



## **Economic and International Affairs Scrutiny Panel**

### **Acceptance of Cash Payment Review**

### **Witness: Jersey Chamber of Commerce**

Thursday, 5th September 2024

**Panel:**

Deputy M. Tadier of St. Brelade (Chair)

Deputy M.B. Andrews of St. Helier North

**Witnesses:**

Mr. T. Crowley, Chair, Visitor Economy Committee, Jersey Chamber of Commerce

Ms. A. Whalley, Retail and Supply Committee Member, Jersey Chamber of Commerce

[13:01]

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

Tim, Alexandra, can I first of all say thank you for coming in today and welcome to this panel hearing? This is the Economic and International Affairs Scrutiny Panel. We are currently doing a review into the use of cash in Jersey and how people pay for things, essentially. We have heard from a few witnesses already, and we are pleased to have you in as well from the Chamber of Commerce. We are going to introduce ourselves formally for the record, if you can do the same as well. I am Deputy Montfort Tadier, I am the chair of this panel.

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

I am Deputy Max Andrews, a panel member.

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

I am Alexandra Whalley. I am from the Retail and Supply Committee from the Chamber of Commerce.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

I am Tim Crowley. I am the chair of the Visitor Economy Committee at the Chamber of Commerce.

**Deputy M. Tadier:**

Thank you and welcome to this ... I think it is your first hearing. You are most welcome. I will just draw your attention to this statement in front of you. It says that you are covered by parliamentary privilege, essentially. As long as what you tell us is what you believe to be true you are not going to be held legally responsible in any other way for that. It can feel like quite a formal process, but we hope you feel a bit relaxed at the same time. It is not inquisitorial. It is really for us to try and find out some information that will help us with any potential findings and recommendations that we might wish to make to Government. So, thank you. If I can ask, firstly, would you be able to just give us a brief outline of some of the things that you do as the Chamber in Jersey? I can put that to either of you.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Chamber represents over 350 businesses, I think, on the Island, and most of the working businesses in Jersey are represented by the Chamber. There is an executive committee of which there is, I think, 7 or 8; I cannot quite remember the number of committees. Those executive committee people are chairs of the subcommittees and, of those subcommittees, they represent pretty much all the sectors. So, I am visitor economy, Alex is on retail, there are financial services, building, et cetera. So, represent the entire business community.

**Deputy M. Tadier:**

Great, thank you. Anything to add?

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

I think Tim has covered it all, in all honesty.

**Deputy M. Tadier:**

Just to give you a bit of context for the review. Essentially we know that the world of consumerism, if we can call it that, is changing all the time. The way people pay for things in particular has advanced pretty quickly. We have gone from a time when cash was king, so to speak; people used to carry cash commonly. That is less common, and nowadays people do not even necessarily pay for things with cards, it might be on the phone. We are considering how this might impact on businesses but also people's choice in all that and where the balance lies in protecting freedoms of businesses versus freedoms of individuals who might wish to have that choice about how to pay for things. Do members of the Chamber have any collective views or any shared views on the potential benefits and challenges on either the non-acceptance of either cash or digital payments?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

We only discussed our positions yesterday briefly, and that was just in a text message, and we were agreed. We are coming here today knowing that our board committees have the same view and we did not discuss it outside of that. So, Alex, perhaps, if you want to lead.

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

I think we spent the time speaking to businesses that are within our Retail Committee and people that sit within the Retail Committee. Some members gave their views in terms of cash, how their business is propositioned at the moment, whether they do take cash, whether they do not take cash, and across the board, relatively, there was a mixture. Some smaller business, ones that were probably linked to tourism maybe a little bit more, saw a little bit more of cash, but then larger businesses that did still accept cash but had, probably in a post-COVID world, really seen cash, as you mentioned earlier, decrease over time. As Tim had mentioned, from a Retail Committee and visitor economy, the view is that it is down to individual businesses to be able to choose how they want to be able to move forward as to whether they accept cash or do not accept cash. Both work for some.

**Deputy M. Tadier:**

I know in your work capacities outside of the Chamber, you are both involved to a certain extent in the world of tourism. Is cash more prevalent in terms of usage with tourists versus maybe the general local population? Are there any trends that you have managed to, even anecdotally, surmise?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

I can give you a direction of travel it has moved on really. I am the managing director of La Mare Wine Estate as well. This role ... so I will give you an example, 2019, where we sell tour tickets and we are selling them at the gate on arrival to people, and they are paying about 60 per cent card and 40 per cent cash in 2018, 2019, it was moving. Post-COVID, we moved to an online booking system called FareHarbour, which is international, owned by Booking.com I think. We have now moved that from all the tickets purchased when you arrive at the estate to virtually none of them. We are up to in the 75 per cent to 80 per cent number of pre-purchase tickets. All of that, of course, is done via card, via online. It has made us a lot more productive as a business. So it is a productivity driven aim, but it came across at pace. It was happening before COVID. With COVID it has accelerated. So I do not think it is new. It just accelerated the speed at which it happened significantly for us. We see it as a very good thing for a number of reasons. One is we can plan our day much better if we know how many people are coming in advance. So it is much better productivity. It realistically means a lower number of staff because we are not handling cash in the same way we were. It also

means that we have some guarantees and certainty in the day. Whereas if it is wet weather, they may decide not to come last minute. Now with the pre-purchasing, we have got a much more even business model. So the café is busy rain or sunshine equally than it would be before. That was much more down to how we feel on the day. So it is much better for the visitor economy because it is more stable to pre-purchase and that kind of headspace comes from pre-booking online. That does not mean cash. On site, when people do arrive, it is still - because I checked this yesterday - of the whole year to date, we have a slight increase in cash use this year from about 8 per cent cash last year to about 10 per cent this year.

**Deputy M. Tadier:**

Is that 8 per cent of those who arrive?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

On-site spend. So not the pre-purchase.

**Deputy M. Tadier:**

Is that including in the shop?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Just retail in the shop, yes. Or in the café they would choose to pay with cash. So it is still very rare. That actually comes a lot from our German and European visitors who tend to carry cash, oddly. I am not really sure why that is, but they tend to be a higher proportion of all the general visitors who decide to get cash in advance. I suppose we do on holidays sometimes get cash out before we travel. It is not age-related. Everybody up to ... the average age of a visitor in Jersey is currently 58, if my memory serves me right. For September particularly, we will see a much older demographic than that. We do not see any difference in the months. So high season, when you have younger people in August compared to October, when we will have much older people on our visits, the cash use is the same. There are very few people who do not have a card. I have not met one yet, if I am honest. We do not take American Express, for instance. As soon as you say you do not, they offer you at least 2 other cards as an alternative. They have a debit card or a credit card. I think the other thing for us is it is hugely beneficial to us for security purposes. We do not have any worry about or any equal worry about theft from the business, from either staff or customers, worry about it. We have a much more controlled environment of controlling and accounting for that income because it is all through a card process. That was not the case before. It was much more balances and checks, much more labour, much more risk. That has all reduced significantly. So it is a much better environment for business to work in; much safer I think. The other thing is cash itself I want to talk about because when I looked into this in detail, and I actually discussed it with our bank, the reality is for us cash has gone up in cost significantly in the last 3

years. I will sit here and blame the banks for the first minute but on investigating that myself and seeing how much we pay and how much has gone up, the banks themselves effectively blame the regulators for putting more pressure on money laundering and therefore the pressure is put on them to report, it comes back on us as a cost. For instance, if I take cash currently from the vineyard in St. Mary's and I wish to bank it, I have to put 2 people in a car, because the insurance does not cover one carrying cash, and I have to send them off for an hour to St. Brelade's, queue at the bank in St. Brelade's, there is no business banking shortcut. You have to queue behind everybody else. Then they have to drive back. So you would provide a car, insurance, 2 people and lose them out of the business for probably an hour and a half. That is not in any way as cheap as using a card.

**Deputy M. Tadier:**

How often would you have to do that?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Once a week because you cannot store ... once you get to a certain value of cash in a season, it is not ... the insurance does not cover the storage of that cash on the site, let us say, unless you increase your insurance and that carries all the risk.

**Deputy M. Tadier:**

You presumably have to do that less than in the past?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Significantly less. We tried a cash back, so trying to get customers to take back the cash, which they do charge you a higher fee to use your machines and terminals to do that. There is an additional charge on the cost per month if you have to have a cash-back facility, but the reality is people do not want cash. So we cannot get rid of it. Even offering it back to people and 99 per cent of people are saying no. We end up accumulating cash.

**Deputy M. Tadier:**

Is it fair to say that the Chamber of Commerce would take a neutral stance on any advice that it gave to its members with regard to taking cash? Is it fair to say you would leave that as a commercial decision for your members?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Definitely. Would you agree?

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

Yes.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

I think businesses are different and they have different needs in different sectors. It is not for Chamber to be advising on what they should or should not do but I think there is such a variety of cases from financial services to buildings and tractors to painters and decorators right through to retail and tourism. In our sector it is a personal choice. You have somewhere like Les Ormes that has been cashless for 4 years probably now, I am not quite sure. I did speak to Mike there, and I think he sent separate evidence in himself in an email, but they have had no problem. I use that facility regularly, including last week, and you know and expect it, but it does not meet any challenge from visitors. Initially I think there was a bit of a move, but it was early. Now, it is relatively common.

**Deputy M. Tadier:**

Just out of interest, at La Mare is it preferential for the customer to book online? Is there a discount if they book in advance?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

There is.

**Deputy M. Tadier:**

Can we ask the margin?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

We just give a pound off, basically, for booking online, because effectively if we are dealing with enough people, that eliminates a member of staff managing cash.

**Deputy M. Tadier:**

But in terms of your cost, if I turn up on the day and pay cash or card, it is the same cost?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

It is the same. There is no benefit for using card. We do not punish people for using it. It costs us more and if you carry on in the model we are in now and you project 5 years forward, I cannot guarantee you that there would not be a cost for using cash because right now we are absorbing bank costs that are unreasonably high comparative to a card. So when the switch goes to significant amounts more, then you would have to say who really pays for that. It should not be the cardholder who is paying for the cash user.

**Deputy M. Tadier:**

Was there a crossover point where you noticed the cash was more punitive for you?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

I think COVID was a rocket ship. It was happening, but it just went from zero to here. We all employ - and I think retail is very similar - a lot of vulnerable people. We have older people, retired people, younger people, and particularly the older people have an issue with touching cash for health reasons. If they are touching different people's cash all day long, then the risk of them being ill and out of work is higher and for longer. Therefore, we do not particularly think ... I would not want to be in a position to force a member of staff to handle cash if they felt they did not want to.

**Deputy M. Tadier:**

I think you have pre-empted one of our questions on that.

**Deputy M.B. Andrews:**

Yes.

**Deputy M. Tadier:**

Thank you. Just to push this a little bit more because one of the decisions we are going to have to make at some point is whether we make any kind of recommendation to Government about requiring or encouraging businesses to take cash.

[13:15]

That is not something we would do lightly, for example. So on the one hand, from a visitor point of view, I would ask: are you concerned about the message that it would send out if, for example, nowhere in Jersey accepted cash? Would that put some visitors in a difficult position, do you think?

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

I do not think it would necessarily put them in a difficult position. Some of the things that we have experienced as passengers, leaving the airport, for example, they might have one, 2, 3 £1 notes that they effectively want to dispose of but I would not say that that would put them in a difficult position.

**Deputy M. Tadier:**

But the airport still ... do shops at the airport accept cash?

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

Shops at the airport accept cash with the exception of our food and beverage outlet. They do not accept cash but there is still the facility.

**Deputy M. Tadier:**

But airlines probably do not nowadays.

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

Airlines are cashless and Condor are also cashless as well.

**Deputy M. Tadier:**

Okay, that is fine. In one of the submissions we have received, and in fact it becomes a theme, if I can find it to quote, and if I do not I will paraphrase the submission it talks about. Let me see if I can find it. It essentially talks about people in the Island who might have a ... described as vulnerable or for whatever reason do not have a bank account and therefore do not have access to any other payment form apart from cash. Where do you think the balance of duty of care for those individuals to access services across the board for potentially frequenting your members' outlets might fall in terms of making sure they are included in society?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Do you want to go first?

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

Yes, I think it is ... I think one of the things that both subcommittees are talking about is in terms of customers having that choice and having the option as to whether to pay cash or whether to pay card. I suppose I can only speak from my side - you might be able to add in - but retailers have seen a significant decrease in the number of customers using cash. There are some outlets out there on the Island, as Tim has mentioned one there. I am aware of some others as well that are completely cashless. There then would be that small minority ultimately that would not be able to use those outlets and would not be able to use those units if the choice was then left down to the individual retailer.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

I think for me it does not really affect the visitor economy much because people who use cash also have cards. The presumption that because you are using cash you do not have a card is not a realistic one for me. I think when you go back to the local government policy around that vulnerable group of people, I think I have not seen, and I have searched relative data to show me how many would be affected and in what way, and I would want to see that before I can really comment on the impact. It is a personal choice for our business currently to take cash, and we take it because we have a customer service policy that dominates. We will take whatever method they wish to pay in currently, but that may have a cost in 10 years' time. It might be 10 per cent more to pay with cash,



I do not know. That depends on the banking structure, I guess, and our own policy. I do not think it affects very many. My mum is 95 years old in November and she pays with card everywhere and she goes out shopping every week at that age, and I look at her and I think, well, you would really have to tell me who ... I cannot think of many scenarios where that group of people you are talking about, if you take from the ... I think it is far easier for government to deal with that small number of people in a selective way of how you look after them, particularly for ... and I know Les Quennevais swimming pool and stuff was the thing that started this conversation off. I see that, but I think this is a hammer to crack a nut scenario, is it not? You need to deal with the problem, not the global solution.

**Deputy M. Tadier:**

Not pre-empting which way the panel might go, because we obviously have to consider all the evidence, if the panel or the Government under its own volition were to pass a policy, for want of a better word, to compel businesses to accept both cash and card or contactless, would that be met with a great level of resistance from the Chamber of Commerce and the industry, do you think?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

My own view is it would. I certainly would. I think our members would create a significant revolt because it is Government interfering in things that are commercially orientated and why would you, is maybe my question. You would have to really have the evidence to back up why that is. I can see why government facilities like the pool might have a policy that supports cash, and our business makes a decision also, but I would not want to force it on ... 2, 3, 4 years' time, it could be very different for all of us. Policy lasts.

**Deputy M. Tadier:**

What if it were an interim policy, say, for a period of a year while we review the situation?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

I am almost positive, if you look at the businesses now that do not take cash, Condor and others, it will ... bottom line is it will increase prices to customers. That is because it will have to come from somewhere.

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

That was the only point I was going to add is in terms of the cost. Ultimately, sadly we are seeing businesses closing down and staff being reduced because the cost of sales, wages, et cetera, is just increasing and at the moment there is no sign of that slowing down. That is only going one way. Tim has talked about it already but some reasons that businesses do not take cash is the cost of it, so whether that be from a staff perspective or actually the banking charges side, I think you would

be met with some resistance from businesses to say who is going to cover the cost and is Government going to cover that cost, if that is something that is imposed then on businesses. Especially for those businesses that do not already take it because then that is a cost that will straight away go into their profit and loss and ultimately, as Tim said, could then only be passed back on to Islanders and/or visitors.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

It is a significant reverse policy for a lot of businesses. To bring a lot of cash back into their business would mean a whole policy change, potentially staff issues, till systems, banking issues. Once you have gone 4 years down the road, as some have, that is quite a reversal and quite a cost associated to it. Also it is not in line with other jurisdictions so I could not see the justification for it when you compare it to mainland U.K. (United Kingdom) or Ireland or Europe.

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

There would have to be some thought in terms of the banks and how it would impact that because HSBC, for example, we have seen closures of some branches that are not necessarily on the high street ... well actually even some on the high street, so again branches are closing down because people are going to online banking. As Tim said, it is very rare now that people do not have access in some way, shape or form to a card. So then you would have to think about that as well in terms of the impacts on businesses. Do they have enough staff to be able to process it? Do their opening hours warrant business hours to be able to leave estates and go? That would also need to be a consideration.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

The cost to business is a really important one. We are going into a new living wage space next year and there is immense pressure on retail and visitor economy on cost base, and agriculture is another one. We are under immense pressure at that level. Any cost added will appear on the price of the products.

**Deputy M. Tadier:**

I mean, to bring it back, it is the banks ultimately charging these fees. Do you think any pressure needs to be put on the banks to review their charges?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

I think that is a matter for Government and the banks to discuss, not for our industry. But I do not have any quarrel with the costs because they are justified if their regulations require it. It is just that it has to be passed on. Bottom line is consumers will pay it. Whether it is fair that maybe 0.1 per

cent of the population of Jersey has an issue and that 99.99 per cent are the ones funding it is a question.

**Deputy M. Tadier:**

Thank you.

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

Sorry, just to quickly add, you do have the banks and the charges, but then you have also got the element of risk to businesses around staff theft. So it is not just necessarily that the banks ... there is potentially like a staff theft, but then where contactless or paying with a card is used, that transaction, that process is quicker. So there is also an element there as well, is if you have then got cash and you are transacting with cash, that will then also slow the transaction down. But then it will also slow down the customer experience, the passenger experience. I can only speak for me personally, but if you look at ... I always go to a self-service till because that for me is the quicker and the most efficient option. You can see that retailers across the Island supermarkets have all introduced those, and actually they are increasing those because that is what passengers are saying. Passengers want to be able to go and get their food shopping and not put it on a trolley ... put it on a checkout like they used to. They want to be able to self-scan it. So, again, it is the efficiency. It is not just necessarily the bank charges for me. It is a couple of other things as well.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

I think the theft question is a really important one. I am in retail since my family owned a retail shop. I grew up in one and I was managing a group of shops in Jersey 26 years ago before I went to La Mare, and theft from staff when we had cash was about 80 per cent back then, or probably 90 per cent at the beginning of the card era; it was huge. I would say once a month somebody was caught stealing in the group I work for; it was that regular. And that is staff. We had 300-odd staff at the time in that group, but that has all gone. We do not have any of that now. I think from a taxpayer point of view, I am confident that tax is being paid on all revenues that are generated because they are much more transparent. The days of paying your painter in cash and your gardener and all that, has more or less gone in Jersey. Everything is now ... even I pay my cleaner by Bacs. All that in-cash society was prior, was not when I grew up in Ireland, and there was a significant amount of undisclosed revenue generated and spent, and that is not the case anymore. I think legislating for taking cash will revive cash but increase risk costs and reduce tax potentially.

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

Just on the staff theft, so before my role at Ports of Jersey, I was the H.R. (human resources) and Assistant Store Manager for 7 years at De Gruchy. There is then also the cost from a staff side. So not only have you got a member of staff that is potentially stealing, but you have then got the time

from the H.R. investigations and disciplinaries and so on and so forth. It is a cost as well from that side in terms of actually managing people and managing that investigation.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Huge.

**Deputy M. Tadier:**

Thank you. I am going to pass over to Max. I think question 3 has been answered really, but if you would like to carry on, please.

**Deputy M.B. Andrews:**

I just want to ask you both what discussions you have had with your respective committees about the use of cash and digital payments?

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

Like I said earlier, I reached out to people within the committee, and some of those came back and explained that they like to take cash, they want to continue to take cash, some do not take cash. They would like to maintain where they are. But then, as Tim had mentioned, from both subcommittees it was very much it should be then left down to the businesses to be able to continue how they wish to run their businesses.

**Deputy M.B. Andrews:**

At any point did somebody mention that they are currently using cash in their business but they are maybe going to transition to digital transactions only?

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

No, not from my side.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Yes, from my side, I think. I rang round about 10, I think, roughly, and I split that between hotels, activity providers, attractions, because we have a fairly broad committee, and if I take LibertyBus, which I have not spoken to, but I have seen their transcript and how much can we save by going cashless; £65,000, if my memory serves me right.

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

Yes.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

That is exactly right. That is public information you get there. That is the same for any business. That kind of saving is potentially there. When we are driving for productivity gains now, that is where you look for them. Where you can make a significant difference to cost and very little difference to customer service. Because you improve customer service by removing cash. It is quicker at the till. Our tills are linked to the machines, so when you scan items the money comes up. You cannot bypass that process. You have to scan a card and it goes straight into the till, so it is very secure and very quick, and you are moving on to the next person. From a hotel perspective, it is like the attractions, the majority of the spend is done in advance online because it is pre-booking generally. You have to pay everything either ... a hotel is not going to ... very few people pay by anything except a card, but most of it is done on the pre-booking anyway. They have very little cash handling. They do in their cafés, but it is in the same proportions as us probably, now getting to the 10 per cent level.

[13:30]

It has, as I say, revived by 2 per cent. I am not entirely surprised about that. The reason we have been given by people we have asked, and we have asked customers, is they tend to be managing their budgets with cash. So while they have plenty of cards and are quite happy to pay with a card, if they can they will pay with cash because they are budgeting their £200 spend or £300 spend by taking the £300 out and spending it until it is gone and then ... whereas on a card it is much more keep spending, so that was the reasoning behind it. It is more of a budgeting, not that: "I do not have a card."

**Deputy M. Tadier:**

For the individuals, the customers?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Yes.

**Deputy M. Tadier:**

Can I just butt in on that? So I am trying to understand, there are certain businesses in Jersey, and I am not saying they are by any means in a majority, I have noticed a few signs around the market, for example, that say we accept cash or card, but we prefer cash. Can you think of any reason why any business or any of your members might choose that business model legitimately?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

I cannot.

**Deputy M. Tadier:**

When I say “legitimately” ... no.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

I would have no reason whatsoever to take cash as a preference. If you are a small business, I can give you one, and I am just coming up with this as I speak. The deals we do with credit card companies are quite different, depending on the volume and size of your business, and the rates I negotiate as a fairly medium-to-large business, I guess, or certainly medium-sized, are significantly better than ... my wife owns a small retail shop in the market, and the rates for that ... now we get group rates for everything, but I know if I was negotiating just on that basis, I will be paying a much ... possibly at least double if not maybe triple the percentage rate I pay now for my card use. So, I think that is probably the main reason, is their banking charges for cash are high, but their credit cards are equally high or perhaps higher if you are low volume. If you pay a standing charge for the machines a month, it might be £25, £30 to rent the machines, and then you pay a transactional charge every time you use it, a percentage of that, and if you have a low volume you still pay a minimum per month, maybe £25 a month. So if you do not get enough fees out of the tapping, if there are not enough transactions, then you still pay the £25. I think that is where ...

**Deputy M. Tadier:**

Would some businesses have a model where they are likely to pay suppliers in cash, therefore they want to keep cash coming in?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

I think it would be small business, you could. I would not say I know of any. My wife's business, we pay 100 per cent Bacs. I would not pay ... if somebody asked me to pay in cash, we would not pay.

**Deputy M. Tadier:**

Bacs of course you do not pay a percentage, it is just ...

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Exactly.

**Deputy M. Tadier:**

But it is done on an account basis.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Yes.

**Deputy M. Tadier:**

Thanks for that. I thought you wanted to ask that.

**Deputy M.B. Andrews:**

Yes, thank you very much, Chair. I just wanted to ask you both as well, do you believe some businesses or the owners of those businesses who you have maybe spoken to, so those members on your committees, that they are maybe reluctant to go fully digital in terms of transactions due to losing potential customers in going cashless?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Well, that is my reason. It is a customer service issue for us. While I would stop tomorrow if I felt I could, because there is absolutely no benefit to me of taking cash. I would love to stop, and there will be a point when we will make that decision. But right now, we are still leaning to the both sides. We will take cash where it is offered as a customer service issue. But I think that if we were bigger or if it became 5 per cent or less, I think we would probably move. Because then the cost relation is much higher for us managing that small amount of cash. I am fairly confident that is maybe 4 or 5 years away.

**Deputy M.B. Andrews:**

I know obviously a few of the stakeholders who have come before the panel already, they have mentioned about digital transactions being more cost effective for them as a business. I was wondering maybe if you could just enlighten us as a panel on some of the experiences that your colleagues have had running their businesses in terms of the lower rate of charges that are applied with digital transactions compared to cash that they shared with you.

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

From my side, I did not get any of that detail in terms of sharing exact costs or anything like that from ...

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

That is commercially sensitive and they would not share, but I think I have answered that question probably already in the fact that the bigger you are the less you pay, and that scale is quite different. That is why the answer to the small retailer is at a disadvantage because they are paying a higher fee, but it is still, in my view, better to have a card cost-wise than it is to have cash. If you are in, I do not know, the Central Market, you can walk around to the bank around the corner, so your banking charges are probably a lot less than mine, with 2 people in a car from St. Mary to St. Brelade and back. So that cost difference is there.

**Deputy M.B. Andrews:**

Can I just ask, in terms of when you were negotiating the rates with the bank, was it a fairly quick process or ...?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Yes, it is generally down to the business. There will be one-year contracts as a common space where they will review annually. As a relatively structured business, we have a process to review those annually, we will then contact the card company, look at all the ... there are different charges for different cards. That is the other thing, so it is not as simple as it sounds. We do not pay one rate for all. Every card has potentially got a slightly different rate. The type of card determines the rate often. So it is not straightforward; it is quite complex. I wish that it was a lot simpler because I am at it a long time and I still do not fully understand the structure they use. Commercial cards, for instance, my company card has a much higher rate for processing than my personal card, for the person receiving that money. So I think the right thing to do is annually review it and then contact your card provider with the evidence of the year's transactions, all your business projections for the following year if you are intending to grow. Or if I was moving entirely to card only, I would negotiate on the basis that I would convert my cash into card. They are generally quite good. I will give you ... a negotiation takes a phone call and 30 minutes ... less, 20 minutes. So they are quite good, I think.

**Deputy M.B. Andrews:**

Thank you. Thank you, Chair.

**Deputy M. Tadier:**

Thank you. We have covered a lot of ground already I think, so in some ways our question plan has gone out the window. It is possibly my fault but I think you have answered so well in many cases anyway. In terms of, I suppose, transparency for customers, and it could be in any line of products or services, do you think there is an argument that if we do leave it down to businesses to decide how people pay for things, is there an argument that clear signage maybe needs to be improved so that nobody gets in an embarrassing situation where you go to buy your coffee or fill up your car and then realise you have not got the means to pay for it? Is that something we could encourage? Do you think it is something that ...?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Yes, I do. I think that is a good idea.

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

Yes.



**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

I think the people who do it cash only already do that really well because they ...

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

Card only.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

... do not want anybody standing in front of the till embarrassed, and then probably the first week they did it they had that. I think they have quickly corrected those. We all know who takes cash only, but it could be a simple sticker or a notification point on the doors or ... like we have membership to organisations, et cetera, would be helpful. I think it would be voluntary rather than ... because some people have tiny shop fronts and do not want to throw stickers and we do not compulsory things up. It is not a licence, it is an indicator, but it is in good customer service. I think it is a good idea to encourage for sure.

**Deputy M. Tadier:**

I know you are at the coalface and you have talked already about perhaps your view about that cash is on the way out and that digital contactless will become increasingly the norm. Is there anything that you think Government could or should be doing to manage that transition period or even to shorten that transition period.

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

No, not that I can think of.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

I think you let industry run is the main thing rather than prevent it because the customer and the business will decide. The customer will decide to shop at a business or not, and the business will decide whether that impacts them or not. I think naturally society figures it out and you let it run. I think to accelerate it, probably not. I think it is going at the right pace. I think it probably would help maybe if we had a marker that we are aiming towards it in, say, 5 years' time and that would make us a lot more efficient again. I think the costs of managing cash to the banks and the reasons for that probably should be more clear as to why legislation is so burdening on them and that they are putting the price of managing that. But it is all volume. The less cash we have, the more costs, because if you manage a small ...

**Deputy M. Tadier:**

Self-fulfilling in a sense, I think.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Yes. So as soon as you get to where we are now, there is almost a need for acceleration because it is a much higher proportion of cost now that we have so little of it. It is disproportionate. But I do think ... I would like to probably see from Government's point of view, some genuine data around where the vulnerability is, who is affected and how. I think business will work quite happily with a solution to that; with anyone's need. If there are a prepaid card or anything else, we are an industry that is customer service led. We are quite happy to take that on board.

**Deputy M. Tadier:**

When you say "prepaid card", is that where people who may not have bank accounts could ...?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Yes, and you had it during COVID. We got those £100 cards from the Northern Ireland company. That is a typical example; you do not need a card. We could have a generic system like that that sells you a card and you put £100 on it and we all ... my 11 year-old son has got a GoHenry card. So he does not have cash, his pocket money is paid into his card every week.

**Deputy M. Tadier:**

But that is done digitally, right?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Yes.

**Deputy M. Tadier:**

There could be a cash equivalent which cash in one end ...

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

It comes in ... I have a standing order for his pocket money to go out of my account and on to his card every week and then he has it on his card to spend.

**Deputy M. Tadier:**

Yes. We have heard of suggestions like that. If Government were to say: "We have got a plan", a one-year or 3-year or 5-year plan to take Jersey cashless, would you welcome that kind of strategy generally? You do not need to commit to it but your gut instinct.

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

I think that is the way ultimately, as we have talked about, that that is the way; not just Jersey, outside of that. I think that is the way that society is leading to. I think asking a question in terms of would that be accepted. I think from a committee's point of view, retailers would still potentially want to be able to do both. There would still potentially be a nervousness around taking it away, but like you say, if that was a one, a 3, a 5-year plan, fast forward to 5 years' time and actually I think we are going to be in a position where the percentage of cash at 8 per cent, 10 per cent is then going to be considerably lower and essentially less than 5, and I think that nervousness ... for example, if businesses had it in 5 years' time, I think that would slowly decline and that nervousness would not be there as much.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

I think I would not want to comment on the industry taking it because I do think it is a customer-supplier conversation really. However, it would help if there was a defining line in 5 years' time that we said if it went below 5 per cent the Island would support a change to a cashless society, because then it is not a competitive edge that if I take it and you do not, that we have a difference that is removed from the table as a competitive edge. I do think it would be better for society. It is more sustainable. It is more green. There was a time before cash, and then there is cash, and now we are nearing a time after cash. I think we are just moving with that next generation. We are not ahead. I think we are at the right level with the rest of the world, but it is a customer's lead and I think we just judge the mood and the time. But I think that piece of work on who is affected, my own view is it is relatively small. I have never, and we have 4 retail outlets and a café, and I have not had any of the staff say to me : "We have turned a customer down because we have not been able to take the payment." We have had our credit card machines go, and that is probably the only example I will give is if your credit card machine goes down how do you operate as a business? That happened, I think, in America. My sister lives in New Jersey and they had no power for 4 days. They could not buy food, could not buy petrol and it was quite difficult to live. So cash, I think it will stay around for certainly 5 years, and I think you probably have to review it in 5 years' time and see where we are then. However a cashless society depends on electricity and so I think you would have to measure the risk around that.

**Deputy M. Tadier:**

We did have that incident in Jersey recently, I am not sure how widespread it was, but during the review we were doing outreach work and people did say: "We had an outage last week and I paid cash." Of course the shop then needs to have the wherewithal to accept cash.

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

We had, up at the airport, there was a scenario where it was not just ... the whole till system was down. So, even if a passenger had cash, the transaction still could not take place because ... from a retailer's point of view, that is how you control your stock system.

[13:45]

So if your till is not working and your back-of-house system is not working, regardless of whether the passenger, the customer has cash or not, the whole back-of-house system could not process the transaction in any way.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

That is very true. The policies and procedures, even if you had to buy petrol, you would not be able to buy it without the till telling you you can sell it because it is live stock, and the stock is managed in the auditing trail. It is much more complex than just saying: "Well, give me the £10" and carry on. You could do that in a tiny business where you can write down what you sold and put in after the power is back up, but that is a tiny amount of businesses. We certainly, if we did not have electricity, would stop operating until we had a backup generally.

**Deputy M. Tadier:**

Unless it is prepaid, of course. People have prepaid, so you can just ...

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Unless it is prepaid, yes.

**Deputy M. Tadier:**

... let them in and do the tour.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Sorry, that would not work either because in order to check they are prepaid, we would need the devices. They scan in, when they arrive, with their ticket on a QR code.

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

So when we had the outage up at the airport, for example, the retail units were closed. They had to close because there was no way that they could perform a transaction. Our food and beverage outlet, again, that was down. We provided a free-of-charge service.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Cash does not help. Cash would not help that, effectively. Electricity defines our... electricity and the internet, are the 2 things that define whether we open or not. Without those, most businesses in Jersey would not operate.

**Deputy M. Tadier:**

If I can, we have got a little bit of time and if this is above your remit, just let me know. Could you talk to me about ... we are yet to hear from Ministers. That is just because they are coming in later, they are towards the end of our review. From a governmental point of view insofar as it might affect the tax base, can you comment on what the benefits might be to the ... rather getting rid of some of the negative effects around the informal economy or even the illegal economy? If I put it to you, for example, that your members may generally have a feeling that the lower the tax rate in Jersey for corporations or businesses generally that is better. But if there is fiscal leakage because people are not declaring tax and they are paid cash in hand, that means that the tax burden falls greater on those who legitimately declare and pay their tax? Do you have any considerations about the benefits of moving to a cashless society from a Government's point of view in terms of making sure that everybody pays their taxes and contributes to public services, et cetera, roads that also get customers around the Island? Am I leading you a bit it too far down that road?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

What I will say is more personal than from Chamber, but I think, having grown up in Ireland where cash in hand was a common thing in my youth - some time ago now - I think you are significantly better off with a cashless society, and I do not mean that lightly. I think 99 to one benefit now. Everything as a business we feel really confident running the business that everything is above board because we do not have cash. As a majority we do not pay in cash, we do not pay suppliers, most of what we receive is digital, and that makes business really clear and easy because it is down to human error or honest people or all these elements. You are removing all those risks when you do not have cash and it is just more to do. In my 28 years ago in retail I would spend a proportion of my week not dealing with customers but chasing where that money disappeared to yesterday, so it is very inefficient for the business. Back then we did not have living wage and all that coming down our way. We now want to focus on customers and growth and not on where has the money gone. Also, I have, experienced even in Jersey, suppliers - not regular suppliers, by the way - but an odd supplier wanting cash payment of which we absolutely refuse to ever do and would. I think that is the same for the Chamber of Commerce members generally. We are in business to do business properly. But I can see cash as a negative to a non-society in terms of business activity.

**Deputy M. Tadier:**

Anything to add?

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

I think from a Chamber's point of view, there would not necessarily be anything to add, and from a personal point of view, there is nothing that I disagree with on Tim or would like to add.

**Deputy M. Tadier:**

There is one more thing. The general stance from, let us say, the business community or even the Consumer Council, Digital Jersey and Hospitality Association has been let businesses decide what they want to do. But there has been some nuanced comment even within that, saying that there might be certain types of goods and services, governmental ones, for example, but not exclusively, or monopolies, central services where the choice should remain, or a proper choice in the sense that you should be able to use cash if you want to. Do you have any thoughts about what exemptions there might be to safeguarding both methods of payment for certain industries or businesses?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

I think it is the other way around. I think you should deal with who would not want to pay by card and why and address that. If you want to pay by cash, it must mean ... there should be a criteria that you look at; why is that? Because I would question why, and I do not have an answer to that, but I would really want to know.

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

That might question your question around the whole tax and economy side.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Why are you wanting to pay by cash would be my question, because I have not got the answer.

**Deputy M. Tadier:**

So apart from those who just say: "I want to pay cash, but I can pay by card", we think that ... there are definitely people out there who do not have a bank account and who can only pay cash, so whether they go to a sports centre or a coffee shop or a petrol station, for example, and it can be a G.P. (general practitioner). There are often cases of people turning up to a G.P. and saying ... even paying £10 a week, that is the way they pay and that is accepted. The question then becomes around ... so on the one hand we might suggest that is a good enough reason to say that all of these businesses of that sector should offer a choice, or are you saying to us that the Government should really say ... look at those individuals and try and then say: "Well, how can we facilitate you having a different method?"

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

Correct.

**Deputy M. Tadier:**

Is that correct?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

That is exactly right.

**Deputy M. Tadier:**

You would favour that latter?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

How can you turn their cash ... it might be through the Treasury or through customer services where they go in with their £200 and load that on to a credit card style, a pre-card style, which you can do in the post office in other countries. You can buy travel cards, preload money on. It is not new. You are not going to have to invent it. It is off the shelf, there is technology. When I go travelling I get a Eurocard and I load money on to that quite easily. You just walk in with the cash to the post office and you buy a Eurocard with however much money you want on it. So it is already there, and I think the post office could facilitate that in Jersey easily, or a customer services of government, where people ... you would have to ask where they are getting the cash, and could that not be transferred to the card.

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

That was going to be my question. So is this people that are potentially drawing down a pension?

**Deputy M. Tadier:**

Yes, I think it is literally people who just only have cash. There are people still who, for example, might get their income support paid in cash because they do not have a bank account. They are people who might have come out of prison who do not have a bank account or people who have become insolvent or had a divorce, for whatever reason.

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

So you just load that to the card instead of giving them ... which would save Government significant money also.

**Deputy M. Tadier:**

Good, thanks for that. I think that is everything from me. Have you got anything you would like to ask us or you think we should be thinking about that?

**Chair, Visitor Economy Committee, Jersey Chamber of Commerce:**

No. I think in summary from me, I think we are collectively agreed from both committees, and I think that is the sounding point, that right now in the current space it should be a decision left for businesses and for consumers to work out in the short term. In 5 years' time, we probably want to put it in the calendar for review.

**Deputy M. Tadier:**

Thank you.

**Retail and Supply Committee Member, Jersey Chamber of Commerce:**

I think everything that I had wanted to talk about throughout the questioning today we have covered off between the both of us.

**Deputy M. Tadier:**

Good. I will bring this to a close. If you think of anything after this is finished that you did not say, you can always give us an email, send an email to one of our officers and we would be grateful for that. If I can just say thank you for coming in again. We appreciate your time and your input and I will draw this public session to a close.

[13:54]