Brite*

Why Consumers Abandon Checkouts, Payment Sovereignty and Pay by Bank Insights

Online Payments Report 2027

UK

Brite*

Brite Payments and Appinio conducted research into what makes online payments in the UK tick – these are the results.

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Lena Hackelöer
FOUNDER AND CEO

FOREWORD

Payment Sovereignty and the Shift to Pay by Bank

For years, payment sovereignty was treated as a regulatory talking point. Today, our latest online payments report shows that it is firmly on the minds of the average UK consumer.

Between global disputes and growing worries about data privacy, UK consumers are paying closer attention to where their money and personal data actually go. Passing card details to online platforms outside the UK and Europe is considered an avoidable risk. Consumers want the security of domestic and European payment rails and the legal protections of UK GDPR before making a purchase.

And if that trust isn't there, conversion suffers.

Yet European payment sovereignty is only one aspect of a wider breakdown at online checkouts across the UK. Pre-purchase refund anxiety shows that return policies are no longer solely an operational problem for customer support. Nearly a quarter of UK consumers abandon a purchase because they don't see a fast, clear refund process before paying. If a return journey looks slow or uncertain, a purchase simply doesn't happen.

Then there is the Gen Z manual-entry paradox. Digital natives live on their phones, but 18–24-year-olds show the highest drop-off rates when autofill fails. They do not carry plastic cards or memorise numbers; forcing them to type 16 digits on a mobile screen simply derails any sale.

The UK is one of the most mature open banking markets in the world, but it's been dominated by overseas card networks and reliance on legacy providers built for a single market. Both merchants and consumers are not just losing out, but are actively impacted.

Today, UK merchants can easily offer Pay by Bank (instant account-to-account payments) to consumers at home and across Europe, enabling international expansion – giving them the control they crave while reducing payment friction.

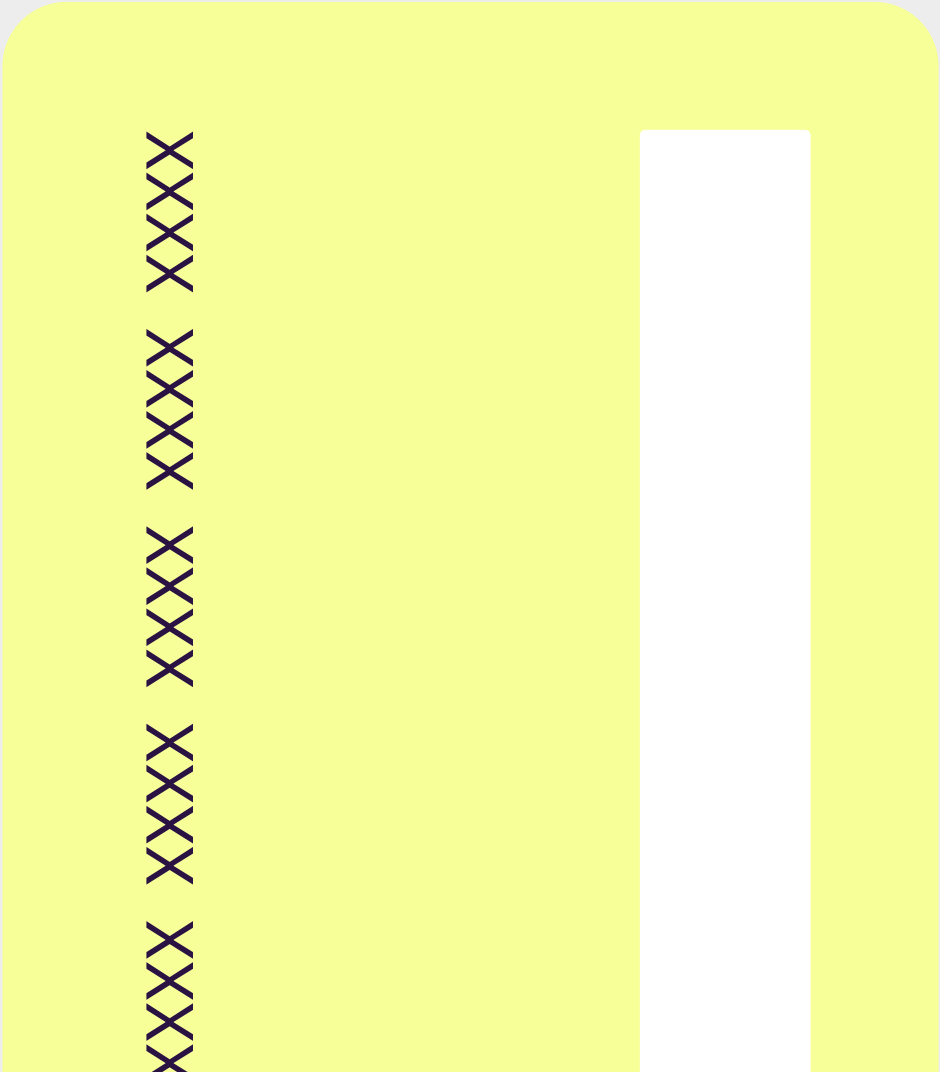
If merchants want to protect conversion, they have to stop forcing modern consumer habits onto card infrastructure built decades ago. Meeting UK consumers where they are means giving them what they now consider essential: payments that are fast, instil trust, and keep personal data closer to home.

Key Stats

How the UK approach to payments showcases a sophisticated and canny nation of consumers. Expectations are high, demands must be met, and, above all, they understandably want to control their money.

75.9%

...of respondents manually enter their payment card details at least once a month when shopping online – only 6.9% have eliminated card use.



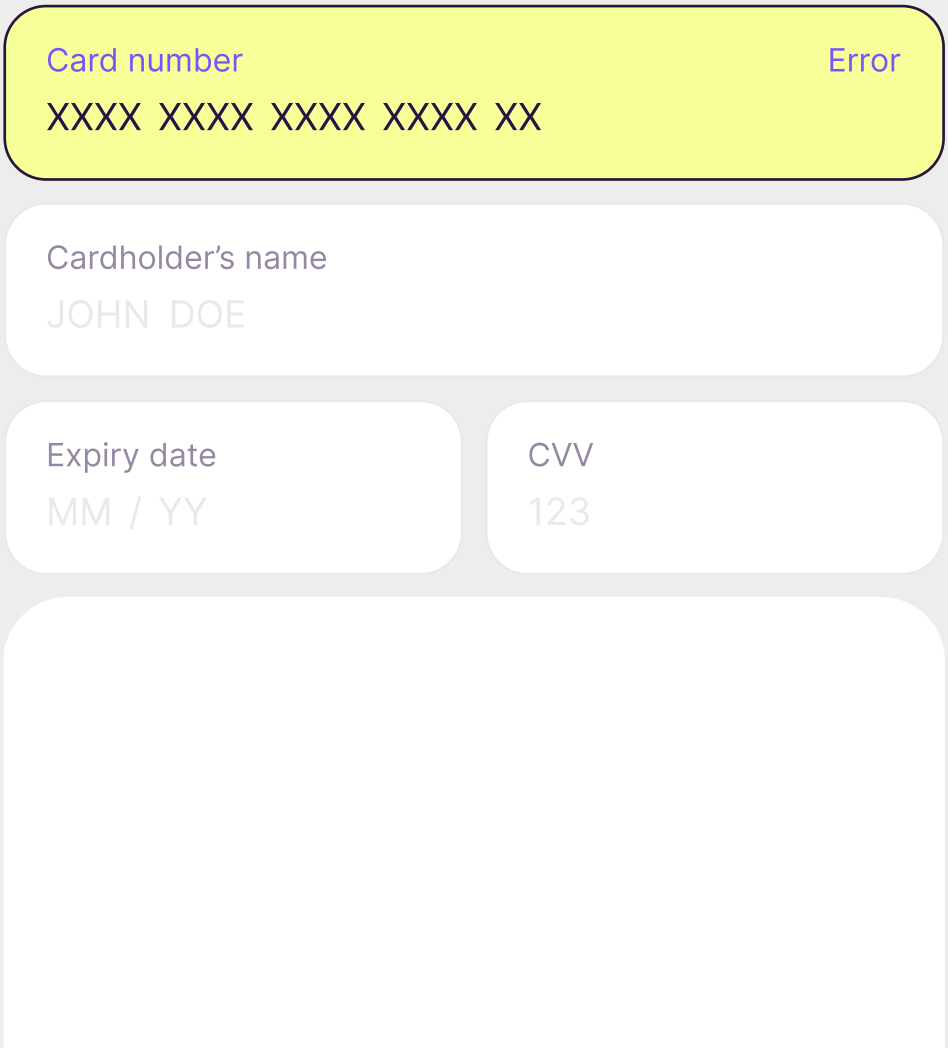
76.4%

UK shoppers have familiarity with
Pay by Bank, and half describe themselves as
“familiar” or “very familiar”.



25.1%

A large proportion of checkouts fail due to typos or expiration errors from manual input – peaking at 30% among 25–34-year-olds.



81.4%

Indicated that instant refunds are critical during Black Friday holiday shopping in case items arrive late or need to be returned.



86.1%

Of respondents would rather their payment went through a UK or European company than an overseas one.



1 in 5

19.2% of UK consumers permanently stopped buying from a brand due to a poor refund experience.

1

Checkout Friction

What are the Causes of Checkout Friction and Cart Abandonment?

Typing out card details is still a common point of friction for UK consumers

Even with the rise of digital wallets and card-on-file, the problem of actually finding a card and then typing out a long string of digits is still the bane of many consumers.

75.9%

The vast majority of respondents still manually enter their payment card details at least once per month when shopping online.

6.9%

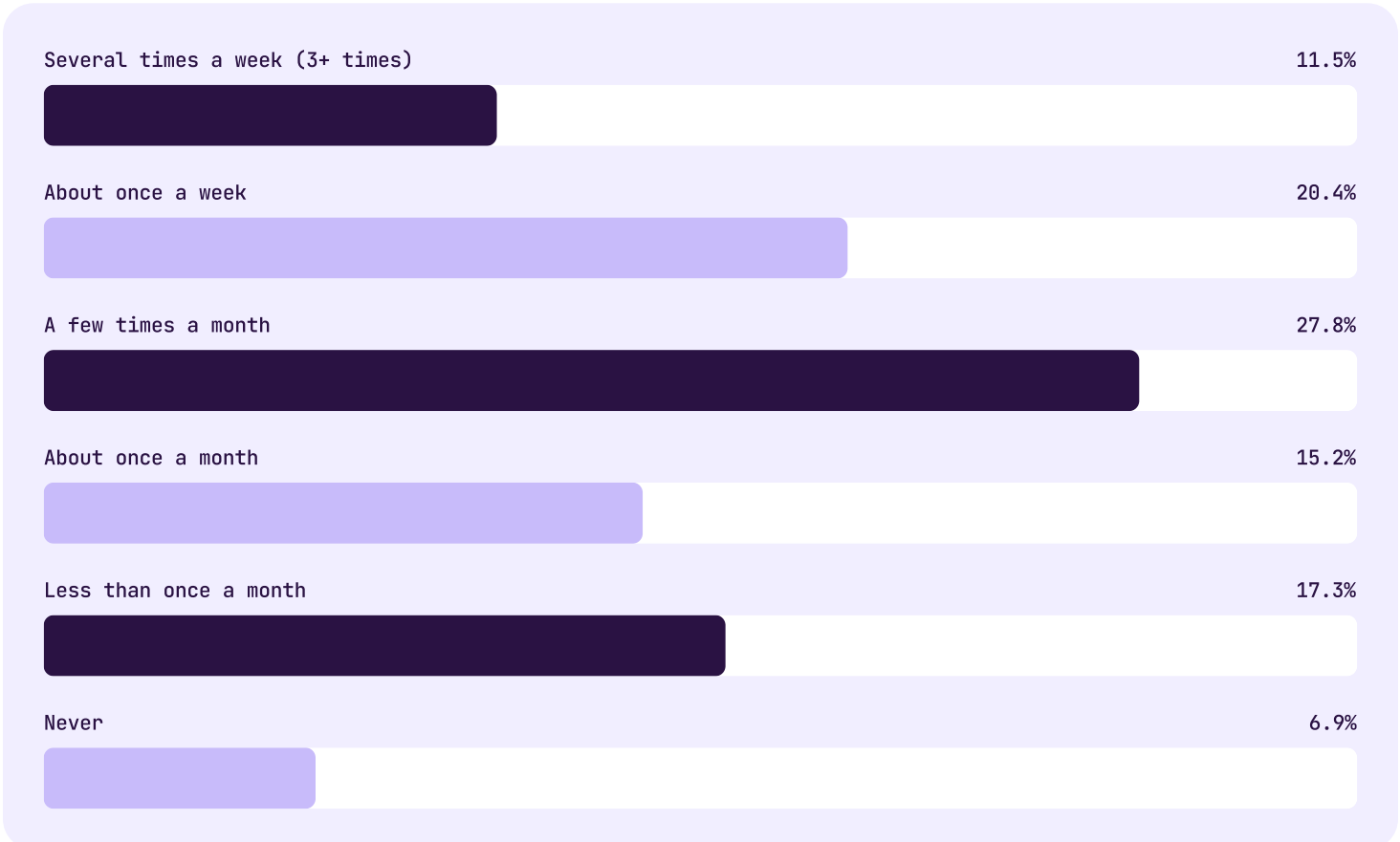
Only 6.9% of UK consumers have eliminated the use of physical cards.

11.5%

While 11.5% admit to typing in card details at least several times a week, this creates more opportunities for drop-off and showcases just how hard it is for old habits to change.

CHECKOUT FRICTION

On average, how often do you have to physically retrieve your payment card and manually type out your details when shopping online?



Market Metric

2000 Participants

The manual entry bottleneck provides a peek into generational differences

In the battle of manually entering card details online, older generations rank higher when it comes to the speed of manual card entry among UK consumers.

40.6%

40.6% of all UK respondents admit to taking under one minute to type in their card details.

47%

When looking more closely at the results, 47% of 55-65-year-olds questioned were able to retrieve and type in their details in under a minute – the fastest generation by far.

51%

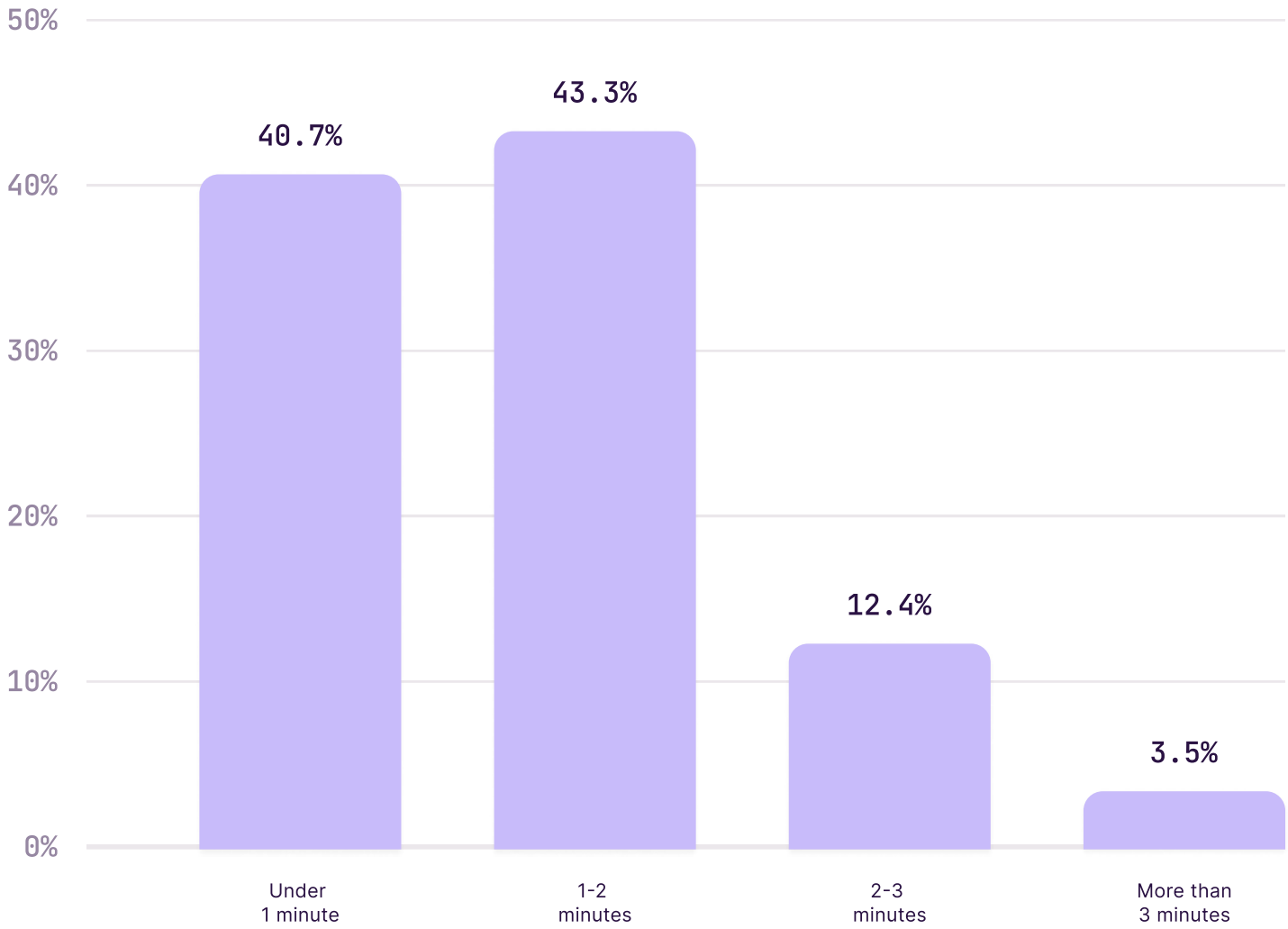
Yet, 51% of 18-24-year-olds admit it takes them 1-2 minutes to type in their details – suggesting a higher risk of abandonment and drop-off when making an online purchase.

A Gen Z paradox: we assume younger consumers are digital natives, but because they grew up relying entirely on digital tools (e.g., biometric autofill), they may be the least equipped to handle legacy payment methods such as cards!

CHECKOUT FRICTION

On average, how much time does it take you to enter your card details when shopping online?

Market Metric | 2000 Participants



The majority of UK consumers have abandoned a purchase mid-checkout

Not altogether unexpected, given the friction they experience, most UK consumers have dropped out just before making an online payment.

71.1%

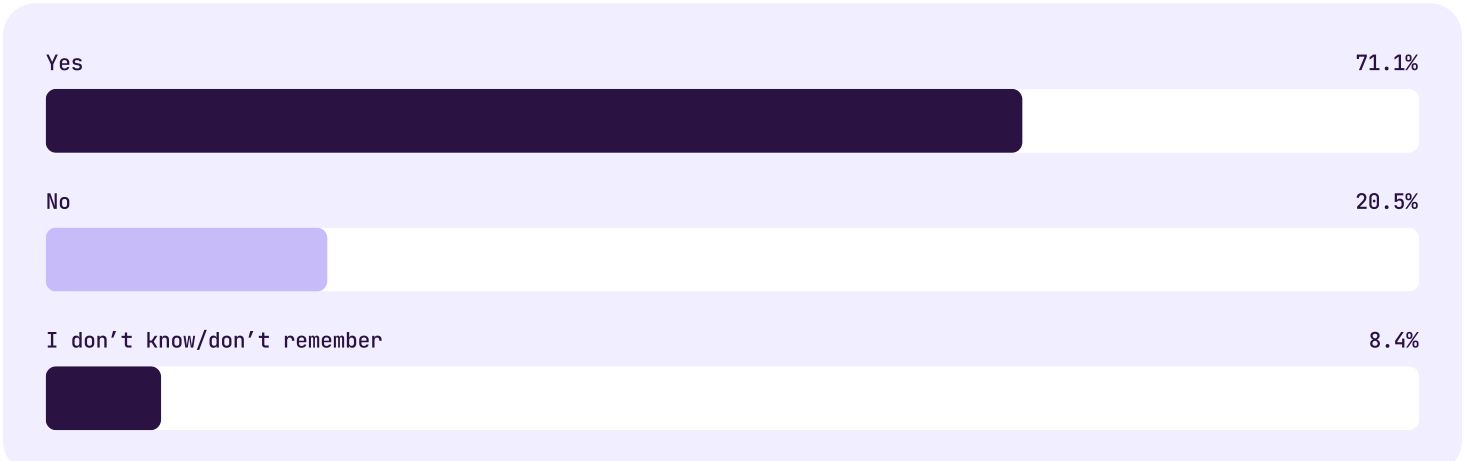
When asked whether they had abandoned an online purchase at checkout, the vast majority (71.1%) said yes.

20.5%

Only one in five UK consumers has never abandoned an online purchase.

CHECKOUT FRICTION

While shopping online, have you ever abandoned an online purchase at checkout?



Market Metric

2000 Participants

What drives UK consumers to abandon checkouts?

For merchants, reducing payment friction must be high on the agenda when aiming to prevent UK consumers from abandoning their purchases.

30.8%

Bad payment UX is hurting merchants, with 30.8% of UK consumers reporting frustration with the number of steps required when making a payment.

25.1%

Meanwhile, a quarter of UK consumers had a purchase fail due to a manual input error – with 30% of 25–34-year-olds experiencing this, compared to 19.2% of 55-65-year-olds.

16.1%

Notably, 16.1% of those surveyed become so angry that they shout or swear due to a slow checkout process.

CHECKOUT FRICTION

Which of the following have you done or experienced in the past 12 months when paying for something online? (Select all that apply)



Market Metric

2000 Participants



Manfred Schulz
HEAD OF MERCHANT SOLUTIONS

EXPERT ANALYSIS

The need to remove checkout friction

Consumers are finding what they want to purchase, but the online checkout process presents them with unnecessary obstacles: mandatory account creation, tedious forms, and unexpected steps. What we are seeing across online checkouts in the UK is that as friction increases and cognitive fatigue sets in, buying momentum collapses and consumers simply walk away.

For merchants, this abandonment is not just a lost transaction; it's wasted marketing spend and eroded trust. In fact, high drop-off rates and input errors during manual card entry prove that some payment journeys are even actively working against conversion.

However, there are other options. Modern payment rails like Pay by Bank remove the burden of manual typing, reduce points of failure, and help merchants eliminate checkout frustration – slashing abandonment rates and converting hard-won traffic into revenue.

2

Refund Anxiety

UK Consumers are Experiencing Severe Refund Anxiety

Consumers are worried about refunds – even before they click "buy"

Brite found that UK consumers actively alter their buying behaviour – or even abandon orders entirely – due to anxiety over long or difficult refund processes.

23.9%

Refund fears are causing merchants to lose UK consumers, with nearly 1 in 4 consumers (23.9%) walking away from a purchase entirely, and 15.4% deliberately shrinking their cart size to minimise financial risk.

30.8%

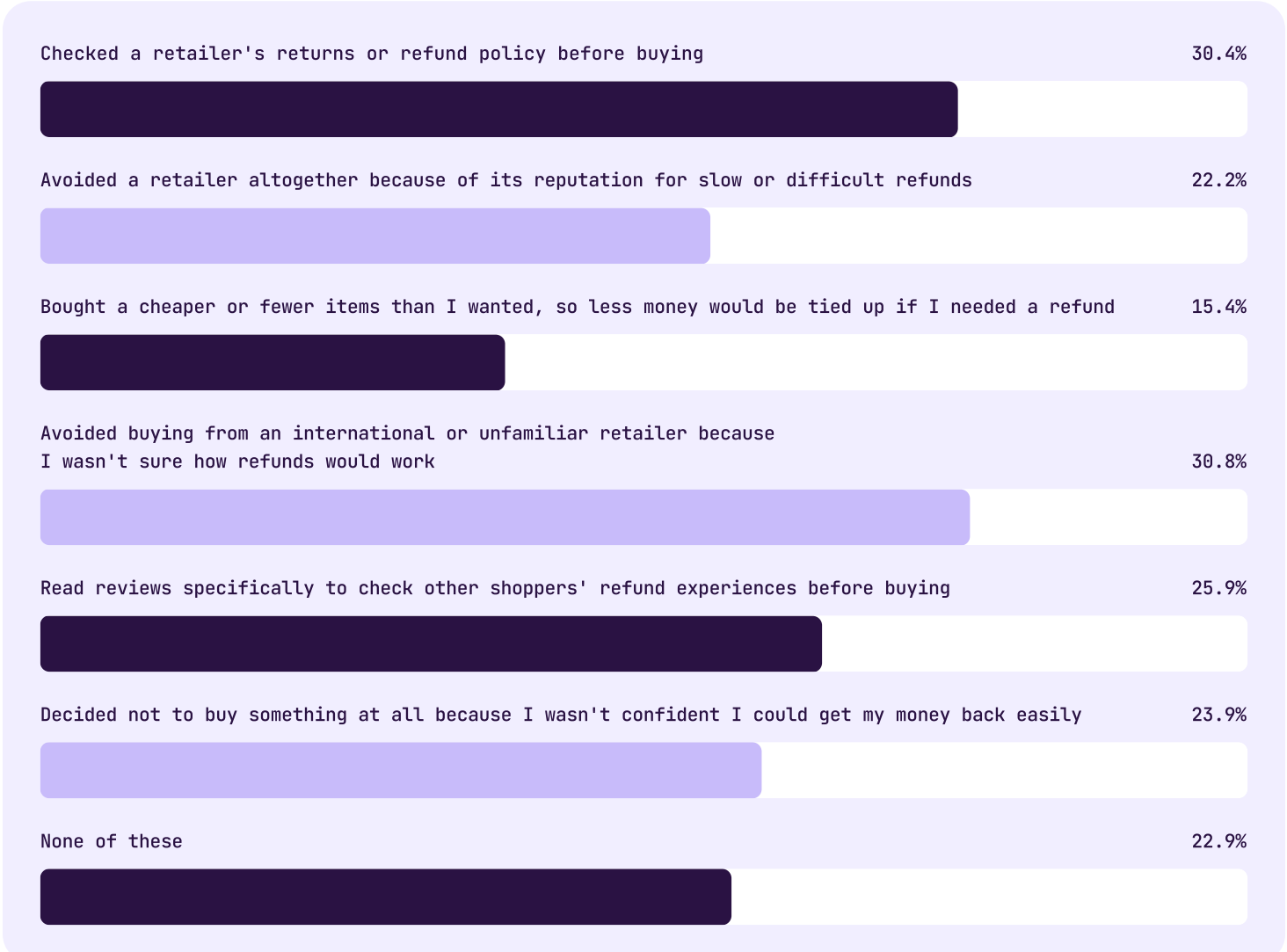
What's more, there is a severe penalty for overseas brands, with 30.8% of consumers avoiding buying from international or unfamiliar merchants specifically due to concerns about overseas return logistics.

32%

Interestingly, nearly 1 in 3 Gen Z consumers (32%) decided not to buy an item at all because they were worried about the refund process.

REFUND ANXIETY

Before making a purchase, have you ever done any of the following because you were worried about how long or difficult a refund might be?



Market Metric

2000 Participants

The real-world impact of a poor refund experience

A large proportion of UK consumers have experienced a poor refund process, lack of transparency, or severe post-purchase friction in the past 12 months – driving churn and brand damage.

19.2%

Almost 1 in 5 consumers (19.2%) permanently stopped buying from a brand due to a poor refund experience.

29.3%

Nearly a third of all respondents (29.3%) felt they had waited longer than expected for a refund. When looking across generations, this rose to 37% among younger Millennials (24-35-year-olds).

4.5x

Younger consumers in the UK experienced 4.5x more refund friction: only 10% of Gen Z (18–24) and 15% of younger Millennials (25–34) reported a seamless refund process, compared with 45% of adults aged 55–65.

REFUND ANXIETY

Which of the following have you experienced in the past 12 month while waiting for a payment refund?



Market Metric

2000 Participants



Manfred Schulz
HEAD OF MERCHANT SOLUTIONS

EXPERT ANALYSIS

UK consumer refund anxiety

When you pay for something, return it, and end up without the goods or your money, it creates a frustrating and uncertain situation. That's why a smooth refund process is critical — not just for customers, but for merchants as well.

Merchants invest heavily in attracting new customers through platforms like Instagram, with customer acquisition costs (CAC) at an all-time high. After successfully encouraging a purchase, failing to deliver a seamless post-purchase experience can undermine all that effort and hit merchants at the top of the funnel.

It's essential to think about the entire customer journey, not just the payment. If the majority of all UK shoppers encounter a bad refund experience — as the data found — that's alarming. Merchants need to focus on building trust and satisfaction throughout the payment process, not just at the initial sale.

3

Black Friday Payments

Black Friday Payments: Insights and Opportunities

Mixed attitudes to purchasing from retailers based outside of the UK

Even with the rise of major Chinese online retailers, UK consumers remain very selective about who they spend their cash with.

50/50

UK consumers are split evenly, 50/50, on buying for the holiday season from a retailer based outside of the UK.

67%

There is also a generational divide, with 67% of 25-34-year-olds likely to buy from a retailer outside the UK.

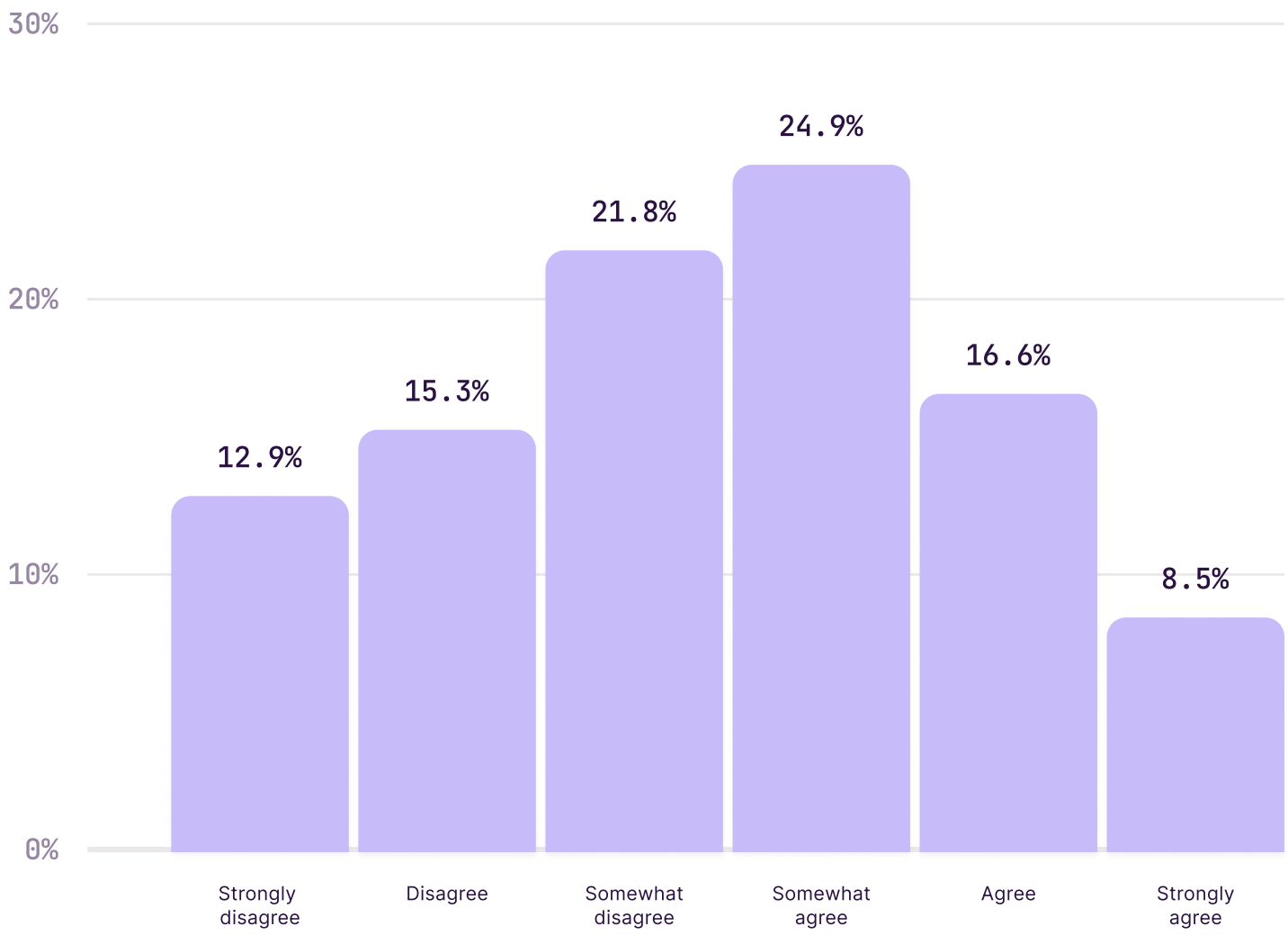
71%

In comparison, 71% of 55-65-year-olds are the least likely to buy online from a foreign retailer during the holiday season.

BLACK FRIDAY

I plan to do a significant portion of my holiday/Black Friday shopping with online retailers outside the UK.

Market Metric | 2000 Participants



Instant refunds have the potential to be a key differentiator

A good refund process has always been an important driver of customer loyalty, but speed is of the utmost importance for 2027.

81.4%

The vast majority of UK consumers questioned at least somewhat agree that instant refunds are critical during the Christmas shopping period.

22.3%

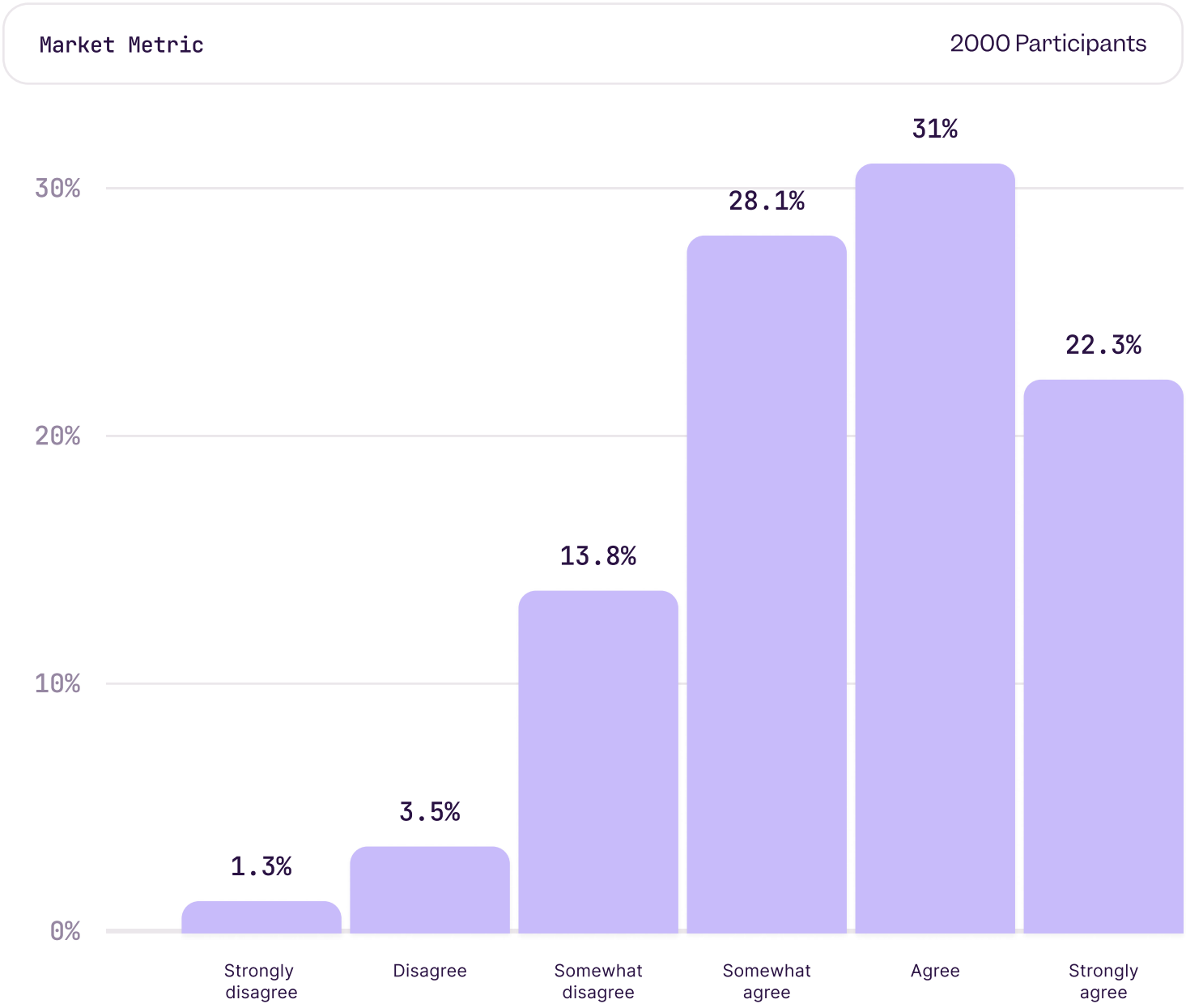
22% of UK consumers strongly agree, showcasing both the need to offer an instant refund and the commercial benefit it provides.

18.6%

Only 18.6% of all respondents at least somewhat disagreed that instant refunds are critical.

BLACK FRIDAY

Fast and guaranteed instant refunds are critical during holiday shopping in case items arrive late or need to be returned.





Toby Jennings
PRODUCT MANAGER

EXPERT ANALYSIS

Seasonal refund expectations

During peak periods like Black Friday and Christmas, cash flow is at the forefront of most UK consumers' minds. If a gift arrives late, is damaged, or doesn't fit, consumers need funds returned quickly so they can purchase an alternative before any deadline passes.

In 2027, forcing a consumer to wait three, or even five, working days for a refund is hopelessly antiquated. In a cost-conscious market such as modern Britain, that delay locks up money UK consumers need right away, creating anxiety and actively discouraging them from placing new orders.

However, instant refunds and payouts have the potential to transform this traditional friction point into a genuine competitive advantage. By returning funds to a consumer's account within seconds, merchants preserve goodwill, protect seasonal sales momentum, and keep spending power circulating within their business.

4

Payment Sovereignty

Is Payment Sovereignty Becoming an Issue for Consumers?

UK consumers value knowing their data and payments remain in Europe

When it comes to issues around payment sovereignty, UK consumers overwhelmingly want control and to keep payments away from bad actors. Does open banking provide an opportunity?

83.6%

An overwhelming 83.6% of Brits feel safer paying online when they know their data remains in the UK or Europe.

86.1%

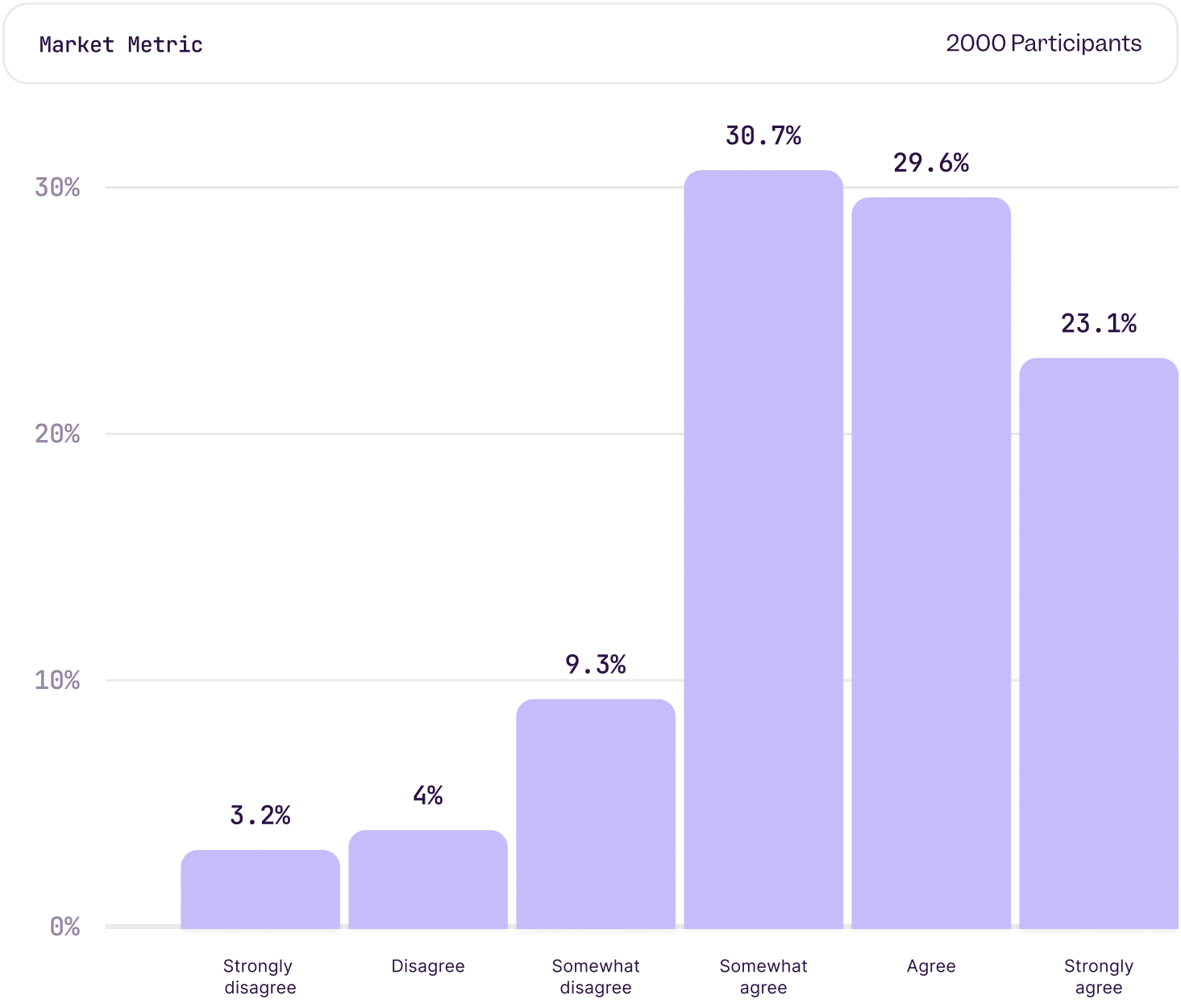
UK consumers surveyed (86.1%) also said they wanted their payments to go through a UK- or Europe-based company.

86.4%

Awareness of how a payment provider could be disrupted by actions taken by another nation outside the UK was also high among UK consumers, at 86.4%.

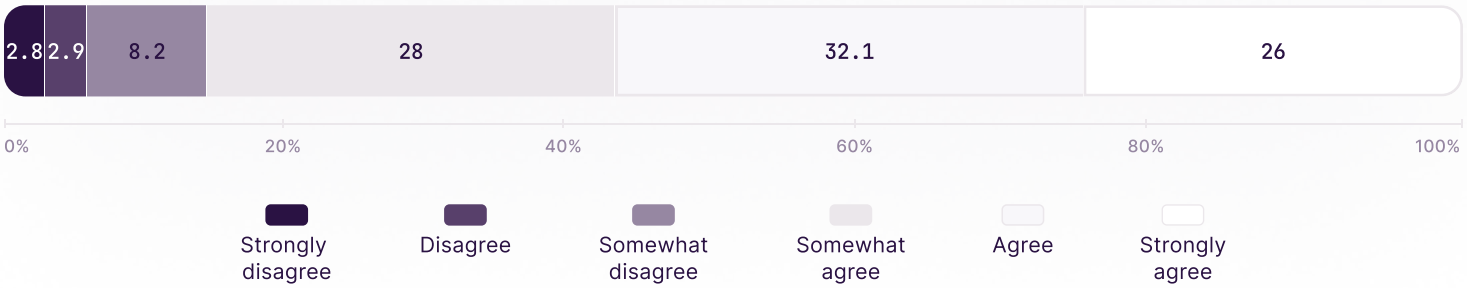
PAYMENT SOVEREIGNTY

I feel safer paying online when I know my data isn't leaving the UK or Europe.

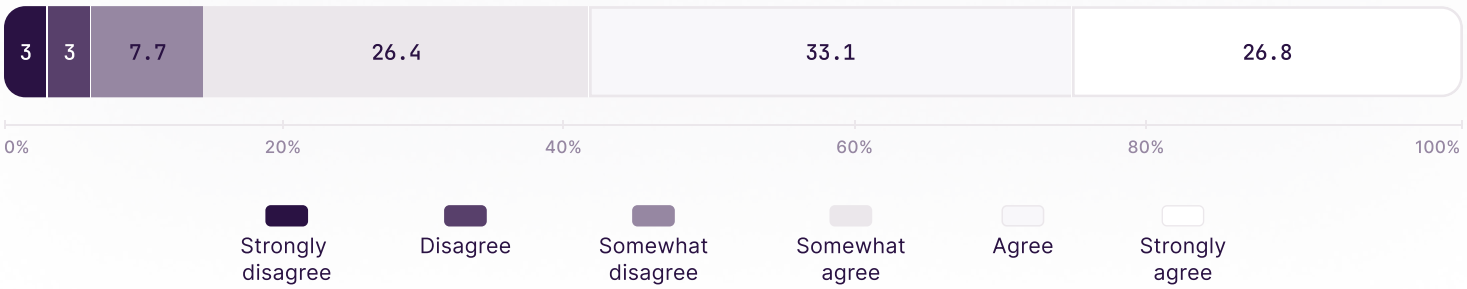


PAYMENT SOVEREIGNTY

I'd rather my payments go through a UK or European company than an overseas one.



I like knowing my payment provider isn't at risk of being disrupted by problems in another country.



UK consumers want greater local authority over who handles their funds

As global tensions rise and cross-border data breaches make headlines, UK shoppers are looking closer to home. Payment sovereignty is now undeniably on Brits' minds.

71.7%

When specifically asked, 71.7% of UK consumers want a European/UK-based payment provider to process their payments.

46.2%

Delving deeper, those who rated it as rather important, important, and very important highlighted, at 46.2%, that personal financial data staying under local laws, such as the UK GDPR, was the main reason.

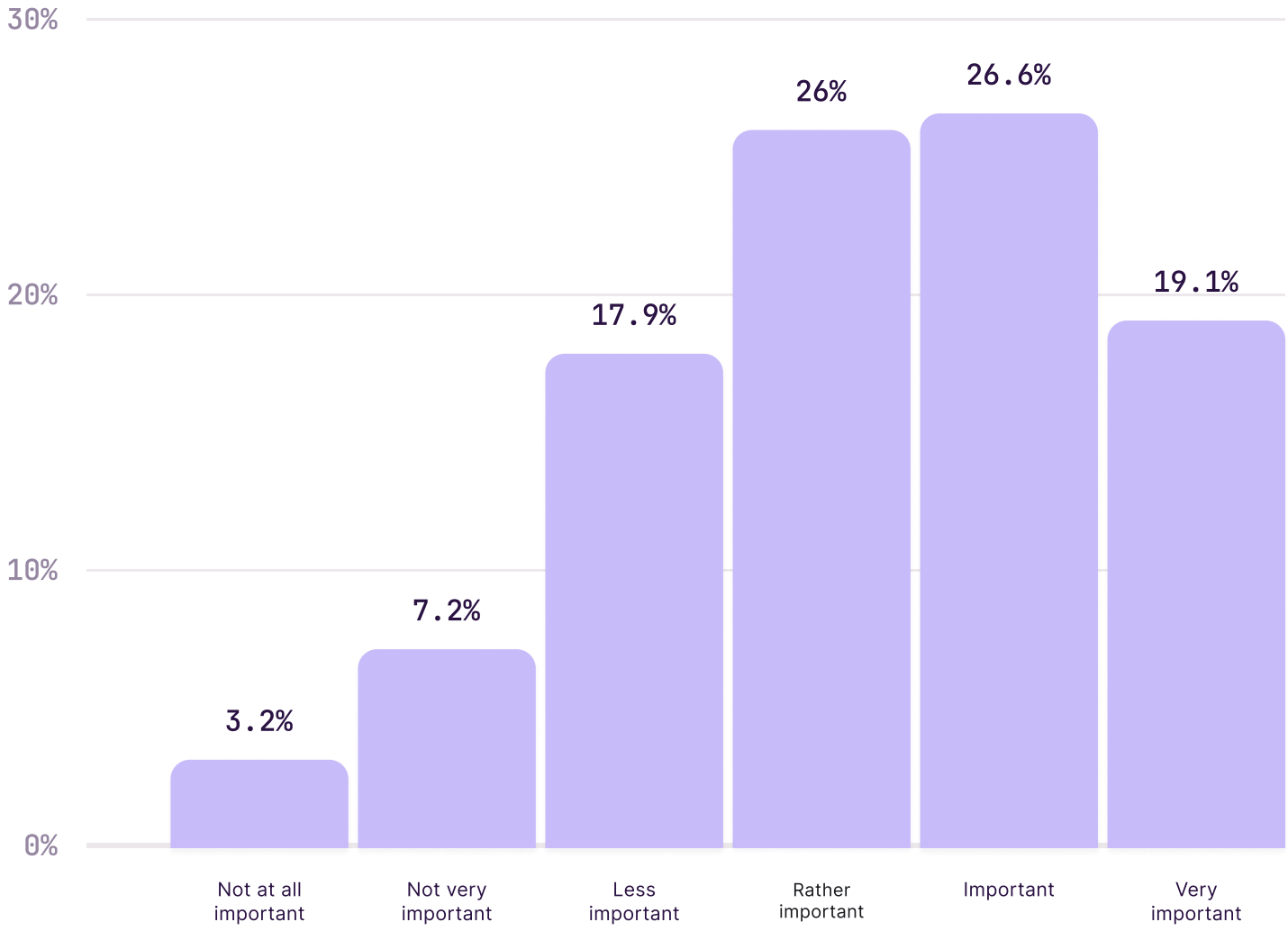
22.3%

Meanwhile, 22.3% of those surveyed wanted to use a payment system unaffected by foreign political disputes or sanctions.

PAYMENT SOVEREIGNTY

How important is it to you that your digital payments are processed by a European/UK-based provider rather than a foreign provider (like Visa, Mastercard, or PayPal)?

Market Metric | 2000 Participants



PAYMENT SOVEREIGNTY

What is the main reason you prefer a European/UK-based provider? Of those for whom it was rather important and more, they remarked:



Market Metric

1483 Participants



George
Parks Davie
VP OF PRODUCT

EXPERT ANALYSIS

The rise of payment sovereignty

GDPR being the top priority isn't a surprise at all. With the constant news around social media data harvesting and the current AI boom, people are hyper-aware of their digital footprint and genuinely reluctant to have their personal data exploited. In the UK and across Europe, that awareness is everywhere. Today, even if a consumer signs up for a local sports club, they're confronted with GDPR. When it comes to their finances, consumers naturally want that same level of ring-fenced protection.

Then you have the broader political undercurrent. With global politics and tech heavily concentrated in the US and China, consumers naturally want services closer to home. When you rely on overseas platforms and legacy card networks, you are dealing with foreign jurisdictions and US-stored servers, often handing over open-ended consent for third parties to pull money from your account. As a consumer, you have very little direct control.

This is where open banking (and Pay by Bank) steps in. Having a fully local payment system — built on bank-grade security and governed by domestic laws — gives consumers a much better sense of security. It takes payment sovereignty out of abstract political discussions. It turns it into practical, everyday peace of mind for the consumer: knowing money and data stay firmly within their region, insulated from foreign disputes and offshore platforms.

5

Online Payments and Pay by Bank

Online Payments and Pay by Bank Insights

Pay by Bank usage across UK online payments

When examined, UK Pay by Bank usage is part of everyday life — very few UK consumers surveyed have never used an A2A payment method.

40.1%

Pay by Bank has solid traction in the UK, with 40.1% of respondents using it regularly or often.

19.3%

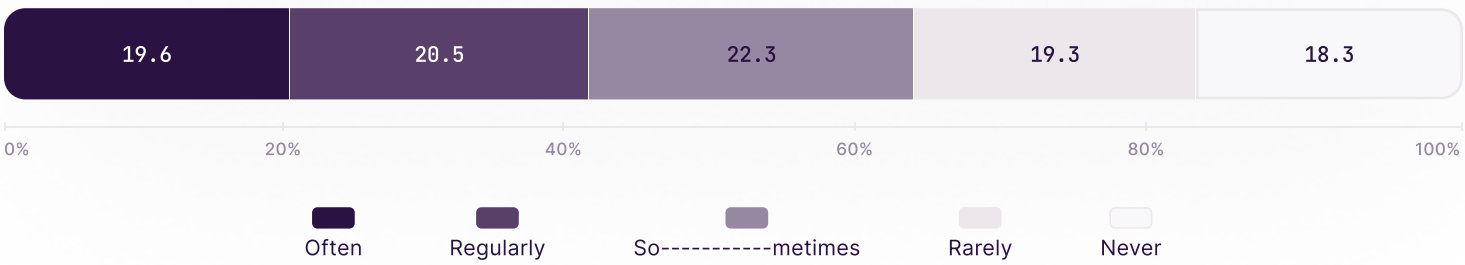
Indeed, instant A2A payments at checkout show healthy user engagement, with 19.3% using the method often, and 20.5% using it regularly.

18.3%

Only 18.3% of those surveyed have never used Pay by Bank, or an equivalent method, in the UK.

PAY BY BANK INSIGHTS

On average, how often do you use Pay by Bank when shopping online?



Market Metric

2000 Participants



Toby Jennings
PRODUCT MANAGER

EXPERT ANALYSIS

Pay by Bank adoption in the UK

Seeing 40% of UK respondents saying they often or regularly use Pay by Bank demonstrates that A2A payments are firmly entering the mainstream in the UK. What was once viewed as an emerging payment method is now a reliable online checkout option for millions of UK consumers.

However, sustaining this momentum requires merchants to actively communicate the value of Pay by Bank to the consumer. Yes, security and speed are powerful drivers. Still, when merchants also share the efficiencies of bypassing card interchange fees – such as offering small checkout incentives or discounts, or even placing it as the primary payment method at checkout – adoption will accelerate even faster.

As more big UK household names adopt Pay by Bank, changing UK consumer habits towards A2A payments will help merchants protect hard-fought margins. The priority is now for more UK merchants to deliver consistent, frictionless checkout experiences that enable Pay by Bank to match and surpass the traditional card schemes in daily volume.

Essential UK payment usage for other online methods

When paying online, there has never been more choice for UK consumers, yet there is a clear preference for debit cards and digital wallets.

62.8%

Debit Cards at 62.8% predictably lead the charge in regular (and more often) usage as a payment method at online checkouts.

59.4%

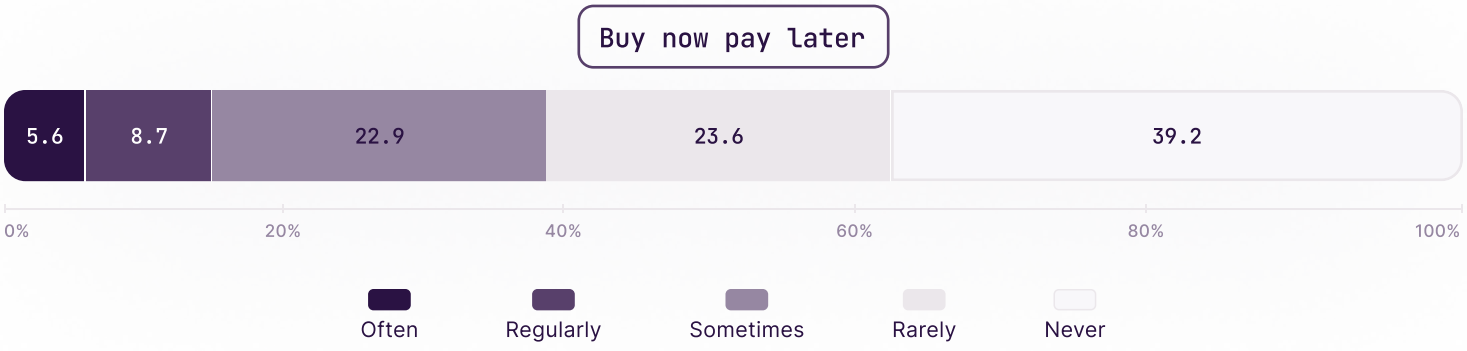
However, the rapid rise in digital wallet adoption to 59.4% shows how ease of use and increased mobile wallet usage are changing the way UK consumers pay online.

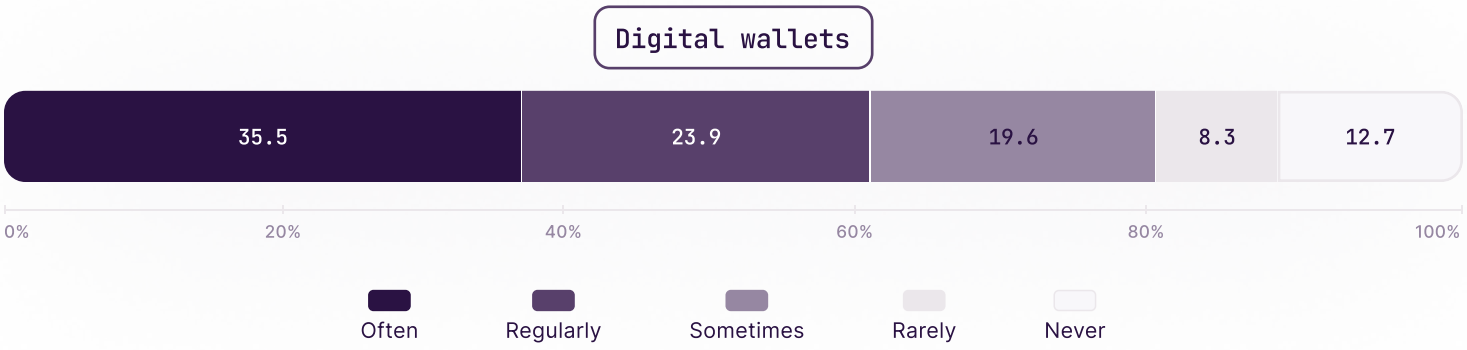
39.2%

The online payment method with the least reported usage at UK checkouts was Buy Now, Pay Later, with 39.2% of respondents saying they have never used it.

ONLINE PAYMENT INSIGHTS

On average, how often do you use the following payment methods when shopping online?





ONLINE PAYMENT INSIGHTS

On average, how often do you use the following payment methods when shopping online?





Toby Jennings
PRODUCT MANAGER

EXPERT ANALYSIS

The shift beyond traditional card rails

Stored debit cards and digital wallets remain popular because they offer a familiar, one-click checkout experience. Once a customer has saved their details on file with a trusted merchant, breaking that habit requires an alternative payment method that is equally seamless and friction-free.

At the same time, consumer appetite for debt-based offerings like Buy Now, Pay Later is cooling – with nearly 40% of shoppers avoiding them entirely. Consumers increasingly demand financial control, choosing to pay for purchases directly from their available account balance rather than incurring credit liabilities.

The logical next step is embedding Pay by Bank directly into mobile digital wallets. By combining native biometric authentication with instant account-to-account settlement, open banking rails (like Pay by Bank) can challenge legacy card dominance and deliver the ultimate frictionless payment journey.

UK familiarity with Pay by Bank

Pay by Bank is no longer a niche payment method for UK consumers when paying online.

76.4%

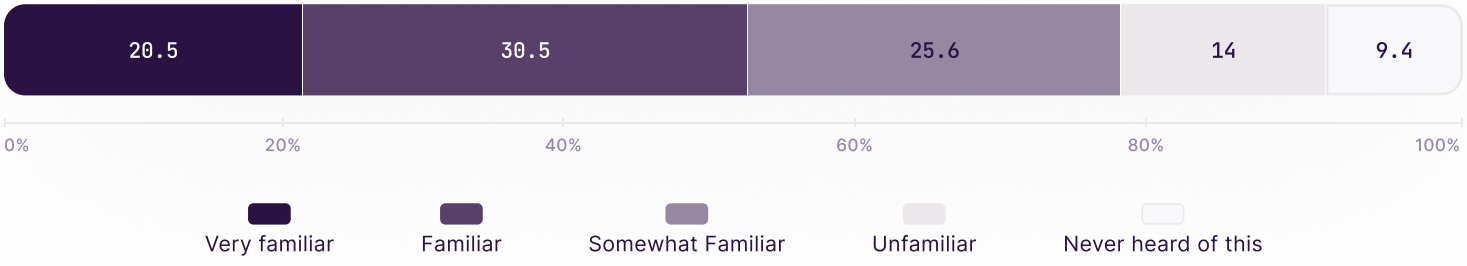
The majority of UK consumers questioned were at least familiar with Pay by Bank when paying online.

9.5%

Only one in ten had never heard of the payment method, which is roughly 9 percentage points lower than those who have never used it to pay online.

PAY BY BANK FAMILIARITY

How familiar are you with "Pay by Bank" payment methods – that is, paying directly from your bank account at checkout when finalising your purchase?



Market Metric

2000 Participants

Key drivers of Pay by Bank adoption over cards at checkout

When choosing Pay by Bank over cards, UK-specific consumer needs of security and cash flow take centre stage.

49.5%

Nearly half of those surveyed said that Pay by Bank's security and its use of their bank's authentication method were key reasons for selecting the method at checkout.

37%

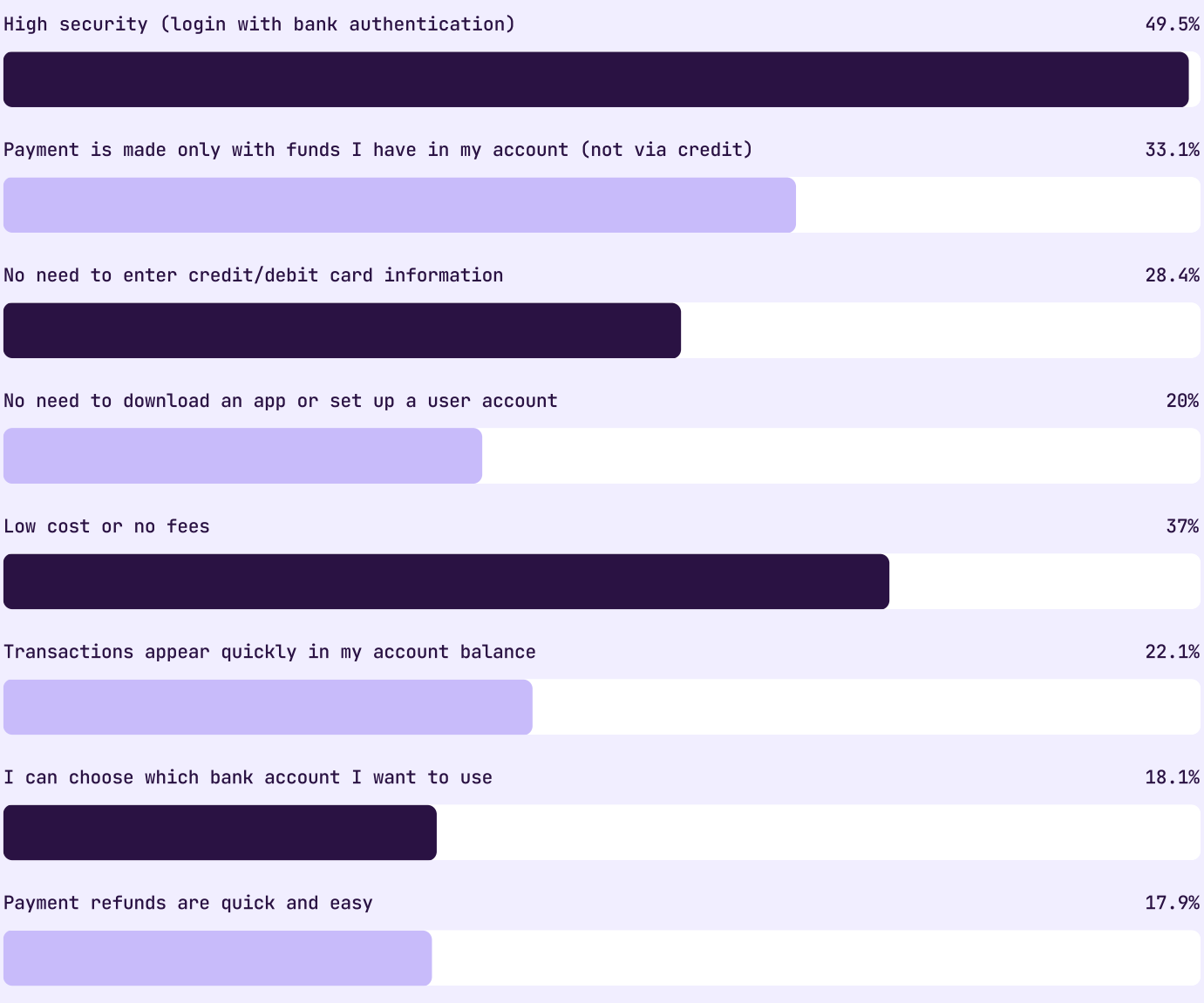
Next, it was cost or fees, with UK consumers wanting a lower-cost payment method – something that merchants providing Pay by Bank benefit from too.

33.1%

Roughly a third of UK consumers liked that Pay by Bank doesn't use credit and gives them control over their funds – a clear signal in a cost-of-living crisis.

PAY BY BANK FAMILIARITY

Which features would make you most likely to choose Pay by Bank over credit or debit cards at checkout?



Market Metric

2000 Participants



George
Parks Davie
VP OF PRODUCT

EXPERT ANALYSIS

What drives consumer usage of Pay by Bank

Security is always top of mind. UK consumers are acutely aware of online card fraud, phishing, and scam risks; keeping card numbers off merchant databases is a major psychological benefit.

The preference for spending only available funds ties directly into consumer budgeting and avoiding debt collection during the UK cost-of-living squeeze. Shoppers want to maintain clear visibility over their cash without incurring interest or falling into debt.

Interestingly, the driver around "no need to download an app or register an account" is less about cards and more about competing with digital wallets like PayPal – it eliminates that third-party onboarding hurdle entirely.

While the speed of refunds with Pay by Bank is not the main driver in choosing the payment method at checkout, our post-purchase data show that, once a return becomes necessary, settlement speed is paramount to preserving loyalty. However, as our post-purchase data shows, once a return becomes necessary, settlement speed immediately becomes paramount to preserving loyalty.

Brite Payments Now in the UK

With a single API integration, UK merchants can now offer seamless Instant Payments and Instant Payouts across Brite Payments' network of 3,800+ banks in 27 European markets. At the same time, European merchants will also benefit from accepting instant GBP payments.



Report Methodology and Study Samples

The Appinio studies for Brite were conducted to examine consumer behaviours, friction points, and security preferences within the online payment ecosystem. The research provides empirical insights into online checkout experiences, refund dynamics, and the adoption of online payment methods such as Pay by Bank.

DATA COLLECTION AND FIELDWORK

- **Fieldwork Dates:**
  29 August – 21 September and
  1 September 2026 – 2 September 2026.
- **Methodology:**
  Online quantitative surveys conducted among nationally representative consumer panels.
- **Sample Size:**
  N=2,000 total participants
  (Note: Specific sub-questions, such as payment completion time, reflect an active base of n=1,863 respondents).

SAMPLE DEMOGRAPHICS AND REPRESENTATION

To ensure robust, unbiased, and generalisable findings across key demographic segments, the sample was balanced by age and gender:

- **Gender Distribution:**
  Equal 50/50 split with
  1,000 female respondents and
  1,000 male respondents.
- **Average Age:**
  42.9 years old.

ANALYTICAL APPROACH

Data was gathered using structured single-choice, multiple-choice, and Likert-scale questions to evaluate both behavioural metrics (e.g., checkout completion speed, manual card retrieval frequency) and sentiment drivers (e.g., brand trust, regional data residency preferences, adoption barriers). Statistical analyses were performed on aggregate data to identify key industry benchmarks and conversion friction points.

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