

velera

# PAYMENTS INDEX

## Deep Dive: Digital Payments

May 2026

Despite a sharp increase in gasoline prices, consumers kept spending in April, posting strong growth in debit and credit card transactions and purchases. As of May 11, the average price for a gallon of gasoline was \$4.50 – 44% higher than a year ago and 53% higher (or \$1.56) since the war with Iran began on Feb. 23. On April 30, President Trump signed into law a measure that funded Homeland Security, which includes TSA but excludes Immigration and Customs Enforcement (ICE) and part of Customs and Border Protection (CBP). TSA funding arrives in time for the start of the summer travel season, which kicks off with the Memorial Day holiday at the end of the month. In our May 2026 edition of the Velera Payments Index, we revisit the consumer card payment ecosystem, focusing on digital payments.

For April 2026, the University of Michigan Index of Consumer Sentiment dropped 6.6% from March (53.3), to 49.8. The reduction was apparent across all demographics (age, income, education and political party). The war in Iran continues to influence consumer sentiment, as it affects gasoline prices and overall inflationary pressures. In preliminary May results, the Index of Consumer Sentiment lightly softened 1.6 points to 48.2. For April, the Conference

## Performance Snapshot: April 2026

### Market/Economic Variables

**92.8**  
**Consumer Confidence Index**  
 ↑ Change 0.6 points

**49.8**  
**U of M Index of Consumer Sentiment**  
 ↓ Change 3.5 points

**3.8%**  
**Consumer Price Index**  
 ↑ Change 0.6%

**2.8%**  
**Core CPI (excl. Food/Energy)**  
 ↑ Change 0.2%

**132,506,000**  
**ADP National Employment Report**  
 ↑ Change 109,000

**115,000**  
**BLS/Job Growth**  
 ↑ 60,000 jobs higher than forecast

**4.3%**  
**Unemployment Rate**  
 — Unchanged

**3.5-3.75%**  
**Federal Reserve Interest Rate**  
 — Unchanged

### Payments Index Growth

#### Purchases

2026 v 2025

Credit  
 ↑ **3.1%**

Debit  
 ↑ **8.5%**

2025 v 2024

Credit  
 ↑ **1.9%**

Debit  
 ↑ **5.8%**

#### Transactions

2026 v 2025

Credit  
 ↑ **2.6%**

Debit  
 ↑ **5.0%**

2025 v 2024

Credit  
 ↑ **2.3%**

Debit  
 ↑ **3.7%**

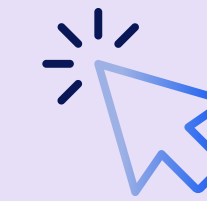
Board reported that consumer sentiment in the [Consumer Confidence Index](#) edged up 0.6 points to 92.8. Despite notable concerns over gasoline prices, overall sentiment remained about the same for April.

The Bureau of Labor Statistics (BLS) [reported](#) that jobs grew by 115,000 positions in April. The unemployment rate remained unchanged at 4.3%, or 7.2 million people. Jobs grew by more than twice the estimate of the [WSJ poll of economists](#) to 55,000 positions for the month. April job gains were noted in health care, transportation and warehousing, and retail trade. Job losses in federal government positions continued in April. The April [ADP jobs report](#), which tracks changes in U.S. private employment, reported an increase of 109,000 jobs. Increases were posted in the education and health services, trade, transportation and utilities, construction, and financial activities sectors. Job reductions were noted in the professional and business services sector. Most of the growth was found in small-sized companies (1-49 employees) and large-sized companies (500+ employees) within the ADP payroll population, which represents more than 26 million U.S. private-sector employees.



For April, the BLS [reported](#) a 0.6% increase in inflation, raising the 12-month Consumer Price Index (CPI) to 3.8%. The Energy index was again the largest contributor to the monthly increase, up 3.8% and accounting for 40% of the overall increase. Also increasing for April were the shelter and food categories. Core CPI, which excludes food and energy, rose 0.4% in April, finishing the month at 2.8%. Categories contributing to the Core CPI increase included household furnishings and operations, airline fares, personal care, apparel and education. Reductions were recorded in the new vehicle, communication and medical care indexes for April.

Interest rates were left unchanged from the FOMC meeting that ended on April 29. This most recent Federal Reserve meeting was the last under Jerome Powell's leadership as the Chair, as his term expired on May 15. He is expected to remain on the Board of Governors, where his term runs through January 2028. President Trump's nominee to succeed Powell, [Kevin Warsh](#), cleared the Senate Banking Committee vote on May 13 and was confirmed as the new Chair of the Federal Reserve by a mainly partisan vote of 54-45, with one Democrat voting for Mr. Warsh. This marked the narrowest of margins since Senate approval was established in 1977. The next scheduled FOMC meeting is set to conclude on June 17.



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





"April's data reinforces a familiar but important theme: even as higher gas prices and renewed inflation pressures weigh on sentiment, consumer spending behavior has remained steady. Debit and credit activity continued to grow, with an increasing share of that activity shifting toward digital and tokenized payment experiences. While factors such as tax refunds provided near-term support, the broader takeaway is the continued adaptability of consumers and the growing role digital payments play in how everyday spending is managed. For credit unions, this underscores the importance of closely monitoring where spend is evolving and ensuring digital capabilities keep pace with changing consumer expectations."

**Cody Banks**

SVP, Product Experience & Enablement, Velera

## Key Takeaways for April 2026

- Transactions and purchases for April remained strong for both debit and credit. Debit purchases increased by 8.5%, with the Money Services, Goods and Gasoline sectors accounting for three-quarters of that growth. Credit purchases were up 3.1%, with Gasoline accounting for 35% of the entire increase. In April, debit transactions were up 5%, and credit transactions rose by 2.6%.
- The Consumer Price Index surged 0.6% in April, taking the 12-month inflation rate to 3.8% and marking the largest increase in two years. Gasoline was again the primary driver, accounting for roughly 40% of the increase. Also increasing were the house and food indexes. 12-month Core-CPI rose to 2.8%.
- Digital wallets continued to gain momentum. Year to date through April, digital wallets accounted for 12% of all debit transactions, up from 9% a year earlier, and 7% of all credit transactions, up from 6%.

# Deep Dive: Digital Payments

In this edition of the Payments Index, we revisit the primary ways credit and debit cards are used and provide our perspective on “digital payments,” which represent the alternative ways cards can be used without a physical card required to facilitate the transaction. This includes 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.).

Through April 2026, digital transactions accounted for 48% of all credit card transactions and 46% of all debit card transactions. Digital purchases represented a greater share of overall purchases. Year to date through April 2026, digital credit purchases represented 57% of all credit purchases and digital debit purchases represented 56% of all debit purchases.

The converse of digital payments represents the remaining activity for credit and debit cards and includes more traditional physical card payments, or “card in hand” activity. These transactions and purchases are the total of all tapped (contactless), dipped (EMV

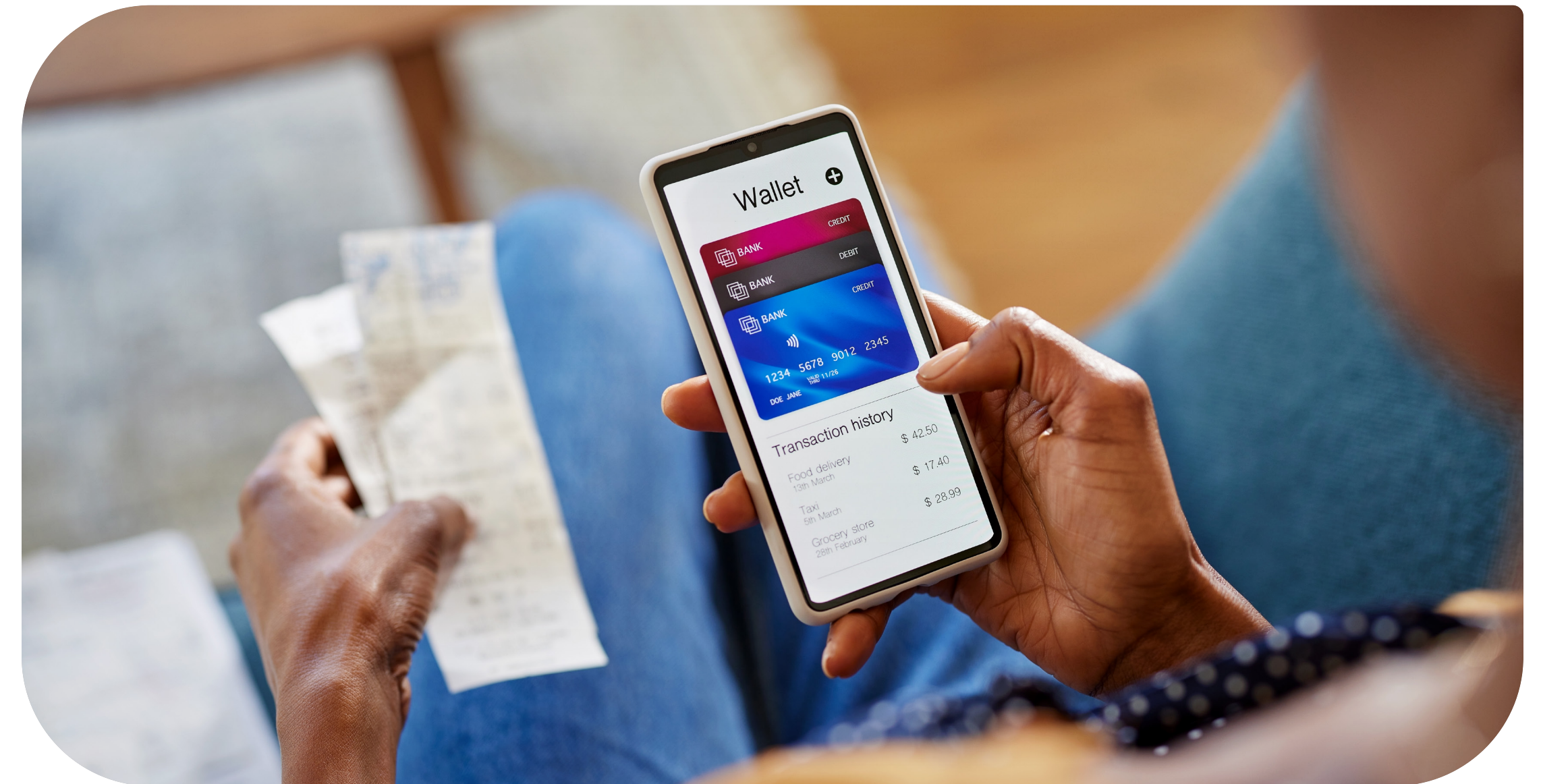
chip), swiped (mag stripe) and nominal activity in which the card was keyed. Contactless “tap and go” activity is encrypted, but not tokenized in the same way as digital wallet activity.

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 that accept contactless transactions. Year to date through April, contactless credit transactions represented 29% of all credit transactions, up from 25% in 2025.

Contactless debit transactions represented 26% of all debit transactions, up from 20% in 2025. There remains an expectation that contactless card activity will replace lower-dollar-value cash transactions, which does appear to be happening, as the average ticket amount is lower than card-present volume. Year-to-date through April 2026, contactless credit purchases represented 22% of overall credit purchases and contactless debit purchases represented 18% of overall debit purchases.

For digital card activity, the percentage of overall transactions that are non-tokenized is on the decline for both credit and debit cards in favor of tokenized card on file and digital wallets. Year to date through April, non-tokenized represented 20% of all credit transactions, down from 21% in 2025. Non-tokenized debit also represented 20% of overall debit card transactions, down from 21% in 2025.

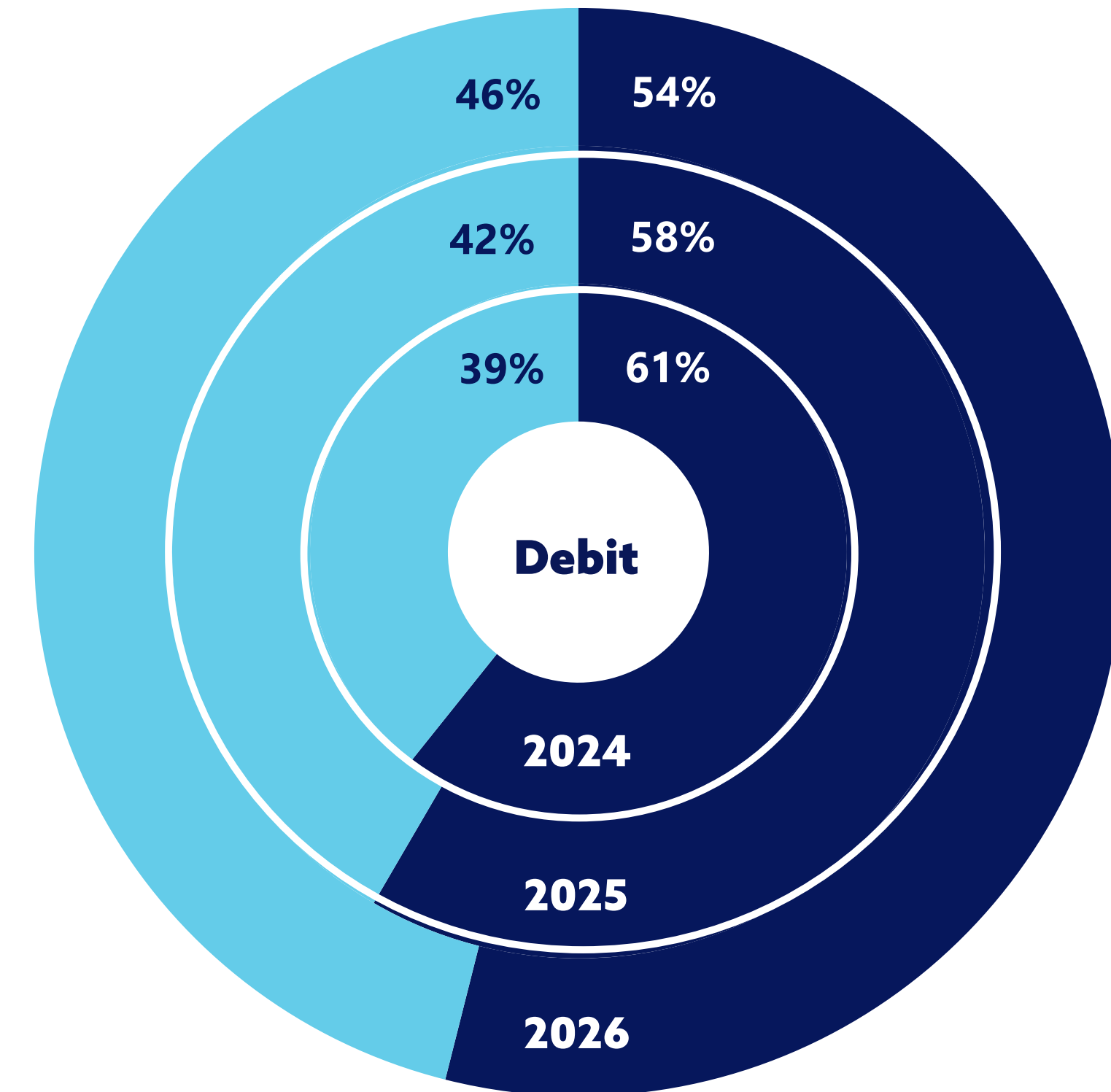
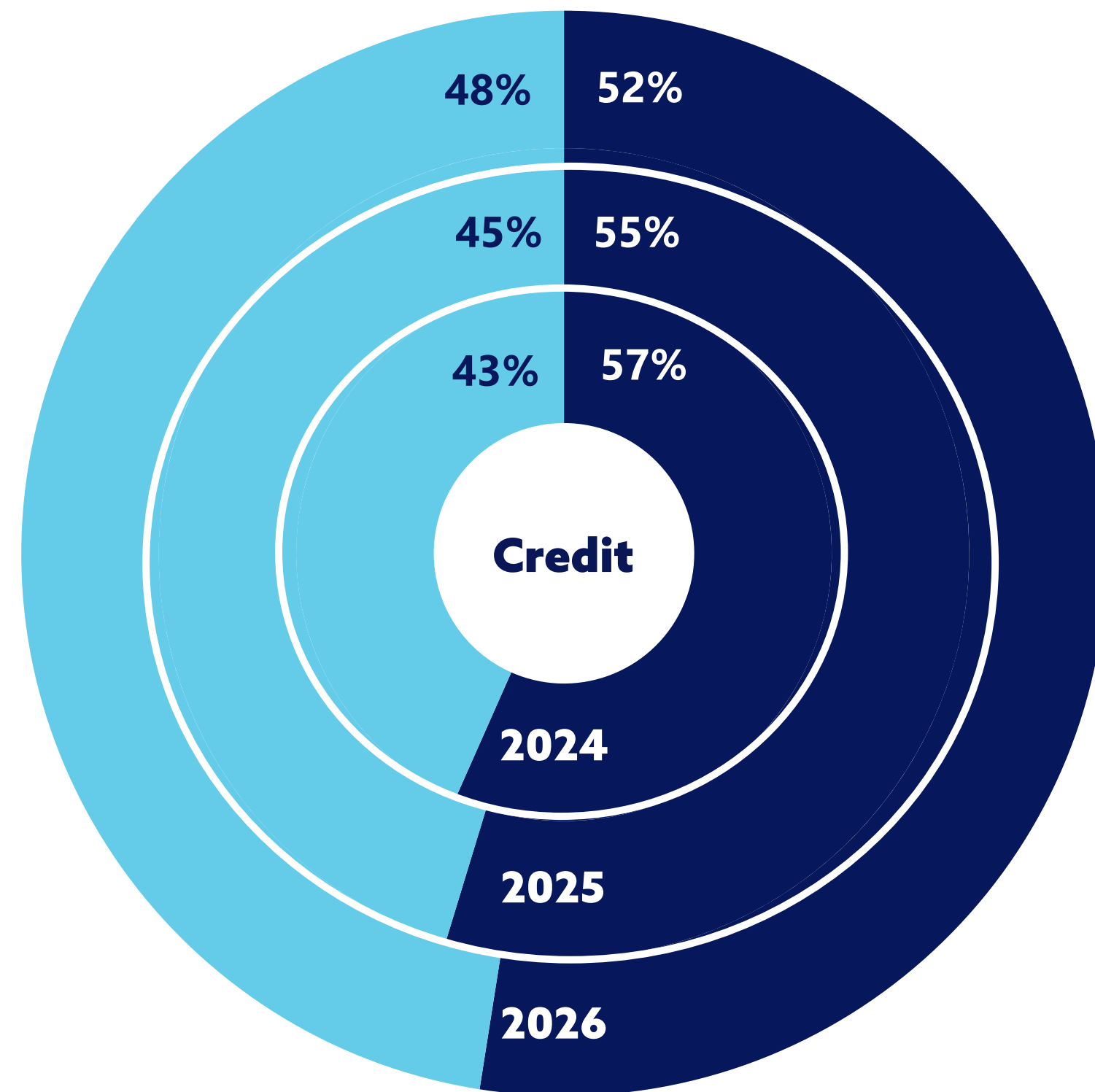
For physical card activity, the growth in contactless transactions comes from a shift in EMV transactions, likely due to fewer chip-only cards in the marketplace. Year to date through April, EMV chip transactions accounted for 21% of all credit transactions, down from 27% in 2025. EMV chip transactions accounted for 25% of all debit transactions, down from 30% in 2025.



# Deep Dive: Digital Payments

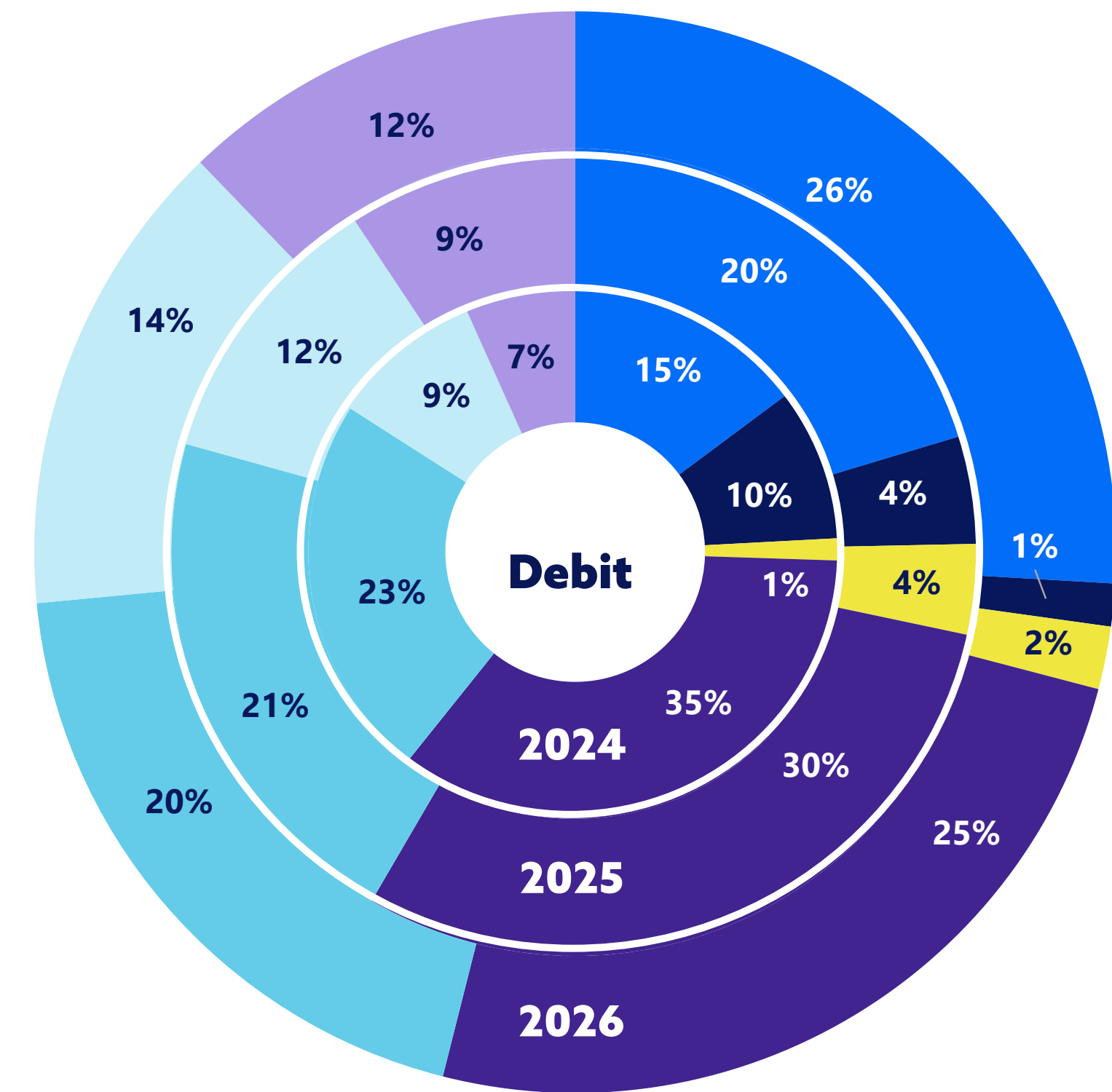
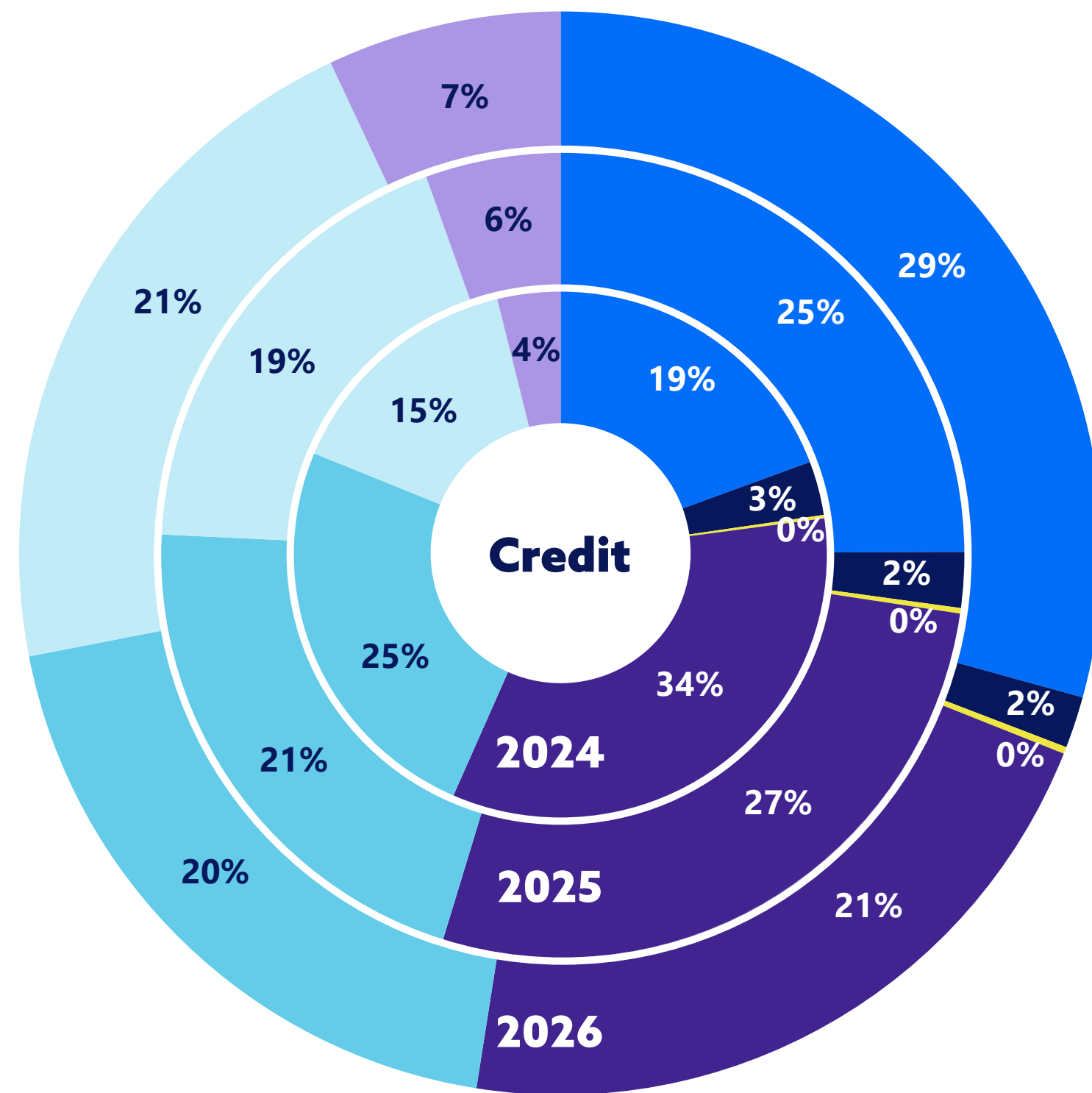
## Digital Payments vs. Physical Card Transactions

■ Digital Payments ■ Physical Card



# Deep Dive: Digital Payments

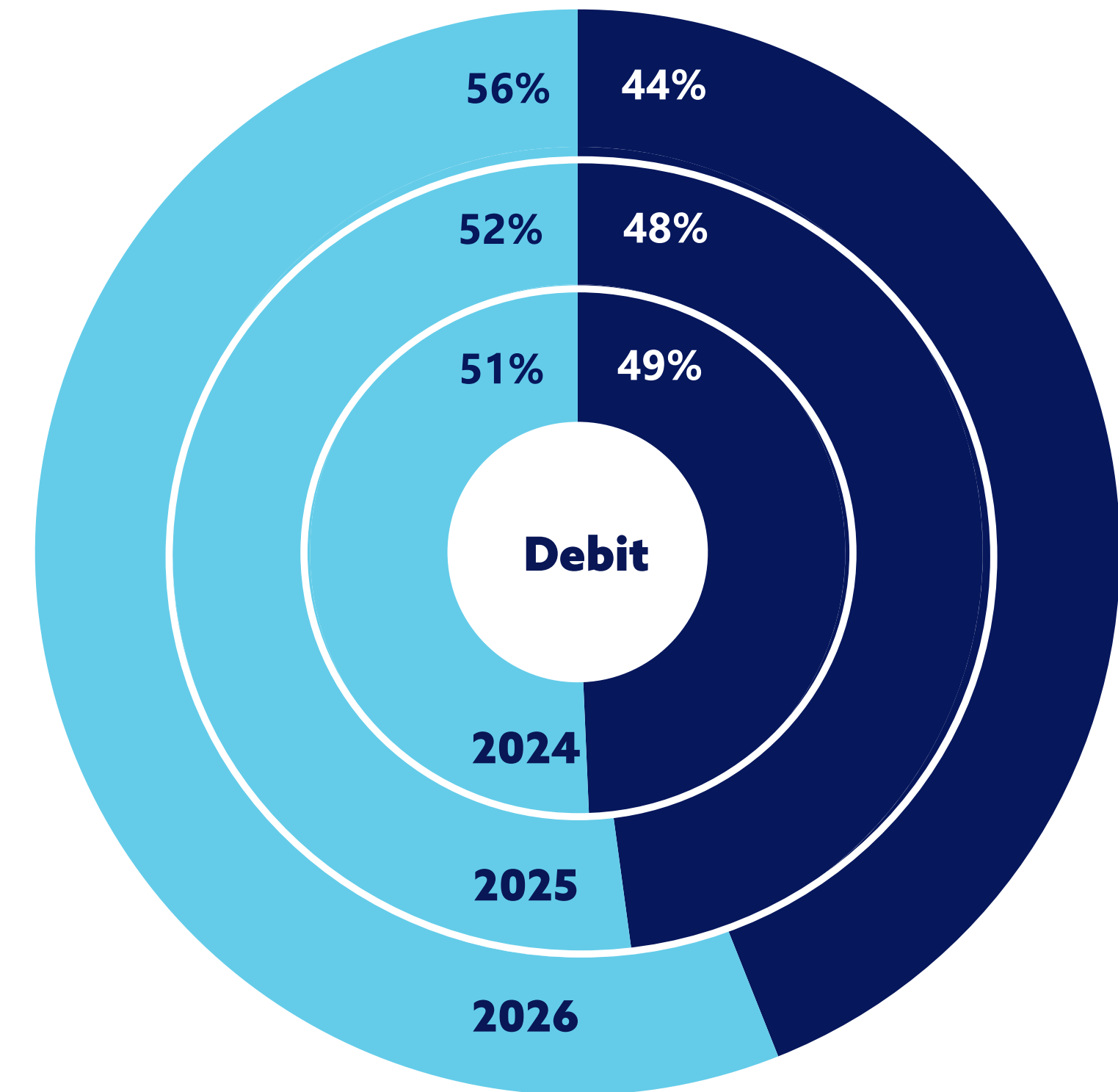
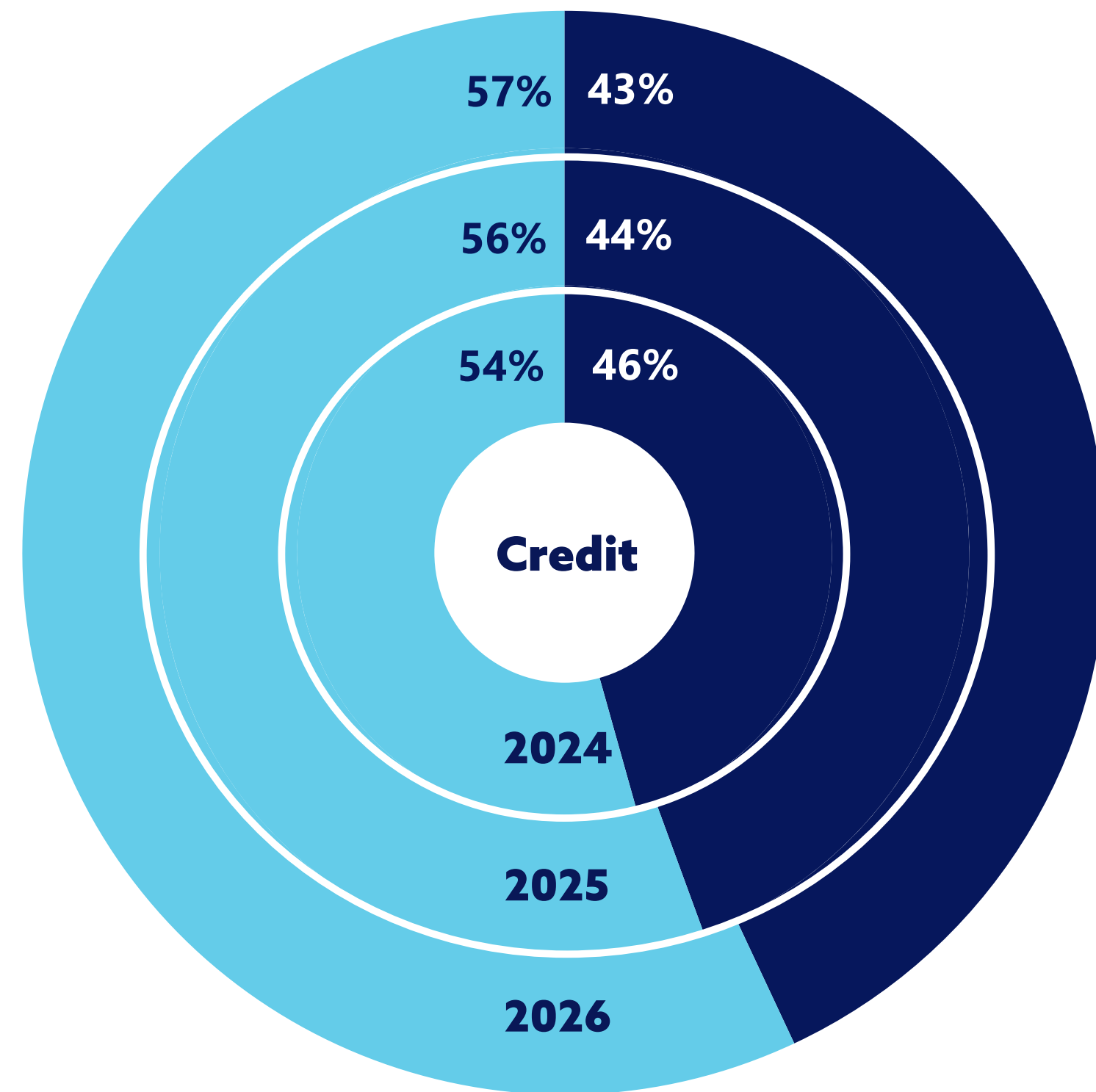
## Digital Payments vs. Physical Card Transactions: Detailed



# Deep Dive: Digital Payments

## Digital Payments vs. Physical Card Purchases

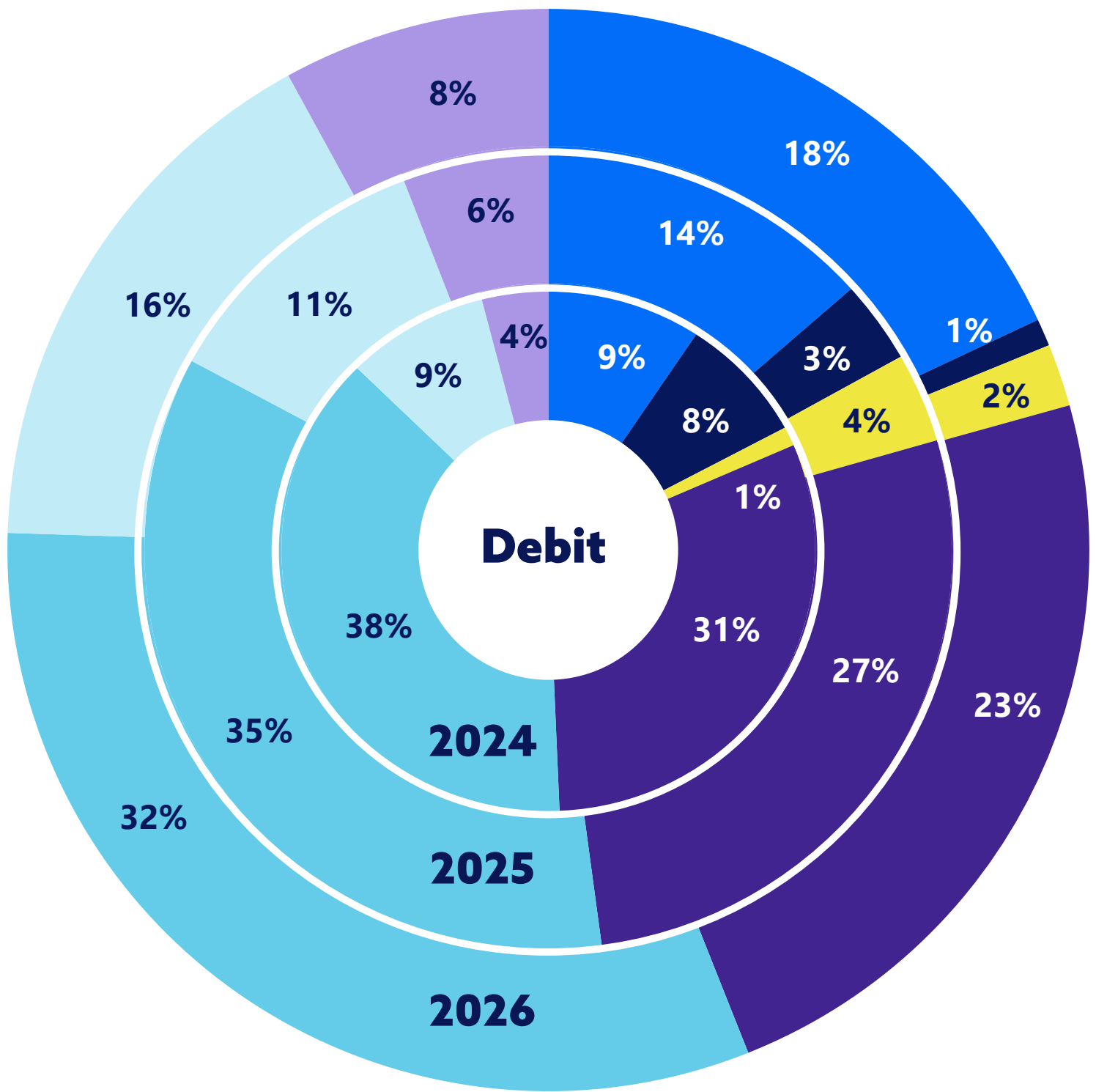
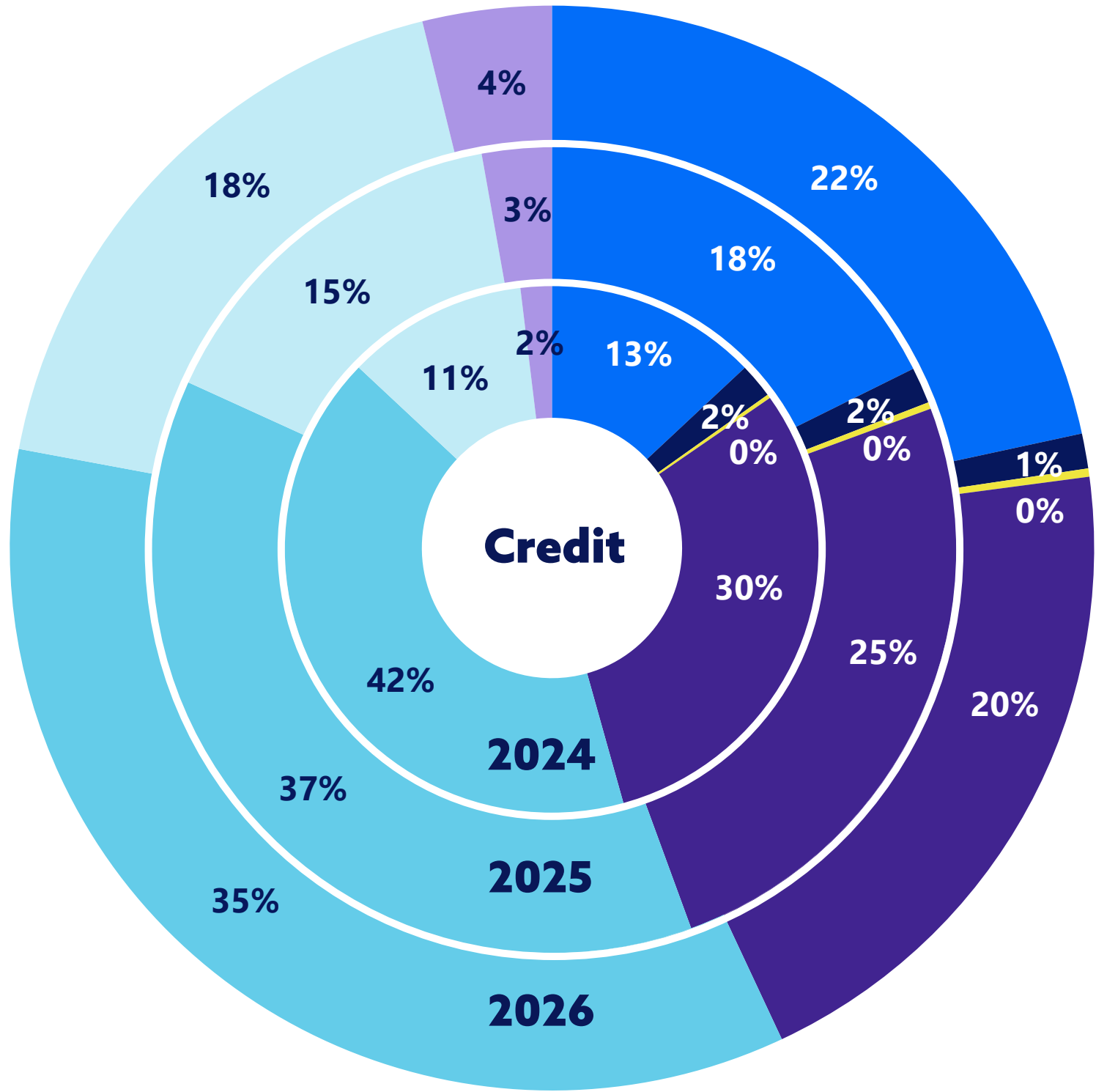
■ Digital Payments ■ Physical Card



# Deep Dive: Digital Payments

Digital Payments vs. Physical Card Purchases: Detailed

- Contactless
- Mag Stripe
- Keyed
- Chip
- Non-Tokenized Card on File & eCommerce
- Tokenized Card on File
- Tokenized Digital Wallet



# Tokenized Digital Wallets

Tokenized digital wallets, or the “Pays,” also continue to grow in consumer acceptance. Debit digital wallet transactions represented 12% of overall debit transactions, up from 9% in 2025. Credit digital wallet transactions represented 7% of overall credit transactions, up from 6% in 2025.

Apple Pay maintained its market share dominance based on total digital wallet transactions. Apple Pay debit transactions represented 92.9% of all digital wallet debit transactions and Apple Pay credit transactions represented 89% of all digital wallet credit transactions. Google Pay has the second-most market share with 5.8% of all digital wallet debit transactions and 9.1% of all digital wallet credit transactions. Samsung Pay was third in transaction market share with 1.3% of all digital wallet debit transactions and 1.8% of all digital wallet credit transactions.

Of the three primary digital wallet providers, Apple Pay has the greatest percentage of its respective wallet services in a card-not-present (CNP) environment, with 38.2% of all Apple Pay debit transactions as CNP and 34.7% of all Apple Pay credit transactions as CNP. Google Pay has 25.6% of its debit digital wallet transactions as CNP and 22.8% of credit digital wallet transactions. Nearly all Samsung Pay credit and debit transactions are card-present.

There are several differentiators to understand the sectors in which the three main digital wallet providers are used. In the Money Services (person-to-person) sector, Apple Pay had 7% of debit transactions and 21% of debit purchases, while Google Pay had 2% of debit purchases. For all three providers of credit digital wallets, the percentage of transactions and purchases was between zero and 1%.

Digital Wallet Transaction Market Share by Provider: Year-to-Date through April 2026

Digital Wallet	Credit			Debit		
	CNP	CP	Overall	CNP	CP	Overall
Apple Pay	93.6%	86.7%	89.0%	96.0%	91.1%	92.9%
Google Pay	6.3%	10.5%	9.1%	4.0%	6.9%	5.8%
Samsung Pay	0.0%	2.7%	1.8%	0.0%	2.0%	1.3%
Overall	100%	100%	100%	100%	100%	100%

Digital Wallet Transactions by CNP/CP and Provider: Year-to-Date through April 2026

Digital Wallet	Credit			Debit		
	CNP	CP	Total	CNP	CP	Total
Apple Pay	34.7%	65.3%	100%	38.2%	61.8%	100%
Google Pay	22.8%	77.2%	100%	25.6%	74.4%	100%
Samsung Pay	0.6%	99%	100%	0.3%	99.7%	100%
Overall	32.9%	67.1%	100%	37.0%	63.0%	100%

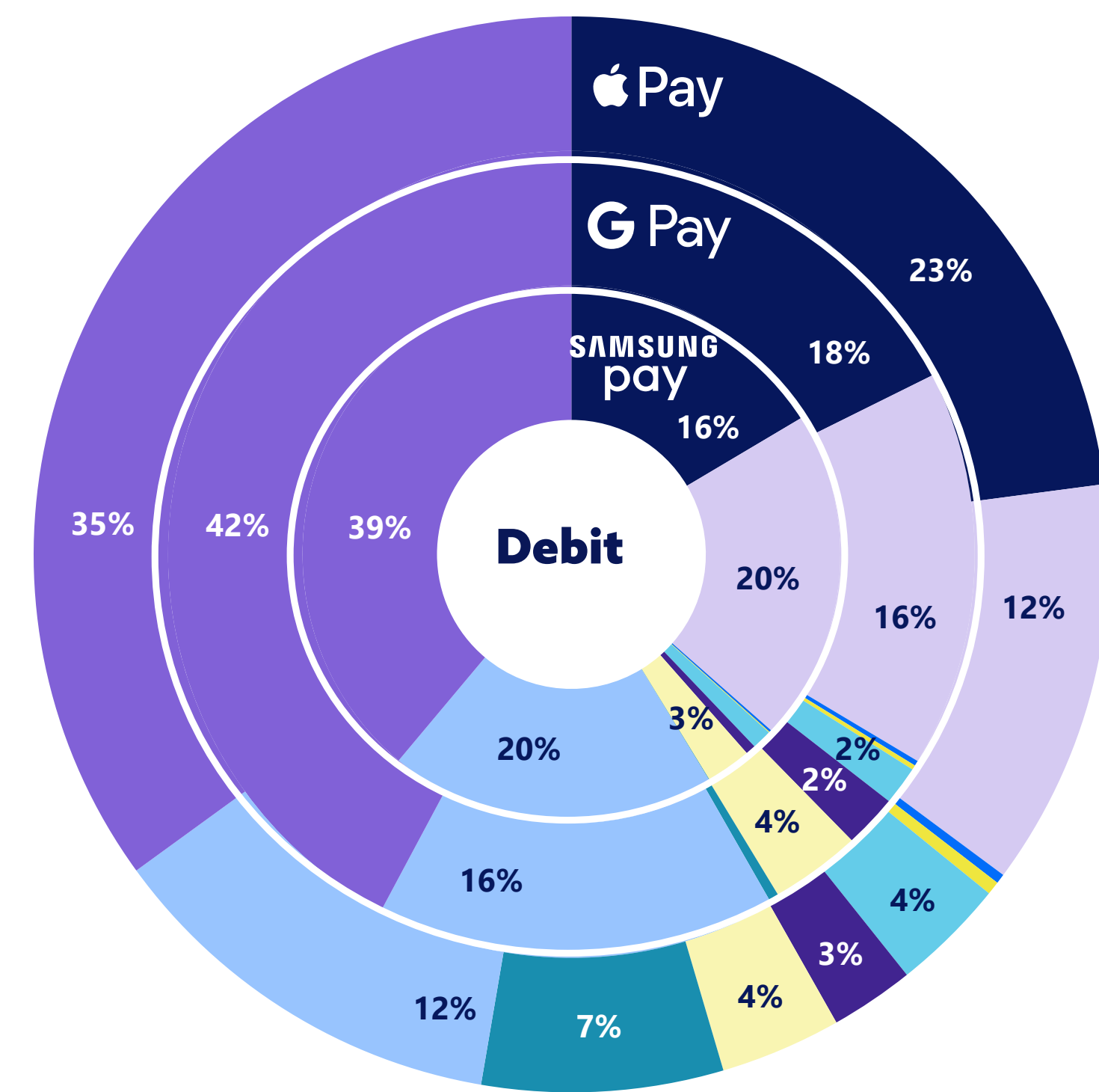
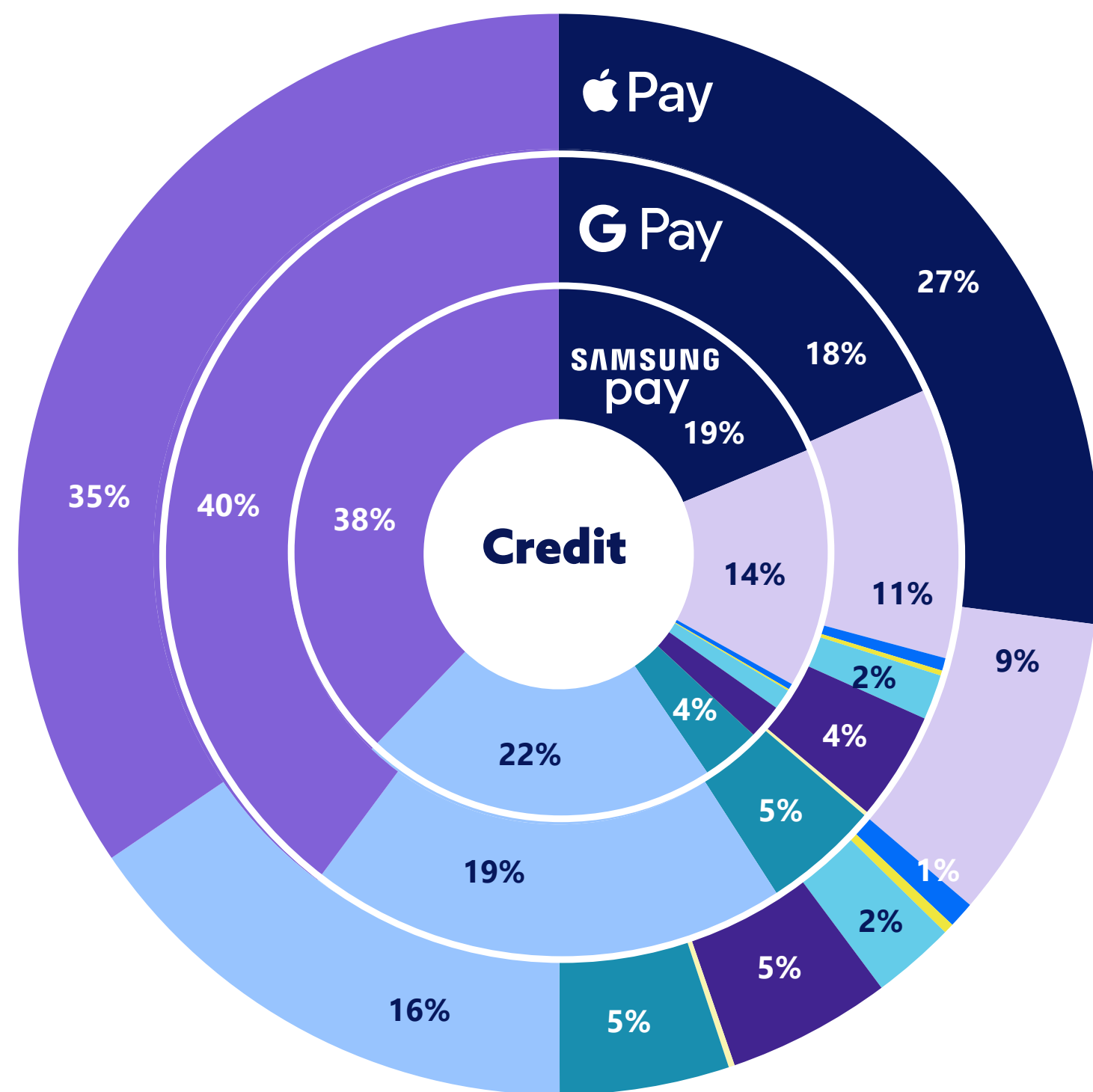
Digital Wallet Average Purchase by CNP/CP and Provider: Year-to-Date through April 2026

Digital Wallet	Credit			Debit		
	CNP	CP	Overall	CNP	CP	Overall
Apple Pay	\$51.57	\$33.31	\$39.64	\$46.09	\$23.03	\$31.84
Google Pay	\$39.77	\$31.94	\$33.73	\$30.50	\$23.21	\$25.08
Samsung Pay	\$44.99	\$31.52	\$31.59	\$41.78	\$22.46	\$22.51
Overall	\$50.82	\$33.12	\$38.95	\$45.46	\$23.03	\$31.33

# Tokenized Digital Wallets

Sector Percentage of Overall Transactions by Digital Wallet Provider: Year-to-Date through April 2026

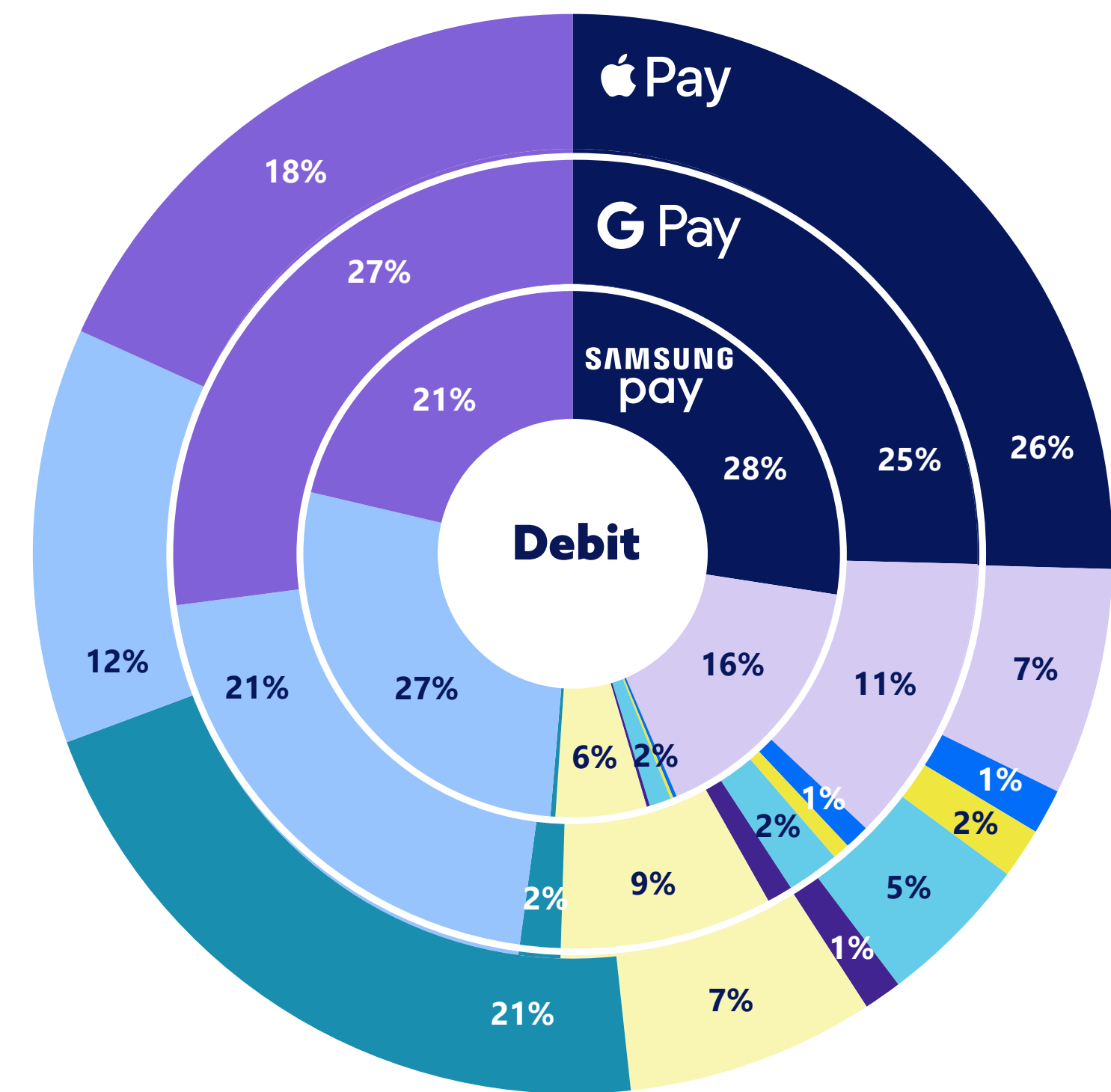
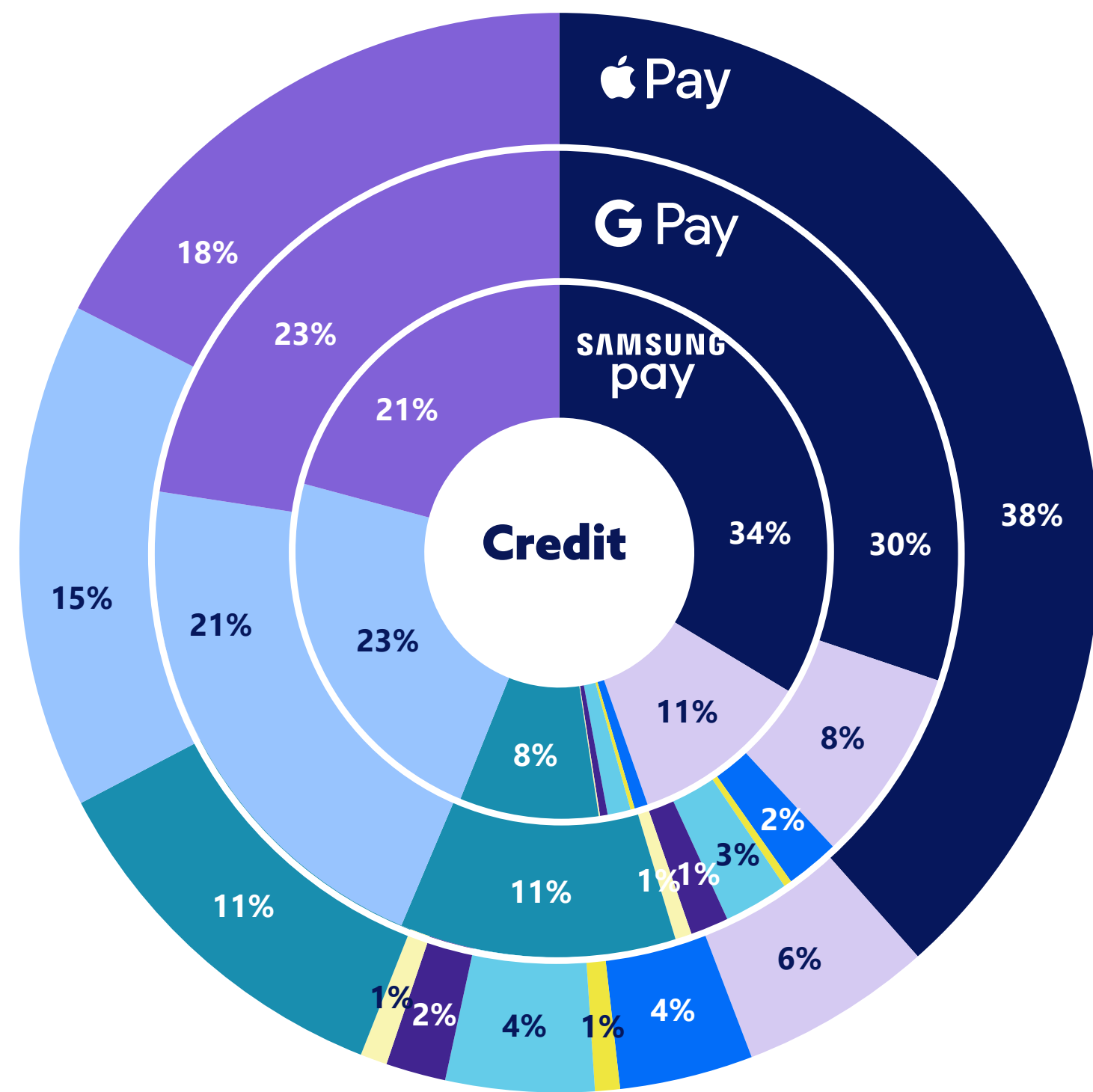
- Goods
- Gas
- Travel
- Utilities
- Entertainment
- Transportation
- Services
- Money Services
- Food & Grocery
- Restaurants



# Tokenized Digital Wallets

Sector Percentage of Overall Purchases by Digital Wallet Provider: Year-to-Date through April 2026

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



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



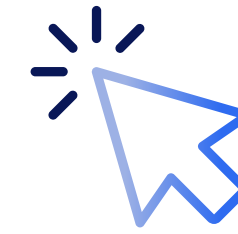
## Deepen Engagement Inside Digital Banking

Your mobile app and digital banking platform should serve as the central hub for card management. When members can easily set controls, receive real-time alerts, review and redeem rewards, or instantly access a digital version of their card, they are far more likely to keep that card top of wallet. Adding personalized prompts and seamless self-service tools further reinforces frequent, high-value interactions.



## Adopt a Digital Wallet-First Strategy

As more everyday spending shifts to mobile wallets, credit unions that make wallet provisioning seamless gain a clear advantage. Encouraging members to add their card to a wallet at activation, highlighting security and convenience benefits, and offering incentives for early wallet transactions all help ensure your card becomes the default payment method in members' digital lives.



## Enable Instant Origination for Digital-First Expectations

Today's consumers expect speed and immediacy at every touchpoint. Credit unions that deliver instant decisioning, streamlined digital applications and immediate access to a digital card upon approval remove traditional origination barriers. When applicants can apply anytime, receive approval in moments and start transacting within minutes, credit unions capture early spend, accelerate membership growth and meet digital-first expectations.



## Advance Your Digital User Experience with Expert Guidance

Velera's Advisors Plus delivers expert digital experience consulting that helps credit unions evaluate, optimize and strengthen their online and mobile banking experiences. Through actionable insights and clear recommendations, Advisors Plus identifies experience gaps, benchmarks performance and builds practical roadmaps to drive smarter engagement, improved product delivery and a more connected digital journey.

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

In April, consumer credit and debit activity maintained momentum. Tax refunds provided a diminishing source of near-term liquidity, while elevated fuel prices contributed to increased spending. The timing of the Easter holiday, which fell on the first weekend of April, also supported the month's spending trends.

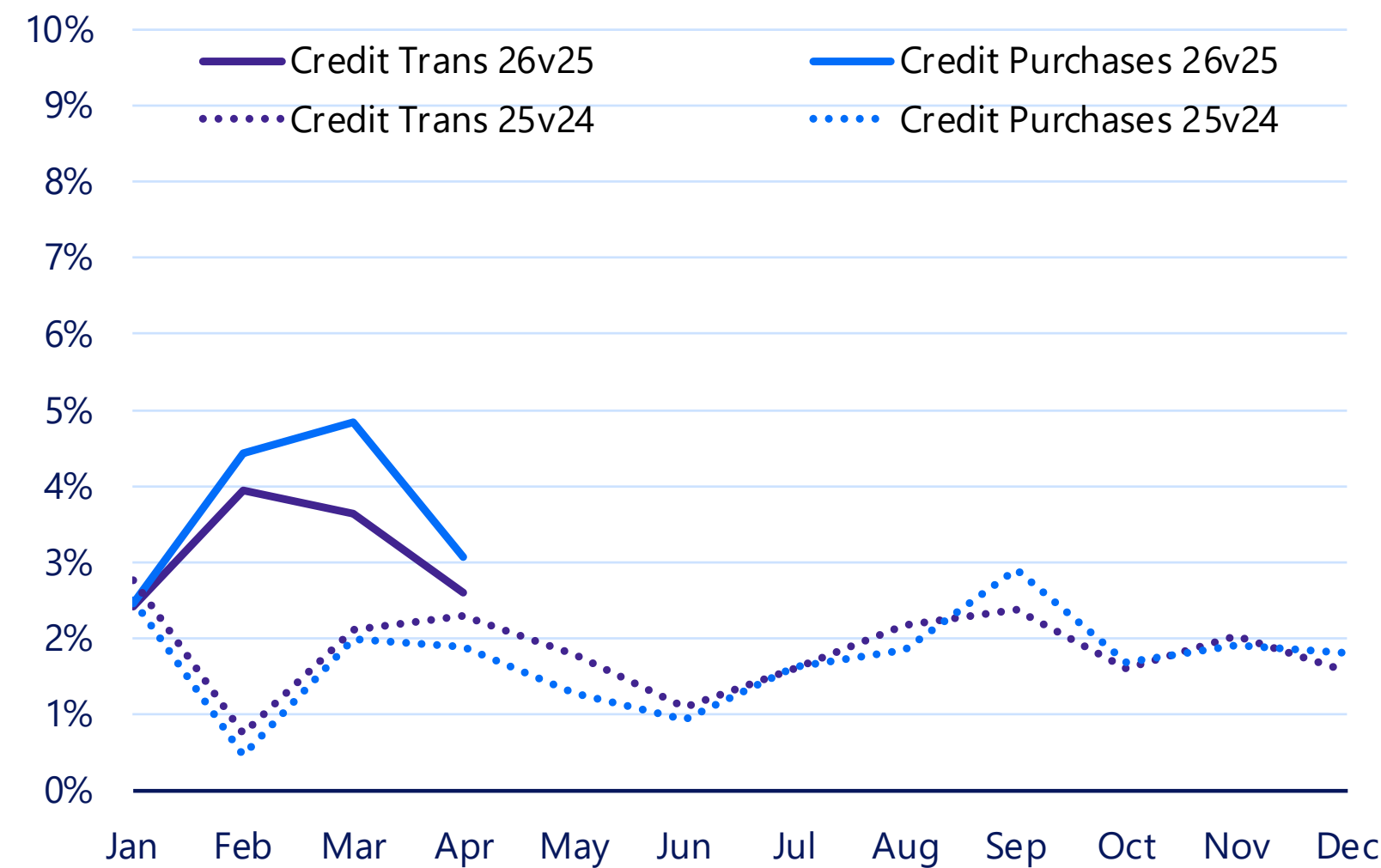
Within this backdrop, debit spending stood out, accelerating to an 8.5% year-over-year gain. Credit spending also rose, though at a more measured 3.1% pace. Growth was highly concentrated by sector. On the credit side, Gasoline was the largest contributor, followed by Goods and Services. For debit, Money Services led growth, with Goods and Gasoline rounding out the top contributors. Across both payment types, the three leading sectors accounted for roughly three-quarters of total growth. Notably, all sectors contributed positively, with none weighing on performance.

Transaction volumes increased more modestly – up 5% for debit and 2.6% for credit – with the Goods sector serving as the lead driver of volume growth. As purchase growth outpaced transaction growth, average ticket sizes increased. Debit's average transaction amount rose 3.4% to \$47.81, while credit posted a more moderate gain of 0.5% to \$71.33.

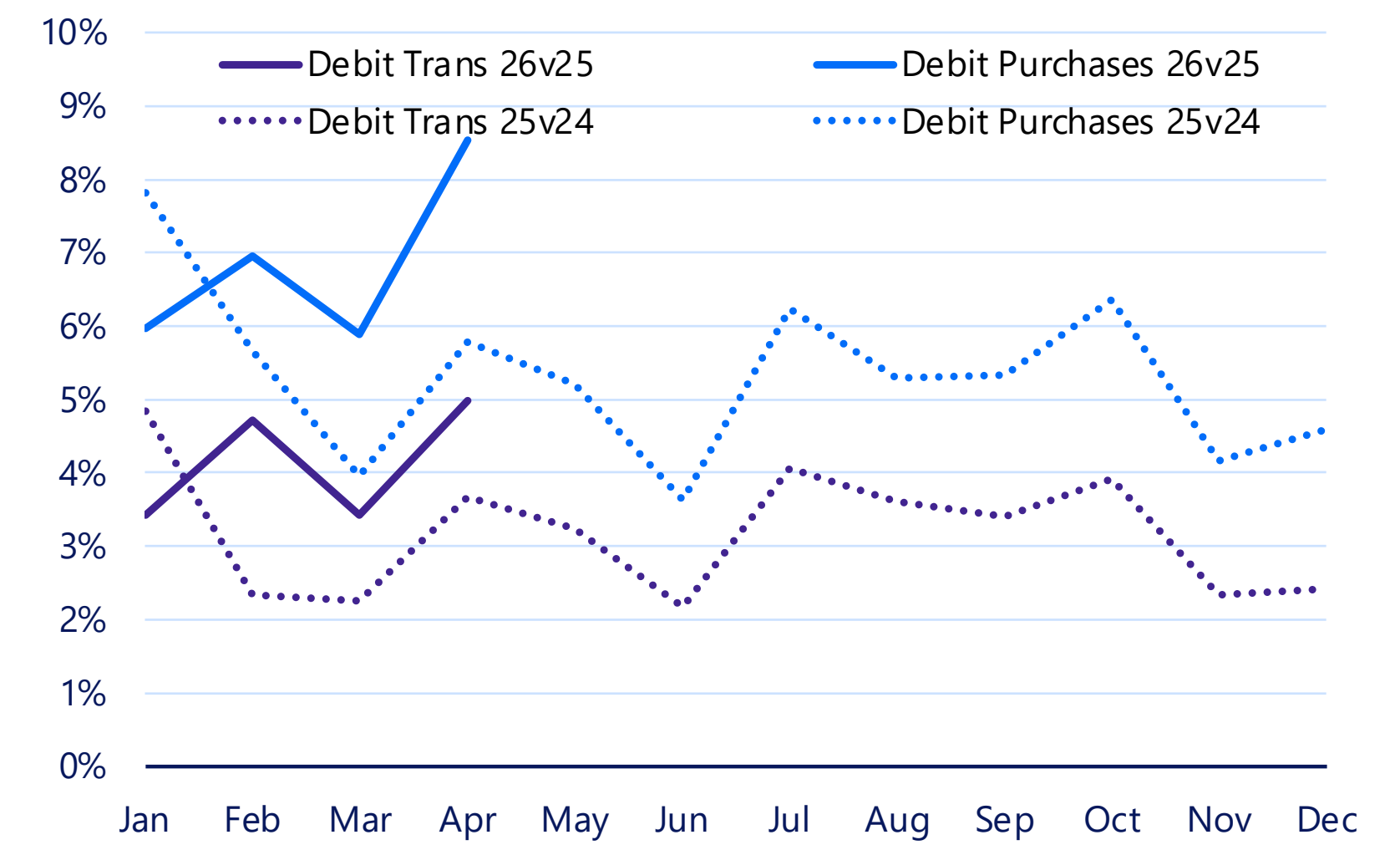
## Month of April 2026

	Credit		Debit	
	Transactions	Purchases	Transactions	Purchases
2026 v 2025	↑ 2.6%	↑ 3.1%	↑ 5.0%	↑ 8.5%
2025 v 2024	↑ 2.3%	↑ 1.9%	↑ 3.7%	↑ 5.8%

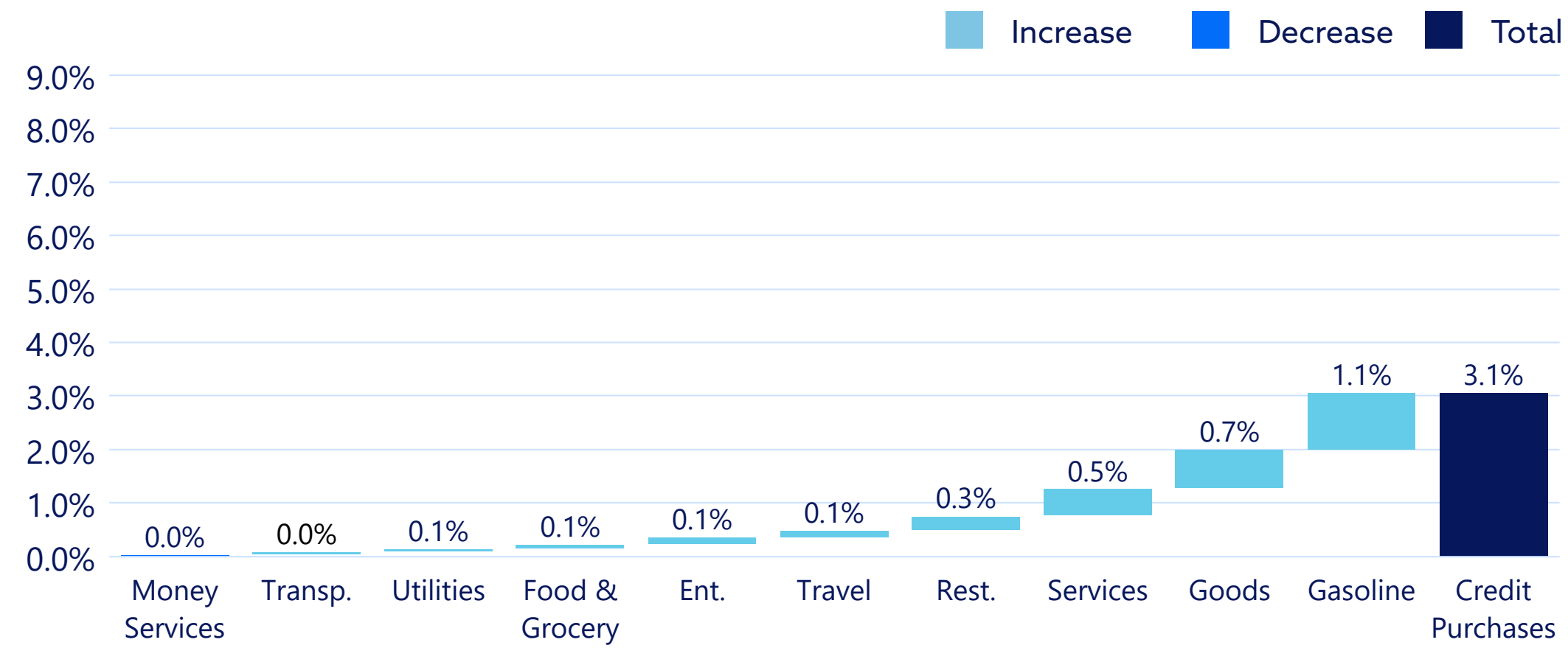
### Credit



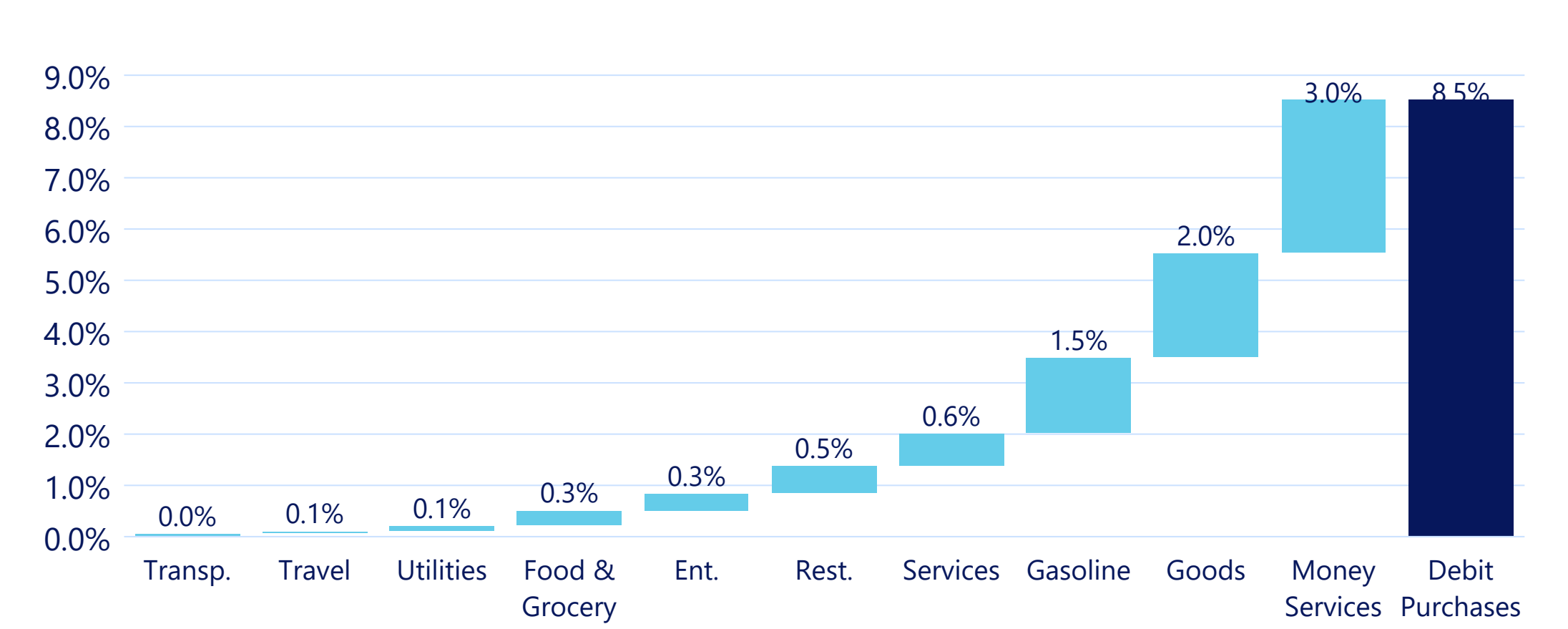
### Debit



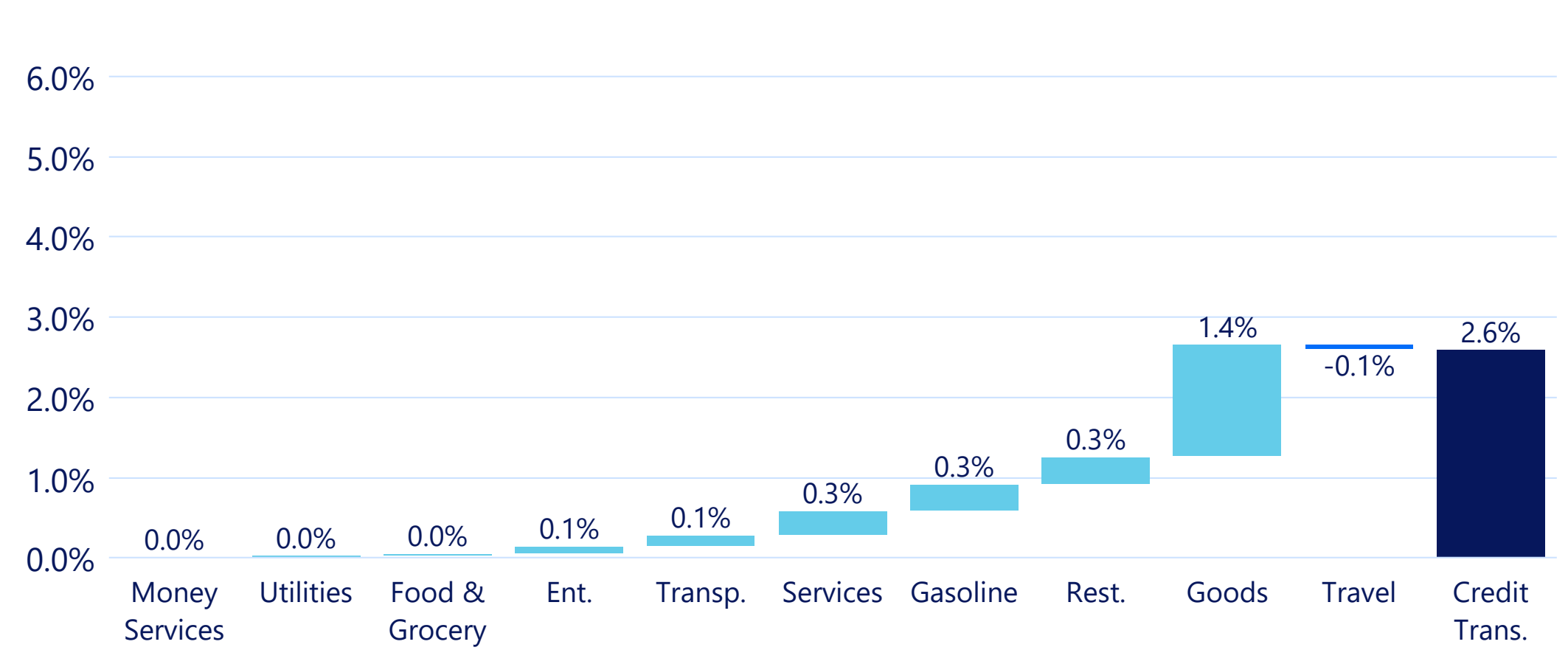
### Sector Contributions to Growth in Credit Purchases: April



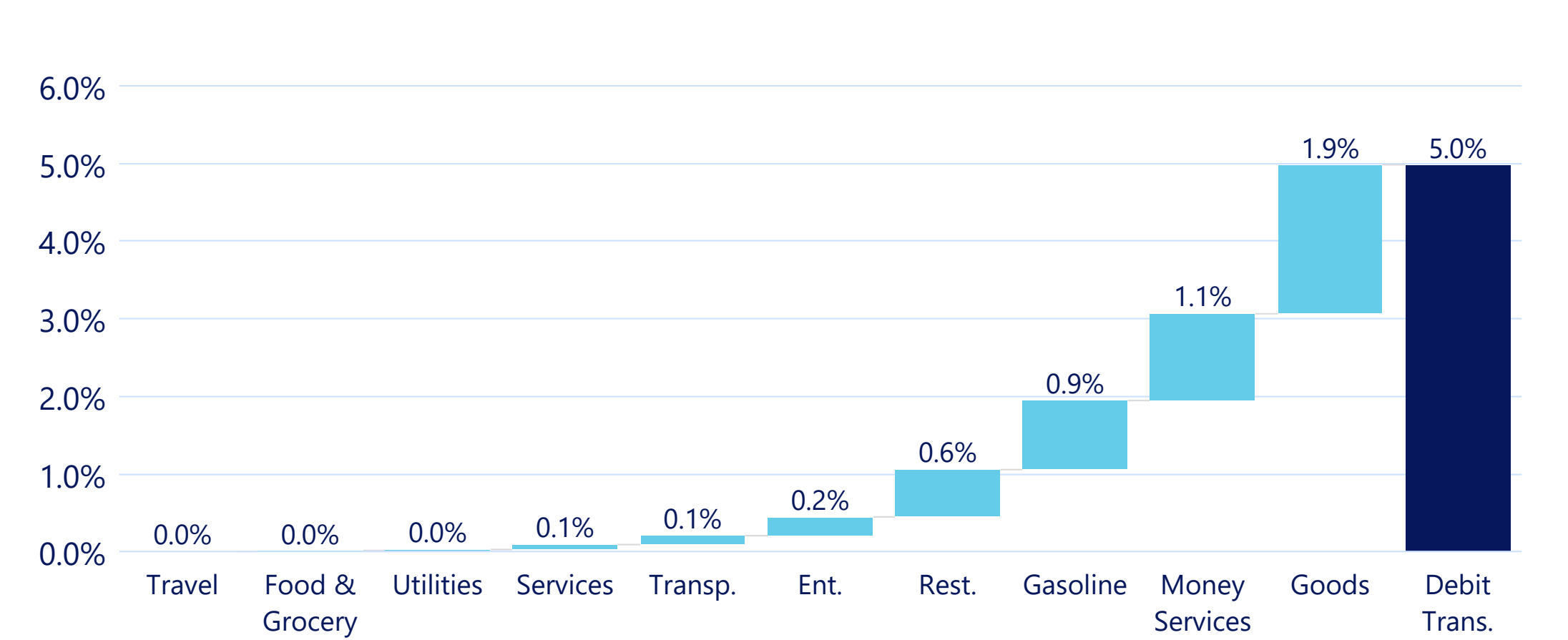
### Sector Contributions to Growth in Debit Purchases: April



### 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 2024 through the most current complete month of 2026, enabling an accurate and relevant year-over-year same-store comparison (2026 vs. 2025, 2025 vs. 2024) 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 May 2026 edition of the Velera Payments Index represents a total of 3.7 billion transactions valued at \$189 billion of credit and debit card activity from May 2025 through April 2026.

## 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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