

## Written evidence submitted by Mencap

### About Mencap and Learning Disability

Our vision is for the UK to be the best place in the world for people with a learning disability to live happy and healthy lives. We do this by supporting the 1.5 million people with a learning disability in the UK and their families to improve access to health and care services, education and employment. We directly support around 4,000 people with a learning disability to live their lives the way they want.

A learning disability is a reduced intellectual ability and difficulty with everyday activities – for example household tasks, socialising or managing money – caused by the way the brain develops before, during or shortly after birth. People with a learning disability tend to take longer to learn and may need support to develop new skills, understand complicated information and interact with other people.

A learning disability can be mild, moderate, severe or profound but in all cases, it will be lifelong and the level of support someone needs will depend on the individual. For example, someone with a mild learning disability may need support with things like getting a job or travelling to a new destination. However, someone with a severe or profound learning disability may need full-time support with every aspect of their life and personal care.

### Response Summary

People with a learning disability disproportionately rely on the acceptance of cash. Refusing to accept cash payments risks permanently excluding people with a learning disability from having the independence, control, and choice to pay for goods and services themselves.

We urge the Treasury Committee to echo calls from Mencap Cymru for the government to issue revised guidance and utilise existing equality legislation so publicly funded services are compelled to accept cash as a payment option.

### 1. What is the current state of, recent trends in, and forecasts for cash acceptance in the UK?

UK Finance forecasts that cash use for payments will decline to around 6% by 2031.<sup>1</sup> Cash acceptance by retailers and services is also reducing rapidly; research by LINK found that nearly half (45%) of people have recently been somewhere that did not accept or discouraged the use of cash.<sup>2</sup>

There is a substantial risk that many people with a learning disability who are cash users will become unacceptably disadvantaged by a lack of ability to use cash payments. We are keen to

<sup>1</sup> UK Finance, *UK Payment Markets Summary* (2022), <https://www.ukfinance.org.uk/system/files/2022-08/UKF%20Payment%20Markets%20Summary%202022.pdf>

<sup>2</sup> LINK, *Cashless Britain causing problems as new LINK research shows one-in-five inconvenienced by inability to pay in cash*, (2023) <https://www.link.co.uk/news/cashless-britain-causing-problems-as-new-link-research-shows-one-in-five-inconvenienced-by-inability-to-pay-in-cash>

ensure the successful development of an inclusive digital payments approach while ensuring access to and usage of cash remains available for people with a learning disability who remain reliant on it for budgeting or accessibility reasons.

Whilst this inquiry explicitly focuses on cash acceptance, it cannot ignore the related issue of access to cash and financial services. Bank branch closures continue at pace<sup>3</sup> and failure to ensure the survival of these services risks cutting off many people with a learning disability further who rely on face-to-face services to manage their money.

## **2. Are there groups in society that disproportionately rely on businesses and public services accepting their cash? What challenges do they face?**

Yes; whilst some people with a learning disability are comfortable using digital apps and debit or credit cards to pay for items and services, other people with a learning disability rely disproportionately on cash as their payment preference.

This is partly because alternative digital and online payment methods are frequently inaccessible. Of the 11 million people who do not have the ‘essential digital skills for life’ more than half have a disability or impairment;<sup>4</sup> often people with a learning disability need to grapple with inaccessible information or use websites and apps which are not designed with them in mind; 49% of disabled people had experienced barriers accessing banking products and services in the last 12 months.<sup>5</sup> In addition, some people with a learning disability are restricted from accessing digital services because they simply cannot afford broadband connections or online devices.

As well as facing issues of digital exclusion and inaccessibility when forced to use digital alternatives to cash, people with a learning disability are faced with the risk of exposure to scams; financial abuse and exploitation were the most frequently recorded safeguarding issue on Mencap’s information and advice helpline last year.<sup>6</sup> The increased sophistication and targeting of fraudsters mean that many people with a learning disability have valid concerns about the safety of making payments digitally and they therefore prefer cash.

People with a learning disability are also disproportionately dependent on cash acceptance due to existing economic inequality. Disabled people typically have incomes one-third below their non-disabled low-income counterpart<sup>7</sup> and 67% of low-income households with a person who has a learning disability were in arrears with at least one bill in May 2024.<sup>8</sup> This is in addition to the

<sup>3</sup>House of Lords library, *Closure of high street banks*, <https://lordslibrary.parliament.uk/closure-of-high-street-banks-impact-on-local-communities/#heading-3>

<sup>4</sup> GOV.UK, *Digital Lifeline*, <https://www.gov.uk/government/publications/digital-lifeline-a-qualitative-evaluation/digital-lifeline-a-qualitative-evaluation>

<sup>5</sup> Plend, *Inclusion report*, (2024) <https://www.plend.com/inclusion-report-2024>

<sup>6</sup> Mencap, internal data analysis of Mencap’s Information and Advice cases financial year 2022-2023. <https://www.mencap.org.uk/advice-and-support/learning-disability-helpline>

<sup>7</sup> Resolution Foundation, *Costly Differences*, [www.resolutionfoundation.org/app/uploads/2023/01/Costly-differences.pdf](http://www.resolutionfoundation.org/app/uploads/2023/01/Costly-differences.pdf)

<sup>8</sup> Joseph Rowntree Foundation internal analysis of Savanta survey, <https://www.jrf.org.uk/cost-of-living/jrfs-pre->

existing extra costs disabled people face; on average, disabled households need £1,010 a month more to have the same standard of living as non-disabled households.<sup>9</sup> Cash usage can be a vital budgeting tool for people with a learning disability and their families.

There are also barriers when supporting adults with a learning disability who live in residential care or supported living accommodation. Often the local authority will be the financial appointee when a person with a learning disability is deemed to lack the capacity to manage their bank account, or they are at risk of being financially abused.<sup>10</sup> As a result, they will often be given access to money via a cash machine but may not have a debit or credit card. This inquiry must recognise that even where a person with a learning disability has access to a bank account, many are not able or allowed to operate an account with credit or debit facilities and are offered basic bank accounts with cashpoint cards only.<sup>11</sup> Therefore, a venue refusing to accept cash has a disproportionate impact on them.

Mencap Cymru identified that being told that a venue is cash-only has become a common experience for people with a learning disability who do not or cannot use digital payments. Their survey emphasized some of the challenges and barriers faced by people with a learning disability, their families and support workers.<sup>12</sup>

Impact of cash refusal on people with a learning disability:

*'This made me stressed and worried, which could have resulted in me displaying behaviours ... and I would feel sad'*

*'I had money while the others had cards, I felt left out'*

*'Panicked, got embarrassed, left the restaurant, felt awful'*

*'Got stressed and worried. No food no nothing'*

*'I found this situation really difficult as I don't have a bank card to pay for items. This impacts my daily activities.'*

*'It is getting so frequent now, it's happening at least a couple of times a week. We make a huge effort to get our son out to enjoy things and then are faced with this soul-destroying experience of being turned down and seeing his disappointment. Also, as a parent-carer, I manage my budget during the cost of living crisis by taking out cash and paying as I go along. So it's having a huge impact on both of us. We are desperately worried about this.'* [parent of a person with a learning disability]

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[election-cost-of-living-tracker \(2024\)](#)

<sup>9</sup> Scope, *Disability Price Tag, 2024* <https://www.scope.org.uk/campaigns/extra-costs/disability-price-tag-2024/>

<sup>10</sup> Welsh Parliament Petitions Committee, *A cashless society? P-6-1335 Welsh Government should take steps to ensure vulnerable adults without bank cards can pay with cash*, (2024) <https://senedd.wales/media/apyhm2kp/cr-ld16541-e.pdf>

<sup>11</sup>ITV Cymru, *Sharp End*, (2024) <https://www.itv.com/walesprogrammes/articles/sharp-end-june-25th-2024>

<sup>12</sup> Mencap Cymru, *Survey of service users*, (2024)

Also see BBC interview with members of Mencap Mon <https://www.bbc.co.uk/news/uk-wales-65239611>

Rejection of cash can also lead to loss of independence amongst people with a learning disability who would otherwise have been able to manage a cash payment:

*'My mum paid'*

*'My support worker had to pay taking away my independence in wishing to pay for items myself'*

*'I (support worker on minimum wage) paid for the person I was supporting with my personal bankcard so that we could go swimming together'*

*'Thankfully my carer paid and claimed the money back, but if she hadn't been with me or had the money I would have had to go without food and drink whilst out on a visit.'*

We are concerned about the impact this has on support workers as it is not good practice for support staff to pay with their own debit or credit card.

In addition, the survey found that lack of cash acceptance led to people with a learning disability restricting the services they purchase:

*'I couldn't pay for my goods'*

*'I left, I had no other means of paying'*

*'I had to leave with no food'*

*'I find it difficult to attend my club as [I] have no other way to pay'*

*'I spent the whole day at an event aimed at people with a learning disability and couldn't buy a drink or food the whole day'*

### **3. Should the government require parts of the economy to always accept cash?**

**Are there sectors of the economy where cash acceptance is particularly important and should be protected?**

Whilst there have been increased protections for access to cash through the Financial Services and Markets Act 2023,<sup>13</sup> we are concerned that these protections do not extend to the acceptance of cash which is so vital for many people with a learning disability and we fear this work will have limited efficacy if opportunities to use cash are limited to such an extent that it fails to be a viable payment option.

<sup>13</sup> Financial Conduct Authority, *Access to Cash policy statement*, (2024) <https://www.fca.org.uk/publication/policy/ps24-8.pdf>

We recognize that retailers may struggle to accept cash due to local banking issues and wider trends in cash use. However, we echo Mencap Cymru's call that cash acceptance should be made a requirement for any organisation or venue in receipt of public funding from local or national Government.

The Welsh Government has recognised that the provision of digital-only payment routes with no option to use cash as a payment method raises potential equality of treatment issues. Following a debate in the Senedd in October 2024, Mencap Cymru and members from Mencap Mon who provided evidence to the Petitions Committee's inquiry on this issue met with the Cabinet Secretary, Jane Hutt MS, and Welsh Government officials to discuss what they can do within existing equality legislation to ensure that venues in receipt of public funding accept cash. For example, there are bodies in receipt of Welsh Government funding who are classed as 'listed authorities' under the Public Sector Equality Duty, meaning that they are required to have due regard to certain equality considerations when exercising their functions. The Act places a duty on providers of goods, services and facilities to make reasonable adjustments to avoid a disabled person being placed at a "substantial disadvantage" compared with non-disabled people when accessing these services and facilities. They are also required to assess the impact of certain policies on groups of people.

We are concerned that the impact on people with a learning disability is not being considered, and echo the calls for a public awareness campaign targeted at service providers, venues and businesses, as mentioned in recommendation 3 from the Senedd's Petitions Committee's report<sup>14</sup> would help reduce and avoid some of the experiences cited above, and would help raise awareness of the disproportionate impact on people with a learning disability. This recommendation was accepted in principle by the Welsh Government, acknowledging the need for a cross-government and cross-sector approach.

In the meantime, publicly-funded services and venues such as arts and leisure venues should be encouraged to put in place voluntary arrangements pending regulation to prevent further deterioration of the existing cash system. These arrangements should be designed to be long-term and capable of supporting the legislative requirements once they come into effect.

Mencap also calls on the committee to recommend that government make provisions for the usage of cash and the specific needs of people with a learning disability in the upcoming National Financial Inclusion Strategy, to increase the availability of accessible and inclusive banking.

## ***November 2024***

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<sup>14</sup> Welsh Parliament Petitions Committee, *A cashless society? P-6-1335 Welsh Government should take steps to ensure vulnerable adults without bank cards can pay with cash*, (2024) <https://senedd.wales/media/apyhm2kp/cr-ld16541-e.pdf>