

RETAIL MOVES TOWARDS CASHLESS, BUT IS THIS THE BEST IDEA FOR EVERYBODY?

The UK has been on the verge of becoming a cashless society for the last few years; in 2019, three-quarters of retail sales were made by cards or digital payment methods. Speaking to *Evie Rusman*, industry experts outline the pros and cons of going cash-free

Since its arrival, contactless technology has changed the way people shop, making it significantly easier and quicker to pay.

As a result, businesses across the UK have latched on to this by converting to cashless, with even more considering the switch.

Nicole Olbe, MD of partnerships at Barclaycard Payments, tells *CI*: "We are seeing an increasing customer demand for a completely frictionless payment experience. Consumers now expect to be able to pay in the way that suits them best, whether this be by card, cash, mobile or contactless payments.

"One advantage of accepting card and contactless payments is that the process can be integrated seamlessly into wider operations, bringing together the various work-streams of running a hospitality business into one central platform."

Olbe continues: "An example of this in action is Barclaycard partner TouchBistro, an award-winning iPad-based ePOS solution. Built to simplify all aspects of running a pub or restaurant, TouchBistro enables waiters to send orders straight from the table to the kitchen and offers a payments system that can automatically split the bill.

"With technology now able to provide a one-stop-shop for all operational and payments needs, more hospitality businesses will move away from only accepting cash in the near future."

TESCO CONTROVERSY

Despite the fact that contactless has, in many ways, made people's lives easier, customers are still not enthusiastic when considering a completely cashless society.

For example, Tesco announced last month that it will no longer accept cash payments on its scan-as-you-shop systems, which left many customers unhappy. As reported in the



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Manchester Evening News, some customers even threatened to boycott the chain, claiming that the new system would actually make shopping more difficult.

One upset customer wrote on Facebook: "Feels like people that pay cash are being punished for paying that way. I for one don't

like using my card unless I really, really have to – just my opinion."

WHY CASHLESS?

Although, supermarkets may have been the first to endorse the cashless trend, nowadays they are not alone. Recently, a growing number of bars and restaurants have been turning away cash and only accepting card or electronic payments.

For example, Brighton-based pizzeria Purezza, which launched in 2015, has been cashless since 2019. And according to Purezza, this has had a positive knock-on effect on the business, as faster payments have resulted in quicker service.

In addition, Purezza highlights that the elimination of time-consuming tasks such as cashing up at the end of the day has allowed the staff to focus on the actual service.

Speaking to *CI*, GoCashless campaign director Jon Levenson explains that cash is an unsustainable and costly payment method, adding: "Cash is expensive to manage – the cost of keeping it secure, the cost of staff time spent cashing up, moving cash around in a large store, and the losses due to counterfeit notes and coins in circulation."

He adds: "Card and electronic payments take less time to deal with at tills, especially in busy stores. Hygiene in restaurants and bars is not compromised, as opposed to the case with dirty cash. London buses – and many other



Nicole Olbe, Barclaycard

operators that are now cashless – find they can move more quickly without the driver having to give and count change. And also, bus drivers are no longer attacked for the cash.

“It is the sheer scale of the illicit use of cash to avoid and evade income tax and VAT that makes the use of cash unsustainable, now that we have so many different, new, safe and secure payment systems. Crime thrives on cash, and it is honest, hard-working people who are paying for it.”

ALL IT'S CRACKED UP TO BE?

Despite the advantages, when it comes to going completely cashless, there runs a risk of a substantial percentage of the population feeling isolated or underserved. In 2019, a number of US states, including Philadelphia, banned cashless completely. Violators could potentially face fines of up to \$2,000 per violation.

Natalie Ceeney, independent chair of the Access to Cash Review (ACR), tells *CI*: “Not everyone is able or ready to move away from cash. There are a significant amount of people – around 8 million – in the UK who will struggle without cash, for a wide variety of reasons. So when a retailer goes cashless, they are excluding the most vulnerable from using their services.”

ACR’s main objective is to ensure that there remains an effective and inclusive cash access service that meets the needs of consumers, regardless of their personal circumstances, for as long as necessary.

Ceeney adds: “We may think that’s acceptable for a coffee shop or restaurant, where we have a choice to use other services, but is it acceptable for a major utility, a council or a parking meter, where people may have no alternative?”

“Those most likely to have problems with being cashless are already the most

marginalised in our society, and excluding them further cannot be the right thing to do. It’s very positive that the UK is at the forefront of becoming a more digital society, but it should not be at the expense of millions of people across the UK.”

VULNERABLE PEOPLE

A cashless society could mean anxiety for a number of vulnerable people, including those in older generations who may not be as tech-savvy as their younger counterparts.

Speaking to *CI*, Caroline Abrahams, charity director at Age UK, says: “Along with the closures of banks across the country, the number of stores going cash-free is a further step towards a cashless society and all the problems and anxiety this would create for the many older people who lack access to card payments, and to online and mobile banking.

She continues: “Many older people regard cash and cheques as reliable and straightforward ways to pay for goods and services. They need continuing access to a convenient and affordable payment method that they can trust. The payments industry must rethink this issue, and ensure we have payment systems that work for everyone in an aging society.”

Adding to this, Ceeney says: “The Review spoke to hundreds of organisations and thousands of individuals as part of our evidence gathering, and came across numerous examples of people struggling with



Natalie Ceeney, Access to Cash Review

PROVIDING OPPORTUNITIES

According to Levenson, a cashless society would provide a whole catalogue of opportunities for the population including those considered vulnerable.

He says: “Nobody needs to feel isolated; in fact the opposite is true, as many rural people are now finding they live in ‘cash deserts’ with fewer and fewer ATMs in the countryside. Elderly people receive their pensions electronically, and there are payments systems for children and homeless people. Additionally, there are reloadable payment and payroll cards for foreign workers, students and visitors.

“*Big Issue* sellers and street buskers using contactless systems also find their income

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the shift to digital, whether because of limited digital access at home, because they were dependent on carers, or because a key local service had decided to ‘go cashless’.

“Since publishing our report, the situation has got worse. We’ve had reports that 17 councils in the UK have gone – or are going – cashless. At the end of last year, Barclays announced that its customers would no longer be able to take cash out over Post Office counters, something they wisely reversed.”

She adds: “All the while, ATMs and bank branches continue to close. There will be many examples of people that have extra barriers to accessing cash or paying bills.”

is higher than with cash. In recent trials, major charities using contactless donation systems instead of cash tins found the average donation was three times higher than with cash. We all need to help people find the cashless system which suits them.”

GoCashless is a not-for-profit campaigning organisation with the aim to encourage the UK to become a cashless society by 31 December 2020. Levenson concludes: “Generally, a cashless UK will be a better and fairer society, with more people contributing to tax and far less crime. A cashless society will reduce crime and drug-taking, thereby reducing the pressure on prisons, the police, the justice system and the NHS.” ■