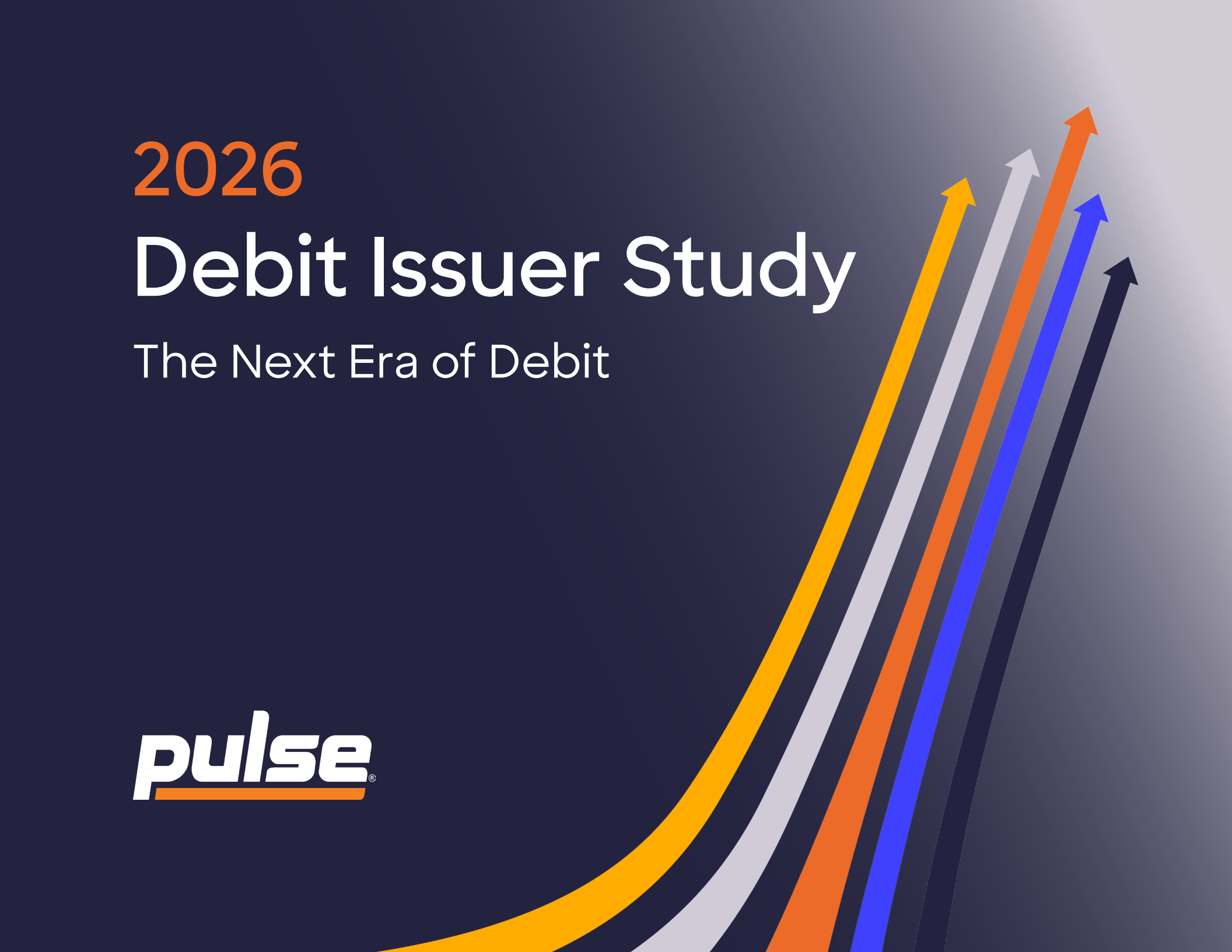
2026

Debit Issuer Study

The Next Era of Debit



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01

Debit Beyond the Transaction

For 21 years, the PULSE Debit Issuer Study has tracked the evolution of debit across U.S. financial institutions, providing a benchmark for portfolio performance, cardholder behavior, and emerging payment trends.

The 2026 study highlights debit's expanding role in consumers' financial lives. As the payments ecosystem has become more connected and real-time, debit now serves as the gateway to everyday digital engagement. In this environment, issuer success is increasingly shaped by four interconnected drivers: engagement, digital experiences, money movement, and trust.

2026 Debit Issuer Study Snapshot



Debit remains a powerful driver of everyday engagement

4.6% growth in debit spend

35.4 debit transactions per active cardholder per month

$18,300 annual spend per active cardholder



Digital usage is powering debit growth

50% of debit spend is generated by CNP transactions

17% of debit transactions originate through mobile wallets

55% of card-present transactions are contactless



Real-time money movement is expanding debit's role

25% increase in account-to-account (A2A) volume

16% increase in A2A transactions

1/3 of consumer CNP spending is via A2A payments



Competitive advantage increasingly depends on engagement, innovation, and trust

53% of issuers reported higher transactions per active card

96% are taking action to improve competitiveness

38% reported higher fraud-loss rates

Throughout this study, growth rates reported on a per active card basis are not directly comparable to overall growth rates. Overall growth also reflects changes in card count, active rates, and average ticket size, which can result in materially different growth rates.

02

Steady Performance, Divergent Outcomes

Debit remains deeply embedded in everyday banking activity. Issuers reported 3.3% YoY growth in total debit transactions and 4.6% growth in debit spend. The average active debit cardholder conducted 35.4 total transactions per month with an average ticket of $48.57, generating $18,300 in annual debit spend.

Debit Transactions by Type

(transactions per active card per month)

POS	A2A	ATM	Total Transactions
31.4	2.1	1.9	35.4

Portfolio fundamentals remained relatively stable across the industry. Penetration rates decreased 2.2%, while active rates rose 2.0%. Usage slightly increased, with 0.6% more transactions per active card per month.

Debit Portfolio KPIs

	Penetration rate	Active rate	Usage*	Average ticket	Spend**
Overall	**79.5%** ↓ 2.2% YoY	**67.3%** ↑ 2.0% YoY	**31.4** ↑ 0.6% YoY	**$48.57** ↑ 1.2% YoY	**$18,300** ↑ 1.8% YoY
Consumer cards	82.6%	69.8%	32.3	$45.77	$17,700
Business cards	57.9%	51.7%	21.1	$115.83	$29,300

*Monthly POS transactions per active card
** Spend per active card per year

Debit KPI Benchmarking

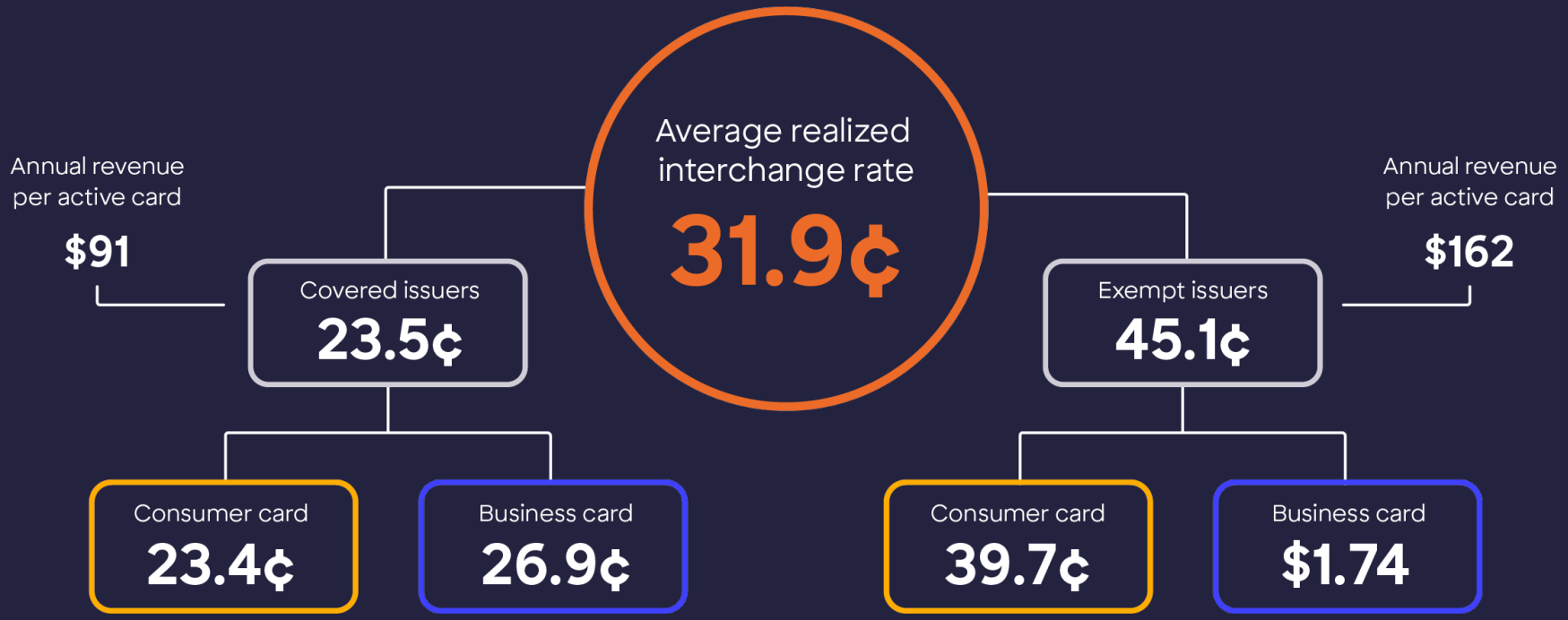
	Opportunities exist	Good performance	High performance	Best in class
Penetration rate	<69%	69-72%	73-81%	>81%
Active rate	<59%	59-68%	69-74%	>74%
Usage*	<27.5	27.5-31.4	31.5-33.5	>33.5
	1st quartile (bottom)	2nd quartile	3rd quartile	4th quartile (top)

*Monthly POS transactions per active card

While metrics held steady overall, performance became increasingly differentiated across financial institutions. Best-in-class issuers reported active debit card rates exceeding 74%, compared with an industry average of 67.3%.

These top-quartile issuers generated nearly 40% more transactions per active card than those in the bottom-quartile. While nearly all debit issuers grew total debit spend, only 53% increased transactions per active card.

Debit Interchange Rates Per Transaction



Economic outcomes also varied across issuer segments, in accordance with Regulation II requirements. Covered issuers reported average gross interchange revenue of 23.5 cents per transaction, compared with 45.1 cents for exempt issuers.

These findings suggest that strengthening engagement remains one of the clearest paths to improving portfolio performance and relationship value. Financial institutions that successfully drive habitual debit card usage and deliver meaningful everyday value are best positioned to achieve top-of-wallet status.

03

Winning Through Digital Experiences

Debit's center of gravity continued shifting toward digital commerce. CNP transactions now represent 38% of debit transactions and 50% of debit spend. Adding to this digital momentum, issuers reported 17% of all debit transactions were initiated through a mobile wallet and more than half of all card-present debit payments were contactless.



of all debit transactions were CNP

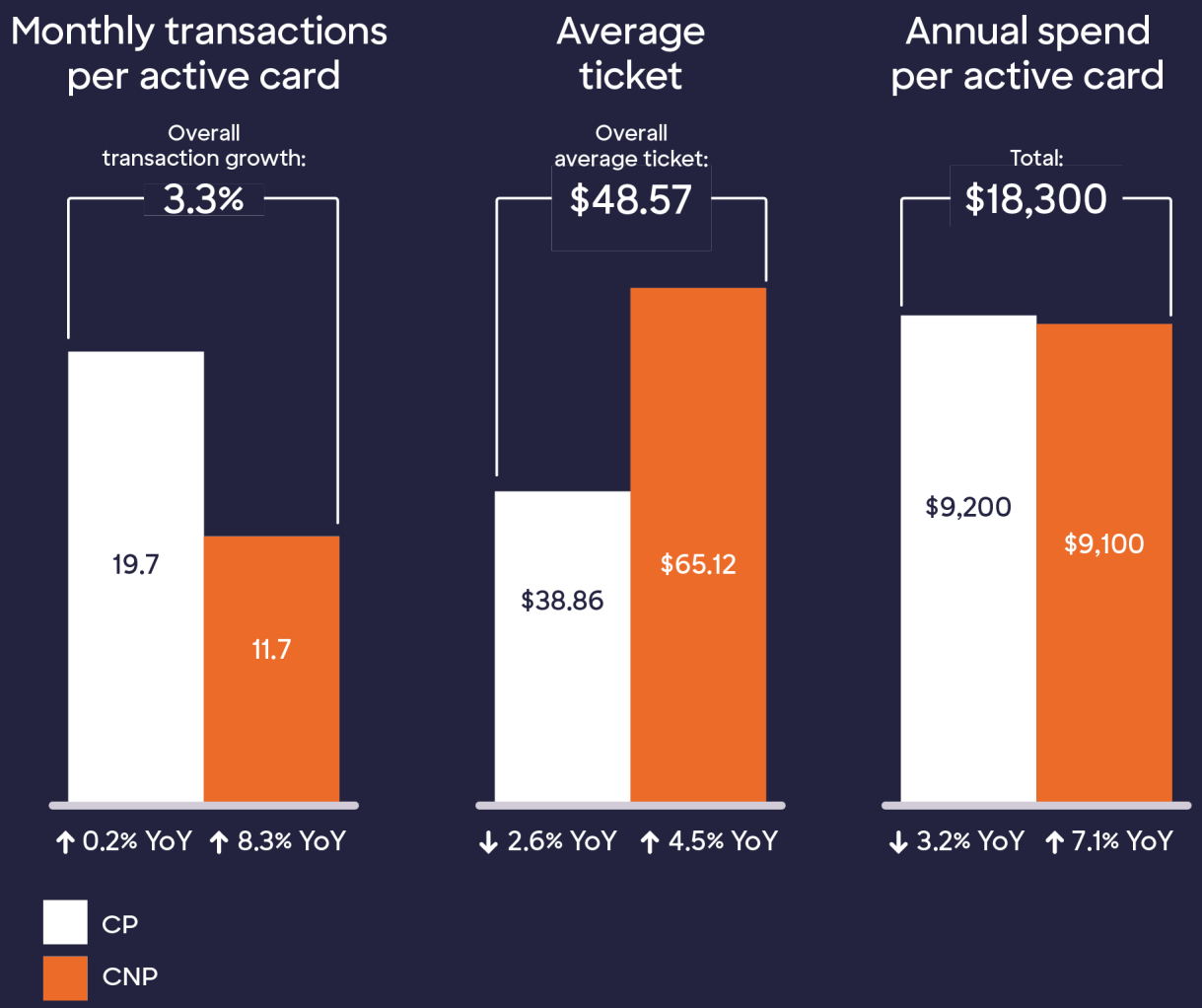


of total spend was generated by CNP transactions

Growth in CNP continues to outpace card-present across usage and spend. CNP transactions grew more than 8%,compared with 0.2% growth for card-present, and had an average ticket that was two-thirds higher than card-present - $65.12 versus $38.86.

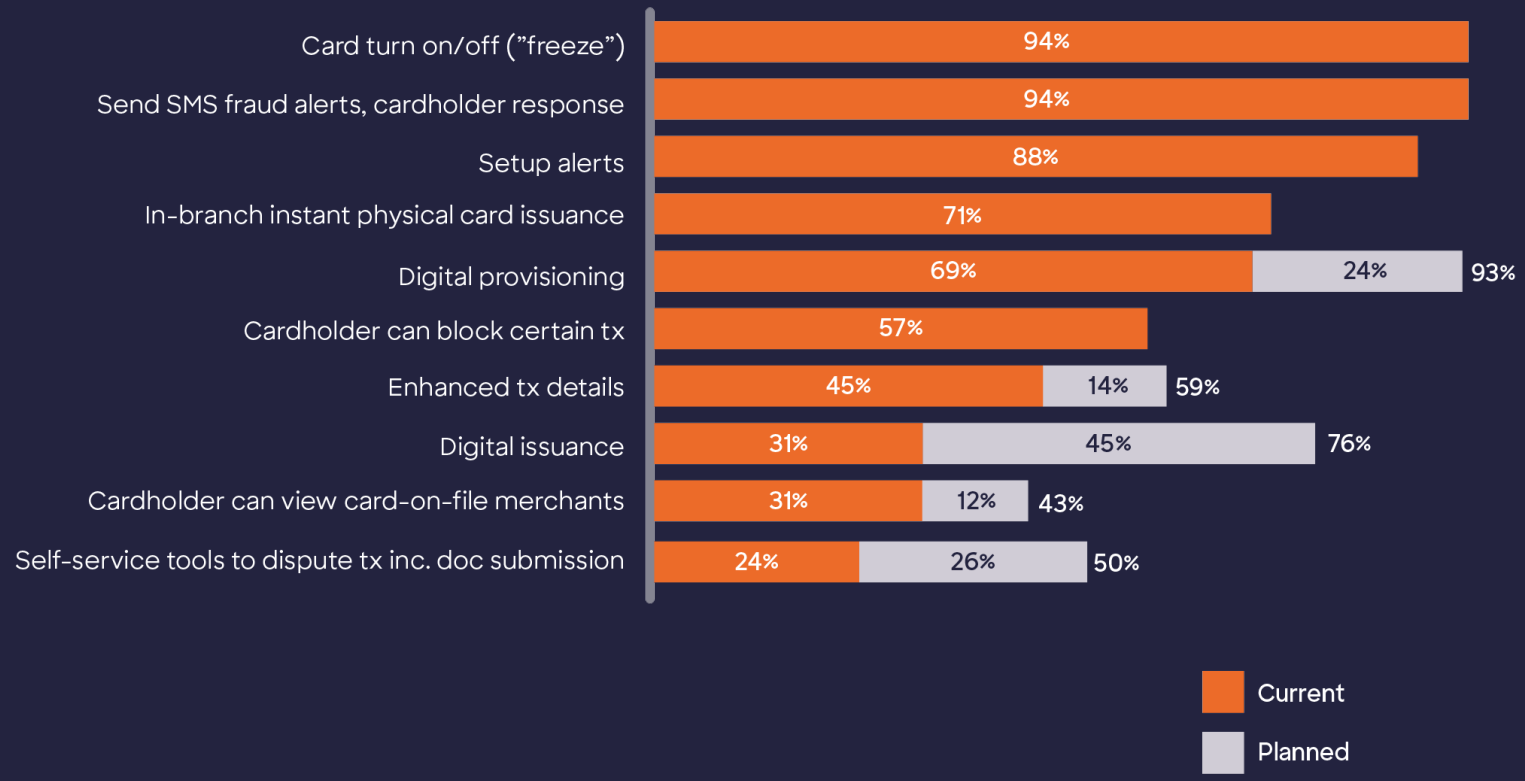
This shift is changing how issuers think about the debit experience. Digital credentials, mobile apps, alerts, controls, and wallet-enabled transactions now play a larger role.

Digital Use and Spend Continue to Rise



Issuer Digital Capabilities

Current vs. Planned



Self-service functionality also expanded across mobile-banking platforms. Half of all issuers have already or are planning to enable cardholders to initiate debit disputes, upload documentation, and track dispute status digitally.



16%

of issuers reported using **AI** to improve at least one aspect of their debit business

Subscription management, token management, one-time virtual card numbers, AI-powered support, and AI-driven card-use insights were each offered by fewer than 10% of issuers.

While customer-facing AI capabilities remain limited, 16% of financial institutions reported using AI to improve some aspect of their debit business, and many others are exploring potential applications.

With digital credentials, wallet connectivity, and self-service account management all playing a larger role in how consumers engage with debit, evaluating the entire digital debit experience – from onboarding and wallet enablement to ongoing account servicing – has become increasingly important. This effort can help issuers identify opportunities to reduce friction, strengthen engagement, and support long-term cardholder relationships.

04

Money Movement Is Redefining Debit

Non-purchase activity now accounts for approximately 10% of debit transactions - with account funding, wallet funding, push-to-card payments, and other account-based use cases accounting for much of this growth.

A2A transactions increased 16% YoY, keeping A2A the fastest-growing debit transaction category. Consumers conducted an average of 1.5 funding transactions and 0.7 credit transactions per active debit card per month, with an average value of $114 and $165, respectively.

A2A Transaction Highlights

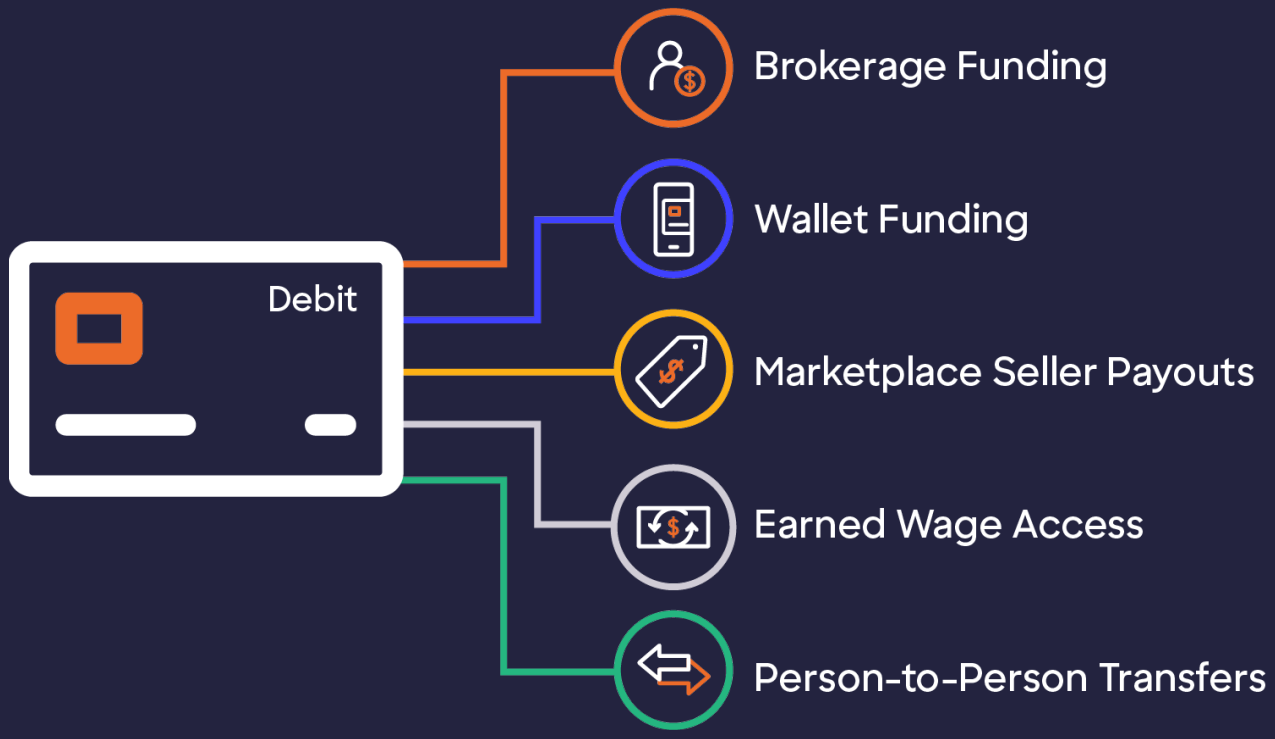
	Funding transactions	Credit transactions
Monthly transactions per active consumer card	1.5	0.7
Average transaction value	$114	$165
Transaction growth, YoY	18%	13%

Overall A2A growth: 16%

More transactions combined with higher average transaction values increased A2A dollar volume by 25% YoY. A2A transaction volume now equals approximately one-third of all consumer CNP purchase volume.

Increasingly, debit credentials are being used to support brokerage funding, wallet funding, marketplace seller payouts, earned-wage access, and person-to-person transfers. Together, these use cases demonstrate how debit is becoming embedded within a broader range of financial experiences beyond traditional purchases.

A2A is Expanding Debit Use Cases



The money movement landscape is also becoming more diverse. Organizations now have multiple options for delivering funds, including debit-based transfers, RTP, and FedNow.

As money movement is becoming a more integral part of the debit experience, institutions that make it easy for customers to move money whenever and however they choose are better positioned to deepen relationships, improve retention, and reinforce their role as the customer's primary financial institution.

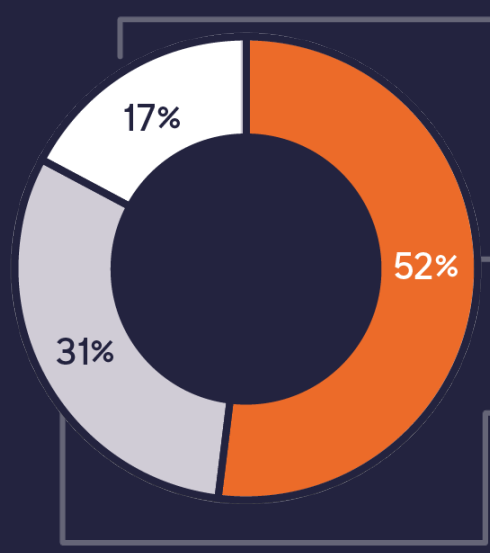
05

Trust As a Competitive Advantage

While fraud remains a top concern, issuers are focused on enhancing cardholder confidence through a layered approach to fraud management. Nearly 70% of debit issuers reported using six or more security and authentication tools, including rules-based filters, 3D Secure, network risk scores, wallet token decisioning, step-up authentication, machine learning, and negative lists.

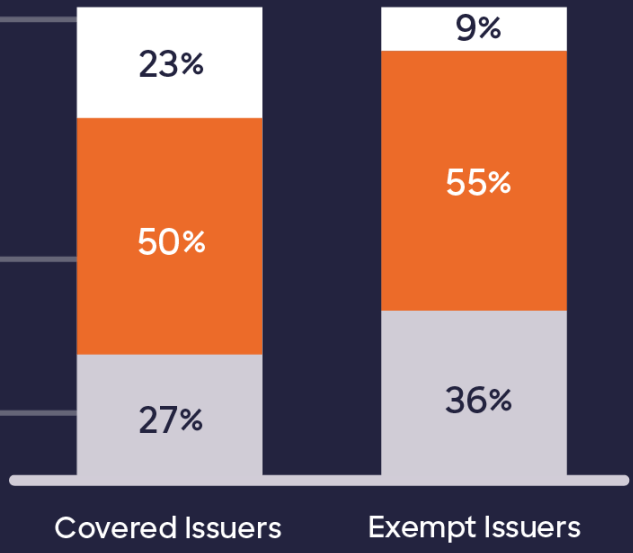
Multi-Layered Fraud Defenses Are Now Table Stakes

Number of fraud tools used



1-5 tools
6-9 tools
10+ tools

Tool use by issuer segment

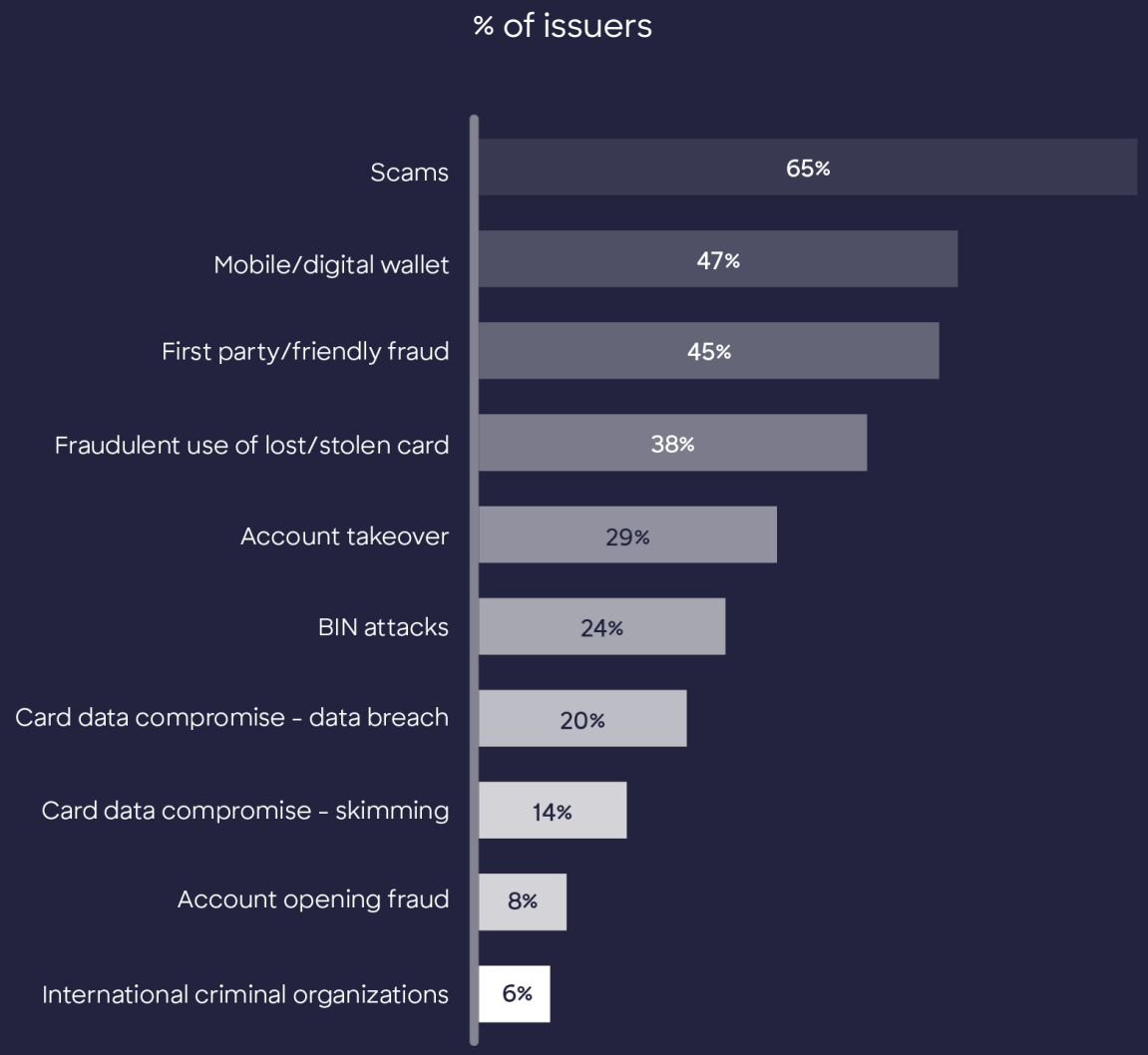


Even still, fraud outcomes remained mixed across the industry. Thirty-eight percent of issuers reported higher fraud-loss rates than the prior year, while 26% reported lower loss rates.

Sixty-five percent of issuers identified scams as a significant contributor to changes in fraud risk. Many institutions have expanded customer education efforts through digital alerts, in-app messaging, call-center guidance, and other outreach initiatives designed to help account holders recognize suspicious payment requests and account-access attempts before funds are moved.

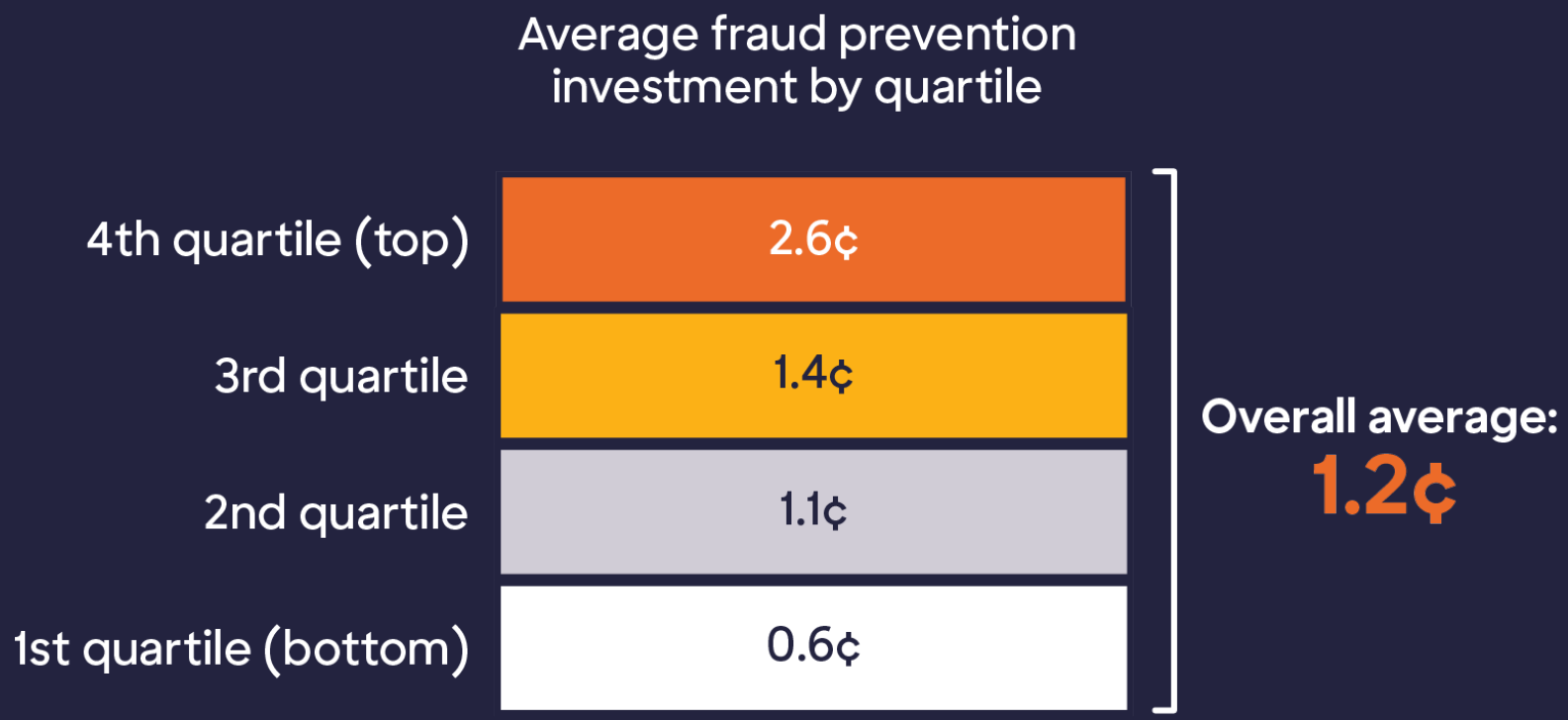
Supporting these efforts requires ongoing investment. Issuers spent an average of 1.2 cents per transaction on fraud prevention, funding a combination of authentication, monitoring, and risk-management capabilities.

Largest Sources of Debit Fraud Losses



Respondents ranked their top three sources of fraud losses.
Percentages represent the share of issuers selecting each source and do not sum to 100%.

Benchmarking Issuer Fraud-Prevention Investments



As competitive pressure continues to build, trust has become a critical differentiator. An issuer's ability to drive digital-payment adoption and gain customer confidence is dependent on how well they combine seamless payment experiences with visible security measures, transparent communication, and responsive support.

06

Opportunities In the Next Era of Debit

Issuer priorities reflect a focus on growth, usage, and trust. Gaining cardholders, enhancing fraud prevention, and increasing debit spend ranked among the industry's top priorities, while enhancing digital capabilities and improving the account-opening experience remain important areas of investment.

The industry's top challenges closely mirror those priorities. Slowing debit spend, combatting fraud, and acquiring cardholders ranked among the most frequently cited concerns, underscoring the difficulty of achieving many of the goals issuers identified as most important.

As digital commerce, money movement, and account-based services expand, issuers have new opportunities to strengthen the relevance of the primary account relationship. The next era of debit will be defined by institutions that create the most relevant, trusted, and connected account experiences.

Key Priorities



Gaining cardholders



Enhancing fraud prevention



Increasing debit spend

Key Challenges



Slowing debit spend



Combatting fraud



Acquiring cardholders

About the Study

Now in its 21st year, the PULSE Debit Issuer Study captures data and perspectives from a broad cross-section of U.S. financial institutions, providing a unique overview of the performance and priorities of debit card issuers. The 2026 study, commissioned by PULSE and conducted by Banking & Payments Group LLC, is based on responses from 51 banks and credit unions distributed by size, region, card brand, and debit-network participation.

Unless otherwise noted, data are for full year 2025, and issuers' comments are from the first quarter of 2026. No issuer-specific information (including company name, data, or comments attributable to any specific issuer) is shared with PULSE.

About PULSE

PULSE is a leader in debit payments, global cash access, and account transfers, delivering exceptional value, choice, and convenience to clients across the payments ecosystem. We enable reliable and secure digital money movement for a wide variety of debit card programs through our PULSE Network, the Discover® Debit program, an advanced fraud-detection platform, and partner-support services. With the combined expertise, capabilities, and reach of PULSE, our partner brands, Diners Club International® and Discover Network, and our global Alliance Partners, we meet the evolving demands of consumers and businesses. For more information, visit PulseNetwork.com.

About Banking & Payments Group

Banking & Payments Group LLC (BPG) is an independent management consulting firm that specializes in the retail payments market. The firm provides best-in-class actionable advice to senior executives, bringing unmatched expertise and dedication to its clients. For more information, visit BankingandPaymentsGroup.com.

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