

## **MEDIA RELEASE**

June 2018

### **ALTERNATIVE PAYMENTS ARE TURNING AUSSIES INTO A NATION OF OVERSPENDERS**

*Aussies are spending almost \$87 billion annually on everyday purchases using alternative payment methods*

Aussies have increasingly embraced alternative payment methods, spending a total of \$86.97 billion annually via tech-driven platforms, according to the newly released *Choosi Alternative Payments Report*.

Analysing Australia's attitudes and behaviours around the use of alternative payments in their everyday lives, the *Choosi Alternative Payments Report* is the eighth instalment in a national research series. This chapter investigates Australians' financial behavior, spending habits and social financial etiquette.

Over two thirds (67.0%) of Aussies use alternative payment technology, such as tap-and-go, to make everyday purchases. Those using these methods estimate doing so for 61.9 per cent of their routine purchases, which amounts to \$136 out of an average \$220 weekly spend.

The research also reveals that while most people enjoy the ease and convenience of using alternative payment methods, Aussies' spending behaviours are changing as a result of not needing to physically hand over cash.

More than seven in ten (71.3%) respondents think alternative payment methods make it easier to spend money that they would not spend otherwise, and more than a third (34.4%) of those using these methods feel they overspend.

Choosi spokesperson Katrina Foster said: "It's clear that alternative payment methods can be beneficial to the everyday Aussie and are now an integral part of our day-to-day lives. However, it is concerning that not having to hand over physical cash could be leading us to become blasé about our spending.

"Our research shows a steady increase in how much Aussies are spending through alternative payment methods. Whilst that's not necessarily damaging in itself, it's important that Aussies are conscious of the amount they are spending and how all these purchases can add up."

Interestingly, the research also sheds light on the fact that Aussies are regularly overspending at social events, with over half (53.9%) of respondents doing so. And, more than two in five (43.5%) admit they have avoided going to a social event in order to bypass awkward conversations regarding money.

In addition to this, over a quarter (27.1%) have experienced disagreements with friends over money. Of these, close to half (47.3%) admit to these arguments resulting in lost friendships.

There is evidence that Aussies are making a more conscious effort to get their overspending under control. Close to half (48.8%) say they follow a rough budget and, of those who have at least one credit card, close to two-thirds (64.7%) make the full payment every month.

Choosi spokesperson Katrina Foster added: "As the use of alternative payments becomes more

common, Aussies are naturally factoring in these behaviours into how they budget for routine spending and social commitments. There's already been a shift in spending habits, with Aussies increasingly hosting social events at home and being more sensible about cutting down on easy but unnecessary purchases to reign in overall spending.

"This research emphasises the importance of keeping track of our individual spending habits, particularly under the social pressures that go hand in hand with adhering to financial etiquette. It is encouraging to see that Australians are taking the necessary steps to minimise financial stress and maintain positive relationships with friends and family."

## ENDS

### **Additional findings from the *Choosi Alternative Payments Report* include:**

#### **Uptake of alternative payment methods**

- Two in five (39.9%) users say their use of alternative payments for everyday purchases has increased compared to a year ago, and this proportion rises to 68.6 per cent when compared to five years ago.
- The amount spent via alternative payment methods has also increased over the years. Compared to a year ago, two in five (40.3%) users say the amount they spend has increased and more than three in five (62.8%) say the same when comparing to five years ago.

#### **Australian spending habits**

- Aussies spend an average of \$220 on everyday purchases such as food, groceries and petrol in a typical week, translating to \$4,090,412,269 Australia-wide each week.
- Three in five (60.7%) who use alternative payment methods keep track of their purchases under \$50 made using these methods, usually by checking their online bank accounts (58.5%) and banking apps (44.6%).
- Almost one in five (18.4%) use new or emerging payments such as AfterPay and ZipMoney.

#### **Financial etiquette**

- More than half (53.9%) say they end up overspending at social events.
- Among those who overspend at social events, two thirds (66.0%) cite a desire to have a good time, while similar proportions say they do not want to look cheap in front of others (32.0%) or say they lose track of their spending (30.3%).
- Many Aussies typically feel awkward when it comes to 'financial etiquette'. 54.8 per cent of Aussies feel awkward when dining at expensive restaurants or exchange expensive birthday gifts with friends (53.5%). Significant numbers also feel awkward when they buy a round of drinks (45.0%) or attend events with friends (41.9%).

#### ***For media enquiries, please contact:***

Shannon Cuthbert  
Senior Account Manager  
Haystac  
m: 0405 652 703  
e: [shannon.cuthbert@haystac.com.au](mailto:shannon.cuthbert@haystac.com.au)

Daniel Williams  
Senior Account Manager  
Haystac  
m: 0423 794 401  
e: [daniel.williams@haystac.com.au](mailto:daniel.williams@haystac.com.au)



## **About Choosi**

Choosi provides information to help customers compare, choose and apply for a range of insurance products online and over the phone. Choosi's free comparison service lets you compare the benefits and prices of a range of popular insurance products, so you can confidently choose cover that suits your needs, your budget and lifestyle.

### About the Choosi Alternative Payments Report

In order to explore financial behavior, spending habits and social financial etiquette in modern Australian society, CoreData surveyed 1,000 typical Australians across the nation in May 2018.

The sample collection employed soft quotas to monitor representativeness of the Australian population. Hard quotas by state were also engaged to ensure all the main states were represented with sufficiently robust samples (NSW = 200, VIC = 200, QLD = 200, WA = 200, Remaining states/territories = 200).