Danes adopt contactless payments

New technology embedded in payment cards is rapidly becoming popular. In the 4th quarter of 2017, the share of contactless card payments in shops and self-service checkouts was 44 per cent. In comparison, this share was merely 4 per cent in the 1st quarter of 2016.

Both cardholders and shops have adopted the contactless technology. Old payment cards are replaced by new contactless ones and shops replace old card terminals with new ones that are equipped with reader for contactless payments. Among other things, the benefits of this new technology are faster checkout and less wear and tear on card terminals.

With 4.3 million issued VisaDankort cards (national debit card (Dankort) co-branded with Visa) it is the Danes’ preferred payment card. Launch of contactless Dankort cards in August 2015 pushed contactless payment cards to an increasingly wider group of cardholders.

By end-2017, the share of payment cards that could be used for contactless payments was 73 per cent. This share varies across different types of payment cards, e.g. 82 and 91 per cent of VisaDankort and international debit cards (MasterCard Debit and Visa Debit) respectively were contactless cards. At the same time 93 per cent of card terminals in shops can now accept contactless payments. This is a 20 percentage point increase in the course of two years.

Already ahead of the roll-out of contactless Dankort cards, many shops, including the larger retail chains, had installed card terminals ready for contactless payments. In addition, as of 2016 new terminals should be able to accept contactless payments, and alterations in security standards from 2018 entailed that many older models had to be replaced.

Visa and MasterCard have given shops until the end of 2019 to ensure that all card terminals can accept contactless payments. Thus, Danish shops are well on the way to fully meet this deadline and thereby complete the roll-out of contactless technology.