

2005 Retail Survey of Owners and Managers

Findings

The research conducted with cash-handling businesses reveals that cash is their preferred method of payment, followed by debit cards. Credit cards are, currently, the least preferred payment method, being the most expensive and subject to fraud. Approximately nine in ten respondents stated they had not lost any money because of counterfeit bank notes in the past year. Awareness of resources for training in counterfeit detection is low, with three in four businesses unable to name any providers.

Counterfeiting and Awareness Training

- Eighty-five per cent of respondents stated that they have experienced no monetary loss from counterfeiting in the past year.
- Of those who have suffered a loss, 9 per cent identified their loss as under \$20. Three per cent of respondents incurred a loss between \$20 and \$100, with an equal number losing between \$101 and \$500.
- Fifty-three per cent of businesses surveyed do not currently have any training policies in place to prevent counterfeit cash from being passed at their location.
- When prompted, 39 per cent of respondents indicated that they provided some form of training to their staff on how to identify counterfeit bank notes. Of these, 67 per cent had no preferred method of training.
- Sixty-two per cent of respondents stated that they and their staff regularly checked bank notes to ensure their authenticity.
- Forty-five per cent of respondents stated that they refused a suspect bank note if/when they received one. Twenty-six per cent contacted the police.
- Asked which was the most serious concern at their location, theft (24 per cent) and cheque fraud (21 per cent) were the two top-ranked answers. Fear of counterfeiting ranked fifth overall and was identified by only 10 per cent as the most serious concern at their location.
- Forty-nine per cent of respondents would be interested in attending some type of fraud-awareness training session. Of those with an interest, 37 per cent would prefer to attend a combined training session related to various fraud issues.

Education and Awareness

- There is a significant lack of awareness of the sources for training on how to detect counterfeit bank notes.
- When asked, 76 per cent of respondents could not name any. Of those who could, the police/RCMP (13 per cent), local banks (5 per cent), and the Bank of Canada (3 per cent) were the most commonly identified sources.
- Twenty per cent of respondents use the Internet to get their information on industry-related matters. Head office was the next most-cited source at 13 per cent overall. Ten per cent used trade associations for their industry information.
- Forty-two per cent of respondents could recall receiving and reading materials, ads, or articles related to paper money in the past year.

Methods of Payment

- Seventy-three per cent of cash-handling businesses also accept credit cards, with a roughly equal number (70 per cent) accepting debit cards.
- Use of personal cheques trailed in acceptance with 59 per cent of cash-handling businesses accepting this form of payment. Less than one-quarter (24 per cent) of respondents accepted traveller's cheques at their location.
- Cash is the most popular method of payment, identified by 45 per cent of businesses as their preferred method of payment. Debit cards ranked second overall at 27 per cent. Only 11 per cent of respondents preferred credit cards.
- The reasons cited for the popularity of cash were: convenience (36 per cent); immediacy of payment (15 per cent); and absence of fees (15 per cent).
- Credit cards are, currently, the least popular method of payment (26 per cent), primarily because of the high fees associated with processing credit card transactions (cited by 55 per cent of respondents).
- Cash is the preferred method of payment for transactions under \$25 (63 per cent), followed by debit cards (21 per cent).
- For transactions between \$26 and \$100, debit cards were the most commonly used payment method (39 per cent), followed by cash (28 per cent).
- Credit cards were used most often for transactions over \$100 (37 per cent), followed by debit cards (21 per cent) and cash (13 per cent).