



ATM Cash Council

26th June, 2018

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

MINUTES

1. Welcome & minutes of previous meeting on 29th March, 2018

Mike welcomed all attendees to the 2nd Cash Council meeting of the year. Curt proposed a motion to approve the minutes of our previous conference call on 29th March, 2018; Sharon seconded; motion passed.

Apologies were recorded for Andrea Stewart, NCR, Jens Eberhardt, CashInfraPro, Preni Naidoo, Nedbank, Mark D. Smith, MVP Financial Equipment Corp, David Gwynne, Capital One and Gary Faulkner, Morphis, Inc.

2. Cash stories & trends

Mike mentioned the Visa breakdown in Europe in early June.

<https://www.moneysavingexpert.com/news/cards/2018/06/visa-outage-across-europe->

This vast breakdown was caused by a failure in the back-end processing system. It resulted in a struggle to process payments for several hours, meaning many businesses were unable to take card payments.

Mike said this systems failure reinforces the need for a global cash back-up plan.

He also referred to an excellent new white paper by Star Financial Services "Keeping up with Millennial Consumers". The paper argues that millennials are steadily spending more on experiences than stuff. While total discretionary spending has nearly doubled in the past 15 years, money spent on travel, eating out and recreation has far exceeded expenditure on household goods, cars and other physical items, according to studies from HSBC Bank and the Bureau of Economic Analysis.

The paper also found that millennials use cash and ATMs on a daily basis.

Survey results from Banking.com suggest that Millennials¹ “view the ATM as central to how they manage their money and go about their daily lives.” In another study by BI Intelligence, it showed that Millennials prefer to do their banking online or via an ATM, with around 60% of those surveyed reporting they do not visit a financial institution branch on a regular basis.

Mike also reported that ATMIA is currently compiling a position paper in Australia called “Cash in the Digital Age” to counteract negative media coverage in the country as new cash restrictions come into force. Its position statement is : “ATMIA believes that in the digital age it is critical for cash and electronic payments to co-exist to optimise convenience and choice for all consumers and businesses in their daily transaction cycles. In addition, it is important for all societies to enjoy the benefits of public, centrally regulated money, in addition to payment technologies developed and deployed in the private sector, to achieve the right balance for governance.”

He reported on the European Commission’s recent findings regarding cash restrictions in Europe.

https://ec.europa.eu/info/news/economy-finance/security-union-commission-publishes-report-restriction-payments-cash-2018-jun-13_en

13 June 2018, Brussels
Economic and Financial Affairs

“The European Commission has today published a report on the impacts of restrictions on payments in cash. The report concludes that at this stage, the Commission is not considering any legislative initiative on this matter. Restrictions on cash payments are a sensitive issue for European citizens, many of whom view the possibility to pay in cash as a fundamental freedom, which should not be disproportionately restricted. The report builds on the findings of a study commissioned by the European Commission. The study, finalised early 2018, suggested that restrictions on payments in cash would not significantly prevent terrorism financing, but indicated that such restrictions could be useful in combatting money laundering. The study also noted that the existence of diverging restrictions at national level had a noticeable negative impact on the internal market by distorting competition and creating an uneven playing field among some businesses.”

Mike said these conclusions by the EC closely mirror the findings of an earlier paper by ATMIA on cash restrictions, led by Guillaume Lepecq, Managing Director of AGIS Consulting (France), which concluded: “Summing up, ATMIA recommends the scrapping of restrictions on cash payments as discriminatory, misguided and inefficient measures. Not only do they fail to dent crime and tax evasion, but they put cash-preferring citizens at an unfair disadvantage, including several vulnerable segments of society, thereby endangering financial inclusion. Existing restrictions on cash use are regarded by many as the “thin end of the wedge”, opening the door to further restrictions which would no doubt also endanger financial and social inclusivity.

¹ Please see reports recommended by Curtis on this generation’s view/use on cash and banking.
<https://www.businesswire.com/news/home/20180607005177/en/Generations-Consumers-Prefer-Bank-Branch-Financial-Advice>
<https://bankinnovation.net/2017/11/do-millennials-trust-bitcoin-more-than-banks/>

“It should not be forgotten that the overwhelming majority of cash transactions are perfectly legitimate and that it is unwise to “throw the baby out with the bath water”, unnecessarily penalising law-abiding cash users in a way which appears to them – and to ATMIA - to be arbitrary.”

Curtis reported that despite the fact that New York City is a very cash-intensive place, some restaurants there are now refusing to accept cash. He said there has been some push back by civil rights groups and consumers. David added that some establishments may see it as trendy to be cashless. He reported that ATMIA has formed agreements with associations in the retail space who disagree with any restriction on payment choice of this nature.

Andrew said he'd held great discussions with Cenfri (The Centre for Financial Regulation and Inclusion) (<https://cenfri.org/>), a not-for-profit think tank and they are conducting studies on cash's role in financial inclusion in emerging markets. They submit material to policymakers and regulators. He said he'd also held good discussions with the SA Reserve Bank around the topics of access to cash and services, the role of end points like ATMs and how mobile, ATMs and cash can be integrated. They believe ATMs can advance the cause of financial inclusion. Andrew also updated the Cash Council on the next Future of Cash in Africa report due out at the end of August. It will look at central bank data on currency in circulation and cash lifecycle management trends, etc. He was working with ICA on this report.

Paul reported that contactless payments were being widely used in the UK. He also said that polymer notes have been accepted by the public.

3. WCW update

Sharon and Amber gave an update on Withdraw Cash Wednesday. They said it was the 1st year anniversary of the campaign and that they had about 200,000 impressions on social media. They have built up a substantial US data base, with well over 5,000 contacts and have started a July 4th campaign to encourage cash withdrawals on the day. They have a sweepstake as part of the campaign. WCW gives weekly updates, encouraging cash withdrawals. Mike congratulated them on their anniversary and strong progress. He also suggested a new angle of focusing on cash plus services – in other words to encourage the use of ATMs for cash and value add services.

4. Cash PR

Mike encouraged the Cash Council by saying that the perception of cash in the public is now in positive territory and that the thousands of messages we produce eventually hit the mark. He said we will continue with our Cash is Good key messages focusing on themes like Cash is innovating and cash is vital for financial inclusion.

There being no other business, Mike concluded the meeting, thanking them for their enthusiasm for cash..

5. Next meeting: Thursday, 13 September 2018