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HM Treasury
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To Whom It May Concern

Follow up on Call for Evidence on Access to Cash in the UK

The UK government published the Access to Cash report in 2019, and this has been followed by the Community Access to Cash Pilot (CACPP) and the recent call by HM Treasury for Evidence on Access to Cash (HMTCFE). Published on 15 October 2020, your policy paper "Access to Cash: Call for Evidence" sets out the government's legislative aims for protecting access to cash, and seeks views on key considerations for the future of the UK's cash system.

ATMIA is the only international not-for-profit trade association for the global ATM industry, which has an installed global base of over 3 million ATMs. We are a member-centric association, founded in 1997, with over 11,000 members in about 70 countries. ATMs remain the main distribution channel for cash access in modern consumer societies, including in the UK.

We are fully cognisant of the continued shift towards digital payments, and ATMIA has spearheaded the Next Gen ATM future-proofing project, which creates a global new ecosystem for an API App model for ATMs (please see <https://www.atmia.com/connections/committees/consortium-for-next-gen-atms/> for details). Over 400 companies in 56 countries are participating in this exercise in fundamental ATM innovation.

Despite the rise in digital payments, demand for currency continues unabated and many citizens turned to cash as a store of value during the pandemic. At the same time, cash remains a very popular payment method for millions of citizens. The pandemic has contributed to a faster drop in cash usage in Europe than would be expected in a normal year. Nonetheless, many people have realised the importance of cash in both daily life and in emergency situations. There has been some hoarding of cash as a confidence booster, and larger amounts of cash withdrawn per transaction.

We regard the so-called cashless society as a highly risky and socially damaging project promoted by those companies with commercial, vested interests in expanding their market share in the payments market. As a global, not-for-profit association, we believe in a balance between central bank currencies and private sector run payment technology systems and networks.

Furthermore, history shows that cash possesses unique values which cannot be fully replicated by digital methods, such as immediate settlement, universal acceptance, social inclusivity, not being subject to cyber-attacks, or power outages, and being a proven household budgeting tool.

And, so, the question of reinforcing and protecting the UK's cash infrastructure rises to the fore. The fact is, the ATM can accommodate both cash distribution and recycling, as well as digital payments in one "phygital" (i.e. physical and digital) device. A good example of the phygital capability of ATMs would be the conversion of a digital currency to cash, or *vice versa*. Next Gen ATMs make provision for this growing interrelationship between cash and digital currencies. Next Gen ATMs will have the functionality built in to accept and dispense future governmental digital currencies.

For these reasons, we urge the government to do everything possible to ensure that the UK's LINK Network remains sustainable for consumers and ATM operators for the foreseeable future. We also recommend the establishment of a more open and transparent calculation of interchange for the network in the UK.

We believe the Bank of England could regulate the maintenance of the nation's access to cash on an on-going basis. ATMIA has worked with the Bank of England in the past on cash industry issues, including when new banknotes are rolled out, or when polymer notes are used for the first time, and would be delighted to continue to work with the authority to help preserve the integrity of the UK's cash infrastructure and system going forward.

In Europe, we'll continue to reach out to authorities to encourage the adoption of legislation to safeguard access to cash, and to safeguard the acceptance of cash for in-person payments (both notes and coins).

We will also continue to promote the universal cash deposit functionality at ATMs. This is vital if cash is to circulate efficiently, especially as bank branches close or stop providing access to cash, while, at the same time, this would significantly reduce the industry's carbon footprint. Accordingly, the association will be promoting the expansion of cash deposit and recycling ATMs, for both banknotes and coins, in every European market and in the UK.

Regarding cash deposits at ATMs, we believe they should be a mandatory ATM transaction for all issuers on all networks. This could be achievable on the LINK network. APIs would enable this from a technical point of view and ATMIA, as already mentioned, has fathered a new global, vendor-agnostic API ecosystem for a new generation of App-based ATM transactions.

In America and in Europe, the association has advocated for a ban on cashless retail establishments, on grounds that they discriminate against social groups which favour the use of cash and do not further social or financial inclusion. There's currently strong bipartisan support for this ban on cashless retail outlets in America and it's possible in 2021 that a well-sponsored federal bill could pass, to create a blanket national ban. We urge the UK government to pass similar legislation.

With increased unemployment and poverty, as well as increased personal debt, resulting from the terrible pandemic, we owe it to the British public and to small businesses, to make cash universally available and fully usable.

We appreciate your consideration of these important recommendations and points about the future of cash access. Please let me know if you have any questions.

Yours sincerely,



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