



Press release

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RISE OF THE 'NON-GIFT' CARD: INCREASING APPLICATIONS CREATE TIPPING POINT IN £8bn UK GIFT CARD SECTOR.

When adults in the UK receive a gift card it is now more likely not to be a gift, with alternative uses for the versatile product outstripping gifting for the first time according to research from the [Gift Card and Voucher Association](#) (GCVA).

The study of 2,000 UK adults, commissioned for the association's 'What's in a Name' white paper (supported by KPMG and sponsored by Tillo), found that 54.1% of UK adults (equivalent to 28.8 million people) received at least one gift card in the last year.

Just under a quarter of the population (24.84%) received at least one as a gift from family or friends. However, 29.26% received gift cards solely for non-gifting reasons.

The sector has been moving to this tipping point for some time, but recently the combination of lockdowns and the cost-of-living crisis have further boosted these non-gifting applications according to industry experts.

The latest industry data, compiled by KPMG from GCVA member's data, revealed that in the second half of 2022, business to business sales of gift cards represented 57% of the market.

Gail Cohen, director general at the GCVA, commented: "Gift cards are a simple, secure and well-loved financial product. We've all been using them since we were about six years old and they require little or no explanation. Over the decade they have evolved to allow online shopping and digital gift cards that can be added to mobile wallets. All of these factors have seen an explosion in applications, which now means gift cards are a crucial part of society."

Amongst these diverse uses are as a tool for businesses seeking to reward customers or offer cashback and incentives (10.29% of UK adults received a gift card for this reason in the last 12 months). Also, as an employer reward, mini-bonus or (more recently) as a form of cost-of-living support (8.1% of UK adults).



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Gift cards are also used by insurance companies as part of a claim or as an emergency interim payment (5.66% of UK adults). As well as by government as a way to quickly distribute benefits, a recent example being children's national free school meals operated during pandemic school closures.

Cohen adds: "Many sectors have embraced the gift card as it combines the simplicity of cash, but still allows payments to be controlled and monitored (e.g. for a specific purpose), for balances to be checked and topped up remotely and for recipients to redeem their gift card online.

"We've also seen an explosion in innovative applications, especially post-lockdown. For example, cards being used to promote local towns and high-streets (with cards restricted to geographic locations) or as a way for companies to help employees access wellbeing services without feeling like their employer is looking over their shoulder."

Alex Preece, CEO and Co-Founder of Tillo, a platform that empowers companies to innovate and discover new use-cases for digital gift cards, comments: "Tillo has been helping businesses to uncover new and exciting use-cases for digital gift cards for some time now, and the results of this GCVA whitepaper only serve to reinforce what we have known for some time - Gift Cards are no longer just for gifting. Tillo has always been at the forefront of gift card innovation, powering the distribution of school vouchers for the Free School Meals programme, which is used by over 1.3 million families a week, and providing the necessary infrastructure from which Fintechs can continue to innovate."

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Notes to Editors

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About the GCVA

The Gift Card & Voucher Association (www.gcva.co.uk) is the body representing the key players in what is today an over £7 billion gift card and stored value solutions market. With 90 members representing key retailers, issuers and suppliers the GCVA provides an information and reference point for the Gift Card & Voucher industry and is at the forefront of the issues affecting the industry.

Its main objective is to provide a platform and infrastructure for the industry and to raise the profile and use of gift cards and vouchers within the UK, promoting the industry to consumers, businesses, government and other interested parties.

The GCVA is the key industry organisation to share new ideas, innovate and promote best practice with the UK gift card and voucher industry. It runs a programme of events, meetings, research projects and updates throughout the year, including its flagship Conference.