a sophisticated payment method. However, banking apps are a convenient way to top-up on data or airtime.

Figure 60: What was paid using banking apps (1)



The DCPC indicates that the banking app payment platform is a less relevant payment method for groceries, restaurants and most transport options as these are POS payments.

Figure 61: What was paid using banking apps (2)

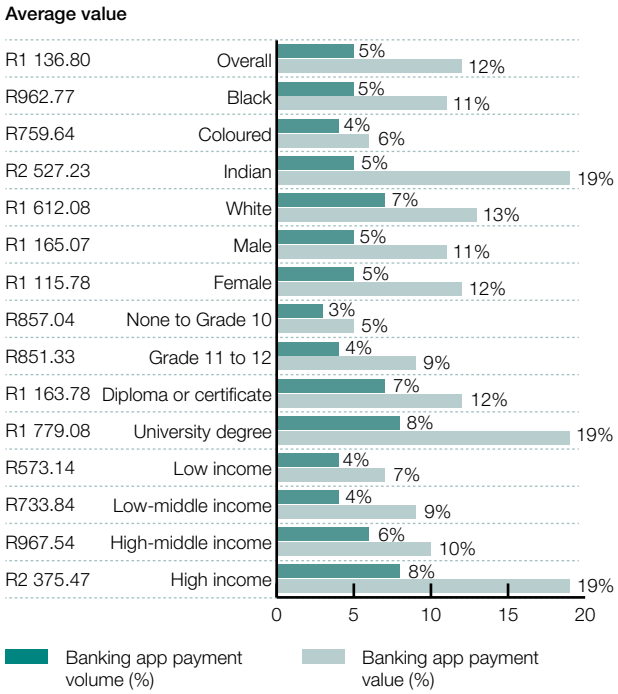


The banking app payment method is more suitable for large payments, such as investment and business payments. Education-related payments such as school fees or university surveys are relatively small (2.0%) in volume and in value compared to business payments, with the latter being more relevant to sole proprietors and the like.

With only 5% of payment volume actioned through the banking app, this payment method contributes a small proportion to overall volume. Regarding the consumer profile, it is more often used by the more affluent and those with a higher level of education. There are many payment functionalities available on the banking app platform, although evidence suggests that these are less frequently used.

As expected, higher value payments are observed to be more common among older consumers than the youth. For example, two transactions worth R420 000 are among 450 other payments within the same demographic cohort.

Figure 62: Banking app volume and value differences across key demographic indicators



Most banking app payments are planned (83%). Payments for the individual (him- or herself) (36%) are relatively lower in average value. There are clear patterns across demographic indicators such as level of education and income. The youth market (18–35) prefers the banking app over internet banking. Gauteng has a high prevalence of banking app users compared to internet banking.

The order of the banks with which consumers have a banking app remains the same as the internet banking profile usage, with 59% of consumers having a banking app profile with Capitec, surpassing its internet banking usage (54%). The list of banks is also shorter for banking apps than internet banking, with Sasfin and Investec banks having a marginal presence (2%).

7.6 Sending money

Table 14: Summary table of sending money

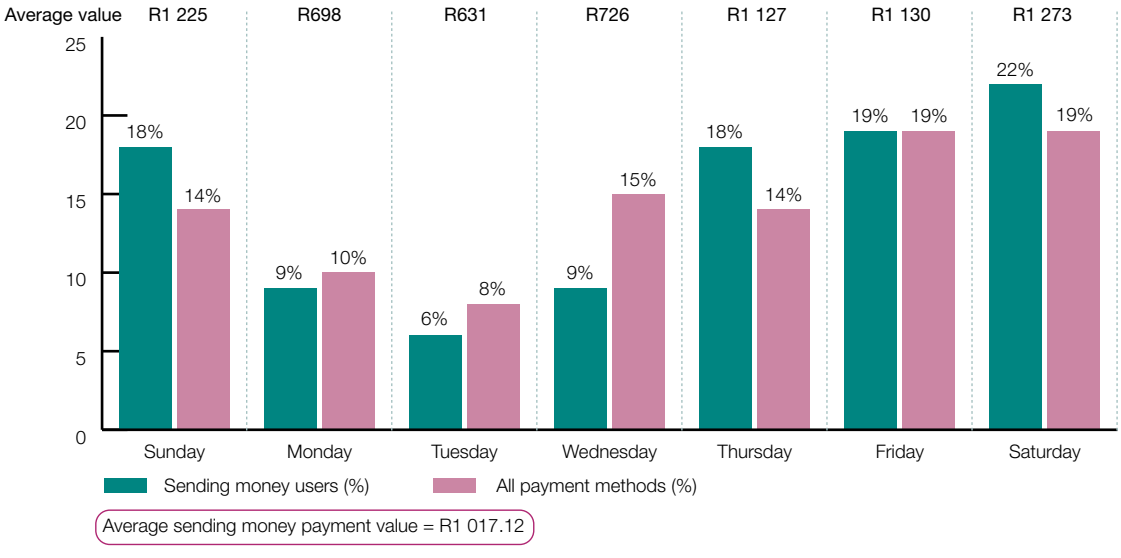
Key indicators	SCPC	DCPC
Consumer population	24 259 280	6 427 659
Percentage of population (consumers)	59.9%	16%
Average times per month it is accessed	3.47 times	
Estimated percentage of payments (volume)		0.5%
Estimated percentage of payments (value)		1.0%
Total payment value over three months		R1 129 004
Average payment per transaction		R1 017.12

In the SCPC, about 60% of the population reported that they send money to others living in and outside South Africa. It is possible that some consumers may have interpreted the sending of money as a transaction, meaning they paid someone using another payment method and included this under 'sending money'. This is a learning for subsequent surveys to refine the questions around this payment method and what it includes and excludes. The DCPC survey recorded far less usage of this payment method and is more realistic, especially based on volume and value contributions of the payment method.

Remittances, the most common association with sending money, are one part of the sending money payment method, as not all sending money transactions are remittances. The remittance market is also mostly associated with foreigners living and working in South Africa who send money to their families back home. The remittance market is further complicated by for instance Hawalas[13] and other informal service providers. This survey focused on the formal and organised market.

Most agree that the services are convenient, easy to set up, widely accepted and secure. Hidden costs or costs associated with using the platforms available have been highlighted as barriers. Usage in Gauteng dominates the provincial profile. Minimal differences are seen between male and female consumers.

Figure 63: Sending money payments made by weekday

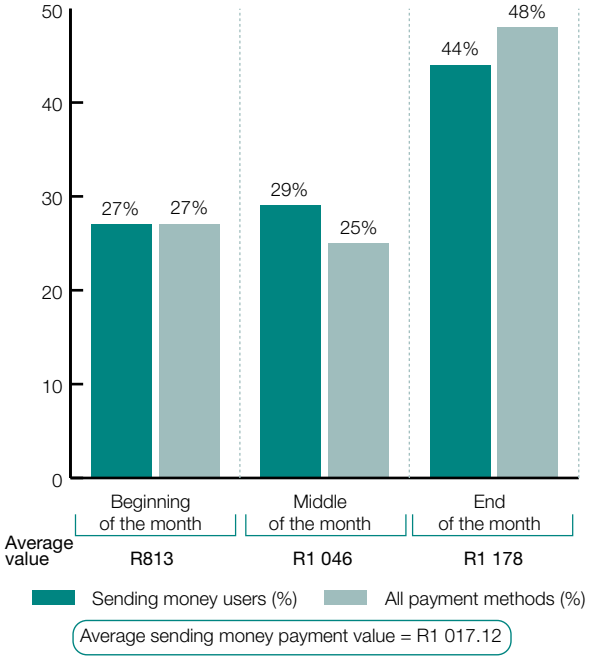


13 See https://www.investopedia.com/terms/h/hawala.asp for an explanation about Hawala.

From a weekday perspective, the sending of money by participants is more frequent on Thursdays, Fridays, Saturdays (in particular) and Sundays. These do not necessarily coincide with month-end patterns.

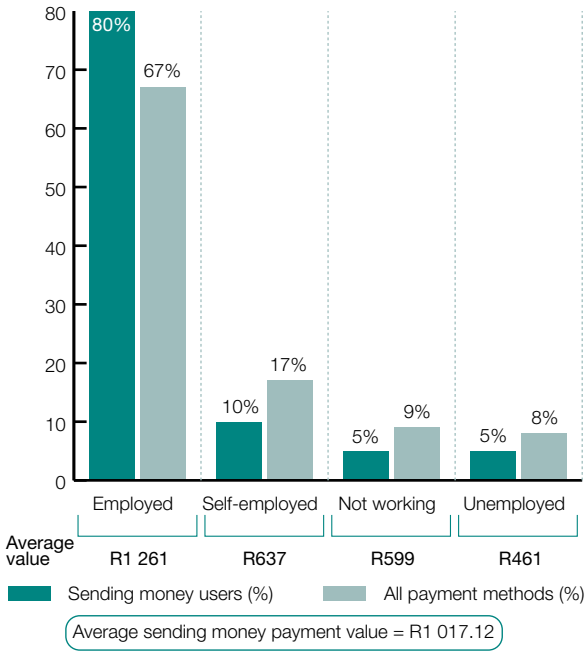
The frequency of using the sending money payment method aligns with the beginning, mid, or end-of-month patterns, setting aside the notion that these payments only happen when people receive their salaries. Of course, if the person receives a weekly wage, the below graph will not illustrate the pattern well. Despite the higher frequency towards month-end, the average value also increases, although by a smaller margin than frequency.

Figure 64: Sending money payments made by monthly cycles



As expected, those who earn money through employment send money more frequently. This is not an exclusive pattern but clearly visible in the frequency and average value of the payments.

Figure 65: Sending money payments made by employment status



As expected, sending money is to support other family members, relatives, or others and therefore the high frequency (75%) as seen in Figure 66. Some using the payment method specified for what the money would or should be used, such as groceries or transport.

Although the overall average value for sending money payments is just over a R1 000, great variance is observed in the values across items purchased. The 'other' category includes for instance investment payments, which were the largest in value but only accounted for 0.7% of all sending money transactions.

Figure 66: What was paid using the sending money payment method

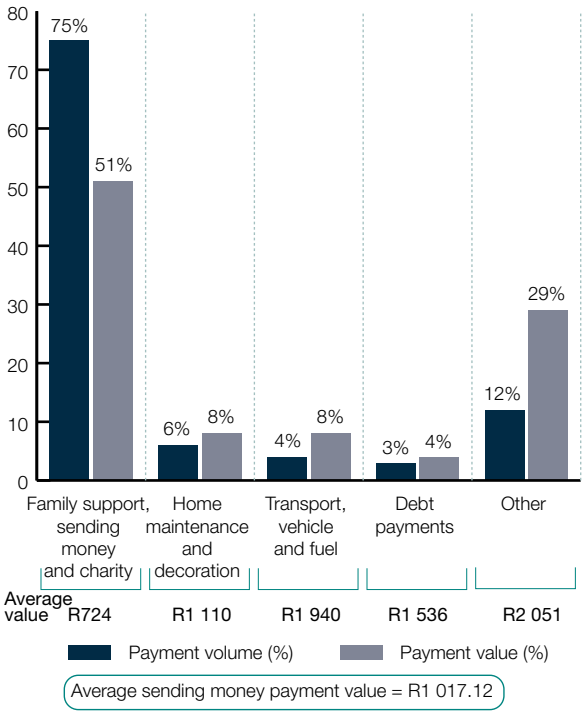
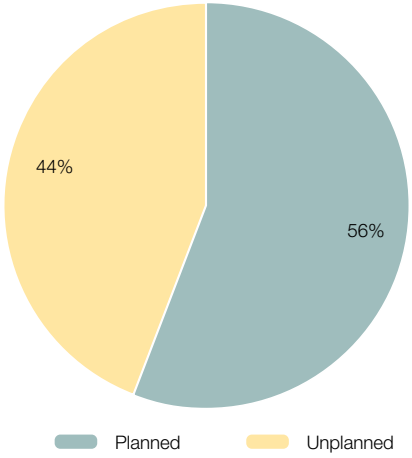


Figure 67: Planned versus unplanned payments using the sending money payment method



At 0.5%, the volume of payments using this payment method is small in proportion to the overall volume. Although the sending money market is mostly associated with cross-border trade and payments, there are other demographic groups that also make use of the payment method. This is evident in the level of education and income demographic cohorts.

The average value is just over R1 000, with most of the demographic indicators recording a range between R500 and R1 500, apart from the outlier values observed.

Sending money payments are by nature to support others; it is therefore expected that a higher frequency will be unplanned or unexpected payments. Apart from the frequency difference, the unplanned payment average value (R1 323) is substantially higher than planned payments (R849).

The four dominant platforms are FNB's eWallet, Capitec's Immediate payments, Absa's CashSend and Standard Bank's Instant Money. Nedbank's Send-iMali is in fifth place together with Mukuru. The balance of the platforms are less known.

The dominance of Capitec in terms of debit cards may be the reason why usage is much higher compared to awareness. The five largest banks in South Africa remain at the top, with Mukuru and PayPal as the non-bank alternatives. Forty-two sending money platforms were measured in the survey and almost all are used by South Africans, even if by just a few. The sending money market is complex.

The overall satisfaction rating using the sending money payment method is high at 90%, with ease of use (24%), convenience (15%) and quick (14%) as the three dominant reasons why consumers choose this payment method.

7.7 Other payment methods

In this section, three payment methods – digital payments, loyalty card payments and cardless payments – are combined. The headline summary for each is illustrated separately but the consumer profiles are combined as the number of people using these payment methods is small.

In the SCPC, digital payment methods included swiping, dipping or tapping POS transactions as well as standard and instant EFTs, hence the much higher consumer population. The DCPC focused exclusively on digital payment methods such as Nedbank MobiMoney, EasyPay, quick response (QR) code apps, SnapScan, PayFast, Masterpass, Apple Pay, Samsung Pay and others.

Table 15: Summary table of digital payment methods

Key indicators	SCPC	DCPC
Consumer population	30 627 135	2 329 391
Percentage of population (consumers)	75.6%	0.2%
Average times per month it is accessed	4.80 times	
Estimated percentage of payments (volume)		0.2%
Estimated percentage of payments (value)		0.2%
Total payment value over three months		R660 990
Average payment per transaction		R1 105.34

In the SCPC, participants indicated loyalty card usage as part of the payment transaction process; however, few of these are actual payment cards. The DCPC survey captured transactions that were made using a loyalty card, such as FNB's eBucks card. Only 0.1% of the 210 207 recorded payment transactions were made using a loyalty card.

Table 16: Summary table of loyalty card payments

Key indicators	SCPC	DCPC
Consumer population	32 092 829	1 253 792
Percentage of population (consumers)	79.2%	3%
Average times per month it is accessed	5.29 times	
Estimated percentage of payments (volume)		0.1%
Estimated percentage of payments (value)		0.3%
Total payment value over three months		R287 315
Average payment per transaction		R1 288.41

Cardless payments, also known as virtual card payments, recorded between the two surveys are more aligned. The SCPC asked about using this payment method in the past year, whereas the DCPC recorded actual transactions over a three-month timeframe, hence the lower recorded percentage in the DCPC.

Table 17: Summary table of cardless payments

Key indicators	SCPC	DCPC
Consumer population	6 080 901	3 210 687
Percentage of population (consumers)	15%	8%
Average times per month it is accessed	4.18 times	
Estimated percentage of payments (volume)		0.6%
Estimated percentage of payments (value)		0.6%
Total payment value over three months		R680 321
Average payment per transaction		R736.28

The three payment methods combined have a volume share of 0.9% and value share of 1.1%. These are complex payment methods with a very small consumer base.

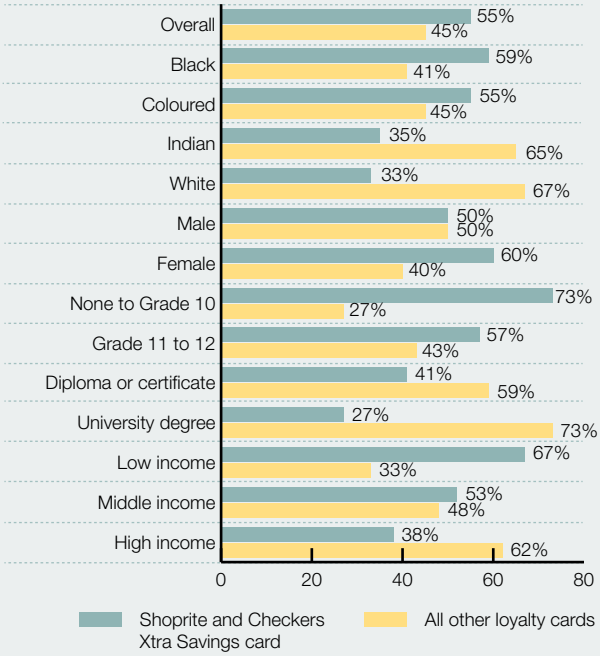
FACT BOX 5: The loyalty card dynamic

The most dominant loyalty card programme in South Africa that is used most often is Shoprite (44%) and Checkers' (11%) Xtra Savings cards. Although there are two cards, these are part of the same programme serving different outlets. In a distant second place, losing ground in the past few years, is Pick n Pay's Smart Shopper card (15%). The statistics illustrated here are for 'used most often'.

Comparing the Shoprite and Checkers Xtra Savings profile to all other loyalty card programmes illustrates the unique coverage of this loyalty programme.

The other loyalty card programme players include (in order of size of the programme): Pick n Pay Smart Shopper, Spar Rewards, Capitec Live Better, Clicks Clubcard, FNB eBucks, Absa Rewards, Shell V+, Woolworths WRewards, Standard Bank UCount, Nedbank Greenbacks, Dis-chem Benefit, PEP Club Card and 17 other loyalty card programmes.

Figure 68: Loyalty card comparison across key demographic indicators



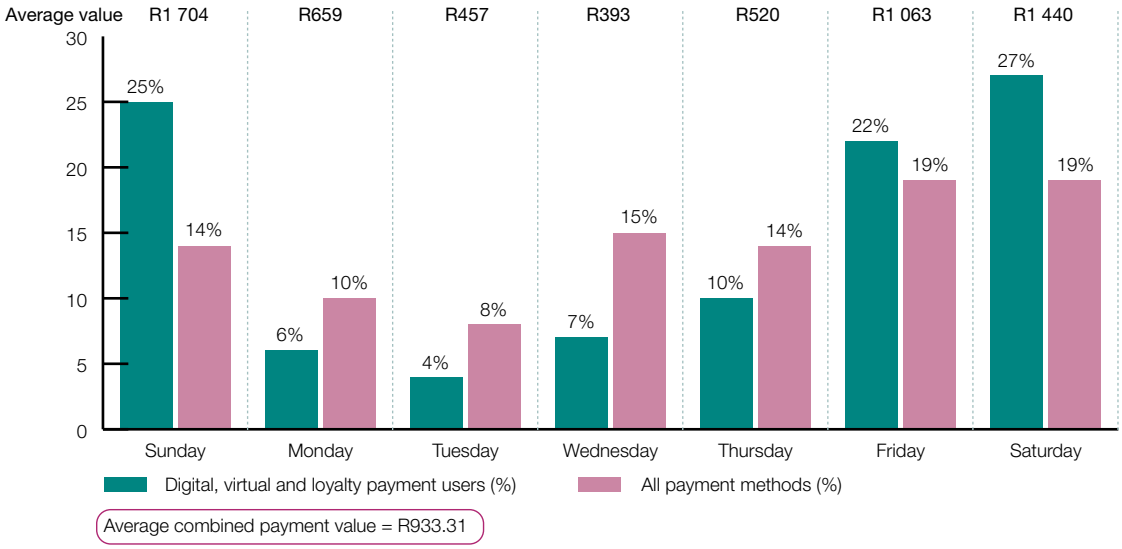
The most dominant loyalty card programme in South Africa and used most often.

Shoprite **44%**

Checkers' Xtra Savings **11%**

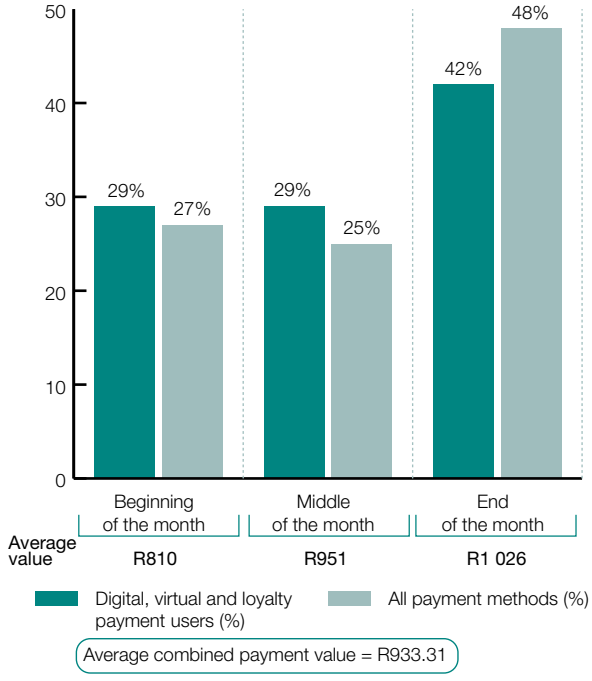
Returning to the combined view of the remaining three payment methods, the combined usage of these payment methods is dominantly over the weekend. One would assume a different payment pattern regarding items bought, but this is not the case. It is also a useful payment method for unplanned payments.

Figure 69: Three combined payment methods made by weekday



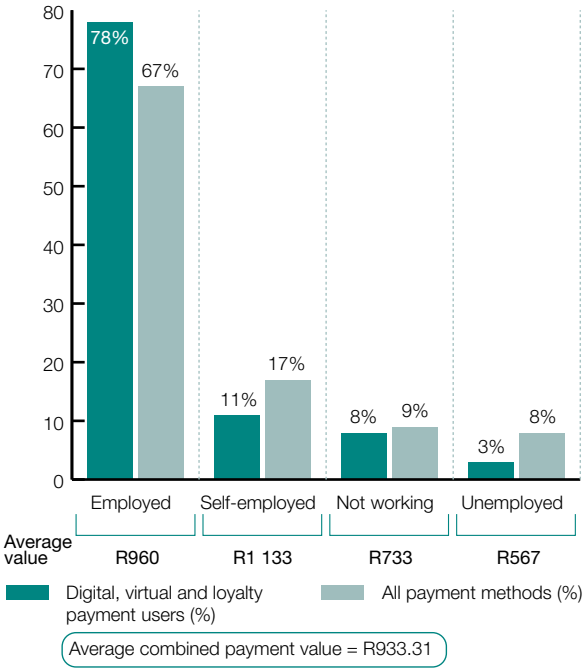
In terms of monthly usage, there is little difference with all other payment methods. The average payment value is higher than the national average of R529.21, therefore illustrating greater payment values but used much less often than for instance cash or debit cards.

Figure 70: Three combined payment methods made by monthly cycles



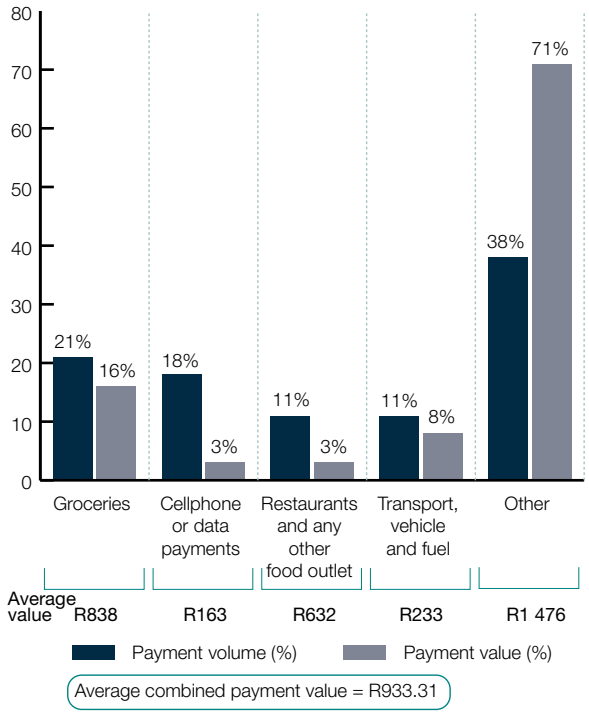
The three payment methods are used more often by the employed, although not exclusively. As seen with other payment methods, the employed have greater financial means to interact with different payment methods. There are several cause-effect relations between employment and payment methods, one being that those who are employed are also exposed to different conversations with colleagues who may share their experiences using different payment methods. The adoption is therefore greater among this cohort. These are mere assumptions at this stage and would require further research to prove the correlations as causal.

Figure 71: Three combined payment methods made by employment status



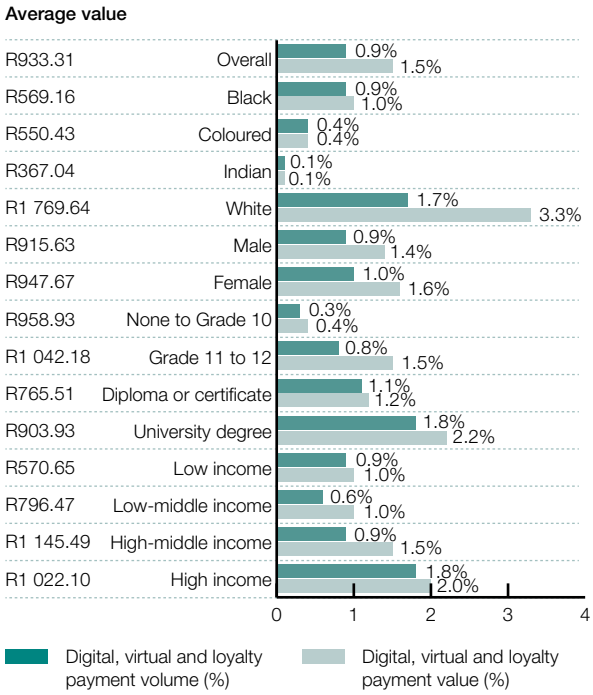
Many participants make cellphone or data payments, although these are generally small amounts per payment. The payment value of groceries is generally higher than the average cash payment; therefore the three payment methods are higher in volume but less in value. With these low volumes it is expected that the outlier high values will show erratic data patterns across smaller payment categories.

Figure 72: What was paid using the three combined payment methods



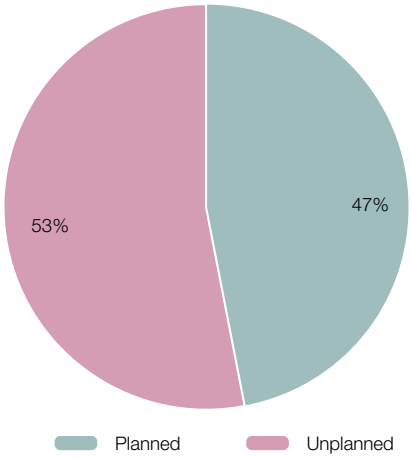
From a volume perspective, the youth, more educated and more affluent groups tend to dominate usage across the three payment methods. Although this is not an exclusive tendency, the pattern is pronounced. With the overall value of R933.31, the average across most demographic clusters remains stable.

Figure 73: Three combined payment volume and value differences across key demographic indicators



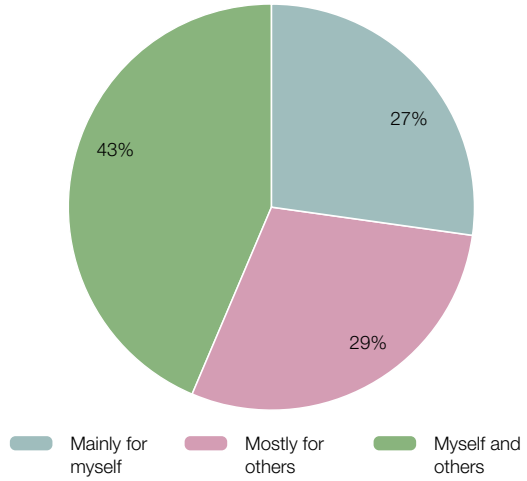
Interesting to note is that the use of these payment methods is for as many unplanned as planned payments.

Figure 74: Planned versus unplanned payments using the three combined methods

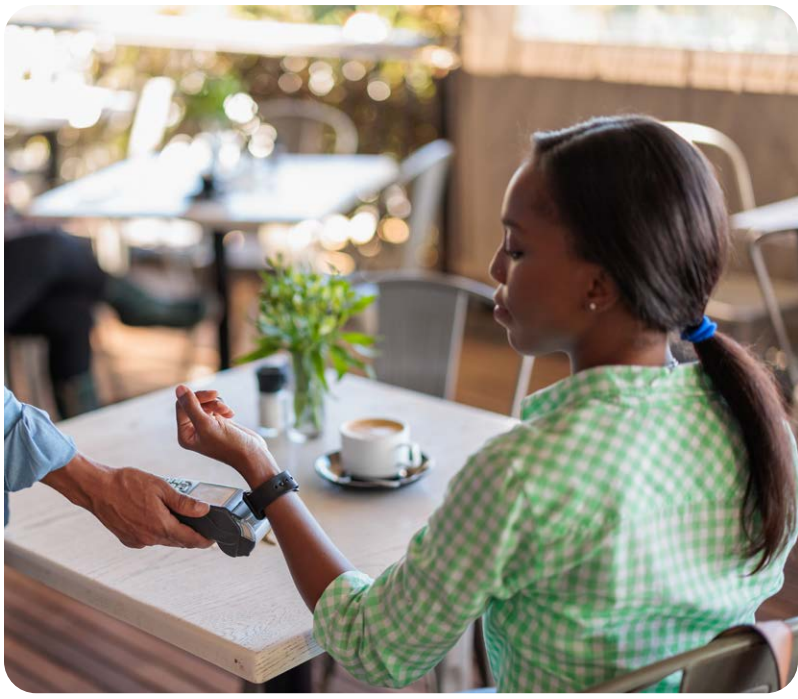


Most payments are for 'myself and others' as is the case with the overall DCPC data. The 'mostly for others' is higher than the average, which illustrates the unplanned nature of the payments seen earlier.

Figure 75: Beneficiaries of the three combined payment methods*



* Percentages are commonly rounded when presented in tables or graphs. As a result, the sum of the individual numbers may not always add up to 100%. Where the total adds up to 99%, please note this is due to rounding.

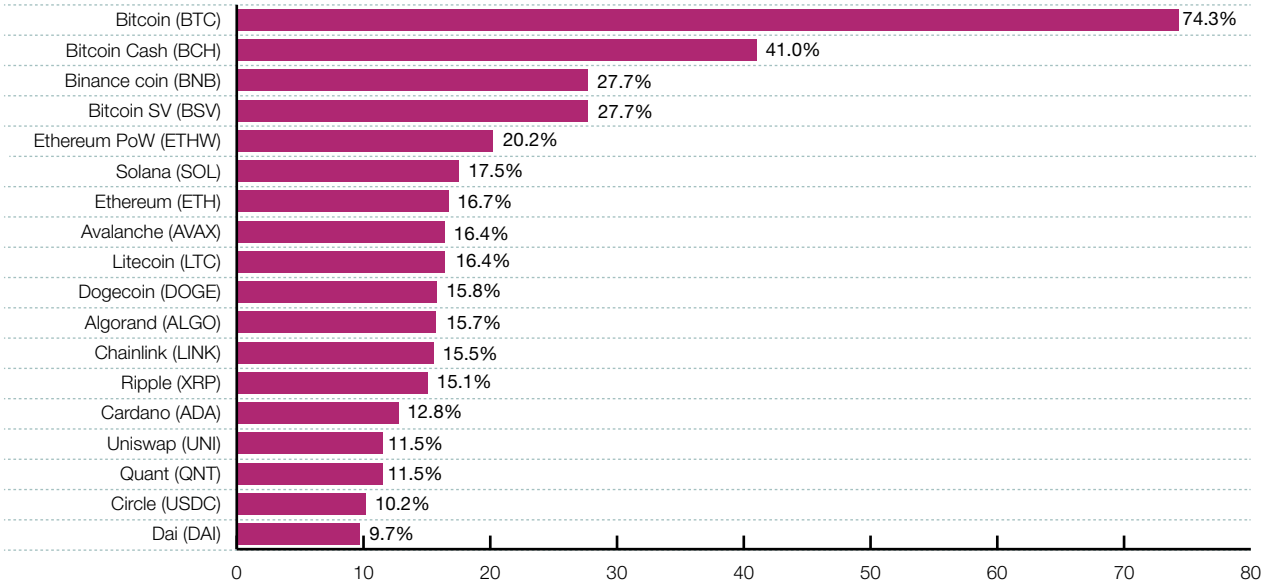


7.8 Crypto assets

The crypto-asset market, dominated by Bitcoin and its derivatives, has subsided in recent years. However, it is important to understand the support and investment in the crypto-asset market in South Africa.

As the final payment method measured, crypto-asset investors constitute 2.30% of the population. Ninety-three percent of the population (37 598 207) are not aware of any crypto assets. The remaining 7% (2 918 501) know about crypto assets, as illustrated in Figure 76 below.

Figure 76: Crypto asset awareness



Bitcoin (BTC) and Bitcoin Cash (BCH) are observed to be the top-two crypto assets, with BTC by far being the best known. It is interesting to note that the lowest level of awareness is 10% for Dai (DAI). Although this is a small group of people, the awareness of available options is fairly high.

Of the 2% who do invest in crypto assets, 57% invested in BTC. This was a multiple response set so BTC investors may also have investments in other crypto assets. The crypto hype subsided somewhat in recent years following tremendous growth in the main crypto asset, namely BTC.

A wide range of other crypto assets have some investment value for consumers. Ethereum (ETH) and Ethereum PoW (ETHW) are collectively in second place, followed by Dogecoin (DOGE).

Most cannot remember when they first bought a crypto asset. However, based on the average of those who could remember, it was between two and five years ago – somewhere between 2017 and 2021. The 9% of those that do invest and who bought in the past six months are most likely following recent news that the crypto market will pick up again after substantial declines.

Most consider the purchase of a crypto asset as an investment. However, a range of reasons are given including those who are anti-establishment and do not trust the banks, favour the fact that there are no laws governing crypto assets, or do not trust the government. Few (21% of 2% of the population) mentioned that they use it to buy goods and services.

Both original investment values – US dollar (USD) and South African rand (ZAR) – have not shown any growth since the date of investment, which is likely between 2017 and 2021. A wide variety of platforms are used. Luno is no longer available but may have been used at the time of investment. There are 34 crypto-asset trading platforms listed below in order of use and all are used by the small group of investors.

Binance	Luno
Capital.com	Forex.com
Easy Crypto	Crypto.com
Coinbase	Bybit
HotForex (HF Markets)	Coinmama
AvaTrade	Gemini
Swissquote	ThinkMarkets
Revix	Alpari
eToro	OKX
FP Markets	GT.IO (Global GT)
IC Markets	CEX.io
Kraken	CMC Markets
FTX	Plus500
Gate.io	Go Markets
KuCoin	VALR
XTB	Mega trade
Dukascopy	XM

8. INVESTMENTS

At the opposite end of the payment profiles discussed up to this point, it is also important to analyse behaviour in relation to investments.

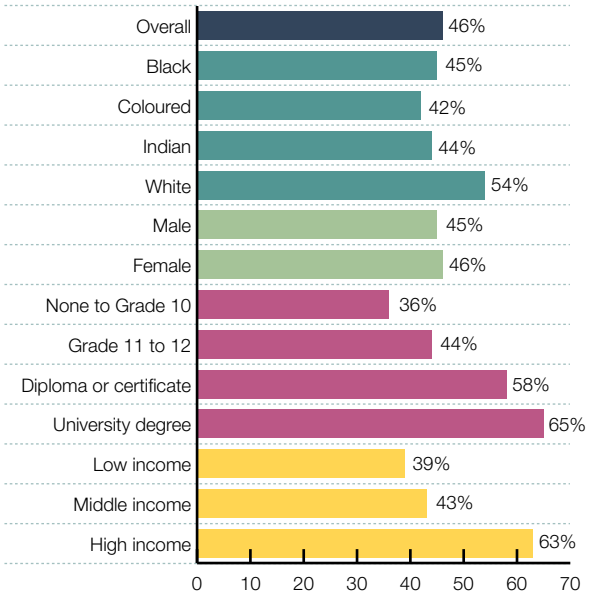
The interesting dynamic in the South African market is the large number of cash investments in informal saving mechanisms, such as stokvels and burial societies. The stokvel investment vehicle was considered a collective and no distinction was made between grocery stokvels, investment stokvels, holiday stokvels, birthday stokvels and the like. Further, burial societies may include funeral cover policies from the formal market. In future studies, it will be important to record these separately.

Less than half (46%) of the population invested money in the past year, with 14% making a separate or ad hoc contribution to their investment options. As will be seen, many of these are burial society or stokvel payments that are usually paid in cash. In line with expectations, the older South Africans invested more than the youth.

The top-three investment vehicles in South Africa, based on awareness, are burial societies (65%), stokvels (54%) and saving options at banks, such as a 32-day notice saving option or where the saving amount is linked to interest rates (51%) earned. New entrants to the investment market, such as fintech[14] (5%) and meditech[15] (4%) investment vehicles, received relatively low awareness scores.

The same three investment vehicles dominate the market, based on actual investments, with a collective share of 73%, split between burial societies (35%), stokvels (20%) and saving options with a bank (18%).

Figure 77: South Africans that invested in the past year



Four payment methods are used most often to invest money. These are cash (54%), debit cards (54%), banking app (21%) and internet banking (11%).

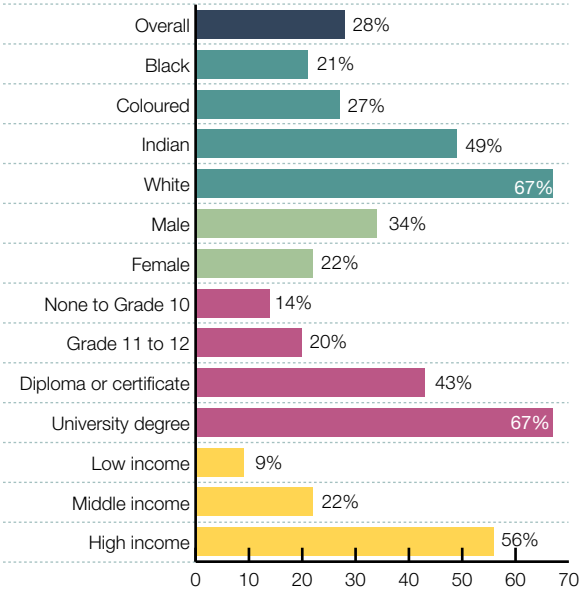
Apart from the top-three saving mechanisms mentioned, a host of other investment options are available, although not used by many. Figure 78

14 See list of abbreviations for definition.

15 See list of abbreviations for definition.

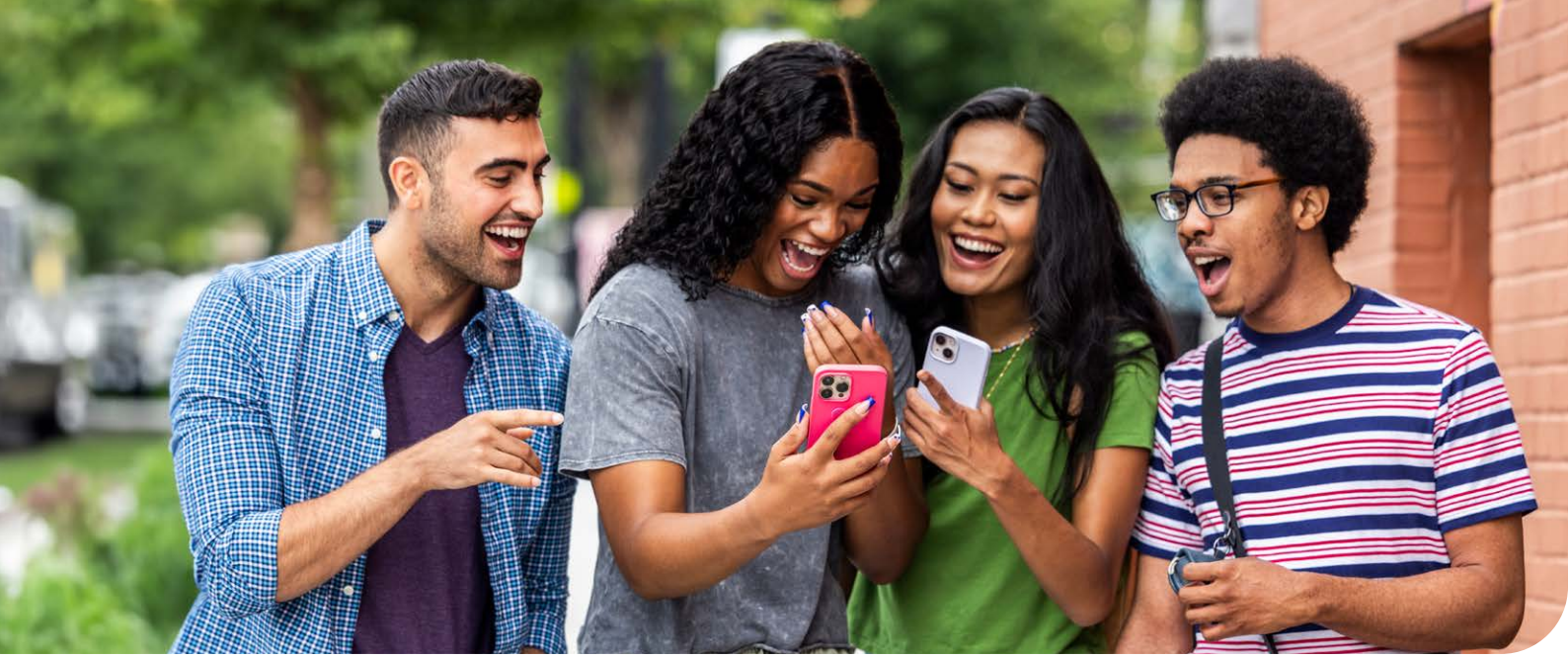
illustrates the other investment vehicles (as a collective) by key demographic indicators. There is a given prerequisite that these investment options usually require the services of a broker or investment adviser who understands how it works and what the right balance between investment options should be to ensure diversification in volatile market conditions.

Figure 78: All other investment options (collective)



Investment options included in the above are the following:

Retirement plans	Bitcoin or other crypto assets
Annuities	Stocks
Tax-free savings or investments	Private equity investments
Property	Exchange traded funds (ETFs)
Unit trusts	Meditech
Bonds	Fintech
Mutual funds	Commodities



9. DIGITAL TRANSFORMATION

Only a third (33%) of the population indicated that they have no difficulty adopting electronic or digital financial methods. The balance share a range of reasons including lack of knowledge (19%), lack of funds (17%), lack of control (9%), or other external factors.

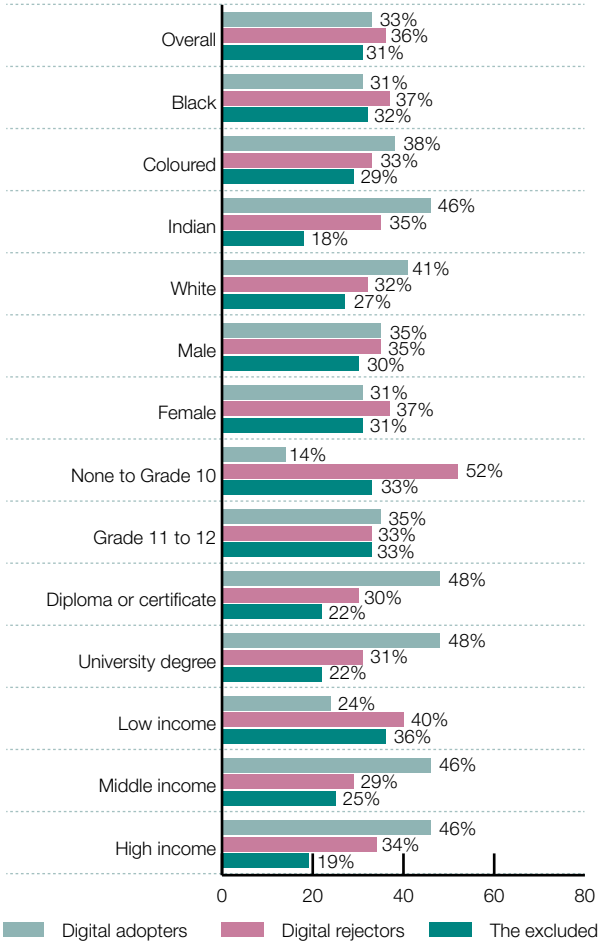
These reasons, together with other statements in the survey instrument were used to classify the market into three distinct categories:

- Digital adopters – those that have adopted digital platforms or technology and feel confident using these platforms or methods (33%).
- Digital rejectors – those that have no interest in or outright reject technology or digital platforms to transact or manage finances (36%).
- The excluded – those that have no interaction with technology platforms or digital payment methods due to structural or financial barriers (31%).

The latter group is excluded from digital payment options due to barriers to entry, such as no place to use it, merchants do not accept these payment methods, lack of funds, lack of stable data or internet access, costs of using the services are too high, or do not have the right equipment (smartphone, laptop, tablet).

Digital rejectors included those with sentiments such as lack of knowledge (or not willing to find out), security concerns, feeling less in control, not interested in technology, or scared of these methods.

Figure 79: Digital transformation cohorts by key demographic indicators



The level of education and income are the two most important aspects that influence the three clusters.

10. DEBT AND DEBT MANAGEMENT

Most people borrow money from friends or family (28%). This is followed by other informal borrowing agents such as loan sharks or mashonisa agencies (10%), stokvel groups (10%), colleagues (9%) or the retail store (borrowing or buying on credit) (9%).

Formal avenues such as banks (6%) are only considered after these options are utilised. Therefore, a large percentage of borrowed money is not recorded in the formal sector. According to the SCPC, more than half the population (52%) owe someone money; about half of this group (28%) did not know or refused to disclose the amount.

Thirty-eight percent considered that the current amount owed is about the same as last year, while 40% stated it is less or much less. This is most likely the aftermath of recovering strategies from the COVID-19 pandemic.

On average, the amount owed per person is relatively low at R5 435. White consumers owed the most at R33 381. As mentioned in section 7.3, the farming community has a higher average debt value than the other area classifications.

Only 3% of the country are under debt management. The average interest rate charged on borrowed money is 9.1%. The interest rate for white consumers, those who owe more to banks than other race groups, is slightly higher at 11.1%.

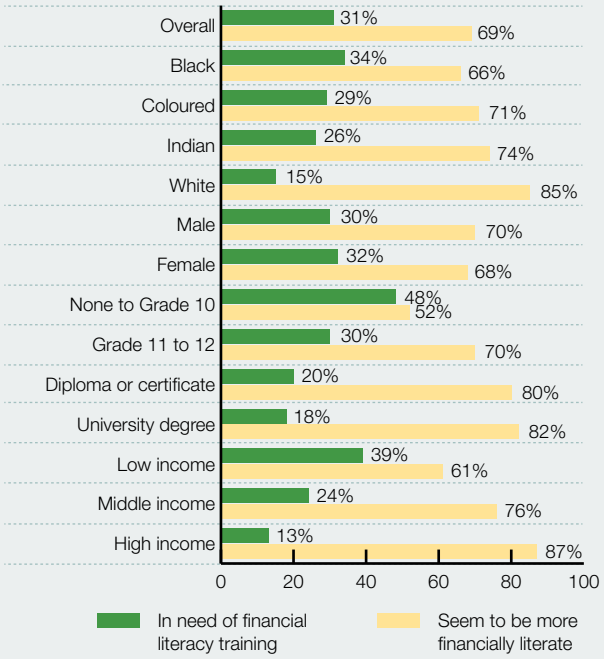
Table 18: Average amount owed by regional classifications

Area classification	Average amount owed
Metro	R4 774
Non-metro urban	R5 021
Non-metro rural	R1 258
Non-metro farms	R15 136

FACT BOX 6: A need for financial literacy across the payment method consumer base

In both the SCPC and DCPC surveys, participants were not asked if they have attended a financial literacy programme. However, from the responses received such as 'lack of knowledge' to the question of reasons for not using a particular payment method, two groups emerged, namely (i) those 'in need of financial literacy training'; and (ii) those who 'seem to be more financially literate'. Below is a profile of the two groups.

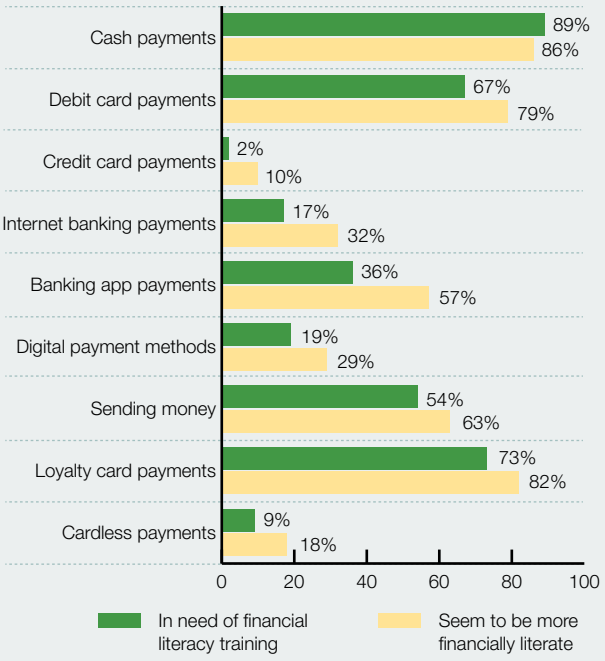
Figure 80: Indicative financial literacy needs comparison across key demographic indicators



The level of education and income are key indicators of those who are in need of financial literacy programmes. Taking this a step further, in terms of payment methods, the distinction between the two groups is clear. Apart from cash, all other payment methods are used less often by those in need of financial literacy training.

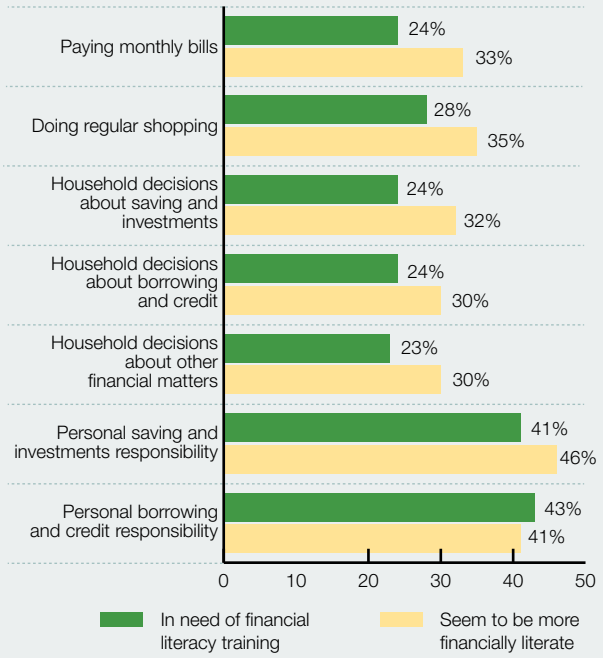
The third and final comparison focuses on the potential impact and possible exclusion from participating in household and individual financial decision-making processes. Those with a better understanding of financial systems, payment methods and financial planning are more likely to be involved in household and personal decision-making processes.

Figure 81: Indicative financial literacy needs comparison by payment method

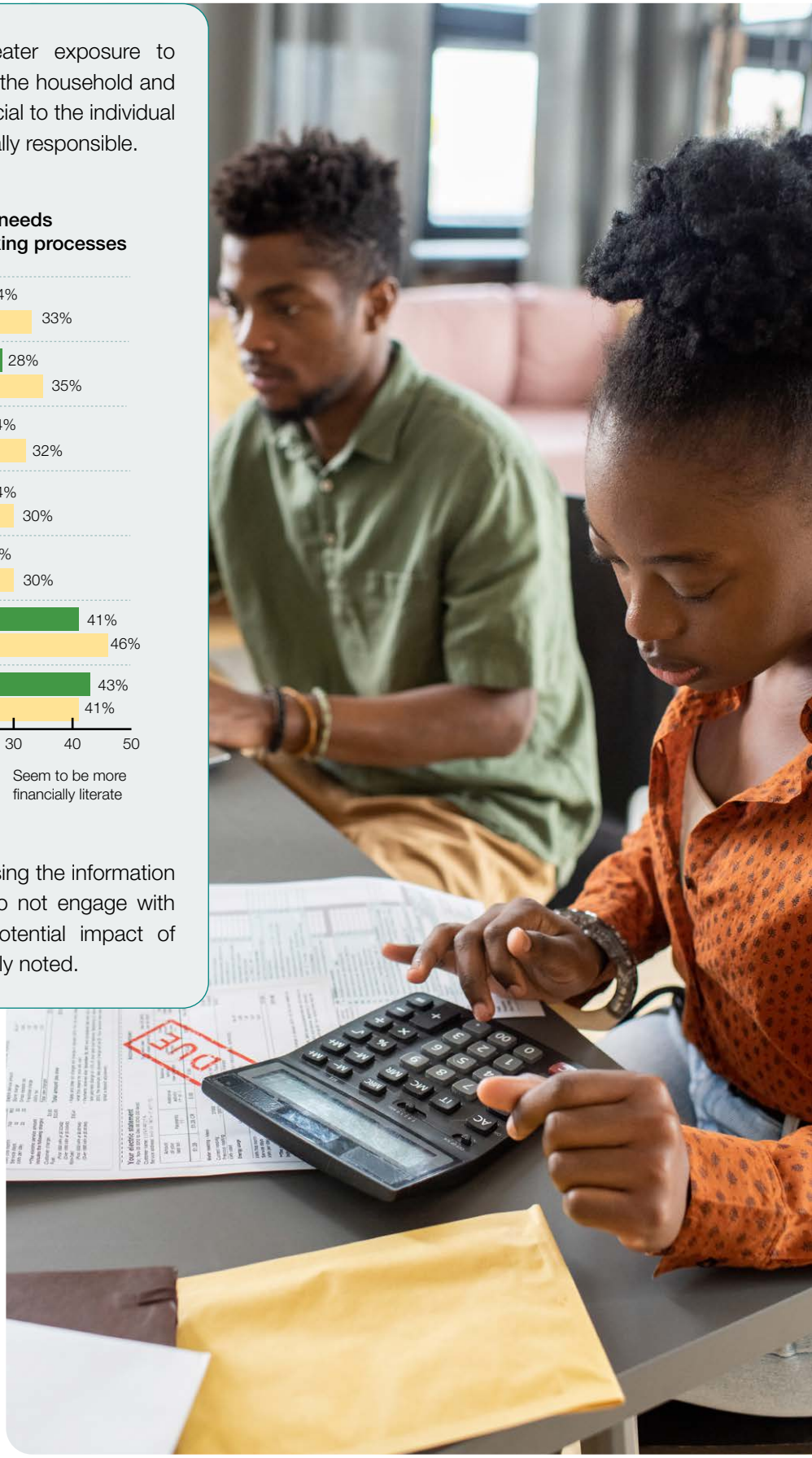


This will undoubtedly provide greater exposure to everyday decisions that could affect the household and may in the long term be more beneficial to the individual and those for whom they are financially responsible.

Figure 82: Indicative financial literacy needs comparison by financial decision-making processes



Although not definitive results, but using the information provided about why some do or do not engage with different payment methods, the potential impact of financial literacy programmes is clearly noted.



11. CONCLUSION

As the first study of its kind in South Africa, the payments landscape measured through individuals' payment data has an undercurrent of cash payments being highly complemented with debit card payments. The balance of the payment methods are exclusive, including internet banking. Banking apps are gaining traction and likely to continue growing as a payment method.

Other payment methods, such as digital payments (e.g. virtual cards), are offered by a range of service providers but remain niche and exclusive. The correlation between affluence and level of education against the different payment method applications is clear.

The interplay between cash payments and debit cards may be for practical reasons (i.e. to not carry a large amount of cash). The debit card is likely to continue to gain share over cash as a result of factors such as rising food prices, which lead to higher payment values per purchase.

The adoption of other payment methods over cash can also benefit from targeted consumer financial education or literacy efforts on payment methods and products, ensuring that consumers understand how the payment methods work, the benefits they offer and the risks they pose.

The deployment of this study has enabled key insights into consumers' use of payment methods, how different people use payment methods across the country and for what purpose the various payments are made.

The SARB will continue to share useful insights from these studies with which it aims to expand its repository of data relating to the NPS and to enable financial service providers to make the necessary interventions to drive adoption of digital payment services.

12. SURVEY SPECIFICATIONS

The following survey specifications are relevant to comply with standard research reporting protocols when shared publicly.

Study classification	Description
Research conducted by	MarkData (Pty) Limited
Confidentiality	All respondent information is kept confidential in line with the Promotion of Access to Information Act 2 of 2000 (POPIA) and ESOMAR Code of Conduct practices
Study dates	The surveys were administered between April and December 2023
Sample size	SCPC n = 3 068; DCPC n = 4 624
Sample selection	SCPC – multi-staged stratified random design based on Stats SA's 2022 mid-year population estimates DCPC – community-based panel recruitment off the SCPC national representative sample framework
Margin of error	SCPC – 0.89% at 95% confidence level DCPC – 0.41% at 95% confidence level
Data collection methodology	Telephonic and face-to-face interviews on CAPI devices
Weighting of data	Weighted, using RIM weight methodology. Weight efficiency was 87% and 82% respectively
Reporting	Percentages are rounded

ANNEXURE A: PAYMENT METHOD DEFINITIONS

The following payment methods were measured in this study. A short definition for each is provided.

Payment method name	Payment method description
Cash payments	All transactions where cash was used as the payment method, irrespective of the amount.
Debit card payments	Any debit, cheque, current, transaction or saving account bank card via swiping, tapping, or dipping with or without a pin code, including SASSA accounts, debit orders and retail store cards (not retail credit cards).
Credit card payments	Any credit card facility operated by Visa, Mastercard, or others. This includes retail credit cards (not retail store cards) via swiping or tapping with or without a pin code.
Internet banking payments	All internet banking transactions to pay for or send money, including EFTs or immediate payments.
Banking app payments	All banking app transactions to pay for or send money, including EFTs or immediate payments.
Digital payment methods	Any digital or smart payment methods such as scanning QR codes (e.g. Zapper, SnapScan, Masterpass, Ozow, etc.)
Sending money	Any transaction where money was sent to others in South Africa or abroad with eWallet, MoneyGram, Mukuru, Masterpass, Crypto, Shoprite Money Market and so on.
Loyalty card payments	Any loyalty card that has the capability to pay for goods or services such as eBucks, store cards and so on.
Cardless payments	Any cardless payments (also known as virtual card), using a mobile phone or smartwatch such as Samsung Pay and Apple Pay. It includes all USSD payments, mobile money and so on.

ABBREVIATIONS

ATM	automated teller machine
BCH	Bitcoin Cash
BTC	Bitcoin
CAPI	computer-assisted personal interview
DAI	Dai (crypto currency)
DCPC	Diary of Consumer Payment Choice
DOGE	Dogecoin
EA	enumerator area
EFT	electronic funds transfer
ETF	exchange traded fund
ETH	Ethereum
fintech	A clipped compound of 'financial technology' that refers to technology competing with traditional financial methods
FNB	First National Bank
meditech	A clipped compound of 'medical technology that refers to medical technology solutions with investment options
NPS	national payment system
NSFAS	National Student Financial Aid Scheme
POPIA	Promotion of Access to Information Act 2 of 2000
POS	point of sale (with or without cash-back functionality)
PPS	Probability Proportional to Size
QR	quick response
RIM (weighting)	random iterative method
SARB	South African Reserve Bank
SASSA	South African Social Security Agency
SCPC	Survey of Consumer Payment Choice
SMS	short message service
Stats SA	Statistics South Africa
T2B	Top 2 Box (netted score of the top-two attributes of a five-point Likert scale)
The study	South African Reserve Bank – Payments Study
USD	United States dollar
USSD	unstructured supplementary service data
Vision 2025	National Payment System Framework and Strategy: Vision 2025
ZAR	South African rand