

## ING bi-weekly payments update - October 30, 2020



The transaction data (debit card payments and cash withdrawals) has been updated **up to and including Monday, October 26**.

### Summary of recent trends:

- Since the start of the **'partial lockdown'** (Wednesday, October 14, 22:00), the **value of debit card transactions and cash withdrawals** (as a proxy of cash payments) has **declined significantly**.
- In the week up to and including Monday Oct 26, the **value of transactions inside and outside the Netherlands by Dutch ING retail clients** was **16% lower than normal**.  
About two weeks earlier – shortly before the 'partial lockdown' started - the level was 7% below normal.
- **Domestically**, the value of debit card transactions and cash withdrawals is **13% below normal**, versus 'just' -4% two weeks ago.
- Note that the current figure (-13%) could be **positively impacted by the Autumn holiday**. Normally this time of year, transactions abroad are about 6 to 7% of total debit card + ATM transactions. Last week, it was only 3%. This indicates that during this vacation period much more people than normal stayed in the Netherlands. So, **underlying, the decline in domestic transactions could have been bigger**.
- A closer look at just debit card transactions (no ATM) in the Netherlands shows a **varying picture across sectors**. In sectors directly hit by the new Covid-19 measures, transaction levels have tanked most.
- In **'bars & restaurants'**, the value of debit card transactions is **65% below normal**. During the 'intelligent lockdown' in March, the decline was even bigger, about 80%. A surge in online payments for take-away and delivery suggests that part of the sector has now found a way to somewhat limit the damage.
- The value of transactions in **'recreation & culture'** has dropped to 50% below normal. This category includes sporting clubs, holiday parks, casinos, cinemas, concert halls and amusement parks. So, this category is hit by various measures such as the closing of sporting canteens, the ban on matches (excl men's prof football), the max group size of 30 and the "1.5 meter".

- In **'transport'**, the value of PIN payments has declined too, to 21% below normal levels. The decline is strongest in **public transport** (-55% below normal), while **'petrol stations and parking'** is at -17%. ING's daily survey (ING Vraag van Vandaag) shows that since the new measures the share of respondents working 4-5 days from home has increased again, but it is not as high as in March.
- Meanwhile, in retail, **'hardware stores'** (+24%) still appear immune, while the value of debit card transactions in **'personal care'** (-8%), **'furniture shops'** (+2%) and **'shops selling leisure goods'** (+1%) now look less robust compared to normal levels. **'Fashion'** has clearly taken a new hit with the value of debit card transactions having dropped to **27% below normal**. More working from home, fewer parties and trips mean less (fun) shopping for outfits.
- **'Food retail'** is still holding up very well with the value of card transactions **15% above normal**. However, there appears **no sign of stocking up or stockpiling** by consumers, like we saw in March ahead of the 'intelligent lockdown'.
- While offline buying has declined recently, the **value of online purchases** is still **far above normal (+16%)**.

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#### Important notes

Data about payments are highly volatile from day-to-day. This is caused by (amongst others) calendar, holiday and seasonal effects. To limit these effects, daily values are transformed into a 7-day rolling average and then compared to the same period in previous years. A 'normal' (pre-corona) pattern of payments through the year is determined by averaging 2016, 2017, 2018 and 2019.

When comparing 2020 to previous years, it is taken into account that the usage of debit cards has surged in recent years. Since we are primarily interested in the impact of the corona crisis on transactions - not this structural change in payment behavior - numbers have been adjusted for the shifts in level. The same goes for the data on online payments. This means that the actual (un-adjusted) year-on-year change in transactions could be (much) higher or lower.

If you have any questions/requests concerning the transaction data, please reach out to (10)(2e) of the ING Economics Department ((10)(2e)@ing.com).

### Table and charts:

The **table** below shows the **deviation from normal** of the **transaction volume**, **average transaction amount** and the **total value** in the last 7 days. The number between brackets is the unadjusted year-on-year change versus 2019.

The charts below the table show the development in recent months.

Debit card transactions, cash withdrawals and electronic payments: volume, average amount and turnover							
Deviation from normal (Between brackets, unadjusted change versus comparable week in 2019). Only transactions by private ING NL clients.							
last date: Monday 26 Oct 2020		number of transactions		average amount		value of transactions	
Type of transaction/pin location	Last 7 days		Last 7 days		Last 7 days		
	dev from normal*	%YoY	dev from normal*	%YoY	dev from normal*	%YoY	
<b>PIN + ATM (NL and abroad)</b>	-21%	(-16%)	7%	(2%)	-16%	(-15%)	
<b>PIN + ATM (only nl)</b>	-19%	(-14%)	8%	(3%)	-13%	(-11%)	
All pin locations in NL	-19%	(-13%)	12%	(7%)	-9%	(-7%)	
<b>Food retail</b>	-6%	(4%)	22%	(15%)	15%	(20%)	
Supermarkets	-9%	(0%)	24%	(18%)	13%	(18%)	
Specialized food stores	7%	(23%)	22%	(8%)	30%	(34%)	
<b>Personal care</b>	-14%	(-10%)	7%	(8%)	-8%	(-3%)	
<b>Fashion (clothing and shoe shops, jewelers)</b>	-24%	(-23%)	-4%	(-5%)	-27%	(-27%)	
<b>Leisure (goods)</b>	-18%	(-15%)	22%	(17%)	1%	(0%)	
Toy and game shops	-1%	(1%)	2%	(7%)	1%	(8%)	
Book and music shops	-27%	(-22%)	25%	(18%)	-8%	(-7%)	
Sports & outdoor shops	-12%	(-10%)	6%	(9%)	-7%	(-2%)	
Electronics shops	-3%	(-6%)	13%	(10%)	12%	(3%)	
<b>Living</b>	6%	(5%)	6%	(7%)	13%	(12%)	
Hardware stores & garden centers	16%	(12%)	6%	(7%)	24%	(19%)	
Furniture shops	-14%	(-13%)	18%	(18%)	2%	(3%)	
<b>Other retail (e.g. department stores)</b>	-14%	(-2%)	12%	(6%)	-4%	(4%)	
<b>Going out</b>	-58%	(-54%)	-8%	(-12%)	-61%	(-59%)	
Bars & Restaurants	-56%	(-51%)	-20%	(-23%)	-65%	(-63%)	
Recreation & culture	-66%	(-63%)	46%	(35%)	-50%	(-50%)	
<b>Transport</b>	-25%	(-21%)	5%	(5%)	-21%	(-17%)	
Auto (petrol stations, parking, garages)	-17%	(-13%)	0%	(0%)	-17%	(-12%)	
Other transport (public, taxi, etc)	-57%	(-55%)	4%	(0%)	-55%	(-55%)	
<b>Other</b>	-18%	(-21%)	15%	(17%)	-5%	(-7%)	
Cash withdrawals in NL	-25%	(-34%)	5%	(14%)	-21%	(-25%)	
<b>PIN + ATM (abroad)</b>	64%	(59%)	11%	(5%)	59%	(57%)	
<b>Purchases in web shops**</b>	30%	(43%)	-11%	(-3%)	16%	(38%)	

\* deviation from average pattern in 2015-2019, adjusted for trend.

\*\* based on electronic payments by private ING customers into about 60 identified bank accounts of web shops and payment service providers

Source: ING

















