

## **United Kingdom Payment - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029**

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### **Report description:**

The United Kingdom Payment Market size is estimated at USD 490.77 billion in 2024, and is expected to reach USD 849.64 billion by 2029, growing at a CAGR of 11.60% during the forecast period (2024-2029).

The payment services in the United Kingdom are rapidly shifting towards adopting digital payment applications, such as Paypal, Samsung Pay, Mastercard, American Express, and Shopify, to accept and transfer payments. With factors like increasing internet penetration and rapid growth in online retailing, this trend is expected to continue over the forecast period.

#### Key Highlights

-As per the changes in customer behavior, buying trends, and needs, the payments market in the United Kingdom is witnessing significant changes. A few trends influencing the payments market in the United Kingdom are cashless economies, mobile banking, instant payments, digital commerce, and the growing impact of regulatory agencies. Moreover, increased awareness of electronic payments and continuously developing evolving payment infrastructure have successfully facilitated using electronic payment methods for day-to-day transactions.

-The payment market in the United Kingdom has recorded strong evolution, with new providers, platforms, and payment tools being introduced in the region. The increased usage of the internet and smartphone penetration in the region is anticipated to drive the digital payments market in the studied country significantly. The digital gift card segment is another fast-growing vertical globally. As the demand for gift cards continues to rise quarter-on-quarter, BNPL firms are looking to capitalize on the opportunity to further accelerate their growth in the United Kingdom.

-The market is witnessing mergers, acquisitions, and investments by key players as part of its strategy to improve business and their presence to reach customers and meet their requirements for various applications. For instance, In July 2022, British bank

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Virgin Money declared the launch of a new credit card that would enable customers to spread their payments over several months, entering the increasingly competitive buy now, pay later (BNPL) space. Also, in May 2022, Swedish buy now, pay later (BNPL) firm Treyd raised a sum of around USD 10.5 million in a Series A round. The funding would help the company expand to the U.K. and operate out of Stockholm and London.

-However, the lack of a standard legislative policy remains, especially in the case of cross-border transactions could be a major matter of concern that can limit the overall market's growth throughout the forecast period.

-The pandemic boosted the adoption of contactless payments in the U.K. With the closure of physical stores during lockdowns, consumers turned to online shopping, driving a significant increase in e-commerce transactions. This led to an increase in online payment volumes and a rise in the use of digital payment methods. Also, it has driven innovation in the payment industry, with new payment technologies and solutions being developed to meet the changing needs of consumers and businesses.

## United Kingdom Payment Market Trends

### Card Payments to Witness Significant Growth

- Debit and Credit cards are one of the primary payment methods used within the country. As per payments, card payments now account for nearly 90% of all retail transactions in the U.K. According to the findings from the British Retail Consortium's (BRC) 2022 Payments Survey, it has revealed that debit cards have continued to gain ground as the preferred payment method in the U.K., accounting for 67.28% of all retail transactions in 2021.

- Further, according to UK Finance's Payment Markets Report, forecasted debit card payment volumes will increase to over 27 billion by 2032, likely driven by contactless payments, online shopping, and the ever-increasing levels of card acceptance among businesses of all sizes. Such developments are analyzed to positively influence the market growth over the forecast period.

- Moreover, the market is witnessing various significant product launches, mergers, acquisitions, and investments by key players as part of its business strategy to improve its presence to reach customers and meet their requirements for various applications. For instance, in February 2023, ASOS, the global online fashion firm, and Capital One UK announced a new and exclusive credit card partnership. The partnership will launch a new ASOS credit card for eligible shoppers, available later in 2023. It will provide a range of benefits and features that only come with using a credit card when they shop at ASOS and elsewhere.

- According to U.K. Finance, as of July 2021, there were approximately 52.24 million credit card accounts in the U.K., whereas as of July 2022, there was approximately 53.12 million credit card accounts in the U.K., representing a steady increase in the overall count of credit card accounts. This rise in the overall number of credit card accounts within the country will provide the market with various growth opportunities throughout the forecast period.

### E-commerce and Rising Adoption of M-commerce is Expected to Drive the Payments Market

- In the age of the internet, and during a time when smartphone usage is reaching all-time highs, mobile commerce has gained traction and thus changed dynamics within e-commerce along the way. As per the Office for National Statistics (UK), as of December 2022, total internet sales accounted for almost 25% of all retail sales in Great Britain.

- The government regulations during the COVID-19 pandemic led to the shutdown of many industries worldwide. The major shutdown compelled customers to switch to e-commerce websites for shopping and retailing, which increased the usage of the Buy Now Pay Later payment option. According to Worldpay, Buy Now Pay Later (BNPL) is expected to nearly double its share of e-com payments, from 6.2% in 2021 to 12.1% by 2025.

- Moreover, the growth of mobile shopping in the country is gradually increasing the usage of eWallets. eWallet utilization is growing at twice the speed of cards, with PayPal leading the way. The adoption of eWallets in the UK is expected to accelerate

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even more as online shoppers prefer cross-border shopping with the rest of Europe.

- As per Airnow, as of September 2022, the leading shopping app in the Google Play Store in Great Britain (GB) was ASDA Rewards, with over 520 thousand downloads in the examined period. Vinted ranked second, with roughly 258 thousand downloads by Google Play users in Great Britain. Hence, with the rise in the total number of downloads of shopping apps in the Google Play Store in Great Britain, the market is expected to witness considerable growth opportunities throughout the forecast period.

## United Kingdom Payment Industry Overview

The United Kingdom payments market appears to be consolidated owing to the few of the players holding significant share in the market. Major players in the United Kingdom payments market are adopting acquisitions and partnerships to expand their reach to more regional consumers. Some major payment market companies are Paypal, Stripe, Amazon Pay, Mastercard Inc., and Sage Pay.

In October 2023, the Financial super app Curve, which consolidates users' credit and debit cards into one card and app, launched its first-ever credit card in the United Kingdom. The newly launched credit card has all the features of Curve, supercharged with greater flexibility and security. Customers can link their existing cards to a digital Curve Wallet, and whichever card they select in the app is charged when they use their credit card to pay.

In July 2023, Klarna, the AI-powered global payments network, collaborated with British department store Liberty to offer its interest-free payment options. The collaboration will enable Liberty's customers to shop smarter with Klarna's interest-free payment options and manage their spending through the Klarna app.

### Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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