



# **Economic and International Affairs Scrutiny Panel**

## **Public Hearing - Acceptance of Cash Payments**

### **Review**

## **Witness: The Minister for Justice and Home Affairs**

Wednesday, 16th October 2024

#### **Panel:**

Deputy M. Tadier of St. Brelade (Chair)

Deputy K.M. Wilson of St. Clement (Vice-Chair)

Deputy M.B. Andrews of St. Helier North

#### **Witnesses:**

Deputy M.R. Le Hegarat of St. Helier North, The Minister for Justice and Home Affairs

Detective Inspector A. Quenault, States of Jersey Police

Senior Officer M. Lewis, Customs and Immigration

[11:45]

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

Welcome to this hearing, which is part of a wider review we are doing into the use of cash. I will introduce myself. I will let the panel introduce themselves and if you could do the same, just for the record. So I am Deputy Montfort Tadier. I am the Chair of the Economic and International Affairs Scrutiny Panel.

#### **Deputy K.M. Wilson of St.Clement (Vice-Chair):**

Deputy Karen Wilson. I am the Vice-Chair of the panel.

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

I am Deputy Max Andrews, panel member.

**The Minister for Justice and Home Affairs:**

Deputy Mary Le Hegarat, Minister for Justice and Home Affairs.

**Detective Inspector, States of Jersey Police:**

I am Detective Inspector Aiden Quenault from the States of Jersey Police.

**Senior Officer, Customs and Immigration**

I am Senior Officer Matt Lewis from Customs and Immigration.

**Deputy M. Tadier:**

Thank you. Welcome. I am going to give Deputy Southern's apologies. He said he is unable to attend today. He is normally with us. Thank you. Could I ask just before we start, then, again thank you for coming in, for an introduction from your officers, Minister, just so I get a bit of a handle on what the specific areas are that you are in charge of, especially in relation to what we are looking at?

**Senior Officer, Customs and Immigration**

Sure. So I run a small team within the Joint Financial Crimes Unit on behalf of Customs and Immigration and we specifically look at the process of confiscation of assets and funds from a predicate offence, sorry, a predicate drug offence and the other thing we look at is cross-border cash and forfeiture under our civil route for forfeiting cash deemed illegitimate at the ports.

**Deputy M. Tadier:**

Can I just ask what you mean by a predicate offence?

**Senior Officer, Customs and Immigration:**

So for example if there is a predicate drug offence my section will look at attaining how that person has criminally benefited from that criminal activity and we will also identify what realisable funds they have and we will submit reports to the court to recommend confiscation of their realisable asset.

**Deputy M. Tadier:**

Yes, and a predicate offence, is that an offence that is part of a wider offence? What is the meaning of it?

**Senior Officer, Customs and Immigration:**

Yes. Specifically for us it is a drug offence. So if a drug offence has been committed a confiscation hearing will happen as a matter of fact after that event, at sentencing normally, for the criminal predicate drug offence.

**Deputy M. Tadier:**

So in terms of the cash that might be involved in any drug offence, importation, for example, of illegal drugs, is the cash usually visible and seen at the same time as the interception, or is it something that might follow later?

**Senior Officer, Customs and Immigration:**

It is usually something that follows later. There is sometimes cash involved with the predicate drug offence that we will hold as an exhibit in that case but usually what will happen is we will then financially investigate that person and identify through bank transactions and any criminal benefit and also what is realisable at the time and recommend that for confiscation.

**Deputy M. Tadier:**

Okay. Thank you for that. We may come back to that in some more detail. Deputy Inspector?

**Detective Inspector, States of Jersey Police:**

My name is Aiden Quenault. So prior to last week when I moved to a new team I was the Detective Inspector in charge of the Joint Financial Crime Unit, which Matt's team sits within. So I was responsible for leading any investigations into serious and complex financial crimes including fraud, money laundering, some of the more complex sports accounting, larceny offences. So we are the main investigative unit that looks at domestic offending in the financial crime arena in Jersey and I held that role for about 3½ years.

**Deputy M. Tadier:**

Yes. Thank you. So as part of our review we have obviously heard from a lot of people. There are a lot of submissions from people that value cash. People seem to still value cash but we also know that cash is on the decline. The number of transactions that happen in routine purchases or for goods or services often is moving towards card or other contactless payments. In terms of what you see in your areas, which is often to do with illegal activity, have there been any changes in behaviour from criminals in terms of how they pay for things? Is cash still a staple or is it on the decline as well?

**Senior Officer, Customs and Immigration:**

I would say it is always going to be attractive to the criminal element because of the fact that it is anonymous. Having said that we have not seen any real changes in the amount of cash that we are

encountering, for example, leaving the Island, which is something that we will frequently have a look at through way of cash outbound exercises and we will conduct those and we will deem whether or not we consider that cash to be legitimate or illegitimate. In the latter we will seize it and look to secure it under a cash detention order. We have not really seen any change either way. Looking at the limited statistics I have got for the last few years it tends to be on a level and we have not really seen an increase or a decrease either way.

**Deputy M. Tadier:**

Okay. Anything to add to that?

**Detective Inspector, States of Jersey Police:**

No. I think thinking about this beforehand, criminals generally commit crime to make money, so that money does not necessarily have to be cash. It can be anything, digital transactions, value in terms of gold, assets. So the criminal entity, the criminal fraternity, will adapt their means in whatever circumstances they are in. You will rarely get a criminal who only takes cash or only takes drug commodity or cars or watches or whatever it may be. Large amounts of cash are a red flag to criminality within a certain context within something that we are looking at, so we may, for example, go and do a drug warrant and if we find some drugs or even if we do not find some drugs but knowing the intelligence picture we are looking at if we then find a bag of cash hidden in the loft then that is going to be something that we would be interested in and that is something that would be a red flag of criminality to us. Equally when we then examine any bank accounts or any other portfolios of assets that we see that stand out as being unusual within a context that we are looking at, so we can look at a bank account and see that someone has X amount of money in there, we can also deem that to be suspicious. So the presence of cash alone is not a red flag; it is all about the context, the amount, what you would expect to find but we do know that economies or markets such as drugs are a cash-based economy largely. However, we do see a lot of people paying for drugs now on things like Revolut and other contactless payments. I am not saying that Revolut is a particularly problematic platform but it is easy for people to send each other money in other ways than passing over a £10 note in a pub because someone has bought a round of drinks. Not that £10 will get you much in a pub these days.

[12:00]

**Deputy K.M. Wilson:**

Can I just follow up on that? In terms of how people use cash, would you look at the cash flow as to where it has come from, where it is going, or do you just take it that there is cash that is available in the Island and that that is a state, as it were, that you are dealing with in relation to a crime or a

charge that you would put around someone? Do you get into following and tracking how that cash arrives in the Island?

**Detective Inspector, States of Jersey Police:**

In terms of the individual cases we do not track cash flow. We do not look at cash flow data or anything like that. Obviously cash is readily available. Its usage among certain demographics and probably a large proportion of people has declined since things like COVID, I think. This is just me anecdotally talking about what we see. Lots of people pay contactless for their everyday coffee and a sandwich and their parking and shopping and all that sort of stuff so we see less cash generally but in terms of criminal cash, which is what we would be looking at and when we seize cash as part of an investigation or we look at finances as part of an investigation the onus is on us to show that we believe that cash, that money in a bank account, that house, that car, is criminal property and that is what the money laundering offence relates to, criminal property. So cash can be present; it equally cannot be present. It can be a red flag. Equally it cannot be a red flag and obviously when we investigate we ask people about where that might have come from. We ask them to provide proof. We might speak to their bank, we might speak to jewellers, estate agents, whatever is relevant at the time.

**Deputy M. Tadier:**

So you said you do not monitor cash. Is there any way that you might be made aware of, say, significant events that took place in terms of new cash coming to the Island, if for example there was a swarm, if we can call it that, of a certain type of British currency that looked unusual or if there were people paying in lots of money into bank accounts would the banks potentially contact you?

**Detective Inspector, States of Jersey Police:**

Yes, potentially. Yes, there are mechanisms not so much in terms of the sort of different currencies but we will on an individual basis. So there will be an onus on financial institutions to submit a S.A.R. (Suspicious Activity Report) to the Financial Intelligence Unit. So we would expect if somebody came up to a bank out of the blue and said: "I have got £50,000 in cash I would like to pay in please" we would expect them to think: "Well, this does not quite sit right. This is not normal" and if they became suspicious that that cash was criminal then they should submit a S.A.R. which would then inform the F.I.U. (Financial Intelligence Unit) which could then inform us. We have had examples with cases that have been prosecuted and convicted in court where that has happened, where someone has come to the Island with an amount of cash, they have tried to pay it into an account, they have tried to buy cars with cash. Those institutions have reported to the F.I.U. who have told us and Customs colleagues. We have taken action. We have arrested, we have investigated and we have prosecuted and the courts have convicted based on that.

**Deputy M. Tadier:**

Just anecdotally if somebody is generally turning up to buy a large item like a car with cash does that in your experience normally indicate that there is something else amiss?

**Detective Inspector, States of Jersey Police:**

Yes, definitely. I mean, for example, that case that was heard in court I think the people who were involved in that were trying to get rid of what was in this case criminal cash by buying high value goods including cars. I think off the top of my head it was somewhere around 12 to 15 car dealerships and all of the car dealerships refused and all of them were very suspicious about that because not many people buy cars in cash.

**Deputy M. Tadier:**

Right. Okay. Thank you for that. Any questions?

**Deputy M.B. Andrews:**

Just in relation to digital payments, are you finding that credit lenders are informing you of most cases or is it potentially individuals who happen to be aware of transactions that are illegal that are happening who then report it into your unit?

**Detective Inspector, States of Jersey Police:**

So the Financial Crime Unit gets a lot of their intelligence from the F.I.U., the Financial Intelligence Unit, based on the reports that are given to them by industry, so whether that is banking institutions, trust service providers, lenders, high value dealers, anyone really should be submitting a S.A.R. if they are suspicious of any transactions. Then of course banks, the large banks who deal with infinite numbers of transactions daily across the globe will have inbuilt monitoring systems to try to protect nominees with things that do not sit right.

**Deputy M.B. Andrews:**

Do you notice a difference, for instance, when cash has been transacted whereby maybe individuals such as citizens report it to the unit that you have spoken of?

**Detective Inspector, States of Jersey Police:**

There is no difference in terms of what we do or our response. If the suspicion is there of criminal property, criminal money, criminal cash, and cash is a broad use in this context but criminal money has been used it does not make any difference whether it is cash. We do not have any thresholds or we will not look at anything above or below certain levels. If we suspect it is criminal we will open an investigation, if that is what you mean.

**Deputy M.B. Andrews:**

From a police perspective, would you say it is a lot more difficult to identify those who are responsible for crime who use cash rather than, say, digital transactions that take place in the Island?

**Detective Inspector, States of Jersey Police:**

Yes, it can be. For the reason that I could pass Matt a bag of £200,000 and unless anyone has seen us or caught us in the act then that transaction has gone, whereas if I was to digitally pass Matt £200,000 it would be more difficult and there would be a trace of it there.

**Deputy M.B. Andrews:**

A trace of it as well, yes.

**Deputy M. Tadier:**

So I am also guessing that from a policing point of view that if you have a bag of cash you know that there is something wrong. Someone may not wish to claim that bag of cash of course because it might incriminate them, whereas if you have money in an account it is obvious whose account it is in then it is a case of proving whether the money is legitimate or not. Is that fair?

**Detective Inspector, States of Jersey Police:**

Yes.

**Deputy M. Tadier:**

One of the things we are trying to get at with this review, I think and having you here, which is useful maybe to get to this point is we are also trying to formulate what the benefits and disadvantages are from a wider social point of view about the journey that is going on towards a cashless society. There are those who would wish government to make an intervention to stop society becoming either increasingly cashless or completely cashless. We have also had people suggest that from a government point of view it would be a lot easier if cash no longer existed. In terms of that last point is that something that you could speak to? It may be slightly hypothetical but what would the implications be for your respective departments and for your wider portfolio, Minister, if we were, tomorrow, to find ourselves in a cashless society?

**Senior Officer, Customs and Immigration:**

I think from a Customs point of view it would automatically remove one of our major considerations which is cash leaving the Island through our ports, but at the same time I think one of the major implications would be that as Aiden has alluded to already the criminality would not stop. It would then need to move somewhere else and one of the obvious places for that to move would be in a baseless online entity, cryptocurrency being a prime candidate and the implications for that would

be that we would then need to be able to trace those transactions because everything does leave that digital footprint but going through something like a cryptocurrency would be very much more difficult than we are experiencing at the moment. I think we would need to have the ability and the infrastructure around it to be able to then follow the funds in that direction as opposed to following it through cash.

**Deputy M. Tadier:**

I was just going to ask, sorry, hold that thought, but are you finding already there is a move to cryptocurrency within the criminal area?

**Senior Officer, Customs and Immigration:**

Yes. We have certainly seen it is playing more of a part in many more of the investigations that we are conducting. At the moment we have the ability to see a limited amount through cryptocurrency but the cryptocurrency world in its own right is expanding and getting a lot more complicated and a lot bigger, so that will only exacerbate the work that we have to put in, in order to trace those transactions.

**Deputy K.M. Wilson:**

It was a very similar question. I mean, are there any particular areas of society where that is proliferating more than in other parts of society, shall we say?

**Senior Officer, Customs and Immigration:**

I think it will be difficult to say because we are only looking at one particular area of society when it comes to our asset tracing or asset management or on the confiscation side of the crime. We are only looking at a very small spectrum of society, I suppose, but we are seeing an increase in the use of cryptocurrency and I think what we are certainly experiencing is that people who were dabbling before are now starting to get more and more advanced. The knowledge base is getting bigger and bigger and it is I think becoming more prevalent that we will see a move that way because it is as anonymous as you can be at the moment with a digital transaction. So if cash were to disappear tomorrow I think we would see an increase in that type of transaction and the implications would be that we would have to be able to trace those and that would involve quite an input into I.T. (Information Technology) based ...

**Deputy K.M. Wilson:**

Have you any examples or experience where people will flip between using crypto and using cash in terms of the agile way of managing their criminality, if I can put it that way. Do you see that going on?



**Senior Officer, Customs and Immigration:**

Not really. I think at the moment what we are seeing still sits with things such as Revolut and the challenger bank world where it is not a High Street bank, but we are starting to see a move out of there perhaps into more asset-based transactions. An example would be instead of transferring Jersey money out of Jersey you could use the Jersey money locally to buy a Rolex watch and then you could go across to the U.K. (United Kingdom) and sell that Rolex watch. We are starting to see a little bit more of that happening because of the risk involved in having a large amount of cash on you and understanding through various cases that we have managed to prosecute it sends quite a ripple out into the world of people that like to deal in cash through criminality. So we are starting to see a slight move towards more asset-based transactions and slightly more in the crypto world but that is still a bit embryonic at the moment.

**Deputy M.B. Andrews:**

Can I just ask, you mentioned about money leaving the Island. So do you tend to see more money leaving the Island than coming back at Customs or is there a balance, would you say?

**Senior Officer, Customs and Immigration:**

I know that Jersey notes is specifically Jersey money. I know it is repatriated to the Island. I could not tell you. I am not aware of how much is coming back into the Island so I would not be able to speak to that.

**Deputy M. Tadier:**

But in terms of a criminal transaction presumably there is more demand for drugs, for example, coming into the Island, which then need to be paid for. So the trick is for the criminal, if someone successfully, from their point of view, brings in drugs and sells them they still have got to get the money out and leave themselves ...

**Senior Officer, Customs and Immigration:**

That is it, exactly. That becomes increasingly difficult, especially when we are dealing with Jersey currency.

**Deputy M.B. Andrews:**

The other thing I wanted to ask as well is about the use of foreign currency. Obviously that would potentially draw suspicions again if it was maybe say to be done electronically. Banks would often have their foreign central reserves of foreign currency but when it is done in cash does that usually draw suspicion for officers?

**Senior Officer, Customs and Immigration:**

It would depend very much on the context of the investigation, to be honest. The short answer is not necessarily.

**Deputy M. Tadier:**

Have you got anything to add?

**The Minister for Justice and Home Affairs:**

I think when you talk about cash or electronic and I think it has already been alluded to a little bit, I think from the investigative side and being able to put cases together and get them to prosecution I.T. and things that are electronic can make that a lot more time consuming and obviously a lot more expensive. It is the same as if you think of what was, say, 20 to 30 years ago what you would go to court with before you had mobile phones, for example, you now have to have an ability to be able to take information off the phones. You would have to have an ability to take information off all of those new technologies, if you like, which will make it probably a lot more expensive to get a case to court and will make it a lot more complicated. That is what I would identify from my knowledge of this and as I said what is clearly happening with just generic, everyday cases, whether it is a sexual offence or a serious road traffic collision. All of that data that we have now got on phones is now essential to be provided and of course you then have to have the staff and the resource to be able to take that information off those devices. So that obviously makes it a lot more complicated. It is the same as if you have got ...cryptocurrency is going to be a lot more difficult to find than somebody with a bag of cash. I think all of those sorts of things will make it a lot harder, I would say, and a lot more costly to be able to get cases to court. It is not saying that we will not but obviously that will all have to be taken into consideration, depending how things pan out in the future.

[12:15]

**Senior Officer, Customs and Immigration:**

To add to what Mary was saying there, I think there is also a consideration for the jurisdictional divides as well. So the legal framework to obtain what is private data from individuals across jurisdictional divides is also a concern that would also have to be taken into account.

**Deputy M. Tadier:**

Do criminals know that? Do they know which countries are maybe better to operate from than others?

**Senior Officer, Customs and Immigration:**

No. I do not think so. I have not seen that. We have not seen that as a pattern emerging. There is not anywhere where it is conducted to shadow our investigation.

**Deputy M. Tadier:**

This is probably a slightly different area but in terms of fraud that can happen, so we hear about online fraud, for example, we know that theft of money can occur as well, of course, but an area of concern, I think, is fraud in different varieties. Is there an issue about, say, where money is transferred in good faith but ultimately when ... and you may be able to trace it to a certain extent but when you get to a bank account at the other end that bank account may no longer be in existence or it is difficult to trace. Is that something that you have?

**Detective Inspector, States of Jersey Police:**

Yes. That is something that we commonly encounter. A large amount of fraud these days is perpetrated by organised crime groups who are based anywhere in the world. As we have seen in the media and we have heard a lot about fairly recently over the last certainly year or 2, unfortunately a lot of people in Jersey have become victims to online fraud. Our investigations will usually take us to a bank account which then leads on to another 10 bank accounts which then lead on to another 10 and it is nigh on impossible. Because of the ways that the organised crime groups work where they will go to a place with people and set up as many bank accounts as they can within a very short amount of time and then they will move on and do the same and the same and there is somebody managing the bank account transactions, so where the money goes from the victim's account into the suspect's account it rarely if ever sits there. We then see it move on and on and on and then may get converted to crypto or then may go overseas. It is really difficult to trace, to try and get to the person at the other end or the people at the other end and especially with the advent of online challenger banks where you can go on and take a photo on your mobile phone and take a quick snap of a fake driving licence and then you have got an online account and then you can transact among multiple different ones of those accounts.

**Deputy M.B. Andrews:**

Obviously with the advancement of technology it could potentially be quite helpful to all law enforcement agencies globally. Has there been any discussion here in Jersey about the adoption of technology to assist you to look for those criminals who are obviously taking funds from people who are potentially vulnerable as well?

**Detective Inspector, States of Jersey Police:**

Yes. There is a lot of technology that we do use to trace or to assist us in identifying bank accounts and flows of funds within individual cases and there is a lot of technology being used by the institutions themselves to collect client due diligence and all these things that you need to set up a bank account, but again globally fraud is a global crime type. As much as technology advances to prevent criminals doing their work technology also advances on the criminal side to get around that.

It is very easy to open up a bank account nowadays and you could probably open up 2 or 3 within 10 minutes on your phone and then would be instantly able to send money to each other and transact and buy crypto on different platforms. It is a massive world.

**Deputy M. Tadier:**

With fake I.D. (identification) presumably? You could in some cases.

**Detective Inspector, States of Jersey Police:**

Yes, but we also find fake I.D.s, stolen I.D.s being used. We have seen a trend within the Island as well of money mules. People are paid a fee, contacted online: "I will pay you £50, I am going to send you £500 and then you can send it on, please, to this person, no questions asked. Fine." People do not realise what they are doing. They are complicit in money laundering for who knows what, but that is a growing trend across the world but we do see it in Jersey as well because young people typically get contacted and they do not see any problem with doing a quick job for 2 minutes and then they have got £50, £100, whatever it is.

**Deputy K.M. Wilson:**

Can I just ask you about how cheques play into that scenario? Do you see any activity around cheques being exchanged for significant amounts of value? Does that raise any red flags with you at all or is it really about the cash supply and the card transactions or the bank transactions?

**Senior Officer, Customs and Immigration:**

I would say the latter. Definitely. It is pretty much all about the transactions and the use of cash in that particular context. Cheques do not form ... I mean, there would always be a consideration if the investigation was pointed that way but on the whole, no.

**Detective Inspector, States of Jersey Police:**

The only time that we see cheques really is where you might have a case where somebody has access to a company or entity's finances and they end up writing cheques to themselves for their own gains and basically stealing a company's money by using cheques like that and then false invoicing or whatever it might be.

**Deputy K.M. Wilson:**

Okay, but that is a different way in which you would pick that up.

**Detective Inspector, States of Jersey Police:**

Yes.

**Deputy M. Tadier:**

I have got a question about the threshold that is used usually around high value dealer transactions. We have got a figure of £12,500 I think. I do not know if you are familiar with that. So the J.F.S.C. (Jersey Financial Services Commission) issue guidelines in respect of becoming a high value dealer so, I do not know, somebody who sells whatever, it could be antiques or paintings, that is the threshold at which I think they are supposed to then pass the information on. Is there an argument to say that amounts perhaps significantly less than that might also be red flags to questionable activity? Do you anticipate that figure might need to come down or what is the kind of figure that you would maybe ...

**Senior Officer, Customs and Immigration:**

I must admit I was not aware that there was a set figure. I was aware that I think it was almost down to the entity or the provider's cash policy, if you like. I think the norm is around about the £5,000 mark, was my understanding.

**Deputy M. Tadier:**

Yes. So that may be an upper threshold for certain types. Okay.

**Detective Inspector, States of Jersey Police:**

Just to comment on that, if I can. As an example when we investigated the case I have already spoken about where the group came over and tried to buy cars, they also tried to buy various different things on the High Street and we did find a lot of the High Street Jersey businesses that they went to, or all of them, were very reluctant to take much cash at all. A lot of them, like Matt said, it was company policy that they would not take anything over £5,000, for example. So £12,500 to me feels very high. I cannot imagine there are many jewellers on the High Street who have stood there and taken £12,500 or £12,499 in cash for an item or items. I think that is very high in my personal opinion.

**Senior Officer, Customs and Immigration:**

Yes, I would agree with that.

**Deputy K.M. Wilson:**

Do you get any intelligence as to when that does happen?

**Detective Inspector, States of Jersey Police:**

We do. So either through the F.I.U. or certainly if we are talking about the High Street, in St. Helier we have got the community policing team who are very good at forming relationships, maintaining those relationships with different businesses. We do have a number of shops and outlets on the

High Street or in town where you can go in and spend a lot of money if you choose to. It would be unusual for them to take cash. We have seen them being quite self-protective as a sort of business community in raising up to each other that this is happening. Again it is all in the context. If something does not look right and does not feel right and there is somebody trying to spend £6,000 in a clothes shop in cash and it just does not feel right then they are very good at raising it up to the police. We have had instances where we have been immediately alerted. In the case we were talking about earlier we were able to deploy almost instantly to go and find these people and arrest them and they have been convicted. We are quite in touch, I would like to think, as the police and Customs we are quite in touch with the retail business communities and we do hear about that. I think it is becoming more unusual certainly for high values in cash.

**Deputy M. Tadier:**

Minister, what I think we will do if you are happy to and at any point we can come back to anything that is perhaps more directly relevant to where your officers work, we would like to ask you a few more slightly generalised questions about our review. In a moment I will pass over to Deputy Wilson, but I suppose one of the overarching questions that we have touched on already is that we are seeing society organically move to an increasingly cashless society insofar as there are fewer cash transactions, more contactless, as I have said. From a government's point of view as a Government Minister is this something that has been considered up until now about whether government needs to intervene in any way in the use of cash, in the decline of cash?

**The Minister for Justice and Home Affairs:**

From our perspective I do not think anything has been done or put forward that we should interfere whether people do or do not use cash. I think it is important to realise that there are people within the community that will not have bank accounts or do not have access to credit cards. Still not everybody has credit cards; not everybody is online. So this is based on my own perception and my own feelings about it, is that I would like to see that people can still continue to use cash for what I think is reasonable types of service. It would be I think for me a difficult thing to do to say to a business: "You cannot take cash" or: "You must take cash" because I think then you are involving yourself in somebody's business, which from my perspective I would not necessarily be comfortable with. I think it is important that people have that opportunity. Certainly if they are facilities owned by the Government as what this partially started with, the sports centres and people being able to pay in cash, the thing is that it is about reality and depending on the type of service that you have got as to whether there is somebody at the reception desk, for example, there is somebody, a resource, that is able to take the cash and all of those things, and if there is not what can you do so that somebody can still pay with cash, either a machine or whatever it is. Look at our car parks, for example. It used to always be coins. It is now you can pay with credit card, you can do it on your phone but then of course you can still buy some of the cards. So there are lots of different ways

that people can pay. For me I think it is important that we need to make sure that we are still an inclusive society and so that we are not cutting people out of being able to use cash. But certainly since COVID I think it was significant that a lot of smaller businesses have said: "We do not want cash anymore" but I do not think it would be right as a government for us to say to a business: "You have to take cash" because I have got a choice and so as long as everybody does not stop taking cash then I think you would always have businesses that will take small amounts of cash.

**Deputy M. Tadier:**

Can I just ask, you know the discrimination legislation. Does that fall under your portfolio or is it Social Security? The protected characteristics.

**The Minister for Justice and Home Affairs:**

Okay.

**Deputy M. Tadier:**

I am putting you on the spot there, Minister. In a sense it does not matter. I suppose what I am asking is about social inclusion.

**The Minister for Justice and Home Affairs:**

Yes. Depending on what you are talking about I think some legislation will fall under me and when you talk about the characteristics, such as hate crime and things like that, that will fall under me, but the other sides of it will fall under Social Security. The equality and diversity which had been sitting underneath Home Affairs previously now sits with the Assistant Minister, the Diversity Forum, rather.

**Deputy M. Tadier:**

To take one of your last points, there has been a suggestion that we could be sleepwalking certainly in some industries to a point where no one will take cash anymore. One argument has been made, for example, that if you want to buy a coffee and coffee shop X does not take cash anymore you can go to coffee shop Y but it becomes a problem when none of the coffee shops take cash anymore and some people are therefore excluded from certain goods and services which they would ordinarily expect to enjoy. At that point the argument has been made it is too late for the Government to intervene because the change has already happened. I am not saying it is cognitive dissonance but what I am saying is that the argument to say it should give everyone a choice is only valid insofar as everyone does have a choice. Can you see a legitimate balance for government to intervene in any circumstance to secure the right of the minority?

**The Minister for Justice and Home Affairs:**

Yes. It might be difficult though, might it not, from the point of view that if you were going to do that are you going to provide something for that business to be able to do that? As an example, if a business has not got the necessary money, float, or whatever in their business to be able to take cash. It is probably more complicated than for me just to sit here and say: "I think we should intervene" because how would you intervene and what are you going to do to intervene? Of course, alongside taking cash or not taking cash is that in large quantities in particular, if you were doing it in a store, for example, you have got all of the security that goes with that and how is the business going to be able to ... because of course there are different financial constraints on a business taking in cash into the bank as opposed to having credit cards. When you sit down and look at it it is quite complicated because of course you pay for a credit card to be used. I have been into a small shop in the market who would not take a credit card for less than a certain amount, which I do not normally like to do but it was a day I was caught out with no cash, so they would take not a credit card but a debit card. It is quite a difficult type of scenario to decide how you would intervene, if I am honest. Whether I am a Minister or not, just even as a member of the community as a whole, I would not ever like to see us have a part of our community that was excluded. So it would be one of those sorts of things of how we would do that? How would you intervene to prevent that from happening? I do not think it is very straightforward, if I am perfectly honest.

**Deputy M. Tadier:**

Thank you. That is very candid and thoughtful of you. Any questions arising? I have got some others but otherwise ...

**Deputy K.M. Wilson:**

I think what is interesting to explore, given your particular portfolio, is if we are going to move to a cashless society and the indications are that cash is becoming less used in the Island, what kind of issues that might present for you in terms of civil liberties and public safety.

[12:30]

**The Minister for Justice and Home Affairs:**

That is quite difficult. I suppose what you can say is that if you do not have cash then you cannot pay for a cab in cash, so is that talking about public safety? That is a question, is it not? So I think the thing is that you would not want to see that, but of course then the argument would be, potentially, the safety of that person who is the driver of that cab. I could say as a cab driver: "I do not want to take cash because I am vulnerable to potentially being a target for taking my cash." I think the question you asked ...

**Deputy M. Tadier:**



I have never met a taxi driver who does not want cash so far. I might be wrong.

**The Minister for Justice and Home Affairs:**

No. But I am just giving it as an example. I think the question you ask is so generic and so broad I do not think that there is an answer to it, because everybody has a right to use cash, but civil liberties is both ways. So if I run a café and I say I do not want any cash then that is my right to do that, but you on the other side might say: "Well, I want to pay cash" and for me it is ...

**Deputy M. Tadier:**

It is about proportionality, I think.

**The Minister for Justice and Home Affairs:**

It is, absolutely.

**Deputy M. Tadier:**

I know this is not discrimination per se but you could argue it is about balance of harm. So who is harmed the most by not accessing services? We do say to businesses you must serve and you cannot discriminate on grounds of sex, sexual orientation, race, et cetera.

**The Minister for Justice and Home Affairs:**

So what you are asking me really is would I think that we should legislate, which would be under probably I do not know if it would be under Social Security or under myself, would you legislate to say that people cannot discriminate against people using cash. It would be an interesting thing to do.

**Deputy M. Tadier:**

I think the balance we have got is that there is a small minority who cannot use any other form of payment other than cash. There is probably a wider group who want to use cash but probably could use other forms, so it is convenient. It is about how they are harmed versus the inconvenience on businesses and arguably it is an imposition on businesses, but you could argue it is an inconvenience rather than a harm. It might mean you have to have a cash box under the till.

**The Minister for Justice and Home Affairs:**

It is interesting as well, is it not, because as well as we move forward in the years as somebody that never had a credit card until I was well into my 20s now young people probably as young as 12 or 14 have got some type of card, probably younger maybe. So I just wonder as society moves forward, as the generations change and people's use of technology changes, whether you will end up in the scenario where people do use cash. Do you know what I mean? It is one of those. From my

perspective I would never want to see that we had excluded anybody because I am quite candid in that but I think for me it is also very difficult to see how you would ... you would have to legislate and then how are you going to enforce that legislation to say to somebody: "Well, you have got to provide this or you have got to provide that."? What would we be providing to alleviate potentially the people saying: "Well, I cannot do that because of this." Do you know what I mean?

**Deputy K.M. Wilson:**

Do you think that then given that kind of scenario and the longitudinal element of it that there are any short, medium or longer term actions that need to be considered around that?

**The Minister for Justice and Home Affairs:**

Potentially that could be the case.

**Deputy K.M. Wilson:**

What do you think they may be?

**The Minister for Justice and Home Affairs:**

I think it is a hypothetical scenario really. How many people have only access to cash? I do not know whether your panel has worked that one out or whether there is any data to say how many people in the Island do not have a bank account. How many people in the Island do not have ... they might not have a bank account but do they have a Post Office account? The thing is that without doing that sort of groundwork to find out how many people have no access to anything other than cash, because of course how many people now are paid just in cash? We were having this conversation this morning. How many people are still paid only in cash? Certainly quite a few years ago there was a move to get everybody particularly within the Civil Service, for example, all manual workers within the States, we got rid of the ability for people to be able to be paid in cash so they were paid into bank accounts, so people automatically had bank accounts. I suppose really the question is as well if you have got a bank account you do not need a credit card. You can pay with a debit card so the piece of work I would want to see, but I do not know if it is possible, if I am perfectly honest, is how many of the community has just got cash and access to nothing else.

**Deputy M. Tadier:**

Thanks for that. I am just mindful of time as well, Minister, and there is one thing that I would like to ask as well while your 2 officers are here. Thank you. It has been a bit of a hybrid session in the sense that we want to get the maximum value out of the Minister and all of you. Are there any points that you could maybe tell the panel in terms of things that government could be doing in order to minimise the risk of things such as money laundering in society? For example if there were fewer shops that were taking cash routinely does that have an impact on the ability of criminals to launder

money, for example, or are there just general things that we should be mindful of in terms of the whole sphere of criminality?

**Senior Officer, Customs and Immigration:**

Yes, with the point you have just raised there. If you stymie the ability for criminals to use cash as much as they potentially could at the moment, for example if you dropped that level for accepting cash at high value outlets, then what that would then do from our point of view would move from what we are looking at in the investigation into a transactional, timestamped, traceable movement of funds rather than an anonymous movement of cash. Yes.

**Deputy M. Tadier:**

Okay. Are there any questions from this side?

**Deputy M.B. Andrews:**

Yes. I have just got a question for yourself, Aiden. It is just in regard for instance if we have got a child and, say, the parents have maybe set up a bank account. Potentially they could be depositing funds into that account and I just wanted to know whether there is any consideration around that particular area. That could potentially be a way where electronic payments are still taking place but again it is potentially circumventing. The police may be unaware of that information because they have done it in quite a sophisticated way.

**Detective Inspector, States of Jersey Police:**

We see a lot of different layering processes within the money laundering process. As part of the investigation what we often see is we might see cash being paid into a bank account and then we investigate that bank account and then we see transactions from that bank account to another bank account or transactions from another bank account into that bank account. Then to coin a phrase we follow the money and we would then have grounds to look at other bank accounts obviously if we thought that there was suspicious behaviour or criminal property within those bank accounts and that is where we might see payments out to challenger bank accounts, where we might see a Revolut or a Starling or a Monzo account used and then we would apply to that institution to say: "Who owns that account? Can we have their set-up documentation?" and there is a picture of me in my bedroom where I set up my account taking a selfie on my phone. We then might see transactions going into crypto. We then might see money getting paid into a child's account, for example, or purchases of a car from somewhere or a house from somewhere. I think what I would say and I have a feeling that we are moving towards the end as well, is that I think we typically see cash on a global scale would be towards the lower end of criminality. Where we are talking about global transnational organised crime in sorts of criminality around terrorist financing or large movements of value you are not going to see that so much in cash. I think Matt would agree when we see an eye-watering

amount of money, where we see hundreds of thousands of pounds in cash that is a high level of criminality but really in the grand scheme of criminality it is not particularly high. We are talking ...

**Deputy K.M. Wilson:**

Just on that, then, what is your view as to where a legislative framework can either be introduced or strengthened to mitigate or avoid those sorts of potential scenarios happening?

**Detective Inspector, States of Jersey Police:**

Legislating against things like that is going to be very difficult, in my humble opinion. Putting levels and values on thresholds is very tricky; it is very difficult because there will be people who want to buy a car with cash and that does not mean they are a criminal.

**Deputy K.M. Wilson:**

That is why I was asking the question.

**Detective Inspector, States of Jersey Police:**

It is very tricky and I do not think I could answer too much more. Building on Matt's point, there is a threshold and you quoted from the J.F.S.C. around high value dealers but we have seen the high value dealers and the businesses themselves say: "Oh, we think this is a bit high so our company policy is much lower" for whatever those reasons are.

**Deputy K.M. Wilson:**

It is more about a self-regulatory approach to it.

**Detective Inspector, States of Jersey Police:**

Yes, and in Jersey certainly my experience is that businesses know what is right and wrong and they do not want criminal cash and if somebody is there trying to buy high value goods in cash and it just does not feel right 9 times out of 10 in my experience they will tell us. They will deny the transaction and they will report to us straight away, which then leads on to an investigation.

[12:45]

**Deputy K.M. Wilson:**

Thank you.

**Deputy M. Tadier:**

Thank you. Thank you for your time today. If you have got any other points that we have not covered we would be very pleased to hear from you, if you have got anything to submit in written form. Have

you got anything to add for us before we bring it to a close? No? So, Minister and officers, if I can just say thank you again for your time. We appreciate you coming.

[12:45]