



ERPБ working group on access to and acceptance of cash

Cash Talks: Access to Cash

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The working group's mandate

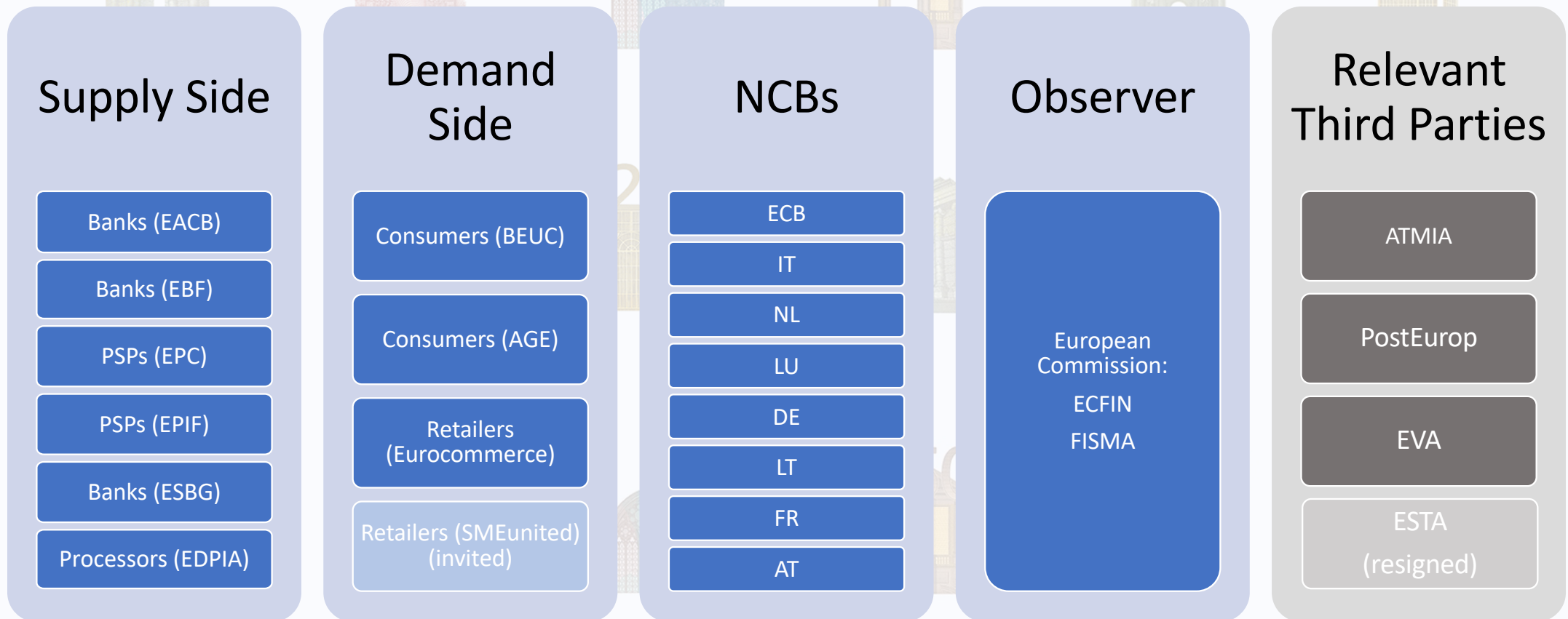
- To conduct a **stock taking exercise** of various ongoing initiatives by relevant stakeholders and identify gaps not yet addressed and deserving further investigations.
- The working group was invited to prepare a **report** summarising the stock take, their analyses and key findings regarding access to and acceptance of cash and the respective conditions thereof.



Expected deliverable: a report summarising the stock take, their analyses and key findings

- a) Overview of the **factors influencing the bank branch and ATM networks** (credit institutions and, where applicable, IADs) and description of possible future initiatives how to **avoid cash supply deficits**, for example in rural areas;
- b) Overview of various **initiatives aiming at ensuring adequate cash withdrawal and lodgement facilities**, especially for smaller and medium sized enterprises (which usually do not contract CITs to take care of cash lodgements/withdrawals and need to rely on “local” cash services);
- c) Overview of **obstacles regarding the acceptance of cash** and initiatives aiming to ensure acceptance of cash also in the future; and
- d) Overview and evaluation of **alternative ways** where other actors (e.g. retailers, post offices) could offer services **to provide access to cash** (i.e. cashback, cash-in-shop etc.), including possible obstacles hindering such cash services.

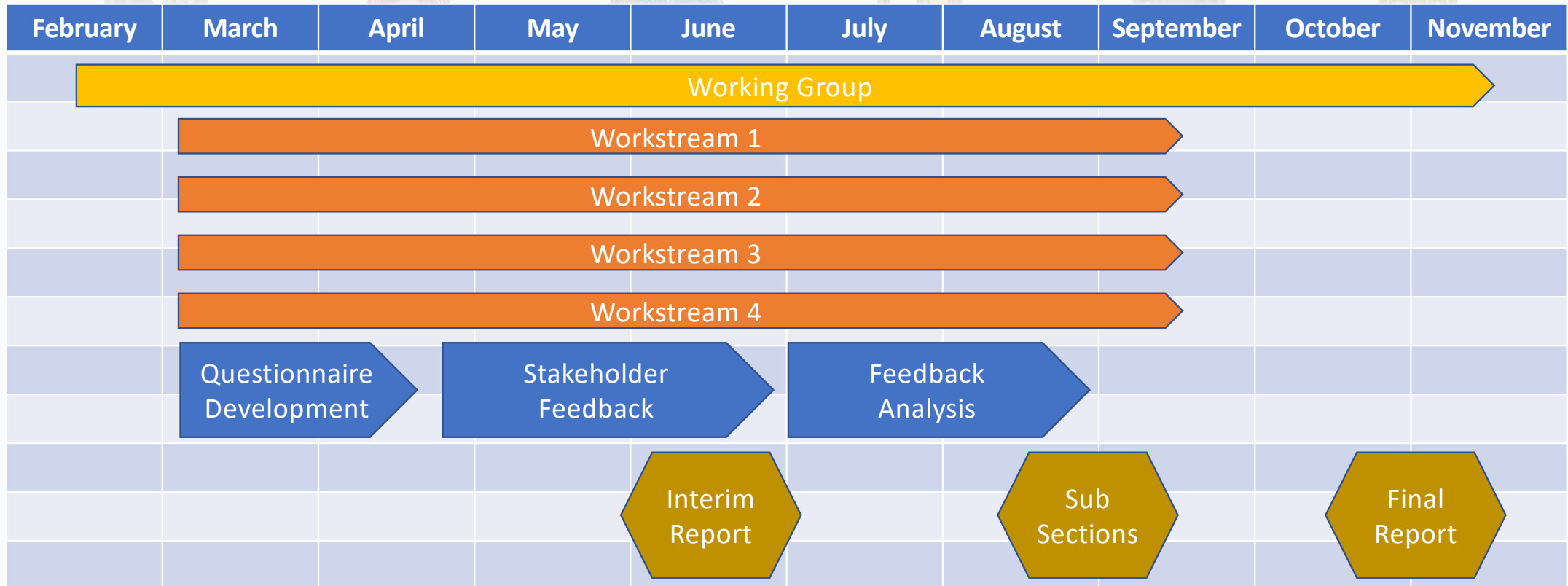
The working group was composed of various actors representing a broad range of stakeholders



The working group took a participatory approach to involve relevant stakeholders as widely as possible

- 16 Plenary (virtual) meetings were held, between 16 February 2021 and 26 October 2021.
- 4 workstreams were established, one for each of the four deliverables mentioned in the mandate
- Workstreams organised numerous virtual meetings, and progress reports were provided to the plenary meetings.
- Once the workstreams completed their individual reports, the full report was worked on collectively.
- Final report submitted to the ERPB on 4 November 2021.

All involved worked closely together so that the final report could be delivered on time



WG Key Findings (1/4)

- Great variety of initiatives aiming at ensuring access to cash among countries.
- Access to cash continues to be broadly ensured in the euro area mainly via traditional cash access points and branch networks of credit institutions.
- The profit-cost model, sustainability, and the service level of operating the ATM and branch are key for their smooth operation. All stakeholders in the cash cycle need to play their role and cooperate closely.



WG Key findings (2/4)

- Distance and capacity criteria for cash access points have become an important topic.
- Criteria vary across the Member States and their appropriateness should still be validated in the future.
- In some Member States they are already a part of the national action plan to retain or increase access to cash, put forward in a non-legally binding way.
- Further action may be taken, if necessary, also in the form of legally binding (minimum) cash access point network.
- A lack of harmonisation has been identified for accessibility requirements stemming from the European Accessibility Act (EAA).
- Special needs in rural areas as well as of ageing population may deserve further investigation.

WG Key findings (3/4)

- Independent ATM Deployers, cashback, and cash-in-shop schemes have been identified as complementary cash access points.
- They may play a greater role in the future. These cannot be seen as a fully-fledged alternative to the traditional network as banknote depositing and coin service functions are generally not provided.
- The role of post offices in offering cash lodgement and withdrawal facilities has been recognised given its good geographical coverage.
- More incentives may be needed to make their offering financially attractive for retailers and other relevant stakeholders.

WG Key findings (4/4)

- Most merchants in general accept cash as a reliable means of payment provided that adequate cash infrastructure exists.
- Next to the several national initiatives to ensure acceptance of cash by retailers in the form of moral suasion, more clarity on the notion of legal tender status of cash is expected. In particular, interpretation of mandatory acceptance of cash versus the contractual freedom when choosing a payment instrument accepted by retailers and shopkeepers should be postulated.
- The working group sees a merit in revisiting the evolution of cash access and acceptance in the future to ensure that, in line with the Eurosystem Cash Strategy, cash will remain an inclusive, efficient, and sustainable means of payment for consumers alongside digital retail payments means.

Conclusions

The need to ensure a continuous access to and acceptance of cash, despite several obstacles identified in this report, stems from a number of its unique functions. For users, the functions of cash are: inclusiveness, budgeting, store of value, autonomy and privacy. From a payment system perspective, cash fulfils the following functions: back-up, legal tender, only public money available to general public.

The working group sees a merit in revisiting the evolution of cash access and acceptance in the future to ensure that, in line with the Eurosystem Cash Strategy, cash will remain an inclusive, efficient, and sustainable means of payment for consumers alongside digital retail payments means.

A minimum cash infrastructure is required.

Suggested follow-up to the ERPB

- The evolution of access to and acceptance of cash could be further monitored either via a new ERPB working group or a dedicated body (e.g., EFIP given the membership of NPCs and/or ECAG) in consultation with industry stakeholders
- As part of the above follow up work, a study on the societal costs and benefits of different payment instruments in the euro, provided a representative number of participants will be guaranteed (potential timing: 2023 based on 2022 data)
- The ERPB welcomed the comprehensive analysis conducted by the working group and agreed to consider the follow-up actions raised by the working group in the next update of the ERPB workplan, taking into account existing fora/workstreams.



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Thanks for your attention!

