



**International Currency Association (ICA) response to HM Treasury (United Kingdom)
Consultation on Access to Cash
July thru September 2021**

Response submitted via e-mail to: accesstocashconsultation@hmtreasury.gov.uk

The International Currency Association ICA welcomes the opportunity to contribute to the HM Treasury's consultation on Access to Cash and commends HM Treasury for taking action on this crucial issue. Cash is an essential factor for **personal freedom and privacy** as well as **social inclusion**, and is the only means of payment that is itself a **public good**.

The ICA is the voice of the currency industry. Our membership covers design, production, manufacturing and distribution of banknotes and coins. We are the first industry body of its kind with a membership made up of businesses that span the sector. Our association is headquartered in the UK and our members are based across the world and are active across the globe. Please consult www.currencyassociation.org for a full list of our members.

The HM Treasury consultation on Access to Cash comes at a significant and timely moment. The ICA hopes that the results of this Consultation will be able to inspire actions by the UK government which will also be able to serve as guidelines to other countries. We were delighted to be able to contribute to HM's Treasury 2020 call for evidence and applaud the resulting legislation to allow for cashback without a purchase, which the UK government legislated for as part of the recent Financial Services Act 2021. As noted in your consultation, whilst the cash system remains stable and cash provision remains strong, further proposals and subsequent legislation can stand to ensure that cash continues to be a viable payments option for the long term.

The contribution of the ICA is complementary to individual contribution of the association's members.

Question 1: Do you agree that legislation should provide the government with powers to set geographic requirements to ensure the provision of withdrawal and deposit facilities to meet cash needs through time?

The importance of maintaining **24/7 access to cash** and **access-to-cash without having to travel** cannot be underestimated. We therefore commend the UK government proposal that geographic requirements be set on the basis of cash access facilities being available within maximum distances of a minimum percentage of the population. LINK, commercial banks, local convenience stores providing free-to-use ATMs and recycling ATMs all have a role to play here.

An additional consideration we propose is the inclusion of different denominational mixes to reflect the increased use of banknotes as a storage of wealth mechanisms or for example in student-dominated areas, where there is a greater need for small denomination banknotes.

HM Treasury can also look at a number of existing practices or innovations put in place in other countries or regions that have shown to be successful:

- A network of Mobile ATMs for rural locations to provide the access to cash that is not otherwise possible. There are successful examples of these notably in Sri Lanka and in India.
- Direct cash delivery to door as practiced in the Middle East.
- Mobile application indicating nearby withdrawal facilities/ car GPS systems indicating nearest cash dispensers as a 'point of interest'.

- The obligation for large credit institutions to provide cash services throughout the country, as is the case in Sweden from 1 January 2021 onwards, as a consequence of legislation adopted with the aim of ensuring a minimum level of access to cash services for consumers and companies.

Finally, the UK-based Community Access to Cash Pilots (CACP) initiative working with communities to trial and test scalable solutions to help keep cash sustainable is a remarkable initiative which will certainly lead to new insights on ways to optimise access to cash. It is being watched with great interest by the international cash community, hoping to take the learnings from the project to countries beyond the UK.

Question 2: Do you agree that legislative geographic requirements should target maximum simplicity?

Maximum simplicity is to be welcomed in light of giving consumers and retailers the certainty that there are cash withdrawal and deposit possibilities nearby.

We certainly commend the UK government's overall goal expressed in this question of obtaining a well-functioning retail cash withdrawal and deposition network as an end result.

Question 3: Do you agree that geographic requirements should initially be set to provide a level of reasonable access to all areas, reflecting the current distribution of cash access facilities?

We commend the approach of opting for geographic requirements in order to safeguard a level of reasonable access to all areas and these should include the current distribution of cash access facilities. However, in response to the consultation document point 2.6, which mentions the consideration for "requirements to be flexible over time", we caution against adapting these geographic requirements quickly when payment behaviour changes. Ultimately, the supply and the demand for cash go hand in hand, and access to it for those who wish to use it is essential for it to play its role as a public good.

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