

# Cash use grows for first time in 10 years as people pay closer attention to household budgets

Cash usage has grown for the first time in a decade as households look to balance their budgets amid the cost-of-living squeeze.

Across the UK, coins and banknotes accounted for nearly a fifth (19%) of transactions in 2022, according to the British Retail Consortium (BRC) annual Payments Survey.

Its report said: "This year's Payments Survey shows an increase in cash usage for the first time in a decade, up from 15% (in 2021) to just under 19% of transactions (in 2022).

"Faced with rising living costs, cash was a useful tool for some people to manage their finances and track their day-to-day spending."

The increase also reflects a natural return to cash following the contactless switch during the COVID pandemic, the report said.

The BRC said it is the first time since its reports started in 2013 that year-on-year cash usage has increased.

"However, the recovery in cash use in retail is fairly minimal, with only a relatively small increase as a share of total sales by value, up from 8.2% in 2021 to 11% in 2022," the report stated.

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"It appears that whilst a small percentage of people have returned to pre-pandemic habits, for a large portion of the population, the pandemic has had a lasting impact on how much

we transact in cash.”

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Card payments were used for 76% of transactions in 2022, with debit cards accounting for around four in five of these transactions.

Retailers spent £1.26bn on card processing fees in 2022, the BRC said.

Alternative payment methods, such as buy now, pay later, increased in popularity in 2022, from 2% of transactions in 2021 to 5% in 2022.

People have also been making smaller but more frequent payments as they manage their budgets.

The number of transactions increased from 17.2 billion in 2021 (47.2 million per day) to 19.6 billion in 2022 (53.7 million per day) and the average transaction value fell from £24.49 to £22.43, as consumers shopped around.