

## 2020: Card business in Germany stagnates

The pandemic-related lockdowns have left clear traces in the card business in 2020. Card sales in Germany rose only minimally by 0.2% to 402.7 billion euros. The number of card transactions, on the other hand, rose by 11.5% to 8.3 billion. Consumers are increasingly using their debit and credit cards to pay smaller amounts of money. In no previous year has the average receipt of a card payment fallen as rapidly as in 2020 (from approx. 54 euros to approx. 48.50 euros). It is a clear indication that card payment has displaced cash at the checkout to a significant extent. The unfounded fear of being infected with cash has contributed significantly to this.

Traditionally an important driver of card sales has been the continued growth of consumer spending. Due to the pandemic, this growth was absent in 2020, indeed there was a decline. Measured in terms of consumer spending potentially eligible for card payments in Germany<sup>1</sup> the share of cards has been rising steadily for years and will continue to do so in 2020 (from 42.3% to 46.4%). This is another indication of the advance of card payments by plastic or smartphone.

The figures refer to the turnover and transactions made in Germany primarily with debit and credit cards in all sectors (not only retail) at physical point-of-sale and in e-commerce. Cash withdrawals from ATMs are not included in these figures.

These are the findings of PaySys Consultancy GmbH in its annual card market statistics for Germany.

In terms of card schemes, however, there are clear winners and losers from the lockdowns. Turnover with the girocard debit card ("ec card"), which can also be used to make ELV payments<sup>2</sup>, increased by 6.6% (incl. ELV). The cards of the international card systems Mastercard, Visa, American Express and others, on the other hand, recorded a decline in turnover of 12.3%. So-called credit cards (monthly debit or revolving credit) still predominate in this segment. The turnover of these cards, which are used by domestic and foreign cardholders especially in Travel & Entertainment, was particularly affected by the lockdowns, the lack of work-related travel and the absence of foreign tourists and business travellers.

A similar trend was seen across the EU in 2020, with debit cards the winners and credit cards the Corona losers. Sales of cards issued in the EU (27) also stagnated (down 0.8%). However, debit cards gained (4%), credit cards lost 13%.<sup>3</sup>

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<sup>1</sup> Excluding expenditure on housing, utilities, health, education, car purchase, telecommunications and financial services, which are usually made by bank transfer and direct debit.

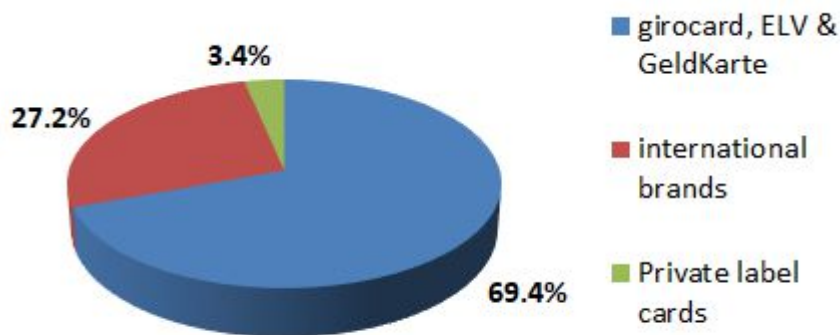
<sup>2</sup> ELV: Electronic direct debit (transactions with the girocard that are signature-based and debited from the giro account by a direct debit).

<sup>3</sup> A not uninteresting side effect of this development is a decline in the market share of the "American" card payment methods (Amex, Mastercard and Visa) in the EU (27). Compared to the European card systems (such as girocard, Cartes Bancaires, etc.), the international card systems have exactly "only" 50% (2020).

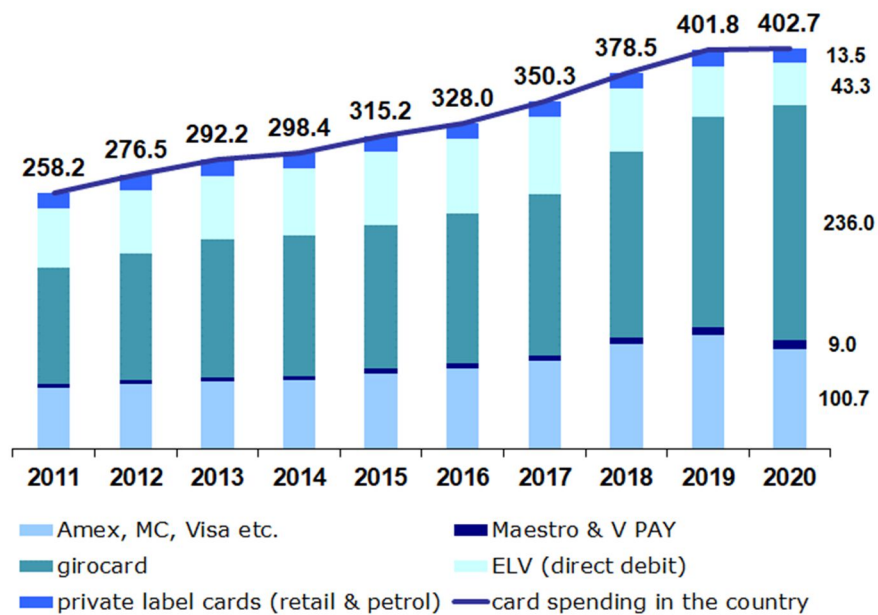
In Germany, too, the national procedures (girocard including ELV and GeldKarte) were able to expand their market share by 4 percentage points to 69.4% due to the pandemic.

The girocard card system recorded surprisingly high growth in 2020 (12%). However, one third of the growth is due to the substitution of ELV payments. Since 2018, this previously successful system has been losing market share in favour of the girocard, whose merchant fees have been reduced by the banks. The decline in 2020 was 16% compared to the previous year. Compared to 2017, ELV has lost almost half of its turnover. It is to be expected that the ELV displacement by the girocard system has continued in 2021.

**Graphes:**



**Market shares of card payment methods in Germany on a turnover basis 2020  
(without ATM transactions)**



**Card turnover (excluding cash withdrawals) in Germany 2011 - 2020 (€ billion)  
(domestic and foreign cardholders)**

The above figures on the development in Germany are derived from the card market statistics Germany 2011 - 2020 published by PaySys Consultancy in February 2022.

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