Bank of Jamaica

National Financial Inclusion - Demand Side Study

Final Report

Prepared by: Hope Caribbean Company Limited
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This report forms part of the National Financial Inclusion Strategy (NFIS).

The report was prepared by Hope Caribbean Company Limited which also conducted the survey for the Bank of Jamaica (BOJ).

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List of Acronyms

ATM	Automated Teller Machines
BOJ	Bank of Jamaica
DTI	Deposit Taking Institutions
eCheck	Electronic Check
EDs	Enumeration Districts
E-Money	Electronic money
FSC	Financial Services Commission
JP	Justice of the Peace
KAP	Knowledge Attitudes and Practices
KMA	Kingston Metropolitan Area
KYC	Know Your Customer
mWallet	Mobile Wallet
NFIS	National Financial Inclusion Strategy
NFI	National Financial Inclusion
PATH	Programme of Advancement Through Health and Education
POS	Point-of-Sale Terminal
PSU	Primary Sampling Units
PPS	Probability Proportional to Size
SD	Standard Deviation
STATIN	Statistical Institute of Jamaica
SWIFT	Society for the Worldwide Interbank Financial Telecommunication

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1. Abstract

This paper analyzed the consumer demand side data to show the status of financial inclusion in Jamaica. A survey was conducted among a representative portion of the adult population in Jamaica. The demand side survey focused on ownership of bank accounts and the use of cash and digital payment methods. The study also explored possible barriers to financial inclusion. A survey of businesses was also conducted to provide supporting context for the analysis of the demand side survey. While cash is a preferred payment option to most consumers, the study finds that financial inclusion, as defined in the study was at 77.2%. This meant that in Jamaica, 22.8% of adults did not have an account at any formal financial institution in the year 2023. Individuals without a bank account were more likely to be from the lower socio-economic group and reside in rural areas. They tended to use cash for all their transactions.

A key finding of the study is that increasing access to owning bank accounts to the population as a strategy on its own does not guarantee increasing NFI and/or increased NFI efficiencies. Strategies focused on improving awareness, perceptions, and attitudes of consumers towards banking products and services would be more likely to deliver higher rates of consumer engagement.

Keywords: financial inclusion in Jamaica, demand side, Jamaica

2. Introduction

2.1. Structure of Report

This document is a detailed report on the findings of the market research project. It sets out the primary objectives, the conceptual framework that was applied in the research design and analysis, the key research questions, and the methodology used to achieve the project objectives. The results of the study are expressed in text, supported by graphs, tables, and figures. Further, insights are discussed in relation to the overall project objectives.

2.2. Background and Context

The Bank of Jamaica (the Bank; BOJ) has responsibility for coordinating the implementation of the National Financial Inclusion Strategy (NFIS). A key pillar of the NFIS is advancing an increase in access to financial services, particularly banking services, and digital payments. The NFIS also focuses on improving the financial data infrastructure to measure the impact of the implementation of the NFIS for increased use of digital payments[1] and banking services.

1) *The primary targets of the NFIS are:*
   a) Increased usage of bank services and digital payment solutions by 50% of Jamaican households and firms

   b) Increased percentage of The Programme of Advancement Through Health and Education (**PATH**) welfare beneficiaries who receive their payments through (specialized) bank accounts and digital payments to 50% of all welfare benefits.

2) *BOJ seeks to conduct a national demand-side survey. The purposes of the survey were:*

   a) To establish current levels of financial access to financial services among the adult population. The measurement of these accounts will assist in providing updated information to the *Global Findex database*.

[1] Digital payment is the transfer of value from one payment account to another using a digital device such as a mobile phone, POS (Point of Sales) or computer, a digital channel communication such as mobile wireless data or SWIFT (Society for the Worldwide Interbank Financial Telecommunication). This definition includes payments made with bank transfers, mobile money, and payment cards including credit, debit and prepaid cards. This research did not include digital payments done via Jamaica's Central Bank Digital Currency (CBDC) or JAM-DEX®.

b) To ascertain the ownership and use of digital payments and market preferences for the use of various payment instruments, including digital payments and cash.

c) The results of the survey will inform the policy initiatives around financial access, financial literacy, and consumer protection.

The focus of this market research was to identify and measure various factors that may directly impact *national financial inclusion* for the adult population in Jamaica under three categories, access, usage, and quality from a consumer demand side perspective only.

2.3. The Consultant

Hope Caribbean Company Limited is registered in Jamaica as a limited liability company. The registered office is located at: 25 Burlington Avenue, Kingston 10, Jamaica.

The firm is a full-scale research consultancy company that conducts commercial, social *(socio-economic and socio-political)* and academic research in the Caribbean and the Caribbean Diaspora in North America and UK. The company has its headquarters in Jamaica and provides key technical and operational resources for partnering subsidiaries with offices in USA (Florida) and Trinidad & Tobago. The company has provided market research services to many corporations (local & multinational), government ministries, government agencies and NGO's for over thirty-five years conducting various types of specialized research.

[2]The assigned project consultants include research experts, experienced project managers and interviewers.

[2] Appendix - Authors

2.4. **Project Objectives**

Research Objectives

This consumer demand-side study aimed to measure financial access and usage of digital payment products, inclusive of electronic retail payment services, amongst the adult[3] population in Jamaica (persons aged 18 years and older as defined by Jamaican law). The research also sought to ascertain the level of access and usage associated with the relevant software and instruments for transacting digital payments, which is considered essential to achieving financial inclusion.

The results and insights from the research are to be used to inform the policy initiatives around financial access, financial literacy, and consumer protection.

The specific objectives of this study are:

- To provide data on the current knowledge, attitudes, and practices (KAP) of the **general population** as it relates to financial services including digital payment products.
- To provide data on the current knowledge, attitudes, and practices (KAP) of **Small and Micro Merchants** as it relates to financial services including digital payment products.

- The overall purpose of the research was to measure financial access and usage of digital payment products *(including electronic retail payment services)* by the adult population in Jamaica.

(I) The primary scope of the survey was to:

a) Determine the extent of ownership of transactional accounts among the adult population offered by deposit taking institutions *(commercial banks, merchant banks and building societies) or* by credit unions *(i.e., the percentage of the unbanked and banked populations)*

[3] According to Jamaican law the age of majority in Jamaica is 18 years old.

b) Determine the extent of usage of these transactional accounts as measured by an adult undertaking at least one transaction in the last year *(deposit or withdrawals)*

c) Identify key motivating factors for transactional bank/credit account ownership.

d) Evaluate consumer's perceptions of the process to open a transactional bank account in relation to barriers to access.

e) Measure the usage of digital payments by the adult population *(credit cards, debit cards, pre-paid cards, mobile wallets).*

f) Measure the relative use of cash as a payment instrument by the adult population.

g) Determine the preferred payment methods and payment habits of adult consumers.

h) Identify the relative important features of payment instruments to adult users.

i) Measure the consumers' perceived ability to utilize digital payment products daily.

j) Identify relatively significant push factors for persons not owning a digital payment instrument.

k) Identify the common medium through which employed adults receive wages.

l) Determine the drivers of cash usage.

m) Assess the awareness of electronic retail payment services, such as pre-paid cards and mobile wallets.

n) Assess the use of electronic retail payment services by the adult population.

o) Assess the consumers' perceived process to obtain access to digital payment products relative to barriers to access.

p) Assess mobile phone ownership and usage habits particularly as it relates to online banking and digital payments.

q) Determine the use of smart phones to effect payments.

r) Establish the levels of access to the internet through Wi-Fi services and/or WAN and to assess the primary transactional uses of the internet.

(II) Secondarily, the research was to establish the levels of *knowledge* and *awareness* of and identify the *behaviours* towards banking, and payment methods (with a focus on digital payments) by the adult population in Jamaica.

(III) The output of the study is to identify the key factors relative to the adult populations' perceptions of *access* to, *usage* and *quality* of the existing financial infrastructure that impacts financial inclusion.

3. Executive Summary

Objective

The overall objective of the research project was to determine the level of financial inclusion in Jamaica at a specific point in time. Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit, and insurance – delivered in a responsible and sustainable way. The aim of financial inclusion is to include all persons within the banking channel and meet the financial needs of the people whether they are banked or unbanked.

The overall objective of this market study was aimed at measuring financial access and usage of digital payment products (including electronic retail payment services) by the adult population in Jamaica. The study specifically set out to determine the level of access and usage associated with the technological infrastructure for transacting digital payments, which is considered as essential factors to achieving financial inclusion.

Scope

Financial inclusion is driven by the supply of and access to financial services and by demand for financial services by the population. This study was market research of the demand side factors of financial inclusion.

The primary scope of the study was to measure bank account ownership, the activity status and usage of these accounts on the demand side of financial inclusion. Factors included in the scope were to investigate the motivators and barriers to banking relative to the cash culture, banking and payment technology infrastructure, banking regulations and financial literacy.

To provide context and to support the analysis of the demand side study, a secondary scope was to include a study of some specific supply side factors impacting financial inclusion among merchants in Jamaica.

The output of the study was to identify, measure and report on the demand side factors that have relevant association to access, usage and quality of the existing financial infrastructure that impacts financial inclusion.

Method

Quantitative research methods were used to achieve the project objectives. A general population survey was conducted to investigate specific considerations of the demand side factors of financial inclusion. A survey among merchants was conducted to investigate specific supply side factors of financial inclusion.

A household based cross-sectional survey was conducted island wide among 1,003 Jamaican adults, aged 18 years and older. This yielded age and gender results projectable +/- 5% at the 95% confidence level. A separate survey was completed with 420 small and micro merchants, with 30 merchants being selected randomly from all 14 parishes, with a structured survey instrument being used accordingly.

The demand side survey instrument was designed to achieve a specific list of objectives based on factors expected to be significantly related to national financial inclusion. The study was largely limited to those factors. The supply side survey instrument was designed to investigate merchant issues that would directly impact consumer financial inclusion and high-level attitudes towards financial transactions.

The analysis of the data was done based on the specific measures and objectives of the project. Insights from the data analysis were however discussed where necessary within a NFI contextual framework. The contextual framework was based on segmenting the primary issues that impact the NFI into three categories: Access, Usage and Quality factors.

Issues that directly impact *access* are barriers to account ownership, credit infrastructure which are banking laws and regulations, and digital infrastructure such as digital payment eco-systems. Issues that directly relate to *usage* are digital and savings infrastructure. Savings infrastructure includes issues such as bank account access and receipt of wages and other payments. Issues that impact *quality* are savings infrastructure and consumer protections factors including security and privacy of banking, receiving, and making payments.

Summary of Findings

This report analyzes the consumer demand side data to show a targeted set of issues about the status of financial inclusion in Jamaica. The demand side survey was analyzed with the use of a survey instrument. A survey of businesses was also conducted to provide supporting context for the analysis of the demand side survey.

While cash is the preferred payment option for most consumers, the study found that financial inclusion, as defined in the study, was at 77.2 percent. This meant that in Jamaica in the first quarter of 2023, 22.8 percent of adults did not have an account at a formal financial institution and so in effect were "unbanked". These persons were characterized as being from the lower socio-economic group[4] and more likely to be from rural areas. These without an account at a formal financial institution used cash for all their transactions.

Barriers to financial inclusion were mainly attributable to persons perceptions of and existing limitations on satisfying the requirements of issues such as opening and operating a bank account and limitations of digital payment options at merchants where a large segment of the population shops regularly. These barriers were largely driven by negative perceptions about access to banking services, particularly among the lower class and unbanked regardless of if the issues were real.
Some retail merchants (*small and micro sized*) did not offer digital payment options to consumers. There are significant numbers of 'banked' persons who transact business in a merchant eco-system where there is limited digital payment infrastructure, for example merchants not offering services such as multi-link.

Cash is a dominant means of transacting business (in terms of number of transactions). However, there was no clear evidence that there was an overall consumer attitudinal barrier to the current available digital transaction platforms. Debit card and online banking were readily acceptable and used among many consumers. Notwithstanding this, there were quality issues such as security and fraud considerations related to some forms of digital platforms, which have direct impact on national financial inclusion.

Internet access and smart phone penetration is considered high among the adult population. These are considered critical technologies for access and use of many digital financial

[4] -Lower socio-economic group comprised of individuals within the population who may/may not have completed Secondary Education and who are unemployed or employed in low-skilled jobs. Please see Section 8.4 for definitions of Middle Income, Upper Income and Working Class.

services. Nevertheless, there is a significant barrier among most consumers to adopt these technologies to do banking and payment transactions due to perceived threats to privacy, security, and the potential for fraud to occur. The trust for digital banking services can be improved.

Awareness of the existence of some digital services is known but there appears to be limited understanding and knowledge about these products and services. Currently, high awareness has not translated to similarly high usage of these same services.

Recommendation

Strategies for improving aspects of the quality and usage components of the NFI are important to increasing engagement of banking products and services as increasing access does not automatically convert to usage.

4. Methodology

4.1. **Overall Approach**

The overall project approach incorporated the use of quantitative research methods. The Jamaica population was sampled according to the project specifications and the various survey methods administered.

4.2. **Data Collection**

Population Survey

A household based cross-sectional survey was conducted island wide among ***1,003*** Jamaican adults, aged 18 years and older.

A cross sectional survey, although it captures data at a single point in time, is beneficial in allowing researchers to collect a great deal of information quickly, assess multiple variables and prompt future studies.[5] Further to this, cross-sectional study design is a type of observational study design. These studies are conducted either before planning a cohort study or a baseline in a cohort study. These types of designs will give information about the prevalence of outcomes or exposures; this information will be useful for designing the cohort study.[6] Utilizing a robust sample size to yield large data quickly is especially useful given the important and tenacious nature of the mandate of the National Financial Inclusion Strategy (NFIS) to advance an increase in access to financial services. Additionally, multiple variables can be analyzed such as demographic profile of the population to ascertain its relationship with data on knowledge, attitudes, and practices. It is also expected that through the findings of this study, further studies can be conducted to provide greater understanding to financial inclusion in Jamaica and strategies to bridge this gap. The data from this study can provide a baseline measure against which data from the evaluation of the strategies implemented can be tracked in subsequent studies.

A structured [7]questionnaire was used to collect data. It included both closed and open-ended questions and had a duration of 40 minutes to an hour.

[5] Cherry, K. How Do Cross-Sectional Studies Work? Gathering Data from a Single Point in Time. September 04, 2022.
[6] Setia MS. Methodology Series Module 3: Cross-sectional Studies. Indian J Dermatol. 2016 May-Jun;61(3):261-4. doi: 10.4103/0019-5154.182410. PMID: 27293245; PMCID: PMC4885177.
[7] Consumer Questionnaire

Merchant Survey

A survey was conducted with 420 small and micro merchants, with 30 merchants being selected randomly from all 14 parishes.

The instrument used to collect data was a structured questionnaire and included both closed and open-ended questions and had a duration of 21 to 40 minutes.

Sampling Methods

General Population Data Collection

A cross-sectional survey using a nationally representative sample was proposed. A total of 1,003 interviews among persons, 18yrs and older, was completed. This yielded age and gender results projectable +/- 5% at the 95% confidence level. The sample was quota controlled by age, gender, and urban-rural status to mirror population distributions.

The sample design reflected the following multi-staged probability sampling approach:

1. The island was stratified into 14 parishes. Kingston and St. Andrew were treated as two parishes. This ensured that the inner-city areas of Kingston in particular, were fully represented in the sample.

2. Each parish was further stratified into constituencies.

3. Each constituency was stratified into two areas, namely:

   - Parish capitals and main towns

   - Special areas, using the definitions of the Statistical Institute of Jamaica (STATIN). These areas were small towns with one or more of the following facilities/services:
     i. Post Office/Postal Agency
     ii. Police station
     iii. Clinic
     iv. School, church, etc.

These special areas were conveniently coded by STATIN.

4. Each of the three areas comprising the constituencies were then divided into primary sampling units (PSU's) or Enumeration Districts (EDs).

5. A random sample of PSUs was selected with probability proportional to size (PPS). This statistical technique was designed to ensure that the larger PSUs were selected with a greater probability while, at the same time, each household was selected with equal probability, irrespective of the PSU from which it came. Kingston Metropolitan Area (KMA) and St. James were purposively selected.

6. A maximum of 50 PSUs were randomly selected.

7. The households within each selected ED or PSU were identified, using a random start point. A systematic sample of households was then selected, and one person within each household interviewed. If more than one person in a household qualified, then the respondent to be included was randomly selected using the birthday method.

Pre-Test

A pre-test was conducted prior to the official start of data collection and adjustments made to the instrument accordingly and approved by the Bank of Jamaica. All instruments used were designed in collaboration with the client.

Table 1: Sample Details

	Proposed Total Sample	Achieved Total Sample
Male	500	500
Female	500	503
Total	1,000	1,003
KMR and Montego Bay	320	281
Other urban areas	340	382
Rural areas	340	340
Total	1,000	1,003
TOTAL	***1,000***	***1,003***

Sample size:

The total population of Jamaica based on the 2011 Population Census was 2,697,983.

The sample size used was calculated using a web-based sample size calculator which was based on the following formula for large population sizes:

$$ss = \frac{Z^2 * (p) * (1-p)}{c^2}$$

Where:

Z = Z value (e.g., 1.96 for 95% confidence level)

p = percentage picking a choice, expressed as decimal (.5 used for sample size needed)

c = confidence interval, expressed as decimal (e.g., .04 = ±4)

Based on these calculations the survey was conducted to achieve a sample of 1,000 general population members. The calculations were made based on a confidence level of 95%, a confidence interval (error) of +/- 5%.

The enumeration districts (EDs) functioned as the primary sampling unit. A total of 100 EDs included were:

- 32 EDs in KMR and Montego Bay
- 34 EDs in other urban areas
- 34 EDs in rural areas

Controls

The sample was quota controlled by gender to represent 50% male and 50% female and by age proportionate to the population.

Table 2: Sample Quota Control by Gender and Age Group

	Males		Females		
	%	Sample	%	Sample	Total
18-24	20%	100	18%	90	190
25-29	13%	65	11%	55	120
30-34	11%	55	11%	55	110
35-39	9%	45	10%	50	95
40-44	8%	40	9%	45	85
45-49	8%	40	9%	45	85
50-54	8%	40	8%	40	80
55-59	7%	35	7%	35	70
60-64	5%	25	5%	25	50
65-69	4%	20	4%	20	40
70-74	3%	15	3%	15	30
75 & over	4%	20	5%	25	45
Total	***100%***	***500***	***100%***	***500***	***1000***

EDs were selected as follows:	# of EDs	Sample Size
KMR and Montego Bay	32	320
Other urban areas	34	340
Rural areas	34	340
TOTAL	**100**	**1,000**

The EDs were selected randomly using the methodology detailed above and yielded the following parish break out including a 15% oversampling:

Table 3: The number of EDs completed within each Parish.

PARISH	**# of EDs**
CLARENDON	7
HANOVER	2
KINGSTON	3
MANCHESTER	5
PORTLAND	2
TRELAWNY	2
ST. ANDREW	15
ST. ANN	4
ST. CATHERINE	16
ST. ELIZABETH	4
ST. JAMES	5
ST. MARY	3
ST. THOMAS	1
WESTMORELAND	4
TOTAL	**73**

Results of Fieldwork

Table 4: Socio-Demographic Characteristics of Sample[8]

	(N=1003)
Gender	
Male	49.9%
Female	50.1%
Age Group	
18-29y	31.1%
30-44y	29.0%
45-54y	16.5%
55-64y	12.0%
65-74y	7.0%
75y and older	4.4%
Socio-economic level	
Upper Income	6.8%
Middle Income	11.2%
Working Class	25.7%
Lower Income	56.3%

[8] The three additional females obtained in the actual sample were from the age groups 18-24 (2) and 30-34 (1).

Table 5: Sample Distribution by Parish

	(N=1003)
Kingston	3.1%
St. Andrew	21.2%
St. Catherine	19.0%
St. Ann	6.4%
St. James	6.8%
Mandeville	7.0%
Clarendon	9.1%
Trelawny	3.0%
St. Elizabeth	5.6%
Westmoreland	5.3%
St. Thomas	2.3%
St. Mary	4.2%
Portland	4.0%
Hanover	3.0%

Small and Micro Merchant Data collection

A cross-sectional survey among four hundred and twenty (**420)** small and micro merchants was conducted. Merchants were randomly selected from the parish capitals of each of the fourteen (**14**) parishes in Jamaica. A total of 30 merchants were included from each parish.

Data collection approach

Data was collected from all fourteen (14) parishes. Outlets audited included pharmacies, service providers such as beauticians and barbers, wholesales, supermarkets/minimarts / groceries, small shops, and restaurants including cookshops. Data from five (5) of each of the aforementioned outlet types was collected and at least one of each outlet type was included per parish.

Data was collected from establishments in the urban centers of the parishes of interest. Interviewers visited each parish and its respective parish capital. Outlets along the main roads of the parish capital were included. A minimum of three (3) main roads were included from each parish capital. Where this was not possible, interviewers ensured that outlets included were not all clustered together.

All data was collected on hand-held computers during the period of February 10, 2023 – March 27, 2023.

4.3. Analysis & Discussion Framework

The following is the summary of the hypothesis regarding increasing NFI.

[9]"Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way."

There is no single measure that captures financial inclusion. National Financial Inclusion, however, is made up of a list of important factors which may be defined under three broad categories: *Access, Usage* and *Quality*. Not all these factors are equally relevant, and the significance of each to the NFI is not fully established. The relative weights of each also vary across different cultures and economies.

However, for the purposes of this study, financial inclusion will be reported as the population that has an active bank account with a credit institution.

Similarly, there are other factors that have direct implications for these three categories. Again, these factors are not equally relevant, and their relative significance is unknown.

Upon review of several studies looking at financial inclusion locally and internationally, there is a list of factors that are well established to have varying degrees of impact in promoting and/or preventing the state from achieving full financial inclusion. Full financial inclusion is a state in which all the adult population and businesses have access to a full range of financial services at an affordable price and good quality. These common and established factors are Availability, Awareness, Accessibility, Affordability and Adequacy.

[9]https://www.worldbank.org/en/topic/financialinclusion/overview

NFI Conceptual Framework

For the outputs of this market research to be useful for the NFI strategy, a conceptual framework for data collection, data analysis and reporting findings was established. This NFI framework is summarized in Figure 1. below.

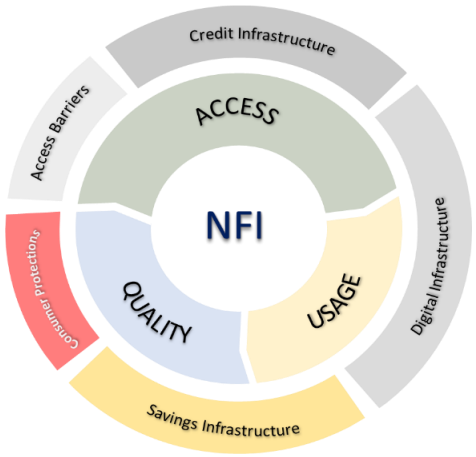


Figure 1: NFI Conceptual Framework

To inform the above framework the research instruments were designed to collect relevant data under the three broad categories, which form the basis for key performance indicators for NFI.

a. Access

[10]Access to finance is the ability of individuals or enterprises to obtain financial services, including credit, deposit, payment, insurance, and other risk management services. Those who involuntarily have no or only limited access to financial services are referred to as the *unbanked* or *underbanked*, respectively.

[10] https://en.wikipedia.org/wiki/Access_to_finance

Access is influenced by:

- Perceived and real access barriers
  Banking Regulations, and Physical Access,

- Credit Infrastructure
  [11]*Credit infrastructure refers to the set of laws and institutions that enables efficient and effective access to finance through modern insolvency frameworks, secured lending on movable property, which enhances financial stability through diversification of financial products and services and improves risk management, assessment and mitigation through information asymmetry and supports socially responsible economic growth.*

- Digital Infrastructure
  The essential component of digital infrastructure includes digital transactional platforms, digital money, devices, retail agents, additional financial services via digital transactional platform, and payment services.

b. Usage

Usage[12] refers to the actual use of financial products and services by sending and receiving money, saving, depositing, doing cashless transactions, using cell-phone banking, settling monthly expenses, and gathering details about the regularity, frequency, and duration of use of financial products and services over time. Usage will be measured empirically in this study.

Usage is influenced by:

- Digital Infrastructure
  The essential component of digital infrastructure includes digital transactional platforms, digital money, devices, retail agents, additional financial services via digital transactional platform, and payment services.

- Savings Infrastructure
  Savings infrastructure refers to a set of formal and informal institutions offering savings and investment products. The system consists of the central bank, commercial banks, non-bank credit institutions, development finance institutions, insurance companies,

[11] https://www.worldbank.org/en/topic/creditinfrastructure
[12] https://www.abacademies.org/articles/the-use-of-banking-products-and-services-by-lowincome-and-underbanked-consumers-in-the-nelson-mandela-bay-8119.html

building societies, cooperative savings and credit unions, leasing companies, forex bureaus which deal in buying and selling of foreign exchange.

c. Quality

Quality refers to the quality of the financial products and the service delivery. Quality indicators are often assessed based on perceptions, which is a subjective measure. In this study some of the quality indicators include *affordability, transparency, convenience, fair treatment, consumer protection, financial education, indebtedness, and choice*.

Quality is influenced by:

- Savings Infrastructure

  Savings infrastructure refers to a set of formal and informal institutions offering savings and investment products. The system consists of the central bank, commercial banks, non-bank credit institutions, development finance institutions, insurance companies, building societies, cooperative savings and credit unions, leasing companies, forex bureaus which deal in buying and selling of foreign exchange.

- Consumer protections

  Consumer protections includes [13]*"the appropriate legal framework and mechanisms for market conduct supervision of DTIs, credit unions and microfinance institutions; FSC's capacity for market conduct supervision of the insurance, pension, and securities sectors. FSC's existing complaints handling and dispute resolution mechanisms;" and Transparency on fees and charges levied by banks and nonbanks.*

[13] https://boj.org.jm/wp-content/uploads/2019/07/NFIS_Brochure.pdf

4.4. **Primary Indicators**

The primary measures of this study are the following:

		Details
Overview	% of population that is banked and unbanked	The extent of ownership of transactional accounts among the adult population offered by deposit taking institutions (commercial banks, merchant banks and building societies) or by credit unions.
Usage	Usage of transactional accounts	Measuring different levels of usage of transactional accounts: • Current usage measured as % undertaking at least one transaction in the last 12 months (deposit or withdrawals) • Number of transactional accounts held. • Other levels of usage as the data reveals
Overview	Drivers for transactional account ownership	Identify and measure drivers for transactional account ownership.
Access & Quality	Perception of and experience with opening a transactional account	Perception and experience with the process to open a transactional account. • Level of satisfaction • Perceived ease or difficulty • Areas of satisfaction • Pain points
Usage	Ownership and Usage of digital payment methods	Penetration of digital payment methods • Ownership of credit cards, debit cards, pre-paid cards, mobile wallets Usage of instruments owned. • Frequency of usage in a defined period
Usage	Usage of cash	• Frequency of usage • Advantages of cash usage as a payment instrument • Disadvantages / concerns of cash usage as a payment instrument

	Payment habits	Understanding usage of digital payment methods and demand for same • Explore and measure current payment methods and habits. • Explore and understand preferred payment methods and reasons for same.
Overview	Payment instrument Attribute importance	Identifying the attributes associated with payment instruments that are most important to consumers.
Usage	Possibility of daily usage	Ability to utilize digital payment products with merchants daily. • Estimated % of daily and weekly payments which could be made via digital payment product vs % 'actually' made using same • Urban vs rural perspective
Access	Barriers to digital payment ownership	Determining the reasons for persons not owning a digital payment instrument
Usage	Payments of wages	Penetration of methods of payments for wages • Identifying the common medium through which wages are paid.
Usage	Drivers of cash usage	Identify and measure the possible drivers of cash usage.
Access	Awareness of digital payment service	Assessing the awareness of electronic retail payment services, such as pre-paid cards and mobile wallets.
Usage	Electronic retail payment	Penetration and frequency of usage of electronic retail payment services.
Access & Quality	Perception of process to acquire digital payment product	Measure perception of the process to obtain access to digital payment products, including any challenges to obtain access.
Access	Mobile phone penetration and usage	Assessing mobile phone usage, including smartphone usage as a factor which will influence the extent of usage of digital payment products.

Access	Internet access details	Measure source of internet access and devices used. • Determining the extent to which access to internet or Wi-Fi services influences the use of digital payment products.
Access	Penetration of payments via smart phones	Determining the use of smart phones to effect payments.

5. Detailed Findings [Demand Side]

5.1. **Account Ownership**

Overall, 70.9% of respondents were found to be banked[14], 6.3% underbanked[15] and 22.8% unbanked[16]. ***Figure 2***

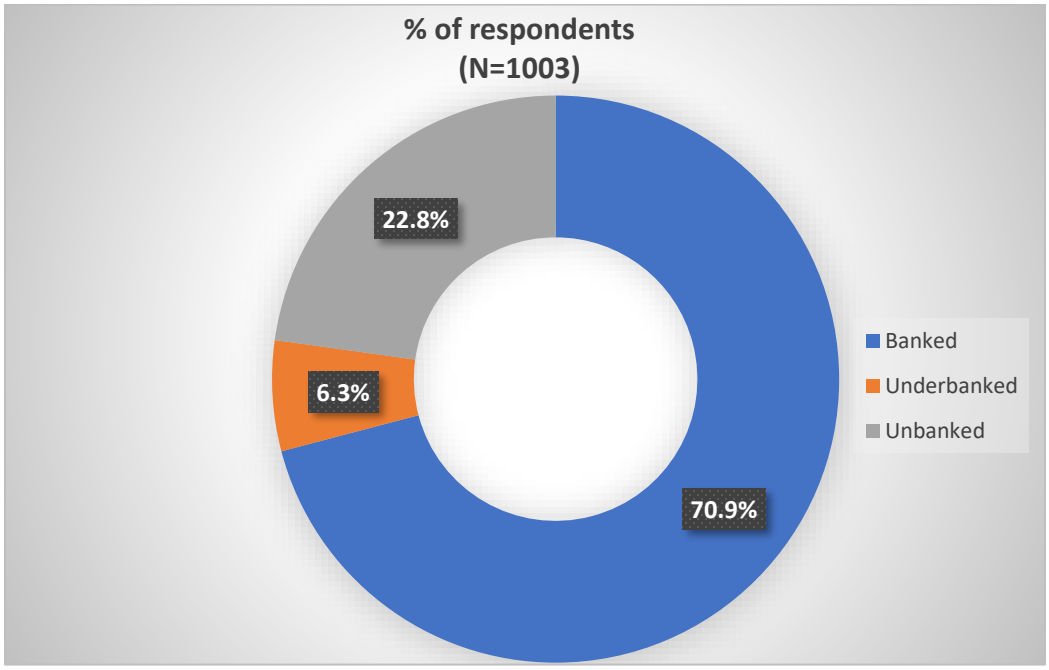


Figure 2: Financial Inclusion Profile: Percentage of Adult Population that is Banked, Under-Banked and Unbanked.

Financial inclusion, measured through banked status, was found to vary significantly among socio-economic groups and urban-rural locations. Overall, financial inclusion was found to decrease with decreasing socio-economic status. Specifically, upper (95.6%) and middle-income

[14] Banked refers to adults who have access to financial services with at least one active (used at least once within the past 12 months) savings account with a licensed deposit taking institution or a registered co-operative society doing business as a credit union. *(World Bank Global Financial Index Report 2014)*

[15] Underbanked refers to individuals or families who have a bank account but reported not having used their bank account within the past 12 months. *(World Bank Global Financial Index Report 2014)*

[16] Unbanked refers to adults who do not use or do not have access to any traditional financial services, including savings accounts, credit cards, or personal checks or any other electronic retail payment services. *(World Bank Global Financial Index Report 2014)*

(92%) respondents were significantly more likely to be banked than those in the working class (79.8%) and lower income (59.6%) socio-economic groups. Working class respondents were significantly more likely to be banked than lower income respondents. Just under a third of lower income respondents (32%) reported being unbanked, that is did not currently have an account in a financial institution.

The proportion of lower income respondents who were unbanked (32%) was twice that of the working-class respondents (14.7%). The latter proportion was also more than twice the proportion of un- banked middle-income respondents (6.3%). Banking status was similar among age and gender groups. ***Table 6***

Table 6: Financial Inclusion Profile of Adult Population by Demographics

	Banked %	Underbanked %	Unbanked %
Total (N=1003)	70.9	6.3	22.8
Gender			
Male; (n=500)	70.4%	5.6%	24.0%
Female; (n=503)	71.4%	7.0%	21.7%
Age Group			
18-29y (n=312)	73.1%	5.1%	21.8%
30-39y; (n=206)	81.6%	3.4%	15.0%
40-49y; (n=170)	74.7%	7.6%	17.6%
50-59y; (n=150)	60.0%	8.0%	32.0%
60y and older; (n=165)	59.4%	9.1%	31.5%
Location **			
KMR and Montego Bay Urban; (n=281)	75.8%	5.7%	18.5%
Other Urban; (n=382)	74.3%	5.8%	19.9%
Rural ; (n=340)	62.9%	7.4%	29.7%
Socio-economic Level ***			
Upper Income (A/B); (n=68)	95.6%	0.0%	4.4%
Middle Income (C1); (n=112)	92.0%	1.8%	6.3%
Working Class (C2); (n=258)	79.8%	5.4%	14.7%
Lower Income (D); (n=565)	59.6%	8.3%	32.0%

*P≤.05

**P≤.005

***P=.000

Approximately a third of respondents, who were parents or guardians of children, reported their children having bank accounts (35%). ***Figure 3***

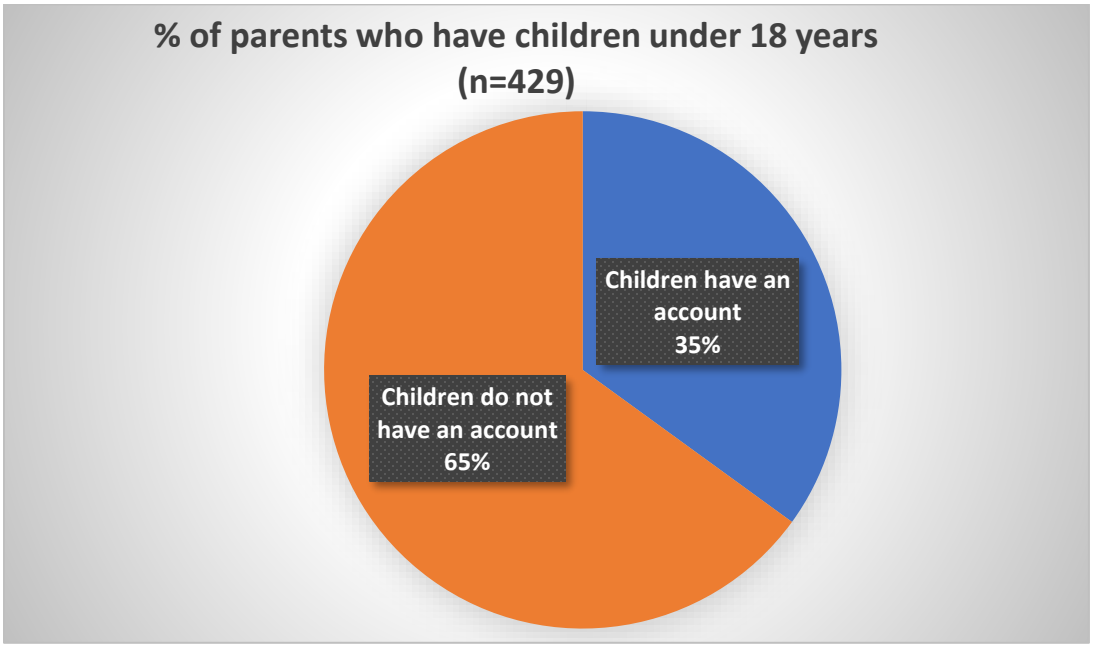


Figure 3: Financial Inclusion Profile: % of children with a Bank Account

Ownership of bank accounts was similar to that of the general population. Specifically, children whose parents were in the upper (59.3%) and middle (59.2%) socio-economic groups were more likely to have bank accounts than those in the working class (35.1%) and lower income socio-economic groups (27.2%). ***Table 7***

Table 7: **Percentage of Households with children having bank accounts.**

	% of respondents with children
Gender of Child's Parent	
Male; (n=181)	39.8%
Female; (n=248)	31.5%
Age Group of Child's Parent	
18-29y; (n=109)	20.2%
30-39y; (n=143)	34.3%
40-49y; (n=114)	45.6%
50-59y; (n=52)	46.2%
60y and older; (n=11)	27.3%
Location	
KMR and Montego Bay Urban; (n=107)	29.9%
Other Urban; (n=169)	39.1%
Rural; (n=153)	34.0%
Socio-economic Level of Parent ***	
Upper Income (A/B); (n=27)	59.3%
Middle Income (C1); (n=49)	59.2%
Working Class (C2); (n=114)	35.1%
Lower Income (D); (n=239)	27.2%

*P≤.05
**P≤.005
***P=.000

Main motivators for opening a bank account for a child emerged as being related to future financial responsibility. In particular, bank accounts for children were opened primarily to *"teach the child how to save"* (44%) and "*help the child be financially secure in the future*" (32%).

Just under a third (30%) also opened the account to facilitate saving towards the child's future. ***Figure 4***

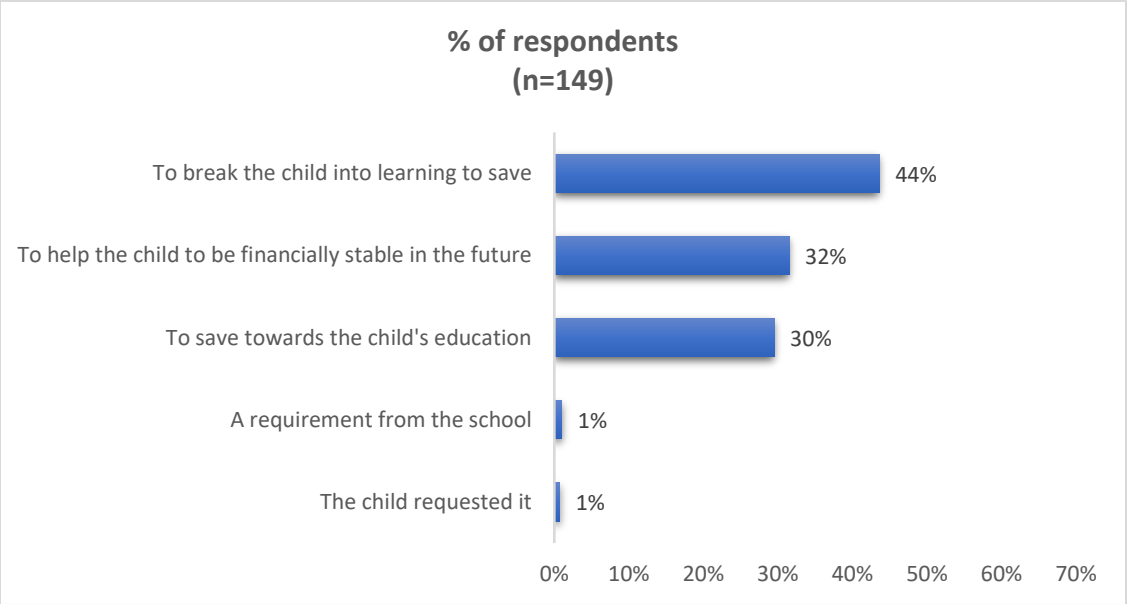


Figure 4: Reasons for Opening a Bank Account for Child [17]

[17] Total exceeds 100% due to multiple answer responses.

Those respondents who had not opened an account for their child had no special reason (36%). Additionally, 15% stated they had no time to as well as did not feel they had sufficient funds to do so (15%). ***Figure 5***

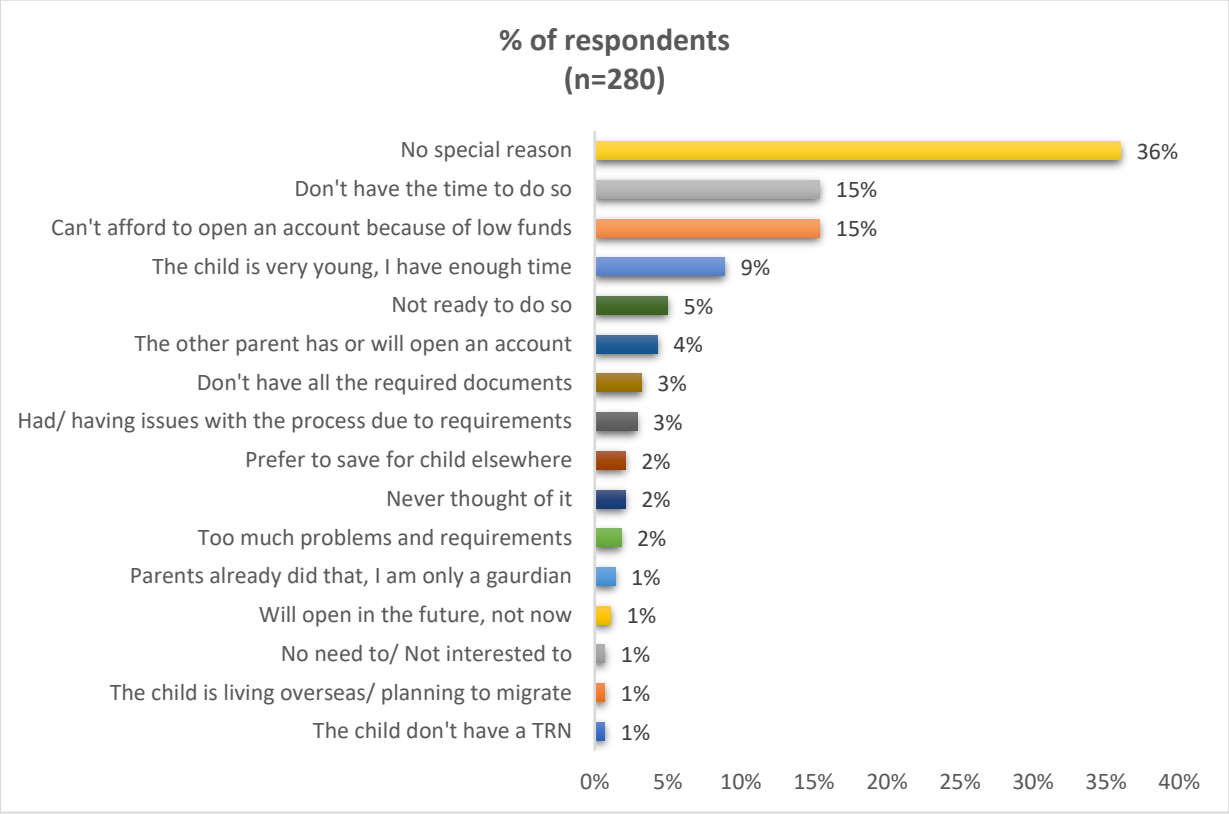


Figure 5: Main Reasons for NOT Opening a Bank Account for Child[18]

[18] Figure shows unpromptedd reasons given by at least 1% of respondents.

Overall, most respondents (80.5%) held accounts with only one type of financial institution. ***Table 8***

Table 8: **Number of Types of Financial Institutions respondent Accounts are Held at**

	Total Banked & Underbanked Population (n=774) %	Banked (n=712) %	Underbanked (n=62) %
1 type of institution	80.5%	79.8%	88.7%
2 types of institutions	18.3%	19.0%	11.3%
3 types of institutions	1.2%	1.3%	0.0%

Most banked respondents had accounts with commercial banks (91.6%). Regardless of the financial institution, most (52.2%) respondents reported holding only 1 account. ***Table 9***

Table 9: **Financial Institutions Accounts with And Number of Accounts**

	% of banked respondents (n=774)
Commercial Bank	91.6%
Building society	12.5%
Credit Union	17.1%
1 account	52.2%
2 accounts	27.9%
3 or more accounts	18.9%

Regardless of the type of institution, a savings account was the type of account held by the vast majority of respondents. ***Figure 6***

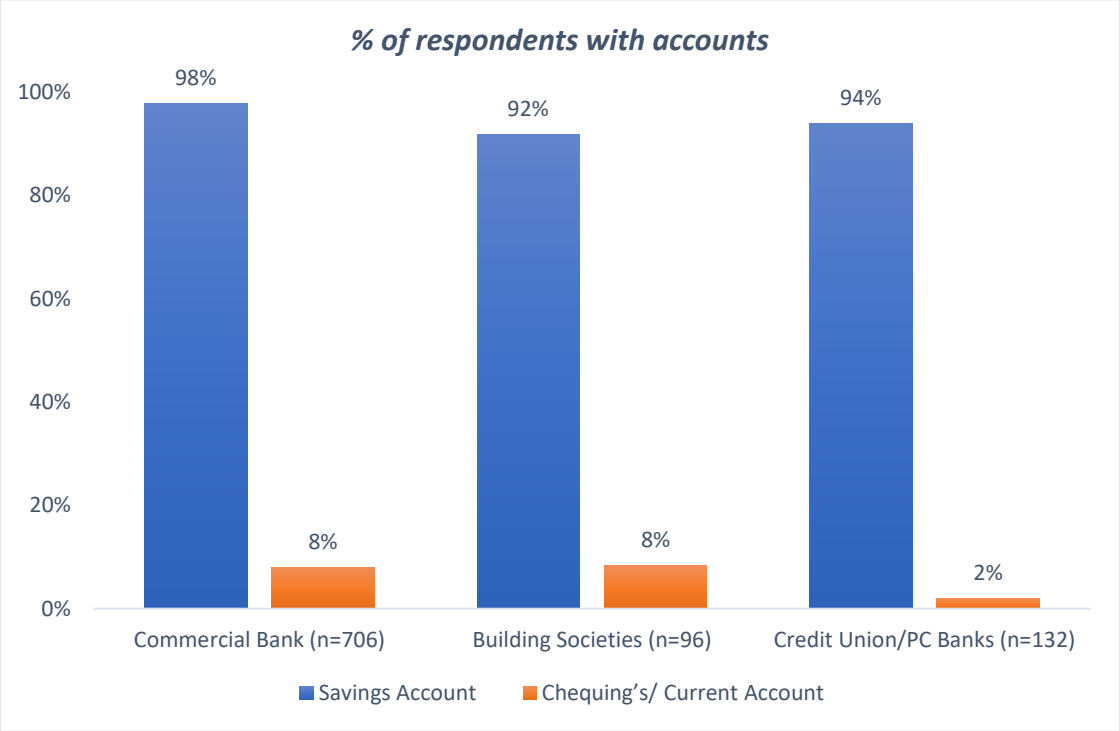


Figure 6: Type of Account Owned at Financial Institutions

5.2. Account Usage

Among commercial banks, making a withdrawal (62%) was the activity done by the majority in the past 4 weeks, followed by making a deposit (49%). Among Building Societies and Credit Unions making a deposit was the main activity engaged in (Building Societies; 50% and Credit Unions; 42%). ***Table 10***

Table 10: Activities Done in Past 4 Weeks at Main Types of Financial Institution

	Commercial Bank (n=705) %	Building Societies (n=96) %	Credit Unions/PC Banks (n=132) %
Withdrawal	62%	29%	17%
Deposit	49%	50%	42%
Payment	38%	14%	7%
Transfer	32%	16%	5%

Table 11: Frequency of Making a Deposit in Past 4 Weeks at Types of Financial Institutions

# of Occasions	Commercial Bank (n=705) %	Building Societies (n=96) %	Credit Unions/PC Banks (n=132) %
0 occasions	50.7%	50.0%	58.3%
1 occasion	22.2%	27.1%	27.3%
2 occasions	12.3%	7.3%	7.6%
3 occasions	3.7%	3.1%	0.8%
4 or more occasions	11.0%	5.2%	6.1%

Table 12: Frequency of Doing a Withdrawal in Past 4 Weeks at Types of Financial Institutions

# of Occasions	Commercial Bank (n=705) %	Building Societies (n=96) %	Credit Unions/PC Banks (n=132) %
0 occasions	38.5%	70.8%	82.6%
1 occasion	15.3%	10.4%	9.8%
2 occasions	10.8%	3.1%	1.5%
3 occasions	8.8%	5.2%	3.0%
4 or more occasions	26.6%	10.4%	3.0%

Table 13: Frequency of Doing a Transfer in Past 4 Weeks at Types of Financial Institutions

# of Occasions	Commercial Bank (n=705) %	Building Societies (n=96) %	Credit Unions/PC Banks (n=132) %
0 occasions	68.3%	84.4%	94.7%
1 occasion	10.5%	8.3%	3.8%
2 occasions	7.1%	1.0%	1.5%
3 occasions	4.1%	3.1%	0.0%
4 or more occasions	10.1%	3.1%	0.0%

Table 14: Frequency of Doing a Payment in Past 4 Weeks at Types of Financial Institutions

# of Occasions	Commercial Bank (n=705) %	Building Societies (n=96) %	Credit Unions/PC Banks (n=132) %
0 occasions	62.2%	86.5%	93.2%
1 occasion	13.2%	6.3%	2.3%
2 occasions	5.7%	1.0%	1.5%
3 occasions	4.8%	3.1%	0.8%
4 or more occasions	14.2%	3.1%	2.3%

Among commercial bank customers, 47% did their last transaction within the past 7 days with an additional 25% having made a transaction within the past 4 weeks. Among Building Society customers, 24% did their last transaction within the past 7 days, while 26% of Credit Union customers, did their last transaction within the past 4 weeks. ***Table 15***

Table 15: Last Time Transaction Done at Types of Financial Institutions

Transaction done last time within the last…	Commercial bank (n=706)	Building Societies (n=96)	Credit Union/ PC Banks (n=132)
7 days	47%	24%	21%
4 weeks	25%	22%	26%
3 months	11%	17%	14%
6 months	6%	7%	10%
12 months (1 year)	5%	5%	7%
Longer ago	6%	22%	17%
Never used before	1%	3%	5%

Just under half (48%) reported personally having saved or set aside money in the past 12 months in an account at a financial institution. The incidence of saving was highest among respondents 40-49yrs (62%) and lowest among those 60yrs and older (34%). ***Figure 7***

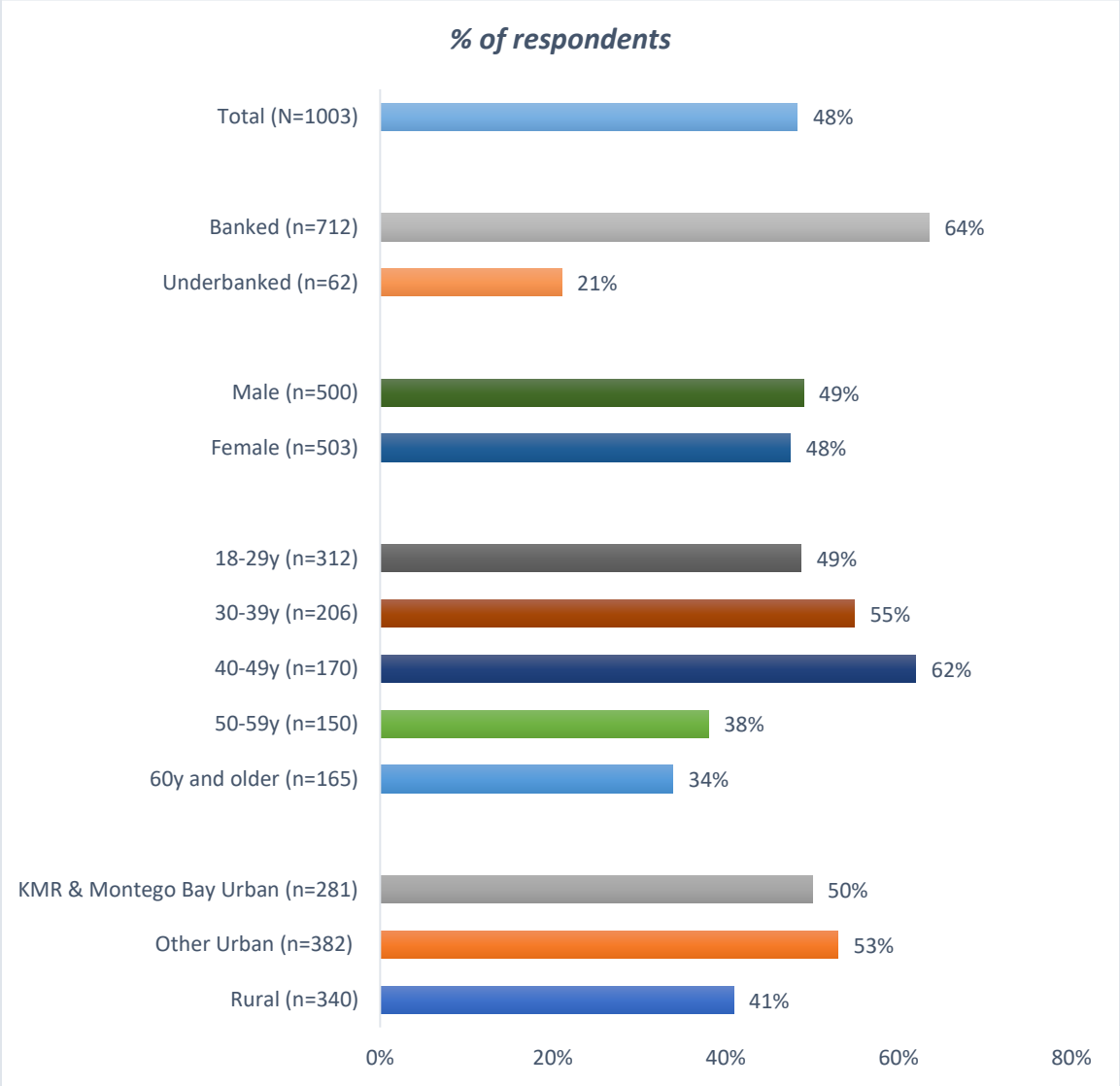


Figure 7: Set Aside/ Personally Saved Money in the Past 12 Months in an Account at a Financial Institution

The incidence of borrowing money was low with only 10% reporting having borrowed money from a financial institution in the past 12 months. ***Figure 8***

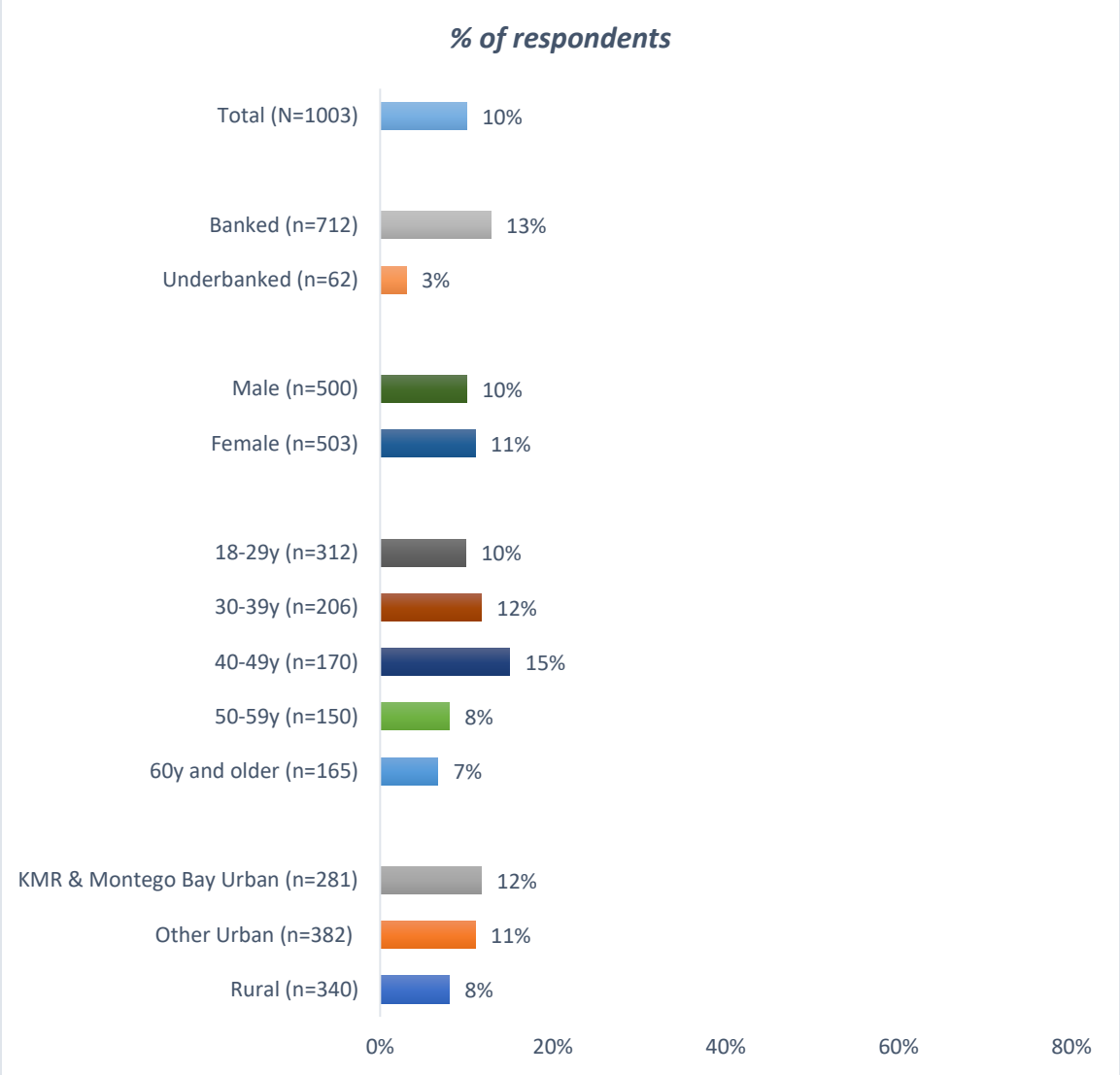


Figure 8: Borrowed Money by Yourself or With Someone Else in the Past 12 Months from a Financial Institution

5.3. Account Ownership Pull Factors

Primary motivators for opening an account with a commercial bank was to save money (66.5%) and to receive a wage payment from an employer (38.4%). Similarly, the main motivators given for opening an account with a building society was to save money (69.8%) and to receive a wage payment (13.5%). Main reasons for opening a credit union account were to save money (89.4%) and to process a loan (14.4%). ***Table 16***

Table 16: Reasons for Opening an Account at Types of Financial Institutions

	Commercial Bank (n=705) %	Building Society (n=96) %	Credit Union/ PC Bank (n=132) %
To save money	66.5%	69.8%	89.4%
Receive a wage payment (from an employer)	38.4%	13.5%	3.8%
Receive remittances/ money from overseas	8.9%	4.2%	0.8%
Receive a payment from the government (not related to wages)	5.4%	1.0%	0.8%
To process a loan	4.4%	3.1%	14.4%
For my pension plan	3.7%	1.0%	1.5%
To conduct business	2.7%	6.3%	1.5%
For online shopping	2.7%	-	2.3%
To receive money from my husband/children/ parents etc.	2.0%	-	1.5%
For online banking/ Travelling	1.6%	-	-
To collect or pay my rent/ mortgage	1.0%	1.0%	-
To collect insurance money	0.4%	-	0.8%
For my child/children to save in	0.7%	1.0%	1.5%

5.4. **Account Opening**

Overall, the majority identified a myriad of documents needed to open an account. Documents identified included: Government issued photo ID (95%), TRN (88%), Proof of address (76%), character reference (65%) and proof of income (54%). The majority also stated minimum opening deposit (60%) as a requirement needed. ***Figure 9***

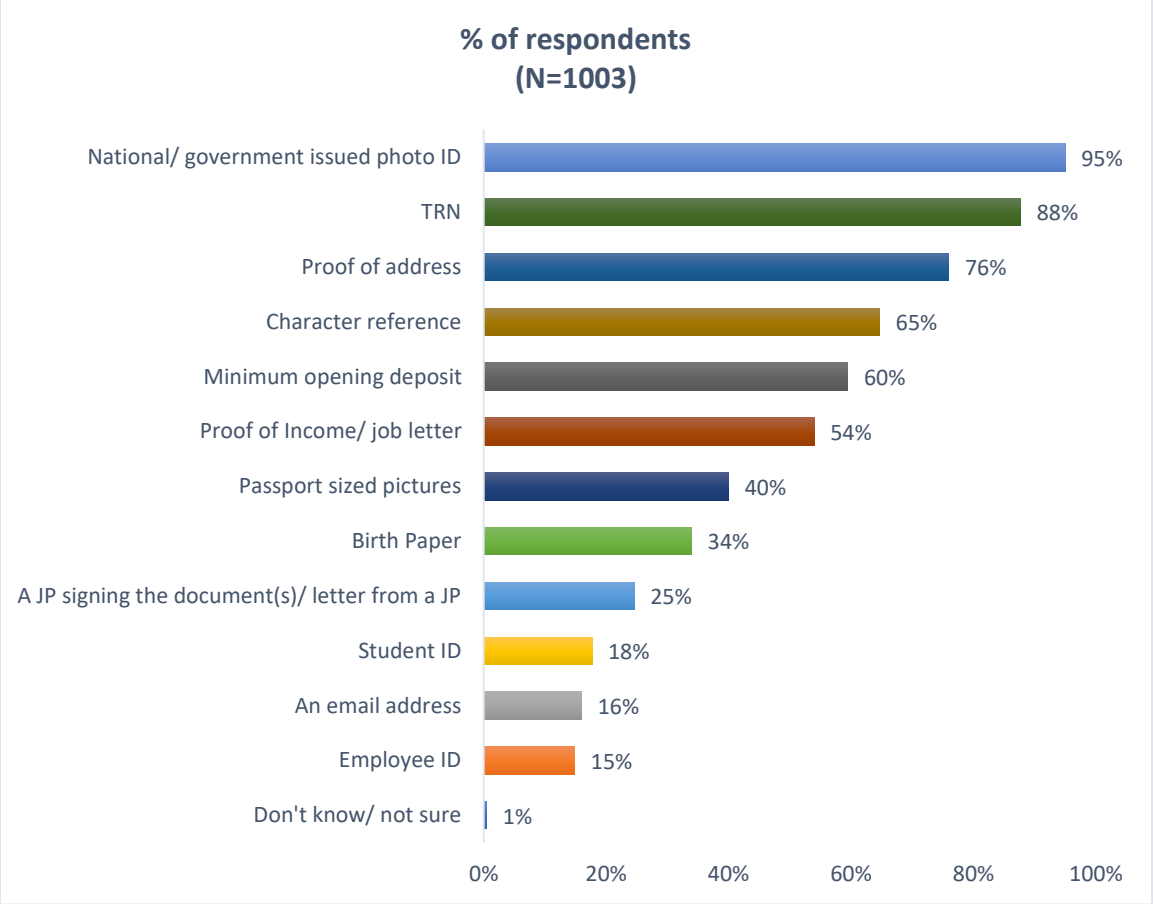


Figure 9: Awareness of Documents Required to Open an Account: Respondents identifying Specific Document as Required for Opening an Account

When asked how they would describe the process of opening an account, 22% described the process as very easy, with an additional 41% describing it as easy. Adversely, 19% described the process as difficult (difficult to very difficult). ***Figure 10***

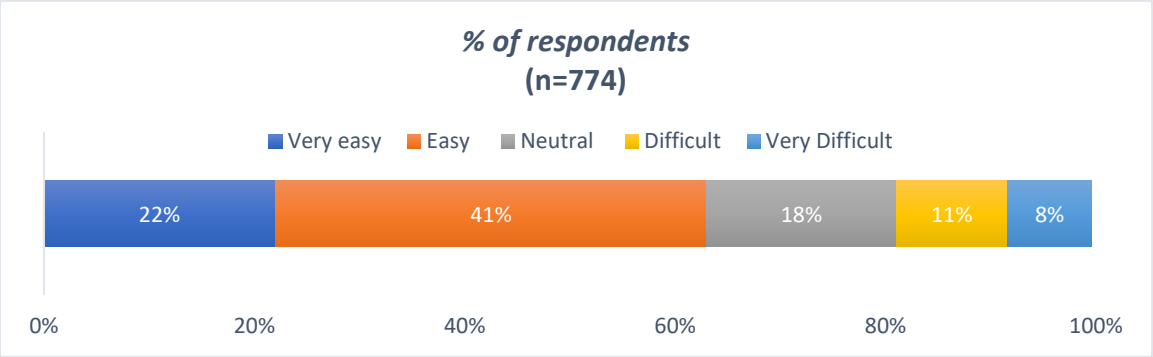


Figure 10: Perceived Level of Ease vs Difficulty with Opening a Transactional Account

Among the respondents who found the process of opening an account difficult to very difficult, the process was thought to be so due to the long waiting times (35%) and them not having certain requirements including: character references (24%), no access to a JP to sign relevant documents (15%), no proof of address (10%) and no job letter (6%). ***Figure 11***

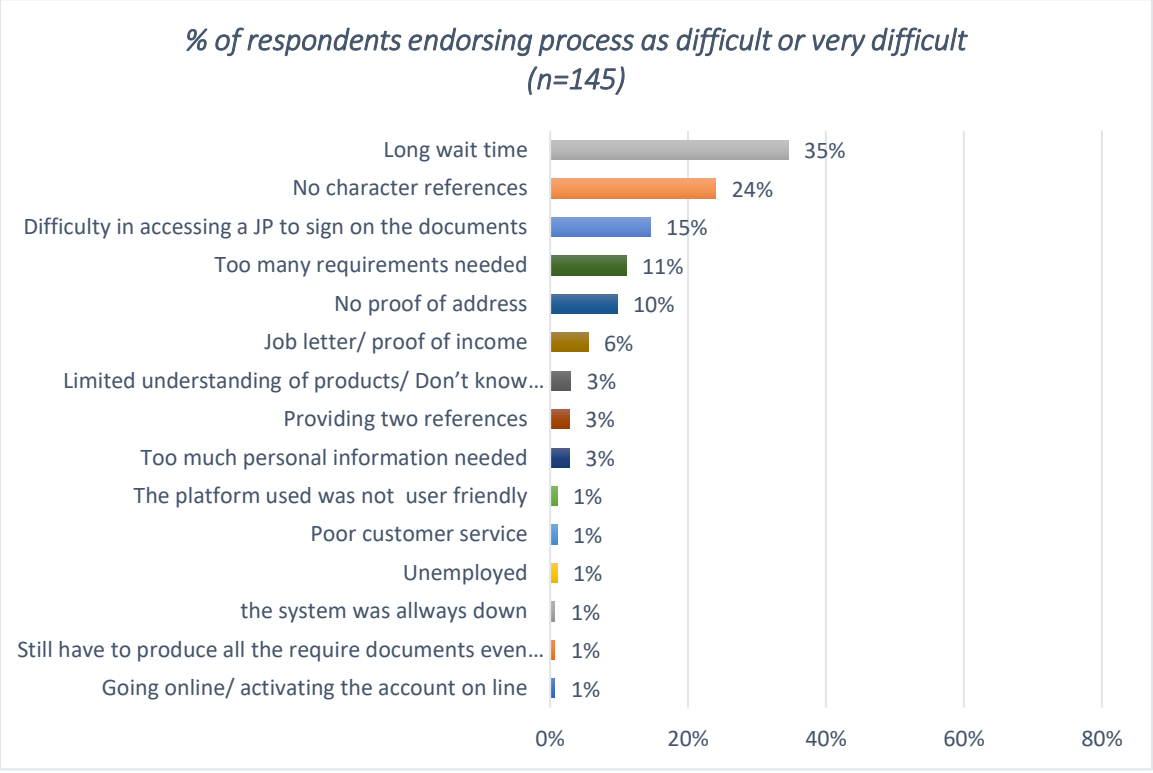


Figure 11: Reasons Very Difficult / Difficult to Open a Transactional Account

Among banked respondents there was high satisfaction with the process of opening a transactional account with 31% being very satisfied and 48% being satisfied. Six percent (6%) reported being dissatisfied with the process of opening an account. ***Figure 12***

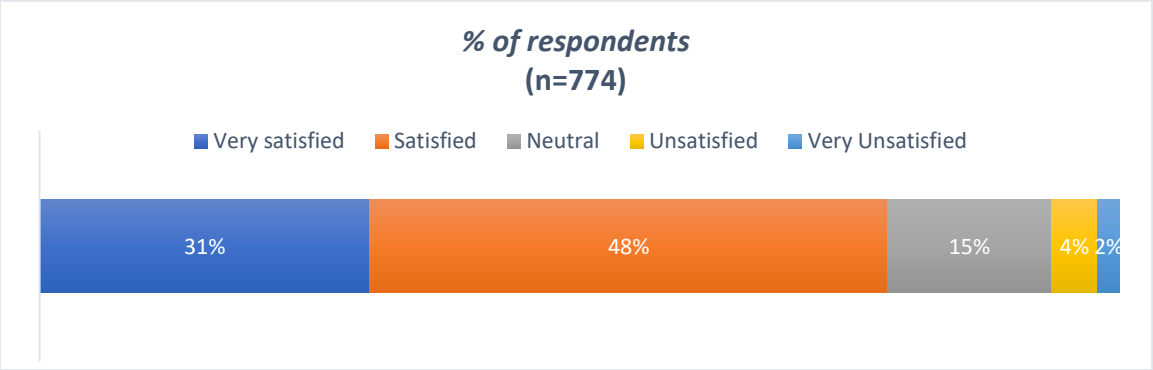


Figure 12: Level of Satisfaction with Opening a Transactional Account

The main reasons for being dissatisfied were the long wait time (41%) and having no character reference (12%). ***Figure 13***

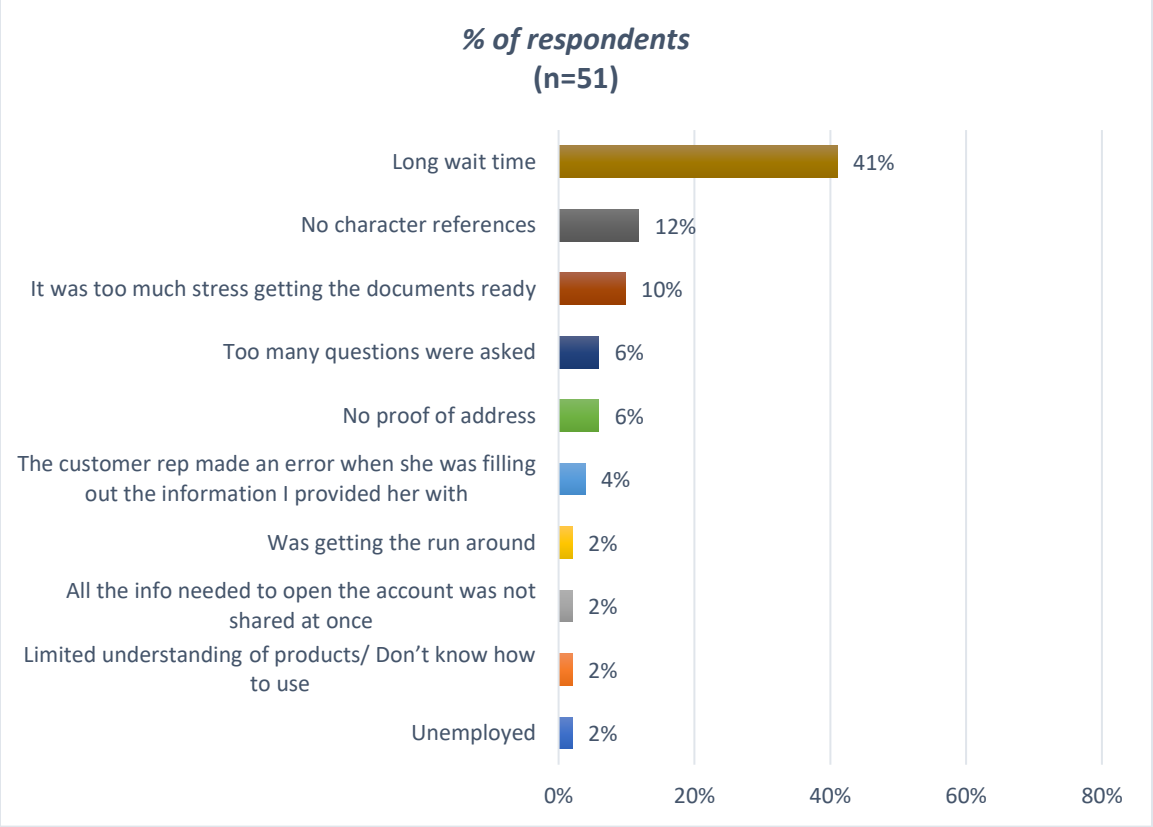


Figure 13: Reasons Very Unsatisfied / Unsatisfied with Opening a Transactional Account

Among those who had never opened an account the main reasons were the perception of it being “too much hassle to open an account” (18%), insufficient funds to open or maintain an account (16%), a lack of trust of financial institutions (16%) as well as not having the required documents (12%). ***Figure 14***

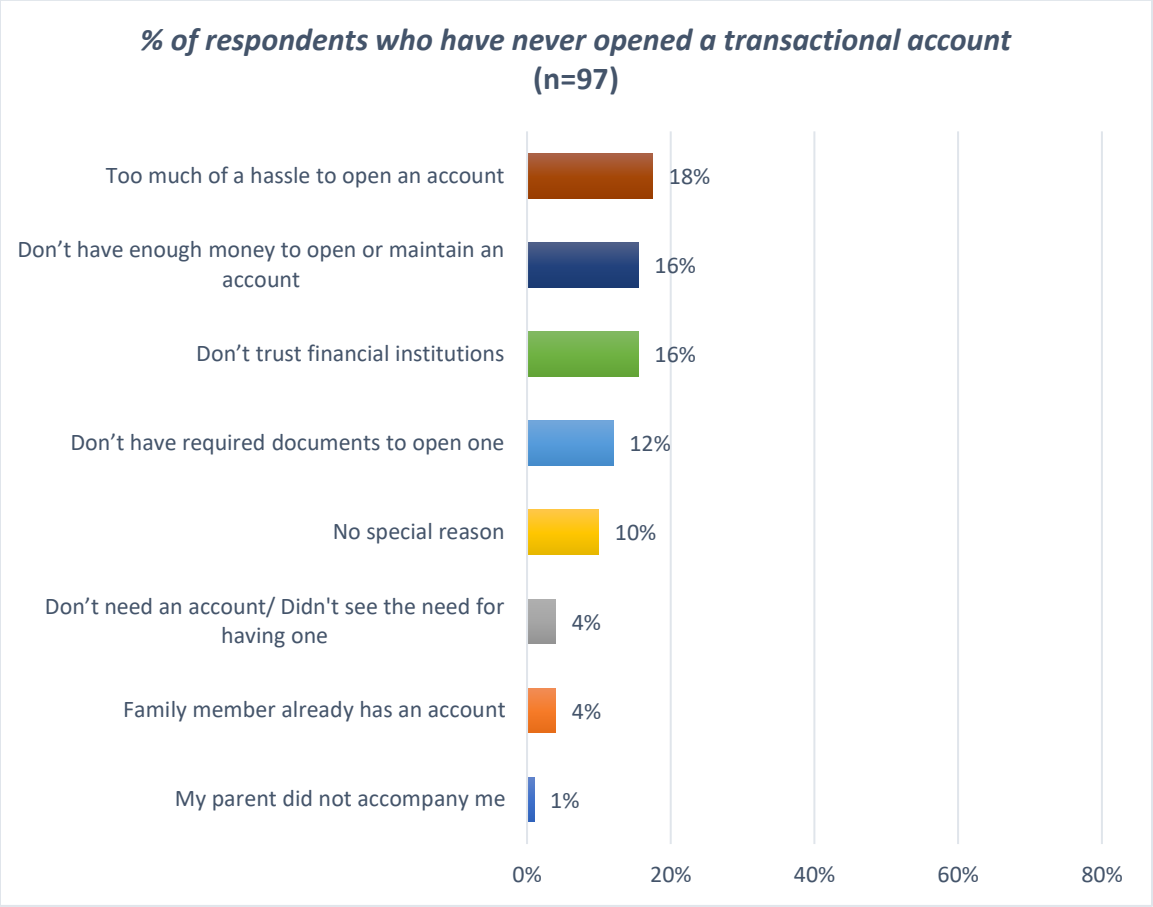


Figure 14: Reasons Never Opened a Transactional Account

5.5. Digital Payment Method and Services Usage

There was high ownership of digital payment methods. Overall, the majority of banked respondents (88.5%) reported owning at least one method of digital payment. Debit cards (86.9%) were the most commonly owned method of payment. Debit card ownership was significantly lower among those 60yrs and older when compared to younger age groups.

It was approximately a fifth (19.4%) who reported owning a credit card. Credit card ownership was significantly higher among upper income respondents (66.2%). In fact, credit card ownership in the upper income socio-economic groups was two (2) times higher than ownership in the middle-income group (29.5%), three (3) times higher than in the working-class group (18.3%) and seven (7) times higher than in the lower income socio-economic group (9.4%). ***Table 17***

Table 17: Digital Payment Method Requiring a Bank Account Ownership

	Debit Card	Credit card
Total (n=773)	86.9%	19.4%
Bank Profile		
Banked; (n=711)	89.2%	21.0%
Underbanked; (n=62)	61.3%	1.6%
Gender		
Male; (n=380)	87.1%	22.4%
Female; (n=393)	86.8%	16.5%
Age Group		
18-29y; (n=244)	91.0%	13.6% *
30-39y; (n=175)	93.7%	22.3%
40-49y; (n=140)	85.7%	21.4%
50-59y; (n=101)	93.2%	21.8%
60y and older; (n=113)	72.6% ***	23.0%
Location		
KMR and Montego Bay Urban; (n=229)	92.1%	24.1%
Other Urban; (n=306)	85.3%	20.6%
Rural; (n=238)	84.0%	13.4%
Socio-economic Level		
Upper Income (A/B); (n=65)	98.5%	66.2% ***
Middle Income (C1); (n=105)	96.2%	29.5%
Working Class (C2); (n=220)	89.1%	18.3%
Lower Income (D); (n=383)	81.2%	9.4%

*P≤.05
**P≤.005
***P=.000

Ownership of digital payment methods which do not require a bank account was even lower than credit card ownership. It was 11.8% of respondents who owned a mobile wallet and 5.6% who owned a pre-paid debit or credit card. Ownership of prepaid debit/ credit card and mobile wallet was significantly higher among those in the middle income socio-economic group (prepaid debit/ credit card 12.5% and mobile wallet 29.5%). ***Table 18***

Table 18: Digital Payment Method NOT requiring a Bank Account Ownership

	Prepaid Debit/ Credit Card	Mobile Wallet
Total (N=1003)	5.6%	11.8%
Bank Profile		
Banked; (n=712)	6.7%	14.6%
Underbanked; (n=62)	6.5%	4.8%
Unbanked: (n=229)	1.7%	4.8%
Gender		
Male; (n=500)	5.2%	13.4%
Female; (n=503)	6.0%	10.1%
Age Group		
18-29y; (n=312)	4.5%	20.5%
30-39y; (n=206)	8.7%	13.6%
40-49y; (n=170)	5.3%	8.2%
50-59y; (n=150)	7.3%	5.3%
60y and older; (n=165)	2.4%	2.4%
Location		
KMR and Montego Bay Urban; (n=281)	6.4%	13.9%
Other Urban; (n=382)	6.0%	12.6%
Rural; (n=340)	4.4%	9.1%
Socio-economic Level		
Upper Income (A/B); (n=68)	8.8%	16.2%
Middle Income (C1); (n=112)	12.5%***	29.5% ***
Working Class (C2); (n=258)	6.6%	15.1%
Lower Income (D); (n=565)	3.4%	6.2%

*P≤.05
**P≤.005
***P=.000

Overall, while 67% of respondents reported ownership of a debit card, 3.2% expressed interest in acquiring one, while 22.9% were unbanked and so were not able to own one. ***Figure 15***

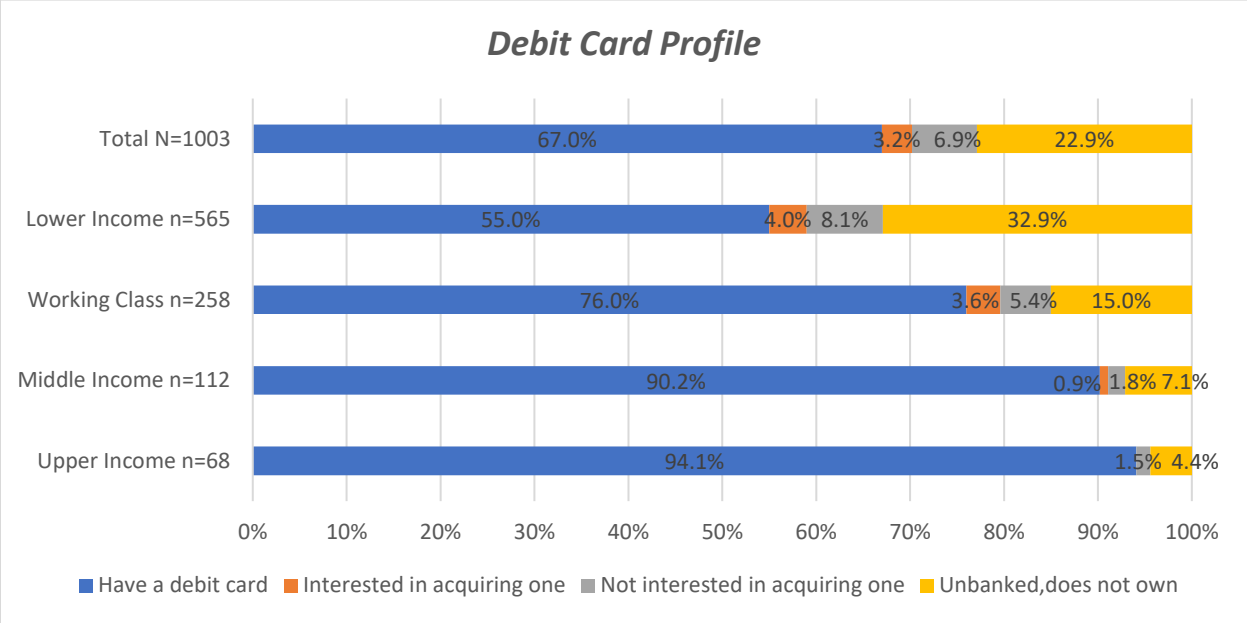


Figure 15: Debit Card Profile by Socio-economic Groups

Credit card ownership was notably lower and with many expressing no interest in acquiring one. It was 15% of all respondents who reported owning a credit card and 17.6% who were interested in acquiring one. Almost half (44.4%) of respondents were not interested in acquiring a credit card while 23% were unbanked and so were not able to own one. . ***Figure 16***

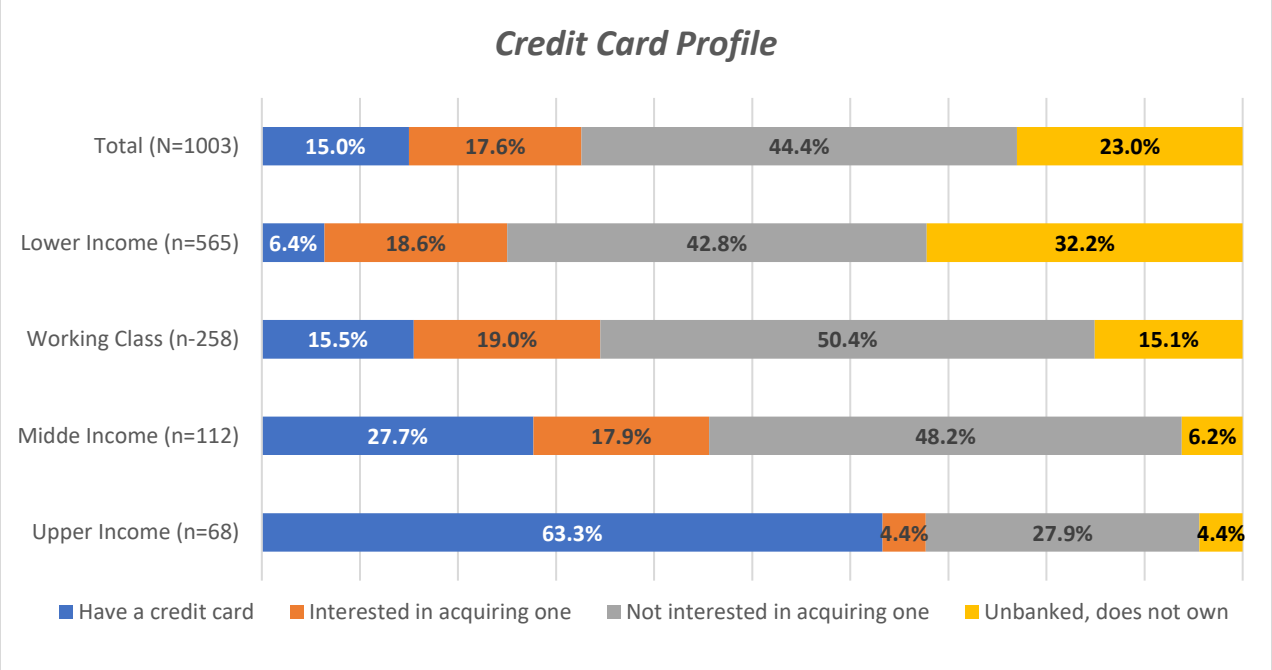


Figure 16: Credit Card Profile by Socio-economic Groups

Few respondents reported ownership of prepaid credit/ debit cards. It was 5.6% who had a prepaid card with just over a quarter (28.1%) expressing interest in acquiring the same. Two-thirds (66.3%) were not interested in this payment method. ***Figure 17***

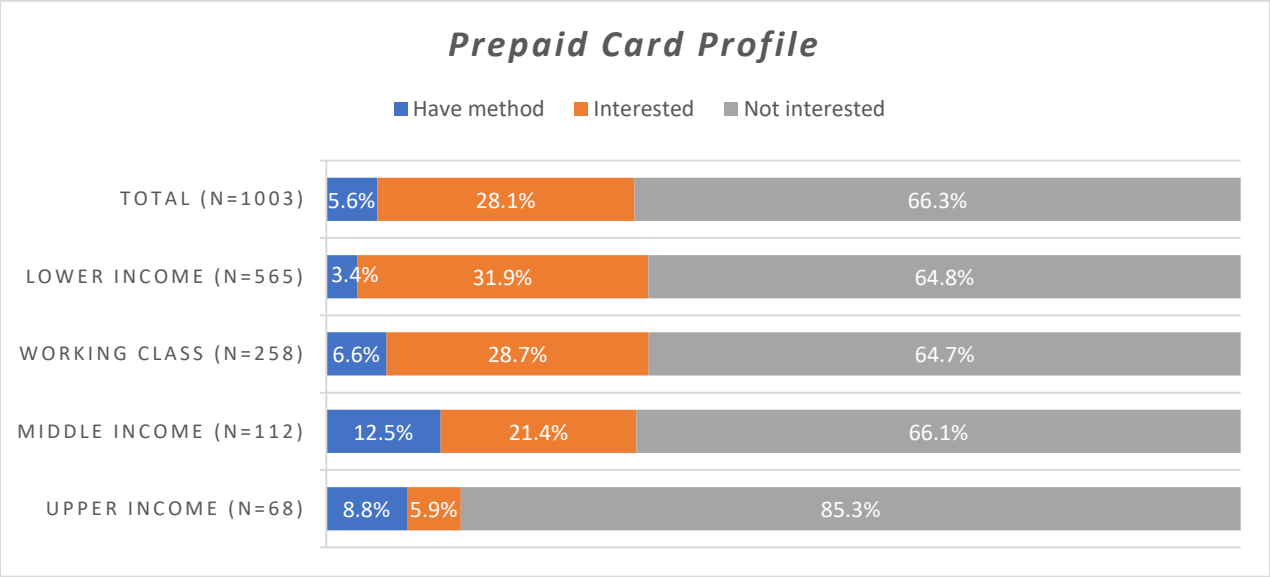


Figure 17: Prepaid Card Profile by Socio-economic Groups

Ownership of mobile wallet was twice that of ownership of prepaid cards. Only 11.8% reported ownership of a mobile wallet with 25% expressing interest in acquiring same. The majority, however (63.2%) were not interested in this method of payment. ***Figure 18***

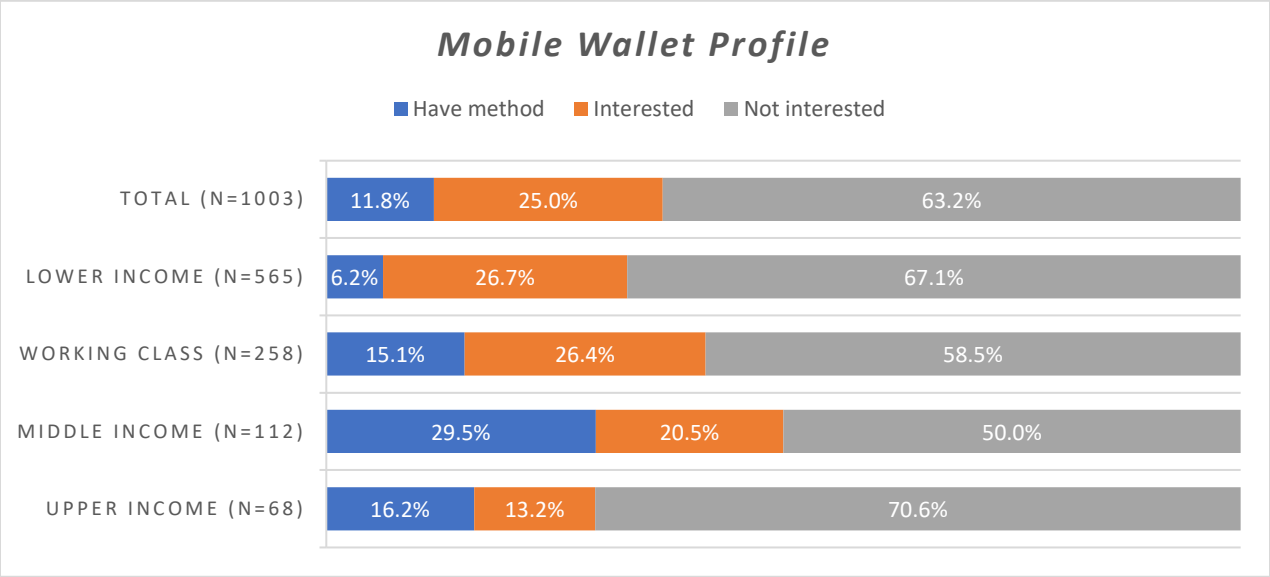


Figure 18: Mobile Wallet Profile by Socio-economic Groups

Online banking and the use of online banking to make payments emerged as a method of payment with the second highest penetration. More than a third (34.9%) reported using online banking or bank apps to pay bills or purchase goods and/or services. Use of this method was highest among upper income consumers (70.8%) and lowest among lower income consumers (21.9%). ***Figure 19***

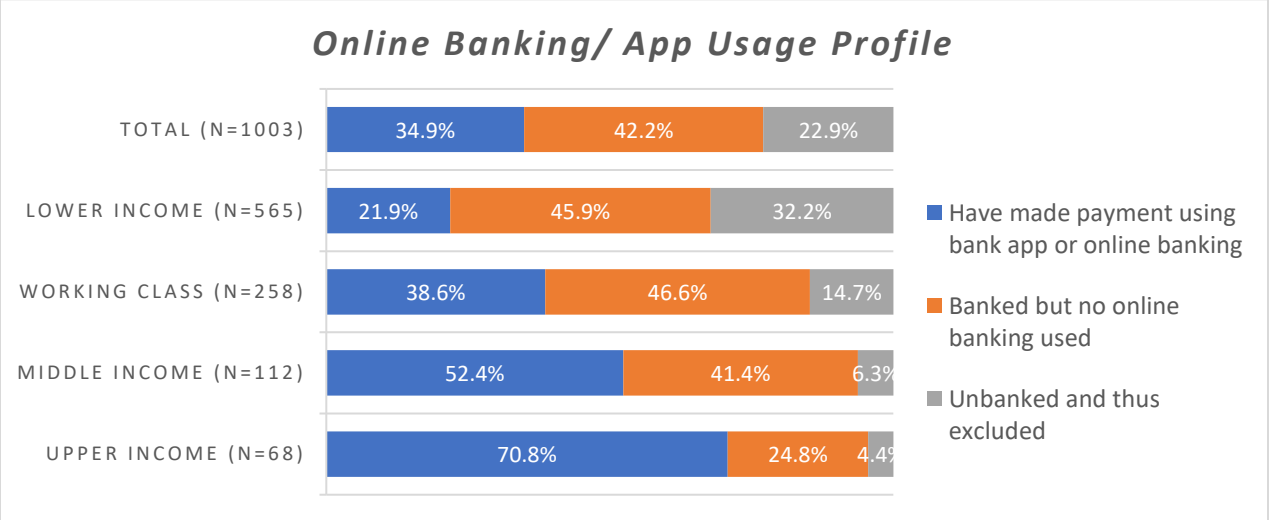


Figure 19: Online Banking/ App Usage Profile by Socio-economic Groups

Debit cards, the digital payment method with the highest penetration, were reportedly used 1 to 3 times in the past four weeks by 30.2% of respondents, with an additional 28.9% reporting having used it four (4) or more times.

In the past four weeks more than a third (35.3%) of credit card holders reported having used a credit card four (4) or more times, while 27.3% reported having used their credit card 1-3 times over the period.

Table 19

Table 19: Number of Times Used Digital Method to *Purchase or Pay for Something online or In-person in* Past 4 Weeks

Number of Times	Debit Card (n=672)	Credit Card (n=150)	Pre-paid Card (n=58)	Mobile Wallet (n=118)
0 times	40.8%	37.3%	43.1%	73.7%
1 to 3 times	30.2%	27.3%	39.7%	21.2%
4 to 6 times	15.0%	17.3%	6.9%	1.7%
7 to 10 times	6.8%	8.7%	6.9%	0.8%
11 times or more	7.1%	9.3%	3.4%	2.5%

Overall, digital payment methods such as debit cards were used an average of 4-5 times in the past four weeks. Males reported more frequent use of digital payment methods (Male 5.7 +/-SD 10.8 vs Female 3.3 +/-SD 5.8). Upper income respondents reported twice as many digital transactions as middle-income respondents (upper 12.8 +/-SD 15.8 vs middle income 6.8 +/-SD 7.3) and 6 times more digital transaction than lower income respondents (Upper 12.8 +/-SD 15.8 vs Lower Income 2.0 +/-SD 5.0).

Frequency of usage of digital payment methods was highest in the major metropolitan areas of Kingston Metropolitan Region and Montego Bay (6.3 +/-SD11.3) and lowest in rural areas (3.3+/-SD7.9) ***Table 20***

Table 20: Average Number of Times Used Digital Method (debit card, credit card, mobile wallet) to Purchase or Pay for Something Online or In-person in Past 4 Weeks

	Mean	SD	Base
Total	4.5	8.7	*699*
Gender			
Male	5.7	10.8	*346*
Female	3.3	5.8	*353*
Age			
18-29y	4.7	8.6	*234*
30-39y	4.9	10.5	*169*
40-49y	5.3	9.9	*124*
50-59y	3.3	5.6	*88*
60y+	3.0	4.4	*84*
Socio-Economic Group			
Upper Income	12.8	15.8	*66*
Middle income	6.8	7.3	*106*
Working Class	4.6	8.9	*204*
Lower Income	2.0	5.0	*323*
Location			
KMR and Montego Bay Urban	6.3	11.3	*221*
Other Urban	4.0	6.4	*272*
Rural	3.3	7.9	*206*

Digital payment methods were used recently with more than 4 in 10 debit card users (45%) and credit card users (46%) having used the method in the past 7 days. An additional 17% of debit card users and 20% of credit card users had used the respective methods within the past 4 weeks. ***Figure 20***

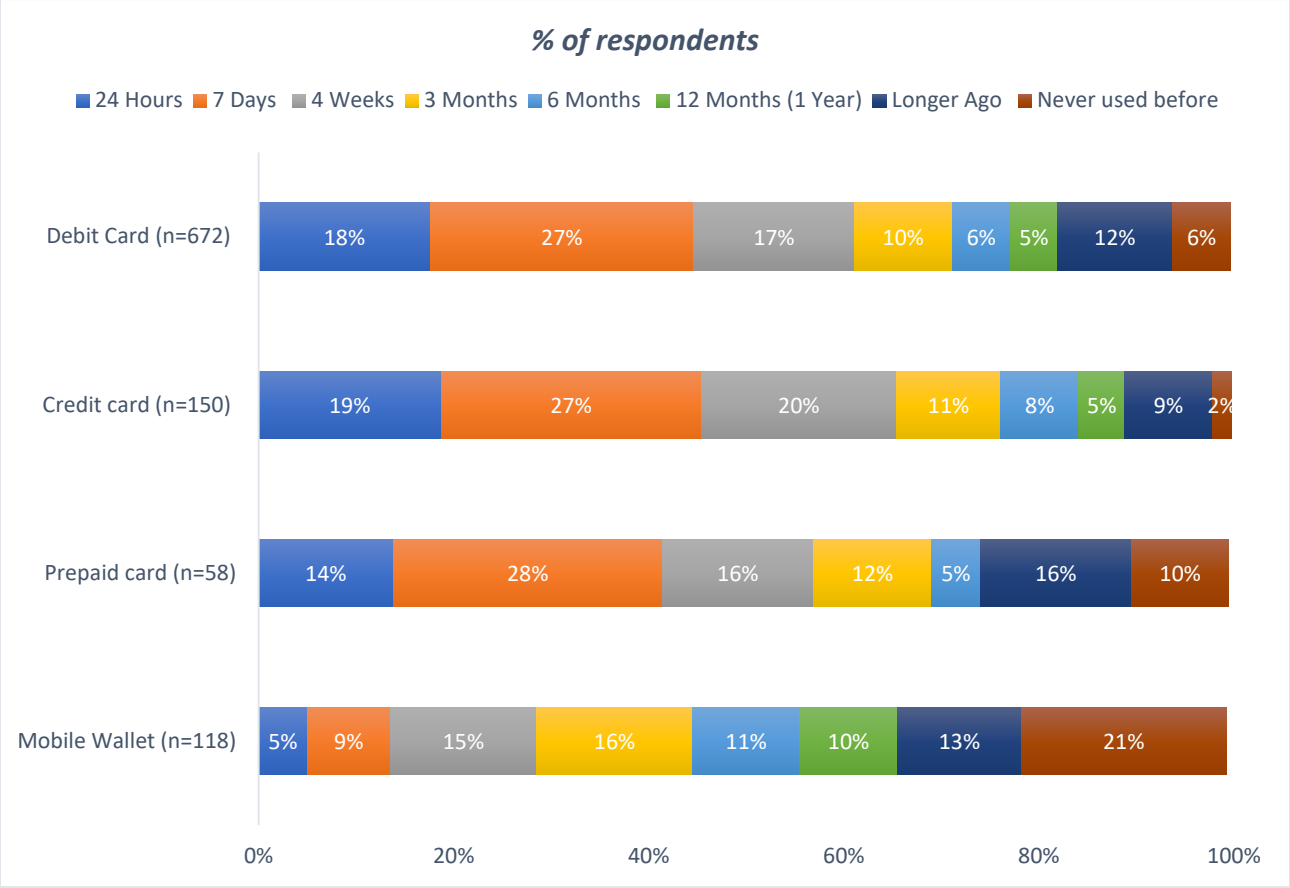


Figure 20: Last Time Purchase Done with Digital Payment Methods

5.6. Digital Payment Usage

Digital payment uses across specific activities done in the last 12 months varied by socio-economic group. Activities asked about were:

- Paying bills online
- Paying bills in branch
- Telebanking
- Making purchases in store
- Shopping online
- Sending money
- Receiving money
- Purchasing phone credit

Overall, more than a half (57.1%) of respondents had used at least one digital payment method in at least one instance in the past 12 months. This means however that 42.9% had used no digital payment method. Almost all upper (98.5%) and middle (91.1%) respondents had used at least one method in the past 12 months. Approximately two out of three (67.4%) of working-class respondents had also used a digital payment method. In contrast however, most lower income respondents had not used a method as only 40.7% reported having used at least one method in at least one of the activities probed. ***Table 21***

Table 21: Digital Payment Method Used for in least 1 of 8 activities in the Past 12 Months ***(pay bills online/ in branch, telebanking, purchases in stores, online shopping, send and receive money, buy phone credit)***

Payment methods used for at least one of eight specific transactions in the past 12 months	Socio-Economic Group				
	Upper income	Middle Income	Working Class	Lower Income	Total
	n=68	n=112	n=258	n=565	n=1003
At least one digital payment method used	98.5%	91.1%	67.4%	40.7%	57.1%
Debit Card	80.6%	80.4%	60.5%	33.1%	48.7%
Online/ Bank App ***	69.1%	50%	33.7%	16.8%	28.4%
Credit Card***	57.4%	27.7%	10.9%	5.8%	13.1%
Pre-paid card/ mobile wallet	8.8%	12.5%	7.0%	3.7%	5.9%

*P≤.05
**P≤.005
***P=.000

The range of activities digital payment methods were used in, within the past 12 months, varied by socio-economic group. Overall, digital payments were used in an average of 5 of the 8 activities probed (SD 1.6). The range of activities was highest among the upper income (Mean 7.8 activities; SD 2.4) and lowest among the lower income respondent (Mean 5.3 activities; SD 1.6). A similar trend was noted for the range of activities debit card and online banking apps were used in. ***Table 22***

***Table 22: Average Range of Activities Digital Payment Method Used for in Past 12 Months** (pay bills online/ in branch, telebanking, purchases in stores, online shopping, send and receive money, buy phone credit)*

	Average range of activities digital payment method used in	Average range of activities debit card used as payment method in	Average range of activities online bank apps used as payment method in
Upper income (n=68)	Mean: 7.8; (SD 2.4)	Mean: 2.9; (SD 2.2)	Mean: 1.5; (SD 1.5)
Middle income (n=112)	Mean: 6.8; (SD 2.2)	Mean: 2.5; (SD 1.8)	Mean: 1.0; (SD 1.3)
Working class (n=258)	Mean: 5.8; (SD 1.9)	Mean: 1.8; (SD 1.9)	Mean: 0.7; (SD 1.2)
Lower income (n=565)	Mean: 5.3; (SD 1.6)	Mean: 0.8; (SD 1.5)	Mean: 0.3; (SD 0.8)
Total (n=1003)	**Mean: 5.3; (SD 1.6)**	**Mean: 1.4; (SD 1.9)**	**Mean: 0.6; (SD 1.1)**

A Spearman correlation was run to determine the relationship between socio-economic status and use of digital payment to conduct a range of activities. Results of the Spearman correlation indicated that there was a significant positive association between socio-economic group and the range of activities digital payment methods were used in (r_s =.316, p<.001). This meant that the range of activities digital payment methods were used to conduct increased with increasing socio-economic group level.

Similarly, Spearman correlation was run to determine the relationship between socio-economic status and use of debit cards as payment in a range of activities. Results of the Spearman correlation indicated that there was a significant positive association between socio-economic group and the range of activities in which debit cards were used as a payment method (r_s=.407, p<.001) This meant that the range of activities debit cards were used as a payment method in increased with increasing socio-economic group.

Spearman correlation was also run to determine the relationship between socio-economic status and use of online bank apps as payment in a range of activities. Results of the Spearman correlation indicated that there was a significant positive association between socio-economic group and the range of activities in which online bank apps were used as a payment method

(r_s=.344, p<.001). This meant that the range of activities online bank apps were used as a payment method in increased with increasing socio-economic group.

Paying for a delivery service offers another opportunity for the use of digital payment options. Despite this, cash was the main method of payment for delivery services. It was half (50.3%) who reported having paid with cash on delivery, while more than a third (37.9%) had never used a delivery service. ***Table 23***

Table 23: Payment Used to Pay for Delivery

	Total	Gender		Age Group				
	Smart Phone Users (n=1003)	Male (n=500)	Female (n=503)	18-29y (n=312)	30-39y (n=203)	40-49y (n=162)	50-59y (n=137)	60y and older (n=111)
Pay online (through a website or bank transfer)	7.8%	7.6%	8.0%	12.2%	10.7%	7.6	3.3%	0.0%
With card on delivery (credit/debit/prepaid)	12.3%	11.0%	13.5%	12.8%	18.0%	8.8%	12.0%	7.9%
Using mobile money apps	1.1%	1.8%	0.4%	2.6%	1.5%	0.0%	0.0%	0.0%
Using mobile wallets	0.7%	0.8%	0.6%	1.3%	1.5%	0.0%	0.0%	0.0%
Have never used a delivery service	37.9%	36.8%	39.0%	33.3%	29.6%	40.7%	40.7%	53.3%
With cash on delivery	50.3%	51.2%	49.5%	53.5%	52.9%	50.0%	50.0%	41.8%

5.7. Cash Usage

Cash is the method of payment commonly used by the majority every day. It was almost three-quarters (72%) of respondents who reported using cash on a daily basis. Lower income respondents (74.9%) were most likely to report daily usage of cash, while upper income respondents (46.2%) were least likely to report daily usage of cash. ***Table 24***

Table 24: Frequency of Cash Usage in Past 6 Months

	Everyday	One to Two times weekly	Once per fortnight	Once every few months	Less Often	Don't know
Total (n=908)[19]	72%	21%	4%	2%	2%	0%
Bank Profile						
Banked (n=634)	72%	21%	4%	1%	1%	0%
Underbanked (n=58)	67%	17%	2%	5%	5%	2%
Unbanked (n=216)	72%	21%	2%	1%	3%	0%
Gender						
Male (n=453)	79%	16%	2%	1%	1%	0%
Female (n=455)	65%	25%	5%	2%	2%	0%
Age group						
18-29y (n=279)	74%	19%	3%	1%	1%	0%
30-39y (n=189)	77%	16%	4%	2%	1%	0%
40-49y (n=153)	80%	16%	3%	0%	1%	0%
50-59y (n=134)	70%	24%	4%	1%	2%	0%
60y and older (n=153)	56%	31%	4%	4%	5%	0%
Location						
KMR & Montego Bay Urban (n=249)	71%	22%	3%	2%	2%	0%
Other Urban (n=344)	74%	19%	4%	2%	1%	0%
Rural (n=315)	70%	22%	4%	1%	3%	0%
Socio-Economic Group						
Upper income (n=68)	46.2%	43.6%	7.7%	2.6%	0%	0%
Middle income (n=112)	68.8%	22.6%	4.3%	1.1%	3.3%	0%
Working Class (n=258)	70.2%	21.1%	3.7%	2.1%	2.5%	0.4%
Lower income (n=565)	74.9%	18.7%	3.0%	1.3%	1.7%	0%

[19] 95 respondents declined to answer the question.

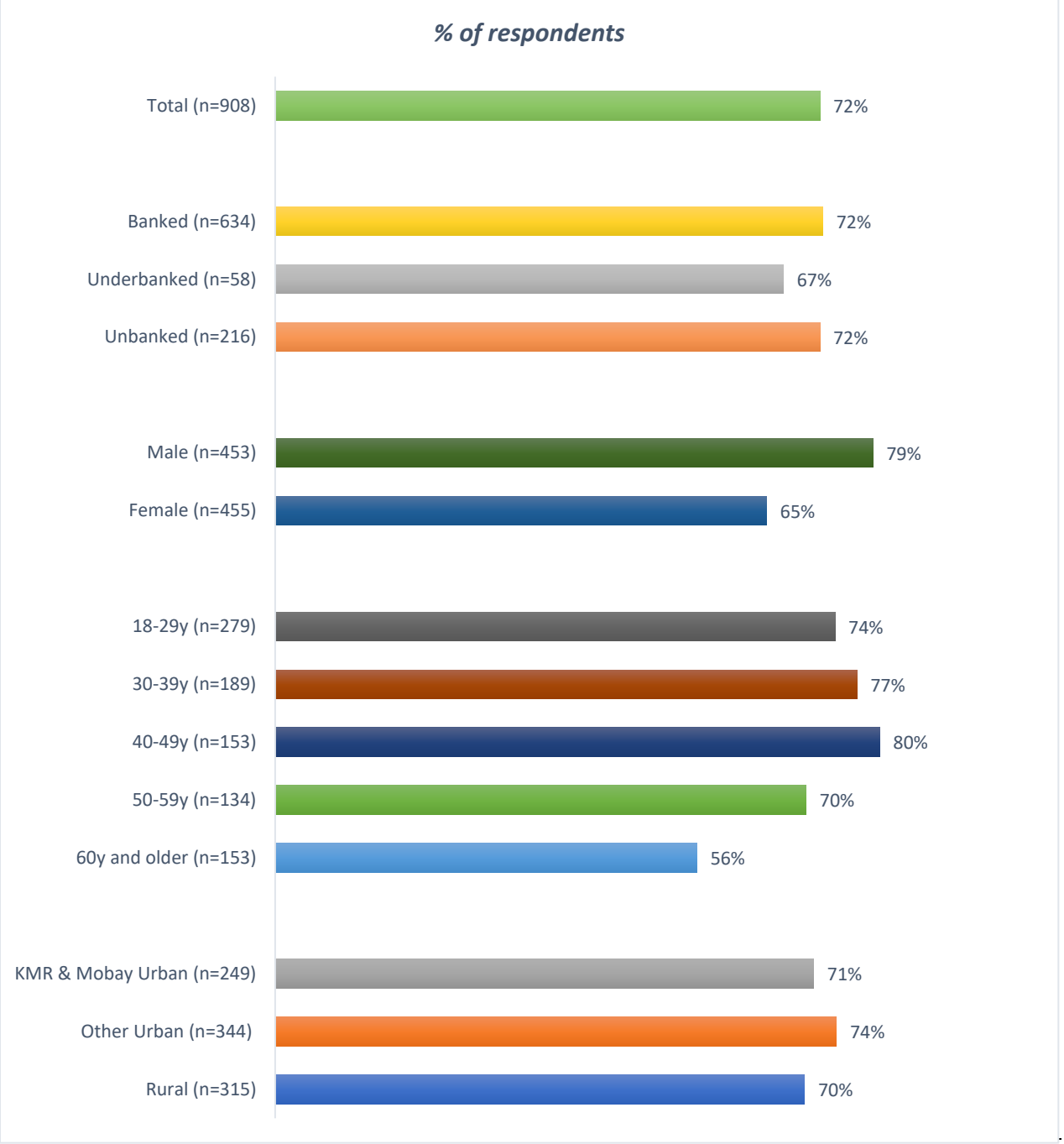


Figure 21: Cash Used Every day in Past 6 Months

Payment Choices When Cash Is an Option

In scenarios where the use of cash for payment was an option, alongside digital methods, it invariably emerged as the method chosen by the majority of those engaging in the specific activity. It was 94.5% of lower income respondents who reported using cash in at least one activity probed[20] compared to 57.4% of upper income respondents. ***Figure 22***

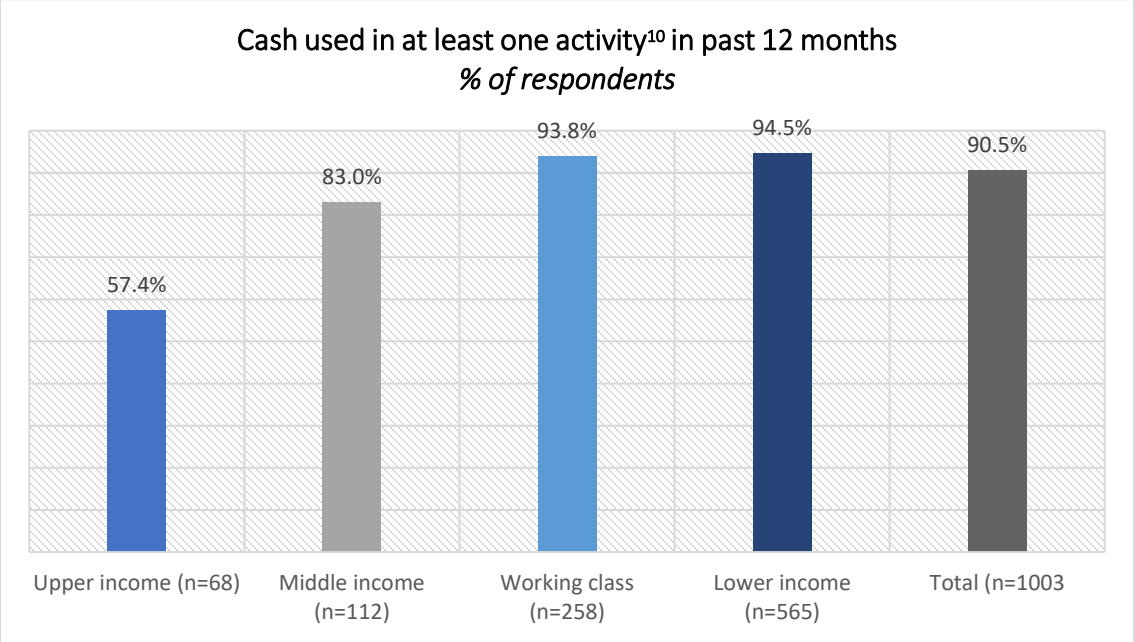


Figure 22: Cash Used in Transactional Activities in Past 12 Months

Self-reported behavior on activities done in the past 12 months showed cash being used by the majority of working class and lower income respondents to conduct all five of the activities probed. Specifically, the majority of working class and lower income respondents reported using cash to pay bills in branch, make purchases in store, receive money and purchase phone credit.

In contrast, most upper income respondents reported using digital payment methods, and in particular debit cards, to pay bills in branch, make purchases in store, send money, receive money, and purchase phone credit.

[20] Activities probed included paying bills in branch, making purchases in store, sending money, receiving money, or purchasing phone credit.

Table 25: Methods Used to Pay Bills in Branch by Socio-economic Group

Methods used to pay bills in branch	Socio-Economic Group *(Base=persons engaging in the activity)*				
	Upper income	**Middle income**	**Working class**	**Lower income**	**Total**
	{n=34}	***(n=71)***	***(n=182)***	***(n=396)***	***(n=683)***
Cash	32.4%	70.4%	81.3%	89.4%	82.4%
Debit Card	52.9%	36.6%	26.9%	14.1%	21.8%
Online/ Bank App	20.6%	9.9%	6.6%	3.5%	5.9%
Credit Card	29.4%	8.5%	5.5%	2.5%	5.3%
Pre-paid debit/credit Card	0.0%	2.8%	0.5%	0.8%	0.9%
Mobile Wallet	0.0%	0.0%	0.5%	0.3%	0.3%

Table 26: Methods of Payment Used for Purchases in Store by Socio-economic Group

Methods of payment used for making purchases in store	Socio-Economic Group *(Base=persons engaging in the activity)*				
	Upper income	**Middle income**	**Working class**	**Lower income**	**Total**
	(n=68)	***(n=110)***	***(n=243)***	***(n=506)***	***(n=927)***
Cash	47.1%	70.9%	83.1%	93.5%	84.7%
Debit Card	72.1%	69.1%	46.5%	25.3%	39.5%
Credit Card	44.1%	20.0%	5.8%	3.2%	8.8%
Pre-paid debit/credit Card	2.9%	3.6%	1.6%	0.2%	1.2%
Online/ Bank App	1.5%	0.0%	0.8%	1.2%	1.0%
Mobile Wallet	1.5%	0.0%	0.0%	0.2%	0.2%

Table 27: Methods of Payment Used to Send Money by Socio-economic Group

Methods of payment used to send money	Socio-Economic Group *(Base=persons engaging in the activity)*				
	Upper income	**Middle income**	**Working class**	**Lower income**	**Total**
	(n=52)	***(n=66)***	***(n=92)***	***(n=163)***	***(n=373)***
Cash	5.4%	33.9%	44.7%	63.8%	47.5%
Debit Card	51.4%	35.6%	34.2%	28.2%	33.5%
Online/ Bank App	45.9%	39.0%	28.9%	17.2%	27.1%
Credit Card	2.7%	0.0%	4.4%	3.7%	3.2%
Mobile Wallet	2.7%	0.0%	0.0%	1.8%	1.1%
Pre-paid debit/credit Card	0.0%	1.7%	0.0%	0.0%	0.3%

Table 28: Methods of Payment Used to Receive Money by Socio-economic Group

Methods of payment used to receive money	Socio-Economic Group *(Base=persons engaging in the activity)*				
	Upper income	**Middle income**	**Working class**	**Lower income**	**Total**
	(n=49)	***(n=84)***	***(n=204)***	***(n=422)***	***(n=754)***
Cash	26.5%	46.4%	64.2%	78.7%	67.9%
Debit Card	40.8%	38.1%	30.4%	20.4%	26.4%
Online/ Bank App	38.8%	23.8%	18.6%	7.8%	14.5%
Credit Card	2.0%	2.4%	2.5%	1.2%	1.7%
Mobile Wallet	0.0%	7.1%	0.5%	0.9%	1.4%
Pre-paid debit/credit Card	2.0%	0.0%	2.0%	0.9%	1.2%

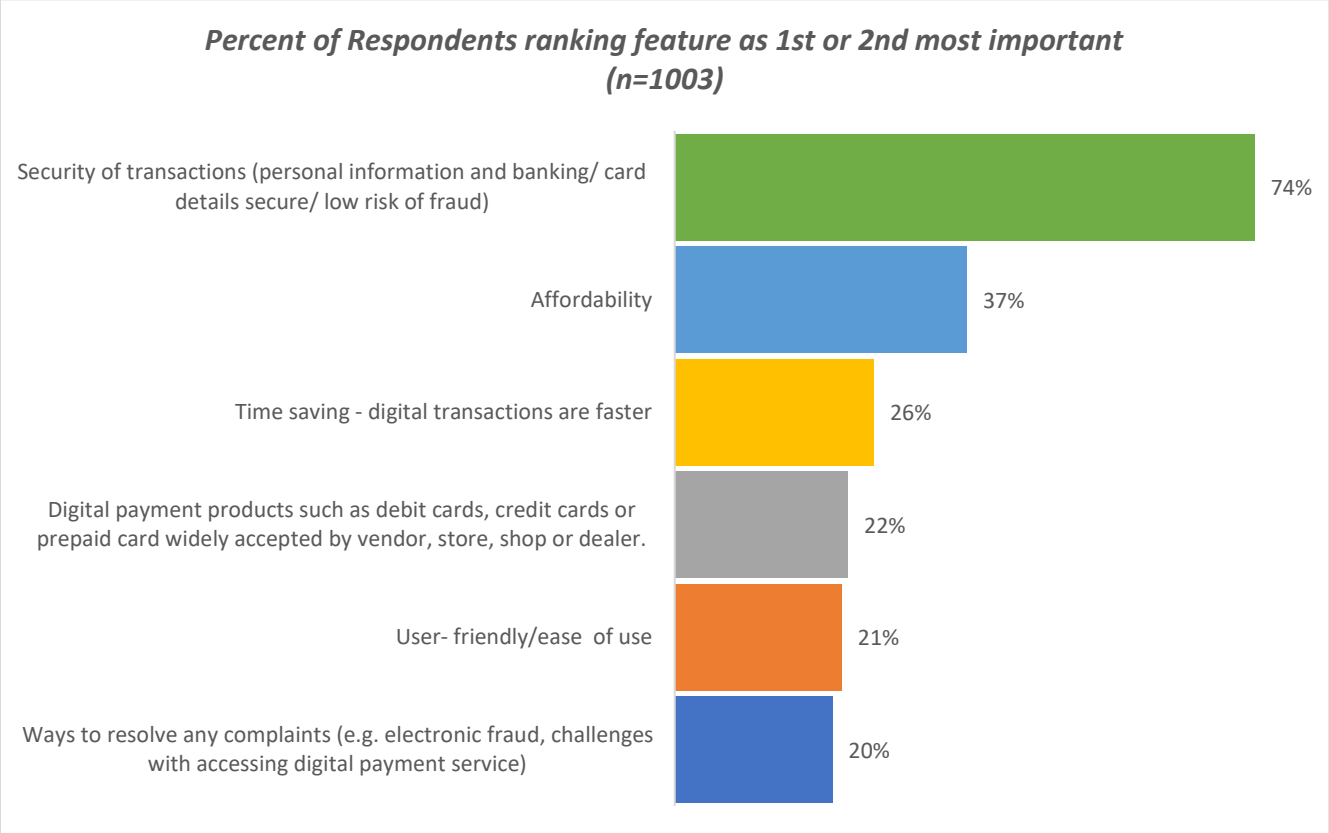
Table 29: Methods of Payment Used to Purchase Phone Credit by Socio-economic Group

Methods of payment used to purchase phone credit	Socio-Economic Group *(Base=persons engaging in the activity)*				
	Upper income	**Middle income**	**Working class**	**Lower income**	**Total**
	(n=57)	***(n=92)***	***(n=229)***	***(n=491)***	***(n=869)***
Cash	29.8%	57.6%	70.3%	92.3%	78.7%
Online/ Bank App	40.4%	30.4%	21.4%	7.9%	16.0%
Debit Card	35.1%	27.2%	16.6%	7.5%	13.8%
Credit Card	12.3%	4.3%	2.6%	0.0%	2.0%
Mobile Wallet	1.8%	3.3%	0.4%	1.0%	1.2%
Pre-paid debit/credit Card	3.5%	1.1%	0.4%	0.4%	0.7%

5.8. Importance of Payment Features

Respondents were asked to rank specific attributes in terms of their importance when considering using digital payment methods. The most important considerations emerged as the security of transactions, followed by affordability, time-saving quality, wide acceptance as a payment method, and ease of use and ease of resolving complaints.

Security of transactions was a major concern with 74% of all respondents ranking this as one of the top two things considered. Affordability of use was the second most important consideration with 37% rating this as one of the two most important considerations. ***Figure 23***



[21]

Figure 23: Ranking Digital Payment Attributes by level of Importance

[21] Percentages exceed 100% due to multiple response

Security of transactions was significantly more important for the upper- and middle-income users than for the lower income users. It was 8 in 10 upper (82%) and middle income (80%) respondents who rated this as one of the top 2 considerations compared to 7 in 10 (71%) of lower income respondents.

In contrast, the time-saving element of digital transactions was significantly more important for the lower income respondent than for the upper respondent. It was 41% of lower income respondents who rated this as one of their top 2 considerations compared to 25% of upper income respondents. ***Figure 24***

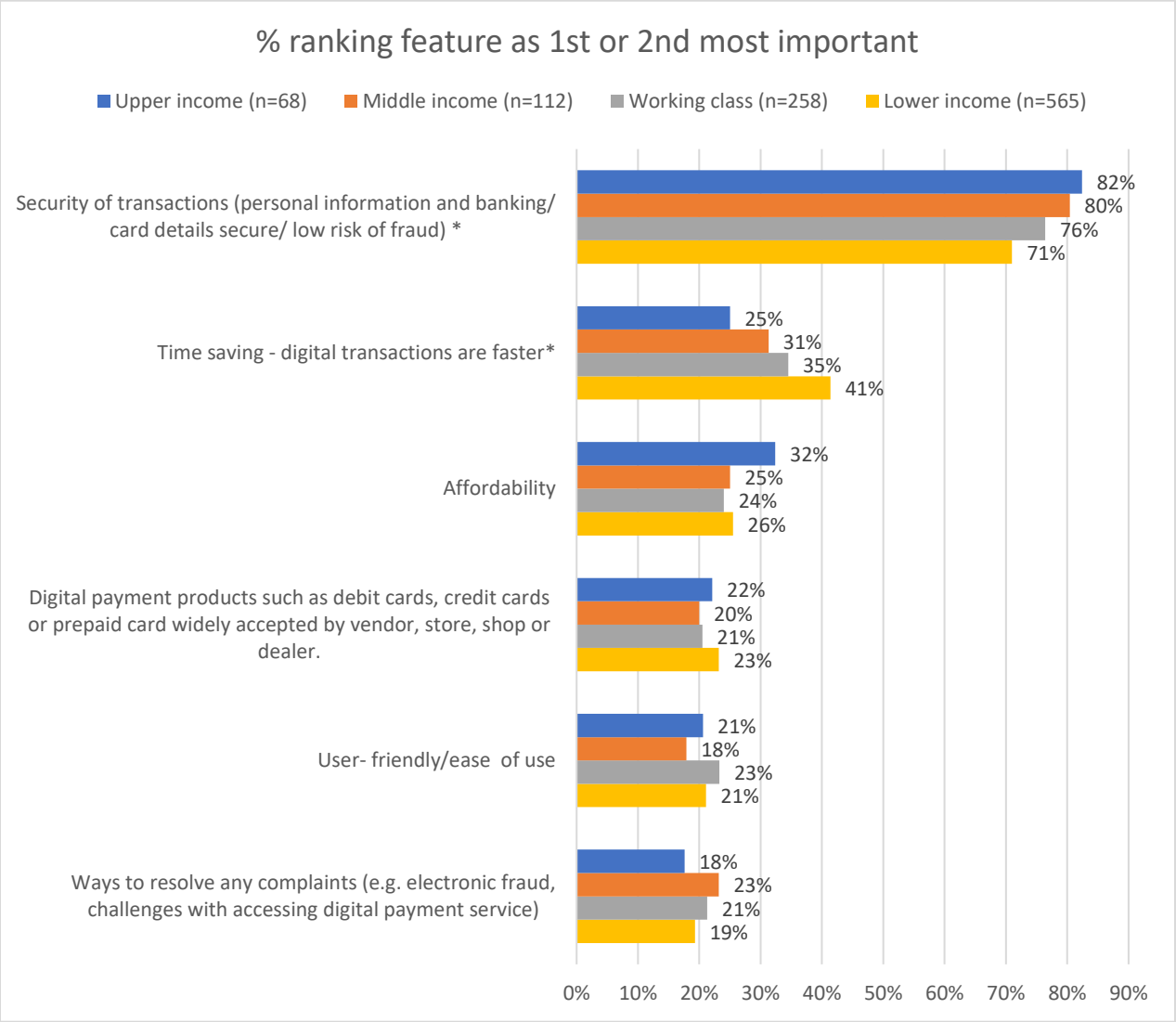
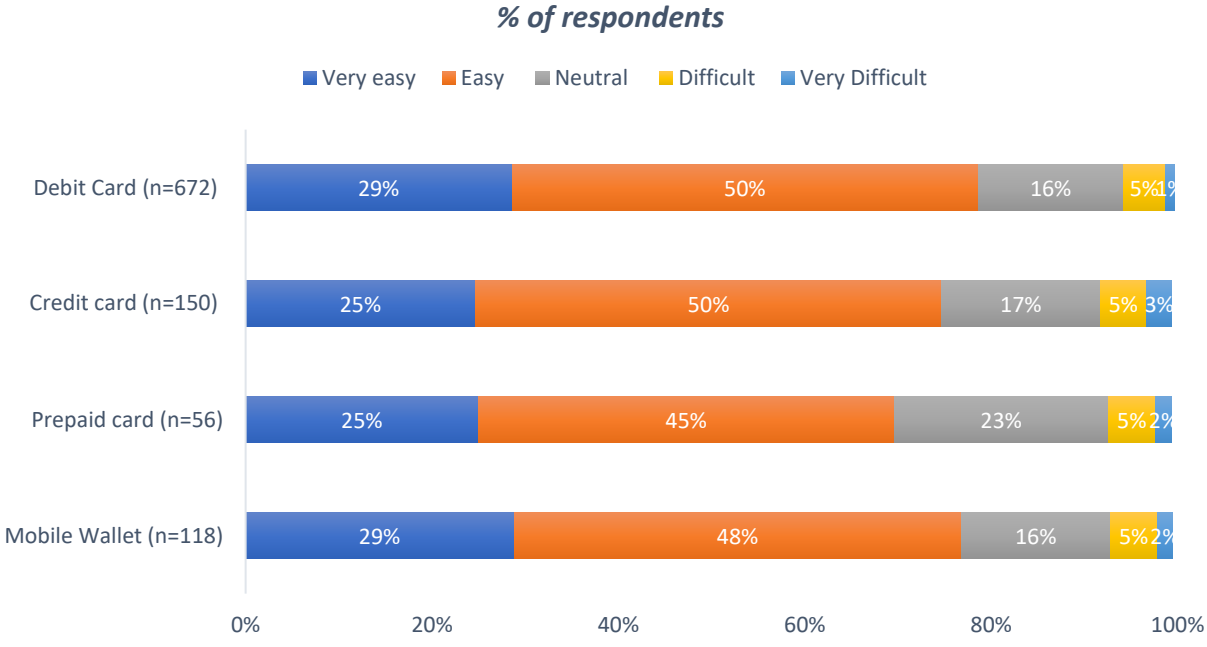


Figure 24: Level of Importance of Payment Features by Socio-Economic Group

5.9. Digital Payment Ease of Use

Among current owners of the various methods of digital payments, applying for the methods was thought to be easy to very easy by 70% or more respondents. ***Figure 25***



	Mobile Wallet (n=118)	Prepaid card (n=56)	Credit card (n=150)	Debit Card (n=672)
Very easy	29%	25%	25%	29%
Easy	48%	45%	50%	50%
Neutral	16%	23%	17%	16%
Difficult	5%	5%	5%	5%
Very Difficult	2%	2%	3%	1%

Figure 25: Perceived Level of Ease vs Difficulty with Applying for Digital Payment Options

Difficulty in applying for a debit card was related to the long wait times (60.5%) and difficulty in fulfilling the requirements of character references (21.1%) and proof of address (15.8%).

Those who had found the process of applying for a credit card difficult thought it difficult due primarily to the long wait time entailed (41.7%). ***Table 30***

Table 30: Reason Very Difficult/ Difficult to Apply for Digital Payment Options

	Debit Card (n=38) %	Credit Card (n=12) %
Long wait time	60.5%	41.7%
No character references	21.1%	5.3%
No proof of address	15.8%	8.3%
Limited understanding of products/ Don't know how to use	7.9%	-
Un-employed	2.6%	8.3%
Poor or no credit score	2.6%	8.3%
Did not meet financial requirements for credit card	-	-
Not able to provide all documents required	2.6%	8.3%

5.10. Digital Payment Push Factors

Despite differences in penetration of the various digital payment methods, there was no rejection of any method. Primary reasons for not owning any method were a general lack of interest by 30% or more and no specific reason (debit card 8.9%; credit card 13.7%; prepaid card 18.1% and mobile wallet 16.6%). Some (12%) had also never heard of prepaid cards and mobile wallets. ***Table 31***

Table 31: Reasons Do Not Have Digital Payment Options

	Debit card (n=101) %	Credit card (n=622) %	Prepaid card (n=947) %	Mobile Wallet (n=885) %
Not interested	35.6%	30.4%	32.8%	35.4%
No Specific reason	8.9%	13.7%	18.1%	16.6%
Lack of trust	5.9%	2.1%	2.0%	3.1%
Security concerns	4.0%	1.8%	2.0%	2.7%
Don't see the purpose for it	4.0%	4.7%	5.0%	4.4%
Inconvenience	3.0%	1.8%	1.4%	1.5%
Increased risk of fraud	3.0%	1.3%	0.8%	1.5%
Government tax	3.0	1.9%	0.6%	0.6%
Fees and charges	2.0%	13.2%	1.3%	1.1%
Unable to open an account (due to lack of funds)	2.0%	4.2%	3.8%	2.1%
Don't want to run the risk of overspending	2.0%	1.3%	0.3%	0.2%
Don't have enough funds in the bank	2.0%	1.8%	0.5%	0.6%
I do not meet the necessary identification requirements / unable to meet the requirements such as current photo ID, TRN and employment information (KYC requirements)	-	2.4%	1.3%	0.3%
Privacy	1.0%	0.6%	0.3%	0.8%
Don't understand how it works	1.0%	0.3%	1.1%	1.9%
Never heard of it	-	1.0%	12.4%	12.1%
Never thought about getting one	-	2.1%	2.4%	1.4%

5.11. Salary Payment Medium

Table 32: Ways in Which Receive Pay/ Wages

	Cash	Cheque	Direct Deposit	Online Payment	I do not receive pay/wages
Bank Profile *					
Banked; (n=712)	28.1%	2.1%	47.5%	1.7%	20.5%
Underbanked; (n=62)	50.0%	3.2%	12.9%	0.0%	33.9%
Unbanked; (n=229)	51.1%	3.1%	4.4%	1.3%	39.7%
Gender					
Male; (n=500)	39.8%	3.2%	35.0%	1.4%	20.4%
Female; (n=503)	29.6%	1.6%	36.0%	1.6%	31.0%
Age Group*					
18-29y; (n=312)	34.0%	2.2%	39.7%	2.2%	21.5%
30-39y; (n=206)	35.4%	1.9%	46.1%	2.4%	14.1%
40-49y; (n=170)	40.6%	3.5%	34.7%	0.0%	21.2%
50-59y; (n=150)	42.7%	2.7%	25.3%	1.3%	27.3%
60y and older; (n=165)	21.8%	1.8%	24.2%	0.6%	51.5%
Location*					
KMR and Montego Bay Urban; (n=281)	25.6%	1.4%	42.7%	2.1%	27.8%
Other Urban; (n=382)	32.7%	2.9%	40.8%	2.4%	21.2%
Rural; (n=340)	44.4%	2.6%	23.5%	0.3%	29.1%
Socio-economic Level*					
Upper Income (A/B); (n=68)	5.9%	4.4%	76.5%	2.9%	8.8%
Middle Income (C1); (n=112)	9.8%	2.7%	65.2%	2.7%	19.6%
Working Class (C2); (n=258)	26.7%	2.3%	46.1%	2.7%	22.1%
Lower Income (D); (n=565)	46.7%	2.1%	19.8%	0.5%	30.6%

*P≤.05
**P≤.005
***P=.000

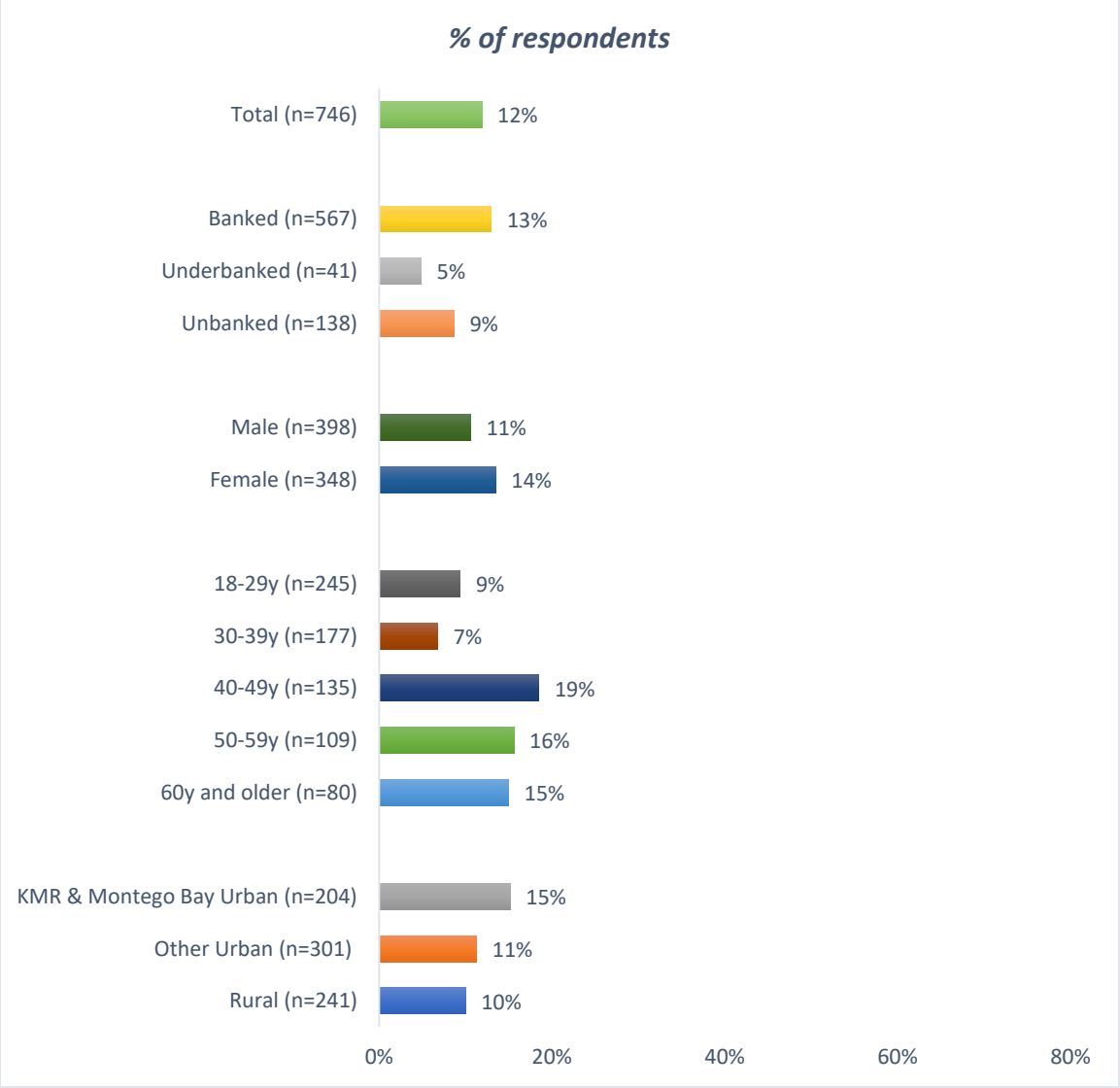


Figure 26: Employer Switched from One Payment Method to the Next

5.12. Cash Usage Pull Factors

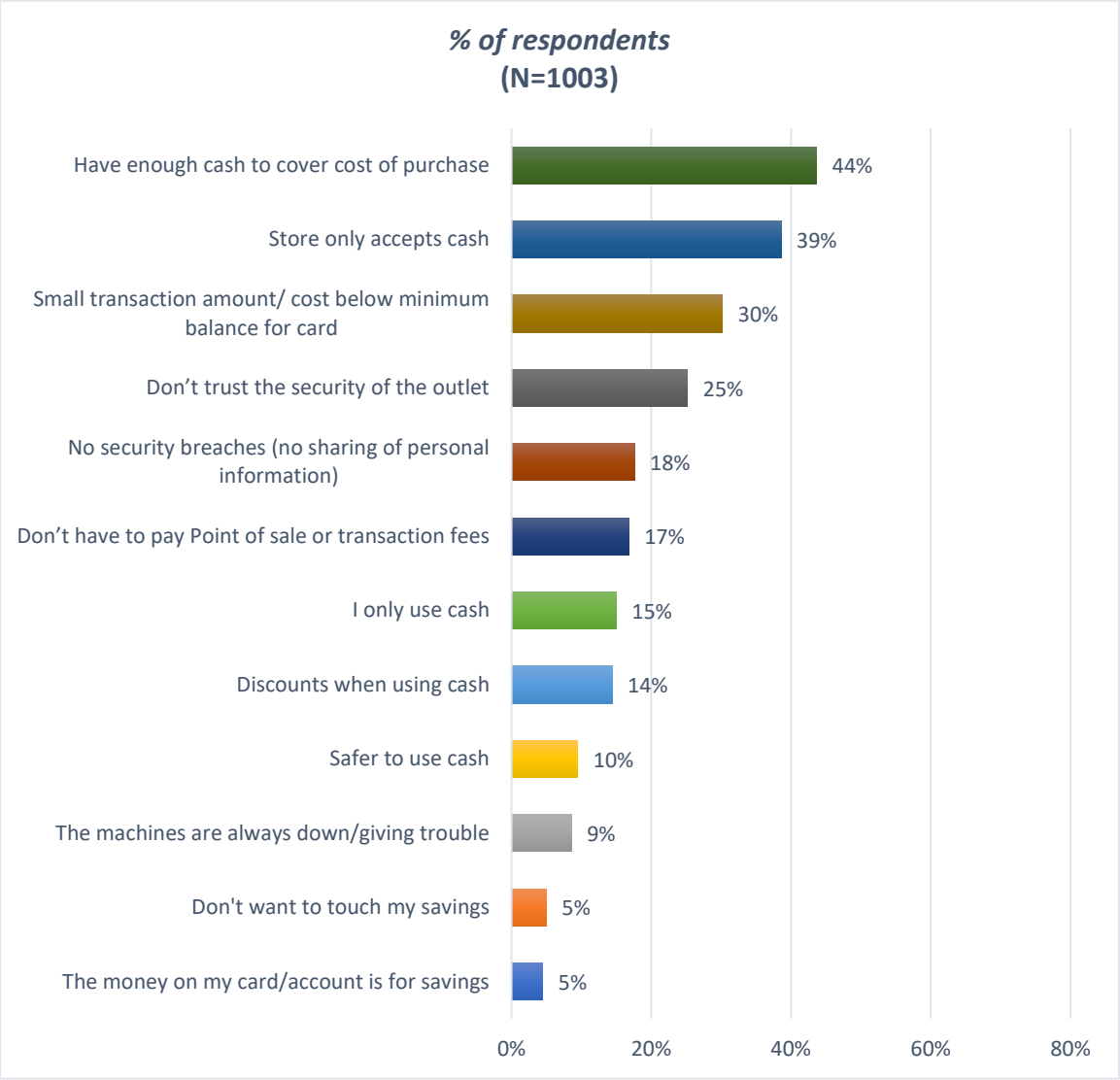


Figure 27: Reasons use Cash When the Option to Use a Debit Card, Credit Card, Prepaid Card, Mobile Wallet is Available

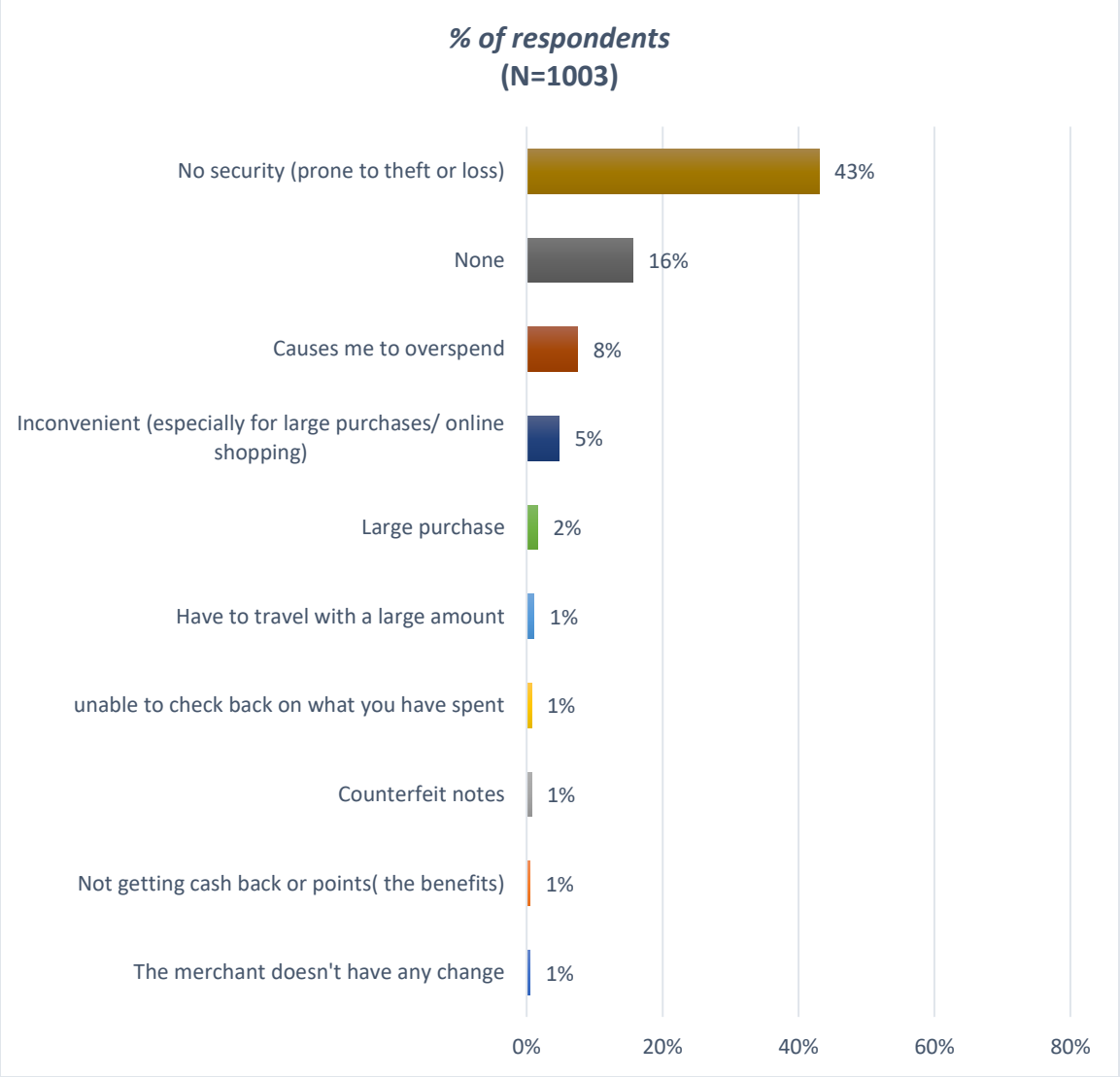


Figure 28: Disadvantages of Using Cash While Shopping

5.13. Awareness of Payment Services

Awareness of branded digital payment methods was also probed, specifically ***Alliance/JMMB ePay, NCB Quisk, Lynk*** and ***Sagicor MyCash[22].***

Awareness was highest for Lynk with almost two-thirds (64.4%) reporting having heard of it. Many were also aware of ePay (47.6%) and Sagicor MyCash (44%). Awareness was lowest for NCB Quisk (37.6%).

Awareness of ePay, NCB Quisk and Lynk was notably higher among banked respondents than among the unbanked and underbanked respondent. Awareness was also similar across gender and location.

[22] This product is discontinued and was withdrawn from the market May 2022

Many unbanked respondents were aware of Lynk (45.9%) and Sagicor MyCash (46.3%). ***Table 33***

Table 33: Awareness of Digital Payment Services

	ePay	NCB Quisk	Lynk	Sagicor MyCash
Total (N=1003)	47.6%	37.6%	64.4%	44.0%
Bank Profile				
Banked; (n=712)	51.7%	41.9%	70.9%	44.0%
Underbanked; (n=62)	32.3%	29.0%	58.1%	35.5%
Unbanked; (n=229)	38.9%	26.6%	45.9%	46.3%
Gender				
Male; (n=500)	50.4%	37.8%	65.2%	46.8%
Female; (n=503)	44.7%	37.4%	63.6%	41.2%
Age Group				
18-29y; (n=312)	47.1%	34.6%	73.1%	40.4%
30-39y; (n=206)	51.5%	40.3%	68.0%	48.1%
40-49y; (n=170)	52.4%	42.4%	64.7%	48.8%
50-59y; (n=150)	48.0%	36.0%	58.0%	44.7%
60y and older; (n=165)	38.2%	36.4%	49.1%	40.0%
Location				
KMR and Montego Bay Urban; (n=281)	52.3%	42.7%	68.3%	41.3%
Other Urban; (n=382)	48.2%	38.2%	65.2%	45.5%
Rural; (n=340)	42.9%	32.6%	60.3%	44.4%
Socio-economic Level				
Upper Income (A/B); (n=68)	58.8%	55.9%	86.8%	48.5%
Middle Income (C1); (n=112)	72.3%	64.3%	88.4%	58.9%
Working Class (C2); (n=258)	48.8%	35.7%	65.5%	43.8%
Lower Income (D); (n=565)	40.7%	31.0%	56.5%	40.5%

5.14. Payment Method & Services Usage

While many were aware of these alternative payment methods, very few had actually used one. Lynk emerged as the method with the highest penetration with 10% of respondents having used it at least once. It was 4.1% who had used Alliance ePay, 4.2% who had used NCB Quisk and 3.2% who had ever used Sagicor MyCash. ***Table 34***

Table 34: Digital Payment Services Ever Used

	Alliance ePay	NCB Quisk	Lynk	Sagicor MyCash
Total (n=781)	4.1%	4.2%	10.0%	3.2%
Bank Profile				
Banked; (n=595)	5.0%	5.5%	11.8%	3.9%
Underbanked; (n=41)	0.0%	0.0%	4.9%	0.0%
Unbanked; (n=145)	1.4%	0.0%	4.1%	1.4%
Gender				
Male; (n=401)	4.5%	5.0%	10.5%	4.5%
Female; (n=380)	3.7%	3.4%	9.5%	1.8%
Age Group				
18-29y; (n=269)	4.5%	6.3%	18.6%	4.5%
30-39y; (n=170)	6.5%	6.5%	2.3%	0.9%
40-49y; (n=130)	4.6%	2.3%	6.9%	4.6%
50-59y; (n=110)	0.9%	0.9%	2.7%	0.0%
60y and older; (n=102)	2.0%	1.0%	1.0%	0.0%
Location				
KMR and Montego Bay Urban; (n=225)	4.4%	7.1%	13.8%	5.3%
Other Urban; (n=303)	5.0%	4.0%	8.6%	3.0%
Rural; (n=253)	2.8%	2.0%	8.3%	1.6%
Socio-economic Level				
Upper Income (A/B); (n=65)	4.6%	4.6%	13.8%	7.7%
Middle Income (C1); (n=107)	12.1%	14.0%	24.3%	8.4%
Working Class (C2); (n=203)	4.4%	3.9%	11.3%	3.4%
Lower Income (D); (n=565)	1.7%	1.7%	4.9%	1.0%

5.15. Accessing Digital Payment Products

To explore attitudes to mobile banking a scale measuring affinity to mobile banking was created. Mobile banking was described as

> *"The connection between a mobile phone and a personal or business bank account. Mobile banking allows customers to use their mobile phones as another channel for their banking services, such as account transfers, bill payments, and balance queries. This is usually done using a mobile app or web page."*

The Mobile Banking affinity scale consisted of seven statements and showed good internal reliability with a Cronbach's alpha of .813. Scores for the scale were grouped as low, moderate, and high.

Statements comprising the scale were:

I would consider making payments using my mobile /smart phone in the future
Mobile banking systems are easy to learn and use
I believe Mobile banking is trustworthy
I would recommend others to use mobile banking
I plan to use mobile banking more often than I do now, in the future
I would use mobile banking on a daily basis
I am more likely to use a digital transactional service rather than cash the next time I shop

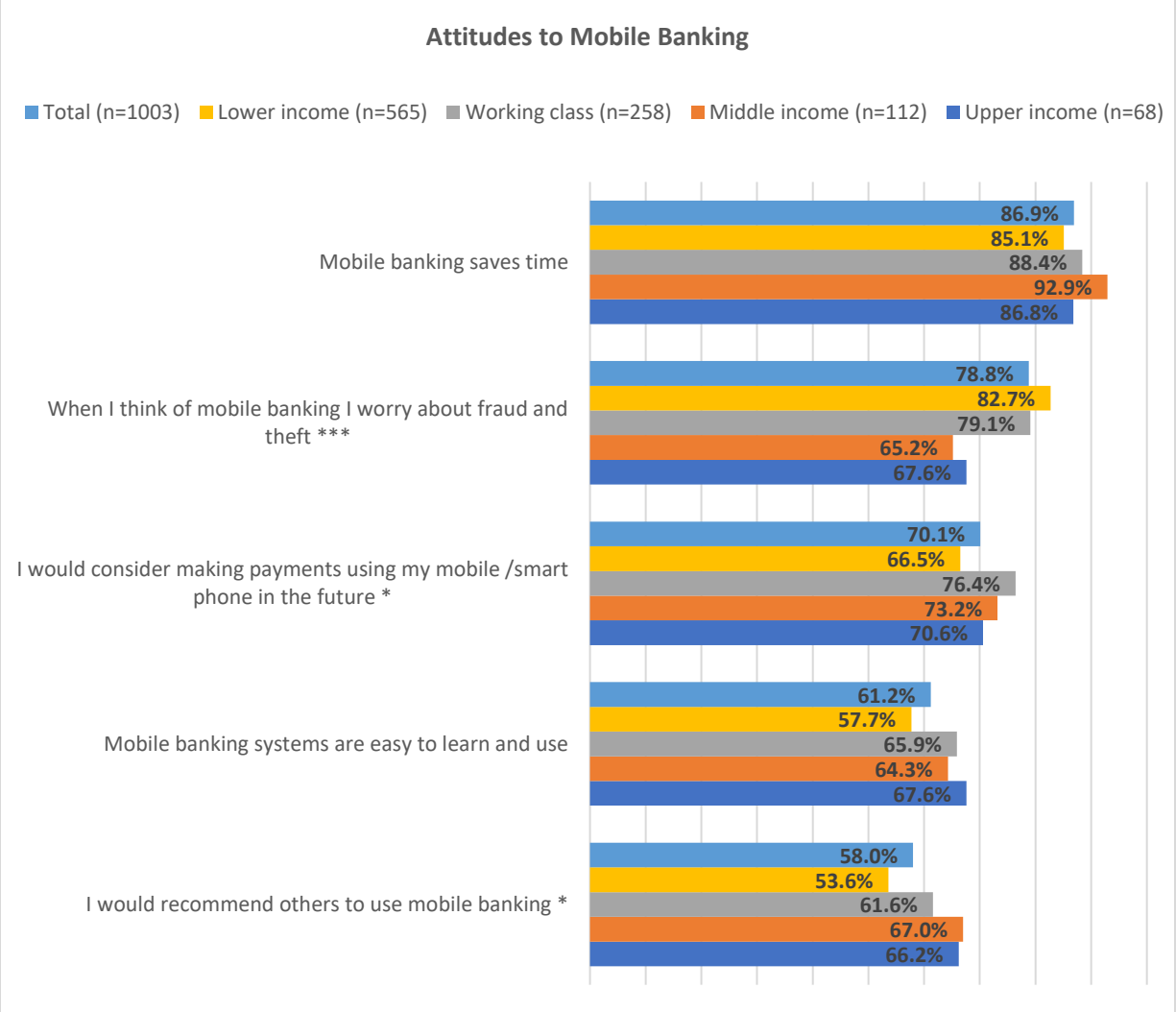
Overall, mobile banking was viewed favorably with 41% recording high affinity and 41.6% recording moderate affinity. Overall affinity to mobile banking was significantly higher among respondents under 40years old when compared to age groups 40yrs and older. Attitudes were also significantly lower among lower income respondents.

High affinity for mobile banking was noted in persons 18-29yrs (51.6%) and 30-39yrs (47.6%). Affinity was significantly lower among lower income respondents than the other socio-economic groups. A third of lower income respondents (34%) showed high affinity compared to more than a half of those in the middle-income groups (57.1%) and a half of those in the upper income socio-economic groups (51.5%). ***Table 35***

Table 35: Affinity to Mobile banking by Socio-Demographics

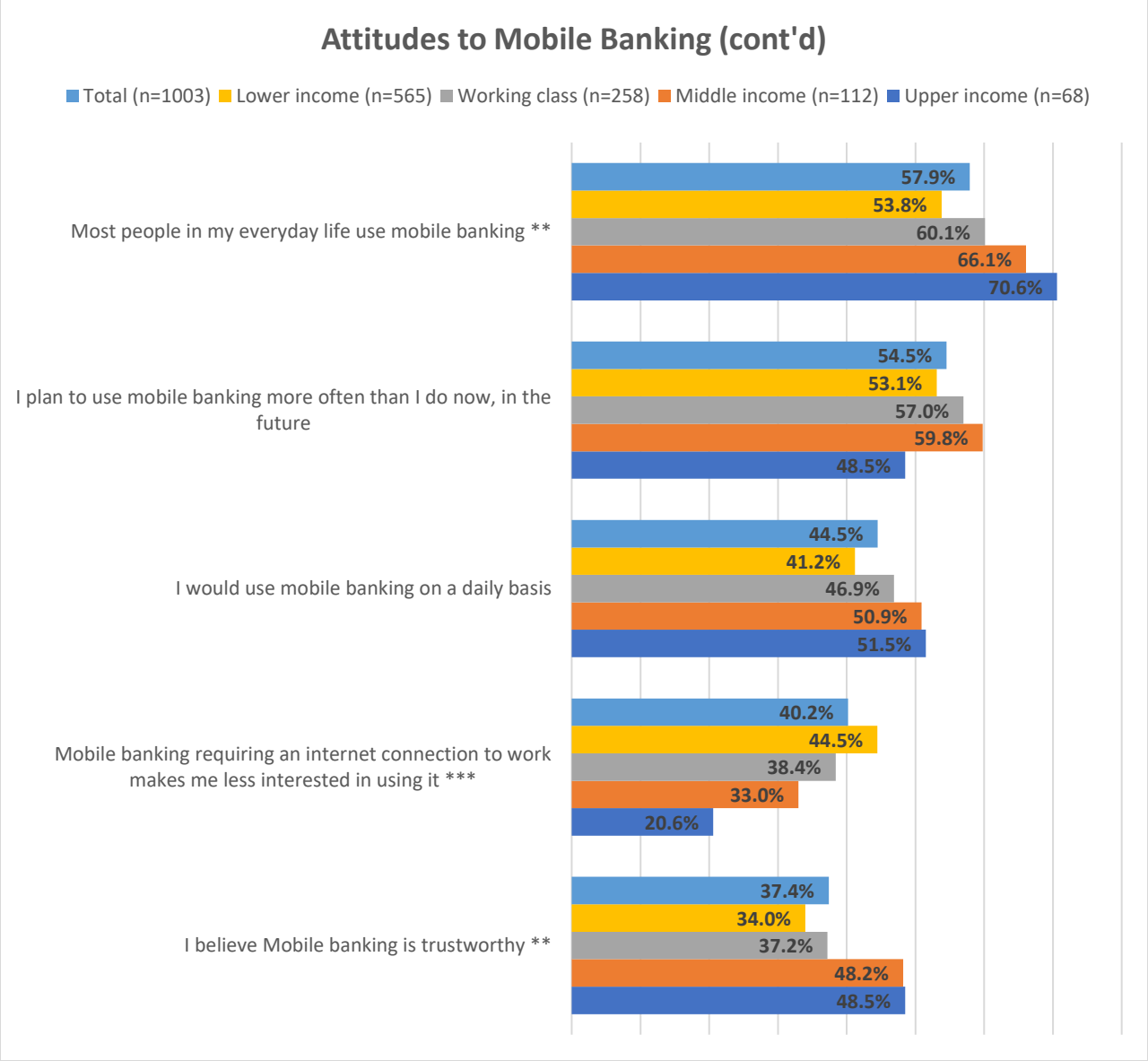
	High	Moderate	Low
Total (n=1003)	41.0%	41.6%	17.4%
Bank Profile			
Banked; (n=711)	43.3%	40.4%	16.3%
Underbanked; (n=63)	34.9%	38.1%	27.0%
Unbanked; (n=229)	35.4%	46.3%	18.3%
Gender			
Male; (n=500)	43.4%	40.4%	16.2%
Female; (n=503)	38.6%	42.7%	18.7%
Age Group ***			
18-29y; (n=312)	51.6%	42.9%	5.4%
30-39y; (n=206)	47.6%	42.2%	10.2%
40-49y; (n=170)	38.8%	39.4%	21.8%
50-59y; (n=150)	33.3%	44.0%	22.7%
60y and older; (n=165)	21.8%	38.2%	40.0%
Location			
KMR and Montego Bay Urban; (n=281)	44.8%	38.8%	16.4%
Other Urban; (n=382)	39.3%	44.2%	16.5%
Rural; (n=340)	39.7%	40.9%	19.4%
Socio-economic Level ***			
Upper Income (A/B); (n=68)	51.5%	38.2%	10.3%
Middle Income (C1); (n=112)	57.1%	27.7%	15.2%
Working Class (C2); (n=258)	46.5%	39.9%	13.6%
Lower Income (D); (n=535)	34.0%	45.5%	20.5%

*P≤.05
**P≤.005
***P=.000



*P≤.05
**P≤.005
***P=.000

Figure 29: Perceptions of Mobile Banking by Socio-Economic Group



*P≤.05
**P≤.005
***P=.000

Figure 30: Perceptions of Mobile Banking by Socio-Economic Group (cont'd)

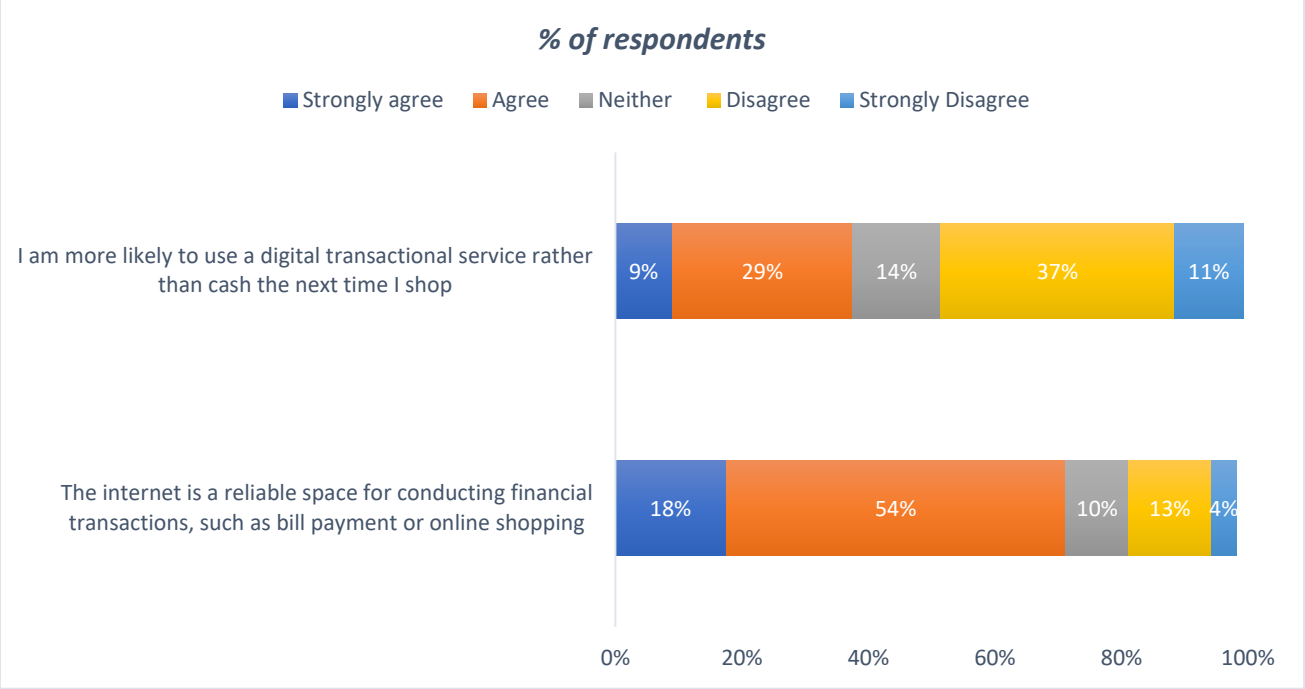


Figure 31: Perceptions of the Internet in Relation to Mobile Banking

5.16. Mobile Phone Ownership and Usage

Mobile phones offer a means to engage in online banking and other digital payments. Thus mobile phone ownership and usage was measured.

Access to the internet and smartphone ownership is universal. This was so as at least 9 in 10 of the population connected to the internet using their cell phone and owned a smartphone. ***Table 36 & Figure 32***

This was followed by computer/ laptop ownership and usage with 4 in 10 reporting the same. It was those from the banked, younger age group and upper socio-economic levels who were more likely than their counterparts to have access to the internet via computer/ laptop.

Specifically, the banked (52%) population were more likely to connect to the internet using a computer/ laptop than the underbanked (23.3%) or unbanked (21.2%). Similarly, the younger cohort, 18-29y (53.2%) and 30-39y (48%) were also more likely to connect to the internet using a computer/ laptop than their older counterparts 50-59y (34.3%) and 60y and older (25.6%). Among the socioeconomic group, those who were from the upper socio-economic levels of Upper (94.1%) and Middle Income (77.1%) earners were more likely to connect to the internet using a computer/ laptop than lower income (26.7%). ***Table 36***

Table 36: Devices used to Connect to the Internet

	Cell phone	Desktop/ laptop Computer	Tablet	Television/ Smart TV
Total (n=932)	97.2%	43.8%	39.2%	17.3%
Bank Profile				
Banked; (n=679)	97.2%	52.0%	42.9%	18.9%
Underbanked; (n=60)	96.7%	23.3%	35.0%	15.0%
Unbanked; (n=193)	97.4%	21.2%	27.5%	12.4%
Gender				
Male; (n=458)	97.6%	44.3%	32.3%	19.7%
Female; (n=474)	96.8%	43.2%	45.8%	15.0%
Age Group				
18-29y; (n=308)	97.7%	53.2%	42.2%	23.4%
30-39y; (n=202)	99.5%	48.0%	49.5%	18.8%
40-49y; (n=164)	97.6%	42.1%	41.5%	22.6%
50-59y; (n=137)	96.4%	34.3%	33.6%	5.1%
60y and older; (n=121)	92.6%	25.6%	17.4%	5.8%
Location				
KMR and Montego Bay Urban; (n=260)	96.2%	51.2%	44.2%	6.5%
Other Urban; (n=366)	97.8%	44.5%	39.1%	21.0%
Rural; (n=306)	97.4%	36.6%	35.0%	21.9%
Socio-economic Level				
Upper Income (A/B); (n=68)	94.1%	94.1%	52.9%	14.7%
Middle Income (C1); (n=109)	95.4%	77.1%	56.9%	15.6%
Working Class (C2); (n=249)	98.4%	50.2%	45.0%	20.9%
Lower Income (D); (n=506)	97.4%	26.7%	30.6%	16.2%

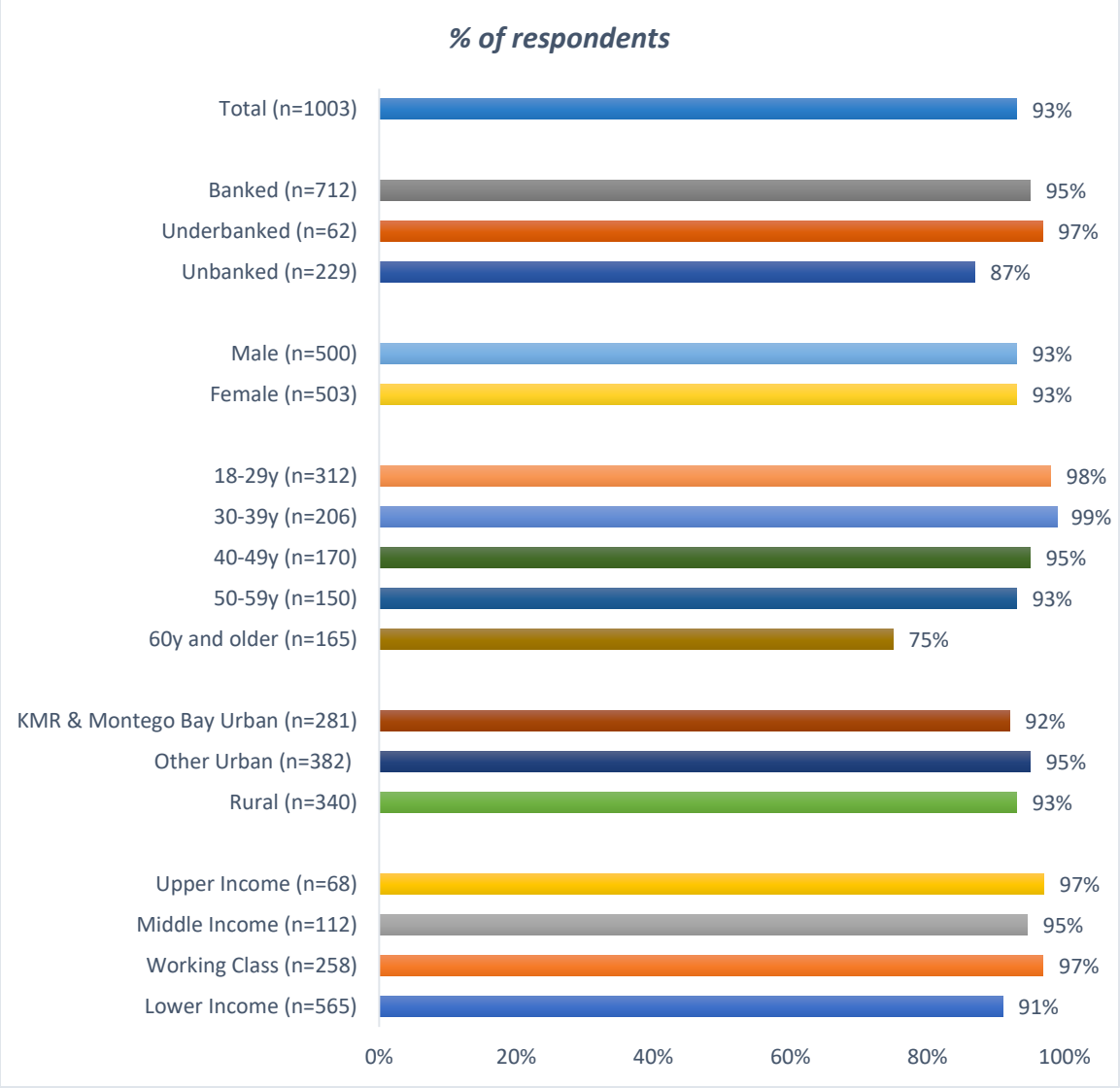


Figure 32: Smartphone Ownership

5.17. Internet Access

The Internet is primarily accessed at home, with 81.2% indicating the same. This was followed by access via mobile internet (47.9%). Smartphones were primarily used several times per day (88%). Everyday usage is lower among those 60y and older (65%). ***Table 37 & Figure 33***

Table 37: Ways in Which Internet is Accessed

	Yes, at home	Yes, at work	Yes, at another location (specify	Yes, mobile internet	No access
Total (n=1003)	81.2%	26.0%	8.2%	47.9%	7.1%
Bank Profile					
Banked; (n=712)	86.4%	31.0%	8.3%	52.1%	4.6%
Underbanked; (n=62)	82.3%	14.5%	6.5%	33.9%	3.2%
Unbanked; (n=229)	64.6%	13.5%	8.3%	38.4%	15.7%
Gender					
Male; (n=500)	79.2%	28.6%	9.4%	51.6%	8.4%
Female; (n=503)	83.1%	23.5%	7.0%	44.1%	5.8%
Age Group					
18-29y; (n=312)	88.5%	32.1%	15.7%	50.3%	1.3%
30-39y; (n=206)	85.0%	30.1%	6.8%	55.3%	1.9%
40-49y; (n=170)	81.8%	31.8%	4.7%	59.4%	3.5%
50-59y; (n=150)	81.3%	23.3%	4.7%	46.0%	8.7%
60y and older; (n=165)	61.8%	6.1%	2.4%	23.6%	26.7%
Location					
KMR and Montego Bay Urban; (n=281)	87.5%	37.0%	8.5%	45.2%	7.5%
Other Urban; (n=382)	87.7%	28.0%	8.4%	44.8%	4.2%
Rural; (n=340)	68.5%	14.7%	7.6%	53.5%	10.0%
Socio-economic Level					
Upper Income (A/B); (n=68)	100.0%	60.3%	8.8%	58.8%	0.0%
Middle Income (C1); (n=109)	93.8%	51.8%	15.2%	61.6%	2.7%
Working Class (C2); (n=249)	87.6%	31.0%	7.8%	50.0%	3.5%
Lower Income (D); (n=506)	73.5%	14.5%	6.9%	42.8%	10.4%

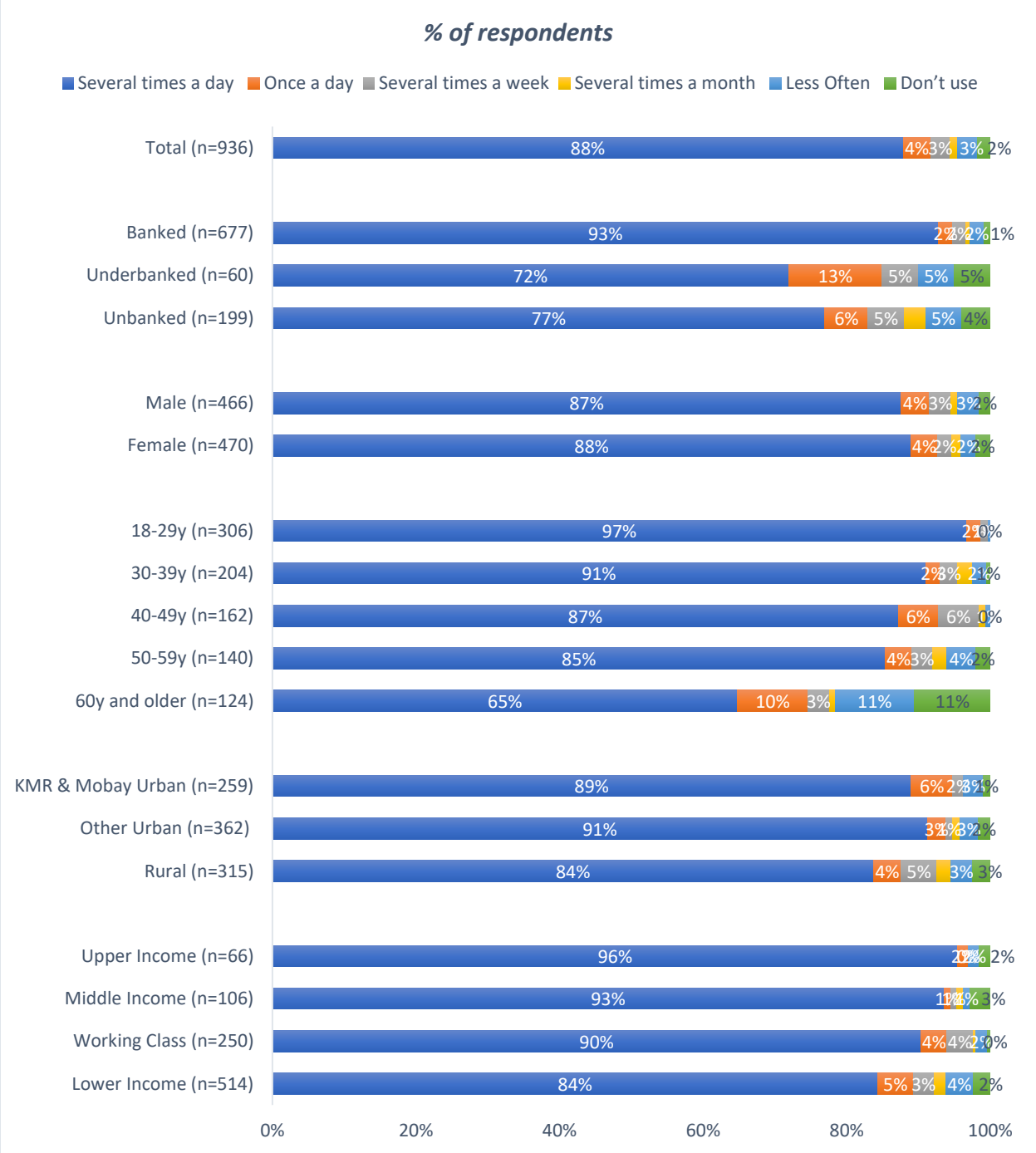


Figure 33: Frequency of Smartphone Usage to Access Internet

5.18. Smart Phone Use as Payment Instrument

In the past 12 months, at least 1 in 10 smartphone users used their smartphones to do digital payments. ***Table 38***

At least 7 in 10 indicated that bill payment (83%), purchase goods online (78%), mobile money app (72%), and using an app to send and receive money (72%) was very convenient. ***Figure 34***

The main reason for not using smartphones to make payments is being unsure of the security (24%). ***Figure 35***

Just over a quarter (26%) gave top 3 box rating of willingness to consider using their smart phone to make monetary payments. While 34% indicated that they definitely would not. ***Figure 36***

Table 38: Digital Payment Using a Smartphone Done in Past 12 Months

	Total	Gender		Age Group				
	Smart Phone Users (n=919)	Male (n=459)	Female (n=560)	18-29y (n=306)	30-39y (n=203)	40-49y (n=162)	50-59y (n=137)	60y and older (n=111)
Bill Payment (using app or internet)	23.0%	20.7%	25.2%	25.5%	32.5%	24.1%	15.3%	6.3%
Used a mobile money app to make purchases online or in-store	13.1%	14.6%	11.5%	19.3%	20.2%	8.6%	2.2%	2.7%
Purchase goods online (using app or internet)	20.3%	19.8%	20.9%	30.4%	25.6%	19.1%	6.6%	1.8%
Use an app to send or Receive money	20.1%	20.9%	19.3%	29.1%	28.6%	14.8%	6.6%	4.5%

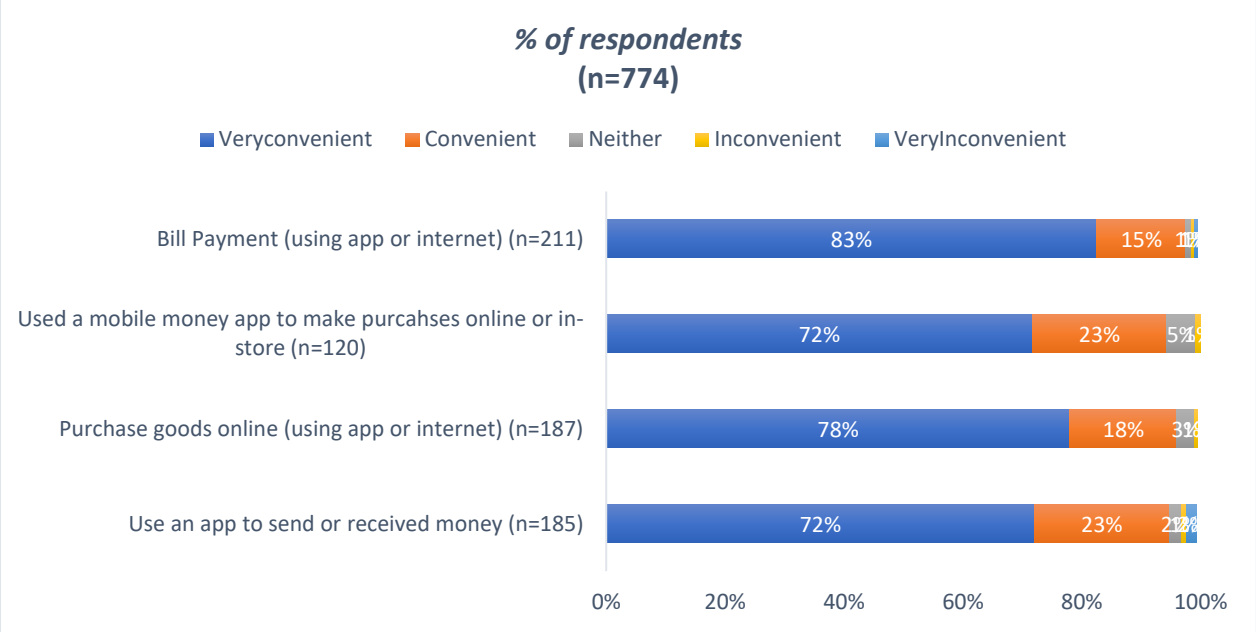


Figure 34: Level of Convenience In using Mobile Phone to Carry Out Transactions

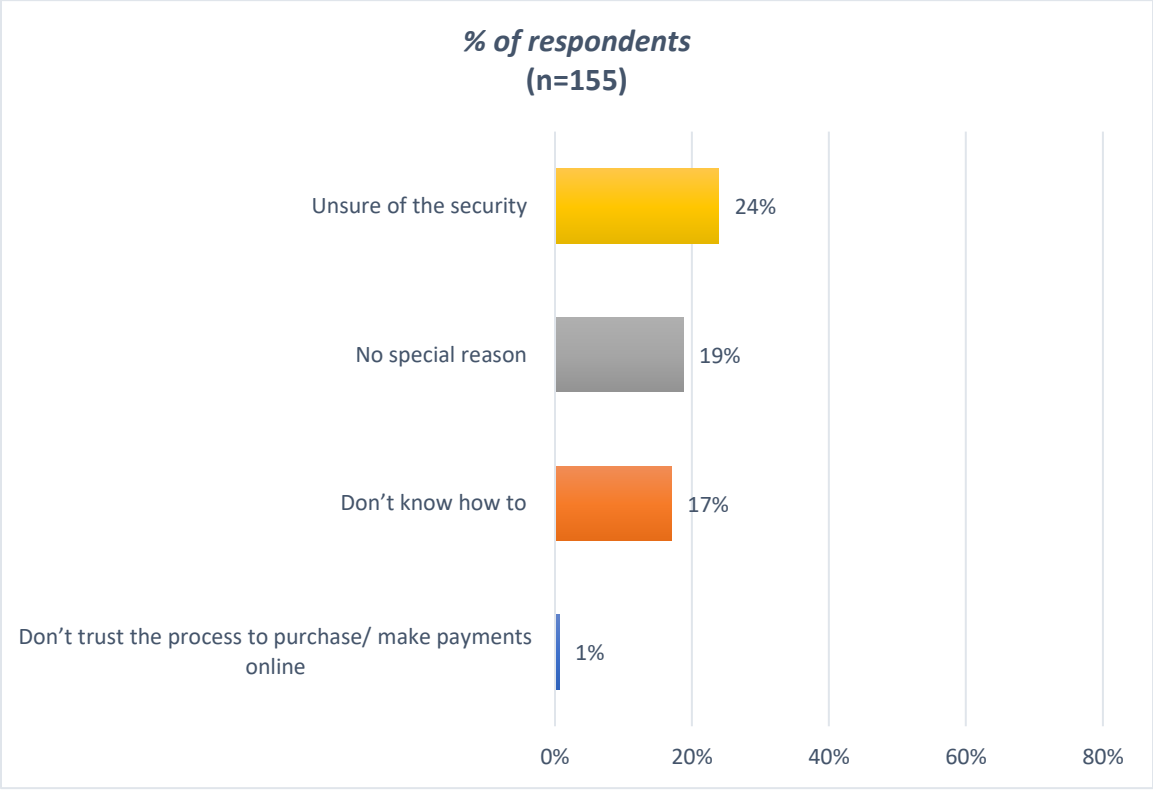


Figure 35: Reasons Don't Use Smartphone to Make Payments

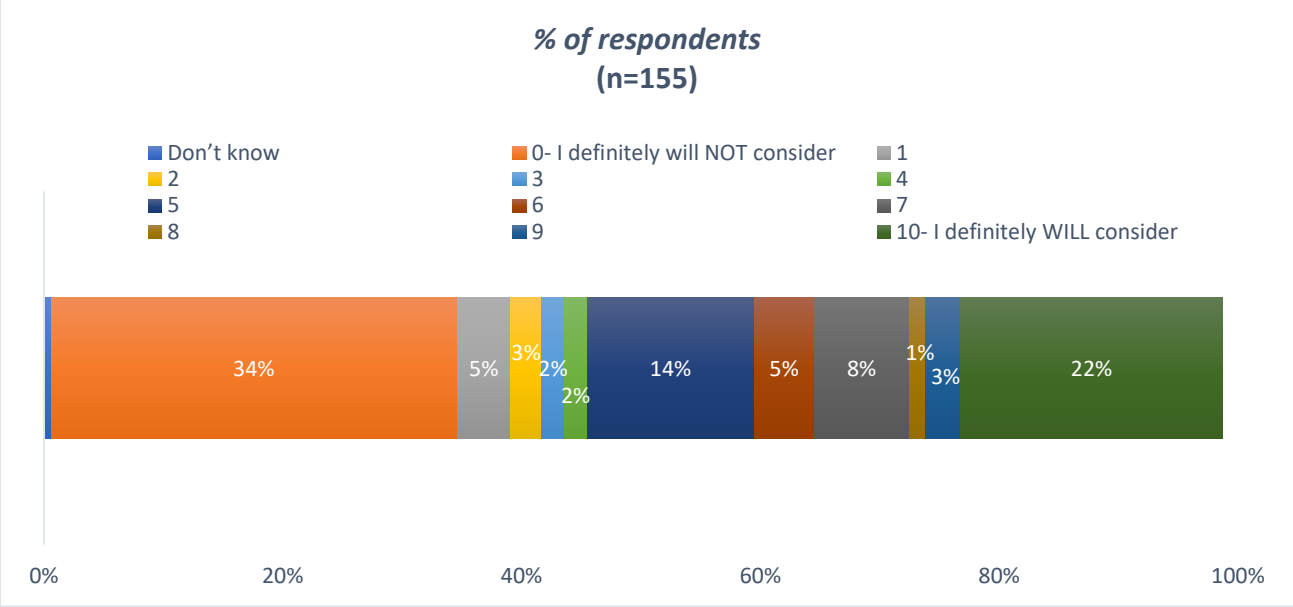


Figure 36: Willingness to Consider Smartphone to Make Monetary Payments

6. Detailed Findings [Merchant Survey – Supply Side][23]

6.1. Digital Payment Method Penetration

The consumer's ability to use digital payment methods is limited by the penetration of digital payment method acceptance. Digital payment methods were accepted by less than a half of all outlets surveyed (45.7%); acceptance varied significantly between small and micro entities. Specifically, small enterprises were significantly more likely than entities in the micro segment to accept digital payment methods and to accept varying methods. While two-thirds (66.4%) of micro enterprises surveyed did not accept any digital payment method, it was 10% of small enterprises that accepted no digital payment method.

Overall, more than a half of small merchants (56.7%) accepted 2 or more methods of digital payment while a third (33.3%) one method of digital payment only. ***Figure 37***

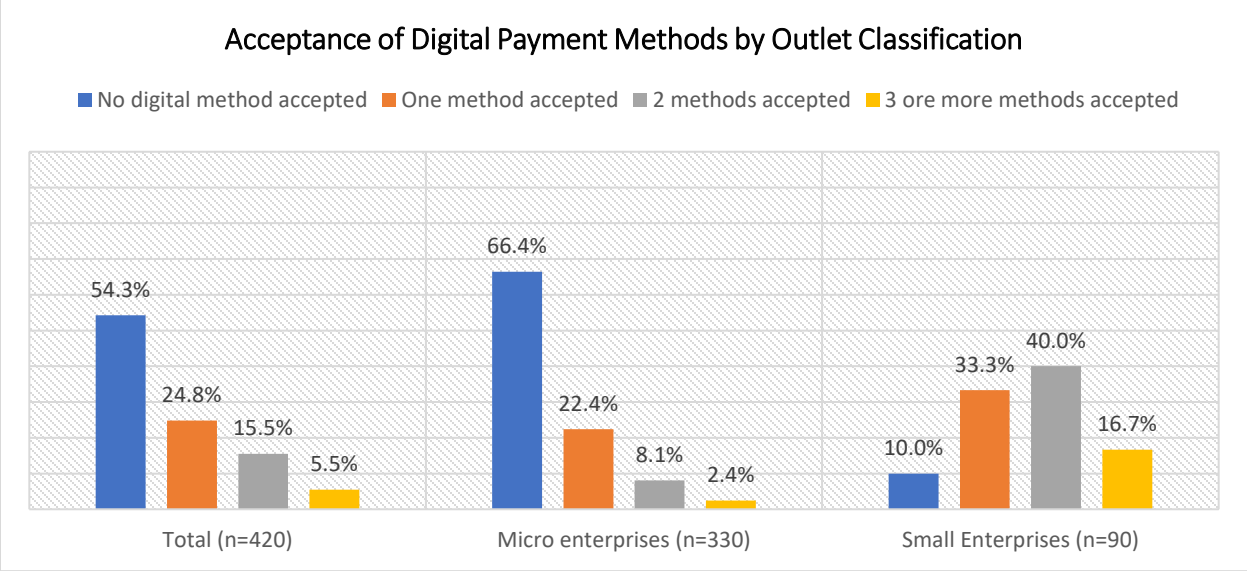


Figure 37: Acceptance of Digital Payment Methods by Outlet Classification

[23] This merchant survey assessed businesses currently in operation and did not confirm whether or not the business was formally registered or incorporated under the Companies Act or has a Tax Registration Number (TRN)

Cash was universally accepted by all small (100%) and micro (100%) enterprises surveyed. The majority of small enterprises also accepted payment by credit/debit card (81.1%), electronic bank transfer (65.6%) and cheque (60.0%). In contrast, it was fewer than a quarter of micro enterprises that accepted non-cash methods of payment. Specifically, 23.3% accepted electronic bank transfer and 20.9% accepted credit/debit cards. ***Figure 38***

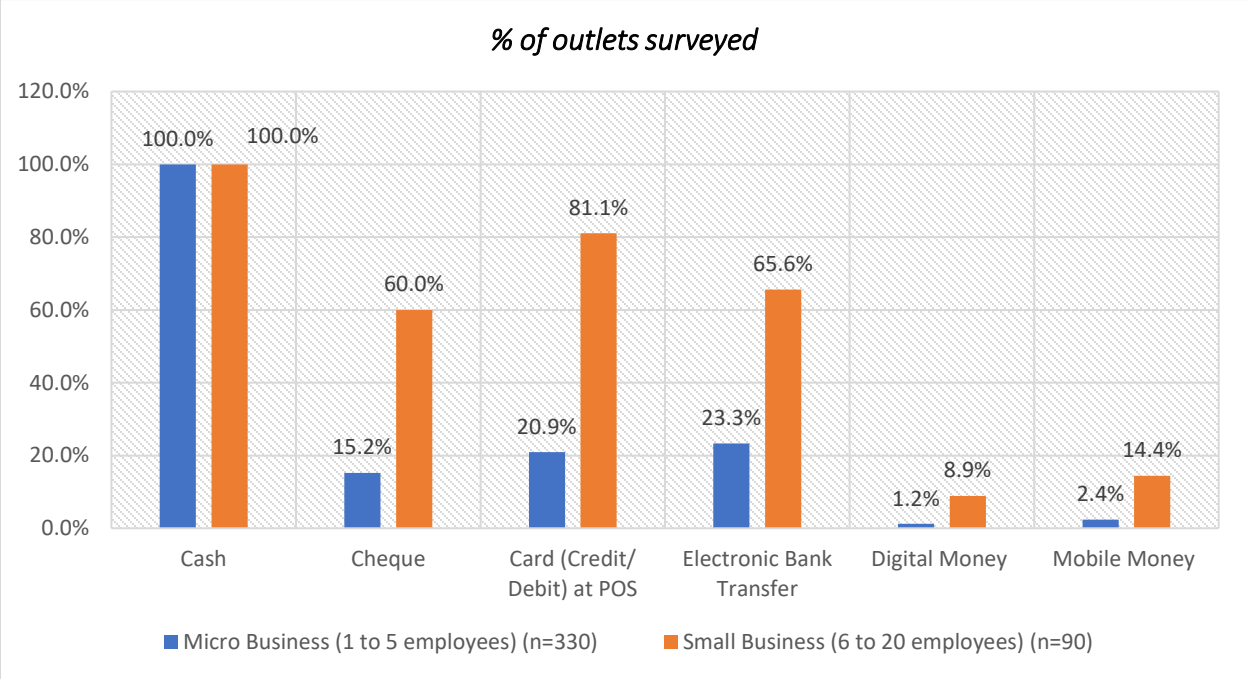


Figure 38: Payment Methods Accepted by Outlet Type

In general, business accepted (100%) and received most often (93.9%) cash payments from customers. A third of merchants noted that point of sale (34%) and electronic transfer (32%) were also accepted. An additional quarter of respondents indicated that cheque (25%) was accepted. Nevertheless, an even smaller portion indicated that these methods were being utilized frequently by customers. ***Table 39***

Table 39: Payment Method Business' ACCEPT by Outlet Type Details

Type of Outlet	Cash	Cheque	Card (Credit/ Debit) at POS	Electronic Bank Transfer	Digital Money	Mobile Money
Merchant: Total (N=420)	100.0%	25%	34%	32%	3%	5%
Merchant Size						
Micro Business (1 to 5 employees) (n=330)	100.0%	15.2%	20.9%	23.3%	1.2%	2.4%
Small Business (6 to 20 employees) (n=90)	100.0%	60.0%	81.1%	65.6%	8.9%	14.4%
Customer Base						
Individual (n=258)	100.0%	10.5%	21.3%	19.0%	1.6%	1.9%
Business & Individual (n=160)	100.0%	46.9%	53.1%	53.1%	4.4%	9.4%
Product/ Service Based						
Products (n=207)	100.0%	19.8%	26.1%	19.8%	2.9%	3.4%
Service (n=123)	100.0%	24.4%	35.0%	40.7%	1.6%	5.7%
Both (n=90)	100.0%	36.7%	50.0%	50.0%	4.4%	7.8%
Location						
Urban including KSA, St. Catherine & Montego Bay (n=120)	100.0%	21.7%	36.7%	25.0%	3.3%	5.0%
Rural (n=300)	100.0%	26.0%	32.7%	35.3%	2.7%	5.0%

Cash was the method of payment received most often by both outlet types (Micro 93.9%; Small 87.8%). Credit/debit card was the next most commonly received method among small businesses (30%). ***Table 40***

Table 40: Payment Method Business' RECEIVE MOST OFTEN by Outlet Type

Type of Outlet	Cash	Cheque	Card (Credit/ Debit) at POS	Electronic Bank Transfer
Merchant: Total (N=420)	93%	3%	13%	4%
Merchant Size				
Micro Business (1 to 5 employees) (n=330)	93.9%	0.9%	8.5%	3.0%
Small Business (6 to 20 employees) (n=90)	87.8%	8.9%	30.0%	7.8%
Customer Base				
Individual (n=258)	95.7%	0.4%	7.4%	1.9%
Business & Individual (n=160)	88.1%	5.6%	21.3%	6.9%
Product/ Service Based				
Products (n=207)	94.2%	1.4%	9.2%	1.4%
Service (n=123)	92.7%	3.3%	11.4%	6.5%
Both (n=90)	88.9%	4.4%	24.4%	6.7%
Location				
Urban including KSA, St. Catherine & Montego Bay (n=120)	85.8%	1.7%	16.7%	3.3%
Rural (n=300)	95.3%	3.0%	11.7%	4.3%

6.2. Payment Method Preferences

Generally, cash was cited as the payment method preferred by the majority of businesses. In fact, more than three quarters (78%) of respondents noted that their business' preferred to accept payment via cash.

As would be expected, the majority of micro enterprise entities surveyed (81.8%) were significantly more likely, than small business entities (65.6%), to prefer to accept cash payments. ***Table 41***

Table 41: Preferred Payment Methods

Type of Outlet	Cash	Card (Credit/ Debit) at POS	Electronic Bank Transfer	Cheque
Total (n=420)	78.0%	10.0%	6.0%	0.2%
Merchant Size **				
Micro Business (1 to 5 employees) (n=330)	81.8%	7.6%	3.9%	0.3%
Small Business (6 to 20 employees) (n=90)	65.6%	18.9%	11.1%	0.0%
Customer Base *				
Individual (n=258)	84.5%	7.4%	2.7%	0.4%
Business & Individual (n=160)	68.8%	13.8%	10.0%	-
Product/ Service Based **				
Products (n=207)	84.5%	9.2%	2.9%	0.5%
Service (n=123)	75.6%	8.1%	10.6%	-
Both (n=90)	67.8%	14.4%	4.4%	-
Location				
Urban including KSA, St. Catherine & Montego Bay (n=120)	76.7%	15.0%	2.5%	0.8%
Rural (n=300)	79.0%	8.0%	6.7%	-

*P≤.05
**P≤.005
***P=.000

The main reason for preferring cash transactions was that it "make the transaction easier/ easier to use" (25%), "more convenient" (19%) and "it is more tangible" (17%). ***Table 42***

Table 42: Reason for Preferring Cash Payments (unprompted)

	Cash (n=329)
Make the transaction easier/ easier to use	25%
More convenient	19%
It is more tangible/ it is physical	17%
Because I run a small shop	13%
I get a lot of local customers and they mostly use cash	13%
Prevent fraud	6%
Because the customers prefer it	5%
Don't have to deal with the bank, get the money direct	5%
Sure of the payment	5%
the money is instant	4%
Doesn't attract a fee	4%
Will not experience cyber thieves	3%
easy access	3%
The machine goes out of service sometimes	2%
Don't have to worry about persons card being declined (loss of sale)	1%
It is safer	1%
Liquidity of assets	1%
don't want to deal with the banks	1%
it is the most universal	1%
no delay on funds	1%

Cheque (45%) was the most inconvenient form of payment methods for the businesses interviewed. ***Table 43***

The main reason noted for cheques being the most inconvenient form of payment was the processing time (51%), it being time consuming (41%) and the possibility of cheque being rejected (39%). ***Figure 39***

Table 43: Most Inconvenient Payment Methods

Type of Outlet	Cheque	Card (Credit/ Debit) at POS	Electronic Bank Transfer	Digital Money	Mobile Money	Cash
Total (n=420)	45.0%	9.0%	8.0%	7.0%	3.0%	4.0%
Merchant Size						
Micro Business (1 to 5 employees) (n=330)	45.2%	9.7%	8.5%	7.0%	2.1%	2.7%
Small Business (6 to 20 employees) (n=90)	42.2%	6.7%	7.8%	8.9%	5.6%	7.8%*
Customer Base						
Individual (n=258)	40.3%	10.9%	7.4%	9.3%	3.1%	1.6%
Business & Individual (n=160)	51.9%	5.6%	10.0%	4.4%	2.5%	6.9%
Product/ Service Based						
Products (n=207)	43.5%	9.2%	6.3%	8.7%	1.9%	3.9%
Service (n=123)	43.1%	8.9%	9.8%	8.9%	2.4%	4.1%
Both (n=90)	48.9%	8.9%	11.1%	2.2%	5.6%	3.3%
Location						
Urban including KSA, St. Catherine & Montego Bay (n=120)	43.3%	13.3%	5.8%	6.7%	2.5%	3.3%
Rural (n=300)	45.0%	7.3%	9.3%	7.7%	3.0%	4.0%

*P≤.05; **P≤.005; ***P=.000

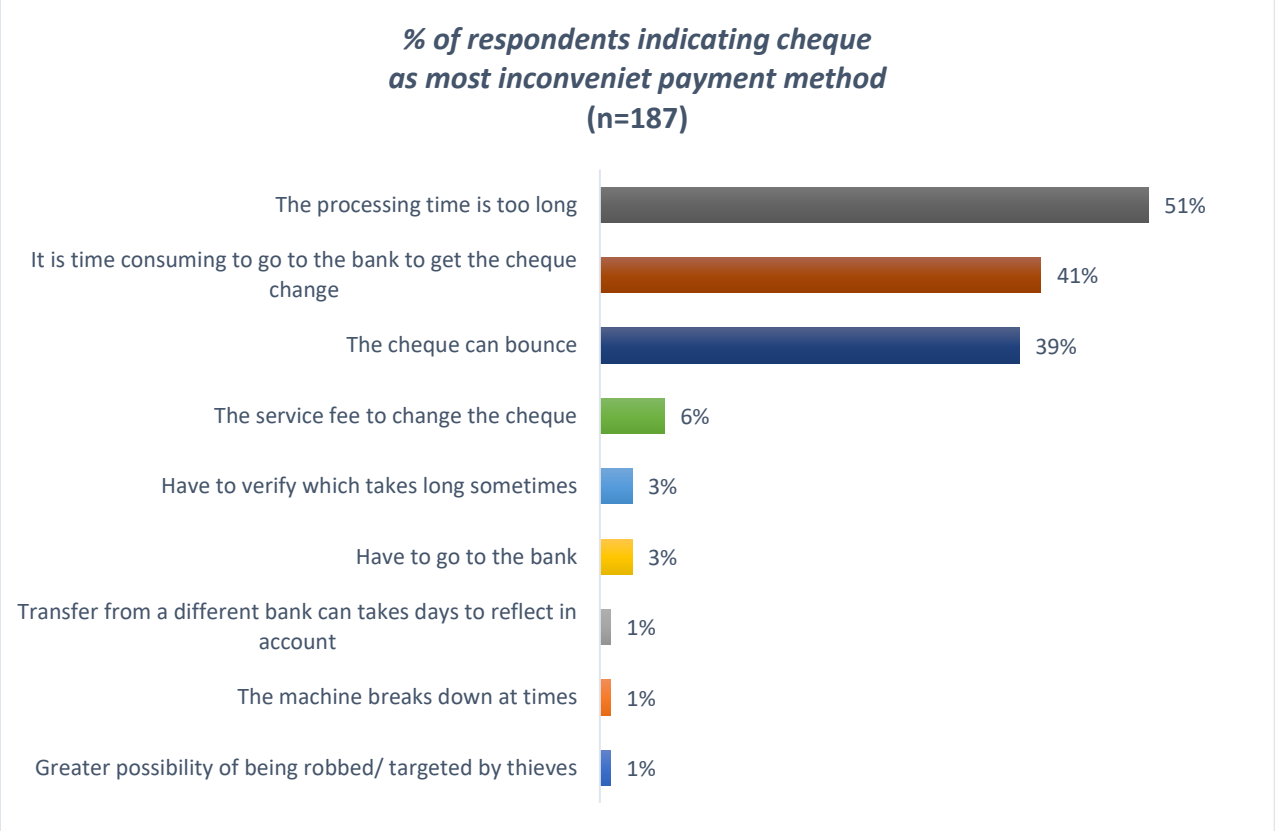


Figure 39: Reason Cheque Payments is Most Inconvenient

Although there seems to be a less accepting nature of other methods of payments, it was 90% of merchants who noted that there were no payment methods that they were accepting for the first time in the past 12 months. ***Figure 41***

Nevertheless, it was 78% of merchants who noted that they prefer to accept cash transactions. ***Figure 40***

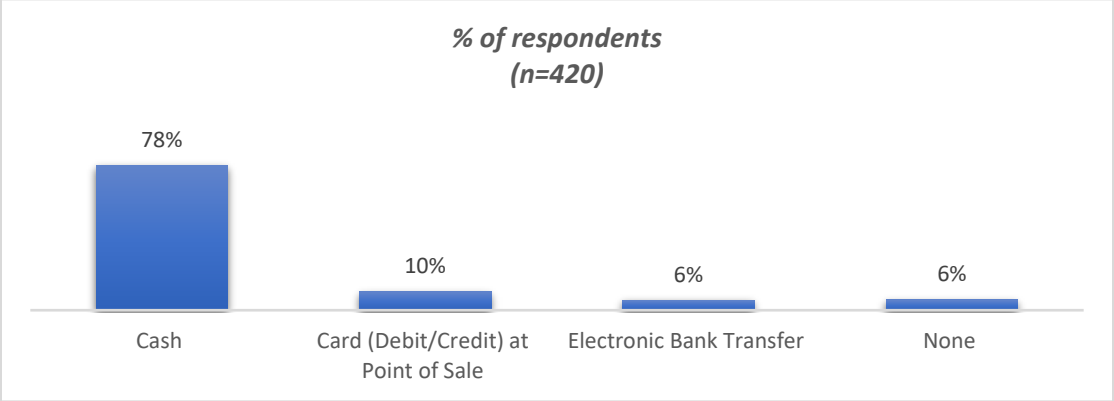


Figure 40: Payment Method Business' PREFER to Accept

Micro businesses (81.8%) were significantly more likely than small business (65.6%) to indicate preferring to accept cash payments.

Merchants with an individual customer base (84.5%) were significantly more likely than merchants with a business and individual customer base (68.8%) to prefer to accept cash payments.

Additionally, merchants who sold products only (84.5%) were significantly more likely to indicate that they preferred receiving cash than those selling services (75.6%) and both (67.8%). ***Table 44***

Table 44: Payment Method Business' PREFER to Accept by Outlet Type

Type of Outlet	Cash	Cheque	Card (Credit/ Debit) at POS	Electronic Bank Transfer
Merchant Size				
Micro Business (1 to 5 employees) (n=330)	81.8%**	0.3%	7.6%	3.9%
Small Business (6 to 20 employees) (n=90)	65.6%	0.0%	18.9%	11.1%
Customer Base				
Individual (n=258)	84.5%*	0.4%	7.4%	2.7%
Business & Individual (n=160)	68.8%	-	13.8%	10.0%
Product/ Service Based				
Products (n=207)	84.5%**	0.5%	9.2%	2.9%
Service (n=123)	75.6%	-	8.1%	10.6%
Both (n=90)	67.8%	-	14.4%	4.4%

*P≤.05;**P≤.005; ***P=.000

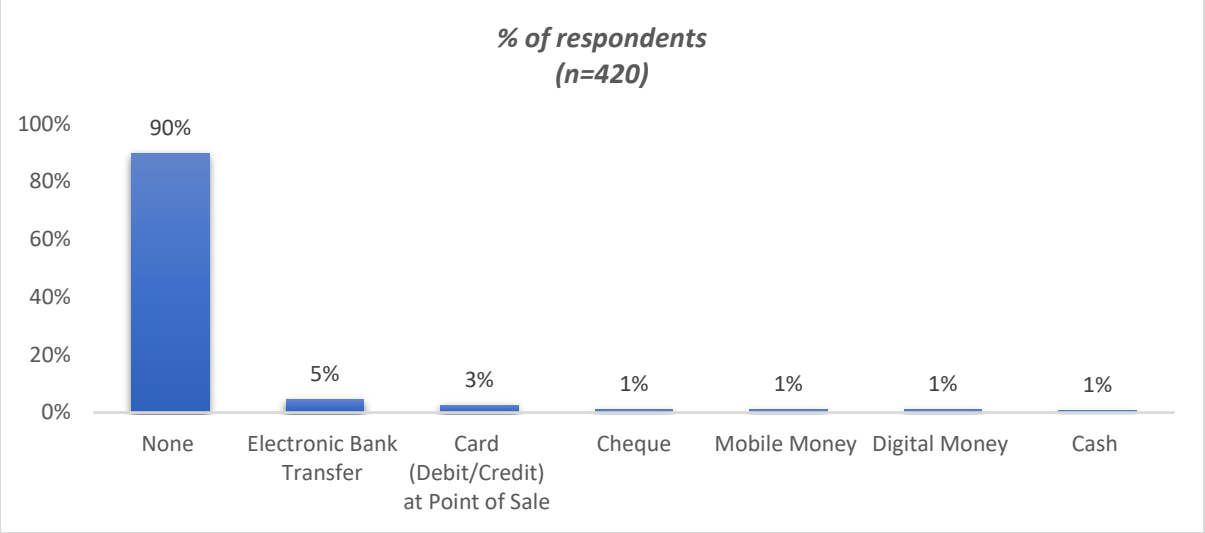


Figure 41: Payment Method Accepting for 1st time in past 12 Months

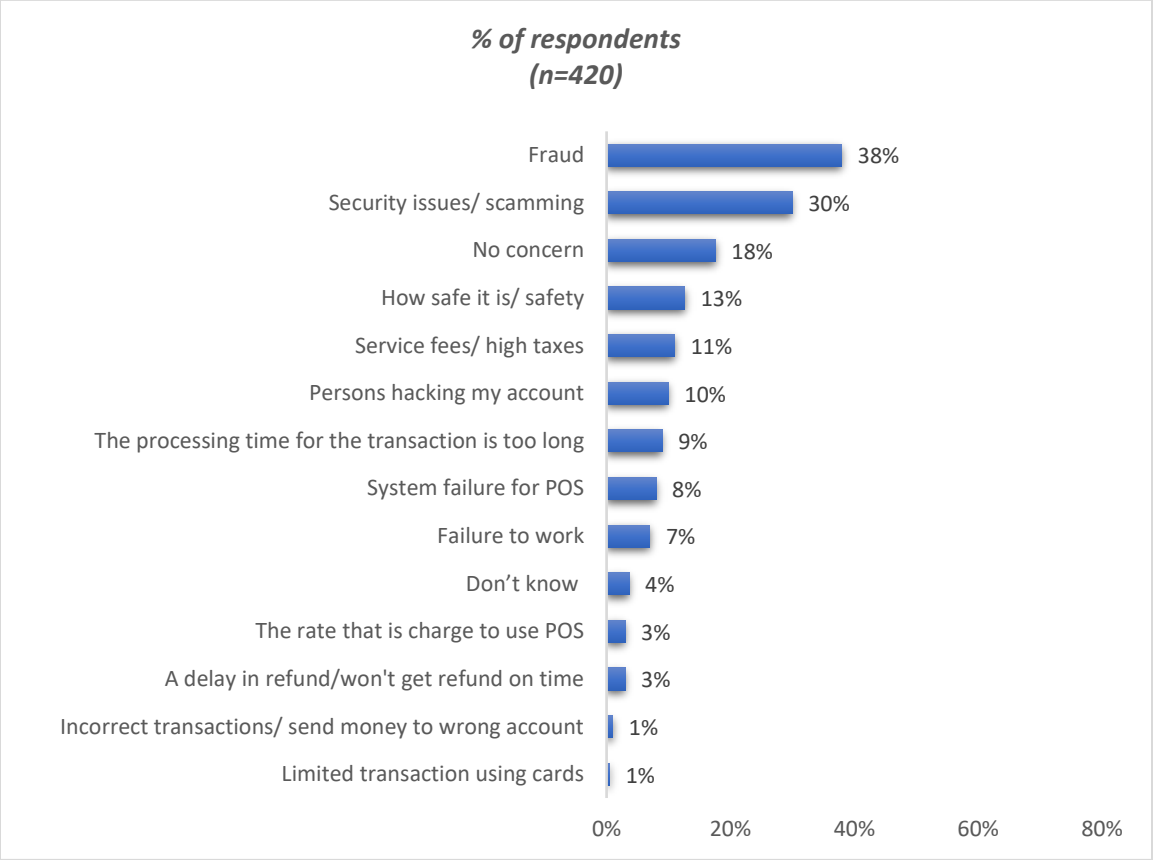


Figure 42: Concerns About Payment Methods Other Than Cash

6.3. **Importance Of Payment Features**

The majority of businesses endorsed i.e. strongly agree/ agree that "Businesses that accept payment methods aside from cash are more progressive/modern" (63%), "Customers would be less likely to purchase from my business if I do not offer multiple payment methods" (56%) and "Even if the payment method had high operating fees, I would accept it if many of my customers wanted to use it to pay" (56%). ***Figure 43***

Small Businesses were significantly more likely to endorse (strongly agree/ agree) "Customers would be less likely to purchase from my business if I do not offer multiple payment methods" (78%), I am interested in using contactless payment i.e. transactions made by tapping a contactless enabled payment card on a point of sale machine without having to enter a pin method to accept payment" (58%) and "Accepting other payment methods is safer than accepting cash" (53%) than their counterparts.

Notably, micro businesses (45%) were significantly more likely to endorse (strongly agree/ agree) that "Accepting other payment methods aside from cash is too expensive for my business" than small businesses *(34%).* ***Figure 43***

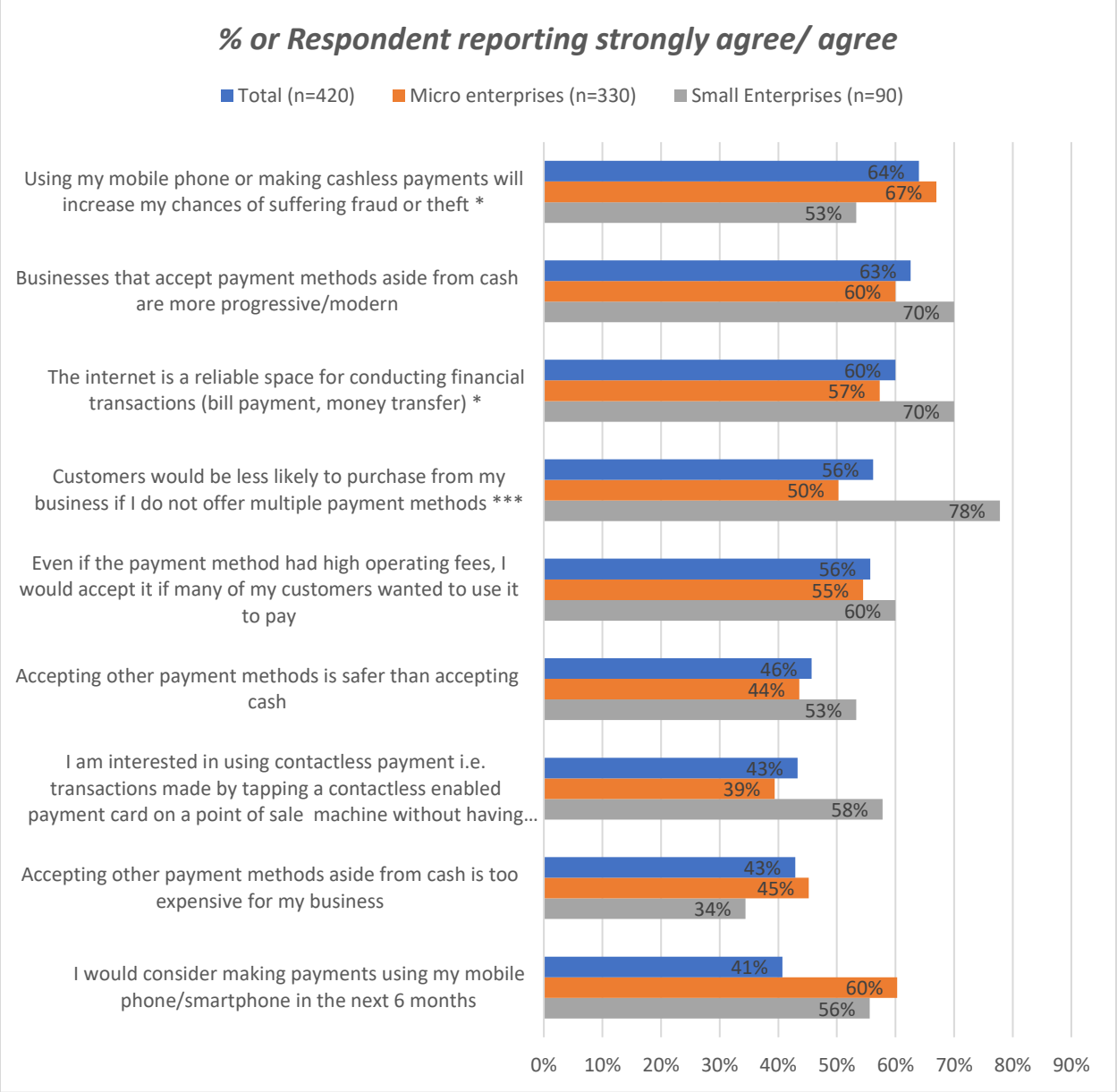


Figure 43: Perceptions of Payment Methods by Outlet Type

Merchants whose customer base was businesses and individuals were significantly more likely than their counterparts to endorse (strongly agree/ agree) that *"Customers would be less likely to purchase from my business if I do not offer multiple payment methods"* (67.5%) , *"I am interested in using contactless payment i.e. transactions made by tapping a contactless enabled payment card on a point of sale machine without having to enter a pin method to accept payment"* (51.2%) and *"Accepting other payment methods is safer than accepting cash"* (56.9%). ***Table 45***

Table 45: Perceptions of Payment Methods: Top 2 Box (Strongly Agree/ Agree) By Outlet Type

Type of Outlet	Customer Base	
	Individual (n=258)	Business & Individual (n=160)
Businesses that accept payment methods aside from cash are more progressive/modern	62.0%	63.7%
Customers would be less likely to purchase from my business if I do not offer multiple payment methods	48.8%	67.5%**
Even if the payment method had high operating fees, I would accept it if many of my customers wanted to use it to pay	54.7%	57.5%
Accepting other payment methods aside from cash is too expensive for my business	45.0%	38.8%
I am interested in using contactless payment i.e. transactions made by tapping a contactless enabled payment card on a point of sale machine without having to enter a pin method to accept payment	38.0%	51.2%*
Accepting other payment methods is safer than accepting cash	39.1%	56.9%*

*P≤.05; **P≤.005; ***P=.000

6.4. Digital Payment Push Factors

Almost all (95%) businesses surveyed noted that they had not stopped accepting any payment methods. It was 2% who noted that they had stopped accepting cheque and card transactions. ***Figure 44***

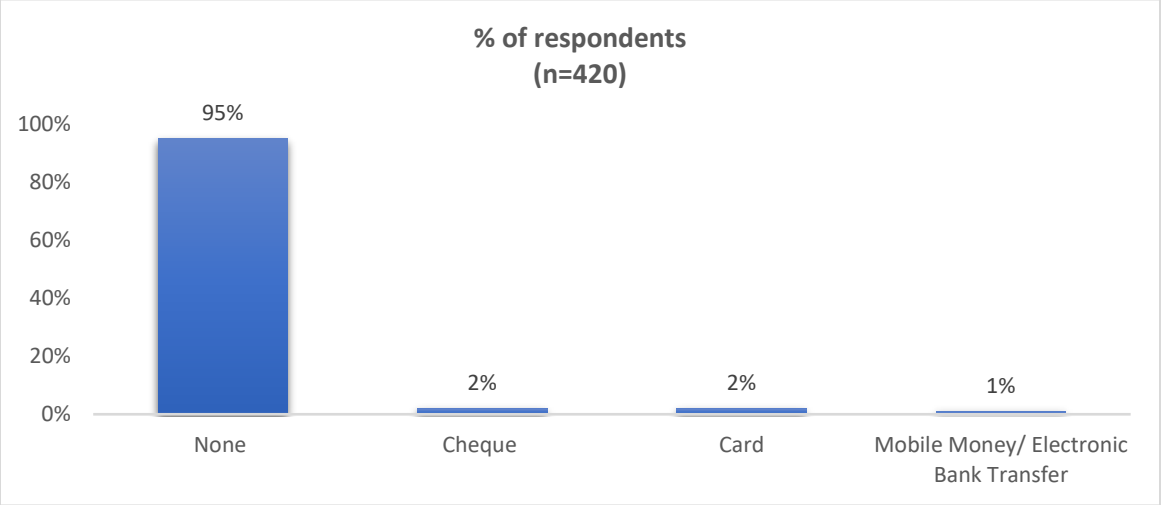


Figure 44: Payment Method Stopped Accepting

The main advantages noted for accepting payments other than cash were multiple ways to pay (22%), and lower chances of getting robbed (19%), improves security (16%) and increase clientele/ customers (16%). ***Figure 45***

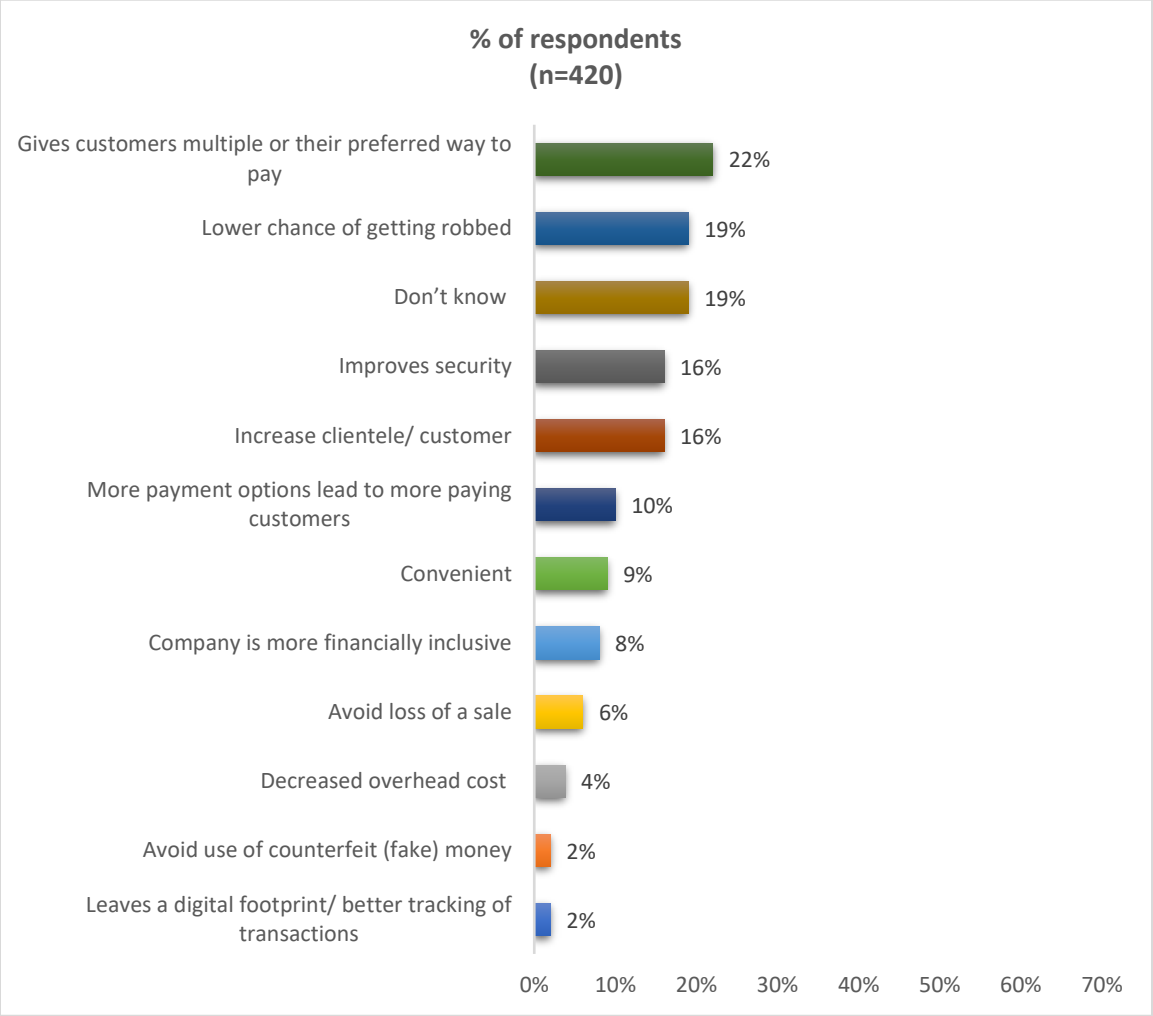


Figure 45: Advantages of Accepting Payment Methods Other than Cash

6.5. **Payment Method Usage**

The main reasons cited for not having a credit card were: do not see the need for one (18%), prefer to use own money (14%) and I operate a small business (10%). ***Figure 46***

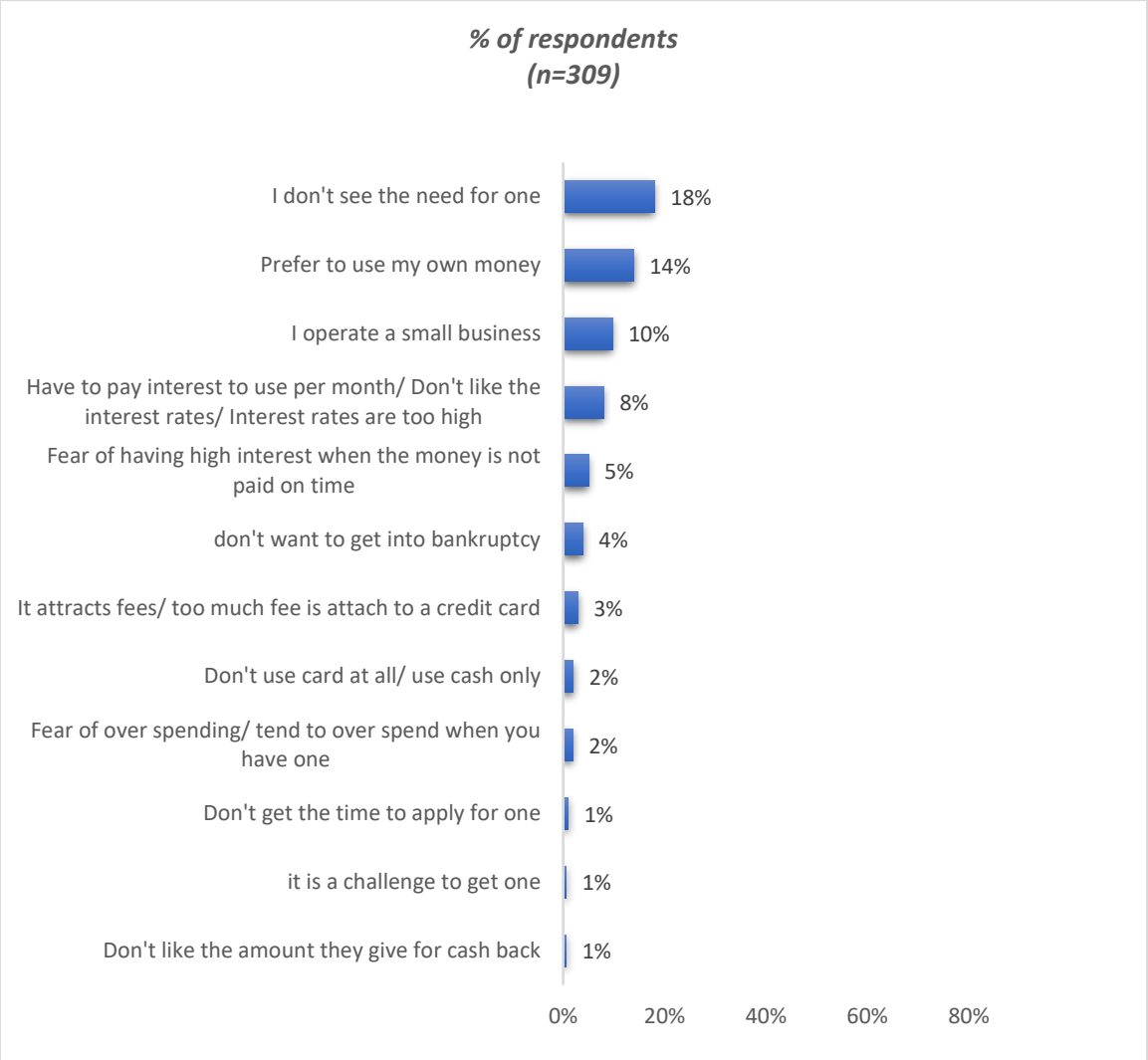


Figure 46: Reasons Don't Have a Credit Card

6.6. Ecommerce

At least 6 in 10 merchants noted that security (70%), instant/ fast transactions (66%), low transaction fees (65%), being universally accepted (64%) and user friendly (62%) were important attributes when they considered digital payment options. Further to this, merchants whose customer base was businesses and individuals were more likely than those which were only individual base to identify security, instant/ fast transactions, low transaction fees and universally accepted as important attributes when thinking of digital payments. ***Table 46***

Table 46: Important Attributes When Thinking of Digital Payments

	Total	***Merchant Size***		***Customer Base***	
	(n=420)	**Micro Business (1 to 5 employees) (n=330)**	**Small Business (6 to 20 employees) (n=90)**	**Individual (n=258)**	**Business & Individual (n=160)**
Secure	70%	67%	81%	64%	79%
Instant/ Fast Transactions	66%	62%	79%	61%	74%
Low transaction fees	65%	62%	74%	61%	71%
Universally Accepted	64%	61%	76%	57%	74%
User Friendly	62%	59%	72%	61%	65%
Private	58%	57%	61%	55%	63%
Cost Effective to operate	55%	52%	63%	50%	61%
Easily Integrates into my current system	54%	52%	64%	50%	62%
Contactless	37%	34%	47%	33%	44%
None	8%	10%	1%	12%	2%

Overall, 4 in 10 perceived e-commerce as offering advantages to their business (42%) and being suitable for the products and services they offered (40%). Many however, also perceived it as likely to be time consuming to set-up and implement (41%). ***Figure 47***

It was noted that some uncertainty about e-commerce is evident. Many were unsure as to whether ecommerce would be "expensive to implement" (46%) and was safe (37%). A quarter were also unsure as to whether it offered advantages to the business (24%) or was suitable for their products/services (26%). ***Figure 47***

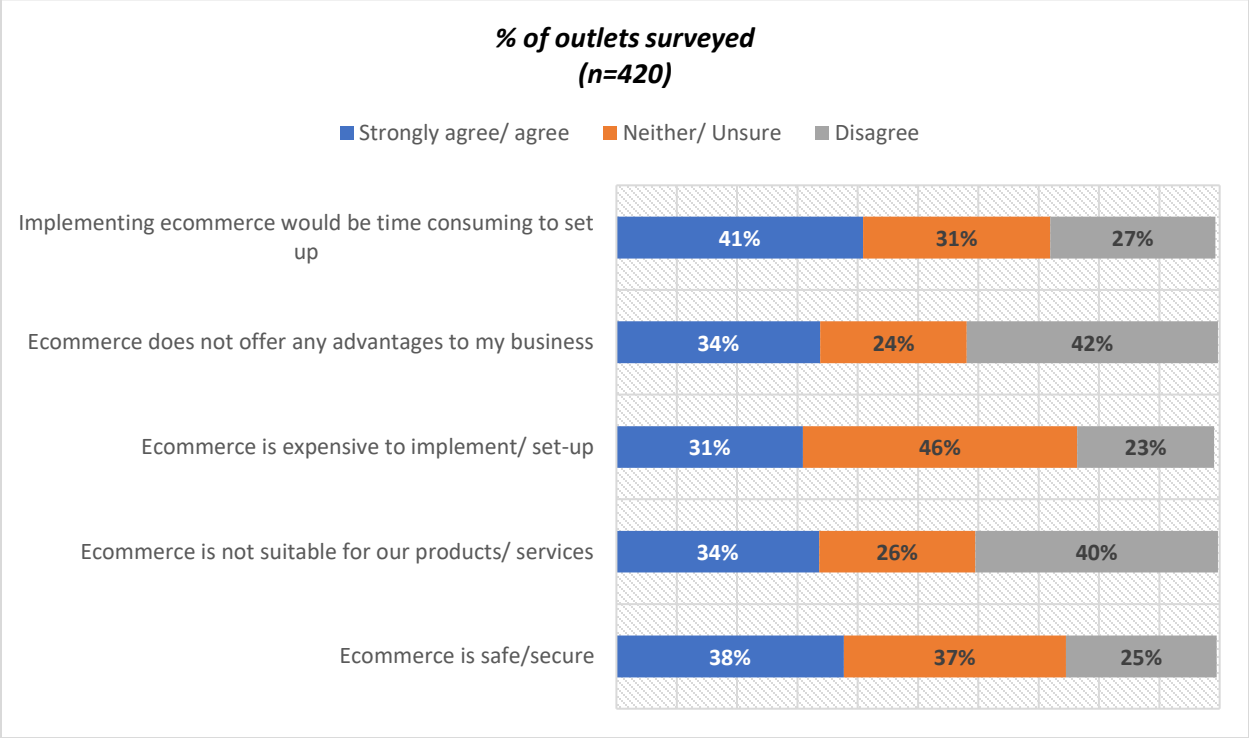
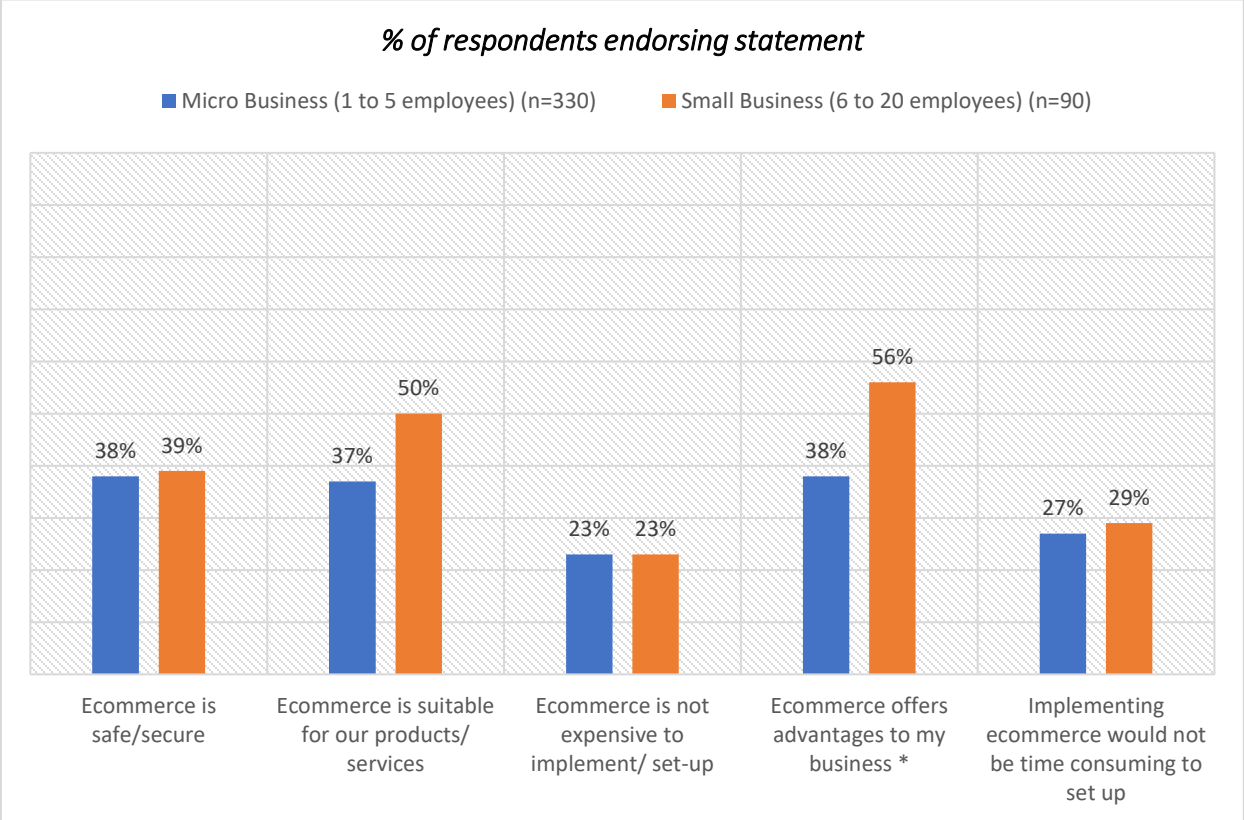


Figure 47: Perceptions of Ecommerce

The small enterprises surveyed were more likely to endorse e-commerce as being relevant to them. It was more than a half (56%) who endorsed e-commerce as offering advantages to their business and a half who endorsed e-commerce as suitable or them (50%). There was however, uncertainty as to both the financial and time cost of set up. Less than a quarter of small enterprises endorsed e-commerce as not being expensive to implement (23%) and time consuming to set-up (29%). ***Figure 48***

Among micro-businesses surveyed, the relevance of e-commerce was met with uncertainty. It was less than 4 in 10 micro enterprises who endorsed e-commerce as being suitable to their products and services (37%) and offering advantages to their business (38%). Similar to small business however, there was uncertainty as to both the financial and time cost of set up. Less than a quarter of micro enterprises endorsed e-commerce as "not being expensive to implement" (23%) and "not being time consuming to set-up" (27%). More than a third of small business (39%) and micro-enterprises surveyed (38%) thought e-commerce safe and secure. ***Figure 48***



*P≤.05; **P≤.005; ***P=.000

Figure 48: Perceptions of Ecommerce by Outlet Type (top 2 Box)

It was 9 out of 10 merchants (91%) who noted that they had not set up a website that accepted digital payments from their customers. ***Figure 49***

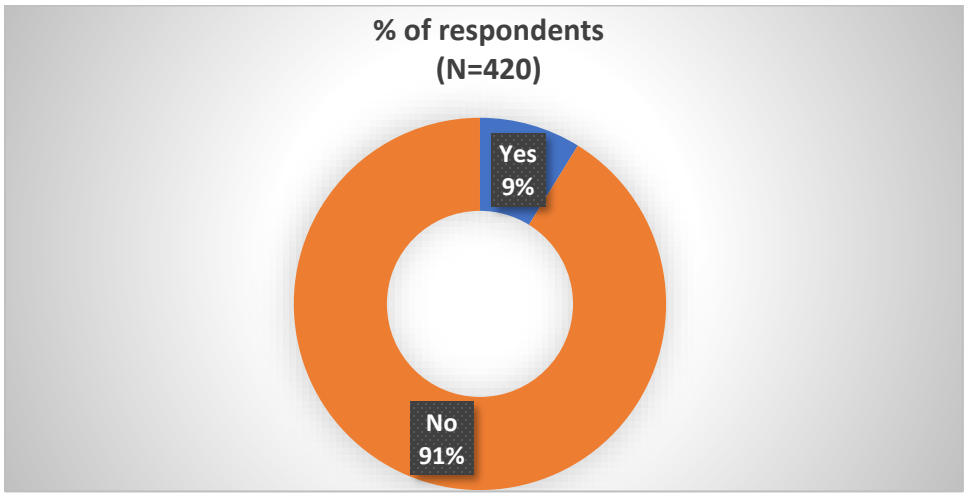


Figure 49: Has Your Business Setup A Website That Accepts Digital Payments for Your Customers?

Reasons cited as to why a business website was not set up to accept digital payments were that they operate a small business (27%) and did not have the time to (16%). Additionally, 15% indicated that they had no special reason. ***Figure 50***

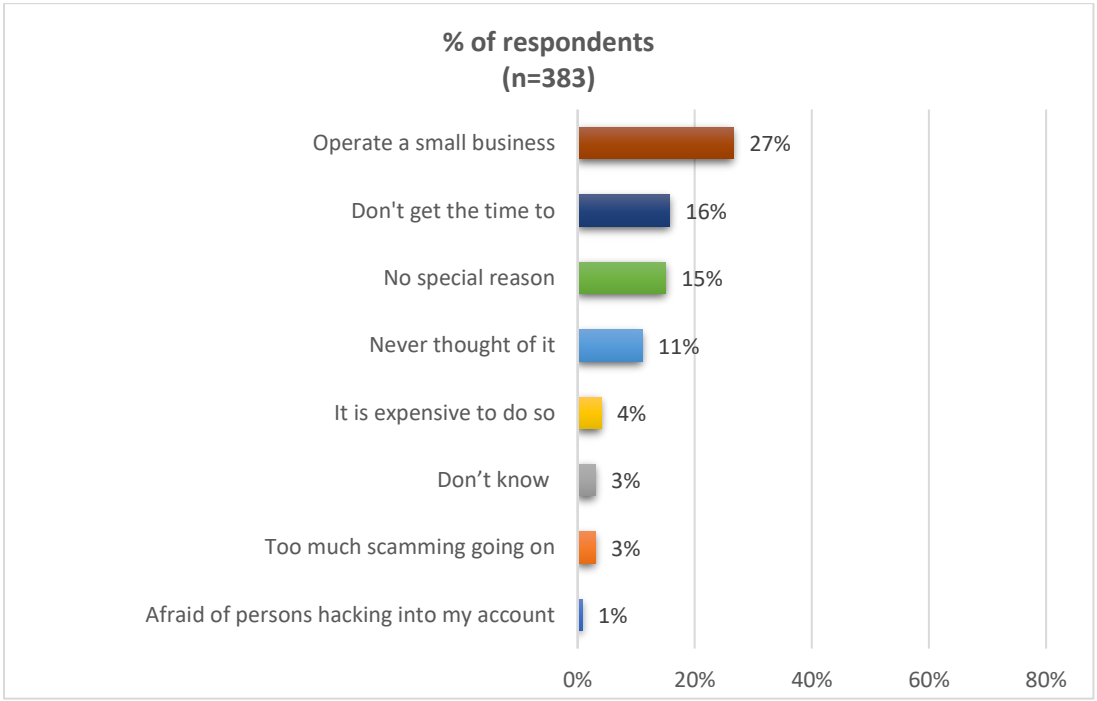


Figure 50: Reasons Business Has Not Set-up Website to Accept Digital Payment

6.7. **Attitudes**

The majority had a negative view of mobile phones and money. This was so as, 64% strongly agreed/ agreed that "using my mobile phone or making cashless payments will increase my chances of suffering fraud or theft." The uncertainty of using mobile phones to make payments was further illustrated in the 41% who disagreed that, "would consider making payments using my mobile phone/smartphone in the next 6 months" even while 41% endorsed the statement. While there was hesitation to use of mobile phones to make payments, there was greater acceptance of internet transactions. It was 60% of merchants who endorsed that "the internet is a reliable space for conducting financial transactions (bill payment, money transfer)". ***Figure 51***

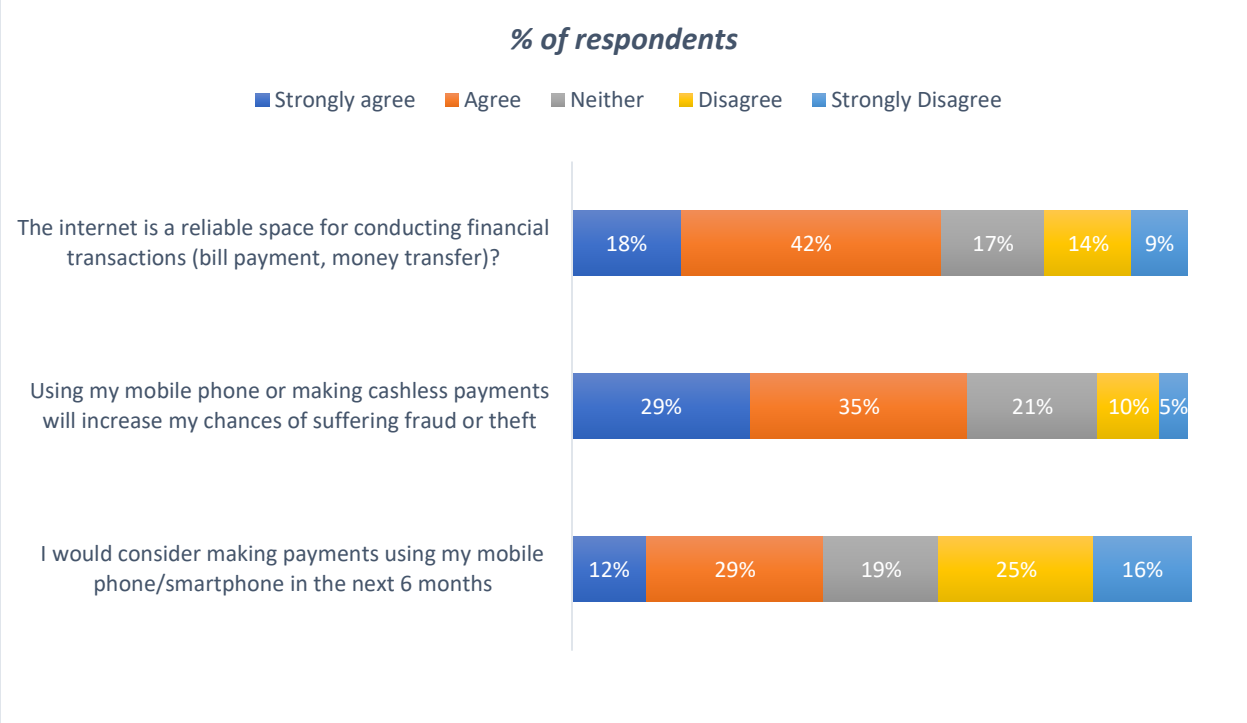


Figure 51: Perceptions of Mobile Phones and Money

Micro businesses (67%) were significantly more likely to endorse that "*Using my mobile phone or making cashless payments will increase my chances of suffering fraud or theft"* than small businesses (53%). Additionally, small businesses (70%) were significantly more likely to endorse that "*The internet is a reliable space for conducting financial transactions (bill payment, money transfer"* than micro businesses (57%). ***Table 47***

Table 47: Perceptions of Ecommerce: Top 2 Box (Strongly Agree/ Agree) by Outlet Type

	Merchant Size	
	Micro Business (1 to 5 employees) (n=330)	**Small Business (6 to 20 employees) (n=90)**
I would consider making payments using my mobile phone/smartphone in the next 6 months	40%	44%
Using my mobile phone or making cashless payments will increase my chances of suffering fraud or theft	67%*	53%
The internet is a reliable space for conducting financial transactions (bill payment, money transfer)	57%	70%*

*P≤.05
**P≤.005
***P=.000

6.8. **Account Ownership**

Overall, 79% had a bank account whether a business account (39%), a personal account (24.8%) or an account used for both business and personal purposes (15.2%). ***Figure 52***

Account ownership varied significantly by type of outlet. While 9 in 10 small businesses surveyed had an account they used only for the business, it was a quarter (25.8%) of micro entities that reported having a business account. All small businesses, except one, reported having bank account. In contrast more than a third (36.4%) of micro enterprises had no bank account. ***Figure 52***

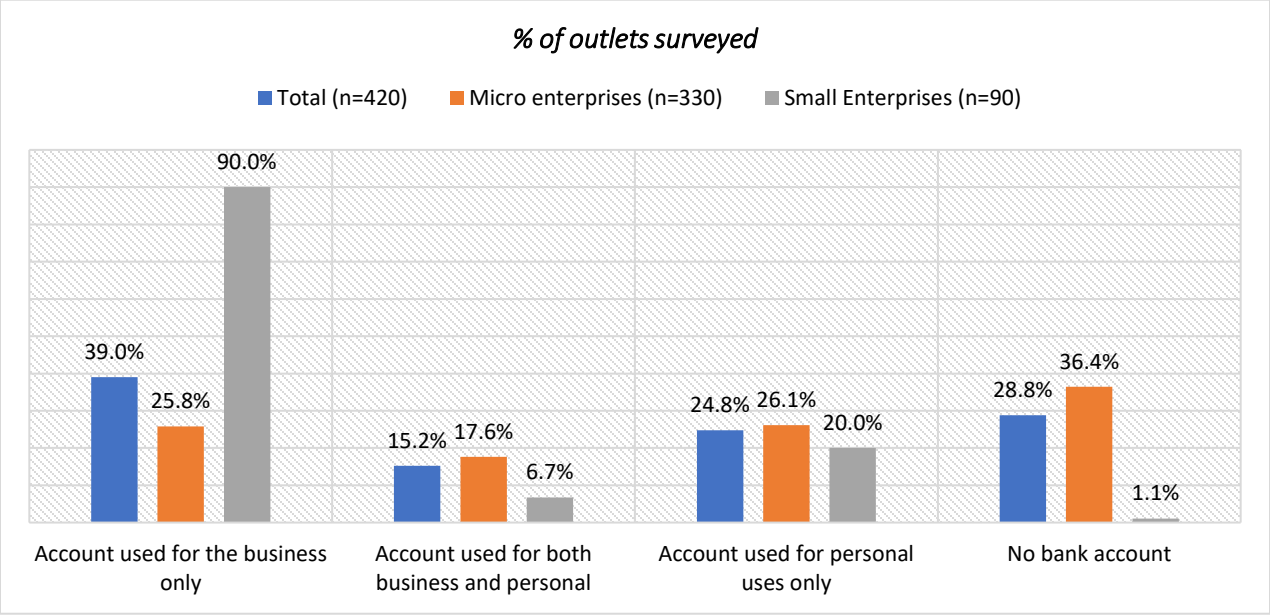


Figure 52: Account Ownership Overall

Overall, the majority of merchants held a bank account with a commercial bank (64%) with the most popular being business accounts (56%). This was followed by personal account only (35%) and personal and business accounts (21%). ***Figure 53 & 54***

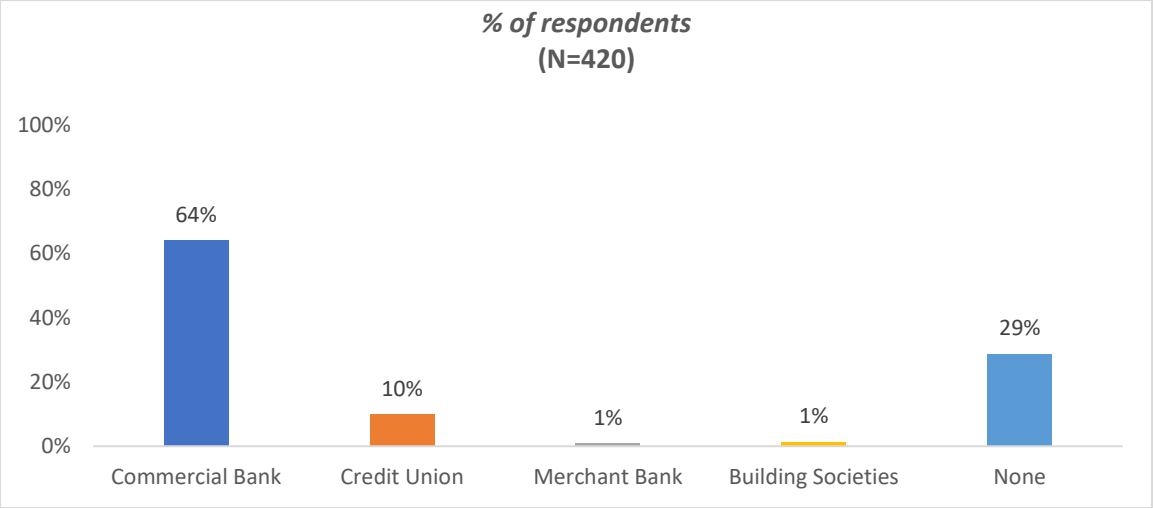


Figure 53: Account Ownership at Institutions

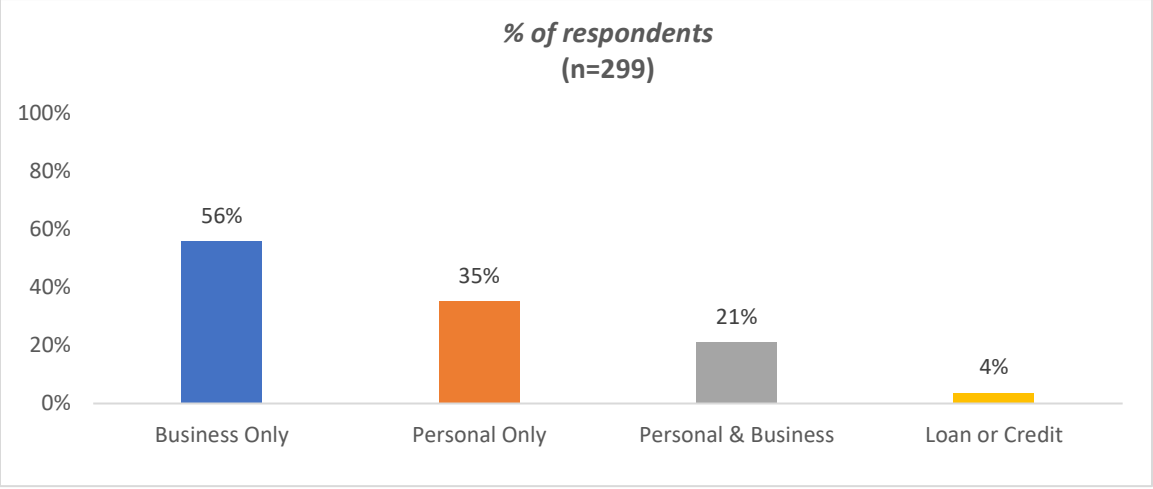


Figure 54: Overall Category of Accounts at Institutions

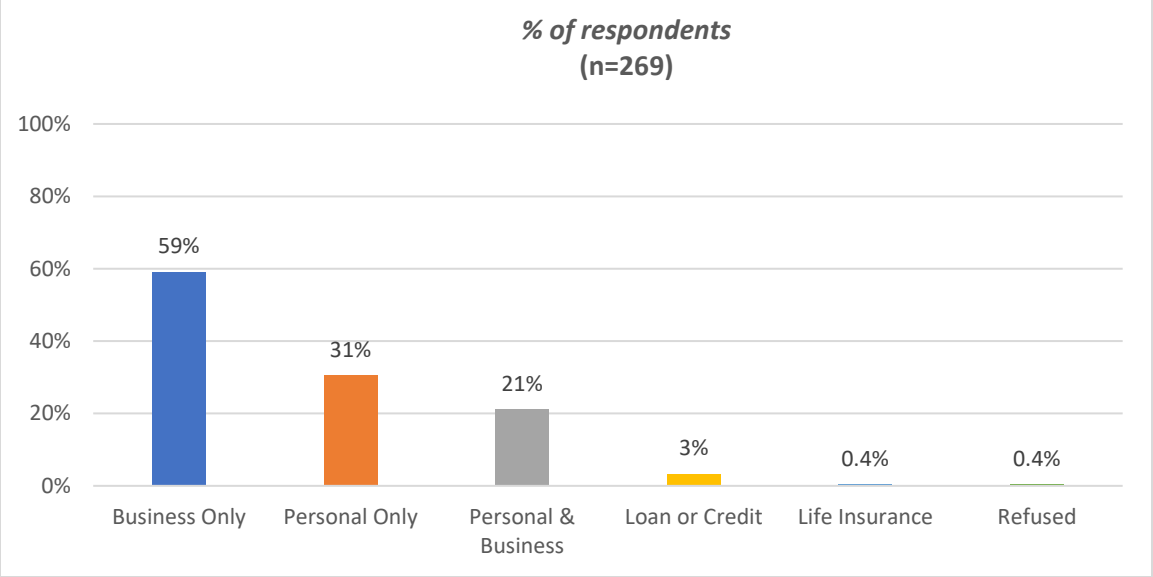


Figure 55: Categories at Commercial Bank

Table 48: Account Categories at Credit Unions, Building Societies and Merchant Banks

	Credit Union (n=42)	Building Societies (n=6)	Merchant Bank (n=4)
Personal Only	67%	50%	25%
Business Only	19%	17%	50%
Personal & Business	14%	33%	25%
Loan or Credit	10%	-	-
Other (Shares,)	5%	17%	-

In general, one account was held at a financial institution (55%). ***Table 49***

Table 49: Number of Accounts Held at Financial Institutions

	Overall (n=299)	Commercial Bank (n=269)	Credit Union (n=42)	Building Societies (n=6)	Merchant Bank (n=4)
One	55%	57%	88%	50%	50%
More than one	45%	43%	12%	50%	50%

6.9. Account Ownership Pull Factors

Among those who did not indicate ownership of a business account, the main reasons were "don't need an account" (17%) and "business has just started" (10%). ***Table 50***

Table 50: Reasons for Non-Ownership of Business Accounts

	(n=132)
Don't need an account/ Don't see the need	17%
Business has just started / The business is very young/ business not viable enough	10%
No special reason	8%
Too much hassle to open an account/ too many document needed; Banks asking for too much things/documents	8%
Never thought about it	8%
In the process	7%
Don't have enough money to open or maintain an account	7%
Don't have the time	4%
Don't have required documents to open one	4%
Don't trust financial institutions	3%
The business is not registered	2%
Don't have enough knowledge about it	3%

The majority of merchants who owned a business bank account at any financial institution [24]noted that the fear of losing money (70%) was a disadvantage of a business account. A quarter of merchants who owned a business bank account noted however, that there was no disadvantage (25%) to owning a business account. ***Table 51***

Table 51: Disadvantages of Business Accounts

	(n=167)[25]
Fear of losing my money	70%
No disadvantage	25%
Monthly service fees	17%
Transaction Fees; Transactions fees on a daily basis	10%
Have to pay taxes/ fees; High taxes	9%
The processing time is too long	8%
Don't know	7%
The system is down most times, and you have to visit the bank to do transaction	4%
Difficulty in setting up or usage	3%
Start-up Fees	3%
Having to maintain a high minimum balance	2%
Get cheques in my name and it cannot be lodged into the business (It is a hassle)	1%

[24] Commercial Bank, Credit Union, Merchant Bank or Building Society
[25] Base= merchants with business accounts

Interestingly, 57% of merchants who were business account owners noted that there were no advantages of owning a business account. However, 2 in 10 merchants indicated that making payments to clients/ vendors/ employees (24%), accepting payments using a POS machine (22%) and offering a line of credit (20%) were the benefits associated with a business account. ***Table 52***

Table 52: Benefits of Business Accounts

	(n=167)[26]
None	57%
Make payments to clients/ vendors/ employees	24%
Accept payments using a POS machine	22%
Offers a line of credit	20%
Accept payments using bank transfer	19%
Easy to assess business performance	17%
Provides a transaction history of funds received and paid/ bookkeeping	16%
Builds credibility with clients/ customers	15%
Makes it easy to access loans etc.	15%
Ease of payment to suppliers and from customers	15%
Help establish or build business credit	13%
More secure with transactions	8%
Provides better accountability for daily transactions	7%
Transfer large sum of money without being flagged	4%
Don't know	4%
It is more accessible to do business offshore	3%
No question where money is coming from	2%
The bank sees the cashflow of your business so in terms of getting a loan its easier	1%
You don't have to go to suppliers you just order and do transfer	1%
Helps with registering the business and pay taxes and also help with proof of employment	1%

[26] Base=77 merchants with business accounts

6.10. Account Opening

Opening a bank account for a business at a financial institution was seen as very easy/easy by four in ten respondents. ***Figure 56***

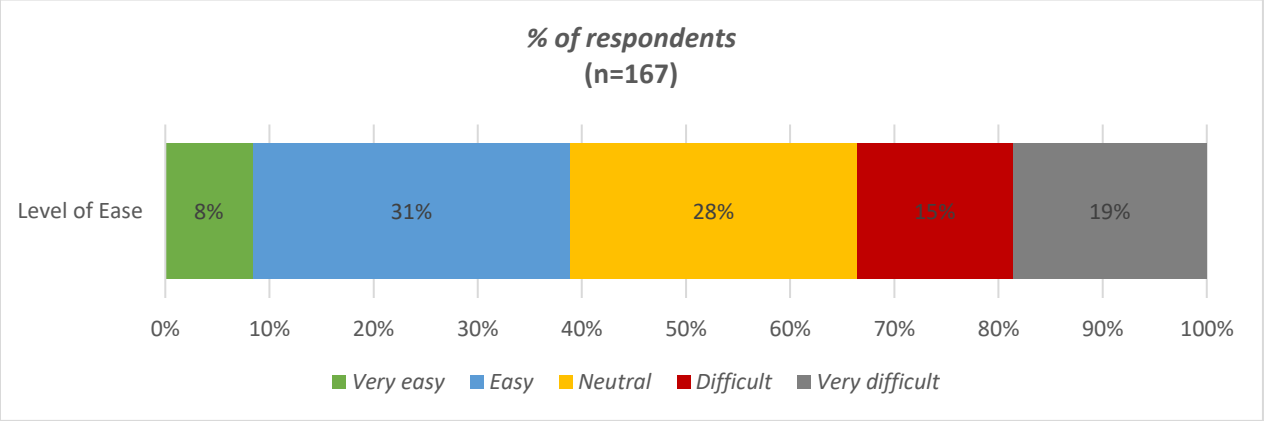


Figure 56: Level of Ease of Opening a Bank Account[27]

The process to open a business account was satisfactory to most respondents (62%). ***Figure 57***

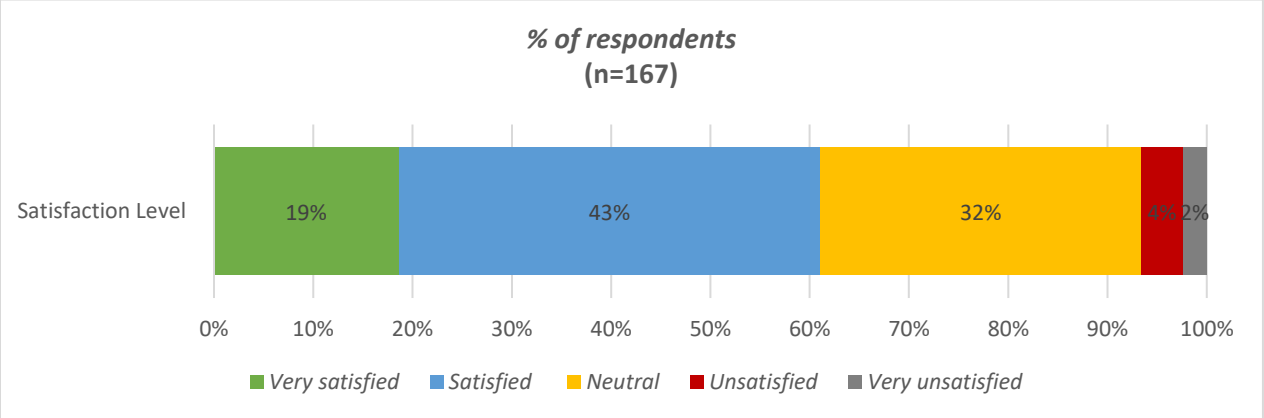


Figure 57: Level of Satisfaction with Opening a Bank Account[28]

[27] Base= merchants with business accounts
[28] Base= merchants with business accounts

6.11. Digital Payment Usage

Credit card ownership was reported among the majority (72%). Credit card usage was mainly done as needed (32%) and weekly (25%). ***Figure 58 & Table 53***

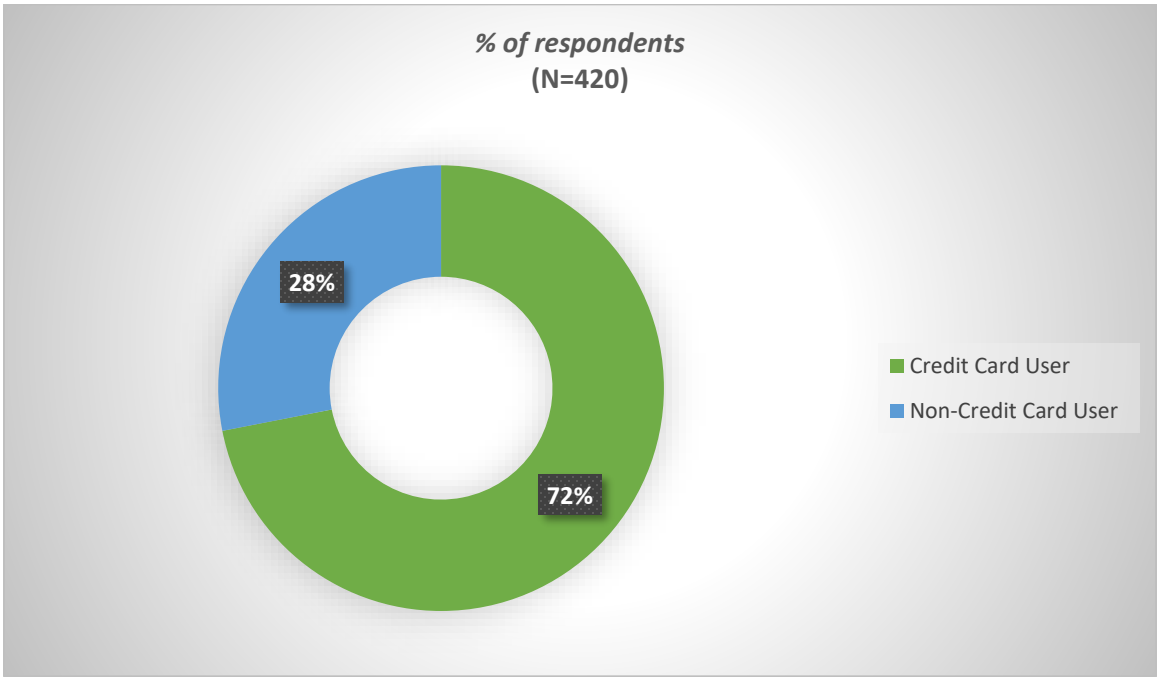


Figure 58: Credit Card Ownership

Table 53: Credit Card Usage

	(n=111)
As needed	32%
Weekly (everyday/1-2x per week)	25%
Monthly (once per fortnight)	13%
Once every few months	18%
Less often	6%
DK/Unsure	4%
Other	2%

6.12. Salary Payment Medium

Interestingly, majority of business (81%) used cash to pay bills, utilities and buy goods. This was followed by online banking (28%) and point of sale machines (20%). ***Figure 59***

A half of respondents noted that they do not have employees (50%). While 42% indicated that they pay employees by cash. ***Figure 60***

It should be noted that the Merchant Survey did not identify whether the business was operating formally or informally. Formal operations would be characterised by having a Tax Registration Number and having the business name registered or incorporating a company under the Companies Act.

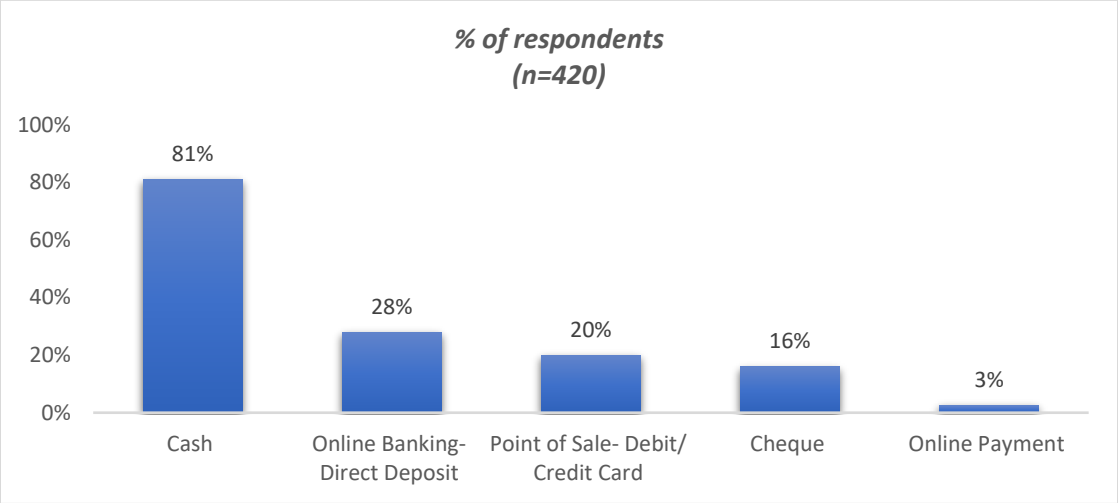


Figure 59: Payment Method Used to Make Payments for Bills, Utilities or to Buy Goods

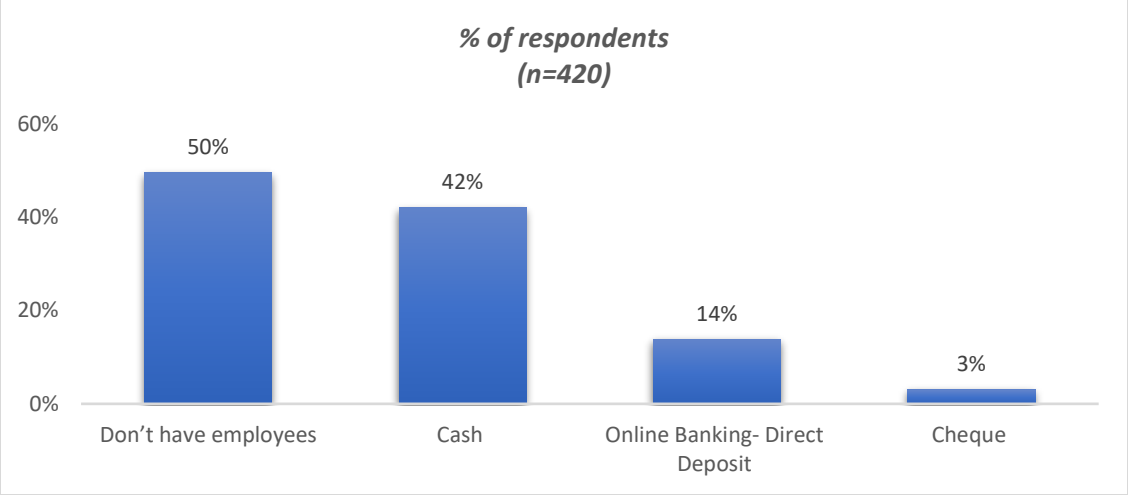


Figure 60: Payment Method Used to Pay Employees

7. Discussion: Conclusion & Recommendations

7.1. **Introduction**

For the purposes of this study, National Financial Inclusion (NFI) is *measured* as the share of the population that has an active bank account with a credit institution. Presently, NFI is *77.2%* of the adult population in Jamaica.

The overall outcome of this study is intended to gain information from specific quantitative measures that will offer market insights towards achieving the primary aims of the National Financial Inclusion Strategy (NFIS). These are to:

i) Increase the usage of bank services and digital payment solutions by 50% of Jamaican households and firms.

*ii) Increase percentage of The Programme of Advancement Through Health and Education (**PATH**) welfare beneficiaries who receive their payments through (specialized) bank accounts and digital payments to 50% of all welfare benefits.*

This section is a discussion of the findings towards this end.

7.2. Analysis & Discussion Framework

The discussion is developed within the context of the considered structure of the NFI and the current state of relationships between the targeted issues within this structure and the primary aims of the NFIS.

[29]*Access, Usage* and *Quality* are the generally recognized major structural components of the NFI. These components are influenced by credit, digital and savings infrastructure, access barriers, and consumer protections. The NFI factors are influenced by both the demand and supply sides activities of the market. This study is primarily focused on some specific demand side factors. Merchant issues were also evaluated using a merchant survey to provide supply side context for some aspects of the demand side analysis.

The findings from the data analysis are represented in the tables, graphs and figures selected as the most relevant relationships to measure the specific questions being investigated. Noting that there are overlaps between the main components, here, the main relationships between these findings and the specific targets of the NFIS are discussed.

[29] See discussion in 4.4 Analysis Framework.

Definitions for the purpose of the discussion

Access

Access to finance is the ability of individuals or enterprises to obtain financial services, including credit, deposit, payment, insurance, and other risk management services. Those who involuntarily have no or only limited access to financial services are referred to as the unbanked or underbanked, respectively.

Access Features: Access Barriers, Credit, and digital infrastructure

Usage

Usage refers to the actual use of financial products and services by sending and receiving money, saving, depositing, doing cashless transactions, using cell-phone banking, settling monthly expenses, and gathering details about the regularity, frequency, and duration of use of financial products and services over time.

Usage Features: Digital Infrastructure and Savings Infrastructure

Quality

Quality refers to the quality of the financial products and the service delivery. Quality indicators are assessed based on perceptions, which is a subjective measure.

Quality Features: Savings infrastructure and Consumer protections.

7.3. **Conclusion**

The study concluded that ***access*** to credit and ***usage*** of banking services and digital payments did not have a directly proportional relationship. ***Increasing access does not automatically lead to increased use***. The evidence of this is that over 70% of the adult population had an active account at a credit institution and yet usage behaviours in this population indicate that cash is a primary and a preferred trade transaction method especially among working and lower SE groups and small business merchants.

Barriers and motivators to usage of banking services and digital payments can be inferred as being substantially influenced more by the **quality** and **usage** components of the NFI. Consumer adoption rates for digital banking products and services are likely to be higher with NFI strategies simultaneously targeting both small business merchants and working class and lower SE groups consumers with a primary focus on quality and usage factors. An increasing consumer demand for digital payment options is likely to be a motivating factor for merchants to see opportunities and value in implementing digital payment systems where gaps currently exist.

In this market, while strategies to increase access to banking services are important, *engagement strategies* are key to achieving the overall objectives of the NFIS, of increasing the *volume* of bank services and digital payments to and from the public and P.A.T.H beneficiaries by 50%. True inclusion is not just having access but also includes engagement.

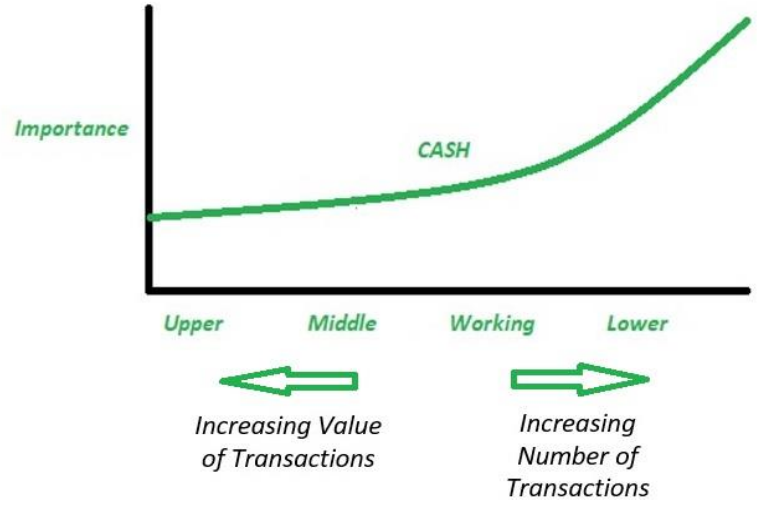
Two main issues relating to the NFIS objectives from a demand side perspective are:

I. *Substituting cash transactions for digital transactions.*

II. *Increasing the number of persons with active bank accounts at credit institutions.*

Cash & Digital

The research data suggests that the marketplace is not currently organized to replace cash transactions with alternative digital payment options mainly in the working and lower SE groups. While many persons have adopted the use of some digital payments, in particular debit card and online banking, a significant number of persons continue to use cash as the main transaction method.



Barriers to cash transactions will likely lead to significant inconveniences in executing trade transactions, especially for the lower SE groups.

Currently, there are indicators that cash transactions (*payments*) for a significant number of persons are preferred despite the availability of digital payment options.

Small business merchants also prefer to conduct business with cash in several circumstances.

We see for example that commercial bank withdrawals are at 62% compared to payments which are at 38% across the banking population.

As it stands, the target SE groups are most likely to convert money received via digital methods to cash, to facilitate spending in the markets they currently trade in.

All things considered, if the population of the unbanked was increased, it does not necessarily follow that engagement with banking products and services would also be increased. Increasing the digital payment options and offerings to consumers within the

merchant networks where they shop regularly is likely to increase usage of banking products and services at higher rates than just increases access to credit within the population.

It may be deduced that the benefits of cash are a stronger motivator for its use in several trade scenarios for many working class and lower SE groups than digital payments.

The study's emphasis was on access and usage related issues of the NFI. Emerging from the data analysis however is that the *quality* components of financial inclusion seemingly play a key role in consumer usage of digital banking products and services. Other indications from the data are that institutional quality is a substantial component that drives financial inclusion. For instance, security concerns were at 70% while cost effectiveness was at 55% for small business merchants. For consumers, security of transaction concerns was at 77% compared to affordability at 34%.

The relative weight of quality infrastructure on NFI was not established and studies specific to these issues would be necessary to determine this measure.

Also, behaviour towards using cash versus digital banking indicates that collective attitudes to cash have considerable influence on the adoption rate of digital banking and payment products and services. NFI strategies will have to contend with these quality components to reduce barriers to adoption of digital banking products especially among the lower SE groups.

Increasing Access

The two main motivating factors for having an account at a commercial bank are to save money (66.5%) and to receive wages (38.4%). Making payments (digital) was a relatively low reason given for opening a bank account. The characteristics of the unbanked are low-income earners and rural. This population is therefore expected to have low demand for saving and receiving wages, and hence the demand for a bank account will also be low.

Increasing the population's access to banking by using regulations and by lowering barriers to account opening to the unbanked alone is not likely to have significant positive impact on the NFI. A key motivating factor for having a bank account is to receive wages (payments). The unbanked population is characterized by being low-income earners and are from rural areas. Outside of receiving wages, other motivating factors to owning and using banking products and services in this low SE group, would be required to have any substantial impact to the NFI.

The current requirements for spending money and paying bills for the unbanked and underbanked population are now being met without a bank account. Assuming that all their basic needs are currently barely being accounted for, introducing a third-party element to these transactions could be perceived as an additional cost and complication. This would make banking services a deterrent rather than an appealing factor.

Mobile phones and internet penetration are very high across the population. Digital infrastructure is an important element of the NFI in that it has direct effect on the access and usage components. Integrating the use of the mobile phone and internet for trade transactions for the essential goods and services of the lower SE population would create the most opportunity for increasing the motivating factors for having a bank account.

Mobile phone use presents a good opportunity to improve attitudes towards banking products and services due to the already positive attitudes towards phone and internet products and services.

7.4. **Recommendations**

To achieve the overall objectives of the NFIS, consumer and merchant *engagement* strategies are key. Increasing **access** to the unbanked and underbanked is important for getting banking options to the total population, but this alone will not guarantee increased participation with the banking services. Based on the present market situation, it is the **quality** and **usage** components of the NFI that would be most likely to have the greater impact on increasing the *volume* of bank services and digital payments to and from the public and P.A.T.H beneficiaries by 50%.

NFIS should develop plans that will increase market awareness and improvements in consumer protections. Security is the highest concern for conducting digital business particularly among the small business merchants and working class and lower SE groups. Addressing security concerns would reduce barriers to adoption of banking services and likely yield higher engagement.

As adoption of digital banking products and services increases with the banked population and the availability to access these services increases throughout the small business network, it would be advantageous to prepare the unbanked and underbanked to utilize these services in the future. This would mean positioning banking services to these groups more as a trade facilitator for essential goods and services, and not merely as savings and deposit institutions. It would be important for banks and service providers to be perceived as having as little footprint as possible in the trading process.

Transaction convenience is very important to the consumer experience, but if merchants and consumers do not feel safe, this is a significant barrier to engagement with banking products and services. The lifecycle of a consumer trade transaction does not begin and end with the point of the trade. Consumers expressed a desire to feel that their personal and financial information is safe pre and post transaction. Strategies to improve consumer perceptions of digital safety are paramount to improving NFI.

A transaction lifecycle is a process which involves a number of steps during a payment transaction when a consumer is making a ‘digital’ payment to a merchant. Each step contributes to the efficiency and effectiveness of the entire transaction. Each transaction

cycle involves multiple parties playing a role in each step of the process. These include the cardholder, issuer, merchant, acquirer, networks, ISO's, E-Platform.

The study identified that a notable issue with usage (digital payment methods) is that the consumer/card holder wants to know prior to a digital payment transaction that they can afford to complete it. Having on hand information about bank or credit balances is important for the consumer in this regard. A strategy to improve the efficiencies of debit cards in the transaction lifecycle would have greater impact on the efficiencies of NFI than credit cards because many more consumers have debit cards than credit cards.

Introducing e-wallets where consumers can easily check balances without logging into a bank account, or having easier access to pre-paid credit cards where balances are guaranteed are examples of improving the overall transaction lifecycle from the consumer's perspective.

Doing cashless transactions involves a third party not directly involved in the transaction. Third parties in this case have costs and bring risks. Establishing a clear value proposition of these costs and risks (security) relative to doing cash transactions would be important for a successful NFIS.

In conclusion, improving access to credit and banking products and services are important for financial inclusion and therefore must be a significant part of the NFIS. However, consumer protections and other usage components of the NFI should be a key focus for the NFIS to be successful in achieving its overall objectives.

8. Appendix

8.1. *General Population Questionnaire*

Questionnaire on Digital Payment Products in Jamaica

Read: Hello, my name is **(say your name)** and I work for Hope Caribbean Co. Ltd., a marketing research company in Kingston. We are currently conducting a survey on digital payment products and to understand the levels of bank account ownership and usage, on behalf of the Bank of Jamaica[30] and we would like to ask you a few questions. May I speak with you for a few minutes? **The interview will only last 30 minutes**. Thank you for agreeing to take part in our survey today. Please be assured that all the information you provide will be kept confidential and will only be used for the benefit of this survey.

START:	FINISH:

Parish:

SCREENER

A. Exact AGE:_____years	*(AGE)*
18-29yrs.	1
30-39yrs.	2
40-49yrs.	3
50-59yrs.	4
60+ yrs.	5

B. SEL	*(SEL)*
A	1
B	2
C1/C2	3
D	4

C. Gender	*(GENDER)*
Male	1
Female	2

D. Location	
Urban	1
Rural	2

TRANSACTIONAL AND DEPOSIT ACCOUNTS

1. An account can be used to save money, to make or to receive payments, or to receive wages/ salary or financial help. Do you, either by yourself or together with someone else, currently have an account at any of the following organizations? **(RECORD ANSWER IN TABLE BELOW)**

30 Specifically, the Financial Inclusion Secretariat

2. **(Motivator)** Thinking of your most recent account opened with (insert institution) was it to: **(RECORD ANSWER BELOW)**

   1 Receive a wage payment (from an employer)
   2 Receive remittances/ money from overseas.
   3 Receive a payment from the government (not related to wages)
   4 To save money
   5 To process a loan
   6 Other

3. For each institution accounts held with ask: Thinking about all the accounts you have at *(Insert entity)* which allow you to deposit or withdraw money, how many accounts do you have with….*(Insert entity)*? **RECORD BELOW**

4. **IF 1-4 SELECTED:** At the financial institution you stated you are a member of/ have an account with, which of the following kinds of account(s) do you hold? **(RECORD IN TABLE BELOW)**

Savings account	1	Chequing / Current account	2
Other (specify)			3

		Q1	Q2 Reasons for most recent account	Q3 # of accounts	Q4 Type of account
1	Commercial bank	1			
2	Merchant bank	2			
3	Building societies	3			
4	Credit union	4			
5	None (**DO NOT READ**)	5			

Q1. SHOW CARD

NAMES OF FINANCIAL INSTITUTIONS	TYPE OF FINANCIAL INSTITUTIONS	
Bank of Nova Scotia (BNS, Scotia)		
Citibank		

First Caribbean International Bank (Jamaica) Limited (CIBC)	**Commercial Banks**	**1**
First Global Bank Limited (FGB)		
JMMB Bank		
JN Bank		
National Commercial Bank (NCB)		
Sagicor Bank		
Scotia Jamaica Building Society	**Building Societies**	**2**
Victoria Mutual Building Society		
Cornerstone Trust & Merchant Bank Limited (formerly MF&G Trust & Finance Limited)	**Merchant Banks**	**3**
BJ Staff Co-Operative Credit Union	**Credit Unions**	**4**
Broadcast & Allied Services Co-Operative Credit Union		
City of Kingston Sodality Co-Operative Credit Union		
Community & Workers of Jamaica Co-Operative Credit Union		
Educom Co-Operative Credit Union		
Essential and Emergency Service & Partners Co-Operative Credit Union		
First Heritage Co-Operative Credit Union		
First Regional Co-Operative Credit Union		
Gateway Co-Operative Credit Union		
Grace Co-Operative Credit Union		
Insurance Employees Co-Operative Credit Union		
Jamaica Defense Force Co-Operative Credit Union		
Jamaica Police Co-operative Credit Union		
JPS & Partners Co-Operative Credit Union		
JTA Co-Operative Credit Union		
Lascelles Co-Operative Credit Union		
Manchester Co-Operative Credit Union		
NAJ & Health Services Co-Operative Credit Union		
NCB Employees Co-Operative Credit Union		

Palisadoes Co-Operative Credit Union		
Portland Co-Operative Credit Union		
Postal Co-Operative Credit Union		
Public Sector Employees Co-Operative Credit Union		
PWD Co-Operative Credit Union		
The National People's Cooperative Bank of Jamaica (PC Bank)		
Trelawny Co-Operative Credit Union		

5. **If NONE selected at Q1 ask:** *Have you ever had an account with any financial institution?*
   1 Yes *2 No*

6. **IF 5 SELECTED at Q1 and 1 SELECTED AT Q5 ASK**: If not currently a member of a financial institution, why have you never opened an account with any of these institutions?

Don't trust financial institutions	1
Don't have required documents to open one	2
Don't have enough money to open or maintain an account	3
Family member already has an account	4
Don't need an account	5
Other (specify)	6

7. For each institution account held with ask:
   a. Approximately how many times, in the past 4 weeks, did you **deposit** that is, Add funds to your account(s) at *(insert institution)?*
   b. Approximately how many times, in the past 4 weeks, did you **withdraw that is remove or take away** funds from your account at *(insert institution)?*
   c. Approximately how many times in the past 4 weeks did you **transfer** that is, move from one account to another whether belonging to you or someone else, funds from your account at *(insert institution)?*
   d. Approximately how many times in the past 4 weeks were **payments** that is settling of funds owed for the paying of goods and/or services made from your account(s) at *(insert institution)*?

		Commercial Bank	**Merchant bank**	**Building Societies**	**Credit Union**
	Deposits: Past 4 weeks				
	Withdrawals: Past 4 weeks				
	Transfers: Past 4 weeks				
	Payments: Past 4 weeks				

8. Types of bank transactions include **cash withdrawals or deposits, cheque deposit, balance inquiries, online payments, online transfers, POS card payment transactions, wire transfers and loan payments**. When was the last time you did a transaction with any account you hold at each of these institutions? Would you say it was…?

	When last did you do a transaction with *(insert entity)*? Was it within the past….	**Commercial Bank**	**Merchant bank**	**Building Societies**	**Credit Union**
	7 days	1	1	1	1
	4 weeks	2	2	2	2
	3 months	3	3	3	3
	6 months	4	4	4	4
	12 months (1 year)	5	5	5	5
	Longer ago	6	6	6	6

OPENING A TRANSACTIONAL OR DEPOSIT ACCOUNT

9. Based on what you know or have heard which of the following are requirements for opening a transactional or deposit account in Jamaica? **ASK EVERYONE. READ LIST**

National/ government issued photo ID	1
Student ID	2
Character reference	3
Proof of address	4
TRN	5
Birth Paper/ Certificate	6
Proof of Income	7
Passport sized pictures	8
Minimum Opening deposit	9
Employee ID	10
Other (specify)	11

10. Thinking back to when you opened your most recent account, please rate the level of ease or difficulty in doing so?

	Very easy	Easy,	Neutral,	Difficult,	Very difficult,
Transactional or deposit account (savings, chequing etc.)	**1**	**2**	**3**	**4**	**5**

11. **IF DIFFICULT- VERY DIFFICULT**: What challenges if any did you encounter when opening a transactional account?

	Bank Account
No proof of address	1
No character references	2
Un-employed	3
Long wait time	4
Limited understanding of products/ Don't know how to use	5
Oher (specify)	6

12. Thinking back to when you opened your most recent account, how satisfied were you with the process of doing so?

	Very satisfied	Satisfied	Neutral,	Unsatisfied	Very unsatisfied
Transactional account (savings, chequing etc.)	**1**	**2**	**3**	**4**	**5**

13. **IF UNSATISFIED- VERY UNSATISFIED**: What challenges if any did you encounter when opening a transactional account?

14. Please tell me how much you agree or disagree with the following statements

	Strongly Agree	**Agree**	**Neither Agree nor Disagree**	**Disagree**	**Strongly Disagree**
I generally feel unwelcomed in a financial institution	1	2	3	4	5
I generally feel undervalued in a financial institution	1	2	3	4	5
I trust that financial institutions are working in my best interest/ have my interest at heart	1	2	3	4	5
Financial institutions are safe and will protect my money	1	2	3	4	5
I find it hard to do business with financial institutions; you have to jump through too many hoops	1	2	3	4	5
It was easy to understand the requirements for opening an account and doing business with financial institutions	1	2	3	4	5
I was able to easily get the documents/ requirements for opening an account.	1	2	3	4	5

DIGITAL PAYMENT METHODS PENETRATION:

15. Do you currently have a debit card? A debit card is: *a card connected to an account at a financial institution that allows you to withdraw money and the money is taken out of that account right away.* ***IF NO go to Q16***

Debit card	Yes 1	No 2

a. Approximately how many times, in the past 4 weeks, have you used your debit card to purchase or pay for something whether online or in-person?

_____

b. When was the last time you did a transaction using your **debit card**? Would you say it was….

24hrs	1	6 months	5
7 days	2	12 months (1 year)	6
4 weeks	3	Longer ago	7
3 months	4	Never used before	8

16. Do you personally have a credit card? A credit card is: *a card that allows you to BORROW money in order to make payments or buy things, and you can pay the balance off later ….* ***IF NO go to Q17***

A credit card	Yes 1	No 2

a. Approximately how many times, in the past 4 weeks, have you used your credit card to purchase or pay for something whether online or in-person?

_____

b. When was the last time you did a transaction using your **credit card**? Would you say it was…

24hrs	1	6 months	5
7 days	2	12 months (1 year)	6
4 weeks	3	Longer ago	7
3 months	4	Never used before	8

17. Do you personally have a prepaid debit/credit card? A prepaid card is: *a card that is pre-loaded with a certain amount of money but is not connected to an account at a financial institution. It can be used to make payments or buy things.* ***IF NO go to Q18***

A prepaid card	Yes 1	No 2

a. Approximately how many times, in the past 4 weeks, have you used your prepaid card to purchase or pay for something whether online or in-person?

_____

b. When was the last time you did a transaction using your **prepaid card**? Would you say it was…

24hrs	1	6 months	5
7 days	2	12 months (1 year)	6
4 weeks	3	Longer ago	7
3 months	4	Never used before	8

18. Do you personally have a mobile wallet? A mobile wallet is: *a digital wallet that stores payment card information on a mobile device and allows users to pay for items using that mobile device such as Lynk, Apple Pay and Google Pay etc..*

A prepaid card	Yes 1	No 2

c. Approximately how many times, in the past 4 weeks, have you used your mobile wallet to purchase or pay for something whether online or in-person?

_____

d. When was the last time you did a transaction using your **mobile wallet**? Would you say it was…

24hrs	1	6 months	5
7 days	2	12 months (1 year)	6
4 weeks	3	Longer ago	7
3 months	4	Never used before	8

19. Thinking back to when you applied for your most recent debit, credit, prepaid card or mobile wallet please rate the level of ease or difficulty in doing so? **ASK FOR EACH**

	Very easy	Easy,	Neutral,	Difficult,	Very difficult,
Debit Card	**1**	**2**	**3**	**4**	**5**
Prepaid Card	**1**	**2**	**3**	**4**	**5**

Credit Card	**1**	**2**	**3**	**4**	**5**
Mobile Wallet	**1**	**2**	**3**	**4**	**5**

20. **IF DIFFICULT- VERY DIFFICULT**: What challenges if any did you encounter when applying for your most recent debit card, prepaid card, credit card or mobile wallet? **ASK FOR EACH. READ LIST**

	Debit Card	Prepaid Card	Credit Card	Mobile Wallet
No proof of address	**1**	**1**	**1**	**1**
No character references	**2**	**2**	**2**	**2**
Un-employed	**3**	**3**	**3**	**3**
Long wait time	**4**	**4**	**4**	**4**
Limited understanding of products/ Don't know how to use	**5**	**5**	**5**	**5**
Poor or no credit score	**6**	**6**	**6**	**6**
Did not meet financial requirements for credit card	**7**	**7**	**7**	**7**
Other (specify)	**8**	**8**	**8**	**8**

21. If respondent does not have a **Debit, Credit, Prepaid card or Mobile wallet ASK FOR EACH:** Why do you not have a debit, credit, prepaid card or mobile wallet? DO NOT READ

	Credit card	**Debit card**	**Prepaid card**	**Mobile Wallet**
Security concerns	1	1	1	1
Privacy	2	2	2	2
Inconvenience	3	3	3	3
Increased risk of fraud	4	4	4	4

Lack of trust	5	5	5	5
Government tax	6	6	6	6
Fees and charges	7	7	7	7
Unable to open an account (due to lack of funds)	8	8	8	8
I do not meet the necessary identification requirements / unable to meet the requirements such as current photo ID, TRN and employment information (KYC requirements)	9	9	9	9
Not interested	10	10	10	10
No Specific reason	11	11	11	11
Other, please specify	12	12	12	12
Never Heard of it	13	13	13	13

22. **FOR EACH PAYMENT METHOD BELOW NOT CURRENTLY OWNED ASK:** How interested are you in getting (**insert Payment Method**) within the next 6 months? **ASK FOR EACH.**

	Very uninterested	Somewhat not interested	Neither interested or uninterested	Somewhat interested	Very interested
a. Credit Card	1	2	3	4	5
b. Debit Card	1	2	3	4	5
c. Pre-paid Card	1	2	3	4	5
d. Mobile Wallet	1	2	3	4	5

(b) How important are the following attributes to you when using payment methods such as debit, credit, prepaid card(s) or mobile wallets?

(b) Rank each attribute in order of importance to you: **(1-6), with 1 being the least important and 6 being the most important**

Attributes	Definitely Not Important	Somewhat Not Important	Neither	Somewhat Important	Definitely Important	Rank
a. Security of transactions ((personal information and banking/ card details secure/ low risk of fraud)	1	2	3	4	5	
b. Affordability	1	2	3	4	5	
c. Time saving – digital transactions are faster	1	2	3	4	5	
d. Digital payment products such as debit cards, credit cards or prepaid card widely accepted by vendor, store, shop or dealer.	1	2	3	4	5	
e. Ways to resolve any complaints (e.g. electronic fraud, challenges with accessing digital payment service)	1	2	3	4	5	
f. User- friendly/ease of use	1	2	3	4	5	

23. Within the last 12 months, which of the following payment methods have you used for each transaction below? Which payment method have you used for (insert transaction)? **ASK FOR EACH TRANSACTION.**

	Credit Card	Debit Card	Pre-paid debit/credit Card	Mobile Wallet	Cash	**Online/ Bank App**	**DO NOT DO**
Pay bills (online)	1	2	3	4		6	7
Pay bills (in branch/bill payment location)	1	2	3	4	5	6	7
Telebanking	1	2	3	4		6	7
Make purchases in store	1	2	3	4	5	6	7
Shop online	1	2	3	4		6	7
Send money	1	2	3	4	5	6	7
Receive money (via remittances/transfers /ATM)	1	2	3	4	5	6	7
Purchase phone credit	1	2	3	4	5	6	7

USAGE OF CASH AS A PAYMENT METHOD

24. Within the last six months period, how often did you use cash?

Every day	1
One to two times per week (WEEKLY)	2
Once per fortnight	3
Once every few months (MONTHLY)	4
Less often	5
Don't Know	6
Other (specify)	7

25. Thinking of the times when you have the option to use a debit card, credit card, prepaid card, mobile wallet and you chose cash, which of the following are some of the reasons you would use cash?

I only/ always use cash	
Store only accepts cash	1
Small transaction amount/ cost below minimum balance for card	2
Don't trust the security of the outlet	3
Don't have to pay Point of sale or transaction fees	4
No security breaches (no sharing of personal information)	5
Have enough cash to cover cost of purchase	6
Discounts when using cash	7

26. What are the disadvantages of using cash while shopping?

No security (prone to theft or loss)	1
Causes me to overspend	2
Inconvenient (especially for large purchases/ online shopping)	3
Large purchase	4
Other (Specify)	5

SMART PHONE USAGE & INTERNET ACCESS

27. Do you have access to the Internet? (tick all that apply)

Yes, at home	1	Yes, mobile internet	4
Yes, at work	2	No, no access	5
Yes, at another location (specify)	3		

28. What device(s) do you use to connect to the internet?

Desktop/ Laptop Computer	1
Cell phone	2
Tablet	3
Other (specify)	4

29. Do you own a cell phone? Is it a smartphone? By smartphone we mean a mobile phone that performs many of the functions of a computer, typically having a touchscreen interface, internet access, and an operating system capable of running downloaded apps.

Yes, a smartphone	1
Yes, not a smartphone	2
No I do not own a mobile phone	3

30. How often do you use your smartphone to access the internet (internet browser)?

Several times a day	1	Several times a month	4
Once a day	2	Less often	5
Several times a week	3	**DO NOT USE**	6

31. In the past 12 months, have you used your mobile phone to do any of the following?
32. **IF YES:** How convenient would you say it is to use your smartphone to do these transactions?

	Q31.USE MOBILE PHONE	**Q32.**				
		Very Convenient	Convenient	Neither Convenient nor Inconvenient	Inconvenient	Very Inconvenient
Bill Payment (using app or internet)	1	1	1	1	1	1
Used a mobile money app to make purchases online or in-store	2	2	2	2	2	2
Purchase goods online (using app or internet)	3	3	3	3	3	3
Use an app to send or Receive money	4	4	4	4	4	4
None of the Above	5					

33. a. Have you ever heard of the following digital money payment services?
    b. Have you ever used any of the following mobile money payment services?

	Q33a. AWARE OF	**Q33b. EVER USED**
ePay	1	1
NCB Quisk	2	2
Lynk	3	3
Sagicor MyCash	4	4
Don't Know/ Don't Use	5	5
Never heard of it	6	

34. **IF NOT:** Why don't you use smartphone to make payments, such as bill payments, mobile banking using an app? **DO NOT READ**

Requires internet/ WiFi	1
Unsure of the security	2
Don't know how to	3
Other (specify)	4
No special reason	5

35. **IF NOT:** On a scale of 0-10, how willing would you be to consider using your smartphone to make monetary payments, such as bill payments, mobile banking using an app?
"0" means "I DEFINITELY WILL NOT consider" and "10" means "I DEFINITELY WILL consider".

98/ Don't Know	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**

36. When paying for a delivery service, do you usually pay online, with cash, with card or using mobile money?

Pay online (through a website or bank transfer)	1
With cash on delivery	2
With card on delivery (credit/debit/prepaid)	3
Using mobile money apps	4
Using mobile wallets	5
Have never used a delivery service	6
Other (specify)	7

PERCEPTIONS OF MOBILE BANKING

37. Mobile banking is the connection between a mobile phone and a personal or business bank account. Mobile banking allows customers to use their mobile phones as another channel for their banking services, such as account transfers, bill payments, and balance queries. This is usually done using a mobile app or web page. Please tell me how much you agree or disagree with the following statements

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
I would consider making payments using my mobile /smart phone in the future	5	4	3	2	1
Mobile banking systems are easy to learn and use	5	4	3	2	1
When I think of mobile banking I worry about fraud and theft	5	4	3	2	1
Most people in my everyday life use mobile banking	5	4	3	2	1
Mobile banking saves time	5	4	3	2	1
Mobile banking requiring an internet connection to work makes me less interested in using it	5	4	3	2	1
I believe Mobile banking is trustworthy	5	4	3	2	1
I would recommend others to use mobile banking	5	4	3	2	1
I plan to use mobile banking more often in the future, than I do now	5	4	3	2	1
I would use mobile banking on a daily basis	5	4	3	2	1

38. Please tell me how much you agree or disagree with the following statements

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
The internet is a reliable space for conducting financial transactions, such as bill payment or online shopping	1	2	3	4	5
I am more likely to use a digital transactional service rather than cash the next time I shop	1	2	3	4	5

WAGE/ SALARY PAYMENT

39. In which of the following ways do you receive your pay/wages? (**IF MULTIPLE SOURCES OF INCOME**: use main or most profitable source of income)

Cash	1
Cheque	2
Direct deposit (e.g. from electronic fund transfer from employer's bank account to your bank account)	3
Online payment (e.g. PayPal etc.)	4
Mobile money	5
Other (specify)	6
I do not receive pay/wages	7

40. Since being employed, has your employer switched from one wage payment method to the next?

Yes	1
No	2
Self Employed	3

IF YES: What wage payment did they switch from and what wage payment did they switch to?

Switch from:_____
Switch to: _____ c

SAVINGS AND LOANS

41. In the past 12 months have you personally saved or set aside any money for any reason…?

	Yes	No	Refused/ Don't Know
With an account at a financial institution	1	2	3
At home	1	2	3
With a family member/friend/ partner	1	2	3
Using an informal saving plan like a partner plan	1	2	3
In a mobile money/ wallet	1	2	3
Other (specify)	1	2	3

42. In the past 12 months have you, by yourself or with someone else borrowed money for any reason from any of the following…?

	Yes	No	Refused/ Don't Know
A financial institution	1	2	3
A family member/friend/ partner	1	2	3
An informal saving plan like a partner plan	1	2	3
Loan Companies/ Private lenders	1	2	3
Your employer	1	2	3
Other (specify)	1	2	3

43. If you had a large purchase to make or an emergency, which of the following would be your main source of funds?

	Yes
Savings	1
Family, relatives or friends	2
Salary or Wages	3
Bank (loan or credit card)	4
Loan Companies/ Private lenders	5
Selling assets (car, house, land etc.)	6
Other (specify)	7
Don't Know	8

BANKING AMONG MINORS

44. Are you the parent of a child under the age of 18 years old?

Yes	1
No	2

45. Have you opened an account for that child?

Yes	1
No	2

46. **IF YES:** Why did you do so?_____
47. **IF NO:** Why not? _____

Demographics

D1. Including yourself, how many persons live in your household? _____

D2. What is the annual household income?

Below $500,000	1
$500,000-$999,999	2
$1,000,000-1,499,999	3
$1,500,000- $1,999,999	4
Above $2,000,000	5
Refused	6
Don't Know/ Not sure	7

Parish in which interview conducted:

_____

D3. Employment Status: 1 Full time 2 Part time 3 Unemployed 4 Student

D4. What is your exact occupation?

_____

IF RESPONDENT IS UNEMPLOYED OR RETIRED, ASK FOR PREVIOUS OCCUPATION.

IF A STUDENT ASK FOR THE OCCUPATION OF THE MAIN WAGE EARNER

IF SELF EMPLOYED ASK HOW MANY PERSONS THEY EMPLOY & THE TYPE OF BUSINESS

D5. What is the highest level of education you have completed?

_____

8.2. Merchant Questionnaire

Questionnaire on Digital Payment Products in Jamaica

Read: Hello, my name is (say your name) and I work for Hope Caribbean Co. Ltd., a marketing research company in Kingston. We are currently conducting a survey ON your digital payment products, on behalf of the Financial Inclusion Technical Secretariat of the Bank of Jamaica and we would like to ask you a few questions. May I speak with you for a few minutes? The interview will only last 30 minutes. Thank you for agreeing to take part in our survey today. Please be assured that all the information you provide will be kept confidential and will only be used for the benefit of this survey.

START:	FINISH:

Parish:

SCREENER

A. Location	
Urban	1
Rural	2

B. Merchant Size	
Micro (business has 1 to 5 employees and earns less than 15M JMD annually)	1
Small (business has 6 to 20 employees and earns 15M to 75M JMD annually)	2

C. Outlet types	
Small shop	1
Wholesale	2
Supermarket	3
Pharmacy	4
Hairdresser/ barber, etc.	5
Restaurant / cook shop	6
Other (specify)	7

D. Product or service based company?	
Products such as food items, household items, building supplies, audio equipment, mobile phones, laptops, vehicles, and furniture	1
Services such as beauty/cosmetology, tourism, education, health care, banking, insurance, construction, car servicing/detailing and transportation	2
Both	3

E. Customer base	
Individuals	1
Businesses	2
Both	3

ACCESS:

ACCOUNTS

1. With which of the following institutions do you have at least one account that you use for your business? **RECORD BELOW**

2. For each institution account held ask: Is the bank account with that financial institution:

(Personal account) An account used only for personal transactions	1
(Combined use) a single account used for both personal transactions and transactions related to the business.	2
(Business account) A bank account that's **used only for business transactions.** Sometimes this is opened in the name of the business, allowing payments to be made and received using the business's name.	3
Loan Account or credit facility An account through which a customer is able to repay a bank loan.	4
Other (specify)	5

3. **For each institution accounts held with, ask:** Thinking about all the accounts you have at *(Insert entity)* which allow you to deposit or withdraw money, how many accounts do you have with…. *(Insert entity)*? **RECORD BELOW**

4. At the financial institution you stated you are a member of/ have an account with, which of the following kinds of account(s) do you hold? **RECORD BELOW**

Savings account	1	Chequing/ Current account	2
Investment Account	3	Other (specify)	

		Q1	Q2 Personal or business account	Q3 # of accounts	Q4 Type of account
1	Commercial bank	1			
2	Merchant bank	2			
3	Building societies	3			
4	Credit union	4			
5	None	5			

5. **If respondent does not use a business account to manage business funds, ASK**: Why didn't you open a business account?

   _____

IF RESPONDENT DOES NOT HAVE A BUSINESS ACCOUNT SKIP TO **Q10**.

IF RESPONDENT HAS BUSINESS ACCOUNT ASK Q6 to Q9.

6. Please rate the level of difficulty in opening a bank account for your business? Why do you say so?

Q6.	Very easy	Easy	Neutral	Difficult	Very difficult
Transactional account (savings, chequing etc.)	**1**	**2**	**3**	**4**	**5**

7. Thinking back to when you opened your account, how satisfied were you with the process of doing so? Why do you say so?

Q7.	Very satisfied	Satisfied	Neutral,	Unsatisfied	Very unsatisfied
Transactional account (savings, chequing etc.)	**1**	**2**	**3**	**4**	**5**

8. What are some of the benefits of having a business bank account?

Offers a line of credit	**1**
Help establish or build business credit	**2**
Accept payments using a POS machine	**3**
Accept payments using bank transfer	**4**
Make payments to clients/ vendors/ employees	**5**
Provides a transaction history of funds received and paid/ bookkeeping	**6**
Builds credibility with clients/ customers	**7**
Easy to assess business performance	**8**
Other (specify)	**9**

9. What are some of the disadvantages of having a business bank account?

Start-up Fees	**1**
Having to maintain a high minimum balance	**2**
Difficulty in setting up or usage	**3**
Transaction Fees i.e. when your financial service provider charges the customer for using an account or a payment card and Minimum account balance fees i.e. a fee that banks charge when your account balance drops below a certain amount	**4**
Monthly service fees	**5**
Other (specify)	**6**

LOANS

10. Have you ever borrowed money or received a loan from a financial institution such as a commercial bank, merchant bank, building society, credit union or micro-credit institution to use in your business? *A loan is a sum of money borrowed from a financial institution or a facility, such as a line of credit, that is expected to be paid back with interest.*

Yes	1
No	2

Thinking about the last time you ever borrowed money or received a loan from a financial institution such as a commercial bank, merchant bank, building society or credit union to use in your business:

11. Where did you borrow the money from?

Commercial Bank	1	Microfinance entity	3
Credit Union	2	Building Society	4

12. How difficult would you say it was to access this loan?

Q12.	Very easy	Easy	Neutral	Difficult	Very difficult
Loan	**1**	**2**	**3**	**4**	**5**

13. How satisfied would you say you are with the loan process from filing the application to receiving the funds?

Q13.	Very satisfied	Satisfied	Neutral,	Unsatisfied	Very unsatisfied
Loan	**1**	**2**	**3**	**4**	**5**

CREDIT CARDS

14. Do you currently have a credit card that you use to purchase goods for your business/ company? A credit card is: *a card that allows you to BORROW money in order to make payments or buy things, and you can pay the balance off later* with interest ….

A credit card is: *a card that allows you to BORROW money in order to make payments or buy things, and you can pay the balance off later)*?	Yes 1	No 2

IF YES: Thinking of the past 12 months how often is that credit card used to make payments or purchases for your business?

Every day	1
One to two times per week (WEEKLY)	2
Once per fortnight	3
Once every few months (MONTHLY)	4
Less often	5
As needed	6
Don't Know	7
Other (specify)	8

15. **IF NO**: Why don't you have a credit card?

    _____

USAGE OF PHYSICAL AND DIGITAL PAYMENT METHODS

There are different ways/ methods that customers can use to pay for goods and services. These include cash, cheque, debit cards, credit card, electronic bank transfer, mobile money and digital money.

16. Which of the following payment methods does your business accept? **RECORD BELOW**

17. Which of the following payment methods does your business receive most often? **(ONE ANSWER ONLY) RECORD BELOW**

18. Which of the following payment methods does your business prefer to accept? **(ONE ANSWER ONLY) RECORD BELOW**

	Q16	Q17	Q18
Cash	1	1	1
Cheque	2	2	2
Card (credit/debit) at Point of Sale	3	3	3
Mobile money- financial transactions and services that can be done using a mobile device (mobile phone or tablet). These services may or may not be linked directly to a bank account.	4	4	4
Digital money- Digital money is money or a virtual asset that's available only in digital form, such as BITCOIN. This type of money is not physical and cannot be held. This money is not the same as CBDC and is not backed by Bank of Jamaica.	5	5	5
Electronic Bank Transfer- currency transfer using a bank account through the internet or app	6	6	6
Other (specify)	7	7	7
None			8
N/A	-	-	-

If code 8 selected at Q18 GO TO Q21

19. Why do you prefer that method?

_____

20. Which of the following payment methods would you say is most inconvenient? **RECORD BELOW (ONE ANSWER ONLY)**

21. Why is it the most inconvenient method? **RECORD BELOW**

	Q20	Q21. Why inconvenient?
Cash	1	
Cheque	2	
Card (credit/debit) at Point of Sale	3	
Mobile money- financial transactions and services that can be done using a mobile device (mobile phone or tablet). These services may or may not be linked directly to a bank account.	4	
Digital money- Digital money is money or a virtual asset that's available only in digital form, such as BITCOIN. This type of currency is not physical and cannot be held (This digital money is not the same as CBDC and is not backed by Bank of Jamaica)	5	
Electronic Bank Transfer- currency transfer using a bank account through the internet or app	6	
Other (specify)	7	
N/A	-	

22. In the past 12 months has your business stopped accepting any of the following payment methods?

23. Why have you stopped accepting this method?

	Q22	Q23. Why stopped?
Cash	1	
Cheque	2	
Card (credit/debit) at Point of Sale	3	
Mobile money- financial transactions and services that can be done using a mobile device (mobile phone or tablet). These services may or may not be linked directly to a bank account.	4	
Digital money- Digital money is money or a virtual asset that's available only in digital form, such as BITCOIN. This type of money is not physical and cannot be held. (This digital money is not the same as CBDC and is not backed by Bank of Jamaica)	5	
Electronic Bank Transfer- currency transfer using a bank account through the internet or app	6	
Other (specify)	7	
N/A	-	

24. In the past 12 months has your business began accepting any of the following payment methods for the first time? **(MULTIPLE RESPONSE)**

25. Why have you begun accepting this method?

	Q24	Q25. Why begun accepting?
Cash	1	
Cheque	2	
Card (credit/debit) at Point of Sale	3	
Mobile money- financial transactions and services that can be done using a mobile device (mobile	4	

phone or tablet). These services may or may not be linked directly to a bank account.		
Digital money- Digital money is money or a virtual asset that's available only in digital form, such as BITCOIN. This type of currency is not physical and cannot be held. (This digital money is not the same as CBDC and is not backed by Bank of Jamaica)	5	
Electronic Bank Transfer- currency transfer using a bank account through the internet or app	6	
Other (specify)	7	
None	8	
N/A	-	

26. What do you think are some of the advantages a business gains when it accepts payment methods other than cash? (This would include debit cards, credit cards, mobile money, prepaid cards)

Gives customers multiple or their preferred way to pay	1
Increase clientele/ customers	2
More payment options lead to more paying customers	3
Avoid loss of a sale	4
Improves security	5
Avoid use of counterfeit (fake) money	6
Company is more financially inclusive	7
Decreased overhead cost	8
Other (specify)	9

27. When thinking about payment methods outside of cash, what are some of the things you are concerned about?

MAKING PAYMENTS

28. What payment method does your business use to make payments for bills, utilities or to buy goods?

29. As an employer which of the following methods do you use to pay employee wages?

	Q28	**Q29**
Cash	1	1
Cheque	2	2
Online banking - Direct deposit (e.g. electronic fund transfer from one bank account to another)	3	3
Online payment (e.g. PayPal etc.)	4	4
Mobile money	5	5
Other (specify)	6	6
Don't have employees	7	7
Point of sale- debit and/or credit card	8	8
N/A	9	9

30. People say different things about mobile phones and money. Please tell me the extent to which you agree or disagree with the following statements?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
I would consider making payments using my mobile phone/smartphone in the next 6 months	1	2	3	4	5

Using my mobile phone or making cashless payments will increase my chances of suffering fraud or theft	1	2	3	4	5
The internet is a reliable space for conducting financial transactions(bill payment, money transfer)?	1	2	3	4	5

QUALITY

31. People have said various things about payment methods (debit cards, credit cards, mobile money, prepaid cards) not including cash. Please tell me the extent to which you agree or disagree with the following:

	Strongly disagree	**Disagree**	**Neither agree nor disagree**	**Agree**	**Strongly agree**
Accepting other payment methods aside from cash is too expensive for my business	1	2	3	4	5
Customers would be less likely to purchase from my business if I do not offer multiple payment methods	1	2	3	4	5
Accepting other payment methods is safer than accepting cash	1	2	3	4	5
Businesses that accept payment methods aside from cash are more progressive/modern	1	2	3	4	5
Even if the payment method had high operating fees, I would accept it if many of my customers wanted to use it to pay	1	2	3	4	5
I am interested in using contactless payment i.e. transactions made by tapping a contactless enabled payment card on a point of sale machine without having to enter a pin method to accept payment	1	2	3	4	5

32. When thinking of digital payments (debit cards, credit cards, mobile money, prepaid cards), which of the following attributes are important to you and your business?

Universally Accepted	1
Instant/ Fast transactions	2
Contactless	3
Secure	4
Cost-Effective to operate	5
Private	6
User friendly	7
Easily integrates into my current system	8
Low transaction fees	9

33. Ecommerce is the buying or selling of products or services over the internet. With this definition in mind, to what extent do you agree or disagree with the following statements?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Don't Know/ Not sure
Ecommerce is safe/secure	1	2	3	4	5	6
Ecommerce is not suitable for our products/ services	1	2	3	4	5	6
Ecommerce is expensive to implement/ set-up	1	2	3	4	5	6
Ecommerce does not offer any advantages to my business	1	2	3	4	5	6
Implementing ecommerce would be time consuming to set up	1	2	3	4	5	6

34. Finally, has your business set up a website that accepts digital payments from your customers? 1 Yes 2 No

35. If no ask, why not? _____

36. If yes ask, how long ago was this? 1 During Covid-19 2 Before Covid-19

Thank you very much for your time!

8.3. List of Definitions

#	Term/Phrase	Given Definition
5.2.1	Financial Inclusion	Financial Inclusion means that individuals and businesses have **access** to useful and affordable financial products and services that meet their needs - transactions, payments, savings, credit and insurance - delivered in a responsible and sustainable way.
5.2.2	Banking or Financial Services	includes- (a) banking business; (b) lending; (c) consumer credit; (d) financing commercial transactions; (e) transfer of money or value; (**f**) issuing electronic money; (g) financial guarantees and commitments; (h) dealing in securities and trading in other financial instruments; (I) participation in security issues; (j) individual and collective portfolio management; (k) insurance business and insurance related financial services; (I) investment of moneys and other financial assets on behalf of third parties; (m) pension fund management; and (n) any other service designated as a financial service by the Supervisor by order published in the Gazette, subject to affirmation resolution.
5.2.3	Building Society	"Building society" means a society incorporated under the Building Societies Act and (a) licensed under that Act as a building society prior to the commencement date; or (b) licensed under this the Banking Services Act to operate as a building society.
5.2.4	Cash	Legal tender, including paper currency or coins (i.e. bank notes or coins) issued by Bank of Jamaica as currency, that can be used to effect payments for goods, debt or services."
5.2.5	Commercial Banks	Commercial banks are for-profit institutions that accept deposits, make loans, safeguard assets, and conduct business with the general public and businesses.
5.2.6	Credit Union	A credit union is a member-owned, not for profit, financial cooperative that is created and operated by members and shares profits with owners. Credit unions accept deposits, make loans, safeguard assets, and conduct business with the general public and businesses.
5.2.7	Deposit taking institutions	"Deposit taking institution" means (a) a bank; (b) a merchant bank; or (c) a building society, which is licensed by Bank of Jamaica
5.2.8	Digital Payment	A digital payment, sometimes called an electronic payment, is the transfer of value from one payment account to another using a digital device such as a mobile phone, POS (Point of Sales) or computer, a digital channel communication such as mobile wireless data or SWIFT (Society for the Worldwide Interbank Financial Telecommunication). This definition includes payments made with bank transfers, mobile money, and payment cards including credit, debit and prepaid cards.

5.2.9	Banking cards	A bank card is a payment card issued by a bank. Bank cards let customers access funds in checking or savings accounts or make purchases against a line of credit. ATM cards, debit cards, and credit cards are all considered types of bank cards.
5.2.10	Mobile Wallet (mWallet)	A mobile wallet is a virtual wallet that stores payment card information on a mobile device. mWallet is a data repository that stores data that can facilitate a financial transaction between a mobile device and a financial institution for debiting or crediting bank accounts or payment instruments.
5.2.11	Point-of-sale (POS) terminal	Point-of-Sale machines are hardware systems for processing card payments at retail locations. Software to information from credit and debit cards is embedded in the hardware.
5.2.12	Internet/Online Banking	Internet /online banking is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website
5.2.13	Mobile banking	The connection between a mobile phone and a personal or business bank account. Mobile banking allows customers to use their mobile phones as another channel for their banking services, such as deposits, withdrawals, account transfers, bill payments, and balance inquires. Most mobile banking applications are additive in that they provide a new delivery channel to existing bank customers.
5.2.14	Electronic Retail Payment Services	Relates to the use of an electronic retail payment instrument, such as a prepaid card or mobile wallet to facilitate payment on purchases.
5.2.15	Financial access	Refers to an individual's or enterprise's access to financial services, including credit, deposit, payment, insurance, and other risk management services.
5.2.16	Financial Inclusion	Financial inclusion refers to efforts to make financial products and services accessible and affordable to all individuals and businesses, regardless of their personal net worth or company size.
5.2.17	Financial institutions (definition and list of institution types it would include	A financial institution (FI) is a company engaged in the business of dealing with financial and monetary transactions such as deposits, loans, investments, and currency exchange. These include central banks, retail and commercial banks, internet banks, credit unions, savings, and loans associations, investment banks, investment companies, brokerage firms, insurance companies, and mortgage companies.
5.2.18	Financial Literacy	Possessing the skills and knowledge on financial matters to confidently take effective action that best fulfils an individual's personal, family and global community goals -National Financial Educators Council.
5.2.19	Financial Services	Professional services provided by the finance industry involving the investment, lending, and management of money and assets.

5.2.20	Global Findex database	The Global Findex database is the world's most comprehensive data set on how adults save, borrow, make payments, and manage risk.
5.2.21	Merchant banks	The term merchant bank refers to a financial institution that conducts underwriting, loan services, financial advising, and fundraising services for large corporations and high-net-worth individuals (HWNIs). Merchant banks are experts in international trade, which makes them specialists in dealing with multinational corporations.
5.2.22	Transactional Accounts	This refers to a bank account with a financial institution that allows for the efficient transfer of funds by the account holder to third parties as well as receiving electronic payments into this account. The most common form of transaction account is a bank checking account
5.2.23	Types of accounts and definitions	1. Checking Account- The everyday transactional account
		2. Savings Account- Designed to help members save
		3. Money Market Account- a savings account with additional features. The interest rate a money market account offers is typically higher than a savings account's rate.
		4. Fixed Deposit/ CD Accounts- Facilitates the long-term saving of money for several months or years. Due to this, a bank will often offer a higher interest rate than is typically available on savings accounts
5.2.24	Types of financial products and definitions	Financial products include but not limited to: 1. Checking Accounts 2. Savings accounts 3. Money market accounts 4. Investment accounts 5. Mortgages 6. Home Equity Loans 7. Auto Loans 8. Personal Loans 9. Credit cards 10. Debit cards 11. ATM Cards 12. Cashier's Cheque 13. Money Orders 14. Wire transfers 15. Foreign Currency exchange 16. Safe-deposit Boxes
5.2.25	Fintech	Management information systems employing computer software and hardware used to support and/or enable banking and financial services.

5.2.26	Applications Programming Interface (API)	An application programming interface (API) is a set of routines, protocols, and tools for building software applications that essentially allows multiple systems or applications to 'speak' to one another or ask a programme to perform a task. This allows customisation of applications, depending on the needs of the user and can streamline day-to-day processes.
5.2.27	Blockchain	Blockchain is essentially a secure digital record of transactions. Each block contains data around an individual transaction such as date, time, amount and is designed to be difficult to alter. Blockchain is structured so that individual blocks, are linked together in a single list, called a chain. They are popularly used in cryptocurrencies such as bitcoin.
5.2.28	Cloud Provider	A cloud provider delivers a cloud computing service. This allows companies to host their data remotely, accessing it only via the internet, as opposed to using a local server.
5.2.29	Data Management Platform	A data management platform is a tool that facilitates the collation and management of data from various sources including first, second and third-party audience data. Once collated, the combined data set can be segmented and pushed out across wider channels. DMPs are a core tool for digital marketing as the large data set allows for refined audience targeting. Examples of DMPs include Salesforce, Adobe Audience Manager and Oracle.
5.2.30	Digital Bank/Neobank	Neobanks operate solely online and through mobile apps. Customers are able to carry out traditional banking processes such as money transfers, loans, reviewing savings accounts without the need for a physical bank branch. A neobank won't necessarily have their own banking licence but may instead be a partner of a traditional bank.
5.2.31	Digital Fingerprint	A digital fingerprint is the condensed version of a larger data set, used for efficient identification. A digital fingerprint minimises the risk of tampering, as they are not reconstructable. The hash function is commonly used to produce a digital fingerprint.
5.2.32	Digital Identity	A digital identity is an individual's online version of their physical identity, developed based on their online activity. A user's digital identity is made up of data attributes such as username, search activities, purchasing behaviour.
5.2.33	Digital Wallet	A digital wallet (also known as an E-wallet) involves the housing of payment information on an electronic device. Some forms of digital wallets can also store other cards such as a driver's licence and loyalty cards.

5.2.34	Digital Money/Currency	Digital money (or digital currency) refers to any means of payment that exists in a purely electronic form. Digital money is not physically tangible like a dollar bill or a coin. It is accounted for and transferred using online systems. One type of digital money is cryptocurrency. Digital money also represents fiat currencies, such as dollars. Digital money is exchanged using technologies such as smartphones, credit cards, and online cryptocurrency exchanges. In some cases, it can be converted into physical cash through the use of an ATM.
5.2.35	Cryptocurrency	Cryptocurrency is a digital currency, which is issued by a private institution. It is different from fiat currency (dollars) in that it is not backed by a central bank. Cryptocurrency refers to a currency that is held as a record in a blockchain database.
5.2.36	Virtual Card	A virtual card is a debit or credit card that does not come with a physical card, but can instead be accessed via a website of mobile app. These can be used for most online purchases. A disposable virtual card can be used once, and then the card details are automatically erased, and new details are generated. These are generally used in order to protect against online card fraud.
5.2.37	Dual Interface Chip Cards	Dual interface chip cards are credit or debit cards that are able to process transactions both contact and contactless, through a single embedded chip.
5.2.38	eCheck	An eCheck (or electronic check) is a form of electronic funds transfer. Echecks are the digital version of a conventional paper check and can be used to cover the same range of transactions.
5.2.39	Eidv (Electronic Identity Verification)	eIDV (Electronic Identity Verification) uses both public and private databases in order to identify whether an individual is who they claim to be, in order to minimise fraud.
5.2.40	Geolocation	Geolocation is the physical location of an individual or digital device.
5.2.41	Hashing Codes	Hashing codes refer to the numeric value that aids in the identification of objects during equality testing. Hashing codes can likewise serve as indexes for the objects. A unique quality of hashing codes is that the value contained within them isn't permanent in nature. They're primarily used to help with efficient insertion and lookup of data collections, which are in turn based on hash tables.
5.2.42	ICO	An Initial Coin Offering (ICO) is a type of fundraising which uses cryptocurrency. Companies or projects sell cryptocurrency or 'tokens' to investors in exchange for money, with the hope that the token will have more value in future. It is somewhat similar to an Initial Public Offering (IPO).
5.2.43	Know Your Customer (KYC)	Know Your Customer, otherwise known as KYC, is the process whereby a business identifies and verifies the identity of the client. This process can be completed either before or during the time the business begins to do business with them. It is increasingly common to see financial institutions use KYC as a requirement to do business.

5.2.44	Mass Payment	Mass payment is the method of paying multiple recipients simultaneously through an online transaction. In place of inputting each recipient's payment details separately, users can upload a document containing all the relevant data. Alternatively, a mass payment Application Programming Interface (API) can be used.
5.2.45	Merchant Aggregator	A merchant aggregator, sometimes called a payment aggregator or simply known as an aggregator, is a service provider that allows merchants to take payments without having to set up a merchant account. Essentially, aggregators accept payments on behalf of merchants.
5.2.46	Micro Payment	Micropayments are financial transactions typically involving a very small amount of money. Micropayments usually occur online and, depending on who the provider is, are defined as a transaction less than £20. Micropayments are becoming increasingly common, with most companies and websites now accepting them.
5.2.47	Multi-factor Authentication	Multi-factor Authentication, also known as MFA, is a type of security system that requires a user to verify their identity through more than one method of authentication. Most typically, you will see this in use as Two-Factor authentication whereby a user will enter the password and then need to enter a code (or similar) from their phone.
5.2.48	Near-field communication (NFC)	Near-field communication (NFC) is a technology that allows communication between two devices when they are touching or within close proximity with each other. An example of this would be contactless payments, or transferring an image between a mobile and desktop by touching them together. NFC is secure due to the need to be within a few centimetres of distance in order for the devices to communicate.
5.2.49	Open Banking	Open Banking is a term that references the practice of sharing financial information securely, and in a way that the customer approves of. This is achieved through the use of open APIs, which enable developers to build applications and services. This allows users to share data such as spending habits and payments with authorised providers such as budgeting apps, other banks and challenger banks.
5.2.50	P2P Transactions	Peer-to-peer (P2P) transactions are the transmission of funds from one person's bank account or credit card to another individual's bank account via the internet, most often through a mobile phone. The increased popularity and acceptance of online banking and e-commerce has meant increased use or person-to-person payments.

5.2.51	Platform as a Service (PaaS)	Platform as a Service (PaaS) is a cloud computing model whereby an external company provides an organisation with a platform and an environment that allows them to build applications and services over the internet. PaaS gives developers the tools and services required for code to be deployed efficiently. They are designed to avoid the cost and complexity of building and maintaining the platform themselves.
5.2.52	Passwordless authentication	Passwordless authentication is a method of user verification where the user does not need to login to an application or website with a password. Instead, the user logs in using a token delivered via text or email, fingerprint, magic link, or some other manner. This enhances security as it avoids the user using the same password for every application.
5.2.53	Payment Gateway	A payment gateway sends payment information securely from a website or application to the payment network for processing and authentication, before returning the response to the website.
5.2.54	RegTech	Regulatory technology, sometimes known as RegTech, is the use of information technology within the financial services industry to enhance the regulatory processes. Within RegTech, the main functions include compliance, reporting, and regulatory monitoring among others. RegTech largely consists of companies using cloud computing technology to help comply with financial regulations more efficiently and cost-effectively.
5.2.55	Software as a Service (SaaS)	Software as a Service (SaaS) is a cloud-based technology that uses the internet to deliver an application that is owned, managed and developed by an external party. Normally run on a subscription basis, the software is usually not installed on the user's device.
5.2.56	Single sign-on (SSO)	Single sign-on (SSO) is an authentication process that allows a user to access multiple applications with one set of login credentials. This service authenticates the actions of the end-user for all the applications to which the user has been granted rights, eliminating further prompts when the user switches applications during the same session.
5.2.57	Split Payment	Split payment is a multi-payment method that allows goods or services to be paid for using more than one payment method, for example, using a debit card and cash to pay for goods. Retailers typically allow split payments in-store. However, they are rarely permitted for online transactions.
5.2.58	Tokenisation	Tokenisation is the method of replacing sensitive data with unique identification symbols, phrases or words, referred to as tokens. This process retains all of the sensitive information without compromising the security of the data. It can be used to enhance e-commerce transaction security without needing to incur additional costs for industry compliance and government regulation.

5.2.59	Banked	Banked refers to adults who have access to financial services with at least one active savings account with a licensed deposit taking institution or a registered co-operative society doing business as a credit union. Active account was defined as having used the account at least once in the past 12 months. *(World Bank Global Financial Index Report 2014)*
5.2.60	Unbanked	Unbanked refers to adults who do not use or do not have access to any traditional financial services, including savings accounts, credit cards, or personal checks or any other electronic retail payment services. *(World Bank Global Financial Index Report 2014)*
5.2.61	Under Banked	Underbanked refers to individuals or families who have a bank account but have not used this in the past 12 months. These persons often rely on alternative financial services such as money orders, check-cashing services, and payday loans rather than on traditional loans and credit cards to manage their finances and fund purchases. *(World Bank Global Financial Index Report 2014)*
5.2.62	Mobile Money	Mobile money is a pay-as-you-go digital medium of exchange and store of value using mobile money accounts, facilitated by a network of mobile money agents. It is a financial service offered to its clients by a mobile network operator or another entity that partners with mobile network operators, independent of the traditional banking network. A bank account is not required to use mobile money services—the only prerequisite is a basic mobile phone.
5.2.63	E-Money	Electronic money or e-money is the electronic alternative to cash. It is monetary value that is stored electronically on receipt of funds, and which is used for making payment transactions. E-Money can be held on cards, devices, or on a server. Examples include pre-paid cards, electronic purses, or web-based services, such as PayPal.

8.4. Socio Economic Level (SEL) Calculator 2019

Socio-economic level (SEL) is calculated using an individual's highest level of education and current occupation. Educational level and occupation types are classified and grouped together according to tiers.

Why is income not used to determine a person's SEL?

Income is not an accurate measure to determine an individual's SEL, as within the Jamaican context, money is a sensitive issue. As such, from experience individuals tend to overstate, understate, or refuse to provide this information.
Below details the SEL as of 2019 used by HOPE Caribbean's Company Ltd.:

- **AB socio-economic group/Upper Income-** are those individuals within the population who holds at least a Bachelor's Degree and are employed as Top Managers, Entrepreneurs, Senior Executives or Professionals.

- **C1 socio-economic group/Middle Income-** are those individuals within the population who have completed at least Post-secondary Education and are employed as Middle Managers, Small Business Owners, Public Servants, or Administrative Personnel.

- **C2 socio-economic group/Working Class-** are those individuals within the population who completed at least Secondary Education and are employed as Supervisors, Public Servants and Skilled Workers.

- **D socio-economic group/Low Skilled Lower Class-** are those individuals within the population who may/may not have completed Secondary Education and who are unemployed or employed in low-skilled jobs.

- **E socio-economic group/Unemployed No schooling Unskilled Class-** are those individuals within the population who, as it suggests, are either unemployed or have no formal education. If employed, they are usually employed as an unskilled worker.

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