

Embracing the Digital Era: Should Your Business Go Cashless?

By Zara Chechi

Cash is no longer king: Britain is edging increasingly closer to becoming a 'cashless society'.

This is largely down to the rise of easy-to-use and secure electronic payment systems. But the UK's move to ditch hard money was supercharged when the global pandemic saw a need to limit physical interactions to stop the spread of the virus. Nevertheless, there's still a large proportion of the older generation campaigning against this as an [ageist practice](#).

A cashless payment survey has found that only [17%](#) of UK consumers prefer paying in cash, leaving a hefty chunk of society who prefer cashless payments.

Despite this, businesses need to be aware that going completely cashless as an enterprise risks marginalising certain communities, such as the elderly and people with disabilities.

Not only does that have the potential to damage a [business' reputation](#) and image, it could sacrifice important streams of revenue.

In this article, we'll examine the pros and cons of going cashless, to help you make the decision that's right for your business.

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What Is a Cashless Society?

But first, you might be wondering what exactly is a [cashless society](#).

A cashless society is one where coins and banknotes cannot be used in financial transactions. In a cashless society, transactions are made digitally, through credit or debit cards, mobile payments, cryptocurrency, or only payment services.

A fully cashless society might seem like something out of a dystopian film but is now fast becoming a reality. Sweden has embraced cashlessness and is well on its way to becoming a completely cashless society. The UK is a little behind, but with 1 in 3 Brits admitting to never carrying cash, a cashless society might be here sooner rather than later.

Going Cashless: How To Embrace the Digital Era

Now that you know what going cashless means, it's time to run you through how exactly your business can go cashless. First, you'll need to replace your cash registers with an [Electronic Point of Sale system](#). The handy part about these is that they can now be purchased as hand-held card readers, so no need for a clunky space-wasting system.

Instead, card reader technology has simplified to the point that you can just enter the amount and the customer taps to pay. These readers are linked to a mobile app where you can check inventory, customise receipts, and integrate with other software such as a [CRM system](#).

EPOS systems are the easiest way to go cashless and you don't need to set up a separate business bank account as EPOS providers act as the [merchant account](#).

Pros of Going Cashless

- **Increases efficiency**

Going cashless increases efficiency through the use of EPOS systems which are designed to streamline your checkout process. Newer technologies have meant that card readers now come in the form of a small machine that can take payments within seconds.

No more bulky cash registers, instead you can easily take payments whenever and wherever. These types of EPOS systems are especially helpful for service industries and typically come at a fairly low price point.

EPOS systems can often integrate with ecommerce platforms so you can link your in-person sales with your online sales. This helps to keep your sales, inventory, and stock organised.

- **Convenience is king**

According to a survey by [takepayments](#), almost half of those surveyed prefer to use contactless card payments, with mobile payments coming in a close second. It seems that UK consumers are relying heavily on convenience when making payments.

The data from takepayments data shows that contactless payments grew by **596%** in colleges and universities from 2021/22 to 2022/23, highlighting just how much young consumers are seeking out convenience.

According to research from business technology provider First Data, you risk losing almost half of your potential customers if there are no cashless payment methods available. Research shows that small to medium sized businesses typically offer the least range of payment methods, which can be remedied with the use of a card machine that can take contactless, credit, and debit card payments.

- **Reduces human error**

With your EPOS system dealing with all transactions, there's much less room for human error. And with no more cash counts at the end of the day, you and your staff will probably be less stressed and have more time for other tasks.

By going cashless you'll be saved the hassle of having to lug your cash to the bank and with banks rapidly [disappearing](#) off the high street, you'll also avoid having to track down your closest branch.

- **Increases consumer spending**

Did you know that your customers are more likely to spend more when using a credit card compared to cash? According to [research](#), making purchases with a credit card activates the reward centre in the brain and increases spending.

Cash is finite and customers are only able to spend whatever is on them at that time. However with customers likely to spend more with cashless payments, it's a great tactic to increase spending.

- **Lowers risk of crime**

According to the Access to Cash [Review](#), criminals prefer cash because it's untraceable. If your wallet is swiped and it's full of cash, you've lost that chunk of money, but if your cards are stolen, you can quickly cancel your cards via your mobile banking app.

Going cashless helps protect both consumers and businesses. According to the same review, 36% believe that going cashless as a society would help lower crime.

Cons of Going Cashless

- **Isolates sections of society**

According to the RSA's Cash Census [Report](#), 25 million people in the UK would struggle if there was no access to cash. The report highlights that 51% of the elderly population would struggle in a cashless society, potentially marginalising them from their local communities.

Vulnerable adults may also struggle with cashless businesses and it may mean an increased reliance on their caretakers and family to carry out errands.

Cashless businesses may isolate the elderly and vulnerable from participating in society.

Excluding whole communities from your business isn't great for your business's reputation and it may be perceived as ageist and ableist to go cashless.

We spoke to John Kelly, a marketing specialist at [1st On The List](#) who says that accepting cash payments is a great marketing move to connect you with current and potential consumers.

“You are also allowing those people who still prefer cash to know that you are there and available to them in a way that some of your other competitors have left behind, essentially cornering a market of cash customers.

“There is no need to jump directly into becoming cashless as a brick-and-mortar business right now. So instead, turn the idea that you are sticking with cash a selling point to engage potential new consumers.” (SIC)

- **The cost of living has increased cash usage**

In July 2022, the Post Office [reported](#) that it handled a record £801 million in cash. Many view this as a response to the cost of living, as cash usage can make budgeting easier. However, UK Finance predicts that by 2031, cash would only account for around 6% of payments in the UK.

The economic impact of increasing cashless payments can make it difficult for Britons trying to budget with cash, isolating yet another faction of society. However, this might only be temporary and could change when Britain moves out of the economic crisis.

- **Increased opportunities for crime**

While less cash circulating might mean less crime, this might only be a short-term benefit as criminals will mostly likely take to alternative means such as hacking. There are security measures that exist to prevent this such as end-to-end encryption on your EPOS system but these measures most likely won't be able to prevent every hacking attempt.

In Denmark, a largely [cashless country](#), [no bank robberies](#) occurred last year, however, digital crimes appear to be on the increase.

Another point to consider is that even if cashless payments don't necessarily increase crime, they can increase the fear of crime. Some people aren't comfortable with having a digital trail of their payments, so much so that this issue has been [debated](#) in parliament. While the debate doesn't seem to have led to any change in legislation, it does highlight that not everyone is comfortable with being fully digital.

Cashless Conundrum: Are You Opting for a Cashless Future?

Now that you've weighed the pros and cons of going cashless, which way are you swinging? We think that ultimately it comes down to your location, target customers, and future business plans. Are you located in a rural area where you might sometimes struggle to find a connection for your card machine? Does your business target the elderly who might struggle if you go cashless?

Asking yourself these questions will help you decide which way your business should go. There are pros and cons to both but it's important to remember that while cashless payments can be quick and convenient, they can isolate parts of society cutting individuals off from their local communities.