

## Written evidence submitted by Edenred (COV0161)

### Introduction

- Edenred is proud to support the Government in delivering a free school meal voucher scheme that provides for schools, parents and families during this difficult time. Given the Committee's expressed interest in the scheme, particularly in relation to participating retailers, we wanted to take this opportunity to provide further information to the Committee.

### Background to the scheme

- Under normal circumstances, across England, the c.1.3 million children who are eligible and claim for free school meals do so from their schools' cafeteria. Considering the closure of schools due to coronavirus, the government approached Edenred to help deliver a voucher system that would ensure eligible children would not go hungry during these exceptional times.
- Edenred already holds expertise in this field, having delivered high volume voucher schemes for various clients in the public and private sectors. This includes currently delivering the Crown Commercial Service (CCS) contract to provide employee benefits to public sector organisations for more than 5 years.
- The scheme is designed so that no money from the public purse is being paid to Edenred. The fees to fund the system come from the participating retailers via a very small percentage of their revenues from the vouchers. Consequently, Edenred provide the service free of charge, with no cost applied to public finances. 100% of the public funds spent on this project by the Government with Edenred is for the families in need.
- It is important to note that the vouchers scheme is intended to provide an alternative for schools who couldn't use existing or alternative arrangements with local catering, which would've maintained an 'eyes on' interaction for welfare purposes; it was not mandated or envisaged that all schools would have to use the system. Nevertheless, 17,518 schools - more than 80 per cent of all schools – have used the system so far, with the majority of them using it regularly. More schools have registered to order vouchers for the upcoming school summer holiday. This volume did present some operational challenges early on, particularly when the scheme was extended at short notice to cover the Easter school holiday. Our team has worked tirelessly ever since launch to ensure any teething problems with the system are rectified so it can operate as intended.
- Before the end of this week, over £200m supermarket eGift Cards will have been distributed to families since the launch of the scheme representing over 13.3m weekly allowances.

### Retailer participation

- A recent letter sent from the Chair of the Committee to the Minister for Children and Families, noted concerns regarding the absence of retailers like Lidl and Co-op from the scheme. We know these concerns were shared by witnesses from the British Retail Consortium (BRC) and the Association of Convenience Stores (ACS) during an earlier oral evidence session.
- At launch, most of the largest supermarkets were enrolled on the scheme and eligible families could redeem digital codes for their eGift Cards. However, Edenred has since worked extremely hard to expand the scheme to a greater range of retailers, allowing eligible families more choice in where they redeem free school meal vouchers. From our perspective, the more retailers participating, the better.

- Our team spent considerable time at the end of April to onboard both Aldi and McColl's by implementing a new eGift Card solution. The Committee will also likely be aware of the news of Iceland joining the scheme this week, along with a charity Community Shops, again following work by our team and partner organisations and colleagues at the retailers referenced to implement a gift card system across their stores. We are delighted to see these retailers join the list of other supermarkets already on the scheme.
- Onboarding new retailers has not been a simple process, but one we feel is worth the investment of our time and resource. We understand concerns raised to the Committee by earlier witnesses, including with regard to the challenges with serving remote communities, for whom Co-op's stores often serve with limited alternative provision.
- In order for a retailer to join the scheme, they must have a digital gift card system already in operation that can be processed in every one of their stores. Iceland, Aldi and McColl's were in a position for us to support them in implementing a system so that they could participate.
- As Co-op shops vary between members of individual Co-operative Societies and members of the Co-op Group, it has been more difficult to offer a single gift card solution that would be accepted across all shops that fall under the Co-op brand. The Co-op has so far been unable to roll-out a gift card system across every one of their stores, and often members of the public do not know whether their local store falls under an independent Co-op or as part of the wider group. We believe this poses a risk in that families could turn up to their shop ready to purchase food for their children's lunches, but not have the correct voucher to use in that store. We remain open to working with the Co-op to implement a voucher system that works across all of the shops that fall under their brand.

### About Edenred

Edenred is a leading services and payments platform and the everyday companion for people at work, connecting 50 million employees and 2 million partner merchants in 46 countries via more than 850,000 corporate clients.

Edenred offers specific-purpose payment solutions for food (meal vouchers), fleet and mobility (fuel cards, commuter vouchers), incentives (gift vouchers, employee engagement platforms) and corporate payments (virtual cards). These solutions enhance employee well-being and purchasing power, improve companies' attractiveness and efficiency, and vitalize the employment market and the local economy.

Edenred's 10,000 employees are committed to making the world of work a connected ecosystem that is safer, more efficient and more user-friendly every day.

In 2019, thanks to its global technology assets, the Group managed €31 billion in business volume, primarily carried out via mobile applications, online platforms and cards.