



Selected Survey Results on Paper Cheques Usage in The Bahamas, 2023

November 2023

Introduction

This report presents selected results of the latest surveys on public attitudes in The Bahamas toward cheques usage and the potential elimination of the instrument. The Central Bank of The Bahamas (the Bank) initially commissioned this study in 2023, to provide input for a public education campaign on cheque elimination; and to also support assessments on the pace at which policies regarding the use of cheques could be implemented. To this end, Diane Phillips & Associates (DPA) was enlisted by the Bank to spearhead the formulation of the public education and awareness campaign, supported by extensive research to gauge relevant public opinion. Coming out of this exercise, the Central Bank and other stakeholders engaged through the Steering Committee on Cheque Elimination and Reduction determined that an extended timeline, beyond the end of 2024 was necessary, to allow the public to transition away from cheques. The Steering Committee also endorsed that a public education campaign could be formulated to assist the transition; alongside reforms to improve access to, and the efficiency of digital alternatives to cheques.

Methodology

In consultation with DPA and the Central Bank, a survey questionnaire was developed and administered by Public Domain, a research and strategy firm to gather data on attitudes and practices regarding cheque usage in The Bahamas. For the national survey, a questionnaire comprised of 26 closed and semi-closed questions was administered by telephone to a sample of 1,030 persons. Also, DPA engaged multiple focus groups to gather additional open-ended input. These surveys were administered between June and August 2023. The data from the national survey was weighted to represent the wider population based on age, gender and island population¹.

National Survey Results

Expenditure Patterns

Based on responses, cash was disclosed as the most frequently used method of payment among respondents, including individuals and businesses (Table 1). Just under half (48%) of the respondents indicated digital payment methods such as debit cards, credit cards, online fund transfers, or mobile wallets, compared to the 44% of persons using cash most frequently. Further, the results showed that cash usage decreased as household income increased, with the highest incidence of usage being amongst those reporting an annual household income less than \$30,000, and the lowest usage rate among those reporting an annual household income greater than \$60,000 (Table 2).

¹ Based on 2010 census data.

Payment Form	Percentage (%)
Cash	44
Debit Card	27
Online Transfer	10
Credit Card	10
Cheque	1
Mobile Wallets	1
Other	0
No answer/Refused	7

Payment Form	Gender (%)		Age (%)			Household Income (%)			Business Owners (%)
	Male	Female	18-34	35-54	55+	<\$30k	\$30K-\$60k	\$60k+	
Cash	48	40	46	47	4	55	33	21	4
Debit Card	25	29	29	27	2	23	37	43	2
Online Transfer	10	10	9	12	1	8	15	13	1
Credit Card	9	10	11	9	1	8	12	20	1
Cheque	1	1	0	2	2	1	0	1	2
Mobile Wallets	1	1	1	1	1	2	1	0	0
Other	0	0	0	0	0	0	0	0	0
No answer /Refused	5	8	3	3	5	3	1	1	2

Platform	Percentage (%)
Cash n' Go	14
SunCash	8
Island Pay	3
Kanoo	3
Money Maxx	2
Sand Dollar**	1
Omni Financial Group Ltd.	1
MobileAssist	1
None/ Not Applicable	71

Table 4: Digital Platform Use in the Previous 6 Months (Stratified)

Platform	Gender (%)		Age (%)			Household Income (%)			Business Owners
	Male	Female	18-34	35-54	55+	<\$30k	\$30K-\$60k	\$60k+	
Cash n' Go	13	14	12	15	17	16	8	16	16
SunCash	7	8	10	8	3	11	7	8	8
Island Pay	3	3	3	5	1	3	2	0	6
Kanoo	2	5	4	4	2	4	4	2	1
Money Maxx	2	1	2	2	1	4	0	2	3
Sand Dollar**	2	1	2	2	0	2	1	2	2
Omni Financial Group Ltd.	1	1	1	2	2	2	1	1	1
MobileAssist	1	1	1	1	0	1	0	1	1
None /Not Applicable	73	69	71	67	75	62	80	72	67

Just 1% of Bahamian residents reported (personal) cheque use in the six months prior to the survey period. Similarly, only 1% of respondents had used a mobile/digital wallet in the previous six months. While 2% of business owners indicated use of the SandDollar in the assessed period (Table 4), it should be clarified that the instrument is not used or available separately from the other digital wallet platforms. Instead, it represents an instrument transacted over those platforms.

With regard to the impact of the pandemic on behaviour, 55% of respondents indicated that the experience had not changed their bill-paying behaviour. However, for the subset of persons identified as business owners it was not materially different, at 56% (Table 5).

Table 5: Did the Pandemic Change Your Bill Payment Behaviours? (Stratified)

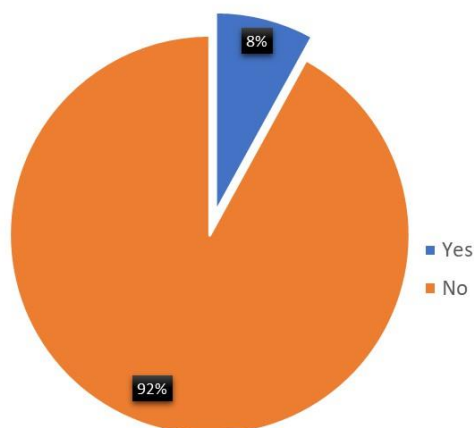
Response	Gender (%)		Age (%)			Household Income (%)			Business Owners (%)
	Male	Female	18-34	35-54	55+	<\$30k	\$30K-\$60k	\$60k+	
Yes	40	49	40	52	46	45	45	52	56
No	60	51	60	48	54	55	55	48	44

Cheque Usage

Of individuals surveyed, 8% reported using a cheque for payment in the previous 12 months (Figure 1). This represented a significant decrease compared to the 20% of persons who had reported cheque usage in a previous study (The Central Bank of The Bahamas, The Bahamas Consumer Payments Survey 2020²).

² <https://www.centralbankbahamas.com/viewPDF/documents/2021-06-14-16-02-44-Consumer-Payments-Survey-2020-14Jun2021.pdf>

Figure 1: Cheque Use for Payment in the Previous 12 Months



The rate of cheque usage was greater amongst older individuals (35 years and over), compared to their younger counterparts. Also, the usage rate increased for persons disclosing higher annual household incomes, at 7.0% for those in the category \$30,000 – \$60,000 per annum versus 13.0% for those making \$60,000 or more per year. Meanwhile, 13% of those identified as business owners reported using cheques for payment in the previous 12 months (Table 6).

Table 6: Cheque Use For Payment in the Previous 12 Months (Stratified)

Response	Gender (%)		Age (%)			Household Income (%)			Business Owners (%)
	Male	Female	18-34	35-54	55+	<\$30k	\$30K-\$60k	\$60k+	
Yes	9	7	6	10	10	6	7	13	13
No	91	93	94	90	90	94	93	87	87

Of the 8% who reported cheque usage in the previous 12 months, nearly half (48%) had written five or fewer cheques (Table 7).

Table 7: Number of Cheques Written in Previous 6 Months

Number of Cheques	Percentage (%)
0 to 5	48
6 to 10	17
11 to 20	8
21 or more	10
Don't Know / Refused	18

The most common items paid for via cheque were utilities, insurance, rent/mortgage, and professional services (Table 8). These items tend to be costlier, semi-regular payments. Individuals reporting an annual income of less than \$30,000 were more likely to use a cheque to pay for utilities than any other item. Middle-income earners mostly used cheques for professional services, housing, insurance, and large consumer goods. Top income earners most frequently used cheques for the payment of rent or mortgage, small consumer goods, professional services, and entertainment. Rent or mortgage payments accounted for the most common payment for higher earners.

Table 8: Items Most Frequently Paid for By Cheque (Stratified)

Items	Gender (%)		Age (%)			Household Income (%)			Business Owners (%)
	Male	Female	18-34	35-54	55+	<\$30k	\$30K-\$60k	\$60k+	
Utilities	24	29	35	19	33	44	19	11	31
Insurance	11	26	10	19	27	12	23	11	17
Rent or Mortgage	17	19	23	16	10	23	23	32	20
Professional Services (e.g. doctor's office, lawyer, home repairs etc.)	20	13	18	14	24	14	28	22	19
Small consumer goods (e.g. grocery store, dry cleaners, pharmacy)	14	11	11	13	12	7	15	23	11
Large consumer goods (e.g. wholesale foods, appliances, furniture)	11	12	5	14	13	9	20	17	10
To Withdraw Cash/Funds	7	10	13	6	9	14	9	9	9
Entertainment (e.g. movie, ticket, sports tickets, dining, travel)	5	4	4	4	10	4	0	21	6
No Answer/Refused	16	18	15	20	13	0	14	8	11

Attitudes Toward Cheques

With regard to the rationale for using cheques, the majority of respondents (84%) noted that they did so for the proof of payment offered by cheques. Most of the older respondents agreed that cheques acted as proof of payment, with 68% in agreement with the statement. Fifty-four percent of the surveyed individuals sided with the view that cheques were a safe way to make payments or transfer funds, while 31% believed cheques are not safe for making payments or transferring funds. Individuals age 55 and older were most likely to strongly believe cheques are safe. In addition, the sentiment across income levels was that as income rises, the perception of cheques as a safe payment declined (Figure 3).

Figure 2: Response to Statement: Cheques Are a Proof of Payment

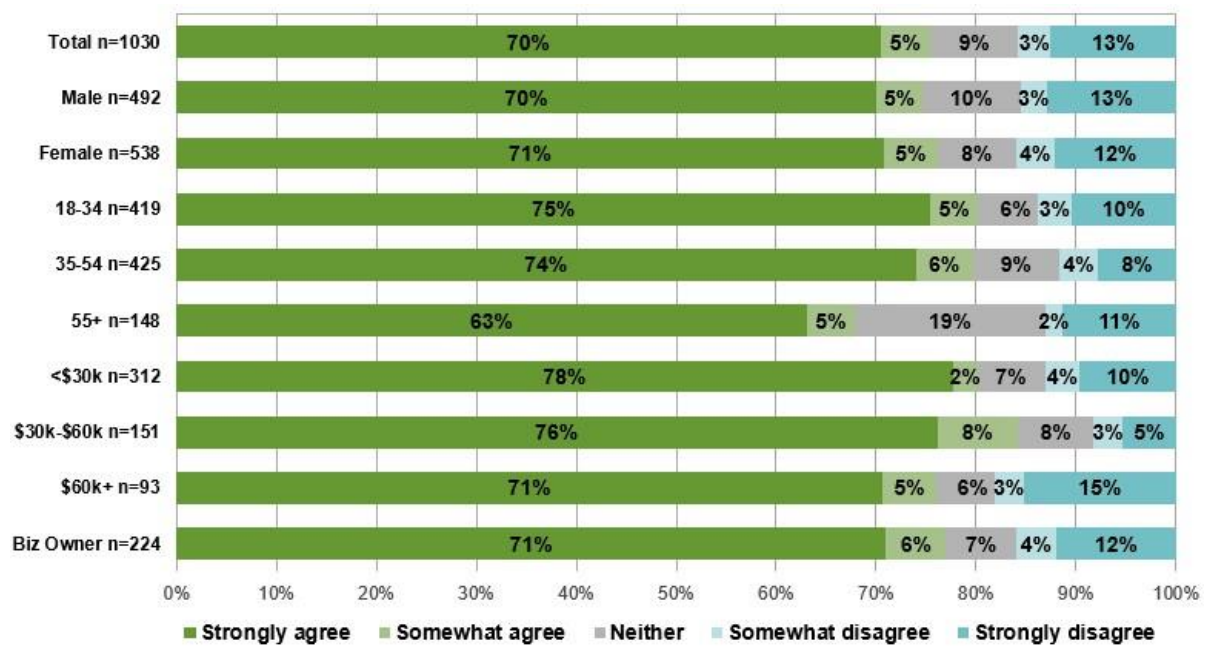
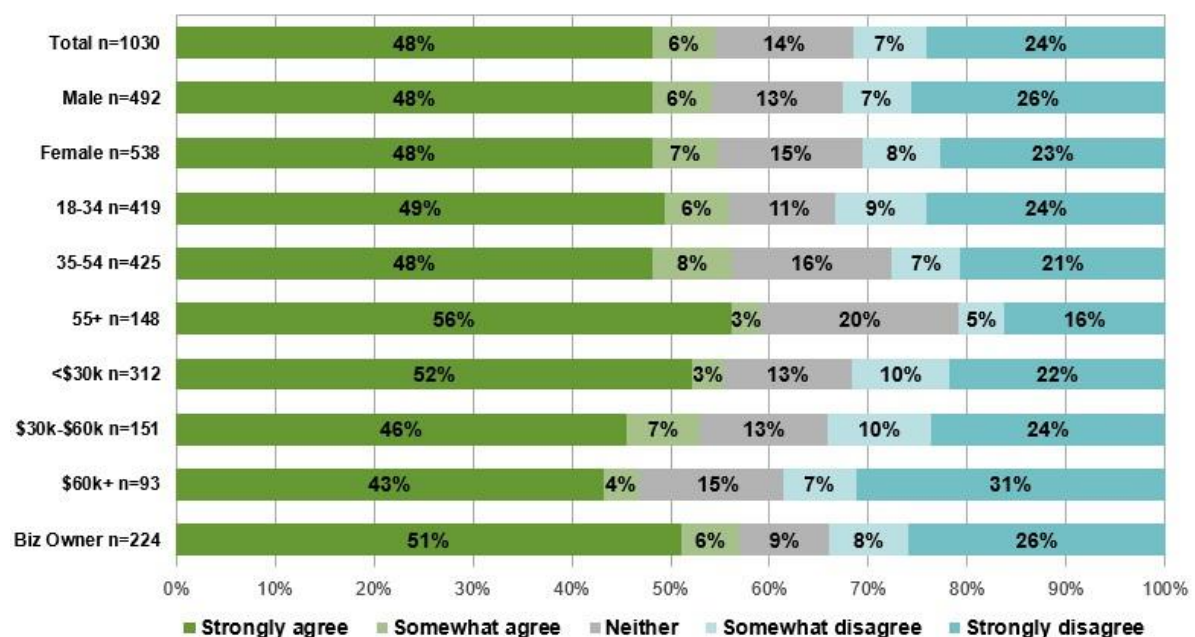


Figure 3: Response to Statement: Cheques Are a Safe Payment Method



Attitudes toward Cheque Elimination

About 87% of respondents believed that cheque elimination would not impact them directly, although business owners reported the highest perceived personal impact. Further, 22% of respondents believed cheque elimination would impact someone familiar to them. The survey results indicated that 54% of individual respondents were against cheque elimination. Interestingly, when assessed by income level, top-earning respondents appeared slightly more in favour of elimination.

Response	Gender (%)		Age (%)			Household Income (%)			Business Owners
	Male	Female	18-34	35-54	55+	<\$30k	\$30K-\$60k	\$60k+	
Yes	50	41	48	47	45	52	55	65	45
No	50	59	52	53	55	48	45	35	55

Support for cheque elimination was slightly greater for individuals disclosing higher annual incomes (Table 9). The reasons cited for wanting to keep cheques included views that cheques were easier to use, cheaper, easier for record-keeping, and safer than electronic or card payments. Some respondents opposed to cheque elimination, also identified with the belief that eliminating cheques would make it harder to do business; concerns that some users might not know how to use online banking; belief that errors or mistakes were less likely with cheques, and concerns that some persons did not have bank accounts.

As to timing, an estimated 63% of respondents believed The Bahamas could be ready for cheque elimination in less than two years. Some 38% believed that The Bahamas could be ready in less than 18 months, while 25% believe the change could be accomplished within 18 months to two years. Only 8% believed that a timeline of more than five years would be required.

Conclusion

According to the survey results, cash remained the payment instrument most commonly used in The Bahamas. Following this, indications are that debit cards are the next most common instrument used, trailed by credit cards and electronic fund transfers. Cheques usage paced behind electronic instruments, but still significantly ahead of mobile wallets. While most surveyed individuals did not believe that they would be directly impacted by cheque elimination, a greater fraction of such respondents predicted that someone familiar to them would be impacted. Meanwhile, preference for continued cheque usage registered slightly higher among those who identified as including business owners.

Otherwise, most survey respondents favoured an extended a timeline of up to two years before cheques were eliminated. In the meantime, focus group discussions on the subject suggest that a vigorous and thorough education campaign was required, in conjunction with the introduction of cheap, fast and reliable payment alternatives to cheques.