



## About this consultation

This consultation is the next step in legislating to protect access to cash and ensuring that the over recent years, cash remains an important payment method for millions across the UK, with the Chancellor committing in the March Budget 2020 to legislate to protect access to cash.

In line with this commitment, the Treasury undertook a Call for Evidence in 2020, which sought views on the key considerations associated with cash access. The Government also legislated in the Financial Services Act 2021 to facilitate the wide-spread adoption of cashback without a purchase. This consultation sets out proposals for further legislation. It seeks views on: establishing geographic requirements for the provision of cash withdrawal and deposit facilities, the designation of firms for meeting these requirements, and establishing further regulatory oversight of cash service provision.

## Key points

The Government must introduce legislation as quickly as possible to protect free access to cash. Millions of older people and other citizens financial inclusion and independence relies on maintaining access to this essential payment method.

Whilst seemingly out of scope of this consultation, it is imperative that all citizens can retain local access to face-to-face banking services. We urge the Government to consider setting geographic requirements similar to Post Office access criteria.

The Government must work with the FCA and industry to protect access to infrastructure such as ATMs (Automatic Teller Machines) and bank branches until new legislation comes into force.

Age UK supports geographic requirements for access to free cash, but no person or community must be left behind. The Treasury should work with the FCA and the banks to ensure this becomes the case.

We recommend that 95% of neighbourhoods have access to a free source of cash within 1km.

Access requirements that only account

## **About Age UK**

Age UK is a national charity that works with a network of partners, including Age Scotland, Age Cymru, Age NI and local Age UKs across England, to help everyone make the most of later life, whatever their circumstances. In the UK, the Charity helps more than seven million older people each year by providing advice and support. It also researches and campaigns on the issues that matter most to older people. Its work focuses on ensuring that older people: have enough money; enjoy life and feel well; receive high quality health and care;

current infrastructure that underpins the system. Once local ATMs, bank branches, and Post Offices have been lost, they will be very costly, and potentially prohibitive, to replace.

Whilst cash use has fallen over recent years, this may be because it has become harder and harder to get hold of. The decline in the availability of cash machines across the UK has been stark and between July 2018 and February 2021 provision fell by 12,124 or 18%<sup>5</sup>. There are also significant regional and national differences in the number of ATMs across the UK. For example, residents in the East Midlands have around 28% fewer ATMs per head of population than the UK average and around 40% fewer than those living in Northern

confidence, skills, or equipment to do the full range of activities they would do in a branch. Contrary to popular opinion, significant numbers of those previously digitally excluded have been prompted to get online<sup>13</sup>, meaning there is still much to do before many older people are able to bank online.

In addition, digital banking fails to deliver cash where it is needed. Many older and disabled people also need cash as close to home as possible to pay for carers, cleaners, and those who shop or do errands on their behalf. Those with limited mobility or who lack access to

**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?**

We agree that the Government needs to act decisively and as soon as possible to introduce new legislation to protect cash withdrawal and deposit facilities. 20% of older people use cash for their day-to-day spending<sup>14</sup> and at least 5 million adults rely on it<sup>15</sup>. Cash is still widely used across the whole population and whilst cash use has declined, a YouGov survey in January 2021 found almost two-thirds of equivalent to around 25 million - adults under 65 in Great Britain used cash at some point in the last month<sup>16</sup>

Applying for loans and temporary overdrafts

Mortgage applications

Change of address

Witnessing documents

One-off international payments

Large payments re: house or business purchase

Changes to signing arrangements for clubs/societies/companies (known as mandate changes)

allowed retailers to offer cashback without purchase means that there should be greater, not fewer options for consumers, and more neighbourhoods that can be served with free cash withdrawal and deposit facilities.

What is not clear from the mapping work undertaken by the FCA, PSR and University of Bristol is the extent to which the provision as of March 2020 was appropriately addressing consumer need. As noted earlier in this response, millions of citizens rely on cash, but cash use will have likely declined because it is becoming harder and harder to get hold of. To protect and enhance the current level of provision, Age UK recommends that 95% of neighbourhoods should have access to a free source of cash within 1km. It is important that legislation sets a strong standard and seeks to maintain and improve levels of provision which have left some areas as so-called cash deserts<sup>18</sup>.

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**Question 11: If geographic requirements are being met at a national level, do you think there are any circumstances in which the FCA should nevertheless be able to intervene at a local level?**

The FCA must be empowered to intervene at local level and supervise and enforce the work of any co-ordinating local body. Analysis of crew always translates into the real world for those who have limited mobility or lack transport. In February 2020, around 900,000 older people in the UK found it difficult to get to a cash point

