

Minutes

FCA/PSR Access to Cash – Working Group 1: Consumer and SME Needs

30th September 2020 (Session 1)

Location: The meeting took place via video / audio link

Attendees:

Name	Organisation
Mark Chidley (Chair)	FCA Consumer Panel
Darren Foulds	Barclays
James O'Sullivan	BSA
Peter Seymour	Cardtronics
Mark Fitzpatrick	Danske Bank
Tom Jeffrey	Nationwide
Alex Kemp	PayPoint
David Marsh	RBS/NatWest
David Betty	Santander
Scott Brunton	Virgin Money
Nic Besley/Gabrielle Collins	Lloyds
Rebecca Burnham	Bank of England (observer)
Danail Vasilev	FCA
Tanya Surendra	FCA
Isobel Oxley	PSR
Will Archdeacon	PSR
John Appleton	HMT (observer)
William Morello	HMT (observer)
Will Hay (Secretariat)	Accenture

Apologies: Holly Elliott (FCA), Alexander Jelenje (PSR), Richard Scott (FCA)

Agenda:

1. Introductions

The Chair opened the call and introduced himself. He noted that this area has been a topic of research for the FCA and PSR for some time.

2. Review and agree Terms of Reference

There was some discussion on the draft Terms of Reference produced and shared in advance of the meeting. It was agreed these would need some rephrasing to reflect recent work completed by the FCA/PSR and a narrowed scope.

3. Related firm activities

The Chair invited members of the working group to share context on what related work they have been doing, so this may be collated and shared with the group offline. Preliminary insights included:

- Stress on cash-based consumers as a result of Covid-19
- Significant growth in customer support activity and broadening of channels, topics and complexity of issue
- Movement to other payment types
- Impact of Covid-19 on withdrawals and movement to other payment types

- Perspectives on cash usage in the future
- Why people select certain payment types and how they react in hardship
- How customers switch to online banking
- Behaviours across demographics, regions, age group

4. Other sources of information

The Chair and PSR/FCA representatives discussed potential sources of information for the working group, apart from industry contributions that had already been shared separately with PSR and FCA.

The FCA outlined two pieces of work to be completed in December. The first focuses on consumers with a greater need for cash (such as those who are financially/digitally excluded, particularly older/younger groups and people who are paid in cash) and their behaviours and needs. The second focuses on cash acceptance by SMEs, in particular what the key drivers of acceptance are and the cost of cash compared to other payment methods. Initial findings from this are that firms feel choice is very important to their customers, and the cost of accepting cash is not well captured. The FCA agreed to share an overview of these findings with the group, when available.

The University of Bristol has been conducting a piece of work on mapping access to cash across the UK and how this varies by region. This will be presented to the group within the next few weeks.

It was raised that consultation of consumer and SME representative groups would be important to success, and it can sometimes be challenging to gather good-quality information on the perspectives of those who need cash.

It was agreed that presentations are the preferred medium of hearing from external parties, although supporting materials are helpful.

Other external bodies were suggested for contact.

5. Next steps/meetings

The format of findings or objectives for the group was discussed, whether this should be presented in hypotheses or problem statement(s), and how this should be targeted.

It was agreed the group would have to move faster than the other working groups given the nature of its content (required to support other groups' work).

It was agreed an initial high-level view should be presented by the end of October.

5. AOB

The Chair and Secretariat will look to create a plan over the next few weeks.

The FCA/PSR indicated that their role in the working group was to facilitate and provide research and information, but that the work should be industry-led.