Digital financial exclusion in Austria: who is affected?

Executive summary

The increasing digitalisation of payment systems creates new opportunities but also carries the risk, within society, of growing financial exclusion. Financial exclusion refers to situations in which people face barriers to accessing essential financial services or are excluded from them altogether. Existing research points to significant social inequalities when it comes to accessing and using digital financial services. As a result, the following question is becoming ever more important: How can digital means of payment be made accessible and usable for everyone?

This study was motivated by two key objectives: First, it responds to broader efforts to promote digital financial inclusion. Second, it was prompted by the development of the digital euro, which will be designed and implemented as an inclusive and accessible means of payment. In Austria, this process is supported by a working group established by the Oesterreichische Nationalbank (OeNB). The extensive preparatory work carried out by the Financial Inclusion Working Group of the Forum on the Digital Euro informed both the conceptual framework and the design of this study.

To date, there has been no robust quantitative evidence on the extent of digital financial exclusion in Austria. Addressing this research gap, this study provides an evidence-based foundation for measures aimed at strengthening digital financial participation. It not only quantifies the overall prevalence of digital financial exclusion among Austria's population aged 18 and over but also examines digital financial exclusion among population groups at heightened risk of exclusion.[1] Specifically, the groups at risk of exclusion are:

- people aged 61 to 80
- people aged over 80
- people with disabilities
- people at risk of poverty and people experiencing poverty
- people who are over-indebted or subject to wage attachment
- people without a fixed address
- people with limited language skills in German
- refugees and individuals seeking international protection (including asylum seekers, recognised refugees, beneficiaries of subsidiary protection and people holding a temporary suspension of deportation)

Methodology

The study surveyed adults across Austria. To achieve the highest possible degree of representativeness with respect to key socio-demographic characteristics, a quota sampling approach[2] with

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[1] The selection of these groups was based on the preparatory work of the Financial Inclusion Working Group of the Oesterreichische Nationalbank's Forum on the Digital Euro, which brings together representatives of these and other population groups, as well as representatives of payment service providers.

[2] Quotas were defined based on gender, age, level of education, migration background and province or degree of urbanisation of the area of residence. Reference values were derived primarily from Statistics Austria's microcensus labour force survey data.

disproportionate stratification and subsequent weighting was applied. Using a multimodal survey design (online, telephone and face-to-face interviews), the study authors reached 868 individuals aged 18 and above throughout Austria. The resulting margin of error is approximately 3.3%. In addition, the sample was weighted to reflect estimated population shares of groups facing an elevated risk of exclusion.

Based on theoretical and methodological considerations, scales were developed and tested to assess the use of four digital payment scenarios (e-commerce, peer-to-peer payments, point-of-sale payments and payment acceptance) as well as seven dimensions of potential factors contributing to digital financial exclusion. Respondents were classified as experiencing digital financial exclusion if, according to their self-assessment, they were unable to use digital financial services independently across all four payment scenarios, or within individual payment scenarios, and could do so only with personal assistance or not at all.

Key findings

The findings indicate that digital financial exclusion affects a comparatively small share of the Austrian population overall but is highly concentrated among specific groups. Across all payment scenarios, 8% of respondents experience digital financial exclusion, as they are unable to use digital financial services independently or can do so only with personal assistance. In a breakdown of payment scenarios, digital peer-to-peer payments show the highest exclusion rate at 10%, followed by e-commerce at 9%. Exclusion rates are lower in the scenarios of point-of-sale payments and payment acceptance, at approximately 6% each, which is below the overall average.

The group most affected by digital financial exclusion is people without a fixed address. 45% of them are unable to use the payment scenarios examined independently or can do so only with personal assistance. Next are people with limited language skills in German (36%), refugees and people with disabilities (22% each), and adults over the age of 80 (18%). The latter group is also by far the most likely to state that they do not wish to use digital financial services. Within the population of people with disabilities, individuals with learning difficulties are particularly affected. The elevated risk of exclusion among refugees is linked to both structural factors and language barriers. Therefore, this group is largely captured through the dimension of language skills within the target groups highlighted below.

Based on the survey findings, four groups emerge as being particularly exposed to the risk of digital financial exclusion. Particular attention should be given to these groups in designing measures to promote digital financial inclusion and developing the digital euro:

- people without a fixed address
- adults aged over 80
- people with limited language skills in German
- people with disabilities, particularly people with learning difficulties

The main drivers of digital financial exclusion are low levels of trust in data security (32%), as well as a lack of support from family and friends (24%) and from service providers (19%). Other drivers are language and accessibility barriers (19%), stress and time constraints (15%), limited digital skills (10%), and limited financial resources (7%).

The breadth of factors contributing to exclusion highlights the need for targeted measures to promote digital financial inclusion. For adults aged over 80, priority should be given to building trust, providing personalised support and maintaining non-digital access channels. For people with limited German language skills, multilingual information, language support and digital skills development are particularly important. For people without a fixed address, efforts should focus on reducing financial and technical access barriers. For people with disabilities, accessible payment solutions based on Universal Design principles are essential. To achieve these objectives, it is crucial to engage, and cooperate with, people at risk of digital financial exclusion.