



ATM Cash Council

29th March, 2018

Please note these minutes are for members of the ATM Cash Council only

Minutes

1. Welcome & minutes of previous meeting on 2 November, 2017

Mike welcomed all members to the first conference call of the year for the Cash Council. David proposed a motion to approve the minutes of our previous meeting on 2 November, 2017; Curt seconded; motion passed. Apologies were recorded for Luis Valdes, Redbanc, Peter Vaillancourt, Manulife Financial Corporation, Gary Faulkner, Morphis and Preni Naidoo, Nedbank.

Mike reminded the Cash Council that we are continuing the Cash is Good campaign in 2018, reinforcing its four key messages:

- Cash access is vital for financial inclusion
- Cash has a unique role in society, business and government
- Cash is the global back up plan
- Cash is innovating

In particular, it was decided last year that we should focus on the last aspect, namely, cash is innovating, e.g. improving the traceability of banknotes, cash recycling and use of big data to track and analyse cash.

2. Update on WithdrawCashWednesday (WCW) campaign in US

Mike gave feedback on Withdraw Cash Wednesday in the USA. We ended the first year reaching the following through social media, website, videos and email.

- Facebook - 105,000+ profiles reached
- Twitter - 360+ profiles reached
- Website - 8,948 unique visitors
- Video - 22,000+ viewers
- Email Subscribers – over 3,800 (with weekly emails received an 43% open rate from these subscribers)

Mike congratulated the team on this progress in the first year of the campaign. In 2018, we intend to hire a dedicated person to drive forward WCW. In 2017, we had 7 sponsors which created income of \$11,500 to help support the campaign to promote Cash withdrawals at ATMs on Wednesday. We have had a strong renewal and new rate already in 2018 with income of \$9,500. Mike thanked new sponsors, namely ATM World, Burroughs and Star Financial Services.

2018 plans include increasing sponsorship and the number of volunteers from ATMIA member companies to help promote WCW. In addition, WCW will develop campaign benchmarking metrics to measure how well we are moving the needle in terms of consumer awareness and transaction growth. Mike urged members to sign up for the campaign at www.withdrawcashwednesday.com to stay informed and aware of what the campaign is doing.

3. Exporting WCW to Europe?

The potential to export the WCW concept to other regions was discussed. Curt agreed to put this on the agenda for the Town Hall meeting at the upcoming ATMIA Canada conference in Toronto in April.

Sharon, Amber and Peggy will discuss the potential for a similar campaign in the UK and Europe with Ron and interested members. In addition, Mike will raise with ATMIA Executive Directors.

4. Implications of the Bank for International Settlements report “Payments are a-changin' but cash still rules” by Morten Linnemann Bech, Umar Faruqi, Frederik Ougaard and Cristina Picillo

11 March 2018 https://www.bis.org/publ/qtrpdf/r_qt1803g.htm

Mike summed up the argument of this paper by the BIS. They found that retail payment systems continue to become faster and more convenient and yet there is scant evidence of a shift away from cash. As the appetite for cash remains unabated, few societies are close to "cashless" or even "less-cash". In fact, demand for cash has risen in most advanced economies since the start of the Great Financial Crisis. The authors argue that the resurgence appears to be driven by store-of-value motives (reflecting lower opportunity cost of holding cash) rather than by payment needs. Since 2000, cash in circulation is up from 7% to 9% of GDP (on average) in a sample comprising CPMI members and 22 additional countries. Overall, they found a majority of countries saw higher cash in circulation. The evolution of large- and small-denomination notes suggests that cash is being increasingly used as a store of value rather than for payments.

Mike said that Chris Chandler has said for years: “Yes, cards are increasing; yes, payments are increasing but no, cash is not declining”.

Guillaume commented that the BIS has been monitoring payments in these countries for many years and should not have been surprised by the fact that cash is not declining. They have never seen a decline in all the years they have monitored payments.

He added that in general we do not fully understand cash use and do not have a comprehensive econometric system for understanding cash and what drives its use and demand. This is an area which the industry should research and look into, something Cash Essentials is looking at.

David pointed out that the current Facebook privacy concerns, combined with significant recent data breaches, can create a perception that data from card transactions can be breached. There could be a fall back to cash. At the same time there was heightened concerns about money laundering at ATMs. Mike said he would send David a 2017 report about AML at ATMs in Canada. He said there are a lot of misconceptions about this topic.

Guillaume commented that in terms of the issue of data breaches, the governor of the Bank of Sweden had recently written that Sweden had probably gone too far in “dismantling” some cash infrastructure because in times of war or cyber attacks, cash was an essential back up system (<http://business.financialpost.com/news/economy/no-cash-signs-everywhere-has-sweden-worried-its-gone-too-far>).

5. Cash stories & trends?

The perception of cash is still in much more positive territory than it has been in previous times.

Guillaume mentioned that the EC undertook an impact study on cash and crime and concluded that there was no connection between cash and terrorism, etc, which takes the sting out of the argument that cash is associated with crime more than say electronic payments and cards.

David pointed out that the average lifespan of banknotes in the US has risen in the past 12 years from 6 months to 8 years, resulting in some degraded or unfit banknotes in circulation. Guillaume stated one cannot generalize that this is a trend internationally as each country and zone has its own regulatory policy for currency in circulation.

Guillaume said he'd been approached by a New York post journalist enquiring about US States and cities resisting initiatives to drop cash in restaurants. David Tente will look into the question of whether there are cities other than Chicago or any states resisting these initiatives. Meanwhile, ATMIA is working with the National Restaurant Association and other retail associations on issues like this based on the premise that cash is part of payment choice.

There being no other business, Mike concluded the meeting and wished everyone an enjoyable Easter weekend.

6. Next meeting: Tuesday, 26 June 2018