



VISA

Security, speed and simplicity:

Why New Zealanders are
embracing biometrics

Visa Insights 2020

A large, stylized fingerprint graphic is located in the top left corner, composed of concentric, curved lines in a lighter shade of blue.

About the research

Visa's Security, Speed and Simplicity: Why New Zealanders are embracing biometrics report analysed responses of 500 New Zealand credit cardholders aged 18 and over. The research was conducted through an online survey by Fabrizio Ward, LLC in May 2019.

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Introduction



The way we authenticate payments is evolving.



At Visa, we believe security is the foundation for innovation.

A leader in payments security for more than 60 years, Visa continues to invest in technology that simplifies the payments journey for everyone, everywhere.

Biometric authentication technology represents an exciting step in this journey. It enables a range of unique biological identifiers, from fingerprint, face and iris, to seamlessly authenticate payments online, in-store and on-the-go.

As the use of biometrics for authentication continues to become a routine part of our daily lives, Visa commissioned research to understand how consumer attitudes towards this emerging technology are changing.

This report includes responses from 500 credit cardholders in New Zealand over 18 years old*, providing valuable insights to help the payments ecosystem embrace this next generation of payment authentication.

*Margin of sampling error at n500 is $\pm 4.38\%$.

The case for biometrics



Passwords cannot keep pace with the rapid growth of e-commerce.



200+
Online Accounts



21%
Same password for all



52%
Same password for some

Currently, the average New Zealander is believed to hold more than 200 online accounts¹. Yet one in five (21%) use the same password for every account and 52% use the same password for multiple accounts.

With this context, the potential for biometric authentication to enhance online security by replacing passwords is clear. However, it also has a role to play in helping merchants secure sales.

Almost three-quarters (73%) of New Zealand respondents have abandoned an online purchase due to trouble logging into their account (32%), not having a card with them (31%) or not remembering their password (30%). Biometric authentication's convenience is poised to improve this and result in more completed sales.

The migration towards biometrics forms part of Visa's multi-layered approach to security. Yet to unlock the technology's full potential requires collective effort.

¹A world beyond passwords: Improving security, efficiency, and user experience in digital transformation, Deloitte July 2016

New Zealand's biometric profile



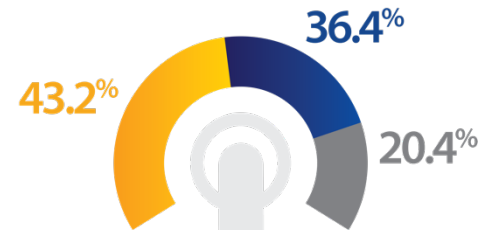
Almost half (42%) of New Zealanders are using biometrics for payments or bank services on a weekly basis.

New Zealanders are very aware of the technology: 64% are familiar with biometric authentication, with 30-39 year-olds the most aware (80%) and over 60+ year-olds the least (55%).

And use is growing. 68% of New Zealanders have used fingerprint recognition, followed by voice recognition (51%) and facial recognition (47%), although few use non-fingerprint biometrics on a regular basis.

The key adopters tend to be young males, while biometric novices skew towards females and non-users are generally older.

Biometric user profiles



- Biometric Adopters
- Biometric Novices
- Non Users

The growing appetite for biometrics



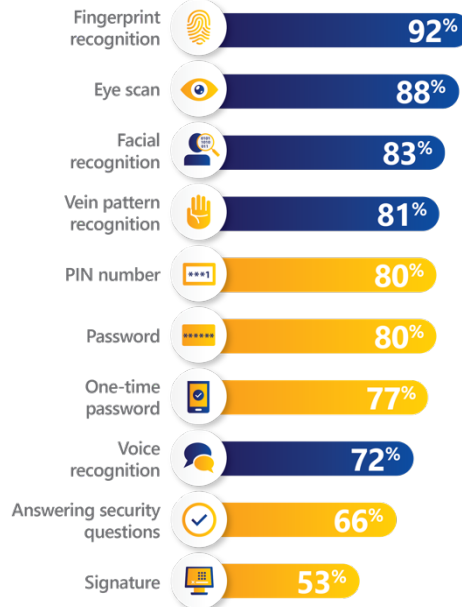
Security, speed and simplicity draws consumers to biometrics.

Biometrics offer a convenient way to authenticate our purchases by using the measurable human traits unique to each and every one of us².

When it comes to security, consumers see fingerprints, eye scans and facial recognition as more secure than traditional authentication methods like passwords and signatures.

Perceived security of the authentication method

- Biometric methods
- Traditional methods



² <https://usa.visa.com/visa-everywhere/security/exploring-password-free-authentication.html>

Biometrics deliver clear benefits



More than 65% of New Zealanders see biometrics as faster and easier than the traditional password.

When looking at the top three benefits of biometrics for payments, elimination of passwords and PINs (45%) topped the list, followed by heightened security (37%) and reassurance that details were safe if a device was stolen (34%).



Elimination of passwords and PIN numbers



Heightened security



Reassurance that details were safe if a device was stolen



Consumer interest on the rise



There is clear interest in using some biometrics for payments, but consumers want choice.

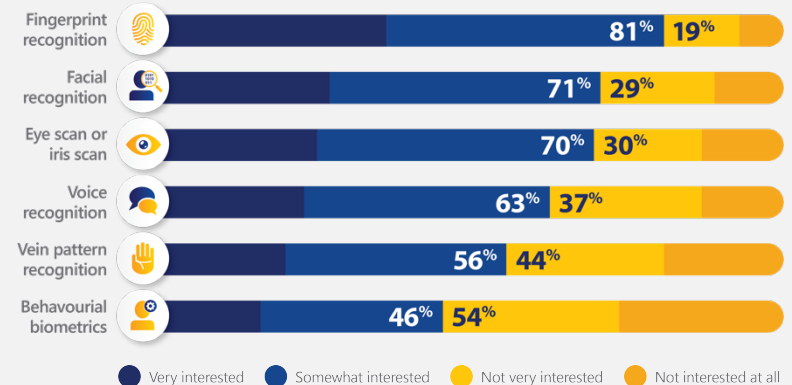
Importantly, when it comes to banking, 4 in 5 want to choose their preferred type of biometrics.

New Zealanders tend to feel more comfortable with biometrics they already know or use, such as fingerprints, followed by facial recognition, eye scan or iris and voice recognition.

Choice to use multiple types of biometrics





Interest in biometrics to make future payments



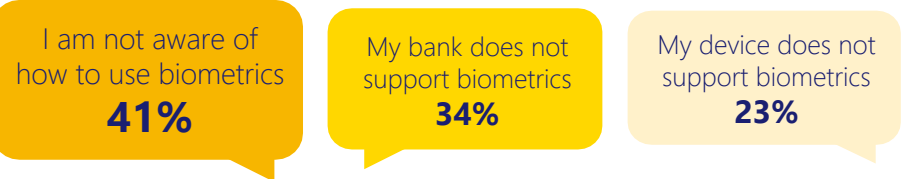
Concerns about operational failure, cost and security leaks remain

Consumers have some worries when it comes to using biometrics for payments, these include:

- 
43% Biometric authentication won't work well or take multiple attempts
- 
41% Costs of owning a device that enables biometrics authentication
- 
34% Risk of a security leak of this information. E.g. can't change fingerprint if compromised
- 
33% Privacy concerns that a bank or store holds my sensitive personal information

And while biometric adoption for payments is increasing, a lack of education, along with a lack of support from banks and mobile devices are the biggest inhibitors of increased uptake in New Zealand, presenting a prime opportunity to educate and empower their customers to use biometrics.

Reasons for not using biometrics



The relationship between banks and biometrics

New Zealand consumers are most likely to use biometrics if offered by their banks (84%) and payments network (82%).

A majority of the consumers surveyed indicated they would be willing to switch financial institutions, payments provider and mobile phone provider to access biometrics.

The percentage of those prepared to switch increased to almost three-quarters among biometric adopters.



When asked about the storage of this data, consumers saw banks (55%), payments networks, (51%) and government (33%) as the most trusted sources to store their biometric data.



A tale of two markets: Australia vs New Zealand



While Australians are interested in using biometrics, New Zealanders are even more enthusiastic.

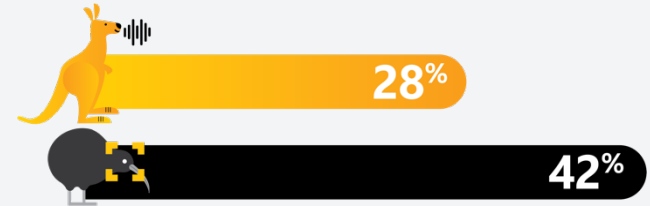
New Zealanders are considerably more likely to have used biometric payment options than Australians in the past seven days.

However, New Zealanders tend to be more complacent in terms of using the same password for every account (21%) compared to those in Australia (17%).

New Zealanders are also less patient with clumsy online payments. In fact, New Zealanders are much more likely to abandon a purchase compared to Australians. The top reason was not being able to log into their retailer's account (32%) while Australians cited not remembering their password (29%).

The Visa Security, Speed and Simplicity: Why Australians are embracing biometrics report analysed responses 1000 Australian credit cardholders aged 18 and over. The research was conducted through an online survey by Fabrizio Ward, LLC in April 2019.

Have used biometrics for payments or bank services in the past week



Have abandoned an online purchase

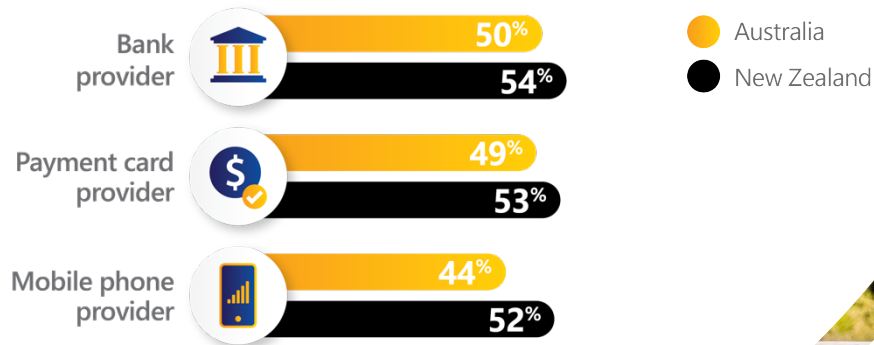


● Australia
● New Zealand

A tale of two markets: Australia vs New Zealand

Overall, there is greater interest and familiarity of biometrics in New Zealand, plus a greater desire to switch to a provider that caters for this technology. However, both countries share an appetite for multiple biometric capabilities, such as the ability to utilise eye scans, fingerprints and facial recognition.

Would switch providers if they didn't offer biometrics



Visa's approach to security

At Visa, we believe security is a catalyst for growth that benefits businesses and consumers alike.

Biometrics are an exciting development in security innovation, working to reduce the risk of fraud, increase approvals for valid transactions and provide a seamless payment experience for everyone, everywhere.

The security, speed and simplicity of biometrics appeals to New Zealand consumers, as frustration towards traditional methods such as passwords and PINs continues to grow.

However, with the advent of any new technology, Visa works to ensure biometrics not only meet, but also exceed consumer expectations on security and convenience.

To learn more about Visa's multi-layered and data-backed approach to security, including our vision for biometrics, please visit <https://www.visa.co.nz/pay-with-visa/security/future-of-security-roadmap.html>



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