

Card purchases surpass cash withdrawals

Card purchases by FNB customers have surpassed cash withdrawals at its ATMs by R800m. Two years ago, FNB consumer segment customers withdrew R1.3bn more in cash than the value of card purchases.



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Across the industry card-based spend has been increasing at 38% per annum while ATM withdrawals have increased by 22%, showing the more rapid growth of card and cashless transactions during the past 12 months. The dominance of card over cash is very new in the financial services sector.

Trend will accelerate

"Viewing the difference between ATM withdrawals and card transaction values give us a clear view of consumer trends," says Irlon Terblanche, CEO of FNB Core Banking Solutions. Terblanche believes this trend is set to accelerate as the number of the card acquiring devices increases and customers seek to transact via cards where no fees are payable per transaction. "Customers are also making much smaller value purchases via a card. Some customers are making purchases for R30.00 or even less. Consumers are showing a preference for cards even as FNB offers free ATM withdrawals.

"FNB is also encouraging cashless purchases. We made card swipes free across all our pricing options to cut the costs of daily transactions. At the same time, we are offering eBucks rewards in ways that encourage cashless purchases," adds Terblanche. FNB believes this festive season will see no increase in cash usage and that a further decline in cash usage will become obvious in 2014.