

Trends in online banking and shopping

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Internet use in Canada is prolific, with 94% of Canadians going online for personal use in 2022, up from 91% in 2018. Not only are more Canadians using the Internet since the COVID-19 pandemic, but more are managing their personal and household finances online.

Based on data from the Canadian Internet Use Survey, 82% of Internet users conducted online banking in 2022, representing a small but significant increase from 80% in 2018. This growth was largely driven by adults aged 65 years and older: the proportion of older adults using online banking increased from 62% in 2018 to 70% in 2022. This increase was seen for both older men and women and was perhaps partly driven by the preference for contactless transactions during the pandemic.

Still, a portion of Canadians are unable or reluctant to use digital banking. Today, Statistics Canada, in partnership with the Financial Consumer Agency of Canada, is releasing new analysis on Canadians who are not yet fully participating in the digital economy, providing insight into possible digital divides.

Gaps in Internet access: A socio-economic barrier to digital banking

Digital technology has transformed banking. Today, many Canadians use online and mobile banking apps by default. Those who do not bank digitally tend to fall into one of two groups: 1) those who do not have any Internet access, and 2) those who use the Internet but have not fully transitioned to digital banking.

Lack of Internet access has been consistently linked to socio-economic disparities. Data from 2022 indicate that the lowest-income families had the lowest rates of Internet access, meaning reduced opportunities to manage finances online. In 2022, 16% of Canadians in the bottom family income decile (less than \$26,000 annually) did not have Internet access, at home or anywhere else, and 11% in the second-lowest income decile were also without Internet access. Internet access improves with rising income. When family income hits \$130,000 annually, less than 1% were without Internet access.

Closely tied to income are employment and education. In 2022, 10% of Canadians who were not employed had no Internet access, compared with less than 1% of those who were employed. Similarly, those with lower levels of education were more often without Internet access: 15% of those with less than a high school diploma did not have Internet access, compared with 6% of those with a high school diploma, 5% with a trades certificate or diploma, and 1% of university-educated Canadians.

Internet access and digital banking vary by age

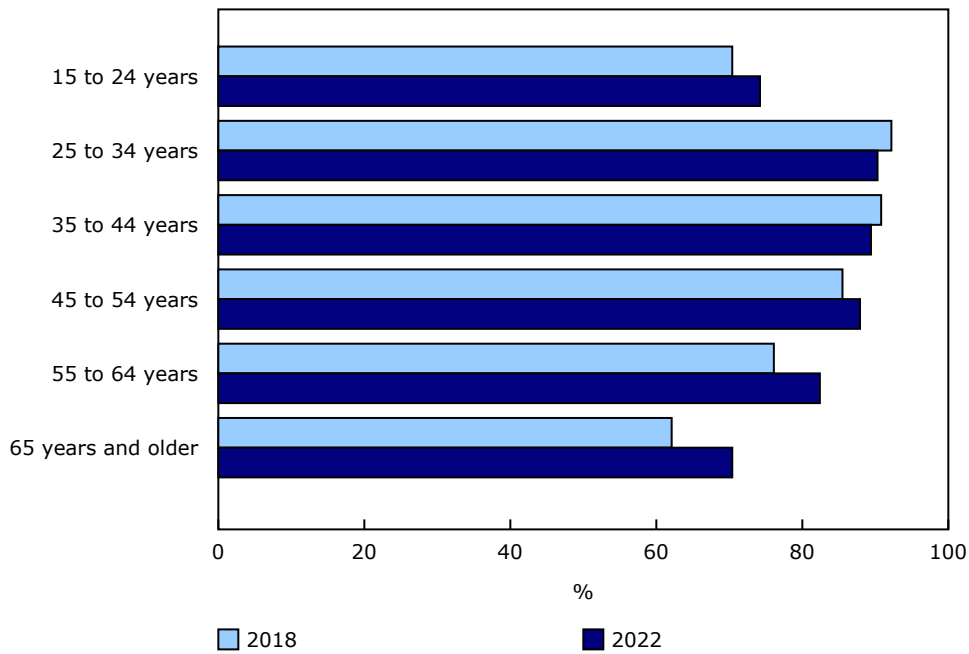
Another factor related to digital technology adoption is age, with the lowest rates of Internet access being among older adults. This pattern, while not reversing, is less pronounced than before the pandemic.

In 2018, 20% of adults aged 65 and older were without Internet access, compared with 14% in 2022. However, older adults who use the Internet are still less likely to adopt online banking than are younger Canadians. In 2022, 76% of Internet users aged 65 to 74 banked online, while the remaining 24% either opted for more traditional banking methods, such as by branch, phone or automated teller machine (ATM), or did not bank at all (i.e., had no chequing or savings accounts).

Online banking was rarer among Internet-using Canadians aged 75 and older, where 61% banked online in 2022. By comparison, most Internet users aged 25 to 34 (90%), 35 to 44 (89%), and 45 to 54 (88%) managed a chequing or savings account online.



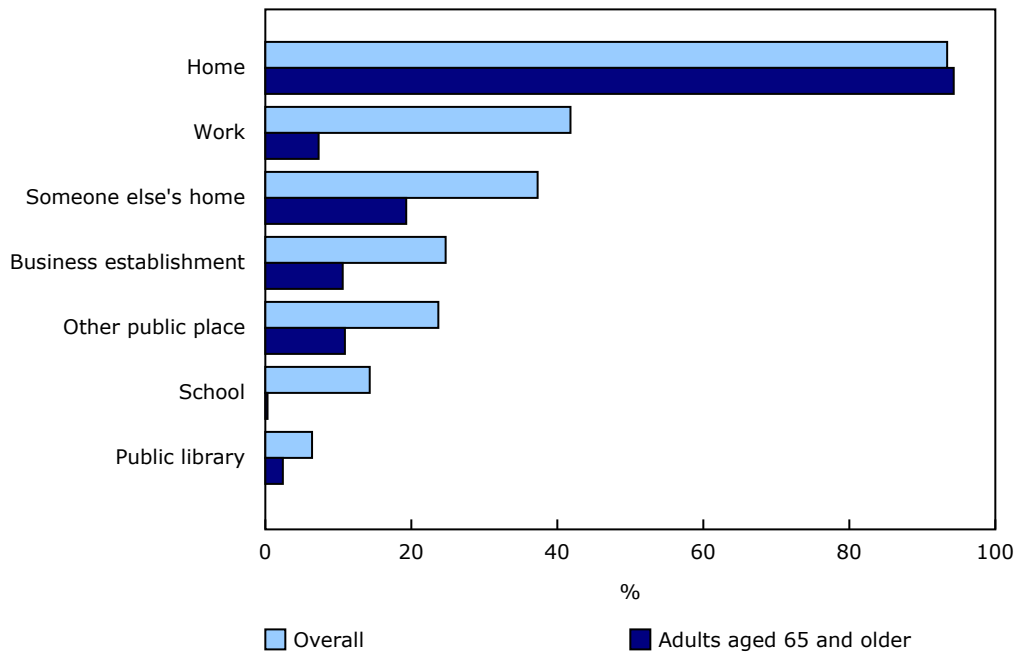
Chart 1
Use of Internet for online banking by age group, 2018 and 2022



Source(s): Canadian Internet Use Survey, 2018 and 2022 (4432).

The lower rates of employment among older adults, as compared with middle-aged Canadians, may explain some of their lower rates of online banking. The location of Internet access may be one contributing factor. As people age, their use of the Internet for personal reasons becomes more restricted to home (94%), compared with other locations such as libraries (2%), work (7%), and business establishments (11%). This contrasts with younger Internet users, who access the Internet in various locations, most notably at work (42% of all Internet users used their work Internet for personal use).

Chart 2
Locations used to access Internet for personal use, 2022



Source(s): Canadian Internet Use Survey, 2022 (4432).

Socio-economic barriers are central to adoption of online technologies

As with Internet access, socio-economic conditions are intertwined with online banking. In 2022, 70% of Internet users who were not employed banked online, while 89% of the employed used the Internet for this purpose.

Income and education were similarly linked to the likelihood of banking online, with lower levels of family income associated with lower likelihood of conducting online banking. In 2022, fewer than 8 in 10 Canadians in the lowest income deciles managed their personal and household finances online, compared with just over 9 in 10 (91%) in the top income decile. However, from 2018 to 2022, the proportion of Internet users in the bottom family income decile who used online banking increased from 63% to 73%.

Gaps in online banking also exist among those with lower levels of education. In 2022, more than one-half (54%) of those who did not have a high school diploma used online banking, compared with more than three-quarters (79%) of those with a high school diploma and 90% of those with a university degree.

Socio-economic barriers to online banking or banking overall may explain some of the differences by employment, income, and education. For instance, the availability of an Internet connection and use of and access to personal (versus shared) computers or mobile devices, is more common with higher socio-economic status, meaning that online banking may be more secure for certain populations than others.

Some Canadians may face barriers to managing their finances online

In 2022, racialized populations (79%) were less likely to bank online compared with the non-racialized, non-Indigenous population (83%). The lower rate of online banking among racialized groups was primarily driven by three groups: South Asian (76%), Filipino (76%) and Chinese (79%) populations. There were no statistically significant differences between the other racialized groups and the non-racialized, non-Indigenous population.

While immigrants were less likely than the Canadian-born population to bank online (79% versus 83%) in 2022, there was no statistically significant difference in rates of online banking between recent immigrants and the Canadian-born population.

Language barriers may account for some of this disparity. Indeed, there is a link between language spoken most often at home and online banking. Just over three-quarters (76%) of those who spoke a language other than English or French conducted online banking in 2022. This proportion was 84% for those who spoke English or French.

In 2022, there was no statistically significant difference in the rate of online banking between the Indigenous population living in provinces and off-reserve and the non-Indigenous population.

Persons with a disability (74%) were less likely to conduct online banking compared with those without a disability (83%). This may indicate accessibility challenges with online technologies, especially in cases where web platforms lack accessibility features, such as colour contrasts and customization of font size.

Knowledge and trust are associated with greater use of online banking

Trust in financial institutions was positively associated with online banking. For example, in 2022, 88% of individuals who trusted banks and other financial institutions with their personal information banked online, compared with 69% of those who had low levels of trust.

In 2022, Internet users who said they did not trust artificial intelligence (AI) technology were less likely to bank online (79%), compared with those who trusted these technologies (88%). AI technology, including chatbots and robo-advisors, is becoming more common in online operations, including in the banking context. In 2022, around one-third (33%) of Internet users were either very or somewhat knowledgeable about AI in general, and 31% were very or somewhat aware of the noticeable impact of AI while using the Internet.

Trust in AI technology somewhat varies by socio-economic characteristics and may help to explain some of the apprehension to conduct online banking for these groups. Among the least trusting of AI technology in 2022 were older adults, those with the lowest family incomes, those not employed, and people with a disability. That said, trust of AI technology was unrelated to education levels, even though lower levels of education were related to lower rates of online banking.

Almost 8 in 10 Internet users shop online

Almost 8 in 10 (79%) Internet users purchased goods and/or services online in 2022. This proportion was slightly higher for men (80%) than for women (78%). Older Internet users were less likely to shop online, mirroring age-based patterns in the use of online banking. For example, 59% of those aged 65 years and older made online purchases, compared with 89% among Internet users aged 35 to 44.

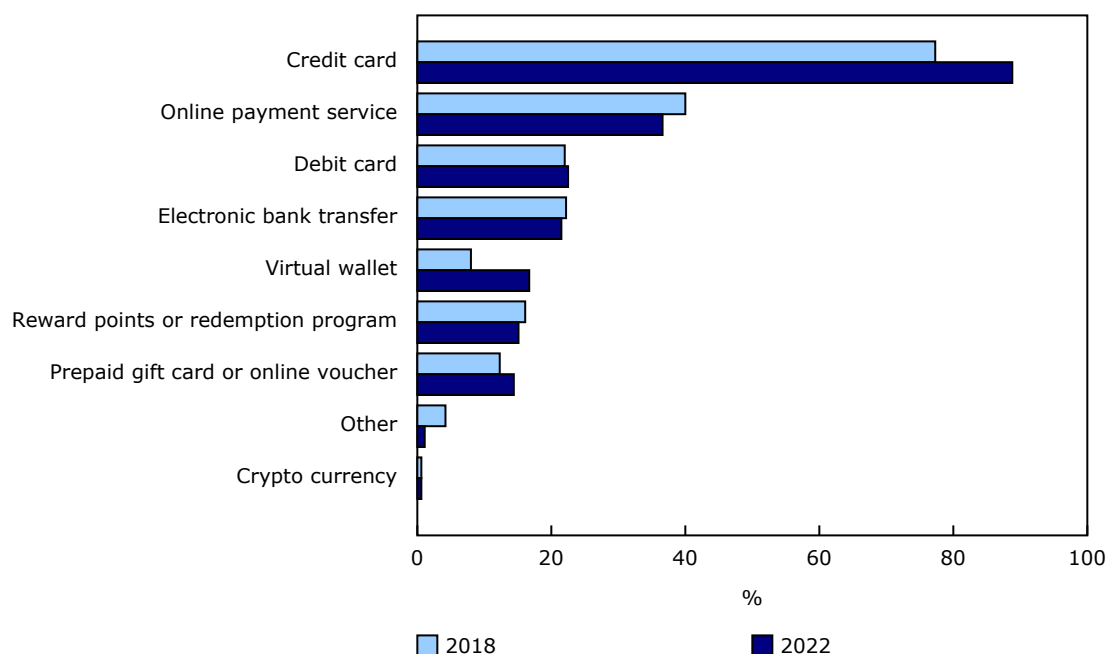
Other demographic groups that were less likely to make online purchases in 2022 included those with lower levels of education and income, the unemployed, and Indigenous peoples.

Almost 9 in 10 online shoppers use a credit card to make payments

In 2022, the most popular method of payment online was a credit card, with almost 9 in 10 (89%) online shoppers using one to pay for their purchases. This was followed by online payment services (37%), debit cards (23%), electronic bank transfers (21%), virtual wallets (17%), rewards points (15%) and prepaid gift cards or online vouchers (14%).

From 2018 to 2022, the use of a virtual wallet as a method of payment more than doubled, from 8% to 17%. Credit card use also increased from 77% to 89% over this period and payments using prepaid gift cards or online vouchers increased from 12% to 14%.

Chart 3
Method of payment for online purchases, 2018 and 2022



Source(s): Canadian Internet Use Survey, 2018 and 2022 (4432).

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Note to readers

This analysis was funded by the Financial Consumer Agency of Canada.

The Canadian Internet Use Survey (CIUS) gathers data on Internet access and use, along with the use of Internet-connected smart devices, social connections in the digital age, use of government online services, use of e-commerce, digital skills, security, privacy and trust, online work and the knowledge and adoption of new digital technologies. The CIUS also measures barriers to Internet access and use, online services, and various digital technologies.

The target population is all persons 15 years of age and older living in the 10 provinces of Canada. It excludes residents in the three territories and full-time (residing for more than six months) residents of institutions.

The CIUS was sponsored by Innovation, Science and Economic Development Canada. Numerous other government departments also provided input during the questionnaire content development phase.

The reference period for questions related to Internet use, online banking and online investing was "past three months" and for online purchases it was "past 12 months".

Online purchases include purchases of digital goods and services, physical goods, peer-to-peer accommodation services and other services.

Definitions, data sources and methods: survey number [4432](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).