Andrew Boyajian
Head of Banking, North America
TransferWise

Ben Milne
Founder and CEO
Dwolla

Nishu Thukral
CEO and President
Pangea Money Transfer

Rachel Siegel
Senior Associate, Consumer Finance
Pew Charitable Trust
Are Americans Embracing Mobile Payments?

Survey of consumer experiences finds greater trust in credit, debit cards
First Comprehensive Review of Experiences: Mobile vs Traditional Payments

• Pew surveyed:
  – Nationally representative survey of 1,178 American adults who made a transaction in the past year
    • Captured details about perceptions and experiences with traditional payments (cash, checks, and money orders; debit, credit, and prepaid cards) and mobile payments.

• Pew analyzed:
  – Disclosures from 12 leading payment app companies in the retail, social media, technology, and payment provider markets.
Mobile Payments Market

• About 9 in 10 Americans have smartphone capable of making mobile payments
  – But just over half (56% of Americans) have done so

• Mobile payments growth has lagged projections
Key Findings

1. Consumers avoid mobile payments because of concerns about loss of funds.

2. Consumers trust protections on debit and credit cards more than those on mobile payments.

3. 15 percent of respondents experienced a payment issue in the past year:
   - Either with a traditional card (credit, debit, or prepaid) or a mobile transaction.

4. Consumers report mobile payment issues are difficult to resolve compared to traditional payment options.
Figure 5

More Consumers View Mobile Payments as Poorly Protected Compared with Other Methods

Percentage of respondents by payment user type

- Views mobile payments as poorly protected: 53%
- Views debit cards as poorly protected: 38%
- Views credit cards as poorly protected: 22%
Figure 2
Regardless of Whether a Card Is Used on Its Own or Via a Mobile Payment, the Financial Protections From the Card Company Remain the Same

Federal rules provide similar protections regardless of payment method
Figure 6
Consumers Are Wary of Mobile Payments, Even Those Linked to a Credit Card
Percentage of respondents who said payment type is ‘well protected’
Most Payment Disputes Are Resolved Positively
Percentage of respondents with dispute issues and outcomes

11% Did not dispute

89% Disputed

- 94% Knew whom to contact
- 79% Said process was easy
- 90% Satisfied
- 90% Got all money back

pewtrusts.org/mobilepayments
Figure 9
Consumers Had Less Positive Experiences When Disputes Involved Mobile Payments
Percentage of respondents by type of dispute

- **Process was easy**: 61% Mobile payment dispute, 80% Traditional payment dispute
- **Knew whom to contact**: 77% Mobile payment dispute, 95% Traditional payment dispute
- **Got all or most money back**: 86% Mobile payment dispute, 94% Traditional payment dispute
Conclusion

• Online transaction volume continues to grow.
• Mobile payment adoption has lagged even as smartphone use has boomed.
• Pew’s research shows:
  – consumers remain skeptical of mobile payments;
  – have persistent concerns about security; and
  – are more likely to trust traditional methods, such as debit and credit cards.
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