

Report: The state of consumer payments in South Africa

2025

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Introduction

Introduction

South Africa’s payments landscape continues to evolve rapidly. When we launched our first report on consumer payments preferences in early 2023, PayShap and direct bank APIs such as Capitec Pay had not yet come to market, digital wallets and even mobile money remained nascent and Pay by bank (previously known as Instant EFT) was just starting to take on card as the second most preferred online payment method – at 36% and 49% preference for e-commerce payments respectively.

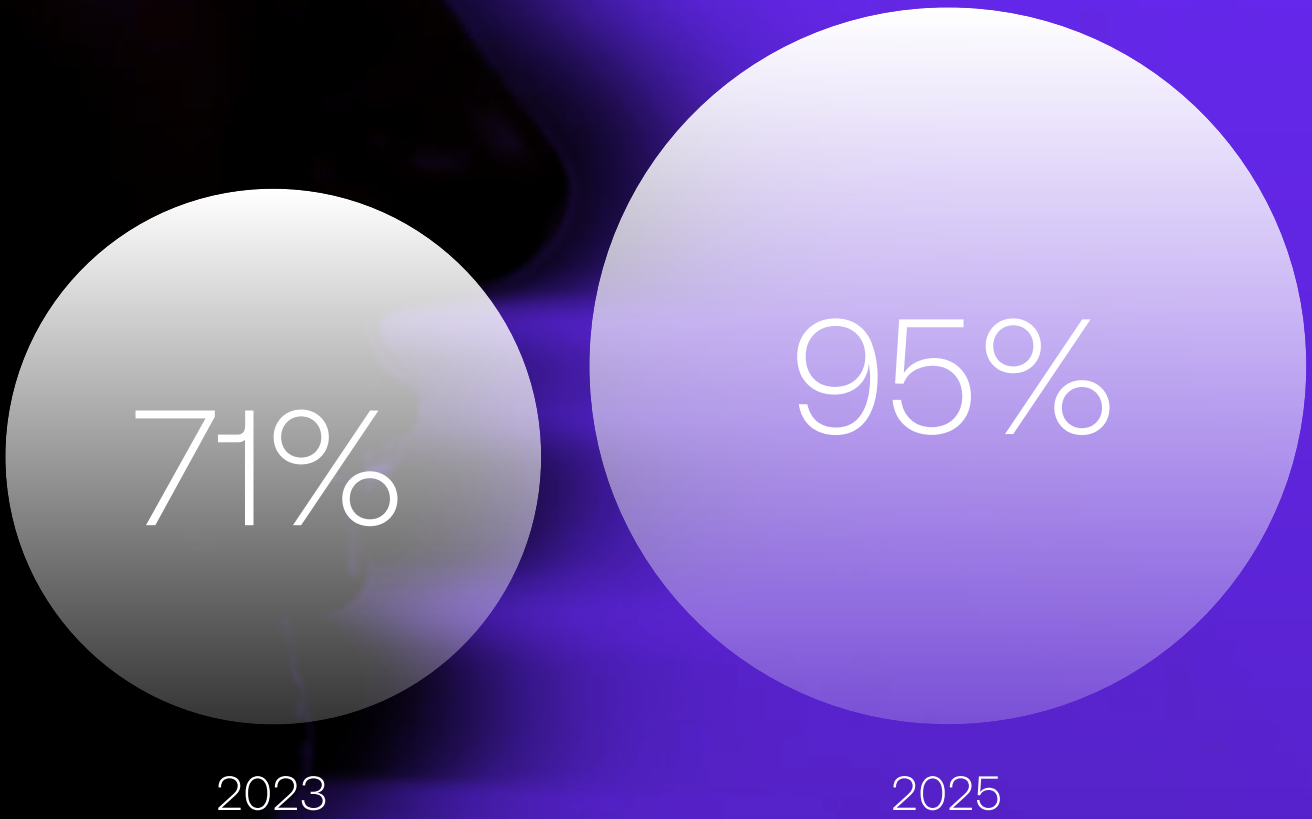
Today, we’re seeing newer, more convenient methods like Pay by bank, Capitec Pay and digital wallets such as Apple Pay, Google Pay and Samsung Pay significantly eat into the lead card holds as the most preferred payment method for online purchases.

As well, the proportion of South Africans that are venturing into online commerce continues to grow. In our initial survey, only 71% of respondents indicated they purchase food and groceries online, 60% apparel and 43% household items. This had jumped to 91% indicating they purchase food online, and 83% clothing and apparel, in last year’s report. In our most recent survey, only 5% of respondents indicated that they do **not** purchase food and groceries online and only 3% do not purchase apparel or household goods online.

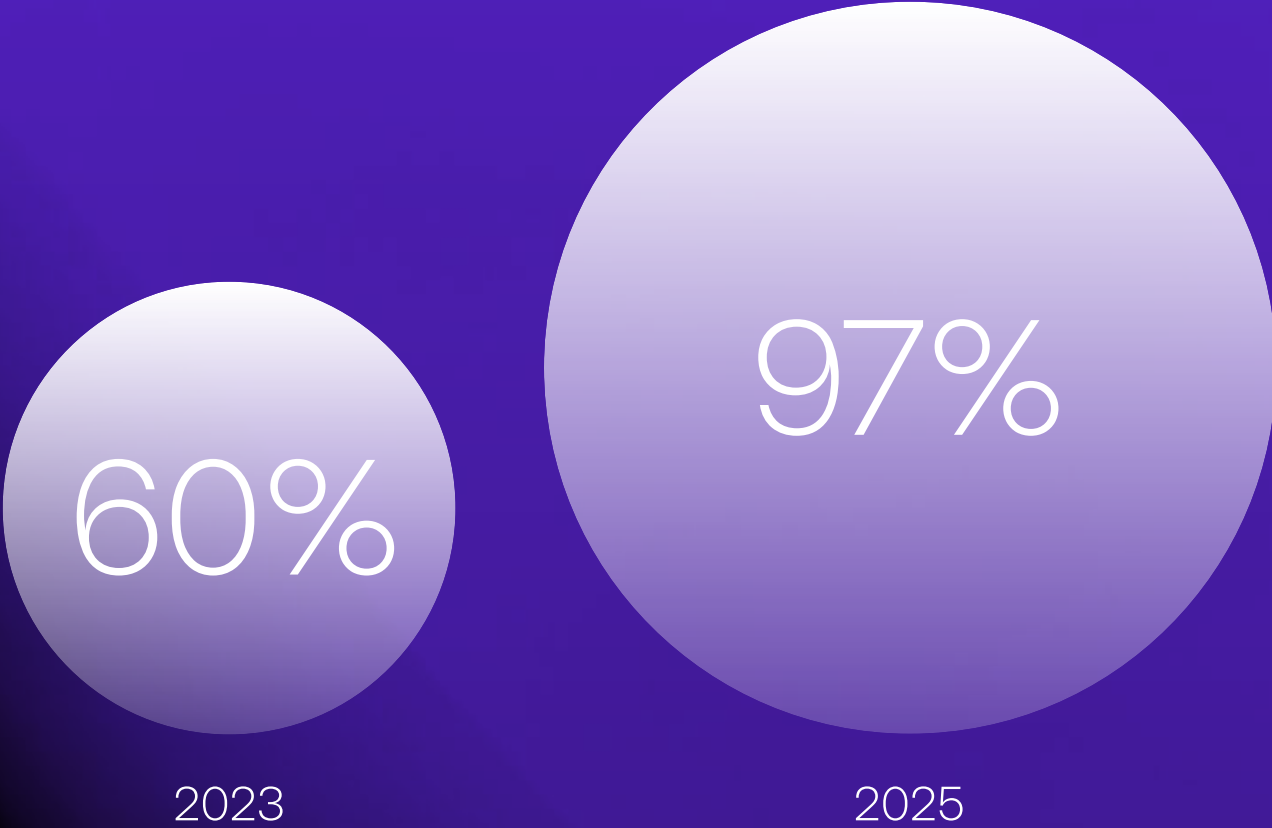
However, many things remain the same. Consumer demand for faster, safer and more convenient ways to pay has fuelled the growth of alternative payment methods, as well as better and more personalised purchase experiences and greater indicators of security and data protection. In all of our surveys, consumers highlighted a fast and easy payment process as a key priority when they decide where to make a purchase – whether online or in store.

Finally, cash continues to maintain its stronghold, even as consumers are starting to dip their toes into digital payments for certain purchases. For those who still use this method frequently, many indicated access to digital options still presents a barrier. Others indicated the convenience of cash, lack of associated fees and ability to manage personal spending outweigh the benefits of digital methods in many cases – coupled with continued security concerns. More education and incentives to try digital methods for particular purchase decisions remain necessary to move more transactions into the digital space.

Consumers that purchase food and groceries online



Consumers that purchase clothing and apparel online



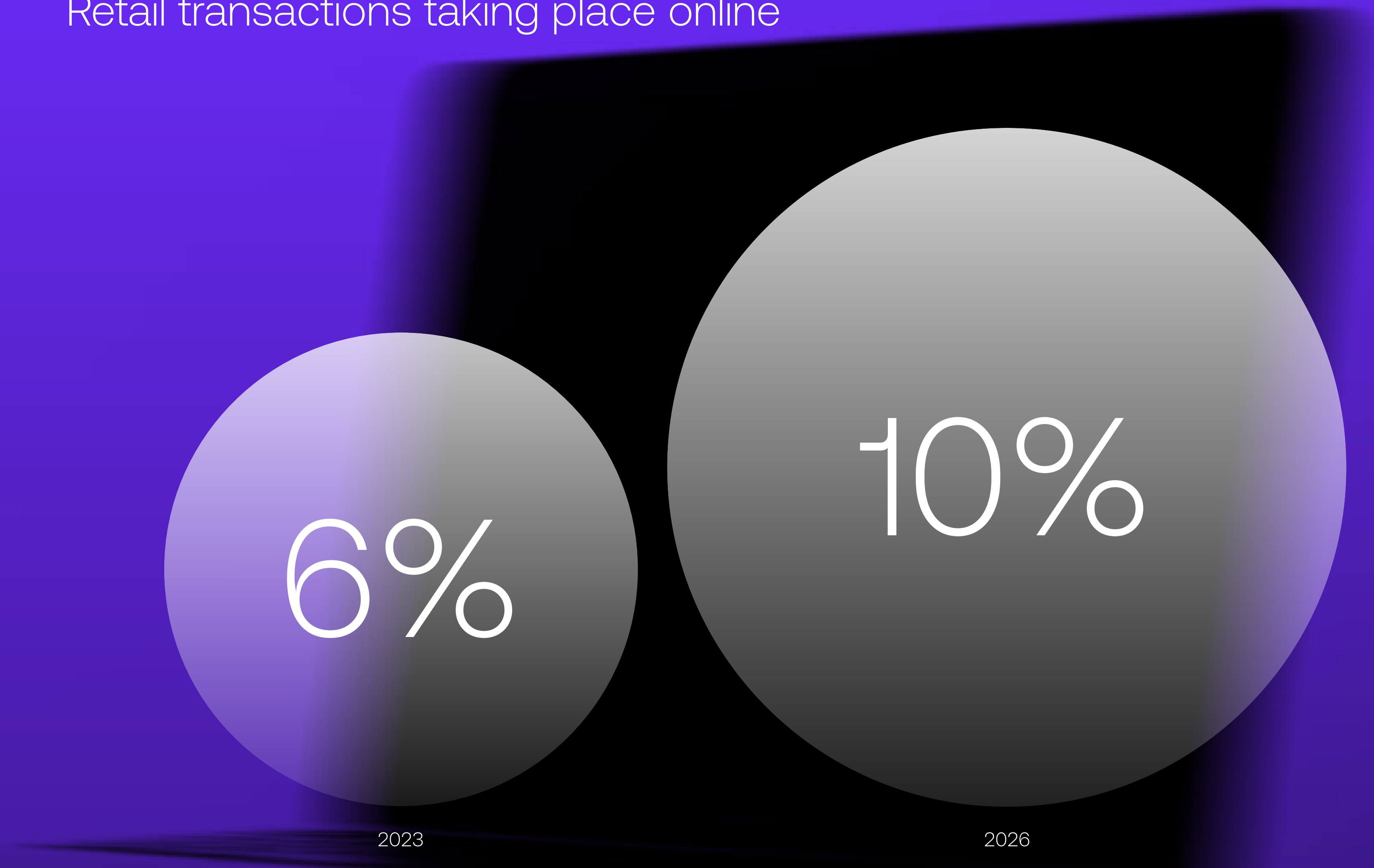
The growth of omnichannel retail

Today, e-commerce and online spending continues to see steady growth in South Africa, but online purchases remain less than 10% of all retail transactions taking place in the market. According to a study by Mastercard, in the retail space this is closer to 6% as of 2023, with projections reaching 10% only by 2026. In-person retail, therefore, remains critically significant, even for consumers who do choose to shop for certain things online.

This underscores the opportunity for innovative retailers to leverage an omnichannel play. True omnichannel and unified commerce solutions combine seamless and integrated customer experiences with a cohesive payments journey for the customer at the point of payment whether online or in-store, with one dashboard and source of truth to monitor and optimise all transactions across channels on the backend.

In early 2025, [Stitch acquired in-person payments solution ExiPay](#), allowing us to expand our enterprise offering into the in-person payments space to better serve clients across the customer payments journey. Today this includes brands like Bash, who are leading in the market when it comes to innovation in omnichannel retail.

Retail transactions taking place online



Innovation across sectors

Of course, the payments evolution extends well beyond retail. Across sectors – from insurance, to online gaming, to financial services, logistics, property, subscription services and much more – consumer demands, preferences and behaviours are changing.

In the recurring payments space, where debit order transactions make up the lion’s share, introductions such as DebiCheck, and new payment options such as card and even Variable Recurring Payments (VRP) via Pay by bank offer more appealing options from a consumer experience perspective, a security perspective due to additional levels of authentication required and a collections and cost perspective.

Our evidence shows a significantly negative sentiment toward debit order from consumers, particularly in spaces like insurance where there are often few alternative options. Here, incumbents may benefit from taking another look at how the payments landscape has been shifting in other industries to see how they can remain competitive.

The 2025 Stitch consumer payments report

This year, we surveyed over 2000 South Africans across various ages, income groups, locations and walks of life to better understand how their payments preferences have evolved over the last year. We also looked at thousands of online posts and conversations specific to payments and payments experiences in industries like retail and insurance over the last year, to inform our latest consumer payments report.

Especially when compared to our previous reports, the results show the absolute importance of speed and convenience in payments, the necessity for payments providers and merchants to demonstrate safety and security to consumers, and increasing willingness to try new payment methods, even if still used in conjunction with cash.



Methodology

Methodology

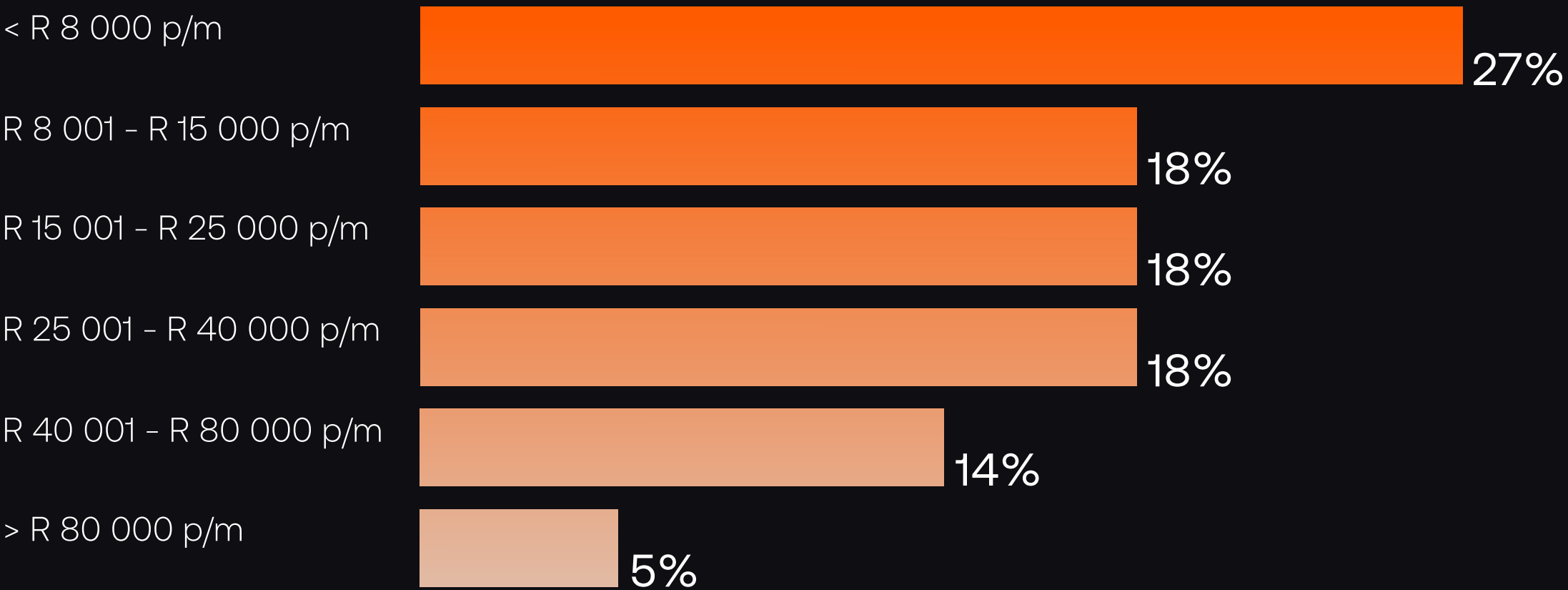
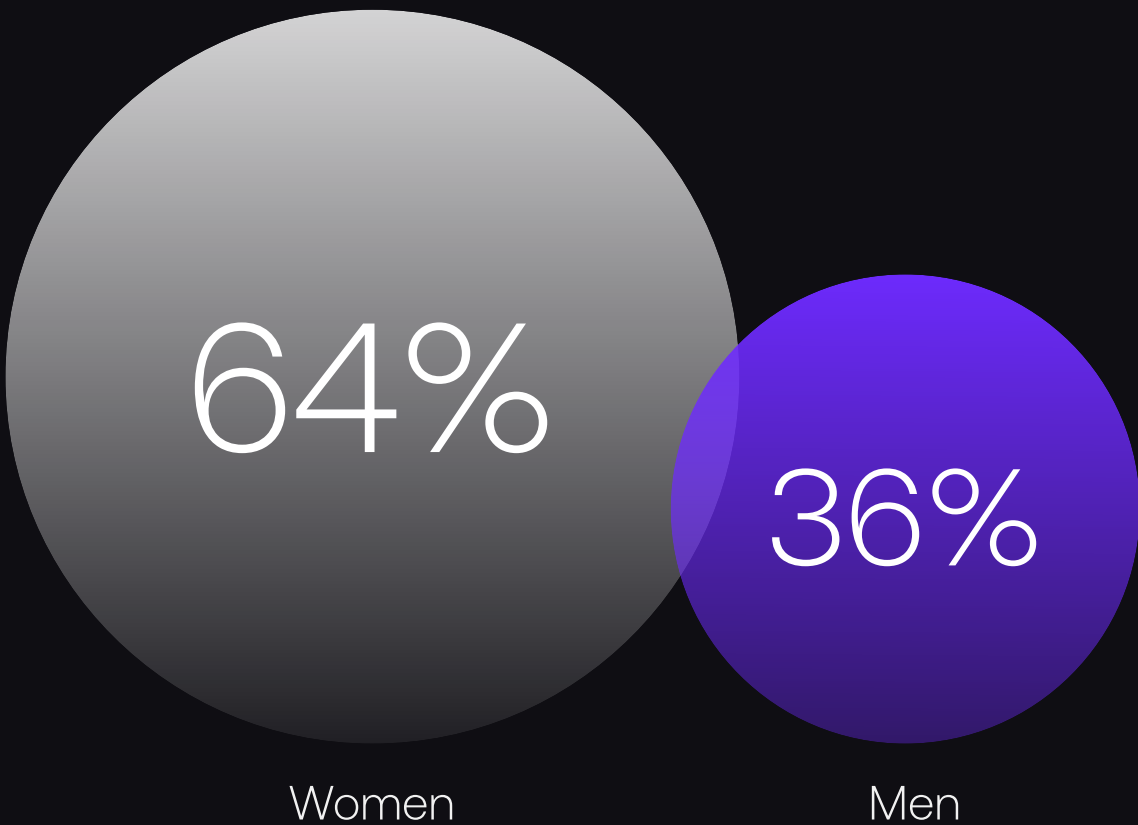
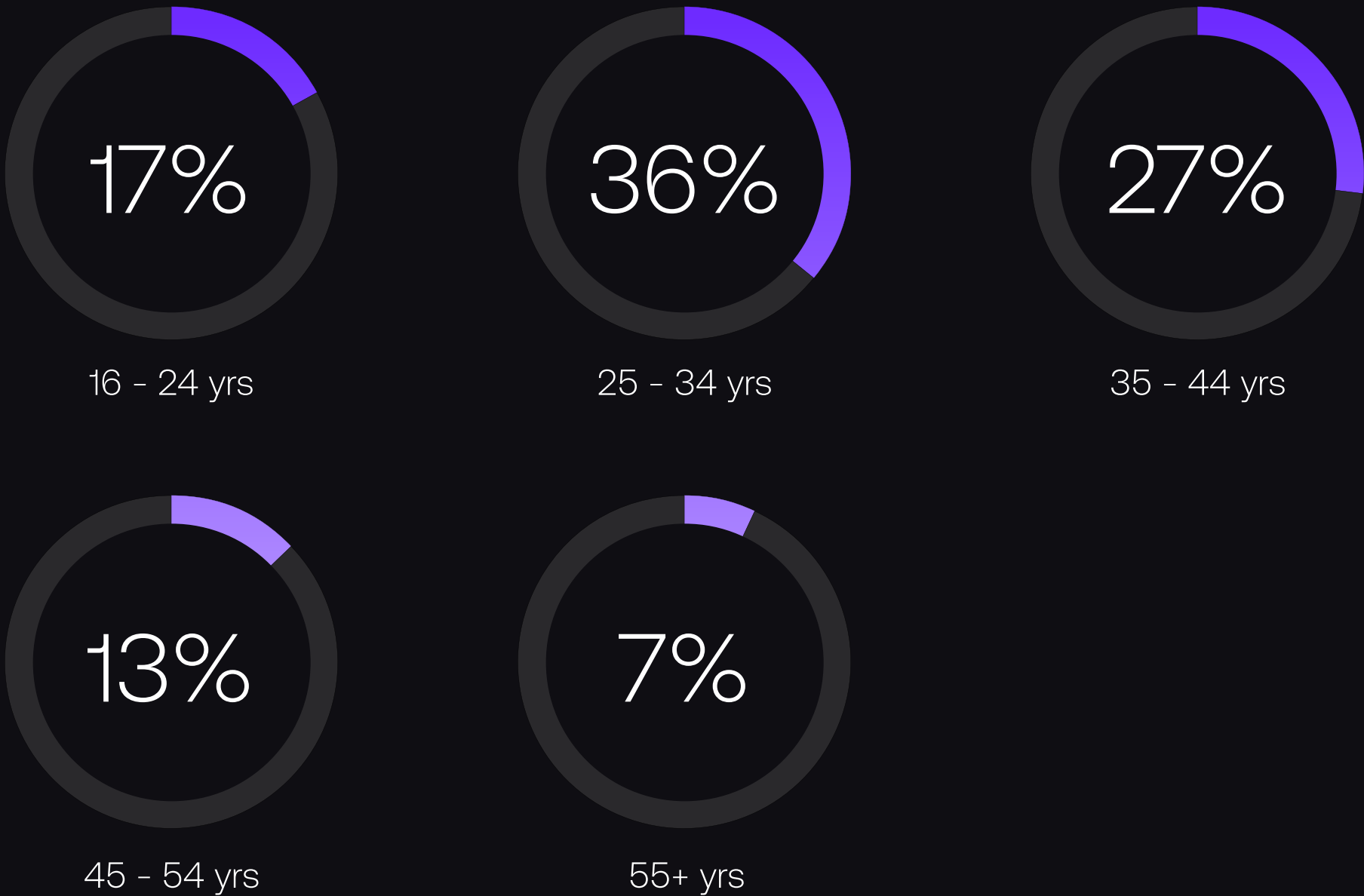
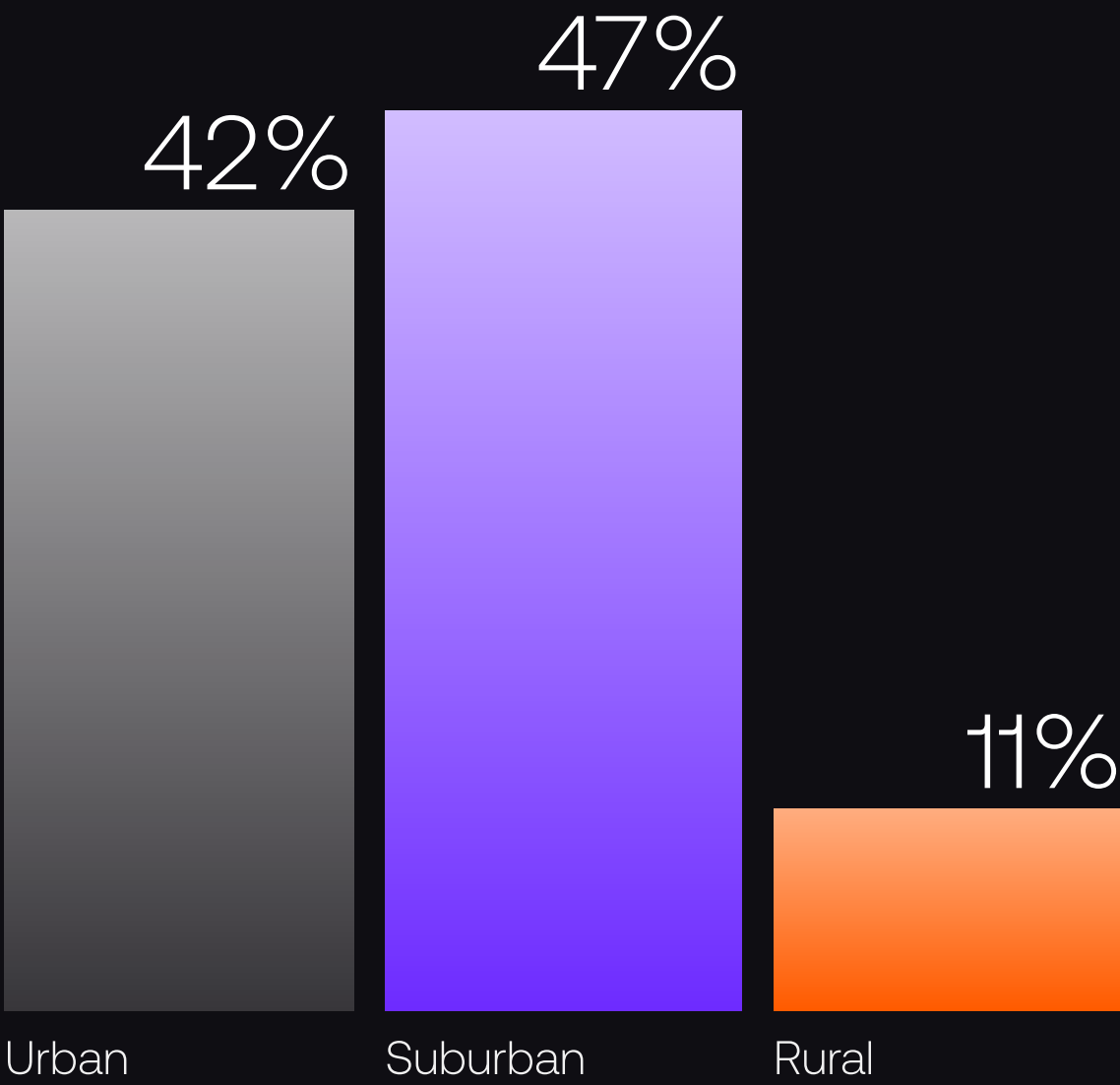
This report derives insights from a quantitative and qualitative study conducted in partnership with global research firm Censuswide. We surveyed ~2000 South Africans to understand their preferences when it comes to payments and purchase behaviour.

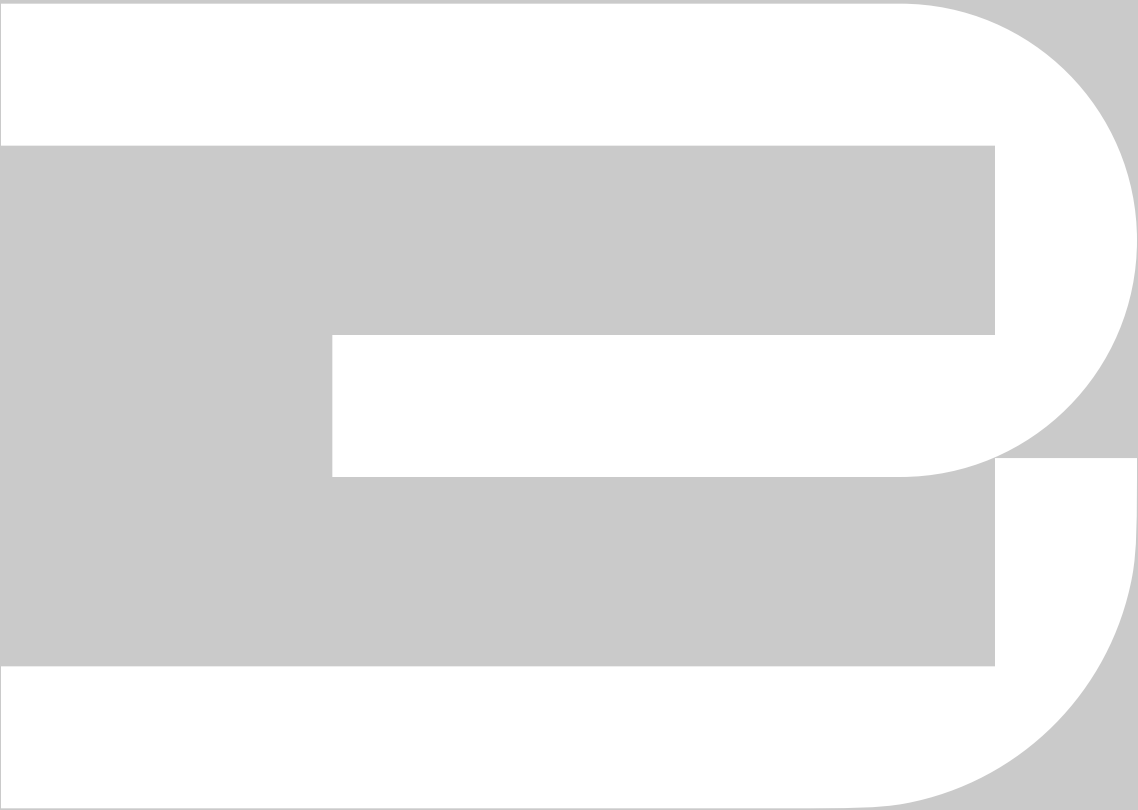
We also partnered with data and research firm DataEQ to evaluate online conversations from South African consumers, specifically in the retail and insurance sectors, as it relates to payments and checkout experiences. This data will be released in a separate report coming soon. Information from both sources informed this report, along with our own insights as one of the largest payment service providers in South Africa.

Respondent Criteria: Adults aged 18+, residing in South Africa, across genders and income brackets, as well as area of residence.

Representation: The sample represented individuals across key demographics such as age, gender, location and income level to ensure a representative view of the population.


Data collection method: The research was conducted online, with respondents sourced via online access panel. All respondents were double opted in (with an opt in and validation process) and completed a profiling questionnaire when joining. Respondents were invited to participate in surveys via email.





Key findings

Key findings



1 New and alternative payment methods are cutting into the lead once held by traditional methods, across sectors.

Payment methods such as Apple, Google and Samsung Pay; Pay by bank; Capitec Pay and more are growing in preference across sectors, reducing the lead held by traditional methods like cash and card.




2 One-click methods including Apple Pay, Google Pay and Samsung Pay are gaining adoption more quickly than most other methods have before – largely due to the seamless, convenient and secure experience they offer.

Customers on major retail platforms switch from card payments to Apple Pay immediately upon launch, demonstrating the demand for this fast and secure solution.




3 Innovation in payments experiences and offerings can be leveraged as a differentiator for businesses in increasingly competitive industries.

Businesses that promote new and innovative payment methods can see an impact on broader brand perception and interest.



4 Buy Now Pay Later is finding a niche for higher-value retail purchases.

While absolute adoption remains lower than other alternative methods, context is key. Merchants that offer BNPL see transactions with higher cart value, and less dropoff.



5 Security indicators and instant experiences are now table stakes for consumers.

Consumers are actively looking for indicators that their payments are safe and secure. Authentication methods such as biometrics and 2FA are now table stakes in assuring customers their payments are secure. At the same time, the demand for faster and more seamless payments experiences is at an all time high.



The state of new and alternative payment methods at checkout

The state of new and alternative payment methods at checkout

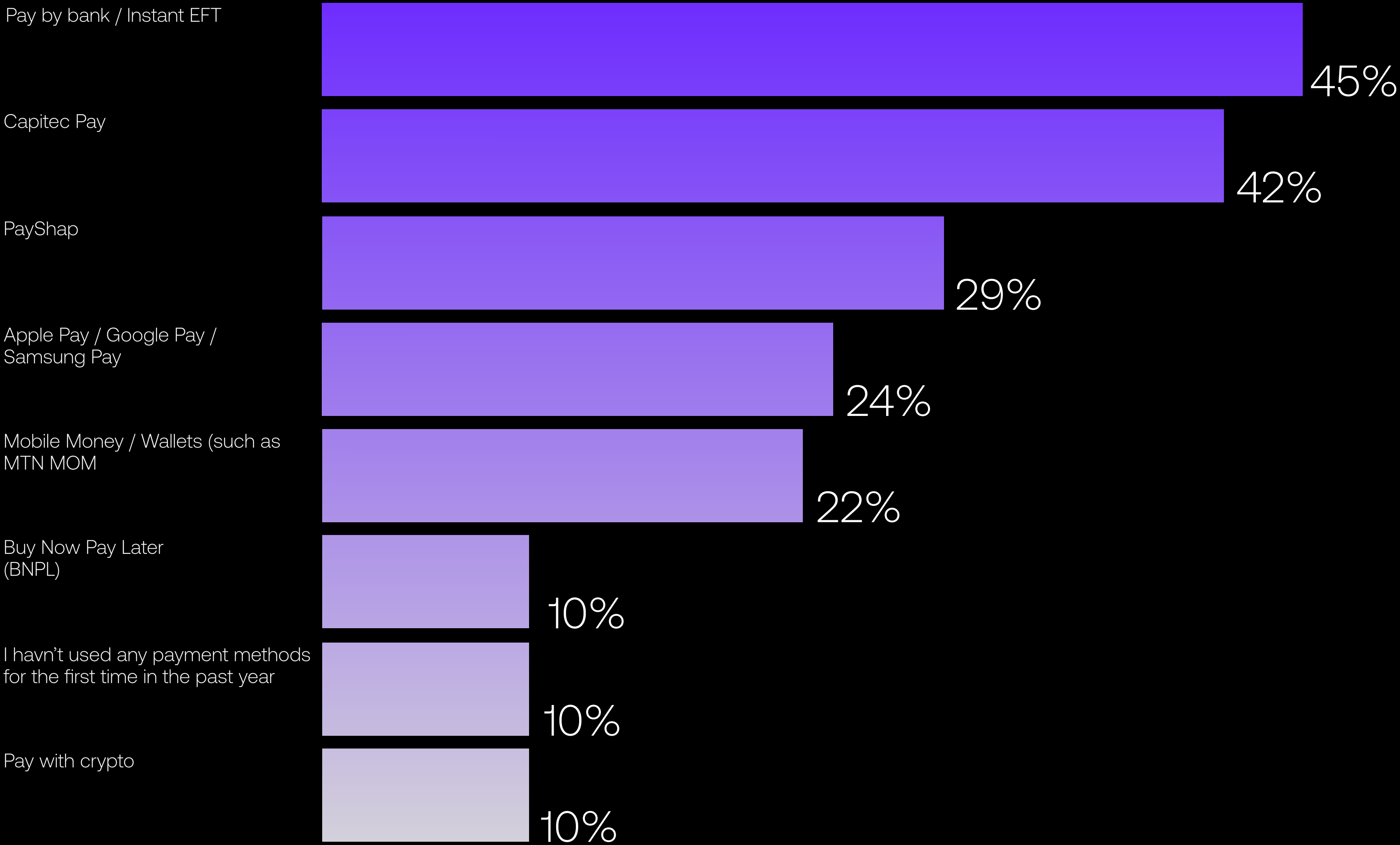
Though cash and debit card have retained their stronghold as preferred payment methods, more South Africans are demonstrating an interest in and willingness to try new or alternative methods than ever before. As demand for faster, more seamless – and more visibly secure – ways to pay continues to soar, providers are bringing new solutions to the market to answer that demand. And they’re being met with greater – and often faster – adoption than in the past.

Willingness to adopt new and alternative payment methods

More than 90% of survey respondents indicated they have tried or used a new payment method outside of cash and card in the last year. These methods range from Pay by bank and direct bank APIs like Capitec Pay, to Buy Now Pay Later (BNPL), digital wallets like Apple and Google Pay, crypto and mobile money.

This strong traction indicates that South Africans are rapidly warming up to mobile-first and convenient, real-time payments—with Pay by bank, Capitec Pay, PayShap and digital wallets leading the charge.

Payment methods used for the first time in the last year

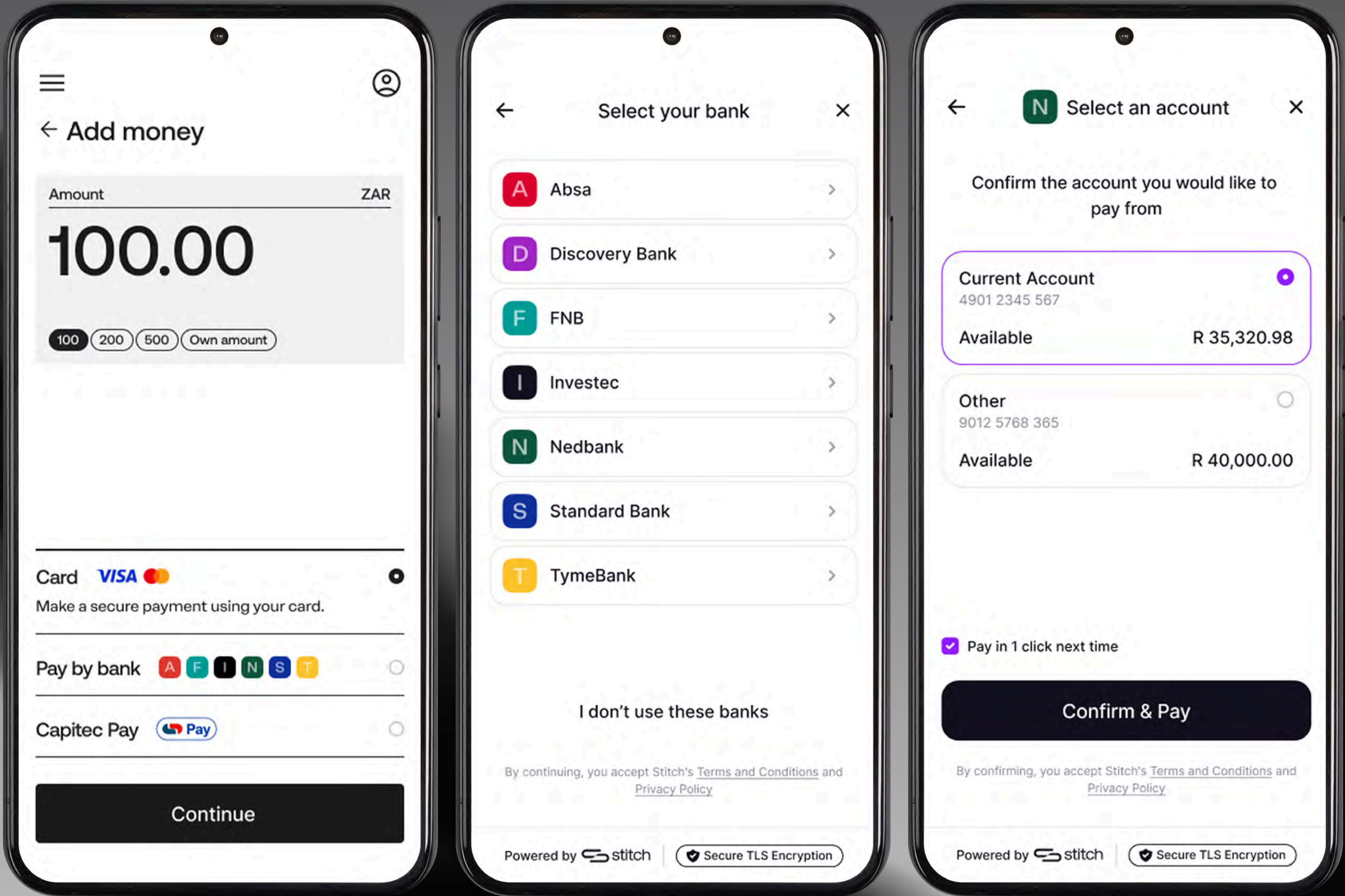


Nearly half of South African consumers surveyed have used Pay by bank or Capitec Pay in the last year. This signals rising trust in bank to bank payments and demand for convenience, speed and mobile-first payment options. It also mirrors global and regional trends where consumers are bypassing card payments in favor of real-time, bank to bank options.

Only 9.7% said they hadn’t used any new or alternative payment methods in the last year, showing strong overall momentum toward payments innovation.

As noted in TrueLayer’s [recent Pay by bank report](#), Pay by Bank and similar methods are moving us closer to simplification of the payments industry. These methods are reaping benefits for consumers by “eliminating card fraud, lowering the cost of payments and goods, [and] making it easier to get a refund.”

Additionally, Buy Now Pay Later (BNPL), smartphone-based methods like Apple, Google and Samsung Pay and mobile money / mobile wallets are now being used by a meaningful portion of consumers – something we’ll explore in more detail later in this report. This shows a willingness to experiment with convenience- or budget-driven alternatives.



What customers are saying



Capitec Pay just makes it easier. I don't have to enter my card and I trust my bank.



I have recently learned how to use PayShap. It was incredibly fast and easy. I loved the experience.



I didn't know I could pay straight from my account before – now it's all I use.



I have used Capitec pay to pay for my items because I forgot my bank card so it was so much easy to use it anywhere.



BNPL helped me make a purchase I couldn't afford upfront.



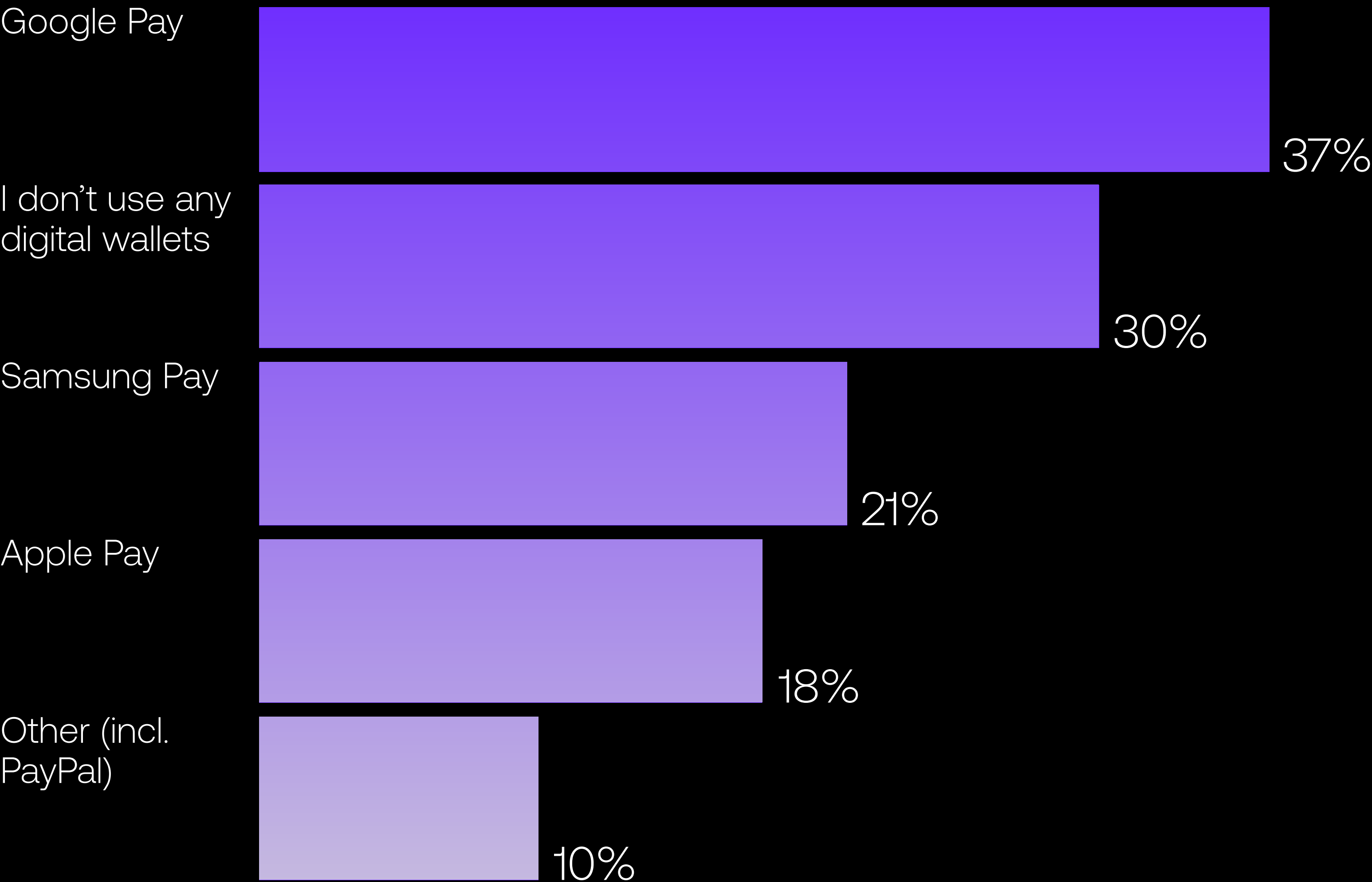
I have recently been using EFT's a lot , and I have been having an excellent experience.

The rise of Apple, Google and Samsung Pay

Though they only emerged in the market for online payments in a big way over the last year or two, digital wallets like Apple, Google and Samsung Pay – and even others like PayPal – have quickly grown in popularity, with less than 30% of consumers indicating they do not use any digital wallets for payments.

This shows growth from last year’s survey, where only 54% indicated they have made a purchase using Apple, Google or Samsung Pay – and 46% indicated they have never used any of these methods.

Which digital wallet do South African consumers use most?

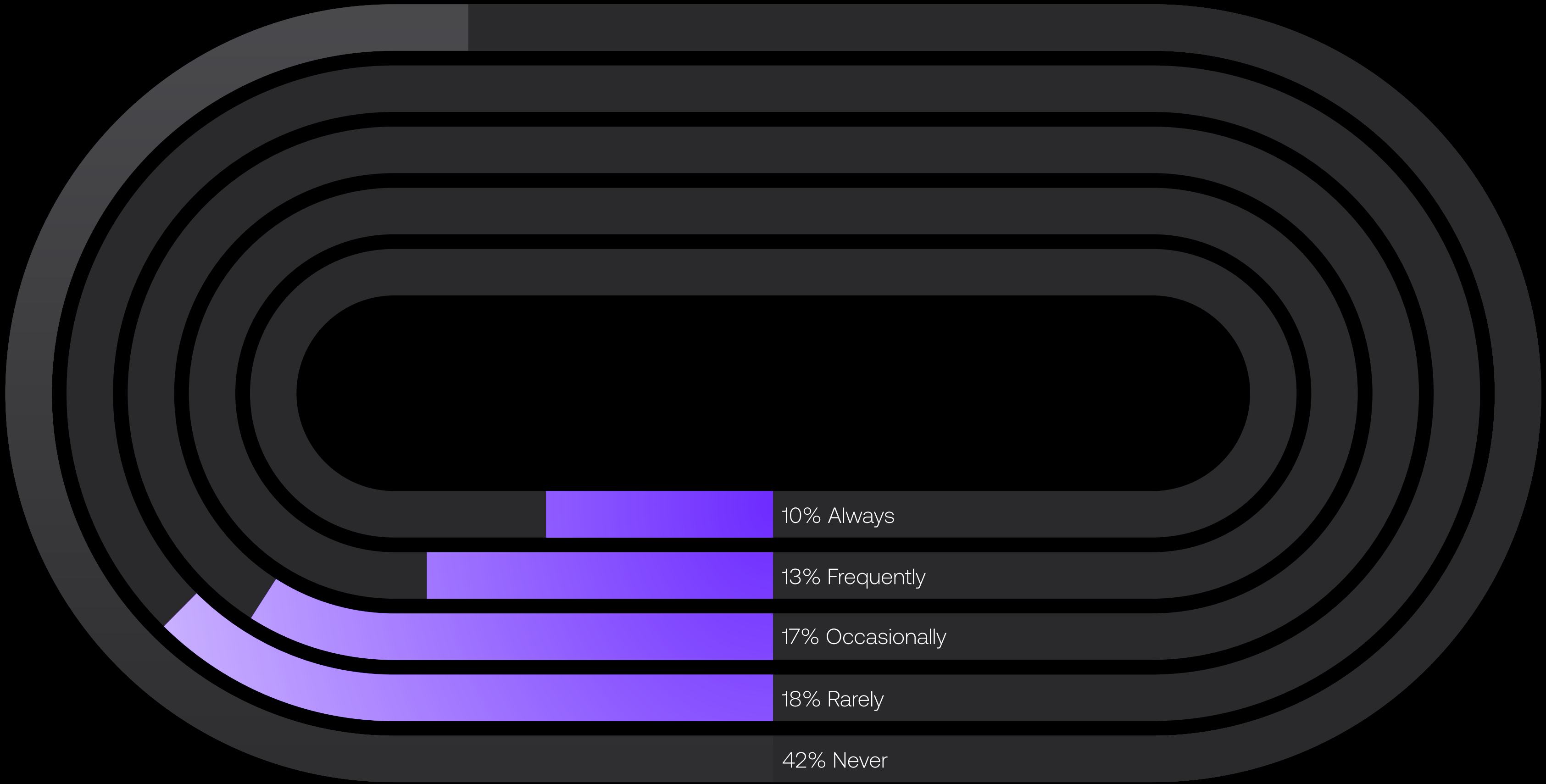


There were also income-based nuances, where we saw that high-income consumers dominated adoption:

- Google Pay (53%)
- Apple Pay (40%)
- Samsung Pay (39%)

Further, those that do use these digital wallets for payments are often using them frequently. One in five South Africans are regular users of these methods, with 23% of respondents indicating they use them frequently or always.

How often do you use Apple Pay, Google Pay or Samsung Pay as payment methods for daily transactions?



What customers are saying



Websites that allow you to pay using apple pay are convenient, meaning I don't have to enter all my card details online. Using my virtual card with apple pay also feels more secure.

I pay online with PayPal to uber eats its fast and effective.



I used Apple Pay and it was super quick — no typing, no waiting.

Overview

The demand for smartphone wallets such as Apple Pay and Google Pay cannot be understated, especially in an e-commerce context.

When Stitch Express merchants launched Apple Pay at checkout on [Shopify](#), [Woo](#) and other e-commerce platforms, more than 25% chose it instantly – and they were able to check out faster. These merchants saw, on average, 30%+ of their transactions move from card to Apple Pay within two months.

Transaction success rates also skyrocketed. Nearly 96% of Apple Pay transactions were successful immediately vs 80% when paying with card.

Similarly, within a week of launching on one of the largest online retail sites in South Africa with Stitch, Apple Pay was used for > 33% of orders made by customers with Apple devices, and 10% of all orders on the site. Within two weeks, that number was above 40% for Apple users. Uptake on the day of launch was nearly 20%.

Further, the conversion rate for Apple Pay has been well over 90% – well above that of card. Today, 50% of Apple Pay transactions are processed in < 3 seconds from initiation, and 95% are processed within 5 seconds from initiation.

This sort of adoption for a single payment method is extremely rare, indicating the influence it has in the market.

Notably, **56% of consumers indicated that their choice in e-commerce platform or shop is impacted by the ability to pay quickly and easily.** Introducing one-click payment methods such as Apple Pay and Google Pay is quickly becoming a baseline requirement for any online merchant.

40%

of Apple users switched to Apple Pay in **2 weeks**



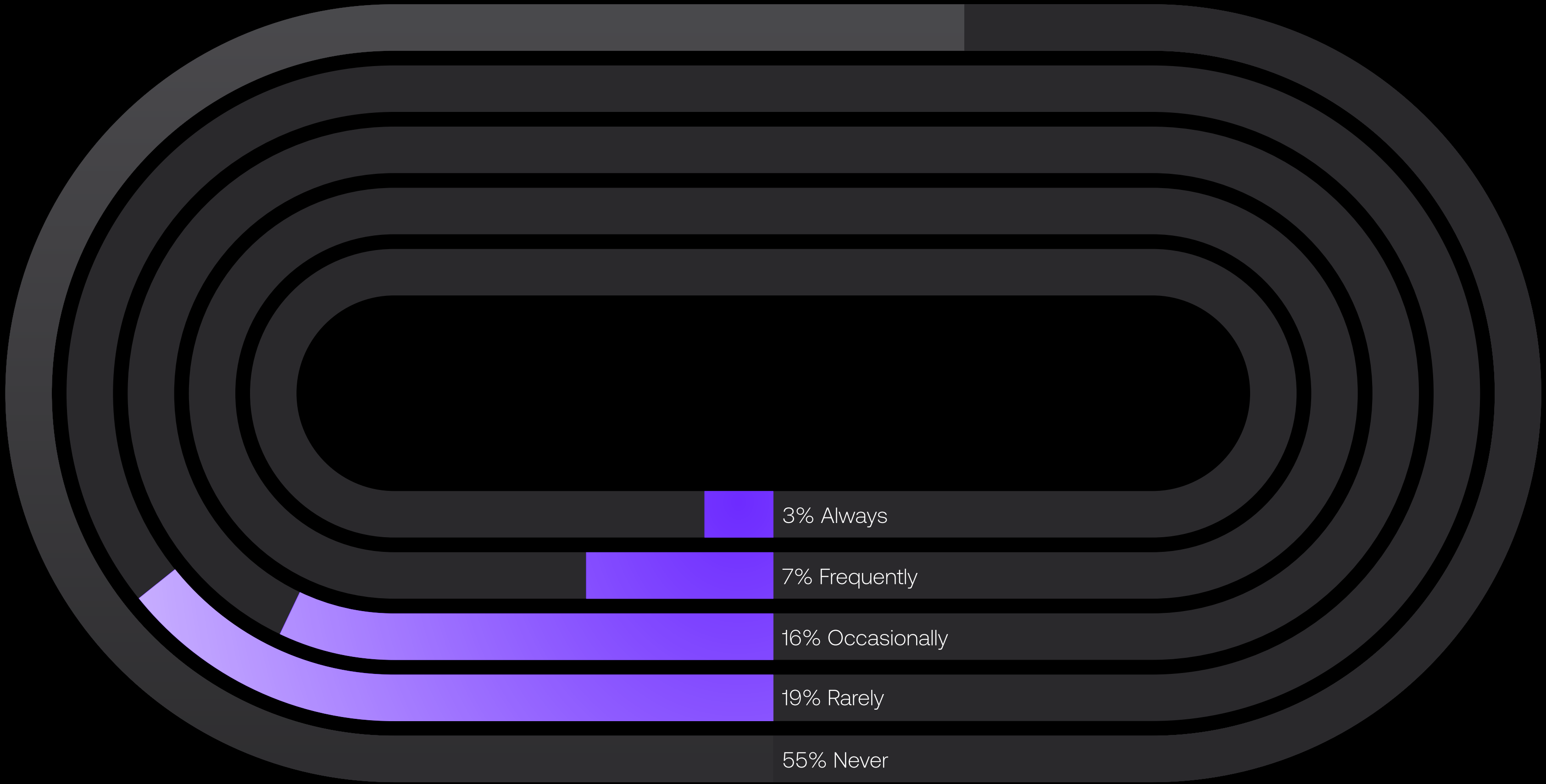
Buy Now Pay Later (BNPL) sees high adoption among critical segments for retail merchants

Buy Now Pay Later (BNPL) has been in the market for quite some time, and adoption has been slowly growing as consumers become more aware of its benefits and access grows among retailers.

Uptake is particularly acute among mid-high income earners, who leverage the service for larger purchases. This results in an increased basket size for merchants, who might otherwise see higher levels of cart abandonment when customers reach checkout.

Important to note is that while usage may be less frequent than it is for other methods, the result is a much higher than average transaction and cart value, specifically for retail purchases, offering a significant competitive advantage for merchants that offer this method.

How often do you use Buy Now Pay Later (BNPL) as a payment method for daily transactions?



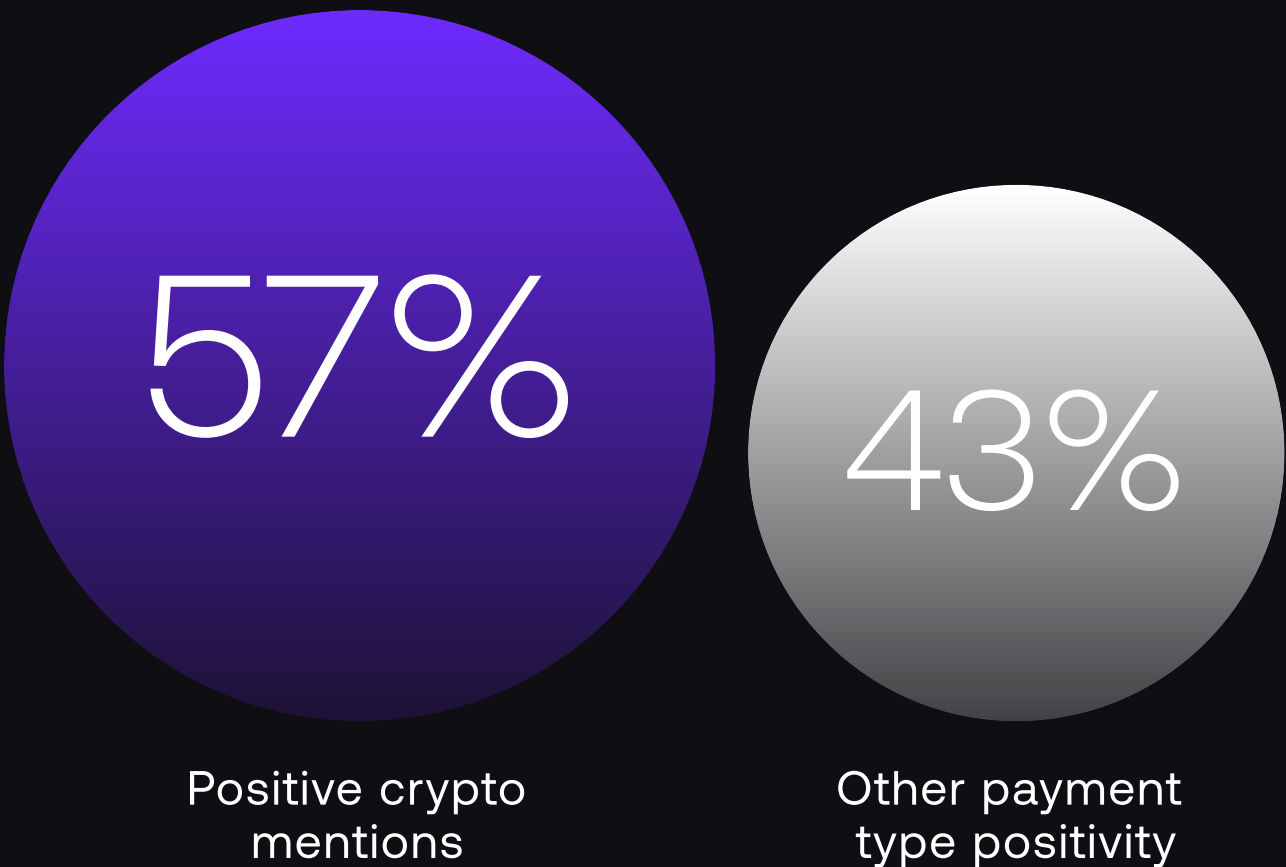
Overview

In 2024, Pick n Pay introduced Pay with crypto, allowing customers to pay for their purchases directly from their crypto wallets. Uptake was strong. By late 2024, the retailer was seeing over R1 million per month in crypto transactions.

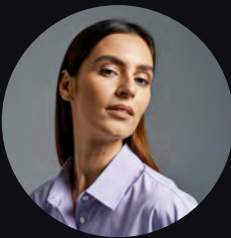
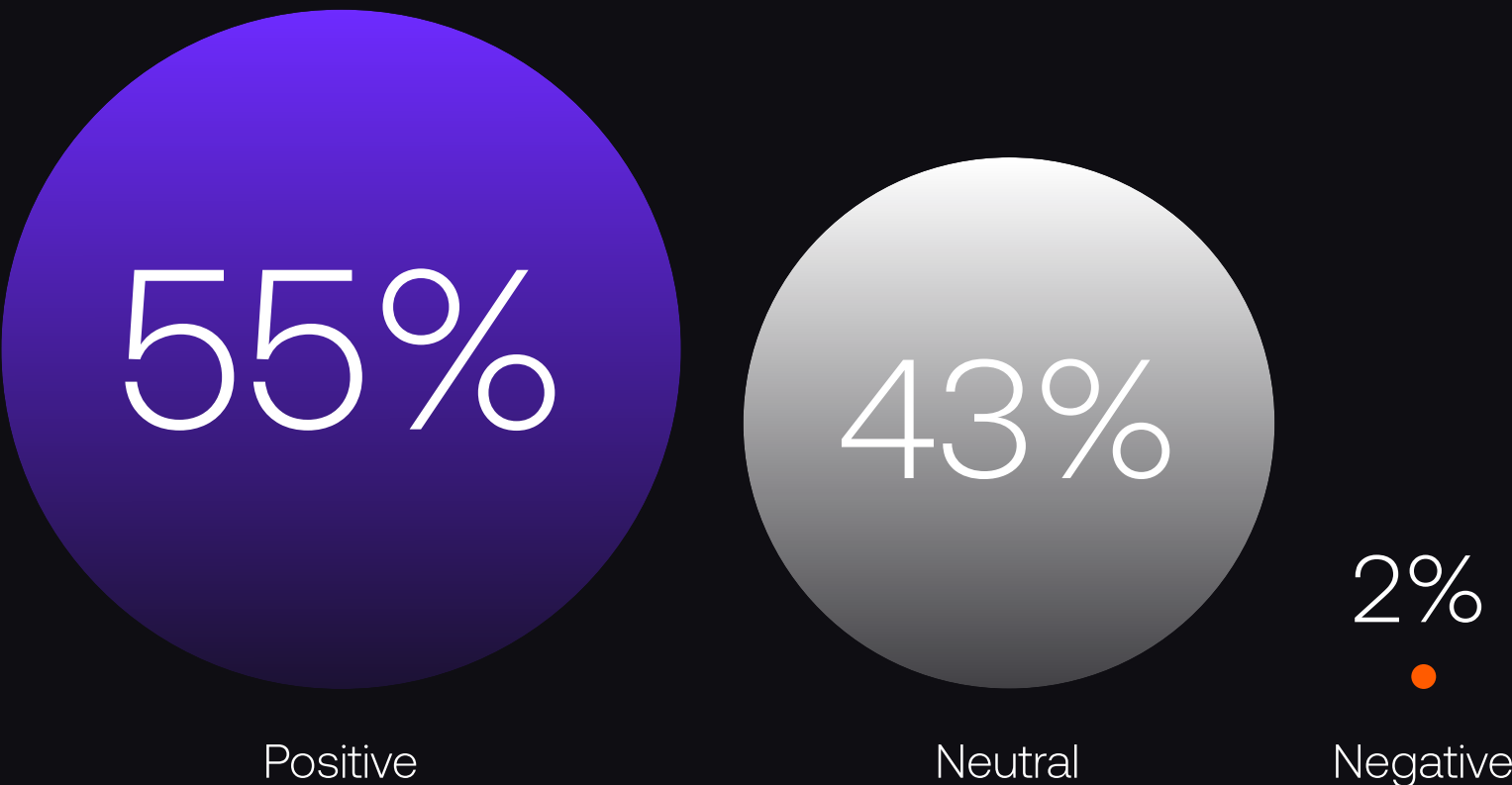
Online conversations discussing the new method were largely positive, indicating a strong impact on brand perception since it launched.

While overall adoption of crypto as a frequent direct payment method remains nascent, this campaign proved that payment method innovation can be a powerful lever in improving overall brand perception and encouraging curious consumers to visit a store or website if it means they can try a novel experience.

Pick n Pay crypto positivity vs other payment type positivity

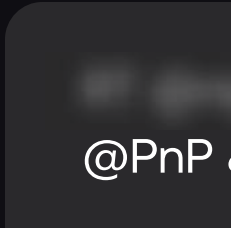


Sentiment towards Pick n Pay crypto



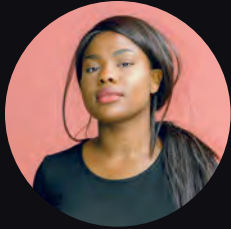
Today I paid for my groceries at @PicknPay in #Bitcoin using #lightning Great job @CryptoConverted & I can't believe this day has finally arrived. Feels like SA is ahead of the game on this one

22 May 2024 23:30



Just did grocery shopping @PnP & paid in crypto. #gamechanger

8th Jul 18:29



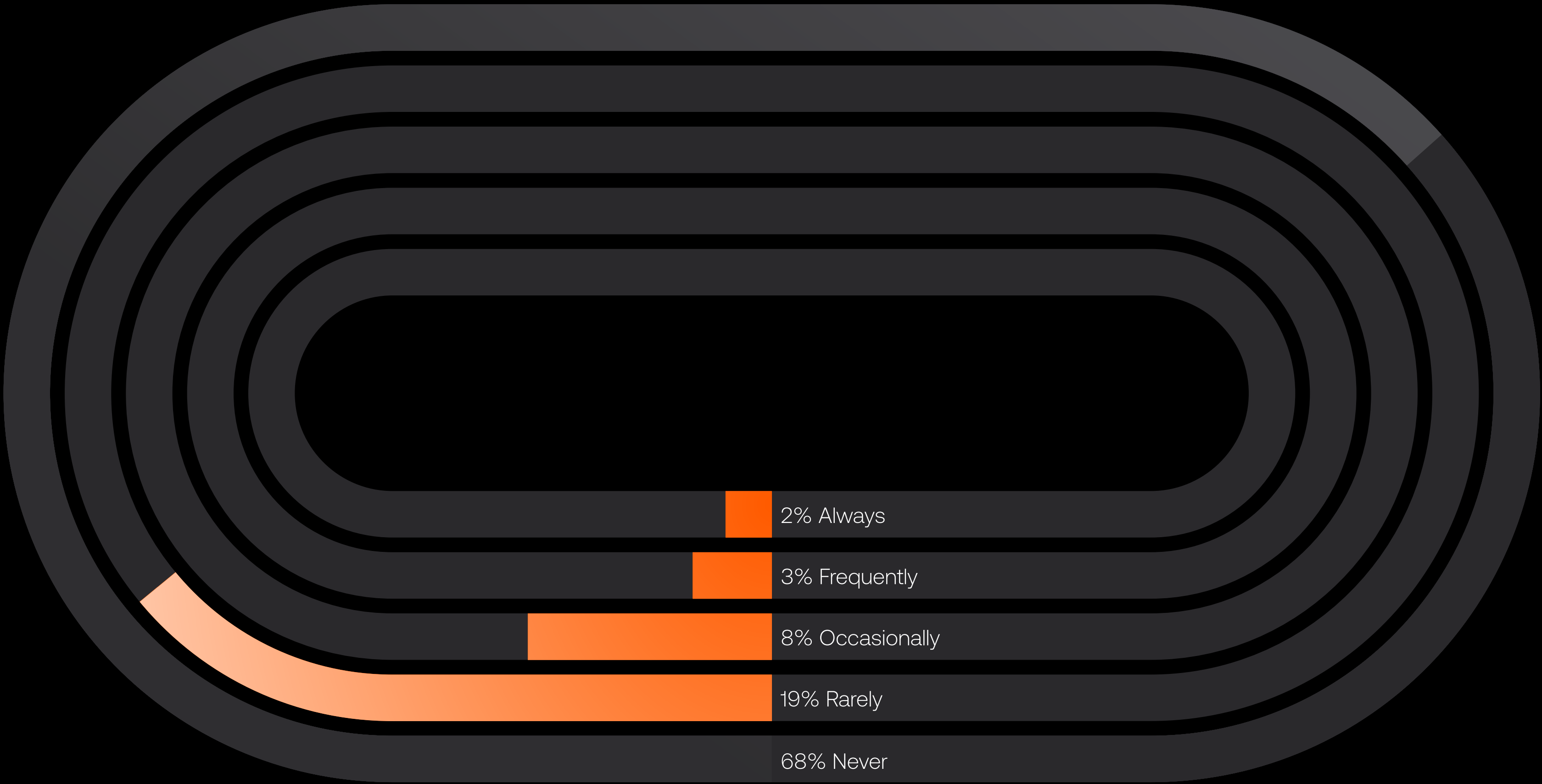
@PicknPay @CryptoConverted Can't wait for this to be available for online orders too

4 Feb 2024 19:36

Adoption of Pay with crypto

While still growing as a form of direct payment, crypto remains popular in South Africa, with total penetration in the market predicted to be 9.85% in 2025. Our survey showed 32% of consumers indicated they have used crypto to pay for daily transactions before, with 15.6% of those that use crypto indicating they use it always or frequently.

How often do you use crypto as a payment method for daily transactions?



Fear of fraud and security issues present barriers to adoption of alternative payment methods

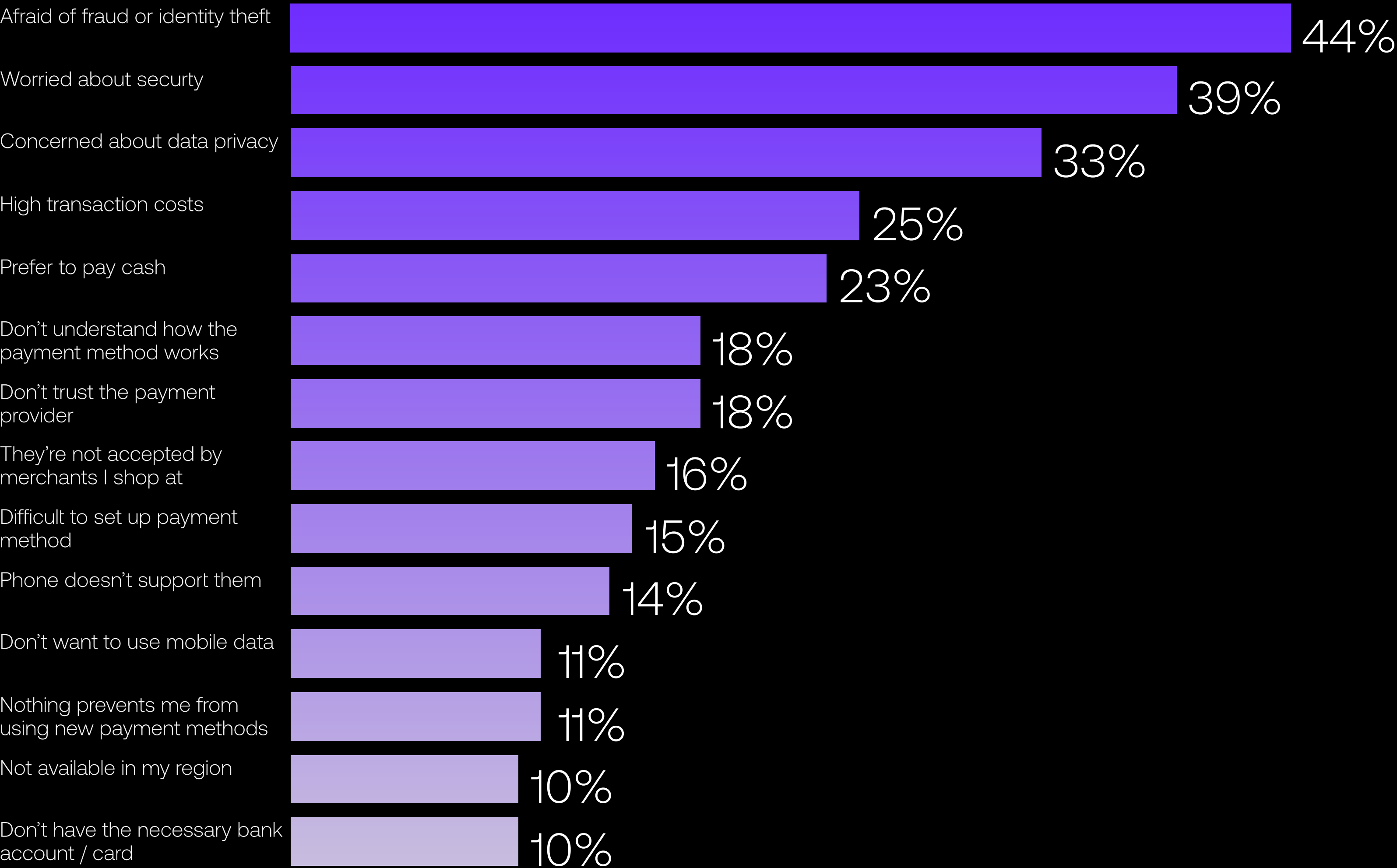
Factors that would convince consumers to try using new payment methods were fairly evenly spread — including a desire to feel secure, the convenience to pay wherever they want, instant transactions or lower fees.

However, despite a fairly high willingness to try new methods, some potential reasons for adoption issues stood out. Concerns around fraud or identity theft, safety and security and data privacy ranked highest.

For many of these customers, even one bad experience or second-hand bad experience related to fraud could turn them off from these methods – or a particular brand or platform – completely, underscoring the need for consistent and effective fraud prevention.

Further, 18% avoid new payment methods because they simply don't understand them, pointing to a persistent need for additional consumer education. Another ~25% avoid new methods due to perceived high fees and poor UX.

What prevents consumers from using new payment methods?



What customers are saying



I've had a bad experience once, so I avoid trying new methods.

I don't like giving my bank info to new platforms.



I only use methods I know. If it's not FNB or Capitec, I don't trust it.

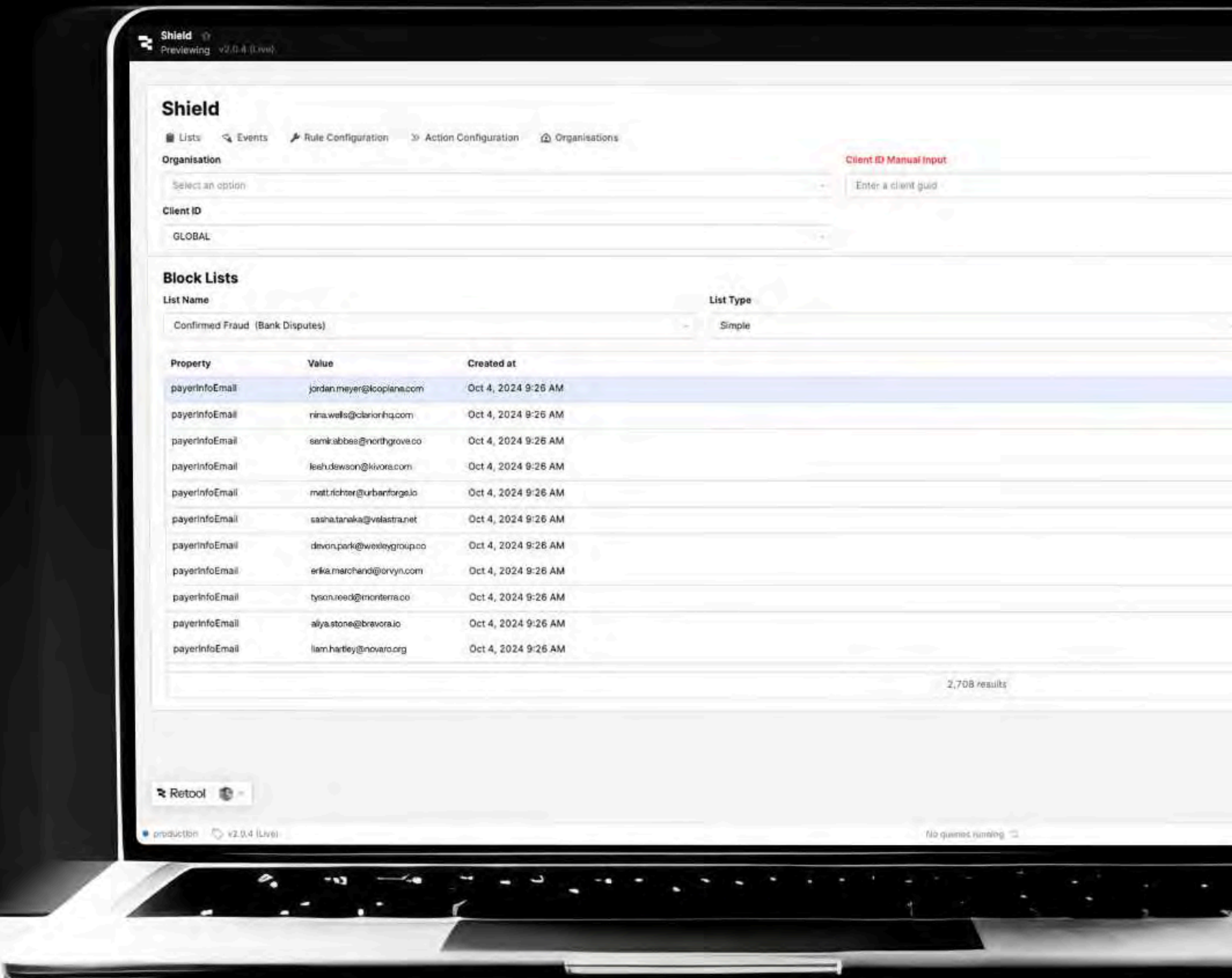


Stitch Shield

Trained on high-volume transaction data across multiple industries, including dispute data from all major banks in South Africa, Stitch has developed a unique fraud-prevention tool called Shield, to help clients detect and prevent potential fraud, faster.

Shield flags suspicious transactions, either based on predefined rules or through machine learning, to prevent fraud and chargebacks. We'll recommend industry-specific and use case dependent rules and implement these alongside merchants. Rules can be configured to automatically block transactions as soon as they are triggered, ensuring the transaction will not be successful.

The result is that once fraudulent activities and transactions are identified, the transactions can be canceled and the payer blocked across all Stitch merchants. If fraud is suspected, Shield can also delay transaction settlements and alert a merchant to investigate the user or account further until a conclusion is reached.





How traditional payment methods
are faring

How traditional payment methods are faring

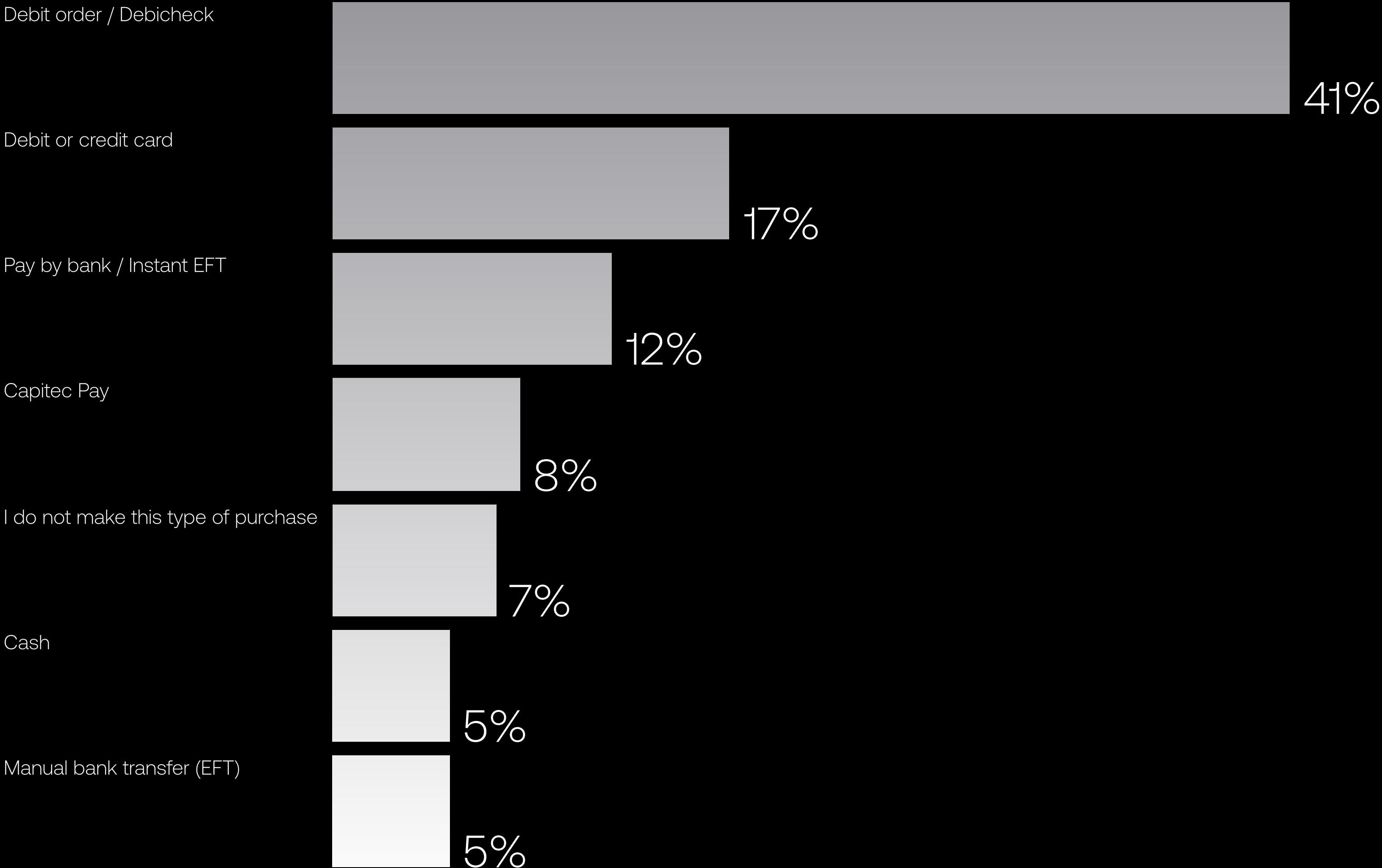
From ongoing preference for cash, to continued dominance of card payments in-store and online, traditional payment methods still hold a significant place for South African consumers. Some methods, like debit order, remain the only option for particular types of payments, despite increasingly negative sentiment around the way these payments are handled and processed.

Debit order sentiment has seen brighter days

Particularly in the insurance space, dissatisfaction with debit order handling – and in particular, prevalence of unauthorised debits, overcharging and errors – has been a topic of conversation online among consumers.

Though debit order remains the most popular method for insurance premium payments (41%) and debt or loan repayments (38%), consumers are presenting a growing demand for the ability to use alternative methods for these and other recurring payments.

Payment methods used for insurance premiums



While debit order payments themselves do not necessarily result in negative experiences, consumers are finding issues with the way they are processed and managed, leading to significantly negative sentiment in online conversations. We explored this deeper in the case of insurance premium payments.

Issues with debit order payments for insurance premiums centre around unauthorised debits, billing errors, continued charges post-cancellation and delays receiving refunds from erroneous charges.

Sentiment around the debit order payments experience in the insurance space

2%

Positive

13%

Neutral

85%

Negative

Online conversations discussing debit order processing for insurance premiums



Please advise why you've been double debiting my bank account. It's now 3 months. This is a huge inconvenience as I have other commitments. Please refund my money. (1 star)

How am I supposed to go to work on monday when you just took money out of my account. My debit Order is the 23rd. What must I do!!!!!!!!!!!!!!!!!!!!!!



Sanlam has debited my account several times and I have not signed up with them with regards any policy or life insurance but they debited my account. I have never spoken with any agent with regards to this. (1 star)

From my personal payslip, I am noticing a debit order that I never signed up for from Hollard (Life Wise) an amount of R172. I don't know how is that even possible and I want it to be cancelled as soon as possible (1 star)



Data sourced by DataEQ from online conversations over the 12 months leading up to March 2025.

Online conversations discussing debit order processing for insurance premiums



is there a reason for my account to be debited around R7000 even with the fact that i had cancelled and opted for another insurance, when all the right steps were followed ??



is it normal for you guys to keep debiting from people even AFTER they've canceled their contract with you and you sent them a letter of cancelation???? You've debited twice in 2 days!!!!



has been double debiting me on the same car for over 18 months now. I queried this issue more than a month ago and they keep promising to refund me the money due to me for incorrect processing on their part. I have not been refunded to date

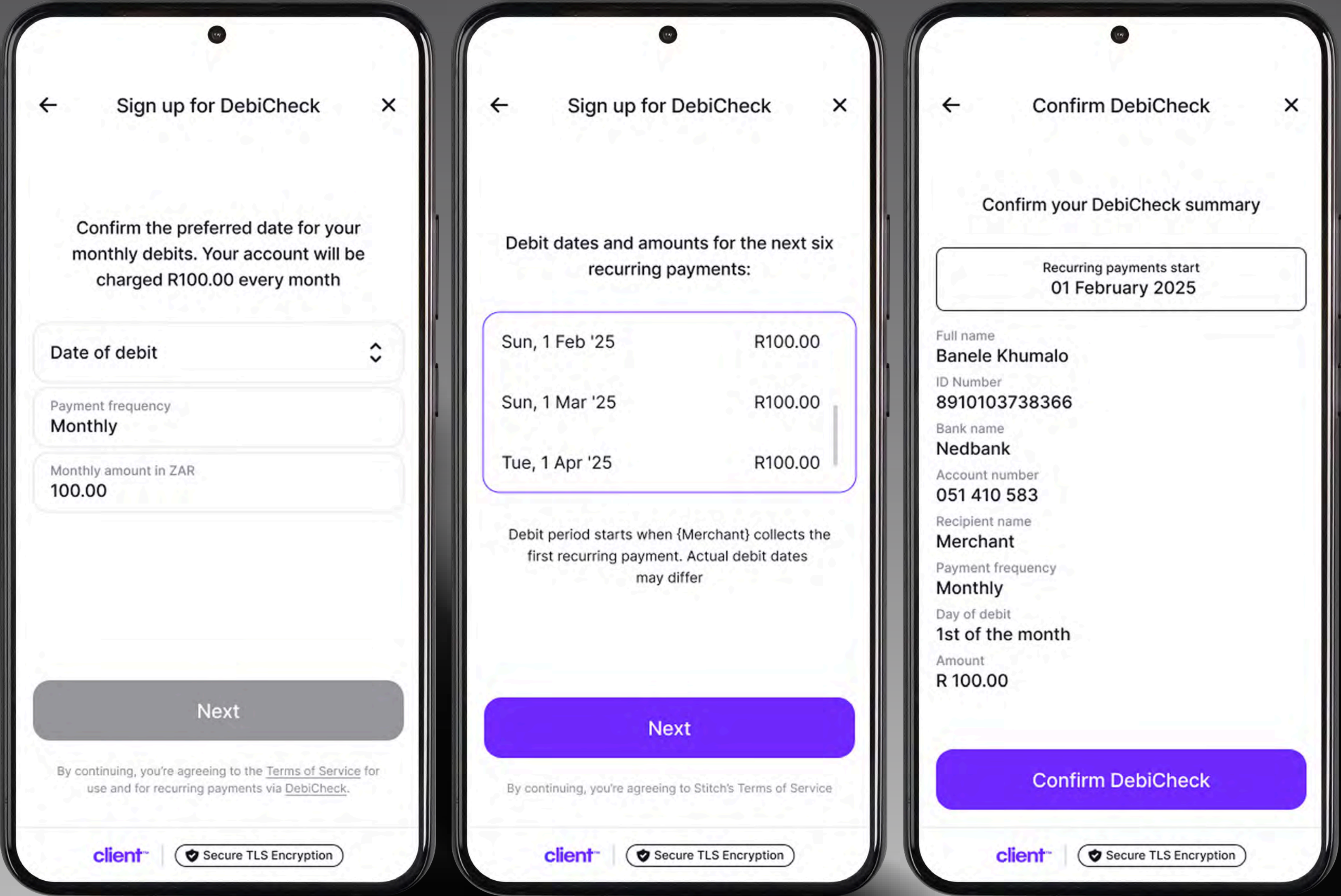


debited R2000 from my account with so many failed attempts to get my refund no response to emails, I keep being referred to one email to the other#please help

Data sourced by DataEQ from online conversations over the 12 months leading up to March 2025.

Noting these challenges, many businesses are considering a move from debit order over to DebiCheck as a more secure option. All DebiCheck mandates are signed digitally via the customer’s bank, and can be tracked and verified, making it much more difficult for customers to refute a transaction.

However, DebiCheck mandates also need to be processed and managed effectively to avoid high fees, failed collections and unauthorised debit attempts – including ensuring mandate and account information is kept up to date.



Cleaning data + improving processes to boost collection rates at a leading SA collections business

Stitch conducted a time-bound POC with a major collections-based business in South Africa, to see if we could help them improve their collections rates and reduce bank fees.

After cleaning their data, understanding the reasons for failed collections and establishing a fallback bank, we were able to collect on 74% of previously uncollectable mandates. This resulted in more funds collected, lower fees from failed transaction attempts and a reduction in operational overhead.

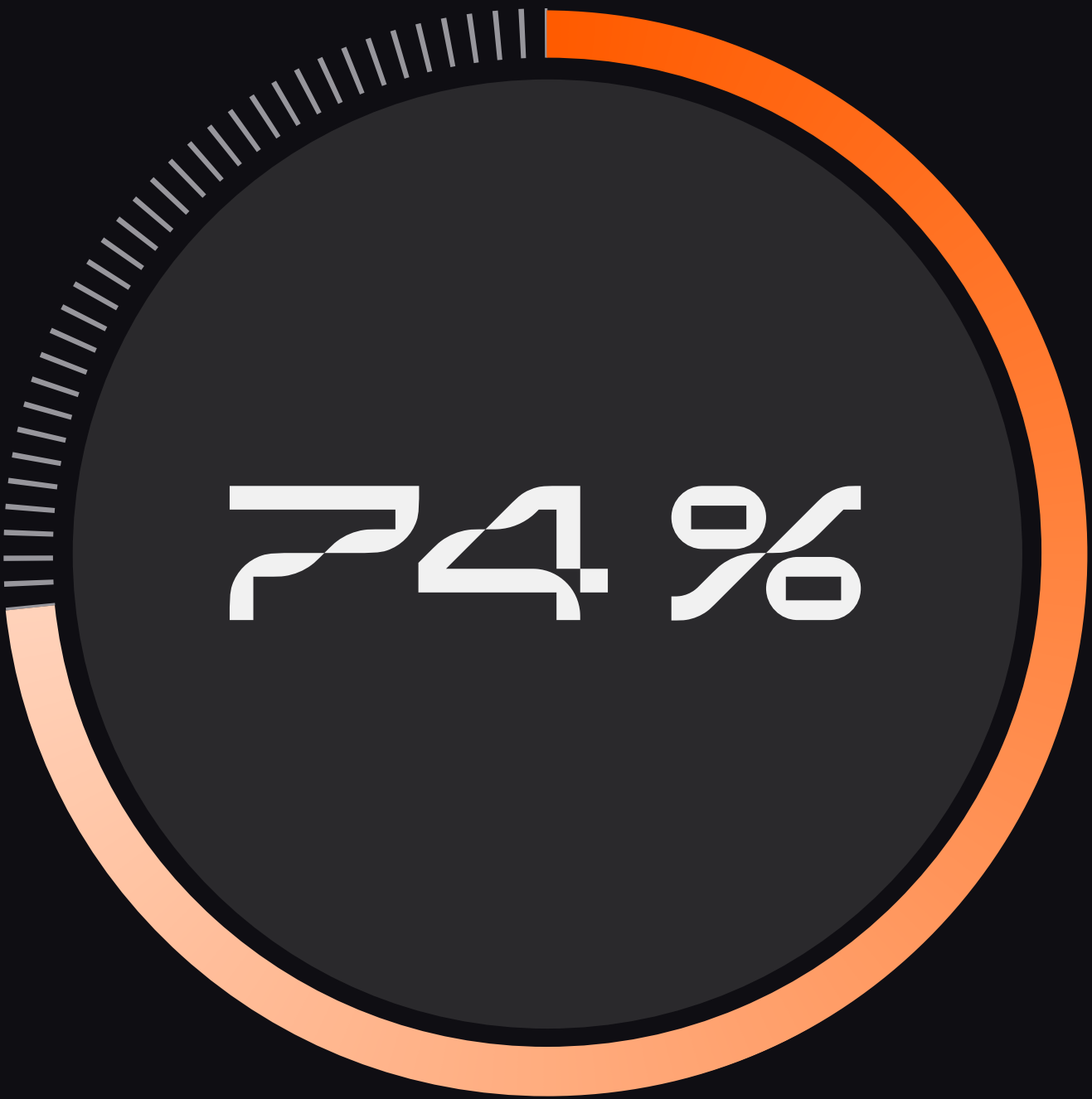
Proper collections processes also ensure fewer complaints and inbound support requests from customers.

In addition to sound DebiCheck processing, businesses can benefit from offering customers more choice in payment methods for regular and recurring payments – including card, VRP and Pay by bank. These methods can be saved for regular debits, used for one-off payments in the event of a missed payment, or used to pay off a portion of debt in advance.

Failure reasons



Percent of mandates collected on that had been deemed uncollectable



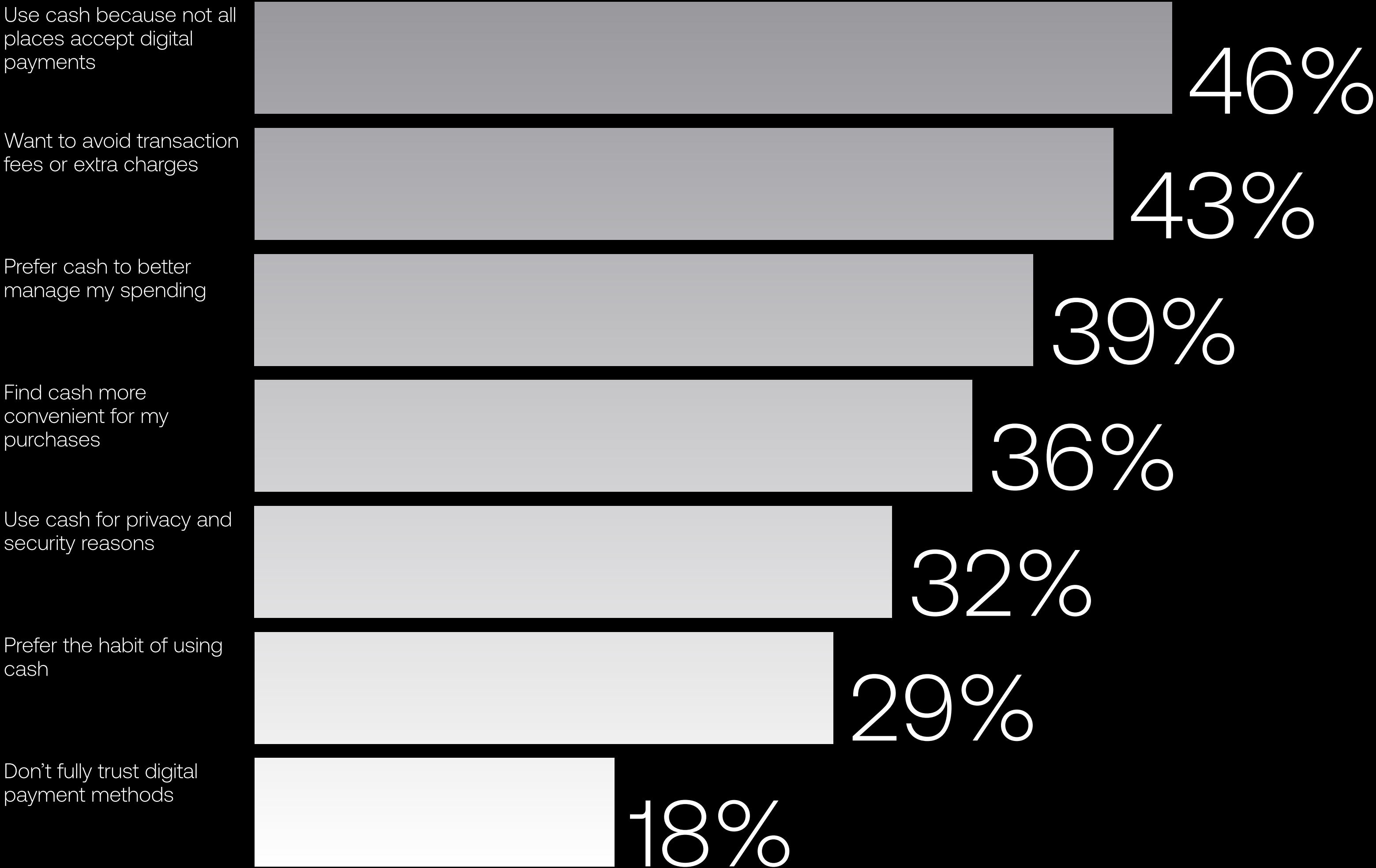
Despite high willingness to try new methods, cash usage persists

In our survey, a significant proportion of consumers still indicated cash as a preferred method, for both online and in store purchases.

Of those that indicated a preference for cash, when asked why they prefer this method, the majority of consumers highlighted that it’s still not possible to use digital methods in many places where they shop. Others indicated a desire to avoid fees, better manage their personal spending and for convenience and security.

Interestingly, lack of trust in digital methods was low on the list of reasons for cash preference, with just 18% indicating this was driving their continued use of cash. This is a bit of a contrast to previous reports, where lack of trust in financial institutions ranked definitively higher for those that still prefer cash payments.

Reasons for using cash rather than digital payment methods

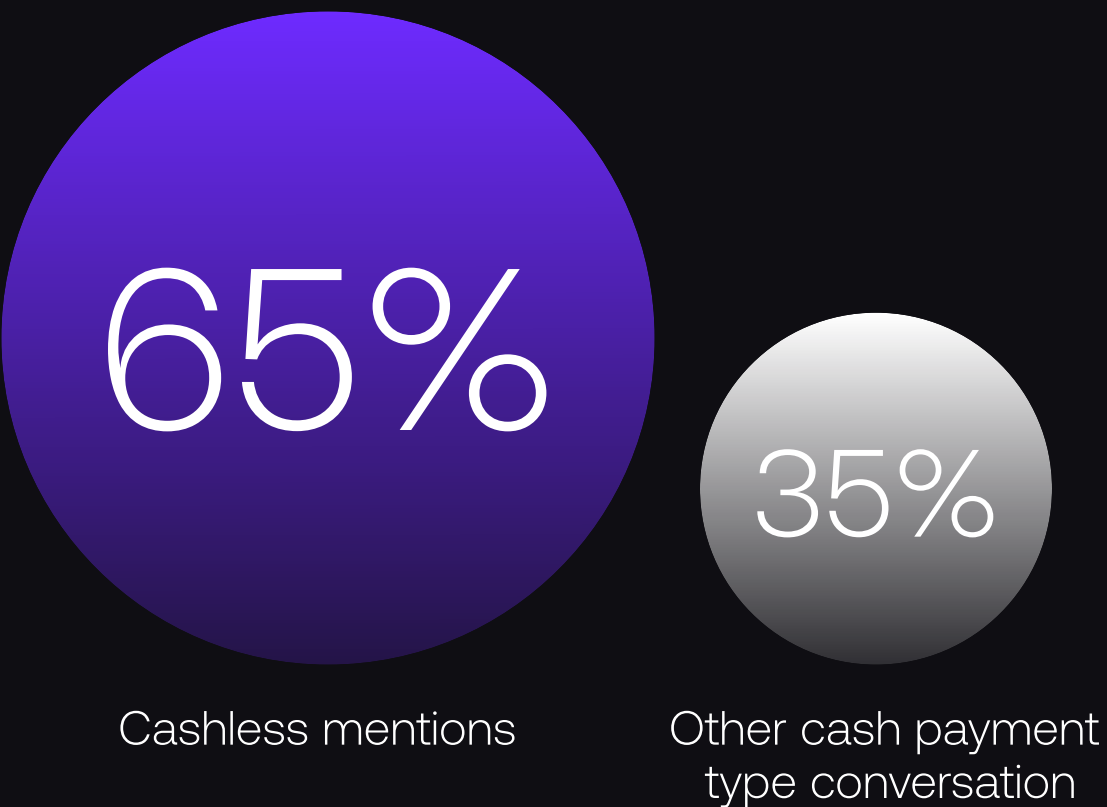


Overview

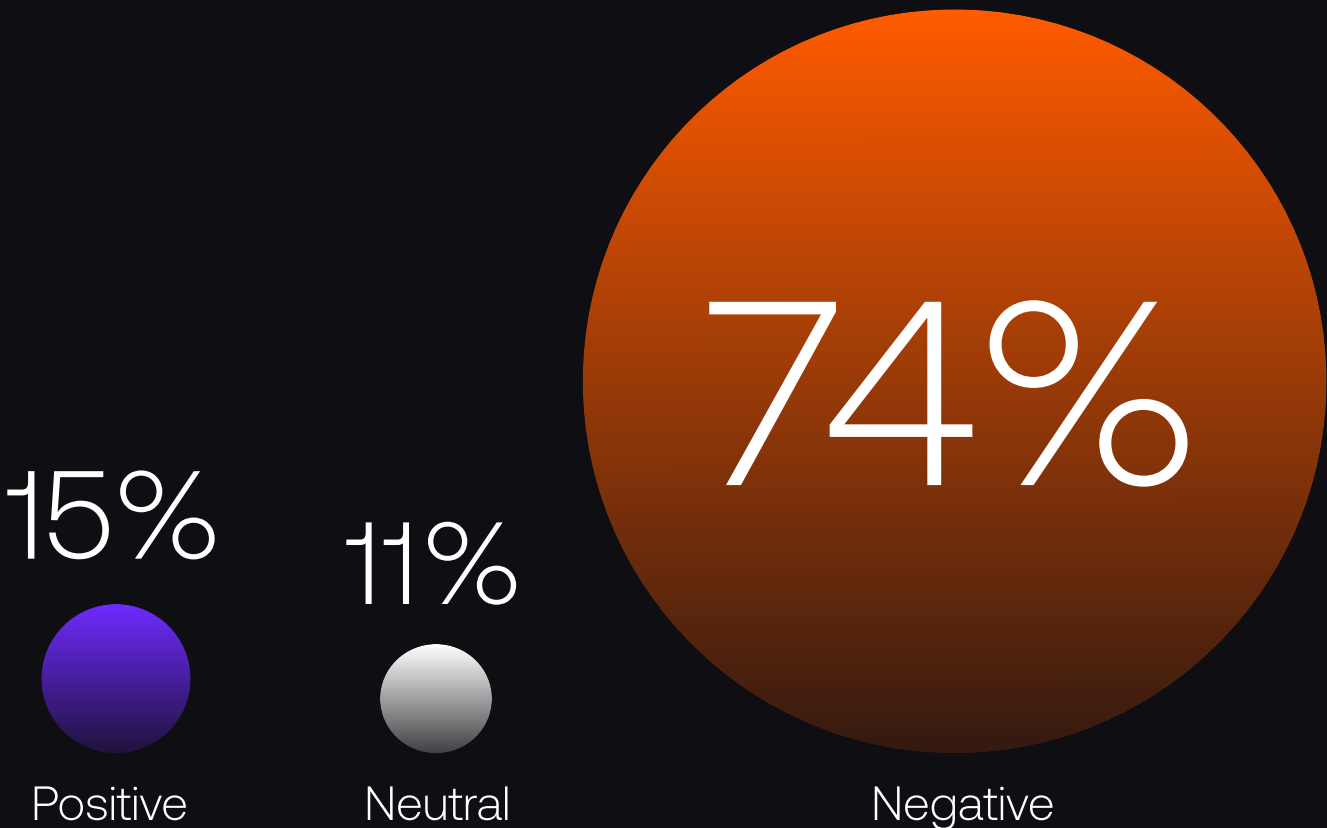
Some major retailers have tried to force the jump away from cash transactions one piece at a time. Over the last year, Woolworth’s Cafe went cashless, sparking conversation across the internet around this decision and whether many customers still preferred cash payments at their stores.

Many of those conversations were more negative in sentiment, as many questioned whether the mass market is ready to move entirely to digital payments. It also led to uncertainty around what happens to things like tips for staff if cash is no longer allowed.

References of “cashless” in Woolworth's Cafe cash payment conversations

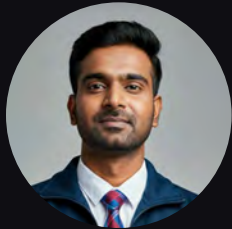


Sentiment towards Woolworth's cafe cashless



Woolies has gone cashless, so I couldn't tip the barista who made my coffee. She's not happy about card tips because Woolies takes 4% of what we leave. Why is Woolies taking a cut of their tips?

10 Nov 2024 16:59



Why are people mad that Woolworths cafe is going cashless? what's the real issue here? They've probably realised their customers use electronic payments maybe

7 Jan 11:04



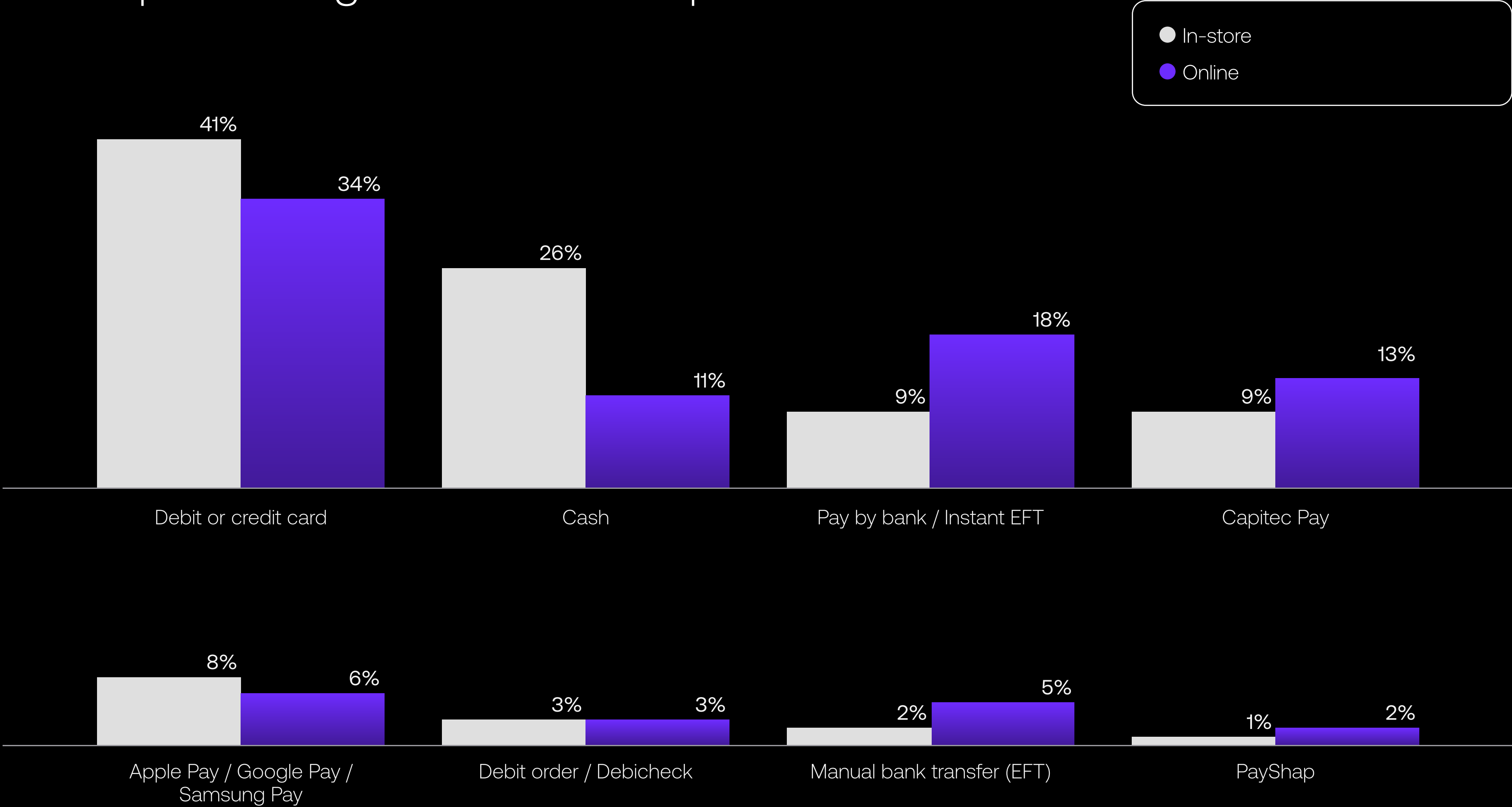
Woolworths going cashless really is discriminatory in my opinion cause not every person has the luxury to keep cash in their cards let alone not be affected by bank charges, to some people every cent literally counts.

7 Jan 2024 08:59

Our survey results indicated cash retains a stronghold, particularly for in-store food and grocery purchases (26%) while also remaining relevant for online food and grocery purchases, via cash on delivery (11%).

This insight means we’re not there yet when it comes to a more comprehensive move to digital payments. While those who do make cash payments may not do so for every purchase across the board, many are still demanding the right to choose cash as an option wherever they pay.

Which of the following payment methods do you most prefer for groceries or food purchases?



What customers are saying



Digital is fine, but why must I pay extra to use it?

I use cash because shops near me don't have machines.



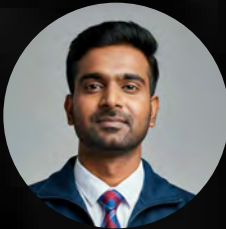
Cash is accepted everywhere. My card? Not always.

I hate having to switch apps or re-enter everything.



Some days there's no signal or electricity. Cash works.

It's easier to track my money when I use cash.



I feel like [online shopping] is not safe because you might end up pay wrong person it is not safe at all to give someone you cannot see your money.



Consumer payments preferences:
top preferred methods

Consumer payments preferences: top preferred methods

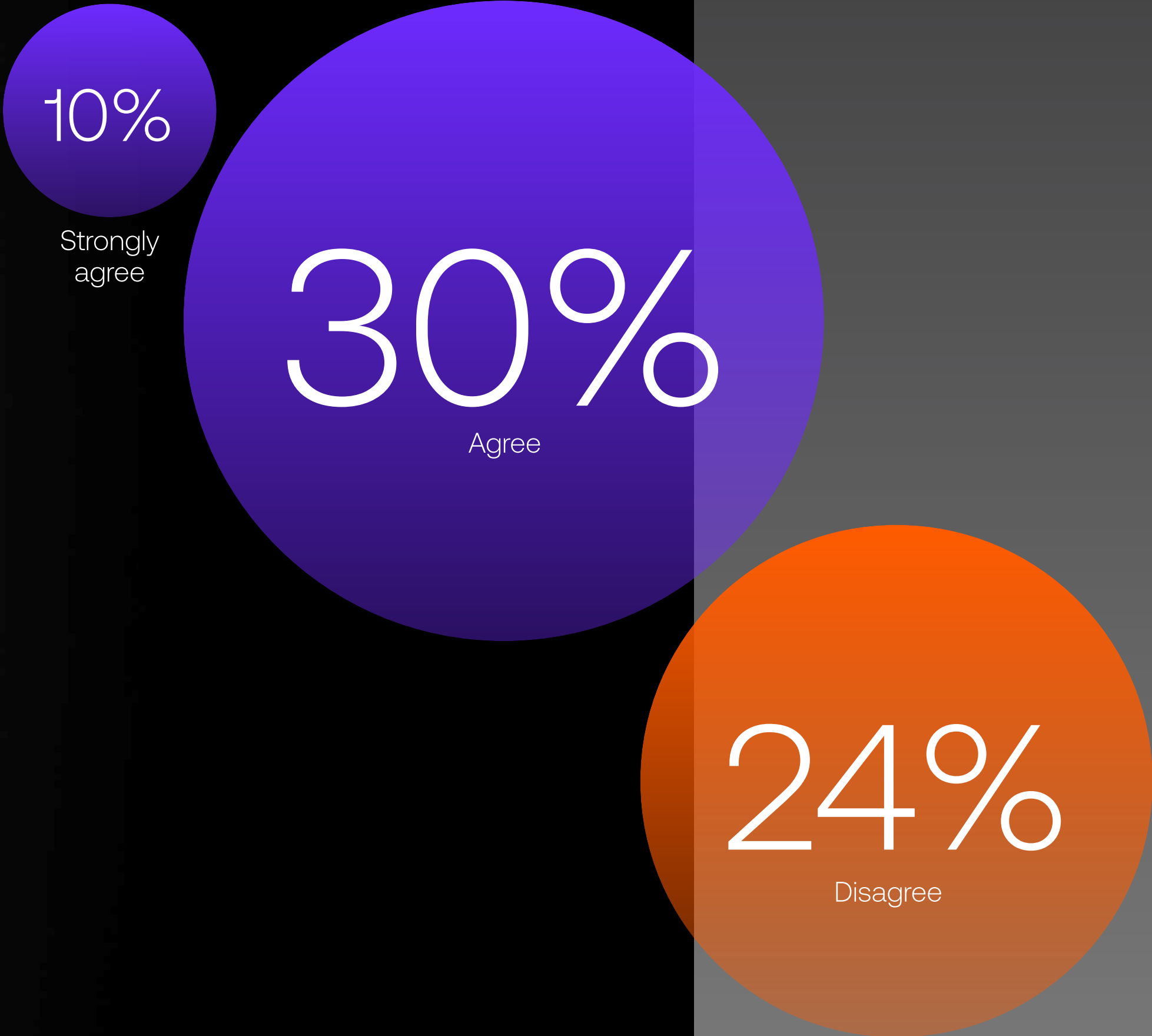
While in-person payments still represent the majority of transactions, more consumers are gaining confidence in purchasing everyday items online. Businesses and financial players have had to optimise and update their payments stack to better meet the needs of these more digitally savvy consumers, who increasingly demand – and expect – a fast and seamless checkout experience.

As a result, payment method preferences continue to evolve, with trends arising based on the type of transaction customers are making. New and alternative methods are gaining traction in areas once dominated by cash and card preferences.

When asked to what extent consumers agree or disagree with the statement: *"Online purchases are more secure than in-store purchases"*, 30.3% agreed that online transactions felt more secure, with more than 10% agreeing strongly.

Only 24% disagreed with the statement, showing that trust is rising when it comes to online shopping. For those that disagreed, their concerns were often anchored on elements of trust and accountability – the ability to physically see their goods and receive a receipt, or to have a person they can speak with in the event something goes wrong.

“Online purchases are more secure than in-store purchases”



What customers are saying



I still prefer in-store – I can see who I’m paying and I get my receipt.

Online feels anonymous. What if it goes wrong?

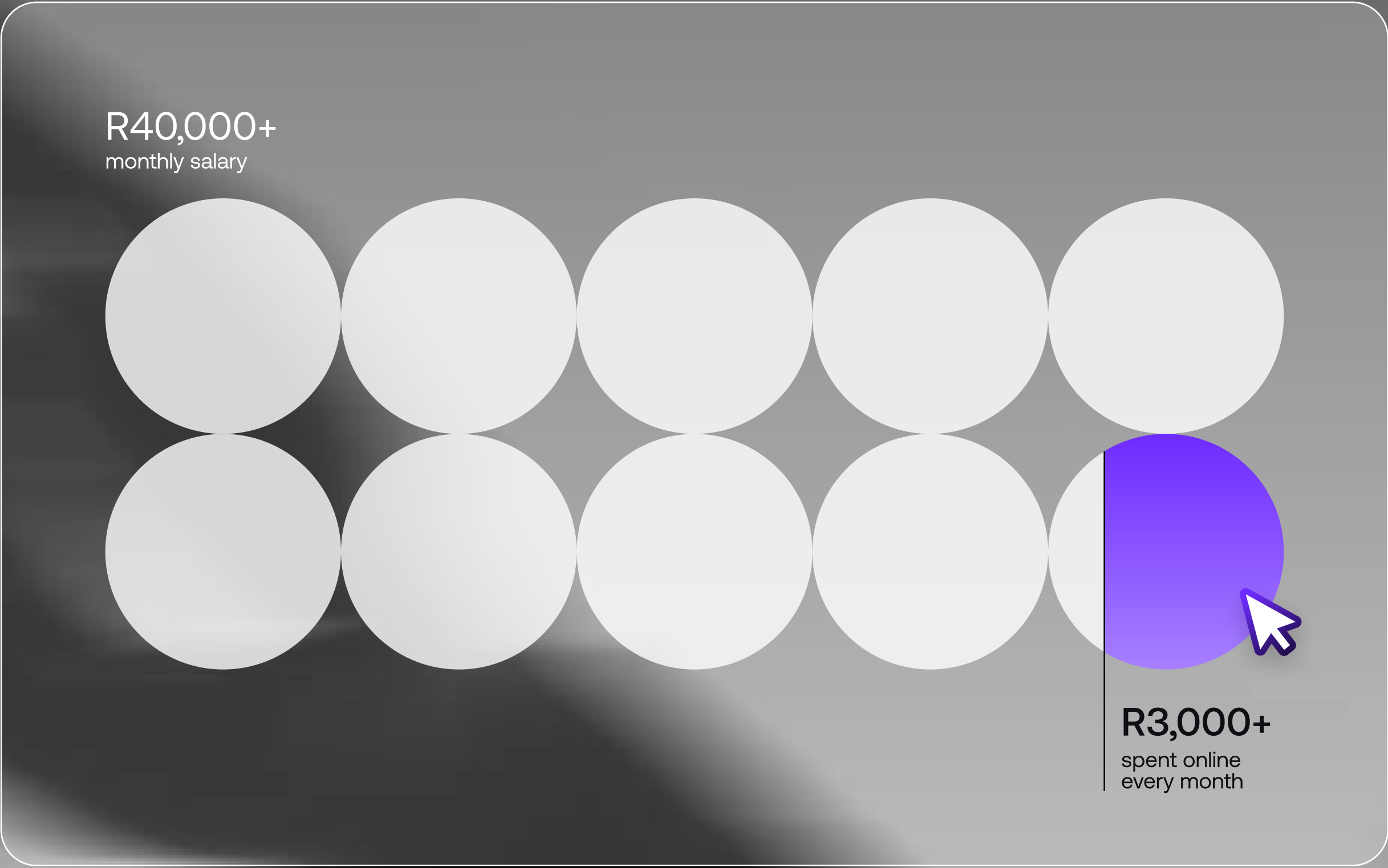


I trust my banking app more than a card machine in a shop.

What are South Africans spending online per month, on average?

Those that are shopping online are spending a significant proportion of their monthly income on those purchases.

Perhaps unsurprisingly, the average amount spent online increases according to income level, with those earning R40,000+ per month spending more online on average than R3,000 online each month.



Preferred methods used for payments vary according to the item being purchased – particularly for online payments, where consumers often have more choice.

Insights



Cards are still king

for food-related commerce, apparel and household goods where speed and reliability matter.



Bank-based methods are increasingly relevant,

even in fast-turnaround commerce. Pay by bank and Capitec Pay are 2nd and 3rd most preferred for online purchases.

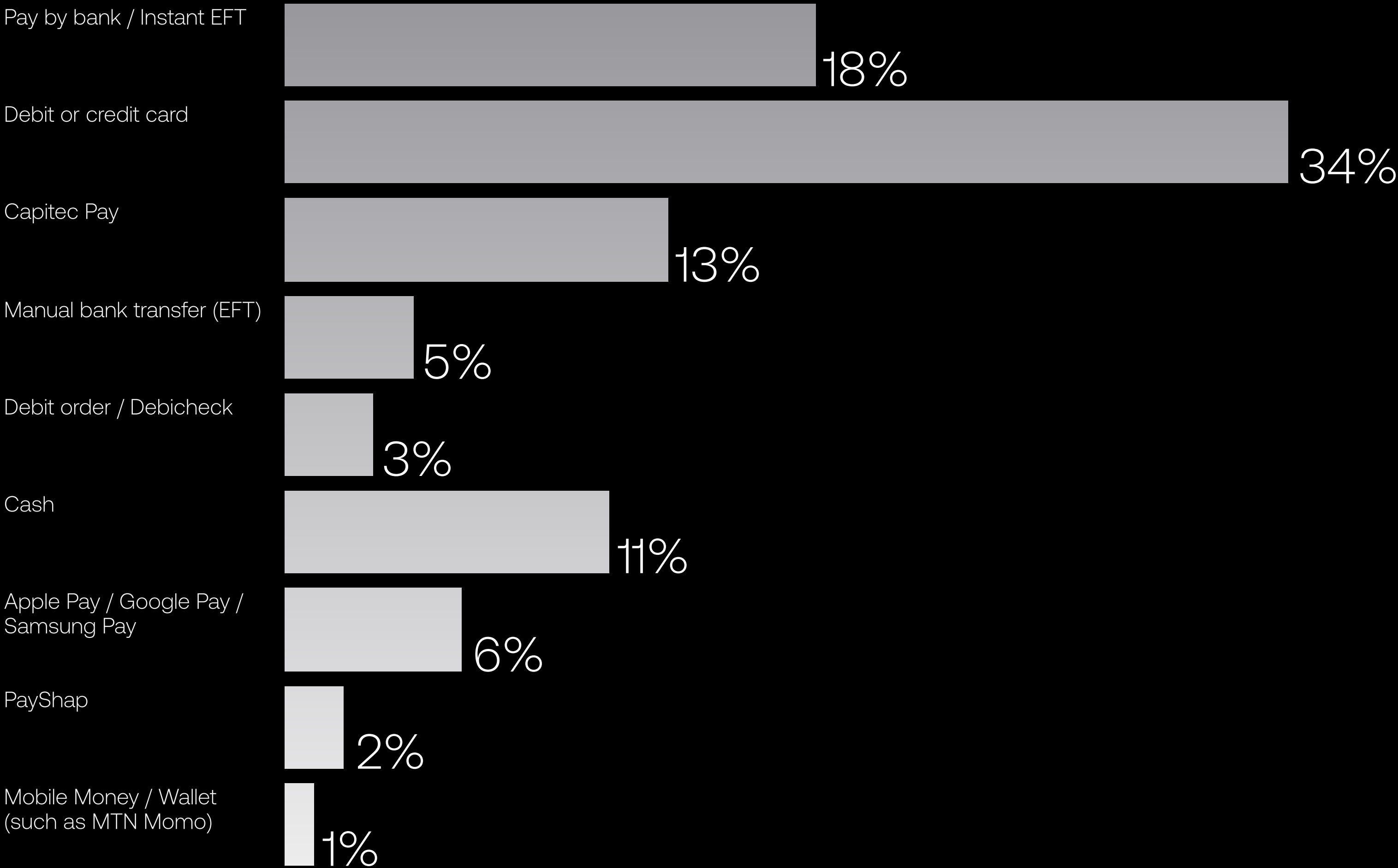


Cash-on-delivery is still a significant fallback for ~10% of respondents.

This signals ongoing trust gaps in digital transactions and accessibility issues, especially for lower-income or rural segments.

For purchases of online food + groceries, as well as apparel and household items, preference for alternative methods such as Pay by bank (18%), Capitec Pay (13%) and digital wallets (6%) is steadily growing, taking on card's lead at 34%.

Which of the following payment methods do you most prefer for online groceries or food purchases?



What customers are saying



I use Capitec Pay for groceries now because it's quicker than entering card details.

Cash is safer when I'm not sure if the app will work properly.



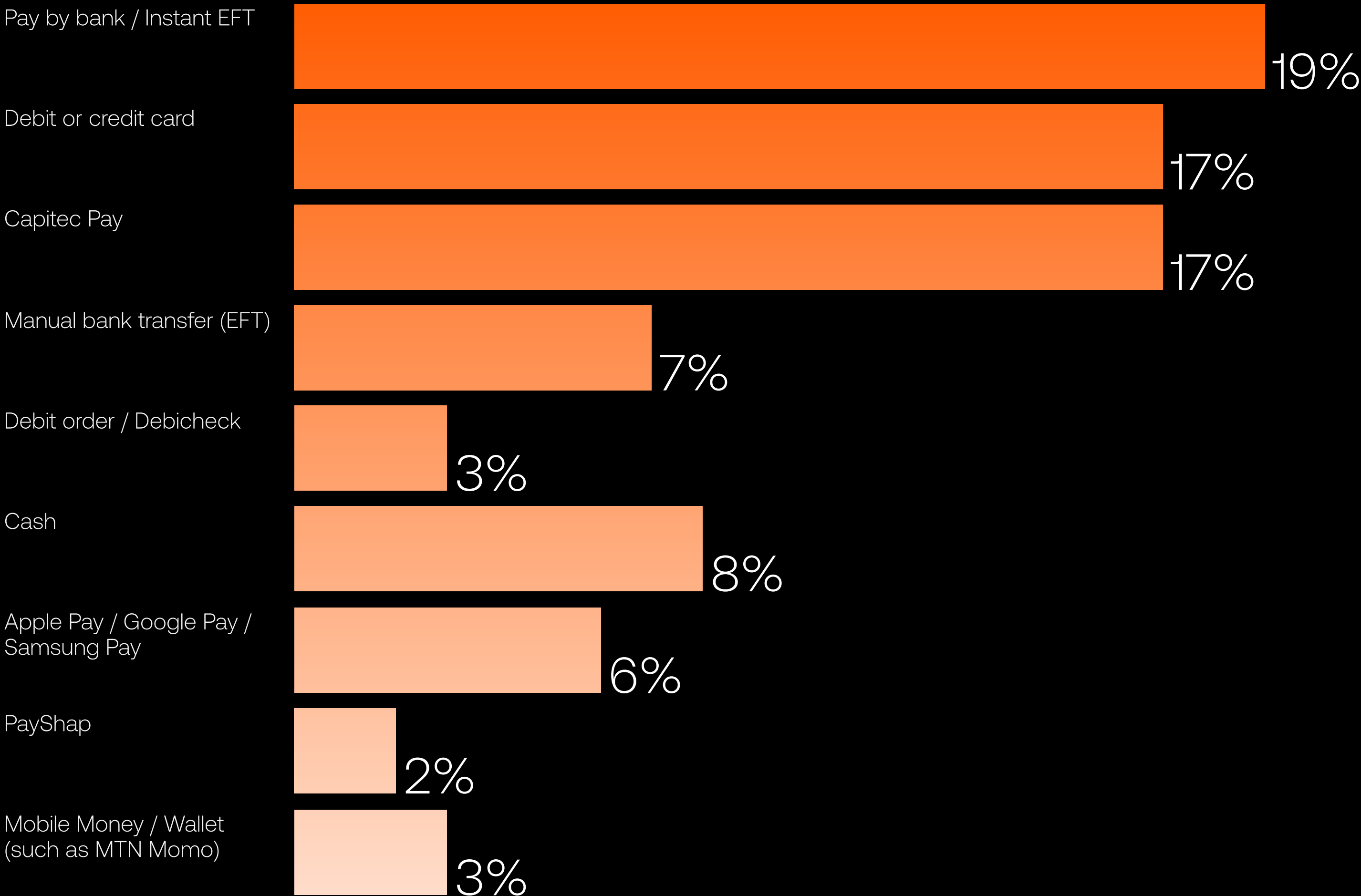
Scan to pay is convenient at pick-up points.

Make it easier to use rewards with payments — not harder.



When looking at purchases outside of retail and e-commerce, however, method preferences look different. For top-ups and deposits into online gaming and betting accounts, Pay by bank has edged out card as the most preferred method, with Capitec Pay coming in tied for second place.

Which of the following payment methods do you most prefer for top-ups into online gaming or betting accounts?



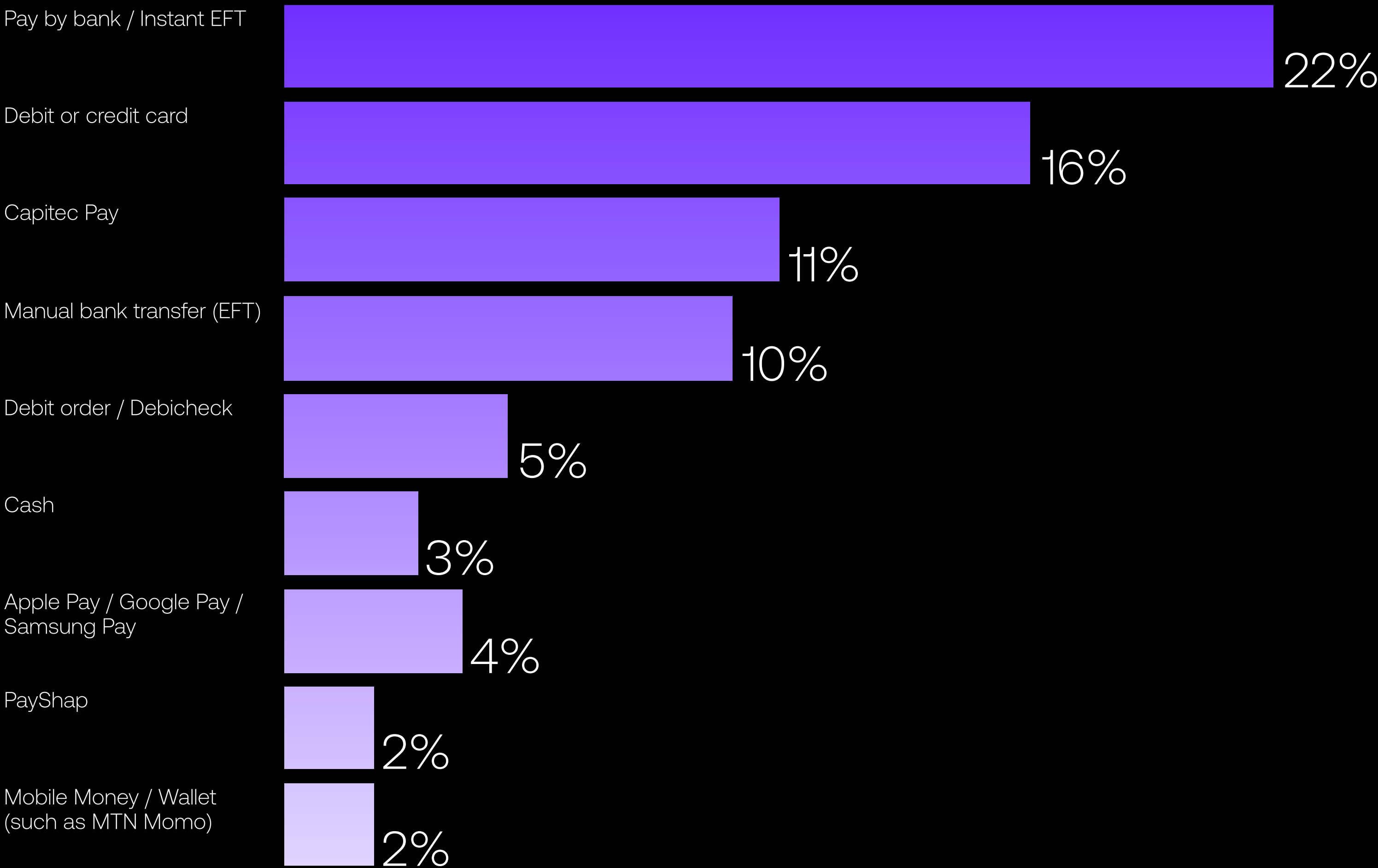
In some instances, this may also be due to the fact that card is not offered as an option for certain account holders. However, in high stakes industries like gaming, timing can be everything. One-click deposits with fast allocation times offered by methods like Pay by bank can become a significant advantage for gaming platforms, when the difference of a few seconds can be a game changer for punters and gamers.

It is perhaps unsurprising that as they are offered by more and more businesses in this space, Apple, Google + Samsung Pay are also beginning to rise as preferred methods due to their one-click nature.

Interestingly, the gap between Pay by bank and card becomes even more significant when it comes to deposits for financial, crypto or investment accounts. Customers in this sector prefer to deposit directly from their bank accounts – via Pay by bank (22%), manual transfer (10%) or Capitec Pay (11%) – vs card (16%).

Methods like PayShap and MoMo are nascent at 2-3% preference across sectors, but still make an appearance as preferences for a small number of consumers.

Which of the following payment methods do you most prefer for top-ups into financial, crypto or investment accounts?



Growing demand for new methods at POS

Pay by bank, Capitec Pay and digital wallets are cutting into the lead card and cash hold for in-person payments

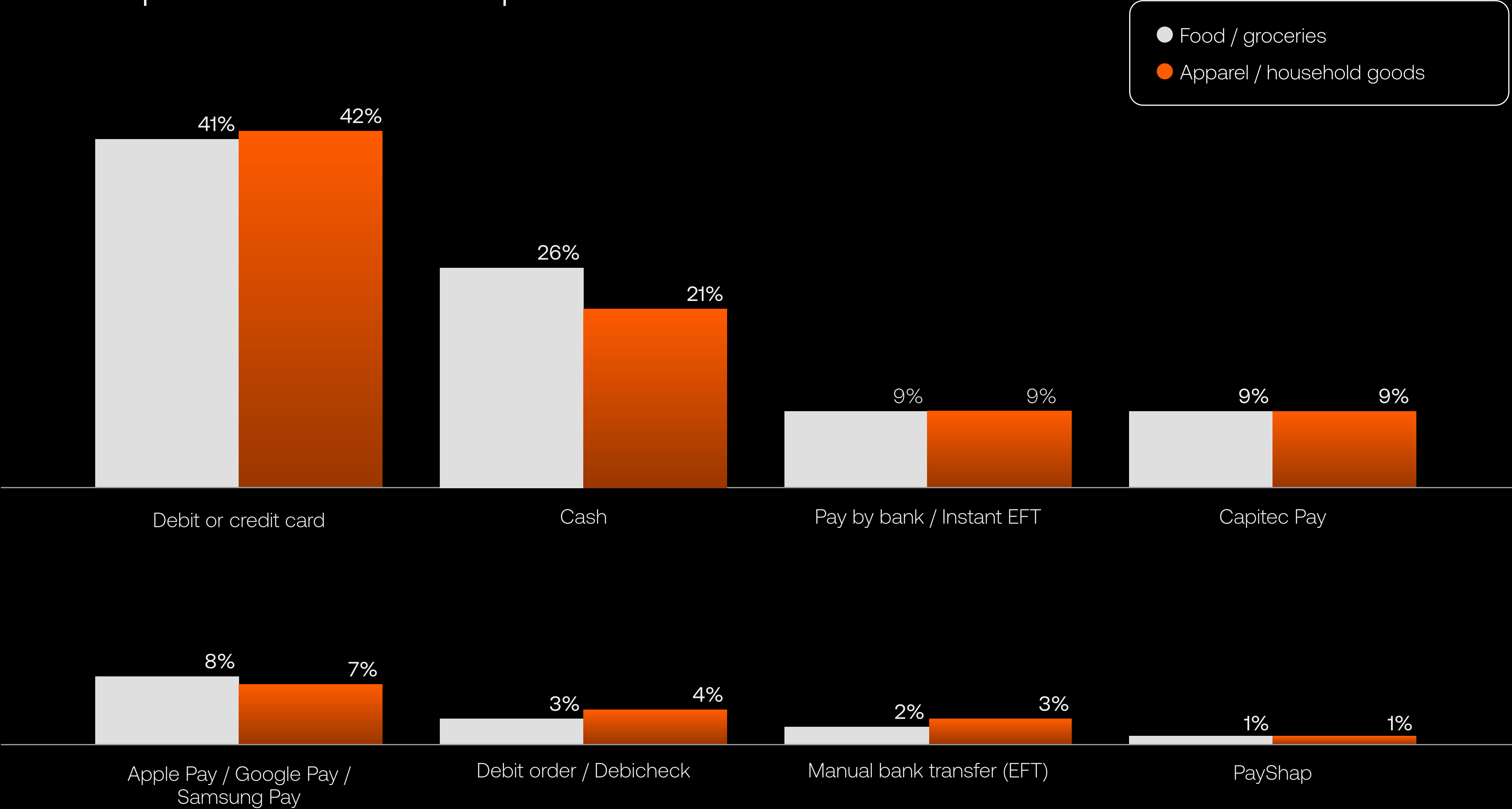
Unsurprisingly, card remains the most popular method for in-person purchases. But it cannot be understated that cash remains not far behind. 26% of consumers still prefer to pay for food and groceries using cash, compared to 41% that prefer card, while 21% use cash for in-person apparel and home goods purchases, vs 42% that prefer card.

Newer methods, however, such as Capitec Pay, Pay by bank and wallets like Apple, Google and Samsung Pay also now represent a significant portion of preferred methods, even for in-person payments. These were collectively selected by 25% of consumers. This growing demand continues to erode the lead card and cash hold as preferred methods and demonstrates that consumers are willing to use methods that offer additional benefits.



One in four consumers prefer to pay via alternative methods like Capitec Pay, Pay by bank and digital wallets at in-person checkout

Which of the following payment methods do you most prefer for in-store purchases?



What customers are saying

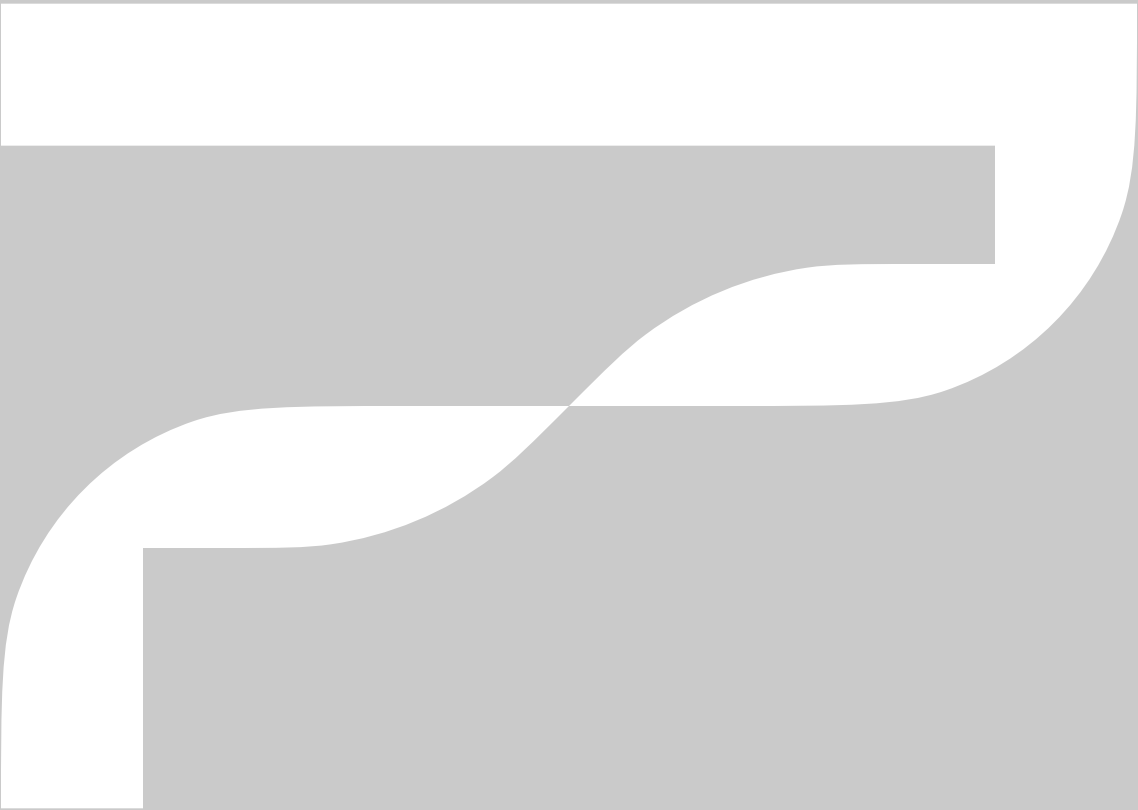
I like using Capitec Pay at shops because it's fast and I don't need a card.



Cash is easier where machines don't work or there's load shedding.

I just scan the QR and it's done — no PIN, no fuss.





Indicators of safety and security

Indicators of safety and security

Whether paying via traditional or alternative methods, online or in-store, the knowledge that a transaction is safe and secure – and won’t result in fraud – remains a number one concern for consumers when it comes to payments. Above all else, signals of insecurity or safety-related red flags can cause a customer to abandon the payment.

What indicates safe and secure transactions for consumers shopping online?

For consumers, fraud prevention and security measures such as 2-factor authentication (2FA), OTPs and biometric authentication all indicate that the merchant they are paying has taken appropriate steps to ensure payment security – even if these initiatives add an extra step in the payment process.

What makes you feel an online payment is safe?

59%

“I am asked for two-factor authentication (2FA) when making the payment”

56%

“I can authorise a payment using biometric authentication”

49%

“There is a clear privacy / data protection policy”

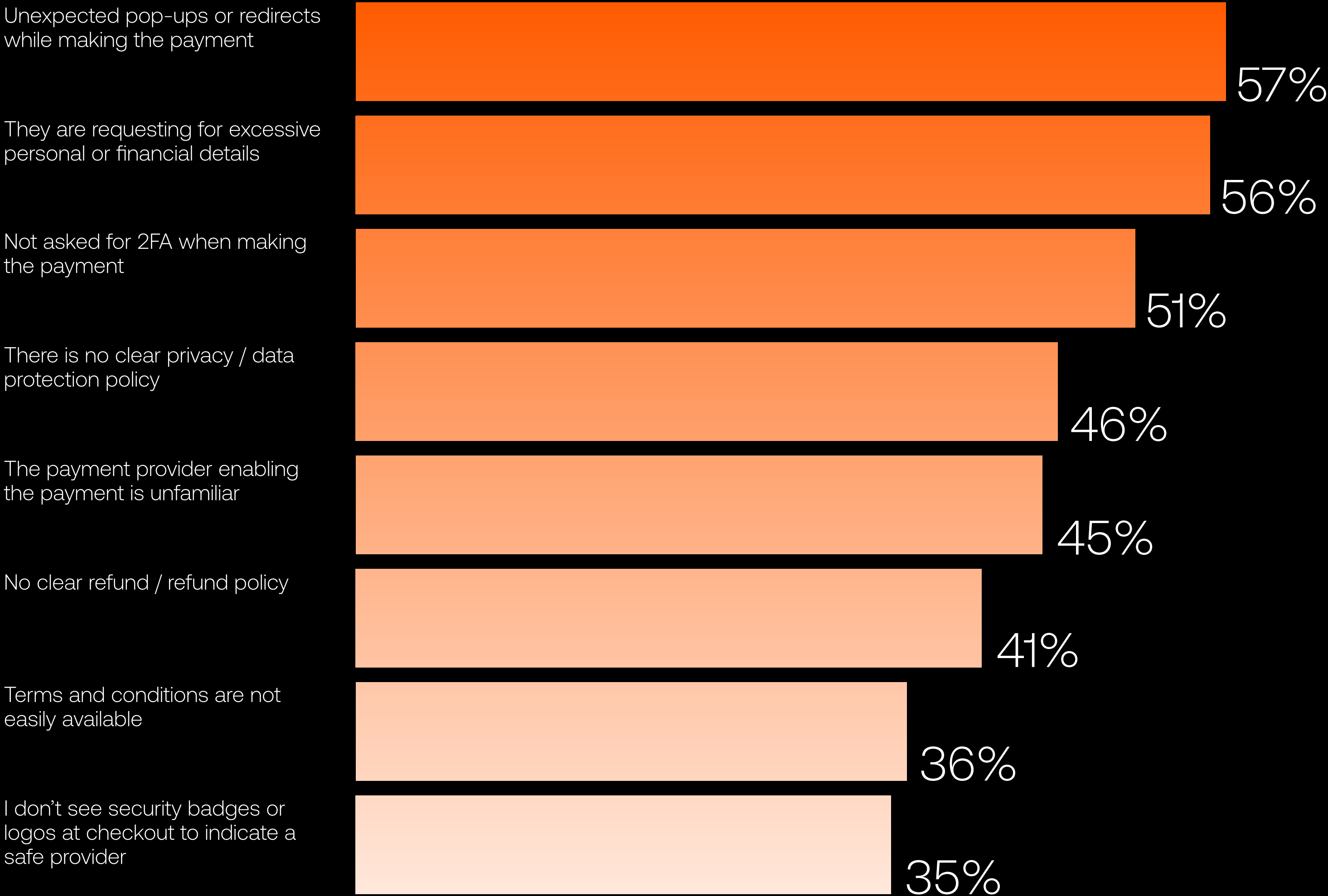
46%

“I recognise the payment provider that is enabling the payment”

Alternatively, interruptions such as too many popups or redirects are the number one red flag for consumers, indicating a potential security threat – followed by too many requests for personal information and lack of 2FA or OTP authentication.

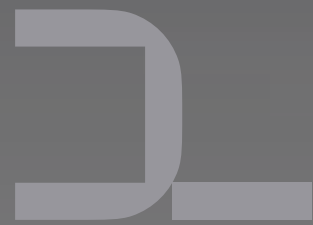
45% of consumers indicated that they would not feel safe making a payment online if they did not recognise the payment provider. This is where tools like whitelabeling can go a long way toward building trust, as consumers also trust the merchant they’re paying into.

What would make you worry that an online payment isn’t safe?



In-store payment preferences saw a similar trend. Recognising the provider and the ability to choose between several payment methods were the biggest drivers of trust. 38% also indicated that the ability to use contactless payments would make them feel the payment is more secure.

Insights



Safety ≠ only encryption

Consumers associate safety with **transparency, legitimacy, and frictionless verification**, not just technical security.



Redirection triggers suspicion

Too many redirects break the expectation of a consistent, seamless checkout flow.



Clarity creates confidence

Absence of visible privacy, T&Cs, refund policies reduces trust—even if the backend is secure.



Low trust in unknown providers

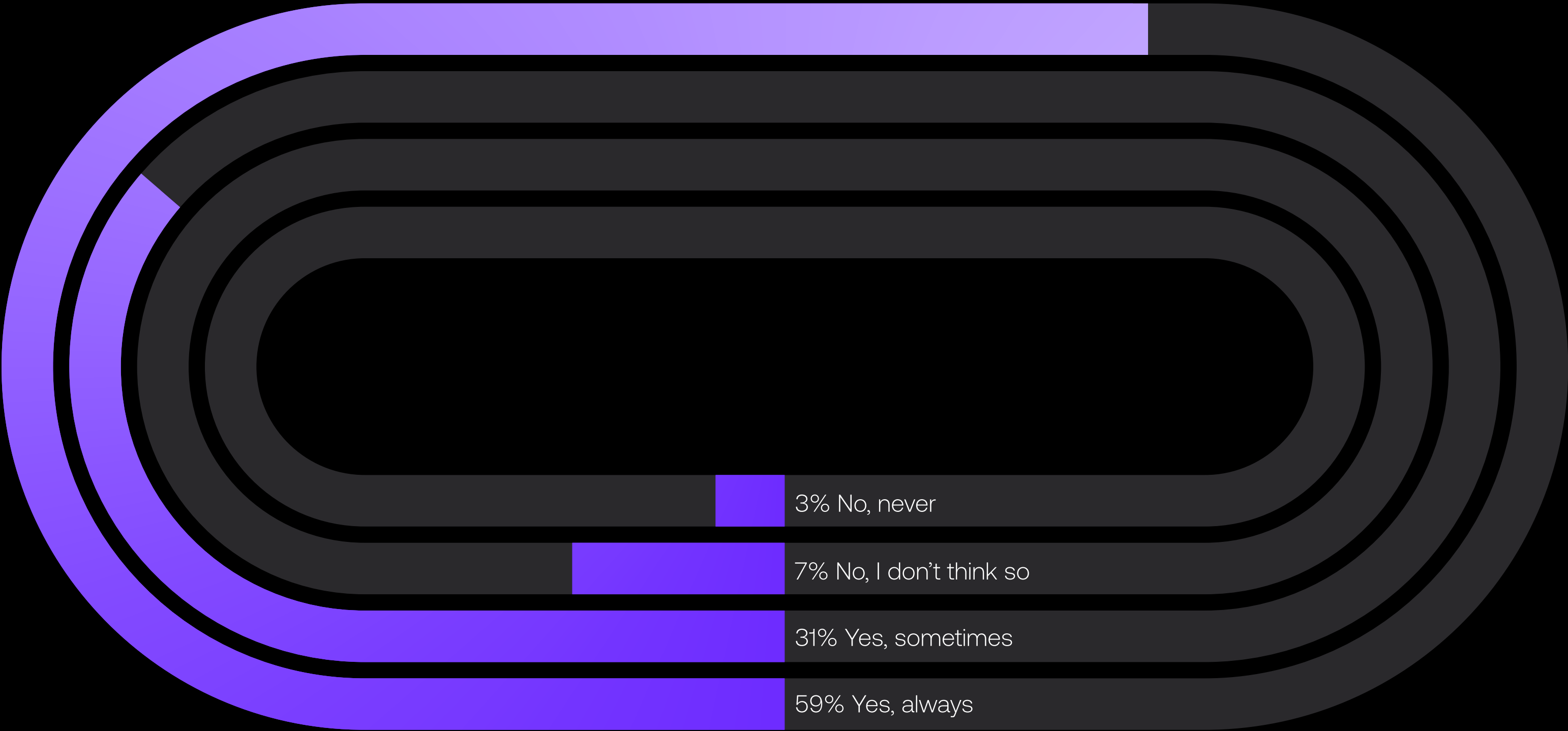
Brand familiarity = perceived safety. Whitelabeling payments to leverage the merchant brand can help to build trust.

Biometric authentication in particular has emerged as a preferred way to authorise a payment across the board, given its seamlessness and sense of security.

When asked whether customers would prefer to use biometrics (e.g., fingerprints, facial recognition) or passkeys to approve a payment, if given the option, vs not using these methods, over 90% of respondents said they would prefer to use them. Only **7.2% are unsure**, and just **2.7% say they would never use them**.

Preference for these authentication methods is highest among high-income and urban segments, but trust and willingness are strong even among low-income users. Payments teams should consider accelerating deployment of passkeys, biometrics and tokenized flows — especially where mobile usage is high.

Would you prefer to use biometrics and/or passkeys to approve a payment?



What customers are saying



Allways asks to enter ccv number as an extra security measure and then uses extra verification by your banking app.



Checkouts that let me pay with my bank app are fast and easy. I feel safe because I know the interface.



It was smooth and effortless and made me feel so safe and secure to do the payment due to the fact I had to authorise the payment via my banking app.



the checkout was super easy, fast and they asked for biometrics for approval. It also redirected me to my banking app where i had to manually approve the purchase and it went through instantly.



I can link my virtual card to Apple pay making shopping safer



I bought things online for the first time and paying was so easy because they required face recognition so it was easy



The makings of a competitive
checkout experience

The makings of a competitive checkout experience

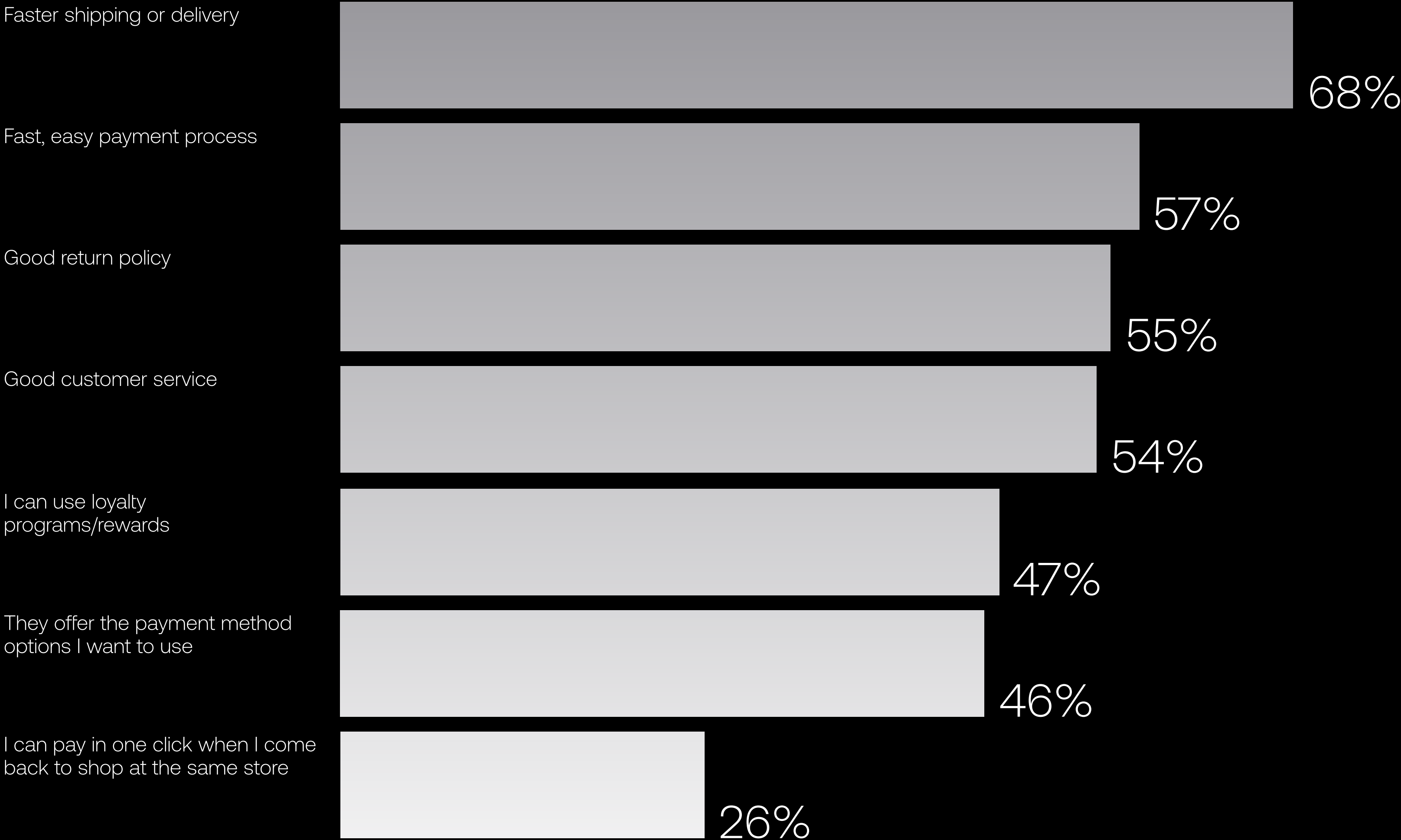
For any consumer-facing business, the point of checkout – and more specifically the point of payment – is the last step standing in the way of a successful sale. If a customer has reached the point of payment, they’re almost at the finish line. Any barriers preventing them from completing the purchase can have an impact on overall revenue.

A positive checkout experience can also serve as a competitive advantage for stores, sites and platforms in an otherwise saturated space.

When asked what, if anything, would convince consumers to choose one online shopping platform over another, if they were offering similar products at a similar price, **more than 57% indicated a fast, easy payment process** would be a game changer.

We asked consumers what they believe are the ingredients that made a checkout experience memorably positive overall. What stood out were indicators of safety and security, the availability of the payment methods customers prefer to use and fast, easy payment processes.

What matters most for a good online checkout experience?



What customers are saying

When asked to describe a particularly positive checkout experience, consumers kept coming back to experiences that offered quick, smooth and easy payments flows. Simple, fast refunds also featured as a major indicator of a positive experience.



For me the website remembers my preferences, searches and of course payment details. It really is a smooth experience, and the post-payment confirmations are swift and comprehensive.

It was easy to pay—I get rewards too.



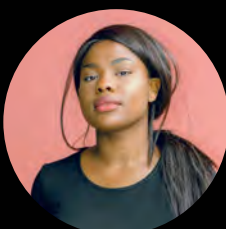
They offered multiple payments method and they're secure.

There was alot of payment options and it felt safe and secure.



I loved that the side had multiple payment option and it was secure and safe . Check out was easy.

I refer to delivery, Uber eats. It was positive as all my details are already saved, and everything is just one click. I get confirmation from Capitec immediately.



I was easily refunded for return hustle free.

What customers are saying

Alternatively, drivers such as high or unexpected fees, indicators of a potential lack of security in the payment process or perceived fraud, forcing customers to take extra steps like creating an account and delays or issues with refunds all contributed to a memorably negative checkout experience.

Key indicators of a negative experience centre primarily around perceived fraud that may have happened as a result of the transaction, unexpected fees added at checkout or issues with the payment process:



My bank will block or notify me that it might be fraud. I get scared and cancel the payment.

A payment couldn't go through, and the money was deducted but not refunded.



Long process for the payment. Too many steps.

I do regular online shopping, being forced to create an account before being able to checkout usually just results in me cancelling the transaction



Was redirected too many times and lost confidence.

I wanted other payments option to pay at the merchant and they didn't have one except ozow which was not working at the time



negative was on a web hosting service where the site kept hanging during payment.

I had to re-enter all my info three times because the page crashed. I gave up.



Incidence of failed payments and poor refunds stood out as key drivers for a perceived negative experience, and more importantly, factors that would prevent consumers from returning to the same platform for a repeat purchase or that would cause them to abandon cart.

While saved payment methods result in a faster and more seamless checkout experience for returning users, there are some customers that prioritise a friction-free first-time experience. Platforms such as Shopify offer customers the option to check out as a guest, which boosts first-time conversions by reducing friction at checkout.

According to Shopify, “nearly half of online consumers prefer to check out as a guest for two key reasons: they believe it’s faster than creating an account, and they don’t have to input as much personal information.” This also allows the brand to build trust. However, this only boosts conversion if the payment experience is also fast and works successfully.

Today, about 71% of would-be customers in South Africa drop out of a purchase or abandon cart due to a payment failure. If their payment doesn’t go through, the majority of customers will quit the checkout process entirely. Research shows around 62% will not return at all.

According to a study by Mastercard, South African retailers identified payment failures as the number-one operational challenge (18.2% of surveyed retailers), even ahead of customer service problems. Further, declined credit card transactions are the single biggest cause of cart abandonment, accounting for about 52.2% of lost online sales.

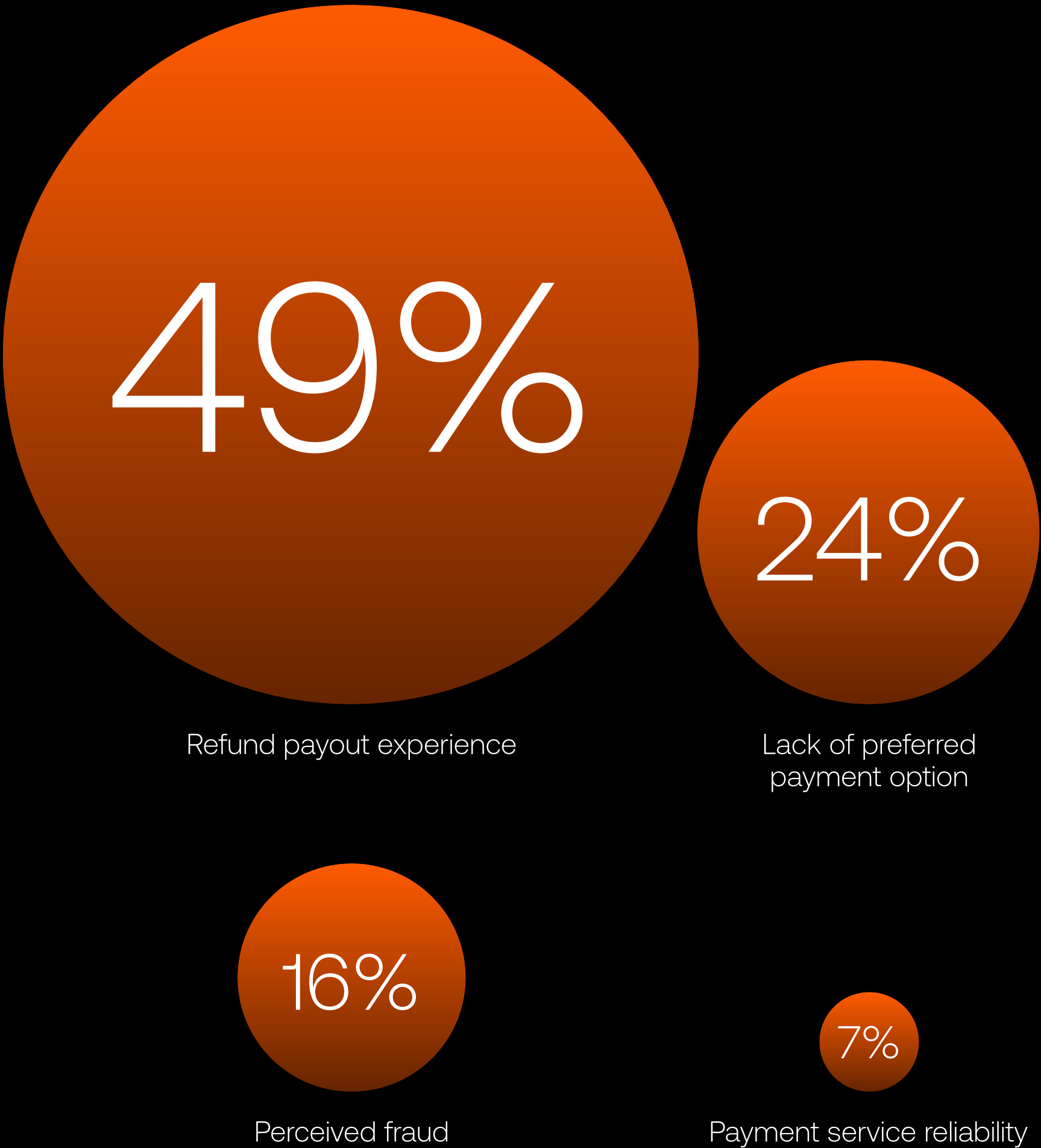
Today, about **71%** of would-be customers in South Africa drop out of a purchase or abandon cart due to a payment failure.

Poor refund processes as a key driver for perceived negative checkout experience

While it’s vital to get the experience of the initial payment correct when it comes to online checkout, particularly in the retail space, repeat purchase behaviour is also contingent on the full payments experience, which may include refunds.

Although the proportion of those that require refunds is smaller than the overall customer base, the refunds experience has an outsized influence on the customer’s brand perception and the likelihood that the customer will return for a repeat purchase.

Industry drivers of payment experience complaints



How long does it take to process a refund and collect a product. My husband purchased a washing machine and logged a return once he realized it was too big for our space. That was on the 1st of September. He has been calling daily for 20days. This is crazy

21 Sep 2024 10:33



Is their a reason your website cancelled my dress without informing me and then your client concierge said this item wasn't in stock, and hasn't processed my refund while saying my order is "waiting for delivery" (it was meant to be delivered today)

23 Jan 2024 20:54

What customers are saying

When you pay at checkout, but the transaction doesn't go through. So you have to pay twice and wait for the bank to refund the first transaction.



Had issue with a refund where the bank and shop kept telling me to ask eachother for it.

I placed an order for an item and when it arrived it was broken. The service provider did not want to refund or take the item back.



Did not receive my refund after ubereats cancelled my order

Delay refund for a product that is damaged and I had to send proof several times of the damaged item

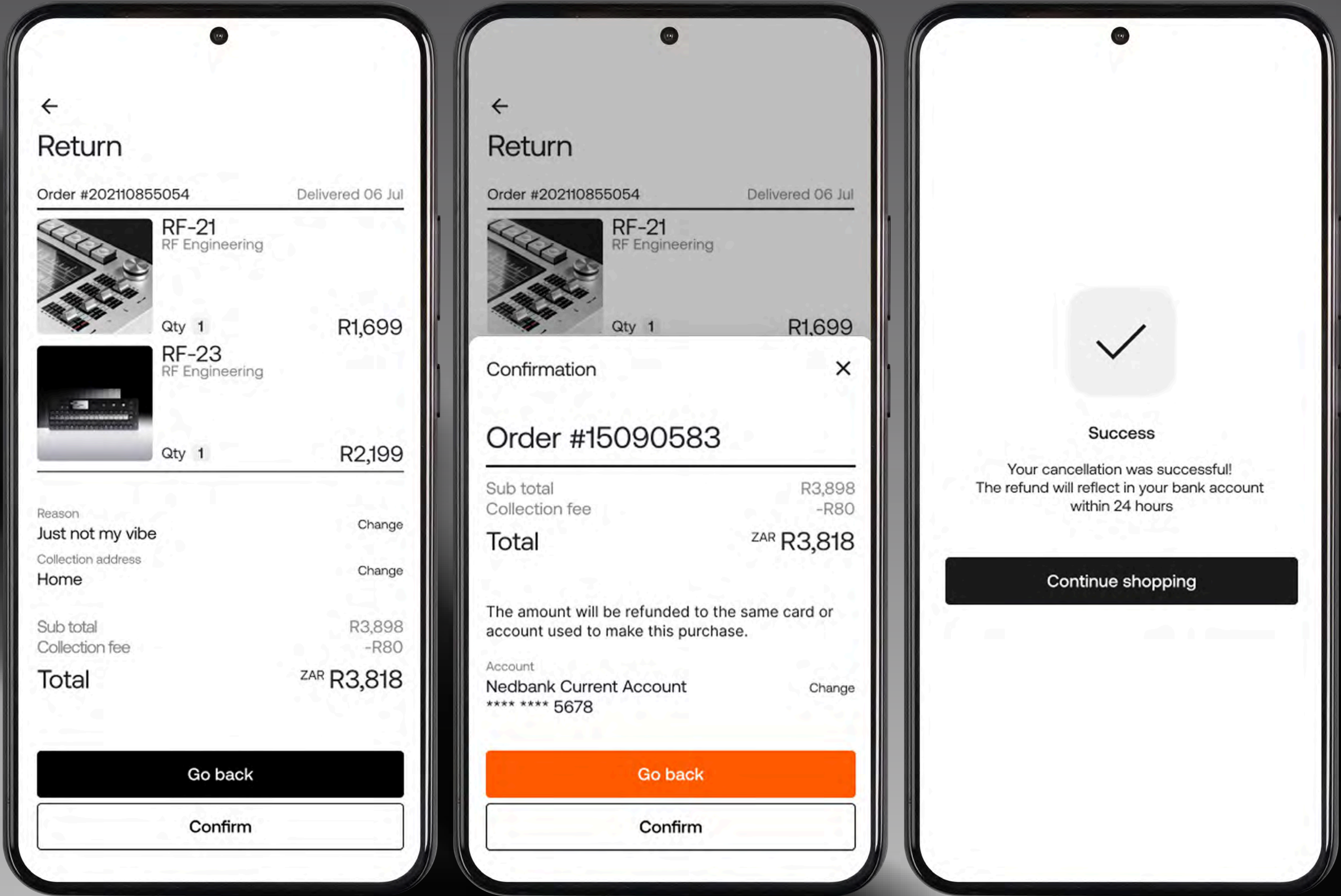


Refunds are, however, a relatively easy fix if a merchant works with a PSP that enables automated and efficient payouts. Stitch offers 24/7, 365, automated payouts, ensuring that no matter what time of day a refund is requested, the customer can receive their money back as soon as it’s processed.

Today, we enable payouts to a customer bank account, or to the card used to make a payment.

Overall, people perceive checkout experiences as positive when they are able to get through payment with no delays or interruptions, using a fast and secure payment method of their choice, with a successful payment processed in the end, and fast, seamless refunds in the event of issues or returns.

Alternatively, red flags in the form of payment delays or complications, too many steps in the process, failed payments and delayed refunds all contribute to memorably negative experiences that may force customers to take their business elsewhere – for good.



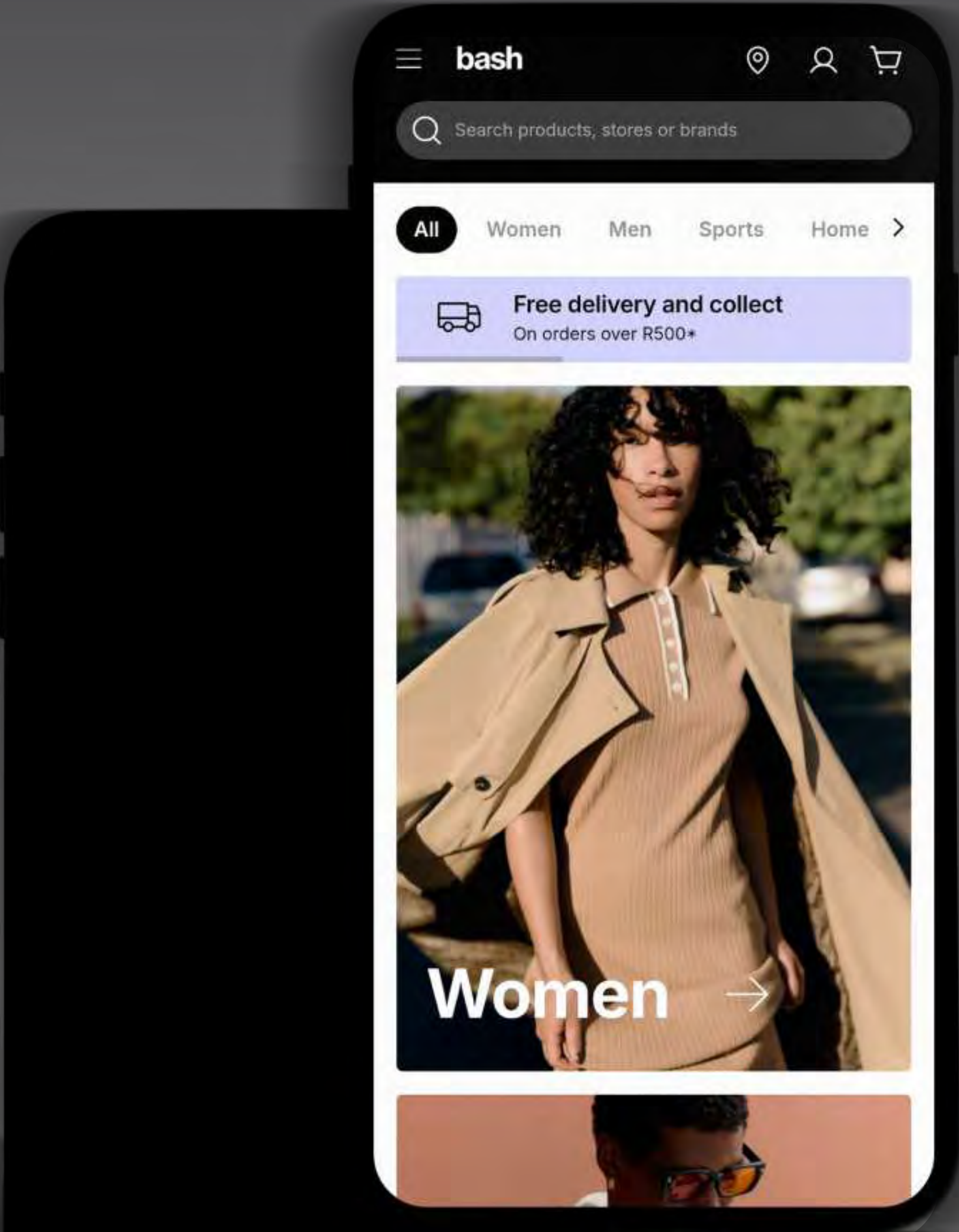
How omnichannel retailers are driving positive experiences, both online and in store

According to Statista’s [global consumer survey](#), as of 2023 64% of South African online shoppers have checked online if the product is available in the store. 40% of people have ordered an item online and picked it up in store. Customer shopping is happening across channels – and retailers that are not able to meet those customers in the way they prefer to shop for, pay for and receive items are falling behind.

Brands like TFG’s [Bash](#) are leaders in the South African ecosystem when it comes to creating a true omnichannel offering for consumers. Bash is innovating across the retail journey to bring data-driven personalisation and a seamless payments experience to the TFG shopper, whether they’re engaging with the brand in store, online or on mobile.

Since launching in March 2023, Bash has quickly grown to become South Africa’s largest omnichannel shopping platform, designed to make shopping easier, faster and more intuitive. Within six months, [Bash surpassed one million downloads](#). By the end of 2023, the app had been downloaded 3.8 million times, becoming the country’s #1 fashion shopping app. More than 1.2 million customers engaged with the platform, generating over 420 million shopping sessions across web and app.

With BashStore live in TFG retail stores across the country, store associates are becoming part of the customer journey, facilitating a personalised experience to drive more sales and enable access to even more products in person. The payments experience plays a key role, enabling customers to leverage their preferred methods no matter where they shop, with the same, seamless and fast checkout flow – and automated refunds, allowing the customer to easily return an item whether they made the initial purchase online or in store.



Overview

Stitch powers both online and in-person payments for TFG’s Bash, supporting them across multiple methods and enabling the same seamless payments experience, whether a customer is shopping online or in store.

Stitch started working with the Bash team early on in their journey, while the brand was still being developed within TFG. Today, Stitch serves Bash across both their online and in-person presence, and are working to bring these experiences together more seamlessly as both teams continue to lead innovation in omnichannel retail.

“Payments is largely around accessibility. So the more ways to pay, the more segments of customers are able to shop. Our payments ecosystem is interesting because in our store environment, it’s all in-person payments – cash, card – and online it’s typical gateway methods – Pay by bank, card, etc. What we’re doing alongside Stitch is building an orchestration model that allows both sets of payments to be used in both environments”

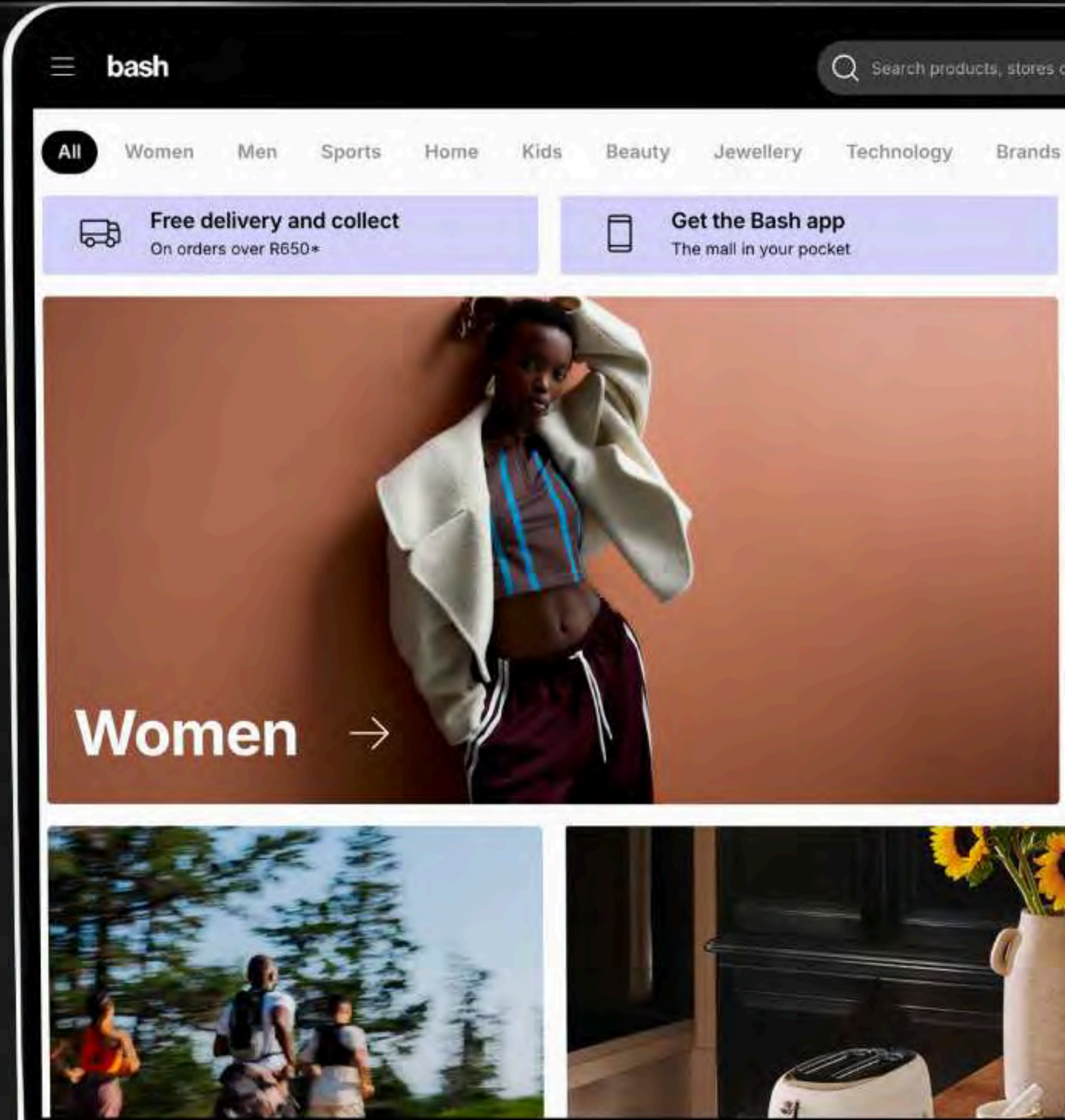
Luke Jedeikin
CEO

bash

“We’ve been able to launch products really quickly, but also get them to scale fast with Bash, and that’s been such a treat. As the Bash team starts to do more in person, more online, more omnichannel, that’s where we want to go - supporting businesses that straddle all these channels. We’re excited to see where they’re going next”

Kiaan Pillay
CEO

stitch





Conclusion

Conclusion

South Africa’s payments ecosystem has changed dramatically over the last 2-3 years, as direct bank APIs surge, one-click digital wallet payments become increasingly accessible online and customers become more comfortable exploring new methods.

However, cash still plays a significant role – not because of distrust in financial institutions, as perhaps expressed previously, but largely due to lack of access to digital methods in the places where they shop, and perceived cost barriers due to fees. This indicates that we still have work to do when it comes to accessibility for methods outside of cash.

As consumers do become increasingly comfortable with paying online, their expectation for a smooth – and importantly, secure – payments process only grows higher. Consumers prioritise indicators of security and privacy, even if it means an extra step in the process. However, an otherwise fast and seamless payments process can convince them to choose one platform or business over another. And as we’ve seen, innovation in the payments experience and offering can be leveraged to boost a brand overall.

Given the pace of evolution in South Africa’s payments space in just a few years, we look forward to what’s next.

Stitch helps enterprise businesses level up their payments stack

Stitch is one of South Africa’s largest PSPs and payment infrastructure companies. We support enterprise businesses with solutions across the payments stack - from multi-method pay-ins, to 24/7 payouts, to payments management and more. Our team offers white glove service, deep technical integration support and custom solutioning to help our clients build the best possible payments stack for their business.

Pay by bank

PayShap Request

Capitec Pay

Absa Pay

Nedbank Direct EFT

Card

Apple Pay

Google Pay

Samsung Pay

DebiCheck

Debit Order

Pay with crypto

Manual EFT

Cash

We help clients increase their revenue upwards of **10%+** through:

1

Better payments conversion - on average 10% or more when compared 1:1 with existing providers

2

One-click, optimised payments flows for customers, reducing time to payment to as little as 1 second

3

South Africa's most reliable payments platform, with 99.995% uptime

4

Customised, even white labeled, solutions for clients, with full technical integration support, a dedicated client success manager and no PSP lock-in

5

Super responsive, 24/7, 365 engineering-led support, accessible across platforms including WhatsApp

The Stitch platform was created with built-in redundancies that allow us to automatically reroute payments if a bank or provider is down, to ensure consistent uptime. We also understand what matters most to clients across industries, and regularly provide our clients with benchmarks on payments performance in their industry, the latest consumer preferences and new and emerging payment methods and technologies.

Get in touch with our team to learn more and get a custom demo:

sales@stitch.money