

Signs of recovery: FNB records upswing in consumer spending

FNB card data reveals that consumer spending is recovering better than expected in most categories, with eased lockdown likely to boost it even further. The bank says spending by its retail (individual) customers who hold debit, credit, and fusion cards increased 19.2% year on year.



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Travel spend lagging

Consumer spending in telecommunications and internet services, entertainment, grocery, health and wellbeing as well as animal or pet-related categories is showing strong recovery.

Entertainment saw a 52.5% year-on-year increase while grocery spend increased by a further 5.6% (year-on-year) in addition to the 12.7% increase in 2020. Travel and holiday spend increased by 28.5% year-on-year but is still down 46% compared to the same period before Covid-19.

FNB Retail chief executive, Raj Makanjee, says, "The overall trend shows that consumers are gradually regaining economic participation, but some sectors are still lagging in recovering their usual share of consumer spend.

"Furthermore, we are encouraged to see many of our customers using our wide range of options to pay for goods and services. As a result, we saw a significant year-on-year increase in spend values via our smart devices-based payments solutions such as Tap to Pay (up 744%), Tap and Scan (up 556%) as well as Scan to Pay (up 85%). Spending on card contactless tap increased by 120% year-on-year while card swipes continue to show strong recovery."

Return to point of sale

FNB Card CEO, Chris Labuschagne, says, "The momentum in spend also shows that consumers and retailers are settling into a new normal when it comes to shopping activity. Many consumers and businesses have embraced online shopping as part of their life, and we see this trend growing even further in the months ahead. It's also pleasing to see strong recovery in customers who shop at a point of sale."

As part of its efforts to boost activity in travel and tourism ahead of the festive season, the bank recently announced that qualifying retail and business customers will get additional complimentary access to airport Slow Lounges until mid-November 2021.

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