

Cashless Payments and the Pandemic in Australia

As the COVID-19 pandemic began to sweep the world, so too did health and safety concerns among business owners. This raised questions of how to properly conduct business and accept payments during social distancing and stay-at-home mandates. Seemingly overnight, we saw online ordering, touch-free digital payment methods, curbside pickup and no-contact deliveries become ubiquitous with daily life.

Square has crunched the numbers from millions of transactions made at thousands of Square businesses across the country between January and June 2020, to reveal how the pandemic has changed the way we buy and sell with cash in Australia.

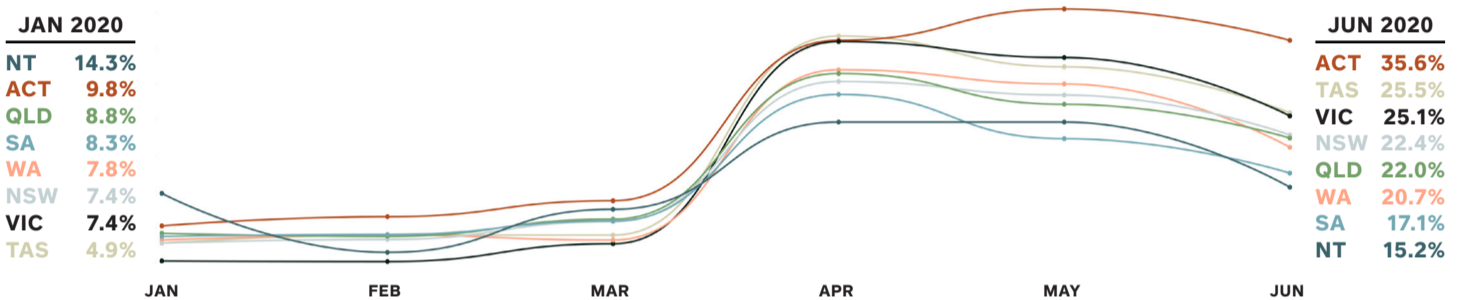
Businesses are going cashless

Australian businesses have experienced a cashless growth spurt amid the coronavirus pandemic. Of the businesses that have been continuously operating throughout the first half of 2020, only 1 in every 10 businesses (7%) were effectively cashless* pre-pandemic in January, compared with over 1 in 3 (36%) during April when stay-at-home mandates were enforced across the country.



GROWTH OF CASHLESS BUSINESSES

Per state between January and June 2020

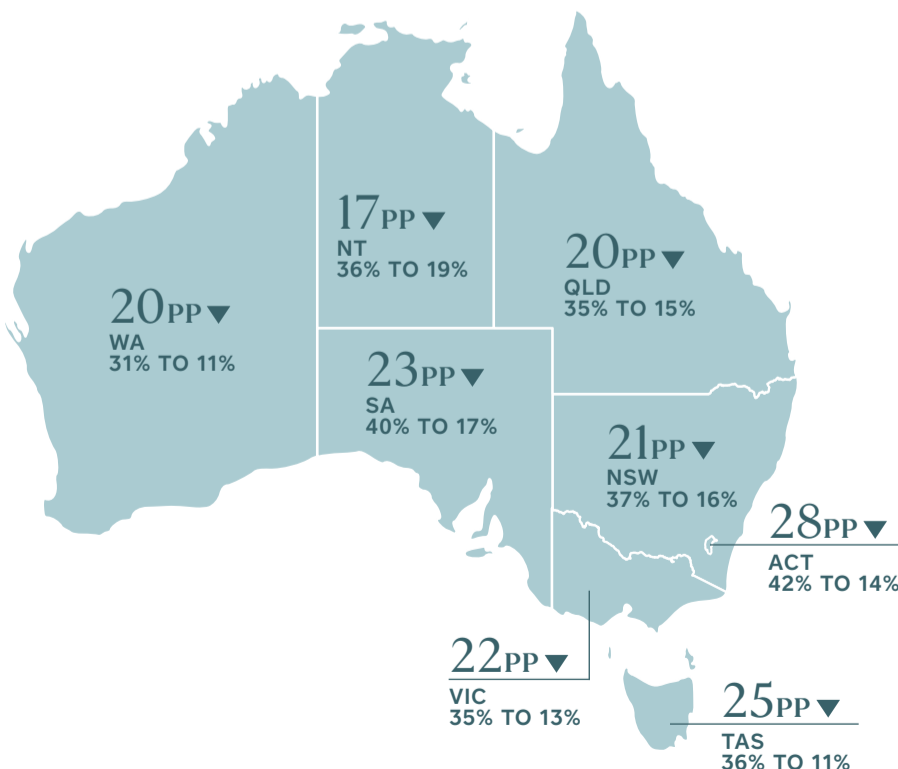


Are consumers still using cash?

Cash payments across the country dropped by more than half between January and April 2020, down from 35% to just 15% of all transactions, but climbed back up a little in June to 18%. However, there were significant differences between the regions during the peak of the pandemic's first wave. The ACT, Tasmania, South Australia and Victoria saw the most substantial abandonment of cash, with cash payments plummeting by more than half during April. Consumers in the Northern Territory remained the most committed to cash.

LARGEST MONTHLY DECLINE OF CASH PAYMENTS

Per state between January and June 2020

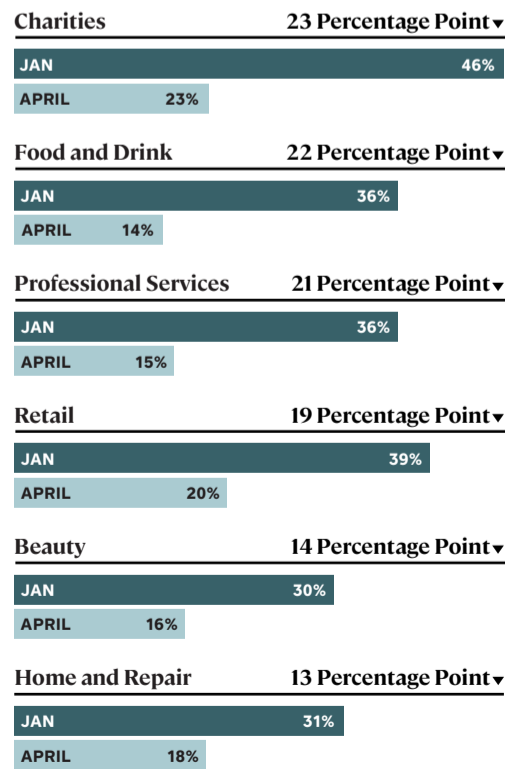


Is it an industry trend?

From an industry perspective, charities and the food and drink sector have shifted most dramatically away from cash, with payments made in cash dropping by more than half during the period between January and June, bottoming out in April. Businesses in the home and repair sector remained the most committed to cash.

LARGEST MONTHLY DECLINE OF CASH PAYMENTS

Per industry between January and June 2020



*The data for this analysis includes millions of transactions from January, 2020, to June, 2020, from Square sellers across Australia who have accepted a minimum threshold of cash and card payments. Cashless is defined here as accepting 95 per cent or more of transactions through credit or debit cards.