

velera

# PAYMENTS INDEX

January 2026

In December, consumer spending growth continued its resilient pace despite lackluster consumer sentiment. While credit and debit activity were both positive for the month, debit year-over-year growth continued to outpace credit activity. The 12-month rate of inflation through December remained unchanged at 2.7% in the first look at this metric since the government shutdown. In our January 2026 edition of the Velera Payments Index, we present our quarterly metrics update, which includes credit card balances, delinquencies and mobile wallet activity, along with the conclusion of our three-part 2025 holiday spending analysis.

In the preliminary January 2026 results, the University of Michigan [Index of Consumer Sentiment](#) inched up for the second month to 54.0 from 52.9. It's important to keep these small gains in perspective, as the index is down by over 24% compared to January 2025, with an emphasis on higher prices and a softening labor market. For the December [Consumer Confidence Index](#), consumer sentiment dropped by 3.8 points to 89.1 and is the fifth consecutive month of decline. Confidence dropped among all age groups, most income levels and across all political affiliations (Democrats, Republicans and

## Performance Snapshot: December 2025

### Market/Economic Variables

**89.1**  
Consumer Confidence Index  
↓ Change 3.8 points

**54.0**  
U of M Index of Consumer Sentiment  
↑ Change 1.1 point

**2.7%**  
Consumer Price Index  
↑ Change 0.3%

**2.6%**  
Core CPI (excl. Food/Energy)  
↑ Change 0.2%

**134,588,000**  
ADP National Employment Report  
↑ Change 41,000

**50,000**  
BLS/Job Growth  
↓ 23,000 jobs lower than forecast

**4.4%**  
Unemployment Rate  
↓ Change 0.2%

**3.5-3.75%**  
Federal Reserve Interest Rate  
↓ Change 0.25%

### Payments Index Growth

#### Purchases

2025 v 2024

Credit  
↑ **1.8%**

Debit  
↑ **4.6%**

2024 v 2023

Credit  
↑ **4.0%**

Debit  
↑ **4.3%**

#### Transactions

2025 v 2024

Credit  
↑ **1.6%**

Debit  
↑ **2.4%**

2024 v 2023

Credit  
↑ **3.0%**

Debit  
↑ **2.5%**



Independents). The income levels showing some optimism were those under \$15k and over \$125k annually.

The Bureau of Labor Statistics (BLS) [reported](#) that the overall unemployment rate for December softened to 4.4%, or 7.5 million people. The economy added 50,000 jobs in December, below the 73,000 estimated in the *Wall Street Journal's* survey of economists. December job growth came in food service and drinking places, as well as the healthcare and social assistance sectors, while job losses were reported in

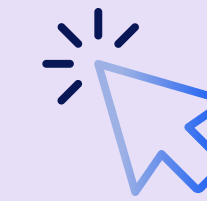
the retail trade sector. For December, the [ADP jobs report](#), which tracks changes in U.S. private employment, showed an increase of 41,000. Growth was centered in the education and health services areas, as well as the leisure and hospitality sectors. The ADP payroll population represents 26 million U.S. private-sector employees.

For December, the BLS [reported](#) a 0.3% increase in inflation for the month. This kept the 12-month Consumer Price Index (CPI) at 2.7%. The largest factor contributing to the rise in inflation was

the index for shelter, which increased by 0.4%. Also contributing to the increase was food/groceries, up 0.7%. While the energy index increased by 0.3%, gasoline, a subset of energy, decreased year over year. Core CPI, which excludes the Food and Energy sectors, increased by 0.2% for December, keeping the 12-month Core CPI at 2.6%. Increases to Core CPI for December include recreation, airline fares, medical care, apparel, personal care and the education index. Decreases were posted in communication, used cars and trucks, as well as household furnishings and operations.

The December economic data represents clean updates to all metrics following the end of the government shutdown on Nov. 12, 2025.

The first Federal Open Market Committee (FOMC) meeting of 2026 will conclude on Jan. 28. While the [Congressional Budget Office](#) anticipates rate cuts in 2026 from the Federal Reserve, it may be too soon to expect one from the January meeting. Embattled Fed Chair Jerome Powell, who recently faced threats of criminal indictment from the Trump administration, announced a quarter-point reduction at the conclusion of the December 2025 meeting.



### Subscribe to the Velera Payments Index to Receive Monthly Insights

We hope that the insights from the Velera Payments Index continue to help our financial institutions make informed, strategic decisions. To subscribe and receive updates when the report is published, click [here](#).

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





"Velera's payment trends reflect strong consumer spending that propped up the overall economy in 2025. The Fed cut rates in December, and while more cuts are expected in 2026, they'll likely come slowly given weak job growth. That means spending should hold up, but it will likely be concentrated among higher-income households — widening the K-shaped economy. Credit unions need to get comfortable segmenting their members and tailoring products to manage risk without missing out on payment revenue from more affluent consumers."

**Ryan Myers**

SVP, Advisors Plus, Velera

## Key Takeaways for December 2025

- December closed out the year with growth rates similar to those seen for much of 2025, as debit activity growth outpaced credit activity growth. Debit purchases increased by 4.6%, with the Money Services and Services sectors accounting for 80% of the growth. Credit purchases were up 1.8%, with the Service sector accounting for two-thirds of the entire increase. For December, debit transactions were up 2.4% and credit transactions rose by 1.6%.
- For the cumulative three-month holiday period (October-December), growth in spending during the 2025 season surpassed results for the same period in 2024. Debit purchases were up 6.8% and credit purchases were up 1.7% year over year. For growth among the three large retailers during the same period, Amazon, Walmart and Target finished first, second and third, respectively, mirroring 2024.
- Average credit card account balances closed out December 2025 at a yearly high of \$3,029, a modest 0.6% (or \$18) increase year over year. Credit card balance growth throughout 2025 was moderate, rising 2.3% since January compared with the 3.3% pace in 2024.
- The 12-month rate of inflation through December remained unchanged at 2.7%. The largest contributing factor to the increase was shelter, followed by food/groceries and energy.
- BLS posted the first set of clean economic updates following the government shutdown, which ended on Nov. 12. The next FOMC meeting will conclude on Jan. 28, with the Fed facing lackluster job growth numbers for 2025. While there are expectations of interest rate cuts in 2026, it may be too soon for a cut to materialize in January, following the quarter-point reduction on Dec. 10 that took the federal funds target rate to 3.50%–3.75%.

# Checking In: Holiday Spending

In wrapping up our review of the annual holiday spending activity, year-over-year consumer spending growth in the Goods sector peaked this season in October, with debit purchases up 7.4%, and in November, with credit purchases up 2.2%.

Transaction growth peaked during the same time period, with October debit transactions increasing by 5.8% and November credit transactions rising by 3.1%. During last year's 2024 holiday spending season, both credit and debit activity growth peaked in December.

For the cumulative 2025 holiday season (October through December), year-over-year credit purchases in the Goods sector were up 1.7%, compared to 0.6% a year ago, while debit purchases were up 6.8%, compared to 5.4% for the same period in 2024.

Within the Goods sector, the sub-category with the largest year-over-year growth and the largest percentage of Goods sector purchases was again Digital Merchants, which mainly consists of Amazon. This was the same sub-category with the highest growth as reported for the 2024 holiday spending season. For the three-month

period, credit purchases were up 12.9% and debit purchases were up 8%. Discount stores (Target, Walmart, Ross, HomeGoods, Dollar General), Miscellaneous Stores (Apple Store, Samsung, Best Buy, Victoria's Secret), Retail Stores (Kohl's, Macy's, Nordstrom, TEMU, TikTok Shop) and Digital Goods (Google, Apple, Microsoft) all experienced positive year-over-year growth. While each of these categories was positive, debit purchases again outpaced credit purchases in growth, cumulatively, for the 2025 holiday season.



Of the three bellwether large retailers (Amazon, Target and Walmart), Amazon posted the strongest year-over-year growth among those retailers and experienced its peak growth in November. For Amazon, during the three-month holiday season, credit purchases increased by 5.7% and debit purchases increased by 10%. For the same period, transaction growth was up 7.5% for credit and up 11% for debit.



# Checking In: Holiday Spending

Walmart's growth placed it in the second spot behind Amazon for the cumulative holiday season, also peaking in November. For Walmart, credit purchases increased by 4.8% and debit purchases rose 3.3% over the three-month holiday season. For the same period, Walmart transaction growth was up 5.4% for credit and up 2.3% for debit.

For Target, the cumulative year-over-year growth for the holiday season was negative. Credit purchases were down 3.9% and debit purchases were down 1.5%. Target credit transactions decreased by 3.4% and debit transactions decreased by 1.6%, all compared to the same three-month period a year ago. Over the holiday spending period, Target posted its highest growth in purchases in the month of October, with debit purchases up 0.2% and credit purchases down 3.6%.

These results are based exclusively on the Velera Payments Index card populations with these select merchants. Growth with payment cards at these merchants could have been impacted by actions at each retailer to promote alternative payment solutions, such as co-branded or private label cards, ACH, etc.

## Holiday Spend Part III: Goods Sector and Large Retailers – October to December 2025 vs. 2024

### Transaction Growth

Retailer	Credit				Debit			
	Oct 2025	Nov 2025	Dec 2025	Cumulative Holiday Period	Oct 2025	Nov 2025	Dec 2025	Cumulative Holiday Period
Goods (Overall)	2.3%	3.1%	0.9%	2.0%	5.8%	5.5%	3.2%	4.8%
Amazon/Whole Foods	6.5%	11.1%	6.1%	7.5%	11.9%	15.5%	8.2%	11.0%
Target	-2.5%	-2.3%	-4.4%	-3.4%	0.6%	0.2%	-3.6%	-1.6%
Walmart*	5.5%	6.2%	4.8%	5.4%	3.5%	4.0%	0.5%	2.3%

\* Excluding Gasoline

### Purchase Growth

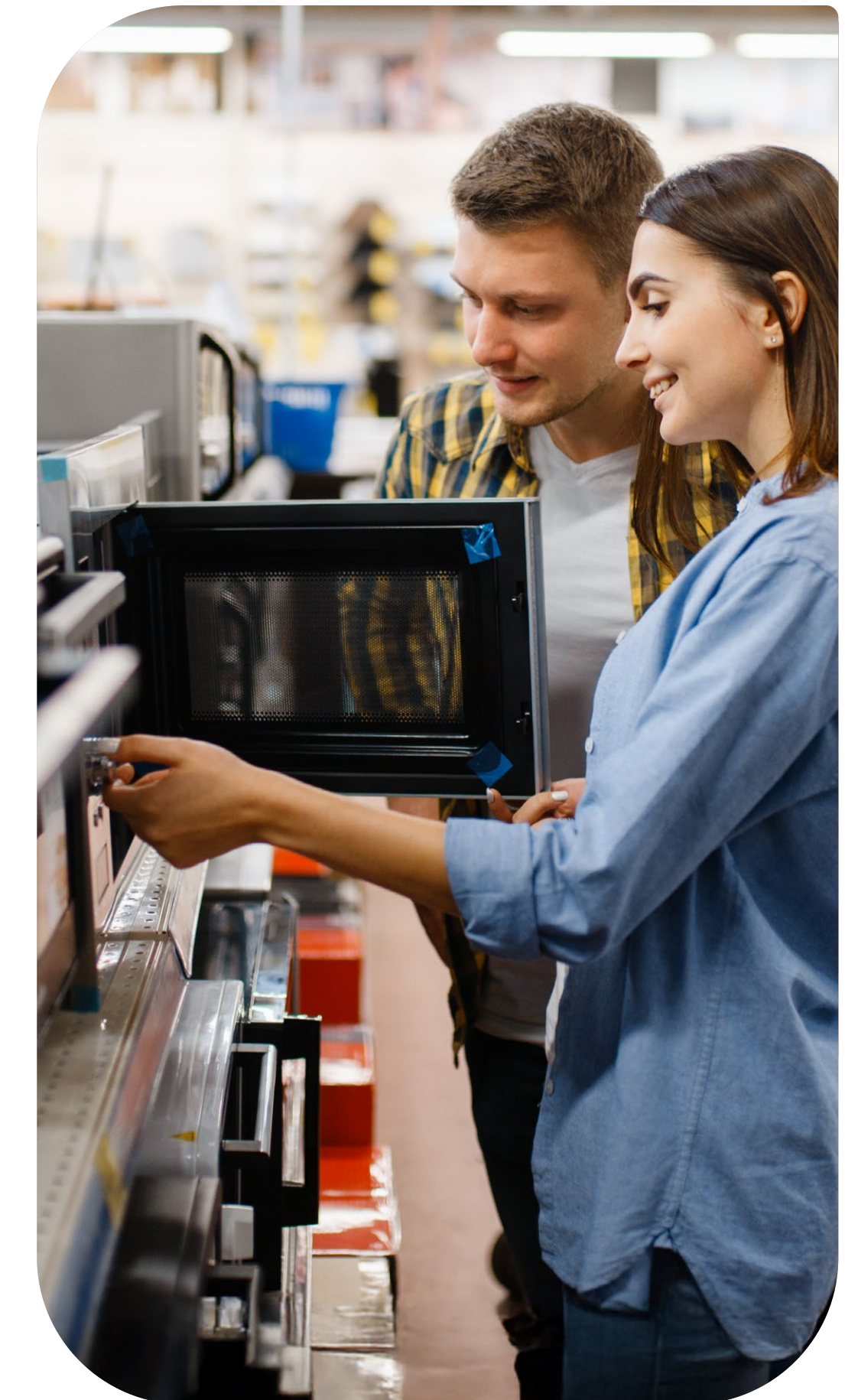
Retailer	Credit				Debit			
	Oct 2025	Nov 2025	Dec 2025	Cumulative Holiday Period	Oct 2025	Nov 2025	Dec 2025	Cumulative Holiday Period
Goods (Overall)	1.8%	2.2%	1.1%	1.7%	8.0%	7.4%	5.4%	6.8%
Amazon/Whole Foods	5.5%	9.0%	4.2%	5.7%	11.9%	14.5%	7.0%	10.0%
Target	-3.6%	-3.9%	-4.1%	-3.9%	0.2%	-0.7%	-2.7%	-1.5%
Walmart*	4.3%	6.7%	4.0%	4.8%	4.6%	5.1%	1.6%	3.3%

\* Excluding Gasoline

# Checking In: Holiday Spending

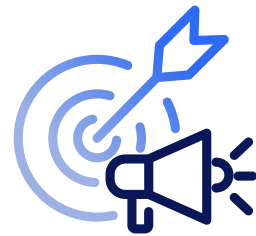
## Holiday Spend Part III: Goods Sector Sub-Categories – October to December 2025

Merchant Category	Credit				Debit			
	Transactions	Purchases	Average Purchase	% Goods Purchases	Transactions	Purchases	Average Purchase	% Goods Purchases
Digital Merchants	9.6%	12.9%	\$41.12	16%	5.6%	8.0%	\$32.70	19%
Discount Stores	3.3%	3.2%	\$52.23	10%	3.1%	6.4%	\$39.67	13%
Miscellaneous Stores	-8.2%	-5.2%	\$79.06	10%	9.3%	10.8%	\$44.57	11%
Apparel & Accessories	0.2%	1.5%	\$106.02	12%	0.1%	2.5%	\$73.67	11%
Wholesale Clubs	4.9%	5.1%	\$132.71	7%	3.5%	5.1%	\$99.50	7%
Vehicles - Automobiles	0.0%	-0.4%	\$258.39	8%	1.7%	5.4%	\$134.96	7%
Home Supply & Hardware	-6.8%	-6.8%	\$116.59	8%	-6.5%	-4.8%	\$72.24	6%
Retail Stores	2.8%	4.4%	\$66.93	6%	12.2%	11.2%	\$47.60	5%
Drug & Pharmacy	-6.1%	-4.8%	\$41.35	3%	-6.0%	-4.4%	\$29.91	3%
Hobby Stores	-5.3%	11.6%	\$64.76	3%	-2.7%	9.9%	\$39.57	3%
Sporting	-2.7%	-1.7%	\$153.99	3%	-1.0%	1.4%	\$99.78	2%
Digital Goods	19.6%	22.2%	\$28.91	1%	23.1%	32.4%	\$22.30	2%
Home Furnishings	-0.9%	-2.1%	\$318.91	5%	-3.8%	-1.7%	\$155.04	2%
Wholesale Distributors & Manufacturers	3.5%	-2.7%	\$184.98	3%	10.5%	1.9%	\$84.74	2%
Direct Marketing	-7.1%	-8.8%	\$45.98	2%	-2.2%	-4.0%	\$27.06	2%
Pet Services	1.5%	2.7%	\$77.25	2%	0.1%	2.0%	\$59.19	2%
Pawn/Consignment	5.6%	2.4%	\$48.07	0.5%	6.8%	6.7%	\$37.31	1%
Vehicles - Other	-4.7%	-4.6%	\$431.39	0.4%	-1.5%	3.7%	\$246.63	0.3%
<b>Grand Total</b>	<b>2.0%</b>	<b>1.7%</b>	<b>\$74.19</b>	<b>100%</b>	<b>4.8%</b>	<b>6.8%</b>	<b>\$47.27</b>	<b>100%</b>



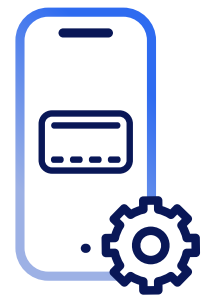
# Opportunities to Act On: What Credit Unions Should Do Now

## Activate Card Awareness Marketing Strategies



To position your card portfolios for early-year impact, begin defining your marketing approach. Focus communications on consumer convenience and core card benefits to reinforce everyday relevance and strengthen top-of-wallet behavior. Messaging should highlight high-value features such as account alerts, digital wallets and autopay for recurring payments. Velera's Portfolio Marketing & Communications offers several credit and debit awareness marketing campaigns for Q2 2026, including Digital Wallet, Recurring Payments, Everyday Purchases and Fraud Protection. To participate, enroll by Feb. 15 for an April 1 launch.

## Highlight Tap-to-Add Card Functionality



With Tap-to-Add Cards now automatically enabled by Visa and Mastercard, credit unions can promote a faster, more intuitive way for cardholders to add their cards to a mobile wallet. A simple tap of a physical contactless debit or credit card on the back of the phone near the NFC reader replaces manual entry, delivering a seamless and secure onboarding experience that reduces friction. Tap-to-Add Cards accelerate digital wallet adoption and boost early activation and usage, helping your cards reach top-of-wallet status sooner.

## Optimize Risk While Unlocking Member Credit Potential



As delinquency rates continue to rise, Velera's Portfolio Decision Engine provides credit unions with a smarter, more automated way to balance risk management with member credit growth. This advanced account-level management platform enables you to proactively identify and respond to emerging credit risk. Customizable strategies can be configured for delinquency and over-limit management, as well as credit limit management, reissue and authorization. Portfolio Decision Engine strengthens portfolio performance by retaining profitable accounts, minimizing exposure to underperforming segments and ensuring responsiveness to shifting economic conditions.

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

# Credit Card Balances

Average credit card account balances closed out December 2025 at an annual high of \$3,029, a modest 0.6% (or \$18) increase year over year. While still positive, growth throughout 2025 was more moderate, rising

2.3% since January, compared with the 3.3% pace in 2024.

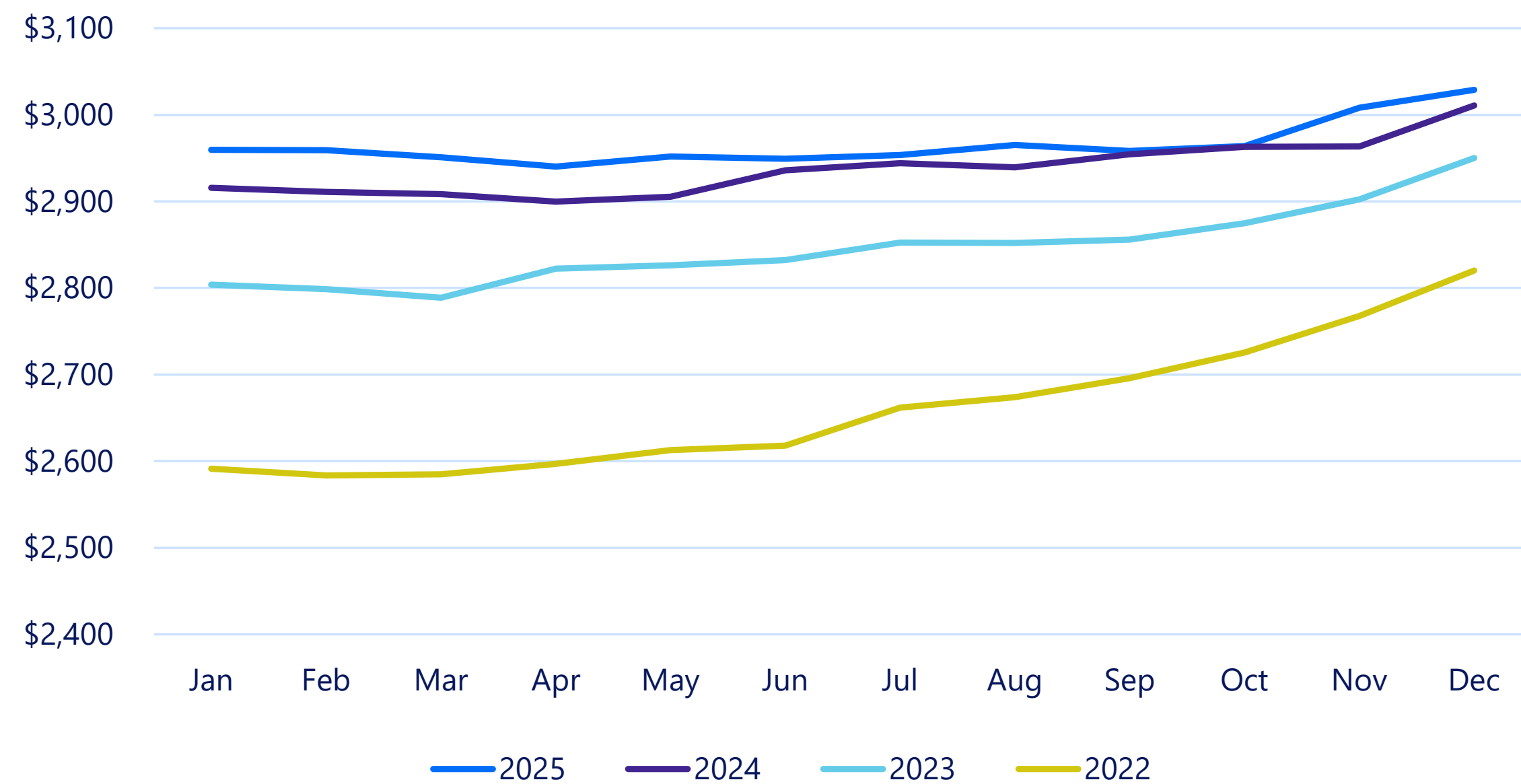
Total credit card balance growth was essentially flat, down 0.04% year over year in December 2025. Since June, the growth rate for total balances has averaged 0.1%, compared with the 2.4% average recorded from January through May. Taken together, these trends suggest a more measured approach to spending on credit.

On Jan. 9, President Trump announced a proposed one-year 10% cap on credit card interest rates via Truth Social. Per President Trump, the cap would take effect on Jan. 20., though no additional details were provided on how the cap would work. A cap would generally require approval from Congress.

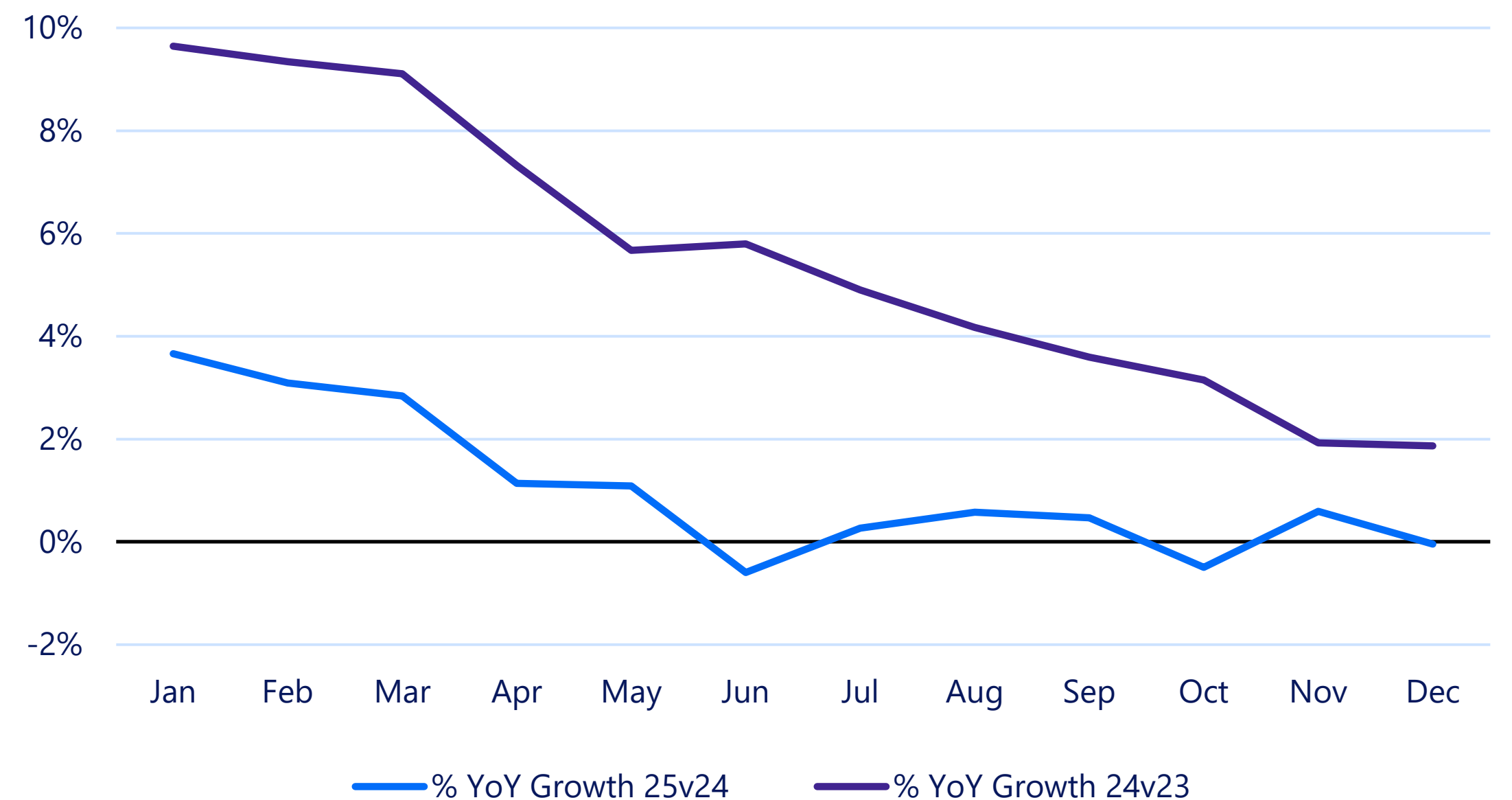
There is much ambiguity surrounding this proposal, as we believe a credit card cap would require approval from Congress and

no additional details on how this could be effectively implemented by Jan. 20 have been provided by the administration. At this time, financial institutions are not required to take any action to lower their credit card interest rates. Should this proposal become law, Velera is prepared to help our credit unions successfully make the necessary changes to rates within the limited timeframe. We continue to monitor this developing situation.

Average Credit Card Balances per Gross Active Account



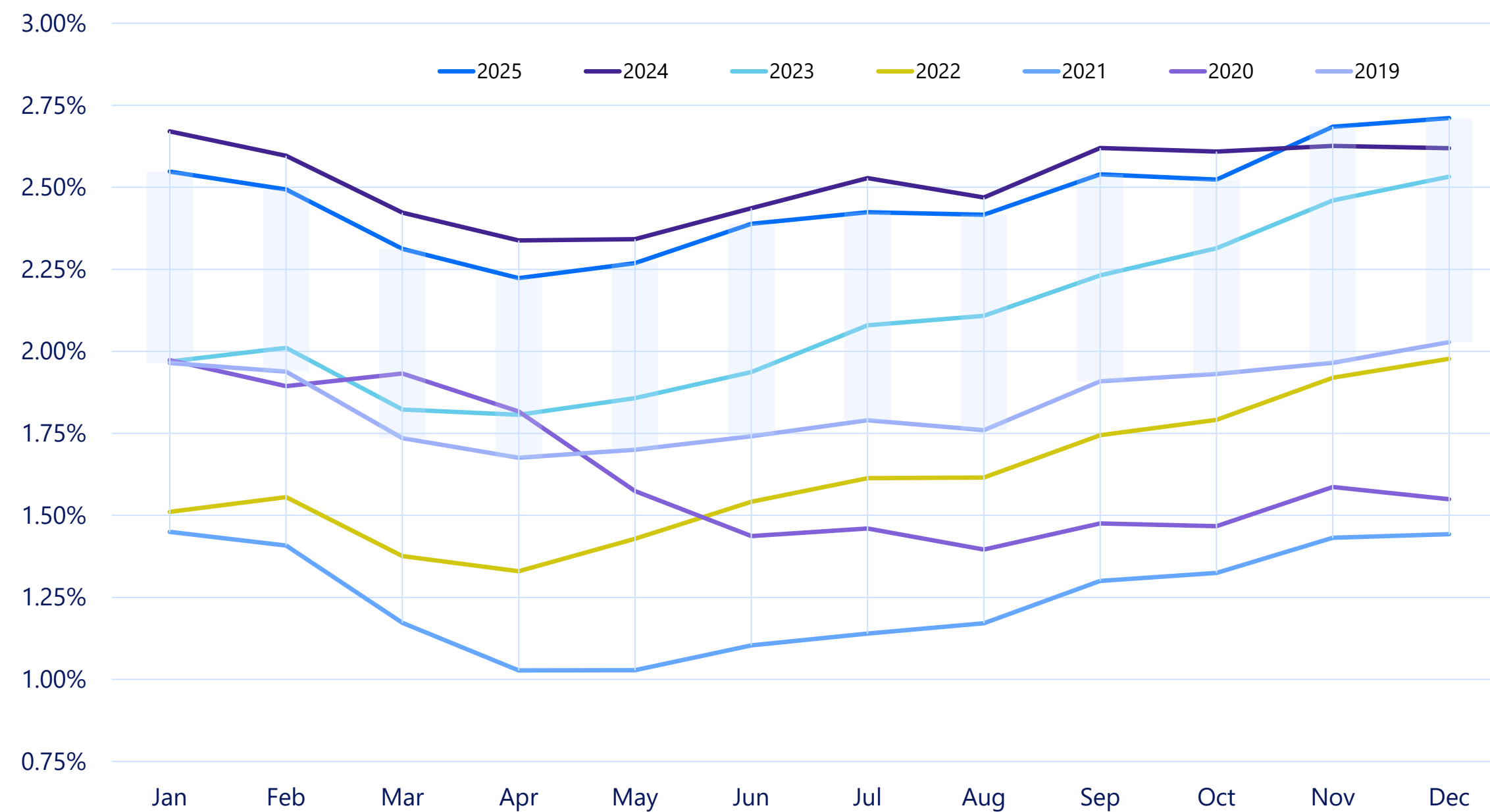
Percentage Change in Total Credit Card Balances



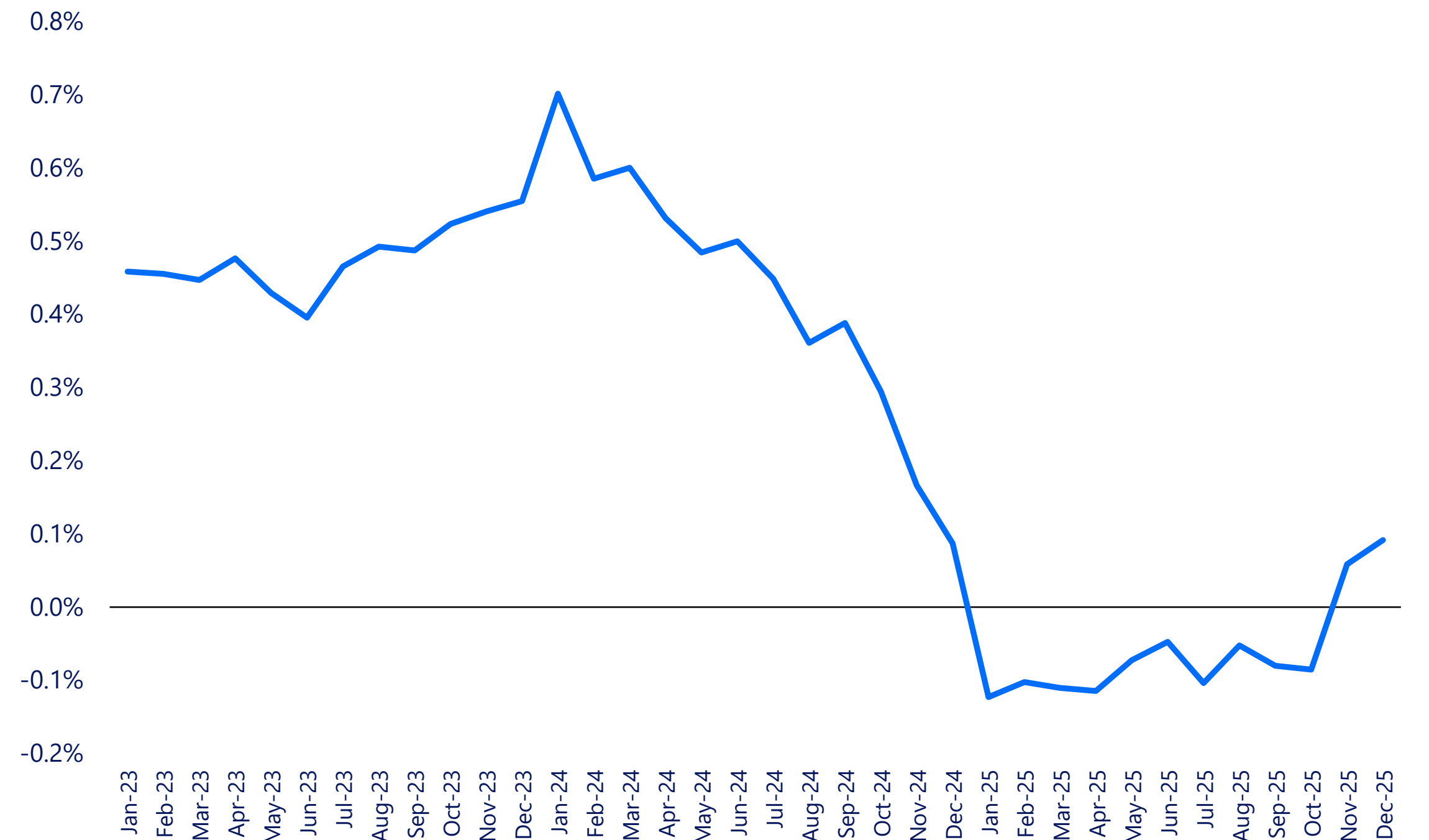
# Credit Card Delinquencies

The delinquency rate surpassed 2024 measures in both November and December, accelerating at year's end. For December, delinquencies rose to 2.71%, up 9 basis points year over year — a 3.49% increase that represented the highest growth of the year. These movements suggest that while consumers are still managing their credit obligations, signs of strain may be emerging in line with broader economic headwinds.

## Overall Credit Card Delinquency Rate: December 2025



## Year-Over-Year Change in Delinquencies Beginning January 2023



# Credit and Debit Cards

December's consumer payment activity was solid overall, though the pace of growth varied across credit and debit. Credit transactions and purchases reflected softer year-over-year gains, while debit activity held relatively steady. Credit growth was weaker in December than in November, whereas debit posted a modest month-over-month uptick. In December, credit transactions grew 1.6% year over year, and credit purchases rose 1.8%, while debit transactions increased 2.4% and debit purchases climbed 4.6%.

Spending patterns in December reflected higher average ticket sizes. The average credit card transaction amount reached \$70.98, up 0.3% year over year, and the average debit transaction amount rose to \$48.37, a 2.1% increase.

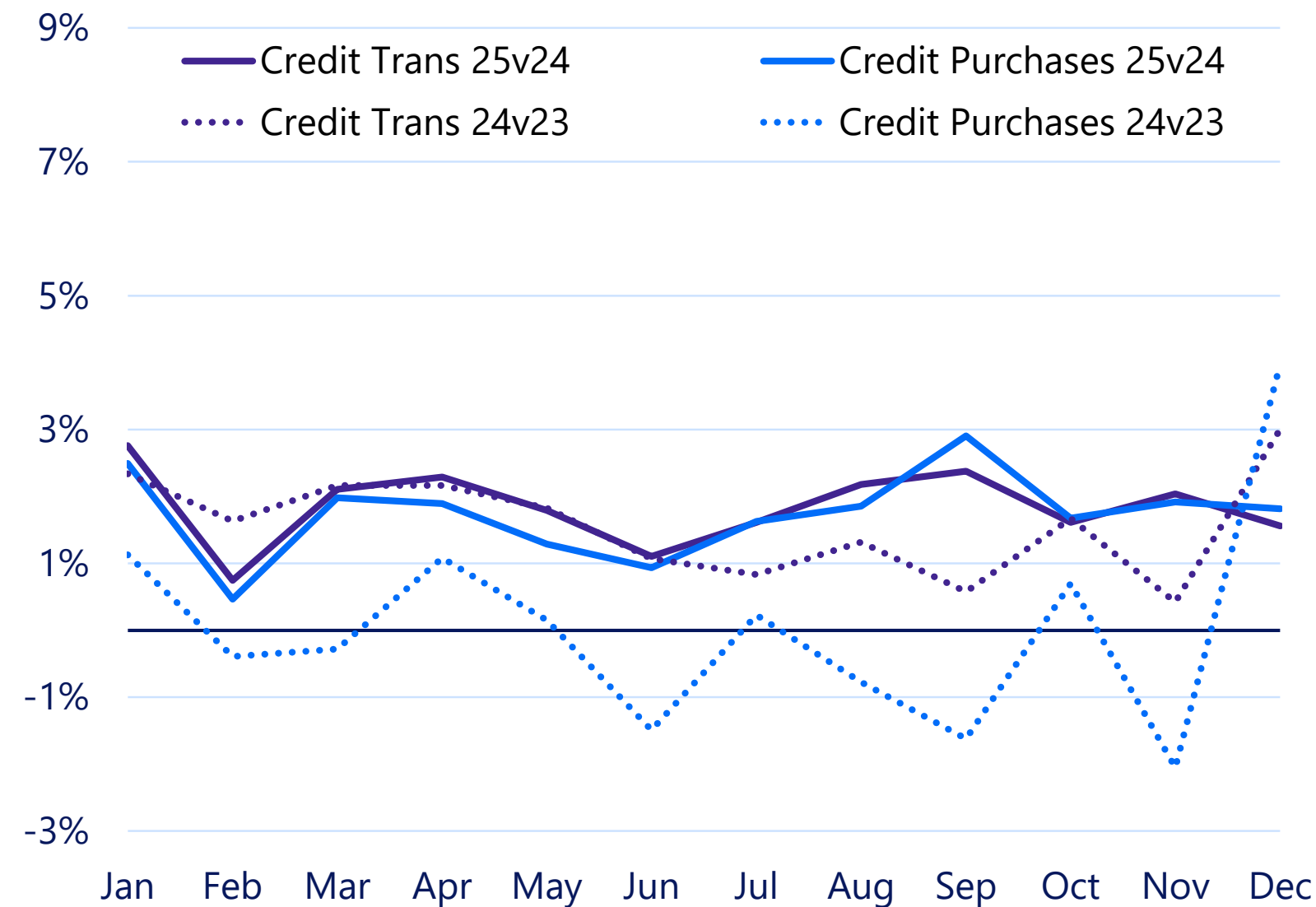
At the sector level, the primary driver of purchase and transaction growth differed across credit and debit, though the Goods sector was a shared contributor. For purchases, the Services sector reemerged as the primary driver of credit growth, accounting for two-thirds of the growth,

followed by Goods, which contributed another one-fifth. On the debit side, Money Services was the dominant purchase growth driver, accounting for nearly half of the growth, while Goods contributed roughly one-third. In terms of transaction growth, the majority came from the Services and Goods sectors for credit and the Goods and Money Services sectors for debit.

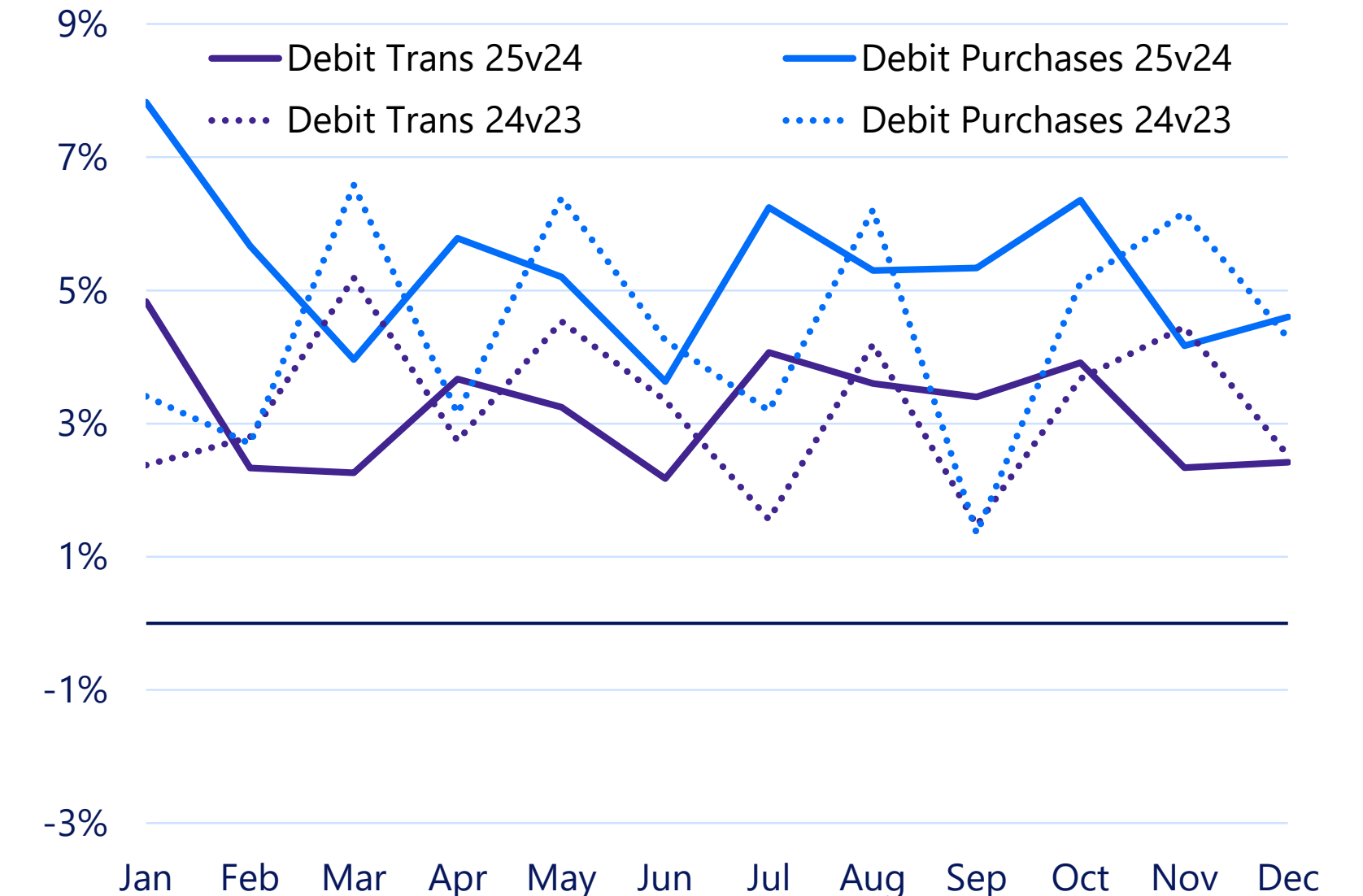
## Month of December

	Credit		Debit	
	Transactions	Purchases	Transactions	Purchases
2025 v 2024	↑ 1.6%	↑ 1.8%	↑ 2.4%	↑ 4.6%
2024 v 2023	↑ 3.0%	↑ 4.0%	↑ 2.5%	↑ 4.3%

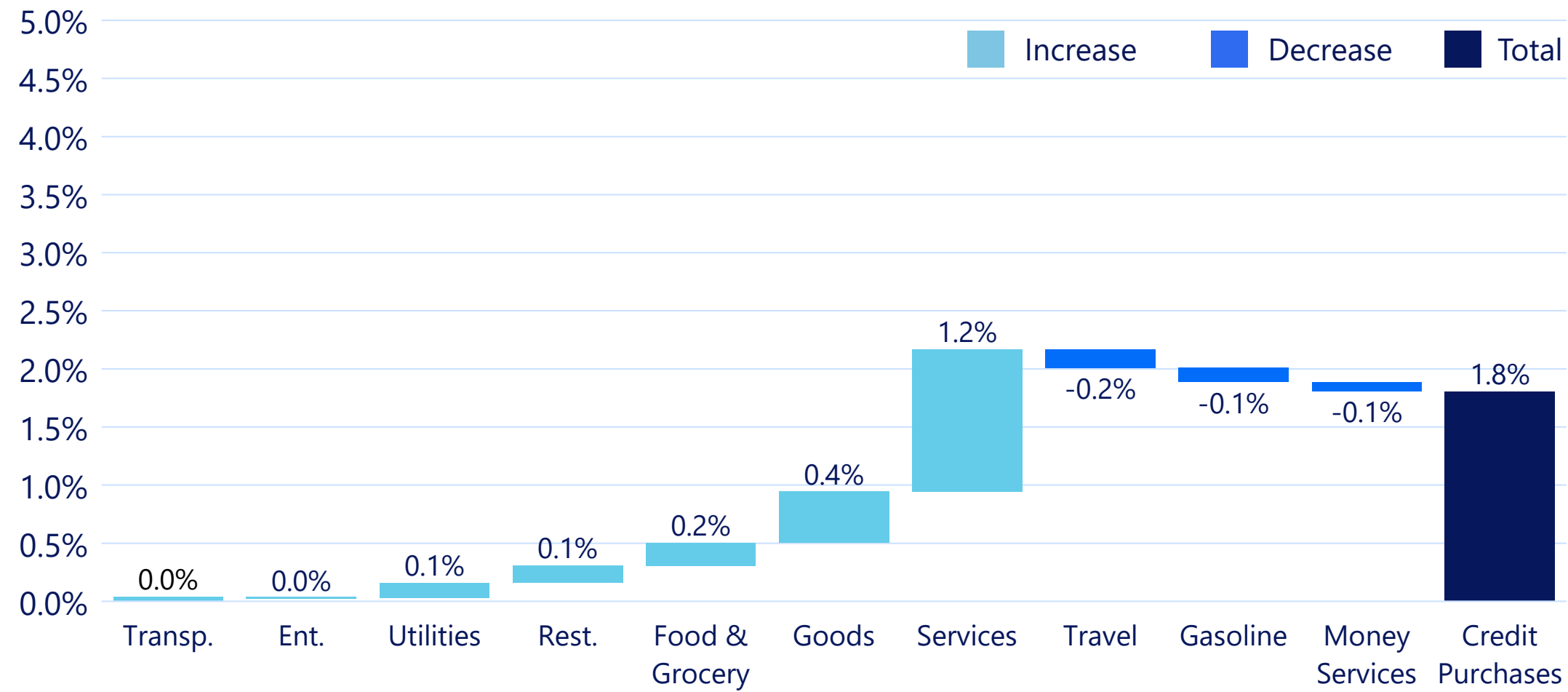
## Credit



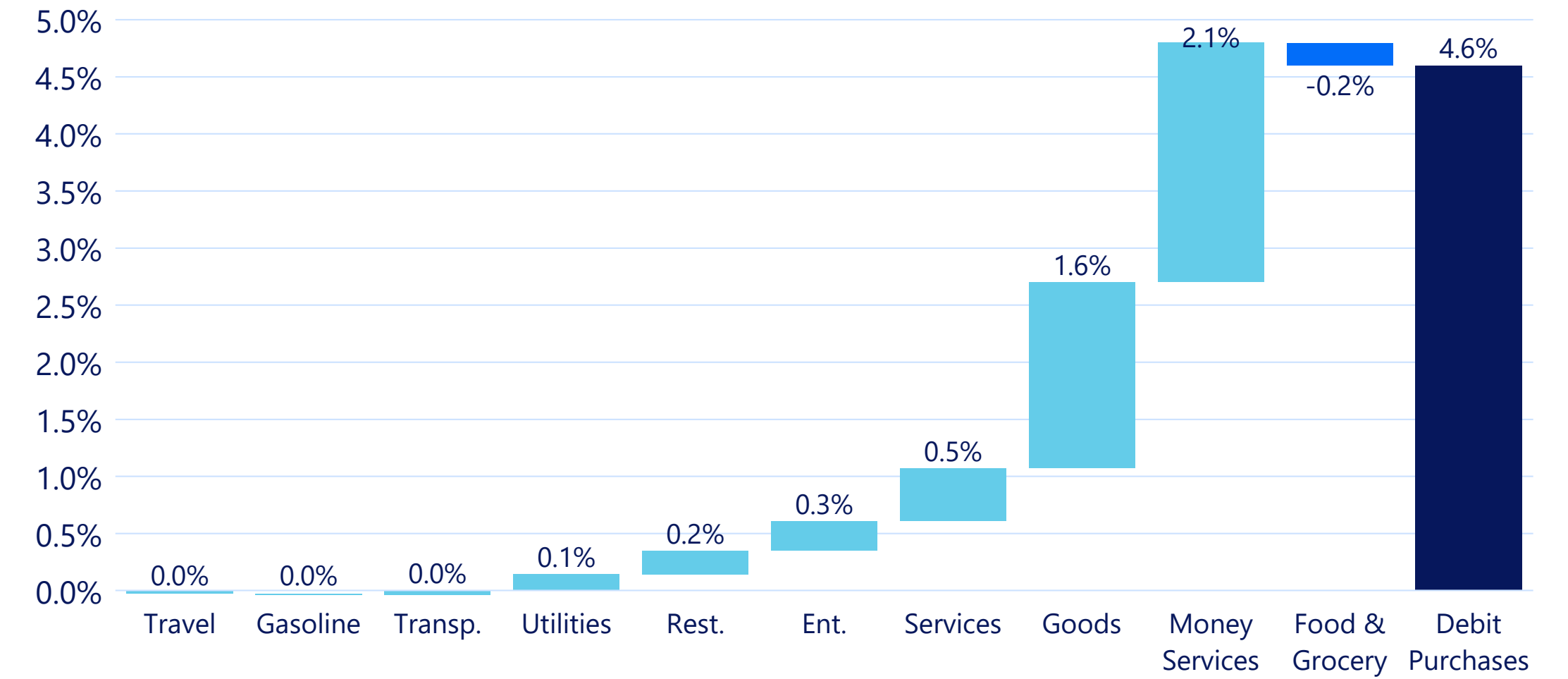
## Debit



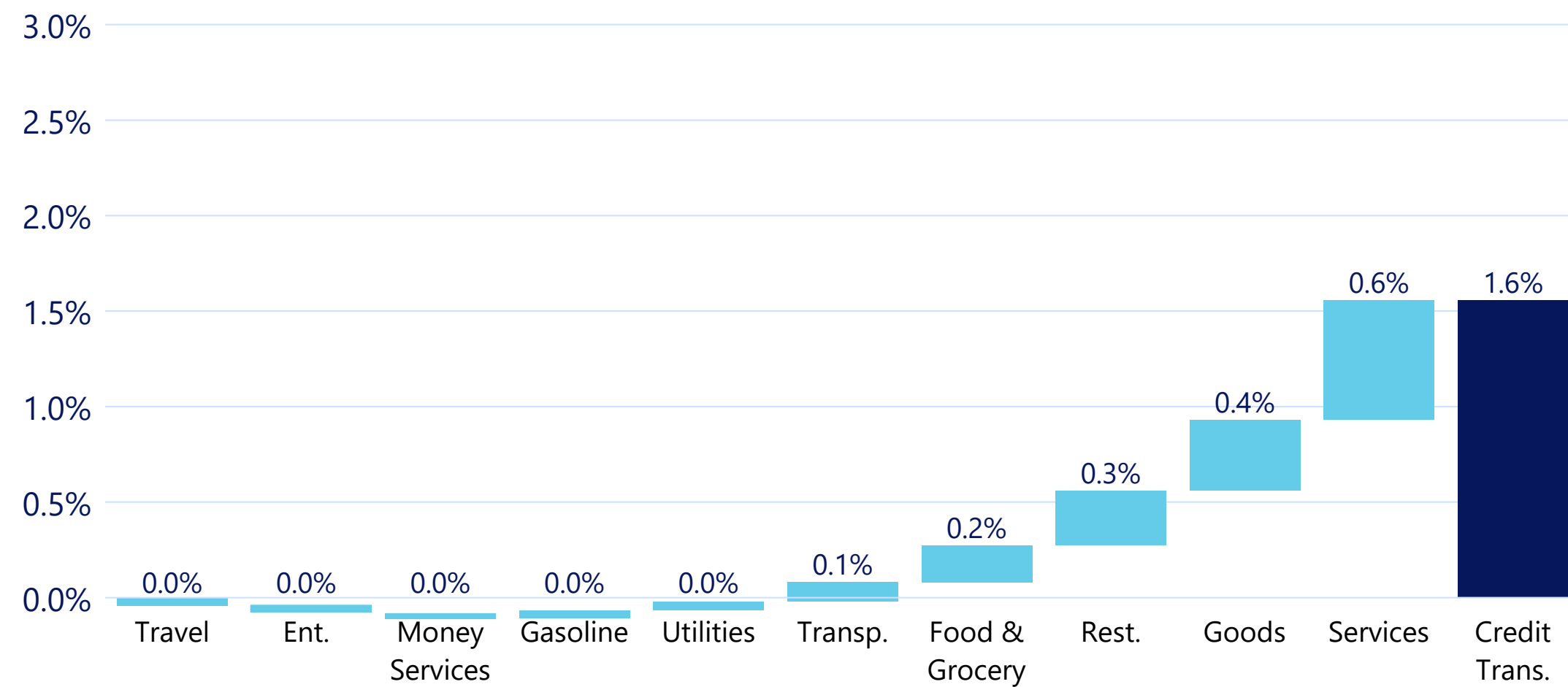
### Sector Contributions to Growth in Credit Purchases: December



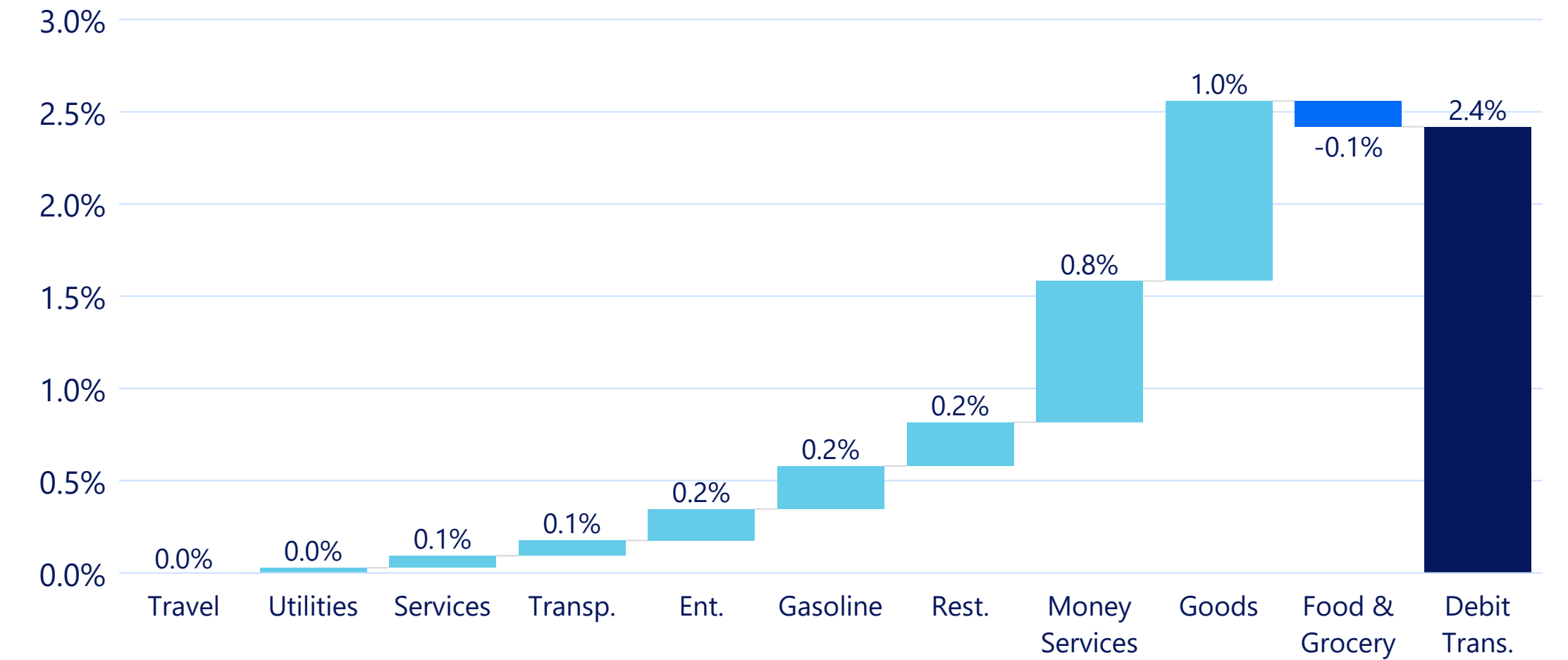
### Sector Contributions to Growth in Debit Purchases: December



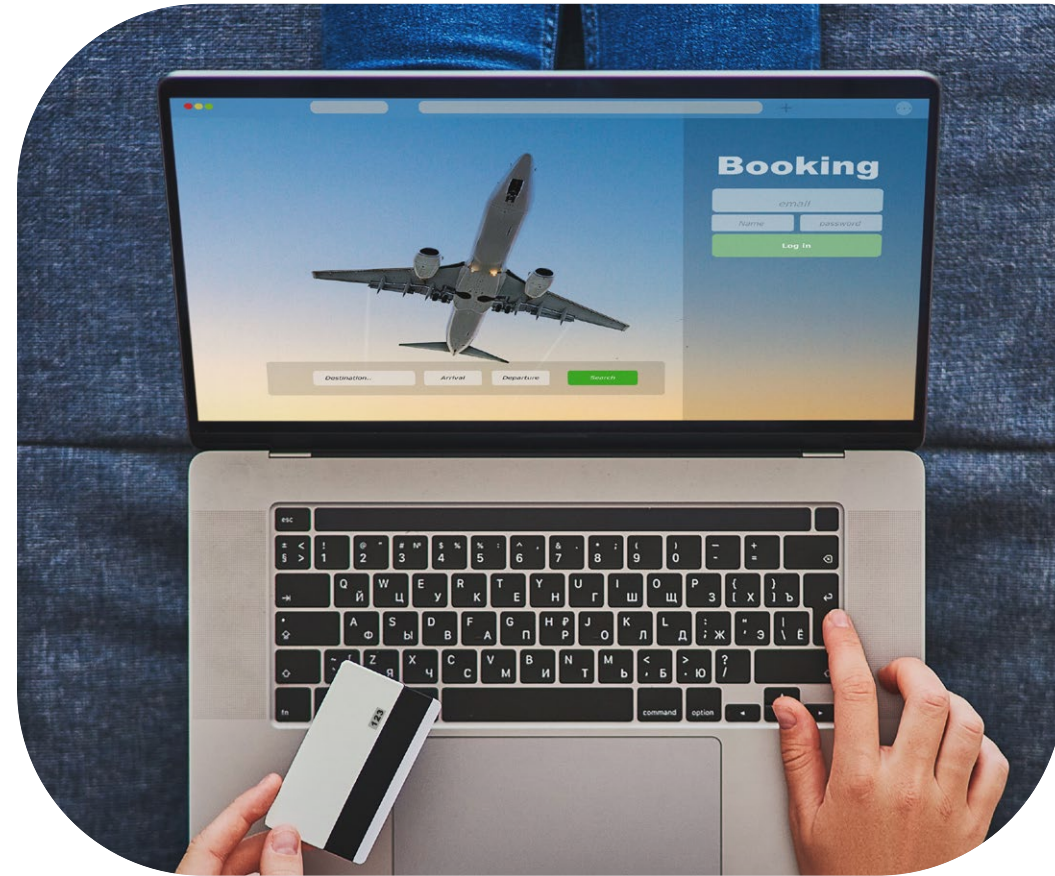
### Sector Contributions to Growth in Credit Transactions: December



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



# Discretionary and Non-Discretionary: December 2025



Discretionary activity comprised nearly all merchant categories within the Entertainment and Travel sectors, as well as just under half of the merchant categories in the Services sector. There are also several merchant categories identified as discretionary within the Food & Grocery and Goods sectors.

Discretionary and non-discretionary activity showed differences in how consumers allocated their spending in

December. Although growth rates for discretionary purchases continued to lag behind those for non-discretionary purchases, debit discretionary spending strengthened. In contrast, discretionary spending on credit remained subdued, while non-discretionary categories held steadier. Notably, December marked the first month since May in which credit discretionary transaction growth was positive.

Credit discretionary transactions grew 1.4% year over year, but discretionary purchases remained in negative territory at -0.9%. Credit non-discretionary transactions and purchases softened month over month, coming in at 1.6% and 2.3%, respectively. For debit, discretionary purchase growth strengthened to 3.8%, with an ever higher 4.2% growth rate for transactions. Debit non-discretionary purchase growth edged higher to 4.7%, while transactions were flat month over month at 2.3%.

## Year-Over-Year Growth in Credit

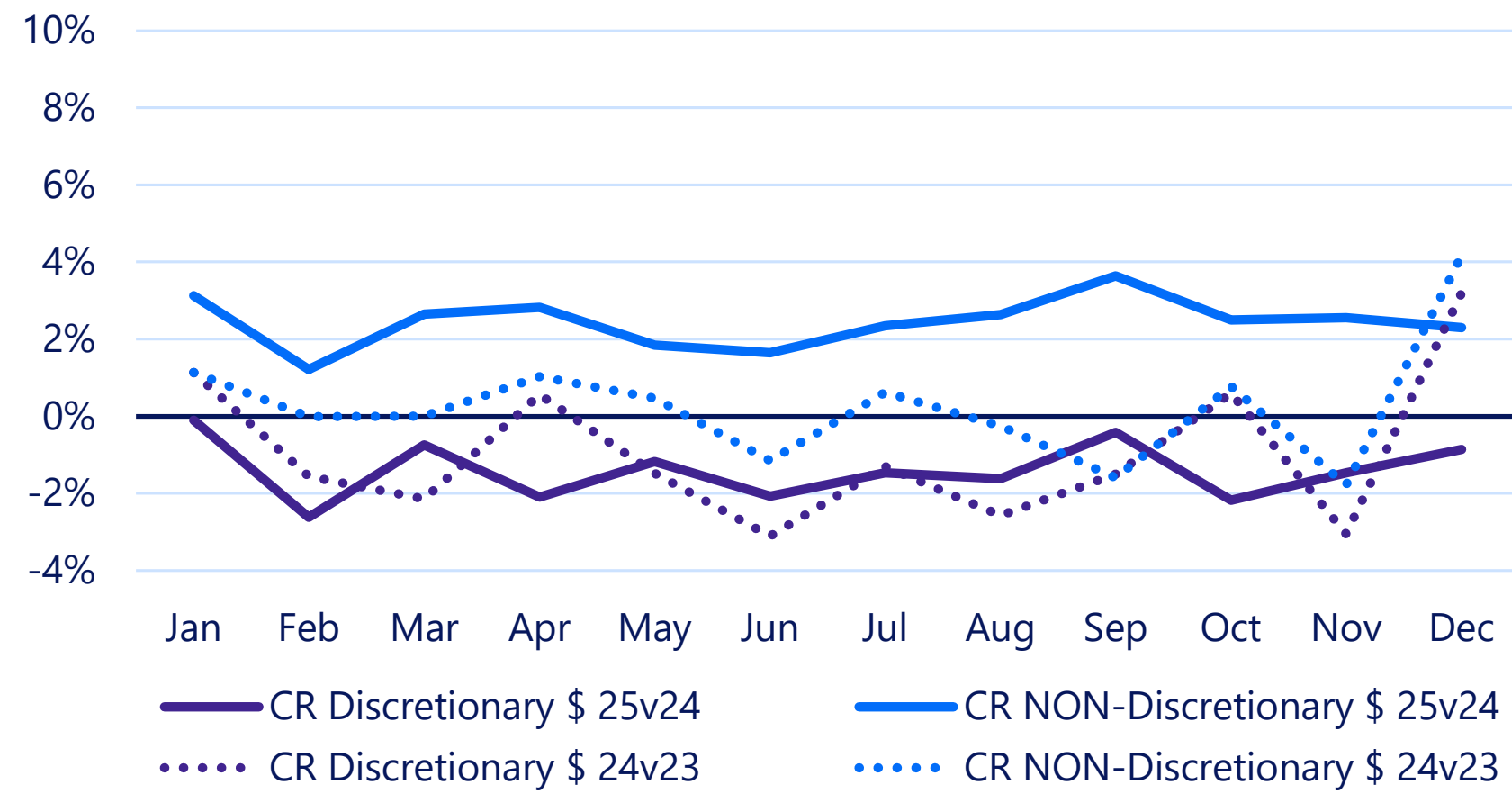
	% of Overall Purchases	Transactions	Purchases	Average Purchase
Discretionary	15%	↑ 1.4%	↓ 0.9%	\$143
Non-Discretionary	85%	↑ 1.6%	↑ 2.3%	\$65

## Year-Over-Year Growth in Debit

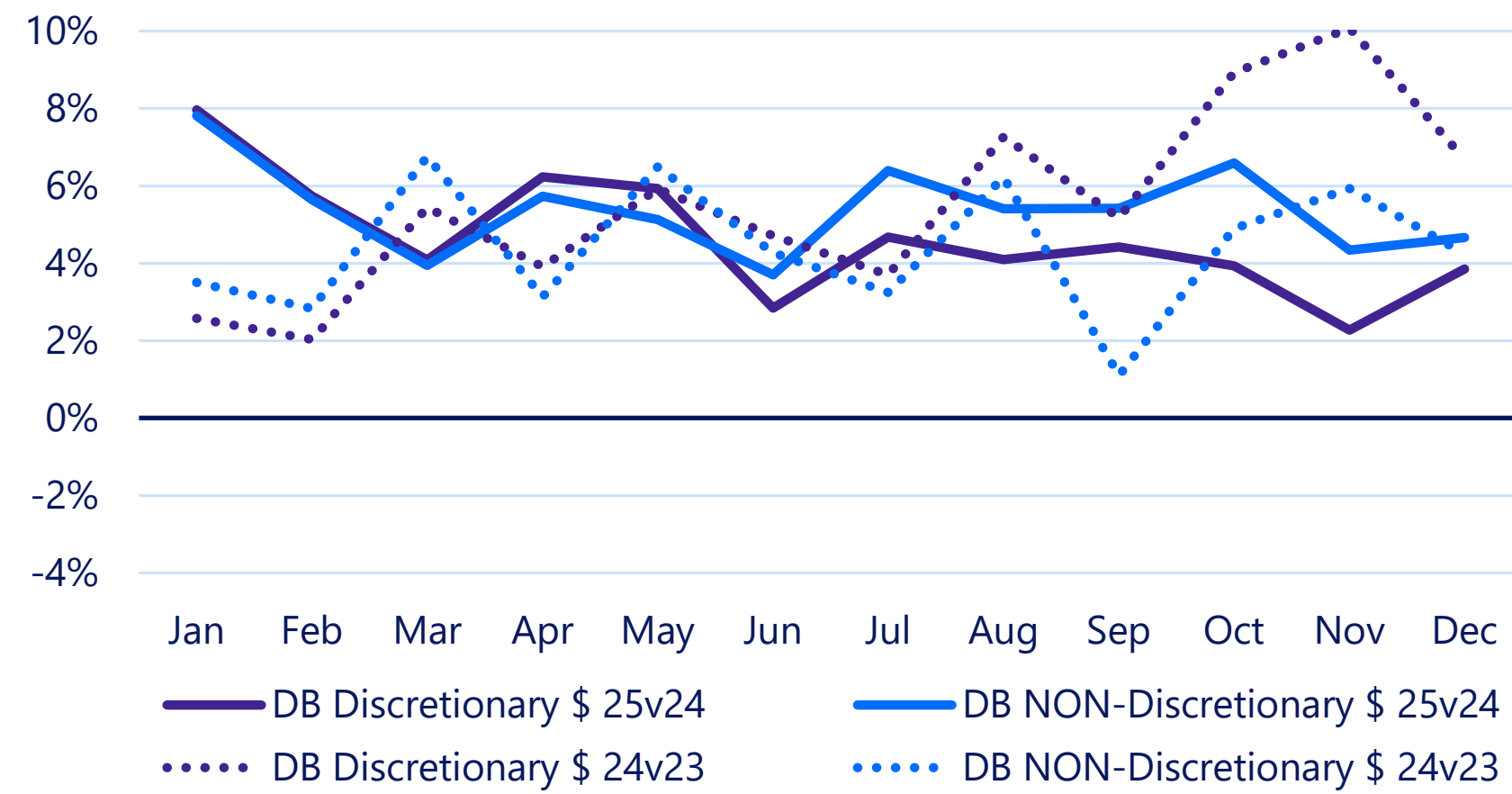
	% of Overall Purchases	Transactions	Purchases	Average Purchase
Discretionary	8%	↑ 4.2%	↑ 3.8%	\$67
Non-Discretionary	92%	↑ 2.3%	↑ 4.7%	\$47

## Growth in Discretionary/Non-Discretionary Overall Purchases

### Credit

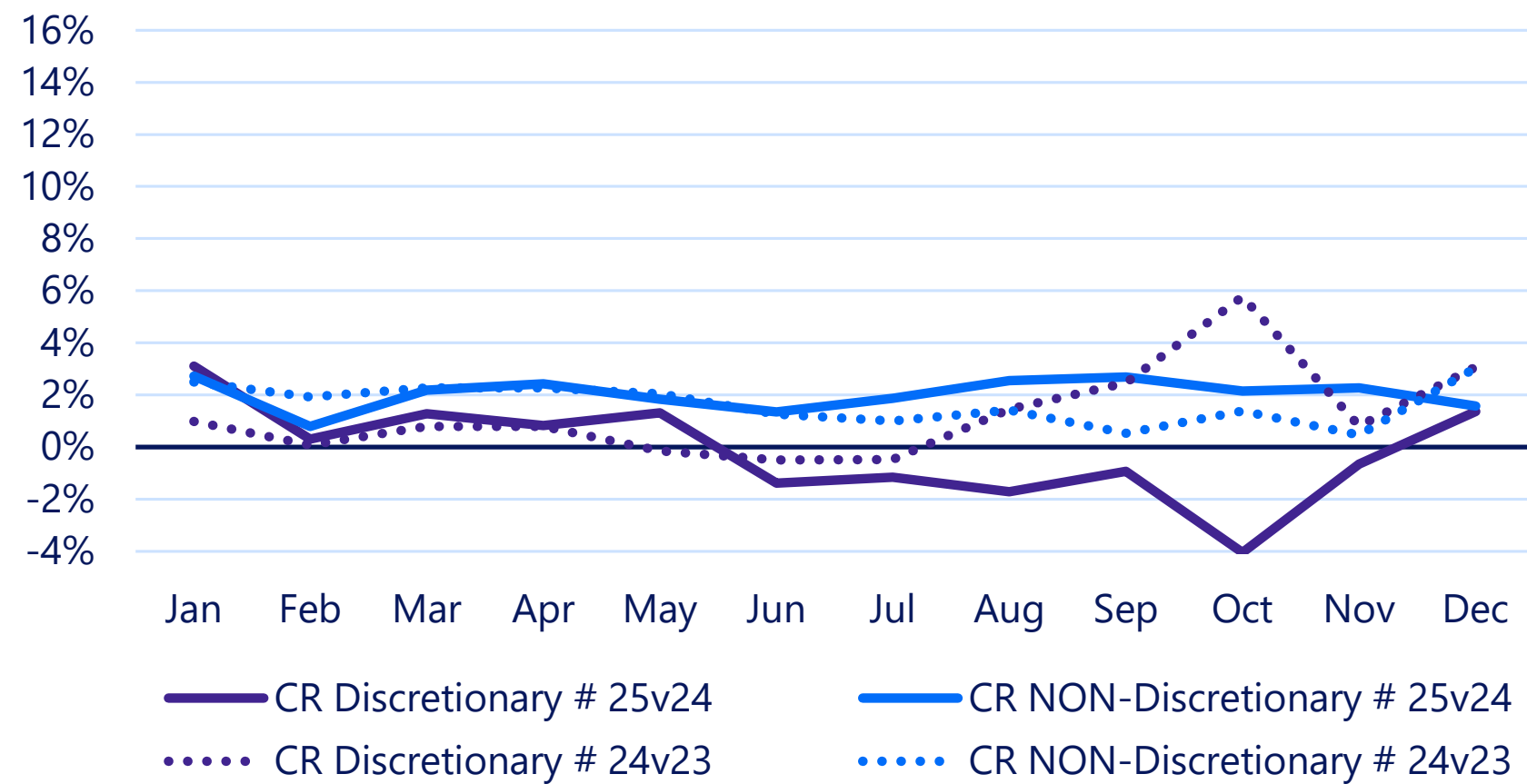


### Debit

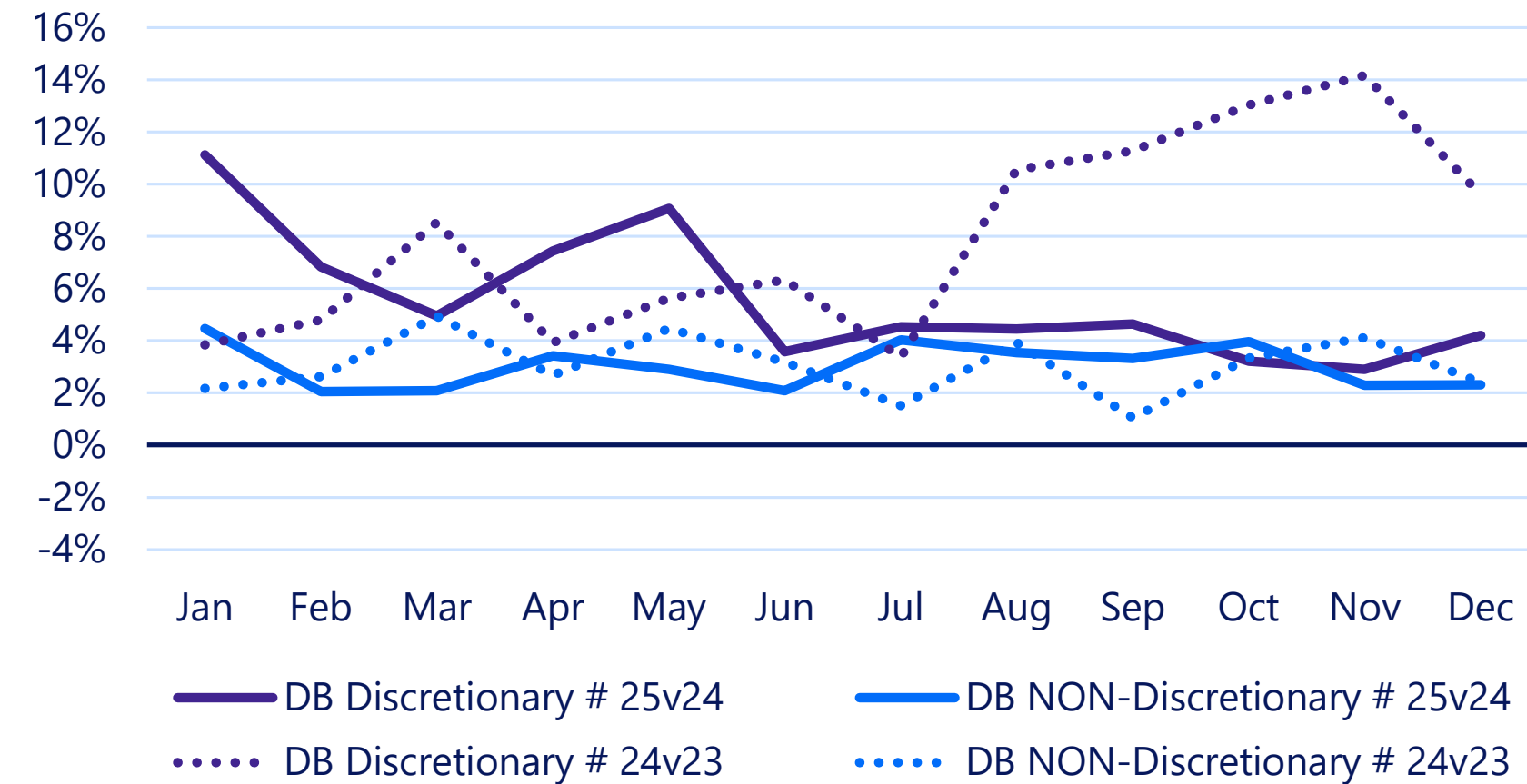


## Growth in Discretionary/Non-Discretionary Overall Transactions

### Credit



### Debit



# Sectors/Merchant Categories

December showed solid year-over-year growth, with a mix of consistently strong-performing and seasonally boosted merchant categories. On the credit side, the largest purchase gains came from Services (+6%), Transportation (+6%) and Utilities (+5%), with the increase in Services aligning with its broader role as the primary driver of overall credit purchase growth. For debit, Money Services (+18%), Transportation (+8%) and Entertainment (+6%) were the top performing categories. The rise in Entertainment was consistent with the uptick in debit discretionary spending.

December gasoline prices were notably lower than last year, with the average price down 4.1% year over year. According to the [U.S. Energy Information Administration](#), 2025 marked the third consecutive year of declining gasoline prices. Lower prices at the pump translated into softer spending trends. Credit purchase growth in the Gasoline merchant category declined 3% year over year as transaction volume growth held steady. For debit transactions, growth increased by 2%, while purchase growth remained unchanged. The national average price per gallon of gasoline finished at [\\$2.78](#) for the week ending Jan. 12, down 8.7% or \$0.26 year over year.

## December 2025 v 2024

Credit			Debit	
YoY Purchases	YoY Transactions		YoY Purchases	YoY Transactions
— 0.0%	↓ 1.0%	<b>Entertainment</b>	↑ 6.0%	↑ 4.0%
↑ 2.0%	↑ 1.0%	<b>Food &amp; Grocery</b>	↓ 1.0%	↓ 1.0%
↓ 3.0%	— 0.0%	<b>Gasoline</b>	— 0.0%	↑ 2.0%
↑ 1.0%	↑ 1.0%	<b>Goods</b>	↑ 5.0%	↑ 3.0%
↓ 8.0%	↓ 9.0%	<b>Money Services</b>	↑ 18.0%	↑ 15.0%
↑ 2.0%	↑ 2.0%	<b>Restaurants</b>	↑ 2.0%	↑ 1.0%
↑ 6.0%	↑ 7.0%	<b>Services</b>	↑ 4.0%	↑ 1.0%
↑ 6.0%	↑ 5.0%	<b>Transportation</b>	↑ 8.0%	↑ 7.0%
↓ 3.0%	↓ 3.0%	<b>Travel</b>	↓ 2.0%	— 0.0%
↑ 5.0%	↑ 3.0%	<b>Utilities</b>	↑ 3.0%	↑ 2.0%

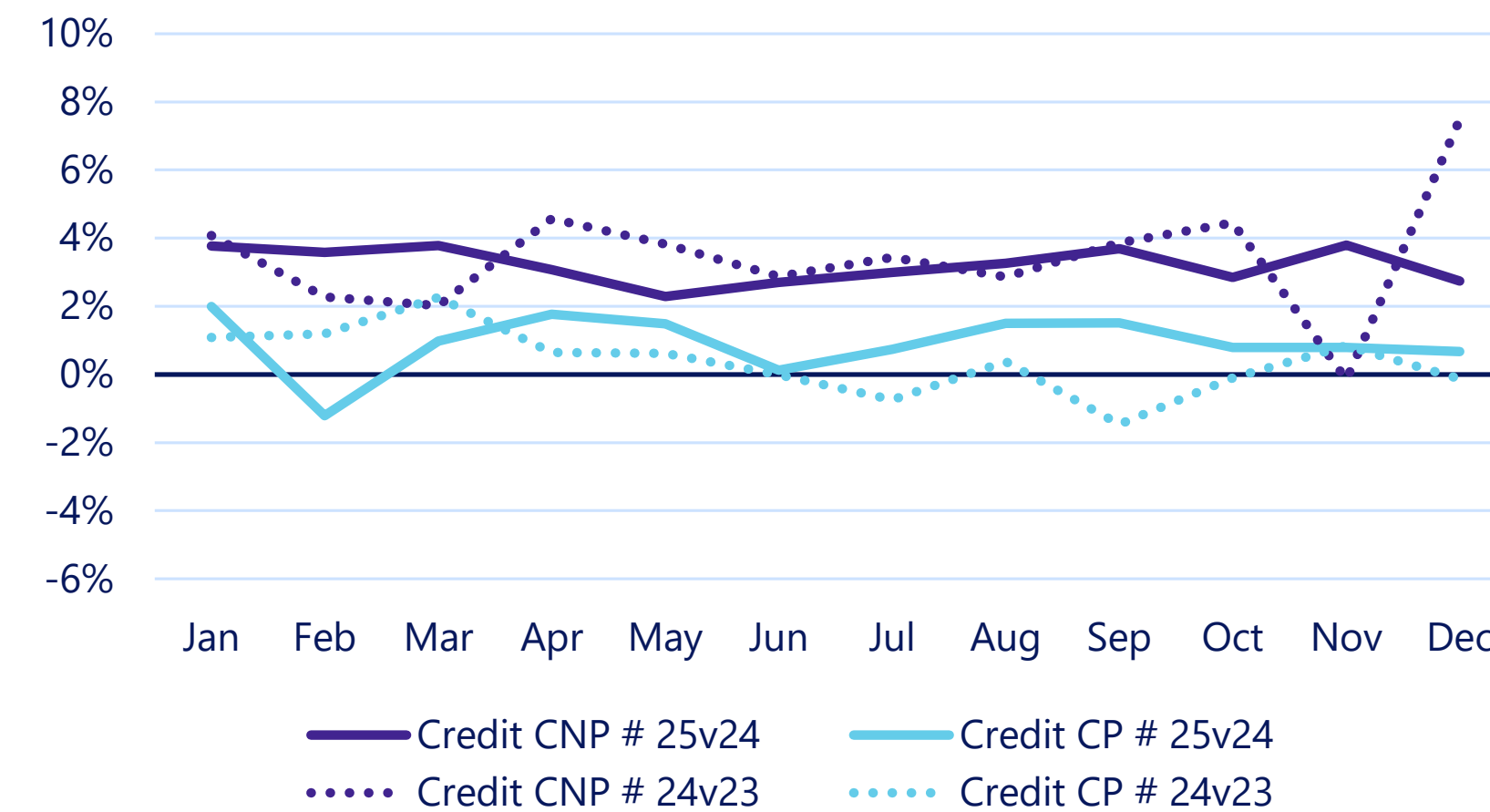
# Card Not Present (CNP) and Card Present (CP) Activity

The differing growth patterns for credit and debit from November to December showed distinct variations in Card Not Present (CNP) and Card Present (CP) activity. For credit, the month-to-month downward trend was reflected in softer CNP transaction and CP purchase performances, while debit's month-over-month movement was observed in upticks in CNP transaction and CNP purchase growth.

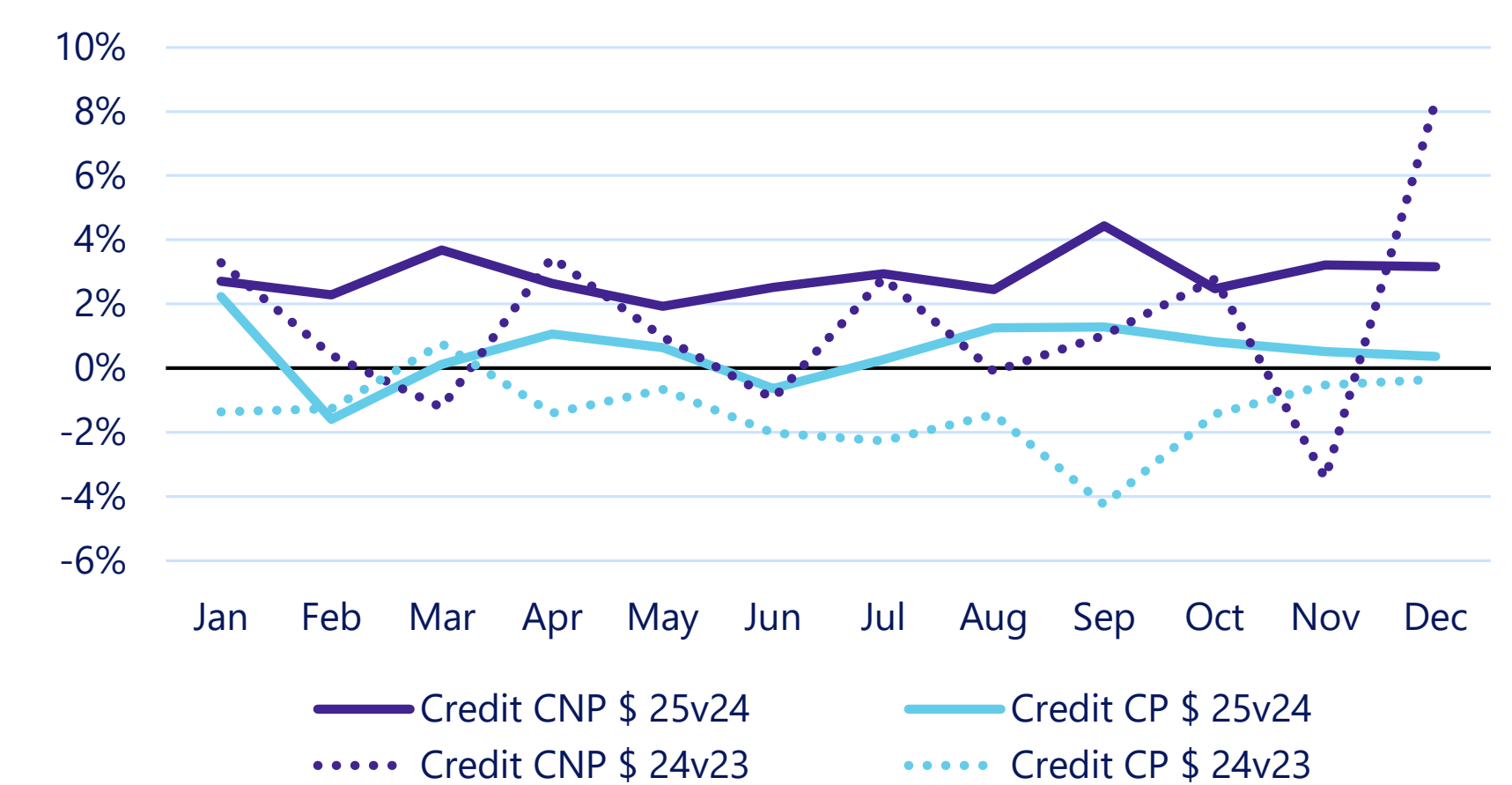
In December 2025, credit CNP growth rates — though considerably lower than a year earlier — continued to outperform CP growth. Credit CNP transactions and purchases rose 2.7% and 3.2%, respectively, compared with 0.7% and 0.4% for CP transactions and purchases. The divergence between debit CP and CNP persisted, with CP volume and dollar growth measuring 4.4% and 6.7% compared with -0.9% and 2.4% for CNP.

Year-over-year shifts in the mix of CP and CNP transactions were modest. Credit CNP transactions increased their share to 44%, up from 43%, whereas debit CNP transactions edged down to 37% from 38%.

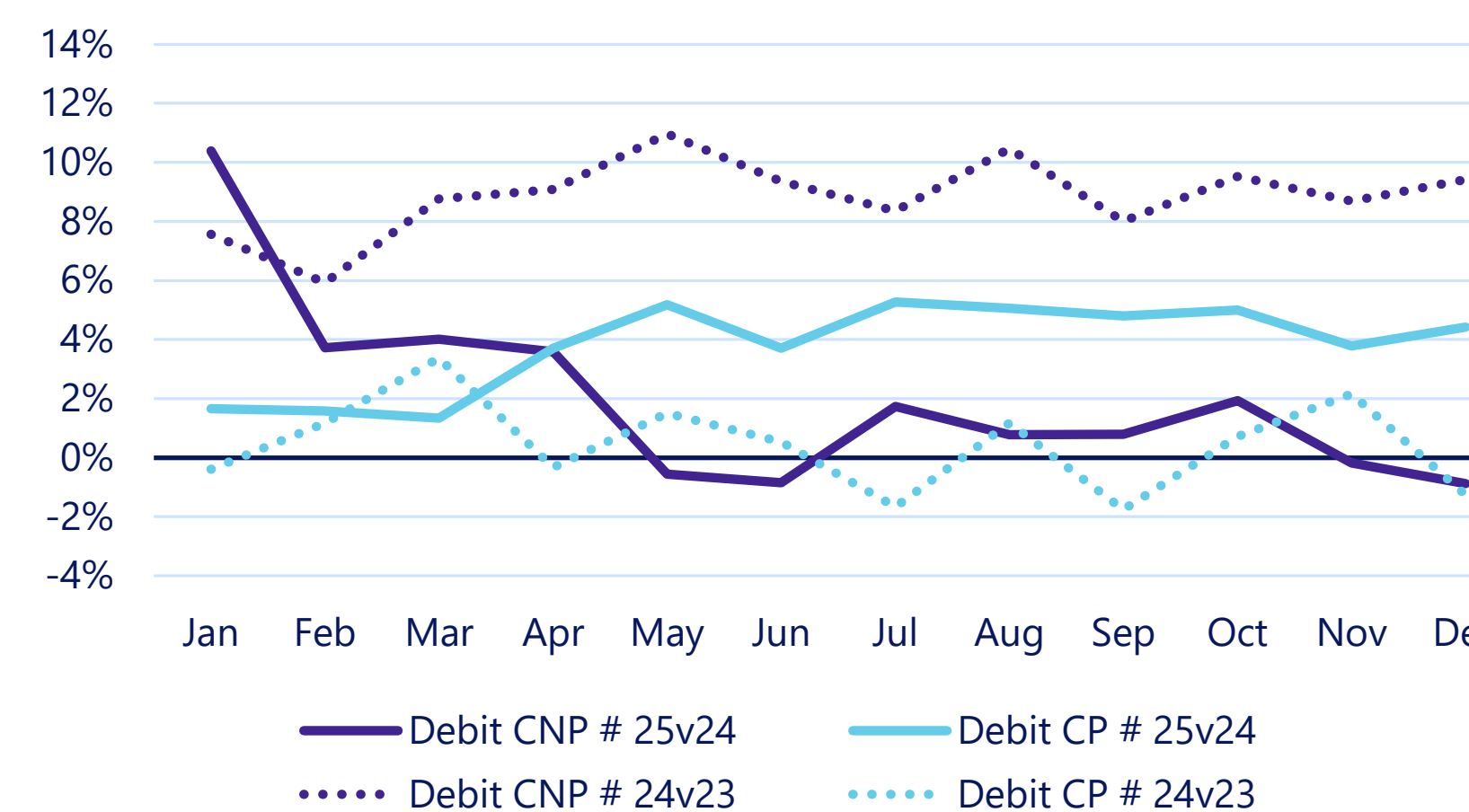
Year-Over-Year % Growth in Credit Transactions



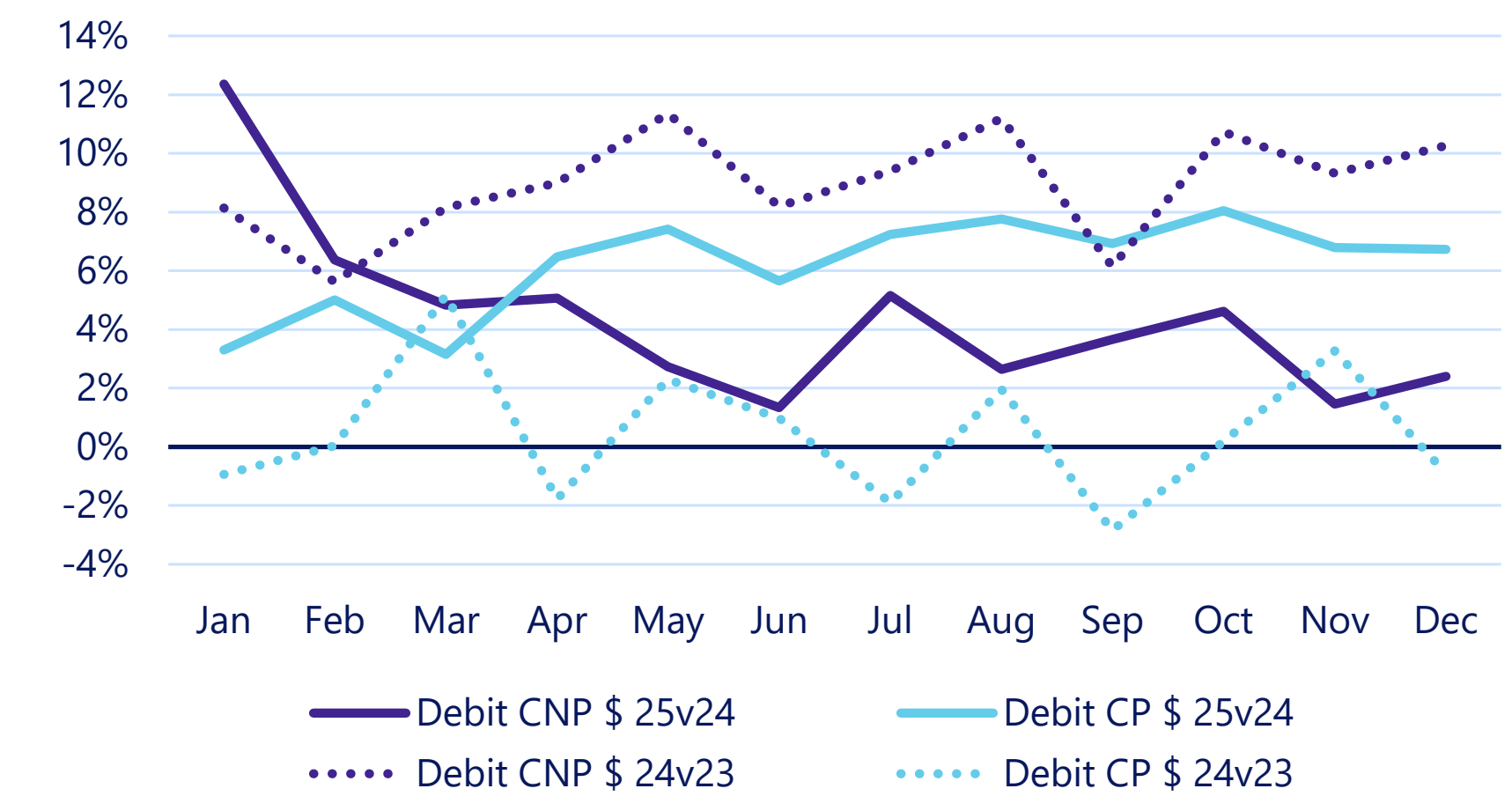
Year-Over-Year % Growth in Credit Purchases



Year-Over-Year % Growth in Debit Transactions



Year-Over-Year % Growth in Debit Purchases



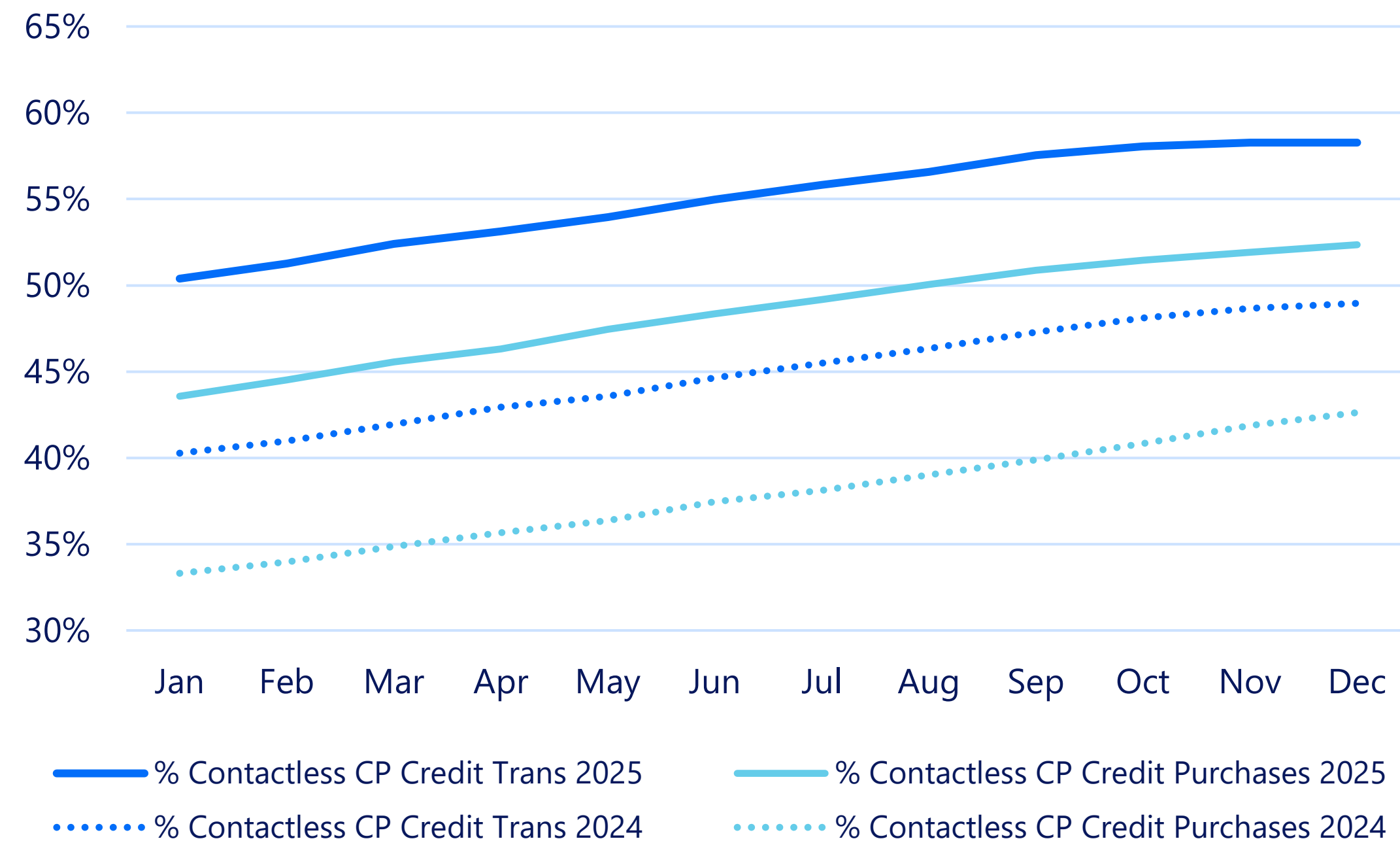
# Contactless Transactions

Contactless usage continued to evolve differently across payment types in 2025. While contactless activity on credit cards leveled off in the second half of the year, debit maintained a steady upward trajectory — coinciding with the broader trend in which debit Card Present (CP) volume growth has outpaced credit CP transaction growth. In December, contactless transactions accounted for 58% of all credit CP activity and 62% of debit. Over the full year, the share of debit contactless transactions increased by 19%, surpassing the 16% increase in credit and signaling continued momentum in debit tap-to-pay adoption. According to Velera’s

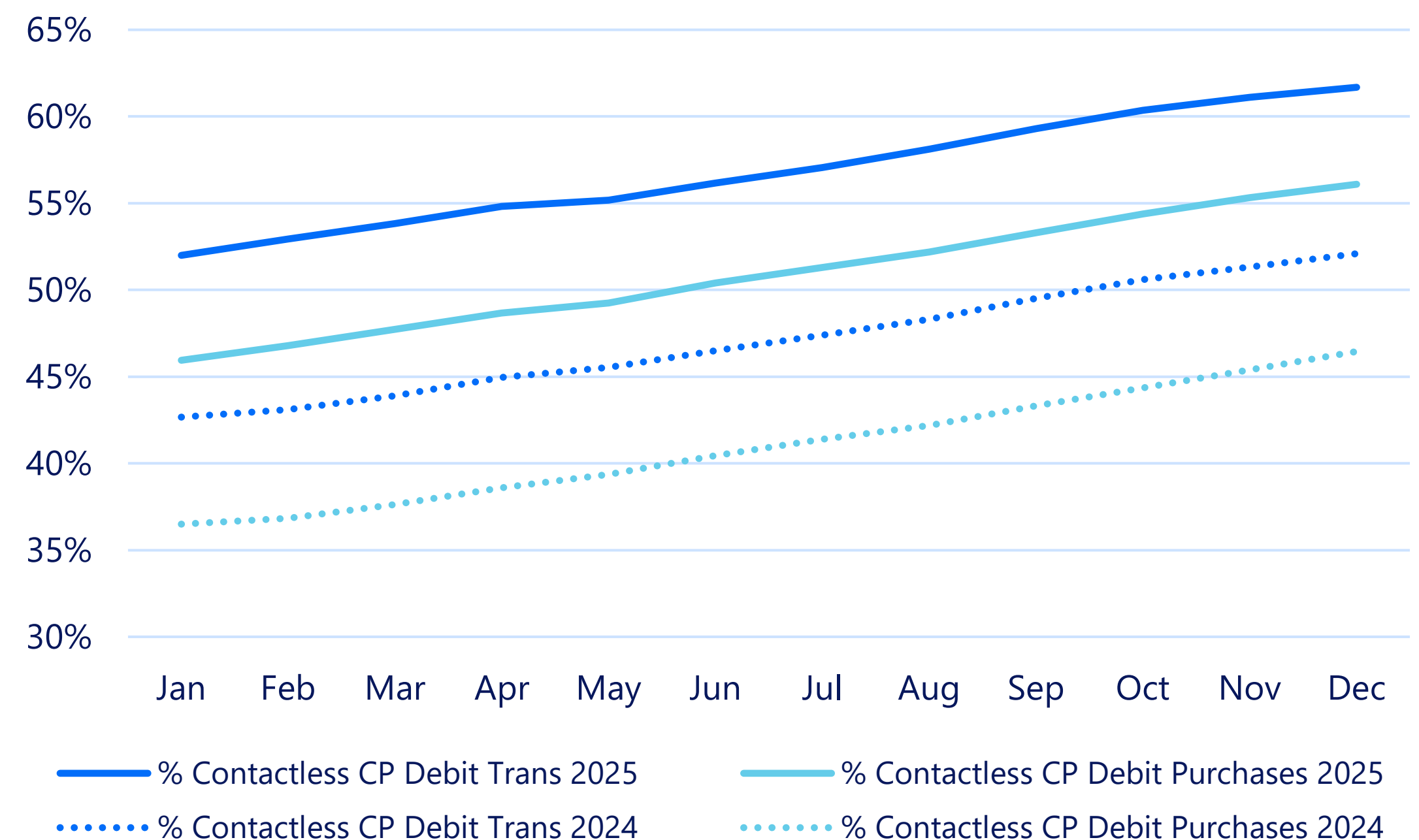
*Eye on Payments*, 80% of credit union members now have a contactless card and nearly half use it several times per week, reflecting stable usage trends. Additional growth in tap-and-go activity can be attributed to merchants enabling contactless acceptance, such as Home Depot and Lowe’s.

The average contactless ticket size increased year over year, but remained well below overall averages for both payment types. The average credit contactless purchase rose 3.8% year over year to \$55.82, which is 21% lower than the overall average. For debit, the average grew 3.7% to \$33.23, coming in 31% below the overall average.

### % Contactless Credit Activity on Contactless Cards



### % Contactless Debit Activity on Contactless Cards

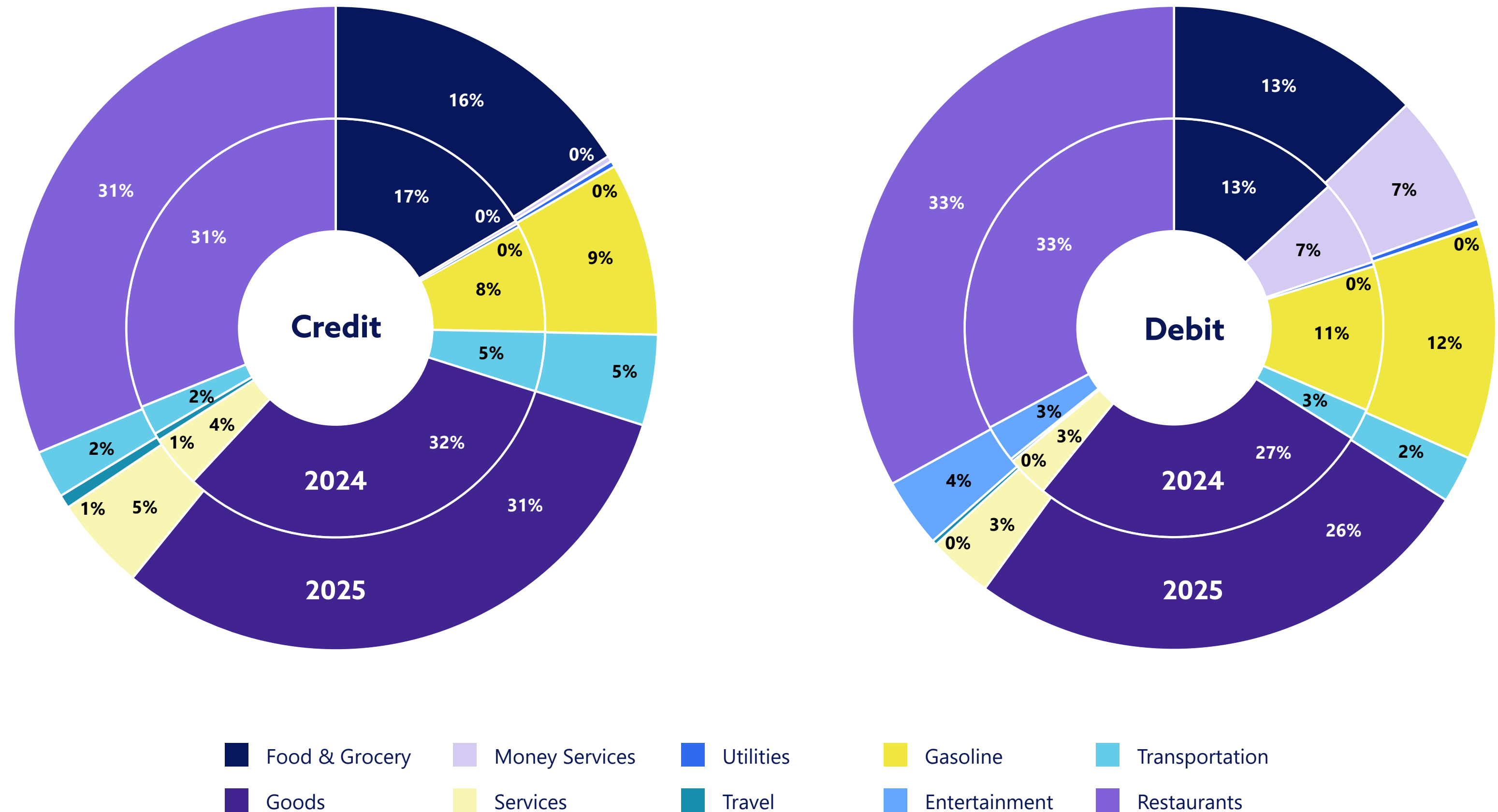


# Digital Wallets

Digital wallet usage expanded at a fairly similar pace across payment types in 2025, with the share of overall transactions rising 24% for credit and 26% for debit. At year-end 2025, credit digital wallets accounted for 6.4% of total credit transactions, while debit digital wallets comprised 11.3%. Findings from Veler's *Eye on Payments* further highlight just how common digital wallets have become: 69% of consumers use a digital wallet at least a few times per year, with 28% using it a few times per week. While younger consumers continue to lead adoption, steady gains among older generations indicate a broadening user base and continued expansion of digital wallet engagement.

Sector-level digital wallet shares show only modest year-over-year movement. For both credit and debit, Gasoline expanded while Goods contracted. Within credit specifically, Services increased while Food & Grocery decreased.

Sector Percentage of Digital Wallet Transactions



# ATM

ATM activity in December delivered a varied performance. The average withdrawal amount increased by 2%, surpassing last year's pace and reaching a period high of \$158.73; however, total withdrawal volume

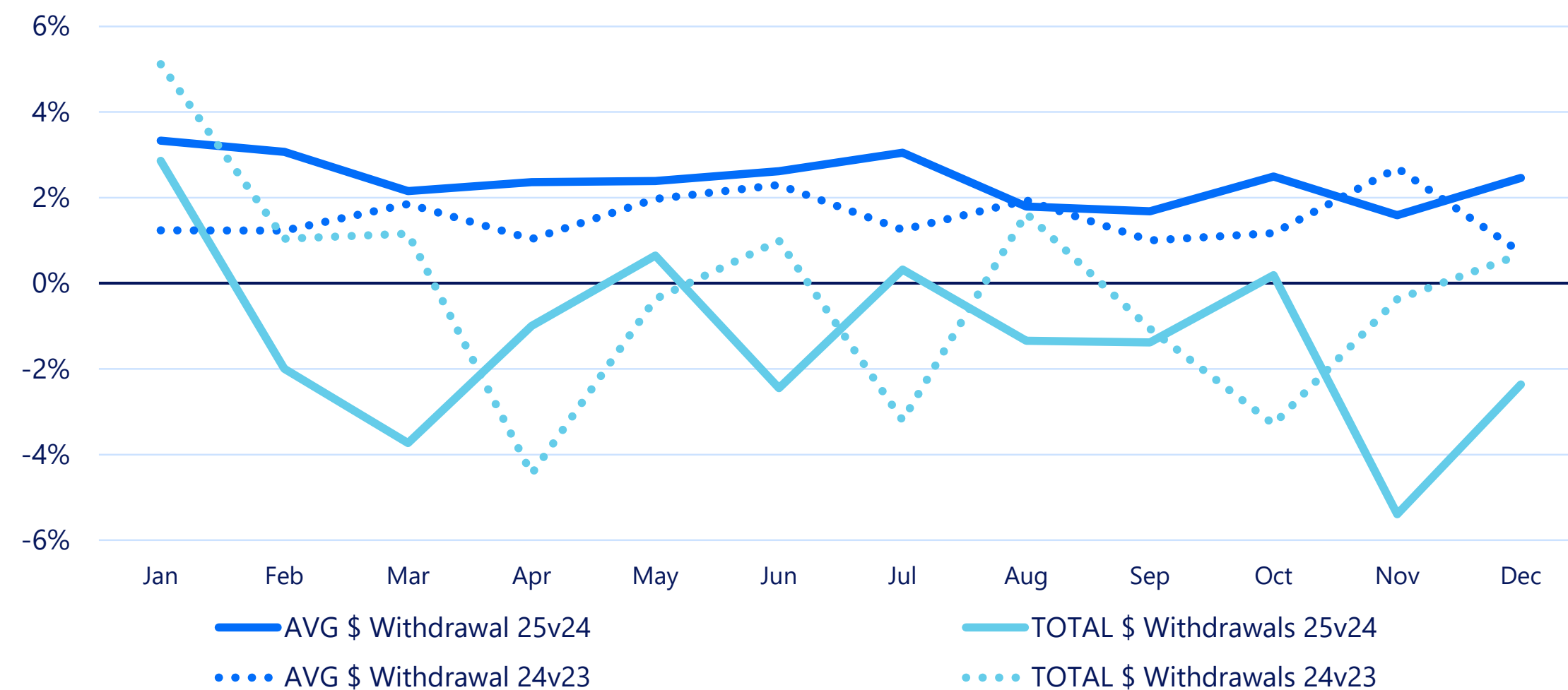
declined by 2.4%. Average deposit growth was slightly negative at -0.6%, an improvement from a year earlier, while the average deposit amount fell to a three-year low of \$469.30. Total deposits declined 3.4% year over year. The ATM transaction mix was

dominated by withdrawals (62%), with balance inquiries (22%) and deposits (9%) representing the next largest categories.

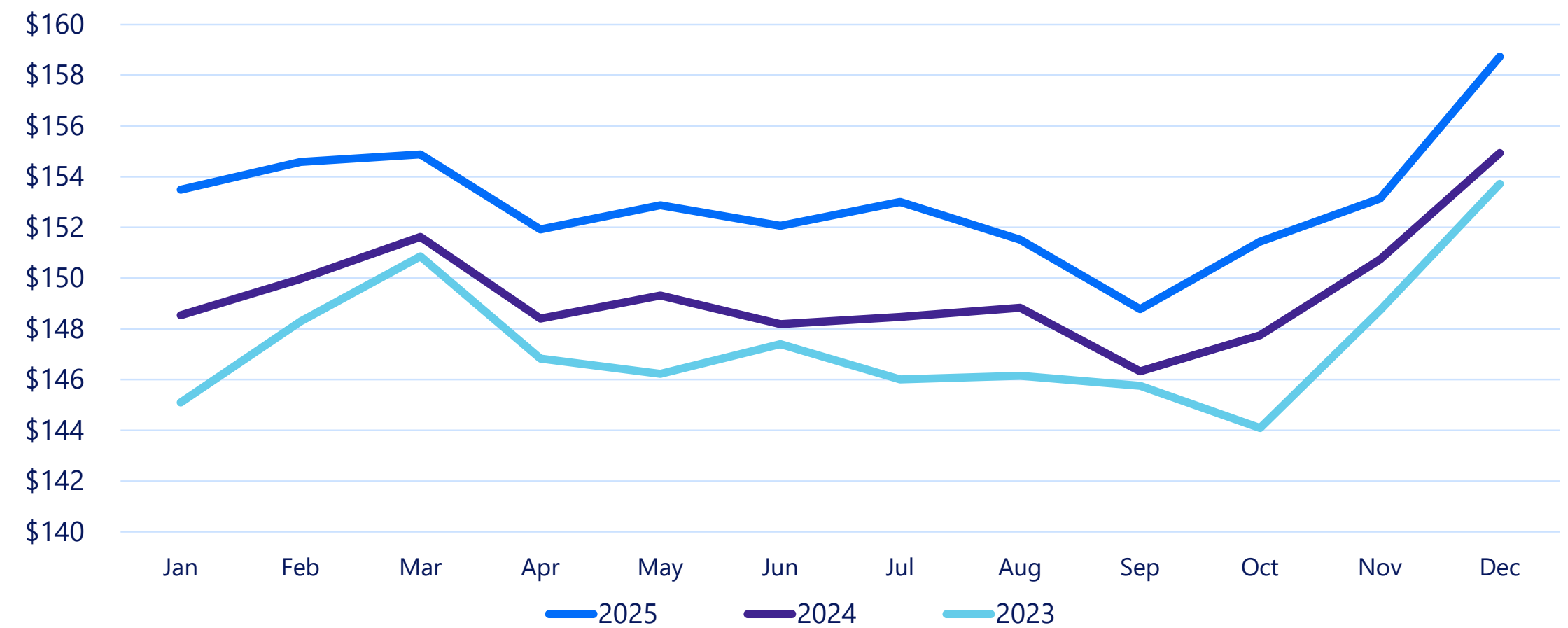
Debit cashback trends were similarly mixed. Growth in average cashback amounts was

unchanged year over year. Although the growth rate of total cashback was higher, it remained negative overall. The average December debit cashback amount reached a three-year high of \$43.75.

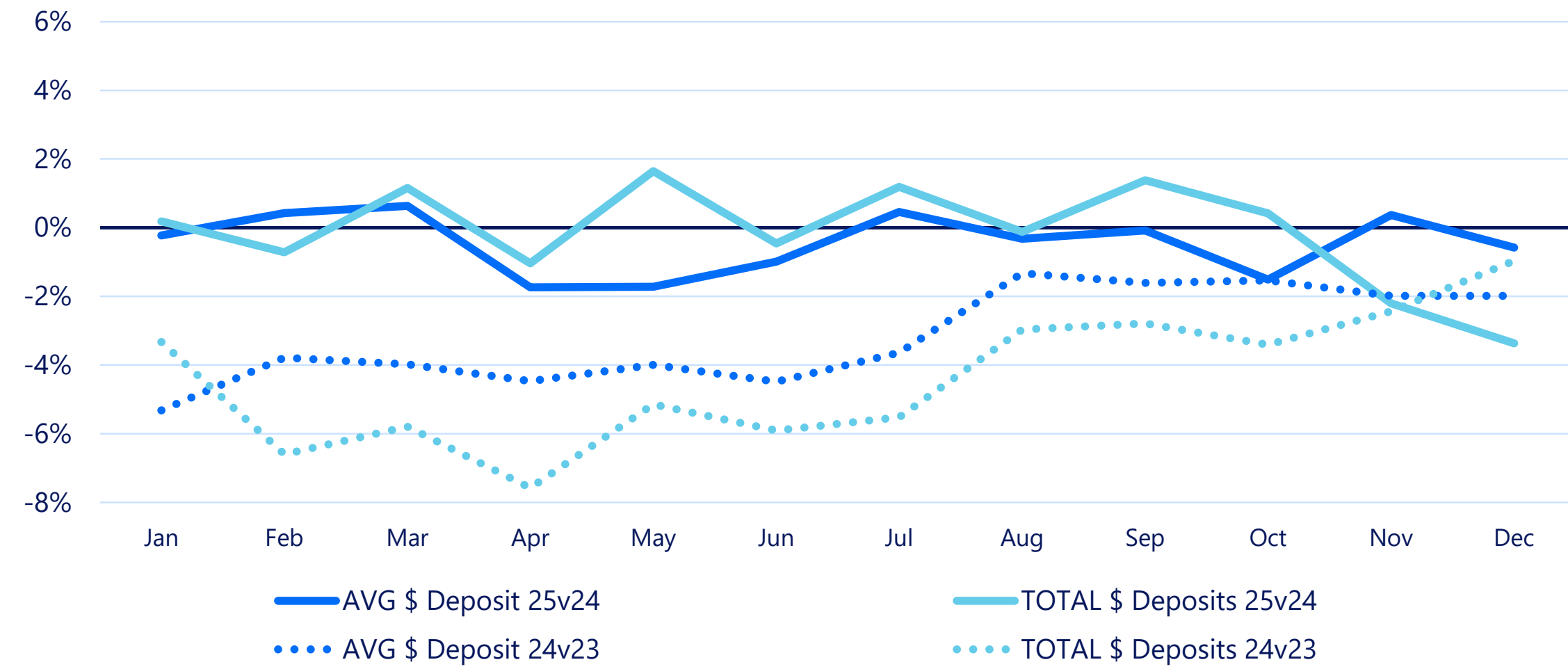
## Year-Over-Year Growth in ATM Withdrawals



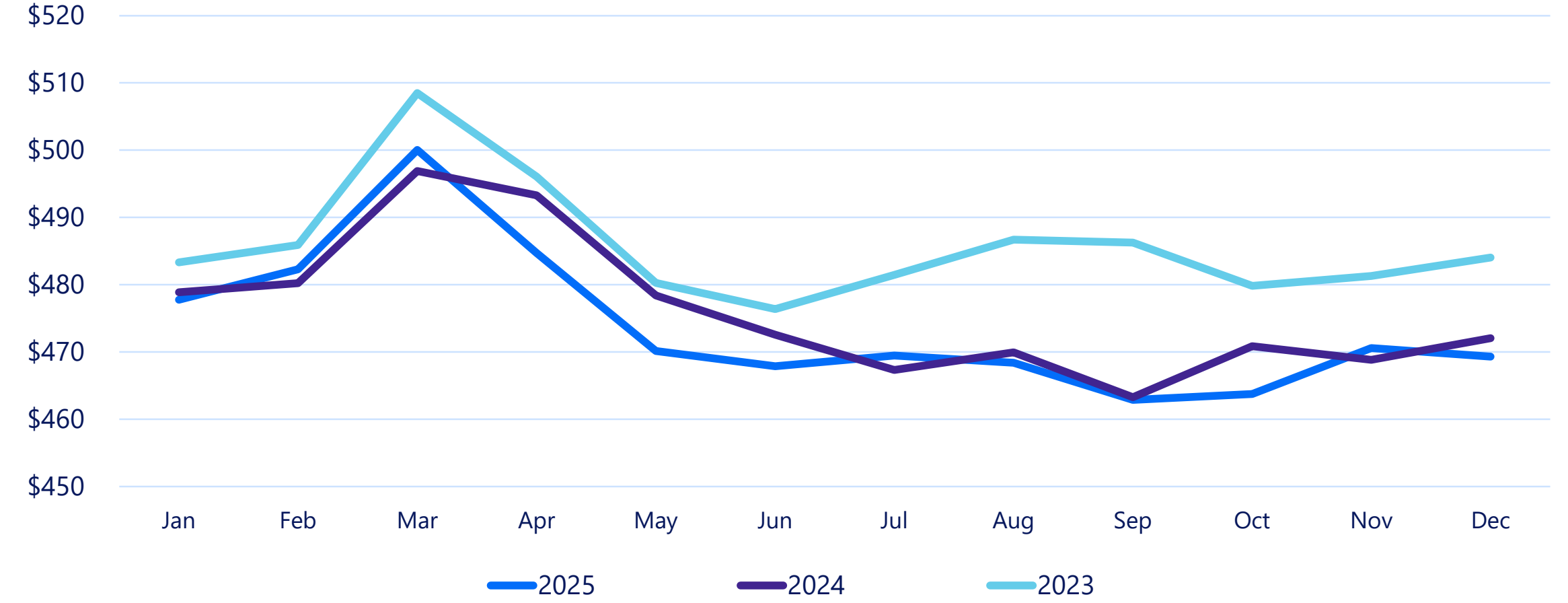
## Average ATM Withdrawal



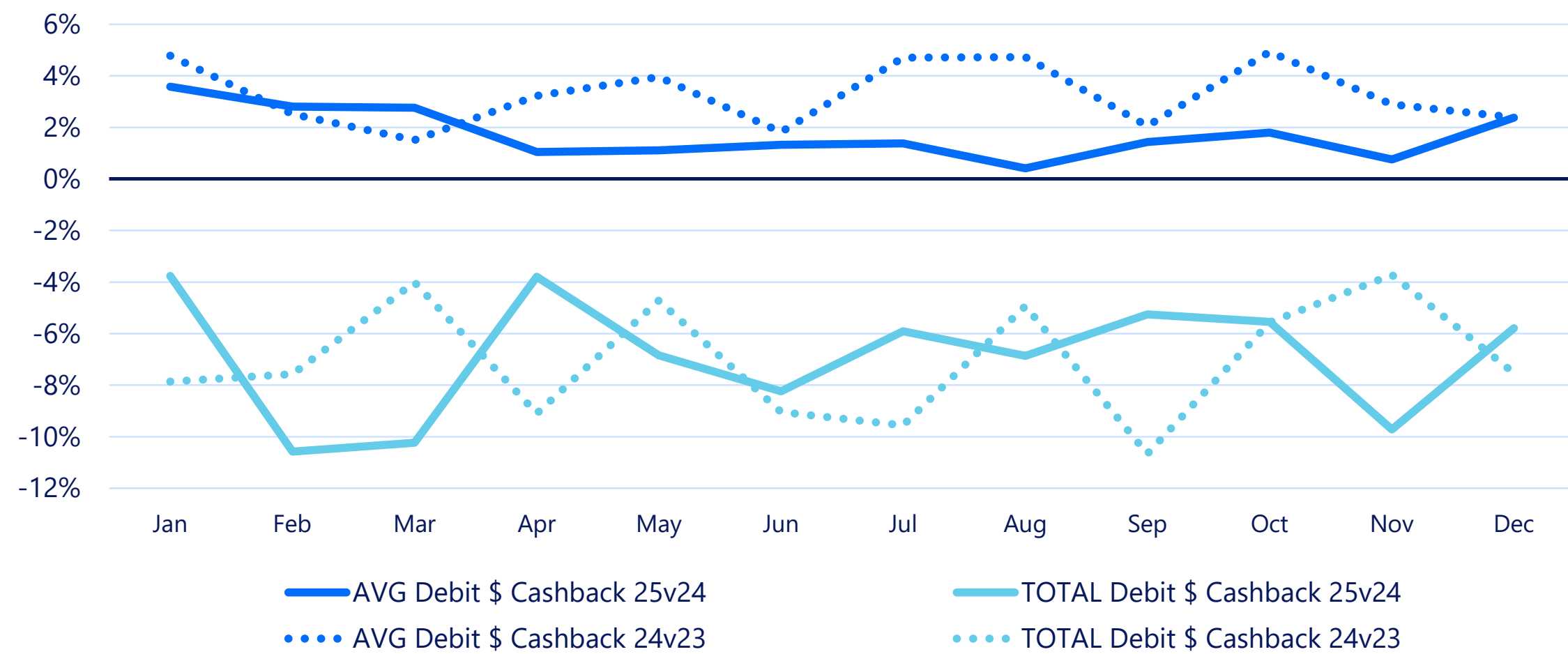
### Year-Over-Year Growth in ATM Deposits



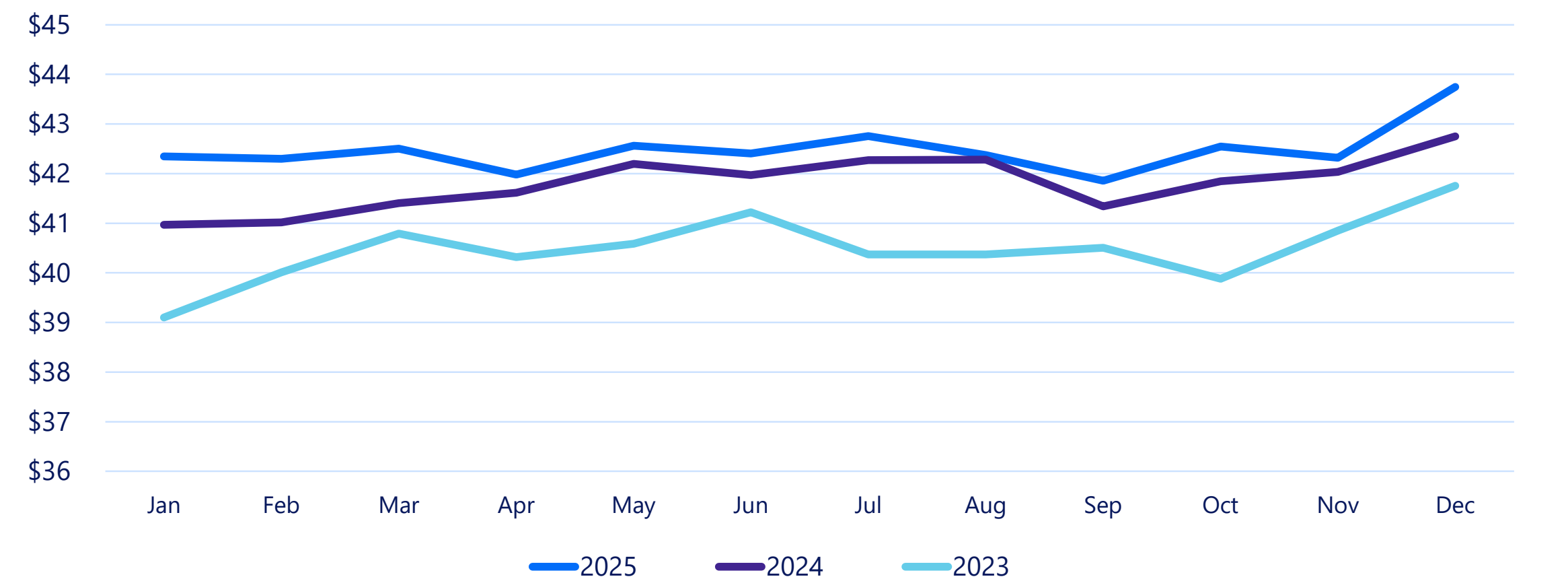
### Average ATM Deposits



### Year-Over-Year Growth in Debit Cashback Activity



### Average Debit Cashback Amount





## 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 January 2026 edition of the Velera Payments Index represents a total of 3.6 billion transactions valued at \$181 billion of credit and debit card activity from January 2025 through December 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](https://velera.com).



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