



Treasury Committee

Oral evidence: Acceptance of Cash, HC 324

Wednesday 4 December 2024

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Members present: Dame Meg Hillier (Chair); Dame Harriett Baldwin; Rachel Blake; Chris Coghlan; Bobby Dean; Dame Siobhain McDonagh; Lola McEvoy; Dr Jeevun Sandher; Yuan Yang.

Questions 1 - 62

Witnesses

I: Chris Brooks, Head of Policy, Age UK; Deidre Cartwright, Public Affairs and Policy Manager, Surviving Economic Abuse; Wayne Crocker, Director, Mencap Cymru; Conor D'Arcy, Deputy Chief Executive, Money and Mental Health Policy Institute; Ron Delnevo, Chair, Payment Choice Alliance.

Examination of witnesses

Witnesses: Chris Brooks, Deidre Cartwright, Wayne Crocker, Conor D'Arcy and Ron Delnevo.

Q1 **Chair:** Welcome to the Treasury Select Committee on Wednesday 4 December 2024. Today, we are starting the evidence sessions in our inquiry about cash acceptance in the UK. This is an interesting issue for the Committee; during covid we saw the use of cash decrease, but we are increasingly seeing businesses that do not accept cash in other parts of society as well. Today, we are hearing from representatives of users of cash and people who may need to use cash more than others.

I am really delighted to welcome our witnesses. We have Wayne Crocker, who is the director of Mencap Cymru. He is joined by Deidre Cartwright, who is the public affairs and policy manager at Surviving Economic Abuse—we will hear from her shortly why this is a specific issue there. Chris Brooks is the head of policy at Age UK, and Conor D'Arcy is the deputy chief executive of the Money and Mental Health Policy Institute. Finally, we have Ron Delnevo, who is the chair of the Payment Choice Alliance. We have a lot of witnesses. I would say to each of you that, if someone says something you agree with, you can just agree with them; you do not have to repeat it—we will take that as read.



HOUSE OF COMMONS

I wanted to start with a quick opener to all of you. We are going to be making recommendations to Government and others. Do you think that they have a clear understanding of the issues about when cash is not accepted in certain business environments and elsewhere?

Wayne Crocker: That is easy: no. It is not just policymakers; most people do not realise how important access to services and goods using cash is. Certainly in my case, I am someone who taps and goes, and who actually does not think much about cash—until I went to visit somebody who we supported, who told us that they could not buy something with cash. That made me quite curious around whether this was happening across Wales. Most people do not understand the challenges that people face if they do not use cards.

Q2 **Chair:** What more do you think could be done to make people understand?

Wayne Crocker: There are a few things that we need to do. In terms of people with a learning disability, the organisations that support them and their families need to have better information on how they can support them to access services when they do not have access to credit or debit cards. There are real concerns around the fact that lots of statutory agencies that we deal with, especially in Wales, are moving to cashless. Organisations that may be funded through local government or the Welsh Government are moving to refusing cash payments, which makes another barrier for people with a learning disability.

Deidre Cartwright: No, I do not think that they have a full understanding of individuals' needs to access cash, particularly vulnerable individuals. In particular, victims and survivors of economic abuse, and domestic abuse more widely, are dependent on cash for their safety and survival. We know this because victim-survivors' access to a bank account is controlled, and oftentimes access to cash is their only means to access essentials for themselves and their children. It is a means for them to escape an abuser, especially when that abuser can track them through a bank account. It is incredibly important for their safety and survival.

People also do not know how vastly prevalent this is. It is not just a small subset of people who are affected by this. We released findings just last week that showed that 4.1 million women in the UK have experienced a partner or ex-partner controlling their access to money and economic resources. This definitely is not a small issue; many women need access to cash.

Chris Brooks: I agree. I do not think that there is a full understanding of cash access needs. Among older people, it is often quite linked to digital inclusion. There are still a couple of million pensioners who do not use the internet at all, and many more who lack the skills to use it proficiently. Managing your money online is really challenging for a lot of people. It is at the high end of the risk spectrum, and it can be really difficult for



HOUSE OF COMMONS

people to develop the skills to do that. Many people simply are not ever going to develop the skills, no matter how much we try to give them education, training and the opportunity to do it, so cash will remain extremely important for a large number of people.

It is not just linked to age. It is more prevalent among the older age groups, say in the 85-plus age group, but it is also true among younger older people. Indeed, it is true among younger people in our society as well. It is very closely linked to income; that is probably the biggest driver. People on a lower income are often much more dependent on physical banking services and using cash on a day-to-day basis than people on higher incomes. There are other factors that affect it as well.

It is not an issue that is going to go away. Although it is probably more prevalent among the current cohort of older people, we will be equally affected in future generations as well.

Conor D'Arcy: I agree with the previous speakers. From the point of view of people with mental health problems, there have been great strides in recent years in how people understand those problems. There is much more openness and conversation about it, but there is still some work to be done on understanding how mental health problems affect us practically. That is things such as memory, making decisions, staying on top of accounts and budgeting, and all those sorts of things.

When we speak to people with mental health problems, it is often for those very reasons that they rely on cash. It is easier to make sure that you do not overspend. For some conditions, that is really important; particularly for people with bipolar, say, overspending is a big risk. We have heard some really sad stories of how people have gone from having a decent pot of savings or being in a good financial position to spending huge amounts of money in a very short time. While cash is not the solution for every single problem—it is not that every single person with a mental health problem relies on cash—for some people it can be a really useful tool to help them stay in control.

Ron Delnevo: I agree with the other speakers. When we were putting our submission to this Committee together, we were asked to look at special groups that might be impacted. To be honest, I had to call a halt to that because there were so many groups impacted by this. When you add all those groups together, it explains some of the statistics that we are getting in a more general way.

LINK, the ATM scheme, for the first time, as far as an official body was concerned, asked the question of the public recently, "Do you want to continue to use cash?" It had always been focused on need. Eighty-one per cent said that they wanted to have the option to continue to use cash. When the Payment Choice Alliance surveyed through YouGov last year, 71% of adults said they wanted a law put in place to compel businesses to accept their cash. This is not a fringe issue, although there



HOUSE OF COMMONS

are many groups that need special consideration. This is the general will of the British public, and I do not think that that is fully understood.

Q3 Chair: Could you tell the Committee whether there were particular areas that people wanted to use cash for, if you can unpack that 81%?

Ron Delnevo: There are public services. We are getting into a terrible situation now where hundreds of leisure centres round the country, which are owned by local authorities but operated by, ironically, two charities, are cashless. I have actually complained to the Charity Commission about this, but that is just one example. We have transport, where you cannot buy anything on most trains to eat now because they have gone cashless. There was a move towards station car parks going cashless, but I think the Government may have halted that. There are also all of these facilities, including the car parking around the country at public facilities. Universities and football clubs are going cashless.

Q4 Chair: These people raised a lot of different areas where they wanted to use cash.

Ron Delnevo: It is massive, yes, and all round the country. It is stronger in London and the south-east, but it is becoming a real problem around the country.

Q5 Chair: It is interesting to see the evidence of the surveys that have happened about the regional disparities, which we will come to. I want to turn to you, Mr Crocker, to talk about people with learning disabilities. It would be helpful if the Committee and anyone tuning in could understand why people with learning disabilities may relate differently to cash, compared with digital payments, and why one might be more useful than, or different from, the other.

Wayne Crocker: I guess there are two main reasons. First, there will be a significant number of people with learning disabilities who are under financial appointees, so they do not actually control their own money. Those financial appointees might give them access to their cash via an ATM card, so they do not have access to a credit or debit card either, because of their capacity or because they have been victims of financial abuse. They are given a cashpoint and they can take out a small amount of money every few days.

There will also be people with learning disabilities who, even if they have a credit or debit card, do not know how to use that. We gave evidence to the Petitions Committee in the Senedd about a year ago now, as it was doing its inquiry. One parent talked about the fact that she has two sons, both of whom have a learning disability. She said that one of them will fight you to the ground if you try to take £20 off him, but that you could ask him for his card and he will give you his card and PIN, because it means nothing to him. Physical cash is very important to him; he understands the value of physical cash. We are also finding that the support workers of people in supported living are not—rightly so—able to



HOUSE OF COMMONS

use their own debit or credit cards to pay for things if people go into venues that are cashless.

The point about the universities is really important. Lots of universities are places where people with learning disabilities will go and access activities, whether that is a theatre—lots of universities have theatres attached to them—or conference facilities. There are a number of universities in Wales where theatre groups specifically for people with a learning disability are based, and those venues do not accept cash. You have people going there for the whole day and not able to buy anything, because they do not have a credit or debit card; they only have cash and cannot purchase anything.

Q6 Chair: We have had some quite interesting evidence about the impact on people. There was one case where somebody turned up to pay, was told they could not pay with a card and the police had to be called.

Wayne Crocker: He had a meltdown. He has been buying the same magazine from this shop for many years, and then the shop had moved to cashless. He had not understood this and tried to pay. They said they could not accept it, and then he had a meltdown and was removed by the police.

If you are in a high street, some of the cafés may decide not to accept cash, so you have a choice there, but there are lots of venues where you do not. Often a theatre will be the only theatre in a town. If it decides to move to cashless, you do not have a choice to go somewhere else. You do not have a choice to go to a theatre two doors down the street to use that theatre, which you can do with certain places, such as cafés. That is our real concern: people with a learning disability are being excluded from the sorts of places that they go to feel part of their communities.

Q7 Chair: The written evidence was very helpful in this respect. Is there anything that you think businesses could do to make life easier for people with learning difficulties, other than accepting cash. Could they advertise differently, perhaps?

Wayne Crocker: We need to look to a system where maybe there is some sort of sign on the door so people know that they can pay cash if they go in. You also need local campaigning.

Q8 Chair: Not everyone with a learning disability would be able to read or understand that sign.

Wayne Crocker: People can be taught about that. Depending on what level of impairment you have, you will have support staff with you. The problem is that support staff could go to a shop with you, but they are not allowed to use their own card. If you go into a shop and that shop is cashless, that person cannot buy anything or purchase any services. People can be supported to understand, "This venue will accept cash." The real challenge for me, though, is that there are organisations receiving Government funding, whether that is through the local authority



or the Welsh Government for us in Wales, that are being allowed to exclude people by not accepting cash.

Q9 **Lola McEvoy:** Thank you very much for your evidence so far. My question is moving slightly on to older people, so it is for Mr Brooks. I personally think that the use of cash is very important culturally to the older generation. It is about a big level of control at a time when illness or increasing disability might lead to isolation. Many older people are really scared of the online scams that are out there at the moment. Could you outline what challenges older people are facing with access to cash, but also with cash acceptance in general?

Chris Brooks: You have highlighted some very valid points there. What you said rings true. It is very difficult for a lot of people to move online and to online ways of paying for goods, so they will be reliant on cash. There is a significant challenge with scams; it is the biggest reason why people are fearful of going online, for sure. It is very difficult to help people overcome that. The introduction of the code around APP scams is helpful, although it is a shame that it has been watered down a bit at the last minute. A lot of the time, it is about confidence; the enabling factor is that people have some support to help them. But they can still be very reluctant to do it, so it can be very difficult to break down that cycle.

If it is about building confidence, we need to make sure that people are operating in a totally secure environment. At the moment, that is just not the case. There has been a lack of attention given to that by industry and the Government, partly driven by the first question, about the lack of understanding among policymakers. It is very difficult to put yourself in someone's shoes when they are in that position. Many people know someone who has been scammed, so they feel the fear very keenly. Many people have been scammed themselves, and of course older people are often targeted as well. That certainly is very difficult.

You are also right about the cultural factors. It is quite clear that the cohorts of older people at the moment, particularly the oldest old—so the 80 to 85-plus—have grown up in a world where they have used cash all the time for everything, and it is very difficult to change. People simply trust cash, so it is a matter of trust. It is difficult to draw a precise distinction, but perhaps, if I can speculate a bit, there is a line between people who use technology and computers a lot in their working lives, who are maybe a bit more familiar with computers. That is not a binary divide between pensioners and non-pensioners, by any means. There are still lots of people in their 50s, or even younger, who do not really use IT and would struggle with that kind of thing. So it is not an issue that is going to go away.

You are right that there are a lot of older people who struggle with online payments, and so are very reliant on cash. When they cannot pay with cash, it hits them very keenly. It is very difficult for people if you have been going to a shop for many years and suddenly find you are no longer able to pay with the means that you want to pay with, particularly when



HOUSE OF COMMONS

it comes to essential goods and services, which is where I get very concerned.

There is potentially a distinction here between people selling maybe higher-end, more expensive goods and people selling essential goods and services—so the things that people absolutely rely on to survive on a day-to-day basis. That is when there is a real problem, and that is what particularly needs addressing. We need to make sure that the decline in cash acceptance is arrested and that people can go about their day-to-day lives and do the things that they need to do—which probably predominantly means things such as purchasing groceries or clothing, but also leisure activities—so that they can get out and about and take part in life as they wish in their communities. Otherwise, we are going to have a very real problem, which is why this is a very timely inquiry for the Committee to be looking at.

Q10 **Lola McEvoy:** To follow up on that point, you talked about essential goods and services. Darlington, my constituency, is a proud market town, and I am really interested in the cash element to market culture. A lot of people would go down with a £10 note and be very keen to then get all of their groceries. They might know their grocer. They might haggle a bit. They might negotiate a bit. It is quite culturally important. It is also an activity and something social for people to do. Do you think the removal of cash from our high streets is going to contribute to the isolation problem that older people face?

Chris Brooks: It could contribute to it, yes, all other things being equal. There have been developments in recent years in terms of other payment systems as well, so the cost for market traders of having a little contactless touchpoint thing has come down. It is not that cash is necessarily the be-all and end-all in that respect in regards to loneliness and isolation, but it is certainly a significant factor. When you combine it with the trust and long-term usage, it could create some difficulties for a substantial number of people.

Q11 **Rachel Blake:** You started to talk a bit about possible practical solutions to this and you started making the distinction between essential services and other services. I am interested in this topic, and the Committee is interested in putting forward practical solutions in our recommendations. There is clearly a challenge in terms of who decides what is essential. How might a Government regulate for what is and is not essential? Can you elaborate a bit more on your thinking about how you might draw some of those distinctions?

Chris Brooks: It is a good question. At some point, someone has to define what “essential” means, as you say. It is not necessarily an easy thing to do. I would define it broadly as being something that has a significant impact on someone’s day-to-day life, which can include goods. I was thinking particularly of groceries and clothing—there are probably other goods that I am omitting—and services, so enabling people to get out and about. Transport would be a key service. There are leisure



HOUSE OF COMMONS

activities, potentially leisure centres, and other things that are provided by the public sector. That would be a good starting point, but I could imagine that there would be quite a lot of debate in formulating exactly what that looks like.

Q12 Rachel Blake: It is probably something we would like to come on to with other witnesses, because you could create some quite challenging environments for people to have to accept.

I wanted to come back to you a bit on the scams. You referred to the APP changes, saying that they were a bit watered down. Was that the movement from the £415,000 to the £85,000, or was it something else you were making reference to? I was interested in what you were saying.

Chris Brooks: That was what I was alluding to, yes. The flaw with the system, potentially, is probably more at the other end though. It is the £100 excess, which cuts out about 33% of fraud in the first place. That is of concern. I hope that, as it is embedded, the regulators will continue to look at it and make changes as necessary.

Q13 Rachel Blake: Is there evidence that you could share with us about the impact of the £100 excess on older people? I am sure we would be interested to see it.

Chris Brooks: I can have a look and see what I have.

Q14 Dame Harriett Baldwin: I wanted to probe Chris Brooks's evidence a little more. In fact, you have all been really compelling about the types of people who will be excluded if they cannot use cash. Specifically on the age distinction that you shared with us just now, I can understand the situation with older people who have not necessarily been brought up in a cashless society, but children today are very much being brought up in cashless situations. I wondered how you justify the claim that you made that this will continue for generation after generation. Is this not something that will begin to seem archaic over time? A lot of kids will never have seen anyone in their family use anything other than tapping.

Ron Delnevo: Over 50% of pocket money is still paid in cash in this country. Those kids know what cash is, and 17% of gen Z still prefer to use cash. There are obviously a lot more mature—older, if you like—people who prefer cash, but it is across generations. Sixteen million people budget using cash, and that is across generations.

Q15 Dame Harriett Baldwin: That is really interesting. Would you concur with that evidence?

Chris Brooks: Yes. If you look at the polling, there are still a number of people in younger age groups who are reliant on cash. It is a smaller number, for sure, than, say, the current cohort of older people, but it is still there. In terms of access to banking and digital services, four factors come out as being statistically significant, based on our research. One is your age, so the older you are, the more likely you are to want to use physical banking services. It is about whether you live with other people



or not; people who live alone are more reliant on physical banking. It is also about gender, so women are more reliant. Low income is probably the most important one here; it is very closely correlated with income—that is probably the overriding thread between different generations, more than the others.

Q16 Bobby Dean: Deidre Cartwright, I was quite struck by what you said at the beginning about 4.1 million people potentially being affected by having their access to money restricted by their partners. To begin with, for the record, could you explain what economic abuse is, how widespread it is in this country, if any particular groups are affected and what role cash plays in economic abuse?

Deidre Cartwright: Economic abuse is a form of domestic abuse, as it is defined within the Domestic Abuse Act 2021. It is also a crime, as a form of coercive and controlling behaviour. Very importantly, that was extended to post separation through the Domestic Abuse Act. That recognises that, for many victim-survivors of economic abuse, it can begin, continue and escalate post separation, oftentimes because of the ties to the abuser through joint finances, such as a mortgage or bank account, or dependence on child support.

Economic abuse is all about someone's partner or ex-partner trying to control how they acquire, use and maintain money and economic resources. They do this through a range of behaviours to exploit, sabotage and restrict that person's access to those things. The important thing to remember about economic abuse is that it is perpetrated in a wider context of other abusive behaviour, such as physical, emotional and sexual abuse, so that there is a constant context of fear and isolation. Victim-survivors are negotiating their safety, their survival and the real threat of being killed by a partner or ex-partner, both during the relationship and when they are fleeing.

For victims and survivors of economic abuse, a perpetrator controlling their access to a bank account is a significant way in which that abuser maintains control. They might say that the victim-survivor cannot access a bank account at all; they may only be able to access a joint bank account with the abuser, who may be monitoring how they spend every single penny through that joint bank account. We had one victim-survivor share with us that the abuser would not allow her access to a bank account at all and instead would give her a weekly cash budget that she was allowed to go and spend. As restrictive as that is, she at least had a degree of control over how she spent that money. Then, when covid hit and everything went contactless, she said, "This is even worse for me, because he can scrutinise every single penny I save or spend."

The other thing about economic abuse and reliance on cash is that we know that victim-survivors will be secretly squirrelling away cash for the moment that they are able to leave that abuser, knowing that the abuser cannot track them through a joint bank account. They can use that money in the moments, days and weeks after they leave to pay for



transport, food and accommodation, just meeting their and their children's basic needs and ensuring an ability to survive. For victims and survivors, leaving is when they are at the highest risk of harm and homicide, so making sure they have the money to leave is critical. Not having the money to leave can stop a victim-survivor from being able to do that. Some victim-survivors do not even have the chance to plan. They are forced to leave with the clothes on their back and maybe a few pounds in their pockets. If they then go to the bus and cannot pay for it with cash, that has a huge implication for their safety.

- Q17 **Bobby Dean:** Can you explain why it is significant that it has to be cash, as opposed to concealing a separate bank account that you might be able to go and create yourself? We have lots of apps out there now. People can create bank accounts quite quickly and could potentially conceal a debit card in the same way you could conceal cash. Can you tell me the differences that cash makes, as opposed to bank accounts?

Deidre Cartwright: We really should not underestimate the different ways that perpetrators coerce and control. They will restrict a victim-survivor's access to the means to even open a bank account—so not being able to access the identification that you require. One victim-survivor shared that her ex-husband had told the bank that she had left the country and could not have a bank account opened, so she could not open one.

There are things that banks can do to ensure that victim-survivors can access a bank account when they flee. For instance, TSB has a flee fund, which is a one-off non-repayable cash payment to victim-survivors to help them leave. Also, it helps them to open an independent bank account and is more flexible in the identification that it requires.

There are other groups of victim-survivors who are disproportionately reliant on cash; older victim-survivors, in particular, are reliant on cash for different reasons. Migrant victim-survivors without leave to remain often cannot open an independent bank account at all, so they are forced to share one with the abuser. The abuser will use that to their advantage, so that the victim-survivor cannot flee.

- Q18 **Bobby Dean:** What do you think the Government can do to ensure that cash can remain this lifeline for victims?

Deidre Cartwright: They can regulate acceptance of cash and monitor how effective the provision of cash is, because victim-survivors are reliant on the provision of cash as well as access to high street banks and ATMs for money, but also for support. Many banks provide something called safe spaces, which is incredibly important for victim-survivors. Also, any bank that a victim-survivor goes to should be flexibly applying the criteria that it has for opening a bank account. In that way, it does not matter who you are banking with—you know you can access an independent bank account if you have been forced to flee an abuser. It is also about ensuring that victim-survivors actually have the money to leave. Like I



HOUSE OF COMMONS

said, TSB has a flee fund, and other banks do as well. The Government piloted and then rolled out a national flee fund. Whether that has been made permanent has not been confirmed.

Q19 **Chair:** Could you just explain that in simple language?

Deidre Cartwright: A flee fund is basically money that is distributed through frontline domestic abuse services to victims and survivors when they are forced to leave an abuser, so that they have the money to leave and then to begin to rebuild their lives.

Q20 **Lola McEvoy:** Ms Cartwright, your evidence is harrowing and very compelling. Thank you for being so articulate. I know that a lot of people watching will feel very moved by what you have said. It is my understanding that, with domestic abuse, victims can often try to leave several times. From what you have said, it sounds as though access to cash, and cash acceptance, specifically on that journey when people are trying to leave, could be a barrier to them getting a safe haven and successfully leaving an abusive partner. What do you think about that?

Deidre Cartwright: That is definitely true. There are many barriers to a victim-survivor leaving. It is dangerous and life-threatening, and there is no guarantee that you will be able to access safety at the end. You may be turned away from accommodation or support. Also, little things such as not even having the money to meet your children's basic needs will stop you. You are operating with so many knowns when you are still in that relationship. You are managing so many different dangers, but know how to do it; you have done it for a long time. There are so many unknowns when you leave: "Will I be able to feed my children? Will they have a roof over their head? I do not know." That is what can stop you. If you do not have the cash to do that, that is just one more barrier to leaving.

Q21 **Chair:** Mr D'Arcy, you gave a good explanation at the beginning about some of the challenges for people with mental health problems. Could you perhaps explain for the record how someone's mental health situation means that they might need to use cash, or how it could be helpful compared with other forms of payment?

Conor D'Arcy: A lot of this comes back to the cycle of money and mental health problems that we talk about quite a lot. I think that most people can understand how, if you are struggling financially and worrying how you are going to meet the next bill or put food on the table, that can have a big toll on your mental health.

We are also really interested in the other half of that cycle, which is how your mental health problems affect you practically. I have spoken about some of those, but it is things such as remembering to pay a bill on time, making sure that there is the right amount of money in an account and making decisions about which product to go for.



HOUSE OF COMMONS

There are some practical things. Asking for help always feels like the most ironic one, in that, when you need it most, it can be really hard to reach out if you are struggling with your mental health. Controlling spending and budgeting effectively is something that becomes much harder.

From speaking to people in our research community, which is a group of about 4,000 people who all have personal experience with mental health problems—that is what most of what I will draw on is based on—there is not just one reason for most people. Often it comes down to income, as we talked about in relation to older people. People with mental health problems are really over-represented in lower-income groups. They make up about half of people in problem debt. Lots of people are in this financially precarious situation, and for lots of people cash functions as a really important safeguard and tool to help them navigate through that.

There are a few different reasons. One is controlling spending. I talked about people with bipolar disorder and how they can go through large amounts of money in short periods of time. We have also heard from people with a whole range of other conditions—things such as depression—who notice that their spending goes up quite a bit when they are unwell. With cash, you get a little bit of an extra limit on that, versus cards, where you can spend a lot more money in a short period of time.

There is something on budgeting that feels really important. People tell us a lot that you can spend on cards—lots of the people we speak to are not totally averse to using cards ever—and when you are in that period where your finances are in a tricky position and your mental health is not great, anything that helps you to stay on top and make your financial situation as manageable as possible feels really important. People often tell us that when they are going through that poor period of mental health, cash feels more real and spending feels more real than it does on a card, particularly when you can just tap and the transaction might not show up straightaway on your app. You can lose track very quickly of how much you have spent. That means that people on quite tight budgets can blow their budget early on in the week and be left in a really difficult position.

There is something in terms of getting help from friends and family, where another really common symptom or experience is that people struggle to leave the house when their mental health is not great. That might be due to anxiety, depression or a whole range of other reasons. Being able to trust someone to get some shopping in for you is really important. There are risks here for the individual, obviously. If you are handing over a card with no limits built in, that means that you could lose huge amounts of money. There is a risk for the carer, friend or family member as well. There is how much risk they are taking on of having that card, and misunderstandings or whatever it might be. Cash is another way; you know that you are giving someone £20 or £50, and it gives you that little bit of extra control over your situation.



To the point around older people, scams is something that comes up a lot in our research as well. Some polling we did a few years ago found that people with mental health problems were about three times more likely to have been scammed online than the rest of the population. Some people bounce back and continue, but other people withdraw and really worry about every single transaction and every single bit of spending, as well as what might happen if they use their card and the risk of it being stolen.

Q22 Chair: Are you saying that a scam would discourage people from going online? Having more cash available in retail outlets and cafés would not necessarily stop people going online as well. Are you saying that the scamming makes them more nervous about not using cash?

Conor D’Arcy: It makes them more keen to use cash because of the risk of people’s cards being stolen and those kinds of things. If you are working in cash, there are obviously risks to using cash as well, but people feel that they are more understood and it is more controllable, rather than the entire contents of your bank account potentially being taken away.

Q23 Chair: In gambling, you can have limits set on how much you use. Do you think that there could be any scope for helping in this situation by having limits on what could be spent? Some of what you are talking about would be difficult to do in cash anyway. If you are shopping online, you are shopping online. Some of those would not translate to cash transactions because that shop is not on your high street, for example. You would not have the option anyway, because it is physically not present. Is there any other way? We are talking mainly about the use of cash, but are there any other alternatives?

Conor D’Arcy: We see lots of practice from banks that is really encouraging. Gambling blocks are a really good example, where you can protect yourself in advance. If you know that you struggle with certain kinds of spending or at certain periods in your life, that can be really useful. There are things such as carers cards, companion cards or trusted person cards that remove some of that risk that I was just talking about of giving your card to someone else. There are things around pots, limits and notifications—“Here is how much you have spent,”—so that it is easier for people to keep track, even when their mental health is not great. There is lots that can be done and that we have seen.

Some of the concerns around that are that they have not been widely taken up. A number of banks have tried these things, but how well they have been advertised and are understood is still a big concern. When we speak to people, there is a real reluctance: “I have a system that works for me. This has been working well and helping me manage my mental health for 20 years, and I am having to take a risk by trying this new product. I do not know what it is going to be like at the moment when my mental health is not great.” It really feels like a concern there for some people.



HOUSE OF COMMONS

I guess that it is about the trade-off of acknowledging some of the points around younger people definitely still being interested in cash and still valuing it. There is the pace at which cash is going away versus the pace at which these really good, useful solutions are following up. The latter are not quite keeping pace. There is that risk that people get caught in the middle, where there are not those innovations to help them to navigate around the challenges.

Q24 Chair: Is there any bank or banking group that you would say is doing a particularly good job on this?

Conor D’Arcy: There are a handful. I think that Lloyds and NatWest are some of the ones that have carers cards or companion cards. I am sure that there are others that I am forgetting. Gambling blocks are pretty widespread across the sector. That is an example that we always find really encouraging because it was something that, when we started back in 2016, did not really exist. It went, in a relatively short period of time, from being this very new, advanced product to something that is now standard across most providers.

Q25 Chair: If people go out and, for whatever reason do to with their mental health situation, want to use cash, is there anything that businesses should be doing differently or better to understand the impact of their acceptance, or not, of cash on people’s mental health?

Conor D’Arcy: Practically, there are some of the things we spoke about earlier, in terms of having really clear signage and making things obvious and clear online, so that people are not going to a shop, getting to the till, having a full trolley of goods and then not being able to pay. We have heard some really difficult stories of people who that has happened to. I would really emphasise the level of anxiety that people are having to overcome to even get out of the door sometimes, only to experience that when they have built themselves up. People have told us that it has knocked them back massively, and then they could not do anything. Being really clear about whether cash is accepted is important.

Firms accepting cash where they can feels really important as well. We work a lot with essential services firms, such as in utilities and financial services. We are always really keen on them doing research with their customers who have mental health problems to understand, “Here are the actual things that I am going through. Here is what I would like to see in place.” We are always very keen to see that.

Q26 Chair: Do you think that there should be any legislation or changes in guidance from Government about this particular issue? We will come to other witnesses to answer this in their turn, but what about people with mental health problems? We talk about mental health first aid and having more mental health awareness, and things have certainly changed in my time in Parliament, but is there anything Government could or should be doing in this area?



HOUSE OF COMMONS

Conor D'Arcy: On the tools and solutions in financial services, sessions such as this and the attention that your Committee can give to this issue are a bit of a kick to that sector to push out products more and understand more.

Q27 **Chair:** You think that it is about the sector rather than Government—I am just being clear. You think that the sector should be doing it. You do not think Government needs to.

Conor D'Arcy: That is part of the solution. To go back to some of those really essential services, and I guess to add to the list that Mr Brooks mentioned earlier, paying for utilities is a really big one; being able to pay for an energy bill in cash feels like a big additional one. It is those services where there are no alternatives and where not being able to use them means people risk being excluded in a massive way. That feels like where there might be a gap in the legislation.

Q28 **Dame Siobhain McDonagh:** We have been talking about access to cash and using cash for quite a few years now. What seems to precipitate it is reports in the media, particularly at the BBC, about the increasing numbers of people using cash in order to help them budget their way through the cost of living crisis. In your experience, in all your agencies, how widespread is the use of cash as a budgeting tool?

Wayne Crocker: We spoke to some charities who run appointees for people with a learning disability. They said that 10% of the people they work with will only use cash, because they do not have access to any type of banking account that will allow them credit or debit facilities to pay for things with those cards. You have 10% who have no choice.

You then have a larger group of people who, actually, even if they have access to a card, do not use it, because the ability to budget with cash is vital to them. Whether it is budgeting in terms of what they do for their day-to-day spending, or actually understanding how money works for them, that access to cash is vital. There is a bit of confusion because, while the campaign and lots of the language have been around people having access to cash, you can have access to cash and free ATM access, but if you cannot use that cash, having access to it is pointless. You have to have the spaces where you can spend that cash.

Coming back to one of the earlier questions, on what Government could do, access to cash has to be seen through the lens of the Equality Act. We would not allow venues to deny disabled people who say, "We are wheelchair users," access to their venues, but we will allow venues to exclude people because they are not going to accept cash. I would challenge Government around how they use the Equality Act to ensure that people who have to have access to venues through cash can carry on doing that.

Deidre Cartwright: Victims and survivors of economic abuse are definitely dependent on cash for budgeting purposes. Nine out of 10



victim-survivors, when they leave an abuser, have a negative budget or less than £100 at the end of each month. Being able to have cash to be able to budget with is incredibly important to them. On average, victim-survivors also have £24,000 of debt as a direct result of the economic abuse they are experiencing, so it is important for them to be able to manage their money through cash.

Q29 Dame Siobhain McDonagh: They need anonymity as well to shield what they are spending on.

Deidre Cartwright: Definitely, yes.

Chris Brooks: Thirteen per cent of 65 to 74-year-olds and 17% of 75-pluses like using cash as a way of controlling their spending. That is broadly consistent across all age groups, actually; it is neither more nor less prevalent among older people. It is certainly a very important reason for maintaining cash, particularly among people on lower incomes. There are still a number of older people who use the payment exception service that the DWP runs, which means that they can collect their state pension in cash if they do not have a bank account. We have seen the end of post office card accounts in recent years, which many people used, but there are still quite a lot of people who are unbanked and who collect their cash and then go and spend it. It is really important for that group, in particular, that they can maintain a way of managing their money that works for them.

Q30 Chair: Do you have a figure for how that cohort has changed over the years?

Chris Brooks: No, not to hand.

Q31 Chair: If you have it, it would be helpful.

Chris Brooks: I can go back. That figure is from the FCA.

Conor D'Arcy: I know that the FCA stats include poor health as well, and that can bring out mental health problems. When we have done surveys with people on this, around 40% regularly use cash and like using it. When we have asked them what the reasons behind that are, the two that always come top are budgeting and to control spending. It is often in situations such as with the cost of living, where people are really hard-pushed and are just about getting by. Anything they can do to have that extra control is really important.

Ron Delnevo: I would echo what everybody else has said. I used to be a trustee of a citizens advice bureau, and we had youngsters coming in saying, "How do we switch off contactless? We are just waving these things and we do not realise what we are spending." If you take £20 out for an evening and it is gone, you know you spent your £20. It covers a wide variety of people who are seeking more control over their lives. The thing is that they know now that, if they do not get control, at the end of the month when the bill has to be paid, they have a very unhappy life.



This is about not just paying for things; it is about your whole life, your attitude towards life and how positive you feel.

We have had some heartrending stories from people who have relatives with disabilities. When they do not get their cash accepted, they feel that it is robbing them of self-esteem. This was their money and they had the right to spend it, and they are being told, "Your money is no good any more." They take that as implying that they are no good any more. That is a very negative thing. Why should they be robbed of self-esteem because some businesses think it is convenient to turn down cash?

Q32 Dame Siobhain McDonagh: UK Finance's most recent payments market report found that, for some people, digital budgeting tools are supplanting cash budgeting. Are there any barriers preventing some sections of society from being able to take up these tools? Are financially vulnerable people who rely on cash to budget experiencing inequality in access to goods and services because of changes in cash acceptance?

Ron Delnevo: One thing to say is that over 8 million people in this country do not have smartphones. Already, you are seeing a limit on their ability to participate. By the way, the statistic does not tell the whole story. I was doing a launch of a fintech in Stoke. We found that many people had smartphones, but they were the wrong type of smartphone. They were actually Chinese smartphones that were not able to download certain apprenticeships, because of the row over security issues and so on. About 50% had cheaper smartphones—by the way, you need cheaper smartphones because Apple is now charging nearly £1,000—but they could not use them for certain things, because those phones were not capable of getting all the apps from the app store. Participation is vital. There are many people who cannot actually use things, not just because they do not have the skills, but because they cannot afford the passport to participate; they cannot afford £1,000 for a smartphone.

Conor D'Arcy: When it comes to people with mental health problems, I mentioned that these sorts of tools can be really useful. There is something about that risk of taking on something when you have a system and you feel like it is working for you. The risks of taking something on and it going wrong are really high, because it means your whole budget could get thrown off. Knowing that cash is going to work for you is important.

For the tools that work, it is about making sure that they are really easy to find, that people get told about them and that people explain how to use them practically, rather than just saying, "Here is a tool. Use it," and expecting people to use it. There is such uncertainty, and fear often, about what will happen if it goes wrong and some of the risks, and about how to make the most of it. There is something about whether, when someone's mental health is not great, it locks them into certain behaviours or protects them from certain things. That should be explained really clearly in advance, so people know, "This is something that is going to kick in in a way that I really want when my mental health



is not great, but that is not going to limit me from being able to transact in the way I want and buy the things I want when I am in a good mental position.”

Chris Brooks: I do not want to repeat myself about digital exclusion, but, obviously, if you are not online, digital tools are not going to be much help to you. There is a significant minority of older people who are not online, although for many people, these tools might be very helpful. There is a point about human nature there as well. It is very difficult to engage people with those types of tools anyway. They will be very helpful to some people, but not for everybody. Trying to make them apply more widely is a challenge.

Deidre Cartwright: As important as it is that victim-survivors should be able to access cash for their safety and survival, we should not just assume and accept that they should be digitally excluded as a result of that. We need to think about that at the product design phase. How are we designing products that are not being easily controlled and manipulated by abusers? We should have these vulnerable customers in mind. The consumer duty and the vulnerability guidance that sits alongside it clearly name economic control as a life event that causes vulnerability, so they should be thinking about it so that victim-survivors are not excluded and therefore dependent on cash.

Wayne Crocker: That is what I was going to say. I have worked with people with a learning disability for just over 30 years. I have never met somebody that uses these apps to manage their bank accounts. Often, you will hear from families who try to support their loved ones to access their bank account using the telephone. If they are prompting them with the security words, and the person on the other end hears somebody talking to them, they may believe that the person is being coerced and end the conversation. Family members who support their loved ones have very little ability to help them access their accounts.

Q33 **Dame Siobhain McDonagh:** I do not want to stray on to another section, but I was particularly taken by something that you said, Mr Delnevo, about council sports and swimming pool facilities that simply do not take cash, when the need of some of the groups you represent and care for to access that ability to exercise and feel good about themselves is even greater than for most other people.

Ron Delnevo: Absolutely, yes. It also points to this idea that you can have a two-speed society, where some businesses might be compelled to accept cash and some businesses might not. If you look at a leisure centre, leisure centres have cafés. You can pay for your swim, but if you do not insist that the café accepts cash, people cannot have the social event afterwards. It is a little dangerous to assume that certain things should be left out.

One reason we did not include Ireland as an example of international precedents was that the Irish Government are looking at limiting



compelling cash acceptance to certain businesses. An Irish Government Minister was doing a radio interview and said, "No, we are not going to cover things such as just having a cup of coffee." I was thinking that there are millions of people who think that going out and having a cup of coffee and socialising are very important.

Many businesses would adhere if a law was brought in, but if we allow them to have easy escapes, such as, "Oh no, this part of our business does not have to do it, because it does not have to accept cash under the law," we are going to end up with lots of arguments that we do not need. If you simply make it a rule that cash must be accepted, all businesses must do it and they cannot argue about it.

Q34 Dame Siobhain McDonagh: Should the Government legislate, regulate or issue guidance?

Ron Delnevo: Legislate, for me—as many Governments have. We are actually outliers. The French, Spanish, Slovakian and Norwegian Governments have legislated. In America, eight states have legislated, and they have enforced it. An ice cream parlour—a chain, not just one—said, "No, we are not going to accept cash." They had fines in the end of over \$100,000 for not accepting. Believe it or not, now they accept cash.

The fact is that, if you do not have legislation, there will be some businesses that try to sneak out of it. That places more weight on the businesses that continue to be faithful to cash, because cash then becomes more expensive for them. I do not think that any business should be allowed to dodge its responsibility here. To be fair, many very honourable businesses around this country are saying, "We are never going to stop accepting cash," but there is a slide towards businesses becoming cashless. As we have said, especially in organisations that are funded by public money, that cannot be acceptable.

Dame Harriett Baldwin: On the point about leisure centres, if I may observe, I went to a council leisure centre once that would not take cash, but that insisted that you had a £1 coin for the locker.

Q35 Yuan Yang: I want to broaden out the point beyond leisure centres to public services more generally, including services subcontracted by local authorities. Mr Delnevo, could you give a broad overview of the changes in cash acceptance in this sector and in particular parts of it over the last decade or so?

Ron Delnevo: Bear in mind that this whole thing only started about 12 years ago. Before Uber came to this country and started offering cashless taxi services, and we had the Olympic Games in 2012, which Visa tried to make cashless—it did not succeed in doing that—nobody mentioned cashless around this country; cashless did not exist for in-person purchases. Partly as a result of the pandemic, when there were some false health scares that went around about cash, there has been this creeping thing that has crept into car parking now. I have some older



HOUSE OF COMMONS

friends who stopped going to certain places, such as Bromley in Kent, to shop because they could not park without having an app. They do not have apprenticeships; they do not have smartphones. We have seen parking massively affected.

We have seen on-train catering affected; you cannot buy food on trains. We have seen universities and leisure facilities affected. We have mentioned all these leisure facilities. Theatres, such as the Ambassador Theatre Group, have gone cashless. Many of these organisations are supported by the Government or local authorities. It seems wrong that general funding from the Government or local authorities, which they get from everybody, should be used to subsidise businesses that are not allowing everybody locally to use cash.

It also affects tourists, because in most countries in the world there is no question of cash not being accepted. We have had lots of tourists come to this country and say, "We have all our foreign currency—our pounds—and we cannot use them because so many businesses, particularly in London, are not accepting cash any more". How is it good for the reputation of Britain that cash is not accepted?

Q36 Yuan Yang: I want to pick up on the point that you made about car parking. Car parking is an issue that comes up frequently on the doorstep in Earley and Woodley constituency. The Oracle shopping centre in the centre of Reading has a cashless car park, for example. I was wondering whether you or anyone on the panel has had these conversations with car park operators about the pros and cons of their switch to cashless, and whether you have got any response from them.

Ron Delnevo: Yes, we have. We contacted the railway companies, because they were thinking of going cashless, but we also contacted the Government at the same time. The Government stepped in and asked them to think again about making station car parks cashless. The Government have since assured us that they will not allow that to happen for station car parks.

For shopping centres, we have been in touch with one of the biggest operators, NCP, but we have had no response to date, because it does not think that it has a social responsibility. There is a really ironic thing. One of our supporters persuaded the Imperial War Museum in Manchester to accept cash again, but the car park is operated by NCP and does not accept cash. People coming there who do not have other means to pay are having to drive in and drive out again, and there is nowhere else to park. There is not sufficient consideration given here. They are thinking that they can just ignore the will of the British people, and this has to stop.

Chris Brooks: I have not had any conversations with car park operators, but I agree that it is the issue that I hear about the most. We hear from older people all the time who are very frustrated about the trip out that they cannot make by car because they discover they cannot pay for



HOUSE OF COMMONS

parking. Thirty-three per cent of older people do not use a smartphone, so it is cutting out a huge proportion of the population. It is a really serious issue.

Q37 **Lola McEvoy:** More broadly, not necessarily on car parks, Mr Delnevo, you mentioned a lot about the social exclusion that is happening as a result of these changes. Do you think that it is an oversight by companies, and organisations in the round, because of the pandemic, where people were encouraged more to use contactless payment, and that, actually, by having these conversations now in the open, most organisations would agree with you? Your evidence is very compelling. I am interested in whether you feel that it is intention or design that people are being excluded.

Ron Delnevo: The move towards cashless has been quite intentional. You had the debate about assisted dying last week in Parliament, and the assisted death of cash has been going on for quite a long time in this country: withdrawal of bank services, withdrawal of ATMs and now the reduction in acceptance. You have to remember that one of the biggest card companies in the world, Mastercard, declared war on cash in 2010. It wanted to see cash disappear entirely. It has not succeeded—thank goodness—but that is what it intended, so I do not think that we should say it is an oversight.

Many responsible businesses that might have brought in measures to start with during the pandemic, such as Greggs, the bakers, for example, quickly retrenched and said, “No, we are going back to accepting cash in all our branches because we understand our customers want and need it.” There are other businesses, such as GAIL’s, the bakery company, which made the excuse of the pandemic and has just continued not to accept cash.

Q38 **Dame Siobhain McDonagh:** You would need quite a lot of cash to go to GAIL’s, wouldn’t you? *[Laughter.]*

Ron Delnevo: Yes, too much for the product, some would say. That is true, but once again we are back to the “want” thing: people who are affluent often want to use cash, and why should they be stopped from using it? You could argue, “Just stop using GAIL’s”, which may be unfortunate for GAIL’s.

There is also the question of not thinking sufficiently through it. We have been in touch with Marks & Spencer. Marks & Spencer accepts cash, but it does not often make that clear in some of its cafés and so on. We said, “Why don’t you install signs saying, ‘Cash is welcome’, because you have signs saying, ‘Visa welcome’ and ‘Mastercard welcome’?” They said, “We are not prepared to do that.” That is causing confusion amongst customers, and confusion means that people feel wary about even offering to pay, because they are frightened it will get turned down. You either walk away or you push it. Most people will not push it; they will walk away. We need clearer signage, and you mentioned that earlier.



Where cash is accepted, it should be clear; where it is not accepted, it should be clear too.

Q39 **Yuan Yang:** I want to go back to the point about local authorities and their subcontracted services. I was wondering if, in the panel's dialogues with local authorities, you have ever had the point made back to you that it is a resource issue for their subcontracted services to accept cash. First, what would you say to that argument? Would you buy it? Do you think it is a resource issue? Secondly, how do you think central Government could help local government better handle cash?

Ron Delnevo: We have been very lazy in this country over cash acceptance. In our submission to this Committee, we bring up the example of buses. London is one of the few major capitals in the world that does not accept cash on its buses. In New York, they brought in a fixed-fare system so that cash would continue to be used. They brought that in in 1969, and 55 years later, cash is still accepted on New York buses. That is when people are actually thinking of the future and planning for the future. There is too little of that going on here.

There is a move to push cashless, and so they are not thinking about innovations. Around the world, there are innovations available in the cash world that can make cash easier for businesses and the public, and we have to see more of those innovations in this country. They are available, but we just have not brought them in. I will give you one example. There was a big fuss made last year around bringing in "super ATMs", where customers of every bank can deposit cash. That has been available as a LINK transaction since 2016, but the banks never implemented it.

Every single Japanese ATM in Japan accepts cash deposits and recycles the cash. They have been doing recycling since 1984. In this country, hardly any ATM recycles cash. That is an innovation that makes it less expensive to operate. It also means that the carbon footprint is reduced. Why is that not more common? The innovations are there. Let us see them made.

Q40 **Rachel Blake:** I wanted to come back to practical solutions and whether the current framework supports people with cash acceptance, particularly around energy bills. Do you have any evidence to share on cash payment for energy costs, and on whether people are forced into less advantageous tariffs? Is there any evidence on that? I am just interested in the line of inquiry.

Wayne Crocker: For the group of people I am talking about, if you have an appointee, they will be paying your energy bills for you, so there will not be an issue there in terms of being able to pay. If you are living relatively independently and you survive on cash, it could be very difficult if you cannot pay those bills by physically going into a place and paying for your electricity in cash.

Q41 **Chair:** Presumably it drives people more to meters, so they are on a



different tariff.

Wayne Crocker: You get a top-up.

Q42 **Rachel Blake:** Is there a way to not be on a meter tariff and still pay in cash? If there is not, should there be?

Chris Brooks: I hope it is not getting off topic, but you can pay your bill after you receive the bill. You can go to a PayPoint and make a payment. However, the price cap is higher. We had been pushing Ofgem to equalise the price caps across all forms of payments, which it did for prepayment meters but not for credit payments. It backed away from doing that, but that is probably a matter for Ofgem.

Chair: That is helpful to know. There is still a difference.

Wayne Crocker: Your credit rating will be dependent upon how often you use credit cards, so if you do not use credit cards and you survive on cash, you will not have a very good credit rating, which means you will not be given an electricity bill that will allow you to pay after you have used your electricity.

Ron Delnevo: We have had some of our supporters come back to us and say that they resent the fact that they are being pushed into doing direct debits. Even if they are allowed to use cash, they are paying more to use cash, which they just think is not right.

Q43 **Chair:** Thank you. We have touched quite a bit on transport, but I just wanted to talk a bit more about the transport issues for the different groups that you represent—where you have covered it, you do not need to repeat it. Mr Delnevo has probably said what he has to say on this, but do the rest of you think that there is now a big exclusion problem because people cannot use cash on buses? I am a London MP, and an Oyster card or a Zip card for young people is the normal way now, because there is no cash. Is that actually excluding people?

Wayne Crocker: I have two key points. First, coming back to the point on refreshments on trains, we often bring people down from Holyhead to Cardiff to speak in the Senedd. That is a journey of more than five hours. If you do not have access to a debit or credit card, you cannot buy any drinks. To go for five hours without any drink is not very good for people.

Q44 **Chair:** Are the people buying their train tickets in cash?

Wayne Crocker: We will often buy the ticket for them and we will send them the picture that they can then use. That links to the fact that Transport for Wales has now moved to fining anyone who enters a train without a ticket. Most of the stations are not staffed, so unless you can pay for a ticket with a debit or credit card you cannot actually buy a ticket at a station. We have written to the Cabinet Secretary for Transport in Wales to ask for reassurance that, if you do not have the ability to pay for a ticket with cash, you are not going to be charged and fined, essentially, for getting on a train without a valid ticket.



HOUSE OF COMMONS

Those two things are really worrying for us: the fact that you potentially could be fined for not getting your ticket before you get on the train, but also the fact that there will be people taking very long journeys on trains in Wales and the rest of the UK, where you physically will not be able to buy a coffee, tea or water.

Q45 Chair: Something I am ignorant on—we will need to check if you do not know, and I am not expecting that you necessarily would know—is whether, if you are on a train without a ticket and you only have cash on you and try to pay the train manager for a ticket, will they accept cash?

Wayne Crocker: My understanding is that, unless you have the ticket before you get on the train, you will be fined.

Chair: I know people sometimes buy extra tickets on trains. We can pick that up elsewhere.

Q46 Lola McEvoy: Just to come in on that, Chair, my observation on what you are saying is that different providers might have different rules about if somebody is on the train and has a lot of cash and is happy to buy a ticket. That is one thing, but on the refreshments element, if you are with somebody you are looking after—you are the staff member who is supporting that person—and you are not able to use your card to buy them a bottle of water or a sandwich in those five hours, that is really a massive deterrent to people getting that journey. What you have said is leading me to believe that people would not take those journeys.

Wayne Crocker: No, they would not, or they would suffer if they did, because they would spend five hours on a train without being able to buy anything.

Q47 Chair: Another area of transport—perhaps other people could come in if they have anything to say about fares, in particular—is access to other facilities at stations, such as toilets and so on. I do not know if anyone has anything to add to that. Ms Cartwright, you have talked a bit about transport and not having money for a bus fare to escape.

Ron Delnevo: Cashless toilets are becoming a thing. Contactless toilets are something I have noticed when travelling around. You cannot have access to the toilet unless you can use a contactless card.

Q48 Chair: Does anyone have any other comments about access to transport?

Deidre Cartwright: What I already covered is that access to transport is really a matter of life or death for victims and survivors. In being able to flee an abuser, you will not necessarily have access to a car, so you need to get a train or a bus or a taxi to be able to leave. If they do not accept cash, you will not be able to do that. It is a matter of safety for victims and survivors.

Conor D'Arcy: I would just add something on social exclusion, because that is another big thing that we hear from lots of people. You are stuck



HOUSE OF COMMONS

at home a lot of the time because it can be too difficult to leave the house. If you have worked yourself up to leaving, you are going somewhere that you are looking forward to, and then you are not able to pay for that transport, it can just really knock you back.

To go back to the affordability point, we heard from a couple of people, during the peak of the cost of living crisis, that people were just not getting buses to go to their doctor, because they could not afford it. It was not specifically because of cash, but that was the risk: that people would just get cut off from so many of these essential services that they rely on for their health.

Chair: Certainly in my constituency, which is perhaps a constituency of two halves these days, there are some people who just cannot afford a bus fare, and the idea of having a £3 or £5 deposit on an Oyster card is just a step too far. You could not have that money sitting there not doing anything. It would be very difficult.

Q49 **Bobby Dean:** I wanted to talk a bit about the stability of the systems that support card payments. I do not know if this is best placed for you, Ron Delnevo. We have had some pretty high-profile failures in recent years. We had the CrowdStrike incident as well. How stable is this infrastructure versus cash?

Ron Delnevo: It is as stable as the men and women manning it. When the chap who was doing the upgrade to the security in CrowdStrike made a mistake, the whole system crashed, so it is not very stable. That is before you take account of the fact that there are now hackers from various parts of the world trying to destabilise the situation.

It is no accident that the Swedish Government has said that they are not going to go cashless. Sweden was meant to be cashless by now. They have told the banks that they must handle cash again at the branches. They have advised the Swedish public to keep cash at home because they fear—let us be honest about it—Russian hackers' intervention in their payment systems. They have some very popular digital payment systems, like Swish, but if the hackers get into it, they will not work and the whole thing could collapse if there is no substitute. The thing about cash is it does not crash; if you have it, it works.

Q50 **Bobby Dean:** Just to reiterate that point, you are saying that cash is a form of civil preparedness and is needed as a defensive manoeuvre, given the way the world is at the moment. Is that what you are saying?

Ron Delnevo: Yes. It is not just me. At the Labour party conference, I was talking to Alistair Carns, the Veterans Minister, and he told me that cash is an essential part of national security in this day and age, in an uncertain world that is getting more and more uncertain.

Q51 **Bobby Dean:** Mr D'Arcy, earlier on you said that cash acceptance is falling away faster than people are able to catch up with new tools. Let us imagine a world where we have transferred a lot of people that you are



HOUSE OF COMMONS

concerned about—the vulnerable people that you are representing—and that they have made an adaptation, and then these systems fail. Could you talk through some of the consequences that might happen if people manage to learn new systems but then those systems fail and they do not have cash as an option?

Wayne Crocker: One of the people who gave evidence to the Senedd inquiry was a newsagent. She often talked about the fact that, even if you have the system, the wi-fi will go down and you could spend the whole day without the ability to take any payments. Actually, even if you are a provider who accepts both cash and contactless or debit card, the infrastructure is not always going to be there. You have to mitigate that by ensuring that you take cash.

If you have businesses that are solely reliant on card, then people will be excluded, but that business is also fragile if the wi-fi goes down. This shop owner was in a very tiny village in the middle of rural Powys. She said it took the whole day to get people to come and fix it. That meant that she had a whole day of not being able to accept any card payment.

Q52 **Dr Sandher:** If we were to transition over, who could and could not transition over? I am particularly thinking about those who do not have access to a form of bank account and why that is. Mr Brooks, who are you currently dealing with who does not have bank accounts, and why is that the case?

Chris Brooks: It is a minority of people who do not have a bank account. I am not sure about the figures among older people, but certainly across society there is quite a substantial minority of people that are still unbanked. Why that is the case is difficult to say. For lots of people, it is because they have been in financial difficulty in the past; they may have been declared bankrupt and are recovering.

For some people, it is a case of being unable to open a bank account, which is a problem that I hear quite a bit about. Increasingly, even in branches today, it can be quite difficult for someone. You can go in, but the banks are very rigid about the ID they will take to open a bank account, which can make it very difficult for some people, particularly, very often, people on lower incomes, who are much less likely to have the correct forms of ID. That can be a significant barrier.

I recently heard from an older person who went into a bank branch with the correct ID but was told they were not able to open an account, because they had to do it online, but they were not online. The practice and the rhetoric from the banks sometimes do not quite match up, and that is a particular issue. Those are the issues that need to be addressed to really get to the root of the problem.

Q53 **Dr Sandher:** I want to go back to Ms Cartwright, because I was struck by your testimony. Something like 2% of the UK population do not have bank accounts, but some of the people that you are dealing with do not



like to use bank accounts after they have experienced abuse—or indeed during that time, because that might be quite difficult. Afterwards, are they able to access banking, or do they feel the need to be unbanked?

Deidre Cartwright: It is both. During the relationship, they might just be completely prevented from accessing a bank account by the abuser. It might be unsafe for them to access a bank account, because of how they are tracked. Once they leave, it might be difficult for them to open a bank account, because they do not have the right form of ID, either because the perpetrator has stopped them from accessing that or because they have had to flee without those forms of ID. It is important that there is flexibility in the identification that banks accept, so that victim-survivors can more easily open a bank account.

I also mentioned that, in particular, migrant victim-survivors who do not have leave to remain cannot access an independent bank account. There is an exception around that: if you have a legitimate barrier to leaving the UK, you can access a bank account, but the Home Office has not defined what a legitimate barrier to leaving is. If it was able to clarify that being a victim-survivor of domestic abuse presents a legitimate barrier, then we could enable migrant victim-survivors to access an independent bank account as well.

We know that victim-survivors are also sometimes scared to then access a bank account, because of the ways they have been controlled. One victim-survivor shared after leaving that the abuser was able to have access to her bank statements following separation, which was possibly a part of the divorce proceedings. She therefore did not use her bank, because she was afraid he could then find where she was. There are many reasons why, before and after, they cannot access a bank account.

Q54 **Dr Sandher:** That is very helpful, thank you. If you were to transition to a world that was entirely cashless, it seems like there would need to be some regulation changes and some banking policy changes internally to ensure people do have bank accounts. Does anyone else on the panel want to pick up anything in particular that is holding people back from opening bank accounts that you think should be changed?

Wayne Crocker: We need to be careful that we do not see the bank account as the answer, because it is actually about the type of bank account you are allowed to have. Homeless people may have a bank account, but actually that bank account is very limited. All you will get is a cashpoint card, and you cannot do any other types of transactions through that bank account, other than have your benefits go into it and withdraw certain amounts of money from it. You cannot pay for things like direct debits; you cannot use credit or debit cards.

We need to be careful. Just because you have access to a bank account, that does not necessarily mean that you will be able to survive in a cashless society.



HOUSE OF COMMONS

Ron Delnevo: Some 1.2 million people do not have bank accounts in the UK. One has to be very careful about stats like that. How many of the accounts that are open are actually being used and can be used in a way that helps the customer? In India, they were claiming, at one stage, a massive improvement in financial inclusion because of all the bank accounts, and then, when they did an analysis, they found that almost 50% of those bank accounts were never being used. It was a mythological or illusionary inclusion.

We need to be very careful about using the word “transition” here. This is not like moving from analogue TV to digital TV. Losing cash would be a fundamental change to our society. It would affect all sorts of things, such as civil liberties, privacy and so on that we need to take very great account of. If you look at troubled parts of the world, it is interesting how people who are trying to resist, in some cases, undemocratic Governments, for example, switch back to using cash, because they cannot be tracked when using cash as opposed to other methods. We should not regard this as a simple technical issue of transitioning; this is a fundamental change to our society that many believe should not happen.

Conor D’Arcy: Just to build on the accessibility point, we do lots of hands-on work with banks looking at their services, particularly current accounts. We have heard less about people not being able to get accounts at all, but how well they actually work for people is a very different question. Sometimes it is really simple stuff: you are looking for help with something—it might be your finances or your mental health—and you are trying to find the help page on their website, and it is just impossible to find because it is five web pages deep and there is no search box, which apparently is quite difficult to do for some firms. There are lots of things.

To Mr Delnevo’s point, even if people have bank accounts, how much are people actually getting out of them if firms are not thinking about how they make sure those accounts are really accessible and usable for everyone?

Ron Delnevo: I have one other thing about how banks behave. The building societies are so much better. I left Lloyds bank when they closed their branch locally, and I moved to Nationwide. I went in to open my account. They said, “You can do it online.” I said, “Okay.” They said, “Actually, if you want to, we can do it right now in the branch.” That never happens in the high street banks. They opened it in a few minutes working with a customer. What is happening in the mutuals is so different from what is happening with the high street banks. They want you to go home and do it online, but if you do not have access to online, as we were hearing earlier, how can you open the account? You do not have that trouble with the building societies. We need to build up the building society movement again in this country, because it has been a sad loss, quite frankly.



Chair: A number of Labour and Co-op MPs around the table might well agree with you on that, but we will not get into the politics of it.

Q55 **Dame Harriett Baldwin:** Just slightly flipping this whole issue on its head and thinking about the businesses that have chosen not to accept cash, the reasons why they might have made that choice are presumably to do with the expense of handling cash. In addition, in a constituency like mine, there will be lots of communities where the last bank has closed. It is very hard for businesses in a situation like that to deal with their petty cash. I just wondered whether you, as a panel or individually, had made any representations to the regulator, to Cash Access or to LINK about how important it is for access to cash to actually have access to a physical bank as well.

Chris Brooks: It strikes to the heart of the issue. I have some sympathy with businesses in local communities when it is very difficult for them to bank their takings at the end of the day. The reason it is difficult is that, over the last two or three decades, the banks have been systematically running down the cash infrastructure, largely by closing branches, which in turn makes it more expensive to deal with cash, for them and for businesses. It creates a vicious cycle where it makes it harder and harder for businesses to take cash. When I think of small retailers, in particular, it is not necessarily fair to place the burden on them for what are in effect the failings of the banking system.

However, the good news—and what makes me very optimistic—is the rise of shared banking hubs, which Age UK has been involved with. The sector has finally recognised that it is a very serious issue. In effect, it was heading towards replicating what happened with cheques. Cheques were declining, the banks had an ancient processing infrastructure for cheques, and then there suddenly came a crunch point when the banks said, “Cheques are not viable any more.” The Government and the regulator stepped in and said, “You have to maintain cheques.” They had to put up a huge up-front investment to upgrade their infrastructure to make it possible to keep going. They recognised that there was a similar point approaching with cash, so they invested; they got together and developed shared banking hubs, which were really positive. The roll-out is still in its fairly early days.

Q56 **Dame Harriett Baldwin:** On that excellent point, I should elaborate on my question, because you can have a community where the last branch closes, and the community does not qualify for a banking hub because there are cashpoints to take cash. But there is nowhere for the businesses to deposit cash. My question was whether you have made representations to the FCA, Cash Access or LINK that, “Actually, that is one of the fundamental things that we need from a banking hub. The criteria for banking hubs need to be widened to allow you to have somewhere not just where you can get cash out of a hole in the wall, but where you can, as a business, deposit your petty cash as well.” Have you made those representations?



HOUSE OF COMMONS

Chris Brooks: I will be as brief as I can. Yes, I agree that that is a really serious issue.

Q57 **Dame Harriett Baldwin:** Have you made representations?

Chris Brooks: Yes. It is recognised that there are various issues with the system and the way it has evolved, particularly around how building societies are treated that do not do business banking—what is known as the Nationwide block. Towns where there is a Nationwide left were not eligible for a banking hub. Those types of issues are beginning to be addressed—so, getting business banking in.

It is absolutely crucial that, alongside banking hubs, there are also multi-bank deposit solutions being put in place. That would be in a supermarket where businesses can go in and deposit their takings at the end of the day. It is about building up the infrastructure to a point where, frankly, there will be a much more limited range of excuses for businesses not to take cash.

Q58 **Dame Harriett Baldwin:** You are all excellent advocates of the importance of this issue today. Can I ask all of you to make formal representations by letter to those three organisations about this important point?

Ron Delnevo: We have spoken to the FCA. We have told Sheldon Mills at the FCA that he will be getting our proposals for the viability of cash going forward. One of those proposals is to do with banking hubs. It is great that banking hubs are open—and Natalie Ceeney has done a great job persuading the banks and the Post Office to participate—but the problem is that the numbers envisaged at the moment are wholly inadequate.

Dame Harriett Baldwin: You do not qualify for a banking hub if there is access to a cashpoint. Could you all please make that point in writing to the regulators?

Q59 **Chair:** Mr Delnevo, you mentioned earlier what they are doing in other countries. If you have any evidence—not necessarily very sophisticated—or if you can point us in the direction of countries that are doing this well, it would be very helpful. You mentioned Japan as one example. We may want to do some international comparisons about smart cashpoints, which might solve some of the points that Dame Harriett has made.

Ron Delnevo: We believe that 1,200 banking hubs are needed in this country. At the moment we are talking about 350 by 2029. That is not going to cover the country. They were celebrating last week that they got 50 of these super ATMs out. That is a good start, but they need thousands of those around the country. We need an economic solution as well. If we just come up with solutions that paper over the cracks and are not economic, they will fall down. We cannot have that.

Q60 **Dame Harriett Baldwin:** But they are not in the criteria for banking



HOUSE OF COMMONS

hubs.

Ron Delnevo: Yes, exactly. They are not.

Dame Harriett Baldwin: Can you all please make these powerful representations?

Chair: We obviously have our voice as a Committee.

Ron Delnevo: Coming from an MP, that is great. We have been saying for ages, "Where is the specification of banking hubs?" I am glad you raised that point on air here, because we will take it up.

Q61 **Lola McEvoy:** I feel quite strongly that the evidence you have given has been really powerful and leads me to conclude that there is a real need to keep cash in our society long term. But predominantly it is about people on low income, either temporarily, in Ms Cartwright's examples and testimony, or permanently, in some of the other testimonies that we have heard. Would you agree that the lack of cash access is disproportionately affecting the low-income bracket in this country?

Wayne Crocker: No, because we will have people who have large bank accounts but who do not have the mental capacity to manage accounts that allow them to have access to a debit or credit card. There will be people who are on benefits and low income, but there are also people who will be left houses, income and legacies from their families, but who do not have the mental capacity to manage an account that will give them access to debit or credit facilities. They will be getting access to their cash on a daily or weekly basis via an ATM card.

We still hear stories where, if the local authority is the appointee, people go down and collect their envelope of cash for the week from the local authority. They physically go down and they get an envelope with £100, and that is their cash for the week.

Deidre Cartwright: Victim-survivors of economic abuse will not necessarily be low-income. They may have assets and they may have money that they cannot access, which is why they are dependent on cash. They will oftentimes be temporarily low-income, but that is not necessarily the case.

Ron Delnevo: As I said earlier, 81% told LINK that they want the option to use cash. That must cover every income group in the country. It is important to highlight want, not just need. They want to use cash. It is a preference.

Chris Brooks: Being on a low income is probably the strongest factor that connects a lot of people that do need to use cash, but it is obviously not the only factor, if that makes sense.

Conor D'Arcy: With those FCA stats, it looks like you are twice as likely to use cash if you are on a lower income and have low financial resilience. There are also people, as I mentioned, who might have more money



HOUSE OF COMMONS

saved up but who, in a bad period, can really blow through it, and having cash is a protection for them.

Q62 Dame Harriett Baldwin: There is increasing alienation from politics and the system. One of the conspiracy theories that seems to be in great currency is that any Government, irrespective of party, is determined to make us a cashless society. Do we need to challenge that conspiracy theory by enabling the use of cash or easier use of cash?

Ron Delnevo: There is no conspiracy going on. There is a plan that commercial organisations have in place and that they are operating, and the public interest is not being served. The Government need to make clear that they will look after the public interest, and if they are looking after the public interest, they will make sure that this is not a cashless society and that cash is available and usable.

Chair: For the record, the Chancellors of both this and the previous Government have said that access to cash is important, but cash is often controlled by private sector bodies, as you say. That is quite an interesting point.

Chris Brooks: I do not think there is a conspiracy, but the Government can help with its communication and the way it talks about cash, just by making it absolutely clear that cash is here to stay and is not going to go away. As long as that message can get across to the public, people will understand that there is not a conspiracy. I do not think it is commercial organisations in the round; there might be some commercial organisations that want that, but it is not most commercial organisations.

Ron Delnevo: No, definitely not. The major retailers in this country support cash, so it is not a problem with them, but there are some organisations who would be suited by a cashless society.

Chris Brooks: Even within the banking sector, there is a lot of difference in policy, practice and approach to these issues.

Ron Delnevo: Yes, the building societies are great.

Chair: Thank you for what we have heard. It has been very illuminating. I know that some of you have put in evidence already, but if there is more you would like to add, this is going to be ongoing for a few months, and I say that to others who may be watching. We have had hundreds of pieces of evidence so far. Not everyone needs to repeat it; they might want to read what is online before they deluge our amazing staff team with more.

We have heard a lot today about whether policymakers do or do not understand how a lack of cash acceptance can deprive people of goods, services and the ability to use cash as part of their lives. There is a real danger that the unmanaged decline of cash is excluding people and that there may be equality issues here. Ms Cartwright, you gave some very powerful testimony about the people who are in that temporary space—



HOUSE OF COMMONS

we hope it is a temporary space—and where they are controlled, which has not often come up in some of the inquiries that Parliament has done. Cash acceptance is critical, as you have all demonstrated, for particular vulnerable groups in society, which you have ably represented here today. It is a passport to participation for everybody, which we have heard really clearly from you.

Thank you very much indeed for your time. As I say, we will be continuing with this inquiry. We will keep you in the loop and make sure you have early sight of our report. I say “early”; it will not be too early. I had better be careful before the Clerk tells me off. You will get sight of the report, of course. The transcript for this session will be available on the website, uncorrected, in the next couple of days, with great thanks to our colleagues at *Hansard* for that.