



► *E-Guide*

# Coronavirus: Contactless limit rises as retailers make point-of- sale changes

## In this E-Guide:

The spending limit for contactless card payments increased to £45 today as of 1 April, which is just one of several ways that retail point-of-sale is evolving in response to the coronavirus. Read on to learn more about the limit increase and the implications it could have.

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*Ben Sillitoe, Freelance editor and journalist*

The spending limit for contactless card payments has increased from £30 to £45 this week, with the continuing Covid-19 coronavirus crisis accelerating a move that was already in the planning.

A national roll-out begins today (1 April) – with different retailers set to add the capability at speed in keeping with their ability to either make centrally controlled switches to software or if they are required to change hardware manually.

The decision to raise the contactless payment limit was taken after consultation between the retail sector and the finance and payments industry, involving trade bodies such as the British Retail Consortium (BRC) and UK Finance. It follows similar increases in several other European countries in March.

Despite some media reports suggesting the contrary, the World Health Organization has *not* advised consumers to avoid using cash in an attempt to reduce the spread of coronavirus. However, some retailers have requested customers visiting their shops to use cards when possible to reduce direct exchanges between staff and shoppers.

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Stephen Jones, CEO of UK Finance, says: “The payments industry has been working closely with retailers to be able to increase the contactless payment limit to help customers with their shopping at this critical time for the country.

“This will give more people the choice to opt for the speed and convenience of purchasing goods using their contactless card, helping to cut queues at the checkout.”

With much of UK retail in lockdown following prime minister Boris Johnson’s call for people to stay at home, and his order for “non-essential” shops to close temporarily, the contactless limit increase will only affect some businesses for now.

It will immediately be most relevant to grocers, pharmacies, pet shops, hardware shops, post offices and petrol stations, which are among those that can stay open at this time.

In their messaging to customers in the last week, the supermarkets have highlighted the changes. Roger Burnley, Asda CEO, has said “use cashless payments wherever possible”, while Waitrose referenced it as part of a new five-point safety plan it wants customers to follow in-store.

Bérangère Michel, executive director for customer service at Waitrose’s parent group, the John Lewis Partnership, said: “Cashless and contactless payment will be encouraged as this will help reduce unnecessary contact. Partners [staff] will also help customers use our Quick Check self-service app.”

## Use your own tech in-store

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The Waitrose Quick Check system for hand-held devices has actually been shut down during this period, with the retailer opting to focus its resources on new hygiene measures and shelf replenishment, rather than asking staff to keep scanners clean.

However, the service, which enables Waitrose shoppers to scan and pack their items as they make their way through the store before paying for the checked goods at the point of sale (POS), is available to download as a mobile app.

In different circumstances, Waitrose might have been using downtime of in-store devices to heavily market this “self-serve” technology, but there are seemingly other priorities.

Mike Coupe, Sainsbury’s CEO, has been pushing his company’s equivalent service via his regular customer update emails, saying: “Many customers are now using our SmartShop app on their own devices when shopping in our stores.

“This means you can scan your own shopping as you go round the store, put food and other essential items straight into your own bags and pay for your groceries at a special till before leaving. Which means less interaction with other customers and colleagues and less time queuing to pay.”

Coupe also urged consumers to pay by card if they can, or to use self-scan tills if using cash.

## Safe screens, and future trends

Plastic safety screens at the checkout – which provide an extra layer of protection between consumers and staff – have also been going up across most of the grocery industry, including at Aldi, Asda, Central England Co-op, Co-op Food, Morrisons, Spar and Tesco.

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The screens are likely to come down at some point if and when the virus subsides in the UK, but will there be a similar reverse in contactless payments?

Tony Craddock, director-general of the Emerging Payments Association, argues that people who did not use contactless payment until being encouraged to use it instead of cash in these turbulent times, are likely to continue using it. Changing one's ways is not a simple process, he adds.

"Changing habits requires people to do something new, learn something unfamiliar, and – in the case of money – incur something related to financial risk," says Craddock. "No wonder it has taken 10 years to get contactless to the level it is at.

"What is happening now is people are being forced to change. First of all, the perceived risk is greater if they pay non-contactless; secondly, everyone is talking about it, so they are learning."

**Read more about retail technology**

- A visit to a technology-fuelled fashion pop-up paints a picture of a world where retailers and brands sell virtual clothes for usage solely in consumers' digital lives.
- The supermarkets have effectively become the fourth emergency service as the Covid-19 coronavirus crisis takes hold, aided by significant online and delivery changes.

Craddock adds: "Once they have changed, they will see that it is more convenient and more easily trackable."

Stuart Eames, retail innovation lead at Waitrose, says contactless volumes have gone up in the past two weeks at the firm's stores as the coronavirus precautions have heightened.

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Like other supermarkets, Waitrose is putting out calls via its in-store public address system to use contactless where possible, in addition to written communications with customers.

“A lot of people know about contactless but the realisation that it’s really quite simple is just dawning on them,” says Eames. “You’ll end up with an increase in the volume of that type of transaction, and it may well be a case of keeping the limit at £45. I think you’ll find contactless will go up and stay up.”

Analysts have already suggested the restrictions placed on society during the temporary coronavirus lockdown may have a permanent influence on consumer behaviour – be it communication techniques, flexible working, or overall perception of what is valuable. Contactless payments might well be added to that list of coronavirus-led changes.