

The Rt Hon Jeremy Hunt MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
SW1A 2HQ

1st September 2023

Dear Chancellor,

We are writing to you as a collection of businesses and consumer organisations urging you to protect cash as a critical payment method now, and in the future, to uphold payment choice for people across the country.

Cash remains the second most used payment method in the UK, comprising 15% of all payments.¹ In recent years, cash has become increasingly important as the cost-of-living crisis escalates, and it continues to be an essential budgeting tool for millions of people.

We know that there is significant appetite for cash to remain a core pillar of the UK's payment landscape, with recent research showing nearly 70% of the public would oppose the UK becoming a fully cashless society.² Despite this continued need, the UK's cash infrastructure is under threat due to bank branch closures and successive cuts to the funding for the free-to-use ATM network which makes up nearly 80% of the UK's cash machines.

14,400 free-to-use ATMs across the UK have been lost since 2018, with another 37,000 now at risk of closure or conversion to pay-to-use. This direction of travel puts the role of cash in the future payments landscape at even greater risk. We were encouraged to see the Prime Minister recently pledging his support for the free cash network – but much more needs to be done to deliver on this promise.

As the Government consults on the Future of Payments Review, we urge you to protect cash as a payment method for the millions of people and businesses who use it on a daily basis and recognise it as a payment method of the future, alongside those enabled by new technologies. We must work to preserve access to the payment option that is most important to the financially vulnerable and digitally excluded – and continue to provide businesses with choice over their preferred method of payment.

Therefore, while we welcome the speed at which the Government moved in releasing its cash access policy statement last month, much more is needed to ensure the UK's free cash network is adequately funded and protected. It is critical that the FCA address this issue as they move to provide the sector with more details and implement the Government's plan – with their work adequately reflecting the conclusions of this Review.

Now is the time for the government, financial services regulators and industry to come together to establish cash as a payment method of the future, maintain payment choice for businesses and give consumers the diverse payments landscape they require.

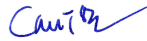
Signed:

¹ <https://www.ukfinance.org.uk/news-and-insight/press-release/contactless-makes-third-all-payments-while-cash-use-falls-again-in>

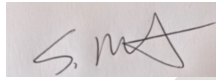
² https://docs.cdn.yougov.com/i08x2s1kmp/PCA_Results_230606_W.pdf



James Lowman, Chief Executive, Association of Convenience Stores



Craig Beaumont, Chief of External Affairs, Federation of Small Businesses



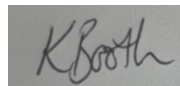
Steve Makaritis, Chief Executive, NoteMachine



Simon Youel, Head of Policy & Advocacy, Positive Money



Gordon Balmer, Executive Director, Petrol Retailers Association



Kerry Booth, Chief Executive, Rural Services Network

