

Minutes

FCA/PSR Access to Cash – Working Group 3: Access to Cash Withdrawals

22nd October 2020 (session 3)

Location: The meeting took place via video/audio link

Attendees:

Name	Organisation
Kate Fitzgerald (Chair)	PSR
Charlie McStravick	AIB
Phil Briley	Bank of Ireland (BoI)
Cathy Jenkinson	Danske Bank
Susan Bentley	Virgin Money
Matthew Millburn	Santander
Mark Nalder	Nationwide Building Society
Tim Allen	Barclays
Gabrielle Collins	Lloyds Banking Group (LBG)
Kai Grunwald	NatWest Group (NWG)
Duane Campbell	Tesco Bank
Iain Gibson	Sainsburys Bank
Will Davies	Cardtronics
Charlie Evans	NoteMachine
Tim Watkin-Rees	PayPoint
Wendy Luczywo	Post Office
Adrian Roberts	LINK
Hugh Mullan	PSR
Stela Bagasheva	PSR
Philip O'Donnell	PSR
Callum Donnelly	FCA
John Appleton (observer)	HMT
Will Morello (observer)	HMT
Miranda Hewkin-Smith (observer)	Bank of England
Graeme McGregor (secretariat)	Accenture
Nadia Farr (secretariat)	Accenture
Chris Ashton	Community Access to Cash Pilots (CACP) – Guest

Apologies: Nic Beasley (LBG), Mark Essex (NWG)

Item:

1. Admin

The group agreed the minutes from its 12th October session and the publication of these by the PSR.

2. Steering Group Update

The Chair covered the outputs from the previous week's Steering Group and flagged that 'strawpeople' solutions/longlists will be presented at the November Steering Group. Agreement on longer-term solutions and next steps (e.g. mobilisation from January 2021) will be discussed and agreed in December.

3. Proposed Focus Groups

The Chair proposed the working group split into three focus areas. Focus Team 1 will look at alternatives to ATMs providing cash access; Focus Team 2 will look at ways of improving cash access within the current structure (e.g. improvements to the LINK Scheme); Focus Team 3 will look at longer-term, alternative (replacement and/or complementary) structure options. The Chair asked for feedback on the proposal

Regarding scope, the need to consider cash deposits in Focus Team 1 (over the counter cash) and Focus Team 2 (ATMs) was discussed. The group agreed that a distinction between SME cash deposits and consumers' ability to make lower-value cash deposits must be made.

It was reiterated (as it had been in previous sessions) that deposit and "other" functionality would support the commercial viability of ATMs. Members acknowledged that critical additional functions (such as balance enquiries, currently supported in the LINK Scheme) would be identified by Focus Team 1.

For cashback, it was pointed out that recycling cash deposits over the counter should be a consideration for both Focus Team 2 and 3. It was also noted that non-ATM deposit solutions (including the bill payment systems of Payzone, Paypoint and the Post Office Banking Framework) already exist.

Members agreed there would be no shortage of solutions – both new and existing – for the Focus Teams to consider, but they understood that the trade-offs of these must be critically assessed.

Members were asked to share any requests to switch Focus Teams with the Secretariat. The Chair also said that the PSR might be able to come back to the working group with an initial suggestion for assessing solutions.

4. Community Access to Cash Pilots (CACP)

The Chair welcomed a representative from the CACP scheme, who introduced himself and provided background to the CACP. In summary:

- 23 communities applied to be part of a pilot.
- A series of robust needs-analysis workshop were held with these communities to understand localised requirements in detail.
- Relevant industry members were engaged (board members of banks etc.) and 9 communities were selected.
- The CACP matched the selected communities' requirements to solutions and are now rolling out the pilots, which will run until June 2021.

Pilot solutions broadly centred around ATM provision, Cashback and Digital Education (especially for the vulnerable, low income, socio-economically deprived, disabled and elderly) and SME Deposits.

For ATMs, the needs analysis found location to be a key success factor – many who relied on ATMs still did not use their nearest device (less than 1km away) because of its location (e.g. on a hill, poorly lit etc).

For cashback, seasonality was found to be a detrimental factor (e.g. in Hay-on-Wye, convenience stores had very little consistency in being able to deliver cashback during the literary festival). To overcome this, the CACP are trialling a penny post-card in several Hay-on-Wye convenience stores.

The Chair asked how applicant communities were approached and selected. It was confirmed that social media, bank contacts, councils, consumer credit providers and Citizens Advice Bureaux were used to approach communities. CACP were careful to work with these applicants to understand and define their needs (a lesson learned from Sports England). Communities who did not have needs specifically related to cash (e.g. those requesting a bank branch) were discounted – the final 9 were ultimately selected by the CACP board.

Qualitative and quantitative analysis of the pilots is ongoing. The CACP will produce a final report in 2021 once the pilots have completed. In the interim, they will continue to engage both the FCA/PSR and UK Finance Access to Cash Working Groups and iteratively share their learnings.

Concluding remarks:

- The Chair expressed her confidence in the sub-groups finding 'strawpeople' solutions for November Steering Group, but highlighted the challenge of having to critically assess and short-list them.