

2026

Unlocking Canada's digital prosperity

How confidence among Canadian consumers and businesses can turn strong digital access into participation and long-term economic growth.



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Key findings

01

Canada has strong digital foundations.

Interac research finds that nine in 10 consumers have reliable internet when they need it and use a smartphone every day. Among businesses, 81% have the digital tools and payment options that suit them.

02

Access to tools alone is not digital prosperity.

Digital prosperity is the ability of people and businesses to take full part in the digital economy, to use digital tools with confidence and skill, and to be better off for it. In the Digital Prosperity Index, Canada scores 58 out of 100 and ranks 13th of 14 economies.

03

Confidence is Canada's weakest link.

Canada ranks last on confidence and 12th on capability. Closing those gaps is the clearest opportunity to turn strong access into deeper participation and stronger outcomes.

04

Fraud fears are holding adoption back.

Sixty-four per cent of consumers say fraud or scams are a barrier to using digital services, and 41% avoid some services altogether. Among businesses, 43% had a fraud or cybersecurity incident in the past year.

05

Canadians want digital prosperity grounded in sovereignty.

Ninety-three per cent of consumers and 91% of businesses say digital prosperity should include Canada having control over its own digital systems.



Where Canada stands

Canada has a lot going for it: natural resources, strong institutions, deep talent, high educational levels, an entrepreneurial culture and growing demand for technology built and run in Canada.

Yet the country's productivity keeps lagging. According to the **Organisation for Economic Co-operation and Development (OECD)**, Canada produces about \$74.70 USD of output per hour worked, compared with \$97.00 in the United States. That gap has widened for much of the past decade.

The issue is not that Canada lacks digital foundations. Most Canadians can get online, most businesses have the tools they need for day-to-day operations, and digital services are already embedded in how people bank, pay, shop and work. The question is whether those foundations are translating into digital prosperity.

Digital prosperity is what happens when Canadian consumers and businesses can confidently take part in the digital economy, using digital tools to improve their lives, strengthen their organizations and contribute to growth.

Canadians see digital prosperity as both important and achievable: 88% of consumers and 87% of businesses say it is important for Canada's future, and 89% of each say it is achievable in Canada. They also see a sovereignty dimension: 93% of consumers and 91% of businesses say digital prosperity should include Canada having control over its digital systems.

The economic opportunity is substantial. The **Business Development Bank of Canada (BDC)** estimates that Canada could add 14% to GDP, or

What digital prosperity means day to day

In practice, digital prosperity could look like a small business getting paid without chasing an invoice, with the money in its account the same day, and a consumer paying, transferring money and shopping online without worrying about fraud.

about \$350 billion, if every small and medium-sized business used digital technology the way some of the most advanced businesses already do. But that opportunity depends on more than access. It depends on whether people and businesses have the confidence and capability to use digital systems more fully.

To understand where Canada stands, Interac developed the Digital Prosperity Index in partnership with Léger. The Index is a composite score that benchmarks Canada against 13 other economies. Alongside it, new research with Canadian consumers and business decision makers shows what those scores look like in people's own lives and businesses.

Index results appear as scores out of 100. Survey results appear as percentages of the people who answered.



INTRODUCTION: WHERE CANADA STANDS

The Index measures five mutually reinforcing conditions of digital prosperity. Access comes first, because little else is possible without it. Capability is what allows people and businesses to turn access into effective use. Confidence and Participation move together: people are more likely to use systems they trust, and repeated use can strengthen trust when the experience is safe and reliable. Outcomes are the economic value those conditions help produce. Each of the five pillars carries equal weight in the overall score.

Five pillars of digital prosperity





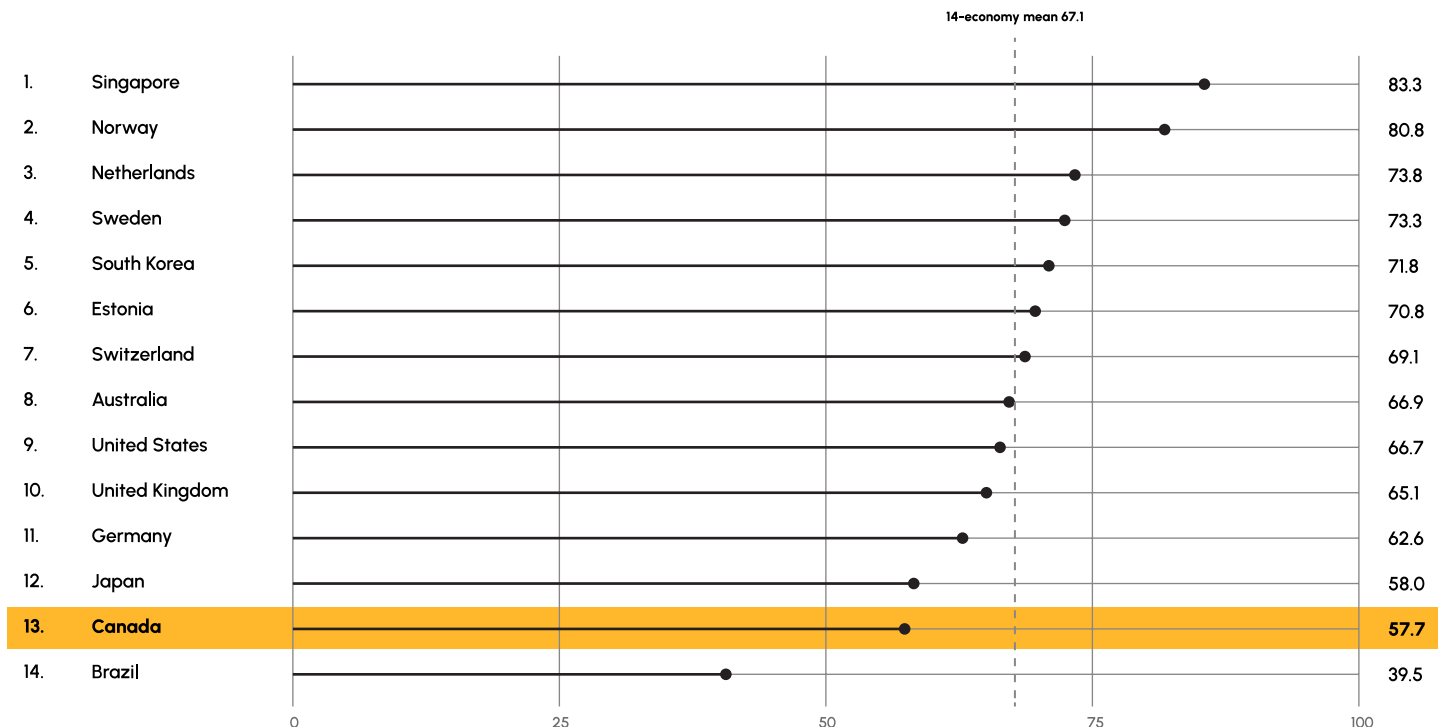
Canada on the world stage

Canada scores 58 out of 100 on the Digital Prosperity Index, ranking 13th of the 14 economies measured. The average score across the other 13 economies is 68. Canada trails the United States by nine points, South Korea by 14 and Singapore by 26.

That result is not a story of digital absence. Canada has broad access, high everyday use and a strong base of digital services. The gap is in how effectively those foundations translate into deeper capability, higher confidence and fuller participation. Compared with leading digital economies, Canada starts from a similar place, but it is not yet converting its digital foundation into prosperity at the same rate.

The comparison group includes structural and regulatory peers including Australia, the United Kingdom and the United States; leading digital performers including Estonia, Germany, Japan, the Netherlands, Norway, Singapore, South Korea, Sweden and Switzerland; and Brazil, a payments innovation leader outside the advanced-economy group. The Index draws on published data from the OECD, World Bank, International Telecommunication Union and other recognized sources. A score of 100 means an economy matches the best performer in the group on every indicator.

Digital Prosperity Index scores by country

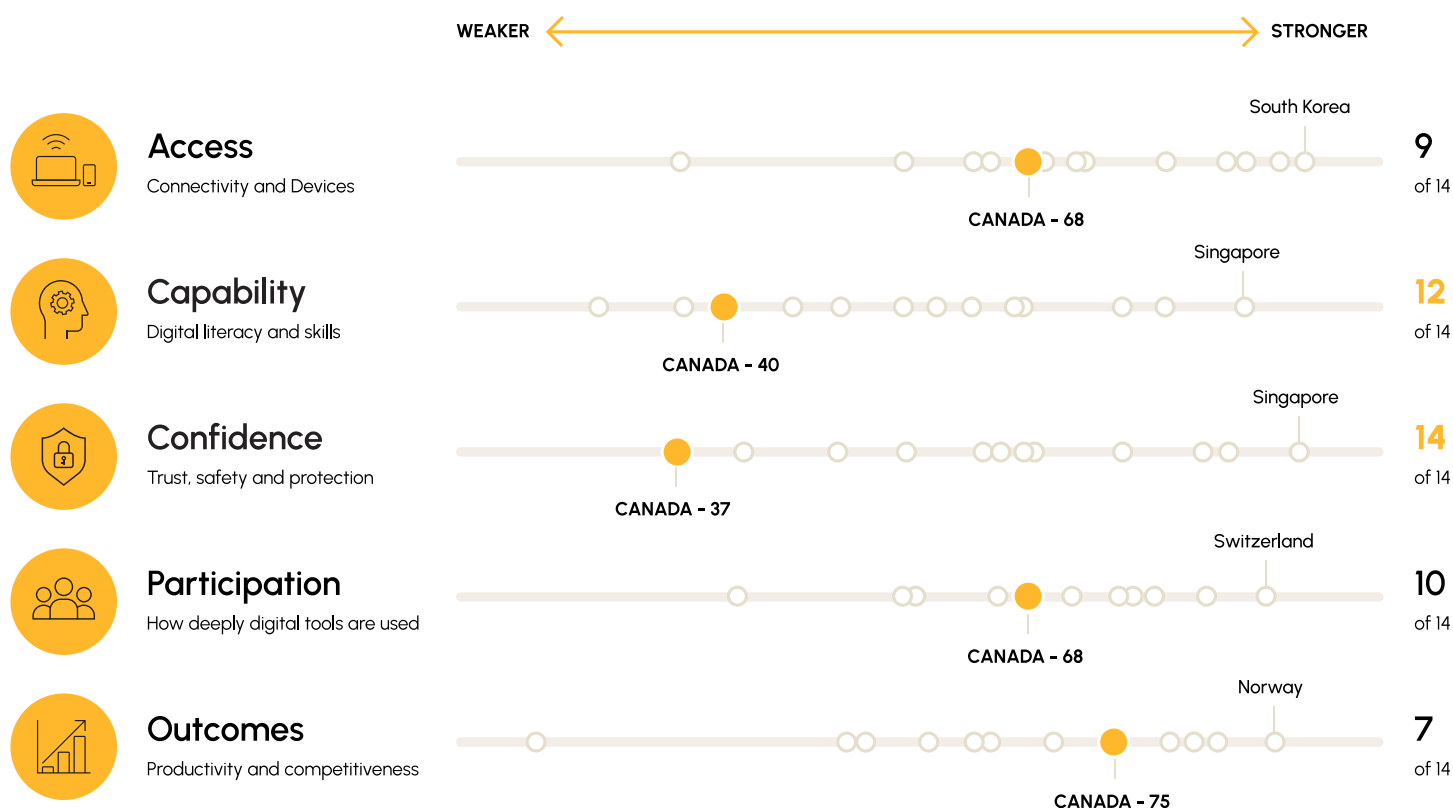




CANADA ON THE WORLD STAGE

The pillar results show that Canada is a country with a strong base but an uneven path to growth. Canada's best result is outcomes, reflecting the value already produced by its digital economy. Its weakest result is confidence, where it ranks last. Access and participation are broadly comparable with peers, while capability lags. Together, the results suggest that Canada's challenge is not getting people and businesses into the digital economy, but helping them move through it with the skills and trust needed to capture more value.

Canada's Pillar Scores and Rankings



01. ACCESS



The ability to enter the digital economy through connectivity, digital devices, financial access and basic online service readiness.

Canada scores 68 and ranks ninth of 14. In a peer group where most economies are already highly connected, that result says less about a basic access deficit than about the strength of the comparison set. Canada's foundations are strong: 91% of consumers have reliable internet when they need it, 90% use a smartphone every day, 92% checked or managed their finances online in the past month and 91% paid a bill online. Among businesses, 81% have payment options that suit them. Access, then, is not the constraint; the question is whether that access is moving people and businesses into more advanced forms of use.



02. CAPABILITY



Refers to the skills and knowledge needed to use digital tools effectively, measured through educational attainment, adult digital skills, AI adoption and human capital. **Canada scores 40 and ranks twelfth of 14**, about six points behind the United States. The result points to an uneven skills base rather than a simple lack of digital ability. Most Canadians are comfortable with familiar tools: 84% feel comfortable using digital tools and 83% say they can easily learn new ones. But capability is also about moving from routine use to more advanced participation. That is where the gap shows: among Canadians 55 and older, only 59% feel self-assured enough in their digital skills to help someone else, compared with 73% of consumers overall.

04. PARTICIPATION



Refers to the observable use of digital systems for payments, commerce, services and everyday transactions. **Canada ranks tenth of 14**, suggesting that Canadians participate in the digital economy at levels broadly comparable with their peers. The significance is that they do so while trusting digital systems less than any other economy in the group. Participation therefore reveals both strength and fragility. Digital systems are convenient, embedded and often necessary, so Canadians keep using them. The question is whether participation can deepen when trust remains weak.

03. CONFIDENCE



Refers to the security of digital systems and public trust in them, measured through scam exposure, national cybersecurity readiness and trust in AI. **Canada scores 37 and ranks last of all 14 economies**, with a reported scam-encounter rate tied for the highest in the group. That matters because confidence is what allows access and capability to translate into wider use. Nearly two-thirds of consumers say fraud or scams are a barrier to using digital tools or services, and more than half of businesses say fraud and cybersecurity concerns hold them back from using digital services more often. AI deepens the concern: 86% of consumers are worried it can be used to deceive people, and only 36% believe its benefits outweigh its risks. Canada's confidence gap is therefore not a narrow cybersecurity issue; it is a broader trust problem that limits how far consumers and businesses are willing to go.

05. OUTCOMES



Refers to the economic outcomes associated with digital participation, measured through labour productivity and digital competitiveness. **Canada scores 75 and ranks seventh of 14**, its strongest result across the five pillars. That score reflects the value Canada has already accumulated through earlier rounds of digital adoption: productive firms, capable institutions and a competitive digital base. But outcomes are partly a lagging measure. They show what the system has produced to date, not whether it is ready for what comes next. Sustaining and improving Canada's position will depend on the pillars that feed future performance – especially capability and confidence, where Canada ranks low.



Understanding Canada's digital confidence gap

Canada's confidence gap is pushing people back toward what they already know. Forty-two per cent of consumers say scam activity has made them rely more on the digital services they already use, while 22% have gone back to doing things in person, by phone or on paper. Businesses face a parallel effect: when fraud and cybersecurity risks feel too high, they are less likely to invest in tools that could increase revenue, reach new customers or improve decisions.

Each of those choices carries a cost, whether it is a payment that takes longer, a service left unused or a tool a business decides not to adopt. Closing the confidence gap is therefore not only a matter of reducing risk. It is how Canada gets fuller value from the digital access it has already built, and how it puts that foundation to work in a more competitive digital economy.

Canadians feel reasonably confident about the digital tools they have used for years, and 68% are confident in the security of digital payment systems. But that confidence thins out quickly when the services feel newer, less familiar or harder to judge. Sixty-two per cent still say non-digital services are more trustworthy than online ones.

That caution is not always misplaced. More than half of consumers (58%) have been personally targeted by a phone or text scam in the past 12 months or know someone who was. The Canadian Anti-Fraud Centre received more than 112,000 fraud reports in 2025, with reported losses above \$704 million, the highest on record. The Centre estimates only 5% to 10% of fraud is ever reported.

Not long ago, the digital divide was mostly about access. Now that smartphones and connectivity reach almost everyone, a different divide is opening up: not whether people can get online, but how confidently they can act once they are there. It shows up in three ways:

- **Discomfort.** Lower-income Canadians are significantly less comfortable using digital tools. Nearly half of Canadians earning under \$60,000 a year (47%) say they seldom feel comfortable using them, compared with 28% of those earning over \$100,000. Fifty-three per cent of lower-income Canadians find digital services confusing or difficult, compared with 36% of higher earners.
- **Hesitation.** Sixty-eight per cent of consumers say worries about fraud or security make them hesitate to use digital options, and 96% say feeling protected from fraud matters to how they use digital tools.
- **Avoidance.** Forty-one per cent avoid certain types of digital services because of scams, and 42% rely more on the services they already know. Age compounds the pattern: 71% of Canadians aged 55 and older call fraud a barrier to using digital tools, compared with 58% of those aged 18 to 34.

Those choices are the cost of the confidence gap. They reduce the return Canada gets from its digital infrastructure and fall hardest on the people and businesses least able to absorb them.



The confidence gap is not the same everywhere

Quebec consumers report the highest confidence in the country, with 76% saying digital payment systems are secure, compared with 64% in British Columbia and 61% in Saskatchewan and Manitoba. They are also targeted less often: 22% of Quebec consumers were personally targeted by a phone or text scam in the past 12 months, compared with 46% in Alberta.

The reverse holds in Saskatchewan and Manitoba, where 79% of consumers say fraud or security concerns make them hesitate to use digital options, the highest share in the country. In Quebec, that number is 58%. Scam activity has pushed 32% of Alberta consumers back to doing things in person, by phone or on paper, compared with 15% in Quebec.



The business perspective

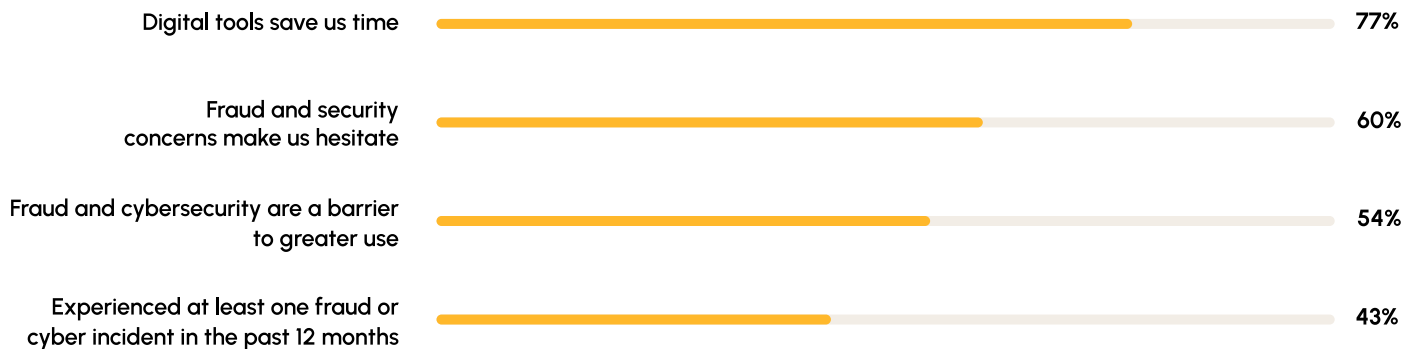
Businesses understand digital prosperity in economic terms. Nine in 10 say it should deliver greater productivity and support Canada's economy. Most already have what they need to get there, and it is paying off. 86% have reliable internet, 77% say digital tools save them time and 73% say these tools help them serve customers more efficiently.

Most businesses have adopted the tools they already know. Far fewer have taken on newer tools that could support growth, productivity or trust. 31% of businesses use AI tools or chatbots for work, 27% use digital tools to enable e-commerce and 25% use digital identity verification. 35% say their operations are less digital than they need to be.

Cost is the barrier businesses name most often, but risk is part of what makes digital tools feel expensive. Forty-three per cent had a fraud or cybersecurity incident in the past year, only 66% think their protections are adequate and only 60% would know what to do if something went wrong. A business carrying that risk alone may pay more than the price of the tool itself. And unlike consumers, businesses often cannot opt out of digital systems without falling behind.

Fraud affects adoption and productivity

% of businesses that agree



When businesses are asked what would give them more confidence, the answers are practical: protection, support and know-how. Ninety per cent say protection from fraud, scams or cybersecurity risks matters to how they use digital tools, and 89% want help or support when they need it. With 72% pointing to a lack of knowledge or skills as a barrier, businesses are asking for guidance on choosing and using the right tools, not just access to more tools.



The business divide hits small and micro businesses hardest

Underinvestment in digital tools is most common in the smallest businesses, and these firms are a big part of the economy. According to research published by [Innovation, Science and Economic Development Canada](#), Canada has about 1.1 million employer businesses as of December 2024. 98% were small businesses with fewer than 100 employees, and 59% were micro businesses with one to four employees.

The Interac survey data shows the gap clearly. Just 17% of micro businesses use digital identity verification, compared to 34% of small businesses. Micro businesses are also less likely to use cloud-based software, online marketplaces or AI tools, and less likely to have processes in place to manage security, privacy or user access.

It is not for lack of interest: 65% of micro businesses and 75% of small businesses agree that digital tools give them access to capabilities or services they would not otherwise have. The limits are the ones every business faces, amplified at smaller scales: less money for new technology, more to lose to a scam and fewer people to learn a new system. That leaves the smallest businesses in a bind, because the tools that would help them grow and compete are the ones they can least afford to get wrong. Given their place in Canada's economy, closing that gap is worthy of focus.





CONCLUSION

The gap Canada can close

Canada has broad access and a strong base of everyday digital use. But confidence is where it ranks last of all 14 economies, and that is what holds the country back.

Consumers generally feel capable to use familiar digital tools, but hesitate when trust is weak. Businesses see the value of digital adoption, but cost, fraud risk and limited capacity make newer tools harder to take on.

That burden falls hardest on small and micro businesses, which make up the vast majority of Canadian firms and have the least capacity to absorb the impact when something goes wrong. They stand to gain from digital tools but also face the greatest risk if those tools fail them.

Closing the gap requires different forms of confidence-building. Consumers need fewer scams getting through, clearer signals of safety and simple recourse when something goes wrong. Businesses need protection, support and practical guidance so that adopting new technology does not feel like taking on unmanageable risk.

The goal is a country where people and businesses can spend, get paid and do business digitally without having to second-guess the systems they rely on. For Canadians, that confidence is also tied to sovereignty: the belief that the systems shaping the country's digital economy are secure, trusted and meaningfully under Canadian control.

Canada has built the access. The next task is to build the confidence to use it fully.



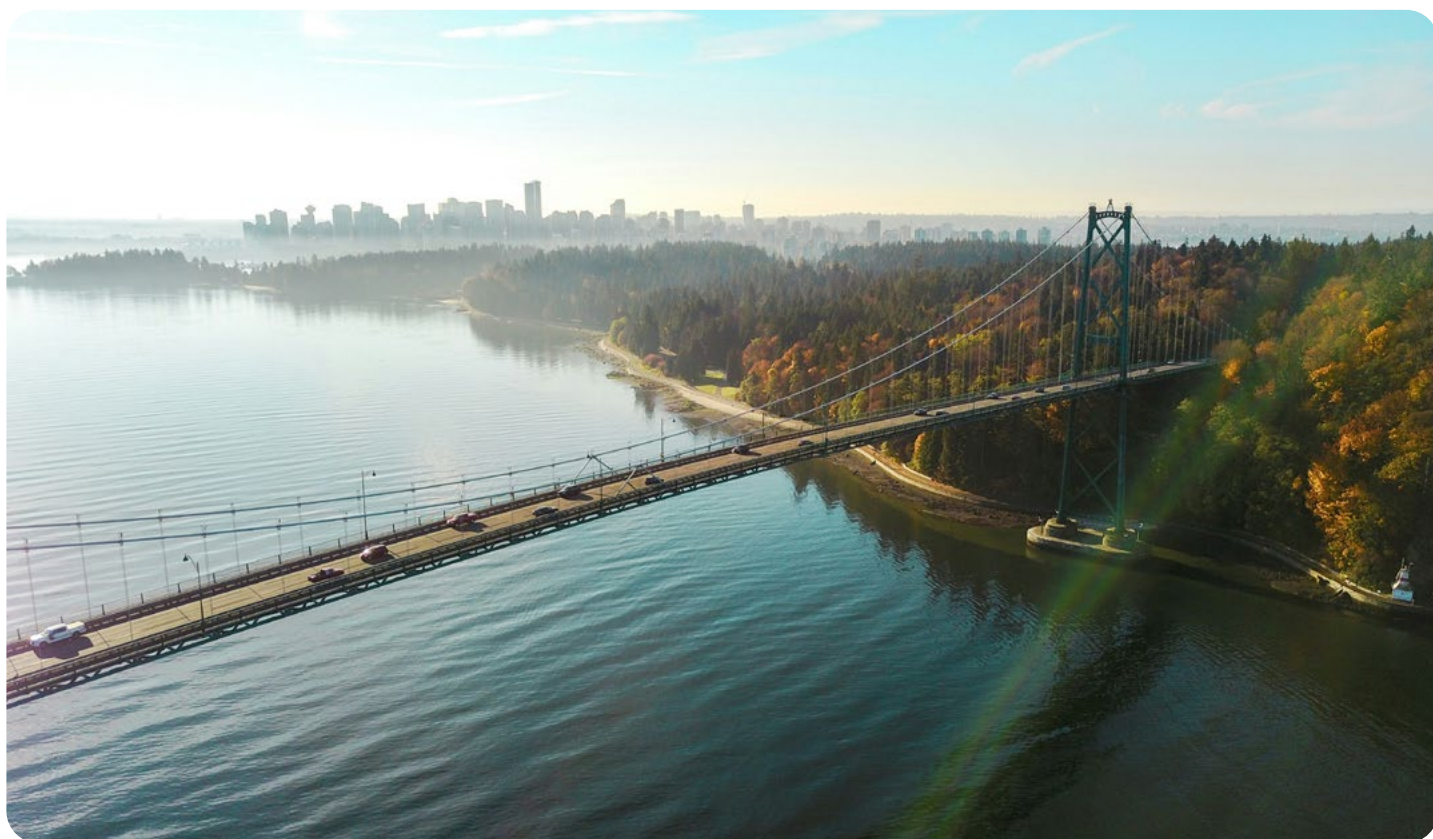


METHODOLOGY

Digital Prosperity Index

The Digital Prosperity Index draws on two sources of evidence. The international benchmark compares Canada with 13 other countries across five pillars – access, capability, confidence, participation and outcomes – using published data from the OECD, the World Bank, the International Telecommunication Union, UNCTAD, IMD and other named sources, with every indicator normalized to a 0 to 100 scale and the five pillars averaged with equal weight.

That benchmark is paired with original public opinion research: two quantitative online surveys conducted by Léger in English and French from March 31 to April 22, 2026, among 2,000 Canadian adults and 756 decision makers at Canadian small and medium-sized businesses, with results weighted to be representative. The full indicator list, sources, years, scoring method and survey details are set out in the detailed methodology, [available here](#).



Léger