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The 2021–22 Merchant Acceptance Survey Pilot Study

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Abstract

In recent years, the rise in digital payment innovations such as contactless cards and Interac e-Transfer has spurred a discussion about the future of cash at the point of sale. The COVID-19 pandemic has also contributed to this discussion: While consumers reported that some merchants started to refuse cash early in the pandemic, such reported refusals dropped as the pandemic progressed. The Bank of Canada's most recent Merchant Acceptance Survey (MAS) took place in 2018, prompting a need for updated data to study merchant cash acceptance, payment trends and conditions for the potential issuance of a central bank digital currency (Lane 2020, 2021a). Against this background, the Bank conducted the 2021–22 MAS Pilot Study to monitor payment methods accepted by small and medium-sized businesses (SMBs). Survey data was collected from merchants in two batches, in late 2021 and early 2022. Our results show that 97% of SMBs in Canada accepted cash in 2021–22 and only 3% have plans to stop accepting cash. For cards and digital payments, merchant acceptance has increased since 2018. Additionally, the acceptance of different payment methods varies by the size of the merchant, industry and region.

Bank topics: Bank notes, Digital currencies and fintech, Econometric and statistical methods

JEL Codes: C8, D22, E4, L2

Résumé

Ces dernières années, l'essor des nouveaux modes de paiement numériques comme les cartes sans contact et Virement *Interac*^{MD} a suscité un débat sur l'avenir de l'utilisation de l'argent comptant aux points de vente. La pandémie de COVID-19 a également contribué à ce débat : les consommateurs ont en effet indiqué que certains commerçants avaient commencé à refuser l'argent comptant au début de la pandémie, mais le nombre de ces refus allégués ont diminué à mesure que la pandémie évoluait. La dernière enquête que la Banque du Canada a réalisée sur les modes de paiement acceptés par les commerçants remontait à 2018. Il était donc nécessaire de disposer de données actualisées pour étudier l'acceptation de l'argent comptant par les commerçants, les tendances en matière de paiement et les conditions qui justifieraient l'émission éventuelle d'une monnaie numérique de banque centrale (Lane, 2020 et 2021a). Dans ce contexte, la Banque a mené une nouvelle enquête sur les modes de paiement acceptés par les commerçants en 2021 et 2022 afin de suivre l'évolution de l'acceptation des modes de paiement par les petites et moyennes entreprises (PME). Les données de l'enquête ont été

recueillies auprès des commerçants en deux fois : fin 2021 et début 2022. Nous constatons que 97 % des PME au Canada ont accepté des paiements en argent comptant en 2021-2022 et que seulement 3 % d'entre elles prévoient ne plus le faire. L'acceptation des paiements par carte et des paiements numériques a, quant à elle, augmenté depuis 2018. Enfin, le taux d'acceptation des différents modes de paiement varie selon la taille des commerces, le secteur et la région.

Sujets : Billets de banque; Méthodes économétriques et statistiques; Monnaies numériques et technologies financières

Codes JEL : C8, D22, E4, L2

Introduction

In recent years, retail payments in Canada have become increasingly digitalized, as many Canadians have adopted digital payment innovations like contactless cards and Interac e-Transfer. The Bank monitors these developments to fulfill its mandate to issue Canadian banknotes and to inform its decisions about a potential central bank digital currency (CBDC). In early 2020, Tim Lane, at the time Deputy Governor, laid out two scenarios in which the Bank might consider the launch of a CBDC (Lane 2020; see also Bank of Canada 2020 and Lane 2021a):

1. where the use of physical cash is reduced or eliminated
2. where private digital currencies see more widespread use as a method of payment, store of value and unit of account

The COVID-19 pandemic and related events have further spurred the discussion of the future of cash at the point of sale. For example, at the start of the pandemic, some consumers and merchants might have been reluctant to handle cash.

The Bank takes a holistic view of retail payments in Canada, considering both the consumer side and the merchant side (Rochet and Tirole 2006). On one side, consumers can only use the payment methods accepted by merchants. On the other side, merchants can only serve consumers who have and choose to use those accepted payment methods.

The Bank has an ongoing program of consumer payment surveys. Consumer surveys show that, although cash transactions as a share of all retail payments are declining, cash is still used on a regular basis (Chen et al. 2022). These surveys also provide insight into how COVID-19 changed the use of cash in Canada. Huynh, Nicholls and Shcherbakov (2022) find that the widespread use of a payment method critically depends on consumers knowing that they can use it at the stores where they shop. For this reason, these authors emphasize the importance of monitoring merchant acceptance.

The Bank conducted surveys on merchant acceptance (MAS) and the cost of payment methods in 2006, 2015 and 2018, looking at cash and its main alternatives (debit and

credit cards).¹ Besides published estimates of merchant acceptance, the survey program's data sets have also provided the empirical foundation of the Bank's research such as Huynh et al (2022) and Welte and Molnar (2020). Since the previous MAS, however, consumer surveys have documented shifts in payment behaviour. So the Bank needs updated data to better understand how these shifts have impacted merchants' acceptance of cash and other payment methods.

It is also important for the Bank to understand how merchants contribute to the cash cycle and the demand for cash. Microdata from surveys are part of the Bank's data strategy, which includes collecting and analyzing aggregate data on the demand for bank notes, card payments and cash access points (e.g., automated banking machines and bank branches). From this aggregate data, Chen and Felt (2022) find that consumers' access to cash has remained robust throughout the pandemic. However, merchants' access to cash is less well understood.

Against this background, the Bank launched the 2021–22 MAS Pilot Study. The survey instrument and methodology developed during this pilot study will help the transition from previous one-off surveys to a pattern of more regular ones. The 2021–22 MAS also provides reliable and up-to-date estimates of the payment acceptance and cash management of small and medium-sized merchants (having between 0 and 49 employees) in Canada. It surveys merchants with brick-and-mortar operations from three industries: retail trade; food services and drinking places; and other services, including personal and repair services. Data were collected from merchants in two batches, one each in 2021 and 2022.

The main finding of the 2021–22 MAS is that cash is still widely accepted at the point of sale, and most merchants report that they will continue accepting cash in the future. For cards and digital payments such as Interac e-Transfer and mobile payments, merchant acceptance has increased since 2018. Additionally, the acceptance of different payment methods varies by merchant size, industry and region.

The paper proceeds as follows. Section 2 summarizes the survey design and methodology. Section 3 presents updated findings on merchants' acceptance of cash and other payment methods. It also identifies their plans for future cash acceptance and stated perceptions of different methods of payment. Section 4 concludes.

¹ Estimates of merchant acceptance were published in Arango and Taylor (2008) for the year 2006, in Kosse et al (2017) and Fung, Huynh and Kosse (2017) for 2015, and in Huynh, Nicholls and Nicholson (2019) for 2018.

2 Survey design and methodology

The 2021–22 MAS took place in autumn 2021 (batch 1) and spring 2022 (batch 2). Planning for the survey began before the onset of the COVID-19 pandemic. However, measures to contain the spread of COVID-19 restricted which merchants were open for business and what types of goods or services they could offer. To monitor the impact of the pandemic on merchants' management of payment methods and, more generally, on the business conditions for merchants, we relied on the Bank of Canada's Business Outlook Survey, the Canadian Federation of Independent Business surveys and an experimental data series from Statistics Canada (Gueye 2022).²

When conditions had improved in autumn 2021, we launched batch 1. In December 2021, we paused the fieldwork. Participation rates had dropped, which often happens in merchant surveys close to the holiday season. In addition, COVID-19 restrictions in response to the Omicron variant were imminent. In spring 2022, when the economy reopened, we launched batch 2.

2.1 Merchants in scope

The merchants in the pilot study:

- are located in Canada
- are small and medium-sized (fewer than 50 employees)
- sell goods or services to individuals
- are independently owned and operated, not part of a chain or franchise
- sell some of their goods or services to individuals in physical, “brick-and-mortar” stores.

The 2021–22 MAS targets merchants from three industries as classified by the North American Industry Classification System (NAICS). These industries are “Retail trade” (codes 44 and 45); “Food services and drinking places” (code 722); and “Other services (except public administration)” (codes 811 and 812), which includes repair, maintenance, and personal and laundry services. For more details, refer to Table 1.

² See Amirault, Rai and Martin (2020) for a reference guide to the Business Outlook Survey. The Canadian Federation of Independent Business “[Monthly Business Barometer](#)” is available online.

2.2 Sampling frame

To obtain the sampling frame, we followed the methodology in Welte (2017), developed for the 2015 Retailer Survey on the Cost of Payment Methods. We constructed the frame, based on the merchants in scope, from the Dun & Bradstreet (D&B) Hoovers database. The database contains information on Canadian merchants in the targeted NAICS industries with fewer than 50 employees and that are not part of a chain or franchise.

We used a two-stage approach to sample from D&B Hoovers. In the first stage, we created a representative frame in two steps. First, we drew a sample of forward sortation areas (FSAs)—geographic areas determined by the first three characters of a postal code. Second, for each sampled FSA, we downloaded all merchants from D&B Hoovers that meet the criteria listed above for the merchants in the scope of the survey.

In the second stage, we drew a random sample of merchants from the representative frame. Those merchants were contacted until the quota was reached for each stratum, based on geographical region, urban or rural location of the FSA, number of employees, and industry. For some strata, the Bank supplied additional sample units to reach the quotas.³

As in Welte (2017), we combined the information in the D&B Hoovers data on chain or franchise membership with a list of common chains and franchises to exclude these businesses from the sampling frame.

Lastly, since the survey was conducted by phone, merchants having the same phone number as another merchant were dropped from the sampling frame.

2.3 Design of the survey instrument

We conducted each batch of the 2021–22 MAS in two phases. Phase 1 was administered as a computer-assisted telephone interview. To ensure eligibility, this first part of the survey asked merchants about their operations. Then it asked about merchant characteristics, payment acceptance and other questions related to the

³ The Bank and Ipsos, the survey company, monitored the fieldwork throughout the survey. All quotas were filled before the end of fieldwork.

core research objectives. Phase 1 concluded by asking merchants to participate in phase 2 of the survey.

If the merchants agreed, they chose their preferred survey mode and provided contact details relevant to that mode. In this paper, we focus on information gathered in phase 1. Data from phase 2 will be analyzed in future publications. Merchants could choose to complete phase 2 by continuing the phase 1 phone call. Or they could complete it later as a computer-assisted telephone interview or as a self-administered web or mail survey. This second part of the survey asked merchants a set of more detailed questions regarding how they manage payments and what costs they incur for accepting payments.

We based the survey instrument on experience gained from the three previous merchant surveys on the cost and acceptance of payment methods (2006, 2015 and 2018). We then incorporated feedback from Statistics Canada and our survey partners at Ipsos, tested and revised the instrument in discussion groups, and undertook cognitive testing.⁴ Finally, we tested phases 1 and 2 during Batch 1. This design process was modelled on Blanke et al. (2006) and Stettler and Featherstone (2012). The final survey instruments for both phase 1 and phase 2 were used in batch 2 and are intended for future MAS studies. A separate report will document how the survey instrument was developed.

2.4 Final sample and survey weights

The final sample consists of 488 respondents. In addition to the data gathered during the two field periods (Batch 1 and Batch 2), the final analytical dataset includes data collected during pretesting of the survey instrument and data provided by the Bank's regional offices. In our analysis, we use survey weights to ensure that the sample matches the population of merchants with respect to key characteristics reported in Statistics Canada's Business Register for June 2021.⁵ Specifically, we weight based on region, number of employees, industry, and whether the merchant is rural or urban. The goals of weighting are to reduce selection bias and to improve comparability across merchant surveys conducted by the Bank. Following the weighting

⁴ The cognitive testing involves observing respondents and their thought processes as they complete a survey. This procedure identifies areas that could be improved in the survey instrument.

⁵ The [Business Register](#) (BR) is Statistics Canada's main repository of information on businesses operating in Canada. It is continuously maintained and used for the publication of business counts twice per year.

methodology developed for the 2015 retailer survey, as described by Chen and Shen (2017), we construct these survey weights by adapting the calibration methodology proposed by Deville and Sarndal (1992). Table 2 provides the unweighted and weighted compositions.

3 Merchants' current acceptance, plans and preferences

3.1 Merchant acceptance

In this section, we describe acceptance of cash, credit and debit cards, cheques, Interac e-Transfers and mobile payment applications (apps) in the stores of small and medium-sized merchants in five regions of Canada. Cards include both chip-and-pin and contactless payment types. They cover different payment networks such as Interac, Visa, Mastercard and American Express. Mobile payment apps include Apple Pay, Google Pay, WeChat Pay and Alipay.

Table 3a shows the percentage of merchants surveyed accepting cash, debit cards and credit cards in their physical stores. Table 4 shows the percentage of merchants accepting cheques, e-Transfers and mobile payment apps in their physical stores. Both tables provide overall estimates and breakdowns by merchant size, industry and region.

The acceptance of cash, debit and credit is high in Canada. For cash, 97% of the surveyed merchants accept this payment method, a finding similar to the 2018 MAS, which showed 96% accepted it. While cash acceptance remains high and stable, acceptance of debit and credit cards has increased compared with the findings in 2018. In 2021–22, 88% of merchants accept debit cards, up from 67% in 2018. Also, 88% accept credit cards, up from 68% in 2018. In a parallel trend, the share of merchants accepting only cash has dropped from 22% in 2018 to 8% in the 2021–22 MAS. The share of merchants accepting all three payment methods (cash, debit cards and credit cards) has increased to 84% from 61% in 2018.

Acceptance of payment methods varies with the merchant size, industry and region. We first discuss the relationship between size and payment acceptance.

Cash acceptance is similar for small merchants (up to 5 employees) and medium-sized ones (up to 49 employees). By contrast, card acceptance is lower for small merchants.

While 86% of small merchants accept debit cards, 94% of medium-sized merchants accept them. For credit cards, acceptance is 87% among small merchants and 92% among medium-sized ones. But small merchants explain most of the jump in card acceptance. Compared with the findings in the 2018 MAS, debit and credit card acceptance has increased in the 2021–22 MAS by almost 30 percentage points (pp) for small merchants. It increased by only 5 pp for debit and 2 pp for credit for medium-sized merchants.

In 2021–22, 10% of small merchants accept only cash (Table 3b), down from 31% in 2018. The cash-only share for medium-sized merchants remains stable.⁶ As a result, the gap in the share of cash-only merchants between small and medium-sized merchants has shrunk from 27 pp in 2018 to 6 pp in 2021–22.

Industry classifications, or the type of goods or services offered by the surveyed merchants, might further explain their payment acceptance. Fung, Huynh and Kosse (2017) report that cash acceptance was high in 2015 among merchants from the industries surveyed, and this remains the case in 2021–22. Card acceptance has increased for the three industries. More than 90% of merchants in the “Retail trade” and “Food services and drinking places” industries accept debit cards and an equally large number accept credit cards. Providers of “Other services,” including personal services, still have lower card acceptance than the other two industries, with 81% of merchants accepting debit card and 82% accepting credit cards. Increases in card acceptance are similar across card type and industry. For credit card acceptance, the largest increase from the 2015 retailer survey to the 2021–22 MAS is observed for providers of “Other services” (23 pp), whereas the smallest increase is observed for “Food services and drinking places” (20 pp).

As documented by Fung, Huynh and Kosse (2017) and Huynh, Nicholls and Nicholson (2019), merchant acceptance of different payment methods has varied across the five major regions of Canada: British Columbia, the Prairies, Ontario, Quebec and Atlantic Canada.⁷ Of the regions covered by the 2021–22 MAS, Quebec has the highest proportion of cash-only merchants, with 15%. By contrast, the sample for the Atlantic region contains no cash-only merchants. In parallel, Quebec has the lowest acceptance of debit and credit cards, and Atlantic Canada has the highest. However,

⁶ As a caveat, some merchants previously categorized as medium-sized could have shrunk to be small merchants due to layoffs and staff shortages.

⁷ A few merchants in Nunavut, the Northwest Territories and Yukon responded. This sample is too small for reliable statistical analysis.

since the 2015 retailer survey, Quebec has seen an increase in card acceptance similar to that in the rest of the surveyed regions: debit card acceptance in the province moved up by 20 pp, which is similar to the 21 pp increase overall. Similarly, credit card acceptance in Quebec went up by 24 pp, compared with a 22 pp overall increase.

Merchants surveyed in the 2021–22 MAS also indicated whether they accept cheques or payment innovations such as contactless card payments, mobile payment apps and e-Transfers (Table 3a and Table 4).

In 2021–22, 81% of surveyed merchants accept contactless debit or credit card payments in their stores (Table 3a). These merchants are a subset of the 88% of merchants accepting debit cards and 88% of those accepting credit cards. All merchants in the Atlantic Canada sample accept contactless payments. Merchants in British Columbia, Ontario and Quebec are less likely to accept them. Acceptance of contactless card payments is high among larger merchants and in the “Accommodations and food services” industry. Providers in the “Other services” industry have lower acceptance of contactless payments than the other surveyed industries do.

Acceptance of cheques has increased in 2021–22 to 54% compared with the 2018 MAS finding (34%) but stayed below the 2015 retailer survey level (64%). Except for British Columbia, every stratum (given by size, industry or region) shows this pattern. Although British Columbia previously had higher-than-average cheque acceptance (41% in 2018), it now ranks at the bottom with 37%.⁸

At the same time, Interac e-Transfer continues to gain acceptance among small and medium-sized merchants. While just 36% of them reported accepting e-Transfers in the 2018 MAS, in 2021–22, 60% of both small and medium-sized merchants accept it. Among the industries surveyed, approximately 65% of “Other services” providers accept e-Transfers, followed by those in “Retail trade” (63%). As in previous MAS years, the “Food services and drinking places” industry ranks lowest for e-Transfer acceptance (45%). Indeed, merchants in this industry have seen the smallest gain in e-Transfer acceptance since 2018. By region in 2021–22, Atlantic Canada has the highest acceptance rate (80%), and Quebec has the lowest (48%). The increased

⁸ The increase in cheque acceptance in 2021–22 compared with 2018 could be explained by different survey methodologies: the 2018 MAS used an online panel, while the 2021–22 MAS used a phone panel. Also, service providers were under-represented in the 2018 dataset. The 2021–22 methodology is based on that of the 2015 survey.

acceptance in Interac e-Transfer could be related to the introduction of Interac e-Transfer for Business in August 2021.⁹

Mobile payment apps have also increased in popularity with merchants. In the 2021–22 MAS, 43% of merchants accept mobile payment apps, compared with 5% in 2015 and 18% in 2018.¹⁰ Merchants serving food and beverages have the highest acceptance rate (57%), and the “Other services” industry has the lowest (35%), which is opposite to the trend for e-Transfer acceptance. Regionally, the Prairies have the highest rate of mobile payment app acceptance (55%), and Quebec has the lowest (31%). For comparison, merchant acceptance of digital currency, including cryptocurrencies, is below 1% in the 2021–22 sample.

The qualitative evidence gathered during discussion groups suggests possible reasons for the increased acceptance of cheques, Interac e-Transfer and mobile payments. Merchants mentioned accepting a wider range of payment methods because they need to make sales and accommodate an equally wide range of consumer preferences for payments. Indeed, the August 2021 Cash Alternative Survey found that 42% of consumers had made an e-Transfer in the week before the survey (Chen et al. 2022).

3.2 Merchants’ plans for cash acceptance

The vast majority of surveyed merchants (92%) expect to continue accepting cash at the point of sale (Table 5). A possible explanation could be that merchants assume most consumers will continue using cash. Indeed, 79% of consumers stated in a recent Bank of Canada survey (Henry, Shimoda and Zhu, forthcoming) that they do not have plans to go cashless (Table 5). In discussion groups, merchants also said that they will accept cash for as long as consumers want to use it. At the same time, the 2021–22 MAS finds increasing acceptance of digital payments, such as debit and credit cards, e-Transfer and mobile payments apps. These two observations could indicate that small and medium-sized merchants accept a larger set of payment methods in 2021–22 than they did before (see Table 3b).

⁹ Interac has published information for businesses that want to accept [e-Transfers](#) and also on [Interac e-Transfer for Business](#).

¹⁰ The Technology Strategies International Canadian Payments Forecast (2020) projects the ratio of contactless terminals to debit card terminals at slightly above 0.7 in 2021, compared with around 0.3 in 2015 and 0.5 in 2018. These projections are consistent with the trends in the data from the corresponding MAS years.

3.3 Merchants' stated perceptions of payment methods

In phase 2 of the 2021–22 MAS, merchants stated their views on how payment methods perform in the following five areas: labour costs, fees, speed, fraud risk and reliability. Since the sample of businesses that completed phase 2 contains only 60 respondents, results should be interpreted with caution and viewed as directional. Table 6 compares the stated perceptions of cash, debit and credit of the most recent MAS sample with answers from small and medium-sized merchants in the 2015 retailer survey. In both samples, merchants perceived debit to have the lowest labour costs and the lowest fraud risk. They also said that cash is the fastest and most reliable payment method and has the lowest fees. Credit cards, in both the 2015 retailer survey and the 2021–22 MAS, received the least favourable rating of the three payment methods in all five areas.

4 Discussion

This section discusses the empirical findings in Section 3 and outlines recommendations for future data collection and survey work on merchant acceptance.

The Bank of Canada requires a data-driven research and analytics program to support its understanding of the Canadian payments ecosystem. The 2021–22 MAS Pilot Study meets the Bank's goals:

- to update and improve its understanding of small and medium sized merchants' acceptance of payment methods
- to plan for a series of merchant acceptance surveys from 2022 to 2025 that would allow for frequent monitoring of merchant acceptance

We find that most small and medium-sized merchants surveyed still accept cash in their stores and plan on accepting it in the future. Compared with the findings in the 2015 and 2018 MAS, more merchants now accept debit and credit cards in addition to cash. In conjunction with qualitative work from discussion groups and cognitive interviews, this observation may reflect that merchants want to accept as many payment methods as possible to serve their customers.

As a result of this shift in acceptance, monitoring merchants' acceptance and management of payment methods might need to happen at a higher frequency than in the past.

The Bank is also monitoring the digital transformation of the economy (Dong, Fudurich and Suchanek 2016; Lane 2021b). Along with consumer surveys, regular merchant acceptance surveys could contribute valuable microdata to that program. At the same time, the scope and frequency of such a merchant survey might depend on staff availability, cost and the Bank's research and policy priorities.

5 Tables

Table 1: **Industries in scope for the 2021–22 MAS Pilot Study**

NAICS code	Description
Retail trade (44)	
441	Motor vehicle and parts dealers
442	Furniture and home furnishings stores
443	Electronics and appliance stores
444	Building material and garden equipment and supplies dealers
445	Food and beverage stores
446	Health and personal care stores
447	Gasoline stations
448	Clothing and clothing accessories stores
Retail trade (45)	
451	Sporting goods, hobby, book and music stores
452	General merchandise stores
453	Miscellaneous store retailers
Food Services and Drinking Places (722)	
722	Food services and drinking places
Other services (81)	
811	Repair and maintenance
812	Personal and laundry services

Note: Businesses were targeted for the 2021–22 MAS Pilot Study at the two-digit North American Industry Classification system (NAICS) code level; specifically, we targeted NAICS codes 44, 45, 72 and 81. This table provides a description of industries at the three-digit NAICS level to better understand the makeup of our sample; see [Statistics Canada](#) for more details. Note that, consistent with the industries surveyed in the 2018 MAS, the following NAICS codes were excluded from sampling: 811210, 811310, 812210, 812220, 812310, 812330, 813 and 814.

Table 2: **Sample composition** of the 2015 Retailer Survey on the Cost of Payment Methods, 2018 Merchant Acceptance Survey and 2021–22 Merchant Acceptance Survey Pilot Study

	Unweighted			Weighted		
	2015	2018	2021–22	2015	2018	2021–22
Employees						
0 to 5	52	58	69	70	73	74
6 to 49	48	42	31	30	27	26
Industry						
Retail trade (44)	31	32	52	32	29	47
Retail trade (45)	19	20		11	15	
Food Services and Drinking Places (722)	27	27	22	20	26	19
Other services (811, 812)	23	21	26	38	30	34
Region						
British Columbia	18	18	13	14	15	14
Prairies	19	24	23	18	17	18
Ontario	23	38	35	38	38	38
Quebec	24	14	18	23	24	24
Atlantic Canada	16	6	8	6	6	6

Table 3a: Merchants' acceptance of common payment methods

	Cash			Debit			CTDC	Credit			CTCC
	2015	2018	2021–22	2015	2018	2021–22	2021–22	2015	2018	2021–22	2021–22
Overall	94	96	97	67	67	88	81	66	68	88	81
Employees											
0 to 5	93	98	97	58	60	86	78	57	60	87	78
6 to 49	96	91	96	92	89	94	89	91	90	92	87
Industry											
Retail trade (44)	93	94	97	75	79	91	85	72	83	91	82
Retail trade (45)	98	99		69	85			64	75		
Food Services and Drinking Places (722)	98	95	98	74	78	94	92	72	74	92	91
Other services (811, 812)	92	X	96	56	X	81	70	59	X	82	72
Region											
British Columbia	94	97	100	66	68	92	77	60	69	93	77
Prairies	93	98	96	64	66	91	88	68	69	92	86
Ontario	96	97	96	73	68	89	80	73	66	88	79
Quebec	91	X	96	59	X	79	77	56	X	80	76
Atlantic Canada	95	96	100	75	68	100	100	73	80	100	100

Note: This table compares payment acceptance rates from the 2015 Retailer Survey on the Cost of Payment Methods; the 2018 Merchant Acceptance Survey and the 2021–22 Merchant Acceptance Survey Pilot Study. All estimates were computed using survey weights. Estimates for the Quebec region and “Other services” industry in 2018 are not available. CTDC refers to contactless debit cards, and CTCC refers to contactless credit cards. CTDC and CTCC acceptance are reported as the share of all surveyed merchants (not as the share of surveyed merchants accepting cards).

Table 3b: **Cash-only merchants and merchants accepting cash, debit and credit**

	Cash-only (cash and no cards)		Cash, credit cards and debit cards	
	2018	2021– 22	2018	2021– 22
Overall	22	8	61	84
Employees				
0 to 5	31	10	52	83
6 to 49	4	4	79	87
Industry				
Retail trade (44)				
Retail trade (45)	10	5	71	86
Food Services and Drinking Places (722)	16	4	70	89
Other services (811, 812)	50	15	37	79
Region				
British Columbia	22	4	65	88
Prairies	25	4	63	88
Ontario	23	8	60	84
Quebec	21	15	57	74
Atlantic Canada	17	0	67	100

Note: This table compares the 2018 Merchant Acceptance Survey and the 2021–22 Merchant Acceptance Survey Pilot Study. All estimates were computed using survey weights. The 2021–22 values show the percentage of acceptance in physical stores. The 2018 survey shows the percentage of acceptance both in physical stores and online.

Table 4: **Merchants' acceptance of cheques and payment innovations**

	Cheques			Interac e-Transfer		Mobile payment apps		
	2015	2018	2021–22	2018	2021–22	2015	2018	2021–22
Overall	64	34	54	36	60	5	18	43
Employees								
0 to 5	64	37	55	40	60	5	14	41
6 to 49	64	23	53	24	60	5	31	49
Industry								
Retail trade (44)	66	30	66	40	63	6	25	42
Retail trade (45)	63	28		35		8	18	
Food Services and Drinking Places (722)	37	23	25	30	45	5	17	57
Other services (811, 812)	78	X	55	X	65	3	X	35
Region								
British Columbia	70	41	37	41	60	11	22	47
Prairies	77	30	65	41	70	4	21	55
Ontario	59	36	54	37	60	3	17	42
Quebec	59	X	54	X	48	4	X	31
Atlantic Canada	71	34	70	52	80	3	21	49

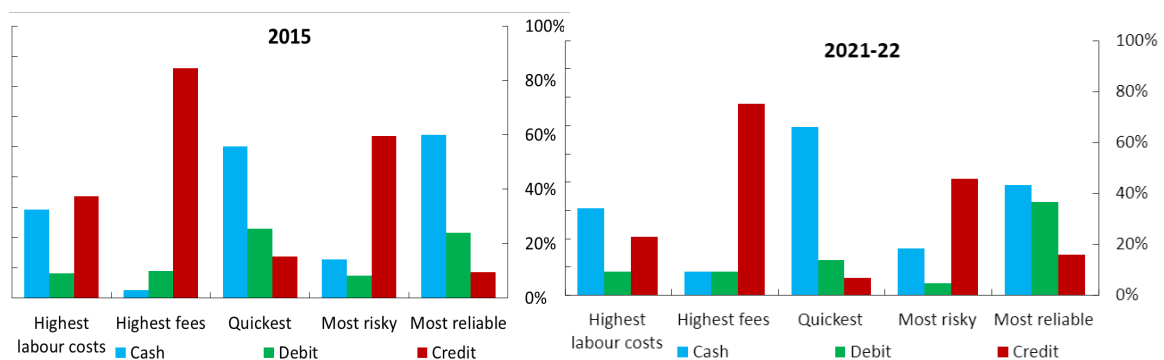
Note: This table compares payment acceptance rates from the 2015 Retailer Survey on the Cost of Payment Methods, the 2018 Merchant Acceptance Survey and the 2021 Merchant Acceptance Survey Pilot Study. All estimates were computed using survey weights. Estimates for the Quebec region and “Other services” industry in 2018 are not available.

Table 5: **Merchants' and consumers' planned future cash use (%)**

	Already cashless	Within 5 years	More than 5 years	No plans	Don't know
2018					
Merchants	5	8	2	85	
Consumers	7	5	3	85	
2021–22					
Merchants	3	3	1	92	2
Consumers	14	6	2	79	

Note: This table compares merchants' and consumers' plans to go cashless from the 2018 Merchant Acceptance Survey, the 2021–22 Merchant Acceptance Survey Pilot Study and the 2021 Methods-of-Payment Survey Report (Henry, Shimoda and Zhu, forthcoming). All estimates were computed using survey weights. Merchants who reported that they do not accept cash are classified as "Already cashless." All other merchants were asked if their business currently has any plans to stop accepting cash in the future, and they selected one of the following responses: (i) No, the business does not have any plans to stop accepting cash; (ii) Yes, in the next year; (iii) Yes, probably not next year, but in the next 5 years; (iv) Yes, but in more than 5 years; (v) Don't know.

Table 6: **Merchants' stated preferences regarding payment methods**



Note: See Fung, Huynh and Kosse (2017) for data shown in the 2015 chart; data for the 2021–22 chart comes from phase 2 of the 2021–22 Merchant Acceptance Survey Pilot Study. Survey weights are used.

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