

# EVOLUTION OF CREDIT CARD PROCESSING: CANADA'S \$11.7 TRILLION PAYMENT LANDSCAPE IN 2022

## CREDIT CARD DOMINANCE: A 30% SURGE AND RISING

**Credit Card Transactions Drive Growth:** Credit card usage soared by 30% in 5 years, accounting for 33% of payments in 2022, cementing its importance in Canada's payment scene.

**Debit Cards and EFT Trends:** Debit cards made up 31% of payments, with EFT at 15%. Total payment value rose by 21% despite a slight volume decrease.



## KEY TRENDS UNVEILED: ONLINE TRANSFERS AND EMERGING TECHNOLOGIES

**Online Transfer Takes the Lead:** Online transfers surpassed EFT in volume for the first time, led by Interac e-Transfer.

**Buy Now, Pay Later (BNPL) on the Rise:** Buy Now, Pay Later (BNPL) usage surged by 48%, reflecting shifting consumer preferences.

## FIVE-YEAR SHIFT: DIGITAL PAYMENTS TAKE CENTER STAGE

**Online Transfers:** Digital payments surged, with online transfers growing by 328%. Credit and prepaid cards led growth, while cash and cheque transactions plummeted.

**Credit and Prepaid Cards Lead Growth:** Credit and prepaid card volumes grew by 23% and 19%, while debit card usage rose by 9%; however, cash and cheque transactions dropped by 59% and 45% respectively.



## EVOLVING PAYMENT INNOVATIONS AND FUTURE OUTLOOK

**Digital Payments:** Canadians are embracing digital payments, especially in mobile transactions.

**Credit Card Growth in Mobile Payments:** Credit card usage will rise, especially in mobile payments, with 57% of mobile wallet users making purchases with credit cards in 2022.

**Prepaid Cards:** Anticipated Growth in Volume and Value: Prepaid cards are expected to lead in growth, driven by youth usage and industry advancements.

## FUTURE OF DIGITAL PAYMENTS: REAL-TIME TRANSACTIONS ON THE HORIZON

**ISO 2022 Messages and Real-Time Rail (RTR):** In 2022, Payments Canada adopted ISO 2022 messages for Lynx and the upcoming Real-Time Rail (RTR), promising improved payment experiences for Canadians.

**Consumer Preferences for Real-Time Payments:** 65% of Canadians are interested in sending real-time payments when available, citing top uses like credit card bills, taxes, and rent.



### DID YOU KNOW?

**IN CANADA, THERE WAS A NOTABLE 30% GROWTH IN CREDIT CARD USE AND A 41% DECLINE IN CASH TRANSACTIONS OVER THE PAST FIVE YEARS.**