

In Canada, Online Transfers Grow Faster than Any Other Payment Method

But they still account for just a sliver of all transactions

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Figures released by payment clearing and settlement organization Payments Canada show that online transfers in the country had a compound annual growth rate (CAGR) of 48.0% in 2016, the most recent year for which data was available.

That was well ahead of the second fastest growing payment method, prepaid cards, which posted a CAGR of 11.0% over the same timeframe.

But despite its recent growth spike, online transfers still constitute a small portion of overall payments. In fact, at 177.0 million transactions in 2016, online transfers had the lowest transaction volume of any payment method tracked by [Payments Canada](#).

Payment Transaction Volume and Value in Canada, by Method, 2014-2016

	2014	2015	2016	% change (2016 vs. 2015)
Transaction volume (millions)				
Cash	7,172.3	6,767.1	6,631.7	-2.0%
Debit	4,906.9	5,177.8	5,436.0	5.0%
Credit card	4,330.5	4,553.9	4,783.0	5.0%
EFT*	2,476.4	2,592.0	2,631.0	1.5%
Checks & paper	950.3	875.5	798.3	-8.8%
ATM	600.7	583.2	548.5	-5.9%
Prepaid cards	208.3	236.1	262.0	11.0%
Ewallets/P2P	81.5	119.6	177.0	48.0%
Total	20,726.9	20,905.2	21,267.5	-
Transaction value (billions of C\$)				
EFT*	C\$3,732.91	C\$3,972.26	C\$4,167.11	4.9%
Checks & paper	C\$3,925.57	C\$3,989.94	C\$3,991.85	0.0%
Credit card	C\$467.42	C\$490.88	C\$510.73	4.0%
Debit	C\$214.34	C\$220.48	C\$225.66	2.3%
Cash	C\$126.78	C\$118.61	C\$116.23	-2.0%
ATM	C\$72.80	C\$72.67	C\$69.60	-4.2%
Ewallets/P2P	C\$31.68	C\$45.70	C\$68.76	50.4%
Prepaid cards	C\$15.38	C\$18.23	C\$19.52	7.0%
Total	C\$8,586.88	C\$8,928.78	C\$9,169.46	-

Note: numbers may not add up to total due to rounding; *combination of AFT (debits and credits), electronic remittances and EDI transactions
Source: Payments Canada, "2017 Canadian Payment Methods and Trends"; eMarketer calculations, Dec 14, 2017

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Cash was the most popular type of payment method in terms of volume, understandable given how often it's used for frequently purchased small-ticket items. But debit and credit cards were also among the most commonly used payment methods in Canada in 2016, according to Payments Canada.

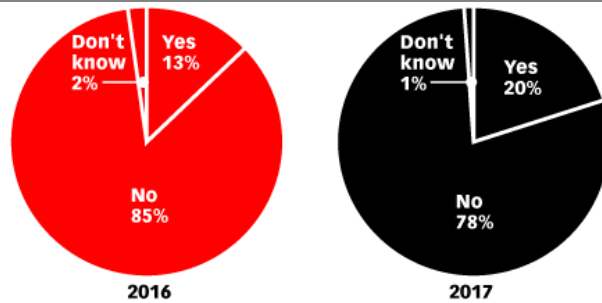
Meanwhile, electronic fund transfers (EFTs) and checks were the two top payment methods in terms of transaction value.

Another area where Payments Canada identified strong growth was in contactless transactions, which the organization defined as the use of a mobile device or payment card that could be tapped against a merchant's reader to complete a payment at the point of sale.

Nearly 2.1 billion contactless payments were transacted in Canada in 2016, with their collective value totaling about CA\$67.1 billion (\$50.6 billion). That was up from almost 1.2 billion contactless transactions worth roughly CA\$37.7 billion (\$29.5 billion) in 2015.

Other research shows that similarly new payment methods are also catching on among certain segments in Canada. A poll of digital buyers in the country from the [Canadian Internet Registration Authority \(CIRA\)](#) found that 20% of respondents had made a purchase using a mobile payment or digital wallet service in 2017, up from just 13% a year earlier.

Digital Buyers in Canada Who Have Made a Purchase Using a Mobile Payment/Digital Wallet Service, 2016 & 2017
% of respondents



Note: 2016 n=984; 2017 n=982; ages 18+; numbers may not add up to 100% due to rounding
Source: Canadian Internet Registration Authority (CIRA), "Canada's Internet Factbook 2017" conducted by The Strategic Counsel, Nov 14, 2017
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