

The economic impact
webinar series

Consumer spending and e-commerce



What we'll cover

1 The economic outlook
for 2025-2026

2 Panel Discussion

3 Q&A



Adolfo L. Laurenti
Principal European
Economist at Visa



Ollie Gleeson
Sr Director, Global Network
Partnerships, Worldpay



Chris Nourse
Director UK and Ireland
Click to Pay, Visa

The outlook for 2025-2026: Has the economic sentiment bottomed?

Adolfo Laurenti
Principal European Economist



Notice of confidentiality

This presentation is furnished to you solely in your capacity as a customer of Visa Inc. and/or a participant in the Visa payments system. By accepting this presentation, you acknowledge that the information contained herein (the “Information”) is confidential and subject to the confidentiality restrictions contained in Visa’s operating regulations and/or other confidentiality agreements, which limit your use of the Information. You agree to keep the Information confidential and not to use the Information for any purpose other than in your capacity as a customer of Visa Inc. or as a participant in the Visa payments system. The Information may only be disseminated within your organization on a need-to-know basis to enable your participation in the Visa payments system. Please be advised that the Information may constitute material non-public information under U.S. federal securities laws and that purchasing or selling securities of Visa Inc. while being aware of material non-public information would constitute a violation of applicable U.S. federal securities laws.



Forward looking statements

This report may contain forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are generally identified by words such as “outlook”, “forecast”, “projected”, “could”, “expects”, “will” and other similar expressions. Examples of such forward-looking statements include, but are not limited to, statement we make about Visa’s business, economic outlooks, population expansion and analyses. All statements other than statements of historical fact could be forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond our control and are difficult to predict. We describe risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, any of these forward-looking statements in our filings with the SEC. Except as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future events or otherwise.

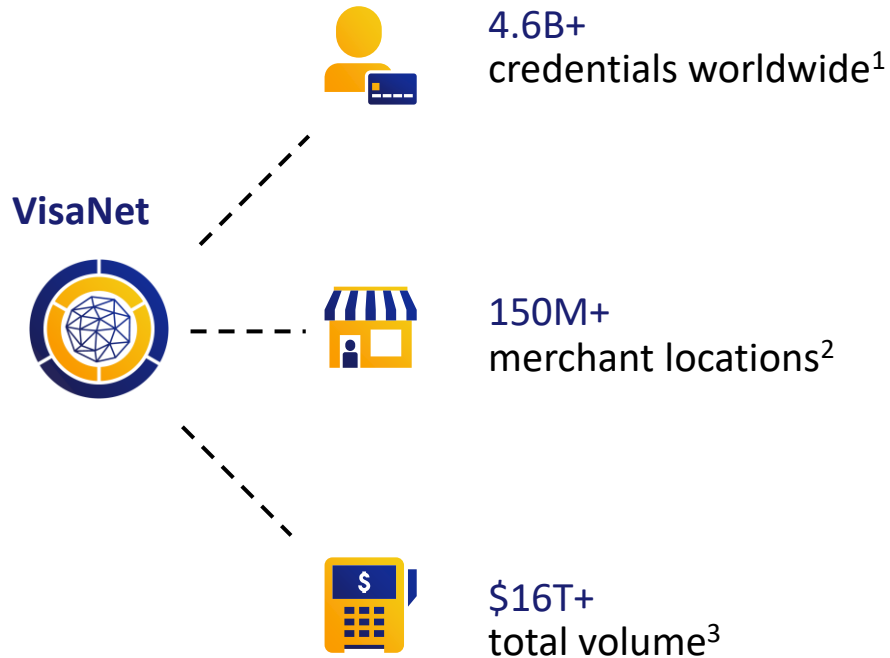
Disclaimer

The views, opinions, and/or estimates, as the case may be (“views”), expressed herein are those of the Visa Business and Economic Insights team and do not necessarily reflect those of Visa executive management or other Visa employees and affiliates. This presentation and content, including estimated economic forecasts, statistics, and indexes are intended for informational purposes only and should not be relied upon for operational, marketing, legal, technical, tax, financial or other advice and do not in any way reflect actual or forecasted Visa operational or financial performance. Visa neither makes any warranty or representation as to the completeness or accuracy of the views contained herein, nor assumes any liability or responsibility that may result from reliance on such views. These views are often based on current market conditions and are subject to change without notice.

Visa Spending Momentum Index expands our insight into the consumer economy

SMI harnesses data from the Visa network...

to track consumer spending behavior.



More consumers are spending more
Above 100



Below 100
Fewer consumers are spending more

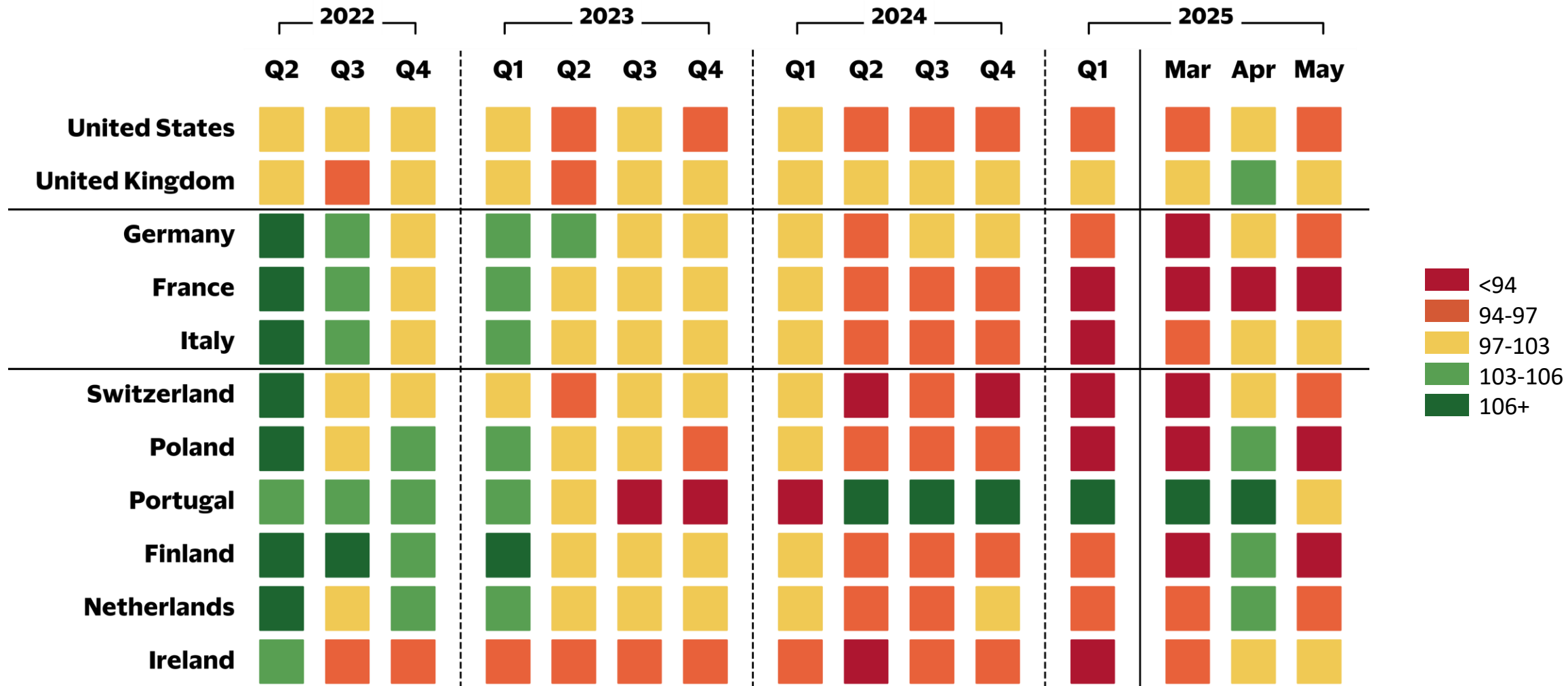
Changes reveal
direction of spending
momentum



And now covers 80+ countries accounting
for 75% of global consumer spending



Has Europe spending momentum bottomed?

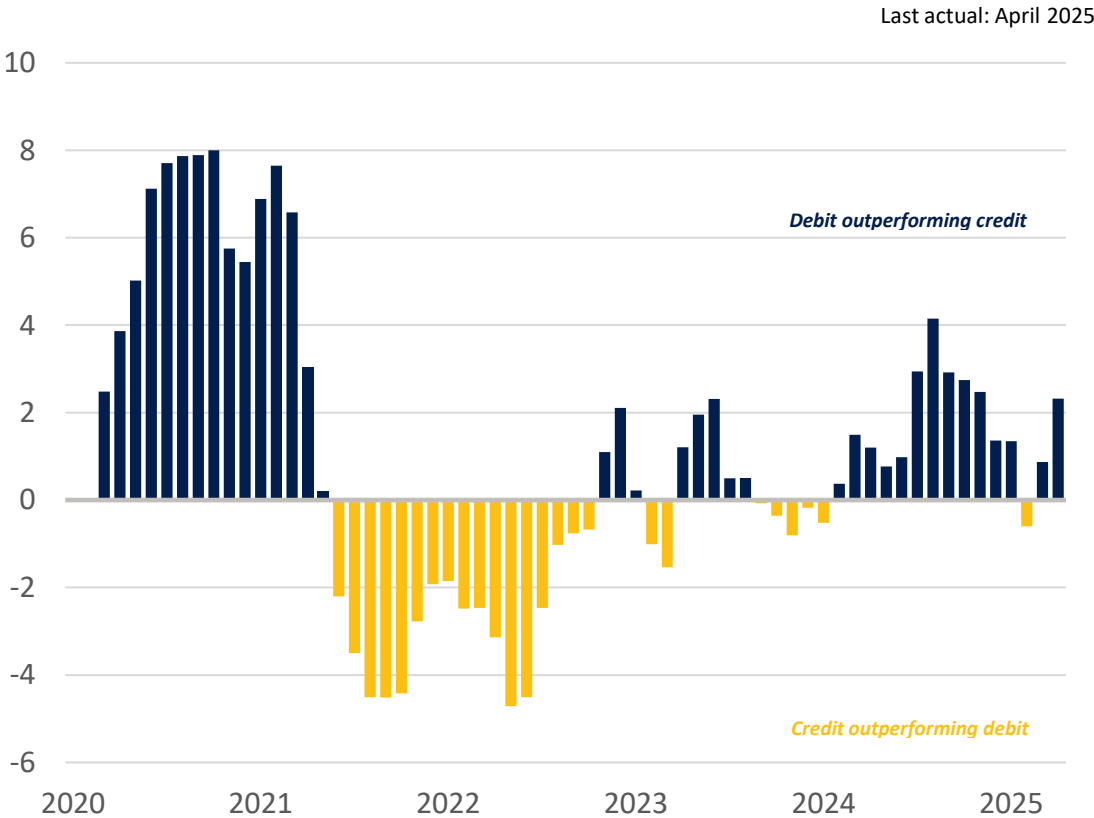


The UK case: SMI indicates a guarded, cautious consumer in 2025

Consumer spending has rotated more onto debit cards...

...as households worry about their financial situation

Visa Spending Momentum Index (3mmav, credit-debit differential)



Household financial situation: Next 12m (NSA, percent balance)

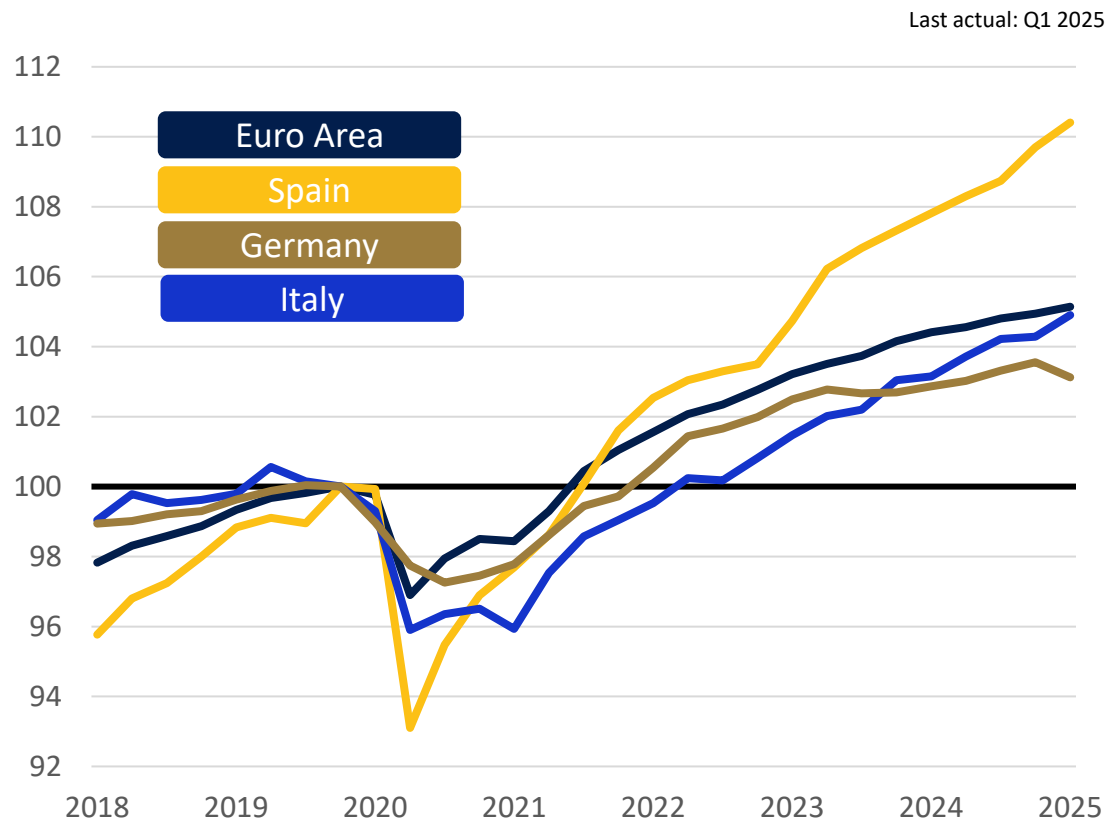


What kept consumers afloat: jobs, and pay-checks

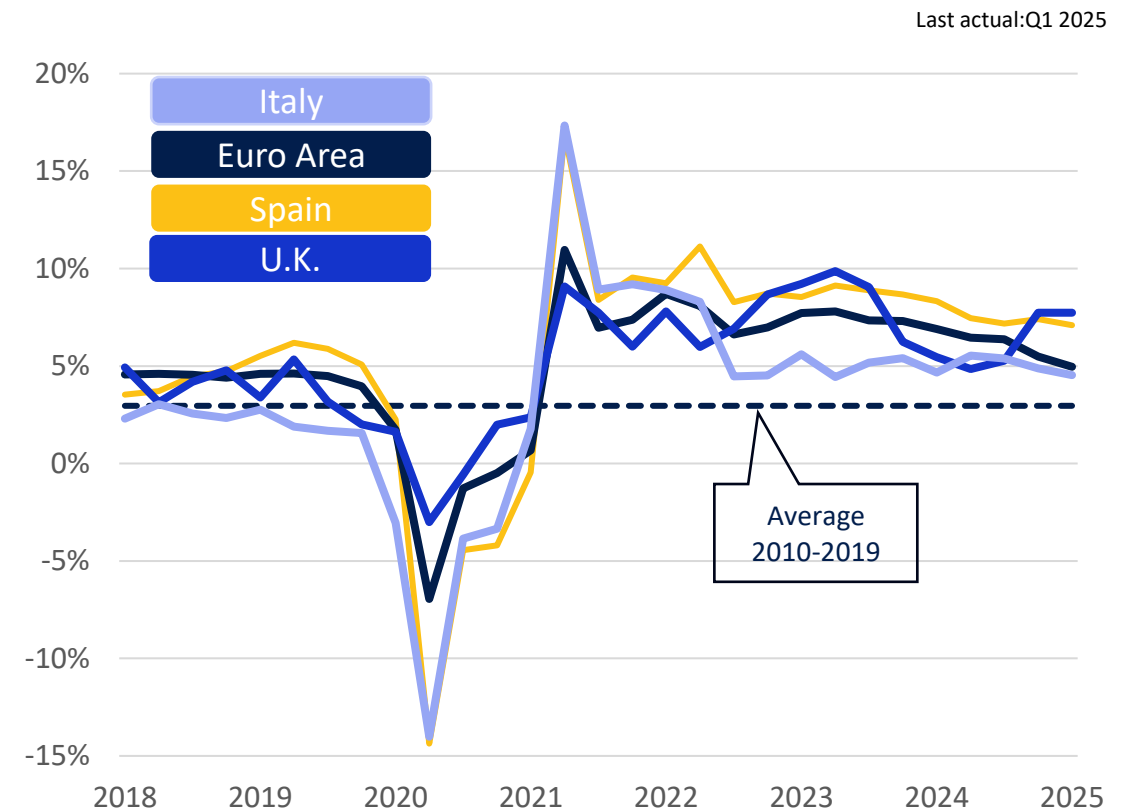
Labour markets have softened

Wages and salaries are still growing

Employment
(Index, Q4-2019=100)



Wages and salaries
(percent change, year ago)

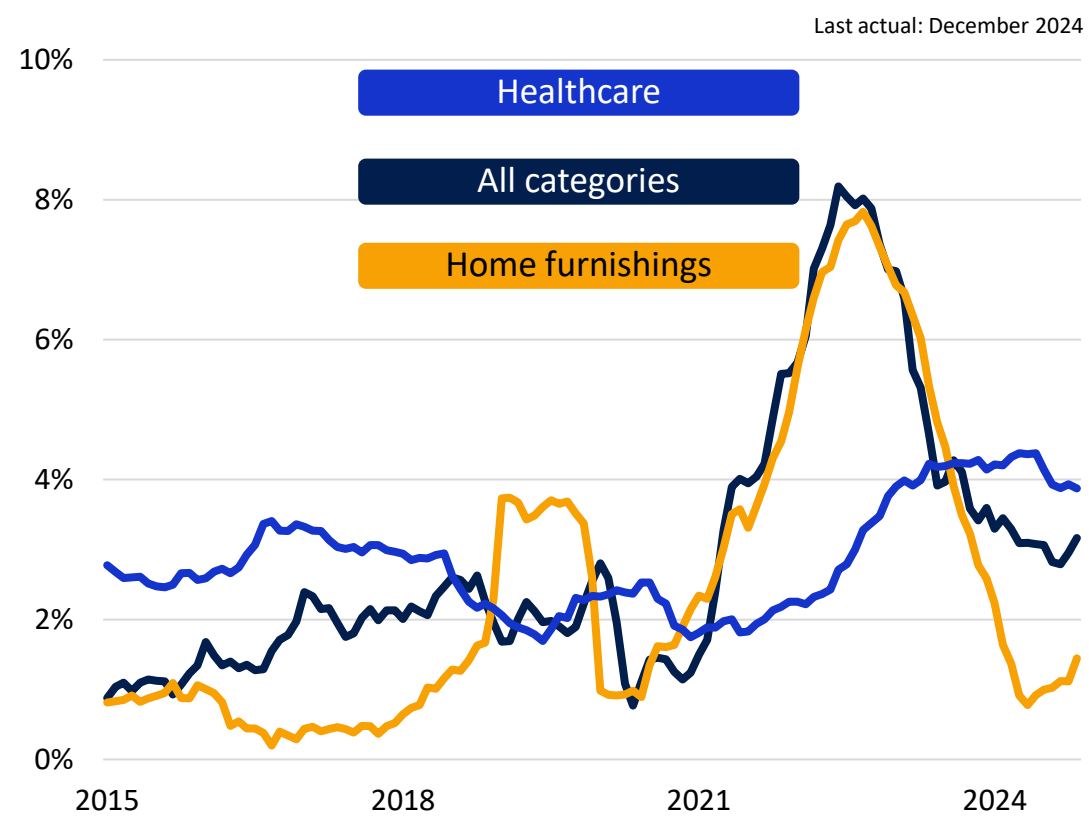


Inflation has receded as a key stress point for consumers

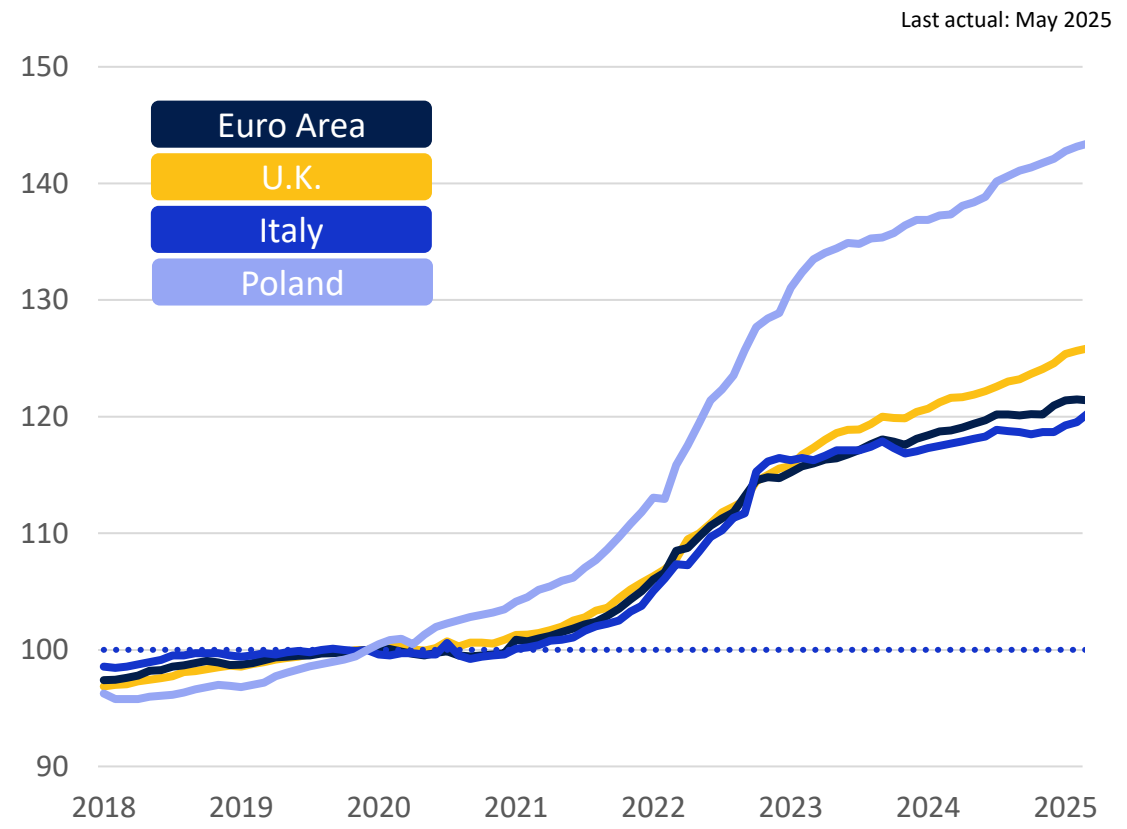
Tradeable goods have returned to normal, cost of domestic services stays hot

The lingering pain of elevated price levels

Global consumer prices by spending category
(year-on-year change)



Consumer price index
(Index, Dec-2019=100)

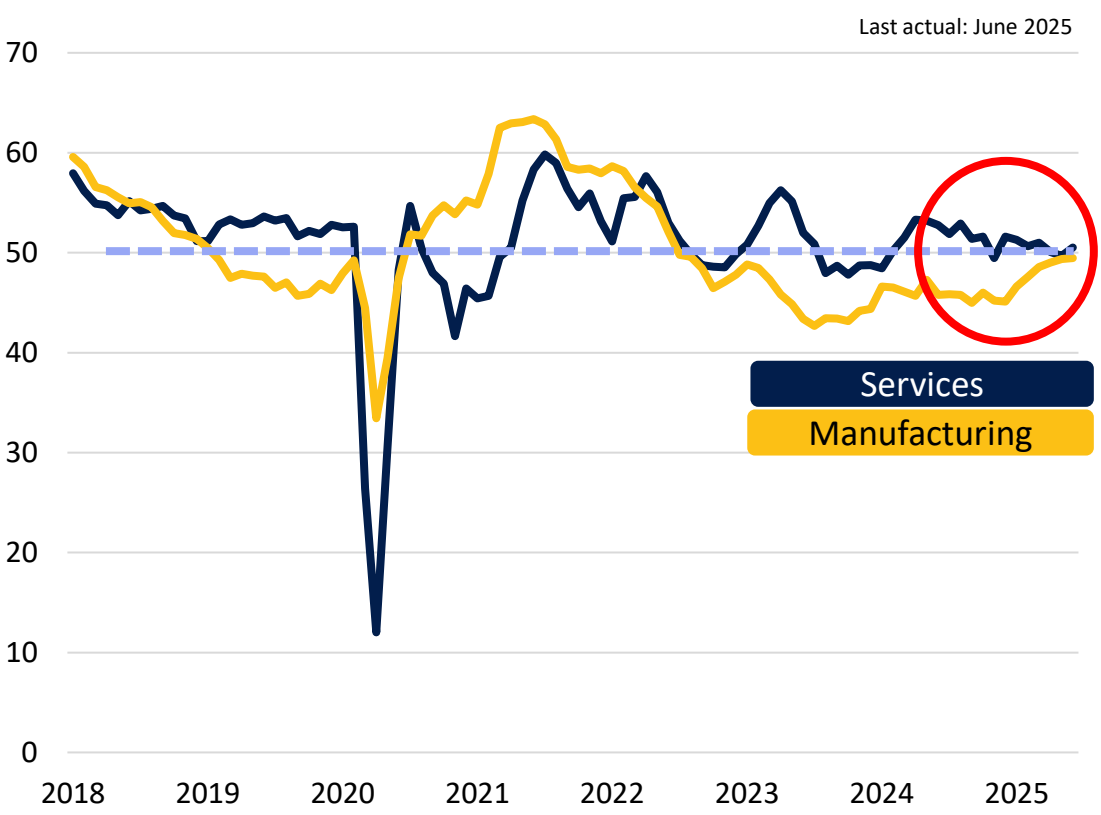


Sources: Visa Business and Economic Insights analysis of data from national statistics offices, Office for National Statistics, Eurostat / Haver Analytics

Europe is gradually re-emerging from a challenging two years

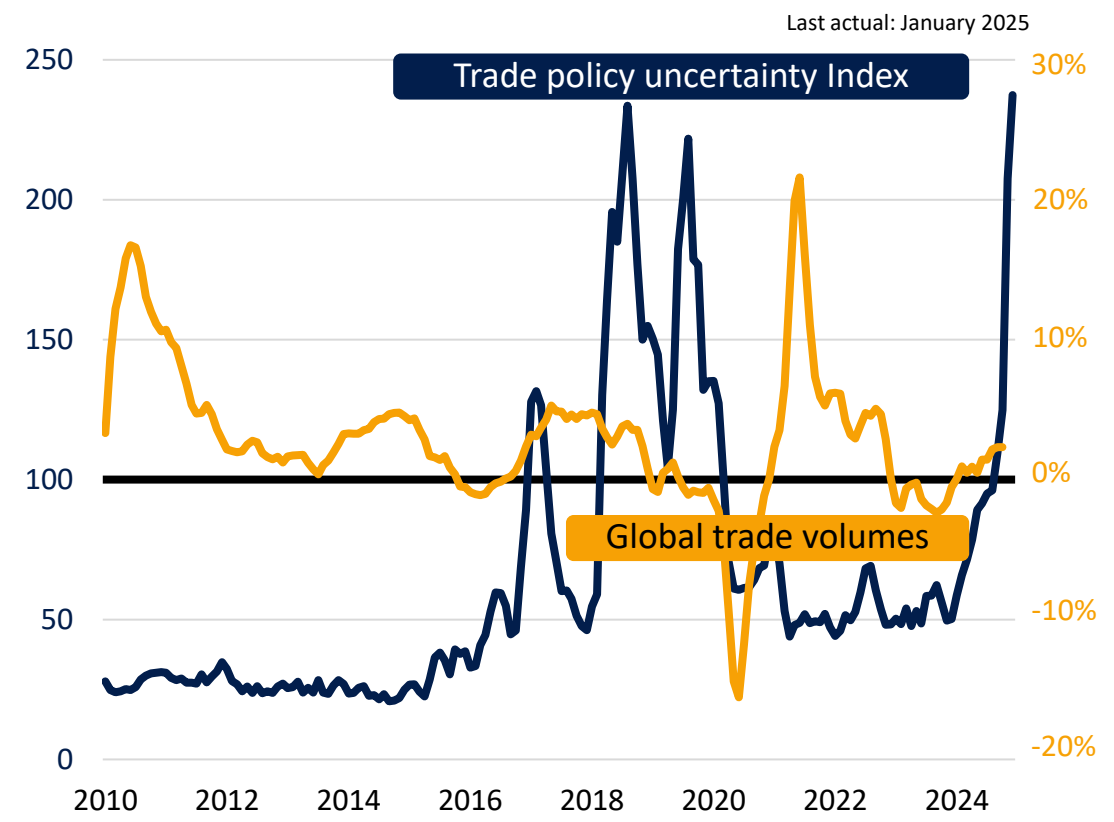
But manufacturing, a key sector in Europe, is struggling

Euro area PMIs
(Index, 50+ = expansion)



And trade uncertainty is not helping

Trade policy uncertainty and global trade (3MMA, index, percent change YoY)

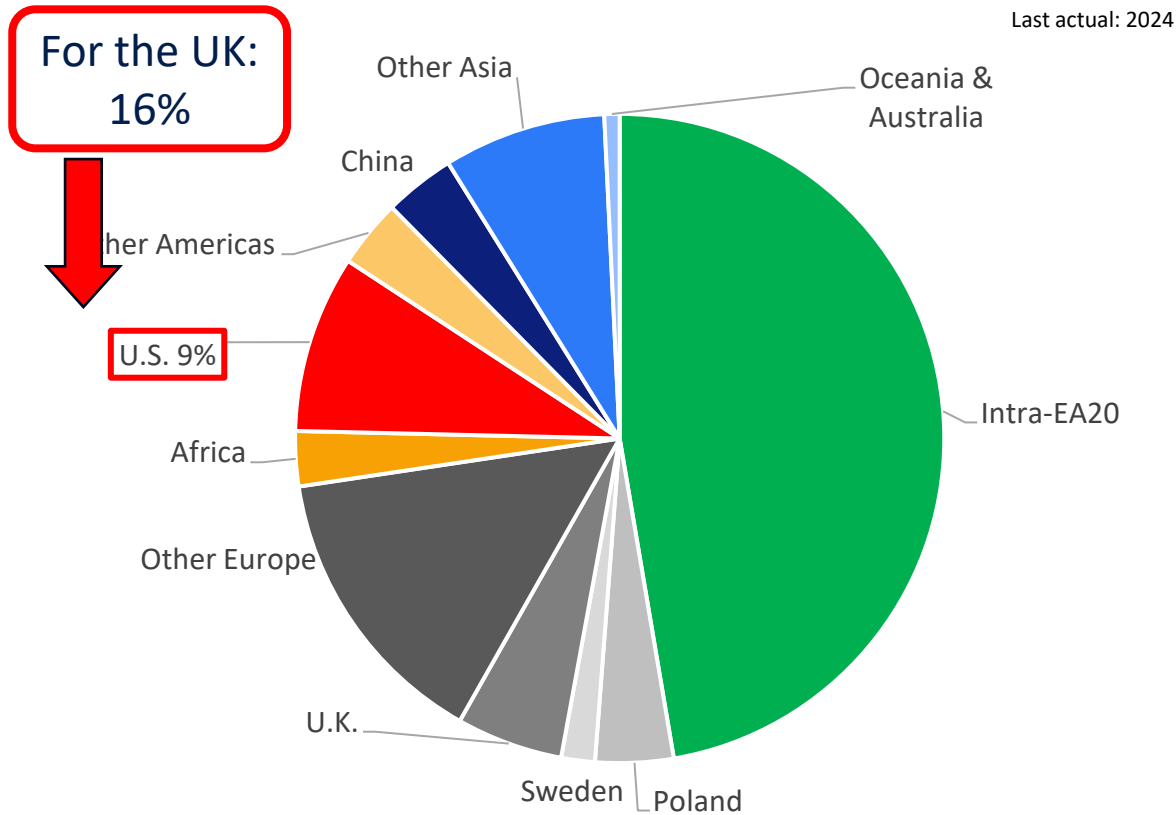


Tariffs: what's at stake for Europe

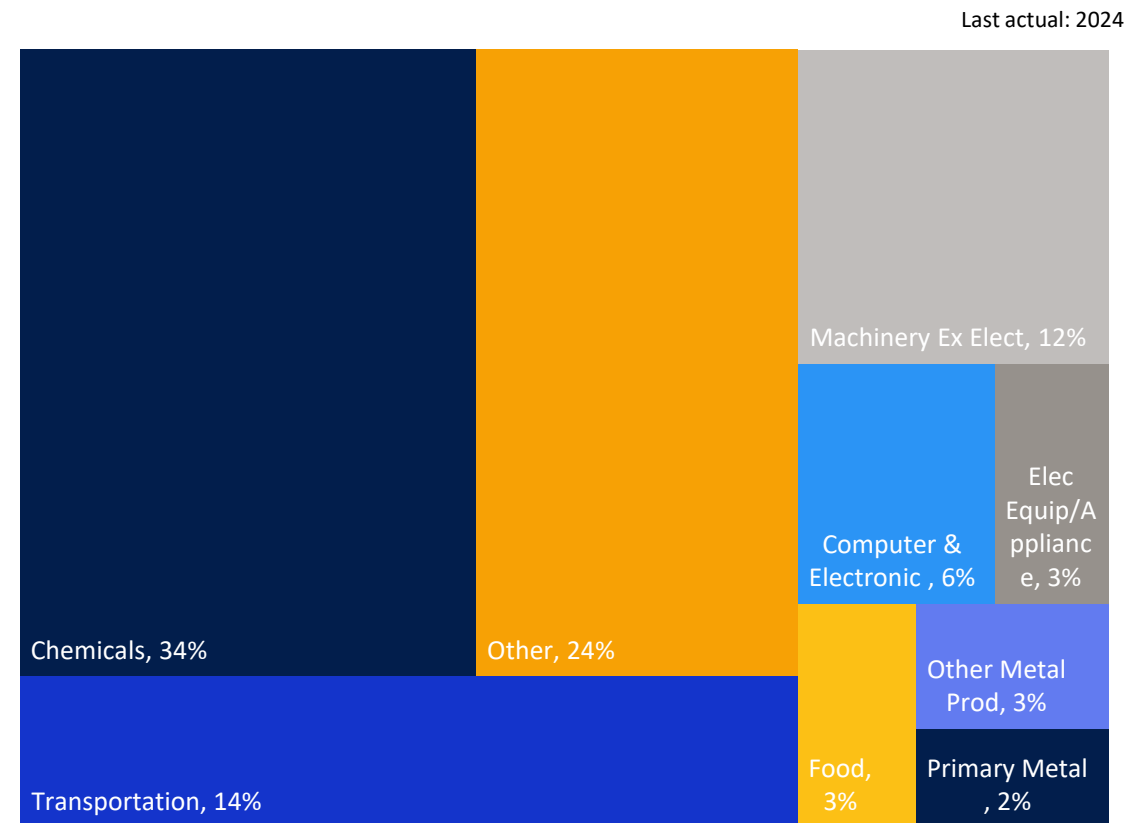
Europe is vulnerable, somewhat

... leaving a few sectors exposed to US tariffs

Share of Euro Area goods exports by country/region in 2024



US euro area imports (percent, total imports from the euro area)



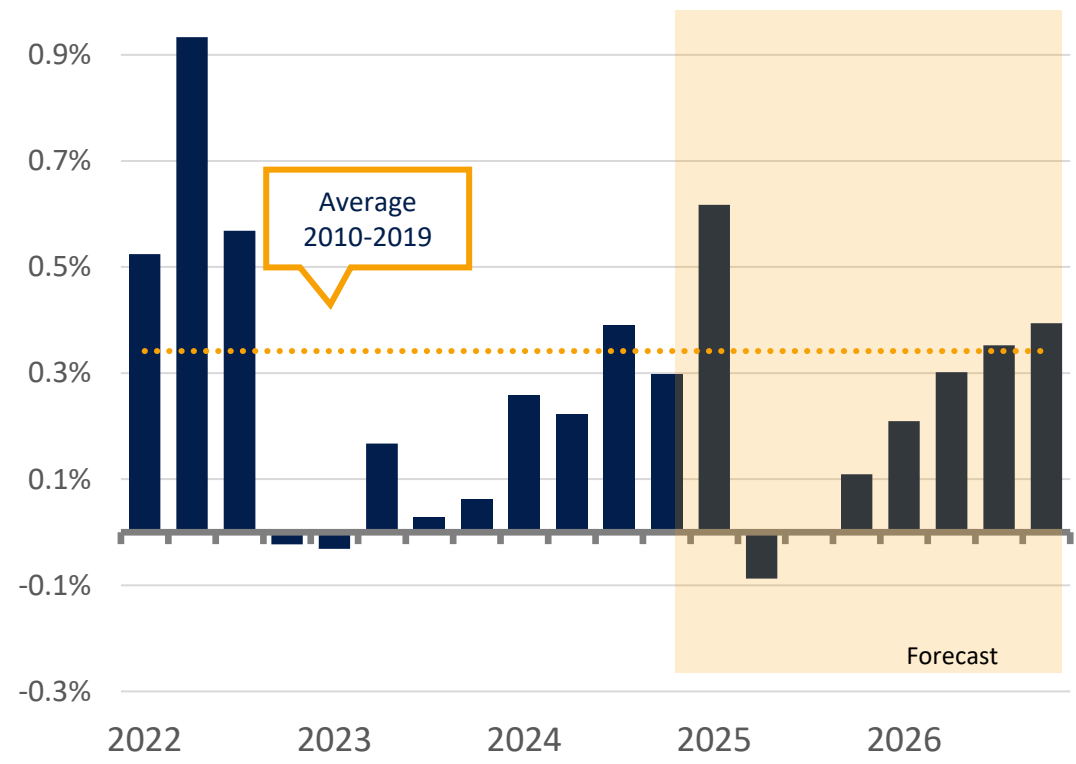
Conclusions: growth will be a trickle, not a wave

Eurozone GDP to gradually regain some footing this year

But UK growth will stay subpar in 2025

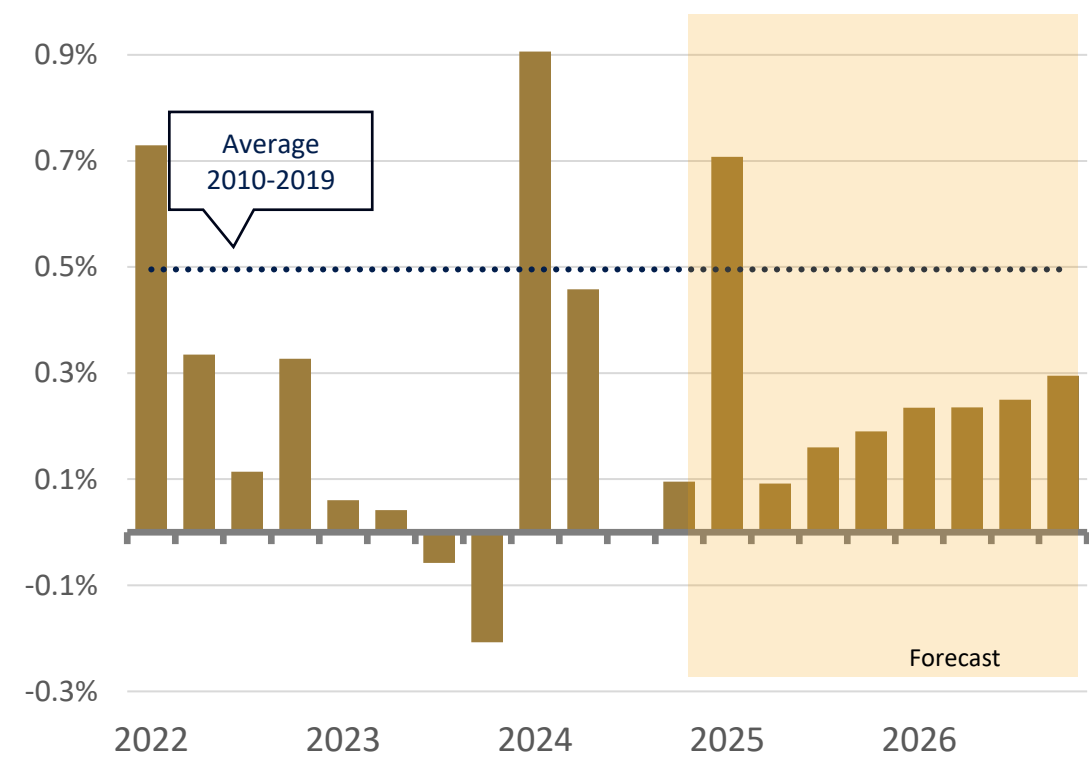
Eurozone GDP
(percent change, quarter-on-quarter)

Last actual: Q1 2025



UK GDP
(percent change, quarter-on-quarter)

Last actual: Q1 2025



New ways to track worldwide economic developments



U.S. Economic Outlook
February 10, 2022
Over the course of the last month, we learned that the economy expanded at an impressive 0.9 percent annualized pace in Q4 of 2021, mostly due to massive inventory rebuilding efforts. But core economic growth—excluding the effects of trade and government—rose just 0.9 percent. We expect this core measure of growth to rebound in Q1 even though we forecast a 1.7 percent contraction in GDP. We expect this measure to back slightly in Q2 to 4.2 percent (annualized) even with the projected contraction. The result is GDP for this year rising 2.8 percent '21 and 2.8 percent in 2022.

American Mood Trend
March 2022
Consumer confidence remains resilient. Consumers' confidence in current conditions remains resilient, mirroring into the Board Consumer Confidence Index in February to 100.5, up from 99.5 in January. It is now at its highest reading in 18 months.

Global Economic Insight
June 2023
Weekends are the new weekdays for restaurants, as remote work alters traffic to urban centers.

Spending Momentum Index
August 16, 2022
Inflation and pent-up demand remain strong.



Subscribe to view our latest publications



Follow us on LinkedIn



SUBSCRIBE

Visa.com/EconomicInsights



Panel discussion



Ollie Gleeson
Sr Director, Global Network
Partnerships, Worldpay



Chris Nourse
Director UK and Ireland
Click to Pay, Visa



Moderator:
Alex Rolfe
CEO, Payments Cards and
Mobile

CNP = CP

E-commerce payments equal to face-to-face and continue to grow across Europe

> 50%

of e-commerce payments are tokenised

30 - 40%

Share of manual PAN entry for most merchants

62%

of consumers abandon purchase after less than 2 minutes



Significant progress made in e-commerce



There is still room for improvement



**European issuer adoption
on the rise**



**Bringing value for the
entire ecosystem**



**Click to Pay adoption is
growing fast**



>8m

UK&I Cards Enrolled

17%

Covering 17% of clients
for enabled merchants

7-12%

And growing share of
guest card checkout

27-57%

Reduction in declined transactions
compared to Manual PAN

10%

Authorisation uplift vs.
manual PAN

80%

Fraud reduction compared
to UK average

32

Enabled EU Markets

>200k

Click to Pay Transactions in Europe in one month

Want to learn more?

Scan the QR code to connect
with our leading payment experts.



Q & A

PAYMENTS INDUSTRY INTELLIGENCE
Payments
Cards & Mobile

worldpay

VISA