

TRACKING THE DIGITAL PAYMENTS TAKEOVER

CONSUMER FAMILIARITY CONTROLS
ACCOUNT-TO-ACCOUNT PAYMENT GROWTH

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Tracking the Digital Payments Takeover: Consumer Familiarity Controls

Account-to-Account Payment Growth,

a PYMNTS Intelligence and AWS collaboration, examines the appeal of A2A payments, including an exploration of the incentives or discounts that could sway consumers to use them. We surveyed a census-balanced panel of 3,331 U.S. consumers from Aug. 25 to Aug. 31 to discover how they use A2A payments and what drives them to this method over the alternatives in specific scenarios, such as making purchases, settling accounts or paying bills.

December 2023



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Tracking the Digital Payments Takeover: Consumer Familiarity Controls Account-to-Account Payment Growth was produced in collaboration with Amazon Web Services, and PYMNTS Intelligence is grateful for the company's support and insight. [PYMNTS Intelligence](#) retains full editorial control over the following findings, methodology and data analysis.

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Introduction

Account-to-account (A2A) payments do just what the name implies: A2A payments transfer funds between bank accounts mostly in real-time. A2A payments bypass traditional card networks and use intermediaries like peer-to-peer (P2P) service providers like Venmo or PayPal, which allow individuals to send and receive funds from their bank accounts. Although these payments have been gaining traction in recent years — used by 36% of consumers in the past quarter — they have yet to fully disrupt the wider payments landscape. However, the several advantages A2A payments offer over traditional transaction methods, such as credit and debit cards, mean that greater market share could be on the horizon — and consumer knowledge is the key.

One of the main benefits of A2A payments is their simplicity. An important aspect of this simplicity is that A2A solutions eliminate the need for users to share sensitive financial information such as credit card numbers, potentially reducing the risk of fraud. Moreover, A2A payments are typically processed in real time, meaning merchants receive funds immediately — a major boon for merchants that leads to improved cash flow and reduced risk of bad debt. A2A payments also have the potential

to impact customer engagement. For example, merchants might offer discounts or rewards for A2A payments, or they could use A2A payments to make it easier for customers to check out online.

With A2A payments gaining modest traction, the factors influencing growth deserve deeper scrutiny. Positive attributes, such as ease of use, contribute meaningfully to consumer satisfaction in P2P transactions. Still, the most prevalent obstacle to broader adoption is neither technological shortcomings nor limited vendor acceptance. Instead, it is a notable knowledge gap, with more than half of consumers admitting to not using A2A options simply due to their lack of understanding. Notably, 40% of survey respondents expressed a willingness to adopt A2A payments, suggesting cautious opportunities for further market penetration.

Tracking the Digital Payments Takeover: Consumer Familiarity Controls Account-to-Account Payment Growth, a PYMNTS Intelligence and AWS collaboration, examines the appeal of A2A payments, including incentives or discounts that could sway consumers to use these payments. It draws on insights from a survey of 3,331 U.S. consumers conducted from Aug. 25 to Aug. 31.

More than one-third of U.S. consumers are embracing A2A payments, driven in no small measure by convenience and the draw of P2P transactions.

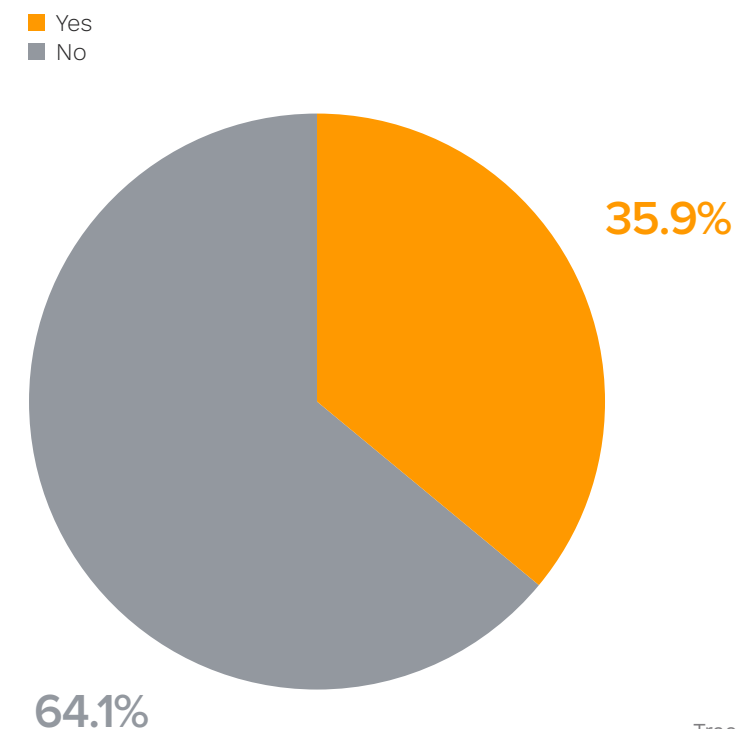
Overall, 36% of U.S. consumers used A2A payments in the three months prior to being surveyed. Survey data reveals that P2P payments account for the bulk of all A2A transactions, with consumers increasingly using this method for personal financial interactions. Platforms such as PayPal, Venmo and Cash App are the primary facilitators, and the social interaction layer common to such platforms offers a relatively novel transaction experience within the broader payments landscape. In short, people trust P2P for money matters with each other.

Although the use of P2P payments, such as those conducted on Venmo, predominates across the A2A landscape for U.S. consumers, additional use cases, such as merchant transactions and bill payments, are not to be ignored. With 14% of respondents using A2A methods to pay bills and subscriptions, A2A payments are emerging as a versatile financial option. A2A solutions, therefore, present an opportunity to expand payment providers, not least traditional financial institutions, to capture a meaningful footprint in this evolving landscape.

FIGURE 1:

A2A payment usage

Share of consumers who did or did not make A2A payments in the last three months



Source: PYMNTS Intelligence

Tracking the Digital Payments Takeover, December 2023
N = 3,331: Complete responses, fielded Aug. 25, 2023 – Aug. 31, 2023

FIGURE 2:

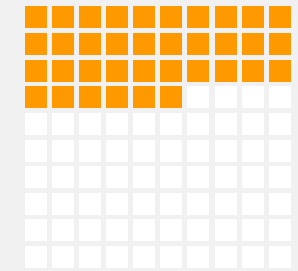
A2A usage breakdown

Share of consumers who made select types of A2A payments in the last three months, by demographic

	A2A PAYMENTS (ANY TYPE)	P2P PAYMENTS	BILL AND SUBSCRIPTION PAYMENTS	ONLINE PURCHASES	IN-STORE PURCHASES
• Sample	35.9%	18.6%	14.0%	11.3%	10.8%
GENERATION					
• Baby boomers and seniors	20.2%	7.1%	7.2%	3.9%	5.6%
• Generation X	34.6%	17.3%	10.9%	8.9%	9.0%
• Millennials	50.5%	31.0%	21.1%	19.0%	16.6%
• Generation Z	47.5%	24.2%	22.2%	18.9%	14.6%
INCOME					
• More than \$100K	46.2%	26.1%	19.4%	15.6%	12.9%
• \$50K - \$100K	35.1%	18.1%	13.6%	11.4%	10.3%
• Less than \$50K	25.0%	10.8%	8.3%	6.6%	8.8%

Source: PYMNTS Intelligence
 Tracking the Digital Payments Takeover, December 2023
 N = 3,331: Complete responses, fielded Aug. 25, 2023 – Aug. 31, 2023

36%



of U.S. consumers have made an A2A payment within the last three months.



A2A payments' convenience drives consumer satisfaction, especially in P2P use cases, indicating platforms provide more user-friendly experiences — a trend primed to continue as more and more individuals begin using A2A networks.

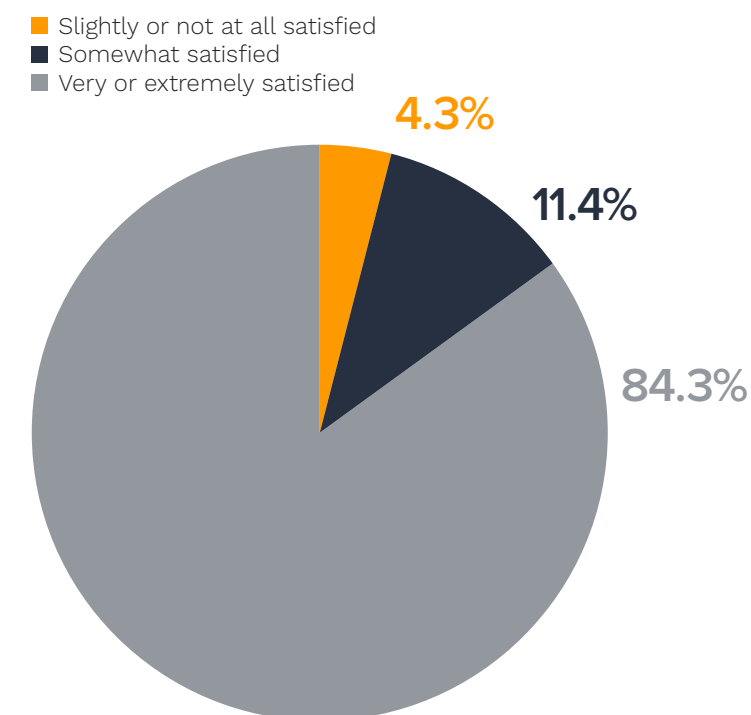
As more and more consumers join the ranks of those using A2A networks in which they can send and receive funds, satisfaction rates for A2A payments climb. More than 80% of users are either very or extremely satisfied with their most-used platform. This could be attributed to these platforms' success in making the payment experience not just seamless but also part of an ecosystem where users frequently interact and transact. Because consumers complete many of these transactions within a known network — sending money to the same recipients — the comfort and trust levels are higher, reinforcing platform loyalty.

Meanwhile, several other factors influence consumer choice, such as the fast availability of funds and the ability to send money from preferred devices. More than one-third of respondents place a premium on getting their money quickly, while another 33% consider using their preferred devices to send money vital in their decision to use A2A as a payment method. These findings suggest there is a small but discerning user base who seek more than mere convenience when selecting how to transact. Therefore, platforms aiming to capture more of this market must not only focus on user-friendly design but also consider these secondary — yet critical — factors.

FIGURE 3A:

Satisfaction with A2A payment experiences

Share of A2A payment adopters who indicate select levels of satisfaction when making A2A payments



Source: PYMNTS Intelligence

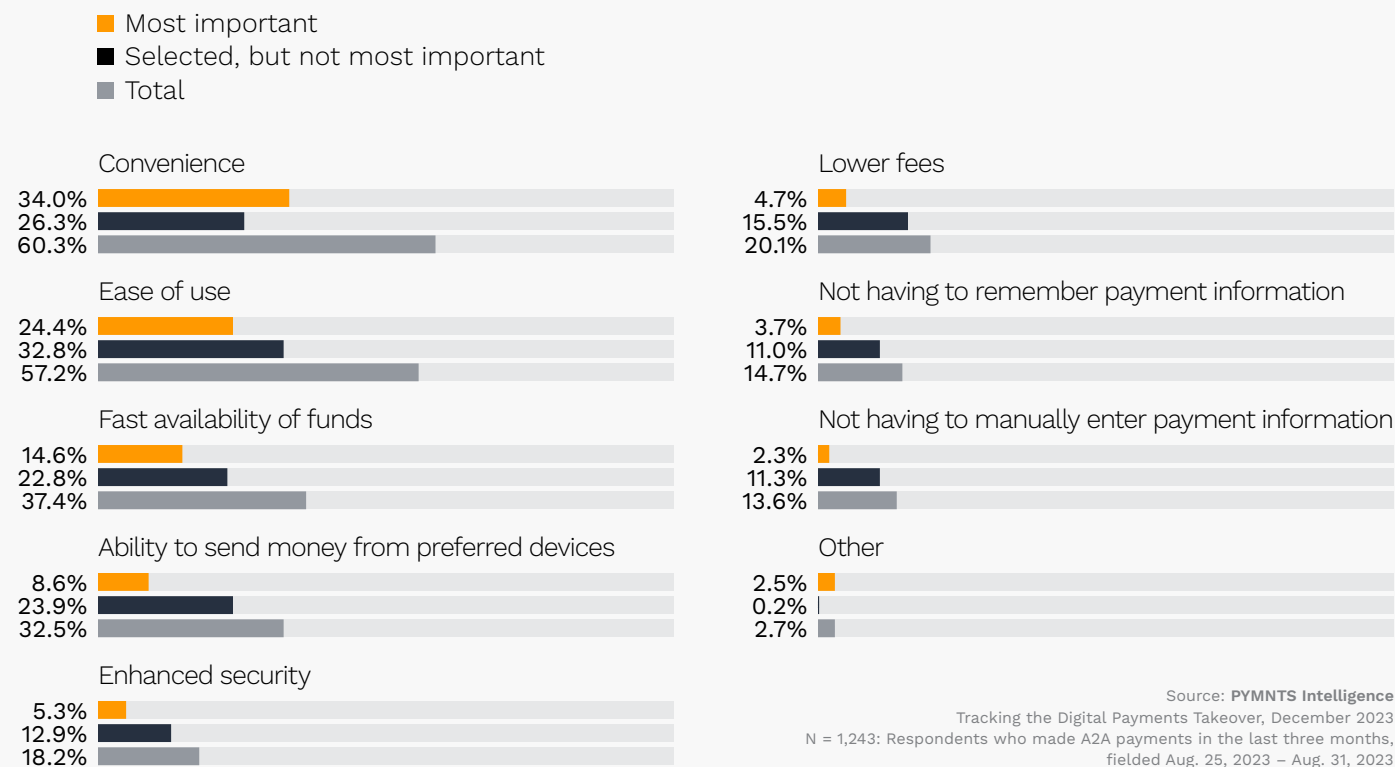
Tracking the Digital Payments Takeover, December 2023

N = 3,331: Complete responses, fielded Aug. 25, 2023 – Aug. 31, 2023

FIGURE 3B:

Satisfaction with A2A payment experiences

Share of consumers who cite select reasons as important for using A2A payments in the last three months



Source: PYMNTS Intelligence
 Tracking the Digital Payments Takeover, December 2023
 N = 1,243: Respondents who made A2A payments in the last three months,
 fielded Aug. 25, 2023 – Aug. 31, 2023

“

Because consumers conduct many of these A2A transactions within a known network – sending money to the same recipients – the comfort and trust levels are higher, reinforcing platform loyalty.

”

The foremost barrier to wider A2A adoption is not technology or availability but rather a knowledge gap of insufficient consumer familiarity and generational differences in awareness.

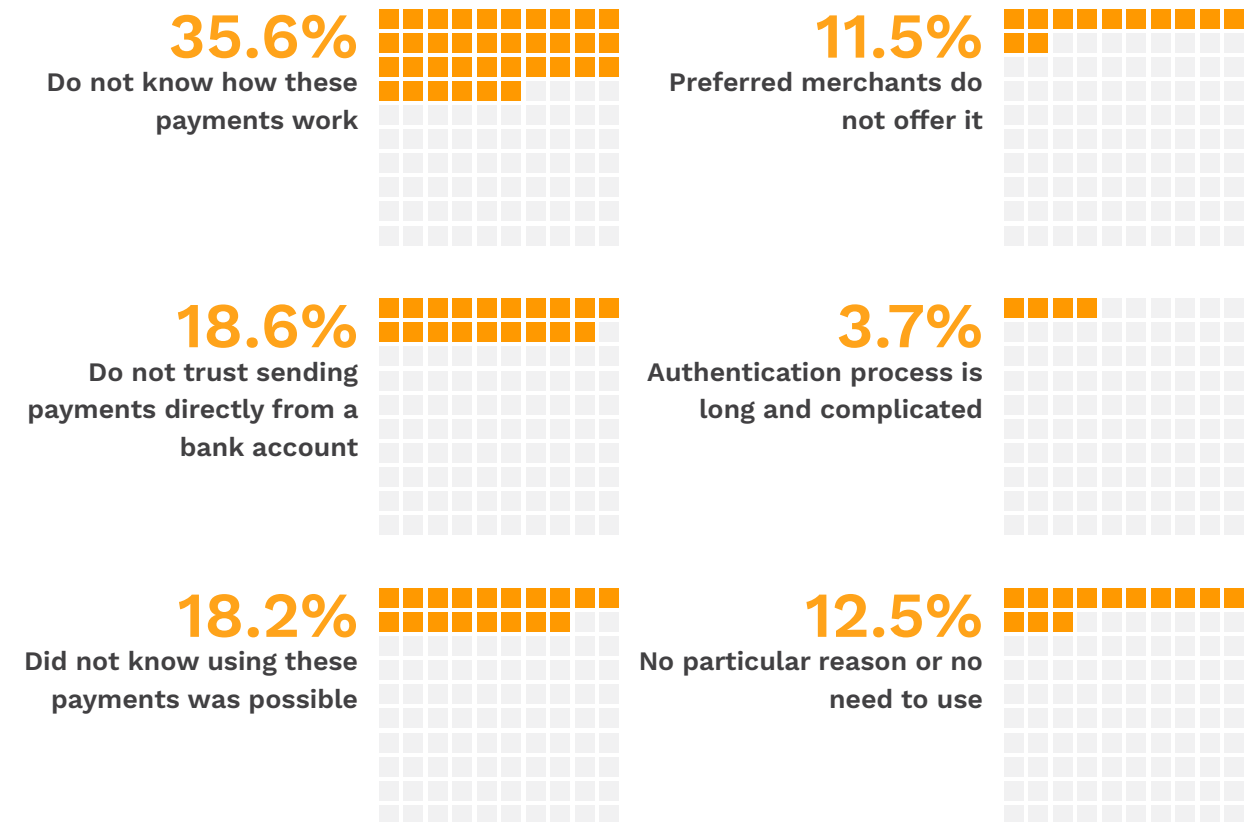
With such convenience and satisfaction numbers, why have A2A payments not fully taken off? A critical hindrance to A2A payments' full-scale adoption is a lack of consumer familiarity: 36% of consumers admit they do not understand how A2A payments operate, and another 24% are unaware that this option exists. This lack of familiarity speaks to the need for more comprehensive awareness campaigns to bring this sizable consumer base into the fold if A2A payment platforms plan to expand their market penetration or increase transaction volumes.

The challenge, however, lies not only in providing information but also in dismantling perceived security concerns. Roughly one-fifth of consumers cite security reservations as a disincentive for using A2A payments, suggesting a broader need for more detailed communication on the robust security frameworks that many A2A platforms now employ.

FIGURE 4:

Why consumers do not use A2A payments

Share of consumers citing select reasons as the most important for not using A2A payments in the last three months



Source: PYMNTS Intelligence
 Tracking the Digital Payments Takeover, December 2023
 N = 2,088: Respondents who did not make A2A payments in the last three months, fielded Aug. 25, 2023 – Aug. 31, 2023

Baby boomers and seniors tend to claim not to know how A2A works. Younger users, such as those in Gen Z, appear nearly oblivious to its availability, suggesting that the knowledge gaps in question are different for each cohort. In contrast, more than half of millennials have adopted A2A payment solutions in the past 90 days, indicating the potential scale of adoption if awareness barriers are successfully overcome. Consequently, there is a clear opportunity for both FinTech firms and traditional financial institutions to target these generational groups with tailored adoption initiatives that can drive broader use.





Not knowing how A2A payments work is the top reason hindering greater adoption across all generations — and incentives may only go so far.

The data reveals a generational divide in the inclination towards A2A payments, with older consumers, notably baby boomers and seniors, showing the least interest. Overall, 36% of respondents claimed not knowing how A2A works as their principal reason for not using it, with another 19% citing their lack of trust in sending payments directly from a bank account. In addition, baby boomers and seniors appear to be the least easy to incentivize. Fifty-three percent of users in this cohort say that even with offers such as discounts or rewards, they still would not use A2A payments. When observing income variations, the disparity in A2A usage is negligible. However, those earning the least express the greatest skepticism, at 43% — even with incentives in place.

FIGURE 5:

Why consumers do not use A2A payments

Share of consumers citing the top reason for not using A2A payments in the last three months, by generation

	 BABY BOOMERS AND SENIORS	 GENERATION X	 MILLENNIALS	 GENERATION Z
• Do not know how these payments work	38.6%	35.9%	29.9%	34.6%
• Do not trust sending payments directly from a bank accounts	22.3%	16.9%	15.3%	14.5%
• Did not know using these payments was possible	11.9%	17.3%	24.4%	33.3%
• Preferred merchants do not offer it	7.8%	13.9%	16.6%	9.9%
• Authentication process is long and complicated	2.5%	2.1%	6.7%	5.8%
• Other	17.0%	13.9%	7.1%	1.9%

Source: PYMNTS Intelligence
Tracking the Digital Payments Takeover, December 2023
N = 2,088: Respondents who did not make A2A payments in the last three months, fielded Aug. 25, 2023 – Aug. 31, 2023

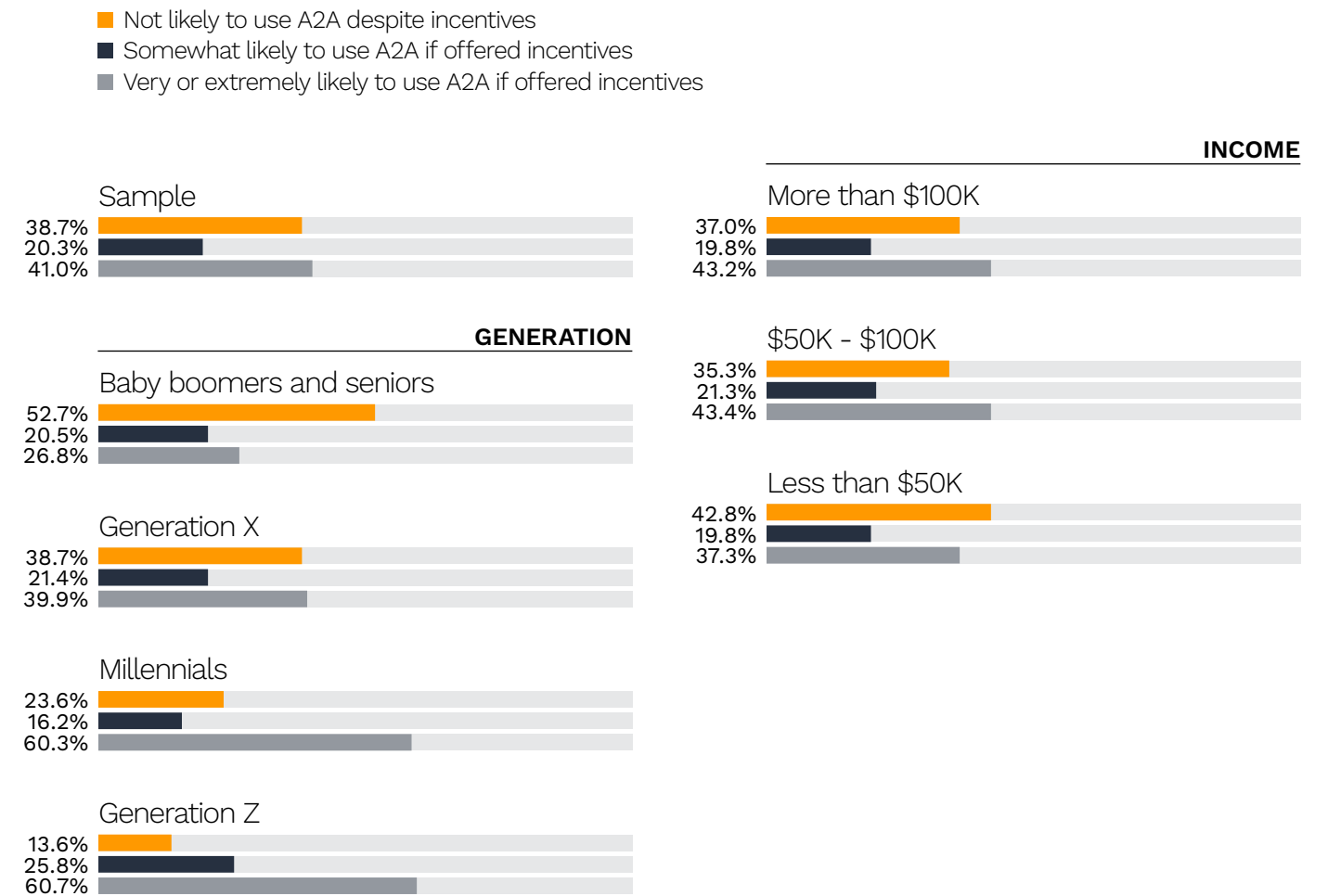
Two in every five respondents are open to adopting A2A payments if incentivized to do so, suggesting avenues for market penetration strategies.

The data on A2A payment use reveals a user base that is somewhat ambivalent overall, with distinct pockets of enthusiasm negated by general hesitance. Despite the barriers, incentives play a vital role in influencing consumer behavior, and 41% of consumers who have not utilized A2A payments in the last 90 days expressed willingness to switch if payment platforms introduced incentives such as discounts or rewards. This suggests that fostering adoption could be viable through targeted campaigns that might include cash-back offers, discounts or exclusive rewards. After all, when consumers feel they are gaining something unique or advantageous, they are also typically more likely to change their payment behaviors, thus providing a possible roadmap for increasing A2A market share.

FIGURE 6:

Incentives' impact on A2A usage

Share of A2A nonusers who cite how incentives would impact their choice to use A2A payments, by demographic



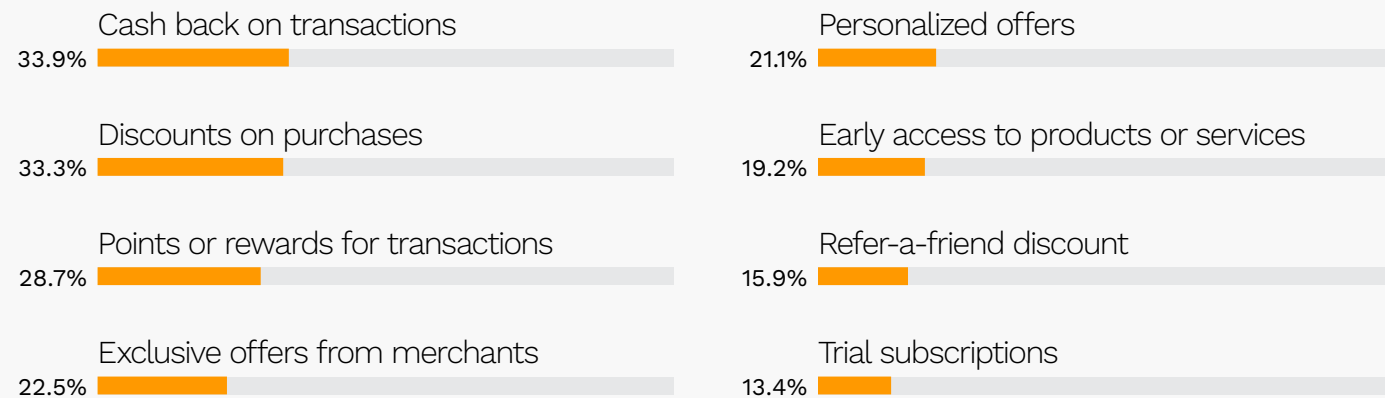
Source: PYMNTS Intelligence
 Tracking the Digital Payments Takeover, December 2023
 N = 2,088: Respondents who did not make A2A payments in the last three months, fielded Aug. 25, 2023 – Aug. 31, 2023

However, it is crucial to acknowledge the naysayers: 39% of U.S. consumers who have not used A2A in the last three months remain unconvinced about using these payments, even when faced with financial incentives. This relatively high percentage suggests that while carrots can bring some consumers into the A2A fold, the incentives will not work for everyone. Addressing the concerns of this more skeptical group might require more, such as enhanced educational efforts or feature improvements to counter reservations. Finally, consumers also express wanting incentives that go beyond financial benefits to begin with — such as exclusive offers and early access to products — suggesting that there is a multifaceted set of consumer preferences that A2A platforms must consider.

FIGURE 7:

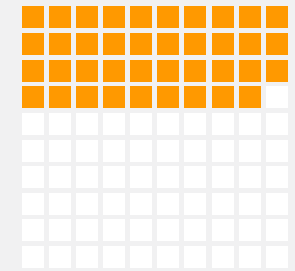
Desired incentives

Share of consumers who are very or extremely likely to start using or increasing their use of A2A payments in the next three months if they receive select incentives



Source: PYMNTS Intelligence
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39%



of U.S. consumers who have not used A2A in the last three months remain unconvinced about using these payments, even when faced with financial incentives.



Conclusion

As A2A payments gain traction in the evolving digital landscape, generational preferences play a significant role. Millennial consumers, inclined toward digital platforms such as PayPal, Venmo and Cash App, are at the forefront of adopting A2A, especially for P2P transactions and online shopping. The convenience and ease of these platforms are particularly appealing, but the big hurdle to A2A adoption is not technological but educational. Some 36% of consumers do not know how A2A payments work, spotlighting an aspect of the knowledge gap that needs filling. A2A platforms are more convenient and satisfying when more consumers (and, thus, more consumers' friends and other senders and recipients) have adopted them, and it is critical to note that 41% of nonusers indicate a willingness to adopt A2A if incentivized. Awareness campaigns coupled with monetary incentives such as discounts, rewards or exclusive offers could be a potent combination to drive adoption across generations, from underinformed baby boomers to unaware consumers from Gen Z.



Methodology

Tracking the Digital Payments Takeover: Consumer Familiarity Controls Account-to-Account Payment Growth, a PYMNTS Intelligence and AWS collaboration, examines the appeal of A2A payments, including incentives or discounts that could sway consumers to use these payments. We surveyed a census-balanced panel of 3,331 U.S. consumers from Aug. 25 to Aug. 31 to discover how they use A2A payments and to learn what drives them to this method over others when, for example, making purchases, settling accounts or paying bills. Fifty-one percent of respondents identified as women, 32% had a college degree, the average age was 47 and 37% annually earned more than \$100,000.

About

PYMNTS
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PYMNTS Intelligence is a leading global data and analytics platform that uses proprietary data and methods to provide actionable insights on what's now and what's next in payments, commerce and the digital economy. Its team of data scientists includes leading economists, econometricians, survey experts, financial analysts and marketing scientists with deep experience in the application of data to the issues that define the future of the digital transformation of the global economy. This multilingual team has conducted original data collection and analysis in more than three dozen global markets for some of the world's leading publicly traded and privately held firms.

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