

P-06-1335 Welsh Government should take steps to ensure vulnerable adults without bank cards can pay with cash

Y Pwyllgor Deisebau | 5 Mehefin 2023
Petitions Committee | 5 June 2023

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Petition Number: P-06-1335

Petition title: Welsh Government should take steps to ensure vulnerable adults without bank cards can pay with cash

Text of petition:

Mencap Cymru is concerned that the move to a cashless society will leave behind disabled people who cannot have access to electronic forms of payment.

In recent months people with a learning disability have been unable to pay for goods and services and have had to leave businesses empty-handed. Support workers are not permitted to use their own cards, and nor should they be.

This means they do not have equal access to goods and services with many businesses and organisations moving to cashless transactions.



1. Background

A recent report by UK Finance, the trade association for the banking and finance industry, found that almost “40 per cent of people use cash to pay for something at least once a week, with 11 per cent saying that they prefer to use cash and only three per cent saying that they never used cash at all”. The report also found that “a third of people that had used cash in the last year said that they had had a cash payment refused”.

2. UK Parliament

On 20 March the House of Commons held a debate on a petition which calls for the UK Government to “require all businesses and public services to accept cash payments”.

The UK Government’s response to the petition states:

“The Government does not intend to mandate cash acceptance. The Government’s view is that as technology and consumer behaviour changes, it should remain the choice of individual organisations as to whether to accept or decline any form of payment, including cash or card based on their consideration of factors such as customer preference and cost.

However, the Government recognises that millions of people continue to transact in cash across the UK, particularly those in vulnerable groups, and engages closely with financial regulators to monitor and assess trends relating to cash. Research undertaken by the Financial Conduct Authority found that 98% of small businesses would never turn away a customer if they needed to pay by cash.”

The response also notes that the UK Government has recently introduced legislation to “protect access to cash as part of the Financial Services and Markets Bill”. The UK Government considers that this legislation will support organisations, including local businesses, to continue accepting cash by ensuring they have reasonable access to deposit facilities.

3. Welsh Government action

The response to the petition from the Minister for Social Justice and Chief Whip (the Minister) sets out that the Welsh Government supports, wherever possible, the need for businesses to accept cash. However, the Minister notes that “our levers are limited in this space as this is entirely a voluntary decision based on commercial considerations”. The Minister also highlights that there may be equality-related aspects to consider:

“The provision of digital only payment routes with no option to use cash as a payment method raises potential equality of treatment issues. Recipients and providers of services in both the public and private sectors are impacted. There are risks that a cashless requirement could indirectly discriminate against persons from certain protected characteristics. Officials are looking to explore this in more detail.”

The Minister’s response also points to the work of the Disability Rights Taskforce which it established in order to develop a new Disability Rights Action Plan:

“The Welsh Government is fully committed in supporting all disabled people in Wales and has set up the Disability Rights Taskforce which will run until 2024. It brings together people with lived experience, Welsh Government Policy Leads and representative organisations to identify the issues and barriers that affect the lives of many disabled people. The Taskforce works within the scope of the Welsh Government’s legal remit and not in areas that solely fall under the UK Government’s responsibilities.”

The Welsh Government’s new Disability Rights Action Plan is expected to be published in March 2024.

4. Welsh Parliament action

In April 2019, the Economy, Infrastructure and Skills Committee of the Fifth Senedd published its report on “Access to Banking”.

The Committee found overwhelming evidence of the negative impact of bank closures and reduction in free-to-use ATMs in Wales and voiced concern that “Wales is certainly not ready to go cashless”.

In relation to access to cash, LINK, the not-for-profit organisation which manages the LINK ATM network, told the Committee that although cash use has declined rapidly in the last decade and this is expected to continue, free access to cash for consumers is a “vital national service”. LINK said over 47% of consumers still rely on cash and for 17% a cashless society would present real challenges. The consumer organisation Which? told the Committee it was concerned that the rate at which access to cash is declining is “at odds with consumer attitudes and demand”, and is being driven by industry. It warned that Welsh communities could be stripped of their choice to use cash before they are ready and if cash disappears, re-introducing it can be complex.

The reduction in cash usage also affects how businesses choose to accept payments, as the costs of handling cash and accepting electronic payments change over time. The Committee noted that “a particular issue here is the ability for businesses to deposit cash takings, and the associated cost of that”.

The Committee made a number of recommendations, including:

“Recommendation 3. The Welsh Government should explore how regional hubs, and cooperation and collaboration between different agencies can improve the access to cash in Welsh communities (recognising that cash-handling is an expensive business).”

The Welsh Government accepted the recommendation in principle.

The Committee received strong evidence about the impact of branch closures on older people and disabled people in particular, and the problems of digital exclusion for those already disadvantaged. As such, the Committee also recommended:

“Recommendation 10. The Welsh Government’s support for digital inclusion should prioritise a) maintaining support for existing digital skills training, b) consulting stakeholders on how to further address barriers to older and vulnerable people safely accessing online banking, and c) providing additional support to teachers to deliver financial education within the school curriculum.”

The Welsh Government accepted this recommendation.

Every effort is made to ensure that the information contained in this briefing is correct at the time of publication. Readers should be aware that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.