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Headline: Gen Y Speaks: 3 suggestions for S'pore's push towards a cashless society

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BY PERRY KWAN KIN HOH



Photo courtesy of Perry Kwan Kin HohThe author with his parents using cashless payment at a hawker stall.

It has almost been two weeks since I last retrieved my wallet from my backpack. Even when I head out with family and friends, I have been increasingly paying for my various expenses with a quick and convenient tap of my mobile phone.

I am proud of the progress that we have made as a community towards e-payments.

Truth be told, I had my initial reservations about cashless payments. I was concerned about the potential security compromises that may arise from integrating my debit card with my phone, or granting different mobile applications access to my bank account.

It was not until I wanted to pay my friends for my share of dinner without having to dig for coins that I decided to give cashless payments a try. Since then, I have grown to appreciate the ease, convenience and security that e-payments bring.

Having said that, my user experience with cashless payments has not always been smooth-sailing. It took me some time and some reading up before I understood the various terminologies within the e-payment landscape.

There were also occasions where I had to source for alternatives after realising that I had no cash on hand and the store that I patronised did not accept cashless payments.

Hence, I believe that there are still areas that Singapore can work on to establish cashless payments as a mainstream and widely-accepted form of payment.

First, make cashless payments more accessible.

During the weekends, I often accompany my parents to different wet markets, where cash remains the sole means of payment.

However, I believe that wet markets are one of the key areas where cashless payments should be implemented — particularly due to hygiene and convenience factors. Money that passes through wet markets have large amount of bacteria that may cause minor ailments as they are passed from one person to another.

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From a convenience perspective, we often carry a lot of groceries as we make our way through the stalls in the wet market. This makes it cumbersome to retrieve notes from our wallets to make payment.

Aside from wet markets, I think that we should expand cashless payments to small-value shops. These include the sundry or mamak shops located at the void decks of our Housing and Development Board flats and the small bakeries found in the heartlands and shopping malls, amongst others.

Many of us probably take the opportunity of visiting these small-value shops to clear our wallets of coins, sometimes at the expense of the queue behind us. Therefore, I believe that we may further encourage adoption of e-payments amongst consumers by implementing it in areas where its benefits will be more keenly felt.

Second, make cashless payments more understandable.

A few months back, I was out shopping with my mother on a Friday evening. She was intrigued by the fact that I could make payment with a tap of my phone.

When I offered to set up her credit card on her phone, she was apprehensive because she lacked an understanding of cashless payments.

I recall that my father had similar initial reservations as he tried but failed to make payment using PayNow. It was only later that he realised that the payment mobile application that he has supports digital wallets but not PayNow.

The interactions with my parents made me realise the importance of educating consumers on the basic framework of e-payments — which I would summarise into two key learning points.

1. We should raise consumer awareness about the different payment systems available — namely PayNow, digital wallets and contactless credit cards. The former two deserve more attention as they are new modes of payment amongst consumers.
2. We should inform consumers of the distinction between payment systems such as PayNow, digital wallets and the various payment mobile applications like Grabpay, Favepay. This is important in order to cultivate a culture where retailers and consumers can converse using these terms seamlessly to facilitate e-payment transactions.

A recent positive development is the launch in September of the SGQR which consolidates various payment methods to facilitate transactions between retailers and consumers.

Nonetheless, it is still critical for consumers to gain an understanding of various e-payment systems in order to become adept and confident users of such systems.

Third, make cashless payments more experiential

Fast forward to today, my mother now enjoys the convenience of paying with her mobile phone. Whilst the knowledge was important, she would not have embarked on using e-payments if my siblings and I were not there to guide her on her first hands-on experience.

With this in mind, I think that youths play an important role to share their know-hows about e-payments with the older generation both at home and within their communities.

At the same time, we should transform the traditional format of our roadshows where we educate consumers primarily based on verbal explanations.

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Instead, we should launch more roadshows that enable consumers to experience cashless payments through activities and games within a safe environment.

For cashless payments to take off in Singapore, I believe that we require the concerted effort of all stakeholders.

We need the merchants to offer e-payments as a mode of transaction, the regulators to educate consumers on the know-hows of e-payments, and consumers to take that first step towards being e-payment users.

As we make further collective strides towards being a cashless society, it is important nonetheless to be mindful of our spending — particularly since we "skip" the step of physically exchanging money during transactions.

ABOUT THE AUTHOR:

Perry Kwan Kin Hoh is a third-year student at Singapore Management University's School of Accountancy and a student trainer in the Citi-SMU Financial Literacy Programme for Young Adults. Launched in 2012, the programme aims to equip those aged 17 to 30 with essential personal finance knowledge and skills to give them a firm foundation in managing their finances.