



# The Digital Finance Trends 2021 Report

December  
2021

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## About the report

*The Digital Finance Trends 2021 Report* forms part of the Choosi Research Series. In its latest instalment, this in-depth study looks at Australia's key barriers and drivers behind financial and social behaviour in today's society. It explores financial attitudes and behaviours towards digital spending, online trading, cryptocurrency and investments and Australia's financial literacy of the increasingly popular new technologies we use today.

The report is compiled based on research commissioned by Choosi and conducted by CoreData between 6 and 11 October 2021. The research was conducted via a quantitative online survey, gathering 1,352 responses from Australians aged 18 years and above.

### Important things to note about the charts

- Footnotes directly underneath the charts (e.g. 'Respondents who postponed their wedding') mainly refer to the sampling involved per question. This is to differentiate who was asked that particular question in the survey.
- Charts without any notes on sampling display data from questions asked to all respondents.
- It also differentiates the types of questions asked. For instance, 'Multiple answers allowed' appears when the question called for more than one answer from the respondent.
- Some charts may not be equal to 100% due to rounding differences.

**Key  
findings**



# Key findings

## Digital wallet usage is becoming popular amongst Australians, especially for everyday transactions

- A large portion of Australians (44%) are at least sometimes using a digital wallet to pay for their everyday transactions, whilst the remaining 56% rarely or never use one.
- Digital wallet usage is most popular amongst young people, with the majority of Generation Z (77%) and Generation Y (64%) already at least sometimes using digital wallets. Their usage declines with age with less than 2 in 5 of Generation X (37%) at least sometimes utilising them and only 1 in 5 (21%) of Baby Boomers indicating the same.

## Many admit that the convenience of digital payments promotes spending and are also likely to make people spend more

- Nearly 4 in 5 (79%) agree that the simplicity of digital payments makes it easier to spend money without thinking about it. Conversely, 3 in 5 (60%) agree that digital payments allow them to better manage their money.
- Due to digital payments, many indicate they are more likely to order takeaway (41%) or to impulse shop online (40%). Some also report being more likely to do things like get a ride share (e.g. Uber) (28%), buy a coffee (27%) or buy impulse food treats (27%). Not all extra spending as a result of digital payments is negative however, with 1 in 5 (20%) indicating they are now more likely to contribute to 'round up' savings.

## Many are convinced of the convenience of digital payments, however many remain apprehensive on sharing their personal details

- More than two thirds (67%) agree they are generally not very comfortable sharing their personal bank and card details online.
- Despite this, more than 3 in 5 (64%) would be comfortable using a digital travel pass on their phone with a digital health wallet linked to their passport. About 1 in 5 are not comfortable with this idea, whilst a further 15% are unsure.

# Key findings

## Buy Now Pay Later is being used by a smaller proportion than credit cards and those not using it are unlikely to consider it

- Current usage of Buy Now Pay Later (BNPL) is being used by more than a third of Australians (36%). It is especially popular amongst younger people with more than half of Generation Z (53%) and Generation Y (51%) having used it. This decreases somewhat amongst Generation X (35%) and is much lower for Baby Boomers (18%).
- Of those that aren't using BNPL, many feel strongly about not taking it up with the large majority indicating they are unlikely (85%) to use it and nearly 7 in 10 (69%) indicating that they are very unlikely to use it.

## Many Australians may not fully understand how BNPL works and some report having issues with loan assessments

- 1 in 5 (20%) BNPL users admit to having experienced issues with credit checks or loan assessments because of their history of using BNPL.
- Most fundamentally don't understand how these underlying systems work. More than 9 in 10 (91%) indicated that using BNPL shows up on a person's credit history or were unsure about this statement. 37% agreed or were unsure about the statement that 'using BNPL is not the same as having debt', and a further 41% agreed or were unsure of the statement that it is harder to get into debt problems with BNPL than a credit card.
- Most (81%) felt that they would be unsure or would not start using or continue using BNPL if any of these were true. This is troubling as some companies do run credit checks which BNPL is affecting and some are already experiencing issues due to usage of these services.

## Most using BNPL do so responsibly, but many are vulnerable

- Most BNPL users are currently using it responsibly, however a sizeable portion are vulnerable to using it irresponsibly. Only a small minority have already used it with a maxed credit card (3%) or without a source of income (7%), however roughly 1 in 3 (31%) are likely or consider it to be a possibility to use BNPL with a maxed credit card or without a source of income (33%).
- 1 in 5 (21%) BNPL users admit to being late in their repayments in the last 3 months.

## Many Australians have credit cards and the majority are using them responsibly

- More than 3 in 5 (62%) have a credit card, whilst a further 14% have had one in the past but no longer do. The remaining quarter (24%) don't currently have a credit card and never have. This is especially pronounced amongst young Australians, with more than half of those aged under 30 (52%) stating they have never had one and don't currently have one.

# Key findings

## Of those with credit cards, the majority are using them responsibly

- 7 in 10 (69%) indicate they pay their credit card balance off every month. A further 1 in 5 (21%) are making payments above the minimum but are still sometimes carrying a balance month to month. A small minority (6%) are only making the minimum repayment each month. Debt management abilities do seem to increase with age with only 61% of Generation Z paying off the balance each month, with 62% of Generation Y, 61% of Generation X, 79% of Baby Boomers and 83% of Pre-Boomers doing the same.

## Half of Australians are worrying about debt and some feel that things are only getting harder

- 50% are worrying about their debt sometimes or more frequently and a further 1 in 5 (21%) feel that managing their debts is getting even harder these days with all of the convenient payment options we now have.
- This worry about debt is having tangible negative affects on the lives of those that are experiencing it, with more than a third indicating that it has had the tendency to make them unhappy (36%), affects their mental health (27%) and makes them lose sleep (29%).

## Most Australians don't have a good idea of their credit score or what can impact it

- Only about 1 in 10 (11%) have an exact knowledge of their current credit score, whilst a quarter (24%) have a very good idea of it. More than half (52%) stated that they have no idea, or that they are not really sure but could guess. This is likely due to the fact that only 1 in 3 have checked their credit score in the past year (34%).
- Only a third (33%) are very confident or extremely confident that they understand all the things that can impact their credit score. The majority are aware that things like loan repayment history and credit card repayment history can affect credit score (84% and 81%), however, less than half know that things like BNPL repayment history and BNPL use can also affect it (47% and 36%).

# Key findings

## Many Australians are now trading shares online, with a relatively recent uptake

- 3 in 10 are already trading shares online (28%) and a similar proportion (30%) are not yet doing it but are open to considering it. Of those who are trading, a third (33%) have started doing it since the start of 2020.

## Crypto investing is still niche, but there is considerable openness to considering this asset class

- Only 1 in 10 (10%) are currently investing in cryptocurrencies, however, nearly a quarter (23%) would consider doing so.
- The degree of crypto appeal is related to age and gender, with Generation Y the most likely to be investing in crypto (19%), which is significantly higher than Generation X (6%) and Baby Boomers (4%). Males are also three times more likely than females to be already investing in crypto (15% and 5%).
- This increased usage of cryptocurrency is especially heightened since the advent of the COVID-19 pandemic, as the majority of those investing (74%) are doing more so than before 2020.
- Despite this popularity, most are hesitant to commit large sums to cryptocurrencies, with the majority (62%) having less than \$5,000 invested and only 14% of crypto users having more than \$10,000 invested.

## Crypto investors are doing so for a variety of reasons, but not all are confident investors

- Most crypto users are trying to keep up with the cryptocurrencies (80%) and feel confident in their abilities to trade crypto currencies (62%). Despite this, nearly 2 in 5 (38%) admit they have little or no idea how it all works.
- The most popular reason for crypto investing is that it's a bit of fun and excitement (60%), however many also agree that they are in it for long-term growth opportunities (46%), strong short-term returns (32%), the privacy of transactions (21%) and because they trust it more than other financial assets (16%).

## Despite crypto investors being confident in the asset class, the general population of Australia is unconvinced

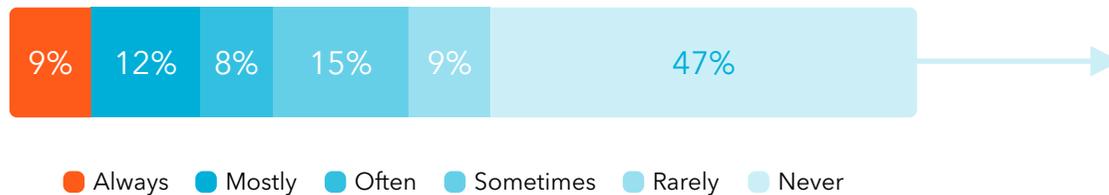
- While crypto investors have a lot of enthusiasm for the asset, the general population of Australia mostly agree that it is a very risky investment (60%) and there is a lack of transparency and regulatory accountability (51%), which is significantly higher than the sentiments among those already investing in crypto (37% and 35%).

# Digital wallets

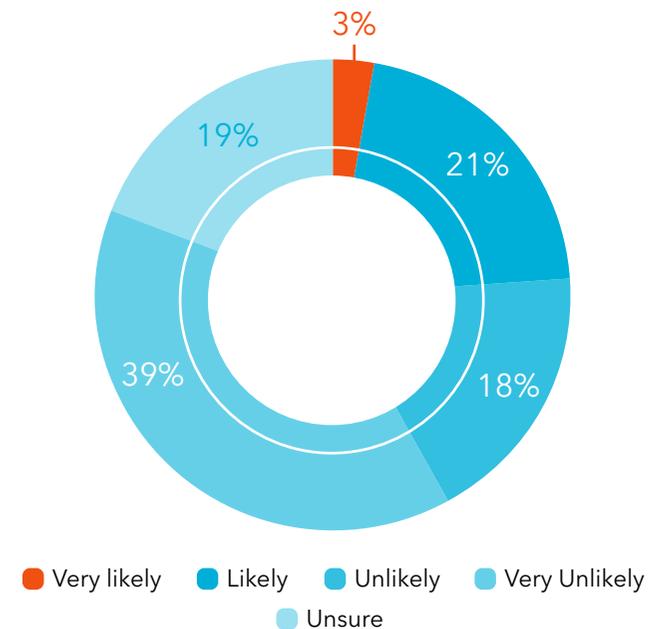


# Digital wallet sentiment

Do you use a digital wallet to pay for everyday transactions?



Would you consider using a digital wallet to pay for everyday transactions in the near future?

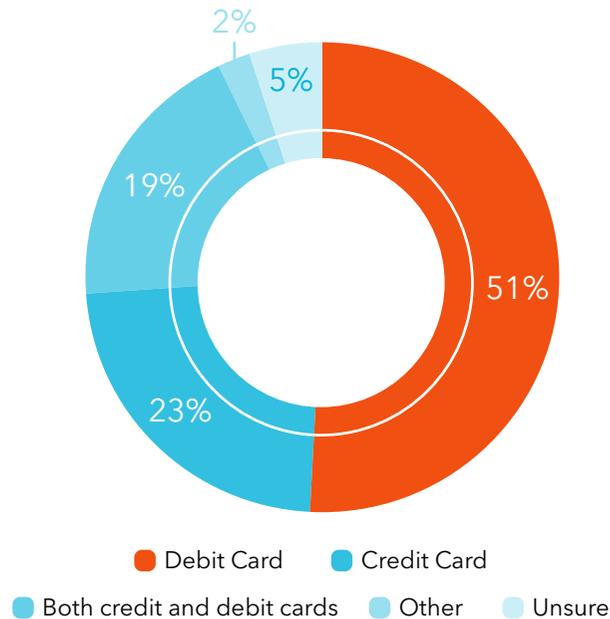


*n=633, people who never use a digital wallet*

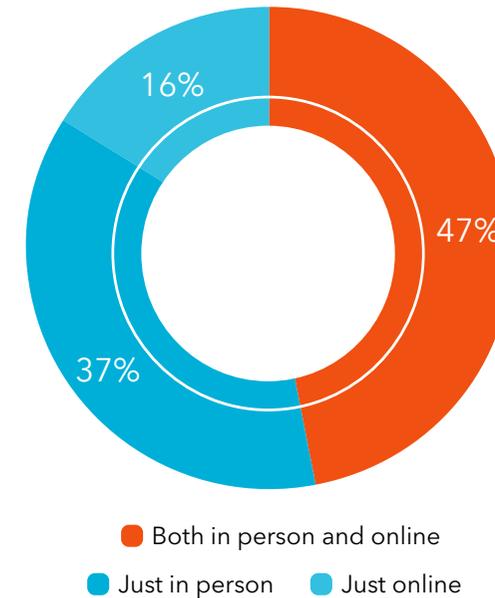
A large portion of Australians (44%) are at least sometimes using a digital wallet to pay for their everyday transactions, whilst the remaining amount (56%) rarely or never use one. Digital wallet usage is most popular amongst young people, with the majority of Generation Z (77%) and Generation Y (64%) already at least sometimes using digital wallets. Despite their increasing popularity, digital wallets aren't for everyone with less than a quarter (24%) who aren't yet using them indicating they are likely or very likely to consider using one in the future and the majority (57%) indicating they are very unlikely or unlikely to consider it.

# Payment methods

Is your digital wallet linked to your credit or debit card?



Do you use digital wallet to pay for things online or just in person?

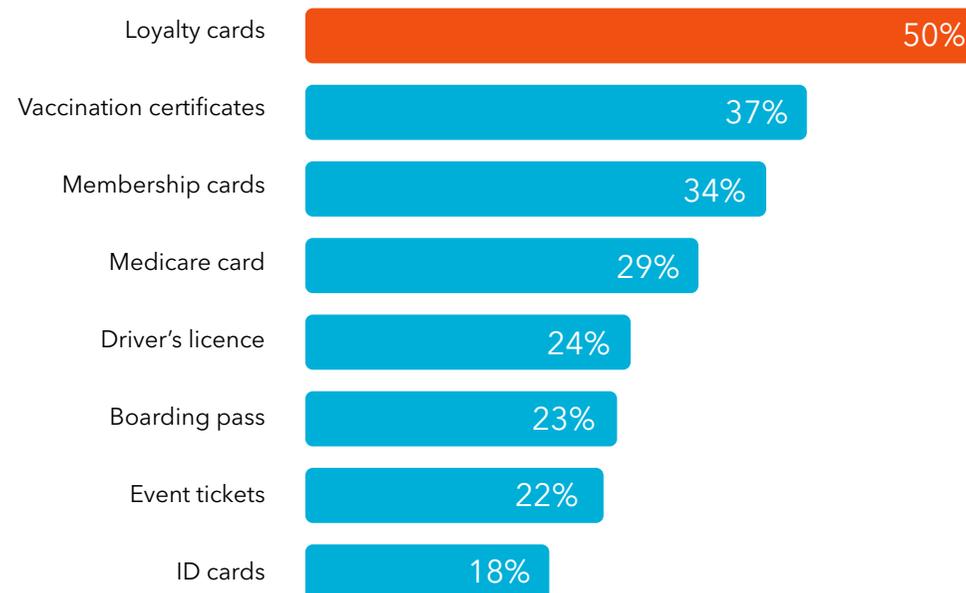


*n=719, people who use a digital wallet*

Most digital wallet users (51%) have them linked to their debit card, whilst less than a quarter (23%) have them linked to their credit card and a further 1 in 5 (19%) have them linked to both types of cards. Digital wallets are being used in various manners with nearly half (47%) using them to pay for things both in person and online. A further third (37%) only use them to pay in person, whilst the remaining 16% of respondents only use them to pay online.

# Digital wallet usage

Do you have other things on your digital wallet apart from money?

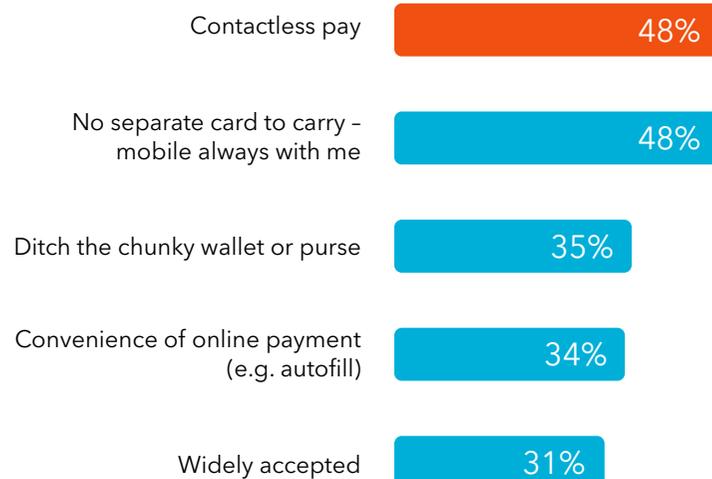


*n=719, people who use a digital wallet*

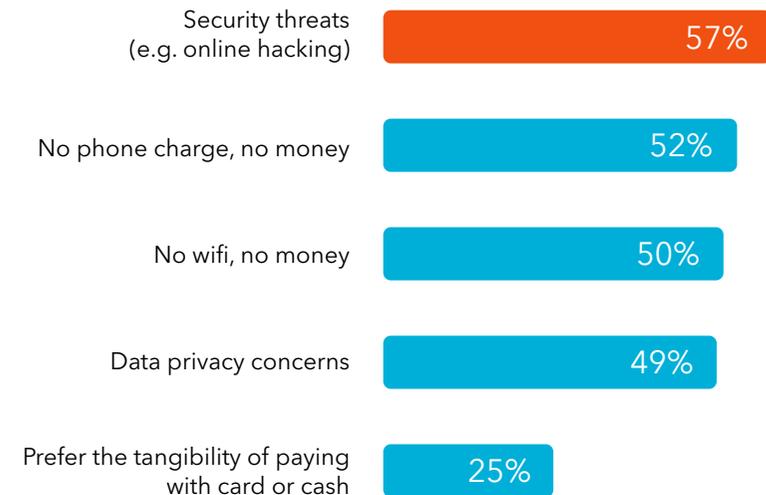
The most popular alternative card that digital wallets are being used for is loyalty cards (50%). It is also a popular method of displaying vaccination certificates (37%) as well as membership cards (34%), Medicare card (29%) and driver's licence (24%).

# The pros and cons

## What do you see as the greatest potential advantages of using a digital wallet?



## What do you see as the greatest potential disadvantages of using a digital wallet?

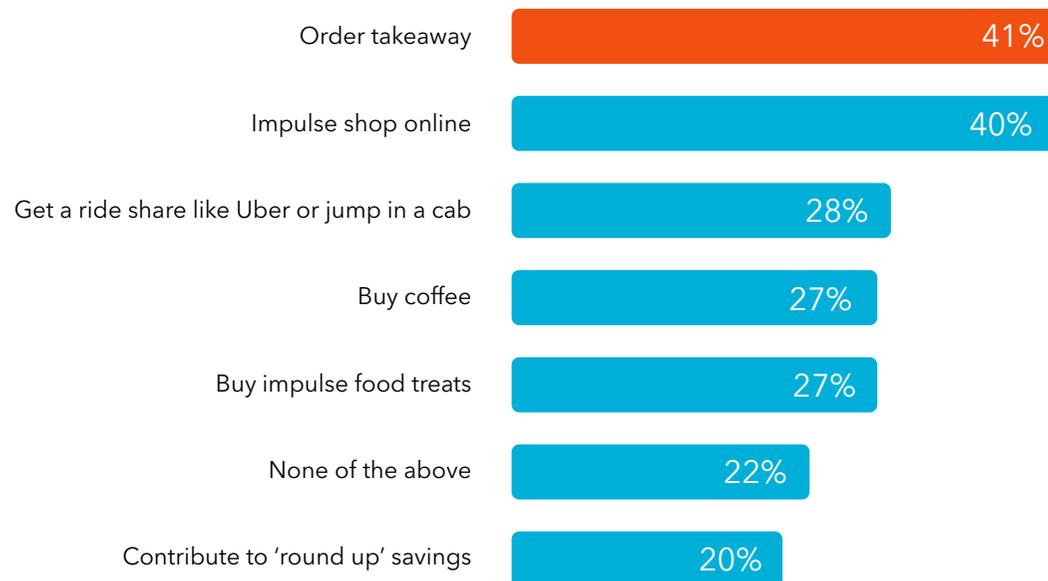


\* Top 5 results only shown

For digital wallet users, the biggest perceived advantages are the ability to utilise contactless pay (48%) as well as not having to carry a separate card as they are always carrying a mobile (48%). Users also report being able to ditch their chunky wallet or purse (35%) and experience increased convenience of online transactions through features like auto filling payment details on a website (34%). Digital wallets are not without some drawbacks however, as many report the threat of security and online hacking as a disadvantage (57%). About half of respondents also note the potential disadvantages of having no phone charge (52%) or no Wi-Fi which would prevent them from accessing their money (50%). As well as these factors, users also note privacy concerns (49%) and preferring the tangibility of paying with a physical card or cash (25%).

# Impulse buying

What things do you think you are more likely to do or buy now because digital payments are so easy and discrete?

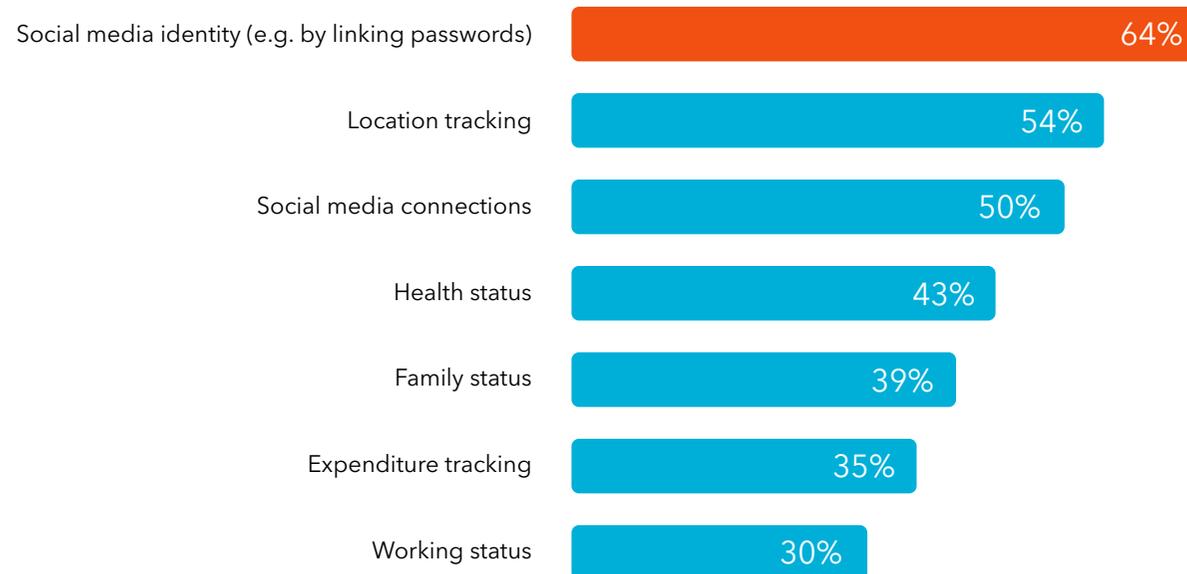


*n=719, people who use a digital wallet*

Due to the convenience of digital payments, many indicate they are more likely to order takeaway (41%) or to impulse shop online (40%). Some also report being more likely to do things like get a ride share (e.g. Uber) (28%), buy a coffee (27%) or buy impulse food treats (27%). Not all extra spending due to digital payments is negative however, with 1 in 5 (20%) indicating they are now more likely to contribute to 'round up' savings.

# Digital information security

Are there any types of personal information you are particularly wary of sharing with banking and finance apps?



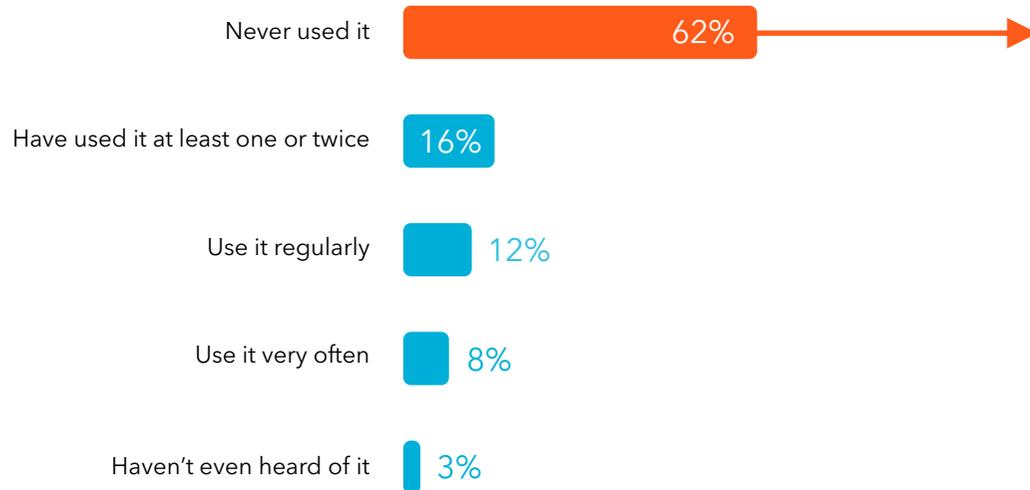
Nearly two thirds (64%) are wary of their social media identity being shared with banking and finance apps and more than half are conscious of location tracking being shared with these apps. More than 2 in 5 (43%) are concerned with their health status being shared with banking and finance apps and this sentiment increases with age with more than half of Baby Boomers (53%) sharing this concern.

**Buy Now  
Pay Later and  
credit cards**

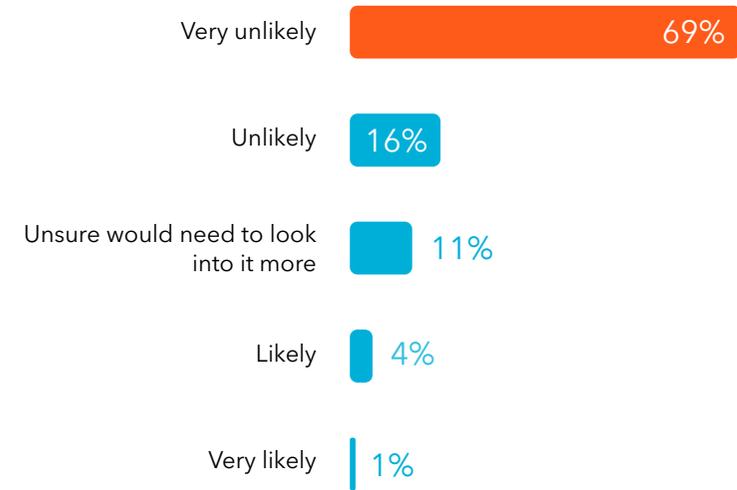


# Buy Now Pay Later sentiment

Do you use Buy Now Pay later (BNPL) to purchase things at all?



How likely are you to consider using BNPL to purchase things in the near future?

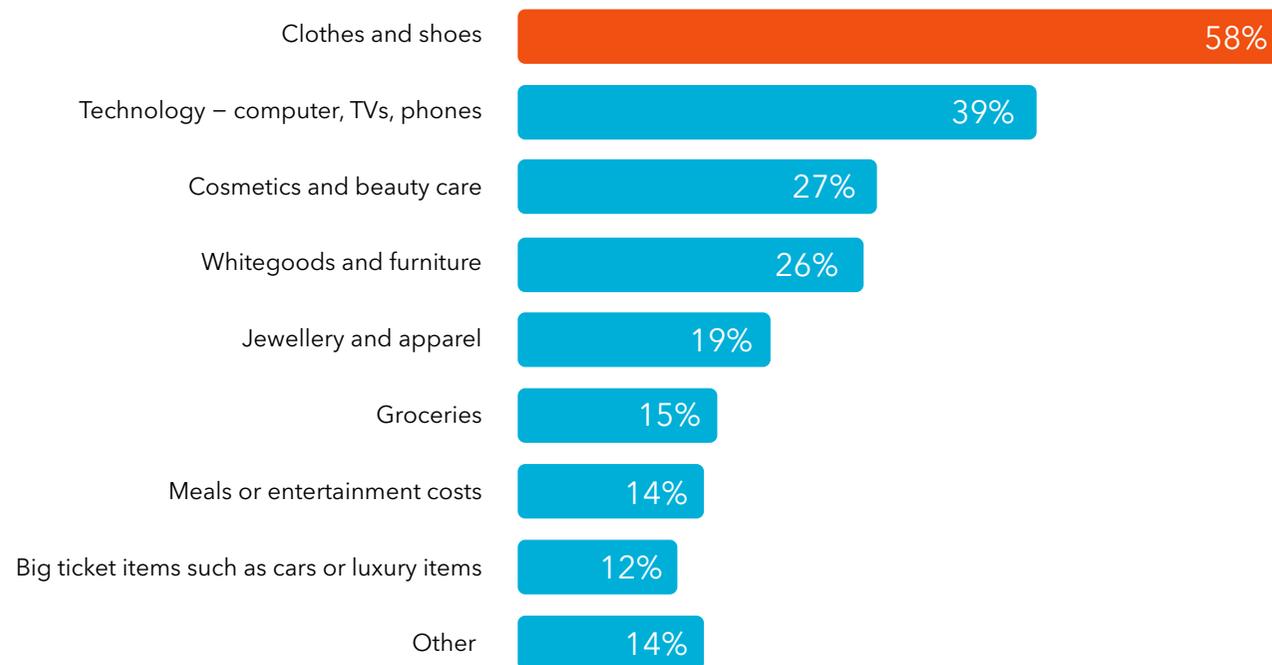


*n=866, people who never use/haven't heard of BNPL*

Current usage of Buy Now Pay Later (BNPL) is being used by more than a third of Australians (36%). Of those that aren't using BNPL, many feel strongly about not taking it up with the large majority indicating they are unlikely (85%) to use it and nearly 7 in 10 (69%) indicating that they are very unlikely to use it.

# Buy Now Pay Later spending habits

## What types of things do you tend to buy with BNPL?

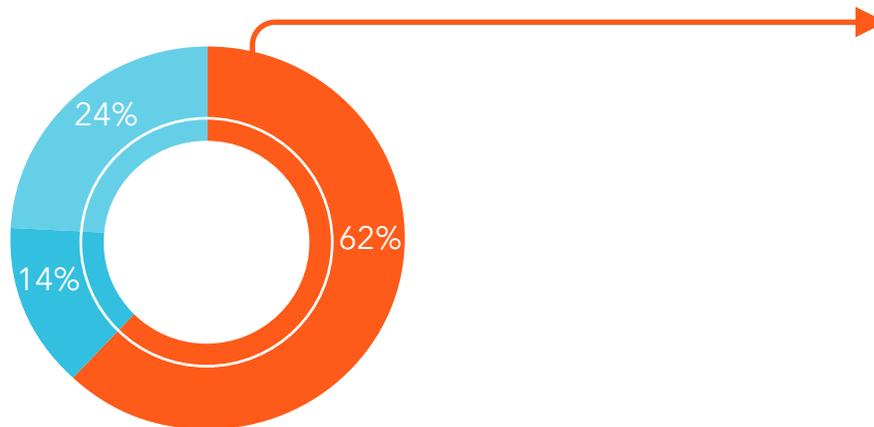


*n=486, people who use BNPL*

The most popular products to purchase with BNPL are clothing and shoes (58%), followed by technology products (39%), cosmetics and beauty care (27%), whitegoods and furniture (26%) and jewellery and apparel (19%). 1 in 5 (21%) have certain products that they buy exclusively with BNPL.

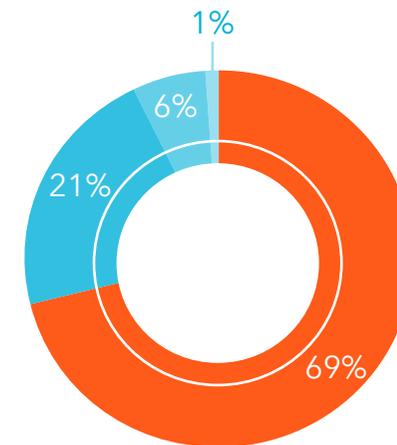
# Credit card prominence

Do you currently have a credit card?



- Yes
- No, but have in the past
- No

What best describes how you usually manage your credit card?



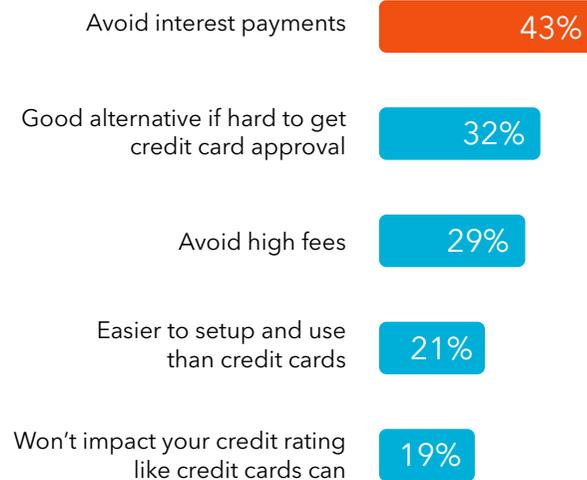
- Pay the balance off every month
- Make more than the minimum payments but sometimes carry a balance
- Make minimum repayments every month
- Miss making minimum repayments sometimes

*n=834, people who have a credit card*

More than 3 in 5 Australians (62%) have a credit card, whilst a further 14% have had one in the past but no longer do. The remaining quarter (24%) don't currently have a credit card and never have. This is especially pronounced amongst young Australians, with more than half of those aged under 30 (52%) stating they have never had one and don't currently have one. Of those using credit cards, most are using them responsibly with 7 in 10 (69%) indicating they pay the balance off every month. A further 2 in 10 (21%) are making payments above the minimum but are still sometimes carrying a balance month to month. A small minority (6%) are only making the minimum repayment each month. Debt management seem to increase with age with only 61% of Generation Z paying off the balance each month, with 62% of Generation Y, 61% of Generation X, 79% of Baby Boomers and 83% of Pre-Boomers doing the same.

# Buy Now Pay Later vs credit cards

## What are the greatest benefits of using BNPL?



## What are the greatest benefits of using a credit card?



\* Top 5 results only shown

More than 2 in 5 (43%) agree that the best benefit of using BNPL is avoiding interest payments. Smaller proportions agree that benefits include being an alternative if it is hard to get credit card approval (32%), they avoid high fees (29%) and that they are easier to set up and use than credit cards (21%).

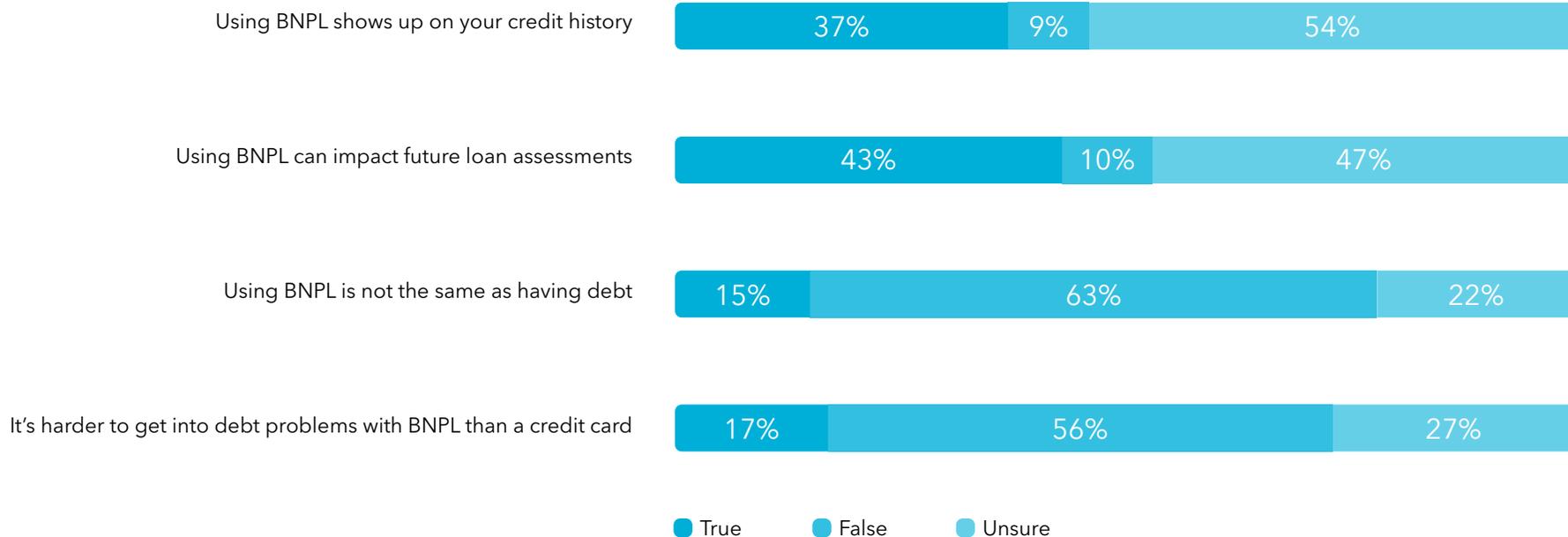
In favour of credit cards however, many agree that the greatest benefit is that they are widely accepted (65%). More than 2 in 5 agree that benefits include their rewards programs (41%), that they cost less if the balance is always paid (41%) and having one card for all needs (41%). 37% also stated that credit cards are more straightforward to use.

**Credit scores,  
repayments  
and debt**



# Buy Now Pay Later misconceptions

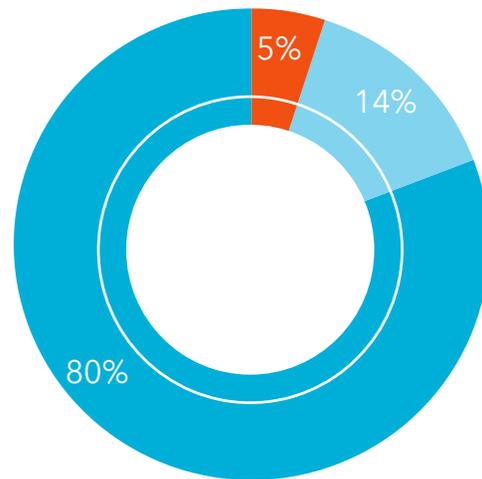
Which of these statements about BNPL do you think is true or false?



Most fundamentally don't understand how BNPL systems work with more than 9 in 10 (91%) indicating that using BNPL shows up on a person's credit history or were unsure about this statement. 37% agreed or were unsure about the statement that 'using BNPL is not the same as having debt' and a further 41% agreed or were unsure of the statement that 'it's harder to get into debt problems with BNPL than a credit card'.

# Buy Now Pay Later is causing issues for some

Have you ever experienced any issues/hassles with credit checks or loan assessments because of your history of using BNPL?



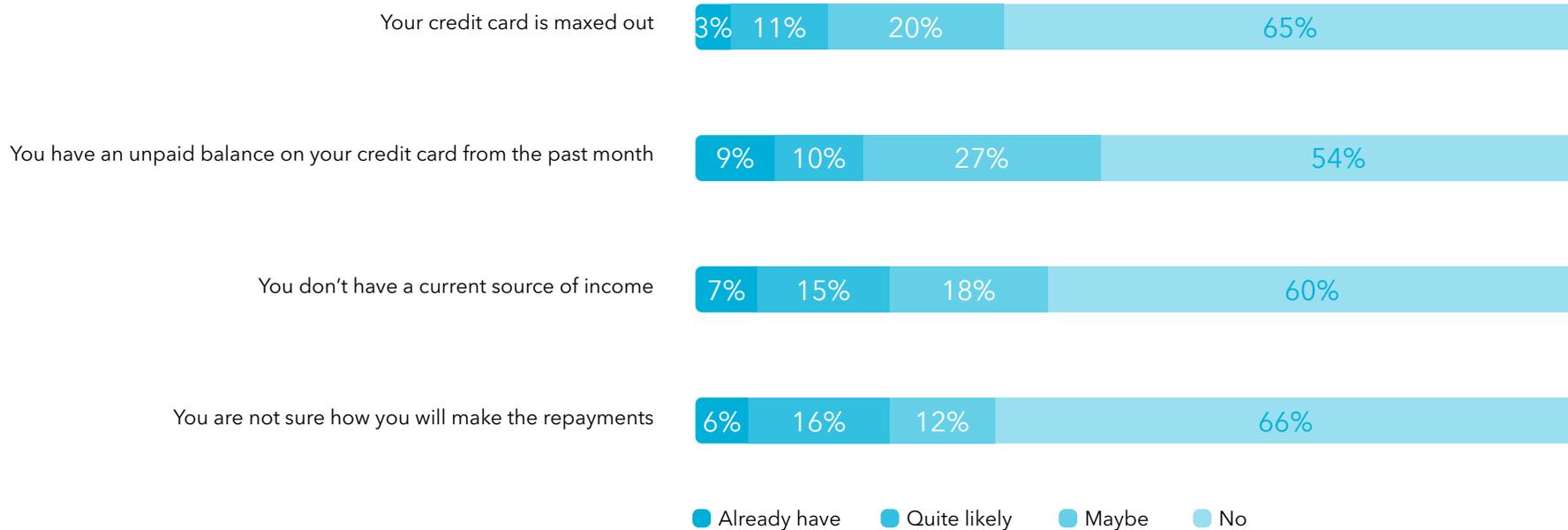
● Yes, serious issues    ● Yes, some minor issues    ● No

*n=486, people who use BNPL*

The often incorrect views held by many regarding the relationship between the usage of BNPL services have already caused issues for nearly 1 in 5 users (19%). In the case of about 1 in 20, these issues have been serious (5%).

# Buy Now Pay Later vulnerability

Would you be likely to keep using BNPL to purchase things under the following circumstance?

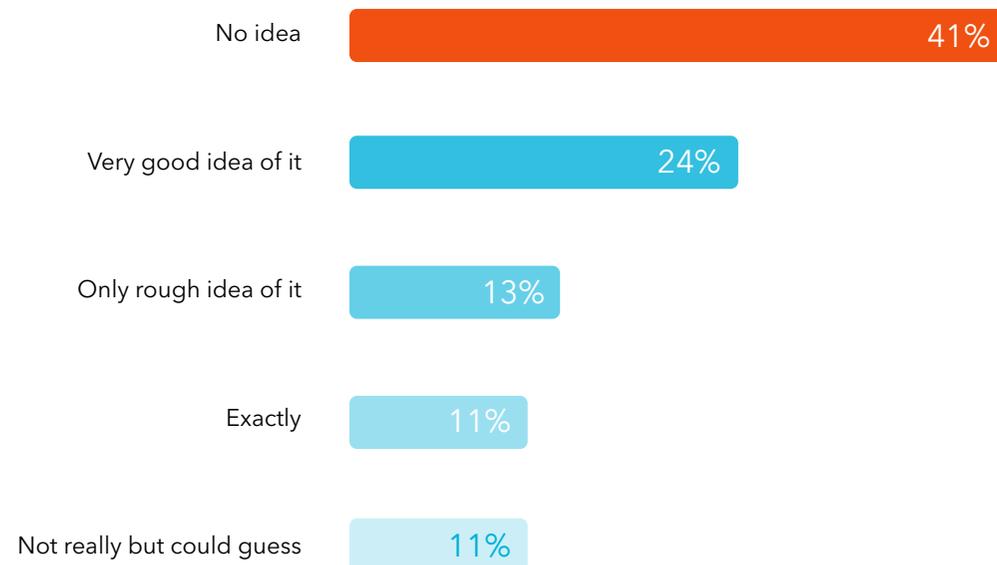


n=486, people who use BNPL

The majority of Australian BNPL users are currently using it responsibly, however a sizeable portion are vulnerable to using it irresponsibly. Only a small minority have already used it with a maxed credit card (3%) or without a source of income (7%), however roughly 1 in 3 are likely or consider it to be a possibility to use BNPL with a maxed credit card (31%) or without a source of income (33%).

# Credit score uncertainty

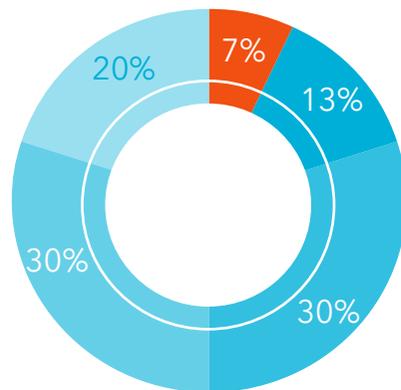
## Do you know what your current credit score is?



Only about 1 in 10 (11%) have an exact knowledge of their current credit score, whilst a quarter (24%) have a very good idea of it. More than half (52%) stated that they have no idea, or that they are not really sure but could guess. This is likely due to only 1 in 3 having checked their credit score in the past year (34%).

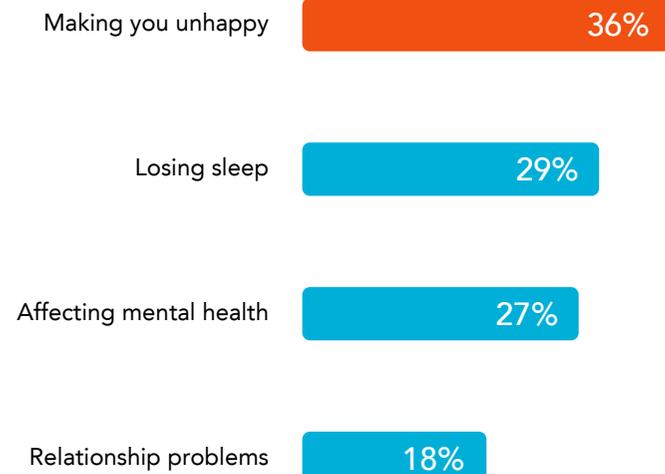
# The personal impact of debt concerns

How much do you tend to worry about your debts?



- Always
- Often
- Sometimes
- Rarely
- Never

Has financial stress about your debts ever had the following impacts on your life?



50% of Australians are worrying about their debts sometimes or more frequently. This worry about debt is having tangible negative affects on the lives of those that are experiencing it, with more than a third indicating that it has had the tendency to make them unhappy (36%), affects their mental health (27%) and makes them lose sleep (29%).

**Share trading  
and  
cryptocurrencies**



# Online share trading

Which of the following best describes your online share trading behaviour?  
(i.e. executing share trades yourself via a digital online trading platform)

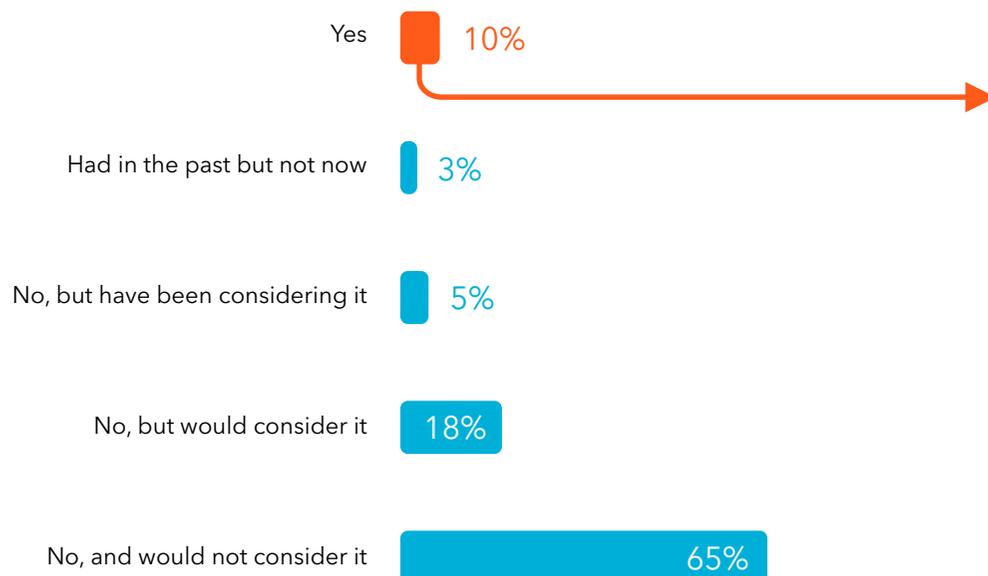


- Have never traded shares online myself and would not consider it
- Have never traded shares online myself but would consider it
- I started trading shares online myself at some stage since the start of 2020
- I have been trading shares online since before 2020

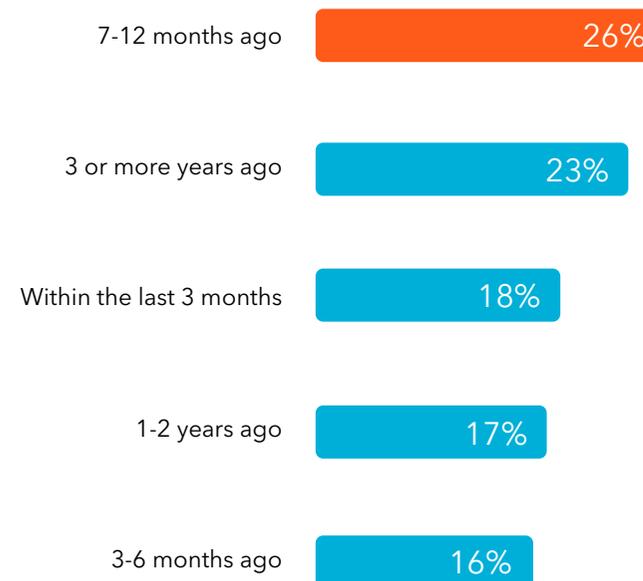
3 in 10 Australians are already trading shares online (27%) and a similar proportion (30%) are not yet doing it but are open to considering it. Of those who are trading, a third (33%) have started doing it since the start of 2020. Trading isn't for everyone however, with a further 4 in 10 (42%) indicating that they have never done so and would never consider it.

# Cryptocurrency investment

## Do you have a crypto wallet or invest in cryptocurrency?



## When did you first get a crypto wallet or start investing in cryptocurrency?

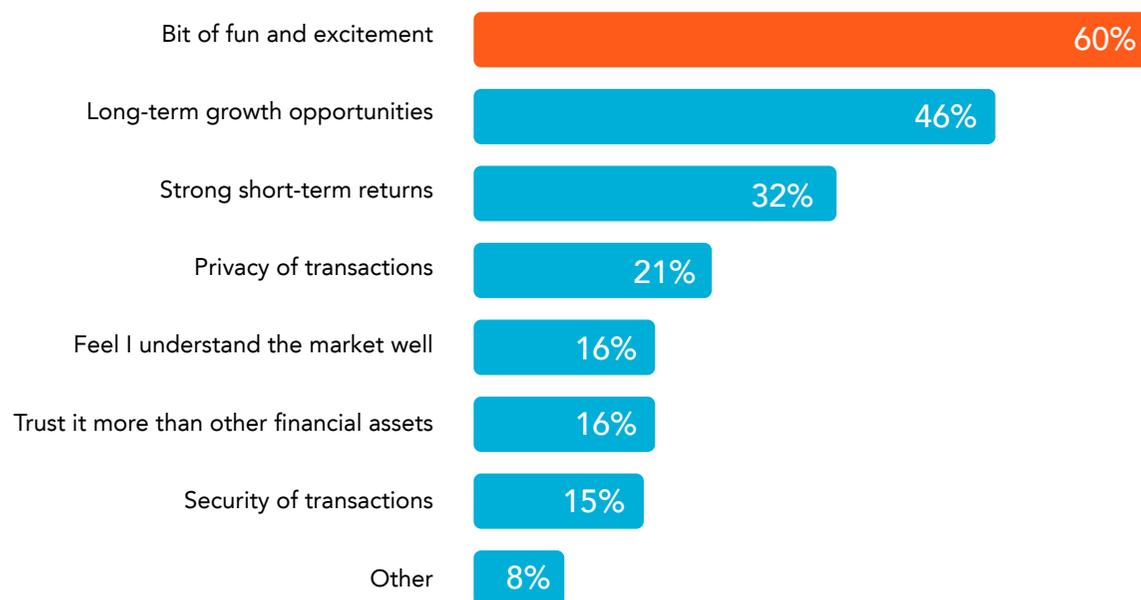


\* Top 5 results only shown  
n=172, people who have a crypto wallet

Only 1 in 10 (10%) are currently investing in cryptocurrency, however, nearly a quarter (23%) would consider doing so. The degree of crypto appeal is related to age and gender, with Generation Y the most likely to be investing in crypto (19%), which is significantly higher than Generation X (6%) and Baby Boomers (4%). Males are also three times more likely than females to be already investing in crypto (15% vs 5%). This increased usage of crypto is especially heightened since the advent of the COVID-19 pandemic, as most people investing (60%) started within the last 12 months.

# Cryptocurrency investment motivation

## Why have you bought cryptocurrency?

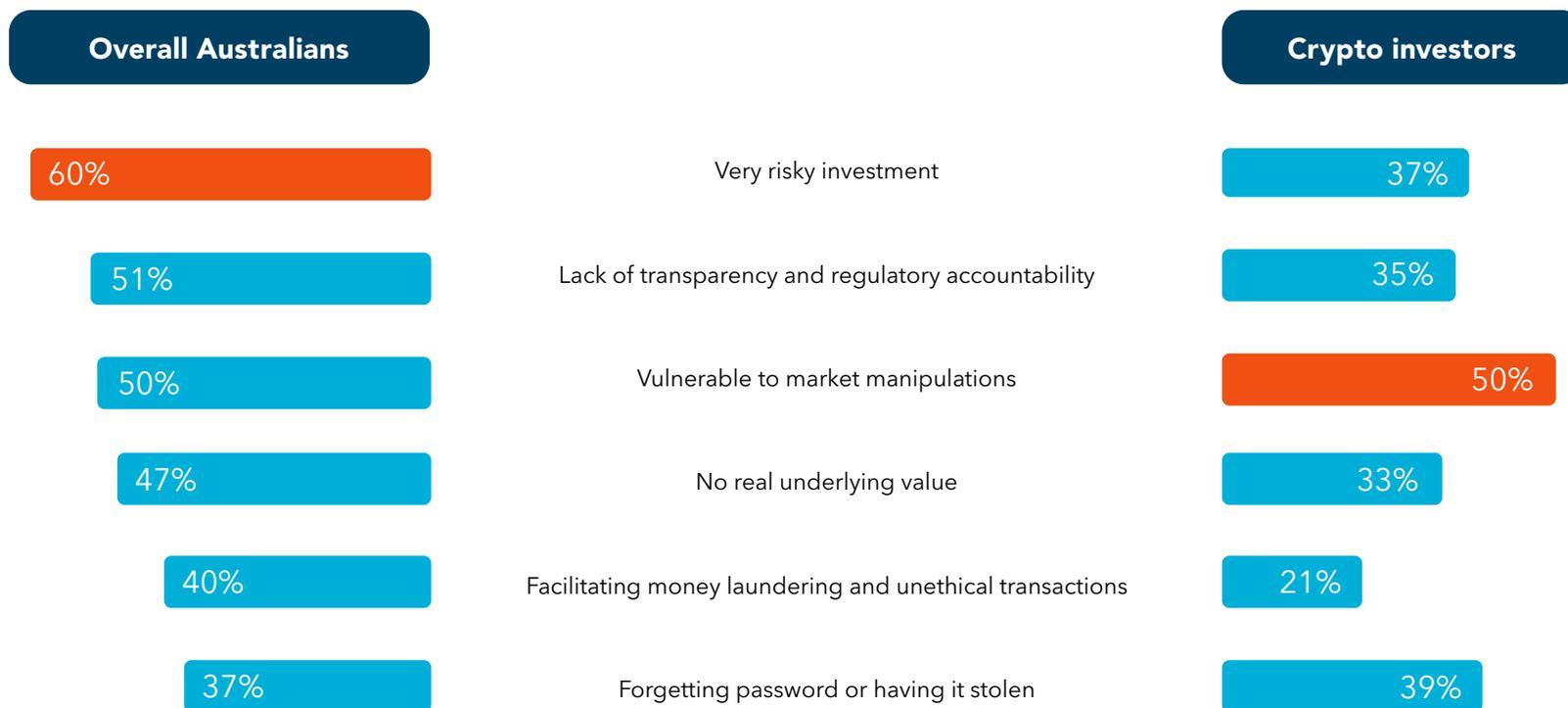


*n=172, people who have a crypto wallet*

The most popular reason for crypto investing in Australia is that it is a bit of fun and excitement (60%), however many also agree that they are in it for long-term growth opportunities (46%), strong short-term returns (32%), the privacy of transactions (21%) and because they trust it more than other financial assets (16%).

# Cryptocurrency concerns

## What concerns do you have about cryptocurrencies?



*\* Top 5 results shown  
n=172, people who have a crypto wallet*

The general population of Australia mostly agree that crypto is a very risky investment (60%) and there is a lack of transparency and regulatory accountability (51%), which is significantly higher than the sentiments among those already investing in crypto (37% and 35%).

# More research from Choosi coming soon...

## About Choosi

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