



# Exploring Perceptions of Consumer Protections in Payments

**Excerpts from Primary Research**

January 2021



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### Foreword

At Pay.UK we are committed to providing consumers with effective and reliable payment systems. Part of this is that consumers have faith in these systems, that these payment systems work, and that consumers are appropriately protected in the event of a payment dispute.

Following a recommendation from our End User Advisory Council (EUAC), we commissioned research to provide key insights into the current payments and consumer protection landscape. The findings from this initial, secondary research were published in November 2020. With ongoing support from the EUAC regarding the direction of our work, we decided we wanted to hear from the consumer directly about their experience of payments and consumer protections.

This paper provides a summary of what we learned about consumer perceptions of consumer protections, specifically on: understanding payment behaviours; the role of protections; usage and attitude to Faster Payments; and perceptions and gaps in payment protections.

As our systems are being put to an increasing range of uses, we must now gain this insight into consumer understanding. Our aim has been to uncover not just the distinction between different payment methods and the respective protections offered by them, but also the extent to which consumers in different ‘payment segments’ understand these and take them into account while choosing how to pay.”

Our research in this field is supported by a broad-based working group (co-chaired by Pay.UK and UK Finance) comprising participants and end-user representatives. This group provides input and challenge into the process.

The findings from the secondary research and this primary research are now being fed into our further work in the consumer protections space. Pay.UK will continue its work, moving from research to policy, looking at whether, and how, our rules and standards could be used to help consumer protections in payments.

We are keen to ensure that we are joined-up with the wider payments industry as we take this work forward, and we hope that this research will be a vital piece in progressing further exploration of what appropriate protections may be needed in this space. We will continue to coordinate our work with regulators and other relevant organisations as we progress.

This is a complex topic and the payments industry is evolving rapidly. We are committed to the continued operation of payment systems that consumers have complete confidence in, and the findings and conclusions in this paper are an important step in helping us deliver exactly that.

I would like to extend my thanks to the working group participants, and UK Finance for co-chairing.



**Matthew Hunt**  
Chief Operating Officer  
and Interim Chief  
Executive Officer

# 1 Introduction

This document provides an overview of findings from primary research commissioned by Pay.UK on the topic of consumer perception of consumer protections in payments. This research, alongside secondary research<sup>1</sup> on the consumer protections landscape in the UK is an input to policy work on whether and how Pay.UK should play a role in consumer protections in relation to disputed transactions.

Fraud was out of scope for this research as the detriment that customers face from authorised push payment (APP) scams is well known, and work is already being undertaken across the industry to improve solutions in this space.

The primary research sought to gather insights into: attitudes towards use and adoption of new payment methods by consumers; use of Faster Payments; the importance of payment protection as a factor in consumers' choice of payment methods; and awareness of protections available in the event of dispute. It also explored how understanding, awareness and confidence in using newer payment methods varied between different consumer segments. This paper summarises the findings of the research and concludes with a focus on potential areas for continued research and next steps, including a status update on the policy project.

## 1.1 About Pay.UK

Pay.UK was formed in July 2017 (initially under the name New Payment System Operator or NPSO). We are a not-for-profit company, with independent governance. Pay.UK operates the UK's three interbank retail payment systems: the Faster Payment System (FPS); the Bacs Payment System (Bacs); and the Image Clearing System (ICS). We also deliver a range of 'managed services' which offer capabilities to enhance the three payments systems, such as Paym and the Current Account Switch Service.

FPS and Bacs are both designated as recognised payment systems. As a result, Pay.UK's operation of both Bacs and FPS is subject to supervision by the Bank of England (BoE) and specifically, the Financial Market Infrastructure Directorate (FMID). In addition, Bacs, FPS and the ICS are designated as regulated payment systems and Pay.UK's operation of the systems is subject to regulation by the Payment Systems Regulator (PSR).

Pay.UK is also delivering the New Payments Architecture (NPA), a project of national significance that will enable the retail payments marketplace to flourish and innovate, benefiting consumers and businesses throughout the UK.

On completion, it will mean a greater choice in retail payment types and providers, enable more data to be associated with individual payments and will see existing critical financial market infrastructure replaced with a single robust and resilient clearing and settlement capability – the NPA – to process payments in an instant, 24/7.



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<sup>1</sup> Summary report on the findings of secondary research was published in November 2020 and can be found here: <https://www.wearepay.uk/consumer-protections-in-payments-summary-paper/>

## 2 Research background

The UK payments landscape has evolved rapidly in recent years, with innovation driven by a combination of regulatory intervention, consumer needs and technological developments. This has provided consumers with an increasing variety of payment options including (but not limited to) real-time payments processed by FPS. This is an interbank payment system designed for account-to-account payments, focussed on consumer-to-consumer (C-to-C) transactions. As a result of increasing amounts of e-commerce and more opportunities to use FPS for consumer-to-business (C-to-B) transactions, there is potential for this different usage to accelerate. In addition, the market changes brought about by the Covid-19 pandemic, whether short-term or long-term, have highlighted an increasing number of use cases for FPS to be used in a C-to-B context.

These developments have prompted questions as to whether there could be consumer protection issues associated with the use of FPS for the purchase of goods and services, as there are no specific dispute protections currently associated with this payment type.

The secondary research commissioned by Pay.UK in 2019 looked at the payments landscape in the UK and protections associated with the different payment methods, in addition to a comparison of the payment landscape of three international territories: Singapore, Australia and the Netherlands. That research is available [here](#).



### 2.1 Primary research

The secondary research identified some areas of interest where sufficient information was not readily available from secondary resources – which led to and helped with development of the primary research described in this paper. The objectives for this primary research were to:

- Understand current payment method behaviours and the role of protections
- Understand usage and attitude to Faster Payments
- Explore perceptions of consumer payment protection
- Identify potential gaps in payment protection provisions.

The research was undertaken in August to September 2020. A detailed table with objectives and areas of interest within each objective is presented in the appendix.



It is important to note that this research focuses on consumer protection when making a payment where there is potential for dispute. Fraud was out of scope of this research as the current detriment that customers face from APP scams is well known, and work is already being undertaken across the industry to improve solutions in this space. The understanding of detriments caused by disputes are still in the exploration phase, and therefore this research supports this work.

### 3 Understanding current payment method behaviours and the role of protections

The degree to which consumers understand and adapt their payment behaviour based on payment protection provisions has been a topic of industry debate. Our primary research aimed to uncover not just the distinction between different payment methods and the respective protections offered by them, but also the extent to which consumers in different segments understand these protections and take them into account while choosing payment methods.

#### 3.1 Payment method attitudes and behaviours

It is clear from the study that payment behaviours are entrenched for most consumers, in most cases. They tend to have established payment methods they prefer to use for specific transactions and this means that they are not actively seeking out new payment methods.

- **Offline** – Most consumers have a default, preferred method of payment for every day, offline use. Alternate methods are used only when their preferred payment type is unavailable or in cases where there could be potential benefits to using a particular payment type (rewards, cashback etc.).
- **Online** – In most cases, payment methods used for online transactions are the ones saved on the consumer’s account/device. When setting up the payment method for a new provider, they often revert to their chosen default method.
- **Bill payments** – In case of bill payments, it is noted that the payment method does not need to be considered each time. A decision is taken at the time of setting up payment details with the service provider when starting the subscription, and then forgotten.

#### 3.2 Motivations for payment method choice

The choice of payment methods by consumers for specific types of transaction is driven by a range of motivations, with convenience and ease being the most often cited.

‘Protection’ also emerged as one of the factors in people deciding on payment methods, but not as often as convenience and ease. Even when consumers think about ‘protection’ in the payment context, it includes payment protection in the case of fraud, dispute, and the security of personal and bank details. It is likely that protection becomes more of a factor as more transactions are carried out online and new payment methods are used by consumers, a trend which has now been accelerated by the pandemic.



## Exploring Perceptions of Consumer Protections in Payments

These motivations are better understood when they are looked at in conjunction with underlying drivers. The drivers can be grouped into five broad categories:

<b>Personal motivator</b>	<b>Convenience</b>	Key driver across most payments. Consumers typically use their preferred default method, which is quick and easy to use and doesn't require thinking about.
<b>Personal motivator</b>	<b>Control</b>	Ability to budget and track spend confidently, controlling their spending and monitoring outgoing payments. This was particularly important for those who are <i>financially constrained</i> .
<b>Personal motivator</b>	<b>Security</b>	Payment method is perceived to be secure; feels safe to carry in wallet; personal/ bank account details are protected and/or in some instances is felt to offer <b>protection</b> in cases of fraud or disputes. Importance can be heightened by personal experience.
<b>Personal motivator</b>	<b>Rewards</b>	Rewards and benefits are associated with using this payment method, such as points, cashback or a discount.
<b>External driver</b>	<b>Seller Influence</b>	While not top of mind, availability of payment method and encouragement to use particular methods can also be a key determinant e.g. sellers not accepting cash.

Consumers consider these drivers at a high level when making decisions on payment methods to use for specific transaction types, and also when considering adopting new payment methods. Less than two people out of ten said that they consider themselves early adopters of new payment methods.

However, the restrictions during the pandemic have seen more people try and adopt newer payment methods. According to research by specialised payments platform, Paysafe<sup>2</sup>, in May 2020, more than half of UK consumers said they used new payment methods since the outbreak began. By April 2020, cash usage in UK had halved and nearly two in five people said they were happier to use contactless cards than they were during the previous year. It is not currently known whether this will create a sustained use of these new payment methods.

## Exploring Perceptions of Consumer Protections in Payments



<p><i>I love <b>Google Pay</b>. I can never remember my pin, it's much easier than cash, and I don't have to take my wallet out with me.</i></p> <p><b>FPS User, under 45</b></p>	<p><i>I take out what I need and then there's no temptation to use more. I'm a cash man and I know where I am.</i></p> <p><b>Not online banking, Non- FPS user</b></p>	<p><i>I use my <b>debit card</b> online because the bank will help if my details are stolen by a fraudster. I don't trust the new things like PayPal as much.</i></p> <p><b>Financially Constrained, FPS user</b></p>
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Quotes from primary research participants. Research conducted by PwC Research. Aug-Sep 2020.

With greater understanding of the drivers for choice of payment method, it becomes clear that these drivers are very subjective and heavily influenced by personal circumstances.

- **Consumers with higher financial confidence** – are comfortable using a wide repertoire of payment methods, driven by convenience and potential rewards. They do not actively seek out new payment types, but are happy to try new methods if nudged and there is good reason. They do not have an overwhelming fear that using new methods will lead to excess spending, scams and/or having their personal details stolen.
- **Consumers who are not very financially confident** – in general have a smaller repertoire of payment methods used regularly, driven by control. They are less interested in trying new methods and are highly cautious and fearful of scams, theft and fraud. Consumers in this segment are likely to be heavy cash users; with some using debit cards. There is a general aversion to using credit, due to fear of losing financial control and getting into debt.

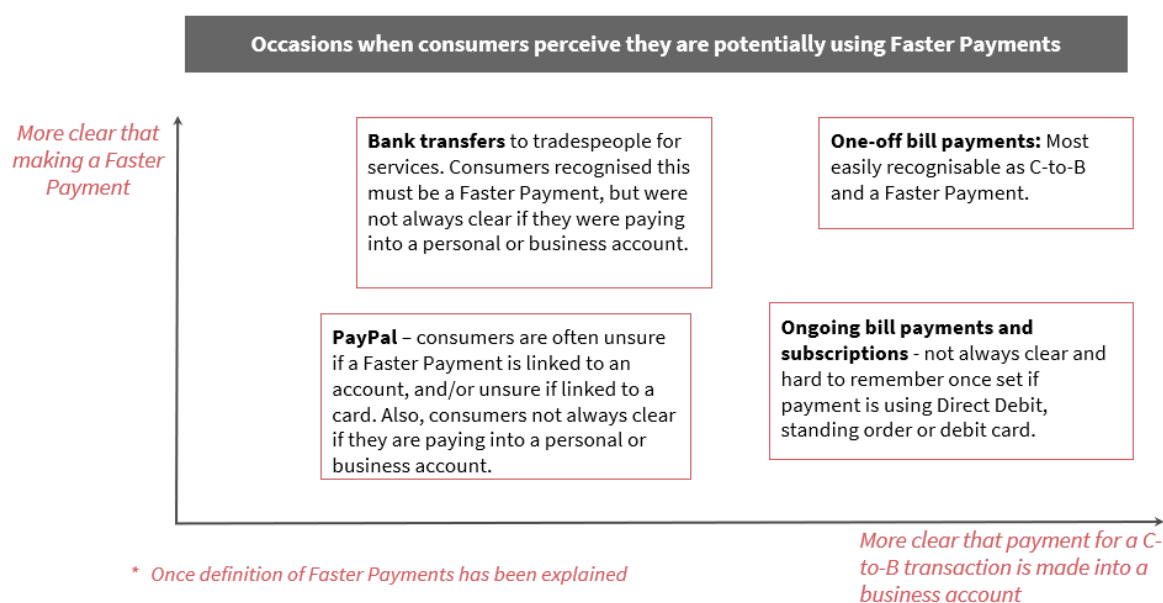
The research shows that the motivators that drive payment method choices and the inclination to try new payment methods are heavily influenced by: life stage; personal circumstances; financial literacy and confidence; access to or knowledge of digital tools; and financial circumstance.



## 4 Understanding usage of and attitudes to Faster Payments

Faster Payments is a popular payment method in the UK, with over 2.4 billion transactions processed in 2019 amounting to over £1.9 trillion in value.<sup>3</sup> Despite this, consumers are not familiar with the term “Faster Payments” and this means that despite the possibility that they might be using the method fairly frequently, consumers are often unaware that it is a recognised payment system with clear parameters. Even so, more than half the people who participated in our research said that they had transferred money to their friends/family in the last six months via this method.

There is wide usage for FPS through standing orders and bill payments, which are seen as discrete payment types and initially less readily associated with Faster Payments. Non-use of Faster Payments appeared to be more common among potentially financially-vulnerable audiences, particularly those who are not online banking users. It is also interesting to note that consumers are not always aware if they are using Faster Payments when making C-to-B transactions.



There are several key drivers for people using Faster Payments, including for a C-to-B transaction. These echo what we have seen before that consumers’ payment behaviours are set, and strong drivers are needed for them to adopt new methods.

### Personal motivators:

<sup>3</sup> <https://www.fasterpayments.org.uk/statistics#:~:text=Last%20Year%3A&text=2018%20saw%202.0%20billion%20payments,processed%20in%20a%20single%20year>. Faster Payments Statistics.

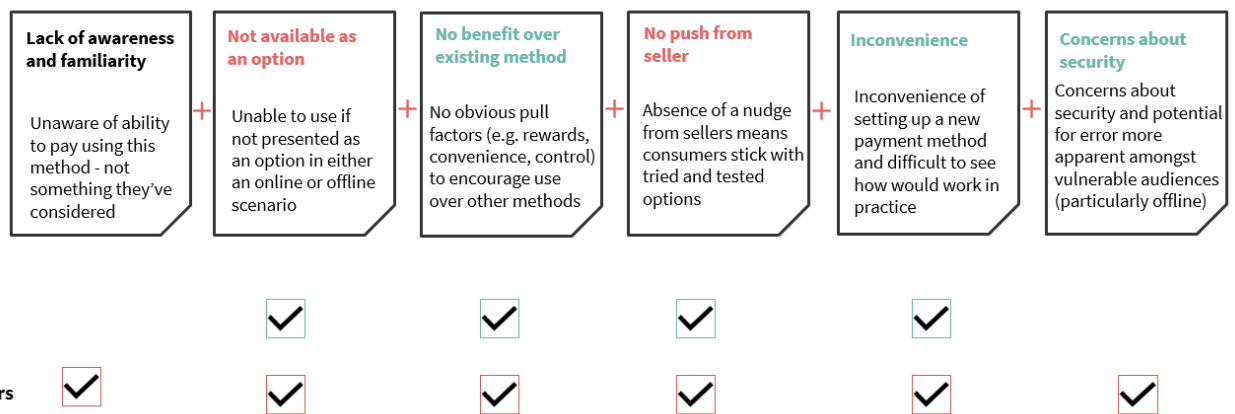
## Exploring Perceptions of Consumer Protections in Payments

- Convenience
  - Getting money to friends and family quickly (C-to-C)
  - Ability to pay quickly for goods and services (C-to-B)
- Control:
  - Bank transfers - speed and real-time balance updates are seen to help with budgeting and control of finances
  - Standing orders - regular payments help with budgeting for a longer period and tracking overall spend
- Security
- Rewards

### External factors:

- Seller influence - Can be suggested as payment method by seller

Users and non-users of Faster Payments also identify different barriers to more widespread adoption of Faster Payments for C-to-B user cases.



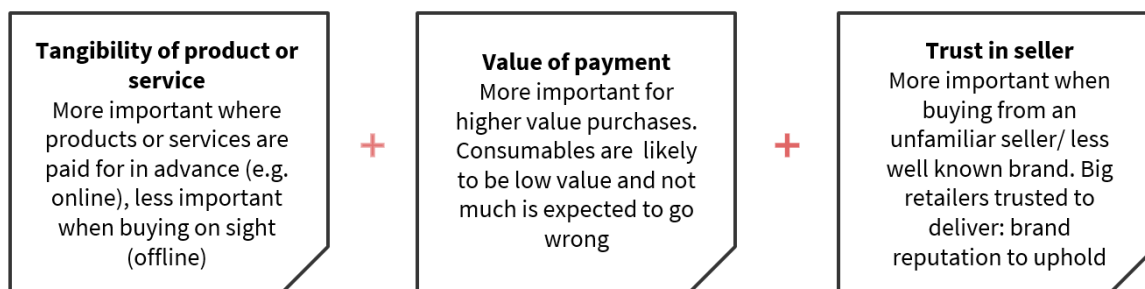
## 5 Exploring perceptions of consumer payment protection<sup>4</sup>

Our research revealed that, consumers, in general, are seen to be aware of the key features of the payment methods they use on a daily basis, but not necessarily the protection each payment type offers. They do not actively seek protection for all of their purchases, as most everyday purchases are not perceived as risky. The purchase of lower value items from well-known brands are not considered risky by consumers. Payment protection in case of a potential dispute only emerged as important for two specific purchase types that are sometimes felt to be higher risk (and potentially also higher value):



- **Travel** – There is a general awareness of the potential role of protection, particularly in the current climate given more frequent cancellations of holidays and travel.
- **Online purchases** – Consumers tend to be more aware of the fact that something could go wrong with their purchase when it is made online, particularly if interacting with a less familiar seller.

More broadly, we identified three key factors that drive perception of risk and in turn the need for protection:



A key point to be noted is that protection is not felt to be as important when just one of these factors is involved, but becomes increasingly important as they overlap or appear together.

<sup>4</sup> **Payment protection definition used in research:** By payment protection, we mean an extra protection that you receive from the payment method provider when you use that payment method to make a purchase - this is on top of other protections you might receive, like a retailer guarantee or personal insurance.

## Exploring Perceptions of Consumer Protections in Payments

Even in the cases where payment protection becomes a more important consideration, it takes a back seat when there are other recourse options available, for example retailer guarantees. These are explored further below:

- **Retailer protections** are almost always the first port of call in cases of disputes. Half of our research participants had claimed a refund from a retailer and had learnt from experience to save proof of purchase or receipts etc.
- **Personal protections** had been used by one in ten, who said they had claimed a refund via insurance or warranties.
- **Legal protections** were less frequently mentioned - mainly by the financially confident for service disputes.
- **Payment protections** had been used or considered by relatively few people and not all were aware of the provisions in place. The general consensus was that payment protection is seen as a safety net, in the event that the retailer refuses or is unable to offer a refund. The PwC Research Quantibus<sup>5</sup> found that:
  - 14% had claimed a refund on their credit card.
  - 7% had claimed a refund on their debit card – accessed after other potential avenues had been explored.

The differences we have highlighted throughout this paper, between those who are financially confident and those who are not, continue to appear as a feature in this discussion about protections in payments.

**People who are financially literate and confident** - explore other options for recourse and carry on with the dispute (dependent on the value of the transaction), if the retailer refuses to offer a refund.

**People who are less financially confident** - seem to be at a disadvantage here, and tend to be less aware of the options available if a refund was disputed. They are not very confident knowing where they could get support when pursuing a dispute, or contacting their financial provider, and typically have low awareness and understanding of the options available. They are not comfortable with the option of posting on social media (e.g. tweeting companies or writing negative reviews) in order to push for a refund and rely more on informal protections with pre-emptive measures to safeguard themselves such as using only trusted providers or relying heavily on word of mouth recommendations.



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<sup>5</sup> PwC Research QuantiBus: “Have you ever claimed a refund on a product or service (e.g. due to a fault or service not received) via any of the following methods?”

Base = 1000.

## Exploring Perceptions of Consumer Protections in Payments

### 5.1 Consumer awareness of protection provisions in payment methods

The research explored consumer awareness and understanding of payment protections.

- Awareness was found to be mixed, with users of credit cards and PayPal most likely to know about payment protection provisions.
- Awareness of credit card protections and PayPal Buyer Protection were seen to be the strongest, although, there was limited awareness of the term “Section 75<sup>6</sup>”.
- General understanding of how payment protections worked in practice was minimal and informed only by direct, personal experience of the claims process.
- In the case of consumers who are not online banking users, and/or those who are financially less literate/confident, there appeared to be lower awareness of any kind of payment protection mechanisms that might be available to them.

Several factors seem to increase awareness and understanding of payment protections for all consumer segments:

<b>Personal experience</b>	Relatively few have direct experience of claiming on payment protection, but those who do seem to have the strongest understanding of how it works in practice
<b>Word of mouth</b>	Driven by other people sharing experiences of dispute, supported by real-life examples
<b>Consumer experts</b>	Sources of insight (such as Which! or MoneySavingExpert.com) have raised awareness of protection and the financially confident are more likely to turn to these people in a dispute situation
<b>Payment providers</b>	Companies like PayPal are seen to promote Buyer Protection at the point-of-sale. Credit card providers have also made customers aware of the protection provisions in place
<b>Media coverage</b>	Recent high profile collapses (e.g. Monarch), and the pandemic (due to the high number of flight/holiday cancellations) have also highlighted the seriousness of the issue of consumer protection

<sup>6</sup> <https://www.experian.co.uk/consumer/credit-cards/guides/section-75-protection.html>

## 6 Identifying potential gaps in payment protection provision

At the current level of use of Faster Payments, consumers neither feel the need for additional protection nor do they expect it, though this could change if this mode of payment becomes a more widely available choice, for varied types of transactions. The below section highlights the reasons for this perception, as identified by our research:

- **Bank transfers:**
  - Are typically used to pay friends and family or as a bill payment with trusted sellers so protection is not felt to be necessary
  - Are used as a cash alternative (e.g. when paying a tradesperson who has already delivered a service), and so protection is not expected
  - Some risk is perceived when paying for goods (second hand) or if there is a service dispute (e.g. faulty repair), but it is unclear whether protection can help in these instances.
- **Standing orders:**
  - Are generally set up with trusted sellers and for tangible services (paid after receiving goods/services)
  - Are also used for memberships/subscriptions which are often lower value, and can be easily cancelled if there are issues.

However, our research found that there are a few factors that could increase the need and expectation for additional protection around transactions using Faster Payments:

- Promotion by financial providers, retailers or tech companies - seller preference, rewards
- The increasing fragmentation of the payment provider market (particularly online): PISPs emerging that use Faster Payments, but do not offer clear protection, and/or alternative models
- Increasing use for 'higher risk' purchases: C-to-B use cases proliferate when purchasing from less well-known sellers, less tangible goods or services and/or higher value items e.g. travel.

*They're all payment methods offered by banks, you wonder why they offer protection on some things and not others, it should just be the same*  
**45+, FPS user**

Quote from primary research participants. Research conducted by PwC Research. Aug-Sep 2020.

## Exploring Perceptions of Consumer Protections in Payments

Financially literate consumers are more confident in their ability to pursue alternative recourse should the retailer refuse to offer a refund. However, financially vulnerable, financially less literate and less confident consumers seem to face detriments. The findings from the research are depicted in the table below:

<p><b>Low awareness of existing provisions:</b> This was observed across all consumer segments, particularly of debit card chargeback. Given the high usage of the debit card. It means that consumers may already be missing out on opportunities for redress.</p> <p><b>Key need to address: education/communication</b></p>	<p><b>The potentially vulnerable are less able to seek redress:</b> Consumers who are of low literacy and financially constrained, in particular, were less confident knowing where they could get support when pursuing a dispute or contacting their financial provider.</p> <p><b>Key need to address: education/communication</b></p>
<p><b>Protection on credit cards can feel exclusive:</b> Consumers who are financially constrained or of low literacy especially if they are credit averse to prevent themselves from getting into debt (or not eligible for credit) are unable to access the superior protection available through credit cards. For some this was a trade-off that they had actively considered, but there were others who did not have a choice. This raised questions over fairness.</p> <p><b>Key need to address: Inclusivity of protection</b></p>	<p><b>Chargeback refund delays:</b> This was not widely mentioned, but financially constrained consumers are potentially impacted by lengthy timelines on receiving refunds, leaving them out of pocket.</p> <p><b>Key need to address: Speed of refunds</b></p>

It should be acknowledged that communications around payment protections for different payment methods and redress mechanisms available are not the only way to address this issue of payment protections for consumers. Even so, clear communications could help address some of the existing issues, especially for financially vulnerable consumers.

# 7 Summary of findings

Pay.UK undertook research into consumer protections due to the increasing opportunities for consumers to use Faster Payments for C-to-B transactions. These increasing opportunities mean that there could be potential for this usage to accelerate. There are currently no additional dispute protections in place in FPS. Therefore, to support work in this area, we undertook primary research into the consumer perceptions of consumer protections, having established that there was not sufficient information from secondary sources.



The research provides us valuable insight into the current state of the market, consumer behaviour around payments and perceptions of payment protection. It highlights differences between different consumer segments, their understanding of payment methods and protections, and motivations for their choices.

It is important to note that this research focussed on dispute protections, and did not cover fraud and APP scams. The current detriment customers face from APP scams is well known, and work is already being undertaken to improve solutions in this space. The understanding of detriments caused by disputes are still in the exploration phase. Further work is being undertaken in this space, not only by Pay.UK, but across the industry. Along with Pay.UK's own project, looking into if, and how, Pay.UK can support protections, the PSR is also looking at what protections may be needed. We hope that this primary research will be helpful in considering what detriments may arise, and how they may be addressed.

Consumers reported a range of motivations for using these payment methods - convenience and ease stand out as key, and therefore these could encourage uptake if a new method were to have these characteristics. We do not, however, know what the impact of the pandemic will have on this. The restrictions during the pandemic have seen more people try and adopt newer payment methods, but it is not currently known whether this will create a sustained use of these methods.

The research also demonstrated that consumers are often unaware if and when they are using Faster Payments, and that lines are more blurred with C-to-B payments. Protection is important but lack of it is currently not a barrier to more people using FPS. At this point, the percentage of C-to-B transactions that use FPS are quite small, however the lack of protection within FPS could become a detriment as these numbers grow.

A range of factors may increase the need for additional protection in future:

- Promotion by financial providers, retailers or tech companies
- Increasingly fragmented payment provider markets (particularly online)
- Increasing use of FPS for 'higher risk' purchases.

It is important to note that financially vulnerable and less confident consumers, who have different motivations and levels of confidence, are currently seen to be facing detriments:

- They avoid credit cards so as to not get into the cycle of debt (or are not eligible for credit) and so are automatically left out of the protections offered by that method of payment.
- They do not understand the existing provisions on various payment methods very well and are not confident to pursue recourse in the case of dispute with retailers.



## **Exploring Perceptions of Consumer Protections in Payments**

Future work should bear this in mind, and consider the findings of the research in order to ensure any appropriate protections are introduced in a timely manner, which are clear and easy for customer to utilise.

# 8 Next steps

## 8.1 Policy work

The findings from the secondary research and this primary research are being fed into Pay.UK's policy work, which is supported by a broad-based working group (co-chaired by UK Finance) that provides input and challenge into the process. The policy work, which is underway, will consider whether, and how, Pay.UK rules and standards could be used to help improve consumer protections in payments. We are aware of a broad range of public policy and industry activity underway in relation to consumer protections and we will look to coordinate work with regulators and other relevant organisations as our work progresses.



## 8.2 Market tracking and desk research

To inform the policy work and our strategic position, Pay.UK is now actively monitoring the real-time payments landscape in the UK and around the globe. The activity is intended to identify emerging use cases for real-time payments and growing uptake and interest in using real-time payments for C-to-B transactions. This activity will continue beyond policy work. It will provide valuable input as well as bringing to light the growing popularity and novel use-cases for real-time payments from around the globe.

## Appendix A

### Areas for further exploration - as identified by the secondary research

The secondary research identified a number of areas that required further exploration:

- The extent that consumers are familiar with the protections afforded by cards and take these into account when making purchase decisions – for instance, using credit cards for costlier purchases or when booking travel, as the protection afforded is more robust.
- Whether high-profile collapses of companies like Thomas Cook and Monarch made consumers more aware of payment protections, and websites like Money Saving Expert are enhancing consumer understanding (Covid-19 may also have had an impact).
- Whether payment method protections are considered when consumers seek recourse for faulty or undelivered goods or services.
- The role of trust in encouraging consumer uptake of new payment methods. While brand is widely recognised as playing a key role here, there is a need to understand whether protection also has a role.
- Whether any specific consumer protection is expected when using FPS, or if existing provisions are felt to be sufficient.
- Awareness of payment methods being used in online environments.

## Appendix B

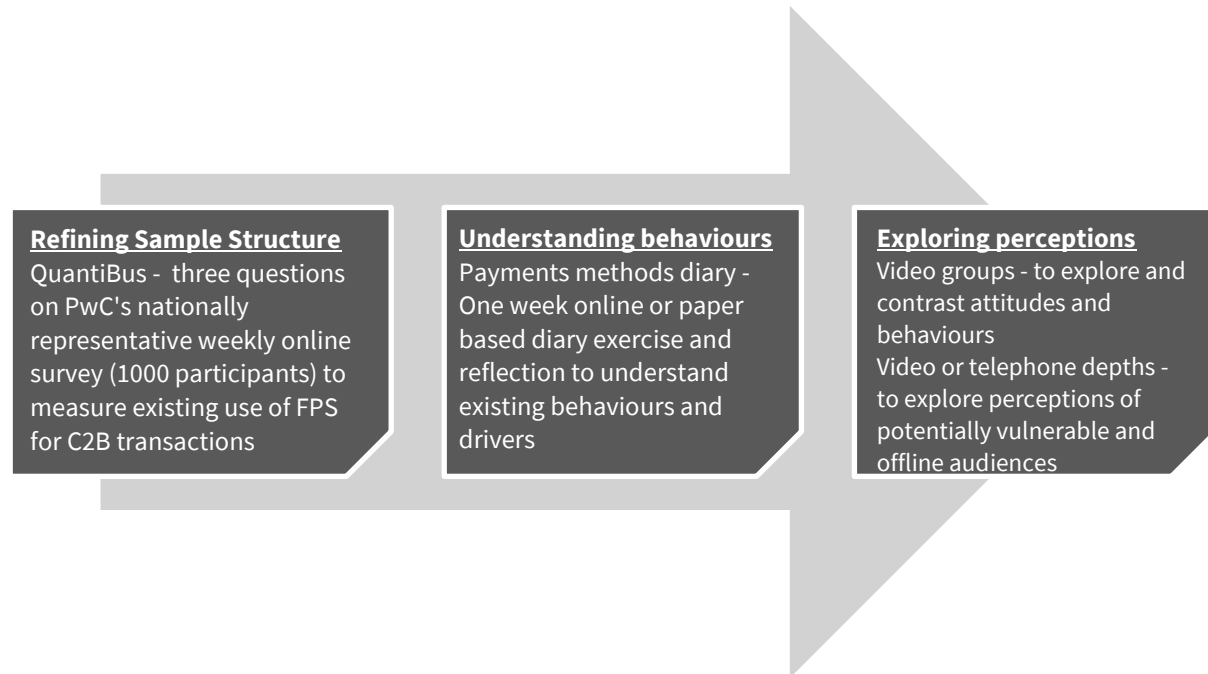
### Primary research – scope and methodology

Objective	Areas of interest
<p><b>Understanding current payment method behaviours and the role of protections</b></p>	<ul style="list-style-type: none"> <li>● What are the motivations for choosing payment methods, and how do these differ depending on the type and size of transaction?</li> <li>● Has Covid-19 had any impact on their payment method behaviours?</li> <li>● What are the use cases where protection does play a role in payment method decision-making and how is this defined?</li> <li>● Is it not considered because people just assume it is in place?</li> </ul>
<p><b>Understanding usage and attitude to Faster Payments</b></p>	<ul style="list-style-type: none"> <li>● What are the drivers to using FPS for consumer-to-business payments?</li> <li>● When are these being used currently?</li> <li>● What are the benefits?</li> <li>● What are the barriers to using FPS for consumer-to-business payments?</li> <li>● What concerns do people have about using this payment method?</li> <li>● What would help to address any barriers or concerns?</li> <li>● Are there any differences in terms of willingness to use FPS for consumer-to-business among existing consumer-to-consumer and non-users?</li> </ul>
<p><b>Exploring perceptions of consumer payment protection</b> <i>(Focus on consumer protection when making a payment where there is potential for dispute. Fraud was out of scope of this research.)</i></p>	<ul style="list-style-type: none"> <li>● How effective is the consumer protection regime when there are issues?</li> <li>● Do consumers seek redress?</li> <li>● What approaches do they take/expect to take?</li> <li>● What are the perceived roles/responsibilities of different agents e.g. bank, retailer?</li> <li>● Is this changing because of Covid-19? Is there now more consideration of methods used?</li> <li>● Have banks/providers provided any communications?</li> <li>● How do people find out about protection available and when?</li> </ul>
<p><b>Identifying potential gaps in payment protection provisions</b> <i>(Initial reactions to the Payments Promise concept and paying for protection – given early stage of proposition development these were covered at a very high level)</i></p>	<ul style="list-style-type: none"> <li>● Are there any gaps in expectations of protection available and provisions in place?</li> <li>● What, if any, are the implications of any gaps?</li> <li>● Are there any specific areas where there is potential for consumer detriment?</li> <li>● What is the role for communications in addressing issues with understanding existing protections?</li> <li>● To what extent do consumers feel that there is a need for additional provisions?</li> <li>● What are consumers’ high-level reactions to the concept of a universal protection underlying all payment methods?</li> </ul>

## Exploring Perceptions of Consumer Protections in Payments

### Methodology

An exploratory qualitative research approach was employed, to ensure that we gain an in-depth understanding of current payment behaviours, awareness, understanding and attitudes towards protection.



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