



News Release

PULSE® Study Finds Debit Issuers Focused on Digital Payments, Mobile Self-Service, Fraud Mitigation

Greater Consumer Awareness and Merchant Acceptance Sparked a Rise of Over 87% Year-over-Year in Point-of-Sale Mobile Wallet Purchases

HOUSTON, August 17, 2023 – The *2023 PULSE Debit Issuer Study*, commissioned by Discover® Financial Services’ PULSE debit network and conducted by West Monroe, finds consumer demand for digital experiences, mobile self-service capabilities and fraud management is commanding the attention of financial institutions. Following the volatility experienced during the pandemic, issuers reported slight growth in the total number of debit transactions, up 1% year-over-year (YoY) in 2022, while dollar volume increased 3%.

“After two years of historic disruption in payments, 2022 was a year for the industry to catch its collective breath and ensure investments are truly meeting the needs of consumers,” said Steve Sievert, executive vice president of Marketing and Brand Management with PULSE. “This year’s study found consumers further embraced contactless cards and mobile payments, while many issuers are focused on securing top-of-digital-wallet position for their debit cards.”

Payment Trends that Surged have Endured

Nearly 80% of issuers reported seeing increased use of mobile wallets in 2022, and mobile wallet transactions at the point-of-sale rose more than 87% YoY. Increased mobile wallet use is being fueled by greater consumer awareness and merchant adoption of NFC-enabled payment terminals. Meanwhile, the sharp growth over the past 2 years in account-to-account (A2A) transactions, which include peer-to-peer payments, business-to-consumer disbursements and gig-economy wage payments, moderated in 2022 with a 6% YoY increase.

Meeting Consumer Demand for Mobile Capabilities

With consumers favoring seamless digital experiences and mobile capabilities, issuers are seeking to keep pace by prioritizing customer experience. More than one-third of respondents (35%) reported accelerating the rollout of new digital capabilities in 2022, with an emphasis on self-service features. Many issuers are investing in a broad range of mobile-app capabilities that allow consumers to perform functions such as ordering, activating, freezing or unfreezing a debit card.

Fraud Management is Top Concern

When asked about trends impacting their debit programs, key focus areas and priority investments, fraud management emerged as issuers' top concern in 2022. Nearly 90% of issuers reported increased attention on fraud issues, and nearly 45% said fraud initiatives were high-impact. Three-quarters of respondents (76%) reported they enhanced their fraud models to reduce fraud losses and false positives, which negatively impact cardholders. Four out of 10 said they are working to improve the cardholder-dispute experience.

Steady Year-Over-Year Performance

The *2023 Debit Issuer Study* found modest improvement in debit key performance indicators from 2021 to 2022. Debit usage per active card remained flat YoY, at more than 29 transactions per month. Debit penetration rates rose marginally to 84.5% of accounts (up 0.2%), and the active rate (the percentage of issuers' debit cards used regularly) increased slightly to 68.6% (up 1.2%). The average debit ticket increased 2.4% to \$48.49 per transaction, likely due to inflation.

For more information, visit the [PULSE Debit Issuer Study](#) resource center.

About the Study

The *2023 Debit Issuer Study* is the 18th installment in the study series, commissioned by PULSE and conducted by West Monroe, a digital services firm. The study provides an objective fact base on debit issuer performance and financial institutions' outlook for the debit business. Study respondents included large banks, credit unions and community banks. The sample is representative of the U.S. debit market in terms of institution type, geography and debit network participation.

About PULSE

PULSE is a leader in debit payments, cash access and account transfers, and we deliver exceptional value, choice and convenience to clients across the payments ecosystem. We enable reliable and secure digital money movement for a wide variety of debit card programs by leveraging our PULSE Network, the Discover® Debit program, an advanced fraud-detection platform and partner-support services. Our commitment to continuous improvement, innovation and prioritizing the unique business needs of our clients empowers payment solutions that meet the evolving demands of consumers. PULSE is a Discover (NYSE: DFS) company and part of the Discover Global Network. For more information, visit [PULSEnetwork.com](https://pulsenetwork.com).

Contacts

Anne Uwabor, 832-214-0234
PULSE
anneuwabor@pulsenetwork.com

Dan Keeney, 832-467-2904
DPK Public Relations
dan@dpkpr.com

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