

Research

# Insights into in-app wallets

What platforms must know about user behavior and expectations.

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# Executive summary

In recent years, **wallet-driven experiences have become a defining trend in the platform economy.**

We see it every day through the success of the platforms we work with, in industry conversations, and in the market itself.

Users, whether they're paying for products or services or earning money through platforms, expect simple, unified experiences that make transactions and interactions seamless and more efficient. Centralizing various activities, such as making and receiving payments, managing refunds, storing funds, and accessing loyalty rewards, within a wallet embedded in platforms is key to achieving this unified experience.

At the same time, wallet-driven approaches help platforms encourage repeat purchases. **By integrating in-app wallets into their services, platforms can offer additional benefits that increase user engagement and revenue.**

But what do platform users really want from their wallet experience? What are users' pain points, and how can platforms address these concerns to improve user experiences and drive more revenue?

To help platforms stay ahead of this growing wallet-based trend, we've conducted detailed research to explore how users feel about in-app wallets, what they like and dislike, and what encourages them to be more active on platforms.

The report is structured around key areas of interest, including overall payment habits, user frustrations, how users interact with in-app wallets, what improvements could make users more engaged, and how incentive programs drive in-app wallet adoption.

## Key findings from Mangopay research:

- In-app wallets are rapidly growing as a preferred payment method, ranking just behind cards and bank transfers.
- When purchasing on platforms, users are most frustrated by slow refunds and limited payment options.
- Rewards and loyalty programs significantly influence user engagement on wallets.
- Instant money transfers, loyalty rewards, and budgeting tools can greatly improve wallet experiences.

The report findings also highlight opportunities for platforms to improve user engagement and retention, simplify payment operations, and unlock new revenue potential through an integrated wallet approach.

Read this report to gain a clear understanding of evolving consumer demands, take advantage of emerging wallet trends, and position your platform for long-term growth.

# Methodology

The current study involved an extensive online survey, gathering insights from a total of 5,000 consumers evenly distributed across five key markets.

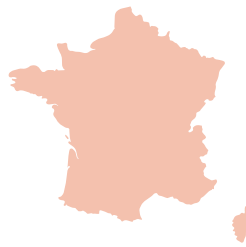
The objective was to analyze current market trends, identify user preferences and pain points, and uncover factors that could increase engagement and drive greater use of in-app wallets on digital platforms.

Specifically, the research targeted:

 **United Kingdom**  
1,000 respondents



 **France**  
1,000 respondents



 **Germany**  
1,000 respondents



 **Italy**  
1,000 respondents



 **Spain**  
1,000 respondents



The research supporting this report was conducted by Censuswide, a consumer research agency commissioned by Mangopay to explore user behaviors, preferences, and attitudes towards in-app wallet usage across platforms.



# What are in-app wallets?

In-app wallets have become an integral part of the online experience, enabling seamless and secure transactions within platforms and marketplaces.

These wallets, embedded within platforms such as Amazon, eBay, Vinted, Uber, or Airbnb, offer users, both payees and payers, a centralized way to manage their funds, make payments, access various financial services, and collect earnings.

## Key features and functionalities of in-app wallets

### Making payments

In-app wallets allow users to pay for services or products directly within the platform, offering a frictionless checkout experience.

### Storing funds

Users can keep a balance within their in-app wallet, which can be used for future purchases, eliminating the need for external payment methods for every transaction.

### Adding funds

Users can top up their wallet balance whenever needed, ensuring they have funds readily available for quick transactions.

### Seller and service provider earnings

For users who sell products or offer services on platforms, in-app wallets provide a direct deposit option, ensuring fast and secure access to their earnings.

### Loyalty and rewards

Platforms integrate loyalty programs, offering incentives such as cashback, exclusive discounts, stamp cards, or reward points to encourage repeated usage and customer retention.

### Refunds

Refunds from canceled orders or service disputes can be processed directly into the in-app wallet, allowing users to access their funds more quickly compared with traditional banking channels.

### Respending

The respending functionality allows users to collect, hold, and manage funds within secure wallet accounts. This stored value can be used as a convenient way to pay for future purchases, enabling a self-contained spending experience within the platform.

These key features form the essence of in-app wallets, an integral part of digital transactions, and the core focus of our research.

# From checkout to payout: How users transact on platforms

Before diving into the role of in-app wallets, it's important to understand how users interact with payment systems on platforms and what influences their purchase decisions.

By understanding user behavior and decision-making processes related to payment systems on platforms, we can identify key areas for improvement, areas that in-app wallets are well-positioned to address.

## How users like to pay

### Preferred payment methods: Cards still lead, but alternatives are gaining ground

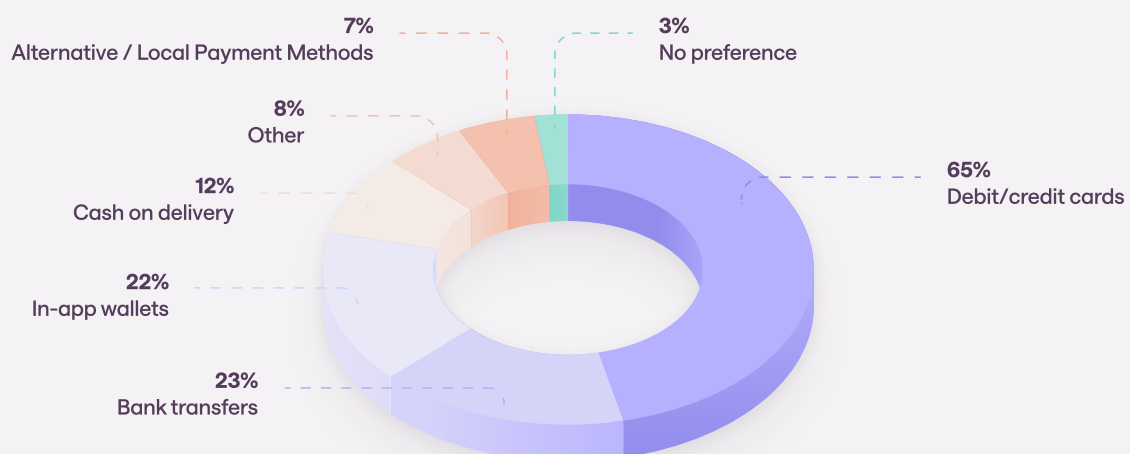
When it comes to paying for online purchases, one method clearly stands out: debit and credit cards dominate as the most preferred payment option, chosen by 65% of respondents.

Their convenience and widespread acceptance make them the go-to choice for most online shoppers. Beyond cards, bank transfers (23%) and in-app wallets (22%) are also popular, particularly for those who prefer direct payments linked to their accounts.



### What payment methods, if any, do you prefer when shopping online?\*

\*Respondents selected up to two options.



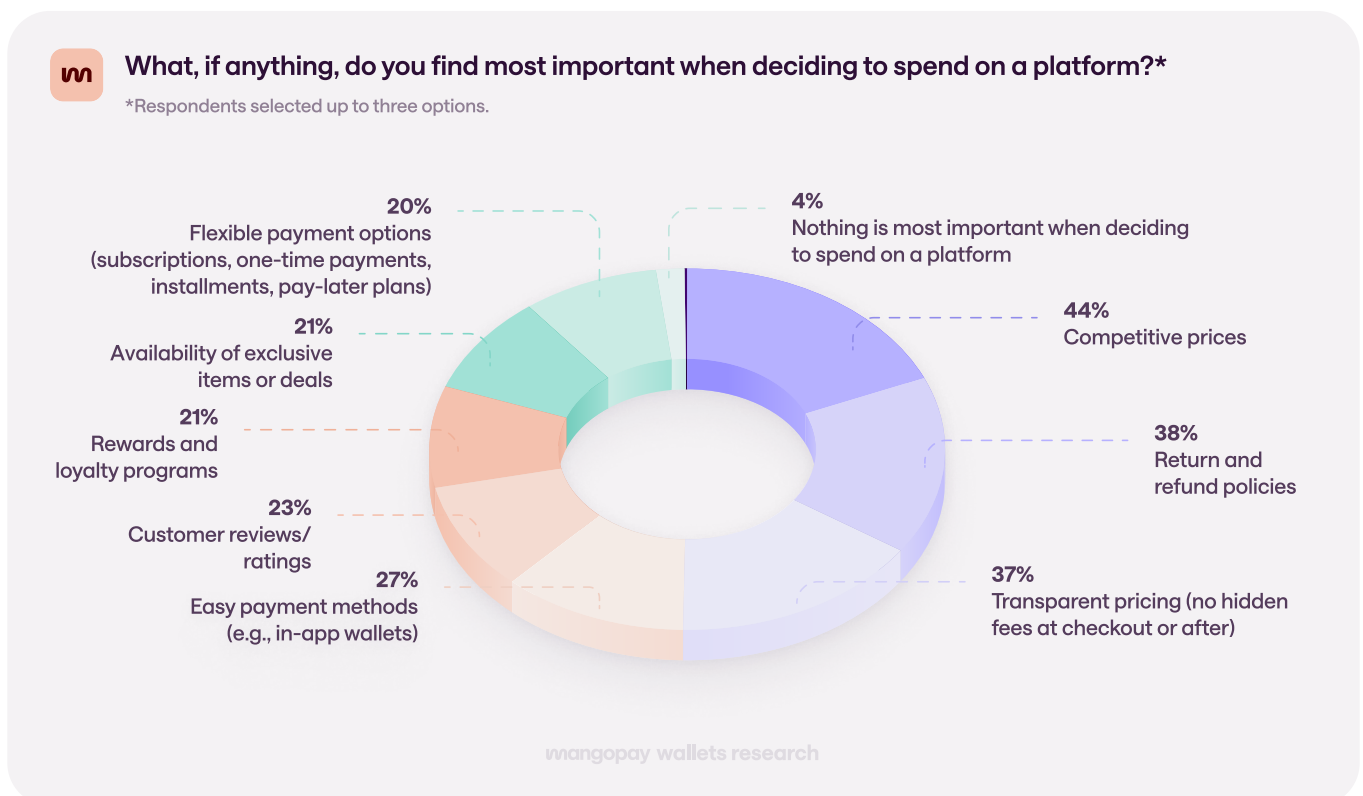
### Factors influencing spending decisions

When it comes to deciding where to spend their money online, consumers prioritize platforms that offer affordability and convey trust. **Competitive prices (44%) are the biggest deciding factor**, reinforcing that cost remains the most influential aspect of online purchases.

Beyond price, **return and refund policies (38%)** also play a crucial role, as consumers want reassurance that they can get their money back if something goes wrong.

**Transparent pricing (37%)** is just as important. Hidden fees at checkout or unexpected charges, like conversion fees for cross-border payments, can drive customers away.

The **ease of payment (27%)** is another key factor, with many users preferring platforms that offer seamless payment experiences, such as in-app wallets and simplified checkout processes.



### Slow refunds top the list of user frustrations

When asked about the most frustrating aspects of payment systems on online platforms, users highlighted several key pain points:

- **Slow refunds (27%)** emerged as the top frustration, indicating a need for faster and more efficient refund processing.
- **Limited payment options (21%)** is the second biggest frustration suggesting that users want greater flexibility in how they pay.
- **Slow payment completion (18%)** and **unclear foreign exchange (FX) fees (15%)** also negatively impact the experience.

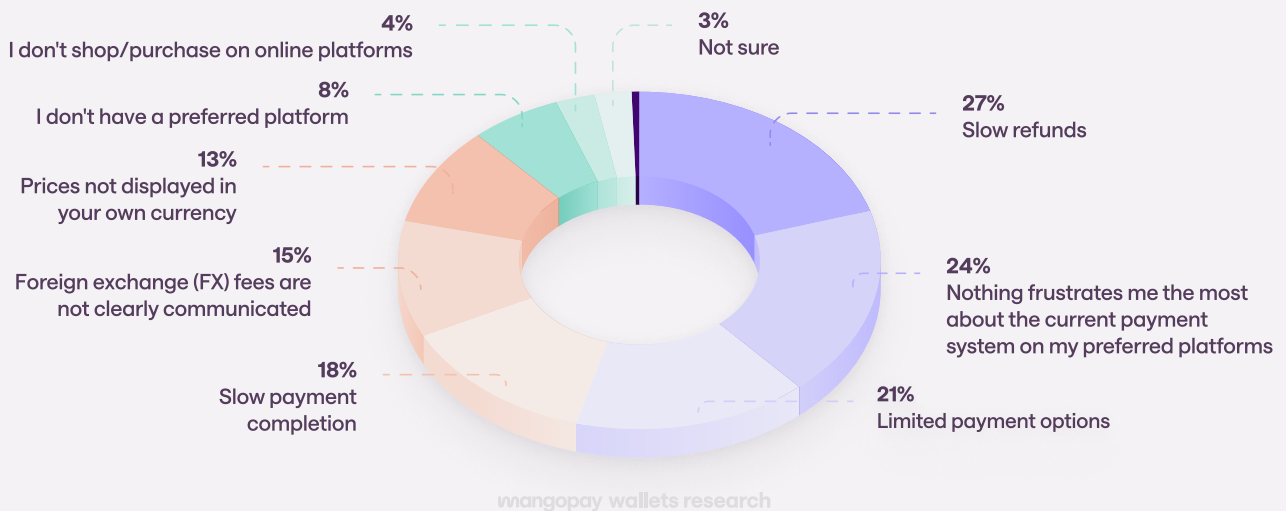
These pain points can be significantly reduced by using in-app wallets. Refunds through wallets are usually much faster, as transactions occur within the platform's own ecosystem rather than relying on third-party processors. Wallets can also support different payment methods, including virtual IBANs that offer a localized experience.

What's more, platforms that embed FX capabilities into wallets offer real-time transparency on currency conversion rates so users know exactly what they're paying regardless of the currency involved.



### What, if anything, frustrates you the most about the current payment system on your preferred online platforms?\*

\*Respondents selected up to two options.

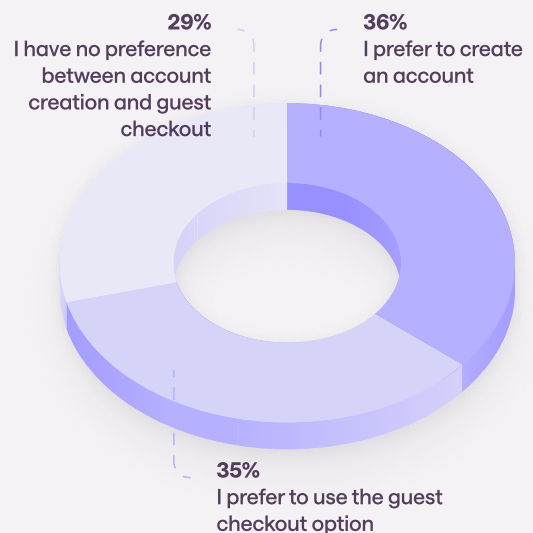


### Account creation vs. guest checkout

There's a near-even split between those who prefer to create an account (36%) and those who opt for guest checkout (35%). This highlights that some users value the benefits of account creation, such as order tracking and personalized deals, while others prioritize speed and convenience by avoiding the sign-up process.



### Do you prefer to create an account or use a guest checkout option when making a purchase on a platform?



## How users like to get paid

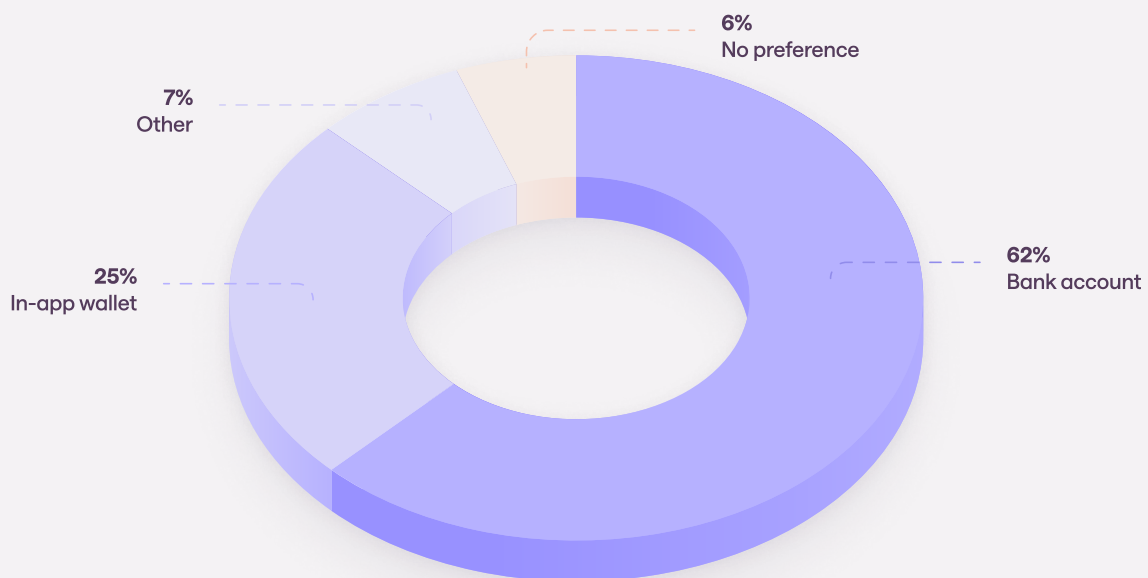
For those earning money through platforms, whether by selling products, renting assets, or offering various services, **52% have received payouts** through platforms.

### How do users prefer to receive their earnings?

Bank transfers remain the dominant payout method, although in-app wallets hold potential for those who value platform-based financial management.



**When selling items or services on a platform or marketplace, how do you like to get your earnings?**



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- Bank account transfers (62%) are the most preferred method, indicating a strong preference for traditional financial institutions.
- In-app wallets (25%) are favored by a smaller but significant segment of users, suggesting that some sellers appreciate the convenience of keeping funds within the platform.

Payout methods can influence a user's decision to join or stay active on a platform, especially for those earning consistently or at scale. Moreover, payout preferences are linked to broader user engagement patterns. For instance, those who opt for in-app wallets may be more likely to reinvest earnings on-platform, driving additional transaction volume.

# In-app wallets: Insights into adoption and engagement

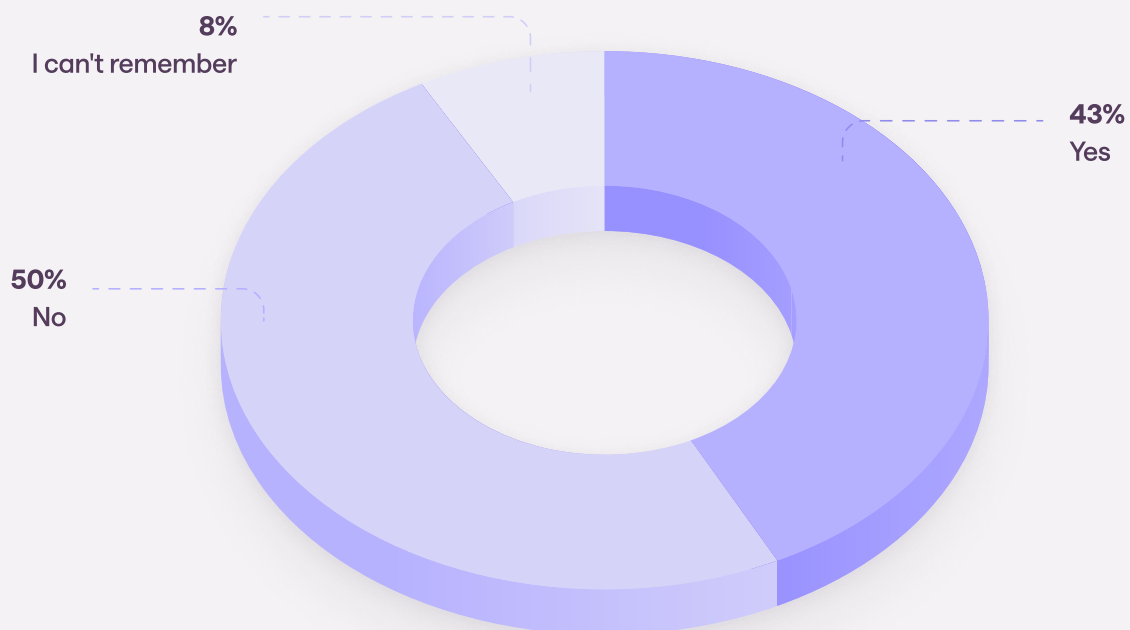
## How users interact with in-app wallets

In-app wallets serve as more than just a payment function. They enable users to store, transfer, and manage funds within platforms. Despite their versatility, adoption remains mixed: **43% of users have used an in-app wallet**, while 50% have not. Usage frequency also varies, with some relying on them on a weekly basis (18%), while others use them once a month (14%) or less.

Features that would drive more user engagement with wallets are **instant money transfers (42%)**, **loyalty rewards (40%)**, and budgeting tools (15%), highlighting the demand for more than just payment convenience. In contrast, barriers to adoption include privacy concerns (43%) and the requirement to create an account (30%).



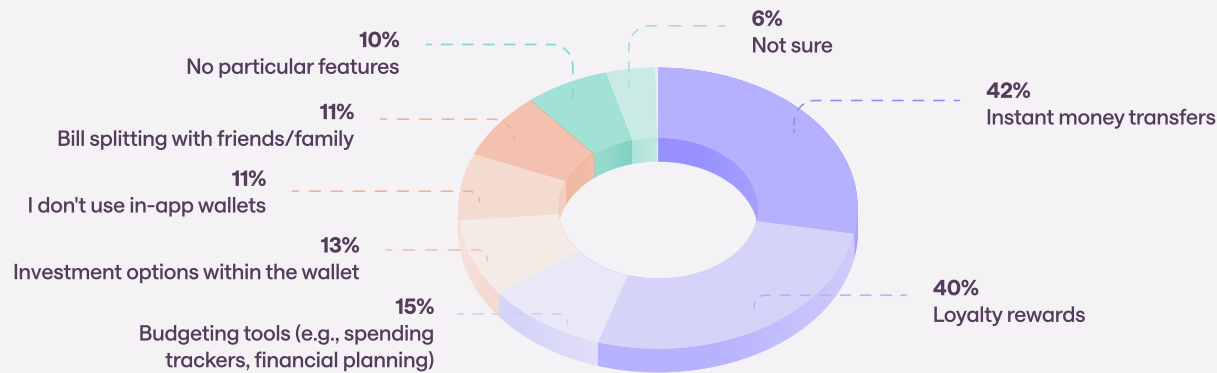
**Have you ever used an in-app wallet on a platform or marketplace to make purchases (e.g., renting a car, booking a flight, buying various items)?**





What features, if any, would improve your experience with in-app wallets?\*

\*Respondents selected all that apply.



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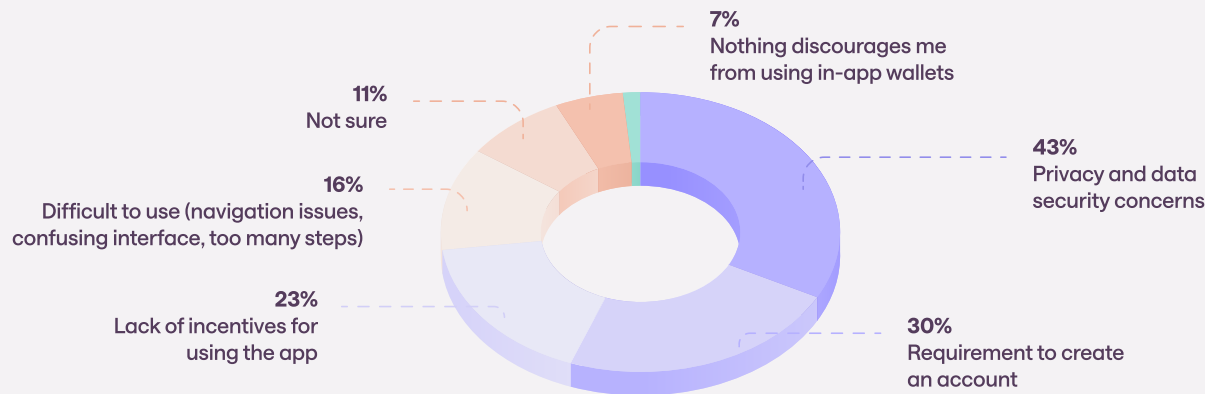
How embedded incentives programs drive in-app wallet adoption

Incentive-based programs, such as loyalty rewards, cashback, and exclusive deals, have become essential tools for platforms looking to improve user retention. By offering benefits that encourage repeat spending, these programs motivate users to stay active and engaged.



What, if anything, discourages you from using in-app wallets for payments?\*

\*Respondents selected all that apply.



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### The importance of rewards and loyalty programs

Rewards positively influence consumer decisions, with **62% of users saying rewards like cashback or loyalty points are important** when choosing where to shop.

### Redemption frequency

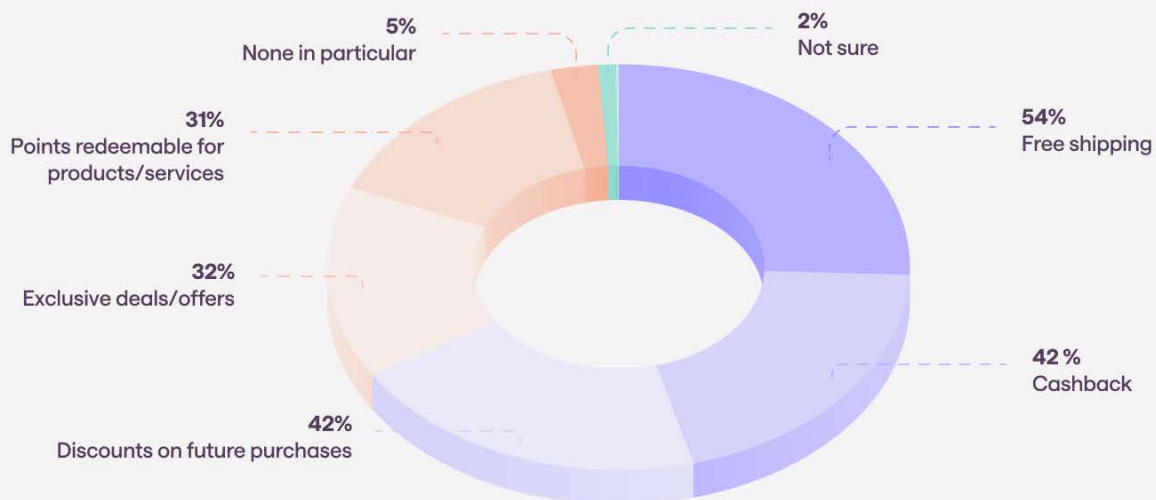
Among users who collect rewards in their wallets:

- 27% redeem frequently, showing steady engagement.
- 43% redeem occasionally, suggesting moderate but ongoing interest.



### What type of rewards, if any, would most encourage you to spend (more) on a platform?\*

\*Respondents selected all that apply.



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### Most compelling types of rewards

Consumers are most motivated by rewards that offer clear financial benefits:

- **Free shipping (54%)** is the most appealing reward due to immediate cost savings.
- **Cashback (42%)** and **discounts on future purchases (42%)** are highly attractive, as they directly reduce expenses.
- **Exclusive deals (32%)** and **redeemable points (31%)** also have strong appeal.

Embedded incentive programs clearly influence user retention, as most users factor rewards into their shopping decisions. However, only 26% of users currently collect rewards or loyalty points through their in-app wallets.

This gap highlights an opportunity: embedded incentive programs drive retention, but they are still underused by most platforms. Promoting integrated reward programs would encourage user loyalty.



## Refunds collection

Refund processing strongly influences user satisfaction and overall trust. Platforms offer refunds through in-app wallets as a quicker alternative to traditional bank transfers. This approach could increase user convenience and encourage future spending.

A notable **36% of users believe refunds stored in an in-app wallet would simplify future purchases**, likely due to quicker access to funds and easier spending within the platform. However, users appear evenly divided between their preference for faster refunds via in app wallets and refunds sent to their traditional bank:

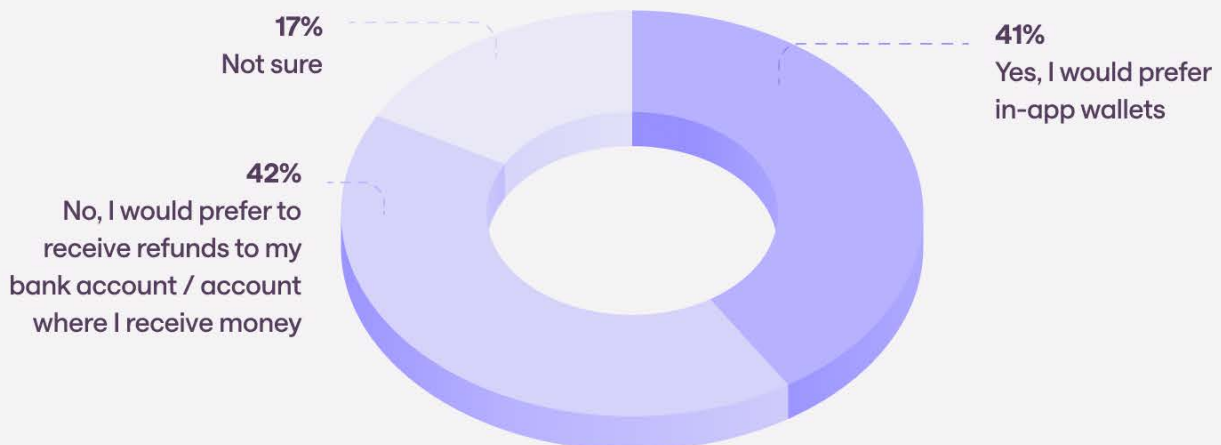
- 41% prefer faster refunds directly to their in-app wallets.
- 42% prefer refunds directly to their traditional bank accounts.

Refunds via in-app wallets present an appealing option for many users due to speed and convenience. Yet, a significant segment continues to prefer traditional methods like bank accounts. This may result either from limited experience with wallet-based refunds or from considering bank accounts as the most centralized location for all refunds, regardless of their source.

It's not surprising that bank accounts remain the top choice for receiving refunds. Bank accounts have long been the default option. But the fact that in-app wallets are nearly tied as a user preference is remarkable. Such a small gap shows that wallets are quickly gaining ground.



**If refunds to an in-app wallet were faster than refunds to your bank account / account where you receive money, would you prefer this method?**



# Opportunities for growth within a wallet ecosystem

The research data clearly show the user interest and appetite for in-app wallets, highlighting the convenience in managing multiple financial activities within a single ecosystem. The findings show that, with these functions centralized, users value their ability to make payments, receive earnings, handle refunds, store funds, and use incentives. This presents platforms with two-pronged growth opportunities.

First, platforms can leverage wallet ecosystems to increase user engagement, reduce customer acquisition costs (CAC), and expand their overall user base. Second, from a purely commercial standpoint, a wallet ecosystem can simplify payment operations and unlock new revenue streams.

With these findings, various recommendations can be made for platforms to improve the wallet experience and accelerate growth.

## Improving the wallet experience for users

For a deeper wallet engagement among current users, platforms should prioritize improvements that directly address user expectations and the frustrations revealed by the research.

**1**

### Faster refund processing

Users identified slow refunds as their main frustration. Offering instant refunds directly to wallets can significantly improve user satisfaction, and stimulate repeat transactions within the platform ecosystem.

**2**

### Financial management tools

Wallet users show strong interest features such as instant money transfers, loyalty and reward programs, and budgeting capabilities. Platforms should integrate budgeting tools, expense tracking, and insightful financial analytics, positioning wallets as financial management solutions rather than simple transaction mechanisms.

3

## Faster payouts

With 25% of users already preferring wallets for earnings, there is a substantial opportunity to further increase wallet usage for payouts. Platforms should enable faster and more flexible payout schedules, and wallet-based withdrawals.

4

## Rewards and incentive programs

Given that rewards significantly influence spending decisions, platforms should actively promote loyalty programs with wallet-exclusive cashback, discounts, and personalized offers to stimulate more frequent wallet usage.

## Increasing the user adoption of wallets

Platforms looking to attract users who are currently hesitant about adopting in-app wallets must address their main barriers, by initiating a number of steps.



### Promote convenience and a unified experience

Clearly communicate to new users how in-app wallets streamline and speed up payments, particularly wallet-to-wallet transactions within the same platform.

By highlighting that wallets eliminate the need for repeatedly entering payment details and ensure instant transactions and rapid refunds, platforms can address key user frustrations like slow payments, and limited payment options.

Users should be made aware of the unified experience that wallet ecosystems offer, reinforcing convenience and ease of use from purchase to payout.



### Communicate clear privacy and security policies

Privacy concerns represent the leading barrier preventing wallet adoption among potential new users. Platforms should provide clear information about security measures, data handling practices, and user privacy protections. To overcome these initial hesitations, platforms should give users more control over which data is stored, making it easy to remove or limit saved payment information, and showing when and how data is used.



### Simplify the account creation process

The requirement to create an account discourages new users from wallet adoption. Platforms should provide faster, streamlined onboarding processes, potentially including guest wallets or simplified KYC verification.

## Take advantage of a scaling wallet ecosystem with the right wallet provider

To drive user growth, retention, and revenue, platforms need a wallet infrastructure provider that empowers them to offer digital wallets to store, send, receive, convert, and split funds.

This same infrastructure can unlock additional revenue streams by facilitating wallet-based transactions within the platform's apps and websites.

When choosing the right wallet provider, platforms should consider the following key opportunities.

### From a user perspective

**Localized payment experiences.** A wallet provider that supports local payment methods, and multi-currency accounts helps platforms offer users a familiar and trusted payment experience.

### More wallet experiences beyond payments.

Look for wallet providers whose technology supports advanced financial experiences beyond basic payment functionality. This includes value-added services like cash advance, membership programs, or installment payments.

### From a business perspective

**New revenue streams.** Platforms can generate additional revenue through markups and customized fee structures. Every wallet transaction can become an opportunity for monetization, providing new, sustainable income streams for the business.

**Centralized revenue and fee collection.** The wallet ecosystem should serve as a centralized financial hub, for fee collection, revenue tracking, and payout management for better visibility into their financial operations.

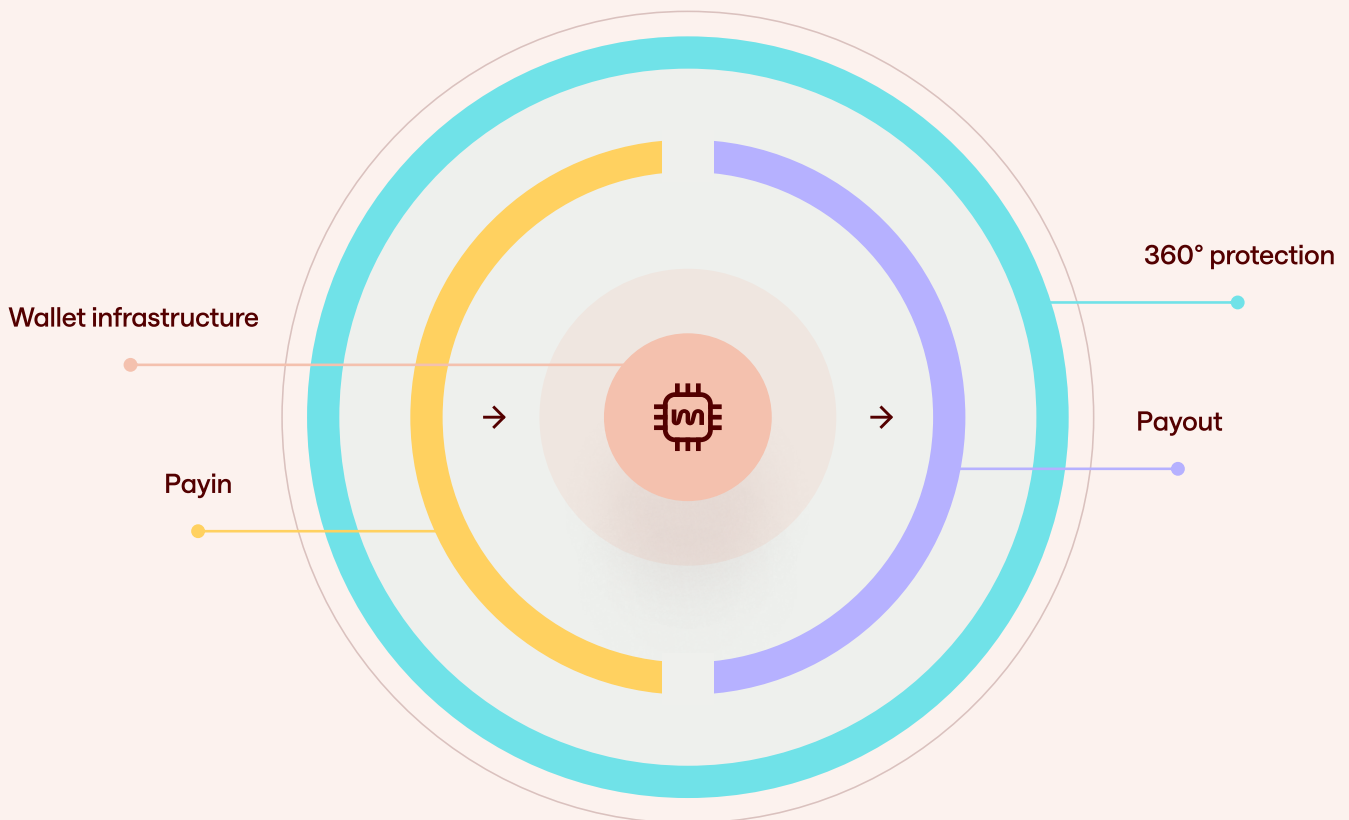
**Flexible money movement.** Platforms can manage and automate multi-party payments, by moving funds between wallets, splitting payments, collecting fees, converting currencies, and payout.

**White-label solutions.** Platforms can keep their brand positioning among users by selecting a provider that offers fully customizable, white-labeled wallets.

# Mangopay wallet ecosystem

Mangopay enables platforms to manage funds and build new user-centric experiences on top of the wallet infrastructure. Platforms get the flexibility to move money their way, control their operations, and unlock new revenue streams.

This ecosystem allows businesses to create customized money movement flows, automate transactions, manage FX operations, and design white-labeled payment experiences. As a result, platforms offer a tailored, unified customer experience for sustainable growth.



## Access a comprehensive financial suite in one ecosystem

Automate and monetize downstream money movements, and get more control over how funds are held, converted, and distributed.

- Build the payment flows you need
- Create unlimited wallets
- Add virtual IBANs to wallets, and offer local payment experiences to your users
- Beyond payments, design more wallet experiences to keep your users engaged
- Protect your users and transactions at every step of their journey



# Key takeaways

With the implementation of a wallet-based infrastructure, platforms can create a community of engaged users who can manage their finances and handle transactions within one regulated and secure place. That's one key takeaway. And for a successful wallet-driven approach, here's what to keep in mind:

1

## Wallet adoption is growing, now is the time to scale

Wallet adoption is promising, but still an emerging trend. Nearly **half of all respondents already use in-app wallets**. Imagine how many more could be onboarded with better incentives and an improved user experience.

2

## Engagement follows meaningful features

Features such as instant payments and integrated loyalty programs are **key** to driving engagement.

3

## Payouts and refunds have room to grow

Gaps remain in wallet usage for payouts and refunds. Many users still prefer traditional bank accounts for these particular transactions.

4

## The right wallet partner brings new sources of growth

By partnering with the right wallet provider, platforms can create better payment experiences, and unlock new revenue opportunities.

# About Mangopay

Founded in 2013, Mangopay powers a flexible, wallet-based payment ecosystem that enables the largest and fastest-growing platforms to monetize their transaction volume. Mangopay's end-to-end white-label infrastructure allows platforms to manage multi-party payments, control money flows, and unlock new revenue streams.

Since our inception, we have served over 250 million users and processed more than €100 billion in transactions. In 2025, Mangopay won the MPE Award for the best marketplace/platform provider.

Contact us



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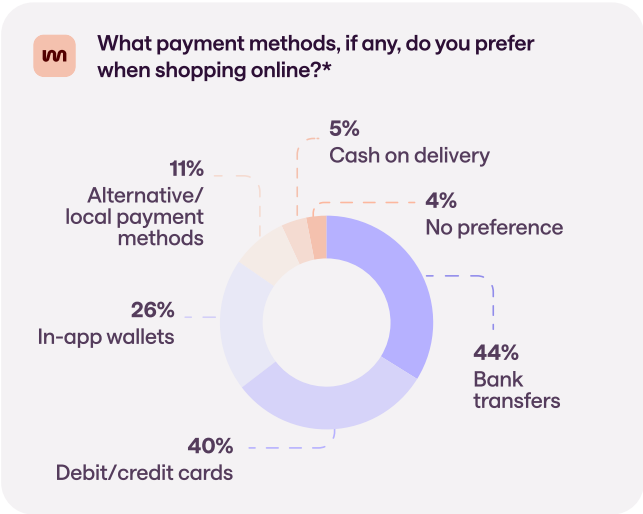
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# Annex: country reports

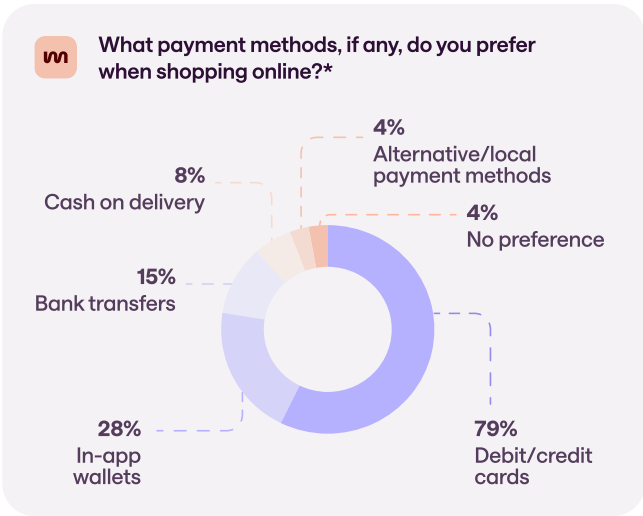
## Preferred payment methods when shopping on platforms

While in-app wallets rank as the third most preferred payment method overall, they **stand out as the second most popular option in the UK, Spain, and Italy**. Users in these countries selected in-app wallets as their next go-to payment method after debit and credit cards.

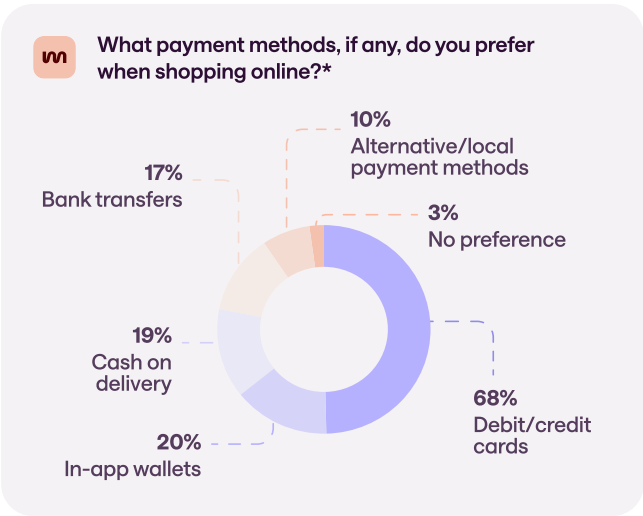
### Germany



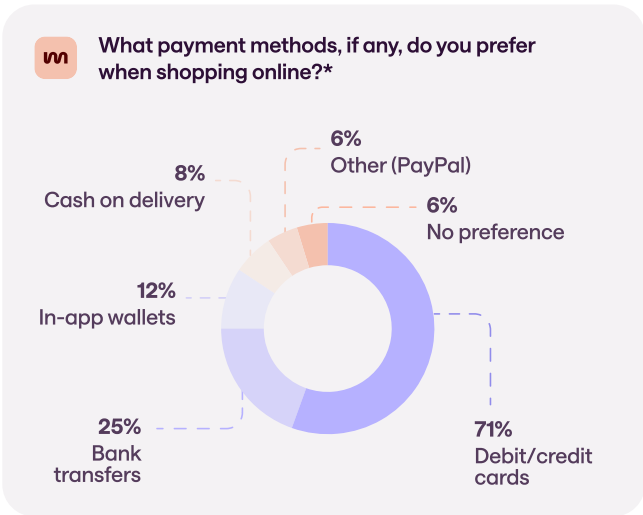
### UK



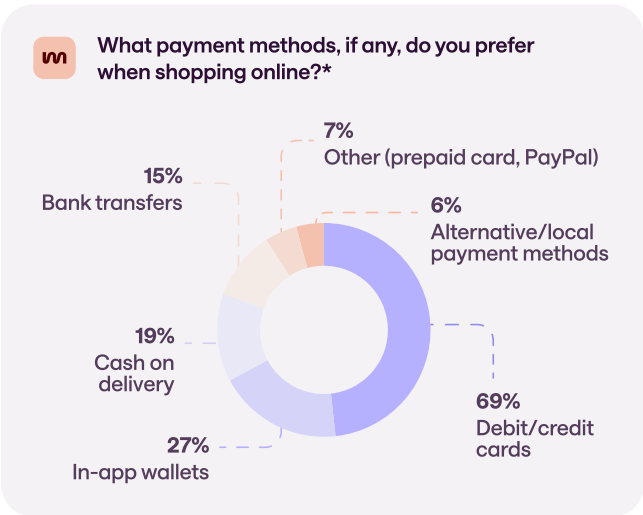
### Spain



### France



### Italy



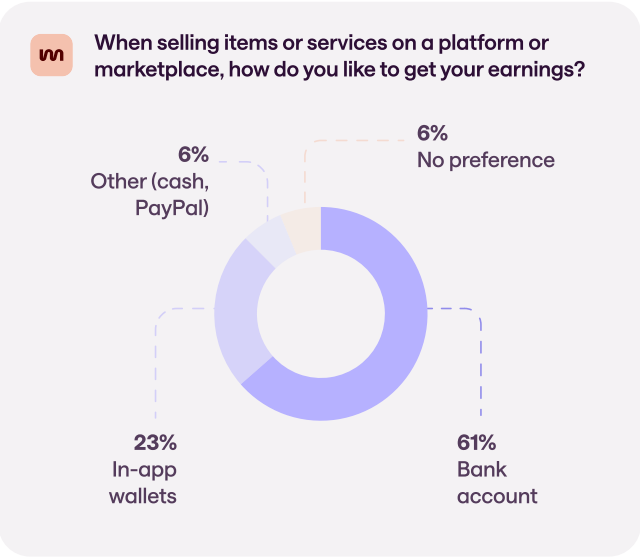
\*Respondents selected up to two options.



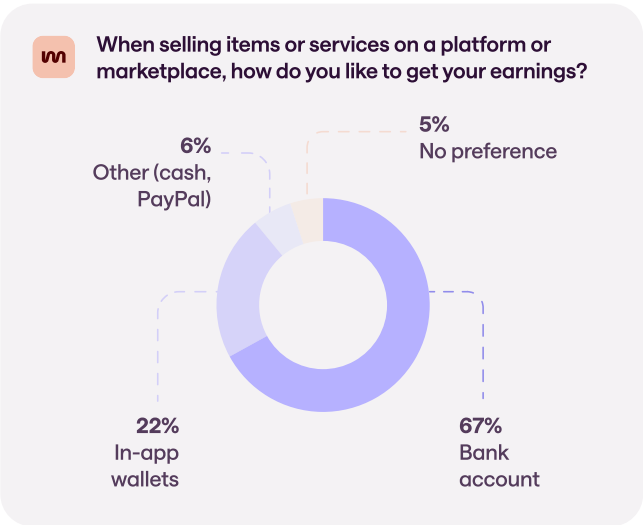
# How users prefer to get their earnings

While **in-app wallets are the second most preferred method for receiving earnings across all markets**, users in **Italy and Spain show even greater openness**, more than in any other market. In these two countries, there is clearly **more growth potential for in-app wallets as a payout solution**.

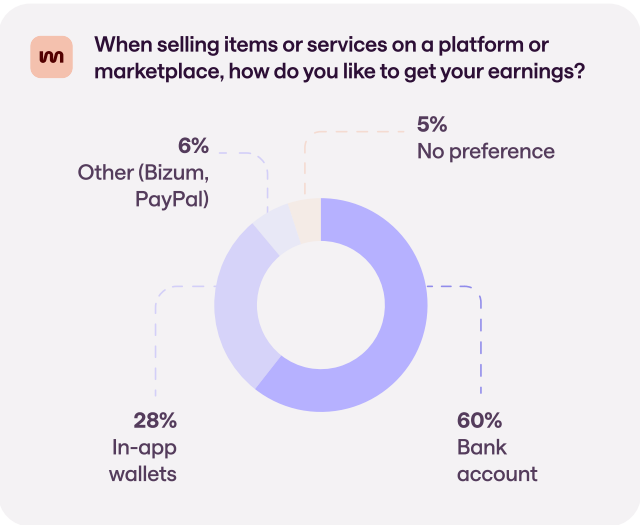
## Germany



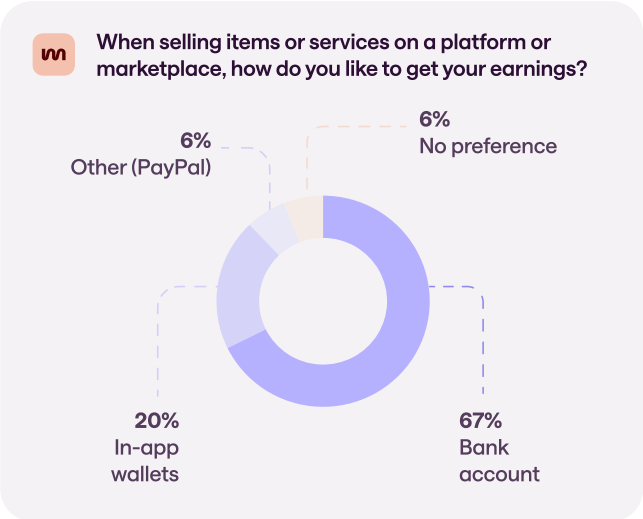
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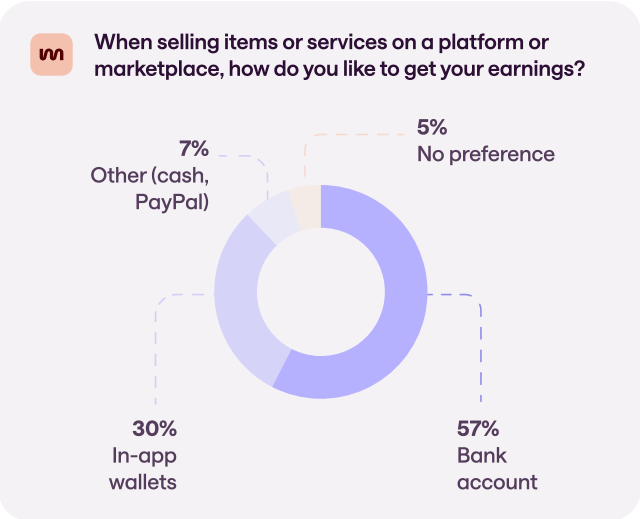
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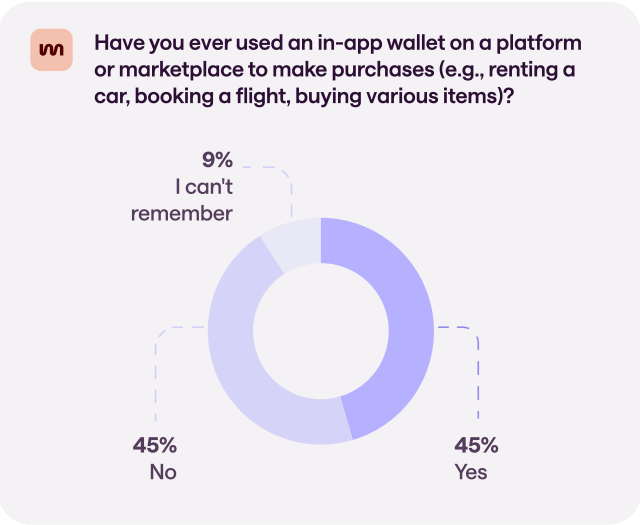
## Italy



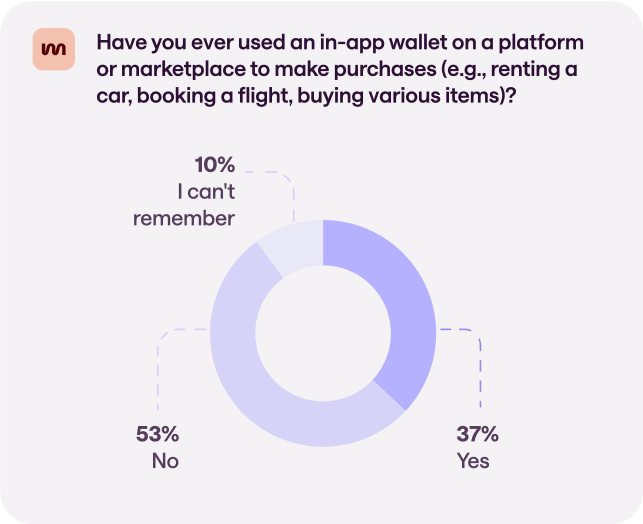
# In-app wallet usage for purchases on platforms

**In-app wallet usage is evenly split in Germany and Italy** between people who do and don't use the function. In both countries, wallet usage rates hover around the mid-40% range, showing a large addressable audience that is already familiar with the wallet's functionality.

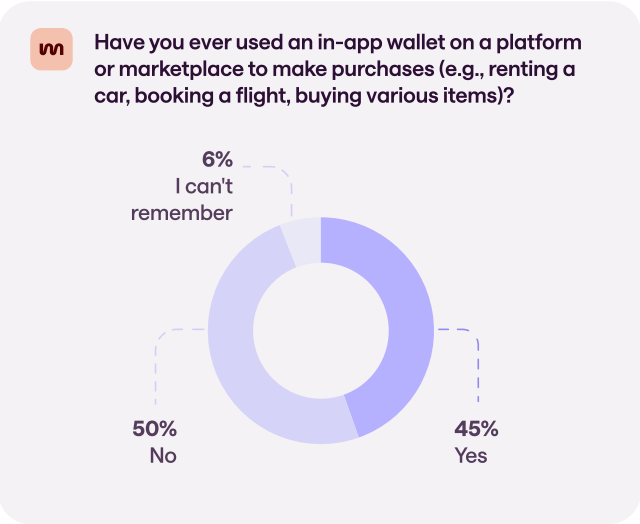
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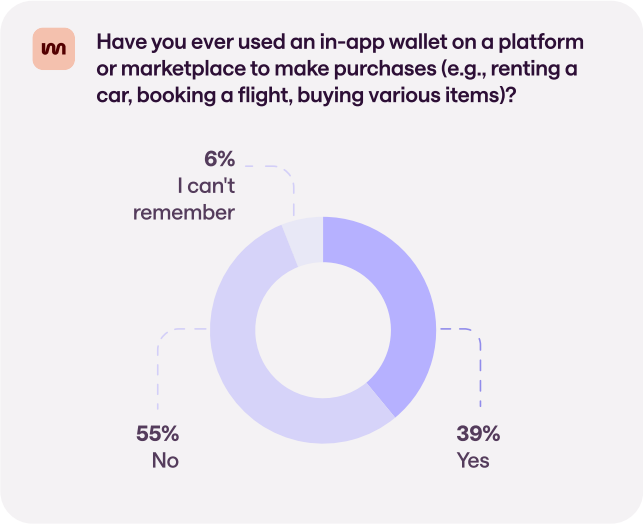
## The UK



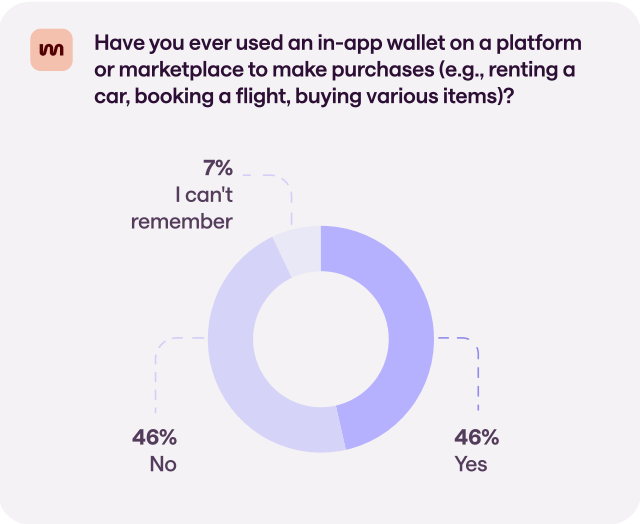
## Spain



## France



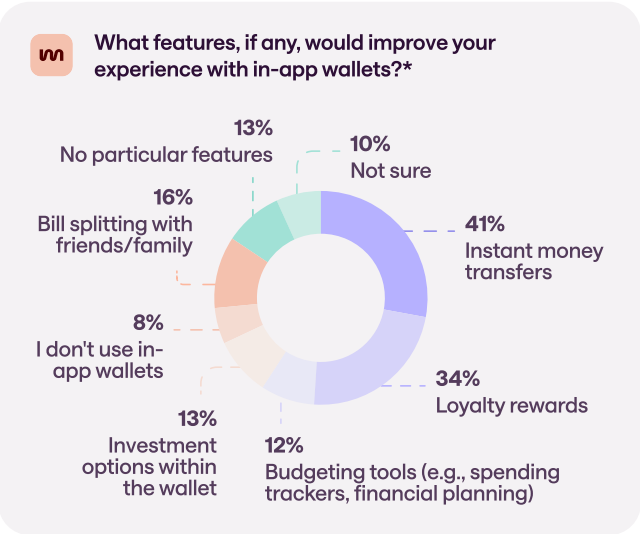
## Italy



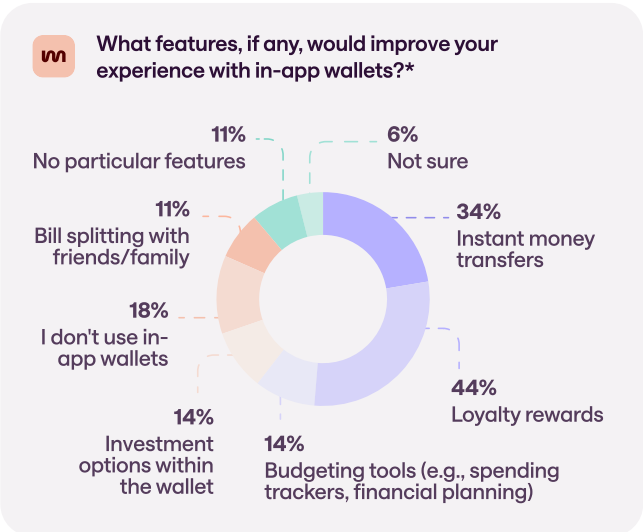
# Desired features for a better in-app wallet experience

Instant money transfers emerge as the most requested feature for improving the in-app wallet experience. However, **in the UK and France, loyalty rewards take the lead**, meaning users are more drawn to rewards that add financial value through repeated use of the wallet.

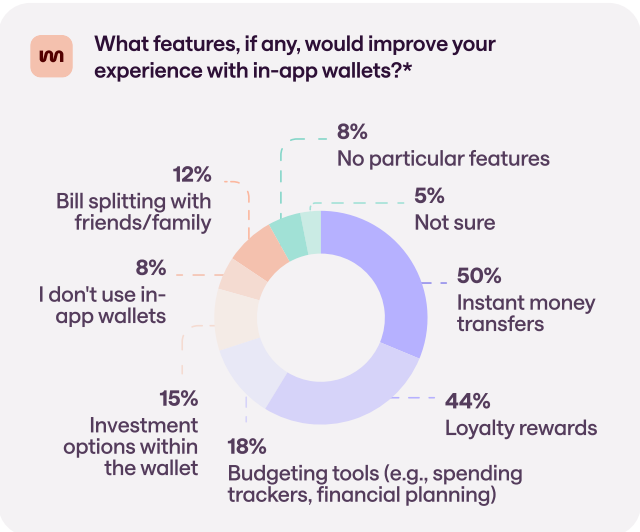
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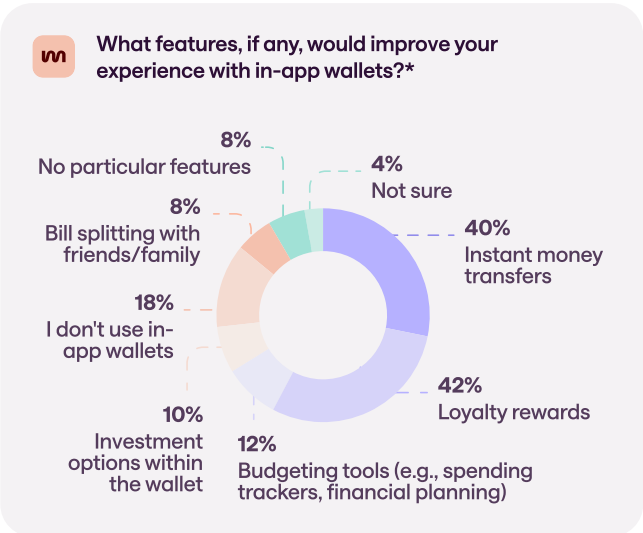
## The UK



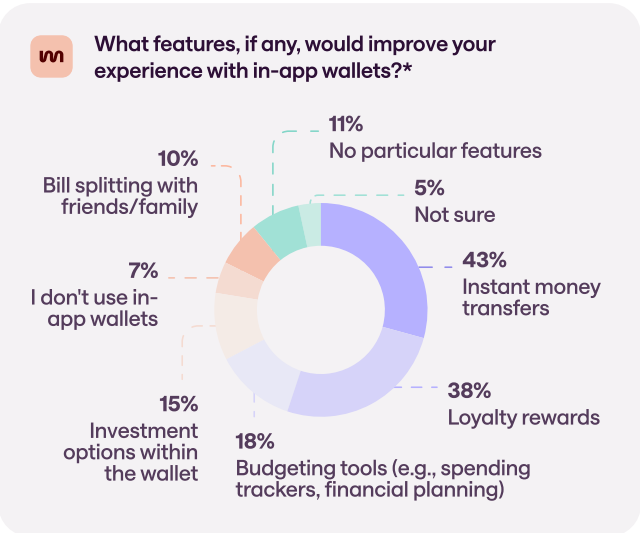
## Spain



## France



## Italy



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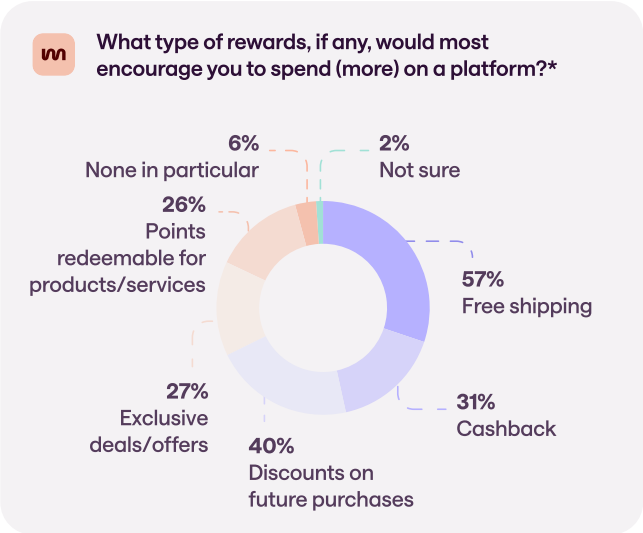
# Top reward types that drive platform spending

While free shipping ranks highest overall, **cashback is the most influential reward in the UK** and nearly overtakes the top spot in Germany. In Spain, free shipping emerges as the strongest driver of platform spending, with a higher preference than in any other market surveyed.

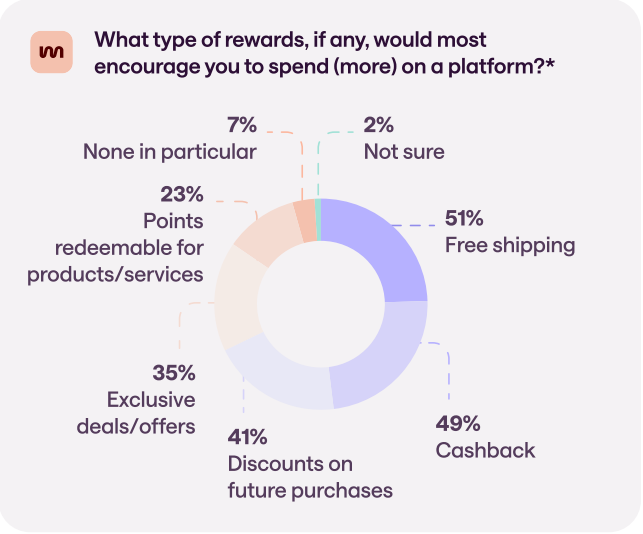
## The UK



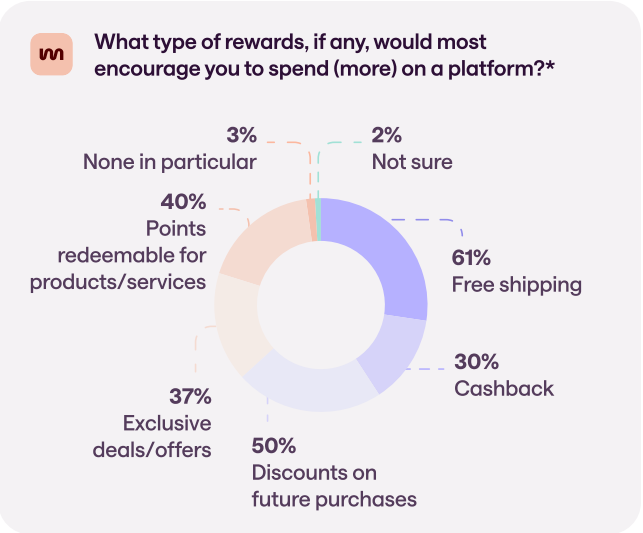
## France



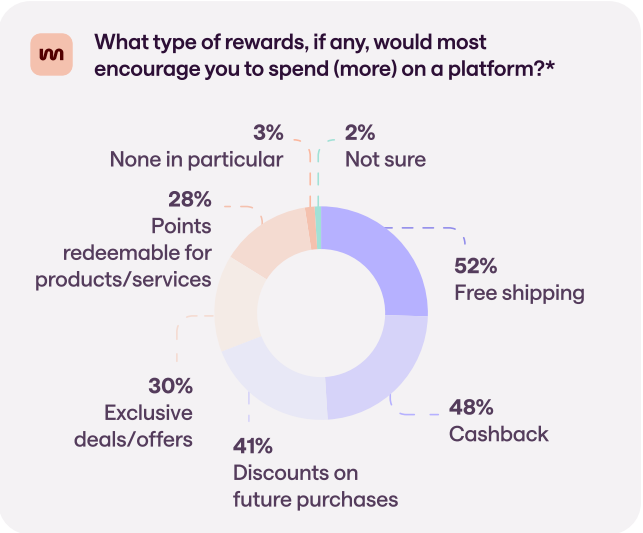
## Germany



## Spain



## Italy



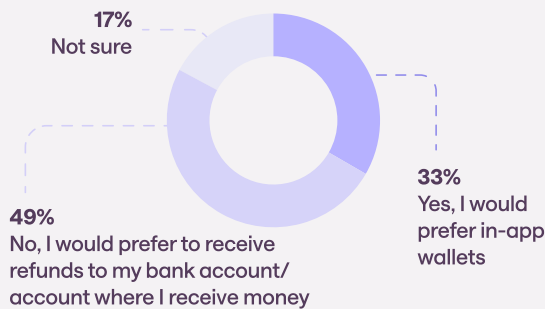
\*Respondents selected all that apply.

## Faster refunds: wallets vs. bank accounts

More users opt for refunds to their bank accounts, which is a predictable and expected result. Yet, what stands out is that **in Spain and Italy, the majority of users prefer receiving faster refunds via in-app wallets**. Users in these countries value speed and convenience more than staying with established financial habits, making them more receptive to modern, platform-based refund solutions.

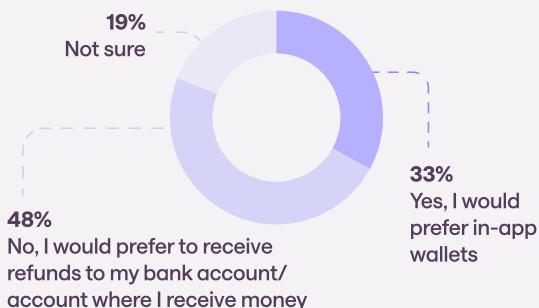
### The UK

**m** If refunds to an in-app wallet were faster than refunds to your bank account / account where you receive money, would you prefer this method?



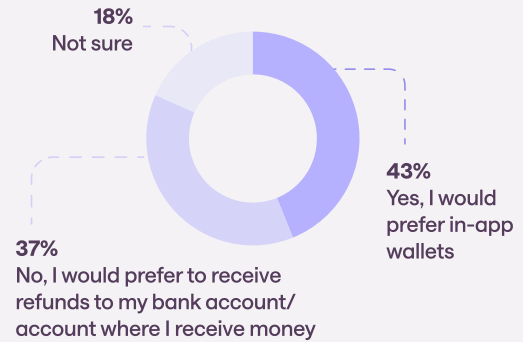
### France

**m** If refunds to an in-app wallet were faster than refunds to your bank account / account where you receive money, would you prefer this method?



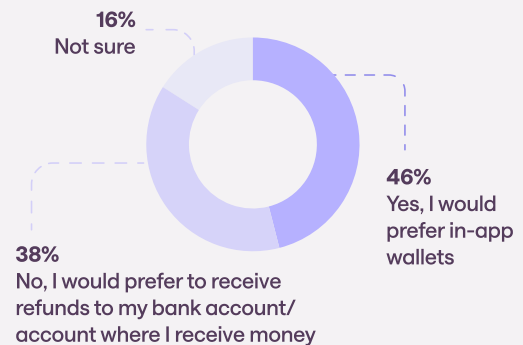
### Germany

**m** If refunds to an in-app wallet were faster than refunds to your bank account / account where you receive money, would you prefer this method?



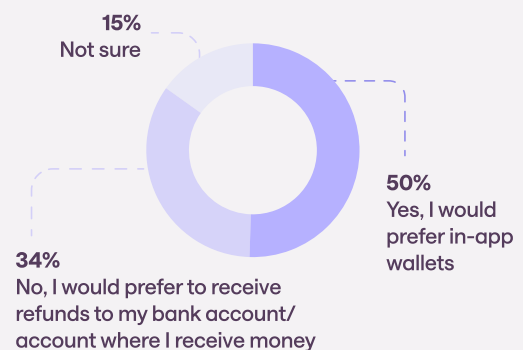
### Spain

**m** If refunds to an in-app wallet were faster than refunds to your bank account / account where you receive money, would you prefer this method?



### Italy

**m** If refunds to an in-app wallet were faster than refunds to your bank account / account where you receive money, would you prefer this method?



# What the data tell us

**1**

**Southern European markets (Italy and Spain)** show the strongest openness to wallets, not just for spending, but also for receiving earnings and refunds.

**3**

**German users still prefer traditional payment methods** like bank transfers, but they are becoming more open to wallets when faster refunds are available.

**2**

**UK users are driven by rewards**, especially cashback, and show strong interest in loyalty features linked to wallets.

**4**

**France shows slower wallet momentum, but high interest in instant payments**, a key feature that could drive future uptake.