



HM Treasury

Terms of Reference (ToR), June 2019

Joint Authorities Cash Strategy (JACS) Group

Overview

HM Treasury (HMT) has established and will chair a Joint Authorities Cash Strategy (JACS) Group, bringing together the Payment Systems Regulator (PSR), the Financial Conduct Authority (FCA) and the Bank of England (BoE). This is within the context of the Government's policy to safeguard access to cash for those who need it, whilst supporting digital payments.

Strategic goal

The JACS Group will inform and co-ordinate members' activities related to cash. This is to ensure that the regulatory oversight and activity supports an end-to-end cash infrastructure that remains resilient, cost effective, sustainable and can meet the needs of users.

Objectives

The objectives of the JACS Group are to:

1. Bring members together in a collaborative forum to facilitate dialogue and co-ordination of their individual responsibilities and activities. This includes:
 - monitoring and evaluating the resilience and cost effectiveness of the UK's cash infrastructure
 - supporting appropriate cash withdrawal and deposit services to consumers and businesses in the UK
 - ensuring the effects of regulatory activities are evaluated across the full end-to-end cash system
 - formulating an integrated workplan of members' activities with respect to cash.
2. Ensure that the roles and responsibilities of each member remain clear and relevant, in light of changing payment trends and innovations, and identify any overlaps and gaps in responsibilities and activities.
3. Inform the approach of each member through consideration of relevant evidence regarding cash and digital payments and, where appropriate, advising on key developments outside the payments industry or from countries outside the UK that may affect policy development in this area.
4. Co-ordinate the actions taken by members in this area, including in response to the Access to Cash Review recommendations, to ensure alignment with the JACS strategic goal.

Chair & secretariat

HMT will chair each JACS Group meeting. The JACS Group will be supported by a secretariat based in HMT.

Membership & attendees

Membership of the Group is as follows:

- HM Treasury
- Bank of England
- Payments Systems Regulator
- Financial Conduct Authority

Each member should provide no more than 3-4 attendees to each meeting (excluding the Secretariat).

The standing attendees of the Group are as follows:

Name	Title	Organisation
David Raw	Deputy Director, Banking & Credit	HMT
Mario Pisani	Deputy Director, Debt & Reserves Management	HMT
Sarah John	Chief Cashier	BoE
Martin Etheridge	Division Head Banknote Operations	BoE
Chris Hemsley	Interim Managing Director	PSR
Matthew Cherry	Chief Economist	PSR
Nisha Arora	Director	FCA
Ed Smith	Dept. Head Retail Banking Supervision	FCA
Alex Roy	Dept. Head of Consumer Distribution Policy	FCA

Each member should make efforts to ensure standing attendees participate in each JACS Group meeting. Changes to standing attendees will be recorded by the Secretariat as necessary to support the JACS Group's objectives. Delegates to a JACS Group meeting are permitted should a standing attendee be unavailable, subject to prior agreement with the JACS Group Chair.

On agreement with the membership, Working Groups reporting to the JACS Group may be established to support the objectives of the JACS Group.

Frequency & location of meetings

Once established, the JACS Group will meet approximately every quarter, with the frequency being open to review. On agreement with the Secretariat, additional extraordinary meetings may take place.

Meetings of the JACS Group will take place at HMT. On agreement with the Secretariat, meetings may be hosted by other members.

Accountability

The JACS Group does not affect the statutory responsibilities of individual members.

The Group is not a decision-making body, but its views should be taken into account in respect of decisions and policies made by each individual regulator.

The Group will publicly update on its activities by the Autumn 2019. Individual regulators will continue to publicly update on their activities with respect to cash, in line with their statutory responsibilities, facilitated by the JACS Group.

Changes to the Terms of Reference (ToR)

The ToR will be agreed at the initial meeting of the JACS Group.

The ToR will be open to updates over the life of the JACS Group. Any updates from members should be proposed via the Secretariat and agreed with the rest of the membership before being implemented.

Context

As the UK has become increasingly digitalised, there has been a reduction in the use of cash for transactions. Cash has fallen from being 60% of all payments by volume in 2008, to 28% in 2018. This proportion is predicted by industry to fall further to 9% by 2028. However, cash (notes and coins) remains important in the lives of many people and businesses in the UK.

At Spring Statement 2018, the Government launched a Call for Evidence on Cash and Digital Payments in the New Economy, following previous work to encourage reform of the wholesale cash industry. This Call for Evidence sought to gather evidence on how changing preferences for cash and digital payments impact on different sectors, regions and demographics. The formal response, published in May 2019, set out Government's commitment to support digital payments whilst safeguarding access to cash for those who need it.