

# UK consumers shun physical wallets in favor of contactless and mobile payments

Article

**Breaking it down:** More than three-quarters (77%) of consumers in the UK have swapped their physical wallets for mobile payments, [according](#) to Marqeta research.

- **96% of surveyed consumers used contactless payments** in the last year.
- **61% of consumers feel confident enough with contactless payments to leave their wallet at home** and just take their phone—that figure rises to 77% for Gen Zers.
- **64% prefer to use their mobile phones to pay** because it has more built-in security features.

Consumers are also open to cryptocurrency use as a payment method: **26% of those surveyed own crypto**, and 82% of them are keen to use it like a debit card at the point-of-sale.

**Beyond the numbers:** Payment preferences are evolving in the UK, and consumers are becoming increasingly reliant on mobile wallets.

Behaviors spurred by the pandemic seem to have stuck, winning over users with speed and ease. More consumers will opt for mobile wallets as cash use declines and digital payments become more popular. **UK proximity mobile payment users are expected to reach 12.0 million** in 2022, up 21.2% year over year (YoY), according to our forecast.

**The opportunity:** To win new customers, payment providers should emphasize the ease and simplicity of mobile payments. They also need to be innovative to tap customers who are open to embracing new technology like crypto payments.

Introducing features that make mobile wallets faster and even more convenient without compromising security can help cement customer loyalty in a notoriously competitive market. Other approaches to differentiation could include:

- **More support:** Mobile wallet providers can grow their presence in the UK by expanding in-store acceptance, a major focus of mobile wallets in the US.
- **New payment products:** Mobile wallets can diversify their offerings to include buy now, pay later (BNPL) or peer-to-peer payment services to help solidify customer loyalty.

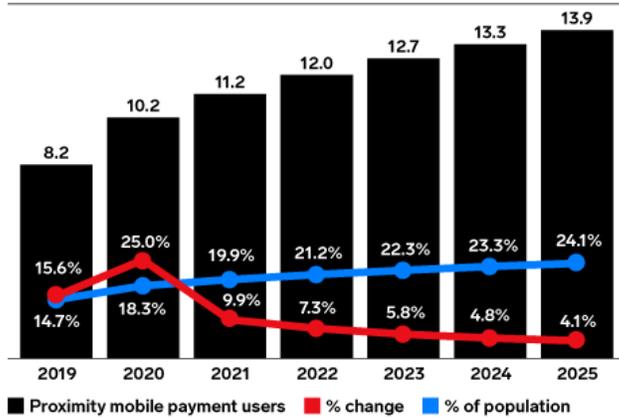
**The bigger picture:** Despite quickly growing mobile wallet demand, cash preservation is still top of mind in the UK.

The UK government has taken many steps in the past year to ensure that the more than **5 million adults in the UK who rely on cash** as their primary payment method retain accessibility. Most recently, the Financial Conduct Authority (FCA) was granted new powers to ensure UK citizens retain the ability to access cash.

**Go further:** For more information on how providers can tap into mobile payments' growth in the UK, read our [report](#).

### UK Proximity Mobile Payment Users, 2019-2025

millions, % change, and % of population



Note: ages 14+; mobile phone users who have made at least one proximity mobile payment transaction in the past six months; includes point-of-sale transactions made by using mobile phones as a payment method; excludes transactions made via tablet  
Source: Insider Intelligence, June 2021

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