HM Treasury

Cash and digital payments in the new economy:

summary of responses

May 2019

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ISBN 978-1-912809-61-5

PU2264

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Executive summary

At Spring Statement 2018, the Chancellor announced a call for evidence into cash and digital payments in the new economy. This was issued to further the government's understanding of the trends impacting the way that people and businesses make payments. The government wants to make sure that our economy keeps pace with changes in the ways that people pay for goods and services.

The call for evidence represented an important step in the debate about cash and digital payments in the new economy, and how the transition from cash to digital payments impacts on different sectors, regions and demographics. It sought to gather evidence to inform this debate, by exploring how the government can further support digital payments and ensure that cash is supported in the economy, whilst cracking down on the minority who use cash to evade tax and launder money. It sought both domestic and international evidence of what the government can and should do in this area.

The government is grateful to the 218 respondents to the call for evidence, including 132 members of the public and 86 organisations, charities and businesses (listed in Annex A).

The responses reflected the change in the way that payments are being made. According to data published by UK Finance, non-cash payment methods represented 66% of all payments made in the UK in 2017, up from 39% in 2007. Respondents expect the use of digital payments to continue to grow over the next 10 years, highlighting the ease and convenience of such methods.

Whilst respondents were keen that the government continues to support digital payments, respondents also reflected on the importance of cash in many people's daily lives. Responses considered the importance of cash as a symbol of independence, as well as an important budgeting tool, and as a way that elderly or vulnerable people can access social opportunities. The government welcomes the independent Access to Cash Review, chaired by Natalie Ceeney, and the recent contribution it has made to the debate on cash.

Responses to the call for evidence also noted that very large cash transactions could often be used for illicit transactions. A number of countries have introduced cash transaction limits and, as part of the call for evidence, the government has held discussions with the governments of several countries.

This summary of responses sets out the government's commitment to support digital payments whilst safeguarding access to cash for those who need it. As part of this commitment, HM Treasury wants to ensure there is comprehensive oversight of the overall UK cash infrastructure. **It will therefore take decisive action by setting up and chairing a Joint Authorities Cash Strategy Group. This Group will facilitate**

further co-ordination between the authorities, provide comprehensive oversight of the overall cash infrastructure, including steps to make this infrastructure more resilient and efficient, and consider how best to ensure access to cash for those who need it. The government is also pleased to support the Bank of England's commitment to take a convening role in discussions around the future of the wholesale cash industry to ensure cash remains viable even in a lower cash usage environment.

The government has also listened to the views submitted on the denominational mix. **The government can confirm that it has no plans to alter the current make up of UK coins and notes in circulation.** Additionally, the government will continue to consider the recommendations made in the Ceeney Access to Cash Review to see how these can support government policy.

The government has also noted that there is a perception amongst both organisations and members of the public that cash in some circumstances is used to make tax evasion, the hidden economy, and money laundering possible. Respondents suggested a variety of options to increase the visibility of cash transactions, as well as how the government could use behavioural insights to reduce the risks around cash and tax non-compliance. **The government remains interested in exploring these and other options in more detail, and will consult before taking ideas forward.**

Box 1.A: Summary of Key Points

- The government is committed to supporting digital payments and safeguarding access to cash for those who need it.
- HM Treasury will set up and chair a Joint Authorities Cash Strategy Group to ensure there is comprehensive oversight of the overall UK cash infrastructure.
- The government has no plans to alter the current make up of UK coins and notes in circulation.

Chapter 1

Supporting digital payments

1.1 Payment services are a foundation of our economy. With digitisation and continued technological development, they can increasingly offer consumers and businesses ways of paying that are tailored, convenient and flexible. Digital payments can also aid financial inclusion, facilitate budgeting, and enable action to prevent and tackle economic crime.

1.2 The government recognises that the growth in the use of digital payments has been swift, and it wants to ensure that everyone has the option to be able to pay for goods and services digitally. That is why the government has undertaken a significant programme of work that, by supporting innovation and competition, has already helped make digital payments simpler, quicker, and cheaper.

1.3 The following section summarises the responses received to chapter 2 of the call for evidence on cash and digital payments in the new economy, and government's response.

Future of digital payments

1.4 The call for evidence asked about how the payments landscape is evolving, and how respondents expect it to continue to evolve, over the next ten years.

How do you expect digital payment methods, and the adoption of these by merchants and consumers, to change over the next 10 years? What are the drivers of this?

1.5 The majority of respondents who answered this question expect the growth of digital payments to continue over the next ten years, with some observing the rise of an 'anytime, anywhere' environment in payments.

1.6 Respondents were generally of the view that debit and credit cards will remain one of the most popular payment choices, but see an increasing role for interbank and e-wallet based payment methods. Respondents also highlighted that they expect mobile and contactless methods of payment to continue to increase in popularity.

1.7 A large number of drivers were cited as being key to influencing the direction of digital payment adoption, including:

- the willingness of merchants to invest in technology to accept digital payment methods
- the security surrounding digital payment methods and the level of consumer protection they afford

- the continued growth of e-commerce and the rising use of smart phones
- devices becoming increasingly interconnected and able to make payments to each other
- sector driven initiatives
- demographic changes
- legislative changes

1.8 Conversely, the majority of respondents expect the use of cash will decrease over the next ten years and that payments made in cash will continue to represent a falling percentage of all transactions.

1.9 However, the evidence received shows that cash remains vital for many people. For example, one trade body stated that, whilst retailers have sharply increased their acceptance of digital payment methods, over three-quarters of customers indicate they still widely use cash.

1.10 Respondents attributed this to a number of factors, including the preference for cash as a budgeting tool and concerns about an over reliance on digital methods, which could be susceptible to outages.

Drivers of choice of payment method

1.11 As stated in the call for evidence, the government is committed to supporting a vibrant and innovative payments industry.

1.12 To encourage this, the government has already taken a number of actions to address the lack of competition in the industry. This includes creating the Payment Systems Regulator, a strong economic regulator with statutory duties to promote competition, innovation, and ensure payment systems are operated and developed in a way that considers and promotes the interests of businesses and consumers.

1.13 The call for evidence asked what barriers to the adoption of digital payment methods still exist, in order for government to determine what further action might be needed.

What further action could the government take to support greater adoption of digital payments by merchants and consumers (including civil society groups)?

1.14 A significant number of responses pointed to the level of change in the payments industry, with the introduction of the second Payment Services Directive, the General Data Protection Regulation and the Open Banking initiative. They called for a period of regulatory certainty to allow such initiatives to take hold before the government considers further action.

1.15 Where action was suggested, one of the most widely cited issues were the transaction costs associated with accepting card payments. Responses cited concerns around:

- card scheme fees and other charges not regulated by the Interchange Fee Regulation (IFR)

- the costs to businesses of processing high-value debit card transactions since implementation of the IFR
- the transparency of the costs charged for processing card payments
- the contract terms between businesses, their acquiring bank and terminal providers

1.16 Other notable themes cited in response to this question included government-led educational campaigns to inform consumers and merchants about the benefits that digital payments can provide, in addition to action to boost internet and mobile coverage.

1.17 The government has already undertaken substantial work in many of the areas cited by respondents to further support the adoption of digital payment methods by businesses and consumers. For example, the government has:

- given the independent Money and Pensions Service responsibility for the UK's Financial Capability Strategy, which includes educating people on using digital payment methods
- led a £1.7bn programme to provide over 95% of UK premises with access to superfast broadband and is pursuing an 'outside in' approach to full fibre deployment so no areas of the UK are systematically left behind
- supported the delivery of the ground-breaking Open Banking initiative, allowing consumers and SMEs to access a range of new and innovative products that better meet their needs, by providing third party providers with secure access to their current accounts
- legislated to ensure that the largest current account providers in the UK offer basic bank accounts to consumers who do not have a bank account or who are ineligible for a bank's standard current account

1.18 In addition, government departments are already leading from the front and adopting digital payment solutions, as well as exploring how to adapt to the observed trends in digital payments methods. For example, HMRC is continuing to explore split-payments (allowing VAT to be extracted from online payments in real time) as an alternative method of VAT collection.

1.19 The government acknowledges that the payments industry has undergone significant change and that this will continue into the foreseeable future, driven in part by important innovations such as the Open Banking initiative and Pay.UK's delivery of a New Payments Architecture. The government has supported such innovation through legislation and will continue to engage with industry to deliver benefits to businesses and consumers.

1.20 The government also supports the work that regulators are undertaking in relation to the themes raised by respondents. For example, the Payment Systems Regulator (PSR), who is the UK's lead competent authority for enforcing and monitoring the IFR and has a statutory duty to ensure payment systems work well for their users, is taking action. The PSR recently set out the final terms of reference for a market review into the supply of card-acquiring services, which is due to report interim results by the end of this year. Amongst other things, this review will examine the fees merchants pay for card-acquiring services, including how the level of these fees has responded to changes in the fees acquirers pay to card scheme operators (scheme fees) and card issuers (interchange fees). It will also explore contractual barriers between the parties involved in card transactions.

1.21 Furthermore, as noted in the Access to Cash Review, initiatives by government, such as the Rent Recognition Challenge, and by regulators, banks and building societies have been used to encourage digital payments innovation and support the financially excluded. This includes the Financial Conduct Authority's regulatory sandbox, which allows businesses to test innovative propositions in the market with real consumers.

1.22 The government will continue to explore initiatives to encourage creativity in digital payments and help ensure that everyone has the option of paying through digital means should they wish.

Are there international examples of countries supporting the adoption of digital payments that the government should look to?

1.23 Respondents recognised that the UK is internationally regarded as a country with a highly developed payments ecosystem. The government will continue to look at international developments within the payments industry to identify future opportunities, building upon the work it has already undertaken.

1.24 Respondents who answered this question typically pointed to the experience of Scandinavian countries. With 80% of transactions made by card, Sweden was cited as having high levels of confidence and comfort using digital payments. Mobile payment method Swish, iZettle payment terminals and digital identification service BankID were all noted as important innovations driving adoption in Sweden.

1.25 Some respondents felt that Sweden's digital transformation has occurred too quickly. They pointed to the fact that the Swedish Government is considering making it a legal requirement for banks to maintain a cash service.

1.26 The Netherlands was also frequently referenced, particularly its iDEAL system which allows direct online transfers from bank accounts. This was noted as the most popular method for online payments in the Netherlands, constituting 54% of all payments.

1.27 Outside of Scandinavia, responses referenced Canada, Hong Kong, Singapore and Australia as other countries leading the way in technological development of payment methods. India, Pakistan and Kenya were noted as examples where traditional approaches to payments have been bypassed, with digital systems built directly on smart phone infrastructure due to the lack of legacy bank branch infrastructure.

1.28 China's Alipay and WeChat were also remarked upon, with the latter highlighted as having evolved into an all-in-one platform allowing users to order food, pay utility bills, transfer money and make doctors appointments.

Supporting businesses to use digital payments

1.29 Digital payments will play an increasingly important role for businesses in the future. Industry data shows that contactless usage increased 30% between June 2017 and June 2018 to become the most popular form of payment for in-store transactions.[1]

1.30 As outlined in the call for evidence, the government understands that a lack of competition and an unlevel playing field in payment services can result in consumers and businesses receiving poorer quality, higher cost services than necessary.

1.31 This is why the government set up the Payment Systems Regulator (PSR), which has worked to ensure that access to the UK's payment systems is on fair and transparent terms. Building on the PSR's work, the government has also legislated to help enable non-bank payment firms to access interbank payment systems directly for the first time.

Why does the cost of processing payments differ between cash and digital payments? How is it changing? And do you expect the change to continue?

1.32 Responses to this question generally compared the costs of cash acceptance with the costs of card acceptance, and respondents stated various values. Such costs depended on factors such as the type of payment made and the size of merchants' businesses.

1.33 Whilst recognising that calculating the costs between payment methods is not straightforward, many respondents perceived card processing costs to be more expensive than using cash. For example, one respondent stated that the average cost for retailers of processing cash remains well below the costs associated with handling card payments. However, respondents were typically in agreement that the gap between the costs of cash and card would narrow over the coming years.

1.34 Regarding the costs of digital payments, the government has taken a lead in supporting delivery of the Competition and Markets Authority's ground-breaking Open Banking initiative. Open Banking aims to promote frictionless payments allowing customers to make an almost instantaneous payment through their mobile phone without needing to use a debit card, or initiate a payment directly through online banking. The government expects such services to reduce costs over time for merchants who would no longer need to pay fees to a card provider or acquirer.

1.35 Regarding the costs of cash, whilst some respondents commented on rising bank charges for depositing cash, others noted that the costs of cash processing are often underestimated. This is because businesses may not face the full costs of the end-to-end cash system, for example the costs of sorting, transporting and securely storing cash.

[1] Worldpay press release

Chapter 2
The future role of cash

2.1 As the UK economy has become increasingly digitised, the number of cash transactions has fallen. In 2017, debit cards overtook cash as the most frequently used payment method.[1]

2.2 However, it was clear from the responses received that cash (notes and coin) remains important in the lives of many people and businesses in the UK; in 2017 cash remained the second most popular payment method, just behind debit cards. With an estimated 2.2 million adults in the UK who mainly use cash day-to-day,[2] responses reflected on the continued importance of cash for the most vulnerable members of society and the elderly.

2.3 Responses also reflected on the experience of countries around the world where there had been a significant decline in the use of cash, and the impact of the decline in their wholesale cash infrastructure, such as cash centres, on those who need to use cash.

Current access to cash

2.4 **The government is committed to supporting digital payments and to safeguarding access to cash for those who need it.**

2.5 While the decision to close a bank branch is a commercial one, Government recognises that some customers prefer to carry out their banking face-to-face. The Government therefore welcomes the Post Office's commercial agreement with the majority of high street banks,[3] which enables 99% of UK personal banking customers and 95% of small business customers to access everyday banking services at the Post Office's 11,500 branches. 99.7% of the UK population are within 3 miles of their nearest post office outlet and almost 93% of the UK population are within 1 mile.[4] To support access to cash and the continued stability of the Post Office network, government has allocated a further £370 million from April 2018 to March 2021, on top of around £2 billion invested since 2010. This funding will be used to continue to transform and modernise more branches, and keep community branches open, bringing benefits to customers and the people who operate the branches.

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1 UK Payments Market Report 2018, UK Finance

2 UK Finance, ibid

3 The Post Office, Everyday Banking

4 The Post Office Network Report 2018

2.6 In addition, LINK, the scheme behind the UK's ATM network, has committed to maintain the broad geographic spread of ATMs across the UK. Last year, it undertook a number of initiatives to ensure it meets this commitment. For example, it put in place specific arrangements to protect free ATMs situated 1 kilometre or more from the next nearest free ATM and enhanced its Financial Inclusion Programme, increasing the funding available to ATMs in the most deprived areas of the UK. At the start of 2019, the scheme also announced new, additional premiums to safeguard the presence of free-to-use ATMs in remote and deprived areas.

2.7 The Payment Systems Regulator (PSR), which regulates LINK, is continuing to closely monitor developments within ATM provision as part of its statutory requirement to ensure that payment systems work in the interest of their users. Last year the PSR used its powers to hold LINK to account over its commitments to maintain ATM coverage.[5]

2.8 The wider finance industry also has a key role to play here. It continues to develop a range of ways to maintain access to cash, from investment in ATMs and cashback from retailers, to shared business banking hubs. The government supports further industry collaboration to promote creative and innovative ways of managing, accessing and depositing cash.

2.9 The government also welcomes the Ceeney Access to Cash Review, which is an important contribution to the debate on cash. Given changing consumer behaviours, the review highlights the importance of a joined up and coordinated approach to oversight of the end-to-end cash infrastructure. As noted in the Review, the UK already has well-established regulators overseeing financial services. The government supports the regulators engaging with the debate on cash and their commitments to examine the issues raised in the Ceeney Review.

2.10 **In light of changing payment trends in our modern economy, the Treasury will set up and chair a Joint Authorities Cash Strategy Group. This Group will facilitate further co-ordination between the authorities, provide comprehensive oversight of the overall cash infrastructure, including steps to make this infrastructure more resilient and efficient, and consider how best to ensure access to cash for those who need it**. The membership of the Group will be the Treasury, Bank of England, Payment Systems Regulator and Financial Conduct Authority.

Who uses cash as their main form of payment and why?

How does cash usage and need vary by demographics, geography and socio-economic status?

2.11 Respondents noted the convenience and reliability of cash as well as its anonymity. They also commented that in some places merchants may not accept other forms of payments, particularly in rural areas where the infrastructure may not yet support the widespread adoption of digital payments. There were also responses that highlighted that tourists and

5 A summary of the PSR's ATM work can be found on their website: https://www.psr.org.uk/psr-focus/uks-atm-network

others visiting for extended periods often use cash as their primary form of payment.

2.12 In response to the second question, respondents noted that cash can be used as a budgeting tool by those on low incomes. Over 15% of people with an income under £10,000 a year rely completely on cash, compared to less than 2.5% of all higher income groups.[6]

2.13 A number of respondents, including financial institutions, noted that people without a bank account are particularly reliant on the use of cash. The House of Lords Financial Exclusion Committee found that there are more than 1.7 million people living without a bank account, while around half of people with a basic bank account choose to manage their money in cash.[7] Research by Toynbee Hall indicates that just over half of the unbanked have incomes of less than £5,000 per year, and a further 24% earn between £5,000 and £10,000 per year.

2.14 Respondents also highlighted elderly people's use of cash. For instance, Age UK noted that cash enables the elderly to participate socially, whilst limiting exposure to fraud and theft (for example, limiting the amount someone can spend whilst on an errand). However, when it comes to regular payments, such as utility bills, younger people (18 to 34 year olds) are more likely to pay in cash when compared to the rest of the population.[8]

2.15 Small charities are also more likely to depend on cash. The Charity Finance Group noted in their response that charities with an income of under £1 million are more reliant on cash donations than larger organisations. However, 72% of charities surveyed by the Institute of Fundraising said that they thought that their charity would be using contactless payment systems to take donations in the future.[9] The Access to Cash Review noted that 74% of people use cash for charitable giving.

2.16 The government recognises the importance of cash to many people, particularly to those in vulnerable groups. It also understands that widespread free access to cash remains important to the day-to-day lives of many consumers and businesses in the UK. As part of its commitment to ensure that the financial services sector works for those who need it, government will continue to consider how it, regulators, and industry can ensure the public's cash needs continue to be met, whether that is through sufficient access to ATMs, or other sources.

2.17 The government will also continue to engage with financial institutions and working groups looking at cash handling operations.

[6] Access to Cash Review 2019

[7] Lords Financial Exclusion Committee Report

[8] Cash Services research

[9] Survey into cash usage by charities, Institute of Fundraising, 2018

Current cash landscape

2.18 In 2007, 61% of payments were made in cash. According to the Payments Market review 2018, this had declined to 34% in 2017. Forecasts estimate that this will decline to 16% in the next ten years.[10]

2.19 There has been a growth in card payments across all age groups compared to 2017. This has been driven by the growth of contactless payments. 119 million contactless cards were in issue at the end of 2017, a growth of 16% compared to 2016.[11] There has also been an increase in the number of terminals that accept contactless in the high street, which has helped to drive the usage. The government expects that as other sectors adopt contactless terminals the use of this payment method will grow.

2.20 However, there remains a significant proportion of the public (90%) who use some combination of cash and digital payments, and therefore the availability of cash remains vital to the smooth operating of the economy.

How does the level of cash that you handled or used this year compare to what you handled or used five years ago? What are the drivers for that change (for example, change in customer preferences, and currency modernisation programmes such as new polymer banknotes and £1 coin)?

2.21 Responses have reflected a shift in the way that people are using and handling cash. Responses from members of the public noted that their personal use of cash had reduced over the last five years. This trend was more pronounced amongst those respondents to the call for evidence who self-reported as being in the younger age bracket, whilst those who self-reported as being older were more likely to report little or no change in the way that they personally used cash.

2.22 Cash processors told us that the number of notes and coins they process each year is declining. This could be caused by a combination of declining demand, but also greater local recycling of cash. The responses from organisations and wider trade bodies suggested that demand was declining. For example, the Association of Accounting Technicians said that 53% of their members' clients were using less cash than they were five years ago. The British Parking Association also noted that their members were continuing to move more towards digital payments and away from cash.

2.23 Respondents suggested that the drivers of this change were changes in consumer preference, a wider prevalence of digital payments and increased promotion of digital payment methods. Many respondents cited the growth in the use of contactless cards as a particular driver of the change of people using cards instead of cash, as well as a growth in online shopping, particularly for lower-value payments. Some respondents also cited currency modernisation programmes as a driver for the upgrade of machinery to allow them to take digital payments as well as the new notes and coin.

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10 UK Payments Market Report 2018, UK Finance

11 UK Finance, ibid

How do you think the level of cash you will handle or use in five years will compare to what you handled or used this year? What are the drivers for that change? And how will different sectors be impacted by this change?

2.24 The majority of responses suggested that they would expect the level of cash used in five years to be less than they used this year. A significant minority of responses from members of the public noted that they would continue to use the same amount or more in the future. The reasons given for this varied from enjoying using cash as it was a symbol of their heritage, to it being their preferred way of payment and budgeting. Some respondents also noted that in their view, as the use of digital payments increased, so would the risk of system outages, and that therefore, they would retain cash to be used as a contingency.

2.25 Those respondents who thought that they would use less cash in five years thought that this would be driven by the growth in alternative payment methods. A number of respondents also noted that as more businesses increased the number of accepted payment methods, the demand for use of these payments over cash will increase. The expected continued growth of online shopping was also cited as a future driver of the move away from cash.

2.26 Respondents noted that the ongoing move to offer 'cashless' solutions, such as the acceptance of contactless, in the transport sector will continue to act as a lever for payment methods changing. Technology was stated as a driver for changes in payment method, with apps that provide assistance with budgeting and finance-tracking already changing behaviour. Respondents expected that as apps like these became more common, there would be a greater shift away from cash. However, they noted that the rate of decline in the use of cash may reduce over time as digital payments reach saturation point in those sectors that have recently adopted digital payments.

2.27 Respondents thought that the move away from cash would have an impact on a number of sectors, particularly those which were cash-intensive, such as the gambling and amusements sector. The cost of upgrading to acceptance of digital payments was a particular concern, especially for small businesses.

2.28 The impact on the charity sector was highlighted in a number of responses. Smaller charities are often reliant on cash donations, and there is concern that a shift away from the use of cash could have a negative impact. 86% of the charities surveyed by the Institute of Fundraising predicted that there would be a decrease in the number of cash donations that they would receive over the next five years.

2.29 Charities who responded also noted that it can be difficult for charities to obtain and develop the equipment and skills required to accept digital payments. For example, 74% of charities had not tried any contactless payment systems to take donations, citing the cost of the equipment and the difficulty of operating the systems.[12]

[12] Survey into cash usage by charities, Institute of Fundraising, 2018

2.30 The Ceeney Access to Cash Review reflected the importance of cash in an environment of declining use, and recommended that the government support the use of cash.

2.31 The views expressed in the call for evidence are that although the decline in cash is expected to continue, decline is not likely to occur at a uniform rate across all sectors but vary by sector. With this, the aggregate rate of decline is difficult to forecast accurately.

2.32 The government has noted the responses to this question and will take them into account in future policymaking.

What impact has the change in demand had on industries that process cash?

2.33 Respondents from the cash processing industry answered in detail. They forecast that cash usage was going to decline further in the future, and expressed their concerns about the potential impact of this on their businesses. Given the high fixed costs of the wholesale cash industry, including running cash centres, as the number of notes and coins processed declines the overall costs of processing cash will rise. Cash processors also raised concerns that they may be required to store coin the public no longer needs once the number of coins that are used has declined, given there is currently no way to return surplus coins to the Royal Mint. They also noted that there can occasionally be difficulty in ensuring that the coin that has been issued is appropriately distributed between the processing centres that need it at any given time.

2.34 The call for evidence received a number of suggestions of support that the government could provide to the wholesale cash industry to enable it to manage the decline in the use of cash. This included the formation of a scheme similar to the notes circulation scheme operated by the Bank of England for the distribution of banknotes. Respondents also suggested a model similar to that operated in Hungary where the issuing authority periodically determines how much cash should be in circulation, and the industry distributes it. In addition, there were suggestions around making provision for cash processors to hold cash outside of cash centres (e.g. in secure storage at retailers) in order to reduce transport and processing costs and increase the speed of settlement.

2.35 Respondents also shared experiences from countries which had experienced a rapid decline in the use of cash. They noted that where there was no action to ensure that cash infrastructure was maintained in periods of decline, those members of society who were reliant on cash were significantly more likely to be excluded.

2.36 The government is aware that the industry is considering the infrastructure required to continue to service cash use as it declines. That will be a serious challenge in the years to come, and the government wants the industry to be prepared for it.

2.37 As such, the government welcomes the recommendation of the Access to Cash Review for the major UK banks to come together to commission the design of a "cash infrastructure" which meets needs for the next 15 years. It also welcomes the Bank of England's decision to take on a convening role within this group, building on their experience operating the Notes Circulation Scheme.

Denominational mix

2.38 The call for evidence asked for views on denominational mix, though it did not contain proposals to remove any specific denominations. A significant number of responses were received on this question, encompassing a wide range of views.

Does the current denominational mix (eight coins and four banknotes) meet your current and future needs? If not, how should it change?

2.39 The majority of responses focussed on the 1p and 2p coins, although a significant number of views on the rest of the denominational mix were received. The government have listened to the views submitted, and will maintain the 1p and 2p coins.

2.40 A significant number of respondents noted the symbolic role of the 1p and 2p coins, particularly noting their historic and cultural importance. Respondents also expressed concerns about possible inflation, and the impact on charities, who receive 1p and 2p coins through bucket collections. A number of responses from the seaside amusement industry were also received, who noted that the '2p push machine' is a major revenue generator for their industry.

2.41 Respondents also noted that the 1p and 2p coins have, over time, lost some of their utility and the costs of production and distribution are high compared to their face value. They are being used less frequently in making transactions. Responses also noted that a significant proportion of prices were already rounded to the nearest 5p (60% of the basket of goods used to calculate the Consumer Price Inflation index (CPI)).[13] Cash processors also noted that they carried a high level of processing costs relative to their value. However, on balance, it is apparent that 1p and 2p coins continue to be valued by the UK population.

2.42 We also received a wide range of views on the rest of the denominational mix from a number of sources. This included the removal of the 5p coin, the introduction of a £5 coin and a £100 note, the replacement of the £50 note with a £30 note, and the change of the specification and design of coins to reduce the cost to the Exchequer.

2.43 The government has listened to the views submitted. Cash continues to play an important part in the lives of many people and businesses in the UK. Broadly, responses have shown that the denominational mix meets the public's needs. **The government is committed to maintaining the current denominational mix of notes and coins in circulation.**

Have you made, or do you intend to make, any changes to the way that you accept cash due to the change in demand (for example, implemented

[13] Bank of England analysis

rounding, restricted the use of certain denominations, or changed machines so that they no longer accept cash)?

2.44 Some sectors, such as parking, are implementing moves to establish new machines to allow a variety of payment options. Retailers also noted that if cash usage continues to fall and the cost of ordering and processing continues to increase, retailers could in the future start to organise and group tills differently, whereby individuals wishing to pay with cash are directed towards cash lanes or particular points of sale. Responses noted that in some cases this has already started to happen as some retailers have rolled out self-service checkouts that accept only cards, not cash.

2.45 The gambling and amusements sector also noted that some clubs have invested in a Ticket In Ticket Out (TITO) system for some of the gaming machines, which enables winners to be paid out via a voucher which they can exchange for cash using a specialist change machine or use to continue playing on another machine connected to the same system, as a result of regulation.

2.46 A number of respondents also noticed the trend towards self-service when depositing cash, including in bank branches.

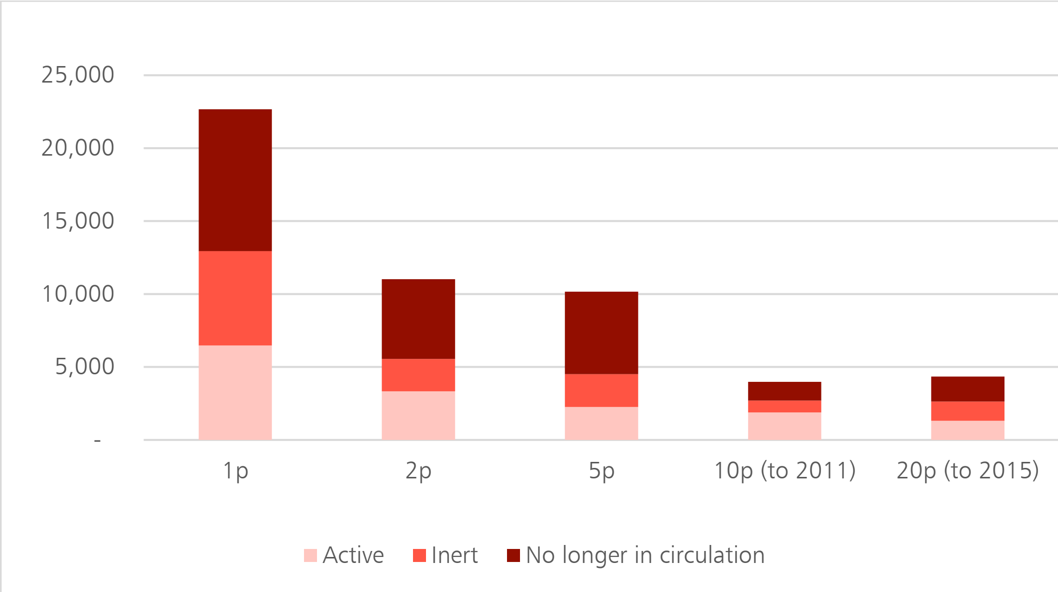
2.47 The government has noted the responses to this question and will take them into account in future policymaking.

What measures can be taken to ensure that coins of denominations that are needed remain in active circulation and do not fall dormant, either with the public or at cash processors?

2.48 As part of the call for evidence, the government commissioned analysis from the Government Statistical Service on the number of coins that were in active circulation. The survey showed that around two-thirds of coins issued by the Royal Mint are not in active circulation. A third of coins issued have been lost from circulation, including being taken overseas. The remaining third of coins issued (with an estimated value of £1.3 billion[14]) are dormant, for example, in savings jars, coin collections and moneyboxes.

[14] YouGov survey, Cash Services, 2018

Chart 2.A: Millions of coins issued remaining in active circulation



Source: Government Statistical Service analysis, based on sampling coins in circulation[15]

2.49 Coins have a useful life measured in decades. The analysis suggested that a large proportion of coins issued remain in circulation for a short period before leaving circulation, either being placed in savings boxes, or discarded. The government expects the length of time that newly issued coins remain in active circulation to decrease as the frequency of cash transactions fall. The average value of dormant coins held by households in the UK is £21.70.[16]

2.50 The current system relies on the Royal Mint and the government issuing new coin to ensure that there are enough coins in active circulation to meet demand. As demand for cash for transactions reduces, this requirement is likely to increase, even as the amount of coin in issue rises. This is not an efficient way for the cash cycle to operate.

2.51 Respondents suggested a number of measures to encourage the efficient circulation of coin. These included changes in retail and wholesale coin operations. Respondents suggested the following for retail operations:

- the installation of note and coin deposit and recycling ATMs
- increasing the availability of change machines
- rounding at points of sale
- the introduction of recycling schemes.

2.52 Respondents referred to the effect of the new £1 coin communications campaign, which encouraged the public to spend, bank or donate their old £1 coins, working with charities. They noted that this was extremely effective

[15] Due to the pro-active alloy recovery programme, and the impact of coin collectors removing commemorative designs from circulation, it is difficult to model the behaviour of higher-denomination coins. However, evidence from surveys indicate that they behave in a similar way to lower-denomination coin

[16] Figure derived from YouGov survey, Cash Services, 2018

in encouraging dormant (or saved) coin of all denominations back into circulation, with other denominations being returned.

2.53 For cash processing operations, proposals were received on extending the notes circulation scheme as operated by the Bank of England to coin (as the current banknote distribution arrangements have proven effective at authenticating, sorting, and distributing banknotes).

2.54 Dormant coins represent significant stored value for members of the public and charities, if returned to active circulation through use in purchases and donations. The government has also spent an average of £30 million per year producing new coins, excluding coining the 5p, 10p and £1 coins.[17]

2.55 Whilst some new coin from the Royal Mint is expected to be required over the coming years, the government has asked the Royal Mint to create schemes to better manage the distribution of coin already issued, including bringing coin back into circulation. Any such coin circulation scheme could recognise the role charities can play in bringing coin back into circulation and the benefit they can derive from this. It will also tie in with any work members of the industry may also carry out.

In what circumstances is a £50 note used in routine transactions and why (rather than multiple lower denomination notes)?

2.56 The majority of the members of the public who responded to this question did not routinely use £50 notes in a transactional way. Some respondents who were particularly heavy cash users noted that they did use £50 notes occasionally, this was particularly the case for those who took out large amounts of cash on an infrequent basis (for example, where they lived a long way away from a bank branch). The Bank of England referred in their response to a survey they had undertaken in 2013 which found that 27% of respondents had used a £50 in the previous year (with the most frequent users based in London), while 29% had never used one.

2.57 The majority of responses from members of the public and retailers, such as the British Retail Consortium, noted that they saw and used £50 notes very rarely, and that they could occasionally be problematic in the retail environment, due to the large amount of change required and the additional verification that the notes require. However, retailers did note that they were more likely to be used in areas where overseas tourists visited and in wealthier areas. Staff in these areas were more familiar with the note. Responses also noted that the £50 note was often used by tourists, usually purchased from bureaux de change overseas. In addition, organisations such as the National Casino Forum noted that £50 notes are also used in the night-time economy.

2.58 The Bank of England supported maintaining a higher denomination note for a number of reasons. They noted it is used as a store of value. They advised that maintaining a wider denominational range offered more resilience to the currency. They also predicted greater use over time. When the £50 note

[17] Effectively, the majority of these coins go to replace those that have fallen out of circulation, and are now dormant. This is not an efficient way for the cash cycle to operate, particularly factoring in the environmental impacts of moving coin across the country

was introduced in 1981, the modern £50 had a purchasing power of around £145 at today's prices. Assuming that prices rise in line with the 2% inflation target, then by 2030 £50 will have a purchasing power of £39 at current prices.[18] Therefore, if withdrawn, over time it may be necessary in the future to reintroduce a £50 note to make higher value transactions possible.

2.59 Some respondents suggested that £50 notes were used in the illicit economy. There is no definitive evidence to suggest that £50 notes are used in illicit transactions at any greater rate than any other note.

2.60 The government has considered the evidence submitted, and has assessed that there is a case to retain the note, as it is used frequently by a minority of people. In addition, as time passes, the use of the note is likely to be used by people more often for transactions. Following the announcement of this decision in late 2018, the Bank of England confirmed that they would be launching a polymer £50 note in the future, maintaining the security and integrity of the currency.

How were counterfeit £1 coins able to enter circulation, and circulate freely?

2.61 The UK takes a transparent and proactive approach to tackling counterfeiting. Cash is central to the overall integrity of a currency, and to the economy as a whole, and the costs of a loss of confidence can be very large. Where countries see a loss of confidence in parts of their coinage, this can result in an immediate reduction in the money supply, reduced consumer spending and increased transaction costs. The government is determined to avoid this, and maintaining the security of the coinage is paramount.

2.62 The old £1 coin had become vulnerable to sophisticated counterfeiters. Around 1 in 30 coins in circulation were counterfeit. Many of the counterfeits of the coin were extremely sophisticated, and could not be detected by machines at retailers or cash processors. However, there were coins in circulation that could be identified by equipment as counterfeit but continued to circulate freely. This was because equipment was not calibrated to identify them or the coins rejected by equipment were passed on in hand-to-hand transactions.

2.63 Business confirmed that they did check coin during hand-to-hand transactions but they could only be relied on to find crude counterfeits. The majority of respondents noted that they relied on machines to do the checking for them, particularly in sectors where self-service is popular. Respondents also noted that often the public did not always look at the security features of coins. Respondents also referenced a public attitude of acceptance of passing on a counterfeit coin that was not acceptable with a banknote.

2.64 Respondents noted that only a small proportion of coins passing through cash processing centres are checked and validated by machines, so coins

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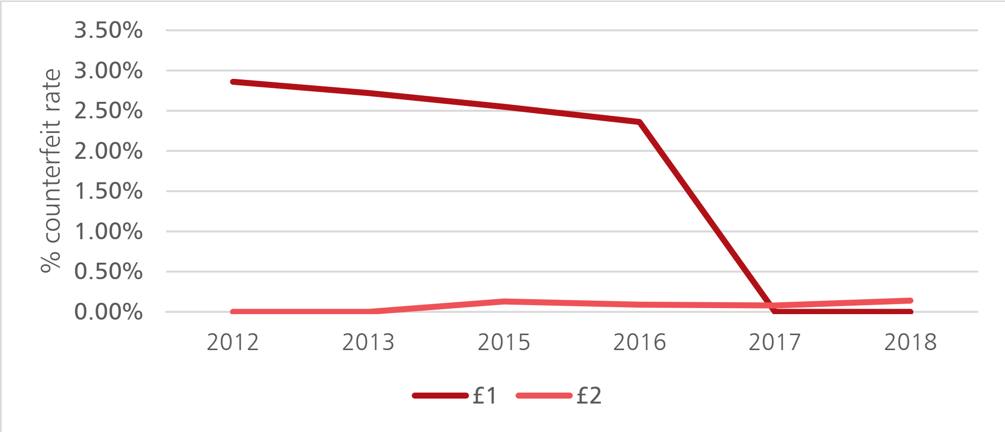
18 Bank of England response

issued could include counterfeits and unfit coins, leading to a recycling of them through the banking system and businesses.

When and how are/should coins be checked in the cash cycle, both now and in the future?

Chart 2.B: Counterfeit rates of £1 and £2 coins



Source: Counterfeit survey carried out by the Royal Mint

2.65 Since the introduction of the new £1 coin, counterfeit rates of the £1 coin have fallen significantly. Counterfeit rates of the £2 coin are also very low, but they are rising. Therefore, to avoid reaching the rate of counterfeits of the old £1 coin (1 in 30), it is important that coins should be checked in the cash cycle.

2.66 Respondents suggested a number of ways that coins should be checked in the future. They suggested that the government provide a list of equipment that is capable of reliably checking and validating coin, similar to that available for banknotes from the Bank of England. This included equipment for use in cash processing as well as in retail environments. Businesses thought this would be helpful when selecting new equipment. Respondents also suggested that there should be increased checking and validation of coin at wholesale cash centres. The increased cost of doing this was also noted.

2.67 A number of respondents also referenced the Bank of England banknote education scheme, which seeks to raise awareness of counterfeit notes at retailers, as an example of good practice.

2.68 The High Security Feature (HSF) on the £1 coin was seen as a positive development in the security of coins. Respondents thought it would be helpful to increase the numbers and range of equipment capable of checking this feature, including equipment used in the retail environment. They also considered that incorporating the HSF into future new high value coins would increase the willingness of manufacturers to incorporate sensing equipment.

2.69 The government has noted the responses to this question.

2.70 As a result, the government has asked the Royal Mint to work with cash processors, businesses and equipment manufacturers to develop a coin checking and validation framework.

2.71 This will be accompanied by the introduction of a machine testing framework which will identify machines that can check coins to required standards, similar to that operated by the Bank of England, and will give retailers and other purchasers of coin handling equipment confidence that they could identify counterfeits. The government would expect the machine testing framework to include, over time, machines that can check the HSF of the £1 coin. The government would also accompany this with an education campaign for retailers and others.

2.72 The framework will have agreed standards and levels of checking. This will include a listing of those organisations processing coin and their performance against those standards, so that customers of cash processors can be assured that the coin they are purchasing has been checked to an appropriate standard.

2.73 The government looks forward to working with stakeholders in order to develop this proposal over 2019.

International evidence

2.74 The UK is not alone in experiencing a decline in demand for cash for transactions, or reviewing their denominational mix. Looking internationally, there is an established pathway when countries begin to experience a decline in the use of cash.

Are there other international examples of countries managing a decline in demand for cash that the government should look to? Should the UK follow a similar pathway as other countries in modernising the currency?

2.75 Respondents referenced a number of examples of countries that were managing a decline in cash usage. A number of these responses mentioned Sweden as a leader in digital payments, but also noted the potential requirements for Swedish banks to offer cash to customers.

2.76 Respondents also mentioned other countries, such as Australia, Canada and Ireland, where low denomination coins had been removed. It was also noted that it is unusual for a country to deal with banknotes and coins separately, as we do with the Bank of England and the Royal Mint in the UK. Respondents also noted cash transaction limits put into place in France and support given to digital payments in China.

2.77 The government has noted these responses and will take them into account in future policymaking.

Chapter 3

Understanding the role of cash in facilitating tax evasion and money laundering

3.1 Cash is important in the lives of many people and businesses. The government is committed to making sure legitimate cash needs continue to be met and recognises the vast majority of traders and businesses accepting payments in cash do so honestly.

3.2 However, the call for evidence acknowledged that in HMRC's operational experience cash can be a problem for tax compliance. This can be either because taxpayers find it difficult to keep accurate records of all their transactions or, in some cases, cash can be used by a small minority of people to hide or disguise their taxable income by not reporting, or under-reporting, what they owe.

3.3 The government therefore asked what more it could do to reduce tax evasion, hidden economy and money laundering risks associated with cash to ensure a fair and level playing field for taxpayers.

Tax and the new economy

3.4 The call for evidence focused on the role that cash and digital payments play in the new economy and how that could relate to tax compliance. The government recognises changes in the economy will have a broader impact on tax compliance, presenting challenges as well as opportunities.

3.5 The government is taking action to address these challenges. Under the Making Tax Digital changes for VAT, businesses who are registered for VAT and whose taxable turnover exceeds the VAT registration threshold of £85,000 are now required to use digital tools to keep their business records and to generate and file their returns for VAT periods starting on or after 1 April 2019. Keeping records digitally will result in more timely and accurate record-keeping. It also gives businesses more control over their finances and frees up their time to focus on what they do best.

3.6 At Spring Statement 2018 the government also launched a call for evidence considering how platforms that open up new opportunities for taxpayers to earn income can help those taxpayers understand and comply with their tax obligations. The government published a summary of responses to that call for evidence on 7 November 2018.[1]

In which sectors or circumstances is cash usage likely to increase tax evasion, hidden economy and money laundering risks?

3.7 The government remains committed to promoting tax compliance to ensure the right amount of tax is paid at the right time by all taxpayers. To build on the action already taken, the government wanted to use the call for evidence to explore what further action it could take to reduce tax evasion, hidden economy, and money laundering risks associated with cash.

3.8 Most members of the public who responded to this question were of the view that cash is used in some circumstances to evade tax. Many of these respondents believed that traders or businesses who only take cash may be doing so to evade tax. Members of the public pointed to construction and self-employed traders as the sectors most associated with this form of non-compliance, with some respondents providing anecdotal examples of experiences where they believed businesses were not paying tax that was due.

3.9 Organisations responding had more mixed views about whether cash facilitates tax evasion. However, many also pointed to the construction sector and self-employed traders as being associated with the use of cash for tax evasion, with these respondents additionally referencing other areas including hand car washes, takeaways and criminal activity. However, respondents were not able to provide more than anecdotal examples as evidence of these perceived risks.

3.10 Responses indicate that taxpayers have experience of interacting with traders or businesses which take payments in cash to evade tax. The government is grateful for the valuable information received from both individuals and organisations which will help to form future thinking on the issue.

What further action should the government take to reduce tax evasion, hidden economy, and money laundering associated with cash to ensure a fair and level-playing field for tax compliant businesses?

3.11 The government has taken several actions to reduce tax evasion, hidden economy and money laundering risks associated with cash to ensure a fair and level playing field for tax compliant businesses.

3.12 In 2017 the government extended HMRC's existing data-gathering powers to money service businesses (MSBs). This made it more difficult for non-compliant individuals and businesses to exploit cash services offered by MSBs to hide sources of income from HMRC and operate in the hidden economy. HMRC also supervise High Value Dealers (HVDs), which are businesses that make or accept cash payments of €10,000 or more for goods.

3.13 In addition, the government has launched a separate call for evidence on Electronic Sales Suppression to better understand and tackle a minority of businesses who misuse electronic point of sale technology in order to hide or

[1] The role of online platforms in ensuring tax compliance by their users

reduce the value of individual transactions and the corresponding tax liabilities.

3.14 Members of the public contributed a range of ideas on how the government could build on its work to date. Some believed the government should focus efforts on tackling tax evasion by large companies and wealthy individuals, while others suggested abolishing cash entirely or restricting cash payments for businesses, traders or certain purchases.

3.15 Organisations responding to this question also suggested a range of options. Some cited international examples including the mandating of receipts and the Norwegian model. In Norway there is no limit on cash payments for purchasing goods but purchasing services from the self-employed is limited to 10,000 Norwegian Krone, after which a consumer is jointly and severally liable with the trader for any unpaid taxes. In Italy commercial sellers must retain either a receipt or invoice for all transactions across all payment types. Others expressed support for current government strategies such as Making Tax Digital, which will increase the use of digital record keeping.

3.16 Some organisations responding suggested cash can be used to facilitate money laundering. The national risk assessment of money laundering and terrorist financing 2017 identified cash-based money laundering as one of the greatest money laundering risks in the UK, and noted cash intensive businesses are one of the primary mechanisms through which criminals launder illicit cash.[2] The government's strong commitment to tackling money laundering is reflected in the findings of the Financial Action Task Force – the international standard setter for anti-money laundering (AML) – which concluded in December 2018, that the UK has the strongest AML system of over 60 countries it has assessed to date.

3.17 The government has also considered the potential compliance risks surrounding "self-fill" ATMs. Such ATMs are found in business premises and can be topped up by these businesses rather than wholesale cash providers. These ATMs could be used to suppress income and evade tax, or to launder money. The government has noted the risks around self-fill ATMs and will consider whether regulatory or legislative change is needed.

The government knows that businesses and individuals still use large cash transactions, and wants to understand in what businesses or sectors are large cash transactions considered necessary or more acceptable? What are the barriers to using digital payments for large transactions?

3.18 Respondents suggested that large cash transactions are mostly used by small/medium enterprises (SMEs), particularly those within the construction industry, as well as restaurants and casinos. Some organisations highlighted that cash can be used to bargain for goods with subjective value, such as second-hand cars and antiques. Some respondents suggested the main incentive for using cash instead of digital payments for large transactions was in order to evade tax.

2 National risk assessment of money laundering and terrorist financing 2017

3.19 Many organisations who responded suggested the use of large cash transactions is largely down to consumer choice over which payment method to use, rather than cash being a necessity. Some referenced poor access to banking services, including online services for people in rural areas with unreliable internet access, as contributing to this consumer choice.

3.20 Responses showed that members of the public use large cash transactions legitimately in a number of circumstances. The government is conscious that some sections of the public, such as those living in rural areas, are more reliant on cash.

Promoting compliance through behavioural insight

3.21 The call for evidence also sought to learn more about what drives behaviours and the context in which they occur to find ways to address tax non-compliance. Behavioural insights and 'nudge' techniques suggest there are several factors that influence tax compliance.

How can the government use behavioural insights and nudge techniques to address cash related tax evasion, hidden economy, and money laundering?

3.22 Both organisations and members of the public suggested a number of ways the government could use behavioural insights to address compliance risks around cash. The Low Incomes Tax Reform Group highlighted a perception among the public that HMRC are not doing enough to tackle avoidance by big business and wealthy individuals.

3.23 Another organisation suggested the government could raise awareness amongst consumers that making cash purchases for goods and services may provide less protection for them should something go wrong with their purchase. For example, if a consumer does not obtain a receipt from the seller, they may find it harder to provide proof of purchase in order to obtain refunds, repairs, or replacements. Other ideas put forward included a public campaign to highlight that 'cash in hand' can facilitate tax evasion, and is not a victimless crime, as well as increasing the use of 'naming and shaming' by HMRC, and encouraging the take up of digital payment methods.

How can government encourage declarations of activity paid for by cash across the economy, including individuals, intermediaries and businesses (such as encouraging or mandating the use of receipts)?

3.24 Mandating the use of receipts received varied responses from organisations and members of the public. Some respondents said they would expect the compulsory issue or retention of receipts to have a modest impact on increasing declarations of transactions made in cash. Other respondents raised concerns surrounding the potential increase in administrative burdens for businesses. The government is mindful of the need to avoid making paying the right amount of tax more complicated for the honest majority of businesses. One organisation pointed out the need for HMRC guidance to be accessible and up to date in order to support businesses through changes to processes and obligations.

3.25 Another organisation suggested digital receipts could be introduced at a low cost, although raised concerns around data protection under such a system. Some respondents expressed the view that policies to tackle tax risks related to cash would have a limited impact on tax compliance, as the dishonest minority would continue to evade tax by other means.

3.26 International examples to encourage declarations of activity paid for in cash cited by respondents included Argentina allowing for a reduction in VAT if transactions are made electronically, Austria no longer allowing tax deductions against cash payments in excess of €500 in the construction industry, and Sweden allowing businesses to refuse to accept cash payments.

3.27 Given the balance of responses to this question, the government is particularly mindful of the need to avoid any unintended consequences for compliant businesses if any new proposals are adopted.

International evidence

3.28 The challenge of addressing the use of cash for tax evasion, hidden economy and money laundering is common across countries. The government asked for further details about measures adopted in other countries to improve tax compliance or tackle money laundering, and the government has continued to work with our international counterparts to understand the policies they have introduced and what further action the UK could take.

Are there other international examples of countries which have tackled tax evasion and money laundering associated with cash that the UK should look to?

3.29 Respondents referenced a wide range of examples and steps countries have taken to tackle tax evasion and money laundering associated with cash. These included tax reliefs to incentivise the use of traceable payment methods in the Republic of Korea, a state lottery for receipt-holders in Taiwan, and the tax administration having access to bank accounts in Estonia, allowing them to pre-fill tax declarations.

3.30 The government is grateful to other countries for their open engagement in these discussions. It will continue to consult with our international counterparts on the measures they have implemented in order to address the use of cash for tax evasion, hidden economy and money laundering.

Should the UK follow a similar pathway to other countries and implement a cash transaction limit? If so, what would be an appropriate threshold?

3.31 One approach to tackle the use of cash for tax evasion and money laundering introduced by many countries is a maximum cash transaction limit. Such limits aim to prevent large transactions above a certain value from being conducted in cash, with consumers instead needing to use another payment method such as digital payments or cheque.

3.32 Responses to this question, from both organisations and members of the public, contained mixed views as to the merits of such a limit being introduced in the UK, with the majority of respondents opposed. The respondents who were against a limit generally believed it would unnecessarily or unacceptably limit payment choice. Those in favour of the UK introducing a limit suggested thresholds ranging from £200 to £250,000, with most suggestions in the hundreds or thousands of pounds. Several respondents proposed a Norwegian model, where consumers who make cash transactions over a certain level are jointly and severally liable for any tax the business fails to pay.

3.33 Throughout the call for evidence period UK officials have spoken to those representing other governments to hear more about their experience of introducing cash transaction limits. For example, officials in Poland reported a reduction in fake invoices since the introduction of a cash transaction limit in 2017. Spanish officials said there has been a dramatic reduction in the amount of high value banknotes in circulation which they believe reflects less public interest in making large cash transactions. Other governments provided anecdotal evidence that cash transaction limits had changed behaviour, although did not have empirical evidence to support this. Some stakeholders suggested that more evidence was needed regarding the potential effectiveness of a cash transaction limit before any action should be taken in the UK.

3.34 The government is committed to tackling tax avoidance and evasion to ensure that everyone, no matter who they are, pays the right amount of tax at the right time. Cash plays an essential and legitimate role in the economy, though the government notes the perception across members of the public and organisations that cash is used by a dishonest minority to avoid paying their fair share of tax to fund our vital public services.

3.35 The government remains interested in options that would further crack down on tax evasion and the hidden economy, as well as 'nudge' techniques to encourage businesses to offer a choice of payment methods for consumers including cashless alternatives. **The government will continue to consider these and other options, and would consult further before taking any final decisions.**

Annex A

List of respondents from organisations, businesses and charities

- ABTA
- Age UK
- Allpay
- American Express
- Association of Accounting Technicians
- Association of Convenience Stores
- The ATM Industry Association (ATMIA)
- The Australian Taxation Office
- The Automatic Vending Association
- BACTA
- The Bank of England
- Barclays plc
- The Behavioural Science Consortium, Sheffield Hallam University & The University of Manchester
- The Bingo Association
- Britannia and Pontin Hotels
- The British Association of Leisure Parks, Piers and Attractions
- The British Parking Association
- The British Retail Consortium
- Cardtronics
- Cash and Card World Ltd
- The Cash Management Companies Association (ESTA)
- Cash Services

- The Consortium of British Industry (CBI)
- Change4Pence
- The Charity Finance Group
- The Chris Westwood Charity for Children with Physical Disabilities
- Christians Against Poverty
- Clydesdale Bank
- CMS Payments Intelligence
- Coinstar
- Cummins Allison
- The Currency Club
- Elavon Inc
- The Electrical Contractors Association (ECA) and the Building Engineering Services Association (BESA)
- The Emerging Payments Association
- The Federation of Small Businesses
- Flowbird
- G4S
- Graves (Cumberland) Ltd
- HSBC
- Institute of Chartered Accountants in England and Wales (ICAEW)
- Institute and Faculty of Actuaries
- The Institute of Fundraising
- The International Currency Association
- Kantar Public
- LINK
- The LINK Consumer Council
- Lloyds Bank
- London Borough of Croydon, Parking Services
- London Councils, Parking and Traffic Services
- London TravelWatch
- Low Incomes Tax Reform Group (LITRG)
- LQID

- Mastercard /Vocalink
- Money Advice Service
- My Future MOT
- My PIN PAD
- The National Casino Forum
- The National Crime Agency
- Nationwide Building Society
- Notemachine
- The New Payment System Operator (NPSO)
- Parkinson's UK
- PayPoint
- Pennymangle Ltd
- The Petrol Retailers and Car Wash Association
- Positive Money
- The Post Office
- Pupils 2 Parliament
- The Royal Mint
- The Royal Bank of Scotland (RBS)
- The Salvation Army
- Stripe
- STS Payments
- The Traffic and Parking Service of Islington Council
- Transferwise
- Transpact.com
- UK Finance
- UK Hospitality
- Vaultex
- Vendercom
- Verifone
- Visa Europe
- Which?
- Willings Services Limited

- Worldpay

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