

Plastic - That is so Yesterday

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Many readers won't be surprised by a new report out of the US that mobile peer-to-peer (P2P) payment services are now more popular than ever. However, it may be surprising to readers that the flipside of this increase is that our use of plastic money is on the decline, with a future free of debit cards potentially on the horizon.

The online survey conducted by Mercator Advisory Group (Mercator) (which forms the basis of the report) shows that physical debit transactions are indeed migrating to mobile platforms – think money transfer apps, banking apps and mobile wallets. Of the 3,011 US adults who participated in the June 2017 survey, 57% said that they make use of mobile P2P payment services such as PayPal, Square, Google Wallet or their chosen financial institution's mobile banking application.

Thanks to the prevalence of smartphones and the integration of payment services with social media (as demonstrated by Venmo and Facebook Messenger), 78% of the digital-savvy younger generation (identified as adults aged 18 – 34 in Mercator's survey) use mobile P2P payment services, with 28% doing so on a weekly basis.

Mercator's report confirms that mobile P2P services are no longer a fringe innovation. The paradigm shift has phone and device manufacturers assuming a winning position as the ubiquitous device, a wallet or purse full of cards ... just so yesterday.

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National Law Review, Volumess VIII, Number 38

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