



PAYMENTS
CANADA

INTERNATIONAL PAYMENTS

Payments Behaviour Tracker – Consumer (Wave 3 2023)

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PAYMENTS CANADA

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METHODOLOGY

- The findings in this report are sourced from the Payments Behaviour Tracker - Consumer survey (Wave 3).
- In total, 1,501 Canadians were interviewed online, between September 25 and October 6, 2023 (Wave 3) using Leger's online panel. The margin of error for this study was +/-2.5 per cent, 19 times out of 20.
- All significant differences are reported at the 99 per cent level.
- The sample is nationally representative of the Canadian adult population.
- Leger's online panel has approximately 400,000 members nationally and has a retention rate of 90%.

Note to reader: Young Canadians = 18-34 years. Middle-aged Canadians = 35-54 years. Older Canadians = 55+ years.

KEY INSIGHTS

1. International payments made by consumers are on the rise.

- One in five Canadians sent money internationally using their Canadian bank account over the past 12 months, representing a 33 per cent increase from 2022. The leading destination was the U.S. (50 per cent).
- The two most frequent payment situations were transferring funds to another individual with a bank account in a foreign country and paying an international merchant/retailer directly.

2. The frequency of sending money internationally greatly differs by age group.

- Young Canadians send money internationally more frequently (i.e., monthly or more often) compared to older Canadians (50 per cent vs. 21 per cent respectively).
- Older Canadians send money internationally more rarely (i.e., once or twice per year) than do young Canadians (50 per cent vs. 29 per cent respectively).
- Males (40 per cent) who are either self-employed (61 per cent) or working in the gig economy (53 per cent) also send money internationally more frequently.

KEY INSIGHTS

3. **Canadians primarily use either electronic transfer via their online/mobile banking app or PayPal Transfer for sending money internationally.**

- The two most widely used methods for sending money internationally within the last year by Canadians were electronic transfer via their mobile banking app or online banking account at 31 per cent (e.g., RBC International Money Transfer, TD Global Transfer, BMO Global Money Transfer) and PayPal Transfer at 30 per cent. Wire transfer was the next most widely used method for sending money internationally but placed a distant third at 11 per cent.
- Interac International Money Transfer is also a popular method for sending money internationally with 39 per cent of Canadians having ever used.
- Those who are self-employed (48 per cent) or working in the gig economy (40 per cent) are more likely than those who are neither (28 per cent and 27 per cent respectively) to have mainly used PayPal Transfer to send money internationally within the last year.
- Ease of making the transaction is a key driver regardless of payment method, while speed is the top driver for choosing to use wire transfers.

KEY INSIGHTS

4. Besides cost, exchange rate uncertainty, amount limits and the time it takes for the funds to appear in the beneficiary account are the biggest challenges.

- Extra/hidden fees (26 per cent) and the high cost of each transaction (23 per cent) represent the biggest pain points for sending money internationally. This is followed by not knowing the foreign exchange rate applied prior to the clearing and settlement of the transaction (17 per cent), amount limit on the funds that can be sent (17 per cent) and the amount of time it takes for the transfer to be processed (17 per cent). This result is the same regardless of age group.
- Dealing with a payment services provider that is compliant with international laws and anti-money laundering regulations represents a key challenge for gig workers when sending money internationally (20 per cent).
- Amount limits are the biggest challenge when using electronic transfers via online/mobile banking, while exchange rate transparency is a key pain point of using PayPal Transfers. Twenty-two percent of wire transfer users indicate the procedure for sending a payment is too complicated to understand.

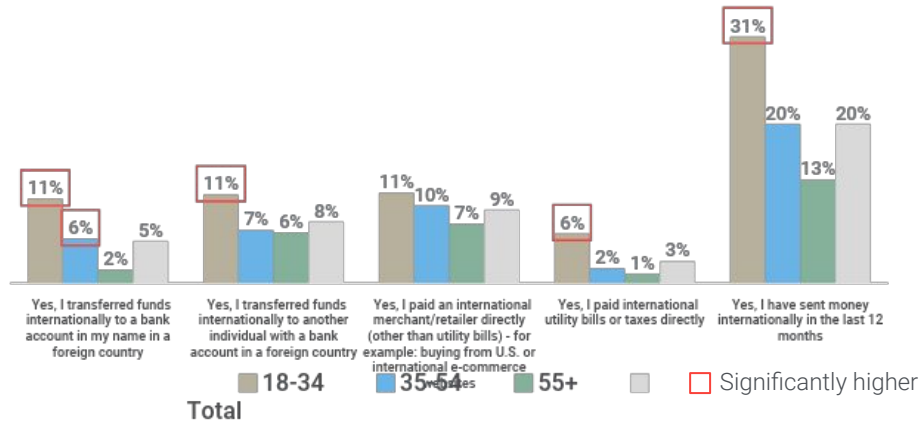
KEY INSIGHTS

5. **The large majority of Canadians who sent money internationally in the past year have never used digital currency as an option and do not plan to use it in the near future.**
 - Seven in ten Canadians (72 per cent) have never sent money internationally using cryptocurrency (e.g., Bitcoin) and over two thirds of Canadians (67 per cent) are not likely to use it to send money internationally in the next twelve months.
 - Over three in five Canadians (62 per cent) are not likely to use stablecoins (e.g., True USD) to send money internationally in the next twelve months.

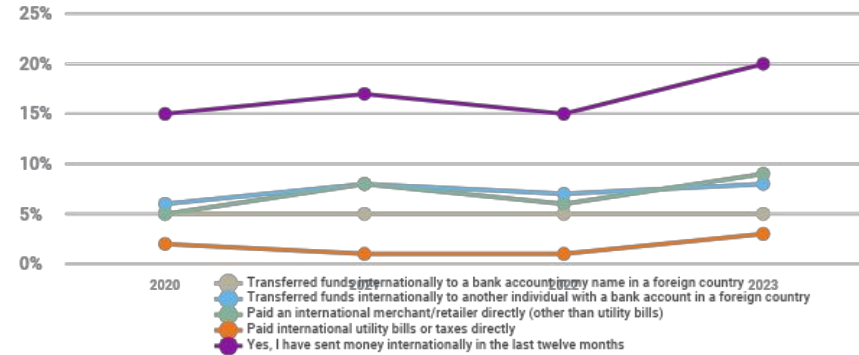
6. **Using international transfer services from banks/credit unions would be the top choice of Canadians for comfort when it comes to sending money internationally.**
 - Two in five Canadians would be most comfortable using banks/credit unions for sending money internationally.
 - Their second and third choices would be Interac (24 per cent) and PayPal and global network providers (tied for third at 17 per cent) respectively.

THE PERCENTAGE OF CANADIANS WHO SENT MONEY INTERNATIONALLY IN THE PAST YEAR INCREASED BY 33 PER CENT

Sent money internationally in the past twelve months



Sent money internationally in past twelve months
2020 – 2023 Comparison



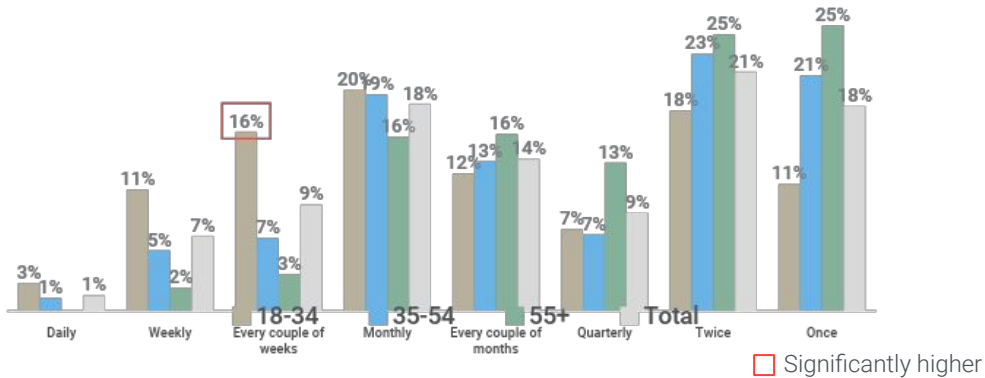
- One in five Canadians sent money internationally using their Canadian bank account over the past 12 months, representing a 33 per cent increase from 2022. This increase was attributed to an increased percentage of Canadians who: paid an international merchant/retailer (either while traveling abroad or via e-commerce); sent a remittance payment; or made an international bill or government payment.
- Young Canadians are significantly more likely than other age groups to have sent money internationally in the past year, whether it be transferring funds internationally to a bank account in their name in a foreign country, transferring funds to another individual with a bank account in a foreign country, or paying international bills or taxes.

QUICK FACTS

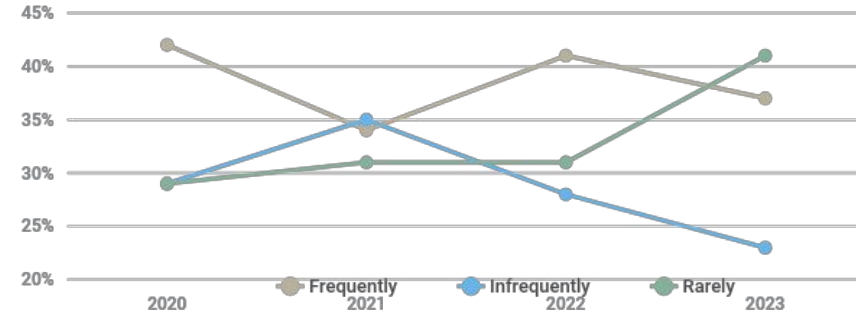
- Over the past four years, the proportion of Canadians sending international payments fluctuated within a 15 per cent to 20 per cent range. The pandemic led to a positive spike in the proportion of Canadians sending remittance payments between 2020 and 2021.
- When sending international payments, the two most frequent payment situations continued to be transferring funds to another individual with a bank account in a foreign country and paying an international merchant/retailer directly.
- The top three destinations for sending money internationally in the past twelve months were US (50 per cent), India (12 per cent) and China (10 per cent).

YOUNG CANADIANS ARE MORE LIKELY TO BE FREQUENTLY SENDING MONEY INTERNATIONALLY COMPARED TO OTHER AGE GROUPS.

Frequency of sending money internationally in the past twelve months



Frequency of sending money internationally in past twelve months 2020 – 2023 Comparison



- The frequency of sending money internationally greatly differs by age group.
- Young Canadians are significantly more likely to be frequently sending money internationally (i.e., monthly or more often) compared to other age groups.
- Older Canadians are more likely to be rarely sending money internationally (i.e., once or twice per year) compared to other age groups.
- Males (40 per cent) who are either self-employed (61 per cent) or working in the gig economy (53 per cent) also send money internationally more frequently.

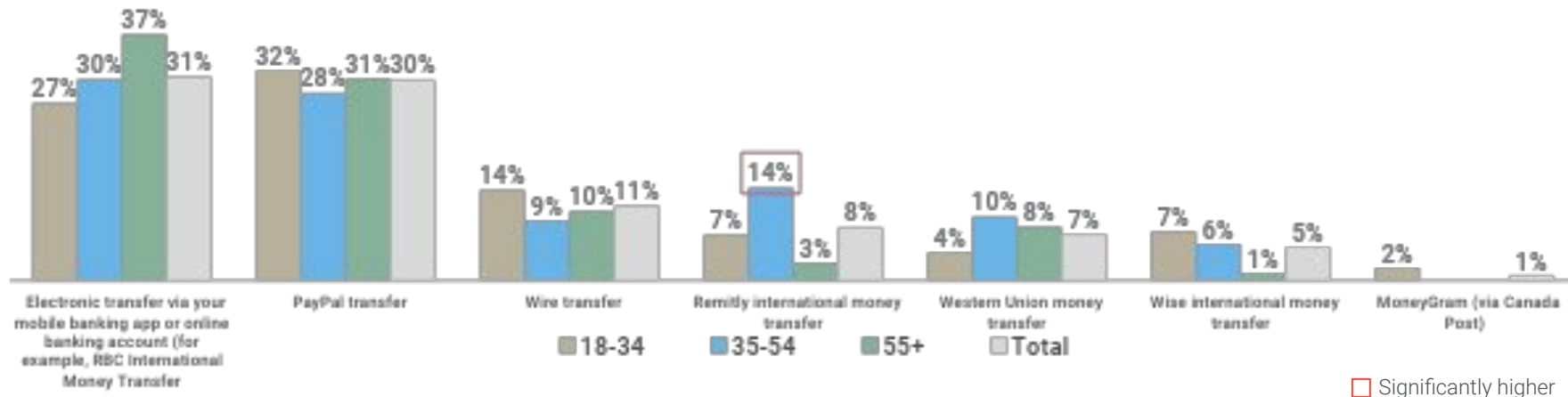
QUICK FACTS

- Over the past four years, the proportion of Canadians sending international payments fluctuated between 35 per cent and 42 per cent.
- During this period, the proportion of Canadians rarely sending international payments has increased, while the proportion of Canadians infrequently sending international payments (i.e., every couple of months or quarterly) has decreased.

G2 In the last 12 months, how frequently did you send money internationally?
 Base: Have sent money internationally: 18-34 (n=97); 35-54 (n=99); 55+ (n=93); Total (n=289).
 Wave 3 survey – September 2023.

CANADIANS PRIMARILY USE EITHER EFT VIA THEIR ONLINE/MOBILE BANKING APP OR PAYPAL TRANSFER FOR SENDING MONEY INTERNATIONALLY

Main method for sending money internationally in the past twelve months

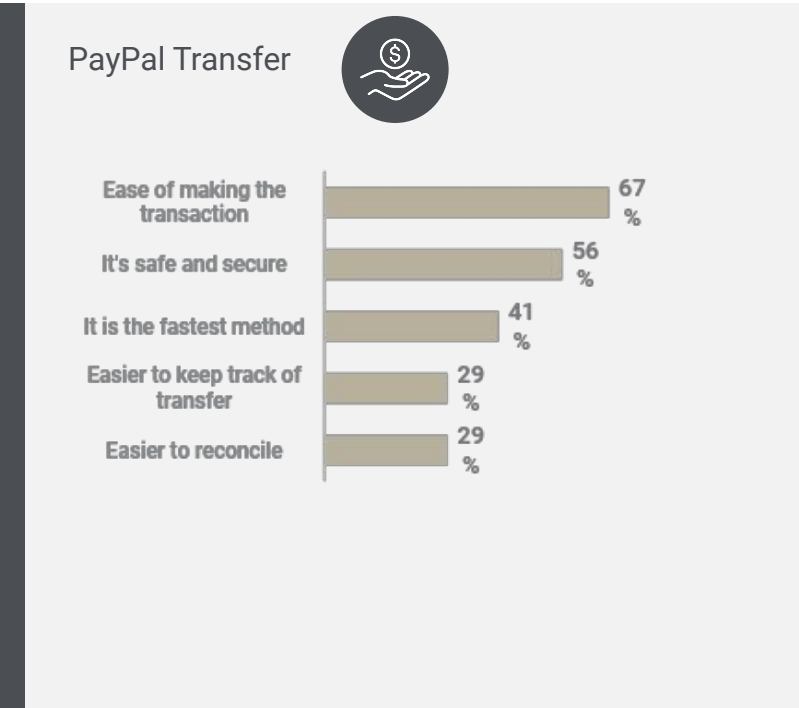


- The two most widely used methods for sending money internationally within the last year by Canadians were electronic transfers via their mobile banking app or online banking account (e.g., RBC International Money Transfer, TD Global Transfer, BMO Global Money Transfer) and PayPal Transfer. Wire transfer was the next most widely used method for sending money internationally but placed a distant third at 11 per cent. This result is the same regardless of age group.
- Men are more likely than women to have used electronic transfers via their mobile banking app or online banking account as their main method to send money internationally within the last year (35 per cent vs. 23 per cent respectively).
- Those who are self-employed (48 per cent) or working in the gig economy (40 per cent) are more likely than those who are neither (28 per cent and 27 per cent respectively) to have used PayPal Transfer as their main method to send money internationally within the last year.

- G5 Thinking about when you send money internationally, what is the main method you use to send these payments?
- Base: Have sent money internationally: 18-34 (n=97); 35-54 (n=99); 55+ (n=93); Total (n=289).
- Wave 3 survey – September 2023.

EASE OF USE IS A KEY DRIVER REGARDLESS OF PAYMENT METHOD, WHILE SPEED IS THE TOP DRIVER FOR CHOOSING TO USE WIRE TRANSFERS

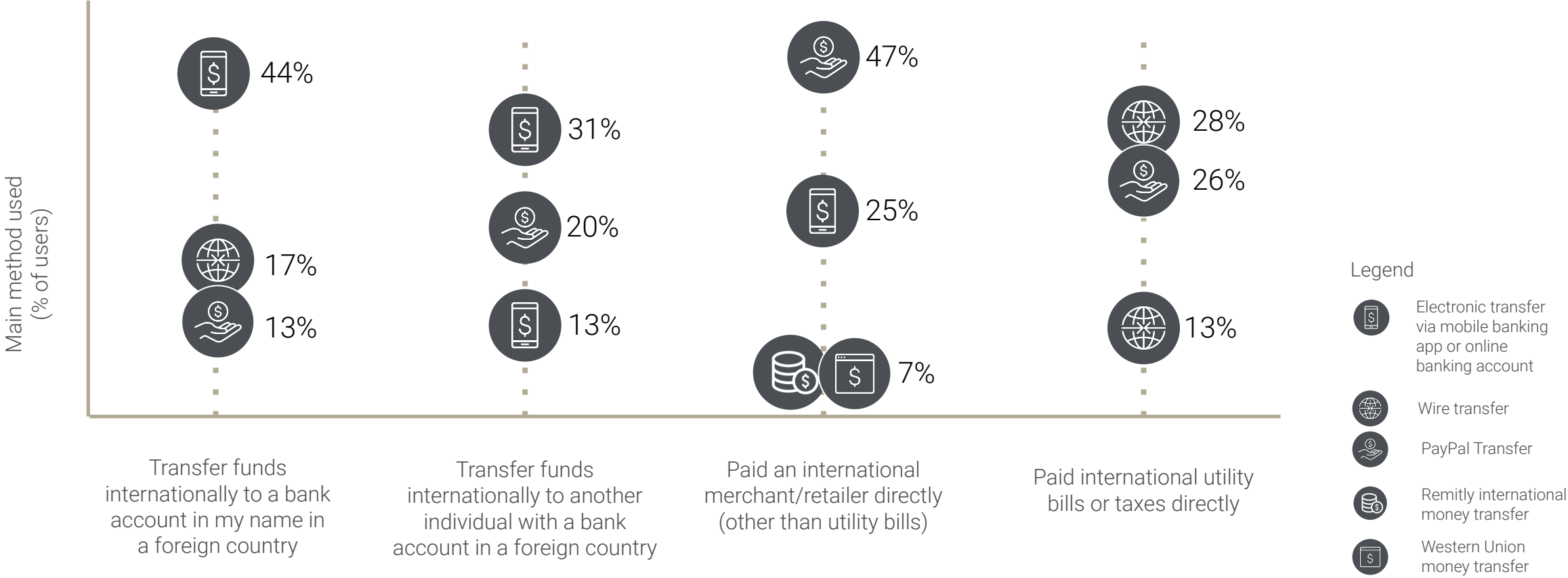
Drivers of use of top three methods for sending international payments



- G6 Why do you use this method of payment to send money internationally? [MULTI SELECT]
- Base: Have sent money internationally in the P12M – Mainly use: electronic transfer via online/mobile banking (n=91); PayPal Transfer (n=86); wire transfer (n=32).
- Wave 3 survey – September 2023.

ELECTRONIC TRANSFERS SENT VIA A MOBILE BANKING APP OR ONLINE BANKING ACCOUNT IS THE LEADING METHOD FOR SENDING MONEY INTERNATIONALLY IN MOST SITUATIONS

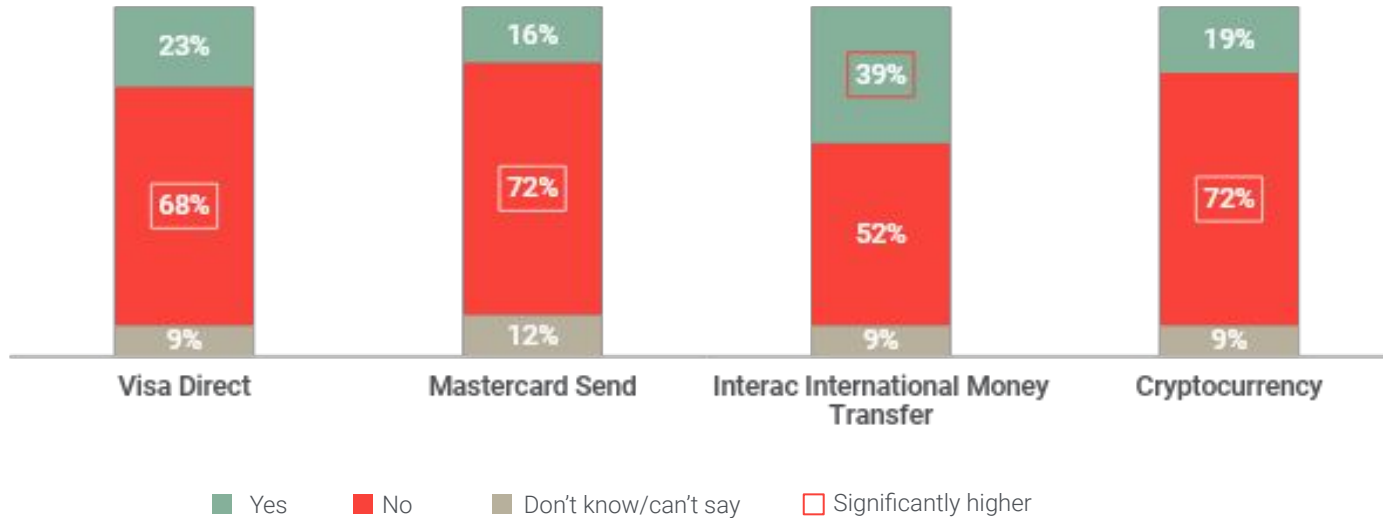
Top three methods for sending international payments by situation



- G1 Have you sent money internationally in the last 12 months using your Canadian bank account? Base: Total (n=1501).
- G5 Thinking about when you send money internationally, what is the main method you use to send these payments? Base: Have sent money internationally: Total (n=289).
- Wave 3 survey – September 2023.

INTERAC INTERNATIONAL MONEY TRANSFER CLOSELY COMPETES WITH ONLINE/MOBILE BANKING E-TRANSFER AND PAYPAL TRANSFER WITH 39% OF CANADIANS HAVING EVER USED

Ever send money internationally using the following methods



Visa Direct™ – allows you to make payouts to your recipient’s Visa-branded credit, debit and reloadable prepaid cards internationally.

Mastercard Send™ – allows you to send money internationally to bank accounts, debit or prepaid Mastercard, a mobile wallet or a cash-out location.

Interac International Transfer™ – allows you to send electronic money transfers internationally from your Canadian bank account directly to the recipient’s bank account.

Cryptocurrency – for example, Bitcoin, Ethereum, Ripple that allows you to transfer funds from one account to another account internationally.

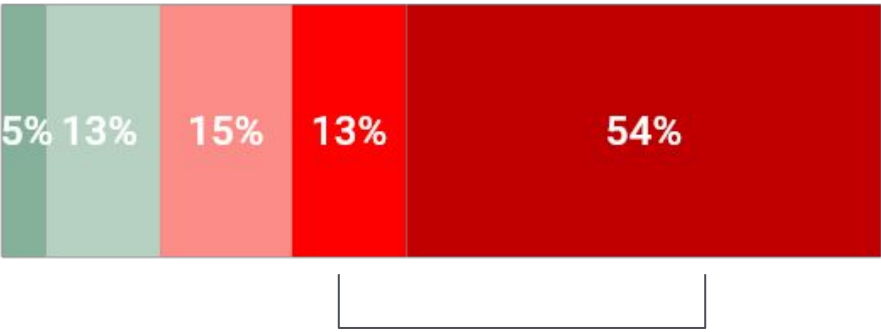
QUICK FACTS

- Young Canadians are significantly more likely than other age groups to have ever used any of these methods for sending money internationally.
- Thirty-one per cent of young Canadians who have sent money internationally in the last year report having ever used cryptocurrency (Bitcoin, Ethereum) to send money internationally.

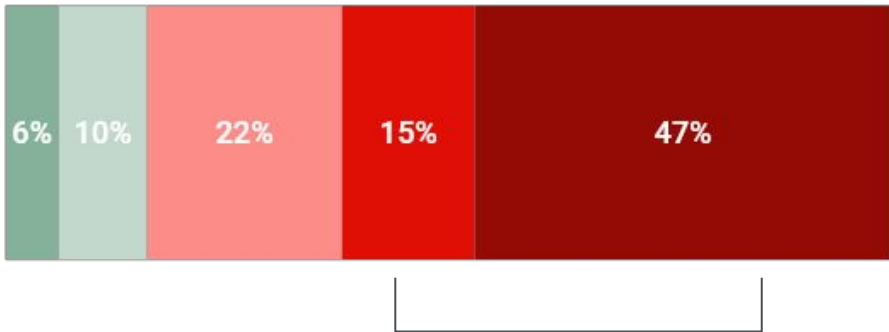
- G9 Have you ever used any of the following methods to send money internationally?
- Base: Have sent money internationally: Total (n=289).
- Wave 3 survey – September 2023.

MOST CANADIANS WHO SENT MONEY INTERNATIONALLY IN THE PAST YEAR DO NOT PLAN TO USE DIGITAL CURRENCY FOR SENDING INTERNATIONAL PAYMENTS IN THE FUTURE

Likelihood to use cryptocurrency to send money internationally in the next twelve months



Likelihood to use stablecoins to send money internationally in the next twelve months



5 = Very likely 4 3 2 1 = Not at all likely

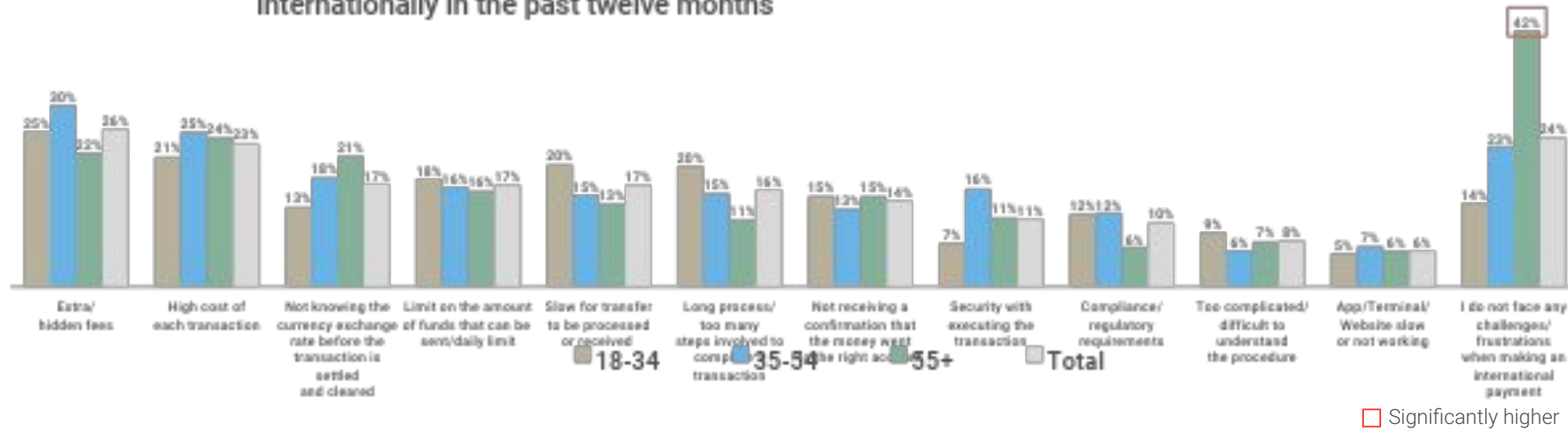
Cryptocurrency – refers to digital currencies like Bitcoin, Ethereum or Ripple that are not backed by a government-issued currency or other underlying asset (for example, precious metals such as gold).

Stablecoins – refers to digital currencies like True USD or USDC that are backed by a government-issued currency or other underlying asset (for example, precious metals such as gold).

- G10 In the next 12 months, how likely are you to use the following types of digital currency to send money internationally?
- Base: Have sent money internationally: Total (n=289).
- Wave 3 survey – September 2023

BESIDES COST, EXCHANGE RATE UNCERTAINTY, AMOUNT LIMITS AND THE TIME IT TAKES FOR THE FUNDS TO APPEAR IN THE BENEFICIARY ACCOUNT ARE THE BIGGEST CHALLENGES

Biggest challenges/frustrations with using main payment method for sending money internationally in the past twelve months

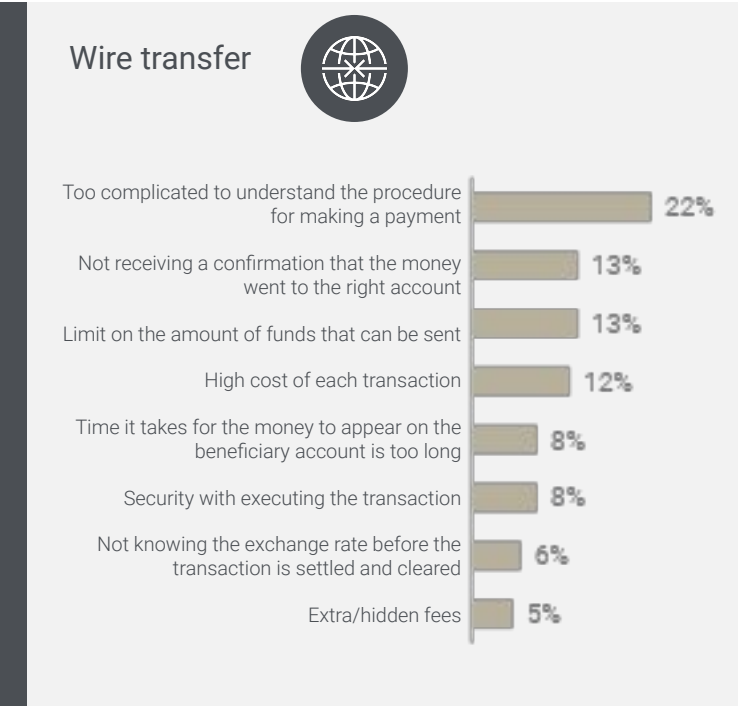
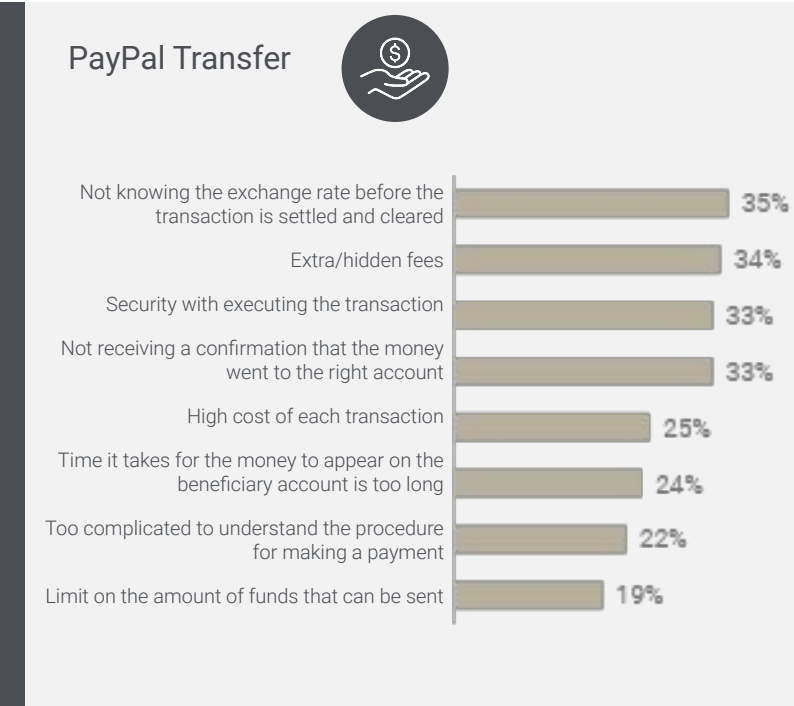


- Extra/hidden fees (26 per cent) and the high cost of each transaction (23 per cent) represent the biggest pain points for sending money internationally. This is followed by not knowing the foreign exchange rate applied prior to the clearing and settlement of the transaction (17 per cent), amount limit on the funds that can be sent (17 per cent) and the amount of time it takes for the transfer to be processed (17 per cent). This result is the same regardless of age group.
- Dealing with a payment services provider that is compliant with international laws and anti-money laundering regulations represents a key challenge for gig workers when sending money internationally (20 per cent).
- About one in four Canadians (24 per cent) did not experience any pain points when sending money internationally. Older Canadians are most likely not to face any pain points when sending money internationally (42 per cent) compared to other age groups.

- G7 Thinking about the main method you use to send money internationally, what are the biggest challenges/frustrations you face?
- Base: Have sent money internationally: 18-34 (n=97); 35-54 (n=99); 55+ (n=93); Total (n=289).
- Wave 3 survey – September 2023.

AMOUNT LIMITS ARE THE BIGGEST CHALLENGE WHEN USING E-TRANSFERS VIA ONLINE/MOBILE BANKING WHILE EXCHANGE RATE TRANSPARENCY IS A KEY PAIN POINT OF USING PAYPAL TRANSFERS

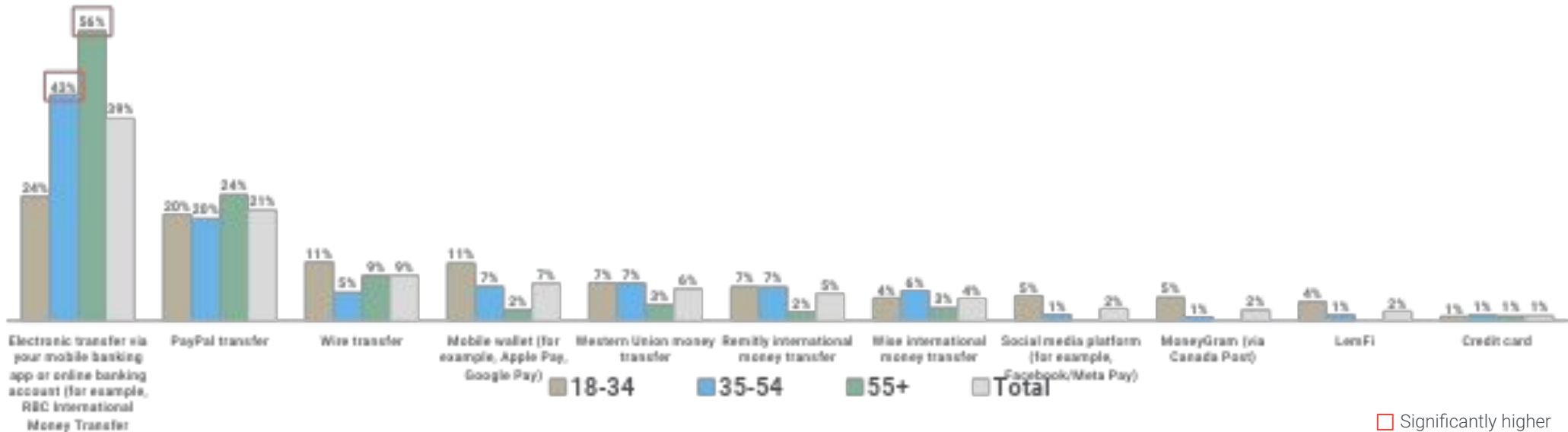
Biggest challenges with using top three methods for sending international payments



- G7 Thinking about the main method you use to send money internationally, what are the biggest challenges/frustrations you face?
- Base: Have sent money internationally in the P12M – Mainly use: electronic transfer via online/mobile banking (n=91); PayPal Transfer (n=86); wire transfer (n=32).
- Wave 3 survey – September 2023.

CANADIANS WOULD PREFER USING EFT VIA THEIR ONLINE/MOBILE BANKING APP OR PAYPAL TRANSFER FOR SENDING MONEY INTERNATIONALLY

Preferred payment method for sending money internationally

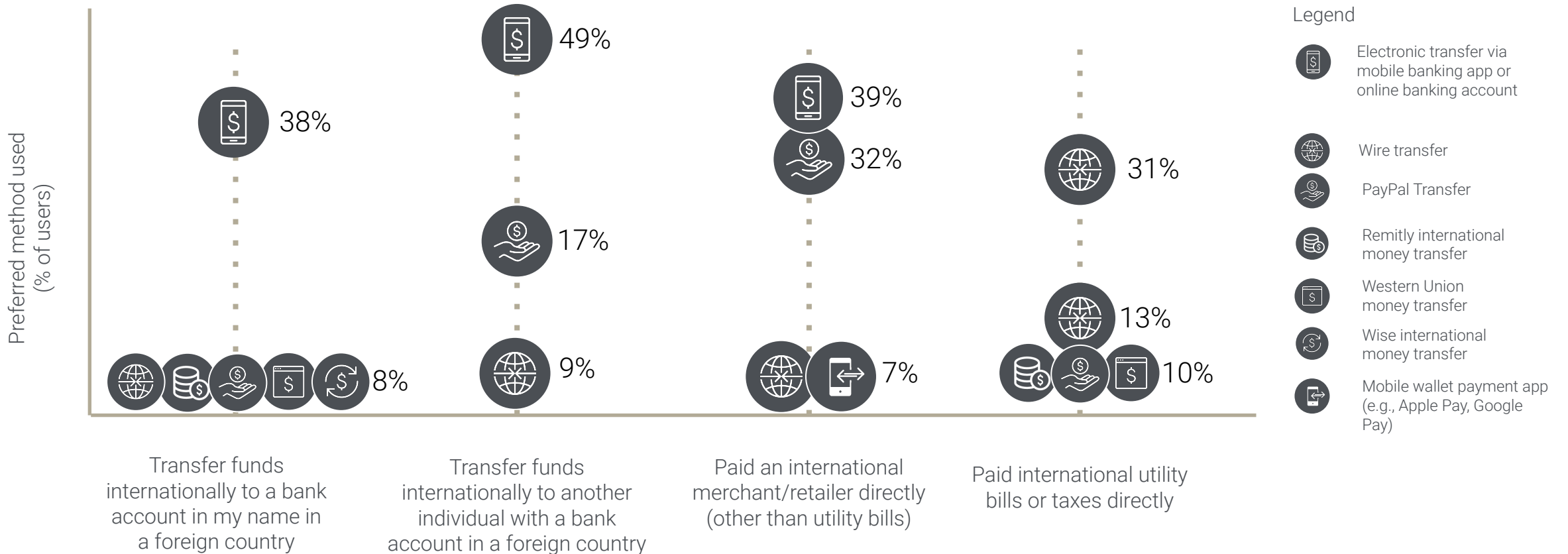


- Young Canadians are more likely than other age groups to prefer a wider variety of payment methods for sending money internationally including MoneyGram, social media platforms (e.g., Facebook/MetaPay) and fintechs (e.g., Remitly, Wise, LemFi).
- Older and middle-aged Canadians are more likely than young Canadians to prefer sending money using electronic transfer via their mobile banking app or online banking account.

- G8 If you had all the options below available to you, which method of payment would you prefer to use to send money internationally?
- Base: Have sent money internationally: 18-34 (n=97); 35-54 (n=99); 55+ (n=93); Total (n=289).
- Wave 3 survey – September 2023.

ELECTRONIC TRANSFERS SENT VIA A MOBILE BANKING APP OR ONLINE BANKING ACCOUNT IS THE PREFERRED METHOD FOR SENDING MONEY INTERNATIONALLY IN ALL SITUATIONS

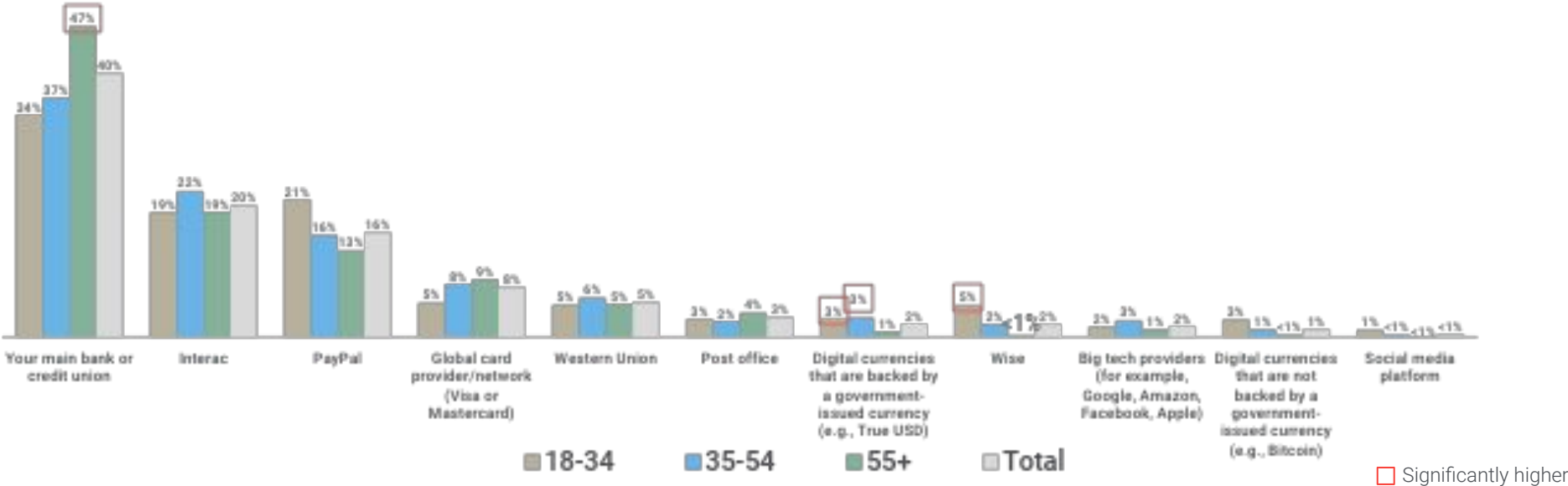
Top three methods for sending international payments by situation



- G1 Have you sent money internationally in the last 12 months using your Canadian bank account? Base: Total (n=1501).
- G8 If you had all the options below available to you, which method of payment would you prefer to use to send money internationally?
- Base: Have sent money internationally: Total (n=289). Wave 3 survey – September 2023.

CANADIANS WOULD PREFER USING EFT VIA THEIR ONLINE/MOBILE BANKING APP OR PAYPAL TRANSFER FOR SENDING MONEY INTERNATIONALLY

Top option you would be most comfortable using for sending money internationally

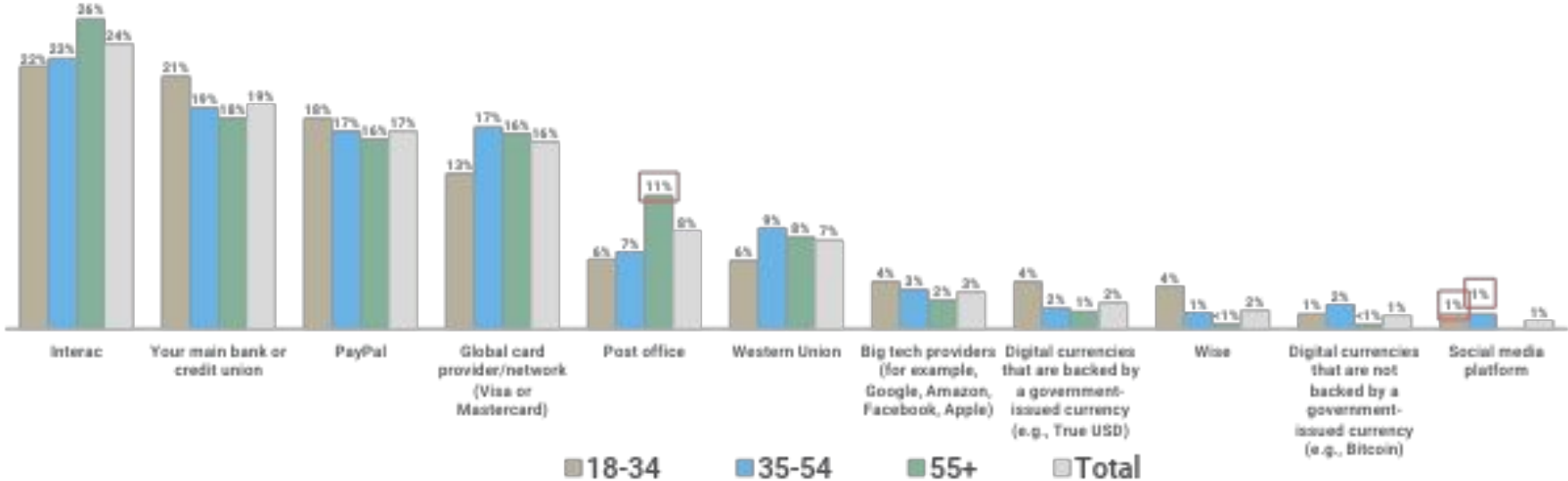


Significantly higher

- G13 Assuming you had all the options below available to you, which option would you be most comfortable using for sending money internationally? (FIRST CHOICE)
- Base: ALL: 18-34 (n=344); 35-54 (n=501); 55+ (n=656); Total (n=1501).
- Wave 3 survey – September 2023.

INTERAC RANKED SECOND FOR COMFORT IN SENDING MONEY INTERNATIONALLY

Second option you would be most comfortable using for sending money internationally

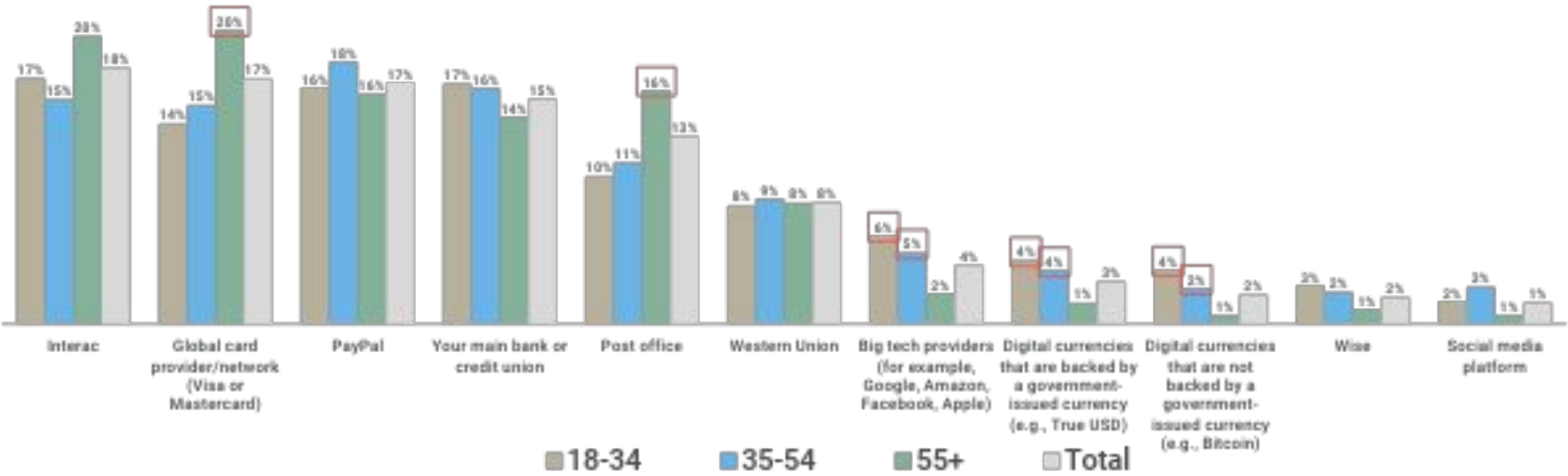


□ Significantly higher

- G13 Assuming you had all the options below available to you, which option would you be most comfortable using for sending money internationally? (SECOND CHOICE)
- Base: ALL: 18-34 (n=344); 35-54 (n=501); 55+ (n=656); Total (n=1501).
- Wave 3 survey – September 2023.

INTERAC, GLOBAL CARD NETWORK PROVIDERS AND PAYPAL RANKED THIRD FOR COMFORT IN SENDING MONEY INTERNATIONALLY

Third option you would be most comfortable using for sending money internationally



Significantly higher

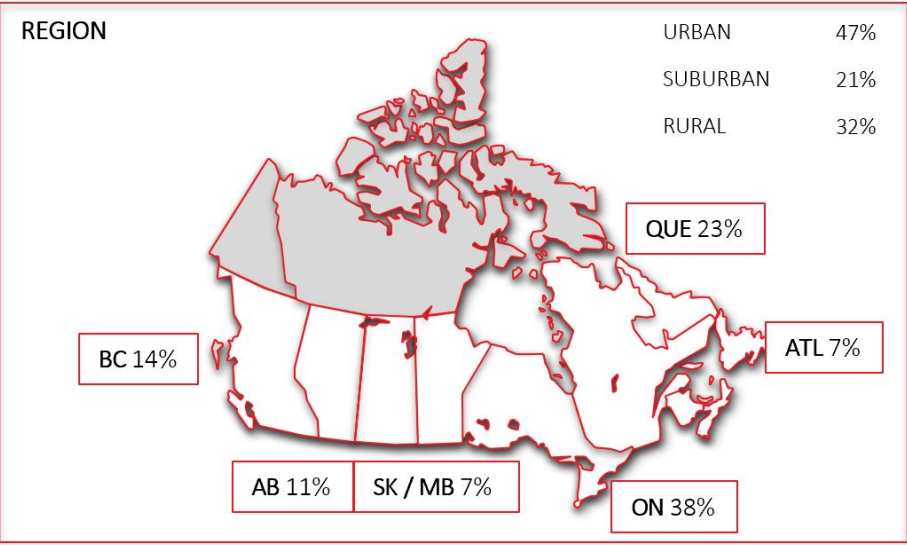
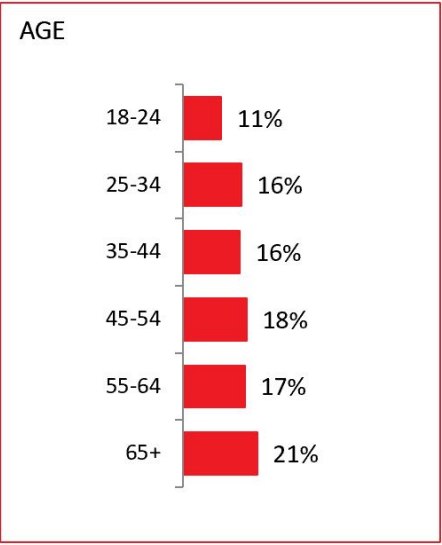
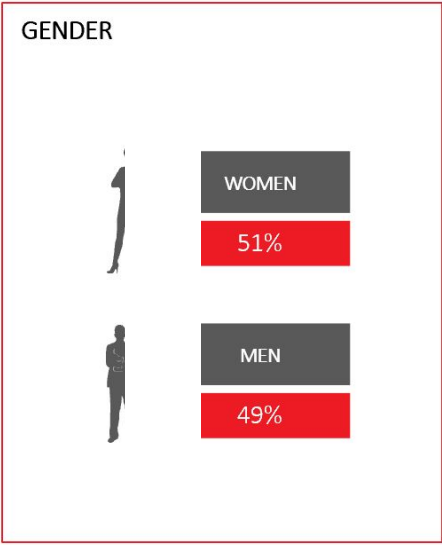
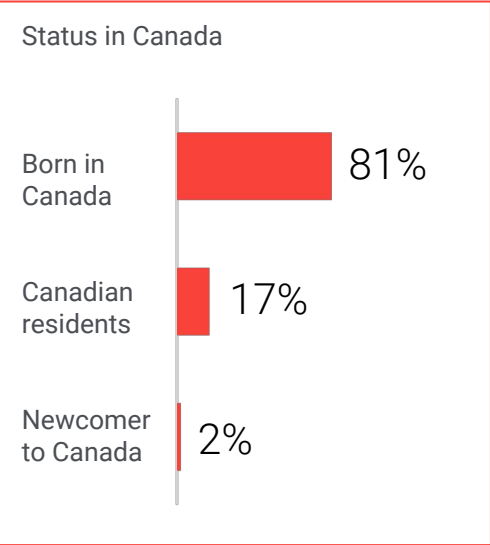
- G13 Assuming you had all the options below available to you, which option would you be most comfortable using for sending money internationally? (THIRD CHOICE)
- Base: ALL: 18-34 (n=344); 35-54 (n=501); 55+ (n=656); Total (n=1501).
- Wave 3 survey – September 2023.



APPENDIX

DEMOGRAPHICS

DEMOGRAPHICS



- Consumer Wave 3 survey – October 2023
- * Status in Canada definitions: Canadian residents = I have been living in Canada for five years or longer; Newcomer to Canada = I have been living in Canada for less than five years.