

Minutes

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

1st October 2020 (Session 1)

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
Mark Essex	NatWest Group (NWG)
Duane Campbell	Tesco Bank
Iain Gibson	Sainsburys Bank
Will Davies	Cardtronics
Charlie Evans	NoteMachine
Tim Watkin-Rees	PayPoint
Ross Borkett	Post Office
Adrian Roberts	LINK
Hugh Mullan	PSR
Stela Bagasheva	PSR
Jack Jenkins	FCA
John Appleton	HMT (observer)
Will Morello	HMT (observer)
Miranda Hewkin Smith	Bank of England (observer)
Graeme McGregor	Accenture
Nadia Farr (Secretariat)	Accenture

Apologies: Nic Besley, Gabrielle Collins (Lloyds Bank)

Item:

1. Introductions

Chair and attendees introduced themselves. In their introductory remarks, working group participants expressed a desire to collaborate in exploring what can be done as cash declines. They are looking for a joined-up approach to cash access, rather than piecemeal solutions.

2. Terms of Reference (ToR)

The ToR (as sent to working group participants) was proposed. Participants were asked to send any comments back. The aim is to adopt this at the next working group meeting.

3. Discussion on approach

1. Agree working group scope

A proposed approach was shared for discussion, which included broad questions for the working group to solve. A key question was around working group focus – should it be finding solutions for those who are dependent on cash, or those who choose to use cash?

Working group members agreed that ‘accessibility’ and ‘availability’ should also be defined and included in the group’s scope. A question was collectively raised as to whether deposits (individual and SME) should be included in the scope. It was agreed this would depend on the remits of the other working groups.

Additionally, it was agreed that the working group’s solutions should be future-proof, sustainable and customer-focused.

2. Determine how well current access to cash meets requirements

How well does current access to cash meet customer requirements? For example, how well are people served now? How will they be served in future? How we can close the gap?

The group wholly agreed that the ‘problem’ is not the number of FTU (free to use) ATMs, but the geographic coverage, accessibility and sustainability of these. Members also commented that – to solve this – solutions must be multi-channel (e.g. via Post Office branches, retailer cashback) and address geographic coverage.

3. Identify and assess solution options

The Chair proposed that the working group assess solutions (both new and previously identified) against various criteria including: cost, risks, sustainability, accessibility, future relevance and other criteria as working groups progress. Chair also emphasized that – in addition to defining the future state solutions for cash withdrawals – the group must also consider how these are delivered (e.g. interim solutions and models).

Some members pointed out that some existing regulatory requirements (especially for any non-ATM based solutions) prevent further assessment. Observing regulators noted these are known and are being worked through – they will not form part of the scope of this working group.

In addition, the question as to whether coin solutions should be considered was raised. The reliance some individuals and SMEs have on being able to withdraw coin was recognised (i.e. usually cannot draw less than £10 from an ATM, even if total balance is below that). Similarly, it was pointed out that SMEs have a significant need to exchange and deposit coin. The Chair took an action to align with the other working groups on whether this should be the case.

It was agreed that retailer motives and alignment should also be an area for assessment in considering any solution (e.g. would landlord retailers accept an ATM or kiosk in their store? Would they welcome cashback?)

Finally, the rate of attrition of existing solutions should be seriously considered. The inference is that new solutions should be developed quickly to ensure that access is underpinned (as well as ensured) in the short term.

4. Concluding remarks

The working group would aim to meet once a fortnight.

In the next session (12 Oct 2020) a more detailed discussion on scope is planned. Similarly, the existing problem statement will be discussed further.