



## **Cash and digital payments in the new economy**

### **Submission from the LINK Scheme Consumer Council**

**To:** HM Treasury

**From:** Tracey Graham, Independent Chair, LINK Consumer Council

**Date:** 4<sup>th</sup> June 2018

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I write on behalf of the LINK Consumer Council to provide our input to the call for evidence published by HM Treasury on March 12<sup>th</sup>, 2018 on 'cash and digital payments in the new economy'.

The LINK Consumer Council is an independent body that advises LINK on how to meet the cash access needs of consumers. It is made up of a number of consumer organisations (Citizens Advice, Consumer Council Northern Ireland, and Toynbee Hall), independents (Lady Margaret Bloom and Teresa Pearce MP), Department for Work and Pensions and LINK Member representatives (NoteMachine, PayPoint, Barclays and NatWest). I act as its Independent Chair and also hold the position of Independent Director on the Link Scheme Ltd Board.

The Council notes that the Link Scheme Ltd Board has submitted evidence to HM Treasury outlining detailed responses to some of the questions as well as data to outline trends in consumer demand for cash. Therefore, the Council wishes to make the specific additional points by way of input.

#### **LINK Financial Inclusion Programme**

HM Treasury has stated that its call for evidence is to ensure that the economy is fit for the future and keeps pace with the way consumers pay for goods and services. LINK believes that maintaining very broad financial inclusion is an important element of this objective. LINK has a long established Financial Inclusion Programme which has been very successful in providing access to cash for those consumers living in deprived areas on low income or in receipt of government benefits. This work has been critical in ensuring that those consumers who rely on cash as a valuable means of payment, can access their money conveniently and free of charge. Cash is an important payment method for those on low incomes, providing a means of carefully managing money. More information can be found about the Programme at <https://www.link.co.uk/initiatives/financial-inclusion/>

LINK, supported by the Consumer Council, has made a number of developments to this Programme over the last decade. This includes broadening the geographies and locations it provides subsidies for, as well as launching tools for consumers to more conveniently access their cash e.g. LINK ATM Locator App. The Consumer Council remains supportive of this work for as long as consumers need cash as a form of



payment. We highlight the Financial Inclusion Programme as a best practice example that we believe should be a central feature of maintaining cash access going forward. The LINK Board has committed to protecting all free-to-use ATMs that do not have another free-to-use ATM within 1km. The Consumer Council believes that LINK Members must maintain an unlimited financial investment in a robust programme in the future.

### **Innovation**

The Consumer Council provides input and guidance to LINK on innovation to ensure that payments develop in a way that works for those consumers who need cash day-to-day. We believe that innovation is a very important requirement in cash provision. For LINK, current examples include piloting innovative ways for consumers to access cash in locations where an ATM may not be viable under normal competitive market forces. This work will be ongoing throughout 2018 and LINK is ensuring that HM Treasury are kept up-to-date with these initiatives as they develop. We recommend maintaining innovation in cash and cash provision as a central policy feature going forward, even if cash is declining as a payment mechanism.

### **Cash in Circulation**

The call for evidence asks for further input to notes and coin in circulation. Whilst this is not a matter for the LINK Consumer Council to comment on specifically, we do note that the entire cash value chain is interdependent. For example, problems in coin would create challenges in use of notes and hence use of cash by consumers overall. We therefore recommend that every element of the cash value chain has plans to maintain sustainability in place in a coordinated and joined up way. We will be encouraging LINK to take this approach for ATMs and cash access for consumers, and will also make this point to the independent Access to Cash Review that is being commissioned by LINK.

We hope that you find our comments useful and would be happy to provide further input as your call for evidence develops.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Tracey Graham".

**Tracey Graham**  
**Independent Chairman, LINK Consumer Council**  
**Independent Non-Executive Director, Link Scheme Limited**