

velera

PAYMENTS INDEX

Deep Dive: Money Services

November 2025



In October, consumer spending continued to show resilient growth, while consumer sentiment dropped to levels last seen in 2022 during the peak of the post-COVID inflationary period. The longest federal government shutdown in the country's history, which lasted 43 days, ended Nov. 12. While Social Security and Supplemental Security Income (SSI) payments continued during the shutdown, there were notable impacted services, including food assistance (SNAP) and air travel. Additionally, government reporting on various economic indicators, including job growth, unemployment and inflation, was paused. In our November 2025 edition of the Velera Payments Index, we revisit our previous Deep Dive into the Money Services sector and check in on the kickoff to the holiday spending season, which started with early October sales from the three largest retailers: Amazon, Walmart and Target.

Following the last Federal Open Market Committee (FOMC) meeting that concluded on Oct. 29, Federal Reserve Chair Jerome Powell announced a much-anticipated quarter-point interest rate cut, lowering the federal funds rate to a range of 3.75% to 4.00%. The final FOMC meeting of the year will conclude on Dec. 10. [Powell said](#) that another rate cut for the December meeting

Performance Snapshot: October 2025

Market/Economic Variables

94.6
Consumer Confidence Index
 ↓ Change 1.0 points

50.3
U of M Index of Consumer Sentiment
 ↓ Change 3.3 point

3.0%
Consumer Price Index
 ↑ Change 0.3%

3.0%
Core CPI (excl. Food/Energy)
 ↑ Change 0.2%

3.75-4.0%
Federal Reserve Interest Rate
 ↓ Change .25%

134,571,000
ADP National Employment Report
 ↑ Change 42,000

Payments Index Growth

Purchases

2025 v 2024

Credit
 ↑ **1.7%**

Debit
 ↑ **6.4%**

2024 v 2023

Credit
 ↑ **0.7%**

Debit
 ↑ **5.1%**

Transactions

2025 v 2024

Credit
 ↑ **1.6%**

Debit
 ↑ **3.9%**

2024 v 2023

Credit
 ↑ **1.7%**

Debit
 ↑ **3.7%**

“is not a forgone conclusion,” citing differing views among voting committee members. With the government shutdown over, there is still time in the coming weeks to provide fresh economic data in advance of the December FOMC meeting. Meanwhile, there are [no details for publishing the deliverables missed](#) during the shutdown.

The October 2025 University of Michigan [Index of Consumer Sentiment](#) dropped 3.3 points to 50.3. This 6% reduction is influenced by the impact of the government shutdown and concerns about personal finances and eroding business conditions in the coming year. For the [Consumer Confidence Index](#), consumer sentiment remained virtually unchanged for October, down one point to 94.6. Consumer confidence slightly declined for those under 35 and, to a lesser degree, for those over 55. Confidence improved for those between the ages of 35 and 55. By income, confidence improved for those making over \$75K, but dropped for those making less than \$75K a year.

Due to the government shutdown, the Bureau of Labor Statistics (BLS) update is still unavailable. Instead, we look to the October update of the [ADP jobs report](#), which highlights an increase in U.S. private



employment jobs by 42,000. This growth beats the Dow Jones consensus forecast of a 22,000 gain in job creation for the month. The ADP report concludes that job creation came from companies with at least 250 employees, adding 76,000 jobs, whereas smaller companies lost 34,000 jobs. Job sectors with growth in

October include trade, transportation and utilities, education and health services, and financial activities. Sectors with notable job declines include information services, professional and business services, and manufacturing. The ADP payroll population represents 19% of overall U.S. private-sector employment (136 million).



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We welcome questions and feedback on the Payments Index by way of [this link](#) or scan the QR code.





"The rapid rise of Money Services, driven by peer-to-peer platforms and emerging fintech solutions, underscores a collective shift from cash to digital payments. But it's the accelerating shift from dollars in checking accounts to dollars in digital wallets that highlights a major change in how consumers move and store money, even if temporarily. Consumers expect convenience, immediacy and control — and instant, secure access to their funds. While this may seem daunting, credit unions are more than capable of delivering on these expectations, even if incrementally. The shift is not about technology alone — it's about meeting members where they already are."

Jon Budd
CEO, Juniper Payments

Key Takeaways for October 2025

- While consumer sentiment declined, growth in actual purchasing activity remained consistent in October. Debit purchases increased by 6.4%, with the Money Services and Goods sectors accounting for two-thirds of the growth. Credit purchases were up 1.7%, with the Goods, Services and Restaurant sectors accounting for 94% of the entire increase. Gasoline and Travel were nominal, with declines in credit purchases. For October, debit transactions were up 3.9% and credit transactions rose by 1.6%.
- Money Services, mainly comprising P2P payments, continued to be the largest contributor to growth in debit purchases, representing 13% of overall debit card purchases. Two-thirds of purchases in this sector are P2P related, and the balance is made up of BNPL and cryptocurrency activity.
- The holiday spending season kicked off in October with the expected annual sales from the three largest retailers. The Goods sector notably contributed to the year-over-year growth in credit and debit purchases. Amazon's sale yielded the largest year-over-year growth, followed by Walmart and Target.
- With the last FOMC of 2025 concluding on Dec. 10, there may be time for scheduled published economic data to be delivered in late November and early December. While the Fed hinted at a possible rate reduction, Chair Jerome Powell also cited differing views among the voting members of the committee following the last meeting in October.
- In October, the ADP private-sector jobs report showed an increase in U.S. private employment jobs of 42,000, beating the expected Dow Jones forecast by roughly 20,000 jobs. The next BLS report is scheduled for release on Dec. 5.

Credit and Debit Cards

In October, credit growth moderated slightly, while debit activity gained momentum. Credit card performance showed a slight deceleration in growth compared to the previous month, with year-over-year increases of 1.6% for transactions and 1.7% for purchases. Notably, the Goods, Restaurants and Services sectors were the primary drivers of credit purchase growth, contributing 1.4 percentage points of the total 1.7% increase.

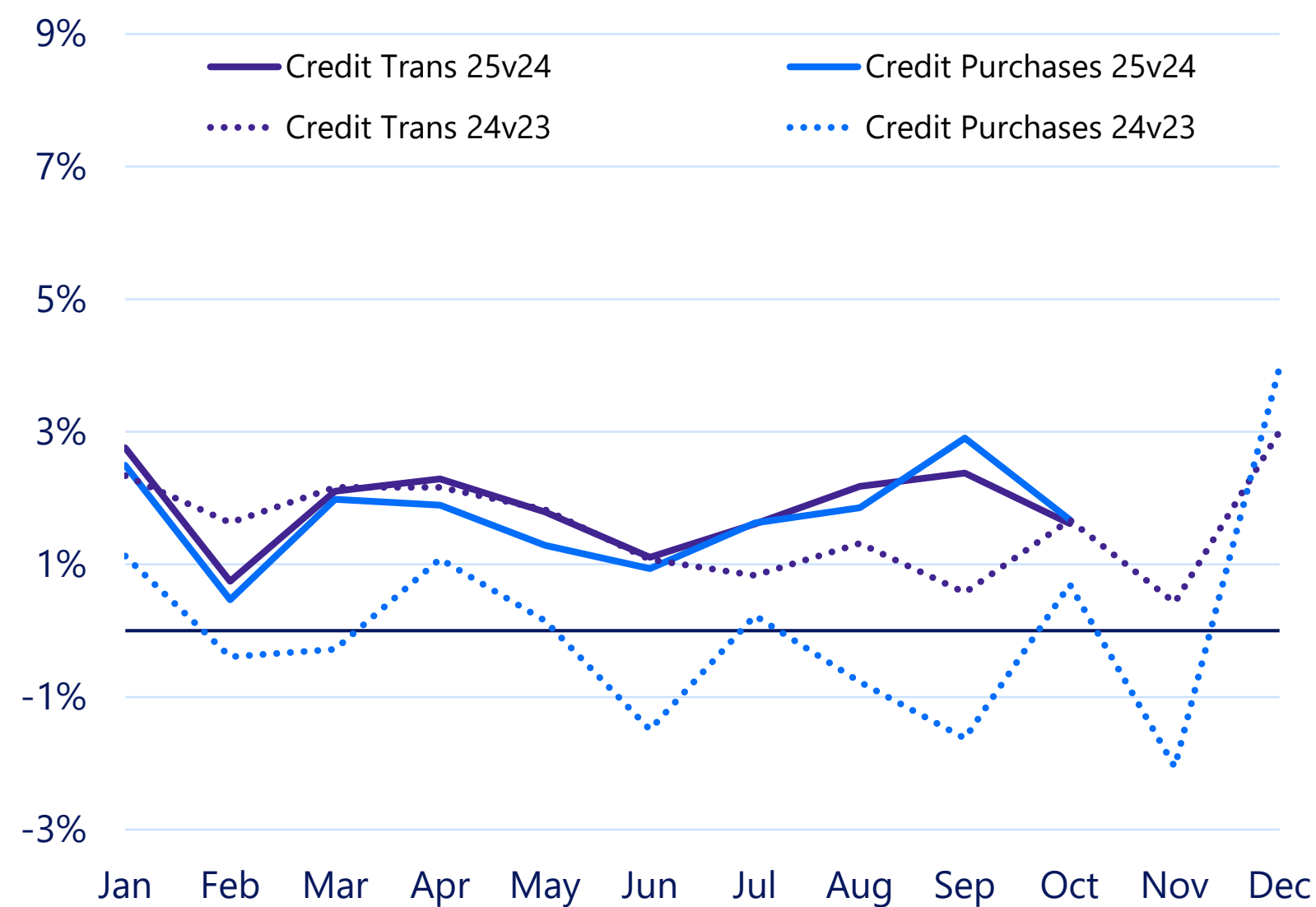
In contrast, debit card growth accelerated month over month, with transactions increasing by 3.9% and purchases climbing by 6.4% year over year. The majority of debit purchase growth, 5.2%, was fueled by the Money Services, Goods and Services sectors.

Year-over-year comparisons reveal that growth in credit transaction rates was similar, while purchases increased, indicating higher average spend per transaction. Debit performance was stronger overall, with both transactions and purchases surpassing levels from the same period last year.

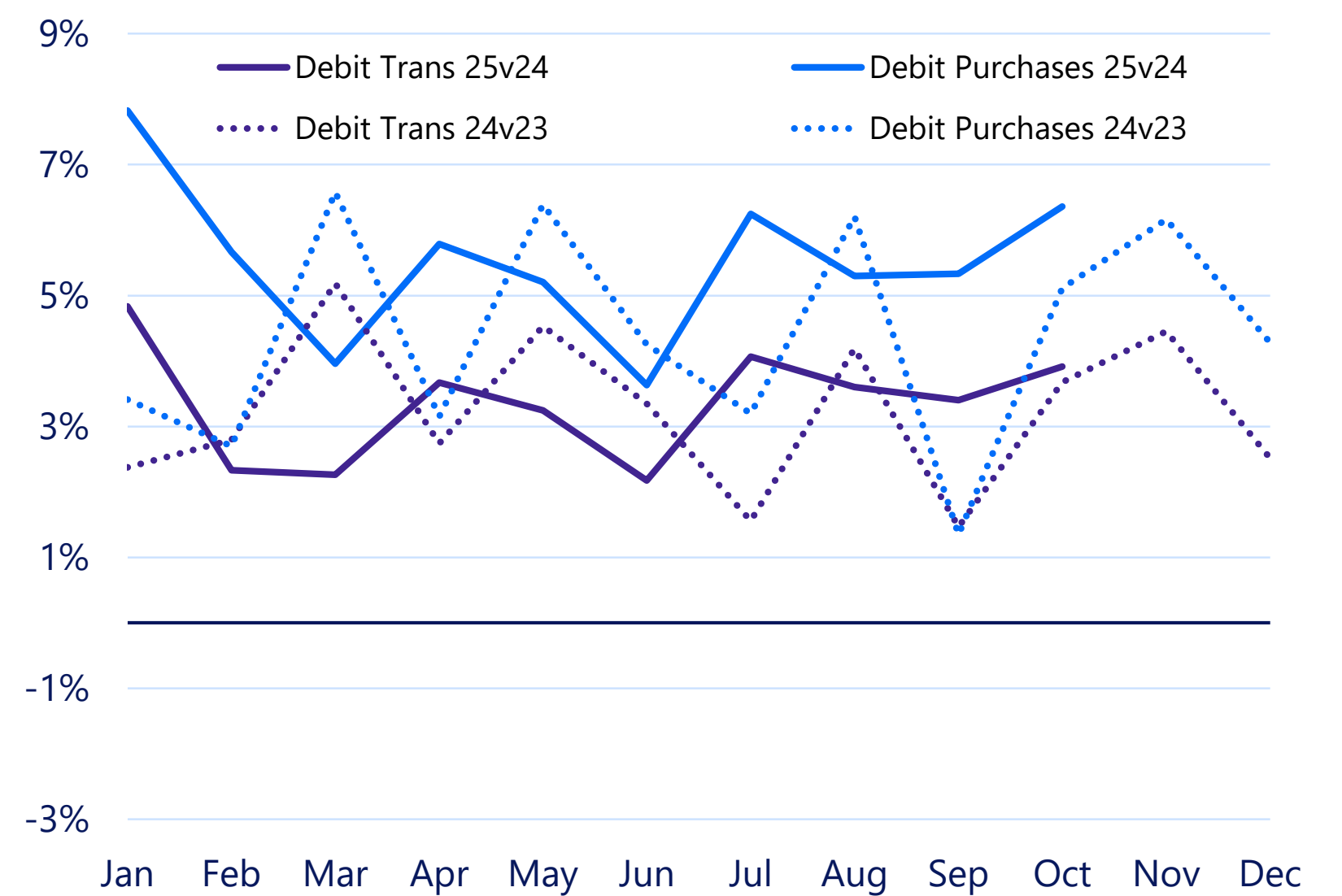
Month of October

	Credit		Debit	
	Transactions	Purchases	Transactions	Purchases
2025 v 2024	↑ 1.6%	↑ 1.7%	↑ 3.9%	↑ 6.4%
2024 v 2023	↑ 1.7%	↑ 0.7%	↑ 3.7%	↑ 5.1%

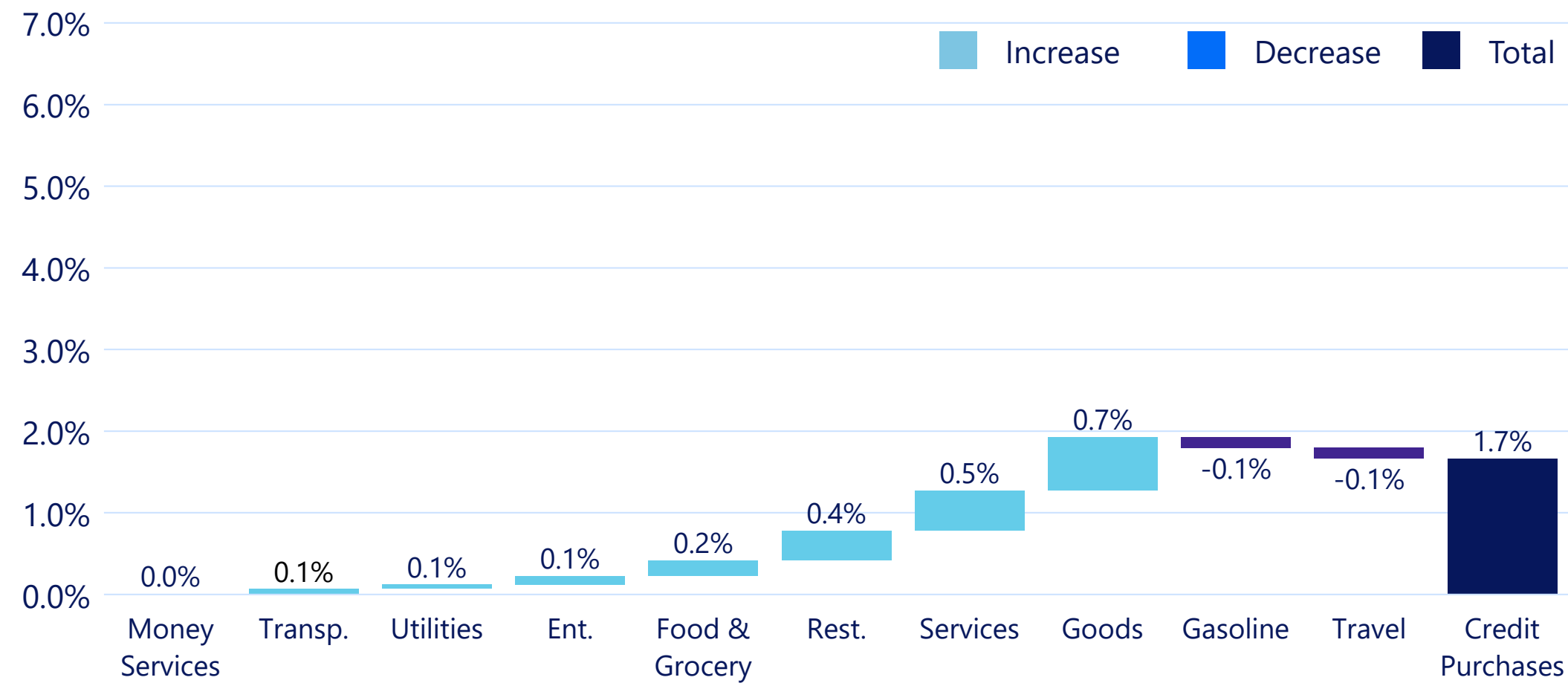
Credit



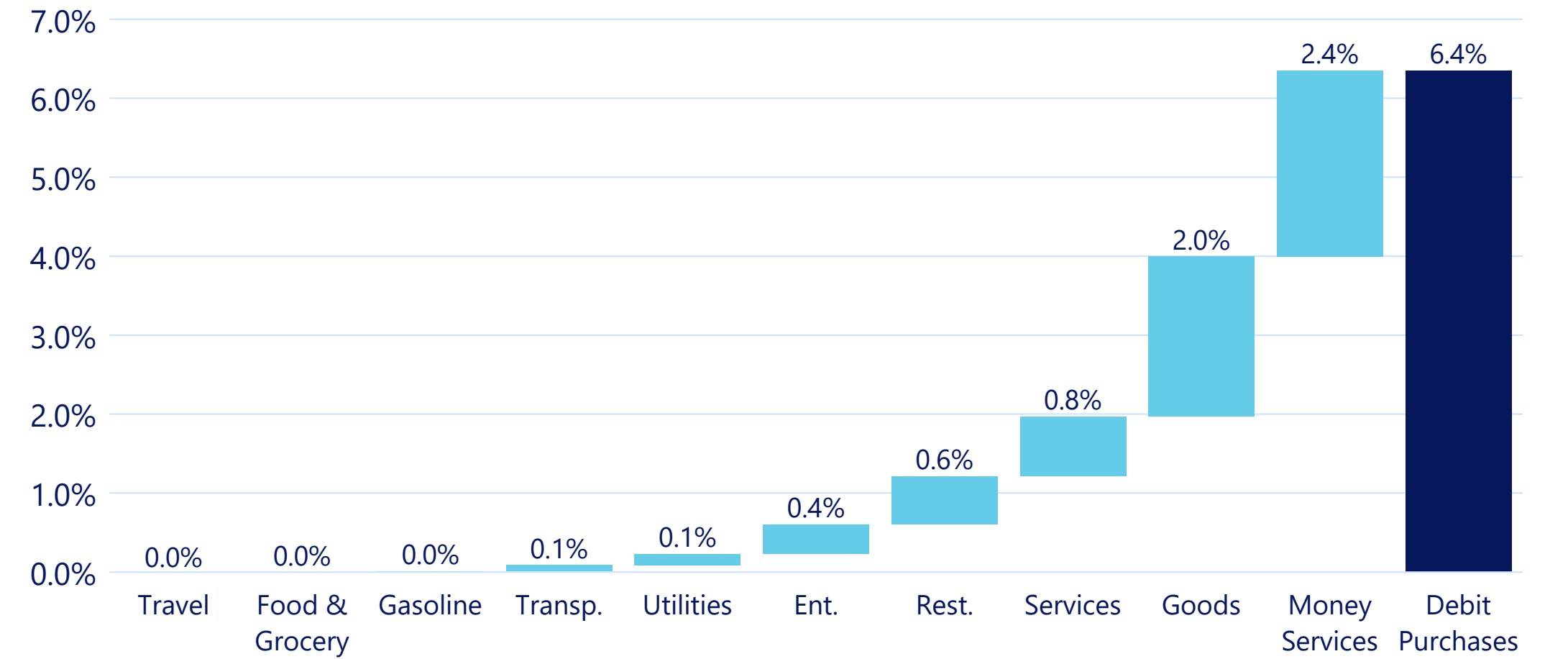
Debit



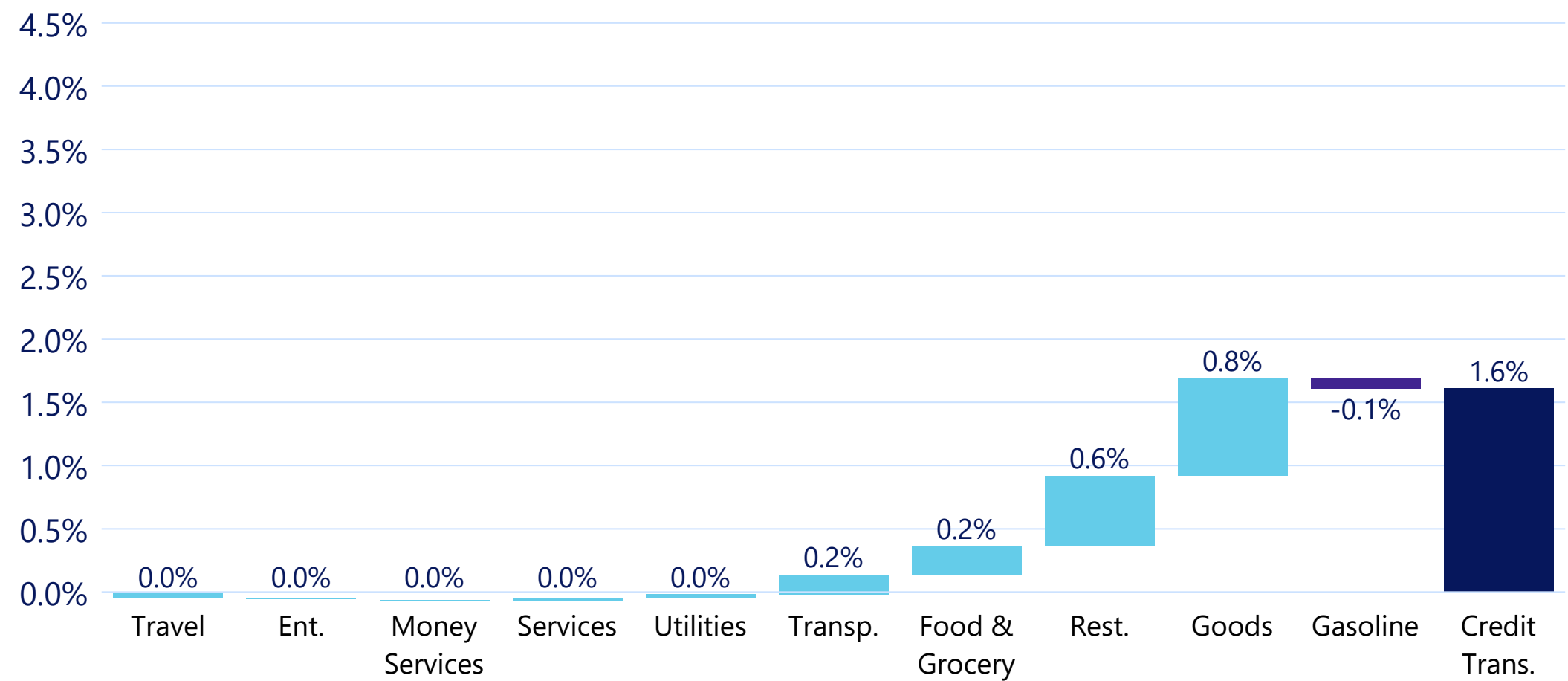
Sector Contributions to Growth in Credit Purchases: October



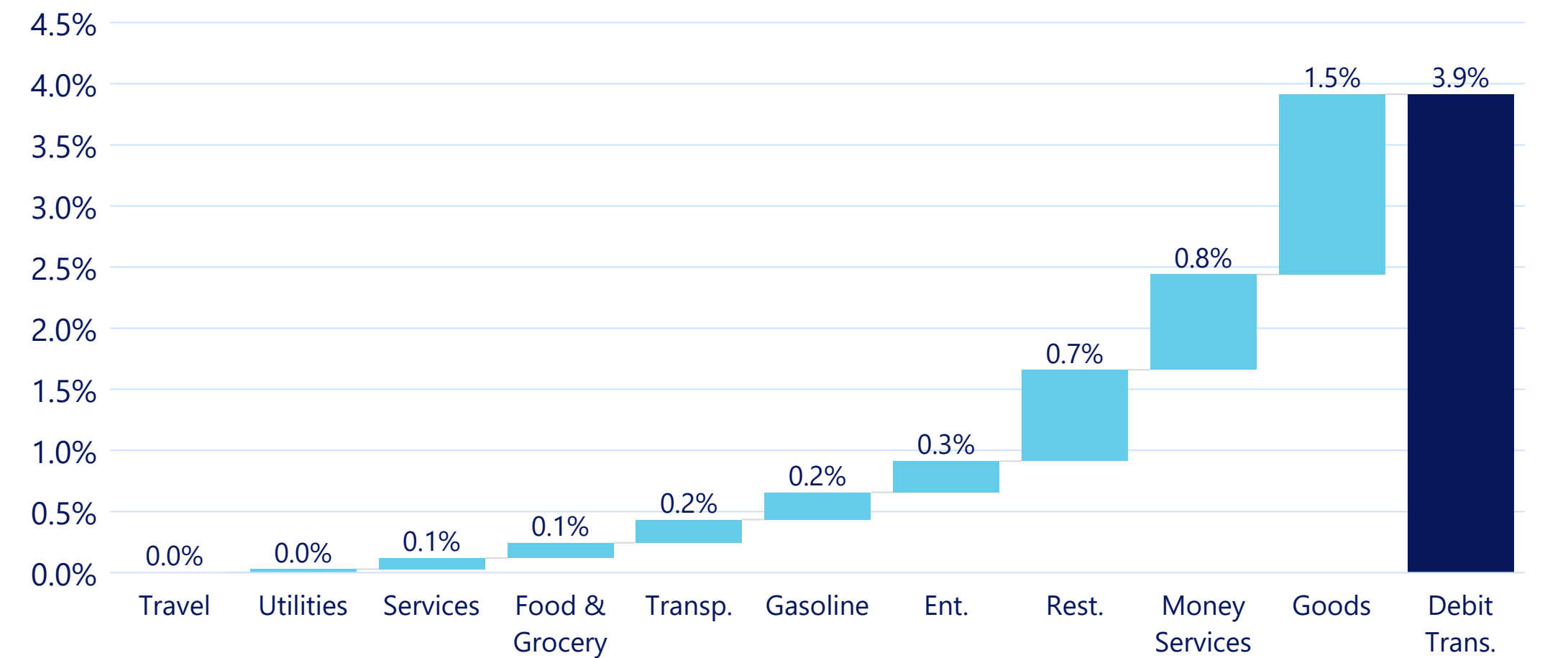
Sector Contributions to Growth in Debit Purchases: October



Sector Contributions to Growth in Credit Transactions: October



Sector Contributions to Growth in Debit Transactions: October



Deep Dive: Money Services

This month, we are revisiting a previous Deep Dive into Money Services from October 2024. We find that peer-to-peer (P2P) activity still accounts for the majority of money services transactions, representing over 13% of overall debit card purchases – but less than 1% of overall credit card purchases as of the most recent update. For debit purchases, this sector continued to experience notable growth in debit card activity as these entrenched P2P transactions shift from cash to digital formats. Money Services continued to grow its share of overall debit purchases, growing from 3.8% in May 2019 to 13.3% – more than 300% growth over the six-year period. For this month’s Deep Dive, we focused primarily on debit activity, given its notable contribution to debit purchase growth.

Money Services represents a variety of merchant categories, the largest of which is P2P payments, accounting for 66% of debit purchases in this sector. Top merchants include Cash App, Venmo, Apple Cash, Remitly, Meta Pay and PayPal. Also included in Money Services are cryptocurrency merchants like crypto.com, Coinbase and

MoonPay. Some payments toward Buy Now, Pay Later (BNPL) arrangements led by Affirm, in addition to short-term lending and credit-building programs, are also included in Money Services.

An emerging trend within Money Services appears to be adding to existing balances via debit purchases with traditional P2P vendors and financial technology (fintech) company apps, such as Dave and Chime, where the opportunity exists for consumers to hold balances with these providers. Recently, the Consumer Financial Protection Bureau (CFPB) [issued a consumer advisory](#) reminding consumers that funds held in payments apps may not

be insured by NCUA, FDIC or other insurers and should be moved to an account with deposit insurance. Beyond the CFPB advisory, consumers need to be aware of the limited support and customer service available with these tools. Minimal live support, the absence of fraud protection and the lack of transaction dispute processes should also be taken into consideration when using these apps.

It is noteworthy that the standalone Zelle® app stopped supporting transactions on March 31, 2025, leaving Zelle® available only to directly participating financial institutions and no longer visible within debit data (via Visa and Mastercard rails).



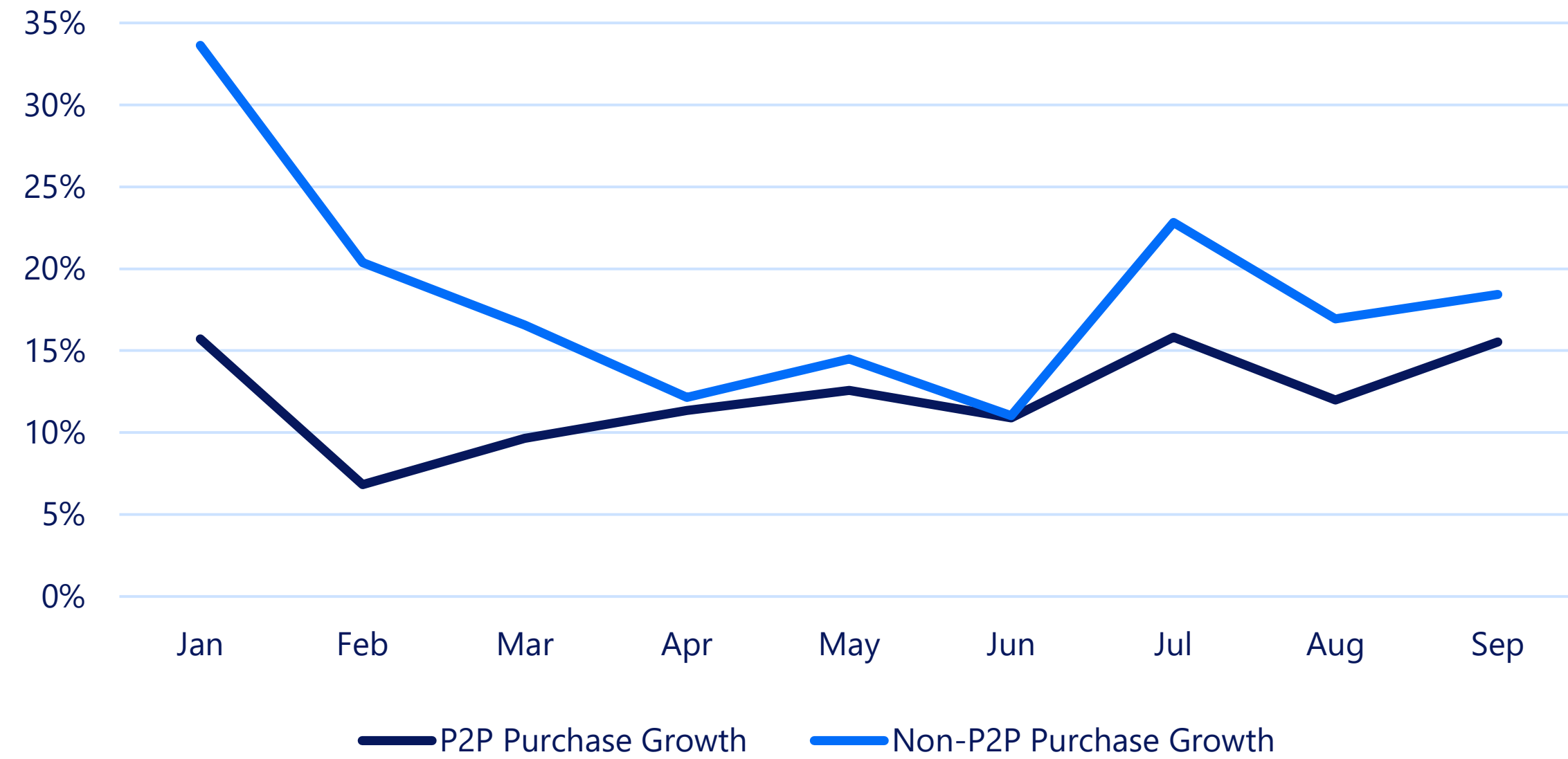
Photo source: Tada Images - stock.adobe.com

Money Services P2P vs. Non-P2P Debit Transaction and Purchase Mix

	Transaction Mix		Purchase Mix	
	01/2024	Current Mix	01/2024	Current Mix
P2P	78.3%	75.7%	67.5%	66.3%
Non-P2P	21.7%	24.3%	32.5%	33.7%

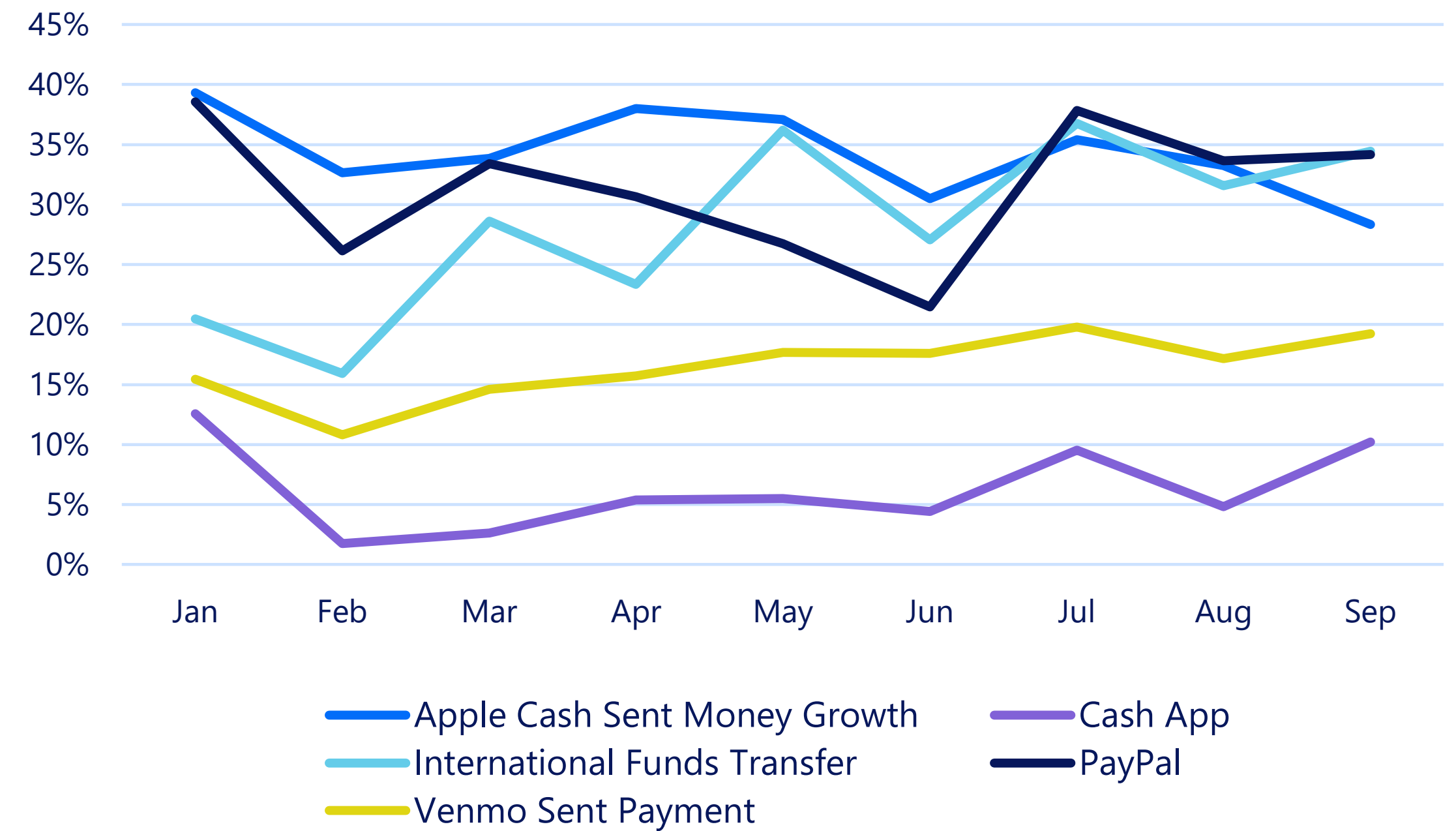
- The non-P2P share of transactions and purchases have both grown since the beginning of 2024. Also, the share of non-P2P purchases continued to outpace transaction share, explained by a higher YTD average purchase of \$157.11 for non-P2P vs. \$95.83 for P2P.

Money Services P2P vs. Non-P2P Debit Purchase Growth – Year over Year



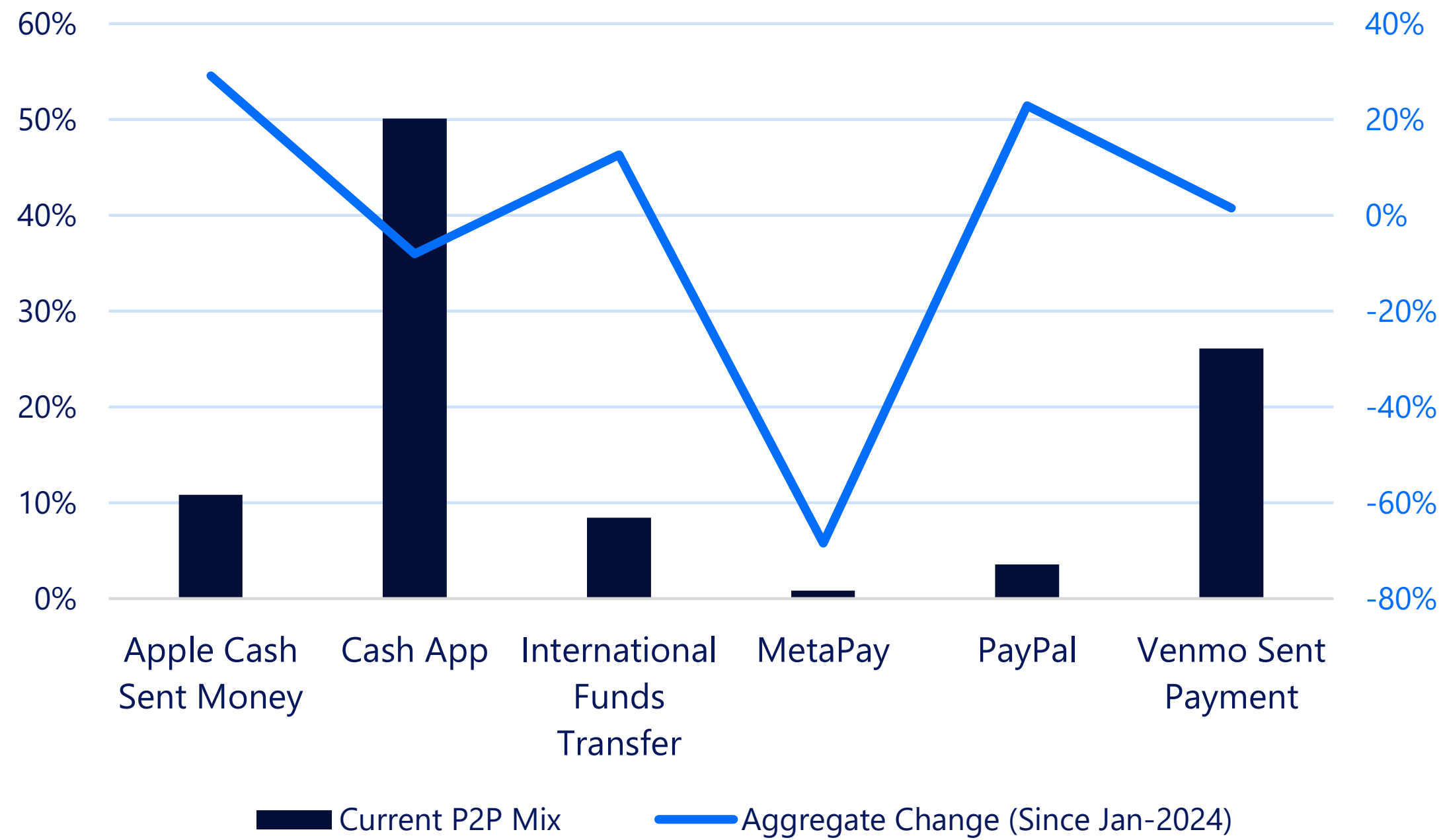
- The remaining P2P vendors experienced a surge in debit purchase growth following the removal of the Zelle® stand-alone app, beginning in March 2025. Similarly, growth was negatively impacted for non-P2P debit purchases over the same period and did not rebound until July 2025.

Money Services P2P Debit Purchase Growth – Year over Year



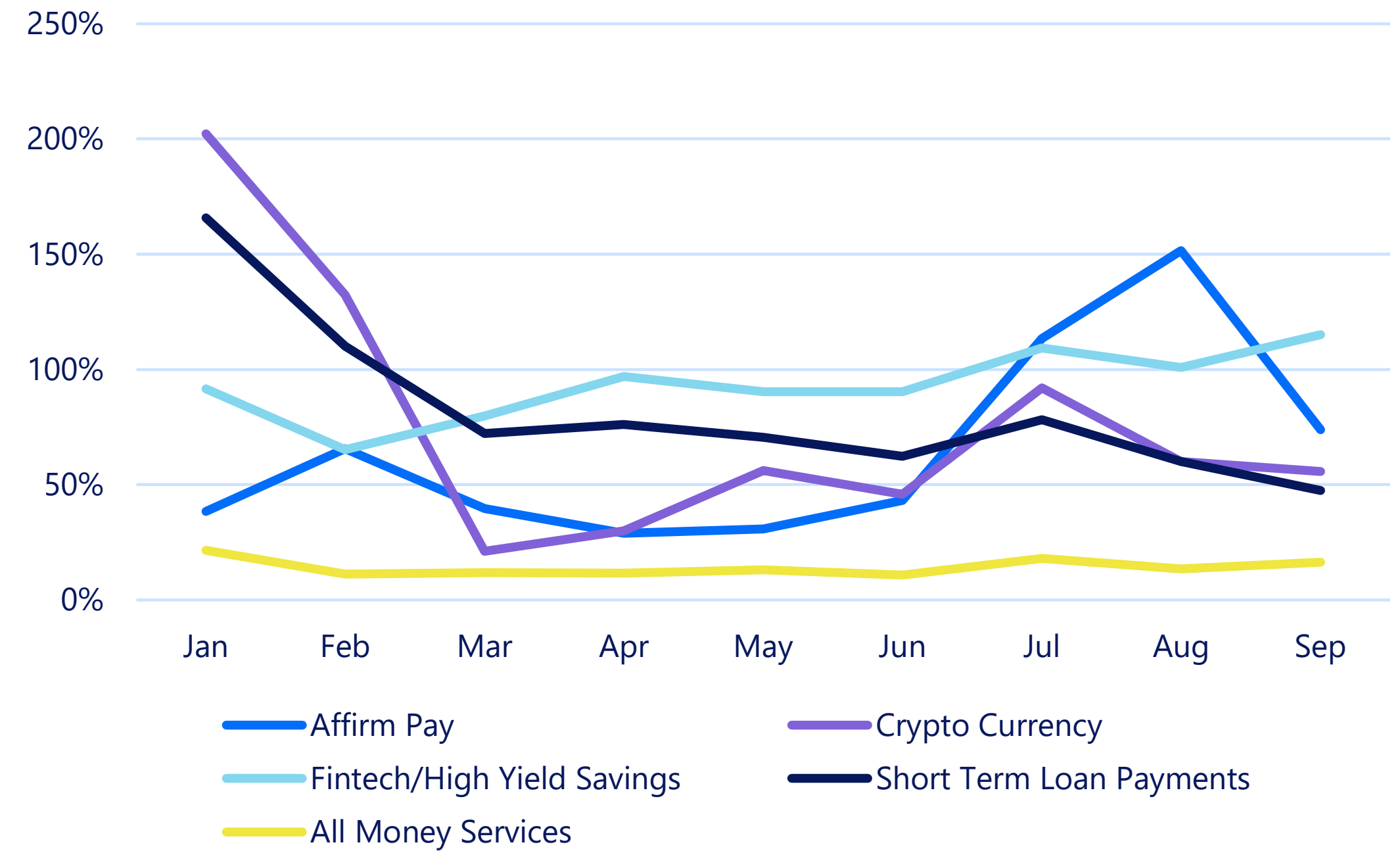
- Apps specializing in international P2P, like Remitly or TapTap, steadily increased debit purchase growth throughout 2025 and led all P2P providers in year-over-year debit purchase growth as of the most recent month.
- Apple Cash and PayPal demonstrated consistent debit purchase growth that exceeded that of higher-volume competitors, including Cash App and Venmo.

Money Services P2P Debit Purchase Mix and Aggregate Growth



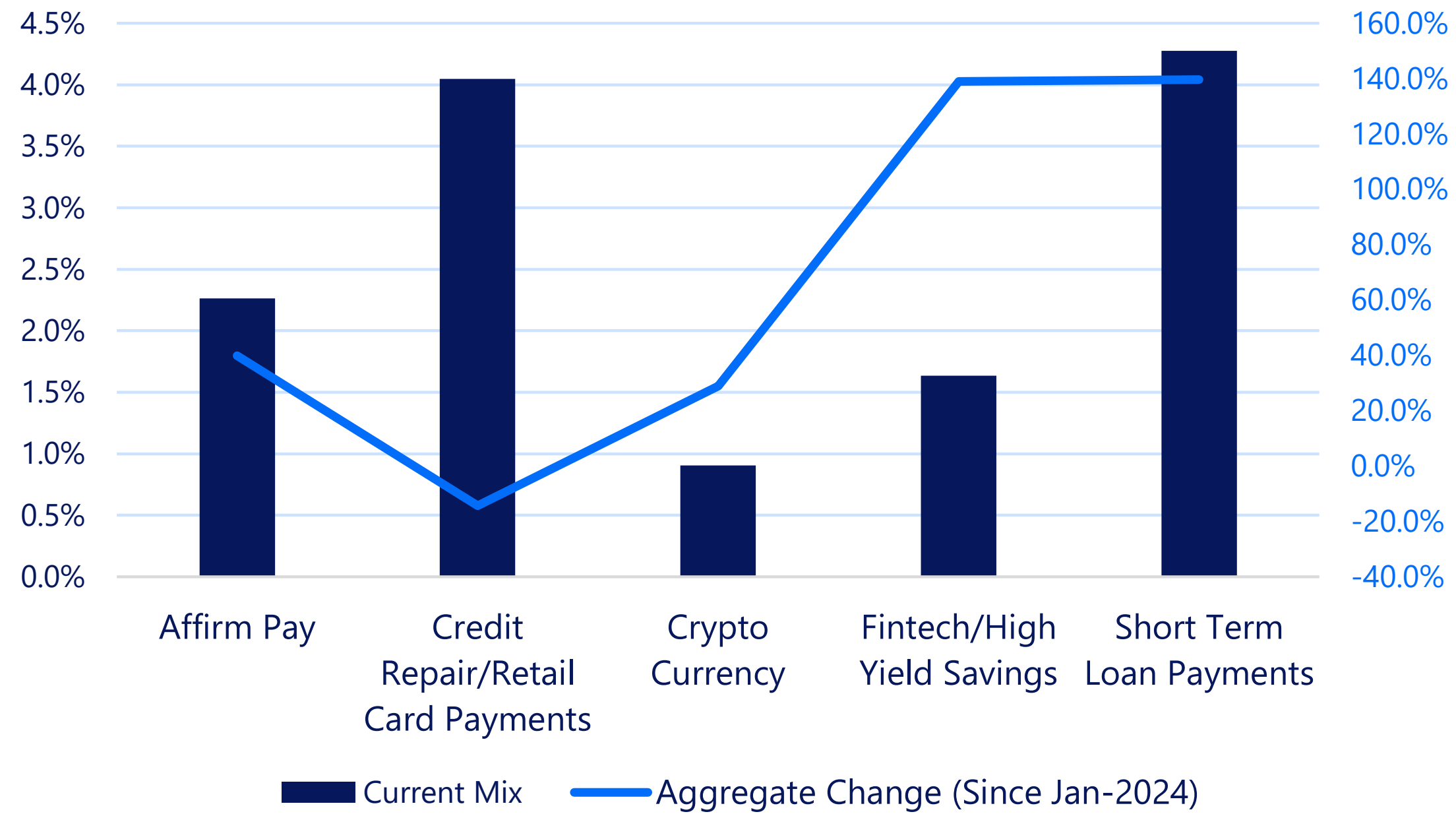
- The combined debit purchase share for Cash App and Venmo is 76.3% for P2P, down from 78.9% since the start of 2024.

Money Services Non-P2P Debit Purchase Growth – Year over Year



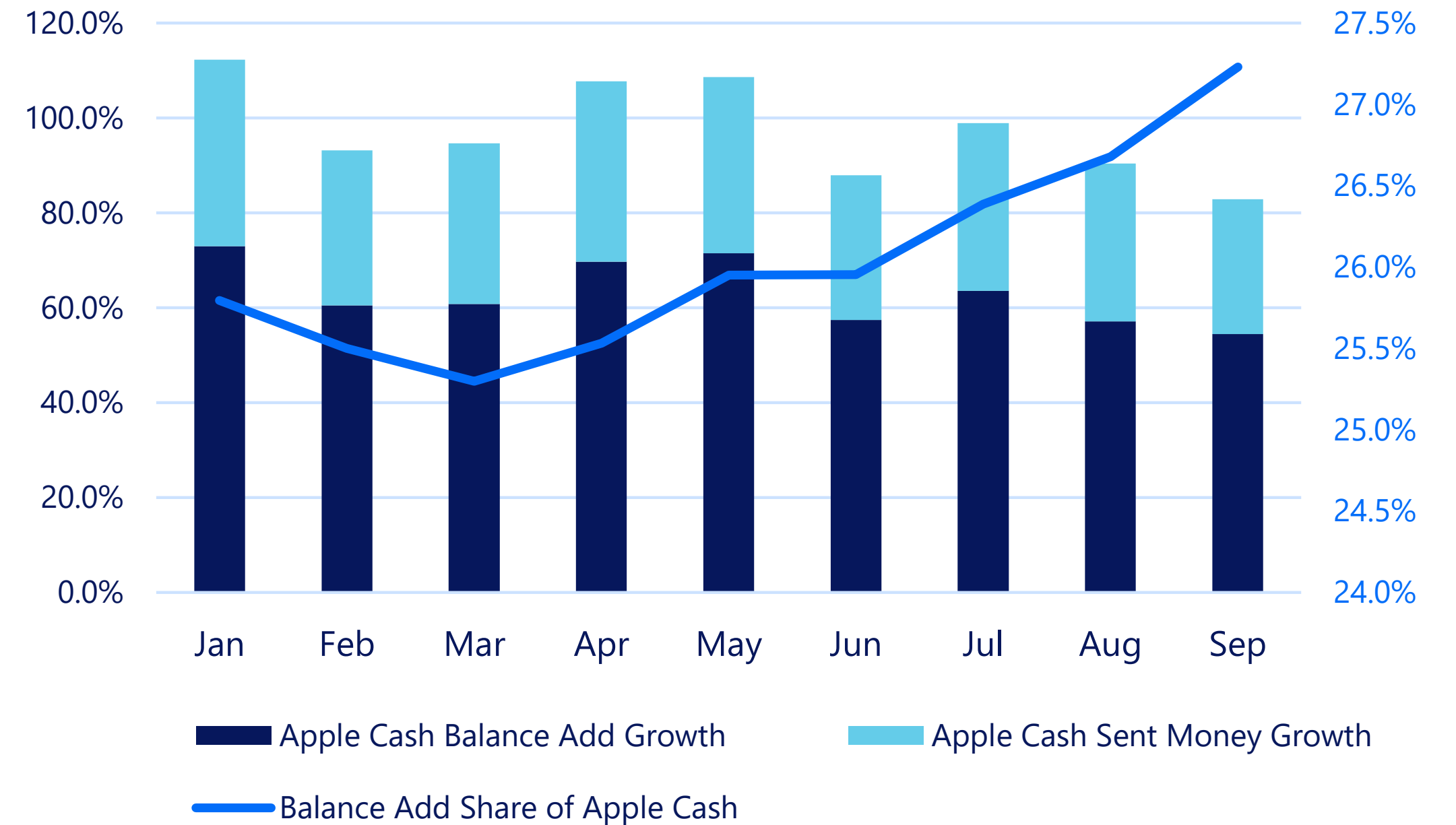
- BNPL and short-term loan payment growth exceed debit purchase growth for all of Money Services, which is a concerning signal of consumer behavior, potentially indicating economic distress.
- Debit purchase growth for fintech providers has hovered around 100% since April 2025, with consumers seemingly chasing high savings yields approaching 4.00% APY.

Money Services Non-P2P Debit Purchase Mix and Aggregate Growth



- The share of short-term loan payments in Money Services debit purchases has grown from 1.8% at the start of 2024 to 4.3%. Similar growth has been experienced by fintech pseudo-banking, which has increased its share of debit purchases from 0.7% to 1.6%.

Apple Pay Debit Purchase Growth by Type – Year over Year

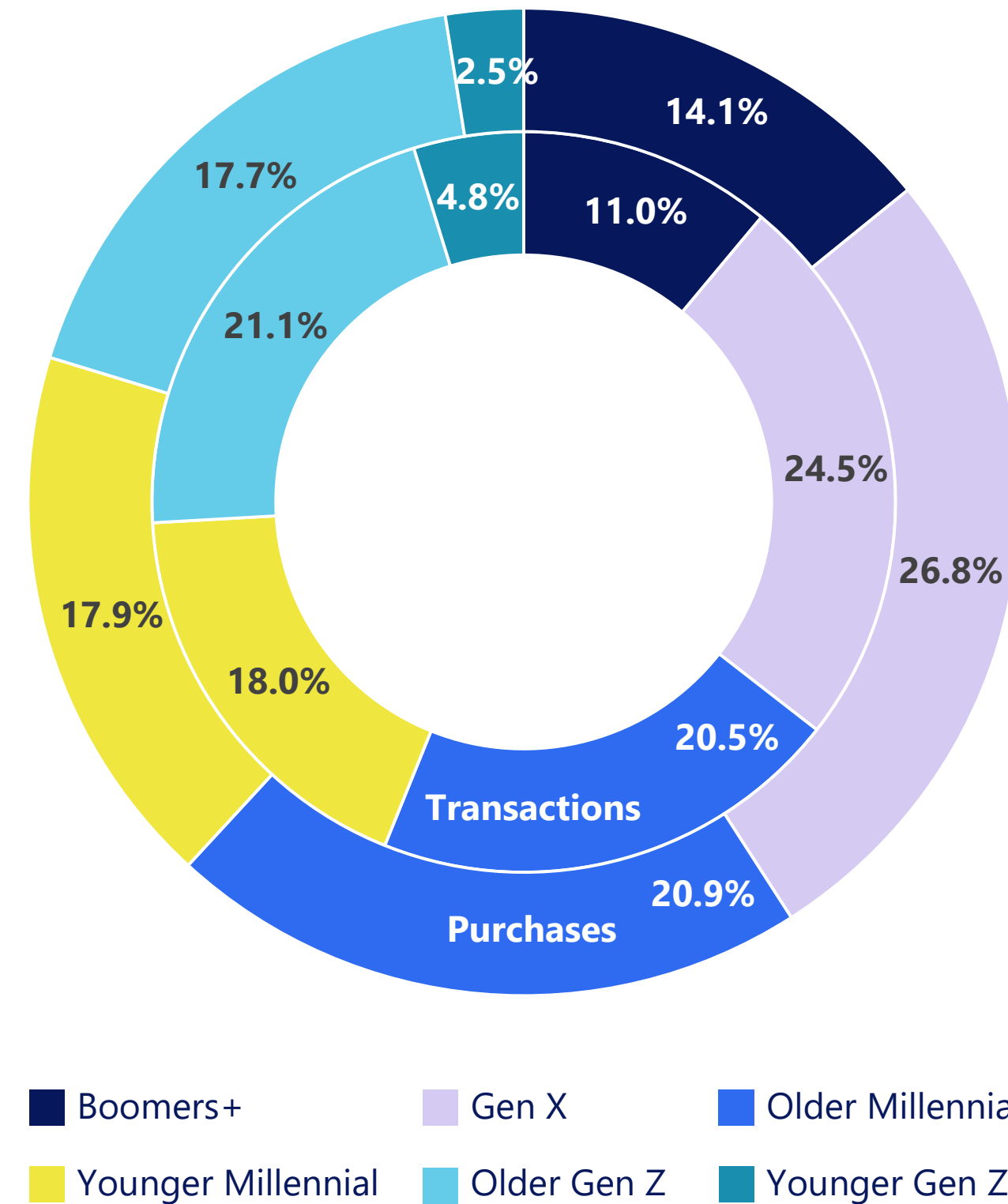


- Debit purchase growth for Apple Cash overall has outpaced Money Services year to date, increasing its debit purchase share from 7.1% at the beginning of 2024 to 9.9%. However, Balance Add has shown stronger growth than Sent Money within Apple Cash, now representing 27.2% of Apple Cash purchases.

Boomers+, Gen X and Older Millennials collectively represent 56.1% and 61.8% of Money Services debit transactions and purchases, respectively. This disparity reflects the higher average purchase amount as consumers age. Similarly, younger consumers tend to have more monthly transactions but lower overall monthly purchases across Money Services as compared to older generational segments.

From a generational perspective, the largest year-over-year growth in Money Services debit transactions was among the youngest consumers, younger Gen Z, with an average increase of 18.8%, while representing the smallest share of activity (4.8%) and the lowest average payment (\$61.19). Interestingly, older Gen Z demonstrated the lowest transaction growth for Money Services, averaging 1.7% year over year. The remaining generations experienced relative parity in terms of Money Services debit transaction growth, ranging from 9.6% on average for Older Millennials to 6.0% for Boomers+.

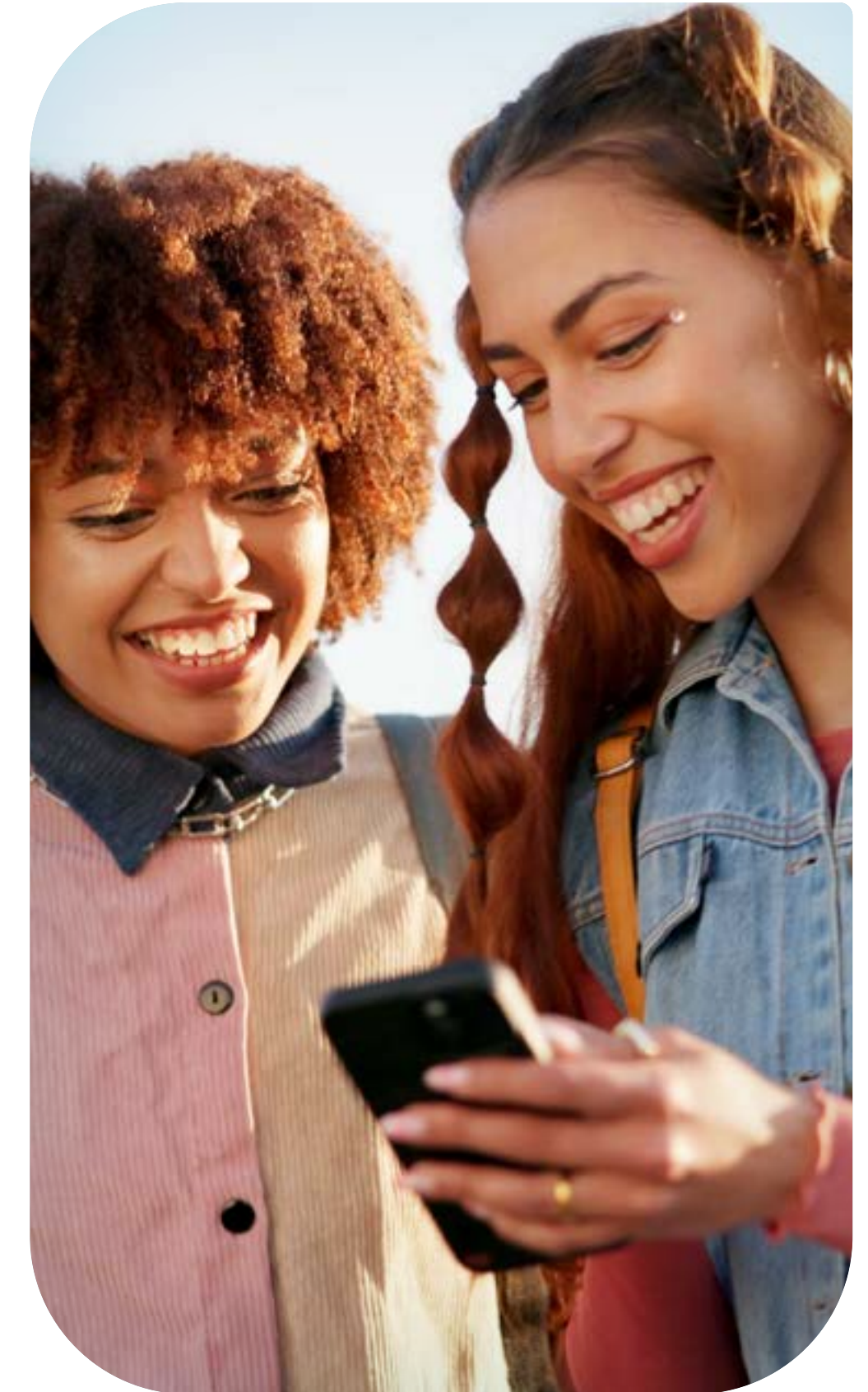
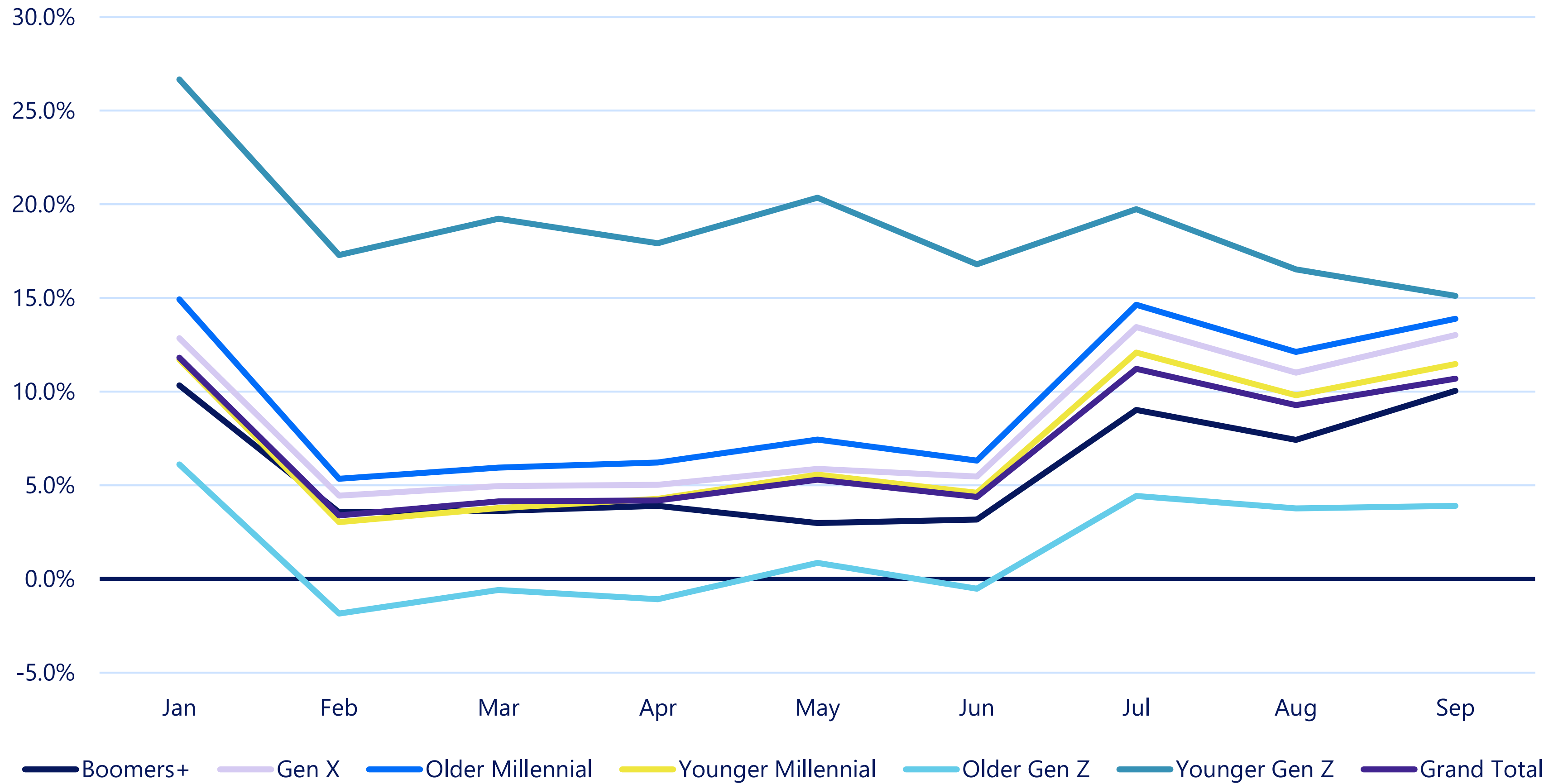
Money Services Debit Transaction vs. Purchase Mix – Year to Date



Debit Money Services Performance Metrics by Generation – Year to Date

	Monthly Transactions/Account	Monthly Purchases/Account	Average Purchase
Boomers+	2.00	294.79	\$147.36
Gen X	2.12	267.64	\$123.11
Older Millennial	2.24	262.82	\$117.33
Younger Millennial	2.29	262.00	\$114.55
Older Gen Z	2.41	233.07	\$96.80
Younger Gen Z	2.72	166.65	\$61.19
Total	2.24	258.25	\$115.28

Money Services Debit Transaction Growth by Generation – Year over Year



Checking In: Holiday Season Kicks Off with Early October Sales at Largest Retailers



The 2025 holiday shopping season is now fully underway, beginning with early October sales at major U.S. retailers, including Amazon, Walmart and Target. The NRF estimates that holiday sales could surpass \$1 trillion for the first time in 2025, and growth in sales for the November and December period could grow between 3.7% and 4.2% over 2024.

Amazon held its two-day Prime Big Deal Days sale on Oct. 7-8, and Target held its

seven-day Circle Week sale on Oct. 5-11. While Walmart held its six-day Walmart Deals event on Oct. 7-12, the retailer also announced three additional sale periods through Cyber Monday on Dec. 1. For each retailer’s October events, the sales occurred within the same week and days of the week as in 2024. For these comparisons, we used similar year-over-year timeframes. As a reminder, results are exclusively based on the Payments Index card populations and related credit and debit activity with these select merchants. Reported growth at these merchants could be impacted by actions taken by each retailer to promote alternative payment solutions, like co-branded or private label cards, ACH, etc.

Amazon continued its momentum, posting the strongest year-over-year sales growth during the October holiday season. For the Amazon Prime Big Deal Days event, credit purchases increased by 10.5% and debit purchases increased by 11.8% compared to similar year-over-year days. Transaction growth outpaced growth in purchases during this timeframe, with credit

transactions up 12.2% and debit transactions up 14.5% year over year. In late October, Amazon announced it was cutting 14,000 jobs. The move was characterized as “culture-based” and not as the results of AI or sales.

For the Walmart Deals six-day sale in October, credit purchases were up 9% and debit purchases were up 7.1% year over year, while credit transaction growth was up 9.4% and debit was up 5.9%.

Target had the weakest year-over-year growth of the three retailers for the October sale events. For the Target Circle Week event, year-over-year growth results were down,

with credit purchases down 5.2% and debit purchases down 0.5%. Credit transactions at Target decreased by 4%, while debit transactions increased marginally by 0.3%. In late October, Target announced an 8% reduction in its workforce, the layoff of 1,000 corporate employees and the elimination of 800 open positions. The reductions come after pressures associated with lackluster sales.

We will continue to report on these bellwether retailers and monitor trends throughout our holiday spending editions.

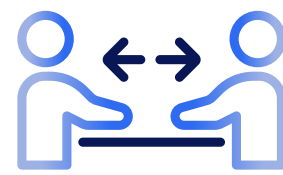
Holiday Spend Part I: Goods Sector and Large Retailers October 2025 vs. 2024

	Timeframe	Credit Growth		Credit Average Purchase	Debit Growth		Debit Average Purchase
		Transactions	Purchases		Transactions	Purchases	
Goods Sector	October	2.6%	2.5%	\$72.33	4.8%	7.3%	\$45.26
Amazon Prime Big Deal Days	2 Days	12.2%	10.5%	\$51.56	14.2%	11.8%	\$41.06
Target Circle Week	7 Days	-4.0%	-5.2%	\$54.36	0.3%	-0.5%	\$45.87
Walmart Deals*	6 Days	9.4%	9.0%	\$65.25	5.9%	7.1%	\$62.41

*Excludes Gasoline

Opportunities to Act On: What Credit Unions Should Do Now

Elevate P2P to a Strategic Growth Driver



To help credit unions protect interchange income and maintain their role as members' primary financial institution, embedding peer-to-peer (P2P) payments functionality directly within the credit union's digital banking applications is essential. This integration keeps transactions within the credit union's ecosystem, driving frequent engagement and reinforcing member loyalty. P2P enables financial institutions to boost digital interaction, retain deposit balances and unlock cross-sell opportunities by showcasing additional products during members' use of digital platforms. To drive adoption, actively promote your credit union's P2P capabilities through in-app tutorials, email campaigns and branch staff training. Consider offering rewards or incentives for P2P usage and highlight the security and speed of the experience.

Integrate Journey Campaigns to Maximize Portfolio Performance



Journey campaigns offer credit unions a proven strategy to expand their credit and debit portfolios by driving activation, usage and retention through personalized, data-driven engagement. Spanning the full cardholder lifecycle – from acquisition and onboarding to usage and retention – these campaigns deliver consistent, targeted outreach. Timely prompts and educational touchpoints improve activation rates, encourage early and frequent card use, reduce attrition and help secure top-of-wallet status. To execute effectively, credit unions should implement journey campaigns as part of a comprehensive strategy. Partnering with Velera's Advisors Plus provides access to expert guidance and proven marketing solutions for successful execution.

Utilize Skip-a-Pay as a Relationship-Building Strategy



Offering a post-holiday Skip-a-Pay empowers credit unions to deliver timely financial relief while unlocking strategic benefits across member engagement, retention and revenue. By allowing eligible members to defer a credit card or loan payment during high-expense periods, Skip-a-Pay demonstrates member-focused support and flexibility, fostering trust and loyalty. Additionally, Skip-a-Pay initiatives have been shown to generate incremental revenue, while also enhancing the perceived value of your services. When implemented thoughtfully, Skip-a-Pay becomes more than a seasonal perk; it becomes a relationship-building tool that supports both member well-being and portfolio performance.

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



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 November 2025 edition of the Velera Payments Index represents a total of 3.6 billion transactions valued at \$179 billion of credit and debit card activity from November 2024 through October 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, the Shared Branch network and 24/7/365 member support via its contact centers. For more information, visit velera.com.



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