

velera

# PAYMENTS INDEX

## Deep Dive: Digital Payments

May 2025

Even as consumer sentiment and confidence continued to erode, consumer purchasing behavior remained positive in April, with increased growth in debit activity and ongoing consistent growth in credit activity. Consumer goods led the charge, perhaps signaling early purchasing ahead of expected tariff impacts. On May 11, negotiations with China resulted in a temporary pause on tariffs, reducing the effective rate of Chinese imports to 30% for the next 90 days. In our May 2025 edition of the Velera Payments Index, we revisit the consumer card payment ecosystem with a focus on digital payments.

The [Consumer Confidence Index](#) posted another substantive decline for April, dropping 7.9 points to 86.0. “The three expectation components – business conditions, employment prospects and future income – all deteriorated sharply, reflecting pervasive pessimism about the future,” said Stephanie Guichard, senior economist, Global Indicators at The Conference Board. The decline was across all age groups and most income levels. The University of Michigan [Index of Consumer Sentiment](#) dropped 8% from March to 52.2 in April. There was a much larger drop-off in the Index of Consumer Expectations, with the area of personal

## Performance Snapshot: April 2025

### Market / Economic Variables

**86.0**  
**Consumer Confidence Index**  
 ↓ Change 7.9 points

**52.2**  
**U of M Index of Consumer Sentiment**  
 ↓ Change 8.0 points

**2.3%**  
**Consumer Price Index**  
 ↓ Change 0.10%

**2.8%**  
**Core CPI (ex Food/Energy)**  
 — No change

**177,000**  
**BLS / Job Growth**  
 ↑ Change 44,000

**4.2%**  
**Unemployment Rate**  
 — No change

**4.25-4.5%**  
**Federal Reserve Interest Rate**  
 — No change

### Payments Index Growth

#### Purchases

2025 v 2024

Credit  
 ↑ **1.9%**

Debit  
 ↑ **5.8%**

2024 v 2023

Credit  
 ↑ **1.1%**

Debit  
 ↑ **3.2%**

#### Transactions

2025 v 2024

Credit  
 ↑ **2.3%**

Debit  
 ↑ **3.7%**

2024 v 2023

Credit  
 ↑ **2.2%**

Debit  
 ↑ **2.7%**



finance and business conditions dropping 32% since January. Weaker income growth in the year ahead was cited by consumers, which can lead to a slowdown in spending.

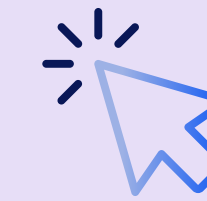
In the Labor Department's May 13 update, the [Consumer Price Index \(CPI\)](#) increased 0.2% in April, bringing the cumulative 12-month rate of inflation up to 2.3%. Shelter, which accounted for more than half of the monthly increase,

was up 0.3% for April. The energy index increased, up 0.7 percent, as increases in natural gas and electricity more than offset a decline in gasoline. The food index fell 0.1 percent in April.

Jobs grew by 177,000 in April, with increases in healthcare, transportation, warehousing, financial activities and social assistance. This increase was mainly in line with the average monthly increase

over the past 12 months of 152,000. While the BLS reported that federal government workers declined by 9,000 in April, new reporting from outplacement firm [Challenger, Gray and Christmas](#) cited that half of all layoffs year to date through April were the result of "DOGE actions" and accounted for the reduction of 283,000 jobs in 2025. March's job growth numbers were downwardly revised by 43,000 to 185,000, and February was revised downward by 15,000 to 102,000. The U.S. Bureau of Labor Statistics (BLS) [reported](#) the overall unemployment rate was unchanged for April at 4.2%, or 7.1 million people.

On May 7, Federal Reserve Chair Jerome Powell indicated that interest rates would remain unchanged for the benchmark overnight rate of 4.25% to 4.5%. The Fed Chair indicated a more wait-and-see approach given the uncertainty in the economy stemming from the implications of tariffs, employment and potential inflation. Stagflation, the concurrence of higher inflation and slower economic growth, has been [topical](#) and presents unique challenges for the Federal Reserve to navigate. The next scheduled Federal Open Market Committee (FOMC) meeting concludes June 18, where subsequent rate adjustments would be communicated.



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We hope that the insights from the Velera Payments Index continue to help our financial institutions make informed, strategic decisions.

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"The digital wallet landscape is becoming increasingly fragmented, with offerings ranging from hardware-based options like Apple Pay and Google Pay to app-based wallets such as PayPal and even proprietary solutions from retailers and financial institutions. Each type has strengths and limitations, but all depend on widespread consumer adoption and broad merchant acceptance to succeed. With one in five digital wallet users now regularly leaving home without a physical wallet, coupled with usage projected to surpass debit cards at the point of sale by 2027, credit unions must act decisively. Ensuring credit unions' cards and accounts are fully integrated with the most widely used digital wallets – Apple Pay, Google Pay, PayPal, Amazon – is essential to maintaining relevance, convenience and top-of-wallet status with members in a fast-evolving payment ecosystem."

**Thad Peterson**  
Strategic Advisor  
Datos Insights

## Key Takeaways for April 2025

- Growth rates improved for debit in April and remained consistent for credit. Debit purchases were up 5.8% and credit purchases were up 1.9%, while debit transactions were up 3.7% and credit transactions were up 2.3%. The Goods sector was again the top contributor to growth in both credit and debit purchases, which may indicate consumers buying now to avoid potential upcoming tariff impacts. The Service sector remained a top contributor to year-over-year growth, with insurance sales/premiums having notable increases, up 6.8 for credit purchases and up 6.9% for debit purchases.
- Growth in digital payment transactions was up 6.4% on credit and 10.9% on debit for April, while growth in physical card transactions was down 0.8% for credit and down 1.1% for debit. Within digital payments, the growth was attributable to increases in tokenized transactions. Within physical card transactions, growth in contactless transactions was offset by declines in chip/EMV and mag stripe activity.
- The 12-month CPI through April increased by 2.3%, down 0.1% from March. Half of the increase was attributable to the shelter index. Energy increased, influenced by natural gas and electricity, offsetting drops in gasoline. Core inflation, which excludes food and energy, remained at 2.8% for April.

# Deep Dive: Digital Payments

For May, we revisit the primary ways credit and debit cards are used and provide our view of “digital payments,” which represent the alternative ways cards can be used without a physical card facilitating the transaction. These include all Card Not Present (CNP) activity, as well as all tokenized transactions. While most tokenized transactions are CNP, we include Card Present (CP) tokenized activity associated with digital wallets, namely the “Pays” (Apple Pay, Google Pay, etc.).

In April 2025, digital transactions accounted for 44% of all credit card and debit card transactions. Digital purchases represented a greater share of overall purchases and now represent 55% of credit and debit purchases.

The remainder of activity for credit and debit cards includes more traditional physical card payments, or “card in hand” activity. These transactions and purchases are the total of all tapped (contactless), dipped (EMV chip), swiped (mag stripe) and nominal activity in which the card was keyed. Contactless “tap and go” activity is encrypted but not tokenized like digital wallet activity.

As a percentage of overall credit and debit card transactions, contactless transactions continue to increase. Contributing to the growth are the increase in contactless cards in the market, consumer comfort and acceptance of “tapping” transactions and increased merchant adoption of terminals accepting contactless transactions. For April, credit contactless transactions represented 26% of all credit transactions, up from 21% in 2024. Debit contactless transactions represented 18% of all debit transactions, up from 13% in 2024. There was an expectation that contactless card activity would replace lower-dollar-value cash transactions, which does appear to be happening, as the average purchase for contactless card transactions was lower than

the average physical card purchase for both credit and debit. For April, contactless credit purchases represented 19% of overall credit purchases and contactless debit purchases represented 12% of overall debit purchases.

The percentage of overall transactions that are mag stripe, or swiped, is on the decline for credit cards. For April 2025, mag stripe represented only 2% of all transactions, which was down from 3% in 2024. Mag stripe debit represented 8% of

all debit transactions in 2025, down from 10% in 2024.

For physical card activity, the growth in contactless transactions comes from an ongoing shift in EMV transactions. For April 2025, credit EMV chip transactions represented 27% of all credit transactions, down from 34% in 2024. Similarly, debit EMV chip transactions represented 29% of all debit transactions, down from 35% in 2024.



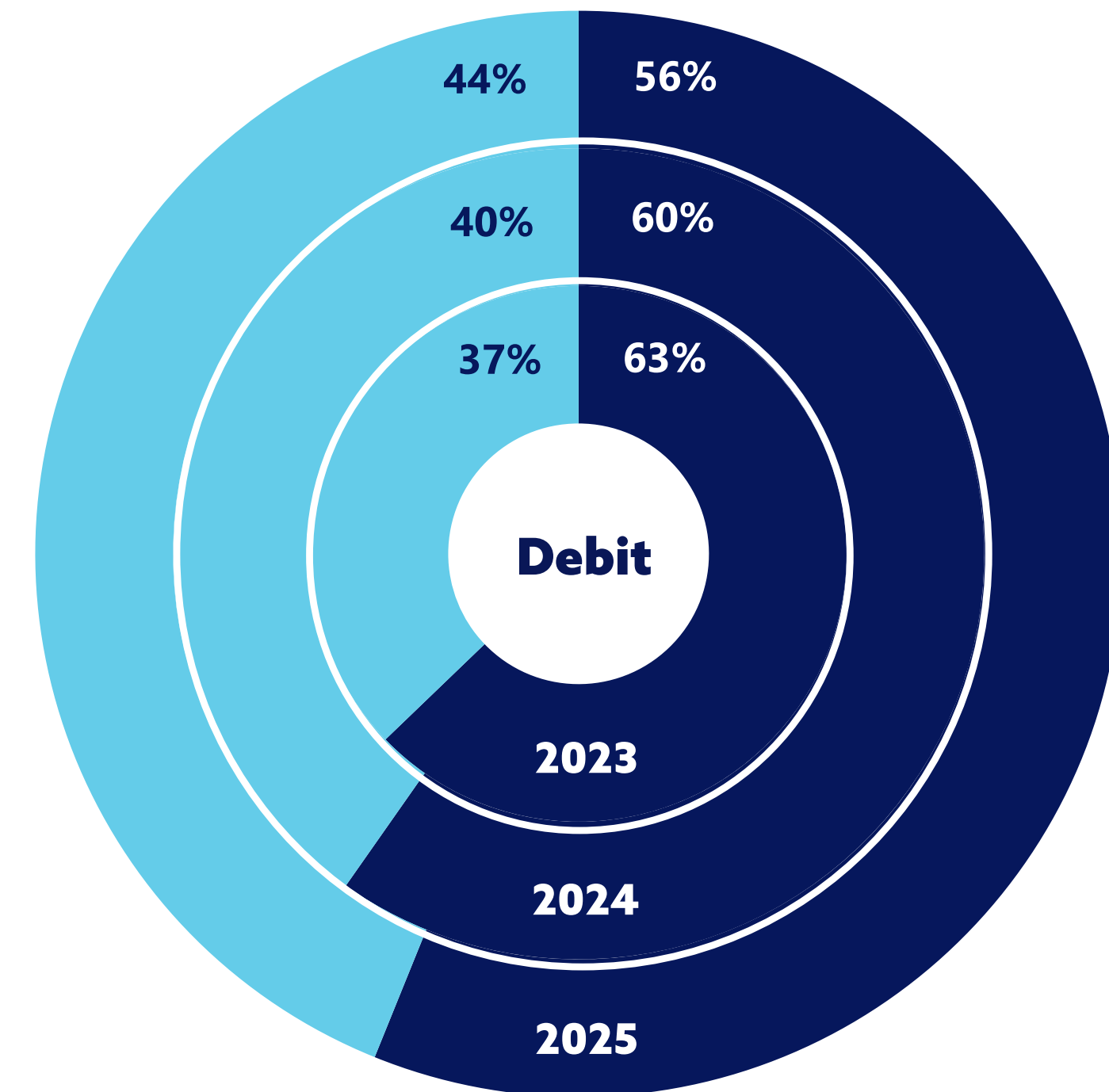
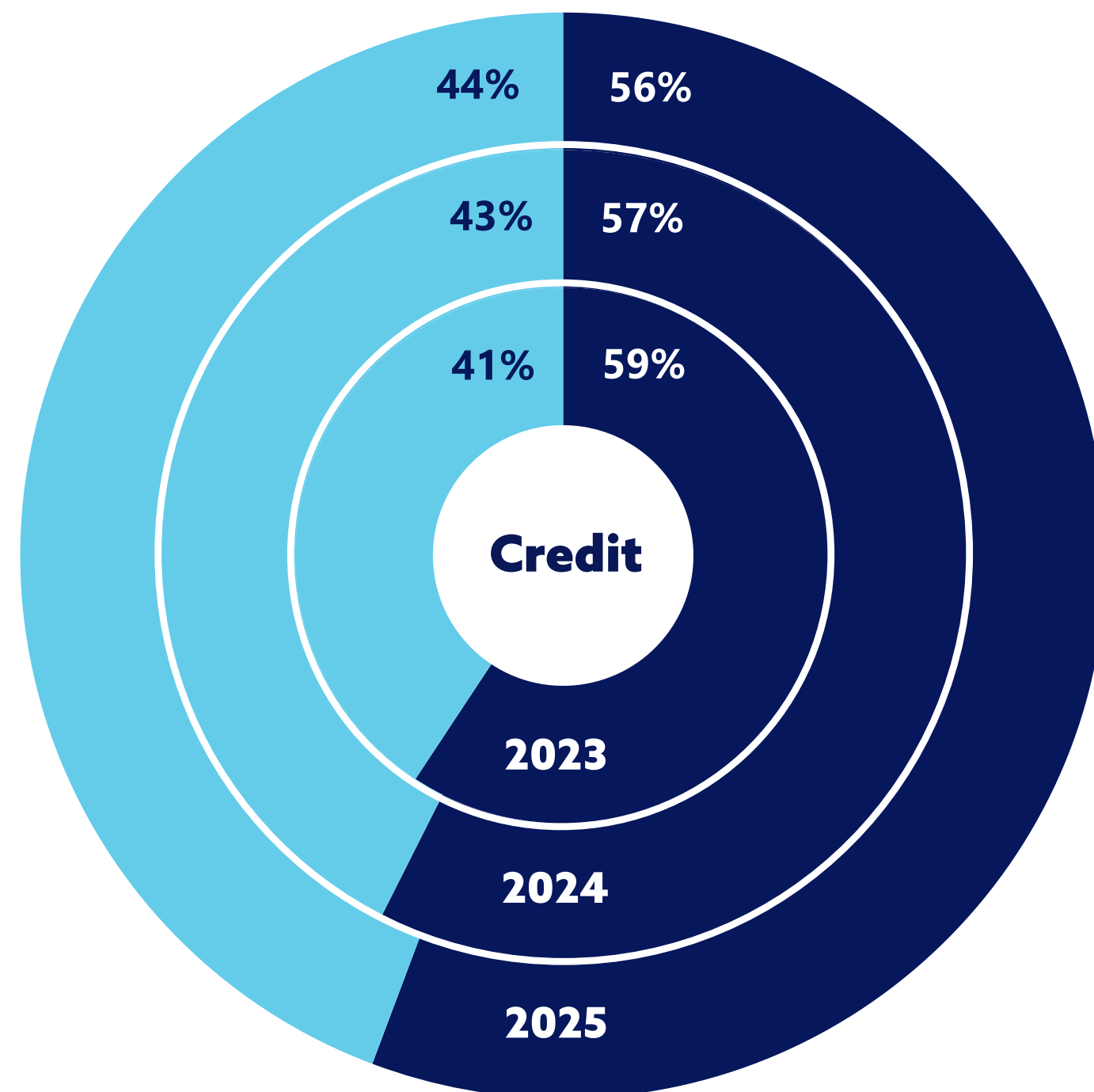
In April, **credit contactless transactions represented 26%** of all credit transactions



# Deep Dive: Digital Payments

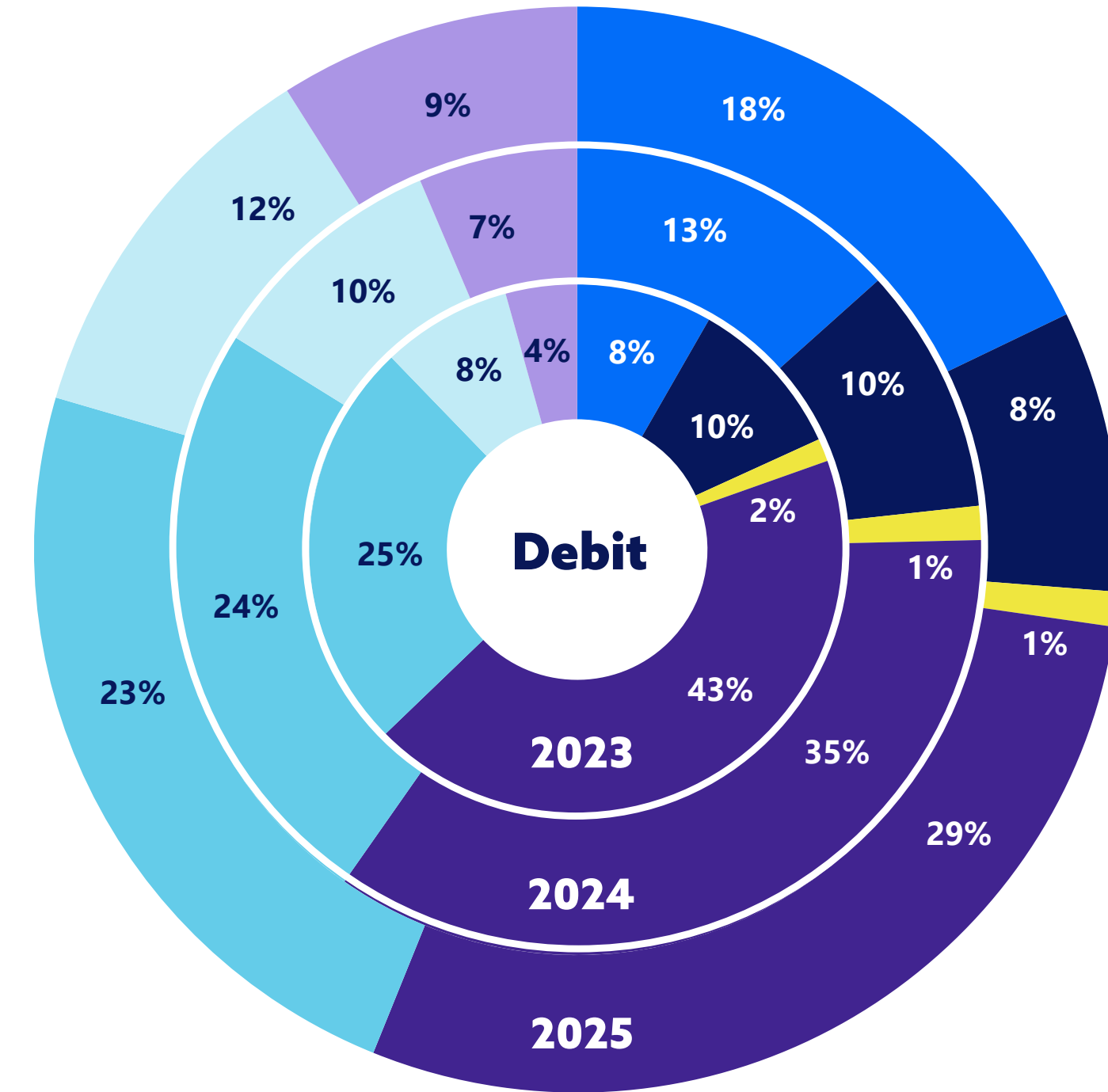
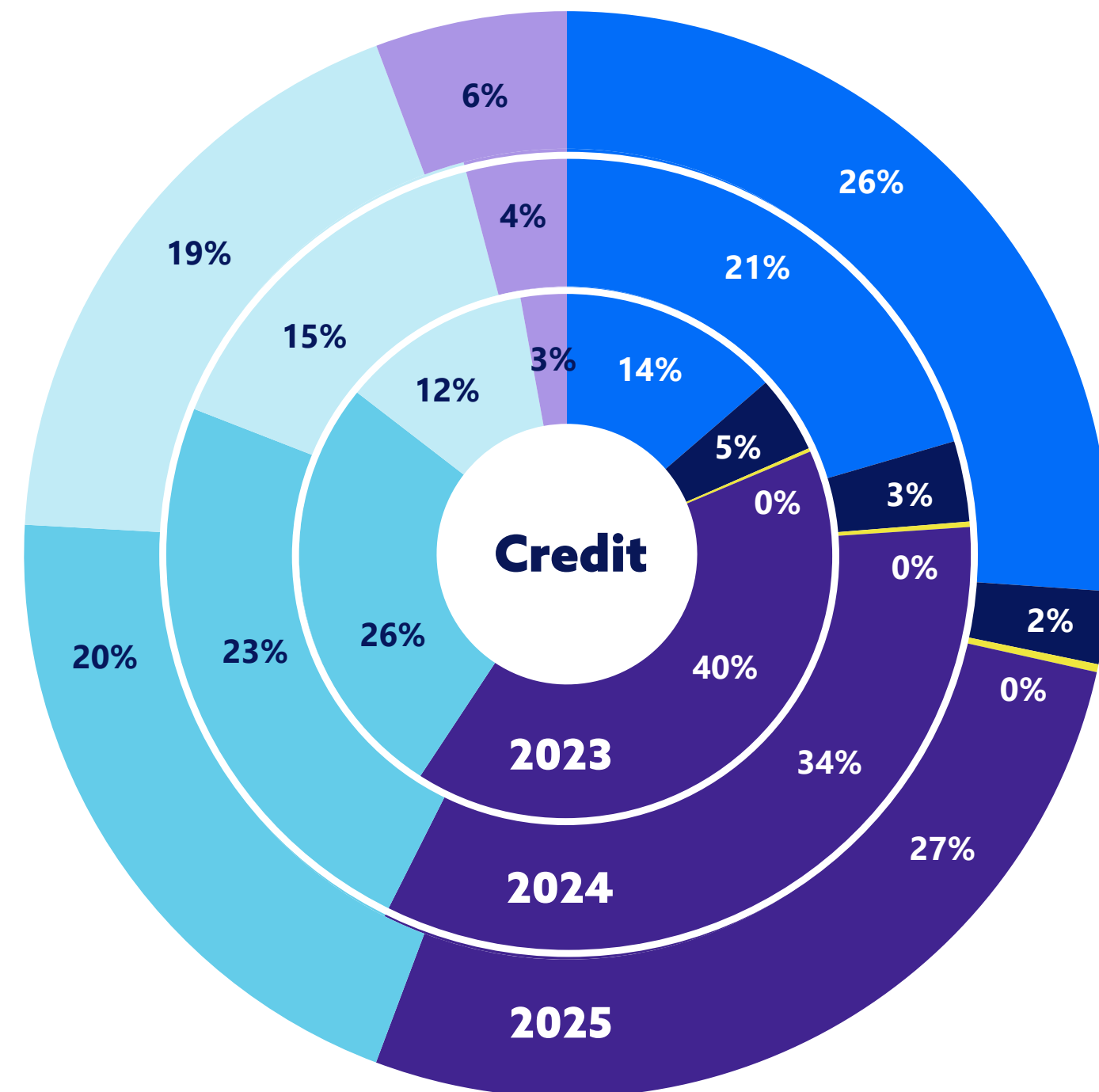
## Digital vs. Physical Card Transactions

■ Digital Payments ■ Physical Card



# Deep Dive: Digital Payments

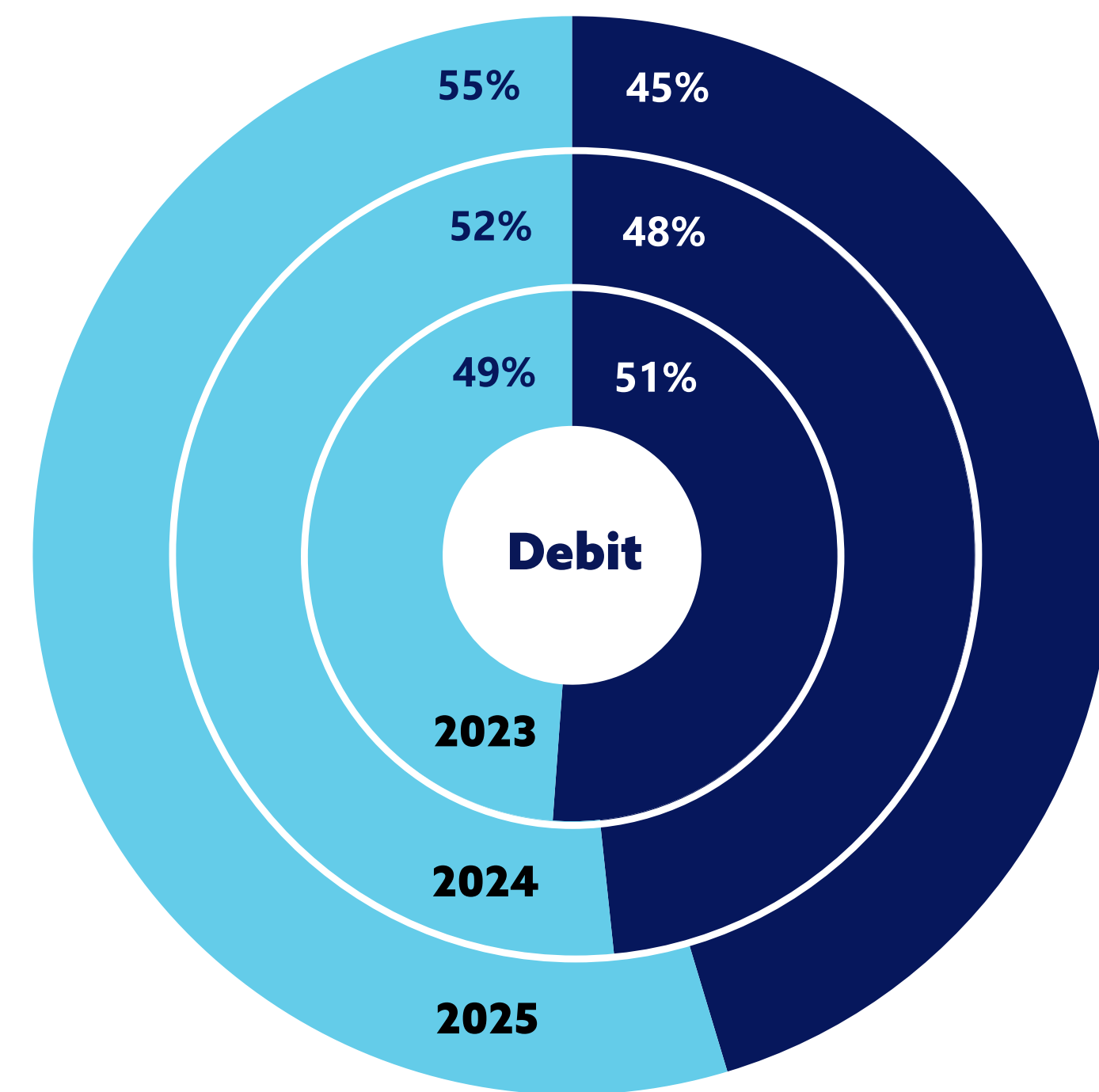
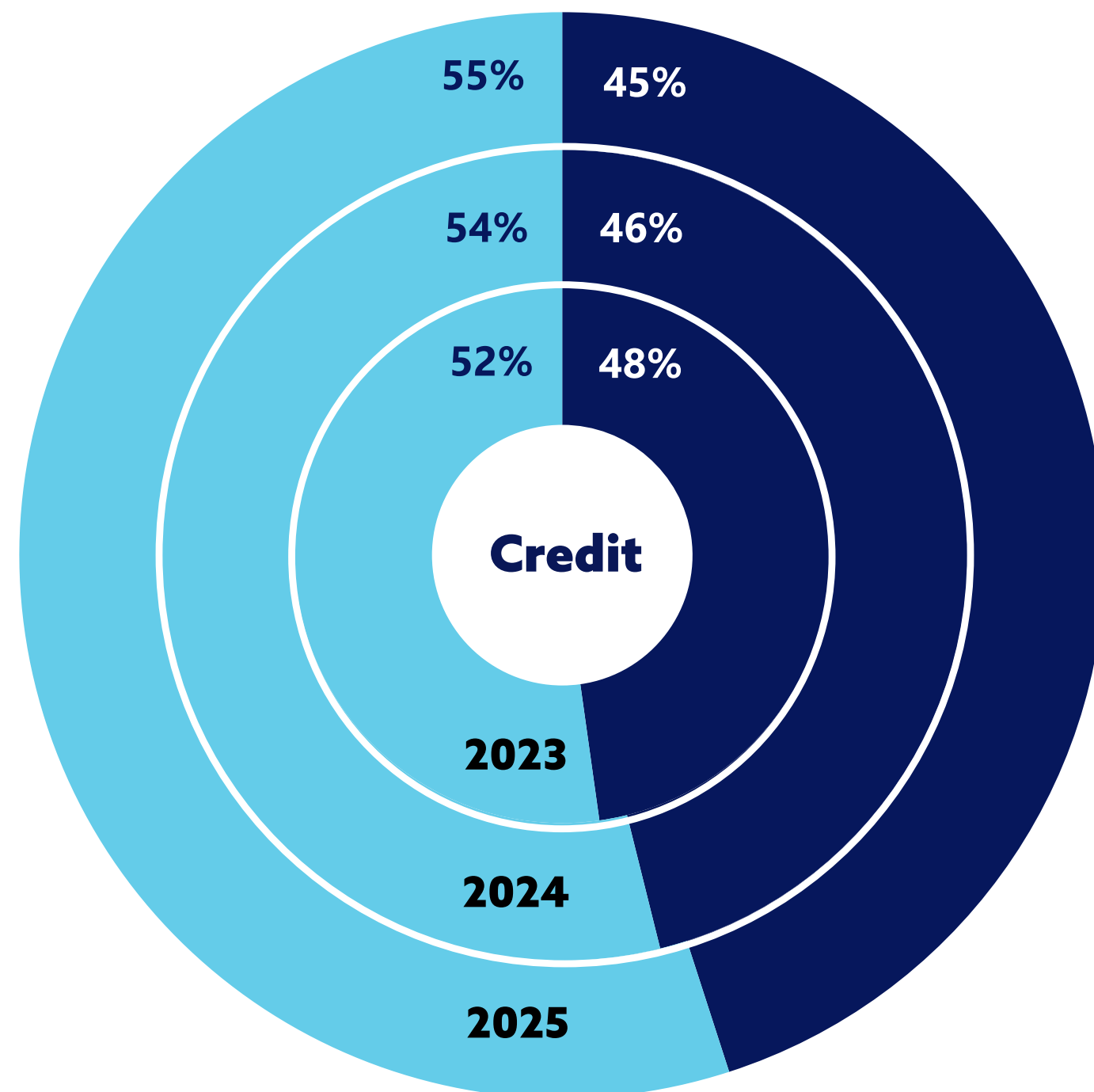
## Digital vs. Physical Card Transactions - Detailed



# Deep Dive: Digital Payments

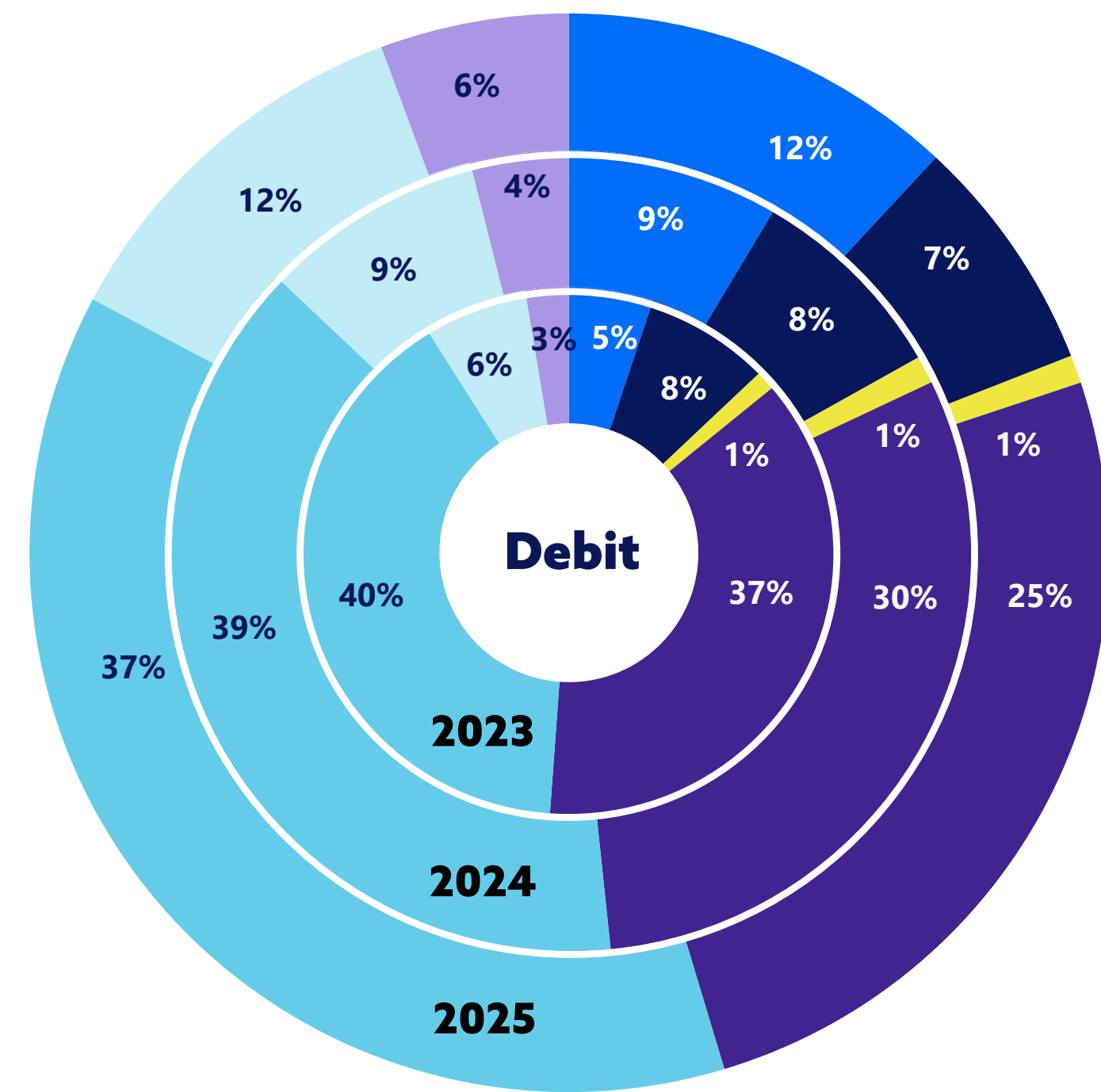
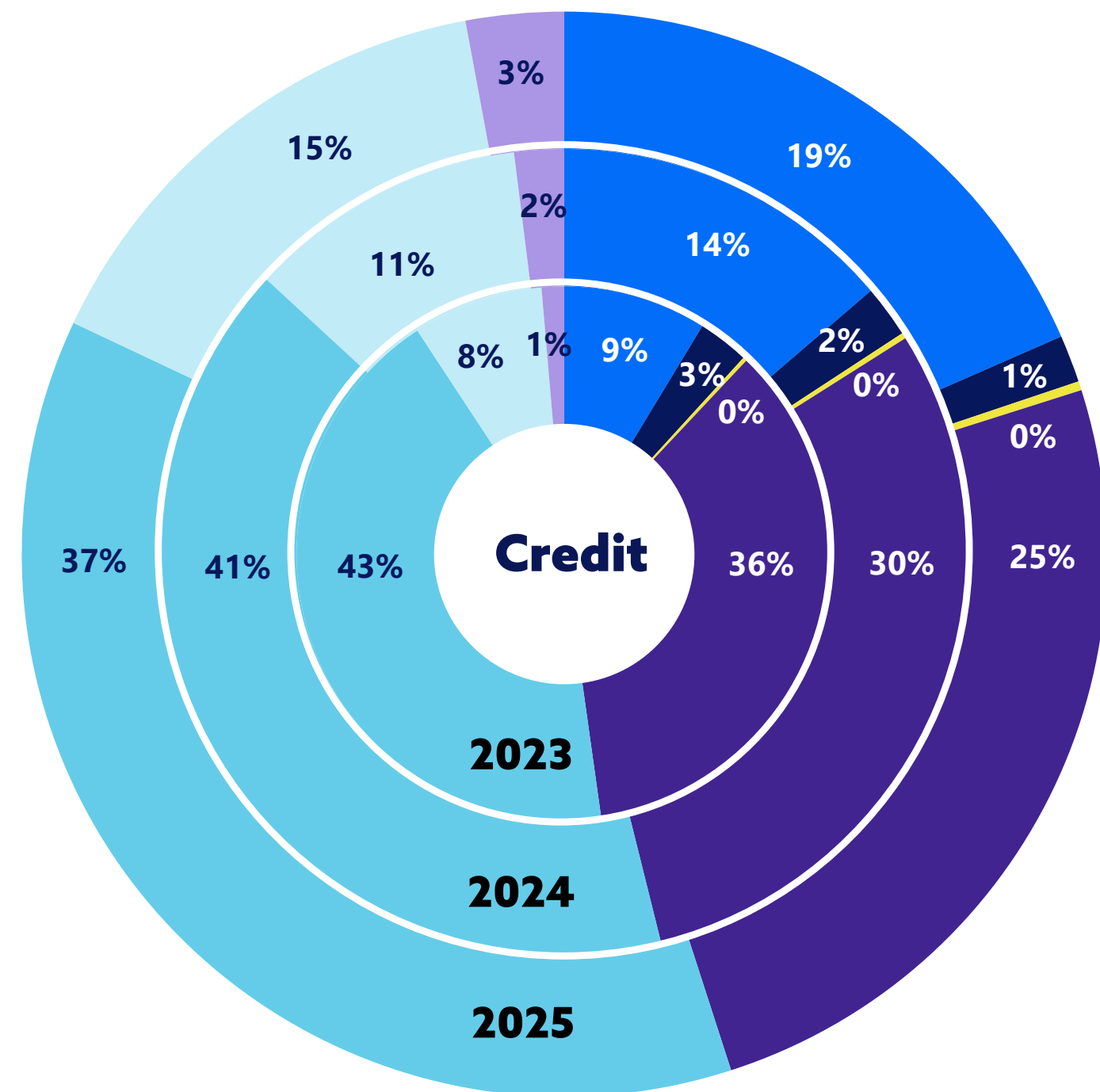
## Digital vs. Physical Card Purchases

■ Digital Payments ■ Physical Card



# Deep Dive: Digital Payments

## Digital vs. Physical Card Purchases - Detailed



# Deep Dive: Digital Payments

Digital Payments Year-over-Year Growth and Average Purchase by Transaction Type

	Credit			Debit		
	Transactions	Purchases	Average Purchase	Transactions	Purchases	Average Purchase
Digital Payment	6.4%	4.0%	\$88.39	10.9%	10.4%	\$57.42
Non-Tokenized Card on File & eCommerce	-12.3%	-7.5%	\$130.70	1.3%	3.2%	\$73.78
Tokenized Card on File	25.9%	37.8%	\$58.24	18.1%	28.4%	\$46.28
Tokenized Digital Wallet	42.4%	50.0%	\$36.39	35.9%	40.4%	\$29.06
Physical Card	-0.8%	-0.5%	\$57.53	-1.1%	0.9%	\$37.24
Contactless	30.4%	37.1%	\$50.29	30.6%	36.7%	\$30.72
Chip	-16.9%	-15.7%	\$65.13	-10.6%	-7.0%	\$40.67
Mag Stripe	-31.5%	-31.1%	\$46.44	-8.6%	-5.4%	\$39.33
Keyed	11.3%	19.0%	\$82.04	-15.3%	-13.9%	\$37.37
<b>Grand Total</b>	<b>2.3%</b>	<b>1.9%</b>	<b>\$71.19</b>	<b>3.7%</b>	<b>5.8%</b>	<b>\$46.10</b>

# Tokenized Digital Wallets

Tokenized digital wallets, or the “Pays,” also continue to grow in consumer acceptance. Debit digital wallet transactions represented 9% of overall debit transactions, up from 7% in 2024. Credit digital wallet transactions represented 6% of overall credit transactions, up from 4% in 2024.

Apple Pay maintained its market share dominance based on total digital wallet transactions. Apple Pay debit transactions have held steady from last year’s update, representing 93.5% of all digital wallet debit transactions; Apple Pay credit transactions represented 89.4% of all digital wallet credit transactions. Google Pay, which includes Fitbit Pay, had the second-highest market share with 5.1% of all digital wallet debit transactions and 8.5% of all digital wallet credit transactions. Samsung Pay was third in transaction market share with 1.4% of all digital wallet debit transactions and 2.0% of all digital wallet credit transactions.

Of the three primary digital wallet providers, Apple Pay had the greatest percentage of its respective wallet services in a Card Not Present (CNP) environment – with 37.7% of all Apple Pay debit transactions as CNP and 33.8% of all Apple

Pay credit transactions as CNP. Google Pay had 20.8% of its credit digital wallet transactions as CNP and 24.8% of debit digital wallet transactions – a marked increase from our 2024 reporting. Samsung Pay continued to post almost all digital wallet transactions as Card Present. For April 2025, Samsung Pay had 0.2% of debit digital wallet transactions as CNP and 0.3% of credit transactions as CNP.

There are several differentiators to understand the sectors in which the three main digital wallet providers are used. Apple Pay continues to lead the three main digital wallet providers in the percentage of Money Services (person-to-person) sector activity debit transactions. For April, 7% of all Apple Pay transactions and 22% of overall Apple Pay debit purchases were in Money Services. For Google and Samsung Pay debit, as well as all three providers on credit digital wallets, the percentage of both transactions and purchases was between zero and 1%.

## Digital Wallet Transaction Market Share by Provider

Digital Wallet	Credit			Debit		
	CNP	CP	Overall	CNP	CP	Overall
Apple Pay	94.5%	87.0%	89.4%	96.5%	91.7%	93.5%
Google Pay	5.5%	9.9%	8.5%	3.5%	6.0%	5.1%
Samsung Pay	0.0%	2.9%	2.0%	0.0%	2.2%	1.4%
Overall	100%	100%	100%	100%	100%	100%

## Digital Wallet Transaction Breakdown by CNP/CP and Provider

Digital Wallet	Credit			Debit		
	CNP	CP	Total	CNP	CP	Total
Apple Pay	33.8%	66.2%	100%	37.7%	62.3%	100%
Google Pay	20.8%	79.2%	100%	24.8%	75.2%	100%
Samsung Pay	0.3%	100%	100%	0.2%	99.8%	100%
Overall	32.0%	68.0%	100%	36.5%	63.5%	100%

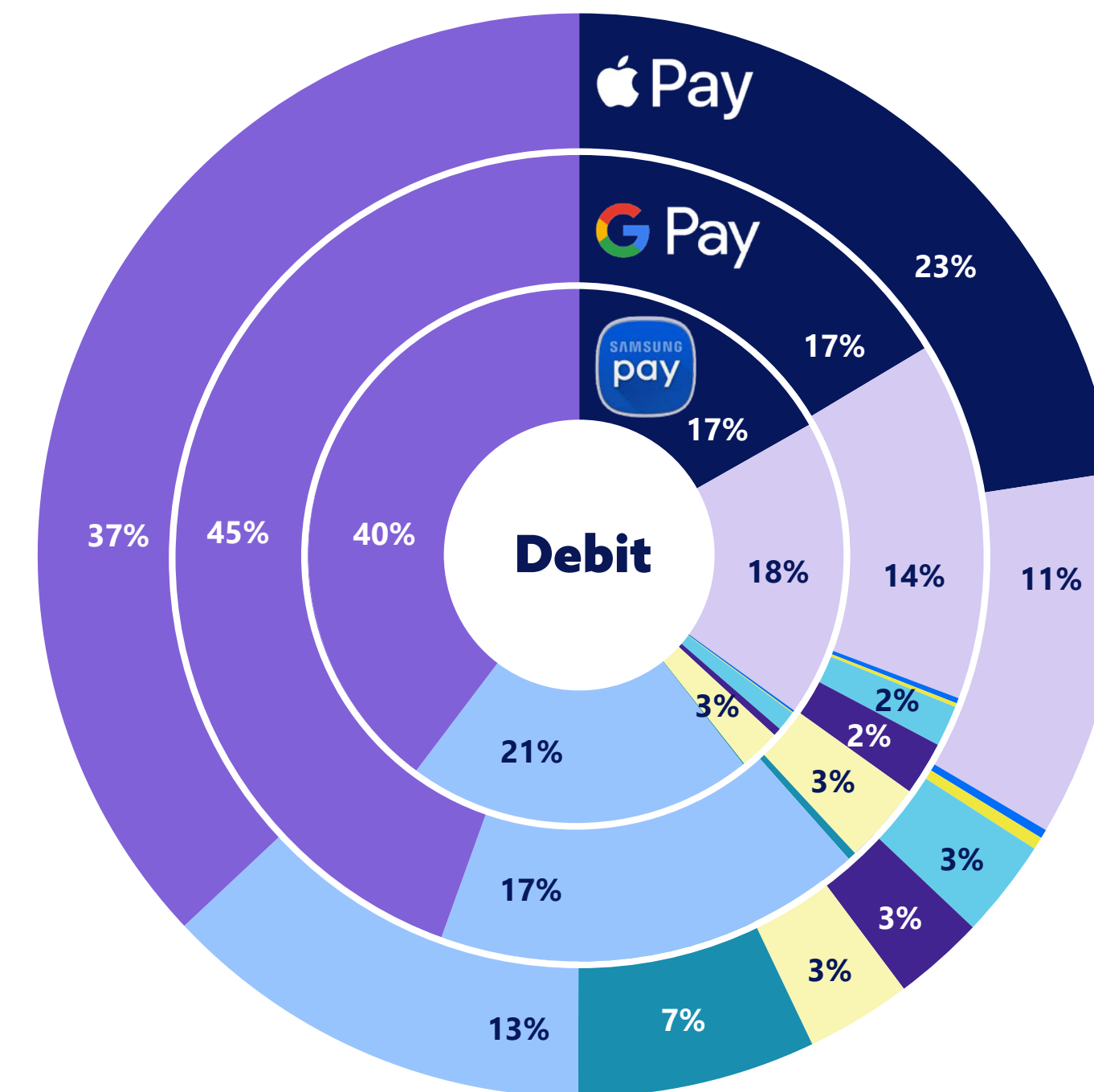
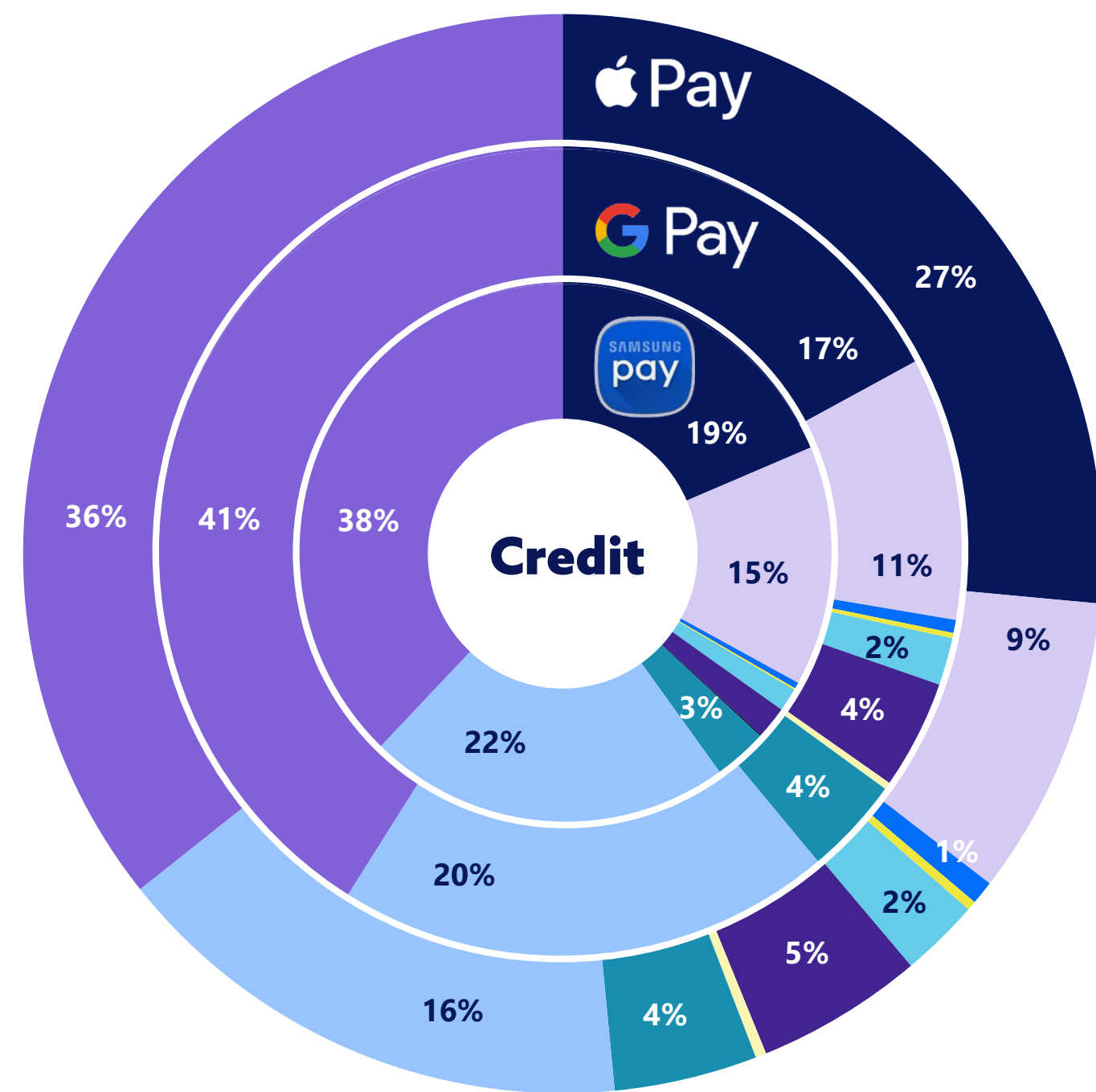
## Digital Wallet Average Purchase Amounts by CNP/CP and Provider

Digital Wallet	Credit			Debit		
	CNP	CP	Overall	CNP	CP	Overall
Apple Pay	\$47.39	\$31.67	\$36.98	\$43.42	\$21.49	\$29.76
Google Pay	\$37.84	\$30.01	\$31.64	\$28.72	\$21.99	\$23.66
Samsung Pay	\$42.36	\$30.52	\$30.56	\$28.42	\$21.19	\$21.20
Overall	\$46.87	\$31.47	\$36.39	\$42.91	\$21.51	\$29.33

# Tokenized Digital Wallets

Sector Percentage of Overall Transactions by Digital Wallet Provider: April 2025

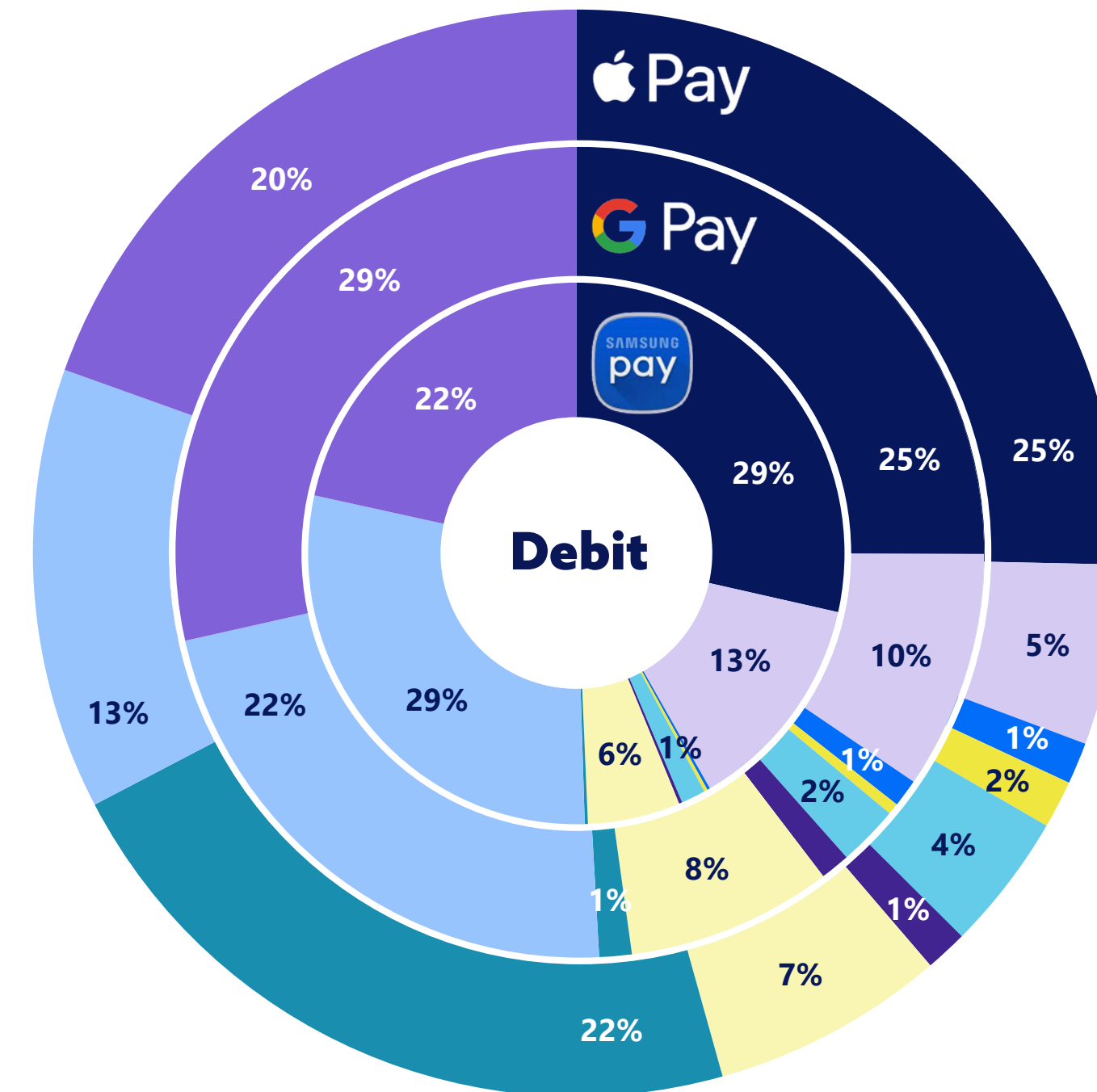
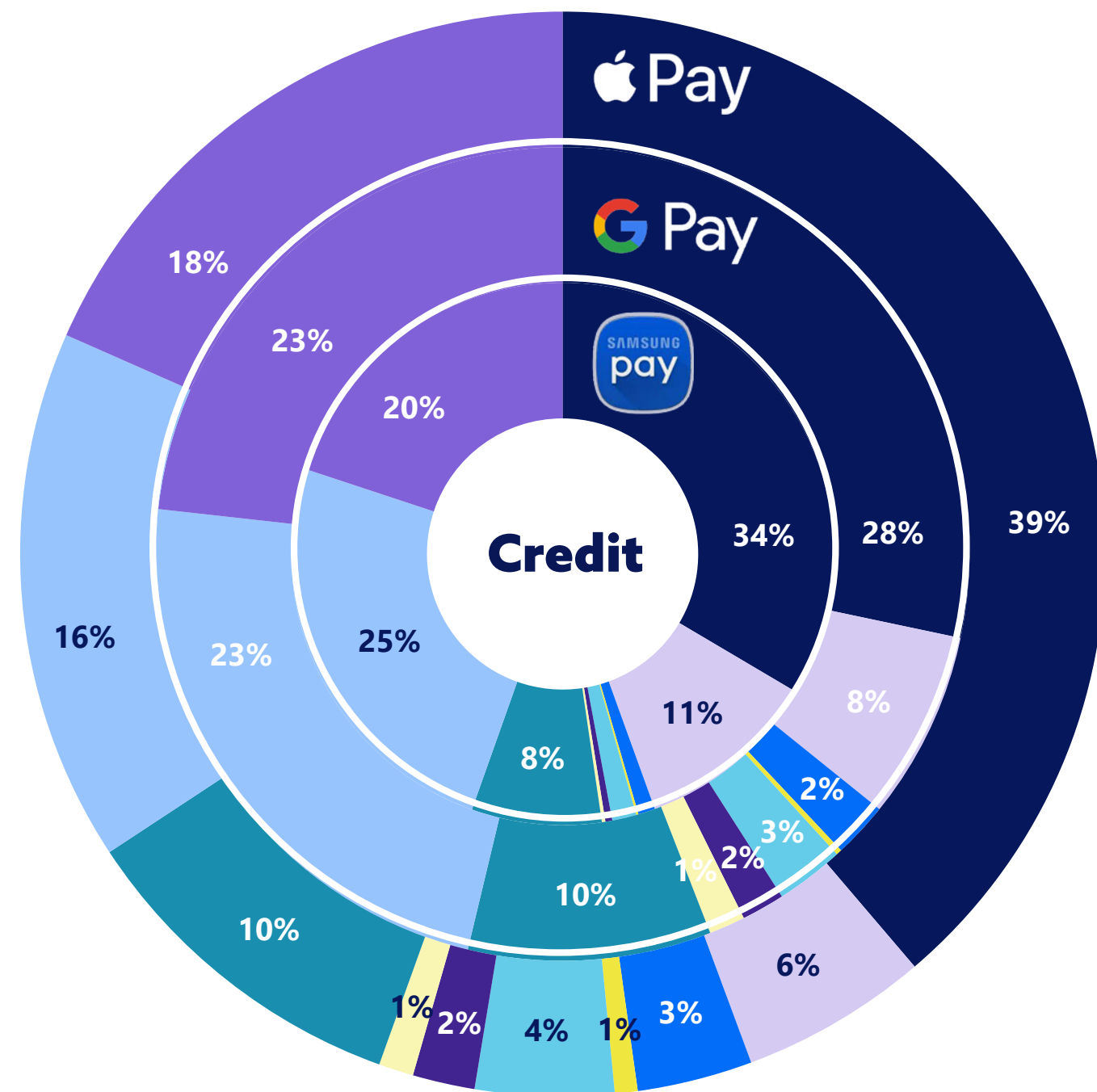
- Goods
- Gas
- Travel
- Utilities
- Entertainment
- Transportation
- Services
- Money Services
- Food & Grocery
- Restaurants



# Tokenized Digital Wallets

Sector Percentage of Overall Purchases by Digital Wallet Provider: April 2025

- Goods
- Gas
- Travel
- Utilities
- Entertainment
- Transportation
- Services
- Money Services
- Food & Grocery
- Restaurants



# Opportunities to Act On: What Credit Unions Should Do Now



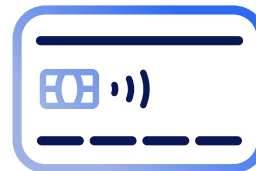
## Promote Mobile Wallets to Your Members

Actively promote mobile wallet offerings across marketing channels, as member adoption continues to grow. Mobile Wallets now account for 9% of debit transactions and 6% of credit transactions across both CP and CNP channels.



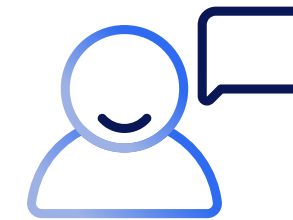
## Launch a Frictionless Card-on-File Solution

Implement a card-on-file solution, enabling cardholders to seamlessly update payment methods across merchants, for a frictionless digital experience.



## Offer Your Members Contactless Cards

Ensure members have – and are actively using – contactless cards. Dual interface cards are now the norm, with 18% of all debit card transactions and one in four credit transactions now tapped at the point of sale.



## Target Low Active and Inactive Cardholders

Re-engage low active and inactive credit and debit cardholders through a targeted Activation/Retention campaign. Velera's Fall 2025 campaign runs Sept. 1-Oct. 31, with a June 15 enrollment deadline.



## Review and Optimize Your End-to-End Digital Credit Card Origination Experience

Provide new and existing members with an end-to-end digital credit card origination experience. Partner with a digital consultant to help your credit union fully understand your members' experiences and identify ways to improve by integrating key technology features.

**Contact your Client Growth Executive for further details or to explore how Velera can support your credit union with these opportunities.**

# Credit and Debit Cards

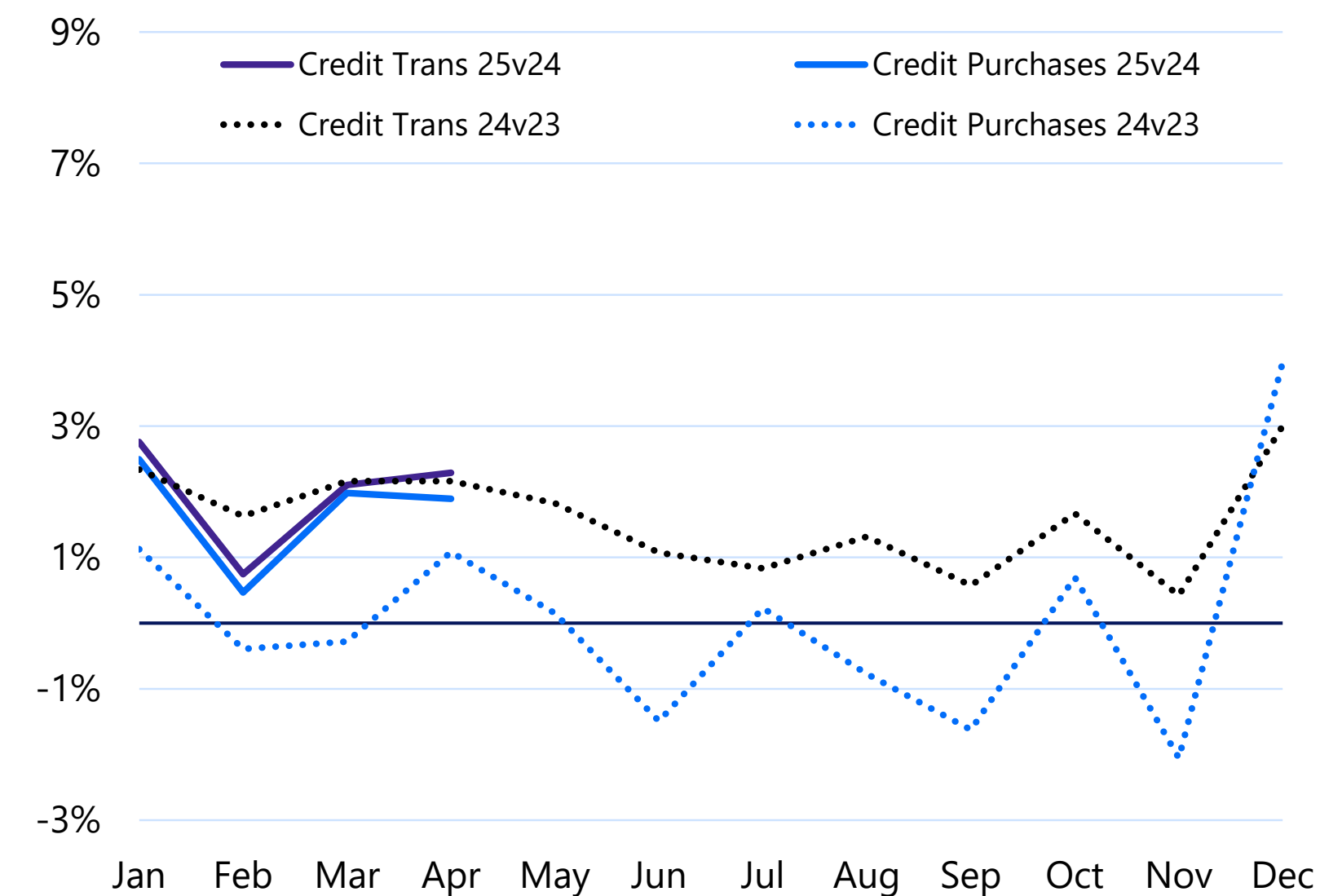
Consumer spending on debit cards strengthened in April, with purchase and transaction growth up 5.8% and 3.7%, respectively, year over year. Debit discretionary spending outperformed non-discretionary, up 6.2% year over year compared to 5.7%, respectively. For transactions, discretionary growth was more than twice non-discretionary – 7.4% versus 3.4%. The Goods sector contributed more than one-third of both debit purchase and transaction growth.

Credit card activity was relatively steady from the previous month, as well as year over year. Credit purchase and transaction growth measured 1.9% and 2.3%, respectively, year over year. Non-discretionary activity continued to outperform discretionary, with non-discretionary purchases up 2.8% year over year, compared to a 2.1% decrease in discretionary purchases. Non-discretionary transactions grew 2.4% versus 0.8% for discretionary transactions. The Goods sector also had the greatest impact on credit card growth, contributing more than half of purchase growth and over 40% of transaction growth.

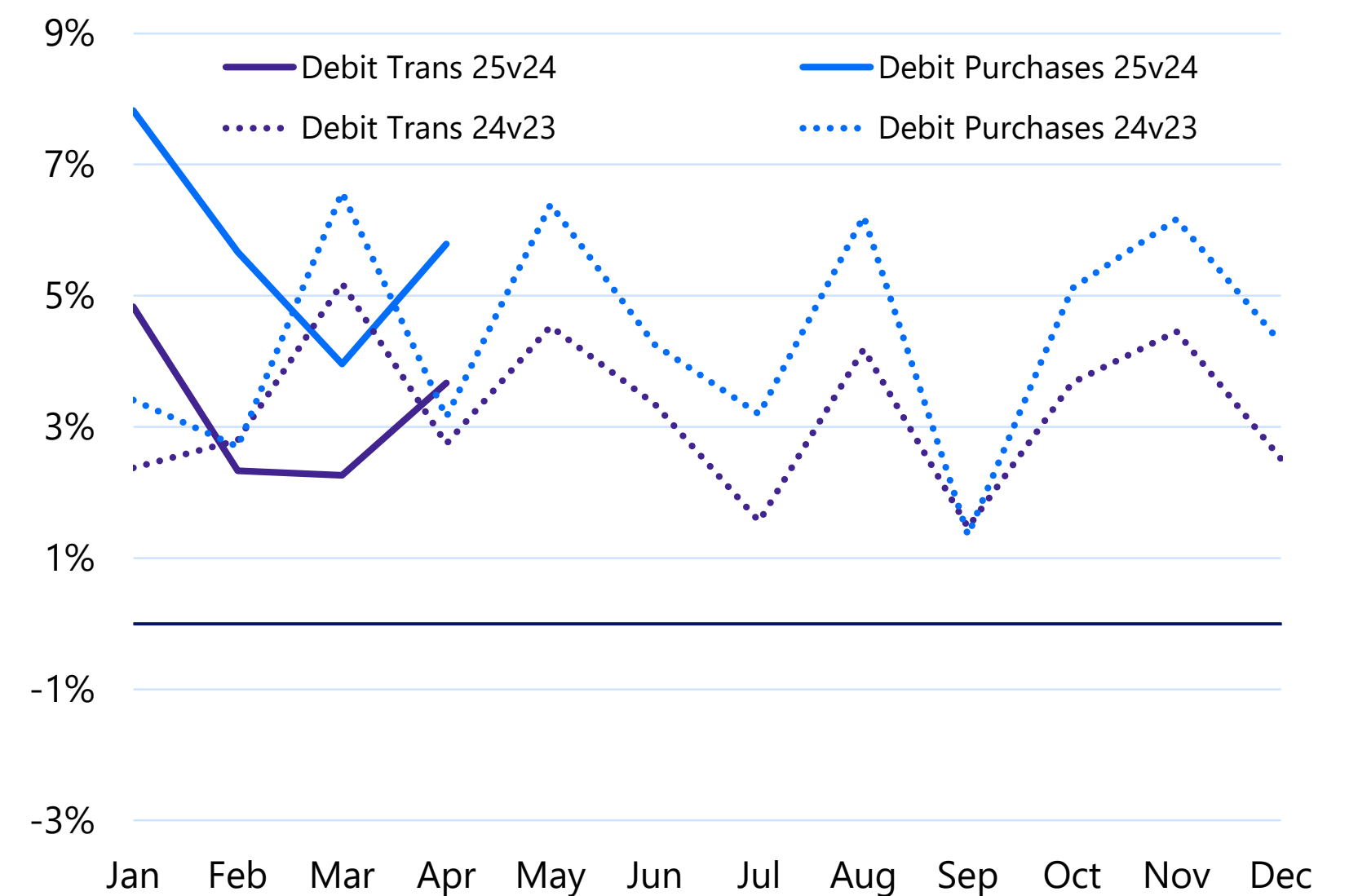
## Month of April

	Credit		Debit	
	Transactions	Purchases	Transactions	Purchases
2025 v 2024	↑ 2.3%	↑ 1.9%	↑ 3.7%	↑ 5.8%
2024 v 2023	↑ 2.2%	↑ 1.1%	↑ 2.7%	↑ 3.2%

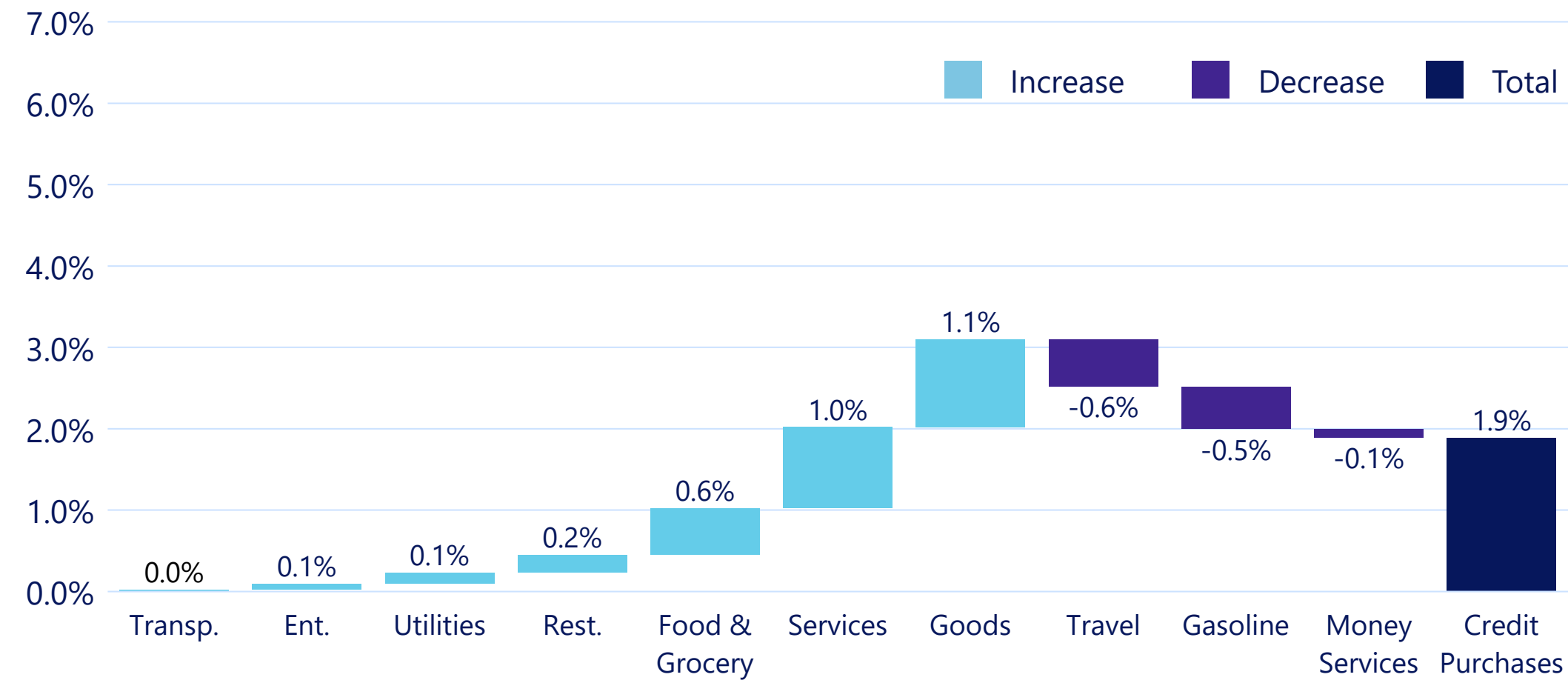
## Credit



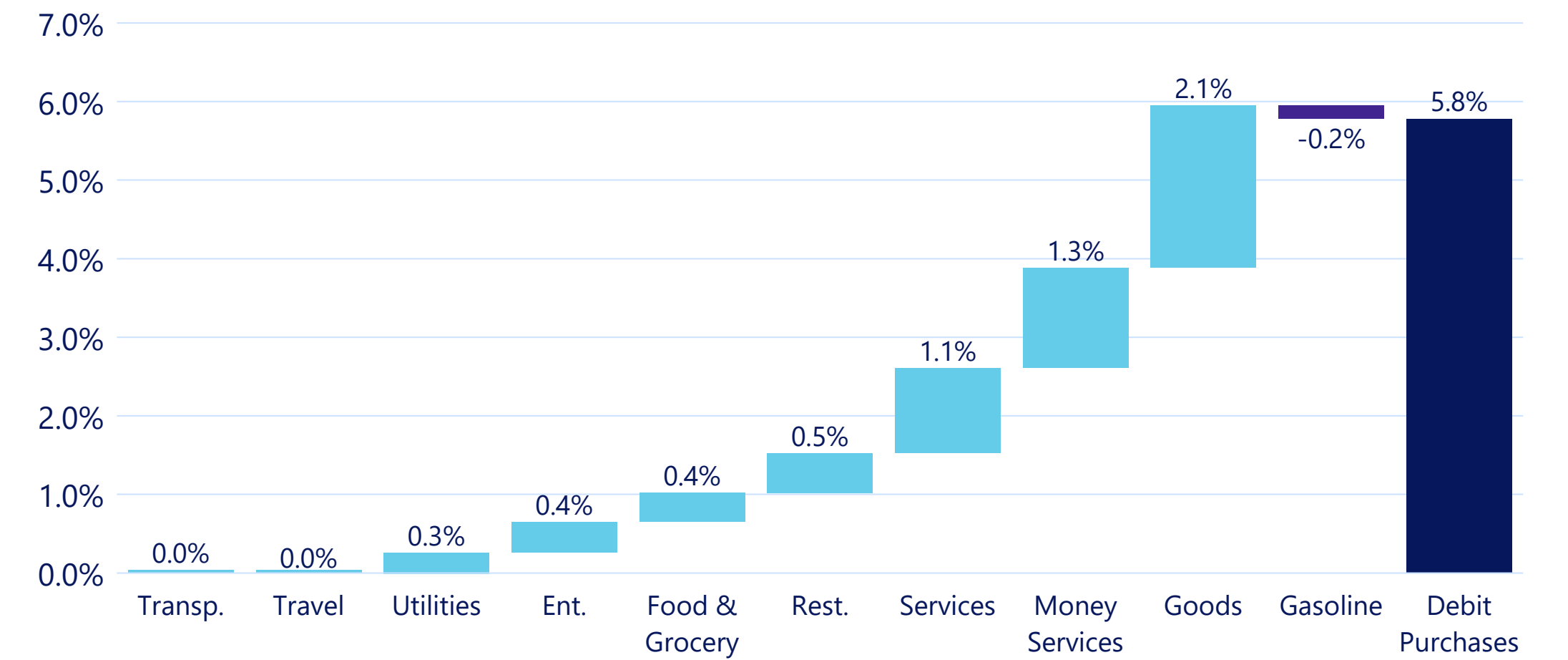
## Debit



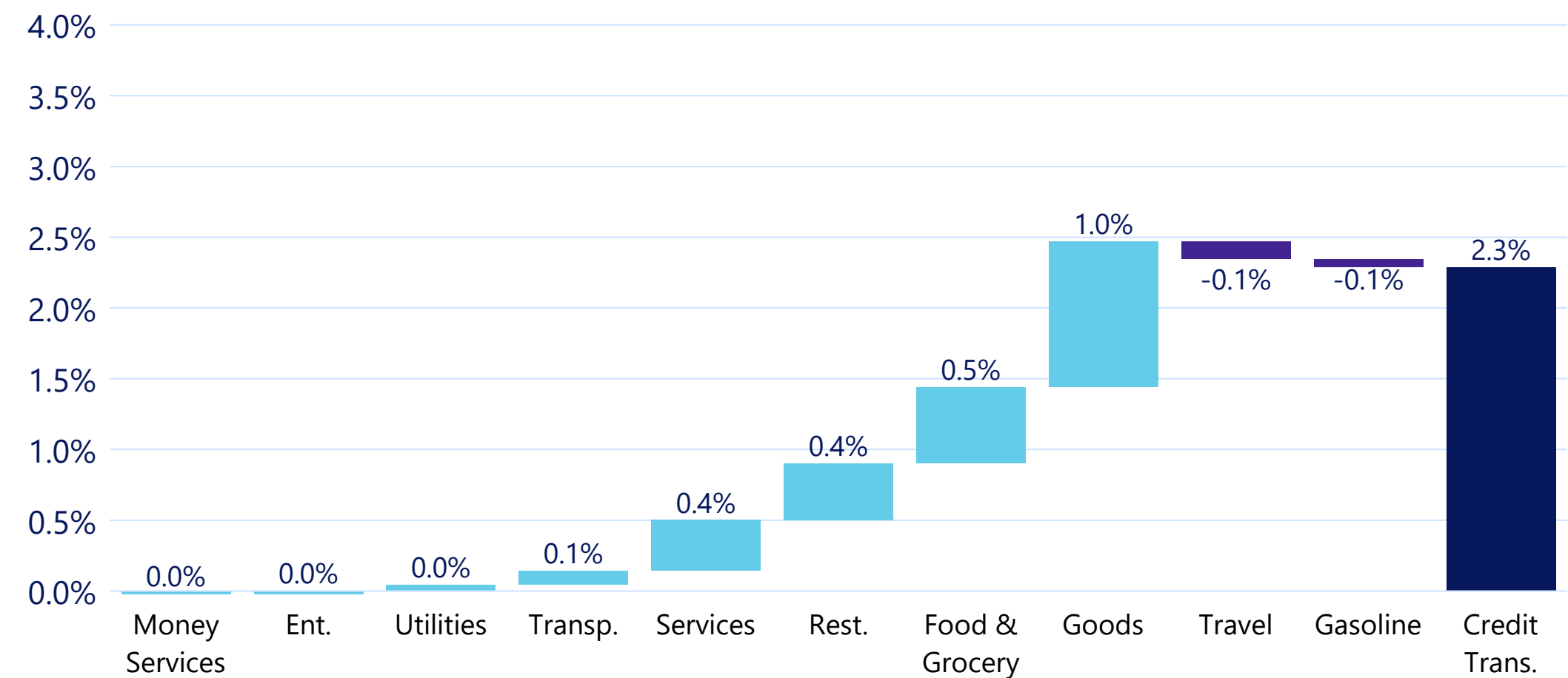
### Sector Contributions to Growth in Credit Purchases: April



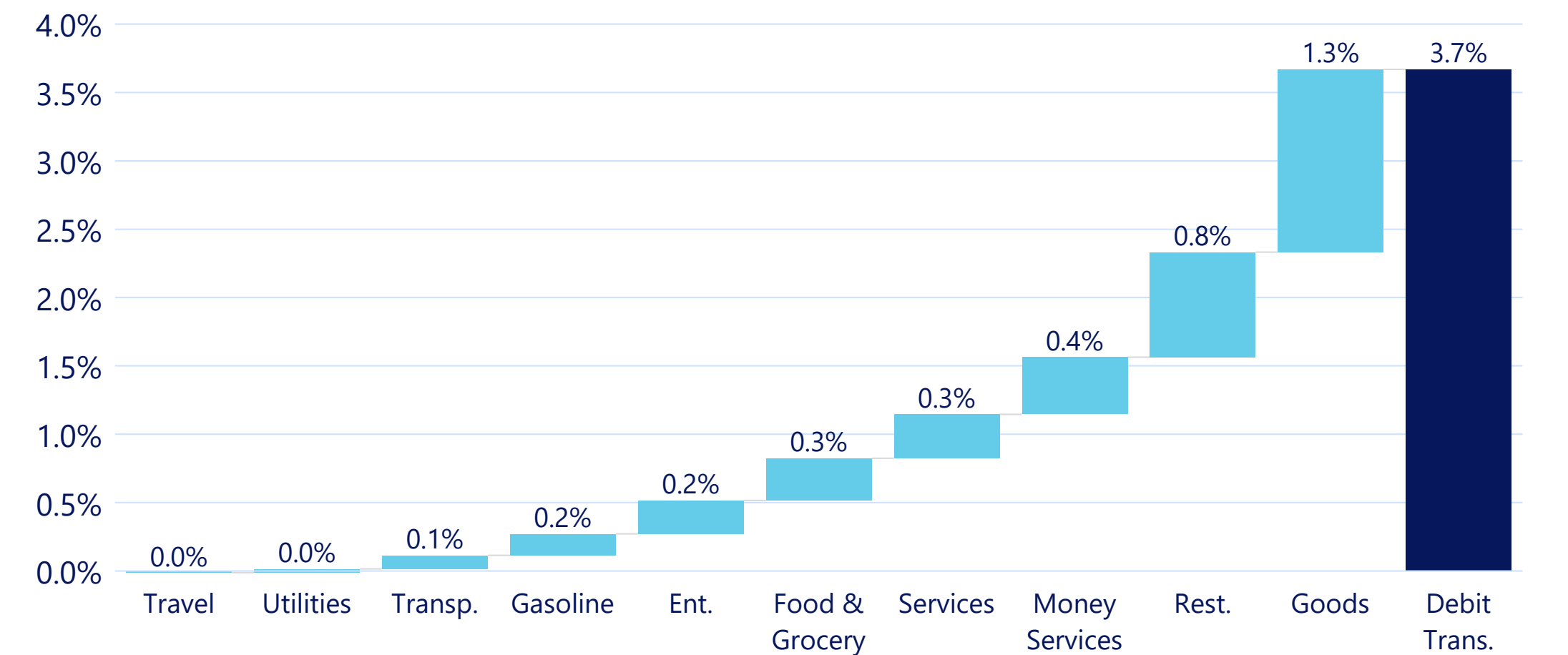
### Sector Contributions to Growth in Debit Purchases: April



### Sector Contributions to Growth in Credit Transactions: April



### Sector Contributions to Growth in Debit Transactions: April





## About the Velera Payments Index

The Velera Payments Index provides timely insights, trend analysis and thought leadership on consumer payment preferences and behavior. Distributed monthly to financial institutions, the payments market and industry media, the Velera Payments Index is designed to help credit unions make strategic, data-informed decisions on behalf of their members.

For current-year results, credit unions included in the Velera Payments Index data set have been processing with our company from the start of 2023 through the most current complete month of 2025, enabling an accurate and relevant year-over-year same-store comparison (2025 vs. 2024, 2024 vs. 2023) for purchasing behaviors and data. When the credit union populations are reviewed and updated each year, some metrics may have a nominal change from previously posted results. Additionally, as we become aware of new or changing market conditions, we may adjust merchant category code characteristics to portray the most accurate view of the consumer payments landscape.

For the “same-store” population of credit unions over the past rolling 12-month period, the April 2025 edition of the Velera Payments Index represents a total of 3.5 billion transactions valued at \$174 billion of credit and debit card activity from May 2024 through April 2025.

## About Velera

Velera is the nation’s premier payments credit union service organization (CUSO) and an integrated financial technology solutions provider. With over four decades of industry experience and a commitment to service excellence and innovation, the company serves more than 4,000 financial institutions throughout North America, operating with velocity to help its clients keep pace with the rapid momentum of change and fuel growth in the new era of financial services. Velera leverages its expertise and resources on behalf of credit unions and their members, offering an end-to-end product portfolio that includes payment processing, fraud and risk management, data and analytics, digital banking, instant payments, strategic consulting, collections, ATM and POS networks, shared branching and 24/7/365 member support via its contact centers. For more information, visit [velera.com](https://velera.com).



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