77% Of Gen Z Are Ditching Physical Wallets to Pay by Mobile

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Confidence in digital payments grows, as new research from Marqeta shows two-fifths of UK consumers can't even remember their PIN

LONDON--(BUSINESS WIRE)--May 26, 2022-- Marqeta (NASDAQ: MQ), the global modern card issuing platform, has today released its *2022 State of Consumer Money Movement* report looking at consumer payment, banking and shopping preferences, showing digital adoption is on the rise. The company surveyed of 4,000 consumers across three continents, including 1,000 UK respondents, showed that 61% of consumers feel confident enough with contactless payments to leave their wallet at home and just take their phone – a figure that rises to over three quarters (77%) for UK Gen Z respondents (i.e. those aged 18-24).

Marqeta's research shows that contactless payments are becoming increasingly prevalent in the UK: 96% of UK consumers surveyed have used contactless in the last year. As a result, 42% of UK respondents say it's been so long since they used anything except contactless, they can't even remember their PIN anymore – a figure that rises to 54% of those aged under 24. Furthermore, 63% are so used to using contactless that they find it really irritating if they have to enter a PIN.

COVID-19 accelerated a shift to digital and mobile payments, with the survey finding that:

- **Almost half of UK consumers (46%)** surveyed say they can count on their hands how many times they've used a bank branch in their lifetime. **50%** of 18–24-year-olds say the idea of going into a physical bank is completely backward and alien to them.
- **Nearly two-thirds (63%)** of respondents believe cash will eventually disappear altogether, while **59%** think this will happen in the next five to ten years**. A third (33%**) say that it would have **no impact on their lives if all physical bank branches were to close tomorrow.**
- Despite the decline of in-person banking experiences, most people are in a long-term relationship with their primary bank. **Six in ten** consumers surveyed have been with their bank for more than six years, with **38%** staying loyal to their primary bank for over a decade.
- Consumers are also open to innovation in cryptocurrency as a payment method, with **more than a quarter (26%)** of UK consumers surveyed now owning crypto, and **82%** of these keen to use it like a debit card at the point of sale.

"The age of the bulky physical wallet might be moving behind into the rearview, confidence in mobile wallets is growing, and people feel increasingly comfortable that their mobile phone can handle their payment needs and not leave them stranded," commented **Anna Porra, European Strategy Director at Marqeta**. "While the shift to digital payments was born out of necessity, many are happy to completely step away from in-person banking. And it's easy to see why – with long queues, inconvenient opening hours, and hygiene concerns particularly during the pandemic creating the perfect storm to shift consumer appetite away from in-person experiences that weren't very popular to begin with. With physical branches closing at unprecedented rates, banks must ensure they adapt their products and services to operate online seamlessly."

The research also finds that payment preferences adopted during the pandemic have shifted to becoming habits. Consumers are increasingly reliant on mobile wallets: 77% of UK respondents have used a mobile wallet in the last 12 months, with 87% agreeing that they are easier to use than they imagined they'd be, and 83% saying they're able to make purchases with their mobile wallet everywhere they want to. Almost two-thirds (64%) also prefer to use their mobile phone to pay as it has more built-in security features.

Customers are continually seeking innovation from their banking providers, fuelling the shift away from in-person banking experiences. For instance, four in five (80%) consumers surveyed would like their bank to offer rewards that are personalised to them based on their spend, while 60% would like tailored advice from their bank on creating budgets. There is increasing appetite for invisible payments too, with 62% of respondents saying they can't wait for more till-less stores to be rolled out more widely.

"While the pandemic was the catalyst for the shift to contactless and mobile wallets, it is the convenience, security, and speed of these payment options that have made them sticky," continued **Anna Porra**. "As contactless limits continue to rise and more merchants welcoming contactless payments, banks and fintechs must work harder than ever to provide a smooth digital experience for their customers that provides them with security, giving consumers the digital convenience they crave."

Download the full report here: marqeta.com/uk/2022-state-of-consumer-money-movement

About the research
The survey was performed on behalf of Marqeta by Propeller Insights, from Feb 22 to March 1 2022. Marqeta surveyed 4,076 consumers (2,011 in the United States, 1,029 in Australia, 1,036 in the UK) between the ages of 18 and 65.

About Marqeta
Marqeta's modern card issuing platform empowers its customers to create customized and innovative payment cards. Marqeta's platform, powered by open APIs, gives its customers the ability to build more configurable and flexible payment experiences, accelerating product development and democratizing access to card issuing technology. Its modern architecture provides instant access to highly scalable, cloud-based payment infrastructure that enables customers to launch and manage their own card programs, issue cards and authorize and settle transactions. Marqeta is headquartered in Oakland, California and is enabled in 39 countries globally. For more information, visit www.marqeta.com, Twitter and LinkedIn.

Forward-Looking Statements
This press release contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements expressed or implied in this press release include, but are not limited to, quotations and statements relating

to changing consumer preferences; increasing consumer adoption of certain digital payment methods, products, and solutions; and which payment, banking, and financial services products and solutions may succeed. Actual results may differ materially from the expectations contained in these statements due to risks and uncertainties, including, but not limited to, the following: the uncertainty and unpredictability of consumer preferences regarding digital payment and banking preferences; the effect of and uncertainties related to the global COVID-19 pandemic on U.S. and global economies and demand for Marqeta's services and products; the uncertainties and direct and indirect effects of the significant military action against Ukraine launched by Russia, including threats of attacks against U.S. financial institutions as retaliation against financial institutions for sanctions imposed against Russia; the risk that Marqeta is unable to further attract and grow its customer base; the risk that consumers will not perceive the benefits of Marqeta's products and services, including digital payment and banking products and services; the risk that Marqeta's products and services do not operate as intended, including digital payment and banking products and services; the risk that Marqeta's products and solutions will not achieve the expected market acceptance, including digital payment and banking products and services; and the risk that competition could reduce expected demand for Marqeta's products and services, including digital payment and banking products and services. Detailed information about these risks and other factors that could potentially affect Marqeta's business, financial condition and results of operations are included in the "Risk Factors" disclosed in Marqeta's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022, as such risk factors may be updated from time to time in Marqeta's periodic filings with the SEC, available at *www.sec.gov* and Marqeta's website at *http://investors.marqeta.com*. The forward-looking statements in this press release are based on information available to Marqeta as of the date hereof. Marqeta disclaims any obligation to update any forward-looking statements, except as required by law.

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