



Economic and International Affairs Scrutiny Panel

Acceptance of Cash Payments Review

Witness: Jersey Hospitality Association

Tuesday, 20th August 2024

Panel:

Deputy M. Tadier of St. Brelade (Chair)

Deputy M.B. Andrews of St. Helier North

Witnesses:

Ms. A. Calvani, Co-Chief Executive Officer, Jersey Hospitality Association (1)

Mr. M. Calvani, Co-Chief Executive Officer, Jersey Hospitality Association (2)

[15:06]

Deputy M. Tadier of St. Brelade (Chair):

So, Marcus and Ana, welcome to this public hearing from the Economic and International Affairs Scrutiny Panel, which we are, and we are looking at the acceptance of cash payments in Jersey. That is the review that we are currently doing. This is a public hearing, so we are very pleased to have you here. Just to draw your attention to this statement here, it effectively says that you are covered by parliamentary privilege as long as what you tell us you believe to be true and there is no problems there. I am going to introduce us as the panel and then I will hand over to you to introduce yourselves for the record and then we will start our meeting. So I am Deputy Montford Tadier, I am the Chair of this panel.

Deputy M.B. Andrews of St. Helier North:

I am Deputy Max Andrews, a panel member.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Ana Calvani, co-C.E.O. (Chief Executive Officer) of the Jersey Hospitality Association.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

I am Marcus Calvani, the other co-C.E.O. of the Jersey Hospitality Association.

Deputy M. Tadier:

Thank you and welcome. I know we saw you not so long ago on a different subject so I am pleased to have you back.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Thank you.

Deputy M. Tadier:

Just for opening remarks, could you provide us a brief outline of some of the work you do with your organisation?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Yes, of course. So we represent in an independent manner, so we are non-government funded, we are fully funded by our membership, just over 200 member companies that represent around 400 or just over actual establishments on the Island. We are broken up into 10 sub-sectors, each has a Chair, and the Chairs make up our board, so we have a 2-way, very easy communication to very specific areas of our industry. We do all sorts. We lobby you guys, we play nice with you guys and we run the Delicious Dine Out food festival. We have monthly board meetings every month, we have monthly or every kind of 6 weeks the subsectors meet as groups themselves. So it is a very active ongoing, daily, up to date, where we are as far as an industry and how we move it forward. We also sit as part of the ...

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Visitor Economy Strategy Group.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Yes. What else do we do? Anything hospitality, we hopefully give you a sensible answer back.

Deputy M. Tadier:

Well, I think we have asked you to come in because clearly it is an important industry in Jersey that you represent and, at a very basic level, you provide services and products that need to be paid for and people need to pay for that either using cash, card payments, contactless payments. Have you had any feedback so far from your members about this area that we are looking at?

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Yes, we have. We have overall sort of similar feedback. As we briefly just discussed, prior to actual data per se we do not have to present today, our association obviously has the capacity but not for the subject's resources to capacitate the actual data, but we do have good general feedback and the industry's opinion, if you will, on the subject and we are happy to share that.

Deputy M. Tadier:

Great, so should we start with maybe what you think some of the benefits are or potential benefits and challenges for either the non-acceptance or the acceptance of cash payments and all digital payments in your industry. I accept it is a broad industry as well.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

I think that the general feeling is that businesses should be allowed to choose and accept what they want and there is a variety of payments and payment types, and I think customer bases as well, that changes it. So we do still see quite a lot of tourists come into the Island, actually, particularly French tourists that like to pay with cash. We do still see some of the older population on the Island that very much still like cash in hand. Some people maybe like to budget themselves through cash. But in general, the majority of payments are made through tap or card. When it gets to the bigger transactions, hotel bills, larger meals out, wholesale purchases, they are inevitably hardly ever made with cash. We have had some feedback that anybody you are buying any kind of supplies from off-Island and you are a wholesaler on-Island, cash is almost a non-existent entity in that process because you have to wire money off Island and that side of it. So I think from our standpoint as an industry, we would be hesitant to support any removal of any form of payment. I think it is a case for each business to make their own choice. I know some people have chosen to try and go cashless as far as coffee shops and that kind of stuff, that are smaller. I mean, at the end of the day, handling cash is difficult. It is a challenge when it comes to dealing with staff and making sure stuff does not go missing. It is a bit of an insurance nightmare. It costs money to bank it. There is no question about the fact that tap and card is clearly the future. But I think at this stage, we are not at the future where you would remove it in its entirety from industry.

Deputy M. Tadier:

Yes, there are presumably costs to all of these things and decisions. There is a cost to using cash, there is presumably a cost to using cards, right?

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Correct, yes.

Deputy M. Tadier:

Can you actually talk us through some of those costs? That might be useful for us. They do not have to be exact but just ...

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Yes, obviously with the cash there is a process that each company is going to need to have in place as far as depositing, if it is on a weekly basis, if it is a bi-weekly, whatever the process is, it needs to be very much stringent in place and the employees need to follow that as far as cashing out, banking and depositing all of that.

Deputy M. Tadier:

There are bank charges?

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Absolutely, yes.

Deputy M. Tadier:

Do you know roughly what are the bank charges?

Co-Chief Executive Officer, Jersey Hospitality Association (1):

It would vary from bank to bank. There is not a standard ...

Co-Chief Executive Officer, Jersey Hospitality Association(2):

But a business account charges you to bank cash.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Absolutely, always.

Deputy M. Tadier:

Does that lead to ... say businesses who have cash on-premises, would they tend to keep it on-premises safely until they have a large enough amount or would they need it to pay for other services?

Co-Chief Executive Officer, Jersey Hospitality Association (1):

They would need to keep a float on a daily basis. So they have a standard, let us say, float of £100 or something if you are a cafe somewhere and you obviously need to give change to people, so you have change in your till. But if you are a larger establishment in a hotel, yes, it would. I think, potentially, there is a security process where you have a pick up safe on site ...

Co-Chief Executive Officer, Jersey Hospitality Association(2):

There would be a safe on site if you are taking a huge amount of cash.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

... and pay somebody like G4S to transport the money, transport the funds. These are obviously bigger companies and chains that have an international or national banking system that they all have to follow because they are a chain business or establishment.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

The days of filling up bin bags with cash at the end of a night service in a nightclub or bar are long, long gone. I think it would be safe to say that more than 75 per cent of the transactions taken will be through card or contactless payment. So there is a relatively minimal amount of cash.

[15:15]

Deputy M. Tadier:

Is there a particular type of demographic or customer that you associate with the use of cash?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

I do not like to generalise, but I would say that the older, more conservative tourist is probably your prime cash user and then, I think, people who like to budget through cash. Some people like to say, this is the money I have for the week and they lay it out on a table, it helps them to visualise it and have that tangible experience of spending. But we also see maybe some younger child that does not have a bank account or tap that goes to the beach with their friends and the parents might give them a few pounds to buy an ice cream or that kind of thing as well. It is an easier way to control the spend of a child or somebody who you are responsible for and at the same time to give them that ability to have that independence but not go too wild.

Deputy M. Tadier:

For you as business owners and people who run businesses, or any of your people you represent, do you get the instinct that there is a preference towards one form of payment over the other?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

I tried to go cashless. We tried it in multiple of our own establishments to go cashless. What are the benefits? The benefits are nothing goes missing, nothing it has to be cashed up and closed out at the end of the night so your point of sale system and your credit card takings match each other identically. From an accounting and admin standpoint, it is far easier and far quicker but you then

get a customer that comes in and says: "Well, I only have cash" and you are not going to turn your customer away and say: "Sorry you cannot have a drink or an ice cream or a dinner because you only got cash." I think we definitely do not want to be see businesses turning away tourists saying: "Sorry you cannot have a meal" or they eat their meal and get the cash out and say: "You cannot pay like that." So there has been in the last 10 years a significant movement more towards contactless and card payments.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Especially since COVID for sure. We know as consumers, and you would have seen that as well, that minimised that a risk.

Deputy M. Tadier:

So if we were to maybe categorise some of your members' businesses, so with restaurants, would it be normal that most would take cash and card payments?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Yes.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Yes.

Deputy M. Tadier:

If we go towards coffee shops, for example, small cafes?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Probably trying to go more contactless and card because the transaction amount is a lot smaller and it is quicker. I would imagine that if you went into one and you said: "I really do not have a card and I do not have a phone" or: "I have a £5 note in my in my pocket" you would find a very, very small number that would say: "Sorry, I am not going to serve you."

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Some do actually. Especially since COVID.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

You get the odd one.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Yes, definitely. Because, again, that is the systems that they have put in place for the employees to follow and it is about making it easy for them and unfortunately I think customers have probably been turned away with cash in hand.

Deputy M. Tadier:

I suppose it depends on the size of the business.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Yes, exactly.

Deputy M. Tadier:

If it is a business where the boss is on hand to be asked, is that okay ...

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Exactly.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Yes.

Deputy M. Tadier:

... as opposed to a multinational where ...

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Yes, and there are policies there. Yes, absolutely.

Deputy M. Tadier:

Do you have an instinct about what proportion of your industry does not accept cash payments?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

I think, Monty, it is more in the wholesale supply chain side predominantly.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

I do not think anybody does ...

Deputy M. Tadier:

Yes, it is billed, is it not?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Yes, it is billed but even if ... some businesses they might not want to give you a 30-day credit or a 60-day credit, you might be what used to be cash on delivery but the cash on delivery is not actually cash on delivery. It is pay with your credit card or pay with your debit card before we bring the product to you. So the cash has gone from that side of industry as well.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

It takes the liability out of the delivery drivers that have to deliver that product to the venue.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

You do see it, you still see cash in hotels. Hotels are a very multidimensional business in the fact they might be running a restaurant in one area, a bar in another, and you have got the room sales. I think people still like to use cash for tips. Some of the time I think they feel like it is more likely to go to the person they want to give it to as opposed to putting it on a card and then relying on the business owner to give it to that particular employee or split it however they do.

Deputy M. Tadier:

We were going to ask about that so we could do it now. So has the demise in cash led to a different way to secure gratuity? So, for example, are service charges more common now than they were in your industry? Is it automatic?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

I do not think they are more common. I think that the technology has changed so you can set your card reader up to automatically ask if you want to leave a tip. So you see some of them that say: "Do you want to add £1?" Some of them actually say: "Do you want to round it up for charity?" Some of them say: "Do you want to add a percentage on?" So the tech has advanced quite a lot. From our own personal businesses, we run a flat service charge inclusive anyway. I think a lot of the industry has moved to that model but I do not think it has had any change or increase or decrease in tipping. Generally tipping here is not a huge part of what they deliver.

Deputy M. Tadier:

What I mean is, is the automatic service charge been a product of less use of cash, you think?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

No, I do not think so, because if I think back to pre us coming back, when I used to come back and still work within the industry, a lot of the time it would say a table of 6 or more or a party of 10 or more will have 10 per cent included. That was already there but people were still paying those bills in cash or you see all of the group dividing that bill up at the end of the night or throwing in £20 or

whatever it was into it. I do not think that mentality of tipping has changed through cash or card, do you?

Co-Chief Executive Officer, Jersey Hospitality Association (1):

No, I do not think so.

Deputy M. Tadier:

Okay, that is fine, thanks for that. It is not one of the fundamentals we are looking at but I think it is an interesting side issue. I guess the last question from me before I pass over to my partner in crime, Max.

Deputy M.B. Andrews:

Always good on cash.

Deputy M. Tadier:

Some of it is obviously a business ... there is a call, is there not, to be made as to what the savings you might make by going cashless versus the business you might lose. So we have heard from some people in submissions who just say they will not go somewhere if they do not accept cash. Is the industry live to that risk?

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Yes, potentially. Potentially, but, equally, we do not want to see additional regulation put on to businesses to force them to only take certain type of payments, because, again, I think ultimately it should - as they see it - be up to what suits that business and what makes that business most productive and profitable to operate. If those restrictions are put in the place, either to say yes or no to one payment or the other, then I think that that makes it harder really.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

I think the businesses that see much smaller transaction amounts ... I was about to say the percentage of money taken through cash would be higher but it then splits into is it traditionally operated or operated in a modern style? A coffee shop compared to like a beach kiosk, a lot of the beach kiosks are still taking cash, some of the town-based coffee shops are the ones that are probably more predominantly cashless, so I do not think there is even any tie to the size of that transaction through the everyday consumer transaction as opposed to the wholesale side of it.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Yes, it is more the business' ethos of operating, their style of service or their brand, just really how they wish to operate.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

The feedback that we have had from people though is, you know, any payment should be allowed and it should be the business' choice to make what payments is allowed. I think anybody would say to you, it is inevitable that cash will eventually become non-existent but let the consumer decide when they have had enough of cash and they are comfortable with a card. It is probably generational. I think you will probably see another generation pass and they are just not going to even carry cash around in their pocket. There is a conversation that I have had in the last week from a tourism standpoint that actually our £1 note is one of the things that tourists love. So it is a bit like when you go to Disney World and you get Disney money, our £1 note is almost this kind of funny money, it is got a watermark with a cow in it and the U.K. (United Kingdom) does not have a pound note so it is novel. It may be that actually we are getting great visitor economy benefit from this slightly funny money that we have that is different from other places as well. It makes it unique and makes it quite special.

Deputy M. Tadier:

I do not know if you agree, we have evidence of people coming with a certain amount of cash and they are like: "I have to spend this money." If you have £20 in your wallet, you have got to get rid of it because you cannot spend it back in the U.K.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Get rid of the Jersey ones. That is what they say, get rid of the Jersey ones.

Deputy M. Tadier:

But if it is on your card you do not think like that.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Yes.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Yes.

Deputy M. Tadier:

Okay, thank you.

Deputy M.B. Andrews:

Okay, thank you very much, Chair. Thank you very much to both of you for being in attendance today. I just wanted to ask, from a business perspective, when, for instance, a business is looking,

say, to deposit cash in the bank compared to the cost of transactions, digital transactions, what is the less costly option for a business in your experience?

Co-Chief Executive Officer, Jersey Hospitality Association (1):

I do not think there is to be honest, because, again, it comes down to what bank do you have set up, the rates that bank charges you for your transactions, your deposits, then what credit card terminal system and provider you have set up and, again, the rates that you can negotiate as a business for every single transaction. So there are companies that pay more. For example, as a consumer, you probably noticed not everybody accepts American Express. It is because as a vendor, it costs more to set up with American Express. So there are variations of those card charges as a proprietor, as a business owner, so it just depends on what company you go with, and some obviously have better rates than others. Also the negotiation power of the size of your business that has a say as well. So it is hard to really ...

Co-Chief Executive Officer, Jersey Hospitality Association(2):

I would say if you are really good at negotiating, cashless will end up being cheaper, particularly from April 1st next year onwards, because just your hourly wage for people to count the cash, then it goes to probably the manager or to your accounts person that then takes it to a bank, deposits it and the bank charges you for the deposit. If you take the labour time into it as well, it will inevitably be cheaper to do it with a card transaction. But, as Ana said, the card transactions and the percentages that businesses are being charged are literally all over the place, there is an extraordinary difference.

Deputy M.B. Andrews:

Have you noticed any trends, for instance, within the hospitality association of firms maybe banking with certain banks because they have more beneficial rates compared to others who are charging higher rates?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

As a consumer, you will have seen that going out. The word SumUp probably means something to you now, whereas a year ago or 2 years ago, you probably never heard of SumUp. These digital online banks have entered the market and are aggressive when it comes to rates. Hugely cheaper. You can buy your SumUp credit card terminal by walking into W H Smith as opposed to having to take long-term leases, contracts, all that kind of stuff. So the industry is definitely changing.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

It is very agile, it is very creative. Our industry moves really fast and it is always going to try to adjust to not just the customer, but how the market is changing and to keep up with that.

Deputy M.B. Andrews:

What feedback have you received from the stakeholders within the Hospitality Association about digital platforms that they have used? Has there been more positives than negatives?

Co-Chief Executive Officer, Jersey Hospitality Association (1):

There are limitations in Jersey, for sure, as a business owner.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

That is one of the biggest problems. So, Stripe, for example, which is a usable bank elsewhere, just cannot really be bothered with Jersey too much because it is such a small place. Our regulation means that they are not currently approved. Now, that might not seem too much of an issue but a lot of the other software that the industry uses is tied to only be able to do transactions with those things. So OpenTable where you make your dinner reservation, if you want to take a deposit so to secure your reservation, OpenTable only works with Stripe internationally so locally you cannot take your transaction. We have had to do a lot of work recently as an association with tech companies in Jersey to get I.P.s (Internet Protocols) from OpenTable to be able to create online payment platforms that are locally based that can make it work.

[15:30]

So there is a huge, I think, productivity inefficiency there when it comes to the regulation of these types of online banks on Island. It is a knock on, our financial services industry is so heavily regulated that you then end up having an overly regulated rest of the Island when it comes to other industries. I think that does definitely impact.

Deputy M.B. Andrews:

It sounds as if it has been an inhibitor.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Yes, without a doubt. Without a doubt. I think a number of years ago, Santander, for example, was a bank that was relatively unused in the Island, very difficult to bank with if you were a business because they had no physical way of taking cash on Island, so it was only digital payments. But as the digital payment stuff has grown over the years, it has suddenly become a more popular bank to bank with because it is not so important to have to walk into the bank and deposit the cash. From a Government standpoint, I would definitely say when we enter the world of cash free eventually, it is going to make stuff a lot easier because as far as salaries are concerned and tipping and all that stuff, you can see it all. It is all very controlled. It is all very transparent. Digital point of sale systems

have changed that a lot. You know, the days of writing bills by hand and giving them to the customer is, you know, 99 per cent gone. So I think from an accounting standpoint and a transparency of what is going on in a business and where the money moves, it is definitely easier. But with a point of sales system, you hit the cash button, it tells you how much cash is supposed to be in the drawer below you at the end of each evening and that kind of stuff too. So these are quite regulated control measures for staff as well.

Deputy M.B. Andrews:

But when we are speaking about security of monies for a business and we look at say digital compared to cash, what concerns do you have for instance about the use of cash and have there been any problems that have arisen for instance where people have maybe taken money from the till, et cetera? Has that been quite a predominant issue in the past?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

It has been a huge issue historically. We have probably entered the industry and grown up in the time of this transition between the 2. I will say to our management look out for this, look out for that, look out for the other because you have seen just about every way possible that you can make cash vanish or inappropriately be used. That tends to be not as exciting for somebody who is going to be that way inclined to try and fiddle the system because you cannot actually end up putting anything in your pocket and making it vanish at the end of it. Again, I think we saw a lot of pressure as an industry from staff wanting to be paid in cash, that is starting to fade out. I think it is more of an acceptance that actually the business probably cannot. We certainly would not be able to. If you have a big event and you have a lot of staff working and you were expected to cough up all the money and cash at the end of the event, the consumer might not have paid anything in cash. There is no cash on the site. So that world has definitely changed but we are in that transition period. I think we have gone through the peak of it and, yes, you still get the odd request: "I would like to be paid in cash" and in general if you say that it is just not possible they now say: "Okay, fine." So that is definitely dying out.

Deputy M.B. Andrews:

Dying out, yes. In terms of, say, maybe the use of digital payments, have you ever seen any problems for instance with different currencies being used through different platforms that maybe visitors are using and it has been rejected?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

No. Those card processing companies in general, the more modern ones particularly, accept anything. Back to SumUp again, they accept everything. I think you do still see some of the older generation who do not want to use tap. My parents are definitely not the norm but there is no way I

could get my parents to put their credit card or banking card onto their phone or onto their watch and wander around tapping. They feel like that is an utter violation of whatever they are trying to protect on the card. Despite you telling them, actually, it is safer a million times over, there is definitely not that comfort level. Again, that is a kind of transitional generational change. We have a very good wi-fi system on this Island in general. We have very few spots where we do not have data and that kind of stuff. I think the only other problem that we may see, but it does not impact the payments, is roaming differential between Jersey and mainland Europe. You have a tourist that comes over not expecting to be in not a roaming area and suddenly they are and they might not be able to access their banking app or that kind of stuff, but the tap is still going to work. I think it is, again, those regulations that we have in the Island of not roaming with other areas and that, that probably causes any of the minority of challenges that are seen.

Deputy M.B. Andrews:

Yes. In your experience with some of the firms that are part of the Hospitality Association and those who only accept digital payments, are they speaking positively about the changes that they have made since they have gone cashless or are there maybe some reservations with the changes that they have made in their business?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

It is one of those moves that I think takes ... it is an uncomfortable or uncertain move to make. It is much like a lot of change moves within our industry on Island and we tend to say with all of them if everybody does it together it is a lot less painful or a lot less worrying. A number of years ago if you charged for a reservation there would have been a hullabaloo made by customers whereas it has become more of a norm and I think as people now walk into cash free environments there is definitely still going to be some people who will kick up and moan about it, but they are very much in the minority. But in Jersey that minority is very good at making a big noise, as I am sure you guys, as politicians are aware.

Deputy M.B. Andrews:

Yes, we are. We are. Thank you.

Deputy M. Tadier:

Thank you. I think we are getting through the most of the areas very well, so thank you for that. One area that was highlighted to us is the consideration of hygiene when handling cash. That was, of course, at the forefront of people's minds in COVID. So have you got any thoughts on that aspect, especially in your industry, which might involve food preparation or serving?

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Yes, that certainly has made a difference, as far as processing transactions in general, because the venues that were just on cash, it definitely put them on the platform of switching, that whole experience of making sure that customers are safe, making sure that the employees are safe. So the use of cashless and card transactions have certainly increased since COVID.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

I remember my mother telling me it is filthy stuff. At the end of the day, it is passed around hand to hand to hand. I am not sure how much better a plastic note now as to a non-plastic note before. You know, anything like that ... I am sure there is probably a counter argument that our immunity is going to suffer as a result of not all touching each other's cash. But, as Ana said, I think the people who got used to it and took that leap of faith because it was forced into them during COVID have probably remained in that realm.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Yes, I do not think they have really gone back because, again, you have to keep up with the market, the trends and what your customers are asking for. In the past, just 3, 4, 5 years ago you would go up to the register and they would say: "Oh no, no transactions with a card unless it is over £5 or £10." Now, all of that has diminished as well. You can just go through and buy a pack of gum for £1, that is fine. So that has kind of eliminated that. It just sped up that process of people getting on to the technology that most other destinations use.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Specifically to answer your question, I am just trying to think, there are very, very few points within the industry where the cash transaction crosses with the food production. Normally the cash would be being dealt with .. yes, the front of house employee may take the cash, not wash their hand before they carry the plate out but the actual plating of the food is very rarely or the preparation of the food is very rarely done by the same person that takes the cash.

Deputy M. Tadier:

There might be places like ice creams vans, where ...

Co-Chief Executive Officer, Jersey Hospitality Association(2):

That is about the only thing, I was just thinking, where you might touch the cone and also touch the £1 note. But other than that, I cannot really think of many.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Maybe a little sandwich shop or something like that.

Deputy M. Tadier:

I guess to come to the crunch, because these are going to be the fundamental decisions, we have to make recommendations ... well, we will be making findings and recommendations to Government and this will all be based on the evidence we have received. There is quite a strong push from a lot of the submissions and survey results that we have had - it may be they are self-selecting - of people saying that they strongly would like to keep both cash and card in use and that they would even like us to recommend to mandate the use of cash and acceptance of cash by businesses. A series of questions on that for you. First of all, if Government were ultimately to say certainly for an interim period that businesses should accept or have to accept cash would that be manageable for your industry and what would the challenges be for your industry?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

I think we could comfortably say no to that mandate, because should Government accept cash and card, yes, because everybody in society might need to pay Government somehow and in some other way. But I think as an independent business you should be entitled to choose how you operate.

Deputy M. Tadier:

This is equally valid. The philosophy behind it we are interested in it. We can look at that now.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

It is the customer's choice then. If they feel that that business does not provide the service or the offering that they wish to see then they can choose to go elsewhere equally.

Deputy M. Tadier:

Are there any products or services that you think should be safeguarded from a cash point of view? Our previous guest, for example, said that if someone has a monopoly status, if it is a, shall we say, a ferry company or if it is an electric company, that you are the only one in the Island, if it is a service that you can only get from one person?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

I think there may be an argument for that. I do not think there are any monopolies in our industry specifically. You say ferries, there is more than one operator technically but I get where you are going with it.

Deputy M. Tadier:

I know most people would not pay for a ferry by cash but ...

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Could you actually buy your airplane ticket with cash? I am not sure. It would be interesting to go and figure out if you could. It is probably unlikely you would ever find anyone to buy it from. So I do not think there is much monopoly and I think Ana is right in the fact that if you as a consumer feel so strongly that I am not going to support a business that has decided to go cash free, you have the choice to go somewhere else and you have the choice to decide not to go to them.

Deputy M. Tadier:

What if all coffee shops in Jersey said that we are not taking cash and you cannot really go anywhere else for your coffee?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

I think at this stage, we are not at that point. I think the consumer has still got to be able to choose and the business owner has got to be able to choose. There is that matching up of relationship and trust level there from consumer and supplier. But I think that we would be strongly against trying to mandate a cash free hospitality industry. While there are great arguments on productivity and digital tech and the future, the reality is we are not there yet.

Deputy M. Tadier:

What about the other way around if we mandate to you have to accept cash, is that a step too far as well?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Yes, I think again it is too much regulation from Government. Let the business owner choose, because again, as we said before, you might have moved your business to Santander, for example, and now suddenly you guys have said you have to take cash, you have nowhere to put it, you cannot bank it. So you have made those operational choices to remove cash out of your ... and there is probably arguments in some businesses where there is operational efficiency and productivity increase by not having cash. You might have to have one less person or one less driver or one less person in your bookkeeping department as a result of not having that cash element. Again, I think we have to let the business choose.

Deputy M. Tadier:

For those people who just do not have bank accounts, do not have the digital literacy or just want to use cash, how should Government address that?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

If they are willing to run a business and pay tax, we should be celebrating, opening doors and telling them: "How can we help?"

[15:45]

Deputy M. Tadier:

Okay. If there are individuals in society who have not yet digitally literate are you effectively saying it is a job for Government to help them?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

I think going forward, you just naturally will be. It is not a hard transactional ... I mean, it is not a hard transitional change to go from cash accepting to cash free. There is not huge technological training that is needed. But in the same way that the person that wrote the bill by hand 10 years ago is probably now comfortable pressing a till. That process naturally happens and our industry is fast at change but I think our industry is also heavily unnecessarily overregulated. So extra regulation is not going to be something that would be supported.

Deputy M.B. Andrews:

A number of submissions that we received as a panel raised concerns about privacy over digital payments, so I just wanted to ask you, as obviously a businessman and businesswoman, whether that is a misconception? If so, could you just provide clarity on what you would see on your accounting sheet when transactions are processed?

Co-Chief Executive Officer, Jersey Hospitality Association (1):

You would not see a customer's credit card number or debit card number, none of that. Even when we get our statements through from the credit card company, the most that anybody would ever show is the last 4 digits of that. If a customer calls and says: "I need a refund on something" then you can match them with that and provide them a refund. But, no, in this day and age, I am sorry, technology is very well-versed in these areas. As big companies provide these systems, they would not put those systems in place.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

I am interested by those statements, though, because I am not convinced that is the privacy they are about. I think it is more about I do not want it to be known that I went to somewhere and if I pay with a card then they know that I was there or it is going to pop up on the credit card bill and the person I did not want knowing where I had been might then see where I had been. That is not really an issue for our industry. There is plenty of that in our industry and we have to be professional about whether you pretend like you have not seen that person the day before or not. But I think Ana is

correct, from an actual transactional standpoint, you cannot see something. It is not like we could take a transaction and show up at your house tomorrow. There just is not that information. It is very protected.

Deputy M.B. Andrews:

From, say, a reconciliation perspective, it is probably easier with digital transactions compared to cash transactions, obviously, at the end of the day, you do not need your staff to be there to do that manual labour. Would you say the reason why certain firms are still providing cash as an option is due to the consumer demand for cash? Is there another reason as well?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Definitely. I think it is the only reason. We are here as an industry to make customers happy and the only reason that you would be taking cash is to try and make as many customers happy as you possibly can. Because from an operation standpoint it is way easier to not have it. You can almost not be there and know exactly what you have taken, exactly how it has been taken and it reconciles automatically. A lot of the time now you can just automate the entire process through to your P. and L.(Profit and Loss).

Deputy M.B. Andrews:

I also just have to ask as well, we have been asking previous stakeholders this question, do you believe there is a need for the Government to bring forward legislation in regard to cash being transacted and maybe to then protect certain susceptible individuals who might be vulnerable?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Go further with that.

Deputy M.B. Andrews:

There has obviously been concerns when we are looking, for instance, at a cashless society. We have seen, for instance, the World Economic Forum predicate a cashless society as the way forward. But there are also maybe more vulnerable stakeholders, for instance, who might not have, say, a bank account. So should the Government bring forward legislation to protect certain individuals and to basically elucidate businesses as to what they can be transacting in terms of digital or cash?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

I do not know what legislation there is at the moment associated with it but I think we would strongly say that the Government should enable ... if cash is still something that exists globally, then we should be accepting cash and then it is down to the business whether they choose it or not. But,

absolutely, there are people that are not able to open a bank account for various reasons. There is a reason why cash still has its place and while it might be becoming the minority, there is still the need for it. I think particularly for service-driven stuff, so if I have to go and pay my rates or something that is governmental that everybody has to do, that is not of choice. A lot of what our industry provides is something that could probably be argued as of choice. But a fundamental thing, you know, medical care or paying your rates or that kind of stuff, I think you have to have it open for everybody to pay in whatever way they need to.

Deputy M.B. Andrews:

Thank you. Thank you, Chair.

Deputy M. Tadier:

Thank you. I think that is largely the end of the questions. I just have a couple of small questions. Have you seen an increase in the use of Revolut? Is there a demographic that uses Revolut?

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Definitely, yes.

Deputy M. Tadier:

Do tourists who come to you?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

U.K. tourists use Revolut. There is a bit of Revolut, there is a bit of ...

Deputy M. Tadier:

That is interesting.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

There is all sorts.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Stripe is one of them, Revolut's one, there is a handful of ...

Co-Chief Executive Officer, Jersey Hospitality Association (1):

There is quite a few.

Deputy M. Tadier:

Is Revolut available in the U.K.? I am sorry, outside the U.K.?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

I am not quite sure, actually. There is Starlink, that is another one. There are a lot of these digital banks.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Digital banking is huge in a lot of parts of Europe and Continental Europe as well.

Deputy M. Tadier:

It is interesting that U.K. tourists would use Revolut, is it not? Maybe they think coming to Jersey is a foreign place or maybe it is just a way of budgeting for their holiday.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

I think some people only use it. We have one, we have one employee, that I know specifically, that only has a Revolut bank account, so we pay them into their Revolut bank account, they only bank with Revolut. They have shut their, whatever it was, high street bank account.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Definitely. It is, as you have said, more generational. So the younger demographic are choosing a digital banking system. It might not have anything to do with Jersey but they are able to have it by living here in Jersey to have that account open. They definitely choose that. Plus for a traveller, if you look into it, it actually gives you better rates so if they need to exchange from pounds to euros it gives you a better rate so they use those banks, yes.

Deputy M. Tadier:

Do tourists ever ask to pay in euros or other foreign currency?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Rarely, but you do you do get it. We personally used to get it a lot when we ran the small coffee booth at the harbour. Because it is right there at a point of transportation and entry, you would get asked that a lot more.

Deputy M. Tadier:

Would you take euros?

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Well, it becomes a nightmare because then banking it is ... so you cannot bank the coin at all.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Here in Jersey nobody would take the euros, so it is a nightmare as a business.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

You could bank the notes but you could not bank the coins. Years ago, we took a bag of coins to Europe to change them for notes to bring them back to bank them because you physically cannot deal with it on Island. From that standpoint, no, a complete and utter nightmare. But, again, we are an industry that wants to make people happy so if you have some nice tourist standing there and they have nothing other than their euros to pay for whatever they have bought that is not that much, you going to be hard-pressed to turn around and say: "No, you cannot have it, go home."

Deputy M. Tadier:

You will find a use for the euros one way or the other. You may have to spend them yourself.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

You will probably go back to Europe and give them back to them. **(Laughter)** But from an accounting standpoint, again, a nightmare. At that stage, your reconciliation of your takings to actually what you have is going to be off. A lot of these systems, if you are off by, you know, €2, €3 euros, it is a nightmare. There are certain levels that you can put into the system where you might have an employee that is closing out the till and if that till is off, they cannot close it out because they do not have enough of the seniority in the system. It just adds in a whole world of complication that going cash free does not have. But, again, as we said, I think we do it because there is still consumer demand for it at this stage.

Deputy M. Tadier:

Great, thank you. Have you got any questions for us? Any further points?

Co-Chief Executive Officer, Jersey Hospitality Association (1):

No.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

What year do you reckon we are going cash free?

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Whenever we are in these sort of situations, representing our members, representing the industry, our message does tend to be similar; the less regulation, the better. That is the moral of the story. It is important for the businesses, because they are so diverse, the sizes, the number of employees

they have and the processes, there is so much to consider. Then the more regulation we put in place, the harder it makes for them to operate day-to-day. Overall, that is kind of the moral.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Interestingly, a payment form that has really died out fast is the cheque. You very rarely see a cheque. I think there is a natural progression of payment style that we can just naturally sit back and let it happen as opposed to try and regulate it.

Deputy M. Tadier:

Yes. Good, thank you.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Thank you.

Deputy M. Tadier:

I think we can end this part. Thanks, again, for coming.

Co-Chief Executive Officer, Jersey Hospitality Association(2):

Pleasure. Nice to see you.

Co-Chief Executive Officer, Jersey Hospitality Association (1):

Pleasure, thank you for having us.

[15:56]