

**23.10.2020**

## **NATIONAL SURVEY ON CASH**

2019 Results

Cash and Issue Department

---

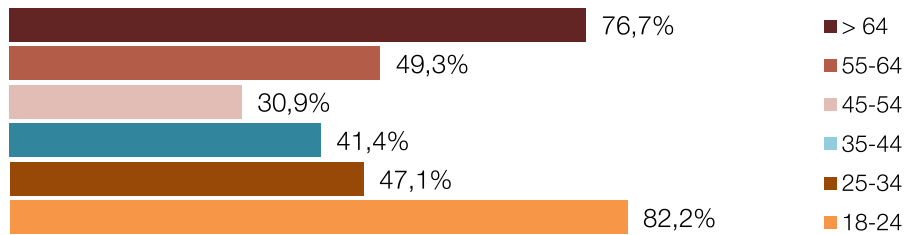
*Cash is still the most common means of payment: 53% of respondents prefer cash over other means.*

The Banco de España conducts the National Survey on Cash every year since 2005, with the aim of assessing the general views on banknotes and coins in Spain. The methodology consists of running opinion polls among the general public, the hospitality sector and small retailers and, from 2017, among large retailers and department stores with a national presence. The surveys allow us to obtain data on qualitative and quantitative aspects concerning banknote and coin usage in Spain, which are relevant for decision-making by cash professionals.

### **1. Usage habits, acceptance and reasons for choosing cash**

According to the latest survey, 53% of consumers declared that cash is the means of payment that they use most frequently (57% in the case of consumers in small municipalities), while 41% prefer using debit cards as their first choice. Preference for cash has decreased from 2014 (80%) to 2016 in favour of debit cards, but has remained steady for the last three years at around 53%. Cash is thus the most used means of payment in the retail segment, especially among the youngest and oldest population segments (see Chart 1). The main reasons for preferring cash as a means of payment are effective budgeting and expenditure control, followed by lower costs.

**Chart 1.- Cash as the most used payment instrument, by age**



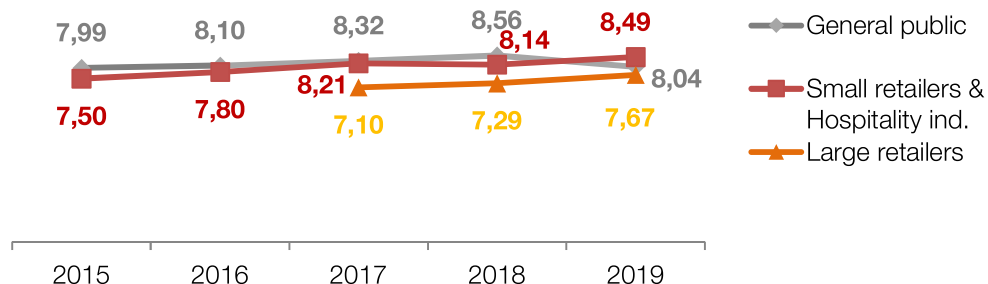
Furthermore, 91% of citizens carry in their pockets up to five banknotes (74% no more than €50), while 76% of the population does not carry more than five coins (worth €5). Other important facts are:

- All the groups (general public, small retailers and large retailers) believe that the existence of coins is useful, mainly to keep prices competitive.
- Approximately, seven out of ten respondents do not consider using or increasing the use of means of payments based on new technologies in the near future.
- Slightly more than half of the respondents (52%) keep amounts above €500 at home
- Almost all shops accept cash and use it daily (99.5%). 87% also accept debit cards and 78% credit cards. Mobile phone payments have risen to 40%.
- Barely 15% of establishments set a minimum for the use of cards as a payment instrument.

## 2. Assessment of the quality of banknotes in circulation

All the groups interviewed are satisfied with the quality of banknotes withdrawn from commercial banks, reflecting a rising trend (see Chart 2).

**Chart 2.- Average assessment of the quality of banknotes**

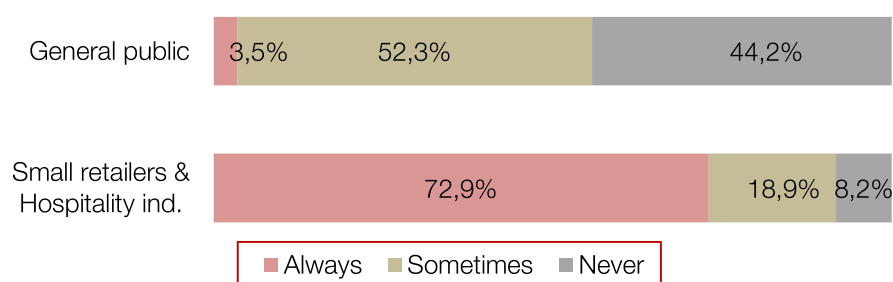


The perceived improvement in quality is notable, although not as high as in 2018. More than half of the consumers interviewed (56%) consider that the cleanliness and conservation of the banknotes in circulation have increased in the last twelve months. However, this percentage drops to 49% in the case of persons in the hospitality sector and small shops and to 39% in that of managers of large retailers.

### 3. Authenticity of banknotes and coins received

Barely 4% of consumers, as opposed to 73% of establishments, declare that they always verify the authenticity of the banknotes they receive (see Chart 3). The main reasons for not doing so are lack of habit (37% for both groups) and trusting the person handing over the banknote (38%).

**Chart 3.- Verification of the authenticity of banknotes**

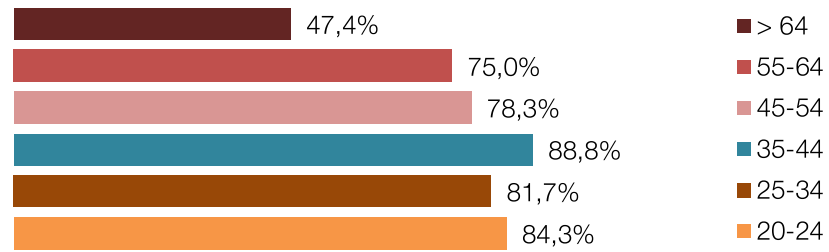


Furthermore, few interviewees from the general public group declare having received counterfeit banknotes or coins in the last twelve months (2.2% and 4.6%, respectively). This proportion is slightly higher in the case of establishments (11.5% for banknotes and 11.6% for coins). Respondents who have received counterfeit banknotes point out that most of them were €20 and €50 banknotes. Only a small proportion of respondents claim they have received counterfeit coins (22% of consumers and 11% of hotels and restaurants and small retailers). The rest report having received authentic coins from other countries which look like euro coins.

### 4. Cash services offered by credit institutions and the Banco de España

Consumers are using fewer over-the-counter bank services in order to withdraw cash, while ATMs grow as the main source of cash for the general population: only 12% do not use ATMs and 74% do not use over-the-counter services, although this varies widely between age groups (see Chart 4). However, 49% of establishments state that they go to the bank regularly to obtain sufficient cash for change.

**Chart 4.- Consumers who do not use over-the-counter services**



The percentage of respondents who consider that they receive the denominations they desire from the banks is notably high for establishments and the general public (96% and 89%, respectively). The most common denominations not so readily available are €5 and €10 banknotes and €2 coins.