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## COVID-19 hasn't killed merchant acceptance of cash: Results from the 2023 Merchant Acceptance Survey

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# COVID-19 Hasn't Killed Merchant Acceptance of Cash: Results from the 2023 Merchant Acceptance Survey

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## Abstract

In recent years, the rise in digital payments has spurred a discussion in Canada and other countries about the future of cash at the point of sale. To better understand trends in payment methods accepted by Canadian businesses, including cash acceptance and the impact of innovations such as mobile payments, the Bank of Canada conducts the Merchant Acceptance Survey, a survey of small and medium-sized businesses. We find that 96% of these businesses in Canada accepted cash in 2023. Acceptance of debit and credit cards has increased since 2021 to 89%, and acceptance of digital payments has increased as well. However, the vast majority of merchants (92%) have no plans to go cashless in the future. Therefore, cash and digital payments continue to coexist at the point of sale, and Canada is far from being a cashless society.

*Bank topics: Bank notes, Digital currencies and fintech, Econometric and statistical methods*

*JEL codes: C8, D22, E4, L2*

# 1 Introduction

We provide an update on the payment methods that small and medium-sized businesses (SMBs) in Canada accept.

In recent years, retail payments in Canada have become increasingly digitalized, as many Canadians have adopted digital payment innovations. These innovations include contactless credit and debit cards, electronic fund transfers between bank accounts (known in Canada as Interac e-Transfers<sup>®</sup>), and mobile payments.

A holistic view of retail payments in Canada considers both the consumer side and the merchant side. Rochet and Tirole (2006) explain that, on one side, consumers can only use the payment methods accepted by merchants. On the other, merchants can only serve consumers who have and choose to use those accepted payment methods.

The Bank has an ongoing program of consumer payment surveys. Chen et al. (2022) report that although cash transactions as a share of all retail payments were declining as recently as 2021, cash was still used on a regular basis. Indeed, Henry, Rusu and Shimoda (2024) find that cash usage has remained stable since November 2020. The Bank conducted merchant acceptance surveys (MAS) in 2006 (Arango and Taylor 2008), 2015 (Kosse et al. 2017) and 2018 (Huynh, Nicholls and Nicholson 2019) as well as the MAS Pilot Study in 2021–22 (Welte and Wu 2023).<sup>1</sup> Results of the MAS Pilot Study show that 97% of SMBs in Canada accepted cash in 2021–22 and that only 3% had plans to stop accepting cash.

In this report, we provide an update to the results presented in the 2021–22 MAS Pilot Study. Our main finding is that cash is still widely accepted at the point of sale, and most merchants report that they will continue accepting cash in the future. We also document that acceptance rates for credit and debit cards remain high, and that as in the 2021–22 MAS Pilot Study, acceptance of payment methods varies by merchant size, industry, region and locality.

The paper proceeds as follows. Section 2 summarizes the survey design and methodology. Section 3 presents updated findings on merchants' acceptance of cash and other payment methods. It also identifies their plans for future cash acceptance

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<sup>1</sup> Data from these surveys have been used in other Bank research such as Huynh, Nicholls and Shcherbakov (2022) and Welte and Molnar (2020).

and stated perceptions of different methods of payment. Lastly, it provides details on the cash merchants keep on premises. Section 4 concludes.

## 2 Survey design and methodology

In this section, we discuss the scope of the study as well as our sampling frame and survey methods. The 2023 MAS uses a mixed-methods approach (Starr 2012) that combines quantitative data collected from the field with explorative or qualitative findings. The latter were obtained through discussion groups and in-depth interviews with merchants.

### 2.1 Merchants in scope and the sampling frame

The businesses in the 2023 MAS:

- are located in Canada
- are small (0–5 employees) and medium-sized (6–49 employees)<sup>2</sup>
- sell goods or services to individuals
- are independently owned and operated, not part of a chain or franchise
- sell some of their goods or services in physical, bricks-and-mortar stores

The 2023 MAS targets merchants from three industries classified by the North American Industry Classification System (NAICS).<sup>3</sup> These industries are Retail trade (codes 44 and 45); Food services and drinking places (722); and Other services (except public administration) (81), which includes repair, maintenance, and personal and laundry services. For more details, refer to **Table 1**.

We focus on merchants within this scope for several reasons. SMBs typically have more control over payment acceptance decisions, so they tend to have more variation in acceptance. Large businesses tend to accept most, if not all, common methods of payment (cash, debit cards and credit cards) as well as digital payments.<sup>4</sup> Lastly,

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<sup>2</sup> Employee counts do not include the owners.

<sup>3</sup> Dun & Bradstreet Hoovers updated the NAICS in 2022, which resulted in changes to some industry code numbers and merging of some industry categories that had been separate in the 2017 NAICS. The industries targeted in the 2023 MAS are the same as those in the 2021-22 MAS Pilot Study (Welte and Wu 2023), but some of them are coded differently than they were in 2021–22. See Statistics Canada (2022) for more information.

<sup>4</sup> A future Bank of Canada study will investigate large businesses' acceptance of payment methods.

merchants in these specific NAICS industries serve primarily consumers instead of other merchants or governments.

As an improvement on the two-stage sampling approach used for the 2021–22 MAS Pilot Study, we constructed the merchant invitation list using a one-stage sampling design.<sup>5</sup> We constructed a representative sampling frame using the Dun & Bradstreet (D&B) Hoovers database by downloading information on all merchants that met the criteria of the MAS target population. Following Welte (2017), we excluded common chains and franchises from the sampling frame. We also removed duplicate phone numbers to avoid contacting the same business more than once.

We defined strata, or subsets of businesses by size, the three industries mentioned, five geographic regions (British Columbia, the Prairies, Ontario, Quebec and the Atlantic provinces) and locality (urban or rural). We then set a target, or quota, for the number of responses for each stratum. The quotas were based on the June 2022 Business Register, Statistics Canada’s main repository of information on businesses operating in Canada. In setting quotas, we respected the diversity of Canadian businesses and their geographic dispersion across the five major regions.<sup>6</sup> As in the 2021–22 MAS Pilot Study, we used stratified random sampling. We intentionally oversampled certain quotas to account for some response rates that were relatively lower than others.

## 2.2 Design and development of the survey instrument

The survey instrument is based on that of the 2021–22 MAS Pilot Study. The instrument has two parts, corresponding to the two phases of the survey. Phase 1 is a computer-assisted telephone interview (CATI). Merchants described their business and answered questions about payment acceptance. At the end of phase 1, merchants could choose if they wished to participate in phase 2 and which mode they wanted to use (either CATI or online by computer or mobile device).

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<sup>5</sup> The two-stage approach consisted of first sampling forward sortation areas to create the sampling frame, then randomly sampling from this frame to construct the invitation list. For more details, refer to Welte and Wu (2022).

<sup>6</sup> To preserve confidentiality, we did not calculate separate quotas for the territories. Instead, our sampling frame merged SMBs in the territories with their corresponding regions: Yukon with British Columbia, and Northwest Territories and Nunavut with the Prairies.

In response to recent developments in credit card surcharging, we added new modules to phase 2 of the survey instrument.<sup>7, 8</sup> We then tested these modules in qualitative sessions and cognitive interviews.

## 2.3 Final sample and survey weights

The 2023 MAS was conducted from April to June 2023.<sup>9</sup> The final sample consists of 895 respondents for phase 1 and a smaller sample of 112 respondents for phase 2. In addition, the final dataset includes data collected during testing of the survey instrument and responses from paper questionnaires administered by the Bank's regional offices. This paper discusses the data collected from phase 1 and analyzes the module on perceptions of payment methods from phase 2.

Since the final dataset is made up of merchants who voluntarily choose to complete the survey, this group's composition may differ from that of the overall population. To reduce sampling bias and improve comparability across the Bank's merchant surveys, we use survey weights on phase 1 data to match the final dataset to the population of merchants.<sup>10</sup>

We follow the weighting methodology in Chen and Shen (2017) and calibrate weights using characteristics reported in Statistics Canada's June 2022 Business Register.<sup>11</sup> Specifically, we weight based on the number of employees, type of industry, locality (rural or urban) and geographic region. **Table 2** provides the unweighted and weighted compositions. Rows where the unweighted proportion is less than the weighted proportion indicate that group was undersampled in the 2023 MAS relative to the Canadian business population and, hence, we apply larger weights. Rows where the unweighted proportion is greater than the weighted proportion show an oversampled group relative to the population and require smaller weights.

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<sup>7</sup> As of October 6, 2022, businesses in every province except Quebec can pass on the cost of accepting credit cards as payment methods. See the [Canadian Federation of Independent Business](#) for more details.

<sup>8</sup> The new modules in phase 2 of the 2023 MAS include questions on the management of payment methods, cost and pricing strategies, fraud, and perceptions of different methods of payments.

<sup>9</sup> Our survey partners Ipsos conducted the 2023 MAS field work.

<sup>10</sup> We do not apply survey weights to phase 2 data due to limitations in the sample size. Phase 2 results should be viewed with caution.

<sup>11</sup> The weighting process involves calibrating multiple sets of raked weights (i.e., setting initial weights equal to 1, computing inclusion probabilities as initial weights and adjusting for non-response) as in Chen and Shen (2017).



Due to limited responses or sample sizes in certain strata, some estimates are subject to high coefficients of variation.<sup>12</sup> We flag estimates with coefficients of variations above the threshold and suppress estimates where applicable, following Statistics Canada (2020). We do not test for statistical difference within the 2023 MAS, or across the Bank’s merchant acceptance surveys. We compare the 2023 MAS with previous surveys to highlight national trends over time at the point of sale but note that such comparisons should be interpreted with caution due to differences in their methodologies.

### 3 Merchants’ current acceptance, plans and preferences

In this section we show that cash, debit and credit are widely accepted in Canada, yet acceptance of each payment method varies by size, industry and region (**Table 3a**). Acceptance of cheques and payment innovations—contactless card payments, mobile payment apps and Interac e-Transfers—remains stable (Table 3a and **Table 4**). Almost all merchants plan to continue accepting cash.

#### 3.1 Acceptance of cash

Among the Canadian SMBs surveyed, 96% reported they accept cash. This makes cash the most accepted of all payment methods (Table 3a). This trend has remained stable since 2015, despite increasing acceptance of debit and credit cards over the same period. Cash acceptance is slightly higher for medium-sized businesses, at 98%, than for small businesses, at 95%. As well, little variation exists across industries, with Retail trade, Food services and drinking places and Other services (except public administration) all reporting at least 95% acceptance of cash. This finding is consistent with those of Fung, Huynh and Kosse (2017) and Welte and Wu (2023). The Atlantic and Quebec regions report the highest shares of cash acceptance, at 100% and 99%,

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<sup>12</sup> We adapt the procedure in Chen and Shen (2017) for the 2023 MAS by conducting variance estimation using bootstrap replicate weights to take into account the effect of the raking procedure. We then compute the coefficients of variation using bootstrap standard errors.<sup>13</sup> As noted at the end of section 2.3, this number should be treated with caution due to the small sample size.

respectively, although acceptance is 95% or higher across all other regions of Canada.<sup>13</sup>

In the 2023 MAS, 8% of merchants reported that they accept only cash in their physical stores (**Table 3b**). This result is unchanged from the previous MAS, following a decline of 14 percentage points (pps) from 2018. It shows that despite high cash acceptance, merchants are shifting toward accepting additional payment methods. Across industries, the share of cash-only businesses for Other services (except public administration) is highest, at 14%, compared with 9% and 4%, respectively, for Food services and drinking places and Retail trade. The share of cash-only businesses is 10% or less across all regions reported in Table 3b except in Quebec, where the share is 12%.

Despite a decline in the use of cash at the point of sale—as documented in Henry, Rusu and Shimoda (2024)—the vast majority of merchants (92%) and 80% of consumers have no plans to go cashless in the future (**Table 5**). This result is unchanged from the previous MAS. The share of merchants who are already cashless in 2023 is 4%, close to that reported in the 2021–22 MAS Pilot Study.

Evidence from our qualitative research also indicates that merchants will continue to accept the payment methods that consumers prefer to use.

### 3.2 Stable card acceptance

Overall, merchant acceptance of debit and credit cards remains stable in the 2023 MAS compared with the 2021–22 MAS Pilot Study, at 89% for both methods of payment (Table 3a). The shares of all surveyed merchants that accept contactless debit cards (CTDC) and contactless credit cards (CTCC) remain stable as well, at 83% and 78%, respectively.

Card acceptance continues to vary by size of business and type of industry as in previous survey years. Acceptance rates for both debit and credit cards are 10 pps lower for small businesses than for medium-sized ones. This gap is consistent for CTDC but is wider for CTCC. Acceptance of CTDC is 80% for small and 91% for medium-sized

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<sup>13</sup> As noted at the end of section 2.3, this number should be treated with caution due to the small sample size.

businesses, while acceptance of CTCC is 74% for small and 89% for medium-sized businesses. Merchants in the Other services (except public administration) industry reported the lowest card acceptance, at 82% for both debit and credit, while those in the other two industries reported acceptance of both payment methods in the low to mid-90% range. We again see this gap widening for CTDC and CTCC: Merchants in Other services (except public administration) had an acceptance rate of 74% for both CTDC and CTCC, while over 82% of those in the Retail trade and Food services and drinking places industries reported accepting both payment methods.

Acceptance of debit cards is fairly consistent across regions, with Quebec having the lowest rate, at 87%, and British Columbia the highest, at 92%. We observe a larger range in acceptance of credit cards, with an 11 pps difference between the region with the lowest rate (again, Quebec at 82%) and the one with highest (British Columbia at 93%). CTDC and CTCC acceptance rates fall mostly within the low to mid-80% range, with two exceptions:

- For CTDC, merchants in the Atlantic region had an acceptance rate of 90%, the highest of all regions.
- For CTCC, merchants in Quebec had an acceptance rate of 73%, the lowest of all regions.

Merchants who reported accepting cash, credit and debit remain stable as well, at 84% (Table 3b). The trends noted above are consistent with the 2021–22 MAS Pilot Study. Among small businesses, 80% accepted all three payment methods, compared with 94% of medium-sized businesses. The Other services (except public administration) industry had the lowest rate of businesses accepting all three, at 78%, while the other two industries both had rates above 85%. By region, we again see that Quebec SMBs had the lowest rate of accepting all three, at 81%, and that those in the Atlantic region the highest, at 90%.

### 3.3 Increasing acceptance of mobile payment apps; stable acceptance of cheques and Interac e-Transfer

In the 2023 MAS, merchants also reported whether they accepted payment innovations such as Interac e-Transfer and mobile payment apps, as well as innovations for cheques (Table 4).

The overall acceptance rate of cheques is similar to the 2021–22 MAS Pilot Study findings, at 55%. This follows an increase from 2018, when merchant acceptance was 34%, and before that a decrease from 2015, when it was 64%. This stable rate could be explained in part by the development of depositing cheques at automated banking machines or electronically on mobile devices.<sup>14</sup> Many SMBs accept electronic cheque deposits, and therefore this innovation may have affected the merchants' reported acceptance rate of cheques.

More medium-sized than small businesses reported accepting cheques, at 59% and 54%, respectively. Merchants in the Prairies had the highest acceptance rate for cheques, at 69%, while those in the Atlantic region had the lowest, at 48%. Among the industries, businesses in Other services (except public administration) have the highest acceptance rate for cheques, at 64%.

The share of businesses accepting Interac e-Transfer increased 3 pps to 63% in 2023, compared with 60% in 2021–22. It is the most accepted among the innovative payment methods discussed in this section. Merchants in the Atlantic region had the highest acceptance rate, at 70%, while Quebec had the lowest, at 58%. Among the three industries, SMBs in Retail trade had the highest acceptance rate of Interac e-Transfers (69%), followed by those in Other services (except public administration) (68%). A larger share of small businesses than medium-sized ones accepted Interac e-Transfers, at 64% and 61%, respectively.

Mobile payment apps continue to grow in popularity with merchants. Just under half (49%) of SMBs reported accepting this method of payment in 2023, an increase of 6 pps from 2021–22. This could be explained as a response to increasing consumer demand: Yun and Olorundaré (2022) predict that the average annual growth rates of mobile payment transaction volumes and values will be 24% and 25%, respectively, over the next five years. In 2023, Ontario businesses had the highest acceptance rate (58%) of mobile payment apps among the regions. Quebec SMBs rank lowest, at 29%. The Food services and drinking places industry had the highest merchant acceptance rate (57%) of mobile payment apps, followed by Retail trade (51%) and Other services (except public administration) (40%). Medium-sized businesses also had a higher acceptance rate, at 54%, than small ones, at 47%.

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<sup>14</sup> For information about depositing a cheque with a mobile device, see this [Government of Canada webpage](#).

In the 2021–22 MAS Pilot Study, we included a question on merchant acceptance of a private digital currency.<sup>15</sup> Results from the 2023 MAS suggest that the acceptance rate for this payment method remains below 5%.<sup>16</sup> This result could be explained by the finding in Balutel et al. (2022) that Bitcoin owners see it as an investment vehicle rather than a method of payment. The authors note that only 9% of Canadian Bitcoin owners use the digital currency to make payments.

### 3.4 Merchant perceptions of performance among payment methods

In phase 2 of the 2023 MAS, merchants stated their views on how different payment methods perform in the following five areas: labour costs, fees, speed, fraud risk and reliability (**Chart 1**). Since these views represent only a sample of 112 merchants from the phase 2 respondents, this analysis should be interpreted with caution and viewed as directional. It has limitations in sample size and representativeness. The respondents reported that:

- cash is the most reliable payment method and has the lowest fees but the highest labour costs<sup>17</sup>
- debit has the lowest labour costs and is rated the quickest in terms of transaction speed at the point of sale
- credit has the highest fees and highest risk of fraud
- Interac e-Transfer is close to debit in fees, risk and reliability but has higher labour costs than debit
- cheques have the lowest reliability and slowest transaction speed

Debit cards (including CTDC) received the most favourable rating for transaction speed. Possible explanations for this are the increase in debit card acceptance during

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<sup>15</sup> Bitcoin is the example of a digital currency used in the survey questionnaire.

<sup>16</sup> Due to the small number of merchant responses about this payment method, estimates for acceptance of a digital currency are subject to high levels of error.

<sup>17</sup> In the 2023 MAS, merchants stated that cash is the most reliable (i.e., the least sensitive to malfunctions) payment method at a high rate. This view might relate to the widespread power outages in both Quebec and Ontario caused by an ice storm in April 2023. During these emergencies, cash was accepted as a stable and irreplaceable means of payment. Compared with cards or cheques, cash can be the only supportive payment in such an emergency.

the COVID-19 pandemic and improvements in the ease of accepting CTDC payments. The 2022 Methods-of-Payment Survey (Henry, Rusu and Shimoda 2024) finds a long-term increase in the volume and value share of contactless card payments. Using data for Poland, Polasik (2013) highlights that contactless cards used in offline mode and without printing paper slips are the first popular electronic payment method that is faster than cash.

### 3.5 Cash on premises

New to the 2023 MAS was a question about how much cash merchants reported having on their premises at the beginning of each business day. We also report the average and median amounts of cash (**Table 6**).

We find that 72% of merchants reported having cash on premises. This proportion varies by about 10 pps among the strata for size, industry, locality and region. More specifically, this value is 81% for medium-sized businesses, compared with 68% for small businesses. The rate of having cash on premises is similar for SMBs in the Retail trade and Food services and drinking places industries, at around 80%, which is about 20 pps higher than for those in Other services (except public administration), at 58%. This difference could potentially be because merchants operating in the latter industry may not have a fixed workplace, and thus do not keep their cash in one fixed location.<sup>18</sup> Rural businesses are more likely to have cash on premises, at 81%, which is 11 pps higher than the rate for urban businesses. Lastly, Quebec merchants reported the highest rate of cash on premises, at 79%, while British Columbia merchants reported the lowest, at 66%.

The average amount of cash held on premises is \$648, and the variation within demographic variables in this case is much larger. Medium-sized businesses reported keeping \$967, which is almost twice the amount that small businesses reported. Businesses in the Food services and drinking places industry hold the most cash, an average of \$912, and this amount is again about double what those in Other services (except public administration) hold, at \$455. Lastly, rural businesses reported holding more cash than urban businesses did, and the highest average cash on premises by region is held by Quebec businesses, while the least is held by those in the Atlantic region.

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<sup>18</sup> For additional details regarding this industry, refer to Table 1.

We note much smaller variations in the median amount of cash held. Merchants reported that their overall median cash on premises is \$200, and this is the value for all demographic strata with the exception of two: medium-sized businesses reported \$250, and merchants in the Atlantic region reported \$240. We also note that the overall amount of median cash holdings is much smaller than the average. Given that the average is extremely sensitive to outliers, this indicates that a small proportion of our respondents reported relatively large amounts of cash holdings.

Overall, our findings suggest that most SMBs hold cash on premises. The average amount varies by demographic stratum, with medium-sized businesses, those in the Food services and drinking places industry and rural merchants reporting higher holdings. The median amount varies very little.

## 4 Conclusion

The 2023 MAS results are primarily based on a representative sample of Canadian SMBs and include qualitative data gathered from a subset of these respondents. The results described in section 3 indicate that acceptance rates for cash, debit cards and credit cards are stable compared with rates reported in the 2021–22 MAS Pilot Study, and that all three payment methods are likely to continue to be accepted at the point of sale.

The reasoning behind this result is twofold. Firstly, discussion groups and in-depth interviews confirm that merchants will continue to accept methods of payment that consumers choose to use, and recent consumer surveys conducted by the Bank indicate that cash will continue to be used at the point of sale. Secondly, merchants continue to view cash as a highly reliable and low-fee method of payment, as documented in section 3.4. Cash acceptance in Canadian businesses has been stable in surveys beginning in 2015. This provides evidence that, despite increasing acceptance of digital payments and payment innovations, merchants' cash acceptance is not being displaced.

The Bank continues to take a holistic view of retail payments in Canada and monitors both merchants and consumers—as well as the digital transformation of the economy (Dong, Fudurich and Suchanek 2017; Lane 2021b). The data collected through future surveys will contribute to the Bank's understanding of cash and other payment methods in Canada.

## 5 Tables and charts

**Table 1: Industries in scope for the 2023 Merchant Acceptance Survey**

<b>NAICS code</b>	<b>Description</b>
<b>Retail trade—general (44)</b>	
441	Motor vehicle and parts dealers
444	Building material and garden equipment and supplies dealers
445	Food and beverage stores
449	Furniture, home furnishings, electronics and appliances retailers
<b>Retail trade—specialized (45)</b>	
455	General merchandise retailers
459	Sporting goods, hobby, musical instrument, book, and miscellaneous retailers
<b>Food services and drinking places (722)</b>	
72231	Food service contractors
72232	Caterers
72233	Mobile food services
7224	Drinking places (alcoholic beverages)
7225	Full-service restaurants and limited-service eating places
<b>Other services (except public administration) (81)</b>	
8111	Automotive repair and maintenance
8112	Electronic and precision equipment repair and maintenance
8114	Personal and household goods repair and maintenance
8121	Personal care services
81221	Funeral homes
81232	Dry cleaning and laundry services (except coin-operated)

Note: For the 2023 Merchant Acceptance Survey (MAS), we targeted businesses at the two- and three-digit code level of the North American Industry Classification System (NAICS). Specifically, we targeted NAICS codes 44, 45, 722 and 81. This table provides descriptions of industries at the three- to five-digit NAICS levels to better show the makeup of our sample; see Statistics Canada (2022) for more details. Note that the industries targeted in the 2023 MAS are the same as those in the 2021-22 MAS Pilot Study (Welte and Wu 2023), but that they have different codes, due to the NAICS update in 2022.



**Table 2: Sample composition of the 2021–22 and 2023 surveys**

	Unweighted		Weighted	
	2021–22	2023	2021–22	2023
<b>Employees</b>				
0 to 5	69	58	74	71
6 to 49	31	42	26	29
<b>Industry</b>				
Retail (44/45)	52	44	47	47
Food services and drinking places (722)	22	28	19	22
Other services (except public administration) (81)	26	27	34	32
<b>Locality</b>				
Urban	65	78	85	85
Rural	35	22	15	15
<b>Region</b>				
British Columbia	13	14	14	14
Prairies	23	17	18	18
Ontario	35	39	38	39
Quebec	18	24	24	24
Atlantic	8	6	6	6

Note: To construct these survey weights, we follow the weighting methodology in Chen and Shen (2017), developed for the 2015 Merchant Acceptance Survey. Numbers in columns are percentages.

**Table 3a: Merchants' acceptance of common payment methods**

	Cash	Debit	CTDC	Credit	CTCC
<b>Overall</b>					
2015	94	67		66	
2018	96	67		68	
2021–22	97	88	81	88	81
2023	96	89	83	89	78
<b>Employees</b>					
0 to 5	95	86	80	85	74
6 to 49	98	96	91	96	89
<b>Industry</b>					
Retail (44/45)	95	93	86	92	82
Food services and drinking places (722)	96	91	91	90	81
Other services (except public administration) (81)	97	82	74	82	70
<b>Locality</b>					
Urban	96	89	83	89	77
Rural	100	88	86	88	84
<b>Region</b>					
British Columbia	96	92	83	93	80
Prairies	95	90	82	91	79
Ontario	95	89	83	89	80
Quebec	99	87	82	82	73
Atlantic	100	90	90	90	84

Note: This table compares payment acceptance rates, in percentages, from the merchant acceptance surveys (MAS) conducted in 2015 (Kosse et al. 2017), 2018 (Huynh, Nicholls and Nicholson 2019), 2021–22 (Welte and Wu 2023) and 2023. Differences might exist between the surveys (e.g., survey mode, questionnaire design, NAICS terms, etc.). All estimates are computed using survey weights. CTDC refers to contactless debit cards, and CTCC refers to contactless credit cards. CTDC and CTCC acceptance rates are reported as the share of all surveyed merchants (not as the share of surveyed merchants accepting cards). The 2021–22 MAS Pilot Study and 2023 MAS values show the percentage of acceptance in physical stores. The 2018 MAS shows the percentage of acceptance both in physical stores and online.

**Table 3b: Comparison of merchants accepting only cash with merchants accepting cash, debit and credit**

	Cash only	Cash, credit cards and debit cards
<b>Overall</b>		
2018	22	61
2021–22	8	84
2023	8	84
<b>Employees</b>		
0 to 5	11	80
6 to 49	X	94
<b>Industry</b>		
Retail (44/45)	4*	87
Food services and drinking places (722)	9*	86
Other services (except public administration) (81)	14	78
<b>Locality</b>		
Urban	8	84
Rural	11*	88
<b>Region</b>		
British Columbia	X	88
Prairies	X	85
Ontario	8*	84
Quebec	12*	81
Atlantic	10*	90

Note: This table compares merchant acceptance surveys conducted in 2018 (Huynh, Nicholls and Nicholson 2019), 2021–22 (Welte and Wu 2023) and 2023. Differences might exist between the surveys (e.g., survey mode, questionnaire design, NAICS terms, etc.) All estimates are computed using survey weights. The 2021–22 and 2023 values show the percentage of acceptance in physical stores. The 2018 survey shows the percentage of acceptance both in physical stores and online. Cash-only estimates

reported with an asterisk should be viewed with caution due to high levels of error. Cash-only estimates for the British Columbia and Prairie regions, as well as for medium-sized businesses, are suppressed with an “X” according to Statistics Canada (2020) guidelines.

**Table 4: Merchants' acceptance of cheques and payment innovations**

	Cheques	Interac e-Transfer	Mobile payment apps
<b>Overall</b>			
2015	64		5
2018	34	36	18
2021–22	54	60	43
2023	55	63	49
<b>Employees</b>			
0 to 5	54	64	47
6 to 49	59	61	54
<b>Industry</b>			
Retail (44/45)	62	69	51
Food services and drinking places (722)	28	42	57
Other services (except public administration) (81)	64	68	40
<b>Locality</b>			
Urban	54	63	50
Rural	65	64	45
<b>Region</b>			
British Columbia	55	54	52
Prairies	69	68	52
Ontario	52	66	58
Quebec	53	58	29
Atlantic	48	70	53

Note: This table compares payment acceptance rates from the merchant acceptance surveys conducted in 2015 (Kosse et al. 2017), 2018 (Huynh, Nicholls and Nicholson 2019) and 2021–22 (Welte and Wu 2023). Differences might exist between the surveys (e.g., survey mode, questionnaire design, NAICS terms, etc.). All estimates are computed using survey weights. The 2021–22 values show the percentage of acceptance in physical stores. The 2018 survey shows the percentage of acceptance both in physical stores and online. Numbers in columns are percentages.

**Table 5: Merchants' and consumers' planned future cash use**

	Already cashless	Cashless within 5 years	Cashless in more than 5 years	No plans to go cashless	Don't know
<b>2018</b>					
Merchants	5	8	2	85	
Consumers	7	5	3	85	
<b>2021-22</b>					
Merchants	3	3	1	92	2
Consumers	14	6	2	79	
<b>2022-23</b>					
Merchants	4*	X	X	92*	1
Consumers	13	5	1	80	

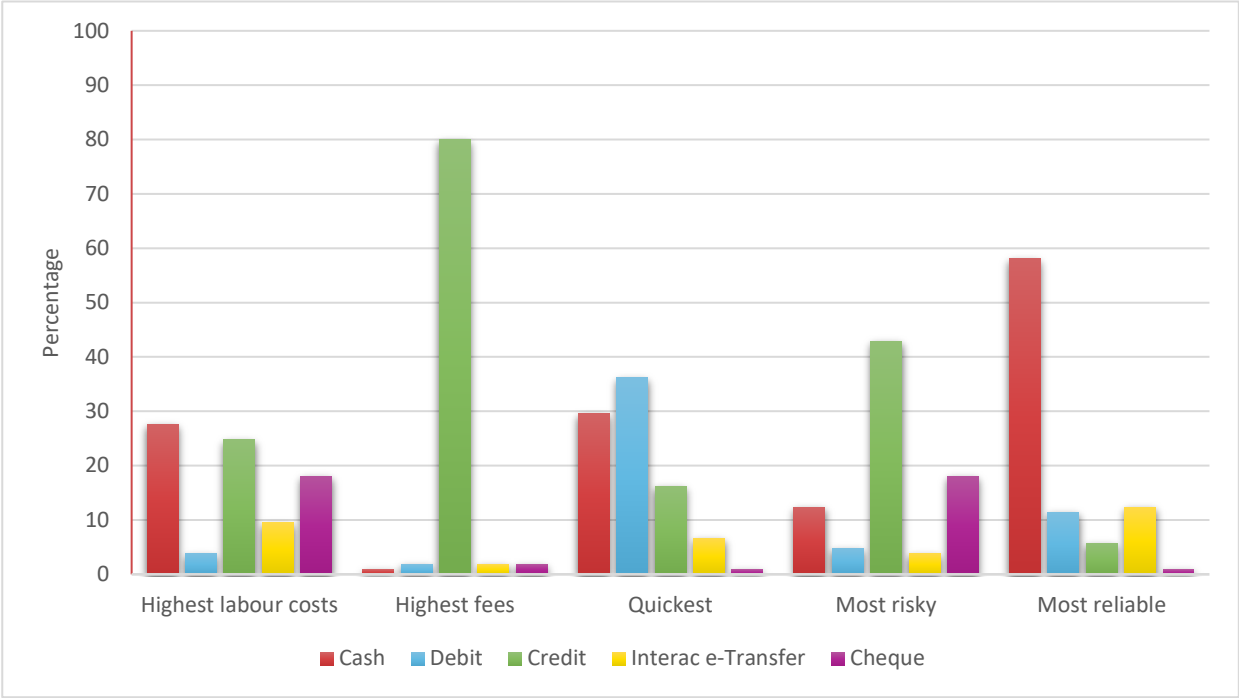
Note: This table compares merchants' and consumers' plans to go cashless. Merchant data come from Huynh, Nicholls and Nicholson 2019 (for the year 2018) and Welte and Wu 2023 (for 2021–22). Consumer data come from Huynh, Nicholls and Nicholson 2019 (for 2018); Henry, Shimoda and Zhu 2021 (for 2021–22) and Henry, Rusu and Shimoda 2024 (for 2022). All estimates are computed using survey weights. Merchants who reported in the MAS that they do not accept cash are classified as "Already cashless." All other merchants were asked if their business currently has any plans to stop accepting cash in the future, and they selected one of the following responses: (i) No, the business does not have any plans to stop accepting cash; (ii) Yes, in the next year; (iii) Yes, probably not next year, but in the next 5 years; (iv) Yes, but in more than 5 years; or (v) Don't know. Estimates reported with an asterisk should be viewed with caution due to high levels of error. Estimates are suppressed with an "X" for "Cashless within 5 years" and "Cashless in more than 5 years," according to Statistics Canada (2020) guidelines. Numbers in columns are percentages.

**Table 6: Merchants' cash on premises**

	Percentage of merchants having cash	Amount of cash (\$)	
		Average*	Median
<b>Overall</b>	72	648	200
<b>Employees</b>			
0 to 5	68	521	200
6 to 49	81	967	250
<b>Industry</b>			
Retail (44/45)	80	640	200
Food services and drinking places (722)	77	912	200*
Other Services (except public administration) (81)	58	455	200
<b>Locality</b>			
Urban	70	565	200
Rural	81	1051	200
<b>Region</b>			
British Columbia	66	X	200
Prairies	71	561	200*
Ontario	70	587	200
Quebec	79	788	200*
Atlantic	74	428	240*
<b>N =</b>	<b>780</b>	<b>582</b>	

NOTE: All estimates are computed using survey weights. Average and median amounts of cash are calculated from the share of surveyed merchants having cash on premises. All amounts are reported in Canadian dollars. Amounts in the "Average" column and "Median" estimates that are flagged with an asterisk should be viewed with caution due to high levels of error, with the exception of the "Overall" estimate. The average amount estimate for British Columbia is suppressed with an "X," according to Statistics Canada (2020) guidelines.

**Chart 1: Merchants' perceptions of performance for different payment methods**



Note: Data are from phase 2 of the 2023 Merchant Acceptance Survey. Survey weights are not used. Since the subsample of merchants who answered these questions is small—112 respondents—and unweighted, these results may not be representative of the entire merchant population and are subject to high levels of error. They should be interpreted with caution and viewed as directional due to limitations in sample size and representativeness.



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