



# **Economic and International Affairs Scrutiny Panel**

## **Acceptance of Cash Payment Review**

### **Witness: Payment Choice Alliance**

Wednesday, 18th September 2024

**Panel:**

Deputy M. Tadier of St. Brelade (Chair)

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

Deputy G.P. Southern of St. Helier Central

Deputy M.B. Andrews of St. Helier North

**Witness:**

Mr. R. Delnevo, Chair, Payment Choice Alliance

[15:44]

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

Welcome to this online session of the Economic and International Affairs Scrutiny Panel. Welcome to the members of the public who might be listening or subsequently tuning in. This is part of a review we are doing into the use of cash and the acceptance of cash in Jersey. We are pleased to have with us yourself, Ron, who is going to be giving us evidence today, so in a moment I will let you introduce yourself properly and I will do the same for us on the panel. I am Deputy Montfort Tadier. I am the Chair of this panel.

**Deputy G.P. Southern of St. Helier Central:**

Geoff Southern, member of the panel.

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

Deputy Karen Wilson, member of the panel, Vice-Chair.

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

Deputy Max Andrews, panel member.

**Deputy M. Tadier:**

Ron, if you can introduce yourself.

**Chair, Payment Choice Alliance:**

Oh, me now? I did not know if you had exhausted the panel. Sorry about that. Yes, I am Ron Delnevo. I am Chair of the Payment Choice Alliance. The Payment Choice Alliance is an organisation trying to give the public a voice in the U.K. (United Kingdom) in relation to cash, because we do not feel the public have had enough of a voice until we came along.

**Deputy M. Tadier:**

Thank you. Again, thanks for your submission, thanks for coming in. Although this is a formal hearing, we try and keep things a little bit more informal, so if you do not mind us using first names, I am Monty, if you need to refer to me.

**Chair, Payment Choice Alliance:**

No, that is absolutely fine. Yes.

**Deputy M. Tadier:**

Thank you. As I said, we received your written submission and we have got a few follow-on questions and points to cover. It might be valuable if you can just give a brief outline, and I think you have touched on it already about maybe the history and the raison d'être of the Payment Choice Alliance.

**Chair, Payment Choice Alliance:**

Well, we felt for quite a long time that there has been a move by the main players in the financial services industry, the banks and the card schemes that work with them, to push the U.K. towards being a cashless society. This started with the banks' moves to close branches down, because when they take branches away they also take away A.T.M.s (automated teller machines), and if they have no branches and no A.T.M.s, they can no longer provide cash services. So it is quite logical that the banks would want to head towards a cashless society with their policy of removing branches and A.T.M.s. On top of that, the card schemes they work with are pushing for a cashless society. In fact, Mastercard famously announced a war on cash in 2010. You do not declare war on anything unless you are aiming to eliminate it. So that was the kind of backdrop, but what we were hearing

from the British public was that they still wanted to be able to use cash. So we did not just decide this for ourselves, we surveyed the public last year and we found that over 90 per cent of the British public occasionally use cash, some that use it very frequently, but we also found - and this astonished me - that 71 per cent wanted a law put in place guaranteeing their right to use cash. I was surprised it was so high, but that was what we got from the survey results. Oddly enough, LINK, the A.T.M. network here in the U.K., as you will know, they did a survey last week and they found that 81 per cent of people - sorry, it was 2 weeks ago, I beg your pardon - interviewed said they wanted the option to use cash. So there is a very strong public interest in wanting to be able to use cash. That does not mean that people use cash all the time. They may use it very rarely, but they want the option.

**Deputy M. Tadier:**

Just to clarify then, so you are not waging a war on cards or anything or on digital payments, but your organisation would strongly advocate that choice should remain?

**Chair, Payment Choice Alliance:**

Absolutely, yes. We are all for innovation, but also innovation, by the way, in the cash sector, but equally we welcome the digital revolution, the banks that have come along and all the new technology, but we do not see that new technology should eliminate the old. The famous argument is: "Just because you have got more cars, do you ban bikes?" and the answer obviously to that is no, so why should cash disappear just because there are new payment methods?

**Deputy M. Tadier:**

I think that is a useful analogy, thank you for that. I apologise to any of my colleagues in advance if I am inadvertently asking a question they might, but I suppose the evidence we have heard so far is that we hear a lot of general statements that there should be a choice and that people should be free to choose how they pay for their transactions. We also have heard from businesses who do not want to be told what to do, so a lot of the business community understandably have told us: "We would not want government to say that we have to accept cash" but they do also, in the same breath, say that the customer should have a choice. Do you see those things as mutually compatible, those scenarios?

**Chair, Payment Choice Alliance:**

I made this clear to the man who is now the Labour business secretary last year. You can either let businesses choose or you can let the public choose; you cannot have both. In many countries - and as I said in the paper I submitted to you, the U.K. is definitely an outlier in this respect - they have taken action to protect the public's right to choose. In France, cash must be accepted which, by the way, is why Visa were not able to make the Olympics in Paris cashless, whereas the previous

Olympics in Brazil - or the previous one, I cannot remember exactly where it was, maybe it was Japan - they were able to make cashless because cash was not protected in the same way. But if you look around Europe, more and more countries are protecting the use of cash. Spain have passed a law that says that cash must be accepted. Norway has just strengthened its constitution, which includes the acceptance of cash; Slovakia. Indeed, the whole of the E.U. (European Union) is now looking at bringing in legal protection for the use of cash, and nearer to home still, in Ireland they are bringing in some regulations that make cash acceptance mandatory for a large number of businesses: food shops, petrol stations, pharmacies and so on. This is a trend not just in Europe, but around the world, around 8 American states where there is a law in place banning companies from refusing to accept cash. Very interestingly, in California - the home of Visa - there are towns which have mandated cash use, like Los Angeles and San Francisco. In New York, which is the home of Mastercard, they have mandated cash use there too. So basically Visa and Mastercard are trying to bring cashless over here, but they are not allowed to do it in their own backyard, so some very interesting international developments there.

**Deputy M. Tadier:**

Thank you. Can I ask: we have heard a lot of the downside of cash and we can imagine some of those, but what is the case for cash? What are the benefits of keeping cash in circulation and as an option for people to use?

**Chair, Payment Choice Alliance:**

There are benefits for the public and businesses. I have not spoken directly to Jersey businesses recently, but talking to small businesses here, most of them are very keen to keep cash as an option because they do not get good deals from the card schemes. The big companies get good deals, but the little companies do not. In particular, they face extra charges and unreasonable - or at least what they consider unreasonable - measures, such as chargeback, where if a customer complains to a card scheme about anything, a small business will not get the money for the transaction, whereas they would not try that with the big businesses because they know the big businesses would not accept it. So small businesses are worried about what they pay out already, they are worried about things like chargeback and they are worried that if cash disappeared, it would give the card schemes and digital providers a completely free hand to impose what charges they wanted to impose so, you know, there would be no competition. If you look at the other side of it, the public: firstly, the mass of the public want to have choice because they believe they are entitled to choice, but then if you look at specific groups, 15 million people in the U.K. still use cash to budget. There are 2 million people in the U.K. who only cash, that is the only payment method they use, and there are people who are technologically challenged who cannot use smartphones, so are unable to use apps. There are people who cannot afford the new technology. An Apple iPhone, I bought one recently and it was £950. Can it really be the case that an iPhone at £950 is your passport to

financial inclusion? That cannot be right, so you should be able to participate in society without having that kind of expensive technological passport. So there are a host of different groups who are impacted negatively by cashless, and on top of that, the overall view of the British public, as I mentioned to you, 81 per cent of the public told LINK that they want to have an option to use cash when and where they choose.

**Deputy M. Tadier:**

Thank you. I am going to pass over to Karen for the next questions, if that is all right.

**Chair, Payment Choice Alliance:**

No problem.

**Deputy K.M. Wilson:**

Thank you, Chair. Afternoon, Ron.

**Chair, Payment Choice Alliance:**

Hi Karen.

**Deputy K.M. Wilson:**

In your submission, you identify that a number of European jurisdictions have or are introducing legislation to protect the acceptance of cash payments. Can you just tell us what the situation is in the U.K. in this regard? How far down the line are they around this sort of proposal?

**Chair, Payment Choice Alliance:**

Oh, we are not too far down the line because, quite frankly, it was blocked by the previous administration. We had certain Ministers in the Treasury - I am not making a political point here, by the way, I am just making a point about individuals who have a closer responsibility - in Horse Guards there in London who were intent on making London the crypto capital of the planet. Quite frankly, I think they lost sight of the needs, wants and expectations of members of the public, the man and woman in the street, if I can call them that, because most people in Britain are not participating in bitcoin or any of the other cryptocurrencies, (1) because they do not understand them; and (2) because they cannot afford to. I think bitcoin is standing at about 60,000 dollars now. There are not too many people who would splash out 60,000 dollars for a bitcoin in the U.K. So essentially they lost focus on what the man in the street, the woman in the street needs, and it was not possible to talk to them sensibly about how cash needed to be safeguarded for the general public. I hope that is going to change with the new administration. I have high hopes that it will. 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.

**Deputy K.M. Wilson:**

Thank you. Do you get a sense that legislation is likely in that regard?

**Chair, Payment Choice Alliance:**

Our target is to get the legislation passed in the U.K. by the end of 2025. We think it is very important. I cannot say that I am hearing back from government yet that this will be done, but I have been in touch with various government departments and, for instance, the transport ministry have taken action to stop cashless being introduced into station car parks after we contacted them, because they understand that many people will use the trains - which are publicly subsidised, just like your sports facilities are in Jersey - who cannot afford smartphones and want to use cash. So they are going to safeguard the public's right to use cash for parking at stations and also for buying tickets. That is a very positive thing. 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.

**Deputy K.M. Wilson:**

Sure.

**Chair, Payment Choice Alliance:**

Automatically those things should be safeguarded. I am sensing that the 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.

**Deputy G.P. Southern:**

Can I follow up on that? Your submission indicates that Jersey should make cash acceptance obligatory in 2025. What will this entail? What is the how in doing that?

**Chair, Payment Choice Alliance:**

I did not catch that question, I beg your pardon. Could you repeat that?

**Deputy G.P. Southern:**

Your submission indicates that Jersey should make cash acceptance obligatory in 2025. What will this entail? Can you tell us a little more about the how? How will you do that?

**Chair, Payment Choice Alliance:**

Well, I mean, you need to take examples from what other jurisdictions have done in other countries. New York State brought out a law and simply passed that through the local administration. It did not require federal government approval. Nor would you require, I believe, the U.K. Government's approval to bring in this measure for Jersey. I have a sense, as I said in my submission - or at least in the covering email - that they may be trying to use Jersey as a little bit of an experiment here.

[16:00]

You have an Island; I think your population is over 100,000 plus tourism. That is a little microcosm. They are taking away the bank branches gradually on Jersey, I have detected that. They are reducing the number of A.T.M.s, although you still have a decent number of A.T.M.s. So they are making it more difficult for the public, they are making it more difficult for businesses and I think that steps have to be taken to stop the banks and the card schemes getting their way in Jersey, just as they should not be allowed to get their way here on the U.K. mainland. I do not know, has there been any talk of introducing bank hubs in Jersey? I do not know.

**Deputy M. Tadier:**

Yes.

**Chair, Payment Choice Alliance:**

Here in the U.K. there is a huge battle going on about how many bank hubs we are going to get. The banks only want to provide 350 nationally. Various parties, including ourselves, have worked out we need at least 1,200. From what we are seeing with closures in Jersey, Jersey needs some bank hubs, does it not?

**Deputy K.M. Wilson:**

Yes.

**Deputy M. Tadier:**

Can we ask you about the concept of bank hubs? I mean, do you have any view on the way that those are being suggested? Are they a positive?

**Chair, Payment Choice Alliance:**

I think it is positive that we have this concept, but they need to flesh out the concept. At the moment bank hubs are opening without A.T.M.s, for example, so they are just really a post office counter put inside a premises with a plastic sign that says "bank hub." The only difference between a post office

is that one day a week somebody from HSBC will be there, the next day somebody from Barclays, the next day somebody from Lloyds and so on, but those people are not fully equipped to do business on behalf of the bank. They are really on there to give a little bit of support on the ground, maybe a bit of advice to people on how they might become more digitally involved with the bank and so on. So we have asked the F.C.A. (Financial Conduct Authority) here to specify what a bank hub must provide. For instance, we believe that there should be 24/7 A.T.M., there should be a recycling A.T.M. to allow for cash deposits. The banks are calling those things "super A.T.M.s" here in the U.K. mainland, and they also need to be machines to dispense coins that businesses need for their floats, because if businesses cannot get coins for their floats, it makes it very difficult for them to operate on a cash basis. So none of these things are technological innovations in terms of the world. Around the planet, such innovations are available. Every A.T.M. in Japan is a recycling A.T.M. but here in the U.K. we have hardly any recycling A.T.M.s. That is a very green thing. It means that cash does not have to be moved around the country so much in armoured vehicles if we recycle cash on the spot. So there are all sorts of innovations and these should be applied to bank hubs so that bank hubs are very useful to the public and to businesses.

**Deputy M. Tadier:**

Do you think there is any argument in a place as small as Jersey to say that ... because of course we do not have any rural communities that are hundreds of miles away, everywhere is fairly well connected. Do you think we should be saying to the banks: "If you want to operate in Jersey, we expect to have a minimum level of service, which includes a certain number of branches in the Island"?

**Chair, Payment Choice Alliance:**

Yes. I mean, obviously you are not huge, but you are not a postage stamp. You know, the Island is a number of miles long and a number of miles wide. Here in the U.K. with the rules the F.C.A. have, in an urban location there has got to be access to cash within one mile and in a rural location, within 3 miles. So at the moment, is it possible to be 3 miles away from access to cash or a bank branch in Jersey? Probably it is.

**Deputy M. Tadier:**

Yes, thank you.

**Deputy K.M. Wilson:**

Can I just pick up on the issue around ... obviously we have been made aware of the developments going on in Sweden. I presume you are familiar with these, Ron.

**Chair, Payment Choice Alliance:**



Yes.

**Deputy K.M. Wilson:**

They are considering options, following a large adoption of digital payments. Are there any views that you can share with us on this development at all?

**Chair, Payment Choice Alliance:**

Sweden is an interesting one. The banks have been heavily pushing Sweden towards cashless for a very long time. Interestingly, on the buses in Sweden they changed the fare structure, so the fares were paid in a level of money, you know, 5 krona or crown or whatever, or 10 crown, and cash use went up on the buses and then they banned cashless on the buses, so the public was not being helped in that way. There has for a long time been a pro-cash movement in Sweden, brilliantly run by a few individuals, but incorporating support from many sections of society, including those representing the more mature among the Swedish population. They have since won the day and the government have ordered that banks must handle cash again at bank branches. They made many of their branches cashless, but now they have to handle cash over the counter again; they have to give people access to cash. The Swedish Government are also considering at this moment bringing in legislation to make cash acceptance compulsory. It is already compulsory in Norway, as I mentioned in the document I sent you, and Sweden is looking at that too. They appreciate that there are sections of society in Sweden who desperately need cash to continue to be usable and they want to protect them. But by the way, let us go further afield. Look at the country that has the most sophisticated digital payment systems in the world, and that is China, with Alipay and WeChat Pay. You probably saw David Beckham advertising Alipay during the recent European Football Championship. So you would think in China, where the government are also looking for tremendous control over society, that they would be anti-cash, but just recently the Central Bank in China has fined a number of companies, including American franchisees, but also Chinese insurance companies, for not accepting cash. So even in China, with all of its technology, all of its drive towards centralisation and control, they accept that cash is necessary for those people in society who do not have access to expensive technology and need cash to be able to participate, to be financially included. In China, by the way, they reckon that number is between 150 and 250 million people who would be totally financially excluded through the removal of cash. So this is not just in Europe, it is all around the world measures are being taken. The U.K. is an outlier. To be honest with you, Jersey would set a very good example to the rest of the U.K. by taking measures to protect the public's right to use cash. The U.K. is, as I say, an outlier. It is unacceptable, the way the public are being treated. 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? That has to be wrong, so if Jersey could lead the way in

setting the agenda by saying the public come first and businesses must fit in with what the public need in this respect. By the way, businesses do not complain too much about the changes when they come along. There was a company called Sweetgreen in America. They are a health food restaurant chain. They had introduced cashless, but when various states started switching back, saying they must accept cash, Sweetgreen did not argue, they did not jump up and down protesting their rights as a business to refuse to accept cash. They immediately switched all 220 of their restaurants around America to accepting cash again, so I think businesses in the U.K. and, by the sounds of it, in Jersey are being a little bit disingenuous when they talk about all the difficulties of accepting cash. We do not get businesses in France and Spain and Norway and America saying that. What is special about British businesses that they want to take away rights from the British public or the public in the Jersey?

**Deputy K.M. Wilson:**

Thank you.

**Deputy G.P. Southern:**

Ron, can I come in there? Do you see any limits to the acceptance of cash, for example, large amounts of cash swimming around in our economy? Are there limits in the future?

**Chair, Payment Choice Alliance:**

In Spain, for example, they have brought in the rule that over 1,000 euros cash cannot be accepted by businesses. Now, some argue that is too low. In other countries, it is a much higher figure, but, you know, it is reasonable to have reasonable limits. I think £1,000 as a limit would be reasonable for 99 per cent of the public in the U.K. By the way, let us just clear up a few things about money laundering: 99.9 per cent of the people in the U.K. are not money launderers, they are just honest people using cash that they earn and they feel they have a right to use that cash, and I have already given you the percentages there. The money-laundering thing on cash is very narrow. We read about suitcases of pounds being taken to Dubai and so on, but this is not a massive problem for the mass of the public. Indeed, 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 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. Then if we look at the crypto world, somebody in America earlier this year was sent to prison for 25 years because of fraudulent activity as a crypto exchange and that person had vaporised 32 billion dollars of other people's money. So the problems with cash are exaggerated, often by those organisations

who would benefit from a cashless society. They do not talk to us about some of the problems that exist in the online world and also the crypto world. They do not talk about that so much.

**Deputy K.M. Wilson:**

Thank you.

**Deputy M. Tadier:**

Thank you. I am not sure if Max is still with us, but if you are somewhere there in the ether, Max, let us know. If not, I can ask some of his questions. So the panel has been informed that it is likely that due to the additional resource requirement and cost, prices for goods and services would likely rise if businesses were obliged to accept cash. Do you have any thoughts on that? I do not know if you have heard similar arguments made in the U.K. context.

**Chair, Payment Choice Alliance:**

No, because I already said small businesses in the U.K. have complained that the card schemes charge them too much. In America, if I went to go get petrol and I use cash and I get a discount for using cash, how does that fit in with costs going up? Some of these things that are being said, they are trying to frighten you into taking a decision that is against what they want, but these things are not true. I saw something from the Jersey bus company the other week. There was a statement from, I think, the chap who runs the Jersey bus company that it is costing him £65,000 a year to process cash. I am sorry, I must say that I find that extraordinary because the amount that appears to be taken each day on Jersey buses appears to be around about an average of £500 or £600 a day, if I am reading the figures correctly. I tried to analyse the figures. It is a mystery to me how they can be spending £65,000 processing £500 or £600 a day. I think they need to get in some experts on cash to look at what they are doing and they can probably save a lot of money on how they are handling that cash. There are better ways to handle cash than spending £65,000 to manage it in that way. By the way, while mentioning buses, in 1969 they brought a thing into the buses in New York, where they said that if you wanted to pay in cash, you had to use the exact fare and that is what people have to do in New York. That was introduced in 1969; 55 years later they still accept cash in New York. In Los Angeles - I was there - they still accept cash in Los Angeles. Why would Jersey buses think it necessary to ban cash? If they can do it in New York and they have been doing it for 55 years and they can do it in Los Angeles, they can make this work if they treat it seriously enough. I do not think they are taking it seriously enough in terms of managing the situation, quite frankly. As for these other businesses, they need to modernise their approach to cash. There are all sorts of companies I know - I am an expert in the payments market - that do solutions that can make it easier and cheaper to handle cash than perhaps some of these businesses that are speaking to you are doing currently. So ask them to modernise, ask them to innovate, and if they do that, they can save money on their cash processing.

**Deputy M. Tadier:**

On the issue of buses, which I think you have raised fortuitously, currently we only have one bus operator in Jersey, which receives a government grant as well as charging for fares, of course.

[16:15]

So they operate a system whereby if you preload a card, it costs £2 a fare. If you use contactless payment, it is £2.35 a fare and if you pay with cash it is £2.85, so an extra 50 pence for the privilege to pay with cash. Do you have any thoughts on that kind of practice, whether you think that is acceptable and whether that would be extended across other businesses, for example? Would that worry you is what I am asking.

**Chair, Payment Choice Alliance:**

It would worry me if it happened, but I do not think it needs to happen. You know, frankly, when we are getting in other markets businesses still giving people discounts for using cash, I am finding it hard to understand why we are having to charge people more. Is that trying to make people less likely to use cash, even though they want to, and drive them towards cashless solutions? Is that what this is all about? In London, T.f.L. (Transport for London), who behave disgracefully, charge a phenomenal amount if you want to buy a ticket to travel one stop using cash. There is no cost justification for it. They just want to chase people away from using cash. It is an extraordinary policy and it is not justified. You do not see it in other parts of the world. Edinburgh buses: Edinburgh is reckoned one of the finest bus services in the U.K. They accept cash on exactly the same basis as the buses in New York and they do not charge extra fares. Now, obviously you do get discounts for day tickets, but you can buy a day ticket using cash. So I do not think they should have to charge extra for cash. If they are charging extra, how is it costing them money over and above what they are charging extra to handle their cash? I am finding it difficult to believe that ... I am sorry, I am being very critical of a company I know only what I have read in the media about and only read about their figures, but they cannot be managing cash properly if they are having to charge extra and then still say it is costing them £65,000. How many fares are they taking where people are paying the extra 50 pence? I do not know the exact figures. Maybe you have them.

**Deputy M. Tadier:**

Do you think it is acceptable for the differential? Do you think it is discriminatory, effectively, to charge people more for using cash?

**Chair, Payment Choice Alliance:**

Yes, I do. I do not agree with people being charged extra for using cards either, but it is certainly discriminatory because basically I am lucky, I have got the opportunity: I can use Apple Pay, I have Apple Pay; I can use cards; I can use cash. I have the choice, but if you can only use cash, if you are charged extra, you are being penalised for using cash and that is wrong. It just has to be wrong, and especially when you are subsidising the service. No doubt they will turn around and say to you: "Oh well, if you want us to keep handling cash, you will have to increase the subsidy." Well, no, I would just ask them to become efficient, quite frankly.

**Deputy M. Tadier:**

Okay, thank you. The stance of government so far and a lot of the stakeholders seems to be going in the direction of do nothing, so while they will say: "We want people to have choice" there is a reluctance, it would appear, for any kind of government intervention. What do you think the consequence would be if governments - whether it is our Government or the U.K. Government - simply does nothing?

**Chair, Payment Choice Alliance:**

Well, 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, so doing nothing is not something that has recommended itself to the French Government, the Spanish Government, the Norwegian Government or the Swedish Government in terms of cash access. Doing nothing is not advisable because it may bring outcomes that you do not want to see and you may end up with a lot of financially excluded people. Beyond that, people were upset, even if they could use other payment methods, because they have their choice taken away from them.

**Deputy M. Tadier:**

You spoke about maybe new technology. You talked about the recycling machines. We know that there is a bank in Jersey where you can pay cash in and they pay cash out, but in terms of businesses who maybe want to still provide services for people who only have cash but maybe use that kind of technology, are there any technologies you can talk about that might offer that, i.e. put your coins or cash into a machine that gives you a voucher that you can then spend in a shop?

**Chair, Payment Choice Alliance:**

Obviously - I do not know if they are on Jersey - there are companies like Coinstar, who put machines into Sainsbury's and Tesco here on the mainland. Sorry, I keep referring to the mainland and I do not know how you refer to it, the U.K. mainland.

**Deputy M. Tadier:**

We do not like that kind of talk because technically France is our geographical mainland, but we understand what you mean.

**Chair, Payment Choice Alliance:**

Oh right, okay.

**Deputy M. Tadier:**

My 2 colleagues are from the mainland to the north, so I think they will accept that kind of talk.

**Chair, Payment Choice Alliance:**

Okay, fair enough. Yes, I think that ... oh, I have lost my thread now.

**Deputy M. Tadier:**

You were talking about Sainsbury's and ...

**Deputy K.M. Wilson:**

Coinstar.

**Chair, Payment Choice Alliance:**

Yes, they have the machines, so you can put your coins into those machines and you get vouchers out that you can then either get cash at the till or you can use them to pay for your groceries, so that is quite common technology. If people do not like handling cash in a food environment, there are machines that allow the change to be given out through the machine rather than a member of staff handling that cash. That is quite common. We see that a lot in European airports, but in other businesses too, so there are all sorts of devices. Other things that could be done, I do not know if you have any self-fill, merchant-fill A.T.M.s in Jersey, but here in the U.K. thousands of A.T.M.s are filled by the merchants, so they take the cash that they take in and they put the cash in the A.T.M. and then the local people take the cash out again and it stays within the community, so there is no expensive collections needed. So all of these things are certainly possible. One of the things just to say, around the world there has been tremendous innovation in A.T.M.s. In some countries you can do 20 or 30 things on A.T.M.s. In Portugal you can buy a fishing licence on an A.T.M. In other countries you can pay your taxes, you can pay your car parking, you can pay your car-parking fines, but here in the U.K. innovation has been suppressed on A.T.M.s because the banks did not want A.T.M.s to become too valuable to the public. In other countries they have thought: "Well, let us bring in innovations because these are expensive machines and let us get the best out of them." Over here they have tended to limit what transactions have been done through A.T.M.s and then of course they turn around now say: "Oh, these are expensive machines and all they do is deliver cash"

but they are only delivering just cash because the banks decided to keep it that way. It is not because that was inevitable. Around the world there has been massive innovation. In almost every country in the world you go to, there is massive innovation in A.T.M.s, but not the U.K.

**Deputy M. Tadier:**

Thank you, Ron. I think you have covered a lot of the ground that we were going to ask you about anyway, so if you just give us a moment and we are going to regroup. I think a lot of 10, for example, has been asked quite extensively.

**Deputy K.M. Wilson:**

Surcharges.

**Deputy M. Tadier:**

Yes. Would you like to ask about that, Karen?

**Deputy K.M. Wilson:**

Yes. Can I just ask a question about surcharges, Ron, please? So the panel has been made aware of discounts or surcharges for various payment methods. Are there any particular points that you would like to raise on that issue with us at all?

**Chair, Payment Choice Alliance:**

I do not think it is justified to surcharge for payment methods. If a payment method is too expensive, then it is a matter of negotiating or finding an alternative supplier of that payment method. There are various digital suppliers; you do not have to use one digital supplier. There are various suppliers of payment terminals and so on. I think companies need to shop around. Now, obviously some small businesses would say that is more difficult for them and it probably is, but I do not like to see surcharging because it is a creeping thing and they tend to ratchet up, not ratchet down. So I think there should be a level playing field. I do not think people should be charged extra for using cash and they should not be charged extra for using any payment method and that the retailer is prepared to accept the business.

**Deputy K.M. Wilson:**

That is fine, thank you.

**Deputy M. Tadier:**

Thank you. I have got a question here about this idea about ... I suppose the question ultimately is who is driving the change? You have talked about there is a push to go cashless. A lot of our

submissions have talked about banks having too much power. Who is it that is driving the move to a cashless society or the desire for that cashless society?

**Chair, Payment Choice Alliance:**

Clearly on an international basis it is organisations like Visa and Mastercard and so on, but if you look at the U.K., those organisations co-operate very closely with the banks. The banks have a vested interest in eliminating cash. I said earlier that taking away the bank branches and A.T.M.s has made it difficult for them to provide cash services, but also when their customers use alternative payment methods, really the banks make money. Credit cards and so on deliver huge revenues to the banks, and you have to bear in mind, if you want a little bit ... I will try and not burden you with too much. You want to go back a bit in time. In the 1950s, everybody in the U.K. almost was paid in cash. That meant you did not have to go to bank branches and it meant that personal debt was very low. Then in 1960, some of you will remember Ted Heath, who was a Conservative Government Minister, he introduced a measure which he said was a very small measure, and that measure was that your salary, your wages, could be paid into a bank account; you would not be paid in cash. So gradually all wages and salaries were paid into bank accounts and then you had to go to bank branches to get your cash because you did not get your pay in cash. Shortly after that, in 1967 the first credit card came into the U.K. They could not give away Barclaycard to start with. Nobody wanted them. Three years later, 4 years later, along came access. They got around the problem of people not wanting credit cards by simply pushing them through the doors of every single person in the U.K. and giving them a £100 or £150 credit limit. I could go through the whole history, but the basic scenario is the public were quite happy being paid in cash. They were not in debt; they were quite happy not being in debt. So we have transformed that situation. It is a situation where people are not paid in cash, they are in a massive amount of debt. Household debt in the U.K. has gone up stratospherically since the 1950s. People use expensive credit cards with interest rates that are almost inevitably over 20 per cent and now the banks are saying, despite the fact they forced us to go to bank branches in the 1960s because we no longer got paid in cash: "Oh, we do not want to operate bank branches, so we will not give you cash any longer." I think it is a bit rich that the organisations that were allowed to call the tune back in 1960 are now changing the tune in 2024 and saying: "Oh, we just want this to change again to suit ourselves." I think we have done enough to suit the banks over the years. We suited them in 1960; we suited them in 1967 when they allowed them to bring out credit cards. We suited them when they brought out debit cards 20 years later. We saved them from bankruptcy in 2008, 2009, and now they are repaying the British public - the taxpayers who saved them in 2008, 2009 - by telling us: "You cannot have branch services, you cannot have A.T.M.s and, by the way, that means that we want to have a cashless society." I think that is totally wrong. We have given them too much power and we need to take some of that power back to government even. I think they overpowered government. I have had senior Ministers tell me in the past it is very difficult to get the banks to do anything. Well, it is time



the banks start listening to governments rather than dictating to governments and dictating to the public.

**Deputy K.M. Wilson:**

Can I just ask you, Ron, in terms of do you think that should be legislated for in that regard or do you think that that is a negotiation that needs to come to an agreement, an understanding?

**Chair, Payment Choice Alliance:**

In the end, it may have to be legislated because the banks have seldom been that co-operative over such matters, you know, so certainly you need to have the discussions, but we are just seeing ... I pointed out with the whole bank hub issue, 6 years ago the Access to Cash Review started work here in the U.K., 6 years ago, and it was only today that the F.C.A. published the rules for cash access in the U.K. I mean, that is extraordinary. I call that grotesque procrastination and it is quite deliberate. Basically the banks wanted cash to go away as an issue and with the bank hubs they have really been very slow in installing them. They are now saying: "Oh yes, we will have 350 open by 2029" but that is far too little, far too late. The fact that they do not even put A.T.M.s into bank hubs is not a good sign, because it seems to indicate that they do not plan to have the bank hubs around for very long.

[16:30]

So I think that public trust in the banks is at a very low ebb, quite frankly. The public feel they are being badly treated by the banks and that is why the new banks, like Monzo, who are an online bank, they are getting so many customers because people feel that the big high street banks have let them down, deserted them and have only paid lip service to delivering customer service. Yes, of course they have to be spoken to, but in the end, if they will not - to use an old-fashioned expression - toe the line, the legislation will be necessary. By the way, legislation has never worked in favour of the public in this country in terms of financial services, or very rarely. Look at the legislation that allowed building societies to be privatised. It has been a disaster for the building society movement. We used to have ... well, at one stage, many years ago, we had 2,500 building societies in the U.K. We have now got 30 or so, and Nationwide, who thankfully survived, only survived as a mutual by a few thousand votes. Nationwide are now showing the way to the big banks. They have a brilliant advertising campaign, which the banks find particularly humiliating, and Nationwide have pledged to keep all of their branches open until 2028, which is a marvellous commitment 4 years ahead. So they are showing the way and it is really sad that it is a building society, a mutual, that has to show the way to those commercial banks. Nobody had to save Nationwide in 2008. Nationwide was absolutely fine, but those banks had to be saved and they are repaying the public by taking away the services that the public want and need.

**Deputy K.M. Wilson:**

Thank you.

**Deputy M. Tadier:**

Thank you, Ron. Ron, I think we have probably come to the natural end of our session today, but I will ask first of my colleagues if they have got any further points that they wish to put to you. No. Similarly, have you got an extra points that you think we should know about?

**Chair, Payment Choice Alliance:**

I would just say to you do not be - and I am going to use this word - frightened by what businesses are telling you about their rising costs. This is not a message that we are getting from businesses all around the world and I have explained that already. I think you can do something very courageous here and something for the Jersey public and show the way to the rest of the U.K. I know it sounds strange that somewhere with a population of just over 100,000 can show the way to the rest of the U.K., but it can happen. There are changes happening regionally in the U.K. which are being rolled out around the country and I think it is important that we show leadership, and Jersey can show leadership here and be a guiding light for the rest of the U.K. You do not have to wait for the U.K. to decide. You decide for yourselves what is right for Jersey and for the Jersey public and maybe the U.K. can learn from Jersey for a change.

**Deputy M. Tadier:**

Thank you, Ron. Can I again thank you for your submission? Thank you for making yourself available today and taking an interest in what is going on in little old Jersey. We appreciate that.

**Chair, Payment Choice Alliance:**

I have visited Jersey many times, so I do not regard it as little old Jersey. I did say you are not a postage stamp; that was a compliment.

**Deputy M. Tadier:**

No, I know.

**Chair, Payment Choice Alliance:**

No, thank you for the opportunity. By the way, in case you think I am a one-man band, if you go to the Payment Choice Alliance website you will see our campaign team, which has academics from U.C.L. (University College London), it has got people who are steeped in financial services, an ex-Labour M.P. (Member of Parliament), who is a lady who has got one of the highest I.Q.s (intelligence quotient) in Britain, 165 I.Q. So we have got some good people working here, but they are not doing

it for money, nobody gets paid. They are doing it for the public good and what you can do in Jersey would be for the public good and might have widespread ramifications around the U.K. So thank you for giving me the opportunity to speak to you and thank you for having this forum, because it is a forum that has not been replicated around the U.K., and it says a lot for the way you operate in Jersey that this kind of democracy is taking place, so well done to Jersey and thanks for the opportunity. Thank you.

**Deputy M. Tadier:**

Thank you, Ron, and thanks to your group. Pass our regards on to the rest of the Payment Choice Alliance as well.

**Chair, Payment Choice Alliance:**

Thank you very much.

[16:40]