

# Survey on the Cost of Payment Methods

## Welcome

This survey is designed to collect information on how much it costs your business to accept cash and other forms of payment such as debit cards, credit cards and plastic prepaid gift cards. By filling out this questionnaire accurately, you will be providing us with important insight into the costs of these different payment methods and how they might be reduced. **We thank you for participating.**

## Instructions

Please take a moment to read the following instructions before you start filling out the questionnaire. If you have any questions, please contact us at 1 888 999-9370.

1. This questionnaire consists of two different parts:
  - a. **Part 1:** to be completed by someone at your **headquarters**.
  - b. **Part 2:** to be completed by staff at **three of your individual sales locations** operating in different provinces. If you do business in only two provinces, please forward this part to two individual sales locations, one in each province. If you operate in one province, please send this part to one sales location in that province. **Please ask your individual sales locations to return their responses to you so that you can send back a complete questionnaire.**
2. Both parts should be filled out by the person who is most knowledgeable about the costs of cash, debit card, credit card and plastic prepaid card transactions at your business. If appropriate, more than one person can be consulted.
3. We would like to understand your most recent experience, so please base your answers on the 2014 calendar year. If data for this area are not available, your experience from 2013 is also acceptable.
4. Please note that our questions refer only to payments received at your points of sale. **Payments received online are not part of this research.**
5. When filling in dollar amounts, please be as precise as possible. If necessary, you may round amounts to the nearest dollar.
6. If you do not have the exact answers for certain questions, please provide your best estimate.
7. For accuracy of reporting, please refer to your bank or acquirer statement, or other documents to answer the questions. **Alternatively, to save time, multiple questions can be skipped if you enclose a copy of one of your 2014 acquirer statements.** Any month is fine, but preferably not December or January. The Bank of Canada will keep your statements confidential and will not share them with any other parties.
8. Please refer to the enclosed *Glossary* for the definitions of terms used in the questionnaire.

## Privacy statement

The business contact information you provide in response to this survey may be used by the Bank of Canada to contact you for follow-up questions related to this survey. Completed questionnaires will be the property of the Bank. Any personally identifiable information collected through this questionnaire will be treated by the Bank in accordance with the *Access to Information Act* and the *Privacy Act*. While the Bank may publish aggregate results of this survey, responses provided by individuals will remain anonymous.

**If required, may we contact you with follow-up questions related to this survey?** (*Select one*)

Yes, you may contact me

No, you may not contact me

## In appreciation

If you submit a completed questionnaire, the Bank of Canada would like to show its appreciation.

Please check which items you would like to receive: *(Select all that apply)*

- The final research report
- A detailed report by business sector, business size and geographic location
- An invitation to a webinar to discuss the final research results
- A certificate of appreciation

# PART 1

## 1. Payment methods accepted, perceived costs, safety and speed

*Before asking detailed cost questions, we are interested in what payment methods you accepted in 2014 and your personal view of the costs, reliability, safety and speed of these payment methods for your business.*

- 1.1 What payment methods did your business accept in 2014 and what do you perceive as the most costly, most reliable, most risky and quickest payment method for payments **at the counter**?

	Bank notes and coins	Debit cards	Credit cards	Plastic prepaid gift cards (excl. prepaid Visa/MasterCard)
<b>Did your business accept them in 2014?</b> <i>(Select one answer per column)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Even if there is a payment method you did not accept, which of the four methods do you think is . . .</b> <i>(Select one answer per row)</i>				
Most costly in terms of labour costs ( <i>e.g., time spent by you or your colleagues on back-office activities</i> )?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Most costly in terms of fees charged to your business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Most reliable and least sensitive to malfunctioning?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Most risky in terms of fraud and safety?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quickest in terms of the transaction speed at the counter?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 1.2 Which **other payment methods** did your business accept **at the counter** in 2014?

*(Select one answer per row)*

	Yes	No
Cheques.....	<input type="checkbox"/>	<input type="checkbox"/>
Bitcoin.....	<input type="checkbox"/>	<input type="checkbox"/>
Mobile payments.....	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify: _____		

## 2. Banking

The next questions are about your **business account**, which is the **bank account** used to collect and/or deposit the card and cash payments received from your customers.

2.1 With which financial institution did your business have its **main business account** in 2014?

Name of financial institution: \_\_\_\_\_

2.2 How much did your business **pay** for this **business account**?

\$ \_\_\_\_\_ . \_\_\_\_ per month **OR** \$ \_\_\_\_\_ . \_\_\_\_ for the entire year

2.3 Did your business pay **additional fees** to your financial institution to **obtain** and/or to **deposit** bank notes and coins?

No, this was included in my business account plan

Yes, and the additional fees paid were:

\$ \_\_\_\_\_ . \_\_\_\_ per month **OR** \$ \_\_\_\_\_ . \_\_\_\_ for the entire year

2.4 Did your business pay **additional fees** to your financial institution for accepting **credit or debit card** payments?  
(Please provide one response in each column)

### Additional fees for CREDIT card payments

No, this was included in my business account plan

Yes, and the additional fees paid were:

\$ \_\_\_\_\_ . \_\_\_\_ per month **OR** \$ \_\_\_\_\_ . \_\_\_\_ for 2014

### Additional fees for DEBIT card payments

No, this was included in my business account plan

Yes, and the additional fees paid were:

\$ \_\_\_\_\_ . \_\_\_\_ per month **OR** \$ \_\_\_\_\_ . \_\_\_\_ for 2014

## 3. Bank notes and coins

Please proceed to **Section 4** if your business did not accept any payments in bank notes or coins in 2014.

3.1 Please provide an estimate of the number and value of payments received **at the counter** in **bank notes and coins** in 2014:

Total NUMBER of cash transactions in 2014	Total VALUE of cash transactions in 2014
_____	\$ _____ . ____

**OR:**

Total NUMBER of cash transactions in a typical month	Total VALUE of cash transactions in a typical month
_____	\$ _____ . ____

3.2 Which of the following statements is most applicable to your business? *(Please select one response from each column)*

**The total NUMBER of cash transactions received in my business was ...**

- lower in 2014 than in 2013
- the same in 2014 as in 2013
- higher in 2014 than in 2013

**The total VALUE of cash transactions received in my business was ...**

- lower in 2014 than in 2013
- the same in 2014 as in 2013
- higher in 2014 than in 2013

*The following questions ask about the cash registers and other cash-related equipment used by your business in 2014, and the costs of operating them.*

3.3 How many units of the following **equipment** did your business own, rent or lease in 2014, and how much was paid for them? *(Put "0" in the case of zero)*

	How many did your business . . .		How much did your business pay to rent or lease . . .
	Own?	Lease or rent?	<i>Put "0" if your business did not rent or lease this equipment</i>
Cash registers	_____	_____	\$ ____ . ____ per month <b>OR</b> \$ _____ . ____ for 2014
Authentication devices to test for counterfeit bank notes	_____	_____	\$ ____ . ____ per month <b>OR</b> \$ _____ . ____ for 2014
Other cash-related equipment ( <i>safes, safety boxes, etc.</i> ). Please specify each item: _____ _____	_____	_____	\$ ____ . ____ per month <b>OR</b> \$ _____ . ____ for 2014 \$ ____ . ____ per month <b>OR</b> \$ _____ . ____ for 2014

3.4 How much did your business **pay** in 2014 to a **specialized company** (e.g., Brinks or Garda) for cash processing and cash transportation services? *(Put "0" if your business did not use a specialized company)*

\$ \_\_\_\_\_ . \_\_\_\_ per month **OR** \$ \_\_\_\_\_ . \_\_\_\_ for the entire year

#### 4. Payment cards and technology

*Please proceed to Section 5 if your business did not accept any card payments in 2014.*

4.1 How many **card terminals** did your business own, rent or lease in 2014, and how much did you pay for them? *(Put "0" in the case of zero)*

How many card terminals did your business . . .		How much did your business pay to rent or lease this equipment?
Own?	Lease or rent?	<i>Put "0" if your business did not rent or lease any card terminals.</i>
_____ terminals	_____ terminals	\$ _____ . ____ per month <b>OR</b> \$ _____ . ____ for 2014

4.2 Which **acquirer(s) or payment processor(s)** did your business use for your card payments in 2014? *Some examples are TD Merchant Services, Chase Paymentech, Desjardins Group and Moneris. You can find their logo(s) on your card terminal(s).*

Name(s) of acquirer(s) or processor(s): \_\_\_\_\_

4.3 Please provide the number of transactions and the value of payments received **at the counter** with the following **payment cards** in 2014:

You can skip this question if you enclose a copy of one of your 2014 monthly acquirer statements. Any month is fine, but preferably not December or January.

	Total NUMBER of transactions	Total VALUE of transactions
Debit cards (Interac)	_____	\$ _____ . ____
Credit cards (including prepaid Visa/MasterCard cards)	_____	\$ _____ . ____
Plastic prepaid gift cards (excluding prepaid Visa/MasterCard cards)	_____	\$ _____ . ____

4.4 Which of the following **debit and credit cards** did your business accept? (*Select all that apply*)

	Type of CREDIT card	Type of DEBIT card
Chip and PIN	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Magnetic stripe and PIN	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Magnetic stripe and signature	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Magnetic stripe without signature	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Contactless/tap-and-go	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Brand of CREDIT card	
American Express	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Visa	<input type="checkbox"/> Yes <input type="checkbox"/> No	
MasterCard	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Other 1, please specify _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Other 2, please specify _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	

The following question asks about the fees that your business paid to your acquirer or payment processor to accept card payments in 2014.

You can skip this question if you enclose a copy of one of your 2014 monthly acquirer statements. Any month is fine, but preferably not December or January.

4.5 Please fill in the following table. (*Put "0" if you did not pay any fees for that card type*)

	Total fees paid to acquirer or payment processor
1. Debit cards (Interac)	\$ _____ . ____ for 2014
2. Credit cards:	\$ _____ . ____ for 2014
- American Express	\$ _____ . ____ for 2014
- Visa (including prepaid Visa cards)	\$ _____ . ____ for 2014
- MasterCard (including prepaid MasterCard cards)	\$ _____ . ____ for 2014
- Other 1, please specify: _____	\$ _____ . ____ for 2014
- Other 2, please specify: _____	\$ _____ . ____ for 2014
3. Plastic prepaid gift cards (excluding prepaid Visa/MasterCard cards)	\$ _____ . ____ for 2014

4.6 How much did your business **pay** in total for the **production, purchase, marketing and promotion** of plastic prepaid gift cards in 2014? *(Put "0" if your business did not engage in these activities)*

\$ \_\_\_\_\_ . \_\_\_\_ per month

**OR**

\$ \_\_\_\_\_ . \_\_\_\_ for the entire year

4.7 In a typical month, how much **time** did you and/or other company staff spend on average on activities related to the **production, purchase, marketing and promotion** of plastic prepaid gift cards in 2014? *(Please provide an estimate. Put "0" if your business did not engage in these activities)*

\_\_\_\_\_ hours and \_\_\_\_\_ minutes a day

**OR**

\_\_\_\_\_ hours and \_\_\_\_\_ minutes a week

*Under certain circumstances, customers are able to request a chargeback from their credit card company. To further our understanding of the costs of accepting credit cards, the following question asks about the losses your business experienced from chargebacks.*

4.8 What were the **financial losses** resulting from **chargebacks** of credit card payments made **at the counter** in 2014? *Please do not include chargebacks of online transactions or fraud. For losses due to fraud, please answer Question 5.3. (Put "0" if there were no losses due to chargebacks)*

You can skip this question if you enclose a copy of one of your 2014 monthly acquirer statements. Any month is fine, but preferably not December or January.

\$ \_\_\_\_\_ . \_\_\_\_ per month

**OR**

\$ \_\_\_\_\_ . \_\_\_\_ for the entire year

## 5. Fraud and loss prevention

*Each payment method may be subject to fraud. To further our understanding of the costs of different payment methods, the following questions ask about the various costs incurred by your company as a result of payments fraud or its prevention.*

5.1 Did your business have **insurance** in 2014 to cover any of the following types of fraud or losses?

*(Check all that apply)*

Receipt of counterfeits, cash theft and/or till shortages

No, my business did not have any such insurance → please proceed to Question 5.3.

Debit card fraud

Credit card fraud

Plastic prepaid gift card fraud

5.2 What was the **insurance premium** that your business paid in 2014 for this insurance?

\$ \_\_\_\_\_ . \_\_\_\_ per month

**OR**

\$ \_\_\_\_\_ . \_\_\_\_ for the entire year

5.3 Please provide an estimate of **the financial losses (that were not covered by insurance)** and the **time** you and your colleagues spent dealing with the following types of fraud or losses in 2014.  
*(Put "0" if there were no losses due to that type of fraud)*

	Size of financial losses (not covered by insurance)	Time spent dealing with and/or preventing this type of fraud (e.g., calling bank, reporting to police, training personnel)
Receipt of counterfeit bank notes	\$ _____ . ____	_____ hours
Cash theft	\$ _____ . ____	_____ hours
Till shortages due to mistakes	\$ _____ . ____	_____ hours
Deposit errors	\$ _____ . ____	_____ hours
Debit card fraud	\$ _____ . ____	_____ hours
Credit card fraud	\$ _____ . ____	_____ hours
Plastic prepaid gift card fraud	\$ _____ . ____	_____ hours

## 6. Background questions

*To better understand the information that you have provided, we would like to ask a few background questions about your business. Remember that your responses are confidential and that they will be used for statistical purposes only.*

- 6.1 Name of your business: \_\_\_\_\_
- 6.2 Name of contact person: \_\_\_\_\_
- 6.3 Job title of contact person: \_\_\_\_\_
- 6.4 Business email address of contact person: \_\_\_\_\_
- 6.5 Business phone number of contact person: \_\_\_\_\_
- 6.6 Year your business was established: \_\_\_\_\_
- 6.7 Do you also sell products online?  Yes  No

6.8 Total sales in 2014:

- |   |  |
|---|--|
| <input type="checkbox"/> Less than \$100,000        | <input type="checkbox"/> \$5 million to \$10 million   |
| <input type="checkbox"/> \$100,000 to \$250,000     | <input type="checkbox"/> \$10 million to \$50 million  |
| <input type="checkbox"/> \$250,000 to \$500,000     | <input type="checkbox"/> \$50 million to \$500 million |
| <input type="checkbox"/> \$500,000 to \$750,000     | <input type="checkbox"/> \$500 million to \$1 billion  |
| <input type="checkbox"/> \$750,000 to \$1 million   | <input type="checkbox"/> More than \$1 billion         |
| <input type="checkbox"/> \$1 million to \$5 million |  |

6.9 How many employees did your business have on the payroll **last month**? *Payroll means that the business issued a T4 tax slip to the employee.*

\_\_\_\_\_ # of employees

6.10 Average **hourly wage for employees paid by the hour last month**:

\$ \_\_\_\_\_ per hour per employee

6.11 Please select all that apply for 2014:

- The business hired additional staff during busy times (e.g., holidays or the summer).
- Family members, friends or volunteers helped out in the business, but were not on payroll.
- Only business owners or partners worked at the business.
- The business hired contractors and workers earning commissions.

## 7. Your survey experience

*This final section asks about your experience filling out this questionnaire. We appreciate your feedback: it will help to improve our future surveys.*

7.1 How difficult was it for you to answer the questionnaire? *(Select one)*

Very easy	Easy	Neither difficult nor easy	Difficult	Very difficult
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7.2 Which **records** did you (and your colleagues) **consult**? *(Select all that apply)*

- None
- Bank statements
- Acquirer or processor statements
- Invoices from my cash processor
- Tax return
- Other, please specify: \_\_\_\_\_

7.3 How much time did it take you (and your colleagues), at your business headquarters, to fill out the questionnaire?

\_\_\_\_\_ # of minutes

7.4 Do you think the topics covered in this questionnaire are useful and relevant to your business?

- Yes
- No

7.5 How did you learn about this survey? *(Check all that apply)*

- I received the questionnaire by mail
- My retailer organization
- The Bank of Canada website
- A **call** from a Bank of Canada representative
- A **visit** from a Bank of Canada representative
- A friend or family member
- Another retailer/business
- Other, please specify: \_\_\_\_\_

7.6 Do you have any comments, questions or requests about this survey? Please let us know.

**END OF QUESTIONNAIRE. THANK YOU FOR YOUR TIME.**



# Survey on the Cost of Payment Methods

## PART 2

### Welcome

This survey is designed to collect information on how much it costs your business to accept cash and other forms of payment such as debit cards, credit cards and plastic prepaid gift cards. By filling out this questionnaire accurately, you will be providing us with important insight into the costs of these different payment methods and how they might be reduced. **We thank you for participating.**

### Privacy statement

The business contact information you provide in response to this survey may be used by the Bank of Canada to contact you for follow-up questions related to this survey. Completed questionnaires will be the property of the Bank. Any personally identifiable information collected through this questionnaire will be treated by the Bank in accordance with the *Access to Information Act* and the *Privacy Act*. While the Bank may publish aggregate results of this survey, responses provided by individuals will remain anonymous.

**If required, may we contact you with follow-up questions related to this survey?** *(Select one)*

Yes, you may contact me

No, you may not contact me

### 1. Bank notes and coins

*The following question enables us to calculate the labour costs related to cash payments.*

1.1 How much time did you/your staff spend on **activities related to cash payments** in 2014, such as counting and sorting bank notes and coins, depositing and obtaining cash at the bank in person, and setting up and maintaining cash registers? *(Please provide an estimate)*

\_\_\_\_\_ hours and \_\_\_\_\_ minutes a day

**OR**

\_\_\_\_\_ hours and \_\_\_\_\_ minutes a week

*Cash that is kept on your premises (not in your company's business account) does not earn interest. This lost revenue is often referred to as the opportunity costs of cash, or the cost of forgone interest.*

1.2 How much **cash** did you have in total on your premises at the **start of a typical business day** in 2014?  
*(Please provide an estimate)*

\$ \_\_\_\_\_ . \_\_\_\_\_

- 1.3 Please provide an estimate of the composition of your cash at the **start of a typical business day** in 2014. *This includes cash in the registers as well as surplus cash you may keep on hand in your safe. The composition of cash can be expressed either as a number of coins/bank notes OR as a percentage of the total cash you kept on hand at the start of the day.*

Denomination	Number of coins/bank notes		Share of total cash balance
\$1 coins	_____	<b>OR</b>	_____ %
\$2 coins	_____		_____ %
\$5 bank notes	_____		_____ %
\$10 bank notes	_____		_____ %
\$20 bank notes	_____		_____ %
\$50 bank notes	_____		_____ %
\$100 bank notes	_____		_____ %
<b>Total cash at start of day</b>			

## 2. Time spent on card-related activities

*We are also interested in the time spent on activities related to your terminals and card payments. This will help us in calculating the labour costs associated with card payments.*

- 2.1 How much time did you/your staff spend on **payment card-related activities** (setting up and closing down card terminals, changing print rolls, maintenance, printing daily overviews, reconciliation, correcting technical problems, etc.) in 2014? *(Please provide an estimate)*

\_\_\_\_\_ hours and \_\_\_\_\_ minutes a day **OR** \_\_\_\_\_ hours and \_\_\_\_\_ minutes a week

## 3. Background questions

*To better understand the information that you have provided, we would like to ask a few background questions about your sales location. Remember that your responses are confidential and that they will be used for statistical purposes only.*

- 3.1 Address of sales location: \_\_\_\_\_
- 3.2 Name of contact person: \_\_\_\_\_
- 3.3 Job title of contact person: \_\_\_\_\_
- 3.4 Business email address of contact person: \_\_\_\_\_
- 3.5 Business phone number of contact person: \_\_\_\_\_
- 3.6 Year your sales location was established: \_\_\_\_\_

3.7 Total sales in 2014:

- Less than \$100,000
- \$100,000 to \$250,000
- \$250,000 to \$500,000
- \$500,000 to \$750,000
- \$750,000 to \$1 million
- \$1 million to \$5 million
- More than \$5 million

3.8 How many employees did your sales location have on the payroll **last month**? *Payroll means that the business issued a T4 tax slip to the employee.*

\_\_\_\_\_ # of employees

3.9 Average **hourly wage for employees paid by the hour last month**:

\$\_\_\_\_\_ per hour per employee

3.10 Please select all that apply for 2014:

- The sales location hired additional staff during busy times (e.g., holidays or the summer).
- Family members, friends or volunteers helped out in the business, but were not on the payroll.
- Only the owners or partners of the sales location worked at the business.
- The sales location hired contractors and workers earning commissions.

## 4. Your survey experience

*This final section asks about your experience filling out this questionnaire. We appreciate your feedback: it will help to improve our future surveys.*

4.1 How difficult was it for you to answer the questionnaire? *(Select one)*

Very easy	Easy	Neither difficult nor easy	Difficult	Very difficult
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4.2 Which **records** did you (and your colleagues) **consult**? *(Select all that apply)*

- None
- Bank statements
- Acquirer or processor statements
- Invoices from your cash processor
- Tax return
- Other, please specify: \_\_\_\_\_

4.3 How much time did it take you (and your colleagues) to fill out the questionnaire?

\_\_\_\_\_ # of minutes

4.4 Do you think the topics covered in this questionnaire are useful and relevant to your sales location?

- Yes
- No

4.5 Do you have any comments, questions or requests about this survey? Please let us know.



**END OF QUESTIONNAIRE. THANK YOU FOR YOUR TIME.**