

**Taxi & Private Hire card  
payment**

**08200**

September 2009

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Research conducted by Synovate

# Contents

- Research Objectives and Methodology
- Headline Findings
- Research Findings
  - Current Use of Card Payment for Taxi Fares
  - Summary of Use & Interest in Card Payments for Taxi Fares – Customers & Drivers
  - Customer Interest in Card Payment in Future
  - Customer Interest in Contactless Payment for Taxi Fares
  - Driver Interest in Card Payment Facility
  - Benefits of Offering Card Payment Facility - Drivers
  - Barriers to Use of Card Payments – Customers and Drivers
  - Tips and Processing Time
- Conclusions
- Appendix

# Research Objectives & Methodology

# Research Objectives

Overall, this research sought to understand interest in the concept of card payment among both taxi customers and drivers.

## **Customers - specific objectives:**

- to determine interest in card payment and contactless payment for paying taxi fares
- to establish interest in the other payment methods, namely cash
- to understand the reactions to a surcharge for card payment
- to identify any concerns with a card / contactless payment system
- to understand what effect, if any, paying a surcharge would have on tips to drivers.

## **Taxi Drivers- specific objectives:**

- to determine reaction to the use of card payment for paying taxi fares in the context of other methods, namely cash
- to determine frequency of receiving payment by different payment methods
- to understand the reactions to charging a surcharge for card payment
- to identify any concerns with a card payment system.

# Methodology

The survey with private and business customers used a face-to-face in-street method. There were set quotas for each sample type.

## Sample Type

- UK personal customers
- USA personal customers
- Other overseas personal customers
- UK business customers
- USA business customers
- Other overseas business customers

Fieldwork dates: 17-29<sup>th</sup> June

## Number of interviews

205

96

101

208

65

71



To allow for meaningful analysis, data for USA and other overseas personal/business customers is shown as a combined total. Where there are significant differences, these are highlighted.

The survey with taxi drivers used a telephone method.

Taxi Drivers

400

Fieldwork dates: 8<sup>th</sup> - 24<sup>th</sup> June 2009

# Headline Findings

# Headline Findings

- Current card payment behaviour for taxi fares
  - 1 in 3 drivers say they currently have a card payment facility.
  - Drivers with facility say around 1 in 14 customers pay by card and these tend to be for higher fares.
  - Cash is preferred method for paying fares currently. 1 in 10 UK personal customers prefer paying taxi fares by card, rising to 1 in 4 overseas business customers.
  - Over half of drivers who do not currently offer credit card payment facilities are asked if they offer card payment facilities at least once a week.

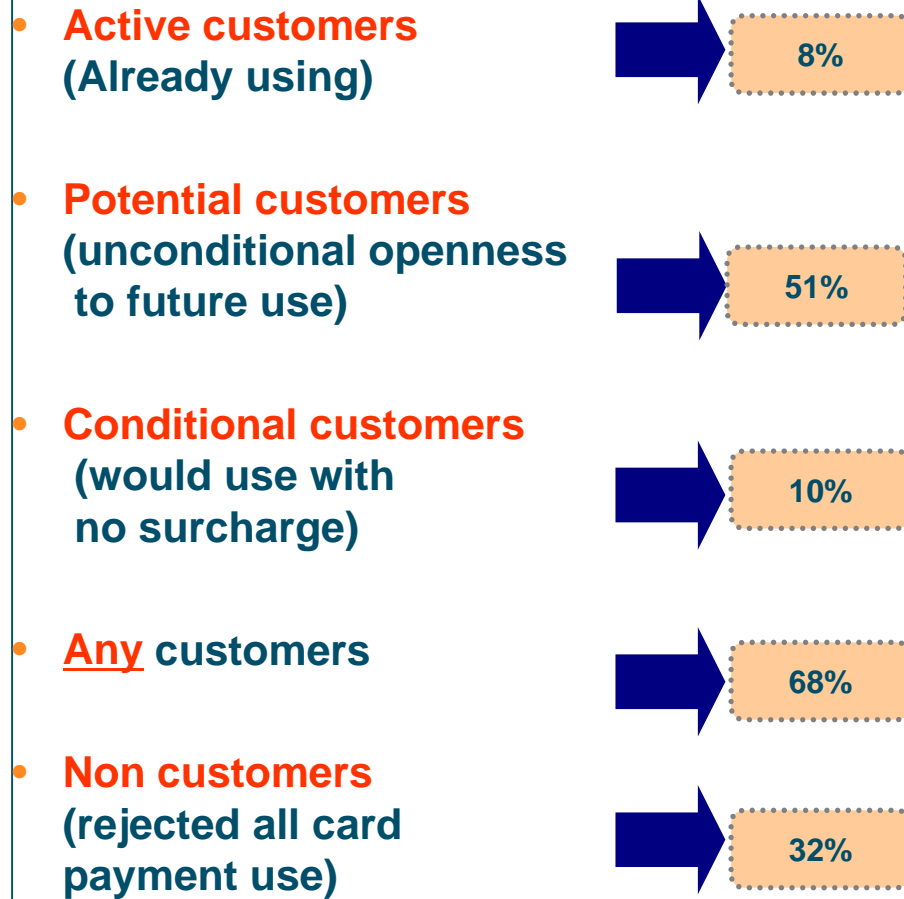


# Headline Findings

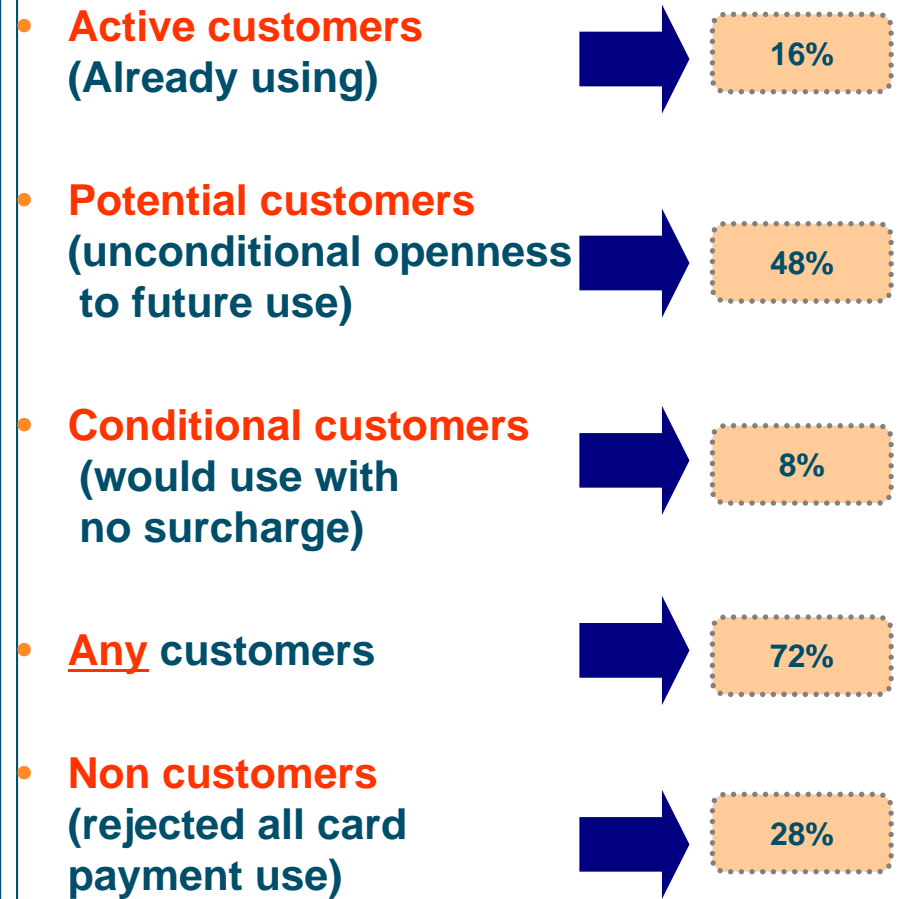
- Key findings from 3 summary slides following this slide on customer and driver interest in card payment:
  - Customer interest in card payment in future
    - Around 1 in 12 UK personal customers use card payments currently, rising to 1 in 5 of overseas business customers.
    - A further third of UK and overseas personal customers are likely to use card payment in the future. A quarter of UK business customers say this and almost half of overseas business customers.
    - Interest in contactless payment as preferred method is around 10% higher among personal customers than card payment with same surcharge (of 6%); 7% higher among business customers.
  - Driver interest in card payment facility
    - 1 in 3 drivers who don't currently offer card payment are likely to offer this facility in the next year.

# Summary of customers' willingness to use card payment for taxi fares - **personal customers**

## UK personal Customers



## Overseas personal Customers

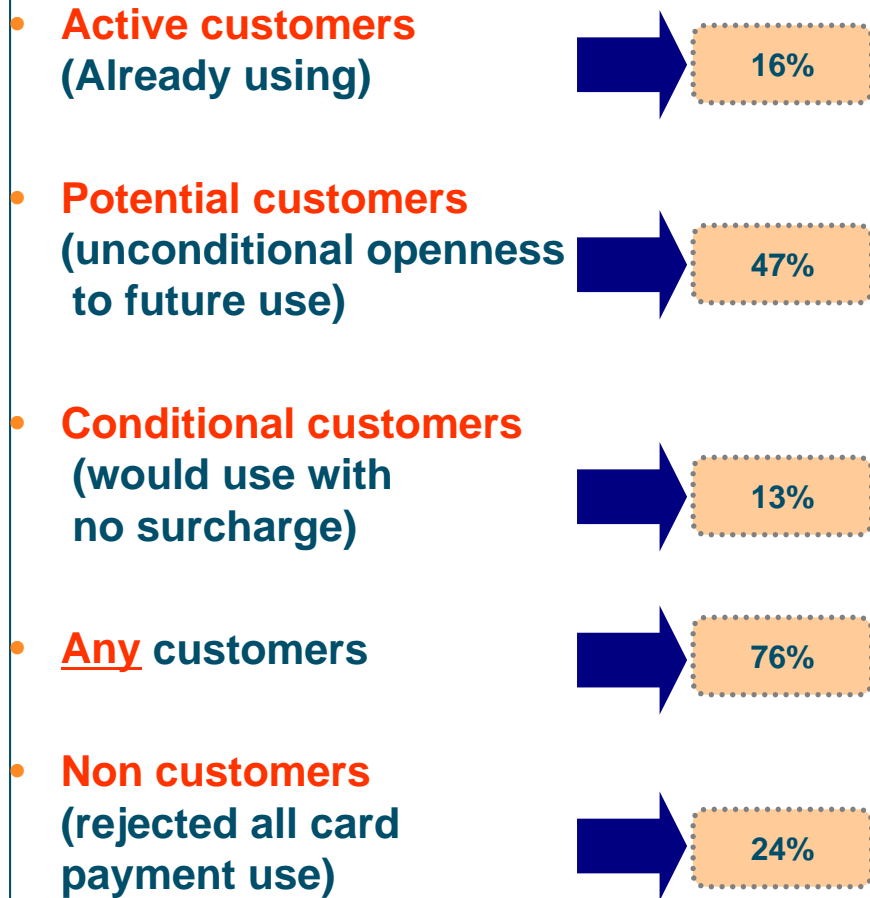


Note: base does not add to 100% due to rounding

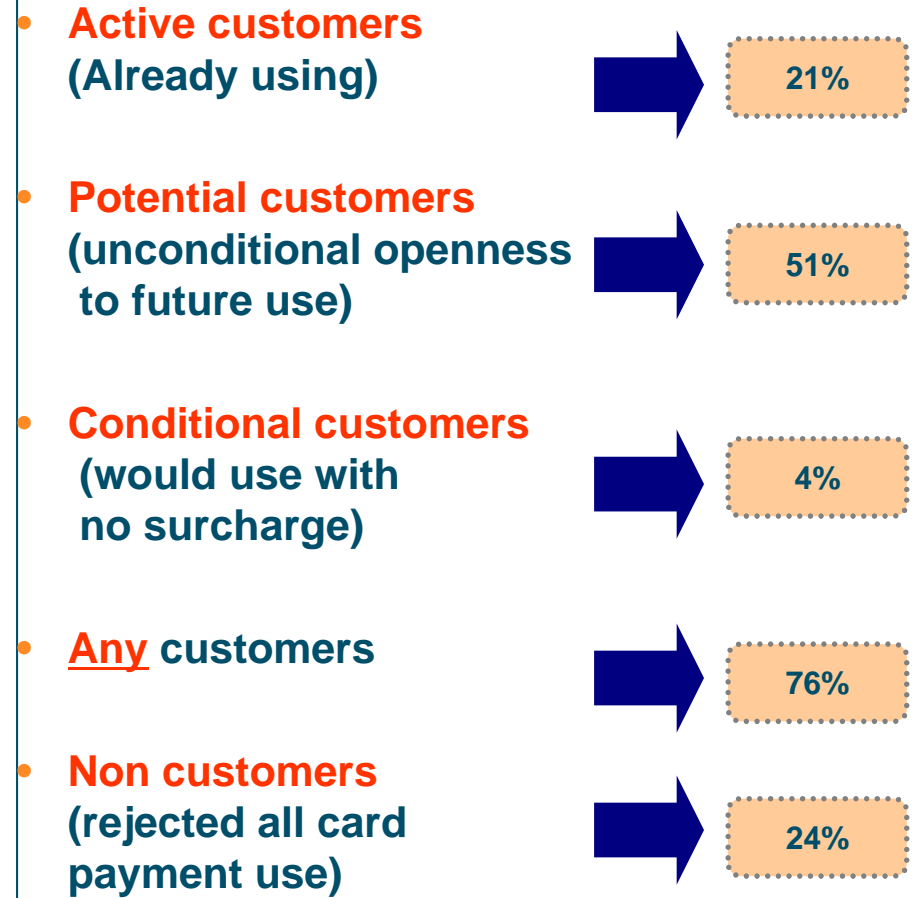
**Active customers** - Already using card payment (Q15a), **Potential customers** - prefer card payment or are very or quite likely to be willing to use cards or contactless payment with the surcharge halved (Q15b, Q16, Q17, Q19,) **Conditional customers**, only very or quite likely to use cards if there are no surcharges (Q17a and or Q19A), **Any customers**- a combination of active, potential and conditional customers. **Non-customers** - do not use cards and are unlikely to do so

# Summary of customers' willingness to use card payment for taxi fares - **business Customers**

## UK business Customers

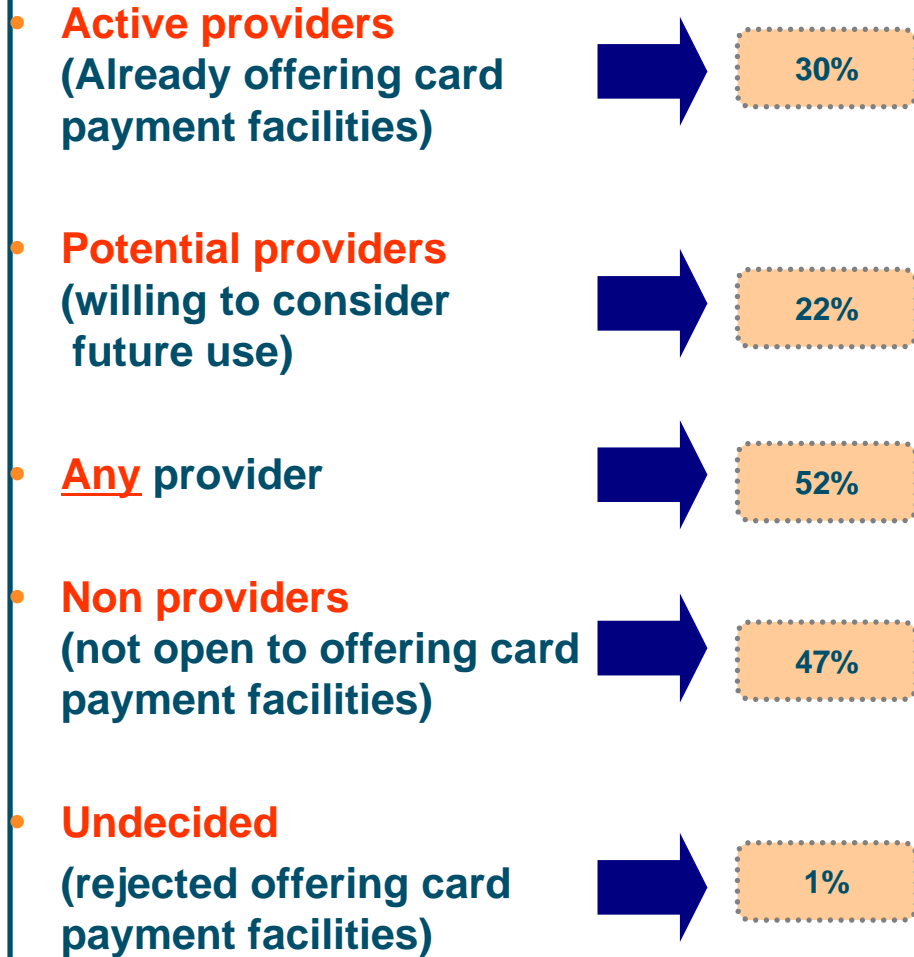


## Overseas business Customers



**Active customers** - Already using card payment (Q24a), **Potential customers** - prefer card payment or are very or quite likely to be willing to use cards or contactless payment with the surcharge halved (Q24b, Q25, Q26, Q28) **Conditional customers**, only very or quite likely to use cards if there are no surcharges (Q26a and or Q28a), **Any customers**- a combination of active, potential and conditional customers. **Non-customers** – do not use cards and are unlikely to do so

# Summary of drivers' willingness to offer card payment facilities (surcharge level unspecified)



**Active providers-** Already providing card payment facilities (Q6), **Potential providers** –very or fairly likely to consider providing card payment facilities in the future (Q21)  
**Any providers-** a combination of active and potential providers. **Non-providers** – do not provide card payment facilities and are unlikely to do so (Q21) **Undecided-** Don't know if they will provide card payment in the future (Q21)

# Headline Findings

- Perceived benefits of card payment facility
  - Main benefit named by 1 in 3 drivers is not having to turn down fares.
  - 1 in 3 drivers mention convenience as main benefit for customers.
- Barriers to use of card payments
  - Main barrier to customers of using card payments is convenience of cash.
  - Over a third of all taxi drivers say there are no drawbacks to offering card payment facilities. Main drawback is seen as delay in payment
    - Those not likely to offer facility name lack of demand and cost as main barriers.
  - Drivers see surcharges as significant drawback for customers, but less than 10% of customers who don't use cards for taxi fares say this.
  - Security concerns among drivers without card payment facilities are not as bad as reality: 3 in 10 drivers not offering card payment facilities think they are more likely to become victims of crime. Among those offering the facilities, 1 in 10 say this.

# Headline Findings

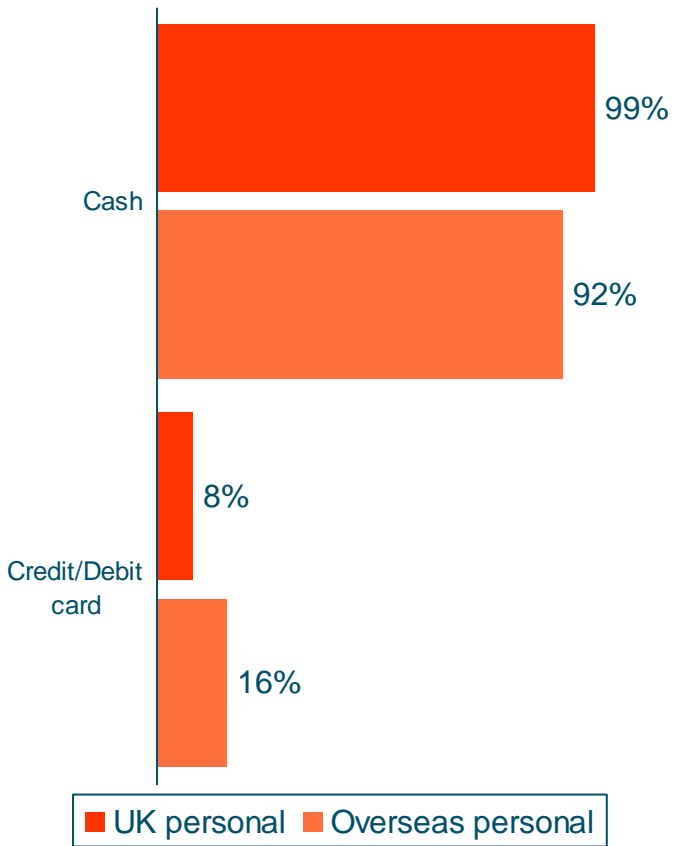
- Security concerns with contactless payments
  - Security is seen as significantly greater barrier among customers for contactless payment than card payments with PIN: a quarter of UK personal customers are concerned.
- Tipping
  - At least a half of customers would pay the same tip amount when paying by card with 6% surcharge vs. cash, while around a third of UK customers and quarter of overseas customers would tip smaller amount.

# **Current Use of Card Payment for Taxi Fares**

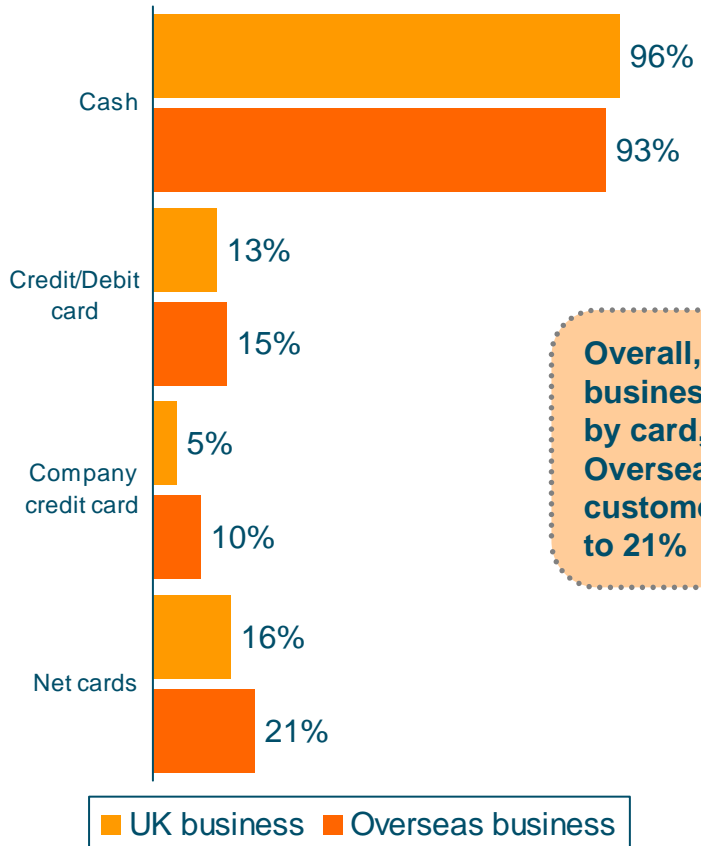
# Payment methods currently used to pay for taxi fares

Nearly all customers currently use cash as a means for paying for taxi fares while the proportion using cards is much lower (from 1 in 12 UK personal to 1 in 5 overseas business)

## personal customers



## business Users



Overall, 16% of taxi UK business are paying by card, among Overseas business customers, this rises to 21%

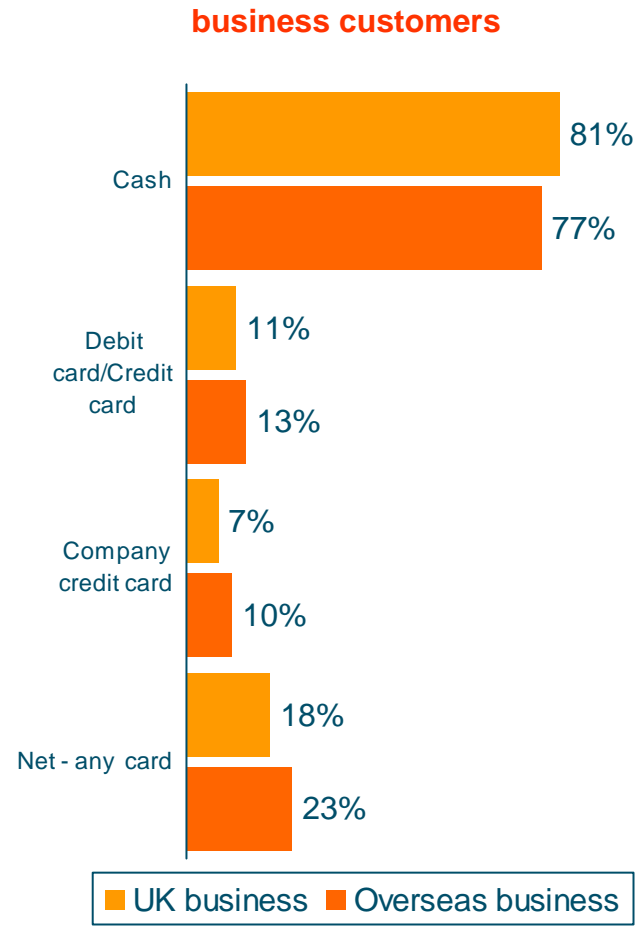
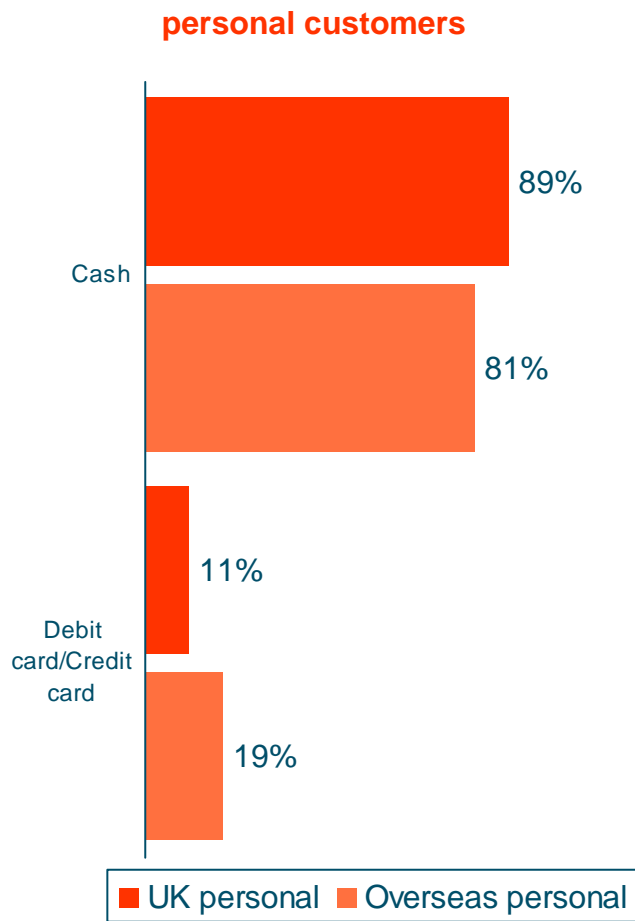
Source: Q15a; Which of the following payment methods would you use as a means to pay for a taxi in London when travelling **for personal use**?  
All who use a taxi for personal use (UK n=205) (Overseas n=197)

Source: Q24a; Which of the following payment methods would you use to pay for a taxi in London when travelling **for business use**?  
All who use a taxi for business use (UK n=208) (Overseas n=136)



# Preferred payment methods used by customers

Cash is preferred fare payment method by far for all groups. 1 in 10 UK personal customers prefer card up to 1 in 4 of overseas business customers

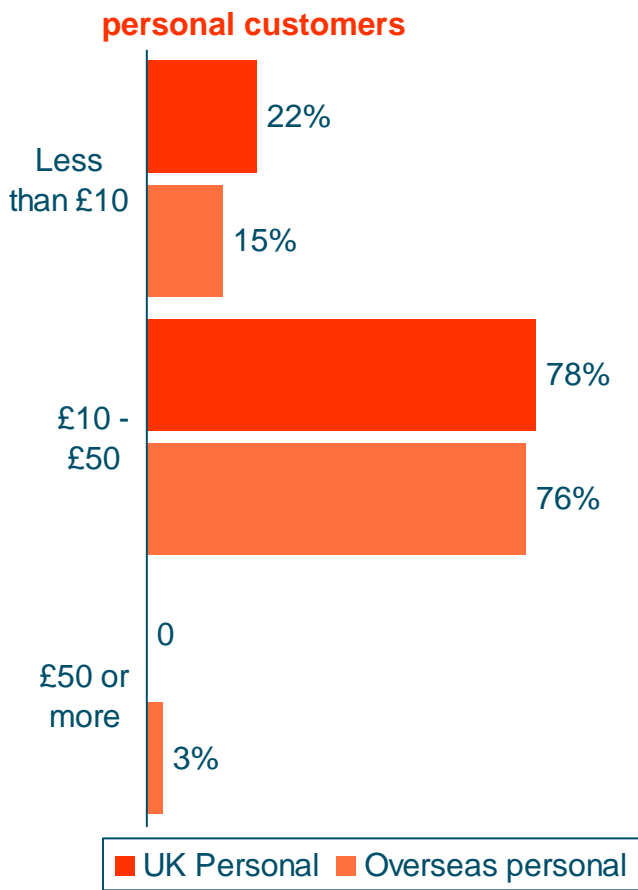


Source: Q15b; And which of these payment methods is your preferred method of payment for a taxi in London when travelling **for personal use**?  
All who use a taxi for personal use (UK n=205) (Overseas n=197)

Source: Q24b; And which of these payment methods is your **preferred** method of payment for a taxi in London when travelling **for business use**?  
All who use a taxi for business use (UK n=168) (Overseas n=105)

# Typical fare paid for a taxi trip in London

Most customers say that most fares are between £10-£50. This suggests that the majority of passengers will not be able to use contactless payment at the current rate of under £10 for their fares

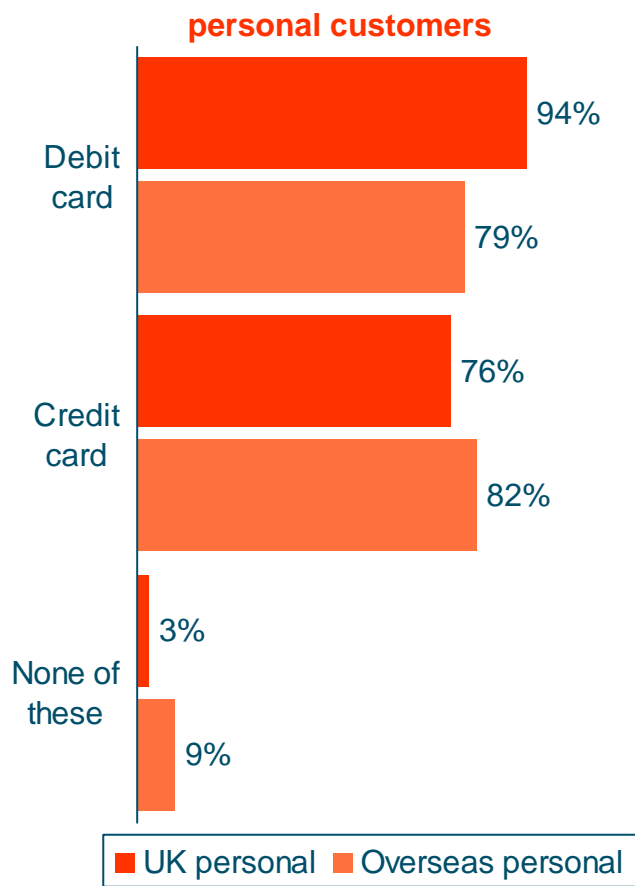


Source: Q12; How much would you say you typically pay for a taxi trip in London for personal use, not counting any tip you may pay? All who use a taxi for personal use personal-(UK n=205) (Overseas n=197) Don't know responses not shown

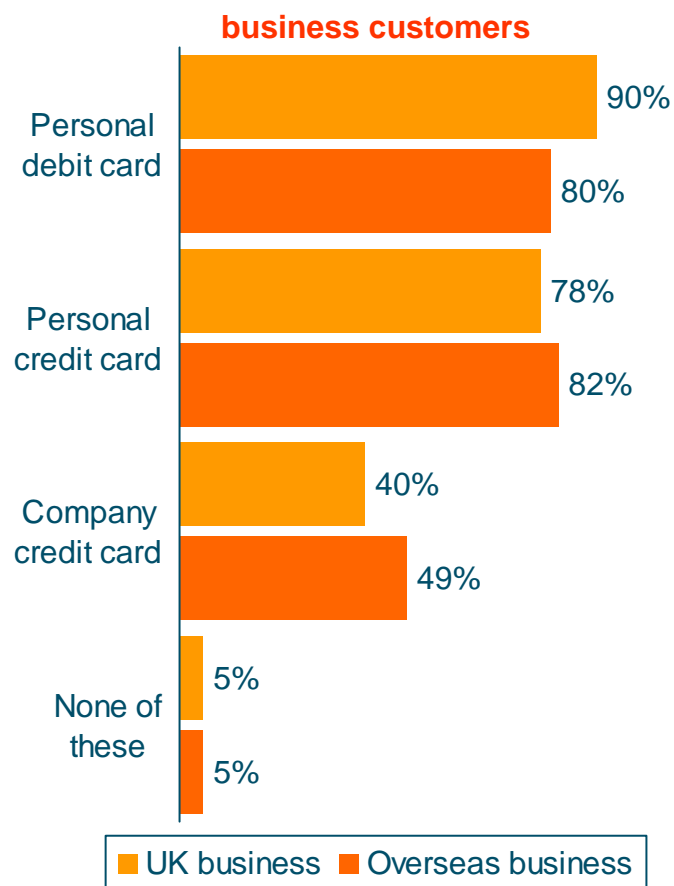
Source: Q21; How much would you say you typically pay for a taxi trip in London for business use, not counting any tip you may pay? All who use a taxi for business use business-(UK n=208) (Overseas n=136)

# Payment cards being generally used

The majority of customers use debit and credit cards



Source: Q14; Which of the following payment cards, if any, do you have? All who use a taxi for personal use (UK n=205) (Overseas n=197) Don't know responses not shown



Source: Q23; Which of the following payment cards, if any, do you have? All who use a taxi for business use business-(UK n=208) (Overseas n=136)

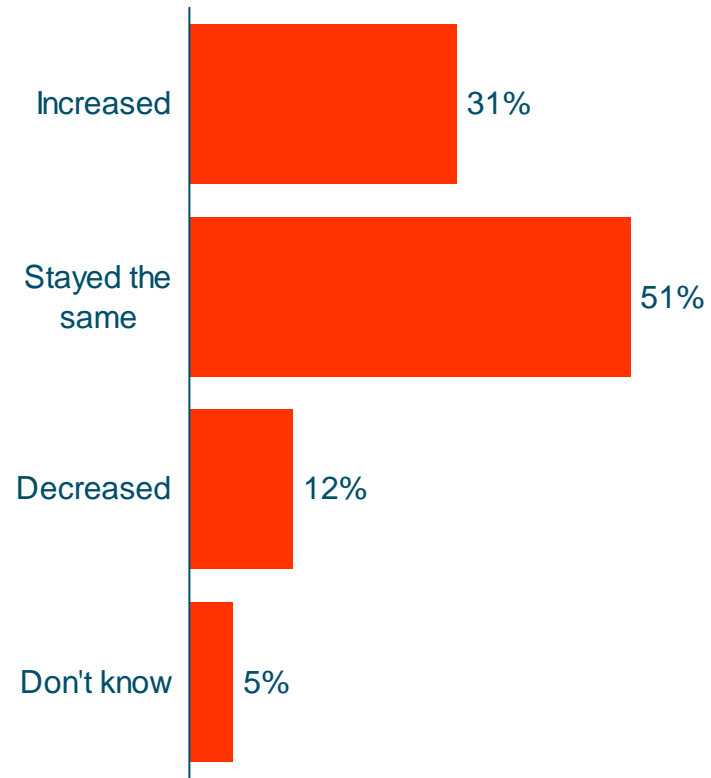
# Proportion of customers paying by card in the last 12 months

Overall, 30% of taxis offer credit or debit card payment facilities



A third of drivers offering card payment facilities feel that there has been an increase in use while 1 in 10 say less use now

**Length of offering service**  
Up to 6 months = 17%  
6-12 months = 12%  
1-2 years = 12%  
2-5 years = 31%  
5 years or more = 28%



Source: Q6; Do you currently accept credit or debit card payments for taxi fares? All taxi drivers (n=400)

Source: Q11; For how long have you been able to accept credit/debit card payments for taxi fares? All who currently accept card payments (n=121)

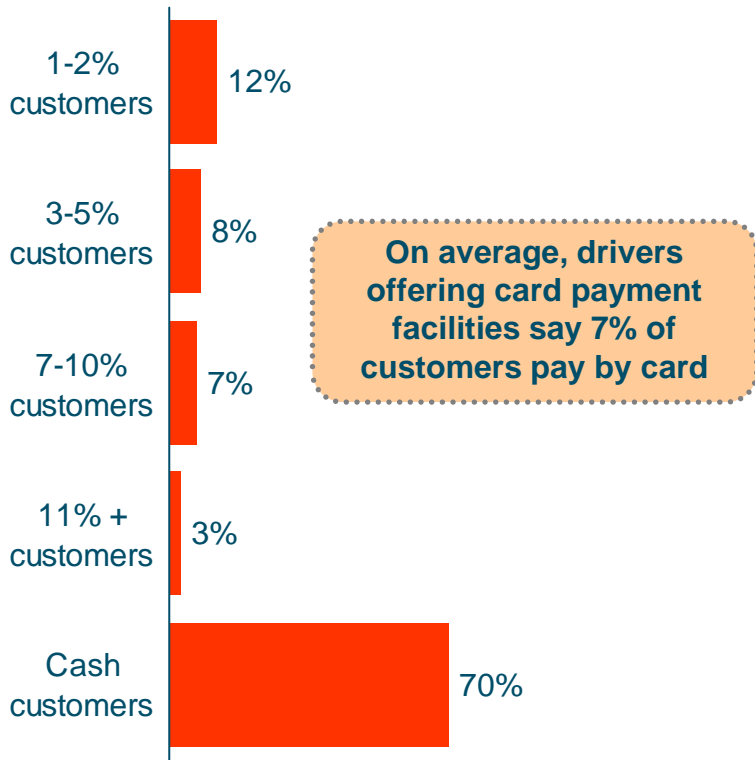
Source: Q15; Would you say that over the last year (or since you first started offering a credit/debit card payment facility if less than a year ago) that the proportion of customers paying by card has: All who currently accept card payments (n=121)

# Estimated percentage of customers paying by card and value of fares vs. cash

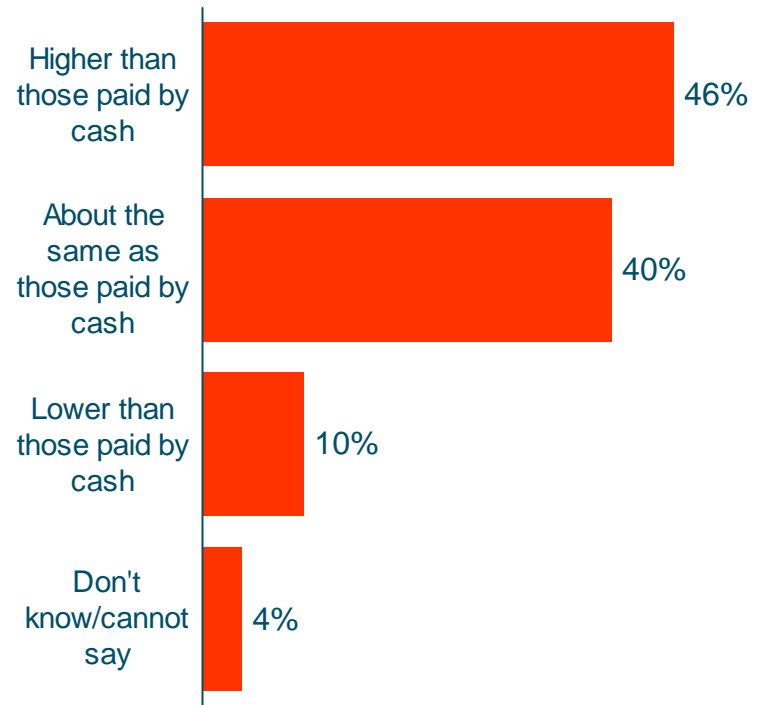
Drivers offering card payment facilities say 1 in 14 customers pay for their fares by card. Fares paid by card much more likely to be higher than fares paid in cash



### Proportion of customers paying by card/cash



### Value of fares – cash vs. card

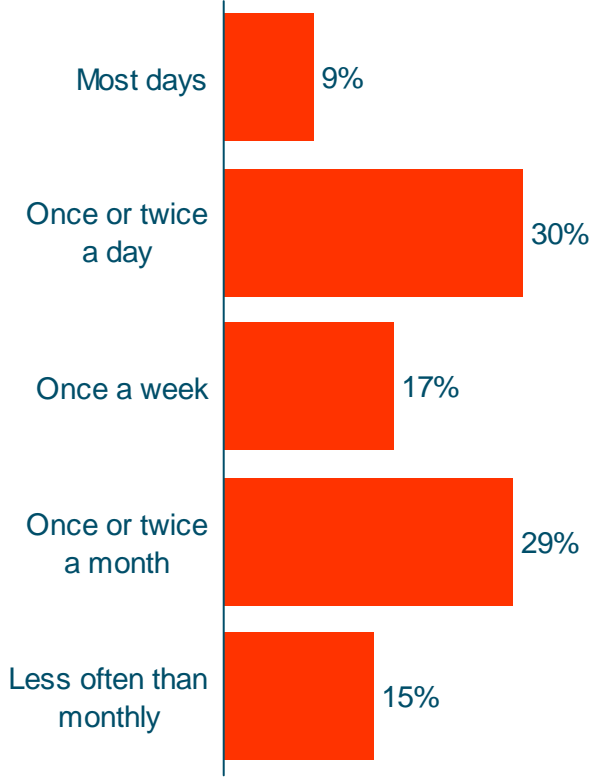


Source: Q12 rebased; All taxi drivers (n=400)

Source: Q14; All who currently accept card payments (n=121)

# Customer demand for card payment facilities

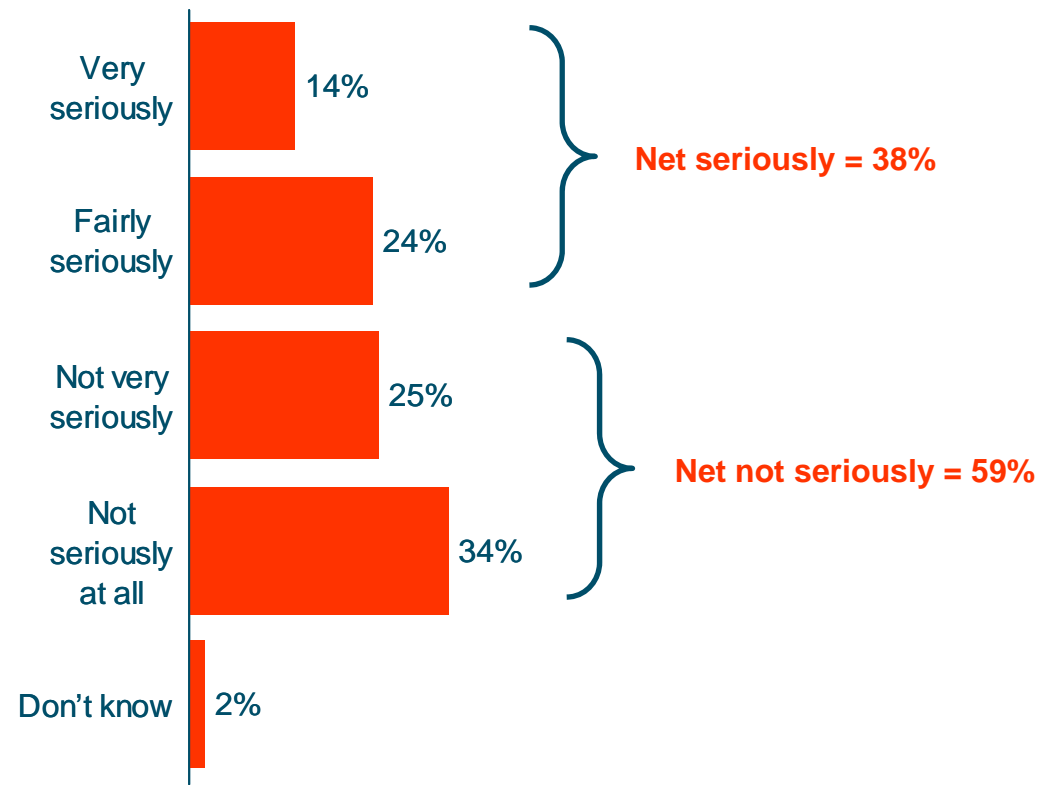
Over half of drivers who don't currently offer card payment facilities are asked if they offer card payment facilities at least once a week



Source: Q18; Typically, how often do customers ask if they can pay by card? All who do not currently accept card payments (n=279)

# Proportion of drivers who do not offer card payment facility who have considered offering it

Nearly four in ten have considered offering card payment facility 'very or fairly seriously'



Source: Q21; How seriously have you considered offering card payment facilities in the future? Would you say....  
All who do not currently accept card payments (n=279)

# Surcharges for using card payment and extent to which costs are covered



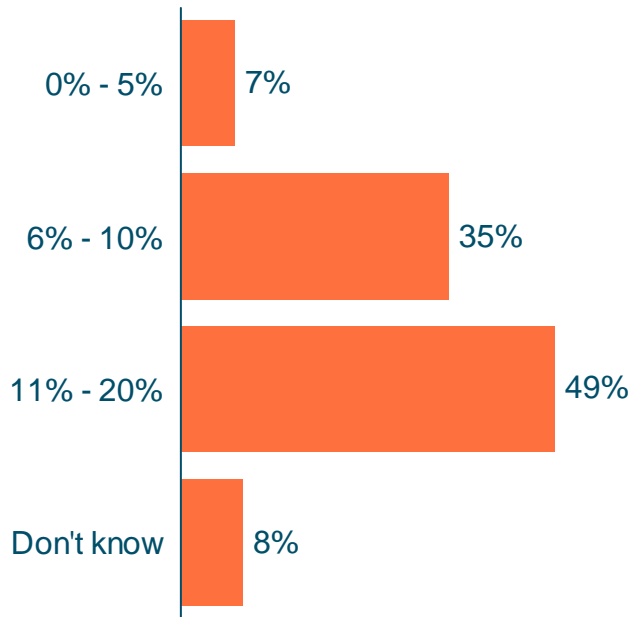
Six in ten drivers add a surcharge for card payments

59% of drivers offering card payment facilities charge the customer extra for such payments

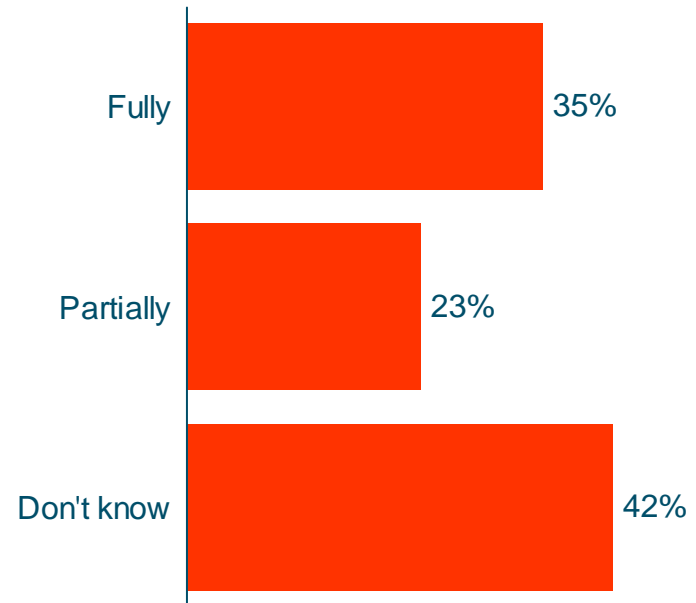


In the 08/09 PCO Licensee survey conducted by GfK, all drivers indicated that they charged a surcharge to cover their costs. The findings from this survey are not in line with Licensee survey findings.

Percentage of surcharge added



Extent to which costs are covered



Source: Q16a; Do you charge the customer extra for card payment? All who currently accept card payments (n=121)

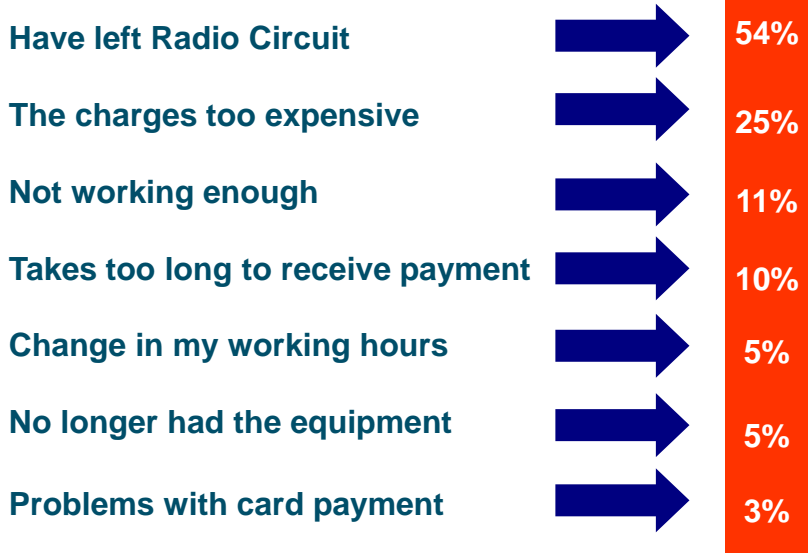
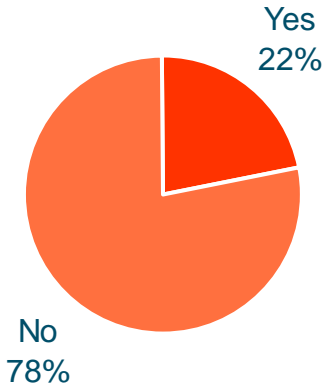
Source: Q16b, Does this fully or partially cover your costs? All who currently charge extra for card payments (n=71)

Source: 16d What percentage do you add? All who currently charge extra for card payments (n=71)



# Reasons for removing card payment facility

Half of drivers who stopped offering card payment facility did so because they have left radio circuit.



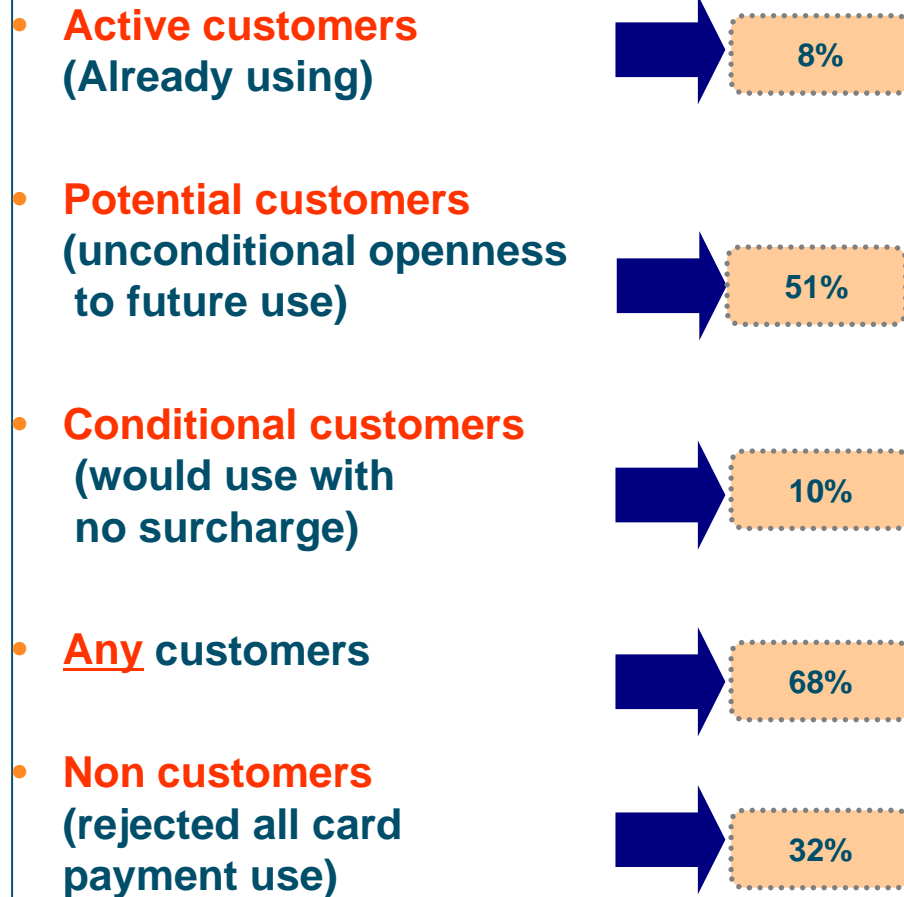
Source: Q19; Have you offered card payment in the past? All who do not accept card payment (279)

Source: Q20 Why did you decide to stop offering card payment facilities All who lapsed providers (61)

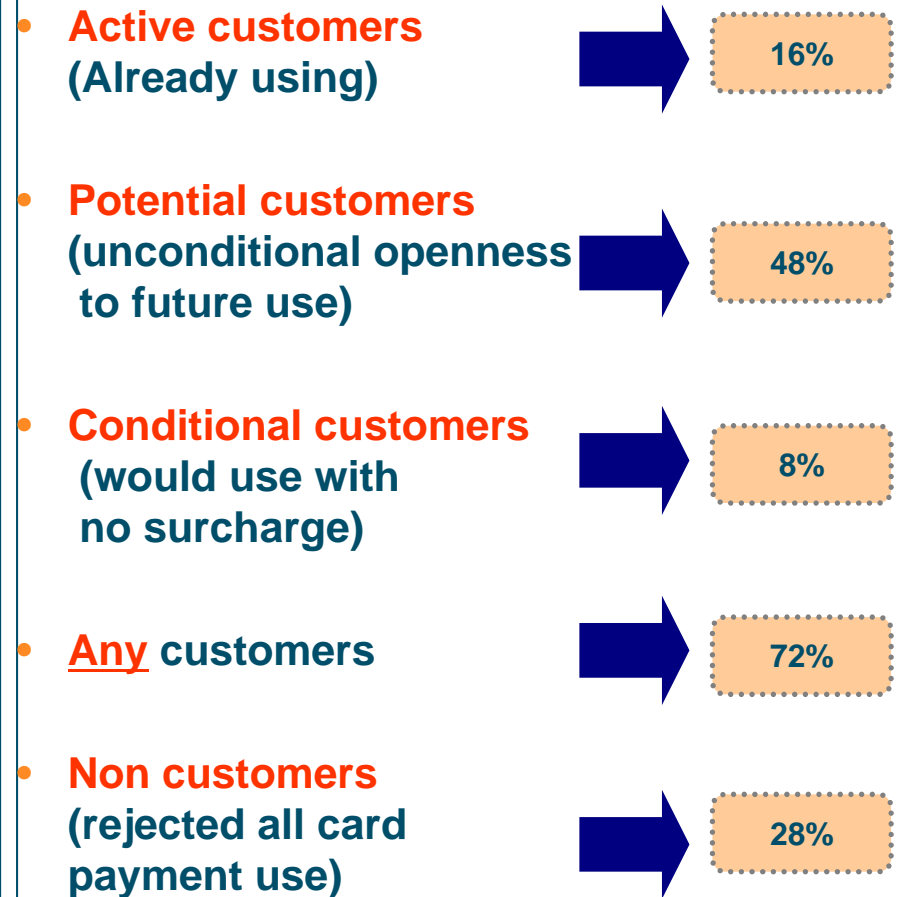
# **Summary of Use & Interest in Card Payments for Taxi Fares – Customers & Drivers**

# Summary of customers' willingness to use card payment for taxi fares - **personal customers**

## UK personal Customers



## Overseas personal Customers

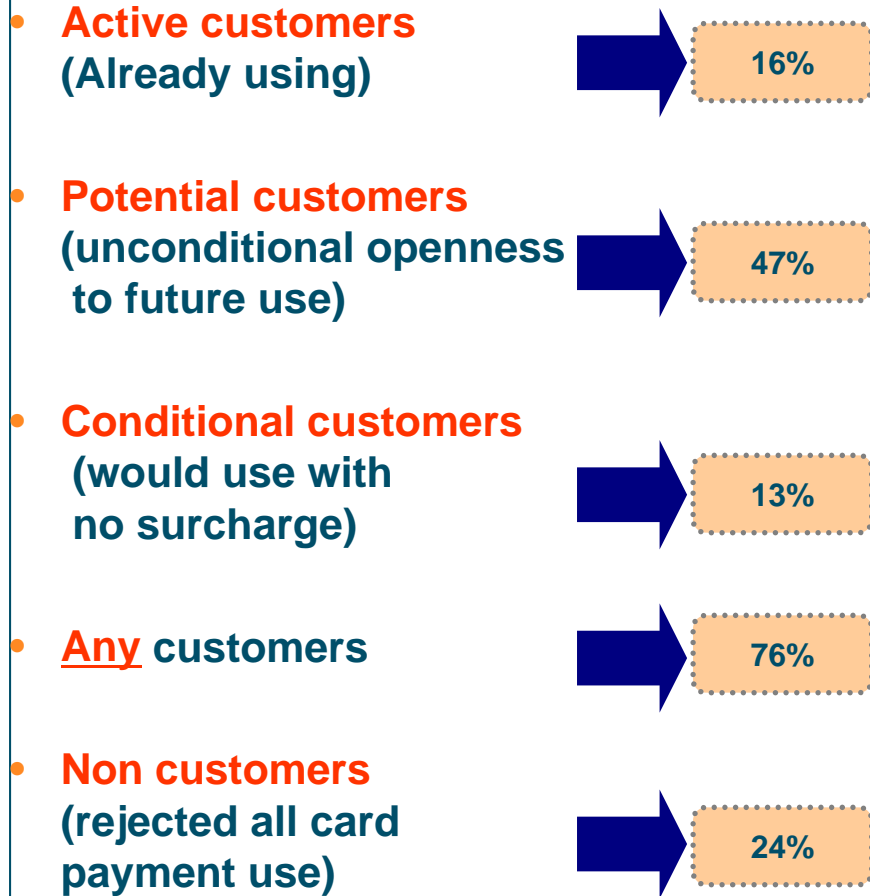


Note: base does not add to 100% due to rounding

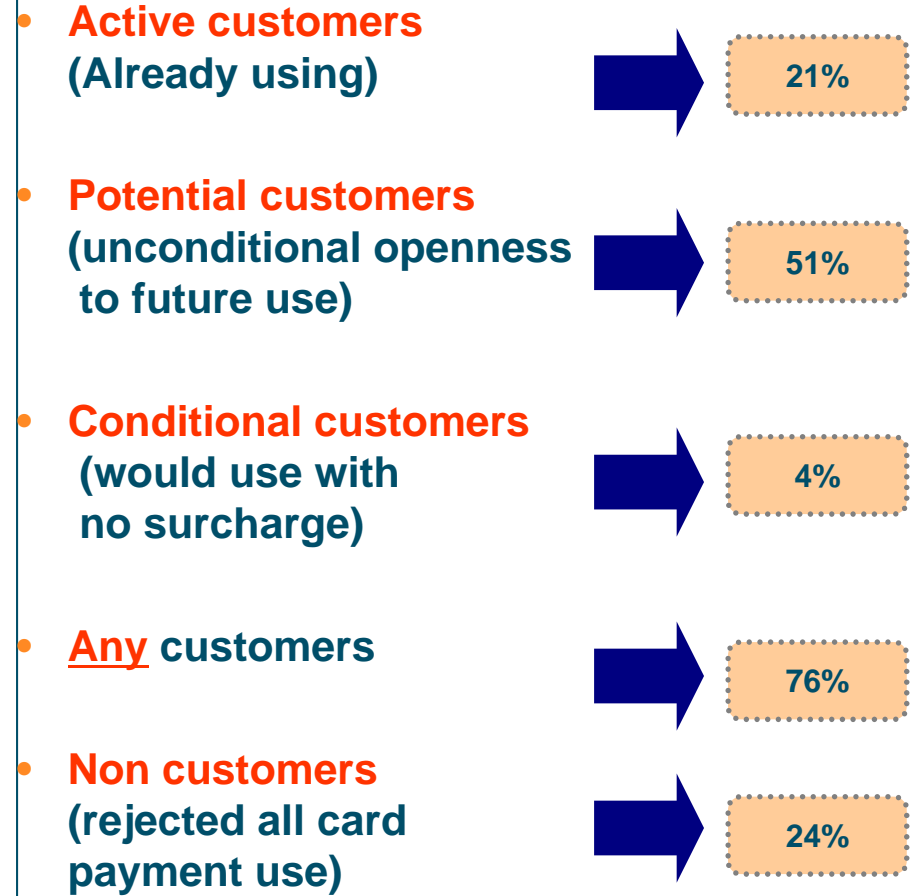
Active customers - Already using card payment (Q15a), Potential customers - prefer card payment or are very or quite likely to be willing to use cards or contactless payment with the surcharge halved (Q15b, Q16, Q17, Q19,) Conditional customers, only very or quite likely to use cards if there are no surcharges (Q17a and or Q19A), Any customers- a combination of active, potential and conditional customers. Non-customers - do not use cards and are unlikely to do so

# Summary of customers' willingness to use card payment for taxi fares - **business Customers**

## UK business Customers

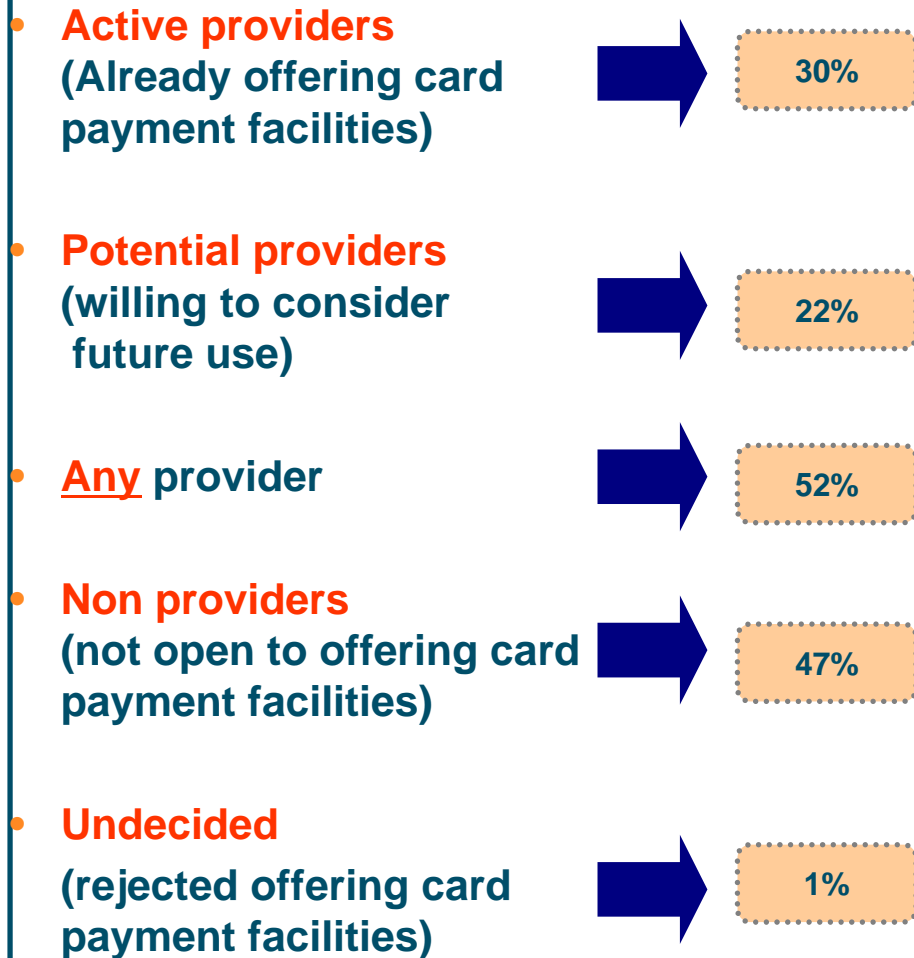


## Overseas business Customers



**Active customers** - Already using card payment (Q24a), **Potential customers** - prefer card payment or are very or quite likely to be willing to use cards or contactless payment with the surcharge halved (Q24b, Q25, Q26, Q28) **Conditional customers**, only very or quite likely to use cards if there are no surcharges (Q26a and or Q28a), **Any customers**- a combination of active, potential and conditional customers. **Non-customers** – do not use cards and are unlikely to do so

# Summary of drivers' willingness to offer card payment facilities (surcharge level unspecified)

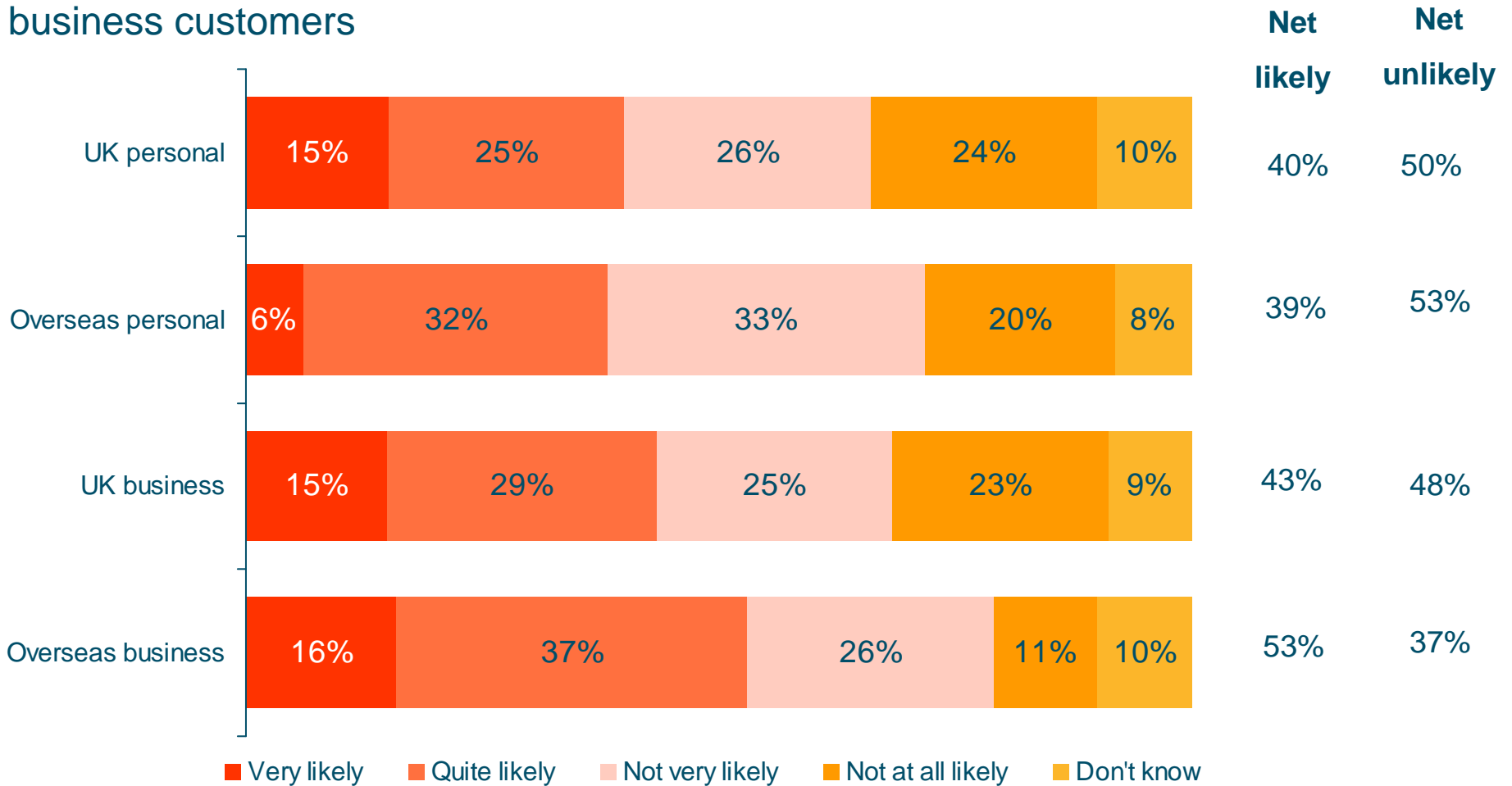


**Active providers-** Already providing card payment facilities (Q6), **Potential providers** –very or fairly likely to consider providing card payment facilities in the future (Q21)  
**Any providers-** a combination of active and potential providers. **Non-providers** – do not provide card payment facilities and are unlikely to do so (Q21) **Undecided-** Don't know if they will provide card payment in the future (Q21)

# **Customer Interest in Card Payment in Future**

# Customers' likelihood of using card payments as a preferred method if all taxis offered it

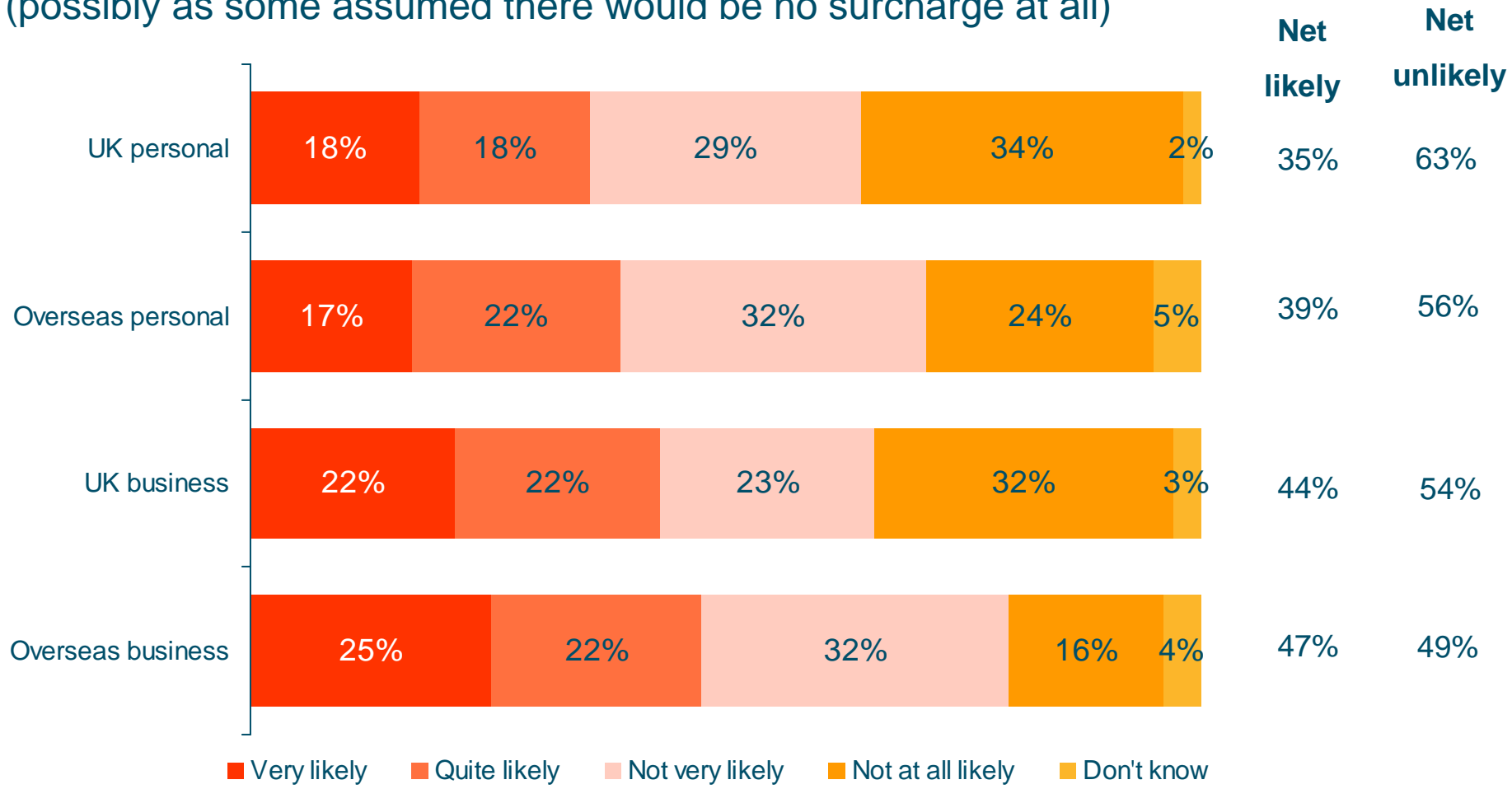
Around two fifths of UK and overseas personal customers and UK business customers likely to pay by card if all taxis offered it, rising to half of overseas business customers



Source: Q16; At the moment around a third of taxis are able to take payment by credit and debit cards. If all black taxis were able to offer that facility, how likely is it that this would become your preferred means of paying for taxi journeys for personal use? All whose preferred payment method is not a credit or debit card – personal use (UK n=175) (Overseas n=142)  
 Source: Q25; At the moment around a third of taxis are able to take payment by credit and debit cards. If all black taxis were able to offer that facility, how likely is it that this would become your Preferred means of paying for taxi journeys for business use? All whose preferred payment method is not a credit or debit card – (UK n=171) (Overseas n=105)

# The effect of halving the *surcharge* (e.g. from £1 to 50p on an £8 fare)

Halving the surcharge does not have a noticeable impact on the likelihood to use card payment. Slightly lower among UK personal and Overseas business (possibly as some assumed there would be no surcharge at all)



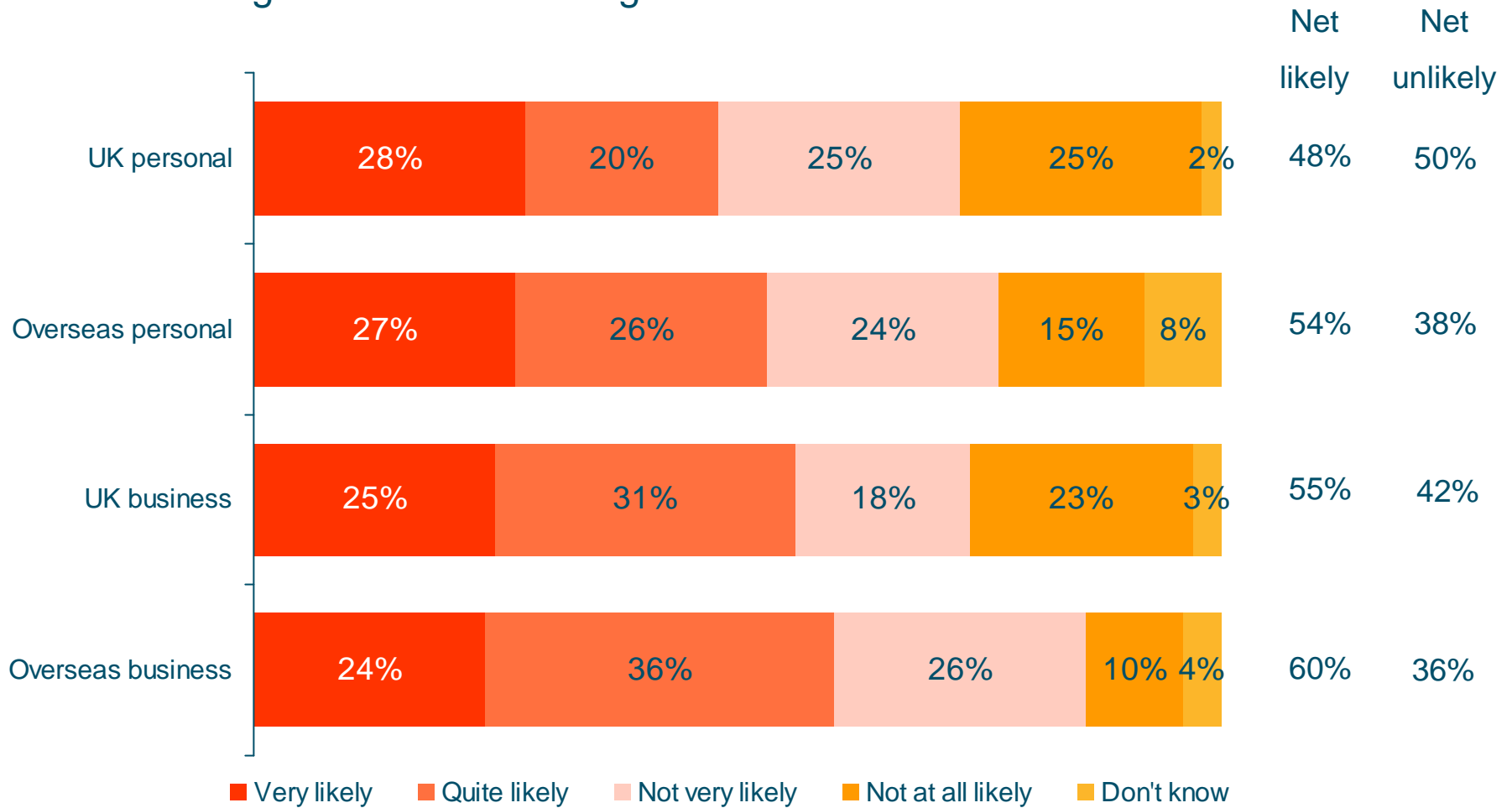
Source: Q17; If the surcharge were to be halved, so, for example, reduced from £1 to 50p on an £8 fare, how likely is it that this would become your preferred means of paying for taxi journeys for personal use? All who use a taxi for personal use (UK n=205) (Overseas n=197)

Source: Q26; If the surcharge were to be halved, so, for example, reduced from £1 to 50p on an £8 fare, how likely is it that this would become your preferred means of paying for taxi journeys for business use? All who use a taxi for business use (UK n=208) (Overseas n=136)



# Impact on card use if surcharges are removed completely

Around half of those not very likely to use cards if a surcharge were applied say would use card payments if surcharge were removed (three fifths of overseas business customers). Proportion very likely to use much higher than with current surcharge or halved surcharge



Source: Q17a; If there were no surcharge, how likely is it that this would become your preferred means of paying for taxi journeys for personal use? All not very likely to use cards with surcharge – personal (UK n=169) (Overseas n=164)

Source: Q26a; If there were no surcharge, how likely is it that this would become your preferred means of paying for taxi journeys for business use? All not very likely to use cards with surcharge – business (UK n=163) (Overseas n=102)

# **Customer Interest in Contactless Card Payment for Taxi Fares**

# Customers likelihood of using contactless payments as a preferred method - with a surcharge of 50p on an £8 fare

Interest in contactless payment is around 10% higher among personal customers than card payment with same surcharge; 7% higher among business customers



**Net Likely Customers' likelihood of using card payments as a preferred method if the surcharge were 6%**

**Net Likely Customers' likelihood of using contactless payments as a preferred method with a surcharge of 6%**

**Increase in likelihood**

**UK personal**

35%

43%

**+ 8%**

**Overseas personal**

39%

50%

**+ 11%**

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**UK business**

44%

51%

**+ 7%**

**Overseas business**

47%

54%

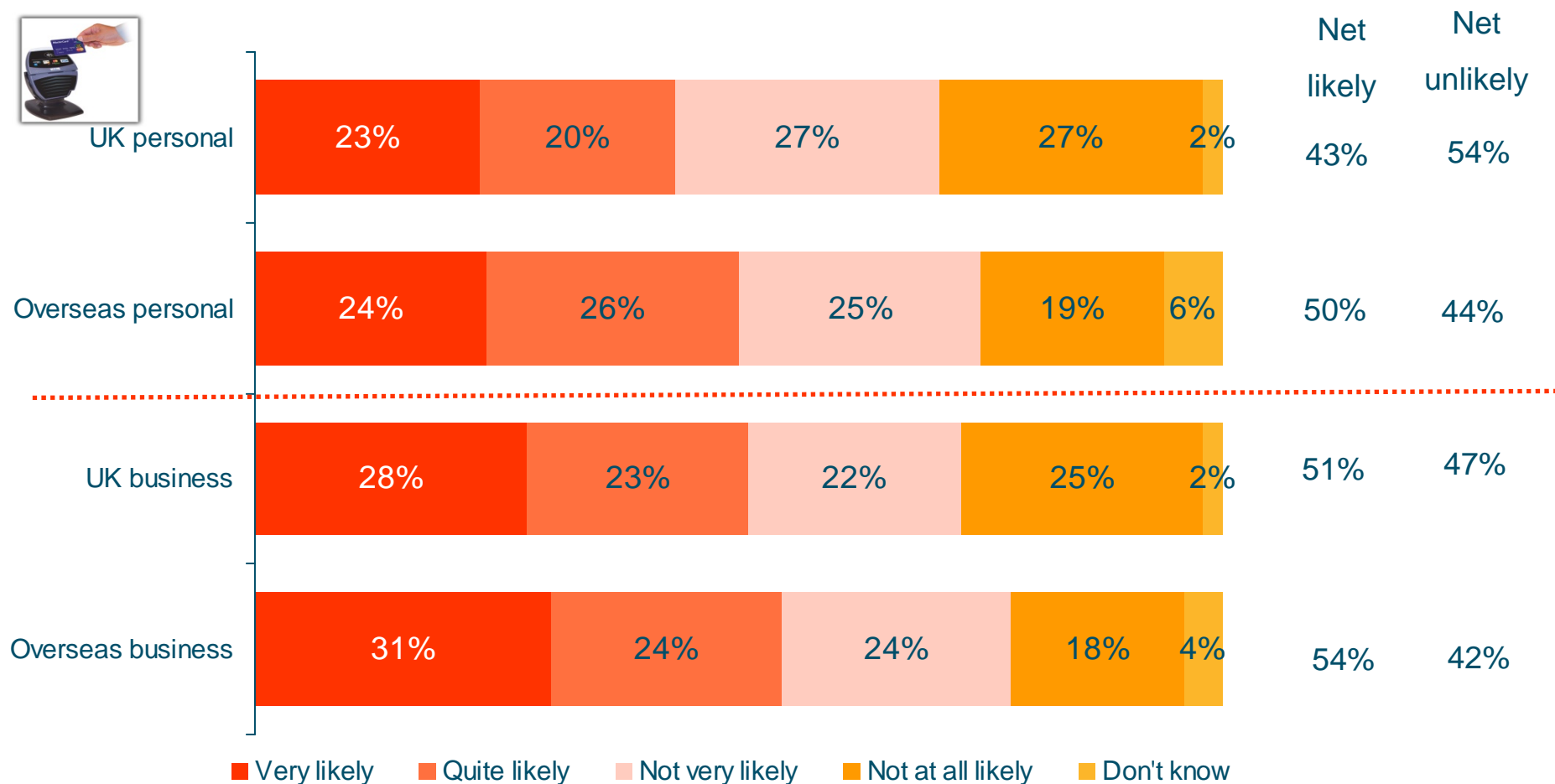
**+ 7%**

Source: Q17 & Q26; All personal (UK n=205) (Overseas n=197)  
All business (UK n=208) (Overseas n=136)

Source: Q19 & Q28; All personal (UK n=205) (Overseas n=197)  
All business (UK n=208) (Overseas n=136)

# Customers likelihood of using contactless payments as a preferred method - with a surcharge of 50p on an £8 fare

Interest in contactless payment is around 10% higher among personal customers than card payment with same surcharge

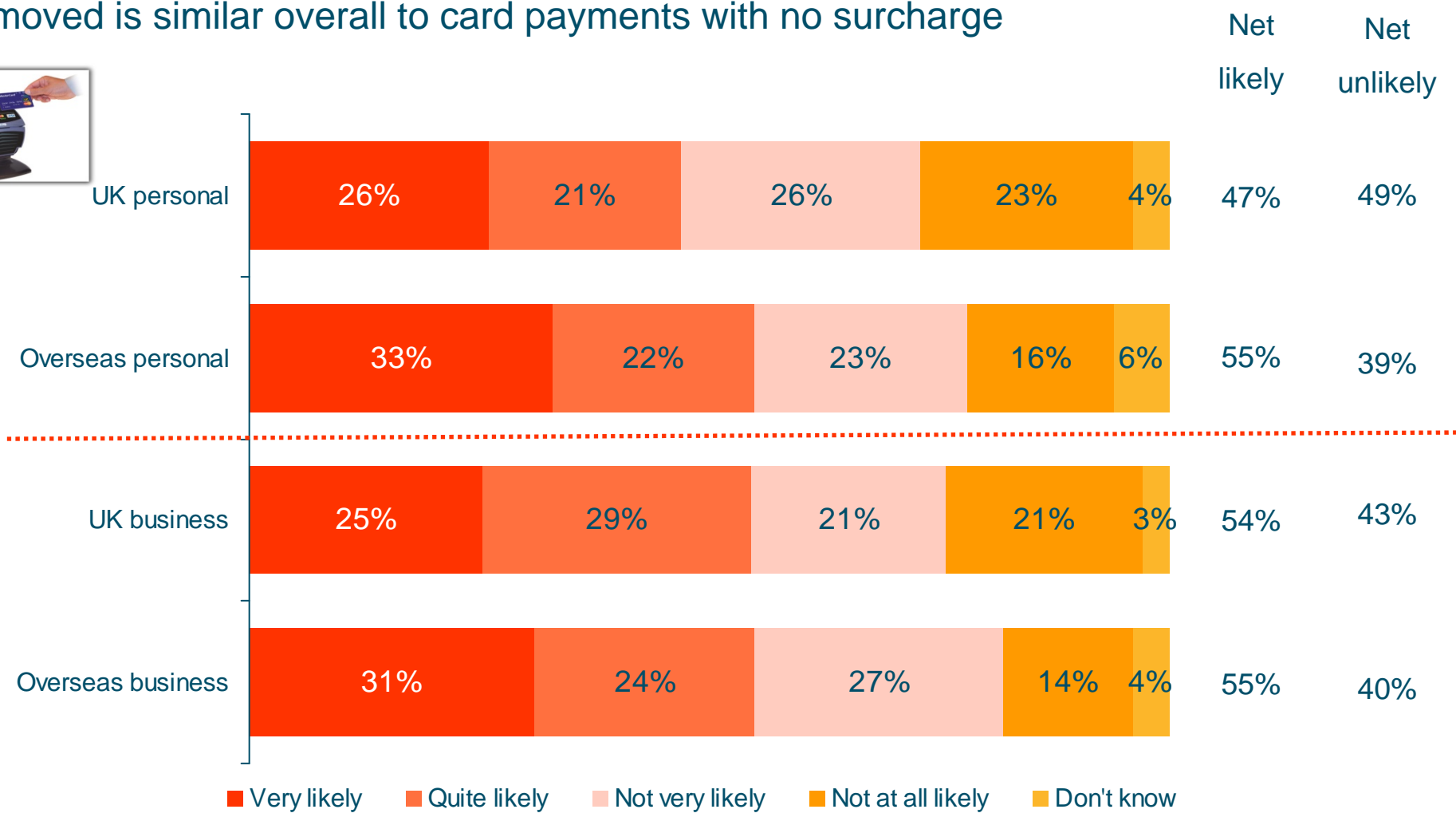


Source: Q19; Please imagine that you could use this way of paying for taxi journeys with bank cards. And imagine that a surcharge of 50p on an £8 fare were charged when you pay for a taxi journey by debit card or credit card, how likely do you think it is that this would become your preferred method of payment for taxi journeys **for personal use**? All who use a taxi for personal use - personal (UK n=205) (Overseas n=197)

Source: Q28; Please imagine that you could use this way of paying for taxi journeys with bank cards. And imagine that a surcharge of 50p on an £8 fare were charged when you pay for a taxi journey by debit card or credit card, how likely do you think it is that this would become your preferred method of payment for taxi journeys **for business use**? All who use a taxi for business use - business (UK n=208) (Overseas n=136)

# Impact on use of contactless payment if surcharges are removed completely

Likelihood to use a card (through contactless payment) with surcharge removed is similar overall to card payments with no surcharge



Source: Q19a; Now please imagine that there were no surcharge payable when you pay for a taxi journey by debit card or credit card, how likely do you think it is that this would become your preferred method of payment for taxi journeys **for personal use**? All who are **not very likely** to use cards as their preferred method because of surcharge – personal-(UK n=158) (Overseas n=150)

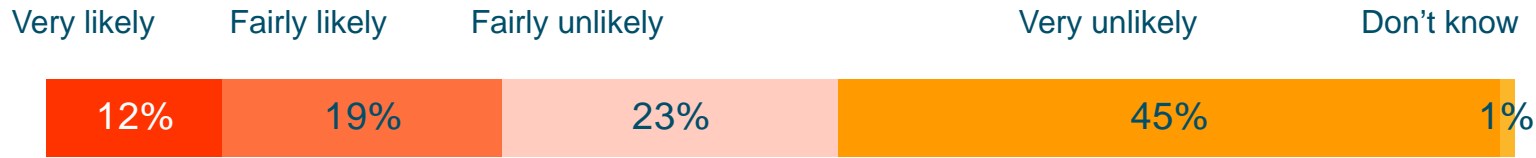
Source: Q28a; Now please imagine that there were no surcharge payable when you pay for a taxi journey by debit card or credit card, how likely do you think it is that this would become your preferred method of payment for taxi journeys **for business use**? All who are **not very likely** to use cards as their preferred method because of surcharge – business-(UK n=149) (Overseas n=94)

# **Driver Interest in Card Payment Facility**

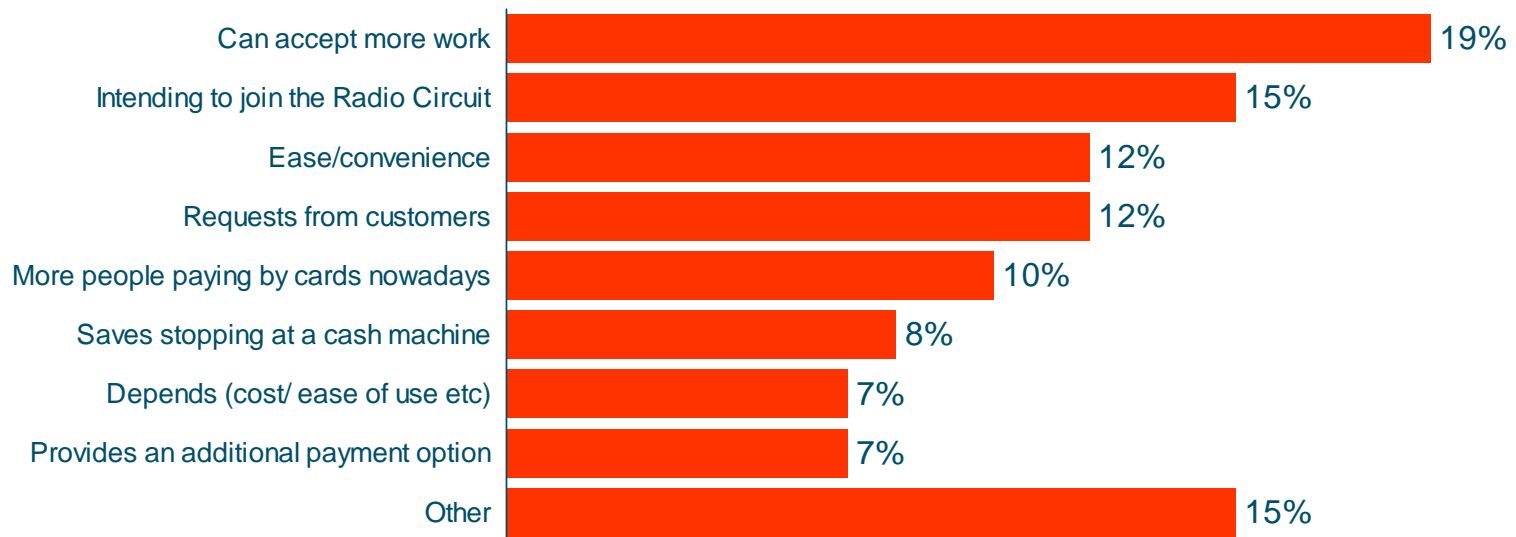
# Likelihood to offer card payment facility in the future and reasons for being likely to

1 in 3 drivers who don't currently offer card payments likely to offer card payment in next year.

## Likelihood of using card payments facility in the next twelve months



## Reasons for likely usage in the future



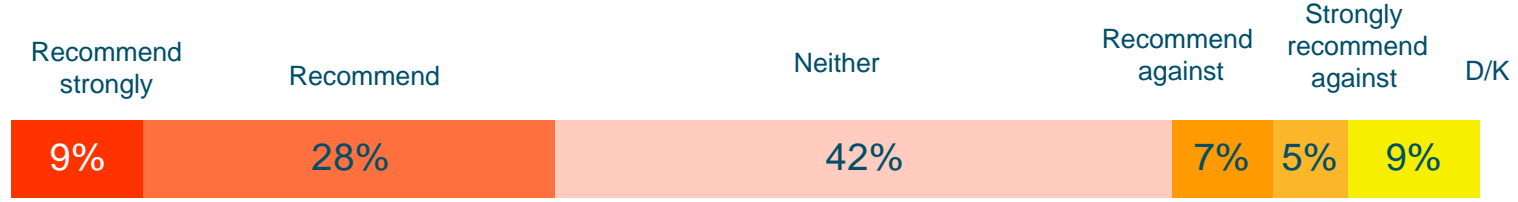
Source: Q22; How likely are you to offer card payments in the next 12 months? Would you say...All who do not currently accept card payments (n=279)  
Q23; Why do you say that? All who do not currently accept card payments but say they are likely to offer it in the next 12 months (n=86)

# Likelihood to recommend card payment facilities to other drivers and reasons for recommending – total sample

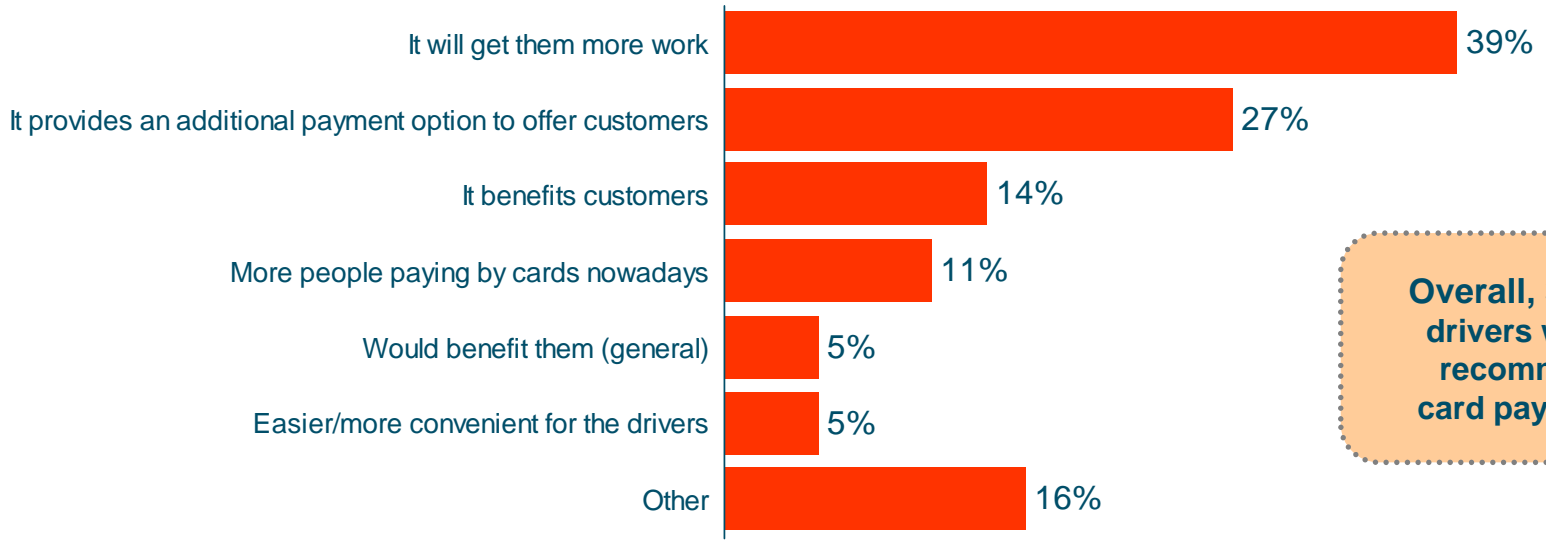
Almost two fifths likely to recommend card payment facility to other drivers



## All drivers likelihood of recommending the card payments facility



## Reasons for recommendation



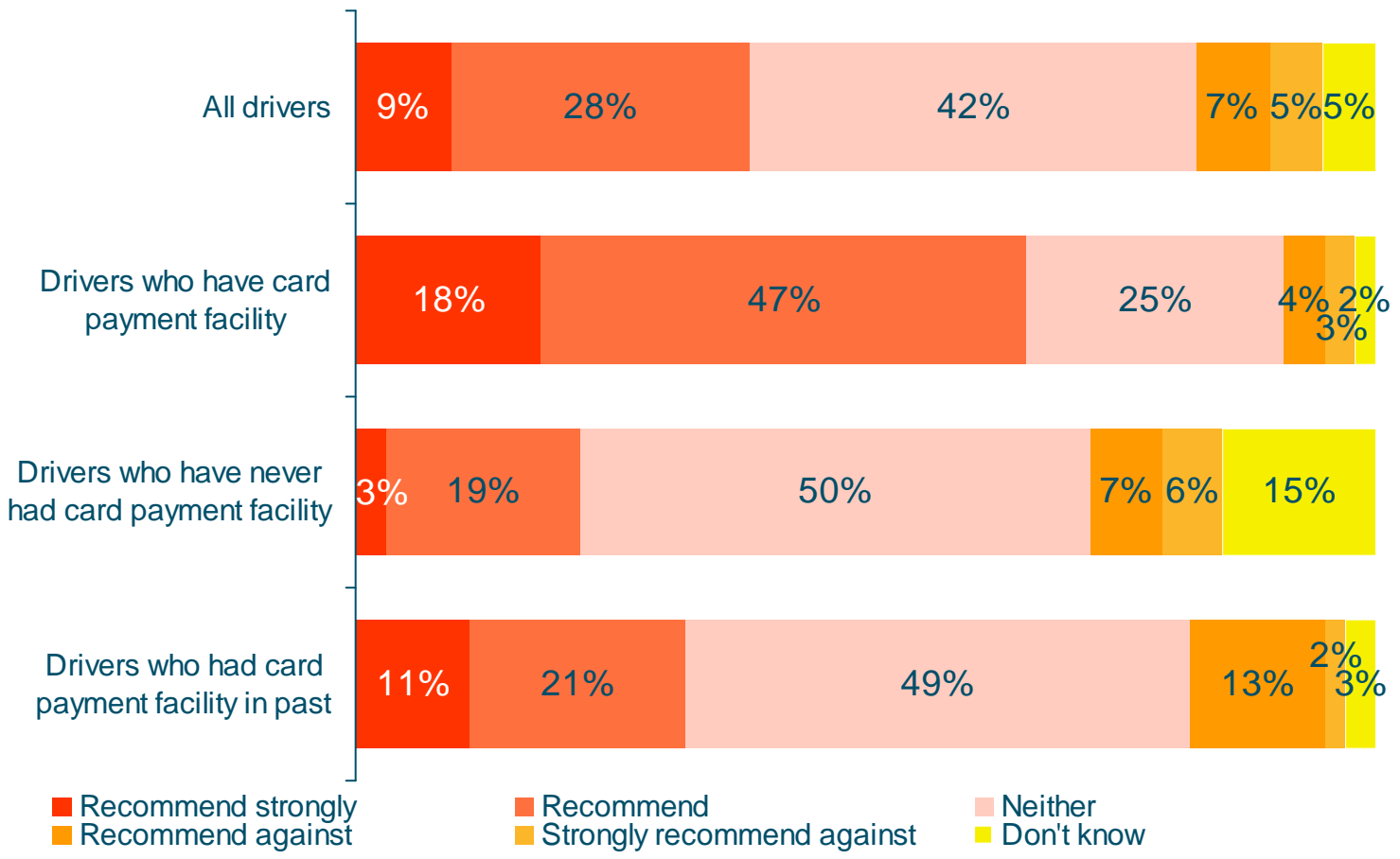
**Overall, 37% of drivers would recommend card payments**

Source: Q32; On balance, would you recommend to other drivers that they offer card payment facilities? Would you say that you would...All (n=400)  
 Q33; Why do you say that? All who would recommend it (n=148)



# Likelihood to recommend card payment facilities to other drivers - by sub-group

Two thirds of drivers with card payment facility recommend it, and a third of those who have had one in the past

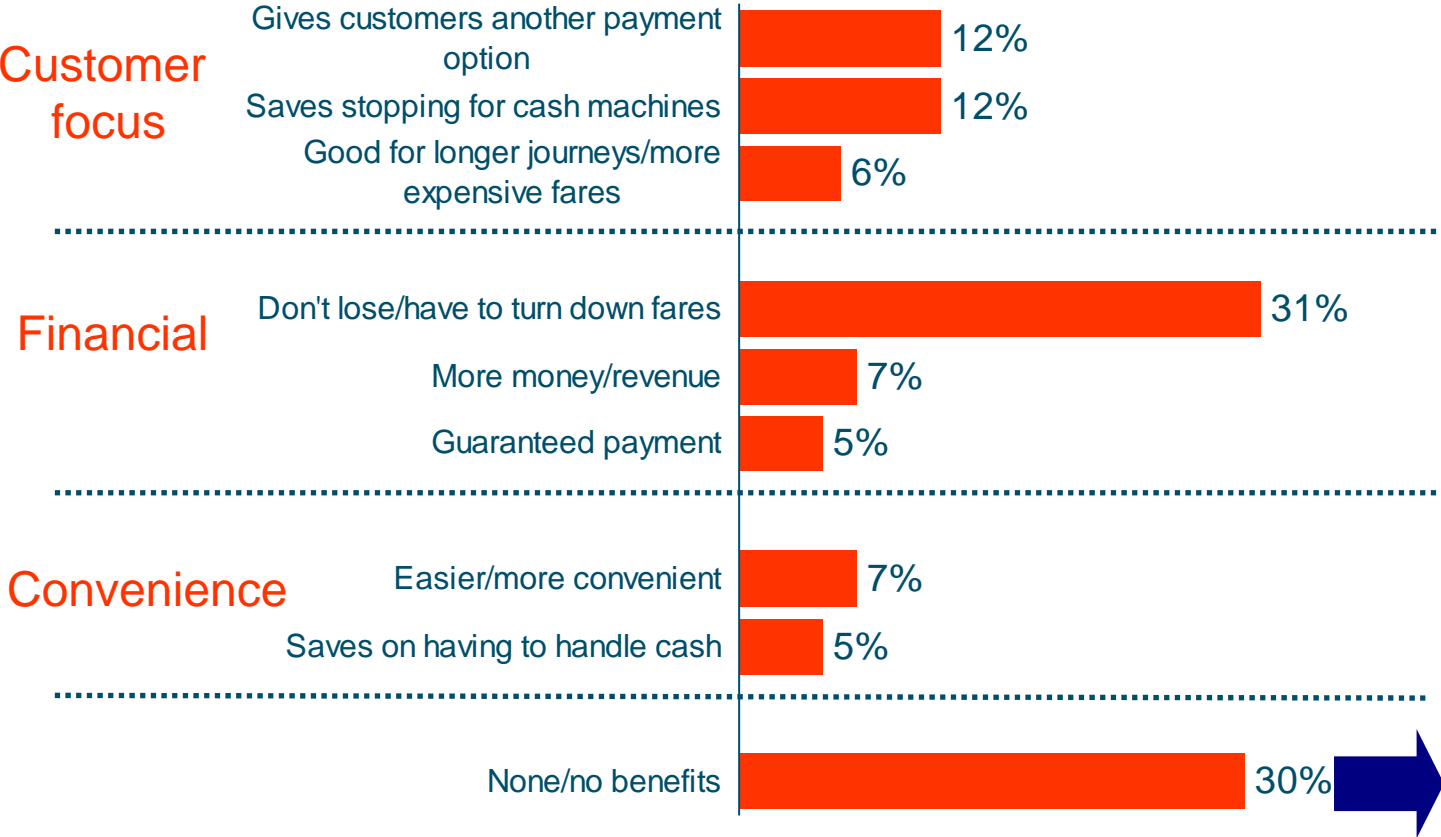


Source: Q32; On balance, would you recommend to other drivers that they offer card payment facilities? Would you say that you would...All (n=400), Have card payment facility (121), Have never had card payment facility (218); Had card payment in past (61)

# **Benefits of Offering Card Payment Facility**

# Perceived benefits for drivers of card payment facility

The main benefit to offering card payment is a financial one. 1 in 3 of those offering the facility mention not having to turn down fares



Just 16% of drivers already offering card payment facilities felt there were no benefits to offering the service. However, among non-users, this goes up to 37%

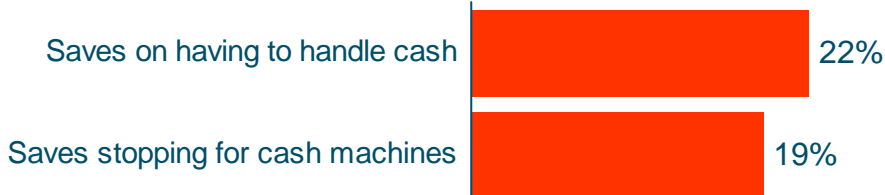
Source: Q24; What do you see as the benefits to you, if any, of offering credit/debit card payment facilities? All (n=400)

# Perceived benefits for customers of card payment facility

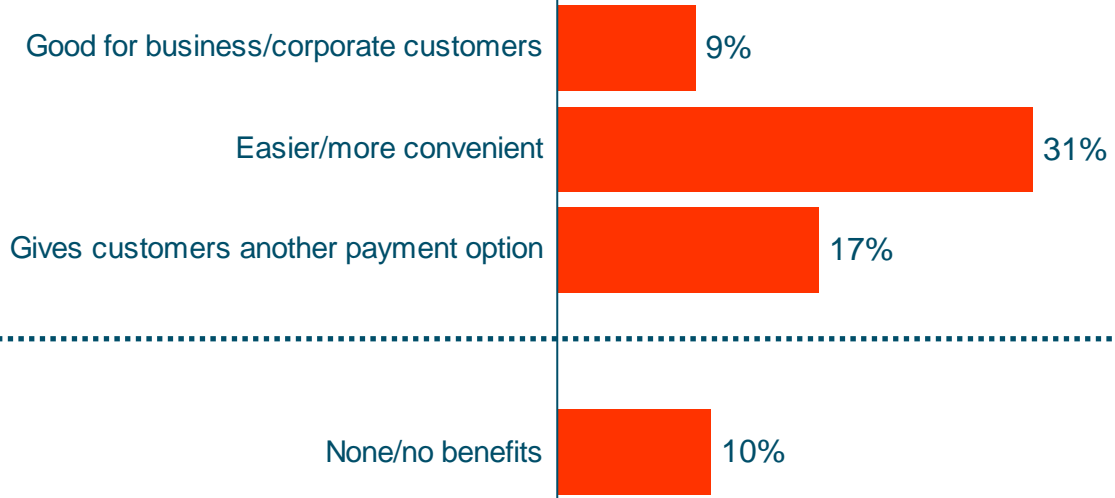
Convenience is seen as the main benefit to customers. Although not significant, proportionately more drivers not currently offering card payment cite convenience



## Customer focus



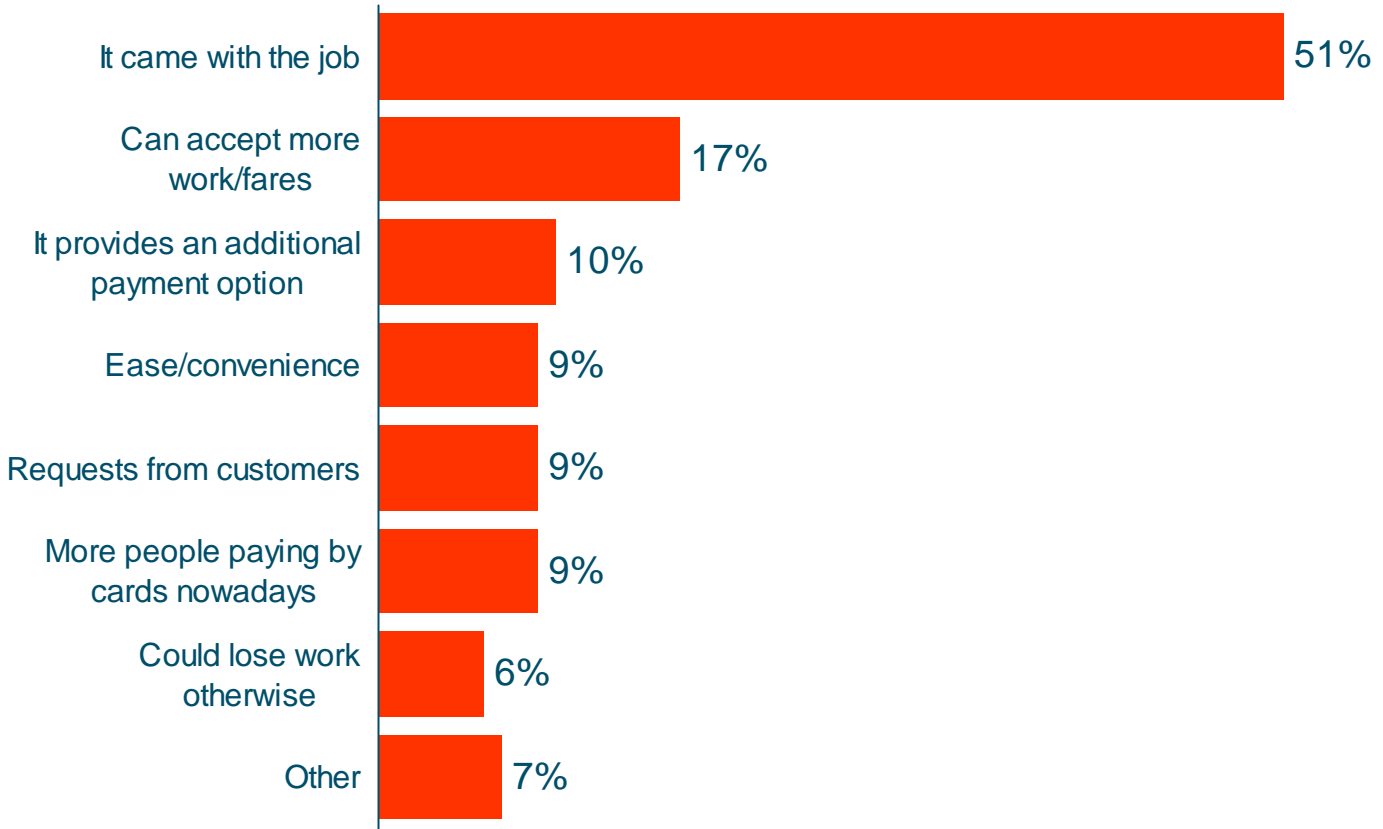
## Convenience



Source: Q25; What do you see as the benefits to your customers, if any, of offering credit/debit card payment facilities? All (n=400)

# Reason for offering card payment facility

Although most offer credit card payment facilities because it part of their taxi package, there is high awareness of customer demand



Source: Q7; What made you decide to offer the facility for accepting card payments? All who currently accept card payments (n=121)

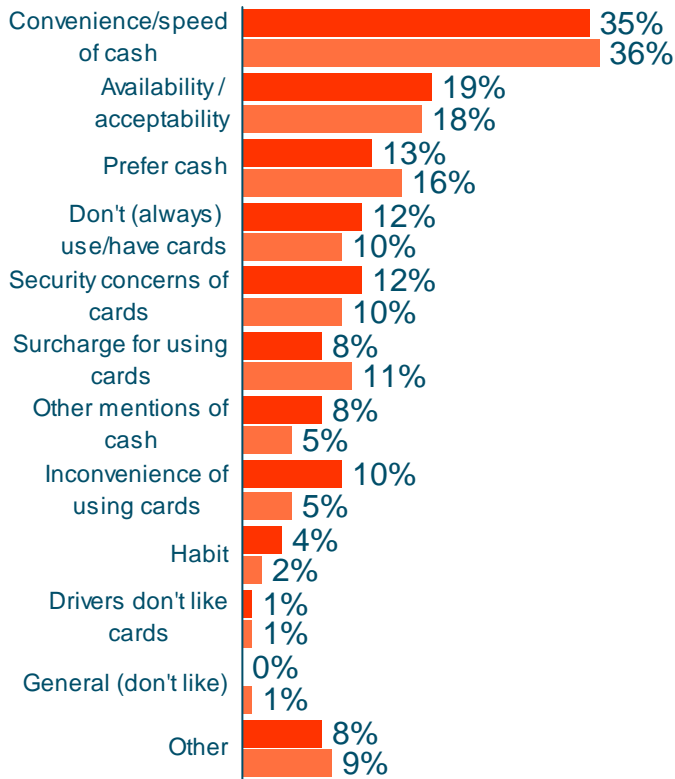
# **Barriers to Use of Card Payments – Customers and Drivers**

# Reasons why customers choose not to use their card to pay for a taxi fare – personal customers

Main barrier to card payments is convenience of cash. Mentions of security and surcharges much lower



Summary of mentions



■ UK personal ■ Overseas personal

Detailed mentions

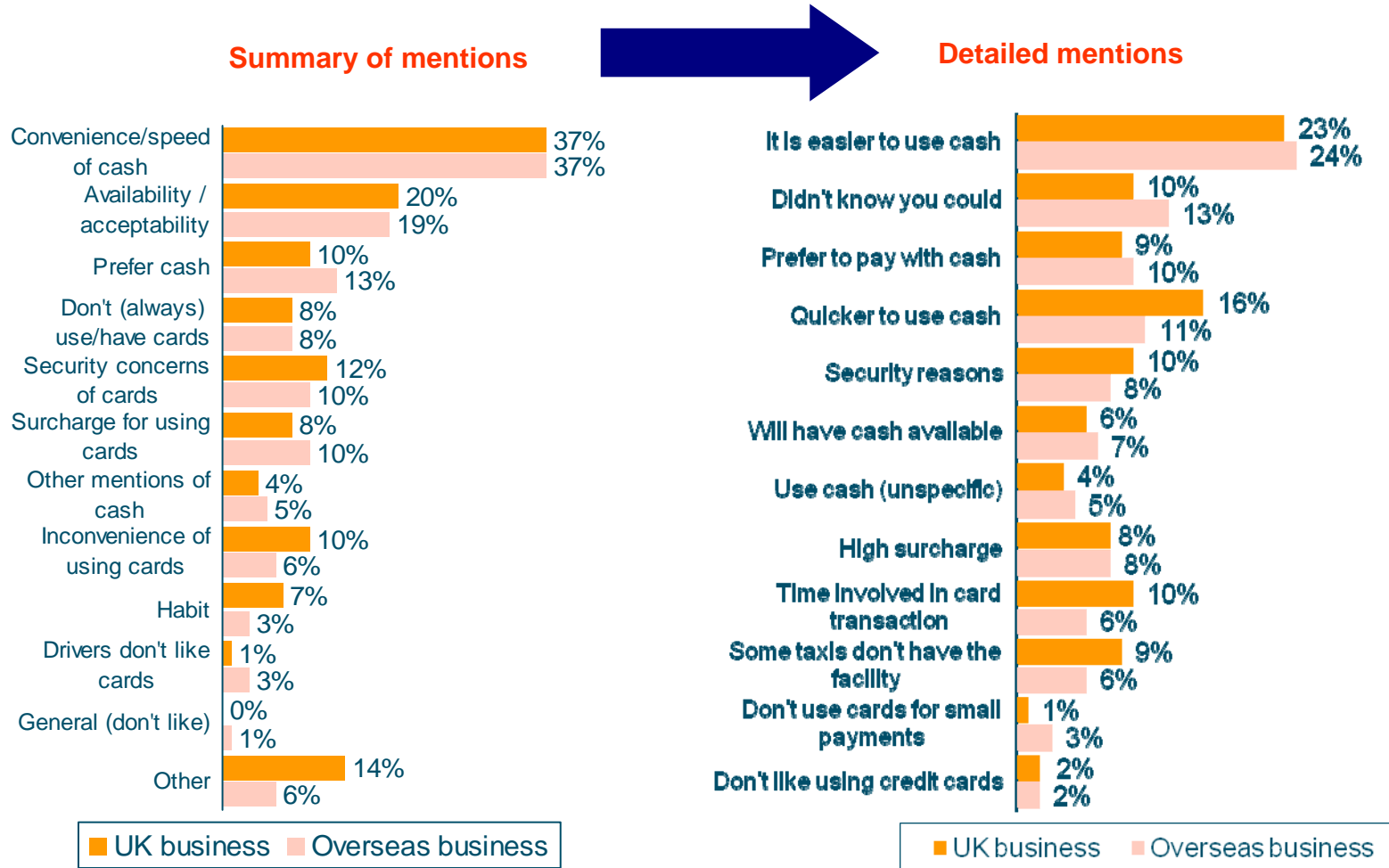


■ UK personal ■ Overseas personal

Source: Q15C; You said you would not pay for a taxi for personal use by debit card / credit card [AS APPROPRIATE]. Can you please tell me why you would not use that method?Q15c; All credit card holders who would not use their cards personal-(UK n=182) (Overseas n=148)

# Reasons why customers choose not to use their card to pay for a taxi fare – business customers

Main barrier to card payments is convenience of cash. Mentions of security and surcharges much lower



Source: Q24C; You said that you would not pay for a taxi for business use by debit card / credit card [AS APPROPRIATE]. Can you please tell me why that is? All credit card holders who would not use their cards business-(UK n=164) (Overseas n=100)

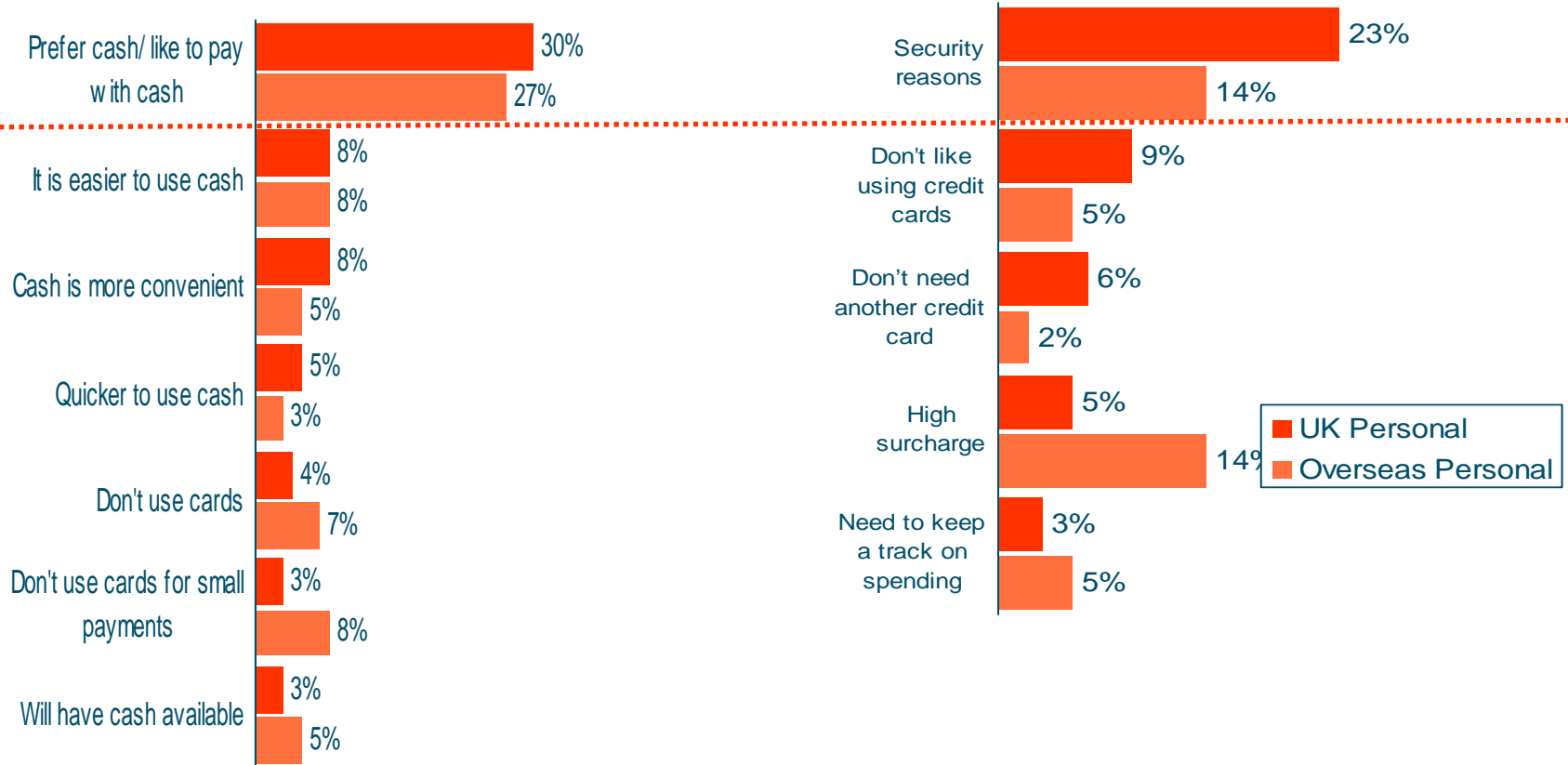


# Barriers to card use (with surcharge removed)

The most mentioned barrier is the preference for paying by cash, with security being the second

The barriers mentioned for contact payless are in line with those for regular car payment

## personal customers



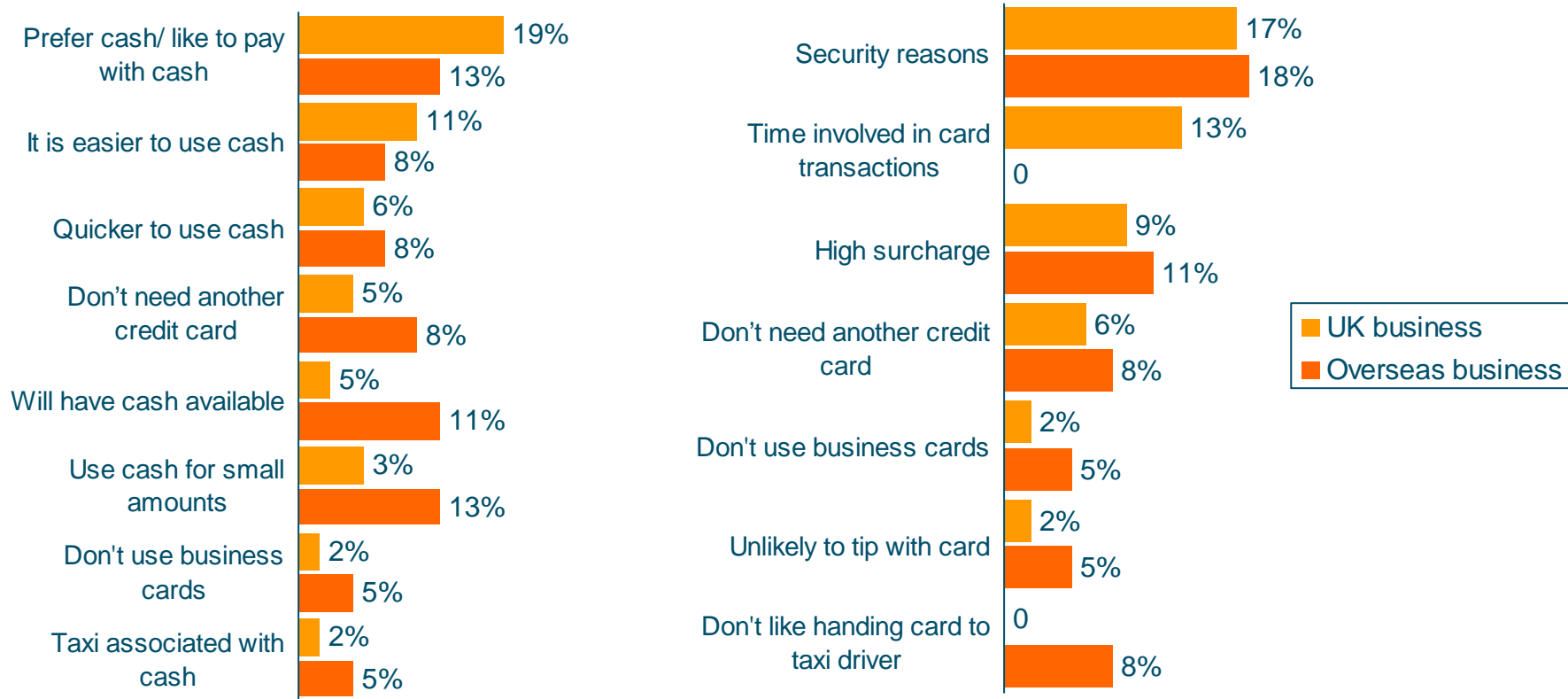
Source: Q20: You said that you would be unlikely to pay for a taxi journey **for personal use** using this new way with a bank card. Can you please tell me why that is?

All who are not likely to pay by bank card – personal-(UK n=77) (Overseas n=59)

# Barriers to card use (with surcharge removed)

Early, for business customers the top barriers are a preference for cash and security concerns

## business customers



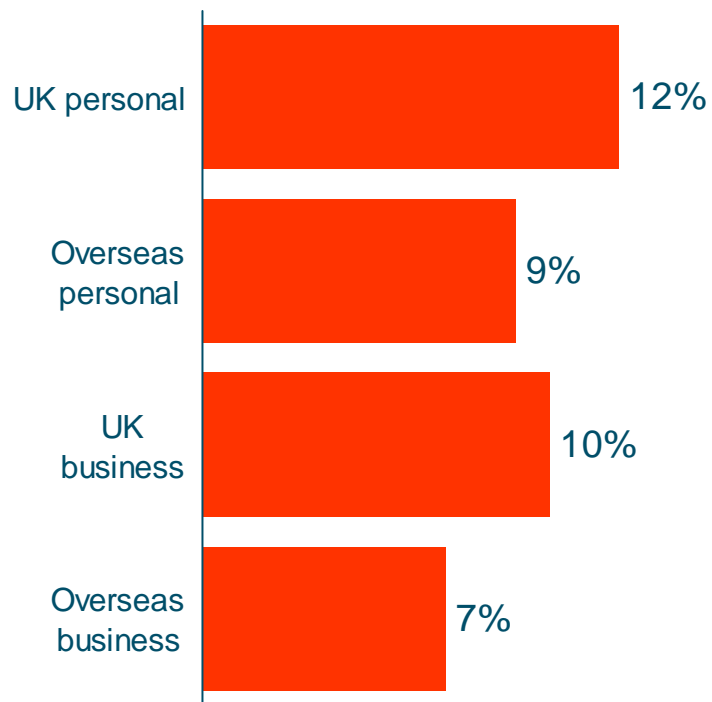
Source: Q29; You said that you would be unlikely to pay for a taxi journey **for business use** using this new way with a bank card. Can you please tell me why that is? All who are not likely to pay by bank card – business-(UK n=64) (Overseas n=\*38) \* denotes small base size

# Proportion of customers who would not use cards spontaneously mentioning security concerns of making card and contactless payments

Security is more of a concern for customers with contactless payments taxi fares than card payments, especially among UK personal customers. This could be attributed to the fact that this is still a relatively new concept

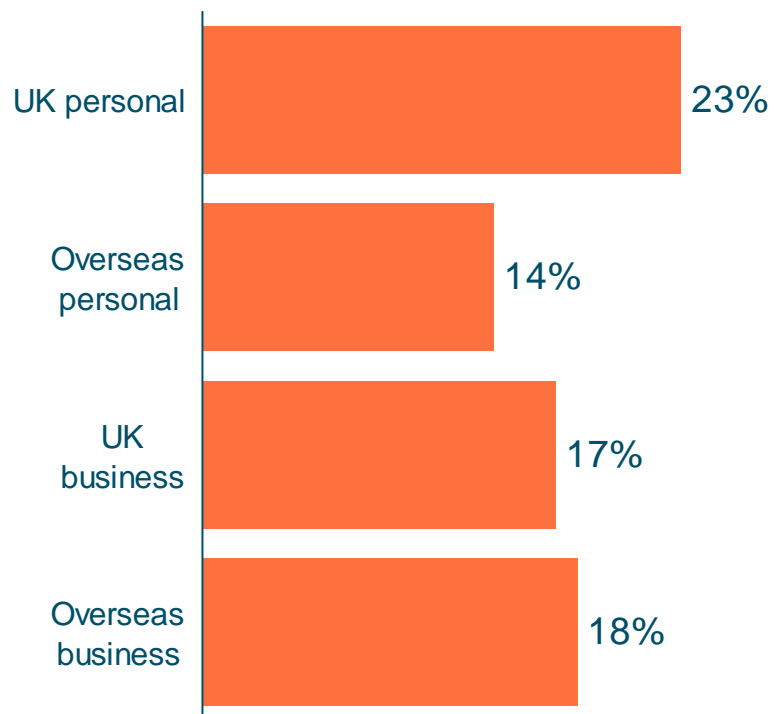
“Security reasons/ personal information/ PIN/ not safe/ cloning are a deterrent ...

...when using card payments



Source: Q15c/Q24c; All credit card holders who would not use their card personal (UK n=182) (Overseas n=148) business (UK n=169) (Overseas n=108)

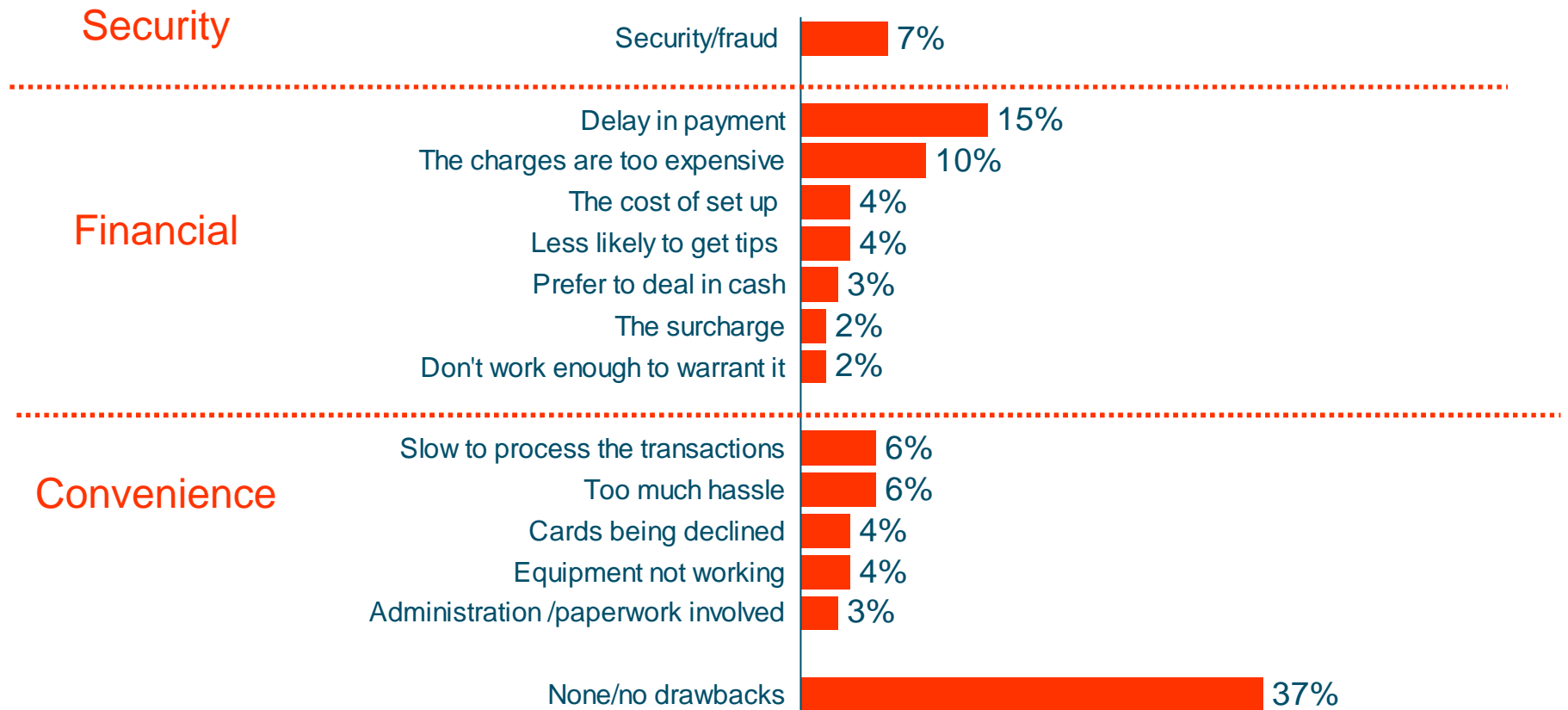
...when using contactless payments



Source: Q20/Q29; All who are not likely to pay by bank card personal (UK n=77) (Overseas n=59) business (UK n=64) (Overseas n=38)

# Perceived drawbacks *for drivers* to offering card payment facilities – total sample

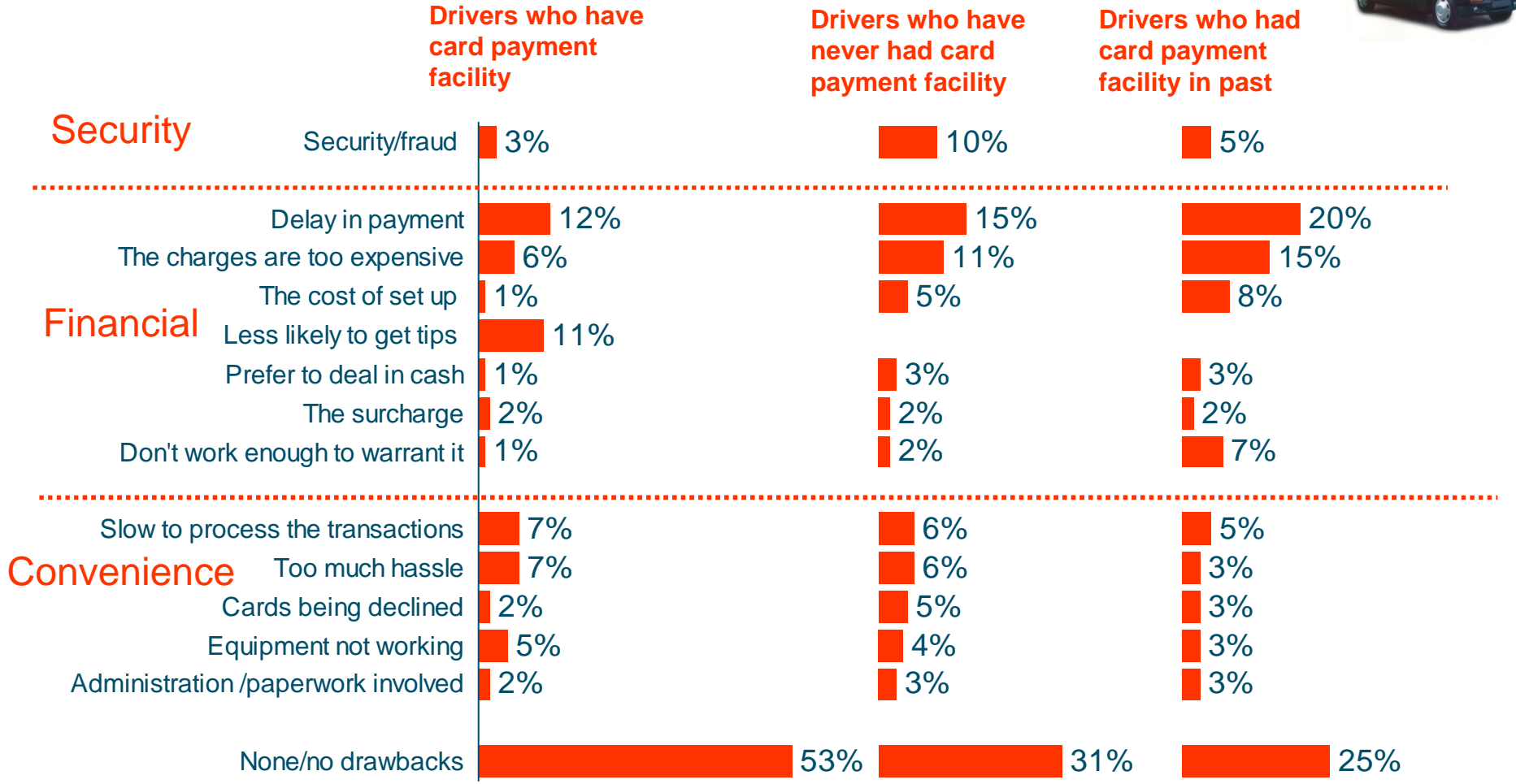
Over a third of all taxi drivers say there are no drawbacks to offering card payment facilities. Main drawbacks are seen as financial



Source: Q26; What do you see as the drawbacks to you, if any, of offering credit/debit card payment facilities? All (n=400)

# Perceived drawbacks for drivers to offering card payment facilities – by subgroup

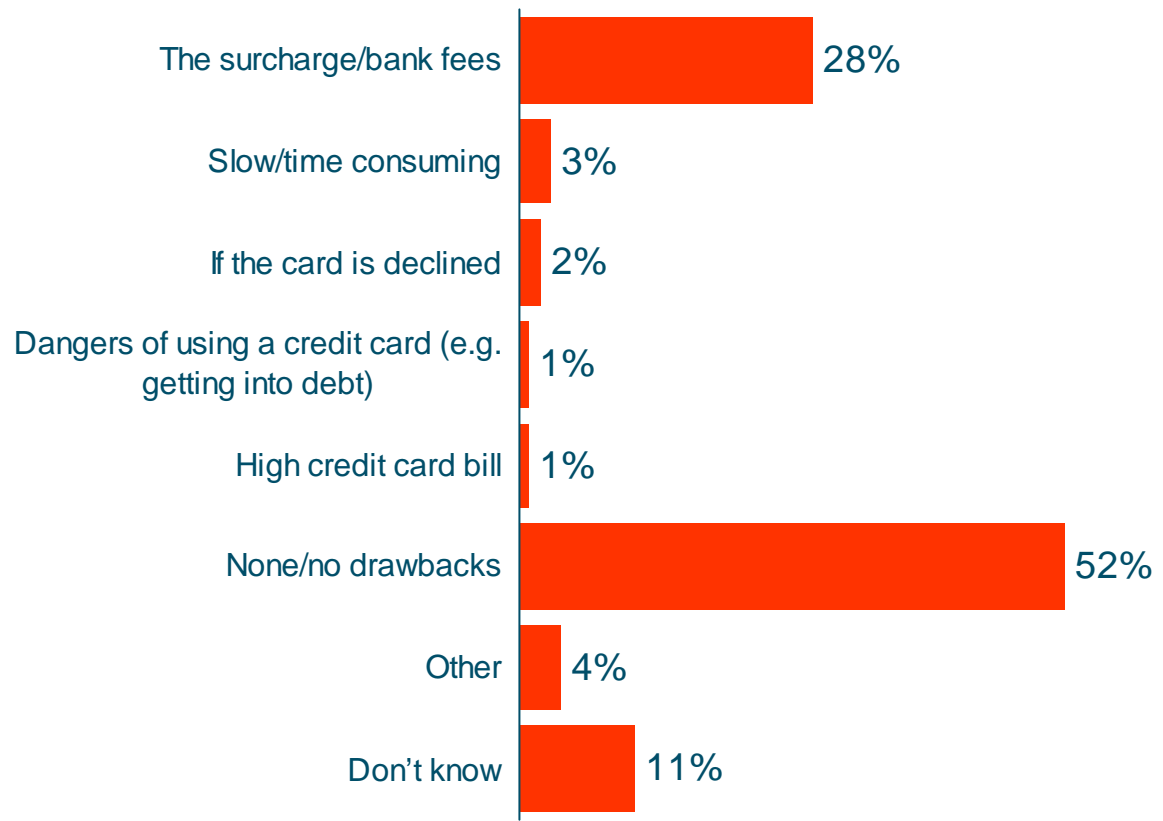
Over a third of all taxi drivers say there are no drawbacks to offering card payment facilities. Main drawbacks are seen as financial



Source: Q26; What do you see as the drawbacks to you, if any, of offering credit/debit card payment facilities? Have card payment facility (121), Have never had card payment facility (218); Had card payment in past (61)

# Perceived drawbacks for customers of card payment facilities

Drivers see surcharges as significant drawback for customers, but less than 10% of customers who don't use cards for taxi fares say this.



Source: Q27; What do you see as the drawbacks to your customers, if any, of offering credit/debit card payment facilities? All (n=400)

# Likelihood to offer card payment facility in the future among those who do not currently and reasons for being unlikely to

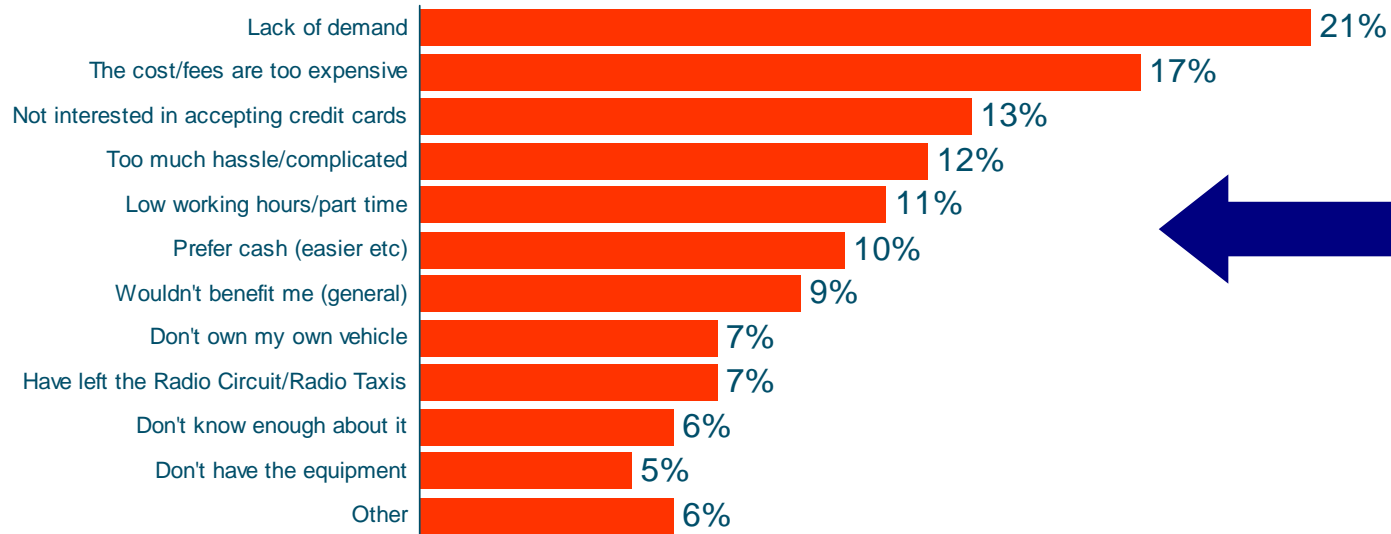
1 in 3 drivers who don't currently offer card payments likely to offer card payment in next year. Those not likely to offer facility name lack of demand and cost as main barriers



## Likelihood of using card payments facility in the next twelve months



## Reasons for unlikely usage in the future



**68% are unlikely to offer card payments**

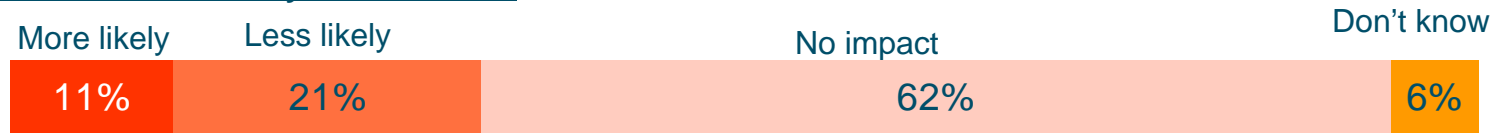
Source: Q22; How likely are you to offer card payments in the next 12 months? Would you say... All who do not currently accept card payments (n=279)  
 Q23; Why do you say that? All who do not currently accept card payments and say they are unlikely to offer it in the next 12 months (n=190)

# Perceptions of likelihood of becoming a victim of crime as a result of offering card payment facility

Perceptions are not as bad as reality: 1 in 10 drivers with facility currently think they are more likely to be victim of crime with facility, much less than 1 in 3 of drivers without the facility

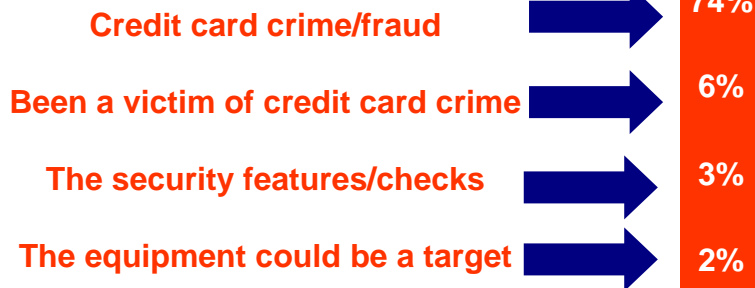


## Drivers with Card Payment facilities



Credit card crime is mentioned by all who feel there are more likely to victims of crime

## Drivers with no Card Payment facilities



Source: Q30d; All who do not currently accept card payments (n=279)  
 Q30e; All who do not currently accept card payments who feel that using card payment facilities makes them **more likely** to be a victim of crime (88)  
 Q31e; All who do not currently accept card payments who feel that using card payment facilities makes them **less likely** to be a victim of crime (66)

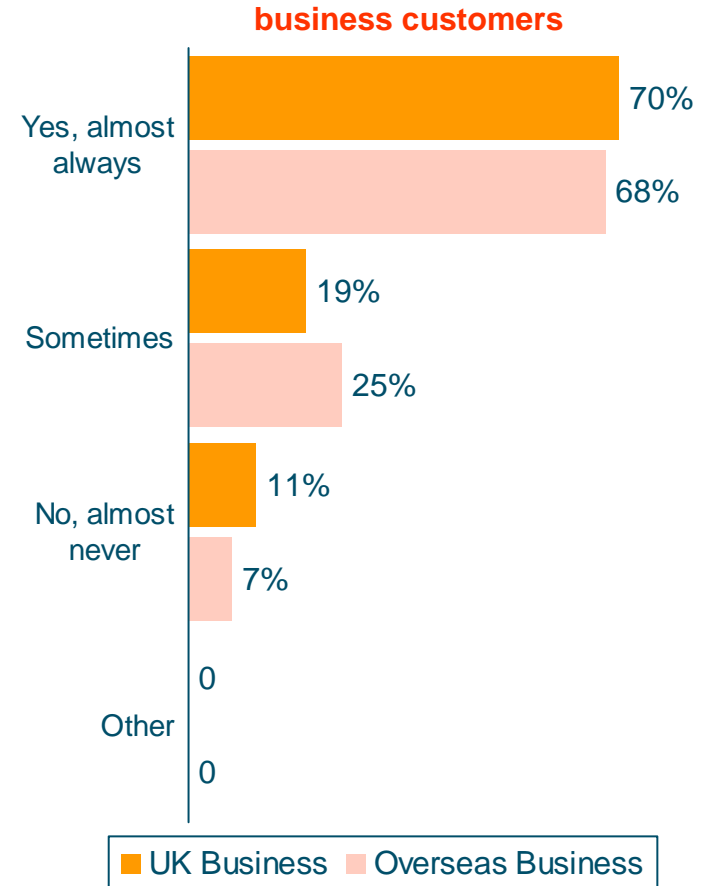
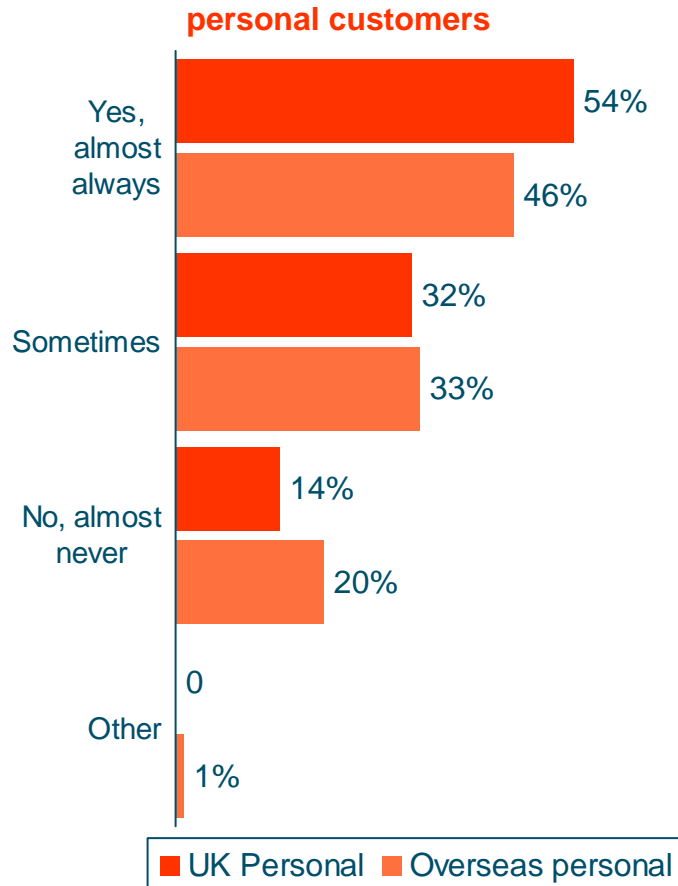
Source: Q30b; All who currently accept card payments (n=121)  
 Q30c; All who currently accept card payments who feel that using card payment facilities makes them **more likely** to be a victim of crime (\*13)  
 Q30c; All who currently accept card payments who feel that using card payment facilities makes them **less likely** to be a victim of crime (\*26)  
 \* Denotes small base



# Tips and Processing Time

# Frequency of customers tipping drivers currently

Business customers are more likely to always tip (7 in 10), while around half of personal customers do

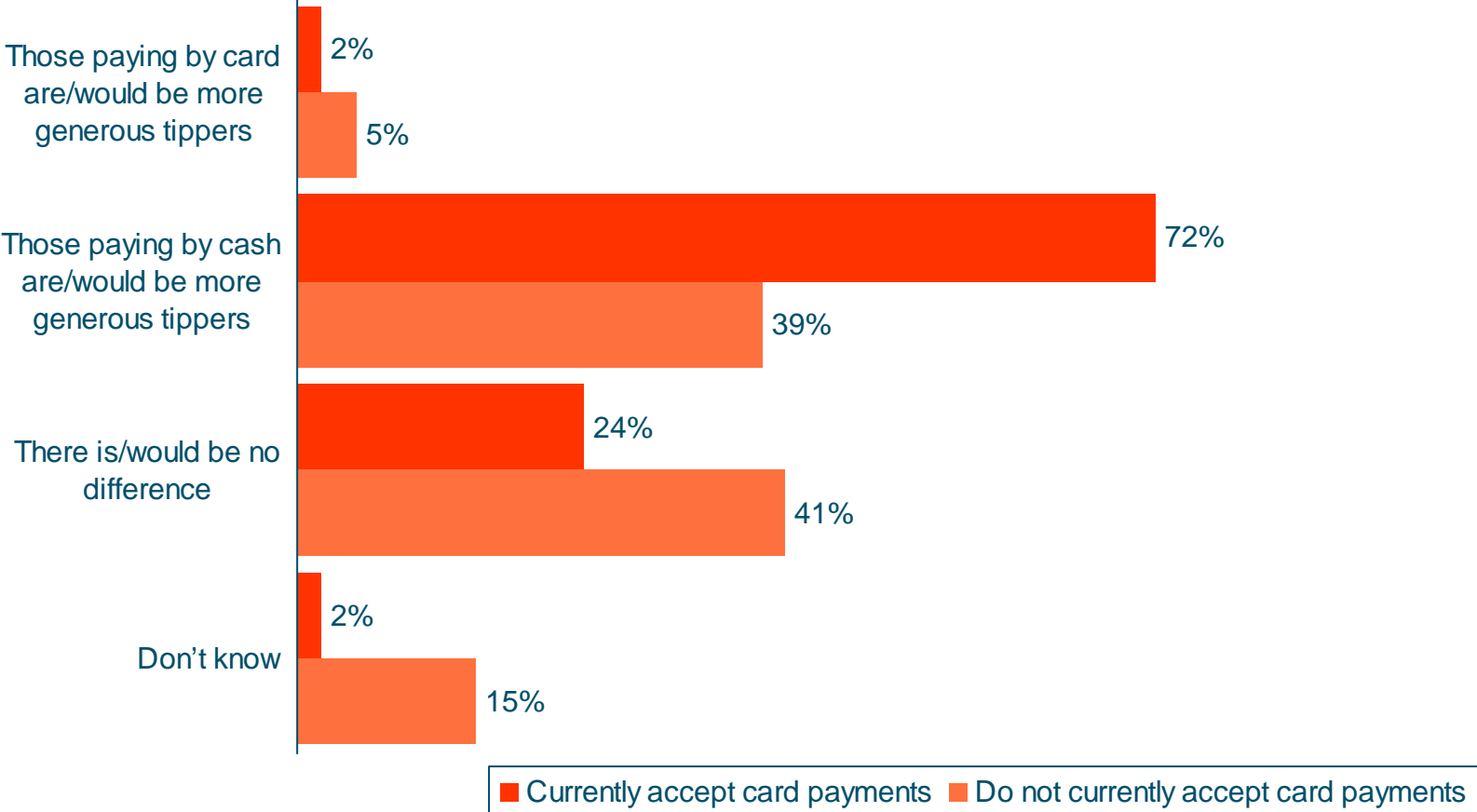


Source: Q13; Typically, do you tip the driver on taxi trips in London for personal use? All who use a taxi for personal use personal-(UK n=205) (Overseas n=197)

Source: Q22; Typically, do you tip the driver on taxi trips in London for business use? All who use a taxi for business use business-(UK n=208) (Overseas n=136)

# Perceptions of current/future customer tipping behaviour of card payments vs. cash

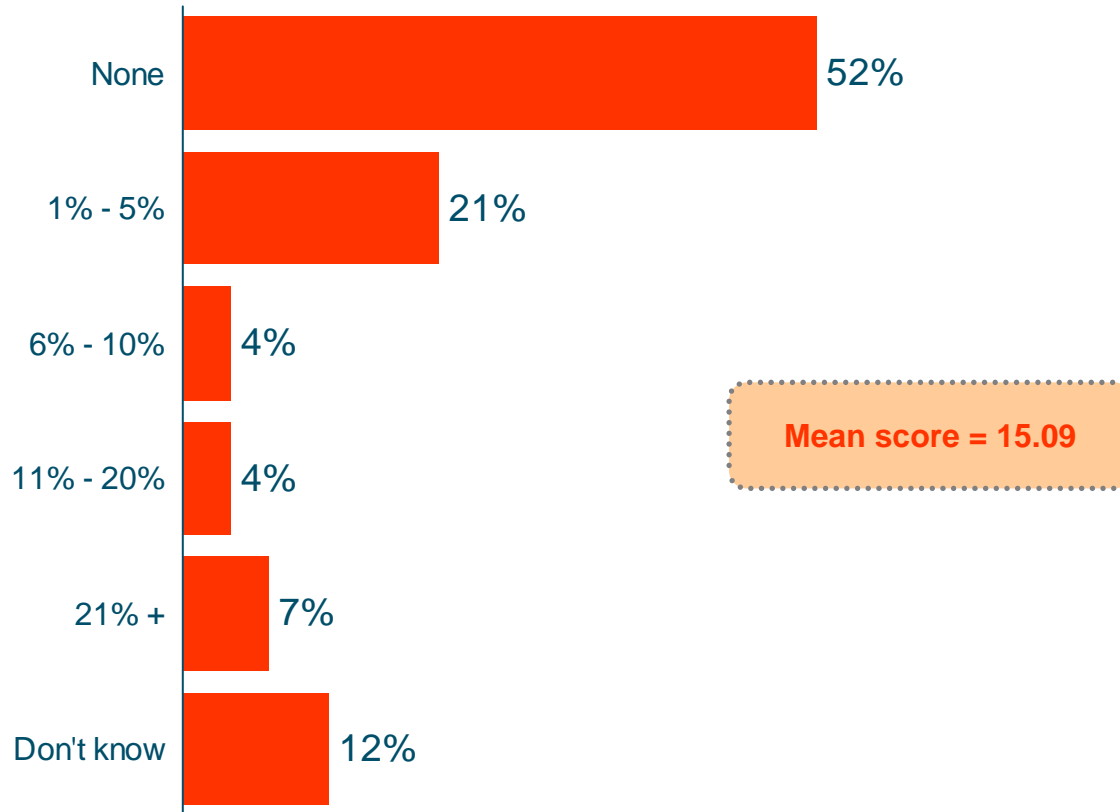
Three quarters of drivers accepting tips say cash payers tip more than card payers. A third of those not offering card facility currently say this



Source: Q28; On the whole would you say that.....:All who currently accept card payments (n=121)  
Q31b; What impact, if any, do you feel that offering a credit and debit card payment facility has had on the likelihood that you will be a victim of crime? Would you say...All who do not currently accept card payments (n=279)

# Drivers estimation of what proportion of customers pay with card but tip using cash

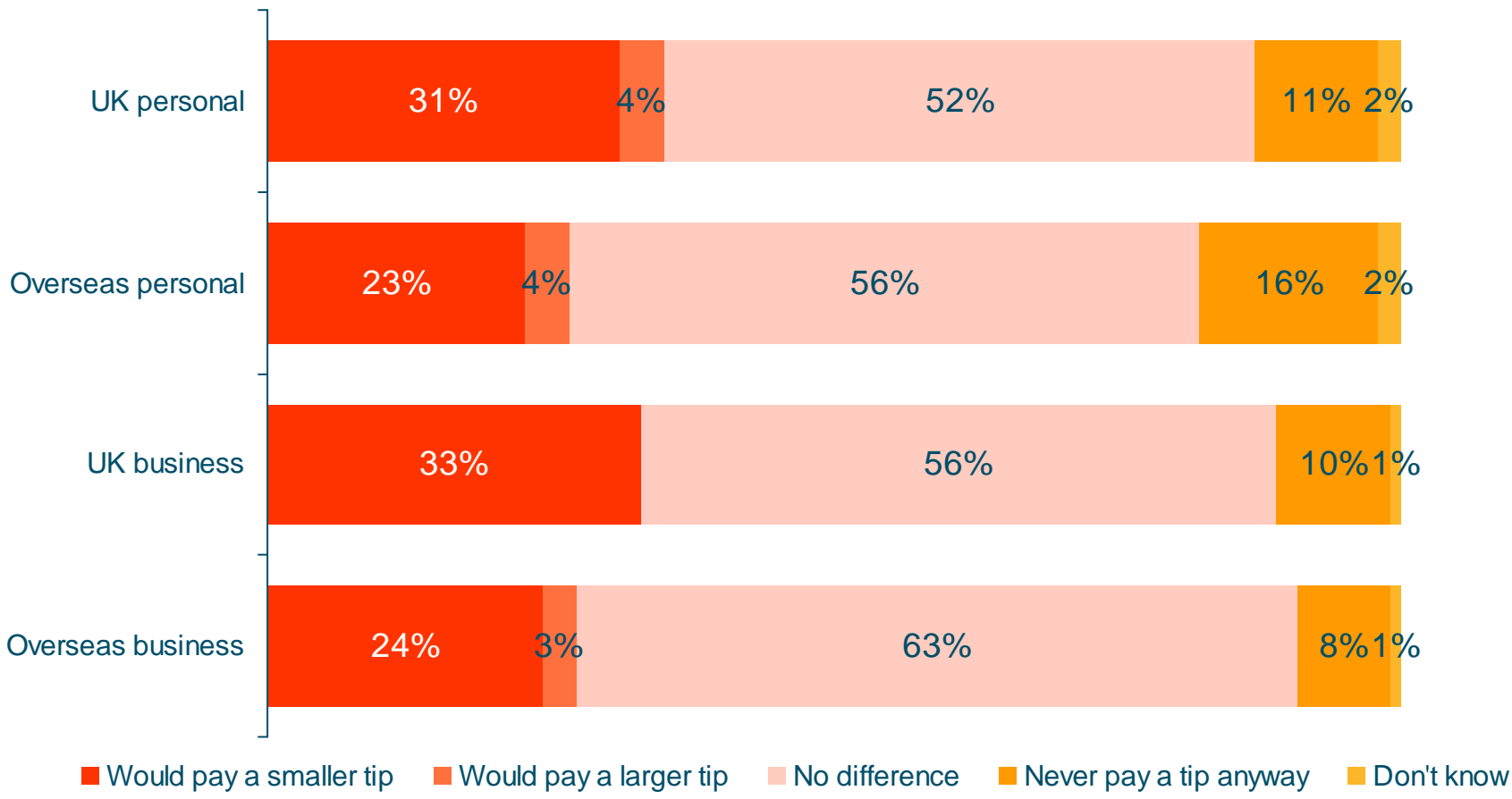
Few customers paying by card go on to pay for their tips by cash



Source: Q29; What proportion of card payers would you estimate pay their tip in cash? All who currently accept card payments (n=121).  
Note- Mean score excludes those saying 'None' and don't know

# Customers perceptions of tipping habits - with a surcharge of 50p on an £8 fare

At least a half of customers would pay the same tip amount when paying by card with 6% surcharge vs. cash, while around third of UK customers and quarter of overseas customers would tip smaller amount

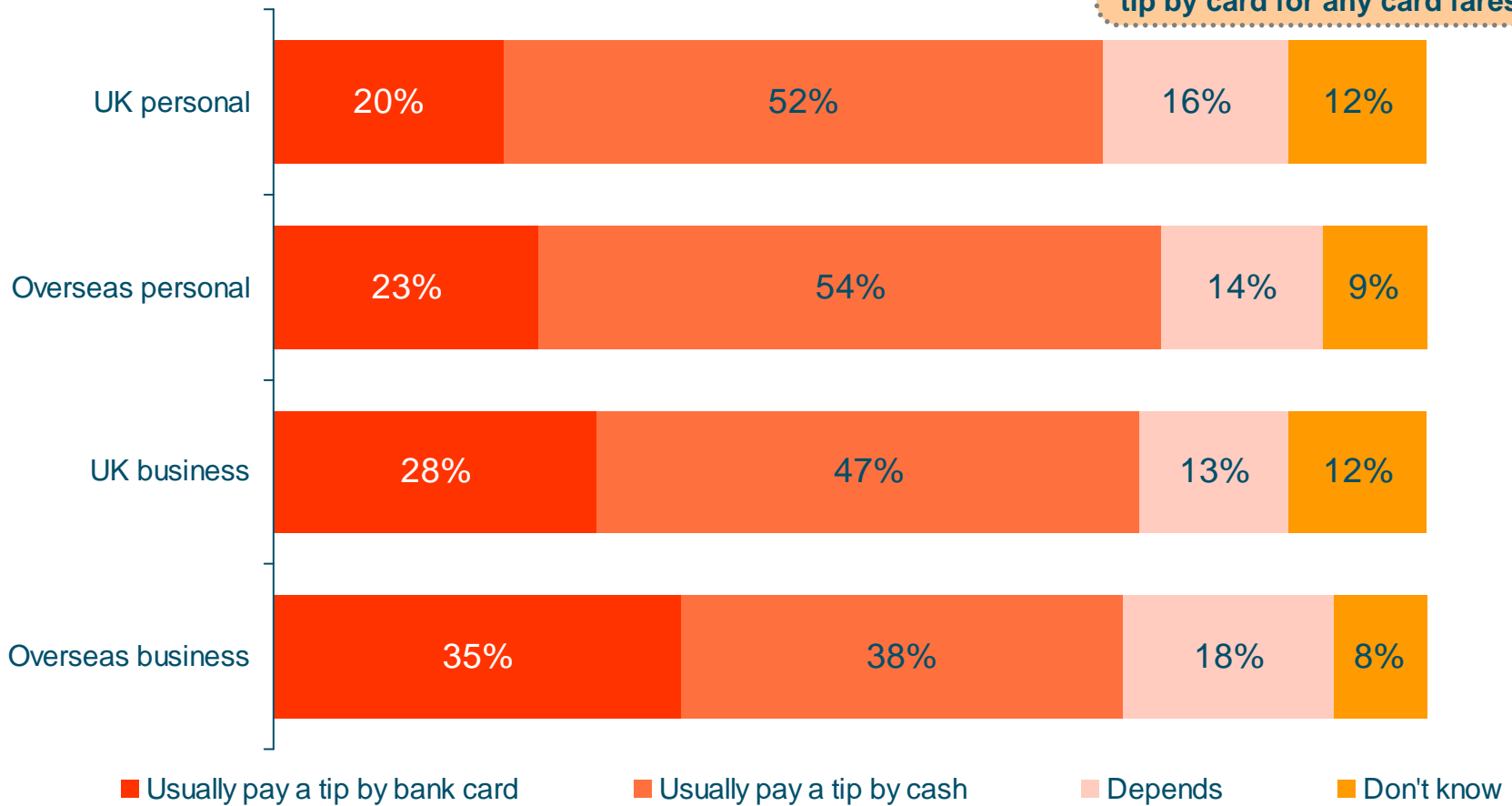


Source: Q30; Assuming the surcharge for paying by card was 50p for an £8 fare, do you think you would pay the driver a smaller or larger tip if paying by card or would it make no difference? Please assume you can pay for a tip using your bank card or by cash. personal-(UK n=205) (Overseas n=197) business-(UK n=208) (Overseas n=136)

# Tipping preference payment method in future

There is a preference to pay for tips by cash when the fare has been paid by card, although this was less prevalent among overseas business people (not from the US)

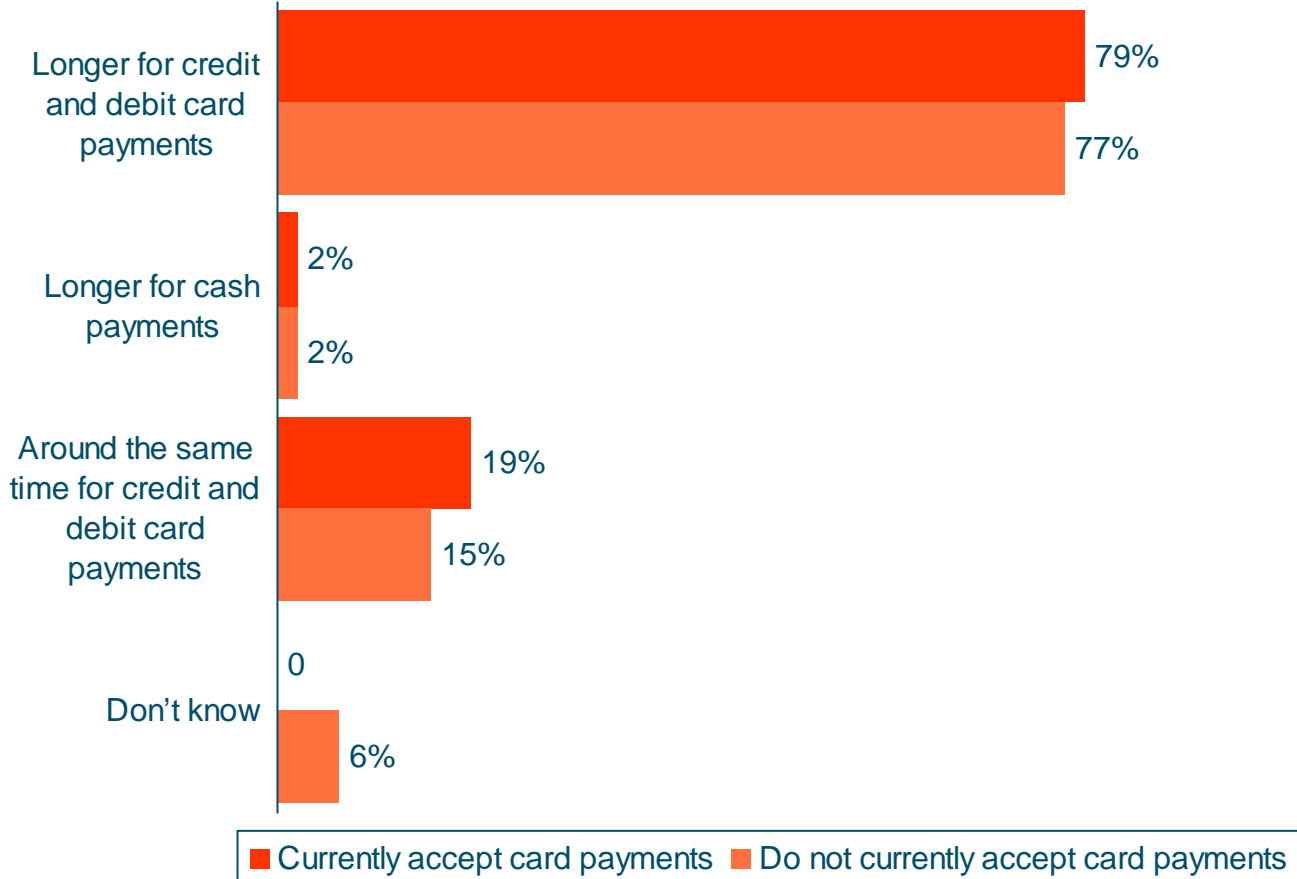
44% of US business customers say they would also pay for their tip by card for any card fares



Source: Q31; If you paid for a taxi fare by bank card, do you think you would pay a tip using your bank card also, or by cash? All who tip personal-(UK n=182) (Overseas n=166) business-(UK n=188) (Overseas n=125)

# Perception of length of time it takes/would take customers to pay when using different payment methods

A high number of drivers believe that credit card payments take longer to administer



Source: Q30a; Typically, do you think the time it takes the customer to pay is: All who currently accept card payments (n=121)  
Source: Q30c; Typically, do you think the time it takes the customer to pay is: All who currently accept card payments (n=279)

# Conclusions



# Conclusions

- Significant proportion of drivers (third) currently offer card payment and further fifth are likely to in next year.
- According to drivers, there is relatively low use of card payments by taxi customers currently
  - More likely for higher fares and by overseas business customers
  - Cash is preferred method by far for customers due to convenience, representing greatest barrier to card payments.
- Card payment likely increase significantly as the preferred payment method if offered in all taxis.
- Contactless payment liked even more than PIN process card payment, but:
  - significant proportion have security concerns;
  - fare amounts suggest relatively small proportion will be under current £10 threshold.
- Many drivers recognise convenience of card payments to customers and potential reduction in turning down fares.
- Surcharges seen as less significant drawback for customers than drivers think.
- Small proportion of drivers with card payment facility have security concerns; significantly lower than those without card payment facilities.
- Card payments are likely to reduce tips for drivers overall.

# Appendix

**Mechanics,  
Provision &  
Perceptions of Current Card  
Payment Facilities**

# Payment methods used

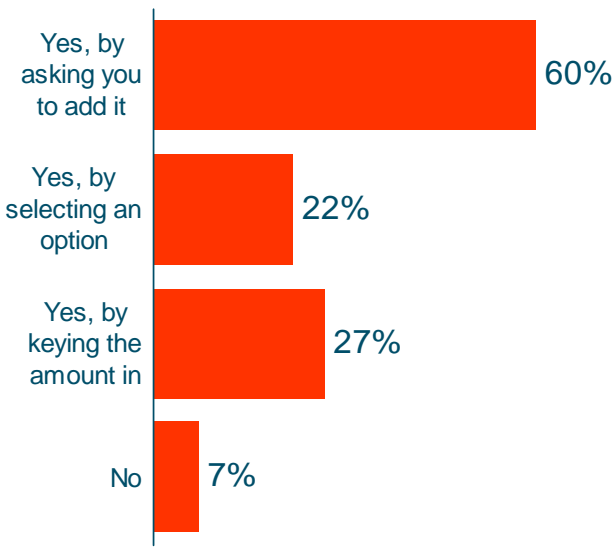
Most credit card payments still require signatures for authorisation purposes



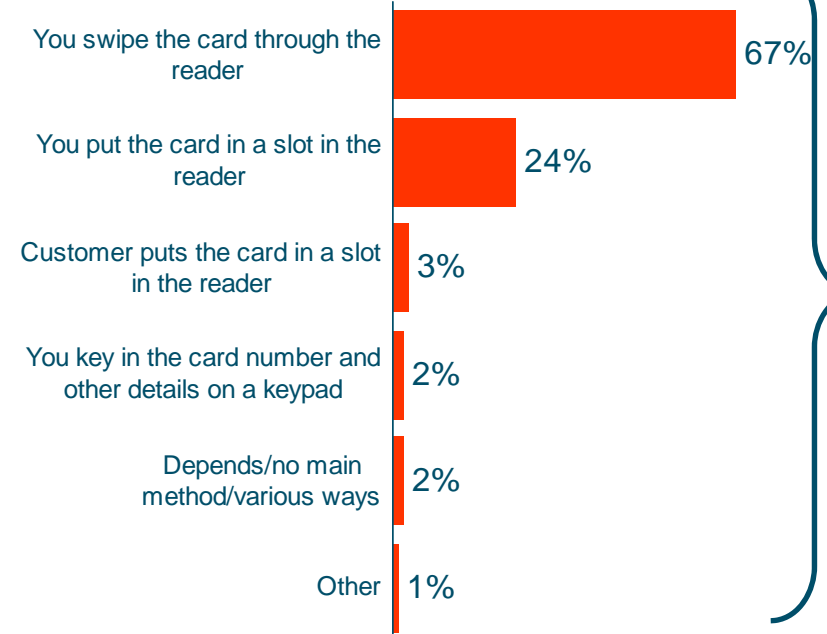
## Process of taking payment



## Can the customer add a tip?



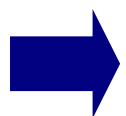
## Card reading process



## Pin allowance

31% of drivers have equipment which requires the customer to enter their PIN number

## Signature allowance



- 73% require a signature for all payments
- 8% requires a signature if the pin fails
- 8% require a signature for overseas customers

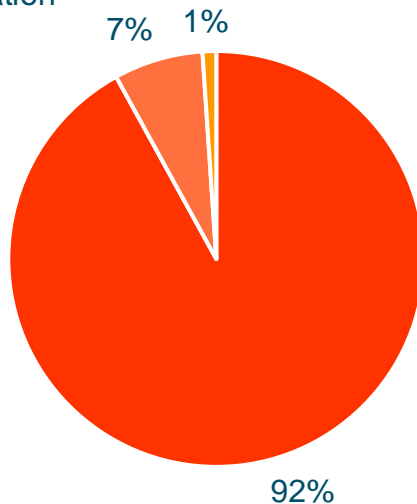
Source: Q8a Do you enter the payment amount or is it put in automatically (for example from the taximeter)? / 8b Can the customer add a tip to the payment amount? / 8c How is the card normally read? / 8d Does the system require the customer to enter their PIN? / 8e Does the system allow the customer to pay by giving a signature? ; All who currently accept card payments (n=121)

# Card Payment facilities

Those on a radio circuit also have their card payment facility provided by the organisation, and around a half have this included in their radio circuit package

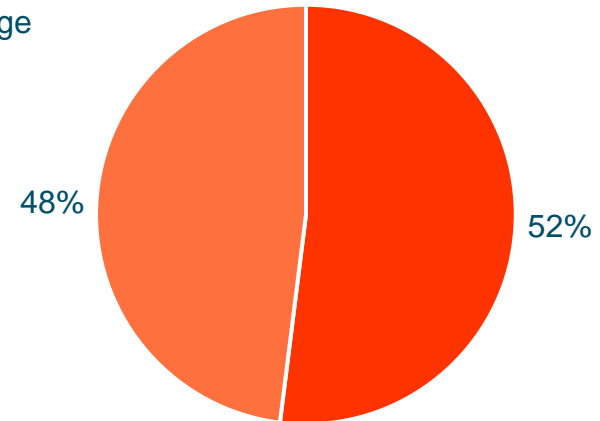
## Provider of card payment equipment

- Radio circuit
- Other organisation
- Don't know



## Do you have to pay for it?

- Pay for it
- Part of another package



Source: Q9; Was the equipment provided by a radio circuit or another organisation? All who currently accept card payments and are on a radio circuit (n=92)

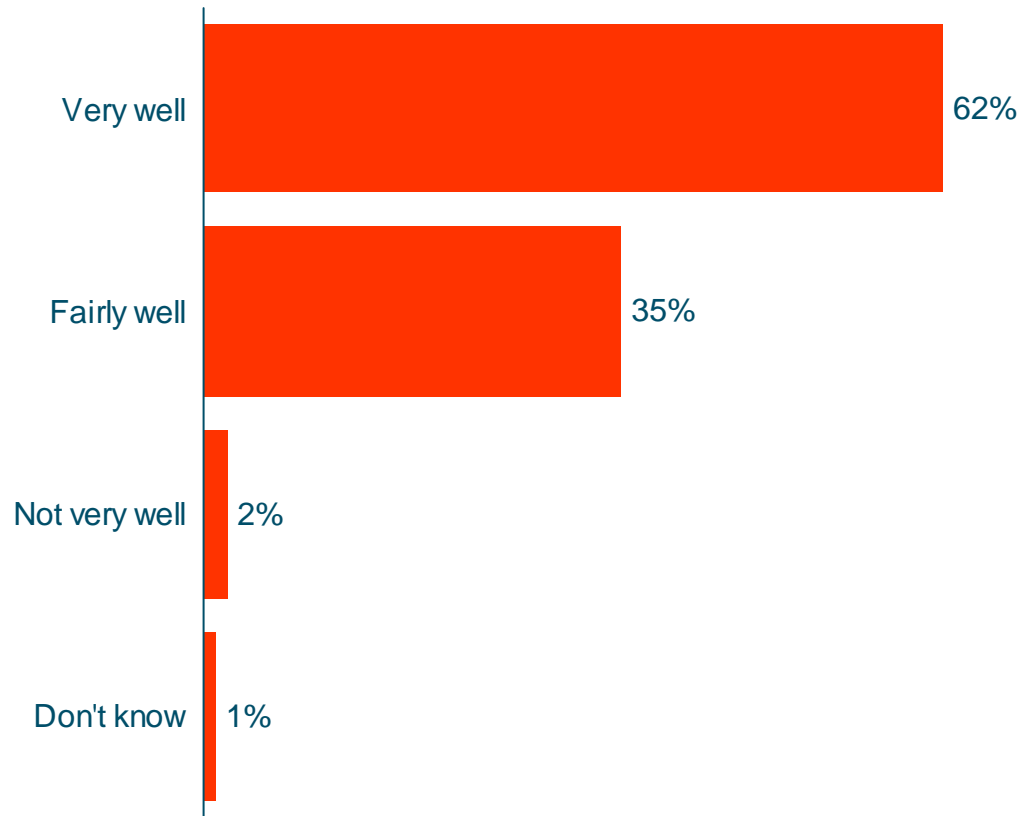
Source: Q9a; Do you pay for it or is it part of another package? All who currently accept card payments and are on a radio circuit (n=92)

# Effectiveness of card payment equipment

Almost all with card payment facilities are positive about how well the equipment works



How well the equipment works



Source: Q10; Overall, how well does your card payment equipment work? Would you say....All who currently accept card payments (n=121)