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Rt Hon Sajid Javid MP  
Chancellor of the Exchequer  
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13 September 2019

Dear Chancellor

Thank you for your recent letter.

We are pleased to see the Government acknowledges the need for cash, alongside card and digital, to remain a viable payment mechanism in the UK and welcome your continued commitment to tackling this issue.

You will no doubt be aware of pressing concerns about the UK transitioning to a cashless society without adequate preparation. Without swift intervention, millions of people who rely on cash will be left behind – unable to access cash free of charge, and unable to spend it. We are therefore calling on the Government to take action to guarantee people's ability to access and pay with cash.

As the Access to Cash Review highlighted earlier this year, the economics of maintaining cash access is becoming more challenging, particularly in rural areas, as cash use declines. Unfortunately, in the six months since the review was published, many of its predictions have started to materialise.

There is strong consensus across industry, consumer and business groups that urgent action is needed, as demonstrated at our joint Cash Summit earlier this summer. But it will not happen without Government leadership.

Analysis from Which? shows that 600 ATMs are now closing every month, in addition to the closure of more than 3,000 bank branches across the country since 2015. Remote and rural communities are disproportionately impacted by these closures, with poor connectivity in these areas further hampering consumers' ability to make payments.

Further to this, there has been an alarming increase in the number of free-to-use cash machines that have been converted into pay-to-use machines. Between January 2018 and May 2019, independent ATM operators converted 2,781 machines from free-to-use to pay-to-use. Which? research shows that these conversions have been concentrated in the most deprived areas of the UK.

The closure of bank branches, and rising costs of banking cash have led to many retailers going cashless, depriving the most vulnerable in society of the ability to pay with cash. Worryingly, we understand that at least 17 local councils no longer accept notes and coins in town halls, severely restricting peoples' ability to pay bills with cash.



It is clear that the existing market is not working in the best interests of consumers, and urgent action is needed to prevent the UK from becoming a cashless society before it is ready.

Voluntary measures, while welcome, will not go far enough to effectively protect consumers' access to cash in the long term. Similar past initiatives, such as the Access to Banking Protocol and a commitment to protect the "last bank in town" have failed to sufficiently prevent the closure of bank branches despite significant concerns from consumers and communities in affected areas.

It's our view that Ministers should look to implement recommendations from the Access to Cash Review published in March 2019. This includes a guarantee that consumers can get access to and pay with cash for essential goods and services, so they are not excluded from society. Government leadership, including legislation in the short to medium term to introduce a form of minimum service guarantee, will be critical to deliver on these recommendations.

This should not be about protecting the past, but using innovation to include everyone in society. An evolving payments landscape requires Government, regulators and industry to work together to design new, innovative ways of providing cash withdrawal and deposit facilities, and digital payments solutions, which could both widen access and help keep local economies alive. Experiences from countries such as Sweden, where legislation is being seriously considered, highlight the dangers of a rapid and uncoordinated transition away from cash. We urge the Government to benefit from others' experiences and take swift action to maintain a payments landscape that meets the needs of all consumers.

We would welcome the opportunity to meet with you to discuss changing consumer banking needs and how such a guarantee could work in practice.

Yours sincerely

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CEO Which?

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Chair, Access to Cash Review