

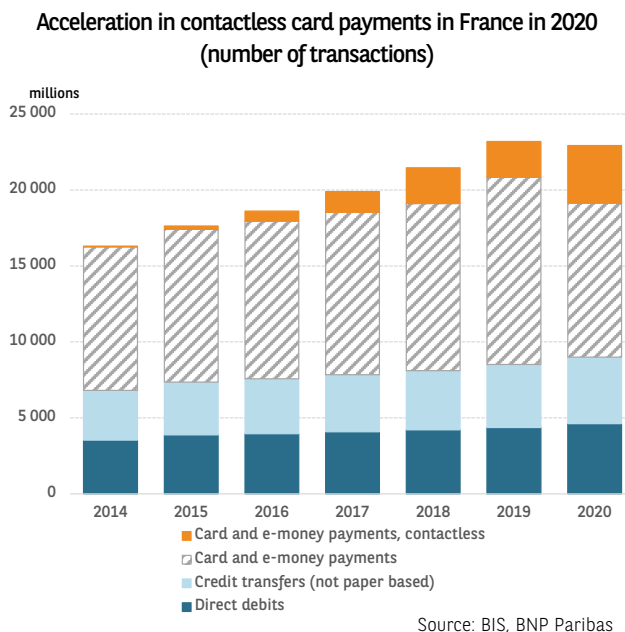
CHART OF THE WEEK



16 February 2022

FRANCE: SHARP ACCELERATION IN CONTACTLESS CARD PAYMENTS

Thomas Humblot



The number of contactless card payments¹ increased by 61% in France between 2019 and 2020, according to the latest figures from the Bank for International Settlements (BIS). The Covid-19 pandemic has encouraged the increasing use of this payment method, which respects social distancing measures. In addition, in order to increase the number of transactions eligible for contactless payments, the cap was raised from EUR30 to EUR50 per payment. As a result, nearly 60% of payments at point of sell of less than EUR50 were made by contactless bank cards in 2020, worth a total of EUR71 billion (from EUR38 billion in 2019) according to Groupement des Cartes Bancaires².

As a result, the share of total digital payments³ made by non-contactless bank cards fell sharply. The BIS explains this trend, which is not unique to France, by the increase in working from home, the regulatory closure of certain stores and the increased use of on-line retailers⁴. The health crisis also led consumers voluntarily to limit infection risk by reducing the number of outings they made.

Despite the marked accentuation of the fall in the number of cash withdrawals by bank card⁵ in 2020 (-22%, after -3% in 2019), some depositors may have adopted a precautionary approach during the pandemic. The average value of withdrawals increased by 14% in 2020, having remained relatively stable in 2019.

¹ Or payments by another form of electronic money (e.g. pre-paid card or mobile phone).

² Groupement des Cartes Bancaires CB (2021), *Rapport d'activité 2020*

³ BIS definition: Paper-less credit transfers, direct debits and payments by card and electronic money. Fiduciary money and cheques are therefore not included.

⁴ BIS (2021), *Covid-19 accelerated the digitalisation of payments*, December

⁵ In both absolute and per capita terms

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