

Acceptance of Cash Payments Review

Economic and International
Affairs Scrutiny Panel

4th February 2025

S.R.1/2025



States of Jersey
States Assembly



États de Jersey
Assemblée des États

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Chair's Foreword

At the time of starting the review, the Panel was aware of some interest in the matter of cash usage in society; however, the unprecedented number of submissions on this topic exceeded our expectations.

Even though cash usage appears to be in steady decline, as other *tap and pay* methods become more widely preferred and used, cash continues to play an important part in Jersey life. The vast majority of those we heard from valued *choice*, and having the ability to pay for goods and services using cash, when they wanted to.

Whilst the review initially focused on cash, it quickly evolved into something more than that encompassing sociological, psychological and cultural dimensions in addition to economic aspects relating to its use.

Real money, it seems, has played such an integral part in most of our lives for so long, that it has become a central identity marker of agency and autonomy; it speaks to who we are and how we interact with each other, and many submissions talked about the ancillary benefits of paying in cash (one example being the value of social interaction), which we are at risk of losing, in an increasingly fast paced and faceless marketplace.

Whilst some members of our society can still remember pre-decimalisation, the newest generation of consumers may never or have seldom paid for things with *real* cash. I remember one interaction when our panel was doing an outreach stall at Charing Cross. It was not long after there was a power outage that had caused a failure in the electronic payment system causing it to shut down. Amongst the many who stopped to tell us 'Cash is King!' or 'isn't it just as well we still have cash?!', there was one exception. A young boy aged around 10 years old with his friend. 'Do you use cash?' we asked him. 'No,' came the answer. 'Cash is dirty and lots of people touch it. I use a card, and that is mine, no-one else's.'

This statement struck me as profound; not only does it show how the next generation is unlikely to be sentimental, as many of us are about the demise of cash, but it also speaks to the key distinction between *real cash* and *notional* (electronic) *cash*: the former is a collective phenomenon, to be passed around from buyer to seller to transact, person to person, as a gift. Cards/phones/digital payments, on the other hand, are *personal*.

Recent years have also seen the rise in use of e-banking and wider adoption of apps such as Revolut. The latter can be seen as a disruptive technology, which puts more power in the hands of consumers in terms of efficiency, simplifies peer to peer payments, avoids excessive currency exchange fees. For a new generation, all this brings into question the continued need for government issued cash or banks to dispense it.

At the same time, much of Europe and the West, find itself at a crossroads, with many moving to legislate to protect the right to use cash, whilst others edge closer to fully cash free economies.

We found that Jersey's Government does not have and has never had a clear policy position on its attitude towards cash usage, its decline and the strong possibility that it may be phased out by stealth or 'market forces'.

Whilst our panel has stopped short of recommending that Jersey's government should bring about a blanket requirement for businesses to accept cash, it is reasonable to say that *non-*

acceptance of cash can have an impact on those who rely on cash usage, either as a preference or a life-line. We are concerned people are being excluded from certain parts of the economy and therefore certain social settings. This is why we have made the following key recommendations:

- 1) The Government should form a policy and strategy on the role cash is to play in the community.
- 2) Inclusion, including *digital inclusion* should be promoted and facilitated by government and its ALOs.
- 3) Interim guidance should be issued to businesses requesting them not to refuse cash payments where it is a person's only way of paying for something, and that customers should not be charged a fee for paying by cash or card.
- 4) Differential charges for cash or card on public transport (including buses and taxis) should not be permitted.

Finally I would like to thank my panel members, Deputies Karen Wilson, Geoff Southern and Max Andrews for their valuable time and input in this review; also all those who spoke or wrote to the panel; a special thanks to my Scrutiny Officer and Team.

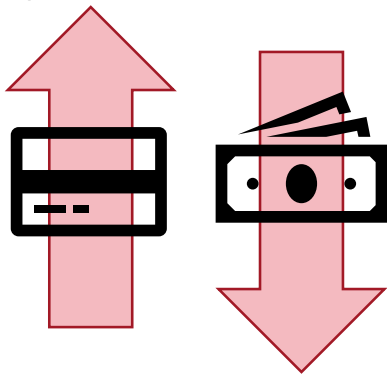


A handwritten signature in black ink, which appears to read "Mr Tadier". The signature is written in a cursive, flowing style.

Deputy Montfort Tadier
Chair of the Economic and International Affairs Scrutiny Panel

Executive Summary

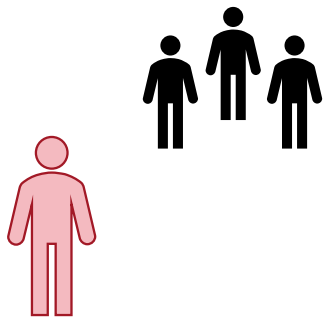
The Economic and International Affairs Scrutiny Panel (hereafter “the Panel”), launched a Review of the acceptance of cash payments on 5th June 2024 following public discussion and political debate on the topic. The Review garnered significant public interest and the Panel received a large number of written submissions, survey responses and undertook both public hearings and public visits.



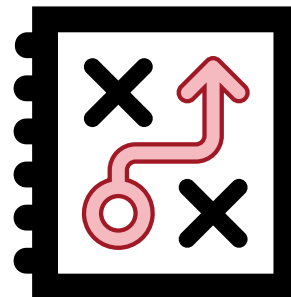
Cash demand and use reducing and forecast to continue to fall



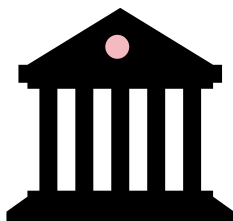
Both businesses and consumers want choice



Non acceptance of cash may cause economic exclusion



Government strategy and policy is needed



Concurrent action recommended regarding banking services and notice of bank branch closure, differential pricing for public services and guidance to businesses

The Panel has been informed that there has been a fall in the number of cash transactions taking place in the Island, with a rise in the use in digital payment methods. It is expected that there will be a continuing trend in the rise of digital payment use, and that, whilst it its reduction in use may have recently slowed, cash will continue to be used less and less. This is generally due to the ease and speed of use of digital transactions, with businesses also largely reporting that digital payment methods offer productivity gains and cash transactions use more resources to administer.

The majority of businesses responding to the Panel's survey have highlighted that they are less likely to receive payment in cash, with 71% indicating they mostly receive digital payment and 20% indicating that cash payment represented under 10% of their transactions. 92% of businesses stated that they accepted both cash and digital payments, with 6% responding that they only accepted digital payments. There are those who prefer to use cash, with 72% of respondents indicated as individuals who always carry cash.

The Panel has identified that robust data is required to actively track both cash use and acceptance by businesses and has made recommendations that questions are included within statistically representative surveys over the coming years.

Although it has been acknowledged that there are benefits to digital payments, the Panel has been informed by a range of stakeholders on the benefits that cash use provides and there are significant concerns of the impact on vulnerable groups of the Island's community should cash acceptance fall further, or be removed entirely. Issues have been raised on the reliance, privacy and security of digital payments, with cash perceived as being better in these regards whilst also allowing better budgeting by individuals.

Use of cash has also been highlighted as having wider social and economic implications, with the demise of cash transactions identified as affecting certain groups. The Panel has learnt that reduction in cash acceptance is likely to detrimentally impact those who are vulnerable, isolated or marginalised most, with Jersey Community Savings identifying three main risks of a cashless society:

1. **Hidden Vulnerabilities:** A move to a cashless society could make those unfamiliar with electronic banking more vulnerable to fraud. The complexity of digital financial systems can expose individuals to scams and cyber threats, particularly those who are not well-versed in navigating these systems.
2. **Community Impact:** In Jersey, a significant number of people, including many of our members, rely solely on cash. This reliance is not just out of preference but necessity. Forcing a transition to a cashless system would disrupt their ability to manage their finances and conduct everyday transactions.
3. **Increased Marginalisation:** People who struggle with digital banking could face further isolation and difficulties managing their finances in a cashless society. This could exacerbate existing inequalities and create new barriers for those already at a disadvantage.

In the first instance the Panel found there had been little consideration by the Government of Jersey on the issue of cash acceptance. This situation risks reaching a critical point where no action can remedy the issues faced due to unmanaged decline in cash use and acceptance. The Panel has therefore recommended a Ministerial policy and strategy be prepared on the matter, and completion of contingency planning is undertaken to ensure sufficient resilience is built into the Island's economy should payment methods face problems disallowing their

use. The Panel has suggested that this strategy should include consideration and identify actions in the following areas:

- a) the economic inclusion of all islanders,
- b) education on digital payment methods,
- c) building financial budgeting skills, and
- d) support in accessing digital payments.

The Panel has also identified that there should be a presumption that cash payments are accepted for all public services, including parking and transport and that the Council of Ministers should identify and confirm its position on the requirements, exemptions and limits to its own acceptance of cash payments in order to inform the wider Island economy.

While cash is still considered legal tender in the Island, the Panel confirmed there is no legal requirement to accept cash as payment in Jersey and there have been many who have called for the mandating or safeguarding of the acceptance of cash payments with 69% of survey responses indicating this should take place.

The Panel is cognisant of the need to balance the needs of consumers with the operational decisions of those providing goods or services. 89% of those taking part in the survey agreed that they should always be able to make a cash payment when they wanted to, with strong views alluding to personal rights and potential discrimination if payment by cash was refused. Although there was some mixed views on whether a business would or would not accept cash if it was an individual's only way to pay, it was clear that there was a desire to be allowed to undertake their own commercial decisions and that many businesses and witnesses believed that mandating the acceptance of cash would risk increasing regulatory burden and costs.

Overall the Panel has concluded there will likely be significant risk to, and negative impact on, economic inclusion and choice for consumers should the acceptance of cash payments fall further. It has accordingly recommended that the Minister for Sustainable Economic Development issue interim guidance to businesses indicating that they should accept a cash payment where it is the customer's only way of paying and that differential pricing based on payment method should not take place.

The Panel has recommended that legislation on the acceptance of cash payments is also considered as part of the development of government strategy. Whilst not recommending the specifics of the design of this legislation, the Panel has highlighted relevant areas for consideration:

- a) other jurisdictions have prohibited differential pricing based on payment method and implemented exceptions in the mandated acceptance of cash, and
- b) definition and implication of essential services is needed.

The Panel has agreed that, prior to consideration of prohibiting differential pricing based on payment method within the wider economy, that the Government of Jersey should ensure the Public Services and third parties operating services on behalf of the public service should not continue to operate on a differential pricing basis.

The Panel has also recommended that the Minister for External Relations with responsibility for Financial Services should give due consideration to the impact of the banking regulatory environment upon payment options including as to whether Ministerial oversight or limitation of banking charges on cash handling services is required to ensure provision of reasonable and proportionate pricing. The Panel believes the Minister for External Relations should also

liaise with the banking sector to establish a 6 month notice period prior to closure of a branch, as well as to discuss instances of reported denial or reduction in services due to cash acceptance.

The Panel also recommends that the Minister for External Relations and Minister for Sustainable Economic Development consider how charitable third sector organisations can be assisted by the government and the private sector including banks, during the transition to digital payments.

Key Findings

KEY FINDING 1: Digital payment transactions are likely more prevalent than cash payments within the Island, however specific data identifying this is limited. Although the rate of reduction has slowed since 2020, there has been an overall trend of reducing demand for cash in Jersey, with a reported drop in the number of payments being made in cash. This mirrors the United Kingdom where a further reduction in cash use is forecast and there may be a point that the number of organisations accepting cash payment is reduced to a point where it is effectively removed as an option.

KEY FINDING 2: A small amount of submissions dealt with those individuals or charities that still used cheques, the Panel does not have sufficient evidence to draw conclusions on the impacts in this area but notes they are also subject to banking charges and practices which may vary from institution to institution.

KEY FINDING 3: Although examples were given of older people being receptive to digital technologies and able to use these to make payments, it would appear that this group, the island's demographics, skills, technologies, and reliance on and use of, either digital or cash payments is likely to alter in future years.

KEY FINDING 4: Other groups were highlighted as preferring or and benefiting from a wide range of payment methods. Digital payment methods were highlighted by some as potentially challenging for those who face physical or mental impairment, however some outlined that they also benefited from technology, with further evidential data in the area being called for to justify any mitigating actions. Those with lower household income seem more likely to carry and therefore use cash, compared to those with the highest household incomes. Visitors to the Island are also likely to carry and use cash with Jersey's currency adding to its tourism offering and unique cultural identity.

KEY FINDING 5: The availability of cash and access to it is an important factor in how people pay for goods and services. The panel received evidence of a variety of experiences about the provision of ATMs, cash-back and cash wages.

Key Finding 6: Elements of regulatory protection for cash access are found in the United Kingdom through the Financial Services and Markets Act 2023. Access to bank branches may also impact upon payment method choices, for both individuals and businesses in terms of increasing travel time and costs, with concern being raised over further branch closures.

KEY FINDING 7: There are Islanders who are unable to hold bank accounts for various reasons. This is likely to restrict their choice of payment methods. Jersey Community Savings provides a number of services to aid those unable to access mainstream banking services, including provision of digital payment methods and access to cash via ATMs or Jersey Post.

KEY FINDING 8: Being told that you cannot pay for goods and services with cash is likely to cause embarrassment and frustration for some people, especially if there are practical reasons why digital payments may be difficult or impossible for them.

KEY FINDING 9: Statistical data is limited on the number of organisations who do or do not accept cash payments in Jersey although the majority of organisations operating

in the Island likely accept both cash and digital payment methods, there are some that only accept one or the other.

KEY FINDING 10: Although there is no statutory definition of the term “legal tender”, cash is given value as such through relevant elements of legislation. However, legally there is no requirement for a seller of goods or services in Jersey to accept a specific payment method, including cash as parties enjoy freedom of contract and choice.

KEY FINDING 11: Although security systems are employed to protect digital payment systems and their users, there is a perception among some individuals that digital payment methods are less secure than cash payments or open to criminal activity and it has been confirmed that large amounts of fraud occur electronically. To many, transacting in cash is seen as a protection against this. Conversely, the ability of cash to be stolen, lost or destroyed was also highlighted by both individuals and businesses.

KEY FINDING 12: The reliability of digital payment systems can be affected by a number of factors, including power outages, systems failures or cyber-attacks. There is a perception that cash offers resilience when digital payments are inoperable, however reliance upon technology to enable cash transaction or the supply of cash may cause issue in some circumstances. The impact and likelihood of digital payment methods being inoperable for extended periods has also been refuted by some.

KEY FINDING 13: An individual’s right to privacy was often highlighted as a key benefit of cash payments over digital payments. Banks having a duty to undertake due diligence with a requirement to understand the source of funds for all transactions, whether in cash or digitally and to undertake an assessment of risk. Individual’s privacy when making digital payments are protected by the Data Protection (Jersey) Law 2018.

KEY FINDING 14: Many people believe that cash gives them greater control of household budgeting and was a way to avoid getting into debt, which may be a higher risk when making digital payments.

KEY FINDING 15: Cash was perceived by many as easy and quick to use, however digital payment methods were perceived as easier and quicker to use especially by younger respondents to the Panel’s survey and witnesses who gave evidence.

KEY FINDING 16: Although the COVID-19 pandemic had a significant impact on payment methods, hygiene of cash is not understood to be of significant consequence to its use or acceptance at this time.

KEY FINDING 17: Overall, it was highlighted that digital payment methods provided significant productivity gains for businesses over accepting cash. Businesses face charges for use of digital payment systems such as card reader machines, which vary by provider and business size. Charges are also faced by businesses for bank services when handling cash, which has been highlighted as relatively more expensive than digital payments for some business account customers. Exact charges vary from bank to bank.

KEY FINDING 18: There have been reported instances of organisations being asked to limit their cash transactions or refused banking services due to operating primarily through cash.

KEY FINDING 19: The Government of Jersey does not have an agreed policy or strategy regarding acceptance of cash payments as an organisation or for cash use and acceptance within the larger economy.

KEY FINDING 20: Money laundering regulations and guidelines include suspicious activity reporting requirements for both cash and digital payments, with additional requirements in place for high-value dealers. It is perceived that, in practice, suspicious activity, including cash payments, would be reported to Financial Intelligence Unit and this had recently been exemplified.

KEY FINDING 21: Compliance work is undertaken by Revenue Jersey for both cash and digital payments. Jersey's National Risk Assessments have not uncovered any significant risks of domestic tax evasion, however it has been highlighted that HM Treasury has benefited by the rise in use of digital payment methods.

KEY FINDING 22: The Government of Jersey maintains a Currency Fund to match the value of Jersey's printed notes and coins to GBP Sterling. It has been suggested that this is a profitable venture for the Treasury as it is invested for a profit return.

KEY FINDING 23: Acceptance of cash payments across the Government of Jersey is variable, with the Panel being informed of £1,000 limit and instances in which no cash payment could be made.

KEY FINDING 24: There is evidence that the demise of cash is having a detrimental impact to the economic inclusion of some vulnerable sections of the community. For many, cash acceptance was heavily linked to maintaining social connection, interaction and inclusivity. Physical cash was also seen by many as having value past its financial amount: being tangible, traditional and a novelty for tourists. Furthermore payment method acceptance may have wider impacts on certain elements of purchases, such as tips or service provision, as well as car-boot sales, honesty boxes and charitable donations.

KEY FINDING 25: A number of European countries have introduced legislation mandating the acceptance of cash payments, including France, Germany, Norway and Estonia. There are varied exemptions to mandatory cash payment acceptance that have been included by some countries legislating for this, including those based on set limit of cash value or number of coins or notes in one transaction.

KEY FINDING 26: Having introduced regulatory protections concerning access to cash, acceptance of cash payments continues to be a topic of consideration in the UK, with a Parliamentary Select Committee Review of the topic underway.

KEY FINDING 27: The European Commission made judgements and legislative proposals for the mandatory acceptance of Euro banknotes and coins, without extra charges for the person paying.

KEY FINDING 28: There is a strong desire from consumers to be able to choose their preferred payment method and non-acceptance of a payment method is perceived by many as a form of discrimination. However, it is not clear whether in fact, refusal to accept cash would constitute discrimination, in law, and has no challenges have been made or considered to date under relevant legislation such as the Discrimination (Jersey) Law 2013.

KEY FINDING 29: An organisation enjoys the right to accept payment methods of its choosing and there were those who indicated that leaders of the organisation or business should be allowed to continue to make decisions to best match their customer and operational needs.

KEY FINDING 30: There was a call by some to allow “market forces” to naturally run their course, and that consumer choice would dictate provision of payment method acceptance.

KEY FINDING 31: Most organisations believe that mandating cash acceptance is unnecessary at this time and would introduce significant regulatory burden, and apart from one Jersey group (Cash is King) and one UK based group (Payment Choice Alliance) , those who gave “ in-person” evidence stated they did not want to see legislation that required businesses to take cash, even those who advocated for vulnerable groups.

KEY FINDING 32: There are calls for acceptance of cash payments to be safeguarded in Jersey, with some believing that acceptance of cash payments should be mandated through legislation. Those calling for legislative or safeguarding measures were generally of the opinion that these should be introduced for all cash payments, and there was a belief by some that essential services already met this need without further intervention. The view that all public service provisions should accept cash payments was also raised, and although this is largely the case, instances of refusal and uncertainty on amounts accepted have been identified.

KEY FINDING 33: The Panel was made aware of instances of differential pricing based on payment method, this was often seen as unfair and discriminatory with calls made to prohibit this practice.

KEY FINDING 34: It was suggested that anti-money laundering and client due diligence undertaken by banks to meet regulatory requirements could be contributing to the charges made for commercial banking services.

KEY FINDING 35: The Minister for External Relations, with responsibility for Financial Services, undertakes conversations with banks about the services that they provide and the regulatory environment in which they operate.

KEY FINDING 36: Government-run banking services or central bank digital currencies were highlighted in the Review, but were not generally seen as realistic or beneficial in Jersey.

KEY FINDING 37: There was a call from some members of the public to introduce banking hubs to deal with the issue of branch closures in outlying areas., with the Government of Jersey undertaking preliminary actions in this regard.

KEY FINDING 38: Education on digital payment methods, building financial budgeting skills and support in accessing digital payments were identified as important to allowing appropriate economic inclusion, with private and charitable organisations providing this currently.

Recommendations

RECOMMENDATION 1: The Minister for External Relations should, by 31 December 2025, liaise with the banking sector to require that banks give 6 month notice period to both the Government of Jersey and its customers prior to the closure of any of its branch or cash machines in the Island, and ensure due consideration is given to the needs of customers in the decision to close a bank branch.

RECOMMENDATION 2: The Minister for External Relations should consider other suitable and proportionate measures to ensure that minimum service levels are maintained by banks for their customers and the wider community in relation to in person counter and branch services and to the paying in and withdrawal of cash.

RECOMMENDATION 3: The Minister for Sustainable Economic Development should, by 31 December 2025, ensure that relevant questions on the use and acceptance of payment methods are included annually within relevant surveys such as the Jersey Opinions and Lifestyle Survey (JOLS), Annual Business Survey (ABS) and Children and Young Persons Survey to allow for tracking of the topic. Data to enable policy consideration in this area should be routinely collated.

RECOMMENDATION 4: The Minister for Sustainable Economic Development should, by 31 December 2025, undertake work with Ministerial colleagues to ensure contingency planning is completed and there has been sufficient testing of the islands economic resilience should payment methods fail.

RECOMMENDATION 5: The Minister for External Relations should, by 30th April 2025, liaise with banks to ascertain the number of instances where businesses have been denied banking services and the reasons that some organisations may be requested to limit their cash handling. Results of these discussions should be provided to the Panel.

RECOMMENDATION 6: The Minister for Sustainable Economic Development should undertake work with Ministerial colleagues to form a clear policy and subsequent strategy on Government of Jersey actions regarding the acceptance of cash payments and digital inclusion. This should be published no later than 31st December 2025. As part of the formation of any acceptance of cash payments strategy, the Minister for Sustainable Economic Development should:

- a) give consideration and identify actions to negate the impact on the economic inclusion of all islanders should cash acceptance fall further or be removed completely, ensuring that no form of economic discrimination takes place;
- b) identify the implications of the actions undertaken by both the European Commission and United Kingdom in the acceptance of cash payments;
- c) reflect on how to meet both the needs of consumers and business and consult with these sufficiently;
- d) give due consideration to development of legislation mandating for the acceptance of cash payments;
- e) identify actions to ensure the acceptance of cash payments by providers of essential services;
- f) consider if prohibiting differential pricing based on payment method in the wider economy is needed; and,

- g) should identify methods to provide education on digital payment methods, building financial budgeting skills and support in accessing digital payments to aid economic inclusion.**

RECOMMENDATION 7: There should be a presumption that cash payments are accepted for all public services, including parking and transport. The Council of Ministers, through any acceptance of cash payments strategy, should identify and confirm its position on the requirements, exemptions and limits to its own acceptance of cash payments in order to inform the wider Island economy.

RECOMMENDATION 8: As part of the formation of an acceptance of cash payments strategy, the Minister for External Relations and Minister for Sustainable Economic Development should consider how charitable organisations can be assisted by the both the Government of Jersey and the private sector including banks, during the transition to digital payments.

RECOMMENDATION 9: The Minister for Sustainable Economic Development should, by 30 April 2025, issue interim guidance to businesses indicating that they should accept a cash payment where it is the customer's only way of paying.

RECOMMENDATION 10: The Council of Ministers, by 31 December 2025, should ensure that no differential pricing based on payment method is made in the provision of public services, including third party providers such as transport services and arm's length organisations.

RECOMMENDATION 11: The Minister for Sustainable Economic Development should, by 30 April 2025, issue interim guidance to businesses indicating that differential pricing based on payment method should not take place.

RECOMMENDATION 12: As part of the formation of any acceptance of cash payments strategy, the Minister for External Relations should give due consideration to the impact of the banking regulatory environment upon payment options. This should include whether Ministerial oversight or limitation of banking charges on cash handling services is needed to ensure that charges are reasonable and proportionate.

RECOMMENDATION 13: The Minister for External Relations should continue to work towards the provision of banking hubs, and report back to the Panel by 30th April 2025.

1 Introduction

In March 2024, the States Assembly debated and adopted a proposition lodged by Deputy Lucy Stephenson which called for the Government of Jersey to reintroduce the ability for members of the public to pay in cash at Government-run sport facilities, as well as to review current and planned Government policies regarding cash payments across all departments and facilities.¹ An amendment by the Minister for Infrastructure was accepted to target sport facilities that had previously accepted cash and to narrow the review of policies to relevant departments and facilities.²

Wider discussion within the Island of this debate highlighted the public interest in the topic of payment methods and accordingly the Panel undertook preliminary consideration of the issue. This identified that cash acceptance had been a point of public and political discussion across varying jurisdictions, including Jersey, and that the Department for the Economy did not have a policy position in respect of cash payments.³

As such, the Panel identified that further exploration of the topic was merited and launched the Acceptance of Cash Payments Review (the Review) on 5th June 2024. This aimed to answer key questions, including:

- What are the views and experiences of consumers and businesses of the acceptance of cash?
- What are the implications of security, resilience or other aspects of various payment methods?
- Are there any barriers to using or accepting different payment methods?
- Is there a need for the Government of Jersey to introduce legislation or safeguarding measures regarding the acceptance of cash payments?

Methodology

Submissions

The Panel launched its review with an invitation for submissions from targeted stakeholders and a general call for evidence via social media, press releases and media interviews.

In total, 133 written submissions were received, with many members of the public taking the opportunity to share their views directly with the Panel via correspondence. Submissions have been published on the [States Assembly](#) website, excluding five which explicitly requested to be retained privately.

Hearings

As part of the Review the Panel undertook 13 public hearings with various stakeholders: these aimed to explore the diverging views and gave an opportunity for witnesses from various backgrounds to discuss the topic with the Panel. Witnesses included Ministers, interest groups and sector representatives, with the evidence gathered through these discussions disseminated in the relevant sections of this report. The Panel also held a private session with

¹ [P.10/2024 Cash payment at Government Sports facilities](#)

² [P.10/2024 Amd.](#)

³ [Letter – Minister for Sustainable Economic Development to Economic and International Affairs Panel re cash payments – 10 April 2024](#)

Public visits

In order to meet a wide selection of the public and to gain a deep understanding of the direct impact of the review topic, the Panel visited a number of organisations. These included:

- The Good Companions Club
- Age Concern
- MIND Jersey

The Panel also hosted two “pop-up” stands in St Helier and St Brelade, during which it met with members of the public.

These were informal sessions, however, discussions matched much of the information that had been received by the Panel and anecdotal information has been included in this report, where relevant to the supporting evidence.



Desk Research

The Panel also carried out a brief element of desk research in order to gain further information on the review topic, largely in relation to the approaches being undertaken to cash acceptance and digital payments by various jurisdictions. Information has been included in the relevant sections of this report.

2 Payment methods

This section of the report outlines the Panel’s findings regarding the use of various payment methods, which considers:

- the number of individuals using specific payment options,
- how access to banking services can impact upon payment choice, and
- the acceptance of payment methods.

One of the primary questions raised during the Review was the identification of the meaning of different payment methods. The Panel identified two main types, which have been considered:

Cash payments – by physical coins or notes

Digital payments – by cards, transfers or smart phones

Other forms of payment have been highlighted at times by those taking part in the Review, including cheques and crypto currencies.

History of Payments

Cash Payments History

The use of physical coins and notes denoting value for trade has a long and varied history.

The first official coinages minted for Jersey were the silver 1813 tokens, on the authority of an Order in Council, from the Committee on Coins dated 5th February 1813.⁴

The *Act of September 18, 1834* decreed that English money would become the sole legal tender in Jersey,⁵ with the pound still the currency of Jersey today. Jersey operates in a currency union with the United Kingdom, meaning the Jersey pound is not a separate currency but a local issue of banknotes and coins, denominated in sterling.⁶



Both Jersey-issued notes and Bank of England notes are legal tender and circulate within Jersey. However, Jersey cash cannot be used in the United Kingdom since they are not authorised by the British Parliament as legal currency.⁷

Digital Payments History

The first credit card was introduced in the United Kingdom (the UK) in 1966, followed by debit cards in 1987.⁸ Electronic Funds Transfer at Point-of-Sale systems emerged in the 1980s, allowing customers to pay directly using debit or credit cards.

⁴ [Jersey Coins: The 1812, 1813, and 1814 Tokens](#)

⁵ http://jerseycoins.com/acts/09_18_1834.htm

⁶ [Lloyds TSB - Countries' currencies and codes](#)

⁷ [Currency in Jersey | Visit Jersey](#)

⁸ <https://www.bankofengland.co.uk/museum/whats-on/2019/325-years-exhibition/payments-through-time>

The advent of internet banking in the mid-1990s then made it possible to conduct financial transactions online, laying the groundwork for digital payment platforms.⁹ Contactless payment technology was then introduced in the mid-2000s, allowing transactions by tapping a card at point-of-sale terminals. Google Wallet and Android Pay were launched in 2011, permitting contactless payments via smartphones for the first time.¹⁰ As a result of these advancements, the number of debit card transactions surpassed cash transactions for the first time in 2017.¹¹

Cash or Digital

During preliminary investigations the Panel ascertained that there has been a fall in the distribution of Jersey currency, reducing notably over the course of the last decade. The Review explored this topic with concerns of a critical point for the use of cash being raised. The Panel was made aware that despite the downward trend in cash use, particularly following the COVID-19 pandemic, there had been a slight resurgence in cash transactions more recently.

To gain an understanding of the proportion of transactions currently taking place, the Panel survey asked business respondents “Roughly what is the ratio of the payments you receive via cash? Please indicate a proportion where 1% would be mostly digital and 99% would be mostly cash payments.” 71% indicated they received a larger proportion of digital payments, with 20% indicated that cash payments represented under 10% of their transactions.

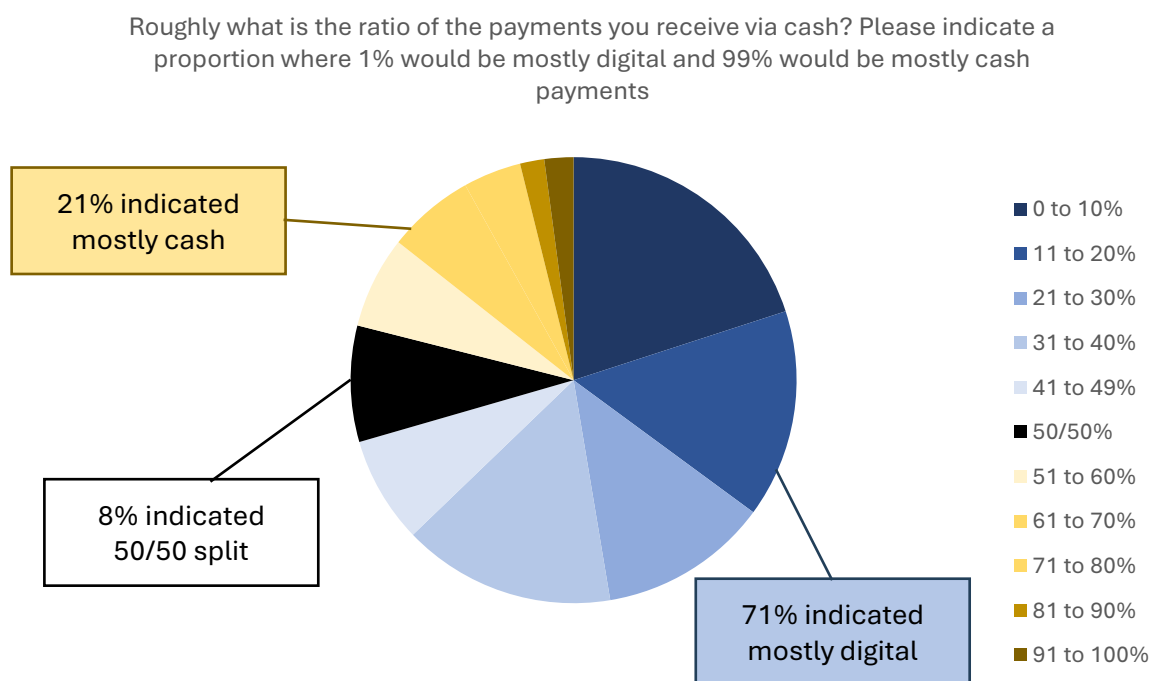


Fig.2 Ratio of Cash vs Digital Payment transactions (Panel Survey)

The prevalence of digital payments matches most of the anecdotal views and evidence provided to the Panel by a number of businesses, however specific Island-wide data on actual

⁹ [A Brief History of Digital Banking | ADM](#)

¹⁰ [History of contactless payments - A timeline | Thames Technology](#)

¹¹ [Debit Card Payments Overtake Cash Payments for the First Time](#)

payment methods used has not been forthcoming to this Review. The Panel would identify that gaining this data would allow for a greater understanding of the progression of acceptance and use of payment methods across sectors of the economy.

Cash demand and use

In its submission to the Review the LINK Scheme identified that:¹²

“Comparing May 2024 to pre-pandemic 2019, the number of free to use ATMs [Automated Teller Machine] in Jersey has fallen by 15% to 69 machines. This is against the value of cash dispensed, which has fallen by 51% to just under £6m during May. This compares to a reduction of 26% in ATMs across the UK and a 32% reduction in the value of cash. Therefore, the number of ATMs in Jersey has fallen less than in the UK, but the value of cash dispensed has fallen more. As across the UK, the average withdrawal value in Jersey has been increasing post pandemic, but the average, £106, is markedly higher than in the UK which is £89.”

The LINK Scheme further identified that UK Finance, the trade body for banks, has reported that the proportion of payments made in by cash has fallen from 74% in 2000 to 14% in 2022 and it projects a further fall to 7% by 2032.¹³

The Panel heard, in its hearing of the 25th September 2024,¹⁴ that there is a definite marginal downward trend in the demand for cash from banks. The Panel was provided these figures by the Minister for Sustainable Economic Development, which identify a drop of £148 million, from £272 million in 2016 to £124 million in 2020, and a slightly lower decrease of £22 million to £102 million in 2023.

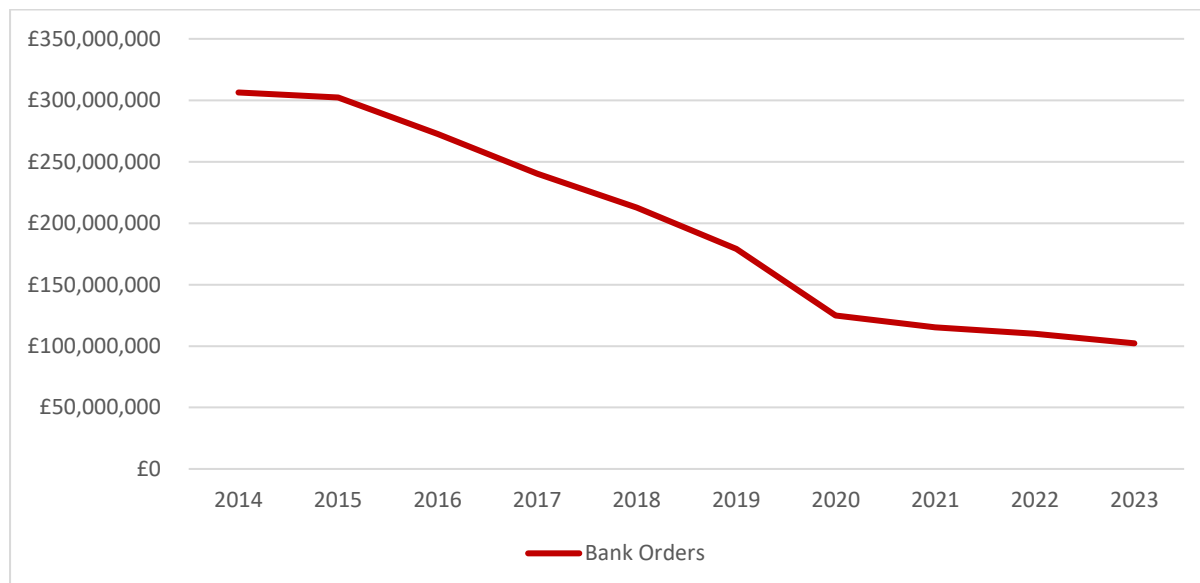


Fig.3 Bank orders for Jersey notes and coins¹⁵

This aligns with the sentiment of the evidence gathered which suggests that although cash use continues to decline, overall there are some areas seeing a resurgence in its use. This

¹² [Submission - Acceptance of Cash Payments Review - LINK - 01 July 2024](#)

¹³ [Submission - Acceptance of Cash Payments Review - LINK - 01 July 2024](#)

¹⁴ [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

¹⁵ [Letter – Minister for Sustainable Economic Development to Economic and International Affairs Panel re cash payments – 10 April 2024](#)

was confirmed in the experience of Jersey Chamber of Commerce representatives.¹⁶ Data available from the UK does indeed highlight a steady decline in cash payments which had leveled out during 2021/22, whilst debit card payments have continued to increase, as displayed in Figure 3.

The Panel has been informed that the demand for cash varies throughout the year, for example increasing at Christmas time.¹⁷ Treasury officials and the Minister for Treasury and Resources have highlighted that although there has been a decline, there is still a material demand from banks for cash.

Statistics from the UK identify that, in 2022, approximately 14% of consumer payments were made in cash. This is a drop from 74% in 2000 and is forecast to fall to 7% in 2032.¹⁸

Witnesses to the Review have highlighted real world examples in the fall of cash payments, with the Jersey Chamber of Commerce outlining:¹⁹

“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.”

LibertyBus also identified that there had been a reduction in cash use for their service, following the introduction of digital payments, moving from 100% cash in 2013 to 40% in 2017 (60% via Avanchi Card) and to 2.5% cash in the first seven months of 2024.²⁰

Critical cash use

Concern has been raised that cash use may reach a critical point of no return,²¹ in that if consumer demand drops further and not enough businesses or services accept the payment method, cash will effectively become impossible to use, leading to its unplanned removal all together.

Whilst there was acknowledgement that the Island was not ready to be a completely cashless society,²² the gradual decline of cash acceptance and use was discussed, with indications that this could be expected within the next 10 years.²³

The Payment Choice Alliance outlined the potential issue of declining cash use during a public hearing of 18th September 2024.²⁴

“if you do nothing, what is going to happen is access to cash will get worse and worse and more and more businesses will refuse to accept cash because they will turn around and say: “Oh look, it is so difficult to do my banking now, it is so costly because the banks have put the cost up on an arbitrary basis” and so on... if there comes a time when 90 per cent, 95 per cent are all accepting only electronic payments, to then

¹⁶ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 4

¹⁷ [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

¹⁸ [UK Finance Payment Markets Report 2023 Summary](#), UK Finance

¹⁹ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 3

²⁰ [Transcript-Acceptance-fo-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), page 20

²¹ <https://commonslibrary.parliament.uk/research-briefings/cdp-2020-0159/>

²² [Transcript - Acceptance of Cash Payments Review - Community Savings - 17 September 2024](#)

²³ [Transcript - Acceptance of Cash Payments Review - Jersey CI Cash is King - 18 September 2024](#)

²⁴ [Transcript - Acceptance of Cash Payment Review - Payment Choice Alliance - 18 September 2024](#)

require them to move back to accepting cash would require an element of disruption and change, which would be costly to those businesses, I assume. So getting ahead of that and having the discussions now rather than later, I think, is really, really important.”

Indeed, the Chair of the Visitor Economy Committee, Jersey Chamber of Commerce, identified that, although they currently accepted cash due to customer service implications, they would cease doing so if cash transactions fell below 5%, as this would no longer be cost effective.²⁵

KEY FINDING 1: Digital payment transactions are likely more prevalent than cash payments within the Island, however specific data identifying this is limited. Although the rate of reduction has slowed since 2020, there has been an overall trend of reducing demand for cash in Jersey, with a reported drop in the number of payments being made in cash. This mirrors the United Kingdom where a further reduction in cash use is forecast and there may be a point that the number of organisations accepting cash payment is reduced to a point where it is effectively removed as an option.

KEY FINDING 2: A small amount of submissions dealt with those individuals or charities that still used cheques, the Panel does not have sufficient evidence to draw conclusions on the impacts in this area but notes they are also subject to banking charges and practices which may vary from institution to institution.

²⁵ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 15

Varying use

The rationale for payment method selection was attributed as being due to a number of factors, and these often varied amongst different demographic group, by type of transaction or because of social or emotional reasons.

This is reflected in the number of reasons for preferences of a particular payment method that have been collected during the Review with the LINK Scheme provided the following figures from their UK survey, identifying that just 17% of respondents carried cash as it was their preferred payment method:²⁶



Fig.4 Reasons individuals carry cash (UK)²⁷

Sanctuary Trust highlight a number of reasons for individuals being more likely to use cash including:²⁸

- **People released from prison:** May not be able to use a “normal” bank, they may have access to Community Savings, but even then this limits their ability to bank “normally”, making using cash important to them.
- **Individuals without stable housing:** May not have access to a bank account or secure internet.
- **Distrust in Financial Institutions:** Some individuals experience heightened distrust towards banks and financial institutions. This can lead to a preference for using cash as it feels safer and more tangible to them.

²⁶ [Submission - Acceptance of Cash Payments Review - LINK - 01 July 2024](#)

²⁷ [Submission - Acceptance of Cash Payments Review - LINK - 01 July 2024](#)

²⁸ [Submission - Acceptance of Cash Payments Review - Sanctuary Trust - 05 July 2024](#)

The Panel further explored the specific reasons given for payment method choice in the Benefit and Challenges section of this Report ([Page 39](#)).

Overall, 72% of those taking part in the Panel's survey identified that they always carried cash, with only 8% indicating they never did so.

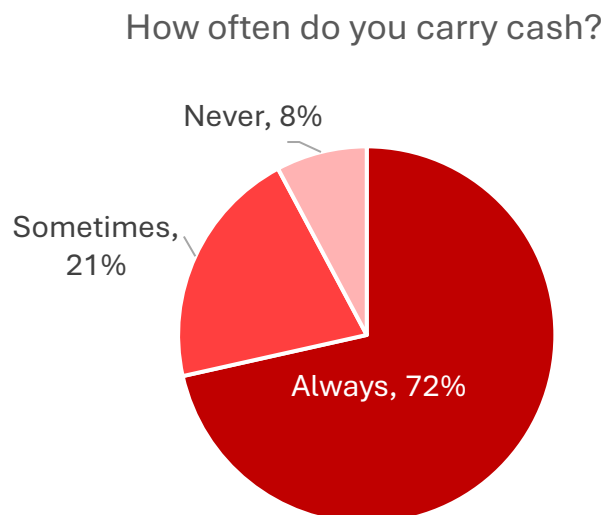


Fig.5 Proportion of survey respondents carrying cash

Amongst demographics

88 of those writing to the Panel highlighted concerns around accessibility and inclusivity should cash payments not be accepted, often being linked to age, vulnerability or income level. Noticeable differences in those views are outlined below.

Older persons

Although it was highlighted that many older persons are able to access and use technology, this group was mentioned by many of those taking part in the Review as predominant users of cash and reliant upon cash payment systems. Research undertaken by the Panel would suggest that the topic of acceptance of cash payments is of particular interest to those above the age of 55, with 49% per cent of those undertaking the survey being part of this age group and 25% being over the age of 65. Conversely, just 12% were under the age of 35, although the Panel acknowledges that the response rate may have been influenced by political engagement.

Responses to the Panel's survey question of how often an individual carried cash, did vary in age: 57% of 16 – 34-year-olds always carrying cash compared to 76% of 55 – 64 year-olds, and 86% of those aged 65+. However, the responses to the other questions within the survey were broadly similar across age groups, other than were noted such as in speed and ease of digital payments where younger respondents more likely to agree that digital payments were easy and quick.

Separate research undertaken by the LINK Scheme in the UK has identified a larger difference between age groups when asked how important it is to have the option of using cash: ²⁹

²⁹ [Submission - Acceptance of Cash Payments Review - LINK - 01 July 2024](#)

“82% of respondents overall said having the option to pay in cash is very or fairly important compared to just 17% who said it wasn't. As might be expected, having cash as an option was most popular among older people and least important to the 25-34 age group.”

The Older Person's Living Forum submission to the Review highlighted the difficulty and marginalisation felt by older people as a result of an increasing use of technological solutions, difficulties in accessing real people to discuss issues, online banking and the reduction of use of cash. They raised nine main points, that were in line with much of the evidence submitted to the Panel:³⁰

- Online banking and the use of cards is not always accessible to those with a disability or cognitive, visual or hearing impairments.
- Those who cannot see or hear rely on the physicality of money.
- Individuals who have trouble understanding online banking have asked for a home visit by banks for help, but in all of our experiences the banks have refused.
- Pins can be hard to remember for individuals with cognitive impairments.
- Small transactions with cards can be charged an additional card fee, or a minimum payment is required, which is difficult in a cost-of-living crisis.
- Honesty boxes use cash, and they are both practical and a part of Jersey's heritage.
- Individuals who rely on family and friends to buy groceries or run errands give their family/friends cash to make payments.
- Not everyone has access to online banking or understand the security measures to be able to protect their money. As such, physical handling of cash feels much safer.
- In the current financial challenges, the practice of dropping loose change in charity collections is diminishing and is something we would often do.

The Jersey Hospitality Association highlighted that privacy was also of concern for older persons:³¹

“I think you do still see some of the older generation who do not want to use tap... They feel like that is an utter violation of whatever they are trying to protect on the card. Despite you telling them, actually, it is safer a million times over, there is definitely not that comfort level. Again, that is a kind of transitional generational change.”

Digital Jersey highlighted that as demographics changed there would be a further shift towards transactions being cashless.³² The Jersey Hospitality Association also highlighted that the younger demographic were choosing digital banking systems, highlighting the ease of exchanging currencies.³³

However, the Panel has heard that stereotyping older persons as the primary users of cash may be overly presumptuous, with younger people also facing financial issues that require the cash-in-hand system.³⁴ Similarly, examples of older persons embracing digital payment systems have also been highlighted.³⁵

KEY FINDING 3: Although examples were given of older people being receptive to digital technologies and able to use these to make payments, it would appear that this

³⁰ [Submission - Acceptance of Cash Payments Review - Older Person's Living Forum - 12 July 2024](#)

³¹ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), pages 13 - 14

³² [Transcript-Acceptance-of-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), page 6

³³ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 21

³⁴ [Transcript - Acceptance of Cash Payments Review - Jersey CI Cash is King - 18 September 2024](#)

³⁵ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#)

group, the island's demographics, skills, technologies, and reliance on and use of, either digital or cash payments is likely to alter in future years.

Facing impairment

The Panel received a number of submissions which highlighted the difficulty for individuals facing learning disabilities or mental or physical impairments using different payment methods, it was further mentioned that cash was beneficial in maintaining an individual's ability to make purchases. In the Panel's experience of meeting those facing impairments, cash was generally indicated as being more used.

Jersey Mencap forwarded the views and experiences of its members: ³⁶

"We also have residents who don't recognise numbers so they would struggle to use a debit card with a pin number, so taking away cash would massively reduce their independence as they would need a support worker with them to purchase items. We also have residents with sight impairment and they would not be able to use a debit card with a pin. We also have residents who have had issues surrounding taking all of their weekly social payment from their account with a debit card and spending it and therefore getting into financial difficulty."

A submission made by EYECAN Jersey highlighted that there were many examples of card facilities not taking into consideration safeguards to support a person living with sight loss (e.g. touch screens not being easy to use through not being able to feel the different keys to enter a pin and/or no way of being aware of the amount on a screen).³⁷ EYECAN also highlighted the following potential impacts of the non-acceptance of either cash or digital payments for those experiencing sight impairment:

- Having to use untrusted third parties to assist with disclosing and then inputting PIN
- Not being able to verify the amount on screen
- Not being able to use flat screen technology through touch
- There being no technical solution to verbalise apps that otherwise exist for challenger banks such as Revolut & Monzo
- Having to travel, often with difficulty, due to other locations because of accessible services (including banks and branch closures)

However, it is important to highlight that digital payment methods are also beneficial to some facing impairment with a Mencap member outlining:

"XXX struggles with cash and avoids as much as possible using it. We set up a debit card for XXX some time ago, and have set up a standing order where a set amount goes that account every week so she uses this for social outings etc. The rest of her allowance stays in a separate account which she uses if she has a large item to pay for. We find this works well as XXX struggles with budgeting. If someone did ask XXX to lend them some money she would quite happily draw a large amount and hand it over without a second thought. We find a debit card works well."

Within the responses to the Panel's survey no significant difference in the answers to questions were identified for those indicating that they had longstanding physical or mental health conditions, compared to those who did not. The Retail and Supply Committee Member,

³⁶ [Submission - Acceptance of Cash Payments Review - Jersey Mencap - 24 June 2024](#)

³⁷ [Submission - Acceptance of Cash Payments Review - EYECAN - 12 July 2024](#)

Jersey Chamber of Commerce, expressed the need for more evidential data in this area in order to inform business' response to provision of payment options.³⁸

Income level

The Panel's survey results indicated that those in lower income brackets appear to be more reliant upon cash. Notably, 84% of those aged 16-65 whose household income was under £20,000 said they always carried cash, compared to 36% of those of the same age with a household income of over £140,000. For context, an estimate of median earnings in June 2024 of £44,200 annually per Full Time Equivalent employee,³⁹ with mean average earnings of £52,000 annually.

How often do you carry cash?

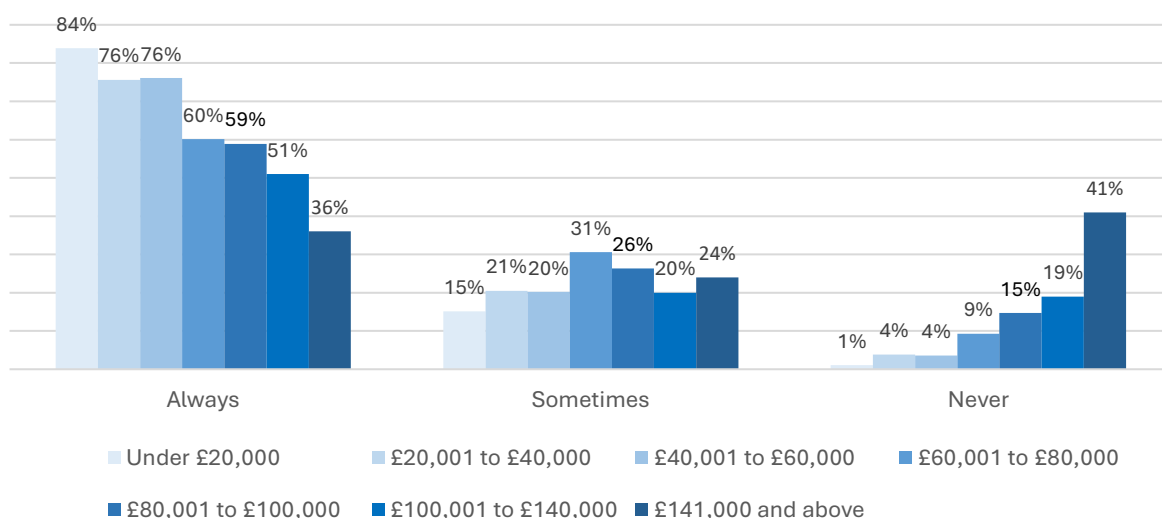


Fig.6 Proportion of survey respondents aged 16 to 65 carrying cash, by household income

Similarly, although a smaller number of respondents, those answering the survey who indicated they were unable to work due to long-term sickness/disability (78 respondents) were more likely to always carry cash at 82% compared to 62% of those working for an employer (1,405 respondents), and were generally more “pro-cash” in their answers, particularly for areas such as budgeting.

The Founder of Jersey CI. Cash is King highlighted a pertinent point concerning an individual's level of disposable income:⁴⁰

“Not everybody has a phone or computer or tablet or whatever. Not everybody wants them. They are very expensive little devices and unless we are going to hand out every single person a free contract and a free machine, whatever that machine happens to be, it is not going to happen.”

³⁸ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 4, 7, 18

³⁹ [Statistics Jersey, Average Earnings Index June 2024](#)

⁴⁰ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-CI-Cash-is-King-18-September-2024.pdf](#), page 8

Visitors

During the Public Hearing of 17th September 2024 the Sector Officer for Retail and Visitor Economy, Department for the Economy, outlined that visitors to the Island liked to transact in cash. Indeed, 94% of the 136 respondents identifying themselves as visitors in the survey indicated that they always carried cash, compared to 70% of Jersey residents (2473 respondents). It is also noteworthy that the visitors taking part in the survey were generally more likely to respond positively towards cash and rate digital payments lower in the aspects questioned.

The Jersey Chamber of Commerce and Jersey Hospitality Association further identified that European visitors may hold a preference for using cash,⁴¹ whilst linking this to older more conservative visitors at times.⁴²

KEY FINDING 4: Other groups were highlighted as preferring or and benefiting from a wide range of payment methods. Digital payment methods were highlighted by some as potentially challenging for those who face physical or mental impairment, however some outlined that they also benefited from technology, with further evidential data in the area being called for to justify any mitigating actions. Those with lower household income seem more likely to carry and therefore use cash, compared to those with the highest household incomes. Visitors to the Island are also likely to carry and use cash with Jersey's currency adding to its tourism offering and unique cultural identity.

⁴¹ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 4, 7, 18

⁴² [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 5

Small versus large payment amounts

There were some taking part in the Review who identified that their payment choices were often based on the amount of the transaction. The Jersey Hospitality Association supported this point:⁴³

“When it gets to the bigger transactions, hotel bills, larger meals out, wholesale purchases, they are inevitably hardly ever made with cash... A coffee shop compared to like a beach kiosk, a lot of the beach kiosks are still taking cash, some of the town-based coffee shops are the ones that are probably more predominantly cashless, so I do not think there is even any tie to the size of that transaction through the everyday consumer transaction as opposed to the wholesale side of it.”

24 respondents mentioned smaller purchases by cash in their open-ended comments to the Panel’s survey, with the Jersey Banker’s Association identifying that there remains a strong dependency on cash for payment of goods and services, typically for purchases under £50.⁴⁴

Money laundering is an issue so I would not expect cash to be accepted for large purchases however I should not need a bank card to purchase a coffee!

Presently my tendency is to offer cash if it is under say £15 and over that I use a debit or credit card.

The Jersey Hospitality association highlighted that supplies being bought Island or transactions with wholesalers would largely be undertaken through digital payments.⁴⁵

Access to cash and digital services

Access to cash and digital services was highlighted by a number of submissions as impacting upon payment method choice. This was often linked to access to banking services and branches, with the closure of a local branch announced during the course of the Review.⁴⁶

Cash Access

61% of those taking part in the Panel’s survey indicated that access to cash back services, cash machines (ATMs) or bank tellers impact their choice of cash or digital payments in some way. There were some on the Island that identified that accessing cash could be difficult, leading to longer travel time to make preparations for a payment, and potentially leading to an increased reliance on digital payments.⁴⁷

⁴³ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 3

⁴⁴ [Submission - Acceptance of Cash Payments Review - Jersey Bankers Association - 16 July 2024](#)

⁴⁵ [Transcript-Acceptance-fo-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 3

⁴⁶ <https://www.itv.com/news/channel/2024-09-04/lloyds-bank-branch-to-shut-as-transactions-drop-a-third-in-five-years>

⁴⁷ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024](#)

Does access to cash back services, cash machines (ATMs) or bank tellers impact your choice of cash or digital payments?

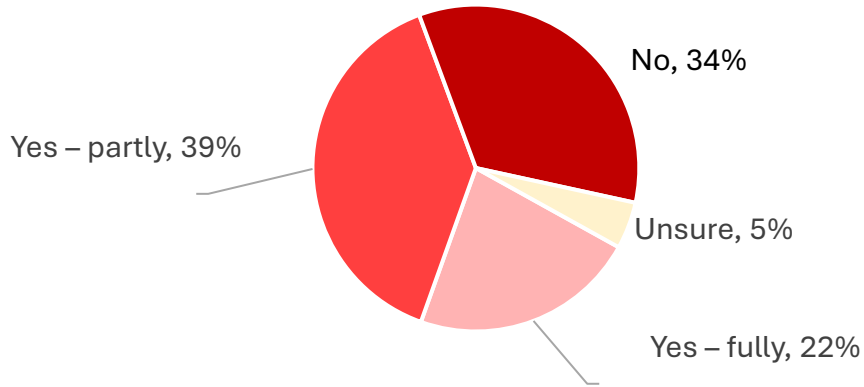


Fig.7 Impact of access to cash back, cash machines or bank tellers on payment choice

The LINK Scheme identified that access to cash in the UK is protected through the Financial Services and Markets Act 2023. This legislation gives cash access regulatory protections, introducing a requirement for the Financial Conduct Authority (FCA) “to ensure reasonable provision of cash access services in the United Kingdom, or a part of the United Kingdom”. Through this Act, the FCA protects consumers access to cash with the LINK Scheme being appointed by His Majesty’s Treasury as a co-ordinating body charged with assessing any community that faces the closure of a core cash service, such as a bank branch or ATM.⁴⁸

The FCA and the Act do not apply in Jersey. However, as noted above, the LINK Scheme highlighted that it applies the same criteria for ATM free-to-use cash access in Jersey as it would for the UK, and that it was managing its ATM network through the decline of cash use in order to protect free access to cash for as long as it is needed.⁴⁹

⁴⁸ <https://www.ukfinance.org.uk/press/press-releases/pivotal-moment-banks-consumer-groups-post-office-and-link-join-forces-help-protect-cash-services>

⁴⁹ [Submission - Acceptance of Cash Payments Review - LINK - 01 July 2024](#)

The LINK Scheme considered consumer cash access in Jersey as satisfactory and provided the following map in its evidence:

Jersey ATM Locations - May 2024

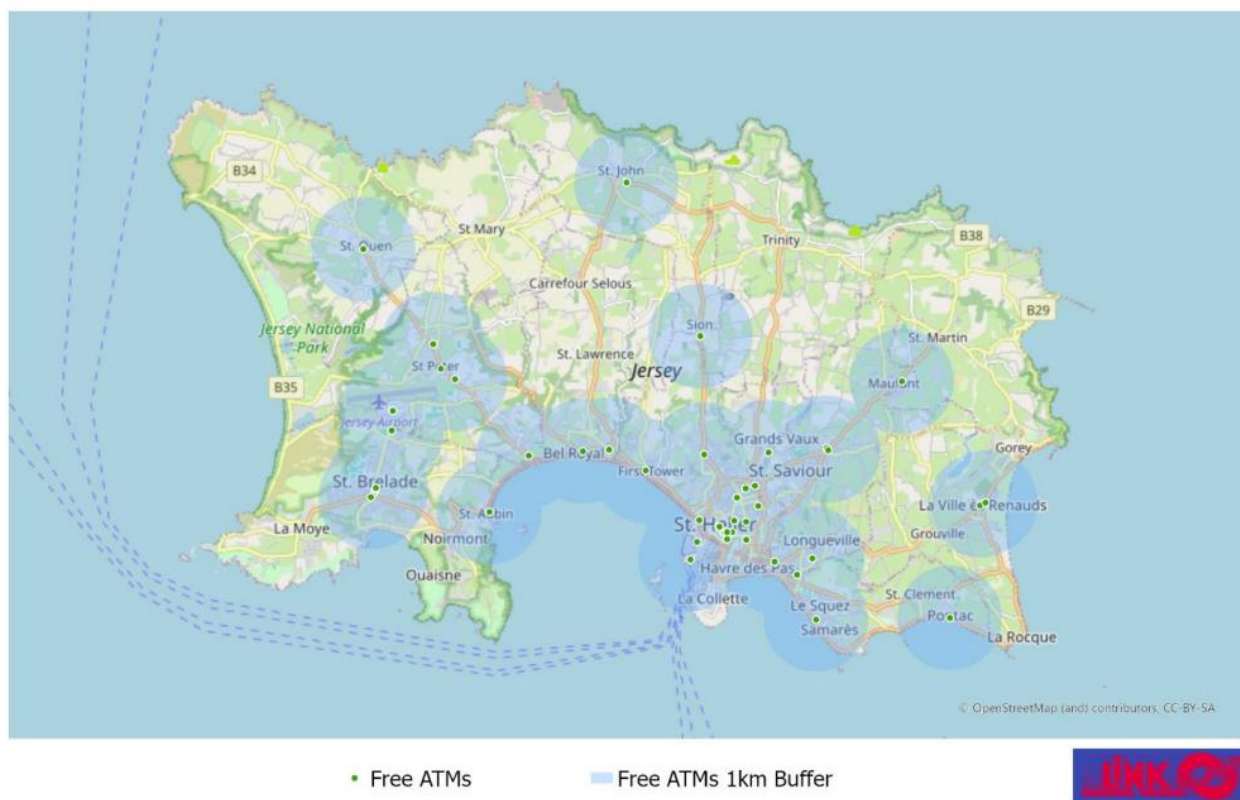


Fig.8 Jersey ATM Locations May 2024⁵⁰

The Chair of the Visitor Economy Committee, Jersey Chamber of Commerce, identified that their business had offered a cash-back service, incurring extra cost which was not used by the vast majority of customers.⁵¹ The diminishing number of cash back services was also acknowledged by the Minister for Sustainable Economic Development,⁵² with the Founder of Jersey CI. Cash is King highlighting:⁵³

“I used to get cashback from my shop in order to pay with card and get cashback so I can spend cash in the other small shops in the village who prefer cash, but that has been taken away now. I do not know why Morrisons said 3, 4 months ago that it will only take 6 months to return the cashback, never to be seen again currently.”

The demise of wages being paid in cash was also highlighted, with the Payment Choice Alliance outlining that prior to 1960 almost all UK wages were paid in cash, meaning that visits to bank branches was not a necessity, and that personal debt was kept low.⁵⁴ The Jersey

⁵⁰ [Submission - Acceptance of Cash Payments Review - LINK - 01 July 2024](#)

⁵¹ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 5

⁵² [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024](#)

⁵³ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-CI-Cash-is-King-18-September-2024.pdf](#), pages 9-10

⁵⁴ [Transcript - Acceptance of Cash Payment Review - Payment Choice Alliance - 18 September 2024](#)

Consumer Council opined that there remained a proportion of the community who are paid in cash, particularly part-time workers, “youngsters”, and hospitality workers.⁵⁵ This was further outlined by the Jersey Hospitality Association:⁵⁶

“Again, I think we saw a lot of pressure as an industry from staff wanting to be paid in cash, that is starting to fade out. I think it is more of an acceptance that actually the business probably cannot. We certainly would not be able to. If you have a big event and you have a lot of staff working and you were expected to cough up all the money and cash at the end of the event, the consumer might not have paid anything in cash. There is no cash on the site. So that world has definitely changed but we are in that transition period.”

The Minister for Treasury and Resources identified that Customer and Local Services can issue cash or a cheque for individuals if required when receiving benefits.⁵⁷

Banking Services

Following the closure of the Lloyds Bank St Brelade branch, the Panel received a number of submissions from members of the public, emphasising the significant personal impact that the closure would have. These often related to the inconvenience of travel, need for in person-services and fear of continued digitalisation of services, with shock being expressed at the closure to the Panel.

The Minister for External Relations outlined the alternative choices for individuals as:⁵⁸

“The closing of the branches in St. Saviour or St. Brelade, we know that that does affect Islanders because they have a number of choices before them. They can move to digital banking or they can come, where necessary, into town to access the branch banking.”

Business use of bank branches was also raised within the Review, with the Minister for Sustainable Economic Development outlining:⁵⁹

“I mean, yes, those bank branches are reduced. It makes it harder for businesses to access their facilities to deposit cash, to withdraw cash for their floats in their tills. Certainly, it is interesting obviously a bank that shut recently was in St. Brelade. If your business is in St. Peter or St. Brelade or St. Ouen, you have now got to travel a lot further to put your cash into the bank than you did before, thus adding again to the lack of efficiency around that. So that is having an impact.”

This was further discussed within the Public Hearing with the Jersey Chamber of Commerce, who identified the additional resource implications of travelling to a different bank branch.⁶⁰ Business costs are explored later in this report ([page 53](#)).

Banks, including HSBC, have indicated that they recognise the value Islanders place on face-to-face banking and access to cash identifying actions undertaken in this regard for branch and service provision.⁶¹ The Jersey Bankers Association have confirmed that there are no current plans to change the provision of free access to cash for retail customers, recognising

⁵⁵ [Transcript-Acceptance-fo-Cash-Payments-Review-Jersey-Consumer-Council-21-August-2024.pdf](#), page 3

⁵⁶ [Transcript-Acceptance-fo-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 13

⁵⁷ [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

⁵⁸ [Transcript - Acceptance of Cash Payments Review - Minister for External Relations - 20 September 2024](#)

⁵⁹ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024](#), page 31, 32, 33

⁶⁰ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#)

⁶¹ [Submission - Acceptance of Cash Payments Review - HSBC - 04 October 2024](#)

that there remains a strong customer-driven desire to have free access to cash via branches and ATMs, identifying that Islanders enjoy the higher ratio of bank branches compared to the UK.⁶²

KEY FINDING 5: The availability of cash and access to it is an important factor in how people pay for goods and services. The panel received evidence of a variety of experiences about the provision of ATMs, cash-back and cash wages.

Key Finding 6: Elements of regulatory protection for cash access are found in the United Kingdom through the Financial Services and Markets Act 2023. Access to bank branches may also impact upon payment method choices, for both individuals and businesses in terms of increasing travel time and costs, with concern being raised over further branch closures.

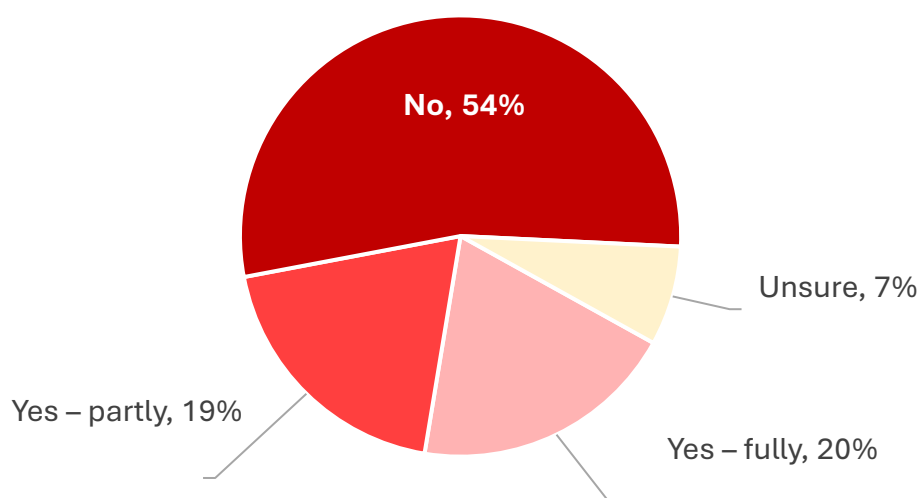
RECOMMENDATION 1: The Minister for External Relations should, by 31 December 2025, liaise with the banking sector to require that banks give 6 month notice period to both the Government of Jersey and its customers prior to the closure of any of its branch or cash machines in the Island, and ensure due consideration is given to the needs of customers in the decision to close a bank branch.

RECOMMENDATION 2: The Minister for External Relations should consider other suitable and proportionate measures to ensure that minimum service levels are maintained by banks for their customers and the wider community in relation to in person counter and branch services and to the paying in and withdrawal of cash.

Holding a bank account

39% of those taking part in the Panel’s survey identified that holding a bank account impacted their payment choice.

Does access to holding a bank account impact your choice of cash or digital payments?



⁶² [Submission - Acceptance of Cash Payments Review - Jersey Bankers Association - 16 July 2024](#)

Jersey Community Savings, among many other witnesses, identified that there were instances that many Islands, for various reasons, either cannot cope or deal with a “normal” banking relationship or cannot access or attain a “normal” banking relationship.⁶³ This was discussed further by the Minister for Sustainable Economic Development:⁶⁴

“I think a really good example of a group of people who find it hard to access banking facilities is former prisoners. When people leave prison, a lot of them do not have bank accounts and they find it harder to access bank accounts. It is why an institution like the Community Savings bank in Jersey is so important, because there are people who find it really hard to access bank accounts. Just think about the amount of due diligence procedures that you have had to do as an individual where you have had to provide a bank statement as proof of your address and things like this”

The Minister for External Relations explained that, historically, efforts had been made to allow for access to bank accounts, this included working with Community Savings, as well as larger clearing banks.⁶⁵

During a [public hearing](#) on 17 September 2024, Jersey Community Savings outlined that they currently provide services for around 400 members and have subsequently indicated that they have supported over 2,000 since their establishment in 1997, with members being referred to them through other charities, Citizen’s Advice Jersey, or even Social Security and other government departments. It was however highlighted that the organisation does not receive Government of Jersey funding. Although they are not a bank, Jersey Community Savings provide services to members of the Island that resemble basic banking, including:

- Basic current accounts
- Basic savings service
- Ability to pay day to day expenses, set up standing orders and undertake electronic payments
- Basic bank card services through pre-loading
- Basic online banking tool
- Aid in managing finances and give budgetary advice
- Limited provision of loans and grants

The Chief Executive of Jersey Community Savings outlined that they were unable to directly offer cash services due to logistics of handling cash and potential regulatory implications. It was highlighted that members were able to withdraw from ATMs and that a partnership had been established with Jersey Post, with around 10% of members accessing cash on a weekly basis through the Post Office.

Difficulty in providing these services was highlighted, with Digital Jersey identifying the need for further support to be provided for the unbanked in negotiations between Mastercard and Community Savings.⁶⁶ Jersey Community Savings identified that ultimately their aim was to be not needed:⁶⁷

⁶³ [Transcript - Acceptance of Cash Payments Review - Community Savings - 17 September 2024](#)

⁶⁴ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024](#), page 32

⁶⁵ [Transcript - Acceptance of Cash Payments Review - Minister for External Relations - 20 September 2024](#)

⁶⁶ [Transcript-Acceptance-fo-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), page 19

⁶⁷ [Transcript - Acceptance of Cash Payments Review - Community Savings - 17 September 2024](#)

“It is a difficult question because one of our key objectives, as it probably is for many charities, is not to exist and that would mean we are no longer required because the people that we currently serve have got other means of accessing what we provide for them. I would say at the moment that is an aspiration, it is not realistic, achievable, certainly within a 5-year and possibly within a 10-year period but ultimately that would be the case.”

KEY FINDING 7: There are Islanders who are unable to hold bank accounts for various reasons. This is likely to restrict their choice of payment methods. Jersey Community Savings provides a number of services to aid those unable to access mainstream banking services, including provision of digital payment methods and access to cash via ATMs or Jersey Post.

The ability to hold a bank account also impacted businesses, with relevant points discussed later in this report ([page 56](#)).

Ability to pay

The Panel undertook questioning during the Review to identify if businesses were not accepting cash or digital payments and individual's experiences of this.

Business acceptance

Of those taking part in the survey who indicated that they were answering on behalf of a business in some capacity, 92% responded that their business accepted both cash and digital payments, with 6% indicating they only accepted digital payments. A slightly higher proportion of those operating in digital, information and communication, finance and legal activities or hotels, restaurants and bars indicated that they only accepted digital payments.

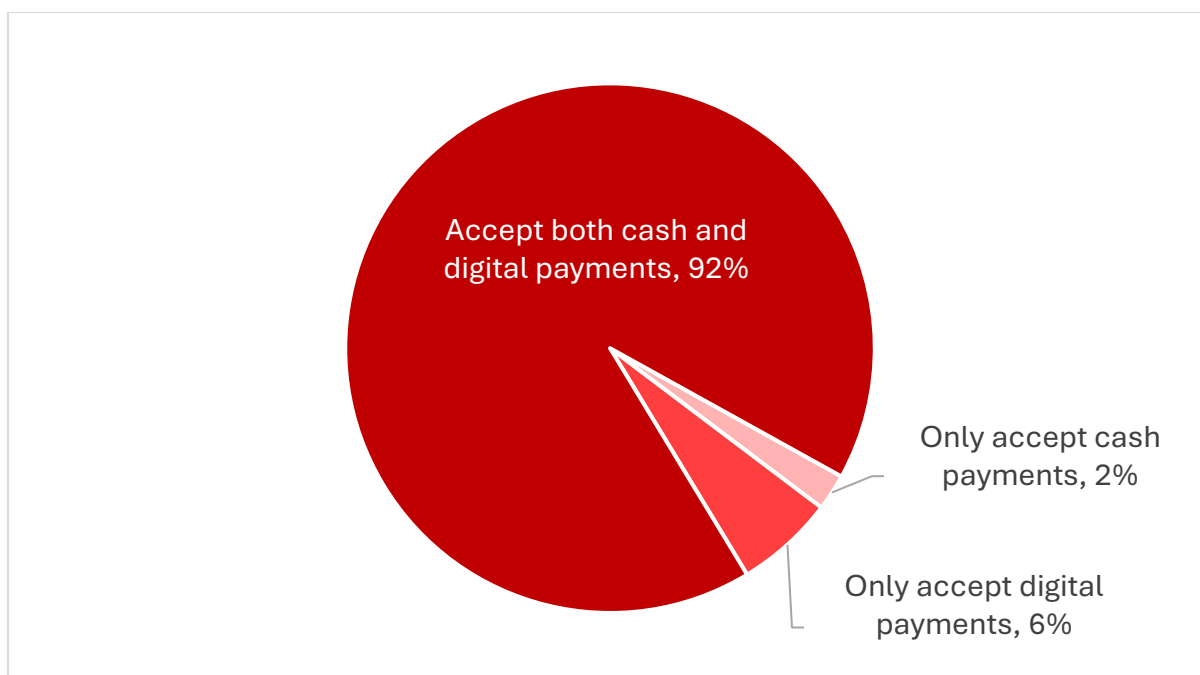


Fig.10 Business acceptance of payment methods

The Jersey Hospitality Association opined that the majority of businesses would not refuse service if a customer did not have a card or phone and could only pay in cash,⁶⁸ with LINK Scheme also identifying that this would likely be the case.⁶⁹ Jersey Community Savings highlighted that, although rare, non-acceptance of either payment method could be extremely disruptive and challenging for individuals.⁷⁰

The Minister for Sustainable Economic Development identified that although there had been a drop in the number of cash transactions in the UK, citing a drop from 67% in 2007 to 14% in 2023, did this not necessarily indicate a drop in the number of businesses that would accept cash.⁷¹ The Jersey Chamber of Commerce also commented:⁷²

“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

⁶⁸ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 6

⁶⁹ [Transcript-Acceptance-of-Cash-Payments-Review-LINK-Scheme-20-August-2024-\(1\).pdf](#), page 14

⁷⁰ [Transcript - Acceptance of Cash Payments Review - Community Savings - 17 September 2024](#)

⁷¹ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024, page 10](#)

⁷² [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 3, 8

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 “

Jersey Business indicated that two out of 36 business clients who responded to a survey undertaken by the organisation stated that there are instances where they would not accept cash (around 6%). One of these businesses commented that:⁷³

“We do not accept cash. The hotels are located in St Brelade and St Lawrence. The nearest branch of our bank in now St Helier and it takes up to 2 hours to bank cash at the branch as well as presenting a security risk to staff carrying thousands of pounds of cash.”

Six respondents who took part in the Jersey Business survey indicated that there are instances in which their business would not accept digital payment methods (including card payments), with reasons linking to holding payment machines and cost. This was a larger proportion of the businesses that took part in the Panel’s survey, suggesting that further data may be needed.

Non-acceptance experience

Those taking part in the Panel’s survey identified that there were more times that they had been unable to pay by cash than digitally when they had wanted to, with 5% stating they had frequently come across non-acceptance of digital payments versus 45% who had stated they had frequently come across non-acceptance when wanting to make cash payments.

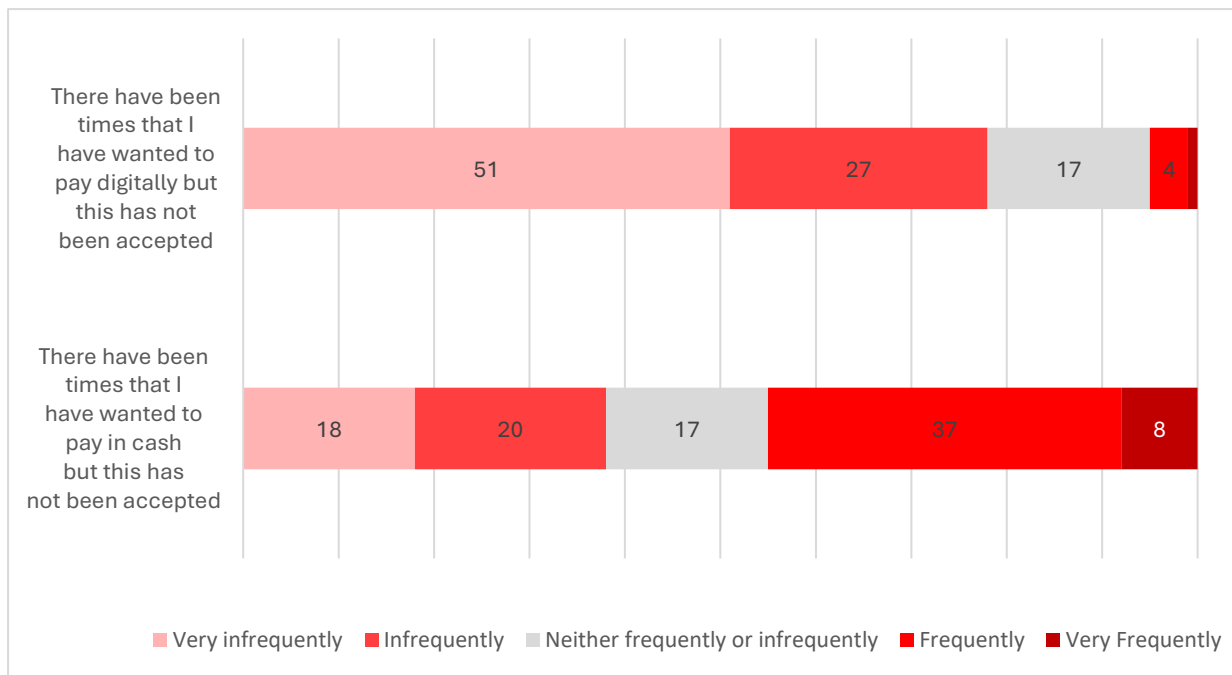


Fig.11 Experience of payment method refusal

The Cash is King Facebook Group forwarded a list of businesses not accepting cash, with 58 noted. The list included business and organisations across varying sectors however the most

⁷³ [Submission - Acceptance of Cash Payments Review - Jersey Business - 18 July 2024](#)

common identified operated as hotels, restaurants, or within wholesale and retail with undertakings (40 businesses).⁷⁴

Although not directly comparable, LINK Scheme's research in the UK identified that 41% of individuals had experienced somewhere which didn't accept cash.⁷⁵

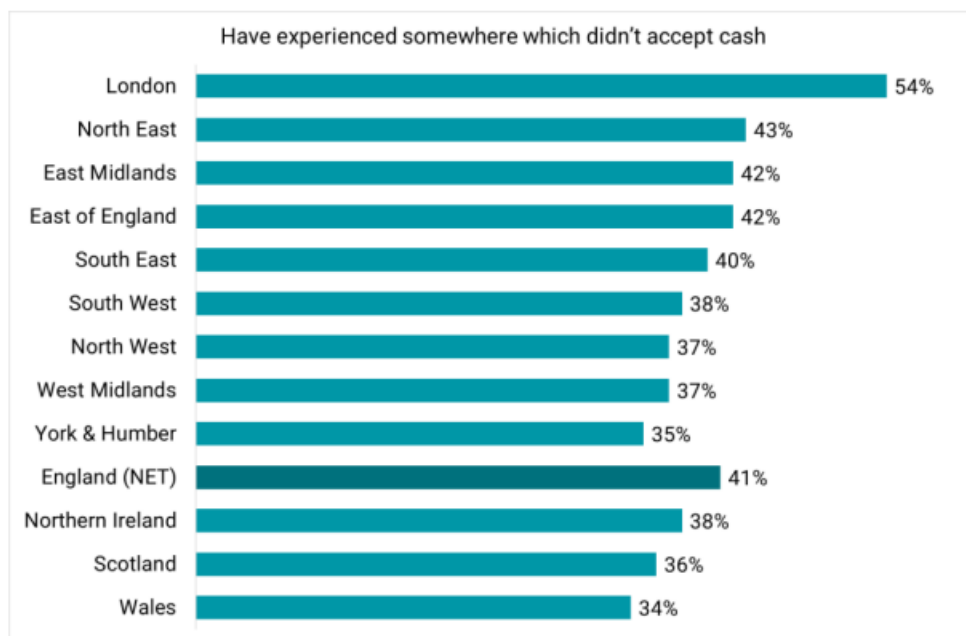


Fig.12 Experience of cash payment method (UK)

Individuals who experienced a refusal of acceptance of payment outlined the embarrassment and frustration of not being able to make a payment through their preferred method, with some examples given that the business would not accept cash only at the till. Encouragement for adequate signage was highlighted as being needed, with agreement from the Chamber of Commerce that this was a good idea.⁷⁶

There has been times where I have been embarrassed where cash payment was not accepted and I have had to either leave without making the purchase and other times using my debit card meant being in debt for a period of time where I was charged a bank fee.

The main frustration is when cash payments are refused by shops, cafes etc. The choice of payment method should be maintained, otherwise it becomes discriminatory and could prevent someone from accessing events or buying necessary provisions. Having to ask "do you accept cash?" is embarrassing and stressful.

KEY FINDING 8: Being told that you cannot pay for goods and services with cash is likely to cause embarrassment and frustration for some people, especially if there are practical reasons why digital payments may be difficult or impossible for them.

KEY FINDING 9: Statistical data is limited on the number of organisations who do or do not accept cash payments in Jersey although the majority of organisations operating

⁷⁴ [Transcript - Acceptance of Cash Payments Review - Jersey CI Cash is King - 18 September 2024](#)

⁷⁵ [Submission - Acceptance of Cash Payments Review - LINK - 01 July 2024](#)

⁷⁶ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 15

in the Island likely accept both cash and digital payment methods, there are some that only accept one or the other.

RECOMMENDATION 3: The Minister for Sustainable Economic Development should, by 31 December 2025, ensure that relevant questions on the use and acceptance of payment methods are included annually within relevant surveys such as the Jersey Opinions and Lifestyle Survey (JOLS), Annual Business Survey (ABS) and Children and Young Persons Survey to allow for tracking of the topic. Data to enable policy consideration in this area should be routinely collated.

Legal Tender

The Panel's research in this Review has identified a common misconception, namely that there is a requirement to accept payments in cash. Seventy-six of the 1142 respondents to the survey mentioned their belief that cash was legal tender in their open-ended comments, often linked to the assumption that it was therefore a legal requirement for it to be accepted.

The Panel understands that there is no statutory definition of "legal tender" in Jersey, nor are there any decided cases which bear upon the subject. However, cash is given value as "legal tender" through relevant elements of legislation including:

- Bank Notes (Jersey) Law 1955
- Currency Notes and Currency Fund (Jersey) Law 1959
- Decimal Currency (Jersey) Law 1971

The Panel understands that cheques, debit cards and credit cards do not receive such specification as "legal tender".

However, the Panel is aware that legal tender has a narrow technical meaning which makes no difference in everyday life.⁷⁷ If someone owes a debt and they pay money into court (in legal tender) they cannot then be sued for that debt. But that doesn't apply in normal everyday transactions. A seller is not required by law to accept legal tender as payment for goods or services and so the term has no relevance in that regard.

Accordingly, the Panel understands that legally there is no requirement for businesses in Jersey to accept cash in exchange for goods and services as parties enjoy freedom of contract.

This is subject to a limited number of exceptions where the Jersey courts may intervene to amend or nullify, all or part of a contract in certain circumstances, including, for example, where a contract is contrary to public policy as determined by a Jersey Court of Law, or in accordance with statute. For example, in the case of the supply of goods and services, Jersey contract law is modified by the Supply of Goods and Services (Jersey) Law 2009 (the "2009 Law"). This establishes that a contract for the sale of goods is an onerous contract by which the seller transfers or agrees to transfer the property in the goods or carry out a service for the buyer through a contract of sales of good, as determined by the course of dealings between the parties or, if a price is not determined, then the buyer would pay a reasonable price. Article 56 of the 2009 Law sets out the duties of a seller and buyer and states that '*It is the duty of the seller to deliver the goods, and of the buyer to accept and pay for them, in accordance with the terms of the contract*'.

⁷⁷ <https://www.bankofengland.co.uk/explainers/what-is-legal-tender>

A key issue to be determined by the parties when purchasing goods or services is the "price". As is made clear in Article 17 of the 2009 Law, in relation to goods (and which is equally true in relation to services) the price may be monetary or non-monetary. A seller (or supplier) may therefore demand money, other goods, or other services in exchange for the goods or services on offer. If the seller demands a monetary payment, then the seller is also entitled to specify the form of payment. In other words: the price and how it is to be paid is a term of the contract which is to be agreed between the parties. If a buyer does not agree to the form and/or method of payment, then the buyer and seller will not contract with each other. This is something which businesses, with an interest in selling their products and services, will, no doubt, be mindful of. The consequence of this is that there is no legal repercussion for the refusal of services based on payment method. This is a similar position held in the UK.⁷⁸

During the course of the Review, a number of individuals indicated that should a business not accept cash at the point of sale, they would simply leave cash for the payment. It would be up to a business to decide its course of action, however failure or refusal to pay in accordance with the terms of the contract, as highlighted above, would be a breach of that contract and remedies would be available under the 2009 Law. As set out below, offering "legal tender" as a means of clearing a debt, which is then refused, does not clear the debt.

KEY FINDING 10: Although there is no statutory definition of the term "legal tender", cash is given value as such through relevant elements of legislation. However, legally there is no requirement for a seller of goods or services in Jersey to accept a specific payment method, including cash as parties enjoy freedom of contract and choice.

⁷⁸ <https://www.bankofengland.co.uk/explainers/what-is-legal-tender>

3 Benefits and Challenges

The Review’s Terms of Reference include to ascertain the views of the Government of Jersey, Jersey businesses and the general public on the benefits and challenges of various payment methods. This section of the report outlines the Panel’s findings in this regard.

Security

Security aspects of various payment methods was a recurring theme during the Review. The increased risk of digital payments and online banking was highlighted by many submitting to the Panel, whilst also identifying that fraud would be much harder to carry out through cash transactions. Conversely, some highlighted the concerns of theft or loss when handling cash, from both private individuals and businesses.

For those taking part in the survey, cash was perceived as more secure and not open to fraud, with 71% agreeing that this was the case, versus 11% for digital payment methods.

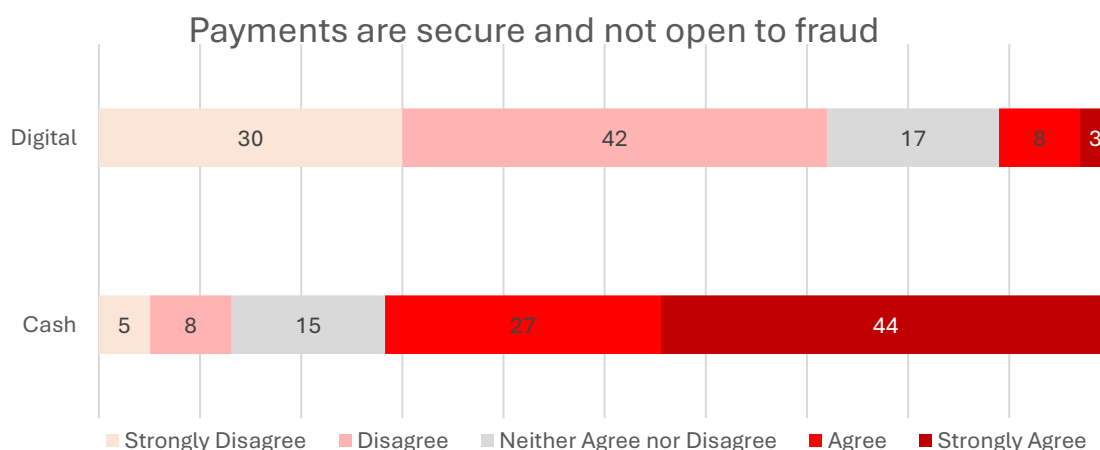


Fig.13 Perception of payment method security

In discussion with the States of Jersey Police, the Panel was informed that a large amount of fraud occurring currently was perpetrated by organised crime groups who are based anywhere in the world, and that there had been a number of recent examples of fraud taking place through digital transactions.⁷⁹ It was highlighted that there was an ease of setting up bank accounts, certainly through challenger banks, using fake or stolen identification, or money mules.

The Payment Choice Alliance identified:⁸⁰

“Online fraud is the huge problem in the U.K. now. Some figures I was seeing last week indicate that 16 million online frauds took place in the U.K. last year, 16 million, you know, so you are talking about a massive number of frauds. People are having their identities stolen, they are having their life savings removed from them. You know, let us focus on the real problems. The real problems are in those areas where your identity

⁷⁹ [Transcript - Acceptance of Cash Payments Review - Minister for Justice and Home Affairs - 16 October 2024](#)

⁸⁰ [Transcript - Acceptance of Cash Payment Review - Payment Choice Alliance - 18 September 2024](#)

can be stolen, you can have all your bank account emptied. If you have your wallet stolen or somebody picks your pocket, you will lose what is in your pocket, but you will not lose as much as you will through online fraud.”

Theft of payment information was also raised by the Minister for Sustainable Economic Development, whilst indicating that cash would not allow for greater danger in this area.⁸¹

Security is also a point of consideration for those facing impairment, with EYECAN indicating those experiencing sight impairment may be impacted through having to trust others inputting correct amounts, trying to navigate flat screen devices, disclosing PIN numbers or accepting incorrect currently to a higher value.⁸²

The Jersey Consumer Council suggested that there was some difference in safety of different digital payment systems, indicating that use of a debit card during online shopping risked greater access to an individual’s current account if hacked or if bank details are entered into a fraudulent website. In this respect, a credit card would be more protected and recoverable.⁸³

However, the Jersey Consumer Council did identify that the loss of a bank card would be covered to a certain extent, whereas the loss of cash would likely be unrecoverable. This was also a point raised by LINK Scheme.⁸⁴

The likelihood of fraud occurring through cash was also highlighted by the Chief Economist, during the hearing of 17 September 2024, who suggested:⁸⁵

“People skimming off the top, pound coins here and there, when it is high levels of cash - I am not pointing any fingers at any particular group of people - whether that is on a bus count or emptying a parking machine or ... it is quite easy to do. Local authorities - I cannot speak to Jersey - but I know that local authorities in the U.K. were losing tens of thousands of pounds on a regular basis from that kind of fraud. Fraud happens digitally, but it is more secure. Fraud is much easier when cash handling comes into it. It is not as widely seen or widely reported, but that is something that used to happen all the time. It is reported a lot less these days because there is a lot less cash happening and therefore there is less opportunity.”

This was also a position highlighted by some businesses, with the Jersey Hospitality Association⁸⁶ and Jersey Chamber of Commerce⁸⁷ specifically identifying that going cashless avoided issues relating to discrepancies of cashing up which can lead to costs and insurance problems (named directly as staff theft or “wastage”).⁸⁸ LibertyBus explained that this had a detrimental effect upon the business, which required an intervention by Human Resources and incurred additional costs associated with those proceedings.⁸⁹

Digital Jersey spoke to the security levels of credit and debit card providers, as well as mobile payments, identifying that the investment that had gone into that technology was astounding.

⁸¹ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024, page 14](#)

⁸² [Submission - Acceptance of Cash Payments Review - EYECAN - 12 July 2024](#)

⁸³ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Consumer-Council-21-August-2024.pdf](#), page 17

⁸⁴ [Transcript-Acceptance-of-Cash-Payments-Review-LINK-Scheme-20-August-2024-\(1\).pdf](#), pages 19-20

⁸⁵ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024, page 29](#)

⁸⁶ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 3

⁸⁷ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 4, 11

⁸⁸ [Transcript-Acceptance-of-Cash-Payments-Review-LINK-Scheme-20-August-2024-\(1\).pdf](#), pages 9 - 10

⁸⁹ [Transcript-Acceptance-of-Cash-Payments-Review-LibertyBus-27-August-2024.pdf](#), pages 4-5

They also noted that the public key cryptography that is used in the digital payments was far superior, compared to that of notes and coins, in terms of the security levels.⁹⁰

The Jersey Bankers Association also identified that the Clearing Banks continue to extend their security protocols, including 2-Factor Authentication and fingerprint/face ID technology to ensure it is only the account holder able to make digital payments via a mobile device or online banking.⁹¹

The Minister for Treasury and Resources highlighted the new capacity law, indicating that this went some way in enabling more vulnerable elements of society to make payments through the appointment of Lasting Powers of Attorney.⁹² The Panel was also made aware of, through its visits and evidence received, that many family members or trusted individuals undertaking to help others making payments, either in person or by setting up electronic payments such as direct debits.

KEY FINDING 11: Although security systems are employed to protect digital payment systems and their users, there is a perception among some individuals that digital payment methods are less secure than cash payments or open to criminal activity and it has been confirmed that large amounts of fraud occur electronically. To many, transacting in cash is seen as a protection against this. Conversely, the ability of cash to be stolen, lost or destroyed was also highlighted by both individuals and businesses.

⁹⁰ [Transcript-Acceptance-of-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), page 15

⁹¹ [Submission - Acceptance of Cash Payments Review - Jersey Bankers Association - 16 July 2024](#)

⁹² [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

Reliability

One of the largest issues raised by those taking part in the Review was the reliability and resilience of payment methods, with technological issues often being cited as a significant reason for maintaining use of cash payments. Indeed, 62 of the written submissions discussed issues related to resilience and reliability with 142 out of the 1142 open ended survey responses mentioning technical issues with digital payments. There was a strong perception amongst those completing the survey that cash payment systems did not face technical issues, whereas digital payment systems did, as reflected in Figure 14.

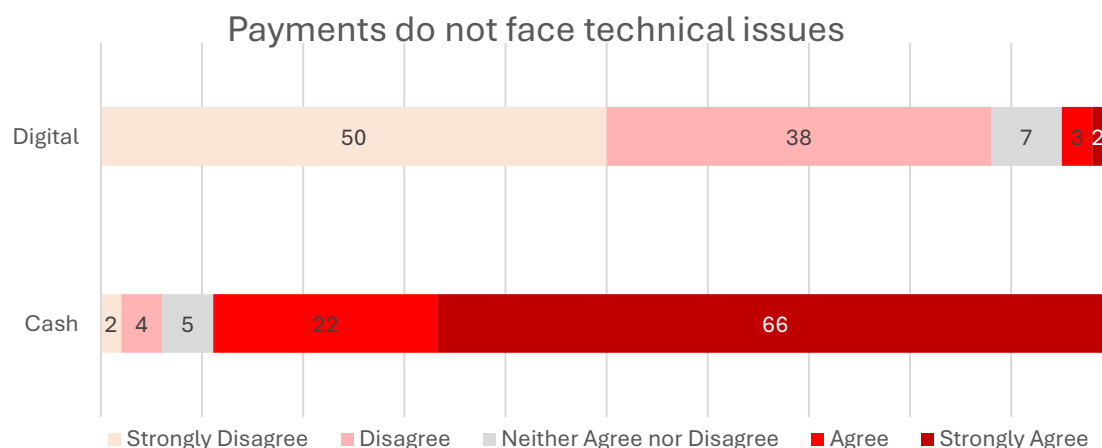


Fig.14 Perception of payment method reliability

Jersey Community Savings highlighted that, although global infrastructure is far more resilient than it was previously, there are significant vulnerabilities to digital payment systems such as electricity outages, cyber-attacks or unintended consequences of software updates.⁹³ The potential or real impact of this was commonly cited by many, including the Jersey Chamber of Commerce who highlighted an example overseas in which a four-day power outage had led to an inability for the purchasing of goods, such as food or petrol, within the United States.⁹⁴ The Minister for Sustainable Economic Development personally opined that, should there be problems with telecommunications networks or banking apps, that individuals may be shut out of accessing money, and that the only time where access to money would be certain in such circumstances, would be with cash in hand.⁹⁵

⁹³ [Transcript - Acceptance of Cash Payments Review - Community Savings - 17 September 2024](#)

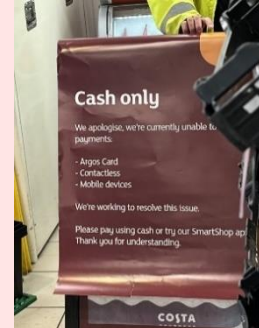
⁹⁴ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 19

⁹⁵ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024](#), page 8

Case Study

Over the past year and during the Review period, the UK experienced multiple payment system failures alongside a significant global IT outage.

In March, major high-profile retail brands experienced payment system failures. On Friday 15th March 2024, fast food conglomerate McDonalds reported a global “systems failure”, leading to some branches being shut for hours, while others only accepted cash.⁹⁶ Then on Saturday 16th March 2024, Sainsbury’s announced “an overnight software update” had caused problems with contactless payments meaning that it could only accept cash or chip and PIN card payments in-store and was unable to fulfil its Groceries Online service orders. Argos and Tesco also announced that they had experienced a small number of issues related to processing online orders.⁹⁷



On the same day, a number of Greggs stores were forced to close or only take cash payments due to similar payment system failures. While it was reported that systems were running as usual within one business day, the cause of the failures was not published. It was reported that, because the payment types varied, the issue was likely to have occurred “in one of the pieces of software that carry transactions from customer to vendor”.⁹⁸

Furthermore, in mid-July of 2024, thousands of retail customers were unable to make contactless or mobile payments with Visa or Mastercard⁹⁹ with major supermarkets, Sainsbury and ASDA affected. In response to the failures, the retailers requested customers to pay in cash.

A Microsoft IT outage also caused global disruptions in July, with the travel, healthcare and banking industries affected. The problem was caused by an update to the antivirus software of Microsoft’s cybersecurity provider, CrowdStrike. The outage lasted roughly two days, though thousands of flights were cancelled, and banking, healthcare and payment systems were significantly affected by the mass outage.¹⁰⁰

While some responded to the disruption as a call for the protection of cash payments,¹⁰¹ others highlighted that the implications could have been better managed if the UK’s payment infrastructure had been modernized towards a cloud-based system.^{102 103}

⁹⁶ [McDonald's system outages reported in Europe and worldwide | Euronews](#)

⁹⁷ [Payment-processing outages at UK retailers raise reliability issues for cashless transactions | CIO](#)

⁹⁸ [Payment-processing outages at UK retailers raise reliability issues for cashless transactions | CIO](#)

⁹⁹ [UK Retailers Face Contactless Payment Issues, Customers Turned Away | FinTech Magazine](#)

¹⁰⁰ [Chaos persists as IT outage could take time to fix, says cybersecurity firm boss - BBC News](#)

¹⁰¹ [Global IT outage shows dangers of cashless society, campaigners say | Microsoft IT outage | The Guardian](#)

¹⁰² [Lessons From The CrowdStrike Incident For Payments | Aevi](#)

¹⁰³ [What Can We Learn From Payment System Failures and Global IT Outage? | The Fintech Times](#)

Instances of the reliance on digital systems within business environments was also highlighted as meaning cash may not be able to be accepted in instances of power outages or system faults:¹⁰⁴

“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. 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... We provided a free-of-charge service.”

LINK Scheme also highlighted a further potential issue should there be a sudden demand for cash when outages occur.¹⁰⁵

The Jersey Consumer Council opined that if a longer enduring outages were faced, businesses would likely adapt in the short-term, due to the need to sell stock and that consumer demand and market forces would force that to happen.¹⁰⁶

The seriousness of the impact of downtime of digital systems was further questioned by some, and LINK Scheme stated that their serviced ATMs had not experienced any cash distribution problems, whilst acknowledging that some banks had.¹⁰⁷ Jersey Business also indicated that digital payment systems operate on a 24/7 basis and believed “down-time”, in which digital payment methods were non-operational, to be negligible and more likely to be subject to external factors, such as a reliance on an electricity supply and access to Wi-Fi.¹⁰⁸ Similarly, the Chief Executive Officer of Digital Jersey identified instances of down-time with digital payment systems, but he did not believe there was always a need for cash as a back-up where technology fails.¹⁰⁹

KEY FINDING 12: The reliability of digital payment systems can be affected by a number of factors, including power outages, systems failures or cyber-attacks. There is a perception that cash offers resilience when digital payments are inoperable, however reliance upon technology to enable cash transaction or the supply of cash may cause issue in some circumstances. The impact and likelihood of digital payment methods being inoperable for extended periods has also been refuted by some.

RECOMMENDATION 4: The Minister for Sustainable Economic Development should, by 31 December 2025, undertake work with Ministerial colleagues to ensure contingency planning is completed and there has been sufficient testing of the islands economic resilience should payment methods fail.

¹⁰⁴ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 19

¹⁰⁵ [Transcript-Acceptance-of-Cash-Payments-Review-LINK-Scheme-20-August-2024-\(1\).pdf](#), page 12

¹⁰⁶ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Consumer-Council-21-August-2024.pdf](#), page 9

¹⁰⁷ [Transcript-Acceptance-of-Cash-Payments-Review-LINK-Scheme-20-August-2024-\(1\).pdf](#), page 11

¹⁰⁸ [Submission - Acceptance of Cash Payments Review - Jersey Bankers Association - 04 October 2024](#)

¹⁰⁹ [Transcript-Acceptance-of-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), page 10

Privacy

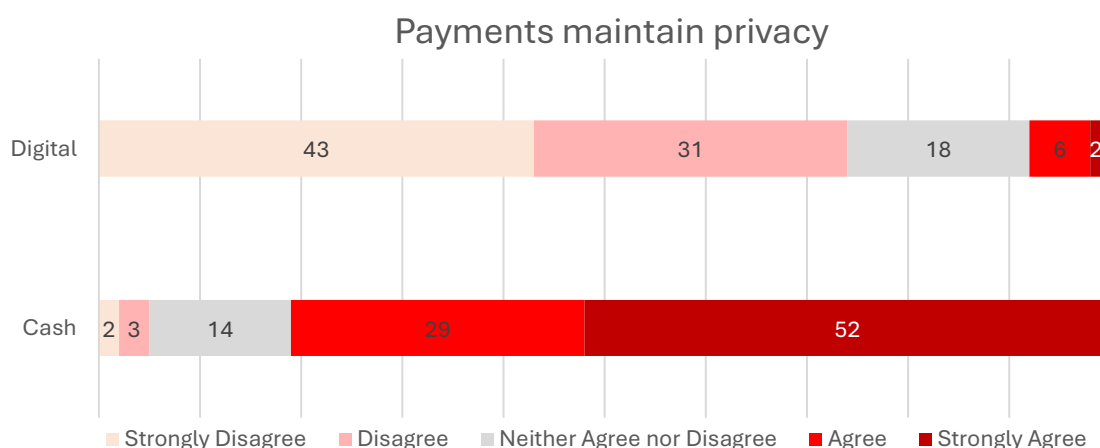
One key area of concern raised by individual’s was the privacy of their payments and data. Cash transactions remaining anonymous was heavily referenced by many, with 54 of the written submission highlighting privacy concerns.

The Minister for Sustainable Economic Development referenced that the European Central Bank stated that “Cash ensures your freedom and autonomy. Bank notes and coins are the only form of money that people can keep without involving a third party” and that “Cash transactions respect our fundamental right to have our privacy data and identity protected in financial matters” further outlining:¹¹⁰

“The reason for that is it goes back to that thing that cash is the only form of money that does not involve a third party. Every electronic form of money involves a third party. That means that your freedom and your privacy are impinged upon. In a democratic society, which is operating as we are at the moment, that is not really a problem. But as I was explaining to somebody just earlier today, I was brought up towards the tail end of the Cold War. I saw how governments and societies can turn on each other and destroy that right to privacy. So I definitely come from that way of thinking, that there must always be privacy from Government. Electronic payments do not enable that.”

The Minister for Sustainable Economic Development also highlighted that shops collect and aggregate spending data to understand how to best market their products and advertising towards customers.¹¹¹ This was also highlighted by the Jersey Consumer Council who indicated concerns regarding retailers wishing to issue receipts via email and the risk of their data being sold. The Council confirmed that they had issued guidance to consumers on their right to request paper receipts.¹¹²

Indeed, the perception of privacy differences between cash and digital payments was clear to those undertaking the survey, with 81% agreeing that cash maintained privacy, versus 8% for digital payments.



¹¹⁰ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024, page 7](#)

¹¹¹ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024, page 13](#)

¹¹² [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Consumer-Council-21-August-2024.pdf, page 15](#)

The Founder of Jersey Cl.Cash is King questioned the requirement for an explanation of the sources of funds,¹¹³ opining that online banking has overly stringent checks on larger payment amounts causing delay and inconvenience by repeatedly asking for confirmation of payment request. There was however acknowledgment there is a level of protection for individuals in these requests.

Legally, the Panel understands that there are domestic laws in place to protect personal freedoms, privacy and human rights including, for example, the [Data Protection \(Jersey\) Law 2018](#), the [Human Rights \(Jersey\) Law 2000](#). If a person's rights under those laws were infringed upon, then the person could seek legal recourse under those laws. The Panel is not aware of any specific cases where this has arose.

The Jersey Banker's Association highlighted that all personal and transactional activity is confidential and treated accordingly, in line with the Data Protection (Jersey) Law 2018. They indicated that personal data will be utilised to support a customer request e.g. an application for further products or services, such as a mortgage or personal loan, and that transactions are screened to ensure compliance with anti-money laundering requirements as laid out in the JFSC AML/CT/CPF Handbook.¹¹⁴ The Jersey Banker's Association also highlighted that Sections 3.3.3 and 3.3.4 of the handbook set-out a bank's requirement to understand the source of funds and undertake an assessment of risk, understanding that any inconvenience will be kept to a minimum.

The Minister for Treasury and Resources also highlighted the need for record keeping, in regards to payments made to the Government of Jersey, for example in tax payments. A discussion of the need for due diligence concerning payments, are outlined further within the Government Considerations subsection ([Page 56](#)), however the Minister for Treasury and Resources indicated that:¹¹⁵

“There is no option but for us to do that, anybody handling money has to do that. Particularly with tax that is held very, very confidentially. The tax team will not even tell me the names of taxpayers. It is very confidential. So the tax team are not sharing information with other parts of Government. Similarly, under data protection and general privacy law, Government is subject to the same data protection rules. So we should only be collecting the data we need. We should only be using it for the purpose that it is collected and we should be letting it go when we no longer need it. We should not share that data unless we have clear gateways to do that. So Government is not building up kind of intelligence files on citizens based on cash payments.”

This position was also shared by business representatives with the Jersey Hospitality Association, identifying that customer information was protected and that they would only be able to access transactional statements through card payments, in the form of the last four digits of a card used for payment, in order to administrate refunds.¹¹⁶ This was further indicated by the Chief Executive Officer for Digital Jersey: card companies would be able to identify level of spend within companies, however, not the items bought, and that similarly, businesses

¹¹³ [Transcript - Acceptance of Cash Payments Review - Jersey Cl Cash is King - 18 September 2024](#)

¹¹⁴ [Submission - Acceptance of Cash Payments Review - Jersey Bankers Association - 04 October 2024](#)

¹¹⁵ [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

¹¹⁶ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), pages 18 - 19

would not be able to track items bought unless an individual had voluntarily signed up through schemes, such as loyalty clubs.¹¹⁷

The Panel is aware that the Government of Jersey is undertaking preliminary work to enable “open-banking”,¹¹⁸ and was briefed on the topic on the 5th September 2024. Open banking is a secure way for consumers and businesses to give regulated third-party providers (TPPs) access to their payment account data and to initiate payments.¹¹⁹ Concerns over security of data featured in several UK news articles at the “go-live” date of the open banking provision (13th January 2018),¹²⁰ with the FCA issuing guidance.¹²¹

KEY FINDING 13: An individual’s right to privacy was often highlighted as a key benefit of cash payments over digital payments. Banks having a duty to undertake due diligence with a requirement to understand the source of funds for all transactions, whether in cash or digitally and to undertake an assessment of risk. Individual’s privacy when making digital payments are protected by the Data Protection (Jersey) Law 2018.

Budgeting

An Individual ability to budget was repeatedly highlighted as a reason for payment method choice, with the benefit of cash asserted by many.

The Jersey Community Savings identified that the physical nature of cash allowed for a greater attribution of value to currency, when compared to digital payments, which individuals may not know how much they have spent or the amount of remaining funds, allowing people to do their weekly or monthly budgeting.¹²² This was identified by many taking part in the Review:103 out of the 1142 open ended survey responses mentioned cash as beneficial in aiding individual’s budgeting. The MECAP submission highlighting the view of one parent-carer:¹²³

“The main problem for the people I know with learning disabilities is that many do not appreciate the value of items and whether they are paying a fair amount. Cash is safer because they can run out of cash and can’t buy anything. A card may not have the same restrictions.” It may be difficult for some but would require a significant education program for people with learning disabilities. Digital payment may be user friendly BUT too easy and the value of goods not obvious enough. Whether cash or card there needs to be careful safeguarding of all financial matters.”

This was also evident within the survey, with 75% of responses indicating that it was easy for them to budget when using cash, compared to 18% when using digital payments. The Minister for Sustainable Economic Development and Chief Economic Advisor also suggested that people will tend to spend more when they are transacting electronically, rather than cash.¹²⁴ Many of the responses to the open-ended survey question compared cash’s budgeting benefits to the ease of entering debt when using digital payment systems.

¹¹⁷ [Transcript-Acceptance-of-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), page 9

¹¹⁸ [Delivery Plan 2023, Chief Minister](#)

¹¹⁹ [Joint Regulatory Oversight Committee, Recommendations for the next phase of open banking in the UK, April 2023](#)

¹²⁰ [Open Banking: banking but not as we know it? BRIEFING PAPER Number 08215, 26 January 2018](#)

¹²¹ <https://www.fca.org.uk/consumers/account-information-payment-initiation-services>

¹²² [Transcript - Acceptance of Cash Payments Review - Community Savings - 17 September 2024](#)

¹²³ [Submission - Acceptance of Cash Payments Review - Jersey Mencap - 24 June 2024](#)

¹²⁴ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024, page 19](#)

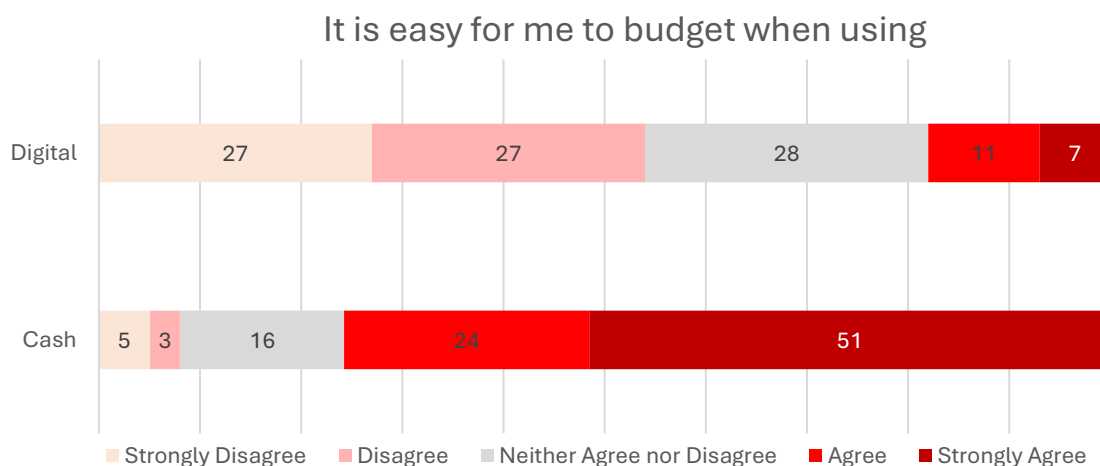


Fig.16 Perception of payment method budgeting

Many of those taking the time to provide additional information in the survey, believed that cash was beneficial to children and education, by giving a greater understanding of finances, with 81 out of the 1142 open ended survey responses mentioning pocket money, children making payments with cash, or building skills.

Budgeting on card transactions is tricky to maintain, too easy to spend and waste money, more time consuming to keep on top of the budget therefore I often miss debits by not budgeting correctly which then causes no end of phone calls from the bank, charges which then further impacts the budget and feeding the children.

Do not allow cash to be removed when some people still rely on it. As a parent with a child with a money box I also want them to grow up seeing physically that once their cash has gone that's it! If they are learnt only to tap a card it encourages debt as they can get credit when they are older and not appreciate how fast it can spiral out of control.

KEY FINDING 14: Many people believe that cash gives them greater control of household budgeting and was a way to avoid getting into debt, which may be a higher risk when making digital payments.

The Panel is aware of digital budgeting tools that track digital and open banking transactions. This was reflected in 4 comments to the Panel's survey, one of which noted that "Some digital payment schemes allow you to track your spending very well." Most of the digital budgeting tools available are apps, requiring a smartphone to link with a UK bank account. Popular options include Plum, Emma and Snoop.¹²⁵

¹²⁵ [Best budgeting apps - Which?](#)

Speed and Convenience

The speed and convenience of payment methods was also discussed within the Review, with many indicating the relative swiftness and ease of making digital payment methods. This is seen in the smaller difference in views of those taking part in the survey, with 61% agreeing that digital payments are easy and 60% agreeing they are quick, compared to 84% agreeing cash payments are easy and 79% agreeing that they are quick.

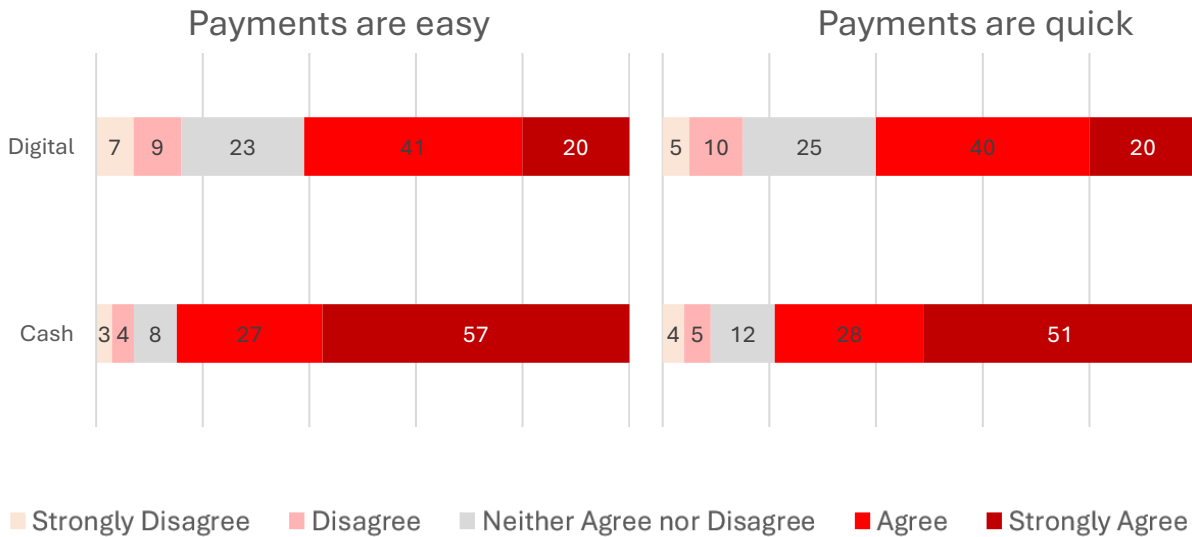


Fig.17 Perception of payment method ease and speed

When breaking these down by age however, there is a noticeable difference between younger and older respondents, with younger respondents more likely to agree that digital payments were easy and quick.

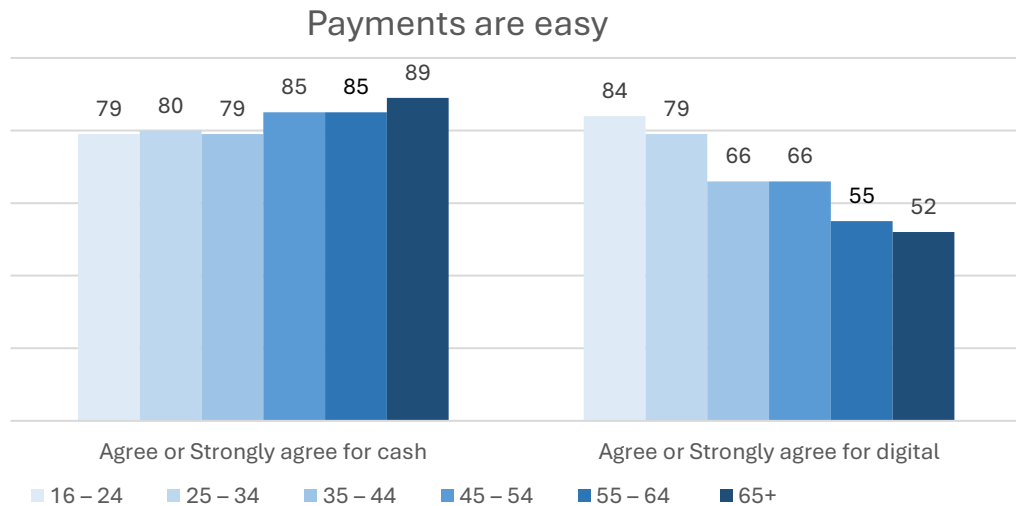


Fig.18 Perception of payment method ease (by age)

Payments are quick

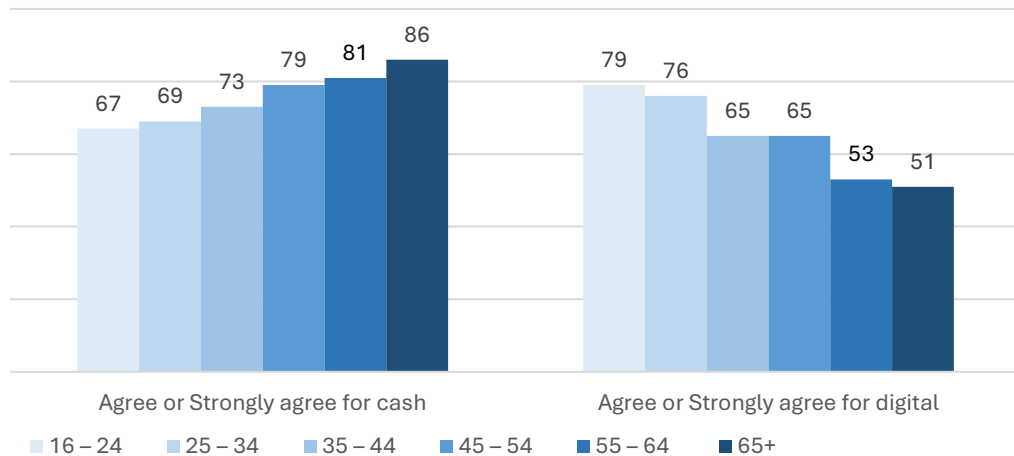


Fig.19 Perception of payment method speed (by age)

The Jersey Banker’s Association suggested that recent advances in technology such as Apple Pay and expansions to services available through mobile banking apps, Fintechs (Monzo, Revolut, etc.) and online banking services have promoted the speed, ease, and certainty of making digital payments.¹²⁶ Digital Jersey reflected that:¹²⁷

“It is no accident that electronic payments are preferred by the vast majority of consumers and businesses, as they are more convenient, faster and often cheaper despite the fees involved.”

As highlighted previously, there is a proportion of the population who find it challenging to use digital payment methods and technology, and cash easier and quicker to use. Some of those purporting the ease and speed of cash payments often highlighted the payment amount, with individuals suggesting that a small payment for a coffee or newspaper was easier to make through change or small notes.

KEY FINDING 15: Cash was perceived by many as easy and quick to use, however digital payment methods were perceived as easier and quicker to use especially by younger respondents to the Panel’s survey and witnesses who gave evidence.

¹²⁶ [Submission - Acceptance of Cash Payments Review - Jersey Bankers Association - 16 July 2024](#)

¹²⁷ [Submission - Acceptance of Cash Payments Review - Digital Jersey - 14 June 2024](#)

Hygiene

It has been highlighted by some of those taking part in the Review that cash use was heavily impacted by the COVID-19 pandemic, both due to health concerns of transmission and change in habits, with the Bank of England outlining that the shift towards contactless payments during the pandemic was due mostly to the closure of shops and eateries, public precaution and a broader movement to minimize physical contact as much as possible.¹²⁸ This was suggested by the Jersey Chamber of Commerce:¹²⁹

“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”

The Panel received mixed views on this matter however it had not been raised as a large concern by the public in the debate of cash or digital payment use moving forward following the lifting of Governmental guidance during the pandemic, with little worry being identified by those completing the Panel’s survey.

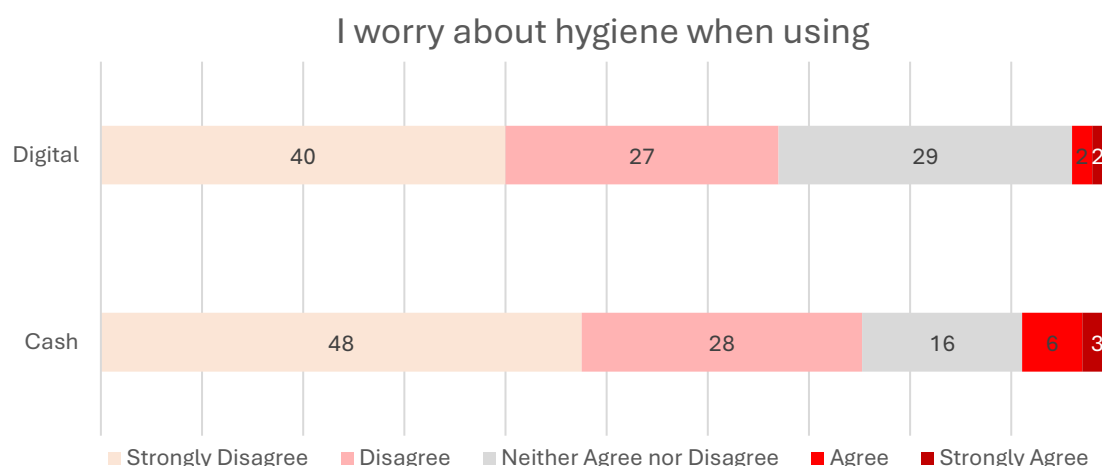


Fig.20 Perception of payment method hygiene

The Panel has conducted brief research on the matter and identified that international guidance on the use of cash during the pandemic advised the public to wash their hands after handling money.¹³⁰ The World Health Organization clarified that it did not issue warnings against using banknotes and coins,¹³¹ ¹³² despite the majority of large UK media outlets reporting that it did.¹³³

¹²⁸ [Cash in the time of Covid | Bank of England](#)

¹²⁹ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 7

¹³⁰ [eng-mythbusting-ncov-\(23\).png \(1024x512\)](#)

¹³¹ [The WHO has clarified that they aren't warning people against using paper money due to coronavirus – Full Fact](#)

¹³² [World Health Organization: 'We did NOT say that cash was transmitting coronavirus' - MarketWatch](#)

¹³³ [Dirty banknotes may be spreading the coronavirus. WHO suggests](#)

[From banknotes to handrails: 10 objects that help spread coronavirus | Coronavirus | The Guardian](#)

[Dirty banknotes may spread coronavirus – use contactless instead, World Health Organisation warns – The Sun | The Sun](#)

In line with this, the UK Government did not publish any guidance discouraging cash usage outright but instead encouraged the use of contactless payments to reduce physical contact. Guidance published by the UK Government on 12th May 2020 recommended “using contactless payment where possible”¹³⁴ with similar guidance published for the re-opening of community facilities in May 2021 (which was withdrawn in July 2021).¹³⁵

Both the Bank of England and the European Central Bank commissioned research studies to analyse the risk of transmission via banknotes and coins. Results indicated a low probability of contracting COVID-19 from cash compared to other surfaces.^{136 137}

KEY FINDING 16: Although the COVID-19 pandemic had a significant impact on payment methods, hygiene of cash is not understood to be of significant consequence to its use or acceptance at this time.

Business Considerations

The implications of digital and cash payments upon businesses have been widely discussed during the course of this Review. As previously identified, the majority of businesses continue to accept both payment methods, however a number of factors upon their choice and ability to do so have been highlighted. One Jersey business acknowledged the challenge:¹³⁸

“There is a strong argument for going cashless from a business viewpoint: speed of service at the tills, staff not having to handle cash and give change, and the management team not having to go to the bank to credit cash to the bank account. At least 90% of our customers pay using contactless methods. It’s great! We love it! For our customers who choose to pay using these methods it’s quick and there’s no need to carry a wallet, they just balance their phone over a PDQ machine or tap a little plastic card and they’re done! However, some people simply will not do that: perhaps, for whatever reason, they don’t have a bank account. Perhaps they are elderly and are confused or worried by cards and phones. Perhaps they are young and have been given some pocket money to buy a little treat. Perhaps their reasons are, in actual fact, none of our business. Perhaps, they simply choose to use cash.”

Productivity

Many of those business or their representatives that took part in the Review, identified that handling cash was significantly more inefficient than compared to digital payment systems, often linked to the need for “cashing up”, bookkeeping and the time taken to deposit or withdraw cash.¹³⁹

This was a point further explored by the Chief Economic Adviser, who stated that the reason businesses are moving over to electronic transactions more is that they are more productive, more efficient, and it generally costs less because of those productivity gains, despite any

[Coronavirus: Avoid banknotes and switch to contactless payments to avoid transmission, suggests WHO | The Independent | The Independent](#)

[Bank notes being burned and quarantined to stop spread of coronavirus | Metro News](#)

¹³⁴ [New guidance published to ensure transport network is safe for those who need to use it - GOV.UK](#)

¹³⁵ [\[Withdrawn\] COVID-19: Guidance for the safe use of multi-purpose community facilities - GOV.UK](#) Section 2i: Money

¹³⁶ [Cash in the time of Covid | Bank of England](#)

¹³⁷ [Catch me \(if you can\): assessing the risk of SARS-CoV-2 transmission via euro cash](#)

¹³⁸ [Submission - Acceptance of Cash Payments Review - Jersey Business - 18 July 2024](#)

¹³⁹ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024,](#)

potential costs of transacting electronically.¹⁴⁰ The Chief Executive Officer of Digital Jersey highlighted that digital payment systems could provide efficiencies in many ways, and gave an example of taking payment for G.P.s (general practitioners) or prescriptions online, which would free up more staff time.¹⁴¹

This was further confirmed by representatives of the Jersey Chamber of Commerce and others,¹⁴² including the LINK Scheme¹⁴³ and the Jersey Hospitality Association,¹⁴⁴ through their own businesses:¹⁴⁵

“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.”

The Jersey Hospitality Association and Jersey Chamber of Commerce,¹⁴⁶ further identified that the resource demands would further increase the cost of staff time with the introduction of the Living Wage in April 2025.¹⁴⁷ The Jersey Hospitality Association indeed suggested that some businesses may find operational efficiency and productivity increases by not having cash, negating the need to employ staff for this purpose.¹⁴⁸

Digital Jersey identified that through making Jersey more productive, the greater use of digital systems would also promote the Island.¹⁴⁹

The impact of resource implication was refuted by some, including the Founder of Jersey CI.Cash is King, who expressed that they had previously worked within sectors requiring cashing up, stating that this had not been onerous and should be planned for within workforce scheduling.¹⁵⁰

Direct Costs

Charges for both digital and cash transactions for businesses were highlighted by many, including both private individuals and those undertaking the sale of goods or services.

41 submissions were critical of banks and financial institutions, with many respondents' expressing criticism regarding high fees and reduced services. This linked to concerns about banks pushing for a cashless society for profit motives, which were also a common theme amongst those taking part in the survey.

“The push for digital payments incurs costs to small businesses whose rates with card payment providers are higher than those for larger businesses. Moving forward if governments want digital payments to increase, charges for accepting digital

¹⁴⁰ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024](#), page 11

¹⁴¹ [Transcript-Acceptance-of-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), page 11

¹⁴² [Submission - Acceptance of Cash Payments Review - Les Ormes Resort - 11 June 2024](#)

¹⁴³ [Transcript-Acceptance-of-Cash-Payments-Review-LINK-Scheme-20-August-2024-\(1\).pdf](#), pages 9 - 10

¹⁴⁴ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 4

¹⁴⁵ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 4

¹⁴⁶ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#)

¹⁴⁷ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 4

¹⁴⁸ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 17

¹⁴⁹ [Transcript-Acceptance-of-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), page 6

¹⁵⁰ [Transcript - Acceptance of Cash Payments Review - Jersey CI Cash is King - 18 September 2024](#)

payments needs to be looked at and regulated. If digital becomes the only way of payment, charges should be abolished altogether otherwise retailers will be forced to increase prices on lower value items to cover charges. Customers expect to pay for small items under £1 with card now but this is not worthwhile for small businesses.”
[Jersey Business Client]¹⁵¹

Ultimately, the Jersey Hospitality Association opined that neither payment method was cheaper during a Public Hearing of 20th August 2024:

Deputy M.B. Andrews: *what is the less costly option for a business in your experience?*

Co-Chief Executive Officer, Jersey Hospitality Association (1): *I do not think there is to be honest, because, again, it comes down to what bank do you have set up, the rates that bank charges you for your transactions, your deposits, then what credit card terminal system and provider you have set up and, again, the rates that you can negotiate as a business for every single transaction. So there are companies that pay more.*¹⁵²

The Jersey Chamber of Commerce suggest that the banks blame regulation for placing more emphasis on reporting, which incurs further costs to businesses.¹⁵³ The Chair of the Visitor Economy Committee for Jersey Chamber of Commerce acknowledged that these costs would be justified if the regulations required it, however these would be passed on to consumers.

Cards

The Panel has been informed that the hire of card payment machines costs up to £30 a month, with an indication that this fee would be in place whether or not enough transactions took place to cover the cost of rental.¹⁵⁴

The Panel understands that often the charges are based upon the size of the business, with larger businesses paying possibly double or triple the rate of smaller enterprises,¹⁵⁵ or by the type or brand of cards accepted and that negotiations by the business would need to be undertaken when setting up the payment system or account.¹⁵⁶

The Payment Choice Alliance highlighted that this may be an issue in some regards as smaller businesses would be less likely to have the influence to challenge decisions around charges.¹⁵⁷

The Jersey Consumer Council highlighted that they had been contacted by businesses who wanted to promote use of cash due to card charges they faced:¹⁵⁸

“we have actually had it from a retailer recently, actually, just before you announced the review. It was a café who came to us and said: “Look, we are in a bit of a pickle because the bank is charging us ... the amount that we take on card every transaction adds up to the same as ... we are paying the same in bank fees as we would do for a part-time employee, like a Saturday girl or whatever in the café, and it is killing us. It is

¹⁵¹ [Submission - Acceptance of Cash Payments Review - Jersey Business - 18 July 2024](#)

¹⁵² [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 11

¹⁵³ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), pages 5, 10, 11, 21

¹⁵⁴ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), pages 14

¹⁵⁵ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), pages 14

¹⁵⁶ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Consumer-Council-21-August-2024.pdf](#), page 7

¹⁵⁷ [Transcript - Acceptance of Cash Payment Review - Payment Choice Alliance - 18 September 2024](#)

¹⁵⁸ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Consumer-Council-21-August-2024.pdf](#), page 6

eating into the profit and I need to put ... I want to put a sign up or something to encourage people to pay in cash but I do not want to put people off. How do we do it? How do we go about it?"

Cash

The Chairman of LINK Scheme highlighted that research, undertaken on their behalf, had identified that the use of cash costs businesses (in the U.K.) £5 billion a year, with costs to consumers being another £5 billion annually.¹⁵⁹

Locally LibertyBus, during a Public Hearing of 27th August 2024, identified that administrative costs of accepting cash can be up to £65,000 annually:¹⁶⁰

"We have to pay the drivers each day to hand the cash in. So they take the cash, they pay it in. If I go back pre-COVID, we were paying them five minutes a day to pay in. Post-COVID, now we are ... they are still handling cash, so we pay them three minutes a day. While that is not a lot, that is £40,000 a year just on driver payroll of paying cash into us. We then have somebody to count the cash because we cannot just send it off to the banks. We then have somebody physically to count the cash, bag it up into individual bags. They put the notes in and separate them, we have to separate all Jersey money and U.K. (United Kingdom) money... It is all a case of then you have to have it collected and banked. You cannot just take bags of it off to the bank. So you have it collected, so you have got G4S to collect it. We have got a driver paying-in machine, so they all have to pay into a machine so they get a digital receipt. Then somebody has got to take it out of that machine to count it and separate it. You have got to buy the machine. The machine is currently end of life. The software finishes in October, so there is £30,000 for a new machine, just for the drivers to hand it in. You have got coin sorters at the back end and you have got note sorters. You have got annual maintenance costs. Then you have got the management time to make sure that all people are paying in the money when they should be because that does not always happen; you would think it is quite simple. The driver takes £20 and the driver hands in £20. It does not work that way. Each time that has got to be reconciled each week, so it is a lot of time."

The Regional Director highlighted that this proportion of cost would also increase as and when cash use lowered.¹⁶¹ It was indicated that this had been a reason for an increase in the cash fare of the Island's bus service, which is discussed further in this report ([page 52](#)).¹⁶²

The Panel understands that cash handling fees also vary amongst different banks and for different sizes of businesses, which was identified by the Founder of Jersey CI. Cash is King, as the only variable cost in cash handling.¹⁶³ Digital Jersey opined that there were huge costs of handling cash, that would be hidden from public perception and that huge efficiencies could be made.¹⁶⁴

¹⁵⁹ [Transcript-Acceptance-of-Cash-Payments-Review-LINK-Scheme-20-August-2024-\(1\).pdf](#), page 9

¹⁶⁰ [Transcript-Acceptance-of-Cash-Payments-Review-LibertyBus-27-August-2024.pdf](#), pages 4-5

¹⁶¹ [Transcript-Acceptance-of-Cash-Payments-Review-LibertyBus-27-August-2024.pdf](#), page 13

¹⁶² [Transcript-Acceptance-of-Cash-Payments-Review-LibertyBus-27-August-2024.pdf](#), page 2

¹⁶³ [Transcript - Acceptance of Cash Payments Review - Jersey CI Cash is King - 18 September 2024](#)

¹⁶⁴ [Transcript-Acceptance-of-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), pages 6 - 7

The President of the Jersey Bankers' Association outlined that the provision of handling cash is relatively more expensive than digital payments for business account customers,¹⁶⁵ explaining that the price differential was available online. The Panel understands that the charge for handling cash can vary between banks, type of transaction and the size of businesses, ranging from 0.6% upwards.¹⁶⁶

KEY FINDING 17: Overall, it was highlighted that digital payment methods provided significant productivity gains for businesses over accepting cash. Businesses face charges for use of digital payment systems such as card reader machines, which vary by provider and business size. Charges are also faced by businesses for bank services when handling cash, which has been highlighted as relatively more expensive than digital payments for some business account customers. Exact charges vary from bank to bank.

Limits on cash handling

The Panel has been made aware that there have been limits placed on the amount of cash being able to be transacted by some organisations, including charities. This is likely due to anti-money laundering measures, however the Panel has been confidentially informed that, should this continue or tighten, the charity would severely struggle to operate. Similarly, Cash is King indicated that they were aware of at least one business being denied bank accounts because they wanted to operate with cash. Age Concern Jersey's submission to the Review outlined:¹⁶⁷

“Our main streams of revenue that requires banking is from the sale of lunches and charity shop income. We encourage our members to pay by card, as it saves us the bank charges, but many members are happier, or can only pay cash. As you will see our bankers are insisting that we get cash deposits down to only 20% of our banking transactions. This will, quite frankly, be impossible and if they close our account then Age Concern Jersey can no longer operate. If there is legislation it should be aimed at the banks, perhaps capping bank handling charges and making it illegal for them to dictate to an account holder how much cash they can pay in.”

KEY FINDING 18: There have been reported instances of organisations being asked to limit their cash transactions or refused banking services due to operating primarily through cash.

RECOMMENDATION 5: The Minister for External Relations should, by 30th April 2025, liaise with banks to ascertain the number of instances where businesses have been denied banking services and the reasons that some organisations may be requested to limit their cash handling. Results of these discussions should be provided to the Panel.

Government considerations

During preliminary investigations by the Panel, it was confirmed that the Department for Economy did not have a policy position in respect of cash payments.¹⁶⁸ The Minister for

¹⁶⁵ [Submission-Acceptance-of-Cash-Payments-Review-Jersey-Bankers-Association-04-October-2024.pdf](#), page 1

¹⁶⁶ <https://www.natwestinternational.com/business/business-bank-account/business-account-charges.html>

¹⁶⁷ [Submission - Acceptance of Cash Payments Review - Age Concern - 23 July 2024](#)

¹⁶⁸ [Letter – Minister for Sustainable Economic Development to Economic and International Affairs Panel re cash payments – 10 April 2024](#)

Treasury and Resources outlined that there was no policy of going cashless, however, they did not give confirmation as to current Government of Jersey policy on the matter.¹⁶⁹

The Government of Jersey does however operate within a number of relevant spheres of influence regarding criminality, taxation and public services, for which the relevant views have been expressed during the Review.

KEY FINDING 19: The Government of Jersey does not have an agreed policy or strategy regarding acceptance of cash payments as an organisation or for cash use and acceptance within the larger economy.

RECOMMENDATION 6: The Minister for Sustainable Economic Development should undertake work with Ministerial colleagues to form a clear policy and subsequent strategy on Government of Jersey actions regarding the acceptance of cash payments and digital inclusion. This should be published no later than 31st December 2025.

Criminality

The Panel understands that, with regard to criminal activity and money laundering, the Proceeds of Crime (Jersey) Law 1999 makes it an offence to deal with or conceal criminal property including cash (Articles 30 and 31). The Money Laundering (Jersey) Order 2008 places statutory duties on financial services businesses to implement policies to prevent and detect money laundering (Part 2) and apply appropriate customer due diligence measures (Part 3). This includes one-off transactions of a prescribed value (Article 2). The Terrorism (Jersey) Law 2002 makes it an offence to use, possess or deal with terrorist property including cash (Articles 15 and 16).

The Customs and Excise (Jersey) Law 1999 places controls on the importation and exportation of cash (Part 5A). An officer may require a person entering or leaving Jersey to disclose whether they are carrying cash on their person or in their luggage and to answer questions about its origin and intended use.

The Panel questioned relevant stakeholders on the topic and was informed that cash will always be attractive for criminal activity because it is anonymous, whereas digital transactions trail. It has also been highlighted that, contrary to the wider trends there has not been any real changes in the amount of cash that have been dealt with by the Customs and Immigration Service whilst carrying out their anti-criminal duties.¹⁷⁰

This being said, it has also been raised that criminals will generally commit crime to make money but this does not necessarily have to be through cash, and that they will adapt to circumstances including use of digital transactions or value assets like gold, drugs or commodities, like cars or watches etc. It was further highlighted to the Panel by a Senior Customs and Immigration Officer that a cashless society would not necessarily lead to cessation of criminality:¹⁷¹

“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 [the Detective Inspector] 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

¹⁶⁹ [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#), page 12

¹⁷⁰ [Transcript - Acceptance of Cash Payments Review - Minister for Justice and Home Affairs - 16 October 2024](#)

¹⁷¹ [Transcript - Acceptance of Cash Payments Review - Minister for Justice and Home Affairs - 16 October 2024](#)

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.”

The Panel understands that currently there is an onus on financial institutions to submit a S.A.R. (Suspicious Activity Report) to the Financial Intelligence Unit, with the Detective Inspector from the States of Jersey Police outlining:¹⁷²

“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.”

It has been identified that technological developments, such as cryptocurrencies, will only exacerbate the work of anti-criminal authorities and that further consideration of tracing procedures will need to be developed. The Panel is aware that regulations regarding digital assets tax transparency are also under formation by the Government of Jersey.¹⁷³

The Panel briefly questioned if cheques had a role in criminal activities and was informed that these were generally only seen in cases where somebody has access to a company or entity’s finances and they had written cheques to themselves for their own gain,¹⁷⁴ However the Panel has subsequently been made aware of more recent fraud undertaken through the use of cheques in the UK.¹⁷⁵

It was highlighted during the public hearing with the Minister for Justice and Home Affairs that physical cash on a global scale may be towards the lower end of criminality and that global transnational organised crime in sorts of criminality around terrorist financing or large movements of value would not occur in cash to a great level.¹⁷⁶ Indeed, the Minister for Sustainable Economic Development identified that even in a cashless society, there would still be crime and illegal economy transactions.¹⁷⁷

This has subsequently been supplemented by Government of Jersey Financial Services Officials who have indicated that international evidence and recent National Crime Agency cases would suggest that cash is still heart of money laundering and terrorist financing and the Panel understands that Jersey’s jurisdictional approach to financial crime does not dismiss the threat of international cash carrying, with Suspicious Activity Reporting requirements as identified above, as well as high value transactions and customs limits in place.¹⁷⁸

¹⁷² [Transcript - Acceptance of Cash Payments Review - Minister for Justice and Home Affairs - 16 October 2024](#)

¹⁷³ <https://www.gov.je/Government/Consultations/Pages/AEOIRegulations.aspx>

¹⁷⁴ [Transcript - Acceptance of Cash Payments Review - Minister for Justice and Home Affairs - 16 October 2024](#)

¹⁷⁵ <https://www.cps.gov.uk/cps/news/shropshire-man-jailed-ps19-m-cheque-fraud-after-plea-agreement>

¹⁷⁶ [Transcript - Acceptance of Cash Payments Review - Minister for Justice and Home Affairs - 16 October 2024](#)

¹⁷⁷ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024,](#)

page 26

¹⁷⁸ [UK Authorities Dismantle Cash Carrier Criminal Ring | OCCRP](#)

High value dealer transactions

Any business trading in goods and associated services that accepts cash or virtual currency over the amount of £12,500, is required to register as a high-value dealer.¹⁷⁹

The Panel was informed that, in practice, company policy for island businesses would raise concern on cash transactions at a lower level, for example at any transaction of £5,000, and that this had proven the case in recent attempts of money laundering which had led to the arrest of individuals.¹⁸⁰ Indeed, officers identified that a lowering of the £12,500 amount would move investigations into a transactional, timestamped, and traceable movement of funds rather than an anonymous movement of cash, whilst noting that individuals transacting in large amounts of cash are not necessarily criminals.

The Panel has been informed that there have been no registrations for high-value dealers for the last 2 or 3 years, with this being attributed to the commercial risks of handling larger sums.¹⁸¹ The Panel was made aware of the requirement for travellers to declare when they are entering or leaving Jersey with more than 10,000 euros (or the equivalent in any other currency).¹⁸²

KEY FINDING 20: Money laundering regulations and guidelines include suspicious activity reporting requirements for both cash and digital payments, with additional requirements in place for high-value dealers. It is perceived that, in practice, suspicious activity, including cash payments, would be reported to Financial Intelligence Unit and this had recently been exemplified.

Revenue Jersey

During the course of the Review, implications of payment methods on public revenue and funds have been highlighted.

Taxation

The Minister for Treasury and Resources confirmed that Revenue Jersey undertake compliance work for businesses that are heavy users of cash, through their general work in this area. The Minister for Treasury and Resources further indicated that they accepted that there will be an element of undeclared income as would be expected in any jurisdiction, highlighting the requirement for employee pay slips, declaration of tips, and earnings for the self-employed.¹⁸³

The Government of Jersey's Director of Financial Crime Strategy identified that the first National Risk Assessment undertaken by the government of Jersey looked at the risks of domestic tax evasion that Jersey faces and found that the Island did not have any significant risks¹⁸⁴

The Government of Jersey's Chief Economic Adviser identified that, whilst there was no evidence to confirm Jersey's experience, statistics and academia in the UK had established

¹⁷⁹ <https://www.jerseyfsc.org/protecting-the-public/retail-business-accepting-large-sums-of-cash/advice-on-registering-your-business-as-a-high-value-dealer/>

¹⁸⁰ [Transcript - Acceptance of Cash Payments Review - Minister for Justice and Home Affairs - 16 October 2024](#)

¹⁸¹ [Transcript - Acceptance of Cash Payments Review - Minister for External Relations - 20 September 2024](#)

¹⁸² <https://www.gov.je/Travel/InformationAdvice/ImportsExports/pages/cashdisclosure.aspx>

¹⁸³ [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

¹⁸⁴ [Transcript - Acceptance of Cash Payments Review - Minister for External Relations - 20 September 2024](#)

that the UK Government had gained significantly from the transfer from cash to electronic payments.¹⁸⁵

The Jersey Chamber of Commerce opined that:¹⁸⁶

“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.”

KEY FINDING 21: Compliance work is undertaken by Revenue Jersey for both cash and digital payments. Jersey’s National Risk Assessments have not uncovered any significant risks of domestic tax evasion, however it has been highlighted that HM Treasury has benefited by the rise in use of digital payment methods.

Printing and distribution of cash

The Island’s currency and notes are tied to British pound sterling (GBP Sterling), with the importance of the security of the value of the notes acknowledged by the Minister for Treasury and Resources.¹⁸⁷

As such the Government of Jersey maintains a Currency Fund (the Fund) to meet the value of notes and coinage in circulation, should a transfer to GBP Sterling be requested by individuals, this is established under the [Currency Notes and Currency Fund \(Jersey\) Law 1959](#). As of 2023, the value of the Fund stood at £10.56 million.¹⁸⁸ The Head of Treasury and Investment Management within the Treasury and Exchequer, identified that the Fund was quite a profitable venture for the Treasury as it is invested for a profit return, albeit through a low-risk strategy.¹⁸⁹

The Panel was informed that Revenue Jersey would generally be one step removed from dealing with cash requests, either from businesses or individuals, as this would be undertaken through banking services. However, tying to the traditional and historic value of cash, Revenue Jersey indicated that they would help the public where possible, either through provision of notes for collections or by honouring the value of older notes if a bank would not accept them.¹⁹⁰

A number of those taking part in the Review shared their perception of cash being preferential as it would not lose its value as transactions took place, like through bank charges for example. The Government of Jersey’s Chief Economic Adviser refuted this, claiming that it was diminished through the loss in productivity in a business.¹⁹¹ The CEO of Digital Jersey further identified that, once withdrawn, the currency would not make any interest for the individual, however they also acknowledged that there was value in the distribution of Jersey currency for the Government.¹⁹²

¹⁸⁵ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024, page 17](#)

¹⁸⁶ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024, page 11](#)

¹⁸⁷ [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

¹⁸⁸ [States of Jersey Group 2023 Annual Report and Accounts](#)

¹⁸⁹ [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

¹⁹⁰ [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

¹⁹¹ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024, page 18](#)

¹⁹² [Transcript-Acceptance-of-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), pages 11 - 12

KEY FINDING 22: The Government of Jersey maintains a Currency Fund to match the value of Jersey's printed notes and coins to GBP Sterling. It has been suggested that this is a profitable venture for the Treasury as it is invested for a profit return.

External Market Forces

The Panel received two submissions which highlighted concerns regarding external forces impacting upon the Island's use of currency and investment strategy.

These identify that Jersey notes, due to being tied to GBP Sterling, face factors outside of the Island's control which may influence its value. This includes the UK's ability to print money, which may devalue Jersey's capital reserves due to inflation, should the UK increase the money supply in circulation through actions such as quantitative easing.¹⁹³

Similarly, one of the submissions noted that the Island's reserves are not backed by "hard value" such as gold bullion,¹⁹⁴ and expressed concern that a dramatic financial crisis may annihilate the value of "paper money" and suggest that consideration was needed on how any bailout could be pursued with limited amounts or in the absence of cash.

Services

The acceptance of payment methods, particularly cash, by public services was a matter raised by many of those taking part in the Review.

It was confirmed to the Panel that payments of up to £1,000 cash could be made at Customer and Local Services at any one time, although those choosing to do so was low (around 5 people a day), with payments reasons ranging from tax, Social Security, and all Government invoices.¹⁹⁵ In the public hearing with the Minister for Sustainable Economic Development, it was indicated that around 9% of payments to the Government of Jersey were made using cash.¹⁹⁶

Issues faced by individuals trying to make such payments were directly highlighted by the Minister for Treasury and Resources, and the Founder of Jersey CI. Cash is King stated:¹⁹⁷

"Well, government services should be also. Speaking of the Government, I believe some departments, if not all, have a limit of £1,000 cash payment. Why is that? Why is there a limit? Because, for example, applying for citizenship would take you over the threshold. How do you pay that then if you do not have a bank account?"

The Panel was made aware of issues in particular cases, with an anonymous submission indicating that the fee in the Government of Jersey scheme for the application of a Licence to lease a dwelling would only accept a payment by debit or credit card to a UK third party provider.¹⁹⁸

KEY FINDING 23: Acceptance of cash payments across the Government of Jersey is variable, with the Panel being informed of £1,000 limit and instances in which no cash payment could be made.

¹⁹³ [Submission - Acceptance of Cash Payments Review - Jon Scott - 12 September 2024](#)

¹⁹⁴ [Submission - Acceptance of Cash Payments Review - Guy de Faye - 22 July 2024](#)

¹⁹⁵ [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

¹⁹⁶ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024](#)

¹⁹⁷ [Transcript - Acceptance of Cash Payments Review - Jersey CI Cash is King - 18 September 2024](#)

¹⁹⁸ [Submission - Acceptance of Cash Payments Review - Anonymous 10 - 09 July 2024](#)

RECOMMENDATION 7: There should be a presumption that cash payments are accepted for all public services, including parking and transport. The Council of Ministers, through any acceptance of cash payments strategy, should identify and confirm its position on the requirements, exemptions and limits to its own acceptance of cash payments in order to inform the wider Island economy.

Issues with Government of Jersey's digital payment systems have also been raised with the Panel, with the Jersey Community Foundation identifying that numerous payments had been returned to them as the systems had been unable to allocate the payment correctly, despite all the information being provided.¹⁹⁹

It was indicated to the Panel by Treasury Officers that, although there had been a reduction in the use of cheques, a significant number were still received by the Government of Jersey: up to 30,000 a year. It was highlighted that as such there were no plans to phase out the acceptance of cheques.

¹⁹⁹ [Submission - Acceptance of Cash Payments Review - Jersey Community Foundation - 10 July 2024](#)

4 Potential future change

Having explored the background experiences and perceptions of payment methods, this section of the report outlines potential future actions. It does so whilst mindful of the Reviews objective to ascertain whether there is a case for government intervention regarding the use of cash in the island.

Impacts of Cashless Society

During the course of the Review it has become apparent that a demise of cash use and acceptance would detrimentally impact a significant portion of society: limiting their economic inclusion as consumers and compounding further societal impacts.

Economic inclusion

The demise of cash transactions was often highlighted as impacting certain groups more than others:²⁰⁰

“Eliminating cash payments would further isolate those already struggling with digital banking. Many individuals in our community, particularly the elderly and those with limited technological proficiency, depend on cash for their daily transactions. By removing cash as an option, we risk marginalising these vulnerable groups even further.”

Ultimately, financial inclusion and protection for those relying on cash payments was seen as a key issue, with Jersey Community Savings outlining:²⁰¹

“we believe that the continued acceptance of cash payments is essential to ensure financial inclusion and protect our most vulnerable community members. We urge the Economic and International Affairs Scrutiny Panel to consider these critical issues during their review and to take into account the significant adverse impacts that a fully cashless society could have on many residents of Jersey.”

If cash payments are not allowed older and vulnerable members of society would be completely marginalised and excluded from day to day activities.

The availability of cash payments protects the most vulnerable in our society; it is vital that it is safeguarded.

I support adults with disabilities and our service runs on a cash only basis for activities, if we can't pay cash it impacts on the opportunities for the individuals that we support, this has a huge impact on inclusion for people with learning disabilities and autism.

²⁰⁰ [Submission - Acceptance of Cash Payments Review - Community Savings - 25 June 2024](#)

²⁰¹ [Submission - Acceptance of Cash Payments Review - Community Savings - 25 June 2024](#)

Jersey Community Savings identified three main risks of a cashless society:²⁰²

4. **Hidden Vulnerabilities:** A move to a cashless society could make those unfamiliar with electronic banking more vulnerable to fraud. The complexity of digital financial systems can expose individuals to scams and cyber threats, particularly those who are not well-versed in navigating these systems.
5. **Community Impact:** In Jersey, a significant number of people, including many of our members, rely solely on cash. This reliance is not just out of preference but necessity. Forcing a transition to a cashless system would disrupt their ability to manage their finances and conduct everyday transactions.
6. **Increased Marginalisation:** People who struggle with digital banking could face further isolation and difficulties managing their finances in a cashless society. This could exacerbate existing inequalities and create new barriers for those already at a disadvantage.

Jersey Community Savings further outlined that there was a significant percentage of people who cannot choose to use payment methods other than cash because they struggle with them.²⁰³ MIND Jersey further identified that a cashless society risked increasing isolation, further disenfranchising an already stigmatised section of the population that may already be experiencing broadband poverty and unable to access on-line services.²⁰⁴

Social and emotional points

During the course of the Review, the Panel heard of the emotional connection that many held for cash payments, with individuals identifying their preference for the use of cash due to this and the social benefit afforded by that payment method.

There is also a major impact on all of our social wellbeing and employment opportunities with the input of card payment machines in food shops on the rise. Meaning less employees of a certain education level being employed and likely being made redundant or forced into moving elsewhere due to the input of this technology which requires less human contact. This lack of human contact is also not good for the community or public health in general and impacts the most vulnerable of our society. People who lack human contact due to mental health issues, mobility issues or lack of social support are now having to face a machine rather than the one person they may have spoken to in their day.

The physicality of cash notes and coins was often cited as beneficial, both tactilely as well as in aiding in budgeting and assigning value, as discussed in more detail on [page 48](#) of this report. The historical value of the Island's currency was also highlighted, with the Jersey Hospitality Association identifying the value placed on the novelty of the notes in distribution.²⁰⁵

The social interaction undertaken when using different payment methods was also highlighted as a reason for selecting cash as a payment preference:²⁰⁶

"I go to a shop, and I just tap away, and I say: "Hi", tap, "Bye", out of the door. I interact with cash. There are usually several sentences swapped between 2 people. Yes, there

²⁰² [Submission - Acceptance of Cash Payments Review - Community Savings - 25 June 2024](#)

²⁰³ [Transcript - Acceptance of Cash Payments Review - Community Savings - 17 September 2024](#)

²⁰⁴ [Submission - Acceptance of Cash Payments Review - MIND Jersey - 14 June 2024](#)

²⁰⁵ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 10

²⁰⁶ [Transcript - Acceptance of Cash Payments Review - Jersey CI Cash is King - 18 September 2024](#)

is definitely a social component of using cash. A lot of people go to the bank to have a chat with the cashier, but also with the other people who are waiting to be seen. It is a social interaction tool or vehicle, whichever you want to think about it. Yes, that would definitely go, and that would probably have rather a large impact.”

Indeed, the Jersey Bankers Association indicated that the traditional “cashier” role remains predominately unchanged and is a key part of any bank branch.²⁰⁷ When asked to indicate the extent to which their clientele depended on human relationships, Jersey Community Savings indicated “very much so”, noting that they held very personal relationships with their customers by opening four mornings a week, from Tuesday to Friday:²⁰⁸

“The personal aspect or the personal contact is extremely important, particularly where you have members who can come in who may be struggling or confused with a particular issue or matter and the ability to bring them into a more relaxing, balanced environment.”

Ultimately, social inclusivity was often cited as a reason to allow individuals to make their payment choice, with Jersey Community Savings identifying:²⁰⁹

“Accepting cash supports our community and ensures inclusivity. By maintaining the option to pay with cash, businesses contribute to a more inclusive society where all individuals, regardless of their financial or technological capabilities, can engage in everyday economic activities without hindrance.”

Charity

The Jersey Sanctuary Trust identified that the reduction in cash usage was affecting donations and that a variety of digital payment methods were required to allow donations to be made quickly and simply.²¹⁰ The Minister for Sustainable Economic Development specifically highlighted that anecdotal views suggested a move away from cash payments disrupts donations, whilst suggesting that individuals would be more willing to put cash in a donation tin rather than undertake an electronic transaction.²¹¹

The Jersey Hospitality Association highlighted that technology allowed for those undertaking digital payments to be asked if they wished to make donations or make a tip.²¹²

Some charities highlighted the rising difficulty in undertaking cash transactions, similar to those face by private businesses ([page 52](#)), with the Jersey Community Foundation outlining:

“In the past 12 months we have taken less than £2,000 in cash with an annual donation income of £2.5 million. This is due in the main part that we do not actively fundraise like smaller charities and our activities are mainly funded from larger donations. One of the reasons for not accepting cash donations is the cost of bank charges associated with paying in cash (Charity Rate of £4.40 per £1,000), also the increasing lack of

²⁰⁷ [Submission - Acceptance of Cash Payments Review - Jersey Bankers Association - 04 October 2024](#)

²⁰⁸ [Transcript - Acceptance of Cash Payments Review - Community Savings - 17 September 2024](#)

²⁰⁹ [Submission - Acceptance of Cash Payments Review - Community Savings - 25 June 2024](#)

²¹⁰ [Submission - Acceptance of Cash Payments Review - Sanctuary Trust - 05 July 2024](#)

²¹¹ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024,](#)

page 23

²¹² [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 8

banking establishments to do so. We do also accept cheques; however, this also incurs a charge of £0.40 per cheque.”

RECOMMENDATION 8: As part of the formation of an acceptance of cash payments strategy, the Minister for External Relations and Minister for Sustainable Economic Development should consider how charitable organisations can be assisted by the both the Government of Jersey and the private sector including banks, during the transition to digital payments.

Tips, car boots and honesty boxes

The Jersey Hospitality Association highlighted that there was a preference for giving cash tips,²¹³ this was supported by a number of responses to the Panel’s survey with 23 individuals mentioning this in their open-ended comments.

28 respondents to the survey mentioned car-boot sales or honesty boxes in their open-ended comments, indicating that cash was vital for the continuation of both.

Digital Jersey identified the ability for these to advance technologically:²¹⁴

“I think my favourite example in Jersey was when we saw the first honesty box that took Revolut, which I thought is a great way of showing innovation but also how anyone can use those digital payments... there are stats to show that smartphone usage is higher as a percentage of the population in Jersey than it is, for example, in the U.K. (United Kingdom) and many other countries. Left to a choice, the vast majority of people - not 100 per cent though, obviously, which is what you have got to look at - will go for the digital option.”

KEY FINDING 24: There is evidence that the demise of cash is having a detrimental impact to the economic inclusion of some vulnerable sections of the community. For many, cash acceptance was heavily linked to maintaining social connection, interaction and inclusivity. Physical cash was also seen by many as having value past its financial amount: being tangible, traditional and a novelty for tourists. Furthermore payment method acceptance may have wider impacts on certain elements of purchases, such as tips or service provision, as well as car-boot sales, honesty boxes and charitable donations.

RECOMMENDATION 6a: As part of the formation of an acceptance of cash payments strategy, the Minister for Sustainable Economic Development should give consideration and identify actions to negate the impact on the economic inclusion of all islanders should cash acceptance fall further or be removed completely, ensuring that no form of economic discrimination takes place.

²¹³ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 8

²¹⁴ [Transcript-Acceptance-of-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), page 3

Jurisdictional approaches

As part of its Review, the Panel conducted research into international and global jurisdictional approaches to protecting and mandating cash acceptance, mitigating the risks posed by digital payment systems and the variation in public preference for different methods of payments. The jurisdictions were identified by proximity and similarity to Jersey, those considered as “cash-less” or “almost cash-less” and through stakeholder submissions. The full list of jurisdictions considered were as follows:

Jurisdiction/Area	Status of cash acceptance	Exceptions
UK	No legislation, not legally defined as legal tender	N/A
European Union	Legally defined as legal tender. Regulations for acceptance under review	Up to €10,000
Sweden	No legislation	N/A
France	Mandatory	€1,000 for resident taxpayers and €15,000 for non-resident taxpayers
Spain	Mandatory	€1,000 for resident taxpayers and €10,000 for non-resident taxpayers
Germany	Mandatory	No limit
Ireland	No legislation	N/A
Norway	Mandatory	More than 25 coins of each denomination in one transaction
Estonia	Mandatory	More than 50 coins or banknotes
USA	Varies state by state	Varies state by state
China	Assumed to be mandatory	N/A

The jurisdictional case examples highlight the variation in cash usage, public preference of payments and varying degrees of legislation towards cash acceptance. Though cash usage is generally declining, generally there is strong support from both governments and the general public that cash acceptance should be protected.

Mandating cash acceptance is most commonly instigated through a court ruling that includes it in the existing law which defines legal tender, with legislation updated to enforce its acceptance using penalties or fines. Exceptions to accepting cash are almost always allowed, with a limit on the number of coins or notes in any given transaction and a cash limit amount

being the most common. Examples of other common exceptions are allowing the refusal of payments for security or logistical reasons, like a merchant having no change left.

Interestingly, jurisdictions that experienced a rapid digitalisation of payment markets, like Sweden and Estonia, are also protecting cash payments. Consumer choice, preparation for crises and safeguarding the diversification of the payment markets are the most commonly cited rationale. Due consideration should be given to the European Commission's adoption of the proposed regulations mandating cash acceptance.

KEY FINDING 25: A number of European countries have introduced legislation mandating the acceptance of cash payments, including France, Germany, Norway and Estonia. There are varied exemptions to mandatory cash payment acceptance that have been included by some countries legislating for this, including those based on set limit of cash value or number of coins or notes in one transaction.

RECOMMENDATION 6b: As part of the formation of an acceptance of cash payments strategy, the Minister for Sustainable Economic Development should identify the implications of the actions undertaken by both the European Commission and United Kingdom in the acceptance of cash payments.

United Kingdom

In the UK, there is currently no legal obligation for businesses to accept cash. While cash is considered "legal tender," this only applies to the settlement of debts and not to ordinary transactions at the point of sale.²¹⁵

The UK government announced in its March 2020 Budget that it would bring forward legislation to protect access to cash and ensure that the UK's cash infrastructure is sustainable in the long term.²¹⁶ Following assent of the [Financial Services and Markets Act 2023](#), the FCA implemented a number of new rules, stipulating that banks and building societies will be held responsible for ensuring fair access to cash. The rules require an assessment of cash access before any changes are made, with local residents and organisations able to request an assessment should they feel there are gaps in local cash facilities.²¹⁷

During a hearing with the Panel, Payment Choice Alliance highlighted the British public's support for cash acceptance:²¹⁸

"We are at the Labour Party Conference next week and we have already had the discussions with the Treasury and I think that there will be more sympathy towards the public's desire and need for cash than there was before. Our target is to get the legislation passed in the U.K. by the end of 2025. We think it is very important."

UK public support for mandating cash acceptance was expressed in 2023 through two petitions, receiving over 58,000 signatures combined:

1. [Require all businesses and public services to accept cash payments](#)
2. [Make it unlawful for shops to refuse cash payments](#)

²¹⁵ [Legal Tender Guidelines | The Royal Mint](#)

²¹⁶ [Access to Cash: Call for Evidence and Summary of Responses - GOV.UK](#)

²¹⁷ [Access to cash | FCA](#)

²¹⁸ [Transcript - Acceptance of Cash Payment Review - Payment Choice Alliance - 18 September 2024](#)

On 4th November 2024, the UK Treasury Committee opened an inquiry into the “whether there is a need in the UK to regulate or mandate the acceptance of physical cash”.²¹⁹ The inquiry is ongoing, with evidence submissions closed on 2nd December.

Payment Choice Alliance also commented on the UK’s lack of movement on the matter:²²⁰

“The UK’s Outlier Status: the UK is now surrounded by countries that recognise the public’s desire and need to use cash. These nations also understand that cash usage enhances financial inclusion, allows the less well-off to manage their budgets more effectively, stimulates local economic activity and protects privacy. The failure of successive UK governments to act means businesses are not compelled to provide goods and services to all consumers, including those who use cash. The Jersey government need not copy that failure.”

KEY FINDING 26: Having introduced regulatory protections concerning access to cash, acceptance of cash payments continues to be a topic of consideration in the UK, with a Parliamentary Select Committee Review of the topic underway.

European Union

The Panel considered the status of cash acceptance within the European Union (EU), both at the commission level and national level of certain member-states. The Director of Financial Crime Strategy, Government of Jersey identified that the 2022 European Central Bank study provided an instructive view on the European perspective, indicating a mixed position across Europe on the use of cash, linked mostly to cultural differences across countries.²²¹

Two stakeholders mentioned the recent European Union’s directive on cash acceptance, with the Minister for Sustainable Economic Development highlighting the directive’s connection to the definition of legal tender within the EU:²²²

“We do not have a department policy around cash and the requiring of cash to be taken if offered... This is in contrast, I believe, to the European Union. I do not know the name of the directive, the reference of the directive, but I believe in the European Union, if somebody presents cash for payment, I believe there is an obligation on the business to accept that as payment. In a sense, that has created a firming up of the idea of legal tender. I think this is something that is really important, is I am not even convinced we have a definition around the term “legal tender” and what does that mean.”

In a judgment on 26th January 2021 (C-422/19 and C-423/19), the Court of Justice of the European Union clarified the definition of legal tender mentioned in Article 128(1) TFEU.²²³ The ruling stipulated that:

1. The term "legal tender" entails, in principle, the mandatory acceptance of cash, at full face value, and without extra charges for the person paying.
2. EU countries using the euro can impose limits on accepting euro banknotes and coins, but only for valid public interest reasons. These restrictions must be necessary and not go beyond what is required.²²⁴

²¹⁹ [Acceptance of Cash - Committees - UK Parliament](#)

²²⁰ [Submission-Acceptance-of-Cash-Payments-Review-The-Payment-Choice-Alliance-12-September-2024.pdf](#)

²²¹ [Transcript - Acceptance of Cash Payments Review - Minister for External Relations - 20 September 2024](#)

²²² [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024](#)

²²³ [CURIA - List of results](#)

²²⁴ [CURIA - List of results](#)

On 28th June 2023, the European Commission adopted a legislative proposal on the mandated acceptance of euro banknotes and coins.²²⁵ The proposal stipulated that:

- Financial penalties shall be imposed on establishments for non-compliance, as decided by Member States.²²⁶
- Exceptions can be granted if the establishment has no change available or if both parties have pre-agreed on a different means of payment.²²⁷
- Member States have the responsibility to designate national competent authorities with oversight and regulatory powers to ensure acceptance of and access to cash.²²⁸

A draft report on the proposal was tabled on 11th January 2024.²²⁹ However, no vote had taken place at the European Committee at the time of writing.

KEY FINDING 27: The European Commission made judgements and legislative proposals for the mandatory acceptance of Euro banknotes and coins, without extra charges for the person paying.

Multiple stakeholders referenced the varying use of cash across Europe and highlighted the potential discrepancies in applying a blanket regulation without due consideration of cultural influences:²³⁰

“There are big differences between countries. Germany, for example, is still cash in a much bigger way than Britain... There can be different reasons for that. They may be cultural. It may be the way the banking system is operated.”

The Minister for External Relations further alluded to the point of differences in cash use across jurisdictions:²³¹

“We do know that there are, in Europe, cash reviews for all sorts of reasons. We, in our society, perhaps do not think and use cash in the same way that it might be used elsewhere.”

Sweden

Sweden was identified as a prominent jurisdiction in transitioning to an almost cash-less society. Due, in part, to the rapid digitalisation of payments, cash represented just 1.09% of Swedish GDP in 2022.²³² Sweden was the first European country to offer an app system that allows instant transfers between bank accounts via mobile phone number.²³³ The payment method, Swish, was launched in 2012 by six large Swedish banks, in cooperation with Bankgirot and the Central Bank of Sweden.²³⁴

²²⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52023PC0364>

²²⁶ [EUR-Lex - 52023PC0364 - EN - EUR-Lex](#), Article 12

²²⁷ [EUR-Lex - 52023PC0364 - EN - EUR-Lex](#), Article 5

²²⁸ [EUR-Lex - 52023PC0364 - EN - EUR-Lex](#), Article 9

²²⁹ <https://www.europarl.europa.eu/legislative-train/theme-an-economy-that-works-for-people/file-legal-tender-of-euro-banknotes-and-coins?sid=8601>

²³⁰ [Transcript-Acceptance-of-Cash-Payments-Review-LINK-Scheme-20-August-2024-\(1\).pdf](#), page 17

²³¹ [Transcript - Acceptance of Cash Payments Review - Minister for External Relations - 20 September 2024](#)

²³² [CIC to GDP in Sweden 2001-2022 | Statista](#)

²³³ [The digitalisation of payments is a global trend](#)

²³⁴ [Swish - About Swish](#)

The ease and accessibility of the digital payment system in Sweden was highlighted by the Chairman of LINK Scheme, who also identified that a similar system did not operate in the UK.²³⁵

However, despite these advancements, Sweden has faced an increase in online fraud and digital crime, through an exploitation of digital payment systems, resulting in significant financial losses and sophisticated fraud schemes.²³⁶

Following a 2023 inquiry into the role of the government in the payments market, an official report was published, which found:²³⁷

“The State has a responsibility to ensure access to widely accepted means of payment and to safeguard the monetary system and thus also the Swedish krona. As far as the Inquiry can assess, banknotes and coins will be in demand and used for the foreseeable future, but they are not viable in all contexts.”

Since 2019, the national bank of Sweden, the Riksbank, has reported on the developments of the retail payments market, to mitigate the risks posed by the digitalisation of the payments market.²³⁸

In the Riksbank’s 2024 Payments Report, a number of proposals are made to the Swedish government for the protection and mandating of cash acceptance, including mandating that merchants accept cash for essential goods and services like food, medicine, and fuel, ensuring everyone can access necessities regardless of digital payment availability. The Riksbank also suggests enhancing cash deposit services by obligating banks to accept cash deposits from individuals, including coins, thereby maintaining cash's utility. Furthermore, to strengthen cash's legal status, the Riksbank proposes legislation to enforce its acceptance, addressing the current absence of such requirements in Sweden.²³⁹

France

In France, it is illegal for merchants to refuse cash payment.²⁴⁰ To do so is punishable by a €150 fine,²⁴¹ though there are a number of exceptions as highlighted by Digital Jersey:²⁴²

“But I did not realise until reading only this morning that in France there is legislation to protect the use of cash in certain environments but there are some exceptions to that in terms of security or technology or places where it is just very difficult to accept cash as well.”

Cash may be refused in the following cases:²⁴³

- Payment of more than 50 coins for a single transaction
- Foreign currency
- Unfit coins or notes
- In some cases, for technical or security reasons. For example, shopkeepers on night shifts may refuse cash payment as a security measure

²³⁵ [Transcript-Acceptance-of-Cash-Payments-Review-LINK-Scheme-20-August-2024-\(1\).pdf](#), page 16

²³⁶ [Sweden has stopped using cash – and fraudsters are having a field day](#)

²³⁷ [The state and the payments. Summary. SOU 2023:16](#)

²³⁸ [Payments Report | Sveriges Riksbank](#)

²³⁹ [Payments Report 2024 | Sveriges Riksbank](#)

²⁴⁰ [Cash payment | Service-Public.fr](#)

²⁴¹ [Article R642-3 - Code pénal - Légifrance](#)

²⁴² [Transcript-Acceptance-fo-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), page 6

²⁴³ [Cash payment | Service-Public.fr](#)

- For transactions of over €1,000 for resident taxpayers and €15,000 for non-resident taxpayers²⁴⁴

The national bank of France, the Banque de France, ensures the acceptability of cash, which is the first pillar of the National Cash Management Policy.²⁴⁵ The Banque de France identified that digital payment methods continue to become increasingly prevalent in the country, with mobile payments increasing by 137% in 2023.²⁴⁶

Spain

In Spain, cash acceptance is legally protected under Royal Decree Law 24/2021, which ensures freedom of payment choice and explicitly requires businesses to accept cash within the limits set by tax and anti-fraud regulations.²⁴⁷ Refusing cash payments in Spain is considered an infringement of consumer rights.²⁴⁸

Additionally, specific provisions govern payment methods. Establishments may set a minimum spend requirement for card payments (of up to €29.99), and they are obligated to provide alternative payment options, including cash, for transactions of €30 or more.²⁴⁹ Just as in France, there is a cash limit of €1,000 for residents, while the limit for non-residents is €10,000.²⁵⁰

The law has popular support, with surveys showing a strong public backing for sustaining cash as a payment option.^{251 252}

Germany

Germany has a strong preference for cash payment, with cash remaining the most frequently used means of payment in 2023 at 51%, though this decreased from 58% in 2021.²⁵³

Notably, there has been a proposal to enshrine the right to pay in cash in the German Constitution.²⁵⁴ There is no limit to cash payments in Germany, though identification must be given for payments over €10,000.²⁵⁵

Ireland

The Payment Choice Alliance identified that the Irish government had '*announced in 2024 their intention to bring in legal measures making cash acceptance obligatory*'.²⁵⁶

The new measures form part of the National Payments Strategy which includes a requirement for all government bodies to accept both electronic and cash payment in respect of goods,

²⁴⁴ [Section 3: Prohibition of cash payment of certain claims \(Articles D112-3 to R112-5\) - Légifrance](#)

²⁴⁵ [The Banque de France guarantees cash acceptability](#)

²⁴⁶ [Money and payments in the digital age | Banque de France](#)

²⁴⁷ [BOE-A-2021-17910 Royal Decree-Law 24/2021, of 2 November, on the transposition of European Union directives on covered bonds, cross-border distribution of collective investment undertakings, open data and reuse of public sector information, exercise of copyright and related rights applicable to certain online transmissions and retransmissions of radio and television programmes, temporary exemptions for certain imports and supplies, for consumers and for the promotion of clean and energy-efficient road transport vehicles.](#)

²⁴⁸ [The Spanish Government Protects the Acceptance of Cash – Cash Essentials](#)

²⁴⁹ [Cash and the law in Spain: A guide to payment methods, limits and what's legal](#)

²⁵⁰ [Paying in cash: what are the limits in each EU country?](#)

²⁵¹ [DENARIA Studio | Survey on the need for cash to remain - GAD3](#)

²⁵² [National Survey on Cash Use](#)

²⁵³ [Payment behaviour in Germany in 2023 | Deutsche Bundesbank](#)

²⁵⁴ [Deutscher Bundestag \[German Federal Parliament\], Kurzinformation: Bargeldverwendung in Deutschland – Gesetzgebung und Initiativen \[Brief information: Cash usage in Germany - legislation and initiatives\]](#)

²⁵⁵ [Paying in cash: what are the limits in each EU country?](#)

²⁵⁶ [Submission-Acceptance-of-Cash-Payments-Review-The-Payment-Choice-Alliance-12-September-2024.pdf](#)

services, and fines.²⁵⁷ The Strategy was developed to align with the EU Directive on the legal tender of cash and requires all government departments to engage with stakeholders on the impact of the proposed EU regulation 6-12 months prior to its enforcement.²⁵⁸

Norway

In Norway, Section 3-5 (1) of the Central Bank Act stipulates that banknotes and coins are legal tender. It further states that no one is obliged to accept more than 25 coins of each denomination in one transaction.²⁵⁹

Payment Choice Alliance noted that Norway had recently strengthened measures to protect cash payments.²⁶⁰ In October 2024, Norwegian shops, restaurants, hair salons, cinemas and other retail establishments were required accept cash as payment for goods and services. The new law enforced customers' right to pay with cash, up to an amount of 20,000 kroner, with retailers to be held liable for fines and sanctions if not upheld. Though customers always had to the right to pay with cash, it had not previously been enforced.^{261 262}

The Norwegian Ministry of Justice and Public Security said that protecting cash *'is important for preparedness reasons, while at the same time it provides security for many who find it demanding to use digital payment solutions'*.²⁶³ However, Norway's central bank, the Norges Bank, reported that in 2023 only 2% of survey participants used cash the last time they paid at a physical point of sale.²⁶⁴

Estonia

Estonia experienced a rapidly evolving payments landscape that reflects its push toward digitalisation. Digital payments dominate Estonia's urban areas, supported by other digital initiatives like "e-Residency" and advanced digital banking services.²⁶⁵ This is reflected in the frequency of cash use among the Estonian population decreasing in recent years: 16% of people used cash daily in 2018, compared to 10% in 2024.²⁶⁶

Estonian law mandates that cash be accepted as legal tender²⁶⁷. Introduced in 2018, the Payment Institutions and E-Money Institutions Act governs the licensing, regulation, and operation of payment service providers and electronic money institutions within Estonia.²⁶⁸ The Act indirectly supports cash acceptance by safeguarding consumer choice in payment methods and ensures that businesses cannot entirely exclude cash in favour of digital-only systems without offering inclusive alternatives.

Estonia's policies focus on balancing the growing preference for digital payments with a commitment to ensuring cash remains accessible. The Panel asked the Chief Executive Officer of Digital Jersey's view on the matter:²⁶⁹

²⁵⁷ [Government bodies will have to accept cash under payments plan – The Irish Times](#)

²⁵⁸ [National Payments Strategy: Notable Actions / Recommendations - Arthur Cox LLP](#)

²⁵⁹ [The right to pay cash](#)

²⁶⁰ [Submission-Acceptance-of-Cash-Payments-Review-The-Payment-Choice-Alliance-12-September-2024.pdf](#)

²⁶¹ [Cash cleared for a comeback - Norway's News in English — www.newsinenglish.no](#)

²⁶² [The right to pay cash, Norges Bank](#)

²⁶³ [Norway's Government Seeks to Strengthen Cash for National Resilience](#)

²⁶⁴ [Web report Papers 1-24 payment services](#)

²⁶⁵ [Estonia is the Thriving Fintech Hub of Europe | The Fintech Times](#)

²⁶⁶ [Survey: Frequency of cash use has decreased - LHV](#)

²⁶⁷ [Law of Obligations Act–Riigi Teataja](#)

²⁶⁸ [Descriptions and requirements for continuous operation of payment services and cash circulation–Riigi Teataja](#)

²⁶⁹ [Transcript-Acceptance-of-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), pages 9 - 10

“Despite what you might think in Estonia, they do not mandate the digital bit. There is always an analogue fallback on everything, so if you do not want to use digital, you do not have to use it...because they have a strong digital I.D. system. But what is also interesting is the digital I.D. system carries over into payments as well, so people can use their card on buses and things like that, either to identify themselves that they already have the eligibility for free travel or that they can pay using that card as well. By putting that infrastructure in nationally, it gives access to everyone to use that.”

United States of America

The United States of America varies in cash acceptance state by state, as identified by the Chairman of LINK Scheme.²⁷⁰

In Massachusetts, businesses have been legally required to accept cash for in-person transactions since 1978, with the states of New Jersey and Rhode Island also enacting similar laws in 2019. Colorado and Delaware also mandated cash acceptance but allow for exceptions to be made, such as for online businesses. Furthermore, New York City, Philadelphia, and San Francisco have instead passed local ordinances requiring businesses to accept cash.²⁷¹

In June 2023, the Payment Choice Act of 2023 was re-introduced to the House of Representatives. If passed, the Act would require retail businesses to accept cash as a form of payment for on-site sales of \$500 or less and prohibit them from charging cash-paying customers a higher price compared to customers not paying with cash. Businesses covered by this bill are those engaged in the business of selling or offering goods or services at retail to the public that accept in-person payments at a physical location.²⁷²

Furthermore, in September 2023, the Protecting Access to Recreation with Cash Act was introduced to the House of Representatives, which would require all National Parks to accept cash as a form of payment for entrance.²⁷³ Both acts remain in the legislative process.

China

In 2024, secondary media outlets reported that China’s central bank, the People’s Bank of China, imposed financial penalties on private companies for refusing cash payment.²⁷⁴ No further information is readily available. Though it has also been reported that China’s penetration rate for mobile payments reached 86%, the highest in the world, by the end of 2023.²⁷⁵

²⁷⁰ [Transcript-Acceptance-of-Cash-Payments-Review-LINK-Scheme-20-August-2024-\(1\).pdf](#), page 17

²⁷¹ [Pro-Cash Legislation Database | Loomis US](#)

²⁷² [H.R.4128 - 118th Congress \(2023-2024\): Payment Choice Act of 2023 | Congress.gov | Library of Congress](#)

²⁷³ [S.2887 - 118th Congress \(2023-2024\): Protecting Access to Recreation with Cash Act | Congress.gov | Library of Congress](#)

²⁷⁴ [People’s Bank of China Fines Major Businesses Over Illegal Cashless Practices](#)

²⁷⁵ [China further streamlines mobile payments for foreigners-Xinhua](#)

Consumer and business choice

A pivotal point of discussion throughout the Review has been on balancing the choices and rights of businesses and consumers on the method of payment that they use or offer.

It is also clear that choice can mean different things to different people. It can be argued that that choice currently exists for both parties: a business can decide which payment methods it is willing to accept and a potential customer is either given a choice of payment method, or they can choose to go to another establishment, if their preferred form of payment is not accepted. Of course, this depends on whether there is another establishment available. The Panel would highlight that this stretches the definition of customer choice, where the choice is 'take it or leave it' and as things currently stand, legally, the choice is with the business, not the consumer.

There was concern for the potential future on both sides of the transaction relationship: of the risks posed by a reduction in the places accepting cash payments by consumers or by businesses should the Government of Jersey impose regulations around cash acceptance.

Consumers

There has been a strong indication by the majority of private individuals who interacted with the Review, that there should be a choice for the payee on their payment method. 99 of those writing directly to the Panel indicated that there should be a freedom of preference for customers, with 230 individuals mentioning this within their response to the Panel's survey.

This has often been linked to the protection of acceptance of cash payments, with 80% of those taking part in the Panel's survey strongly agreeing that they should always be able to make a cash payment when they wanted to, as opposed to 48% for digital payments.

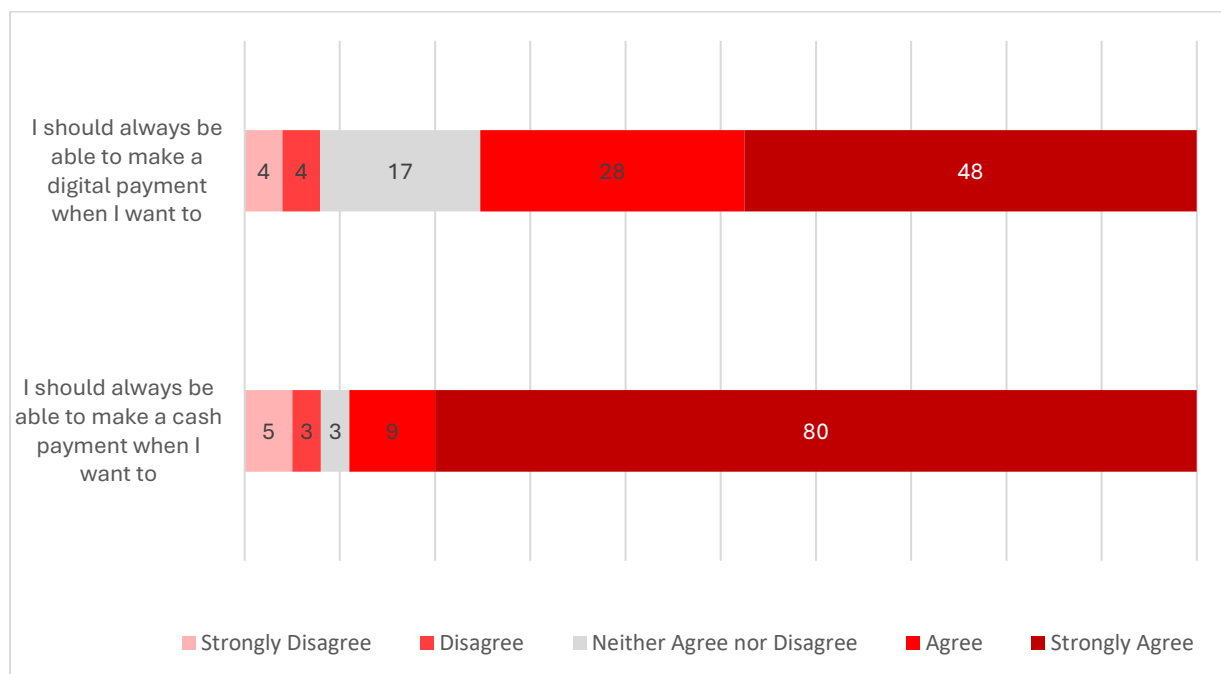


Fig.21 Agreement whether individual should always be able to make a cash or digital payment

The public interest in the Review and topic has been large, as shown by the number of submissions and survey responses received by the Panel. The Minister for Sustainable Economic Development also supported this point:²⁷⁶

“Purely anecdotally, but since we mentioned this in the States a few months ago for the first time, this has definitely been the issue that I have been stopped in the street most on. As in from people supporting the move to keep cash. I found that interesting as well, just as an individual politician, that people are willing to stop me in the street and say: “We really want you to keep cash.””

LINK Scheme further identified public interest in the matter, suggesting that even if individuals did not often use cash, they would still want the choice, identifying that in a survey undertaken by the organisation in the UK 81% of respondents said that they wanted the option to use cash.²⁷⁷

There have also been responses that have specifically stated the inconvenience or cost to businesses should be no reason to impact customer choice in payment methods,²⁷⁸ with the Payment Choice Alliance opining:²⁷⁹

“You can either let businesses choose or you can let the public choose; you cannot have both.... . Why do the public in the U.K. - or in Jersey, for that matter - deserve less rights than people in France, Spain, Norway and Slovakia, or indeed in many American states, in China and in South American countries? Why is it the British public deserve less rights than the public in all of those markets, all those countries?”

As discussed previously, concern was raised that payments may reach a critical point at which no choice was available, with the Minister for External Relations acknowledging:²⁸⁰

“Theoretically that of course is right, it becomes problematic because there is ultimately then no choice if nobody accepts cash.”

Discrimination

The Panel received views that non-acceptance of cash payments would be highly discriminatory to those unable to use other payment methods. This included older Islanders who have not transitioned into the digital world,²⁸¹ those with certain mental health issues, learning difficulties and others highlighted as potentially being unable to use digital payments, all of whom could therefore be barred from certain businesses or services.²⁸²

The Panel did meet with those experiencing a disability, some of which were only able to make payments via cash due to their inability to operate or maintain a digital payment method. This was also linked to additional charges for using cash, which was perceived as penalising individuals.²⁸³

Jersey Community Savings identified that this is a complex area, with reasoning for a business decision made for commercial reasons potentially impacting upon the most vulnerable.²⁸⁴ The Government of Jersey’s Chief Economic Adviser highlighted that there was an element of

²⁷⁶ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024, page 36](#)

²⁷⁷ [Transcript - Acceptance of Cash Payment Review - Payment Choice Alliance - 18 September 2024](#)

²⁷⁸ [Transcript - Acceptance of Cash Payments Review - Jersey CI Cash is King - 18 September 2024](#)

²⁷⁹ [Transcript - Acceptance of Cash Payment Review - Payment Choice Alliance - 18 September 2024](#)

²⁸⁰ [Transcript - Acceptance of Cash Payments Review - Minister for External Relations - 20 September 2024](#)

²⁸¹ [Submission - Acceptance of Cash Payments Review - Meals on Wheels - 31 July 2024](#)

²⁸² [Transcript - Acceptance of Cash Payments Review - Jersey CI Cash is King - 18 September 2024](#)

²⁸³ [Transcript - Acceptance of Cash Payment Review - Payment Choice Alliance - 18 September 2024](#)

²⁸⁴ [Transcript - Acceptance of Cash Payments Review - Community Savings - 17 September 2024](#)

financial exclusion for those individuals unable to hold bank accounts, with the Minister for Sustainable Economic Development expressing a personal view that denying people the ability to make cash payments if they find it difficult to do so electronically was “absolutely discriminatory”.²⁸⁵

The [Discrimination \(Jersey\) Law 2013](#) identifies both age and disability as protected characteristics, with Article 22 Goods, Facilities and Services establishing:

A person who provides goods or services, or makes facilities available to the public or a section of the public (whether for payment or not), shall not discriminate against another person (the “subject”) –

- (a) by refusing to provide those goods or services or make those facilities available to the subject;*
- (b) in the terms or conditions on which the person provides those goods or services or makes those facilities available to the subject; or*
- (c) in the manner in which the person provides those goods or services or makes those facilities available to the subject.*

If a person's rights under those laws were infringed upon, then the person could seek legal recourse under the laws. The Panel was not made aware of any specific cases in which this has occurred, however, when meeting those suffering impairment it became apparent that individuals have felt discriminated against due to those impairments, and that there were risks that this may be legally challenged in the future.

KEY FINDING 28: There is a strong desire from consumers to be able to choose their preferred payment method and non-acceptance of a payment method is perceived by many as a form of discrimination, However, it is not clear whether in fact, refusal to accept cash would constitute discrimination, in law, and has no challenges have been made or considered to date under relevant legislation such as the Discrimination (Jersey) Law 2013.

Business

The Minister for Sustainable Economic Development confirmed that currently businesses continued to enjoy the choice of which payments they accepted:²⁸⁶

“At the moment in Jersey, we are definitely in a position of businesses are able to choose. They can accept cash, and cash only. They can accept electronic payments, electronic payments only. Or they can accept both. One of the reasons we have not come forward with a particular policy to change that is because of the idea that we believe that businesses can use that as a competitive differentiator. For some businesses, they may wish to only accept electronic payments because they feel that that is what their customers want. But other businesses may feel that they should accept both in order to give their customers the wider choice.”

The Jersey Chamber of Commerce identified that each business would make their own decision based on their needs and sector of operation, and commented that this decision was not appropriate for the organisation to be advising businesses on.²⁸⁷ Others including the

²⁸⁵ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024, page 13](#)

²⁸⁶ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024](#)

²⁸⁷ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024, page 6, 8, 19](#)

Jersey Hospitality Association and LINK Scheme also highlighted the considerations that each business would make in their judgement and that this would evolve over time.²⁸⁸

One key element in a business's choice to maintain cash payments was to maintain a provision of customer service differentiation, with the Minister for Sustainable Economic Development outlining:²⁸⁹

"I think this whole discussion on consumer choice is really important, just at a level of businesses to be aware of how competitive it makes you or otherwise. Because ultimately, at the moment, the consumer can choose to walk away with their 2 feet and go and spend their money or do their card transaction elsewhere if that is more welcome. I think for businesses in general in the retail space, hospitality spaces, really when it is getting extremely competitive, extremely hard to do business and you need a point of difference, that idea of really raising the bar on customer service, customer experience, making someone feel welcome and genuinely welcome in your space to transact with you is really important. So that idea of choice then becomes very appealing for both sides in order to create that environment."

This was also highlighted by the Jersey Hospitality Association as a key reason that a business may choose to continue provision of cash acceptance, however it was ultimately a business's decision to make.²⁹⁰

KEY FINDING 29: An organisation enjoys the right to accept payment methods of its choosing and there were those who indicated that leaders of the organisation or business should be allowed to continue to make decisions to best match their customer and operational needs.

Market forces

There were also a significant number of submissions and responses to the Review which identified that there should be a choice for both individuals and businesses.²⁹¹ This was a view shared personally by the Minister for External Relations, and Minister for Treasury and Resources.²⁹² Others, such as the Minister for Justice and Home Affairs did not indicate a preference however identified that they would not want to see individuals excluded from the ability to make payments.²⁹³

The majority view of the Jersey Consumer Council was that trying to force one route or the other would not work, and it would be better to allow consumer behaviour to dictate the outcome. They referenced the influence that consumer behaviour has had on the makeup of the high street to evidence the impact of customer choice.²⁹⁴ The Jersey Consumer Council further indicated that the Government of Jersey should avoid trying to force consumer behaviour on this matter and should instead allow market forces and unrestricted consumer habits to dictate how future transactions are undertaken. With the gradual closure of bank branches, withdrawal of ATM cash tills, and the growth in digital technology, the Jersey Consumer Council felt that the tide has already turned.²⁹⁵

²⁸⁸ [Transcript-Acceptance-of-Cash-Payments-Review-LINK-Scheme-20-August-2024-\(1\).pdf](#), page 10

²⁸⁹ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024](#)

²⁹⁰ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 19

²⁹¹ [Transcript - Acceptance of Cash Payments Review - Minister for External Relations - 20 September 2024](#)

²⁹² [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

²⁹³ [Transcript - Acceptance of Cash Payments Review - Minister for Justice and Home Affairs - 16 October 2024](#)

²⁹⁴ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Consumer-Council-21-August-2024.pdf](#), page 5

²⁹⁵ [Submission - Acceptance of Cash Payments Review - Jersey Consumer Council - 11 July 2024](#)

The Jersey Hospitality Association opined that choices for both sides were needed and that there was a relationship and trust level between a consumer and a supplier:²⁹⁶

“I think as an independent business you should be entitled to choose how you operate... It is the customer’s choice then. If they feel that that business does not provide the service or the offering that they wish to see then they can choose to go elsewhere equally.”

KEY FINDING 30: There was a call by some to allow “market forces” to naturally run their course, and that consumer choice would dictate provision of payment method acceptance.

RECOMMENDATION 6c: As part of the formation of an acceptance of cash payments strategy, the Minister for Sustainable Economic Development should reflect on how to meet both the needs of consumers and business and consult with these sufficiently.

RECCOMENDATION 9: The Minister for Sustainable Economic Development should, by 30 April 2025, issue interim guidance to businesses indicating that they should accept a cash payment where it is the customer’s only way of paying.

²⁹⁶ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 17

Legislation or mitigation

The Review's Terms of Reference included establishing if there was a case for government intervention regarding the use of cash in the Island. As identified throughout this report, there is a clear desire for the protection of cash acceptance by a proportion of society, whilst there is also a concern of the overreach of government and additional burden that any regulation would place upon businesses.

It is clear that there is significant support for some form of Government of Jersey action, with 69% taking part in the Panel's survey identifying that legislation or safeguarding measures should be introduced. This matches much of the sentiment of the members of the public who wrote to the Panel to make submissions to the Review.

Should the Government of Jersey introduce legislation or safeguarding measures regarding acceptance of cash payments?

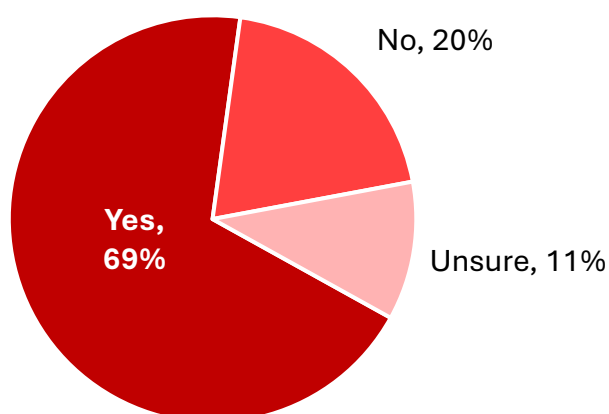


Fig.22 Should Government introduce legislation or safeguarding measures regarding the acceptance of cash payments

The proportion of those indicating that there should be legislation or safeguarding measures increased based on age with 53% of those aged 16-24 saying so, compared to 78% of those aged 65 or over. Those with larger household incomes, particularly for those earning over £140,000 annually (138 respondents), were less likely to agree that legislation or safeguarding measures should be introduced, as seen in Figure 23.

Should the Government of Jersey introduce legislation or safeguarding measures regarding acceptance of cash payments?

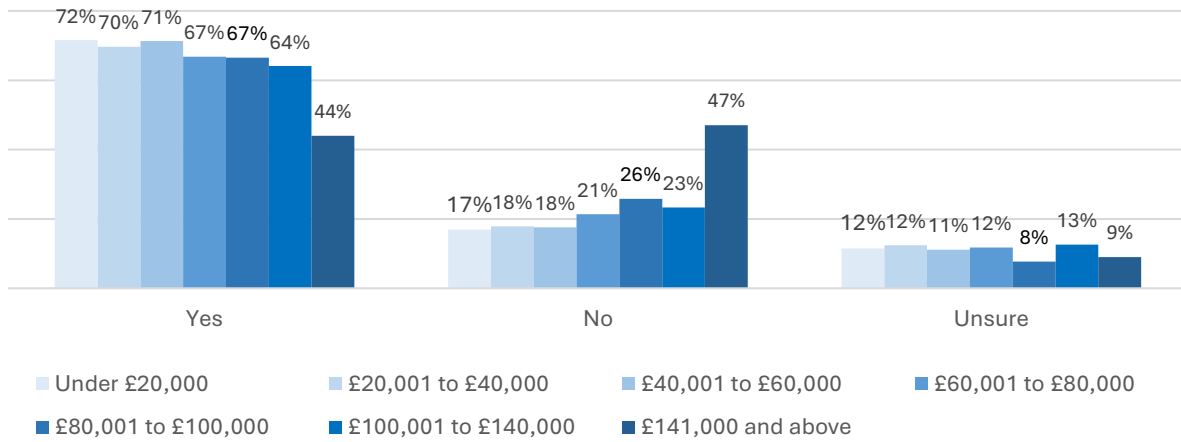


Fig.23 Should Government introduce legislation or safeguarding measures regarding the acceptance of cash payments (by income)

Of those taking part in the Panel’s survey, 183 mentioned within their open-ended comment that they should always be able to pay cash, with 168 comments mentioning the need to safeguard protect or keep cash. 24 individuals directly mentioned that acceptance of cash should be legislated for, although this could be inferred in other comments opining the need to protect cash, with 30 specifically stating that it should not be legislated for.

The need for legislation to ensure acceptance of cash payments was heavily supported by some of the witnesses the Panel received, notably the Chair of the Payment Choice Alliance who highlighted:²⁹⁷

“Making cash acceptance obligatory in 2025 would demonstrate the Jersey governments commitment to the needs and preferences of both the Jersey public and visitors to the island, many of whom will come from countries where they enjoy Payment Choice.”

Others, such as the Founder of Jersey CI. Cash is King, believed that the discrimination law may already cover the protection of cash use,²⁹⁸ however they acknowledged that additional legislation may be needed if this was not the case.

²⁹⁷ [Submission - Acceptance of Cash Payments Review - The Payment Choice Alliance - 12 September 2024](#)

²⁹⁸ [Transcript - Acceptance of Cash Payments Review - Jersey CI Cash is King - 18 September 2024](#)

The Minister for Sustainable Economic Development, although personally supportive of the use of cash, identified he was of the view that currently enough businesses were accepting cash to negate the need for regulation.²⁹⁹ However, the Minister for Sustainable Economic Development acknowledged that there may come a point in which a larger proportion of businesses were only accepting electronic payment that would necessitate protection, with further consultation and consideration required,³⁰⁰ highlighting his views on the matter:³⁰¹

“I will definitely speak personally here, if that is okay, as opposed to from a government policy perspective. I think we are almost potentially in the 2-stage process. First of all, I do think there is a need to get assurance from Government, whether that is through legislation or another way - the only real assurance could come from legislation, in my view - that the Government will ensure there is cash in supply. I particularly worry about a day when the Government says: “You know what, we are not going to issue cash anymore.” I think that that creates a problem for us as members of our society. The second stage, if we did bring that in and say, in perpetuity, Government must ensure cash is in supply in Jersey, the second stage then would be about looking at whether you want to impact on the freedom of choice of businesses... I think we then need to have a real discussion with the business community and with Islanders about whether businesses should be obliged to accept cash or not. Because at the moment, our policy by default is one ... because we have not got a policy, by default it is up to businesses to choose whether they want to accept cash or not. There is a policy by default.”

Jersey Business indicated that the sentiment towards the legislation of cash payments amongst their clients was mixed, with strong opinions on both sides.³⁰²

The Jersey Bankers Association (JBA) identified that they do not believe that there is a need to bring in legislation or protective measures about accepting cash and/or digital payments at this time. Its members and the broader JBA consultation, show that the acceptance of cash and/or digital payments was seen as self-regulating, whilst identifying that when a retailer makes a business decision to only take one type of payment, the retailer understands and agrees to the risk that some customers may go to another seller. This further highlights that, should the government wish to protect access to cash for all Islanders, then the JBA members have confirmed their commitment to this, not least through recent significant investment in and refurbishment of their premises in St. Helier (HSBC, Lloyds and NatWest/RBSI).³⁰³ The Minister for External Relations commented that, in his experience, banks are very mindful of their customers here in Jersey and are open to conversations. He also noted that safeguarding access to cash would ensure that it remains legal tender and that there is cash available in the community, whilst confirming that he had no desire, on behalf of the Government, to change the position about cash being legal tender.³⁰⁴

²⁹⁹ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024](#)

³⁰⁰ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024](#), pages 34, 35

³⁰¹ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024](#)

³⁰² [Submission - Acceptance of Cash Payments Review - Jersey Business - 18 July 2024](#)

³⁰³ [Submission - Acceptance of Cash Payments Review - Jersey Bankers Association - 16 July 2024](#)

³⁰⁴ [Transcript - Acceptance of Cash Payments Review - Minister for External Relations - 20 September 2024](#)

The Minister for Treasury and Resources opined that the Government should not impose cash acceptance on businesses, identifying that this may lead to price increases.³⁰⁵ This was also a view expressed by Age Concern:³⁰⁶

“Generally we are against legislation for the sake of legislation as it pushes up costs. If a business has a client base solely aimed at the youth market we would be against forcing them to take cash, and investing in systems and procedures that would never be used.”

This was further alluded to by the Chamber of Commerce:³⁰⁷

“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 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”

The Jersey Hospitality Association was of the view that regulation of business operations should be kept to a minimum, and that mandating either cash or digital payment acceptance should be avoided due to the diverse nature of the hospitality industry and additional strain this would place upon day-to-day operations:³⁰⁸

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

The Chamber of Commerce highlighted that re-accepting cash after choosing not to, would be a significant reverse in policy for businesses with significant issues concerning staffing, till systems and banking, and that the topic should be revisited in 5 years' time. Jersey Community Savings also identified that, whilst acceptance of cash should be safeguarded, legislation should be seen as a last resort, identifying that, should the topic be revisited in 10 years' time, the discussion would be likely be very different.³⁰⁹

It was highlighted that mitigating actions could be undertaken in the meantime, with encouragement for adequate signage of payment acceptance as an example, which was called for and agreed with by witnesses and submitters to the Review.^{310 311}

³⁰⁵ [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

³⁰⁶ [Submission - Acceptance of Cash Payments Review - Age Concern - 23 July 2024](#)

³⁰⁷ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 9, 10

³⁰⁸ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 23

³⁰⁹ [Transcript - Acceptance of Cash Payments Review - Community Savings - 17 September 2024](#)

³¹⁰ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 15

³¹¹ [Transcript - Acceptance of Cash Payments Review - Jersey CI Cash is King - 18 September 2024](#)

KEY FINDING 31: Most organisations believe that mandating cash acceptance is unnecessary at this time and would introduce significant regulatory burden, and apart from one Jersey group (Cash is King) and one UK based group (Payment Choice Alliance) , those who gave “ in-person” evidence stated they did not want to see legislation that required businesses to take cash, even those who advocated for vulnerable groups.

RECOMMENDATION 6d: As part of the formation of an acceptance of cash payments strategy, the Minister for Sustainable Economic Development should give due consideration to development of legislation mandating for the acceptance of cash payments.

Essential services and exceptions

During the course of the Review, discussion arose regarding if the safeguarding or legislation protecting acceptance of cash be introduced, whether all instances of payment would be included, or if this would be targeted to “essential services”. Those taking part in the Panel’s survey were clearly of the opinion that acceptance of all payments in cash should be safeguarded, with 83% agreeing with this statement, compared to 13% if based on the amount being paid or 10% if based on sector.

Do you agree or disagree that the Government of Jersey should introduce legislation or safeguarding measures regarding acceptance of cash payments in the following areas?

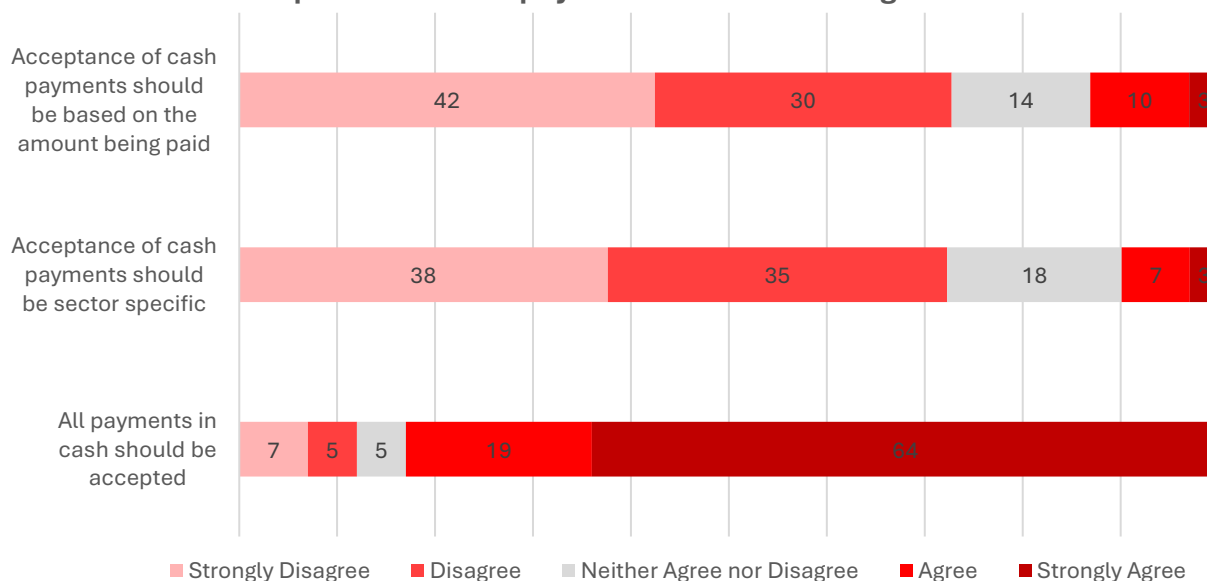


Fig.24 Should Government introduce legislation or safeguarding measures regarding the acceptance of cash payments (by amount paid, sector or all payments)

The Panel understands that there is no statutory or customary law definition of essential services in Jersey and so the sale of an essential service or product (whatever that might be) would be subject to the normal rules of Jersey contract law. The exception to this is the supply of water, electricity and gas, which are governed by the Water (Jersey) Law 1972, the Electricity (Jersey) Law 1937 and the Jersey Gas Company (Jersey) Law 1989 respectively. However, these laws do not specify a method of payment.

The Panel has not received a clear definition of essential services, however would identify the following relevant areas of consideration:

- Public Services
- Health and sporting
- Utilities
- Transport
- Where there is monopoly or little choice of provider

Much of the discussions held identified that any payment to the Government of Jersey should be able to be made via cash, with the Minister for Sustainable Economic Development personally supporting this view.³¹² This was also highlighted by the Jersey Hospitality Association³¹³ and Digital Jersey,³¹⁴ with the Payment Choice Alliance opining:³¹⁵

“I think anywhere that the public taxpayers’ money is funding, it should be automatic that cash is accepted because it is hardly right that the public should be funding something and then the public are told they cannot use their cash to purchase whatever it happens to be, you know, like a swim at a leisure centre or a car-parking space at a station or indeed a ticket for travelling on rail... Automatically those things should be safeguarded. I am sensing that the [UK] government are moving towards that, at the very least, whether or not they are thinking at the moment of a Payment Choice Act by the end of 2025.”

It was highlighted, as discussed earlier, that there exists provision for the acceptance of cash for Government of Jersey services, however there are limits to the amounts accepted and the need to attend Customer and Local Services to make a payment via cash.

The Minister for Treasury and Resources also identified that there is no need for specific essential service legislation, as the need for supporting vulnerable persons is clearly established by utility companies or relevant organisations, and that they would accept cash where needed.³¹⁶ Digital Jersey also expressed this view, identifying that the Government of Jersey did regulate on the matter in some instances, whilst also highlighting digital payment acceptance amongst taxi service provision.³¹⁷

Jersey Community Savings summarised the opinion:³¹⁸

“I do not mean from a legislative perspective, but ensure that there is that access - whether it is Government services or so on - where it is appropriate, that people can utilise cash and it is providing a balance. But financial services where it is appropriate, commercial environments and from a government perspective, it is getting that right balance.”

³¹² [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024](#)

³¹³ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Hospitality-Association-20-August-2024.pdf](#), page 16

³¹⁴ [Submission - Acceptance of Cash Payments Review - Digital Jersey - 14 June 2024](#)

³¹⁵ [Transcript - Acceptance of Cash Payment Review - Payment Choice Alliance - 18 September 2024](#)

³¹⁶ [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

³¹⁷ [Transcript-Acceptance-of-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), page 5

³¹⁸ [Transcript - Acceptance of Cash Payments Review - Community Savings - 17 September 2024](#)

KEY FINDING 32: There are calls for acceptance of cash payments to be safeguarded in Jersey, with some believing that acceptance of cash payments should be mandated through legislation. Those calling for legislative or safeguarding measures were generally of the opinion that these should be introduced for all cash payments, and there was a belief by some that essential services already met this need without further intervention. The view that all public service provisions should accept cash payments was also raised, and although this is largely the case, instances of refusal and uncertainty on amounts accepted have been identified.

RECOMMENDATION 6e: As part of the formation of an acceptance of cash payments strategy, the Minister for Sustainable Economic Development should identify actions to ensure the acceptance of cash payments by providers of essential services.

Different prices

Early into the Review, the Panel was made aware of providers charging different amounts based on the method of payment. The Panel was made aware that legislation was introduced in the European Union and UK to protect against surcharges when making purchases through debit or credit cards.³¹⁹ This was introduced following concern of merchants charging for use of those payment methods.³²⁰

Within Jersey, LibertyBus' pricing strategy was highlighted as a notable example of differential pricing, often being referred to as a surcharge for cash payments. The Panel held a public hearing with the Regional Director of LibertyBus, on 27th August 2024 to gain a further understanding of the reasons for charging different rates, as discussed earlier in this report. Briefly, this was identified as a discount to non-cash payment methods to encourage use of these, due to the cost of handling cash.³²¹ The Regional Director also confirmed that the base price was agreed upon with the Government of Jersey, at which cash payments were charged, with discounts applied on the base fare to contactless and pay-as-you-go. Discounting of certain payment methods, for example via direct debit, was also highlighted as being undertaken by utility companies due to the cost saving.³²²

This was however identified by many as being unfair, or discriminatory, for those whose primary method of payment was cash for whatever reason.³²³ Using the cost of handling cash as a reason for discounting or encouraging digital payments was also refuted by some.³²⁴

The Minister for Sustainable Economic Development opined that he felt it would be wrong on a moral level to charge for using cash, though he could understand that there was an economic reason to charge more, due to increased costs. It has been confirmed that there was no surcharge or discount for paying with particular methods for payments made to the Government of Jersey.³²⁵

³¹⁹ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Consumer-Council-21-August-2024.pdf](#), page 13

³²⁰ [Guidance on the Consumer Rights \(Payment Surcharges\) Regulations 2012](#)

³²¹ [Transcript-Acceptance-of-Cash-Payments-Review-LibertyBus-27-August-2024.pdf](#), pages 6 - 7

³²² [Transcript-Acceptance-of-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), pages 10 - 11

³²³ [Transcript-Acceptance-of-Cash-Payments-Review-LINK-Scheme-20-August-2024-\(1\).pdf](#), page 7

³²⁴ [Transcript - Acceptance of Cash Payment Review - Payment Choice Alliance - 18 September 2024](#)

³²⁵ [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

Concern was raised that instances of surcharges may increase in the future, with the possibility being highlighted by witnesses including the Chair of the Visitor Economy Committee at the Jersey Chamber of Commerce.³²⁶

“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.”

When discussing surcharges, Jersey Community Savings identified potential impacts upon certain parts of society:³²⁷

“It would be extremely detrimental to our members because it would just increase the burden. Bear in mind typically - not always but typically - our members will be on lower incomes, Social Security, so in terms of if there was a premium to utilise the cash, that would have a significant impact. It would have more of an impact on the lower paid, the underprivileged than it would do on ... because if that was the case then most people who can would just use a card but if you struggle to do that, your costs are going up.”

There were calls from some within written submissions, responses to the Panel’s survey, and by the Founder of Jersey CI. Cash is King for banning of differential pricing based on payment method.³²⁸

KEY FINDING 33: The Panel was made aware of instances of differential pricing based on payment method, this was often seen as unfair and discriminatory with calls made to prohibit this practice.

RECOMMENDATION 6f: As part of the formation of an acceptance of cash payments strategy, the Minister for Sustainable Economic Development should consider if prohibiting differential pricing based on payment method in the wider economy is needed.

RECOMMENDATION 10: The Council of Ministers, by 31 December 2025, should ensure that no differential pricing based on payment method is made in the provision of public services, including third party providers such as transport services and arm’s length organisations.

RECOMMENDATION 11: The Minister for Sustainable Economic Development should, by 30 April 2025, issue interim guidance to businesses indicating that differential pricing based on payment method should not take place.

Banks

The Panel received views on a number of points ascertaining to banking practices through this Review. These have often been related to measures undertaken due to client due diligence when interacting with cash, and charges imposed upon businesses, with

³²⁶ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 6

³²⁷ [Transcript - Acceptance of Cash Payments Review - Community Savings - 17 September 2024](#)

³²⁸ [Transcript - Acceptance of Cash Payments Review - Jersey CI Cash is King - 18 September 2024](#)

submissions, including those made by the Payment Choice Alliance, identifying that there had been a push for cashless societies, largely by banks and card providers.³²⁹

It had been highlighted that explanation and consideration as to the costs of administering cash and legislative burden upon them in doing so, is needed.³³⁰The Minister for Treasury and Resources identified:³³¹

“That is a commercial matter for the banks. The banks used to charge, you used to pay for your cheques and your withdrawals, and banks moved into free banking and this is my hesitation in legislating to require them to do things, because they will then start charging, and I do not think it would be unreasonable for them to charge if we put extra obligations on them, which increase their cost.”

As identified earlier in this report, the Jersey Banker’s Association highlighted anti-money laundering requirements, as laid out in the [JFSC AML/CT/CPF Handbook](#).³³²

KEY FINDING 34: It was suggested that anti-money laundering and client due diligence undertaken by banks to meet regulatory requirements could be contributing to the charges made for commercial banking services.

As highlighted previously, the provision of banking services has also been discussed through the Review. The Panel was made aware that any decision to close bank branches is made based on commercial considerations, including footfall, and that there is limited action that the Government of Jersey is able to take currently. Similarly, services offered, prices and provision of technology such as ‘Smart/Reverse’ ATMs would be a commercial decision of private companies. It is however, in the remit of the Minister for External Relations, with responsibility for Financial Services, to discuss the JFSC guidelines with that organisation and the wider industry. The Panel understood that these discussions do take place, with the Minister for External Relations outlining:³³³

“We have conversations with banks about all of the services that they provide and the regulatory environment in which they operate. [The Associate Director, Financial Services] leads on that from an official perspective. But of course you are right, you can get different types of A.T.M. with different functionality and each institution largely decides what services it wants or needs to provide to its customers in any given location.”

KEY FINDING 35: The Minister for External Relations, with responsibility for Financial Services, undertakes conversations with banks about the services that they provide and the regulatory environment in which they operate.

RECOMMENDATION 12: As part of the formation of any acceptance of cash payments strategy, the Minister for External Relations should give due consideration to the impact of the banking regulatory environment upon payment options. This should include whether Ministerial oversight or limitation of banking charges on cash handling services is needed to ensure that charges are reasonable and proportionate.

³²⁹ [Transcript - Acceptance of Cash Payment Review - Payment Choice Alliance - 18 September 2024](#)

³³⁰ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 6, 8, 19

³³¹ [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

³³² [Submission - Acceptance of Cash Payments Review - Jersey Bankers Association - 04 October 2024](#)

³³³ [Transcript - Acceptance of Cash Payments Review - Minister for External Relations - 20 September 2024](#)

Government Banking and CBDCs

Some raised that, in the addition to provision made through Jersey Community Savings, the Government of Jersey could provide banking services to those who had difficulty in interacting with mainstream banking or in light of branch closures. The Minister for Treasury and Resources identified that branch closures differed from bank closures, outlining:³³⁴

“I do not think we are at that stage because we have plenty of banks on the Island, we have 5 banks, and we would have to be in a position where we had no banks at all before Government set up its own bank. That is an immense undertaking. I believe they have done it in Gibraltar because they found themselves in a situation with no banks. But we are not in that position. If it had to be done, I am sure it could be done. But I would not like to be the one doing it. I think we are very far off that situation.”

Central bank digital currencies (CBDCs) were mentioned by some in the Review, with some calling for a “Jersey digital currency”,³³⁵ however these were met with scepticism or outright concern at times.

CBDCs are an electronic form of money that consumers and businesses hold with their country’s central bank, such as the Bank of England. In March 2023, [four CBDCs were operating and 114 other countries were exploring the concept](#). The UK Government and the Bank of England had been exploring the idea of introducing a CBDC – a “digital pound”. In February 2023 they announced that although they hadn’t decided to launch a digital pound, [they believed it was “likely” that it would be needed in future](#). So they [are consulting on principles and plans for developing it](#), however the Bank of England says that [it has no plans as yet to introduce a digital pound](#).

KEY FINDING 36: Government-run banking services or central bank digital currencies were highlighted in the Review, but were not generally seen as realistic or beneficial in Jersey.

Banking Hubs

Following the discussion of bank branch closures, the Panel was informed that banking hubs were being formed in the UK, however the provision and design of these service was still under consideration.³³⁶

The Minister for Sustainable Economic Development expressed an awareness of existing models of different banks operating in one physical location and the potential benefit that these could bring to hubs, particularly in the west and east of the Island.³³⁷ The Minister for External Relations identified that banks had been in discussion with Jersey Post to see if they could work, in partnership, to provide banking services, and that the Government of Jersey had undertaken questioning of what could be done in this regard.³³⁸

The Payment Choice Alliance highlighted that they had asked the UK’s FCA to specify what a bank hub must provide, indicating that the provision of a 24/7 access to recycling ATM should be included.³³⁹ They identified that these “super ATMs” could accept deposits and withdrawals of coins and notes, with such innovations, although not new, allow for benefits to businesses and a reduced environmental burden of cash transport. It was also identified by the Payment

³³⁴ [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

³³⁵ [Transcript-Acceptance-of-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), pages 12 - 13

³³⁶ [Transcript - Acceptance of Cash Payment Review - Payment Choice Alliance - 18 September 2024](#)

³³⁷ [Transcript - Acceptance of Cash Payments Review - Minister for Sustainable Economic Development - 17 September 2024](#),

³³⁸ [Transcript - Acceptance of Cash Payments Review - Minister for External Relations - 20 September 2024](#)

³³⁹ [Transcript - Acceptance of Cash Payment Review - Payment Choice Alliance - 18 September 2024](#)

Choice Alliance that certain jurisdictions also use ATM provision to aid in government interactions, such as the ability to buy fishing licences, pay taxes or fines.³⁴⁰

Banking hubs were acknowledged to be beneficial by the Founder of Jersey CI. Cash is King, who outlined:³⁴¹

“I think they are in the U.K. already and they are run by post offices in the U.K. That would be ideal because I understand that there are less people going into the bank, so it might not be financially viable for a single bank to have their branches away, but there could quite easily be a hub scattered around the Island, which would allow people to go and do their banking when they need.”

Payment Cards

The provision of alternative payment cards, outside of credit or debit cards, was highlighted, primarily by LINK Scheme:³⁴²

“In America what they do is have one machine where instead of putting a card in and getting cash out, you put the cash in and you get a card out. So you get a £20 card or a £50 card or whatever. So the retailer does not have the expense of having to handle cash, but the consumer is fine. They have got a payment card. It is a payment card, it is not a bank account, it has got privacy, all of the issues why some people want cash. As we move forward, it seems increasingly likely that people who only use cash will be denied access to goods and services or will have to pay a premium. For these reasons, while maintain accessing to cash, it is equally important to promote access to digital services.”

It was highlighted that pre-paid cards were issued during the COVID-19 pandemic, with the Jersey Consumer Council outlining that this had seen widespread use across demographics with little reported issue.³⁴³ The Chair of their Visitor Economy Committee also identified that pre-paid travel cards already existed.³⁴⁴

The difficulty of enticing payment providers to Jersey was highlighted by Digital Jersey, whilst acknowledging that a local payment gateway could be used.³⁴⁵ Digital Jersey also emphasised the potential difficulties in reloading of cards due to regulation and licensing issues. The Jersey Consumer Council identified that any loading system to top-up the card would need to be simple and in person, exemplifying the Co-Op or Jersey Post offices. whilst acknowledging regulation difficulty:³⁴⁶

“I do not know what is easier. For the Government to try and legislate that a retailer has to take cash or whether the Government comes up with some sort of facility that allows people who are cash only to deposit that cash in return for a COVID-style Mastercard that everybody got. But then you become a bank and then it becomes a bit of a red-tape nightmare. I do not know.”

It was highlighted by the Founder of Jersey CI. Cash is King, that pre-paid cards would not meet some individual's requirements.³⁴⁷

³⁴⁰ [Transcript - Acceptance of Cash Payment Review - Payment Choice Alliance - 18 September 2024](#)

³⁴¹ [Transcript - Acceptance of Cash Payments Review - Jersey CI Cash is King - 18 September 2024](#)

³⁴² [Transcript-Acceptance-of-Cash-Payments-Review-LINK-Scheme-20-August-2024-\(1\).pdf](#), page 5

³⁴³ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Consumer-Council-21-August-2024.pdf](#), page 10

³⁴⁴ [Transcript - Acceptance of Cash Payments Review - Jersey Chamber of Commerce - 05 September 2024](#), page 23

³⁴⁵ [Transcript-Acceptance-of-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), page 19

³⁴⁶ [Transcript-Acceptance-of-Cash-Payments-Review-Jersey-Consumer-Council-21-August-2024.pdf](#), page 6

³⁴⁷ [Transcript - Acceptance of Cash Payments Review - Jersey CI Cash is King - 18 September 2024](#)

“A lot of people do not understand just numbers. They need to be able to see. For some, I think a prepaid card, I suppose you could call them, might work. For some, it would just not make any sense at all.”

KEY FINDING 37: There was a call from some members of the public to introduce banking hubs to deal with the issue of branch closures in outlying areas., with the Government of Jersey undertaking preliminary actions in this regard.

RECOMMENDATION 13: The Minister for External Relations should continue to work towards the provision of banking hubs, and report back to the Panel by 30th April 2025.

Education and inclusion

The need for education and inclusion has been widely discussed as part of this Review, both in terms of building digital skills, as well as more financial awareness.

Jersey Community Savings outlined a rise in the need for digital skills:³⁴⁸

“We have, over the last few months, seen a number of people come in who have a mainstream bank but going back to my previous comments about the difficulty of dealing with mainstream banking these days if you are less literate on technology, internet and using the apps and being able to go in and deal with a branch - a modern day branch - we are starting to see a little bit more interest from care workers, from other people coming in because their clients just cannot deal with the banks in the same way.”

It was identified by some that not enabling the building of digital skills was preserving disadvantage,³⁴⁹ and that building confidence would allow individuals to access the services available themselves.³⁵⁰

The JBA indicated that all banks provide education to support digital inclusion, and that training can take place either face-to-face in a branch environment or through existing tutorials publicly available online.³⁵¹ The Minister for Treasury and Resources proposed that Community Savings and Citizens Advice Jersey provided the some of the role of education and inclusion,³⁵² with the Director Treasury and Exchequer's Finance Hub Director outlining that:³⁵³

“Customer and Local Services already do support people in terms of when they come in, in terms of if they want to pay by cash or cheque, other opportunities of different ways of paying, plus we show them on top, screens, in terms of how they could pay digitally as well. So they are doing that already for Government services. So I suppose it is the next step that is something that could potentially be provided, but there is no plan to do that at the moment.”

³⁴⁸ [Transcript - Acceptance of Cash Payments Review - Community Savings - 17 September 2024](#)

³⁴⁹ [Transcript-Acceptance-of-Cash-Payments-Review-LINK-Scheme-20-August-2024-\(1\).pdf](#), page 6

³⁵⁰ [Transcript-Acceptance-of-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), page 18

³⁵¹ [Submission - Acceptance of Cash Payments Review - Jersey Bankers Association - 04 October 2024](#)

³⁵² [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

³⁵³ [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

The Minister for Treasury and Resources indicated a personal belief that financial budgeting skills should be part of the basic school curriculum, highlighting the banks did visit schools and run programmes on the topic.³⁵⁴

The need for education, both within the family and through the education curriculum was also identified by Jersey Community Savings, who echoed a view widely shared within submissions to the Panel: although young people and teenagers are extremely digitally aware, there was a need to build financial as well as digital skills based on demographics:³⁵⁵

“I think it would be the basics, so if it was a young person who struggled digitally, then we would take them through understanding where the money comes from, so what is their source? How do they get it? How do they receive it? Also understanding what do they need to do with it, so what do they need to pay for? What bills, what expenses do they have? I would likely take them through a budgeting process, but we would take them through that on the basis of not just the outgoings and the incomings but how are they going to manage that and how are they going to pay for it? Every circumstance is different so we do tailor ours to the individual members and their needs.”

Similarly, the Jersey Consumer Council was of the opinion that the Government of Jersey should consider a programme of engagement and education to ensure all Islanders understand the benefits and disadvantages of using cash or digital forms of payment, and offer more help to those members of our community who have been left behind in the rapid advancement towards the use of modern technology, or those Islanders who are unable to handle cash or open bank accounts due to their personal circumstances or background.³⁵⁶

Digital Jersey identified that building skills was only one part of digital inclusion and that the provision of access was also needed, highlighting a previous scheme in which mobile operators provided free broadband to people who did not have it at home.³⁵⁷ The Founder of Jersey CI. Cash is King, also identified that not everyone has or wants a phone which negates their ability to deal with banking and payments digitally:³⁵⁸

“If we were to move totally cashless and we would have to find a way to ensure that every single individual would have access, then the cost of that kind of action would have to fall on the Government and the taxpayer. It cannot be dictated that, say, me as a government body would say to you: “You have to go and spend X, Y, and Z to buy this device or you cannot interact with the rest of the society.””

KEY FINDING 38: Education on digital payment methods, building financial budgeting skills and support in accessing digital payments were identified as important to allowing appropriate economic inclusion, with private and charitable organisations providing this currently.

RECOMMENDATION 6g: As part of the formation of an acceptance of cash payments strategy, the Minister for Sustainable Economic Development should identify methods to provide education on digital payment methods, building financial budgeting skills and support in accessing digital payments to aid economic inclusion.

³⁵⁴ [Transcript - Acceptance of Cash Payments Review - Minister for Treasury and Resources - 25 September 2024](#)

³⁵⁵ [Transcript - Acceptance of Cash Payments Review - Community Savings - 17 September 2024](#)

³⁵⁶ [Submission - Acceptance of Cash Payments Review - Jersey Consumer Council - 11 July 2024](#)

³⁵⁷ [Transcript-Acceptance-of-Cash-Payments-Review-Digital-Jersey-20-August-2024.pdf](#), pages 26 - 27

³⁵⁸ [Transcript - Acceptance of Cash Payments Review - Jersey CI Cash is King - 18 September 2024](#)

5 Conclusion

During the Acceptance of Cash Payments Review, the Panel has heard from many individuals and organisations, exploring a range of views on the implication of payment methods and their acceptance in transactions.

The issue of the right to use cash was a central theme in the evidence received and was one which polarised consumers and general members of the public on the one hand, and businesses and Jersey third sector groups on the other. Whilst all spoke of the need for 'choice', it is axiomatic that the two things are mutually exclusive: either businesses have the right to refuse cash, and therefore service, or they don't. In the words of the Minister for Economic Development, *'by default it is up to businesses to choose whether they want to accept cash or not.'*

It is clear that there has been a trend to move towards a more digitally based approach, both for ease and speed for consumers, as well as beneficial commercial reasons. However, issues have been raised regarding the reliance, privacy and security of digital payments, and whilst seen as more expensive and less productive for by some businesses, cash has been indicated as beneficial by many of those taking part in the Review including the majority of private individuals.

There was also significant concern that a reduction in the acceptance of cash payments, or their removal completely, will detrimentally impact upon the most vulnerable, isolated or marginalised portions of our community, as well as having significant implications for the Island's wider economy and society.

The Panel has found that there is little in the way of the Government of Jersey's consideration of the topic, which risks reaching a critical point at which no action is able to remedy the issues faced. As such, the Panel has made recommendations to gain further data, form a strategy and develop policy in this area. The Panel has identified that this strategy should include consideration of the impact upon economic inclusion as well as education on digital payment methods, building financial budgeting skills and support in accessing digital payments.

The Panel has also recommended that the Minister for Sustainable Economic Development consider development of law to mandate the acceptance of cash payments as part of the development of strategy and policy. The Panel has not specified details of the design of this legislation, for example any exemptions or specification of essential services, but has asked that these be considered. The Panel has also called for reflection on the approaches of jurisdictions forming legislation in this area, as well as consulting with relevant organisations and the public.

Cognisant of the development timeframe of policy and potential legislation in a complicated area, the Panel has recommended that the Government of Jersey issue guidance to businesses indicating that they shouldn't refuse cash payments where it is the customer's only method of payment and that no differential pricing based on payment method is made. The Panel has recommended that there should be a presumption that cash payments are accepted for all public services, including parking and transport and that no differential pricing is allowed in the provision of public services, including third party providers such as transport services.

The Panel has also identified that the Minister for External Relations with responsibility for Financial Services should:

- liaise with the banking sector to introduce a 6 month notice period to both the Government of Jersey and customers prior to the closure of a bank branch in the Island,
- ascertain the number of instances where businesses have been denied banking services and the reasons that some organisations may be requested to limit their cash handling,
- continue to work towards the provision of banking hubs, and
- give due consideration to the impact of the banking regulatory environment upon payment options including whether Ministerial oversight or limitation of banking charges on cash handling services is needed to ensure that charges are reasonable and proportionate.

The Panel also recommended that the Minister for External Relations and Minister for Sustainable Economic Development consider how charitable third sector organisations can be assisted by the government and the private sector including banks, during the transition to digital payments

Appendix

Panel Membership



Deputy Montfort
Tadier (Chair)



Deputy Karen
Wilson (Vice-chair)



Deputy Geoff
Southern (Member)



Deputy Max Andrews
(Member)

Terms of Reference

1. To investigate the use of cash and the acceptance of cash payments for products and services in Jersey;
2. To engage with the Government of Jersey, Businesses and the Jersey Public to ascertain their views on the benefits and challenges of various payment methods;
3. Establish if there is a case for Government intervention regarding the use of cash in the island; and,
4. Any additional areas that the Panel deem to be relevant to the Review.

Evidence Considered

Public Hearings

Public Hearings were undertaken with:

- The Minister for Sustainable Economic Development
- The Minister for External Relations
- The Minister for Treasury and Resources
- The Minister for Justice and Home Affairs
- Nina Morgan (Jersey CI Cash is King)
- Payment Choice Alliance
- Community Savings
- Jersey Chamber of Commerce
- LibertyBus
- Jersey Consumer Council
- Digital Jersey
- Jersey Hospitality Association
- LINK Scheme

The public hearing transcripts can be viewed on the States Assembly website [here](#).

The webcast of the hearings can also be viewed [here](#) up until six months after the hearing was held.

A private hearing was also held.

Written Submissions

A total of 128 written submissions were publicly received by the Panel and can be viewed [here](#). A further 5 were submitted on a confidential basis.

Survey

The Panel carried out a short survey as part of the Review to gain further public and business views of the need for acceptance of cash payments or digitalisation of payments on the Island. The questionnaire was hosted online, with paper copies being made available at Morier House and Parish Halls. In total there were 2696 responses to the survey, including 39 completed by paper, with 1142 sharing further information in a summary open question.

Results from the survey have been highlighted where relevant in this report, with full results hosted on the [States Assembly website](#).

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Review costs

The costs of this review totalled £2,168 for advertising, engagement, and public hearing transcription costs.

What is Scrutiny?

Scrutiny panels and the Public Accounts Committee (PAC) work on behalf of the States Assembly (Jersey's parliament). Parliamentary Scrutiny examines and investigates the work of the Government, holding ministers to account for their decisions and actions. They do this by reviewing and publishing reports on a number of areas:

- Government policy;
- new laws and changes to existing laws;
- work and expenditure of the Government;
- issues of public importance.

This helps improve government policies, legislation and public services. If changes are suggested, Scrutiny helps to make sure that the changes are fit for purpose and justified.

The Economic and International Affairs Scrutiny Panel reviews policy and legislation related to the topics of financial services, external relations and economic and international development. It focuses mainly on the work of the Minister for Sustainable Economic Development, the Minister for External Relations, and the Minister for International Development. To learn more about the Panel's work visit the States Assembly website: <https://statesassembly.je/>

