

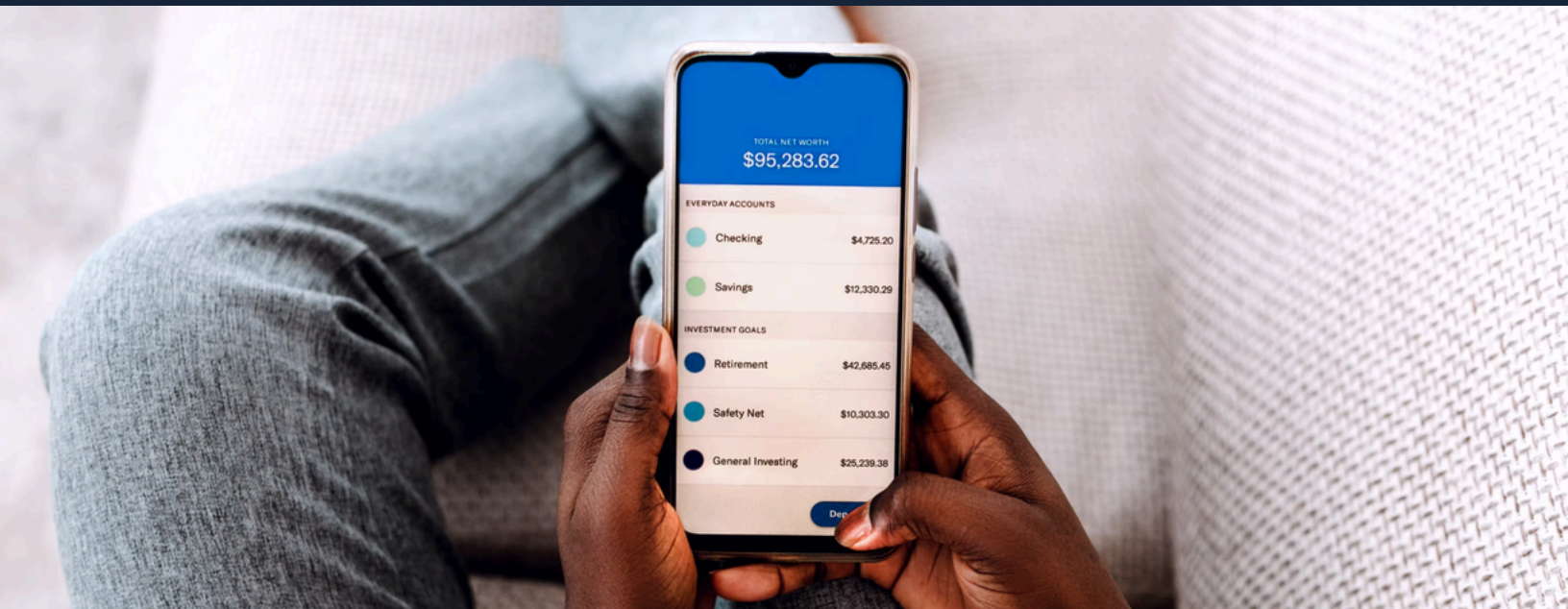


CPPPO

RESEARCH REPORT 2026

Supply Meets Demand:

How Prepaid Technology is Accelerating Canada's Consumer-Led Fintech Economy



What's in the report:

Key findings from CPPPO's consumer research on Canada's prepaid and fintech economy

How prepaid technology underpins digital-first banking, inclusion, and fintech innovation in Canada

What Canadians expect from government payments and the appetite for payments modernization

The CPPPO's role in connecting the prepaid ecosystem and driving policy alignment

Executive Summary

Canada's financial services sector is being reshaped by digital platforms that give consumers and businesses more control over how they move, manage, and grow their money.

Canadians are actively adopting multi-banking habits by mixing traditional banks with digital challengers and fintech solutions. From challenger banks like KOHO and EQ Bank to fintech platforms like Wise or Buy Now, Pay Later (BNPL) providers like Affirm, Canadians are embracing a new mix-and-match approach to managing their money. At the core of this shift is prepaid infrastructure as the connective tissue of modern money movement and the flexible, regulated foundation that enables Canada's fintech ecosystem to scale responsibly while meeting real-time consumer demand.

The CPPO conducted research of 1,000 consumers in Q4 2025, in collaboration with Léger, to capture this pivotal moment in Canadian financial services and uncover the consumer forces driving Canada's \$14 billion prepaid economy.

The findings revealed four key themes:

Multi-banking is mainstream:

Canadians are building digital-first, multi-banking lifestyles, mixing traditional institutions with challenger banks to create financial toolkits that better fit their needs.

Economic pressure is impacting behavior:

Persistent economic uncertainty has people focused on everyday money management, looking to rely less on credit and sidestep unnecessary fees.

Inclusion is reshaping the future:

Younger Canadians and diverse communities, including those historically underserved by traditional banks, are driving the charge for providers that help expand financial access.

Government payments must modernize:

Canadians want government payments to work the same way the rest of their money does, preferring faster, more secure, and more accessible digital options instead of paper cheques.

Economic Uncertainty Has Spurred a Strong Desire for Financial Control

Canada's persistent economic uncertainty has fundamentally reshaped consumer priorities, revealing a desire for financial control. Here's what consumers said about money management and payment method choice:

80%

say better money management tools are essential given economic uncertainty

44%

are actively reducing credit card use for everyday purchases, seeking to avoid high-interest dependency

48%

say they prefer financial apps that help them budget and manage money better.

50%

say economic uncertainty has influenced how they choose payment methods

This research shows rather than relying on credit to bridge expenses, consumers are seeking tools that help them better manage their finances, and are choosing providers and payment methods that support those goals.

Among prepaid users, **45% identify spending limits and budgeting tools as the most helpful features for maintaining financial health.** Consumers aren't just switching providers; they're adopting fundamentally different money management habits. Prepaid and digital solutions directly address these needs by offering lower costs, transparent apps, budgeting features, and the elimination of overdraft fees. In fact, **75% say avoiding banking fees** has become more important over the past year

In an environment where every dollar matters, prepaid platforms provide both psychological security and practical financial benefits. The research shows among prepaid users, **44% of those prefer prepaid cards over credit or debit for online shopping,** with 40% citing convenience and 39% citing spending limit controls as the reason they choose prepaid; 33% citing security as reason for prepaid use.

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Beyond the Big Six, Canadians Have Built Multi-Banked Lifestyles

Consumers want financial providers that align with their lifestyles. The CPPO's new research highlights this shift – revealing how Canadians are rethinking their financial relationships.

Rather than competing for wallet share, the research confirms consumers see multi-banking as building a financial toolkit – using different providers for different needs. It's a natural evolution in a digital age where the line between traditional banks and fintechs is blurring.

47%

of all Canadians use online or challenger banks, **rising to 52% among those 18-64**

41%

practice "multi-banking," maintaining relationships with both traditional and digital providers to meet their needs

42%

cite lower fees and better rates as the primary driver for switching

29%

value superior mobile experiences, viewing app quality as a core decision factor

These behaviors show why prepaid is gaining ground. There is strong demand for flexible, low-cost, and seamless digital payment experiences. Prepaid infrastructure aligns well with that need. As consumers adopt multi-banking behaviors and digital-first solutions, they're often using payment options built on prepaid rails.

Building on CPPO's 2023 research, this study confirms strong momentum for prepaid solutions, with 96% satisfaction and 27% of Canadians opening new prepaid accounts—outpacing debit (21%) and credit (14%)—reflecting growing demand for flexible, secure, and cost-effective payment options.



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