

CASH AS A PAYMENTS INFRASTRUCTURE

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How a **focus** on the **high street** and access to cash will support a robust, **inclusive** payments infrastructure.

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Executive Summary

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For decades the narrative surrounding cash has been one of decline with predictions of an imminent cashless society. In the year 2025 no country is completely cashless, and cash continues to play an important role in the day-to-day functioning of economies around the world.

This is the case in the UK, where despite a decade of rapid digital adoption, cash remains an important feature in the lives of millions of citizens and contributes billions of payments annually supporting businesses across the nation. It also plays a crucial role in ensuring that some of the most vulnerable in society, alongside those who simply wish to manage their finance in an analogue way, can engage in the economy and manage their personal finances.

This has been recognised by the government in the National Payment Vision,

which notes the importance of cash for inclusion and widespread access to payments. It has also been recognised by the banking and payments industry, who have collaborated over the past few years to ensure access to cash and face-to-face banking services remain viable. This has led to world-leading interventions, including legislation, to maintain the cash infrastructure in an environment of declining volumes and rising fixed costs.

However, access to cash and banking requires renewed attention to ensure that success to date is not undone by the complex challenges that underline their continued provision. Standing still is not an option and only makes the challenges harder. Addressing these challenges will ensure that cash can remain viable in the future and continue to play an essential role in the UK's payment infrastructure.

Three Challenges

This White Paper identifies three challenges that require attention to ensure access to cash and face-to-face banking remains viable:



Reassessing the role of cash to understand the role it plays in most people's day-to-day lives and as a contingency payment method.



Addressing the coin dilemma by introducing coin deposit facilities to support SMEs and a coin return programme to bring dormant coin back into circulation.



Identifying new channels for digital inclusion and recognising the role that High Street banking can play to ensure that the benefits of digital services are realised by all.

This paper also presents analysis to show that in many countries, including the UK, the use of cash as a day-to-day payment method is transitioning from a period of decline to one of stability. Supported by research that provides deeper insights into how people spend and use cash, this provides clarity for the cash and payments industry, as well as policymakers, and allows them to develop plans to maintain the cash infrastructure to ensure it meets demand. The case is also made that increased focus on the high street and in-person services can support the UK government's digital inclusion strategy, the country's SMEs and ensure that the payment infrastructure is robust and inclusive.



Introduction

The future of **payments** is an issue that is high on the agenda of **governments** and **central banks** around the world.

There is a general acknowledgement that payments are a fundamental component of a successful financial sector and can support economic growth, digital and financial inclusion. This has been evidence by the enormous success of new digital payment systems in Brazil and India, which have expanded access to digital and financial services to millions of people in a matter of years. ❶

These benefits have been recognised by the UK government in their recently published National Payments Vision:

The UK will set out a plan for a “world-leading payments ecosystem delivered on next generation technology, where consumers and businesses have a choice of payment methods to meet their demands.”

As part of this vision, the UK government notes the importance of cash in allowing millions of people, often in vulnerable groups, to pay for essential goods and services. ❷

Cash is an essential part of the UK’s payment infrastructure and, as this paper explores, continues to play an important role in the day-to-day lives of consumers and businesses of all stripes. It supports economic activity, financial inclusion and, more recently, plays the role of a contingency payment method in times of crisis. Cash also plays a unique role as one of societies few levellers: everyone understands cash, an important characteristic in a digital world with more ways to pay than ever before.

In this paper, we will explore three areas that require attention from the banking and payments industry, as well as policymakers, to ensure that cash remains a cost-effective, convenient and accepted form of payment, and that face-to-face banking services remain on the high street. These conditions are vital to the future success of UK payments.

- ❶ BIS Speeches: Digital payments as a boon to financial inclusion
- ❷ HM Treasury: National Payments Vision



Reassessing The Role of Cash

For the past 10 years cash has been viewed as a declining payment option at the expense of the rising popularity in card payments and the storming success of contactless. As we will explore in this paper, the projection for the future of cash has changed in the UK from decline to steady. The future of cash is no longer in doubt and research shows it plays a much greater role in the people's lives than suggested by overall headline figures. Understanding this will enable the industry to commit to supporting the future of cash and cement its position as a crucial element to the UK's payment landscape.

Addressing The Coin Dilemma

An essential element to cash is coins: banknotes require change, and some people benefit from using coins as savings and budgeting tool. However, as with all areas of the cash cycle, how it functions requires attention to ensure its circulation in the most cost-effective manner. In this aspect, the UK is behind other countries that have modernised the role of coins in society. Addressing this will reduce the overall cost of cash and offer improved banking services for SMEs.

New Channels for Digital Inclusion

The government has made great strides to tackle digital exclusion with the publication of a cross-departmental action plan. ¹ This is to be commended but it ignores the role that banking and payments can play in improving digital literacy and capability. High street banking presents an ideal setting for citizens who lack digital confidence to try and become comfortable with new digital services, with human support readily at hand. As the digital transition progresses, there is an increasing need to provide an analogue access point to ensure the safe and successful adoption of digital services for everyone in society.

REASSESSING THE ROLE OF CASH

The explosion in **payments** innovation over the past few years can **hide** the fact that widespread digital adoption is a relatively **new phenomenon**.



UK volume of cash payments

The explosion in payments innovation over the past few years can hide the fact that widespread digital adoption is a relatively new phenomenon. Debit cards were only first introduced in 1986 and even in 2009, cash accounted for 58% of the volume of all payments. The past decade has had an enormous impact on the use of cash as the adoption of alternatives, mainly Chip & Pin and contactless, gathered pace. Between 2013 and 2023, cash payment volumes declined by 70%. In the same period, payments made with debit cards, including contactless, increased by almost 200%. This resulted in cash accounting for 12% of the total volume of all payments in 2023.

Accordingly, for the past decade the narrative on the future of cash has been one of decline. This is undoubtedly true and reflects the experience of many people who have, to a varying degree, experienced a greater role of digital in their day-to-day lives. However, industry data shows that over the past few years the decline of cash use has slowed, a trend that is projected to continue for the next few years. As **Chart 1** (right) demonstrates, the total annual volume of UK cash payments has fallen over the past 15 years, but that volume has settled at around 6 billion per annum from 2020. This contrasts with the steep decline witnessed in earlier years and points towards a shift from a period of intense to gentle decline, and perhaps leading to a plateau where there will be little change year-on-year. ¹

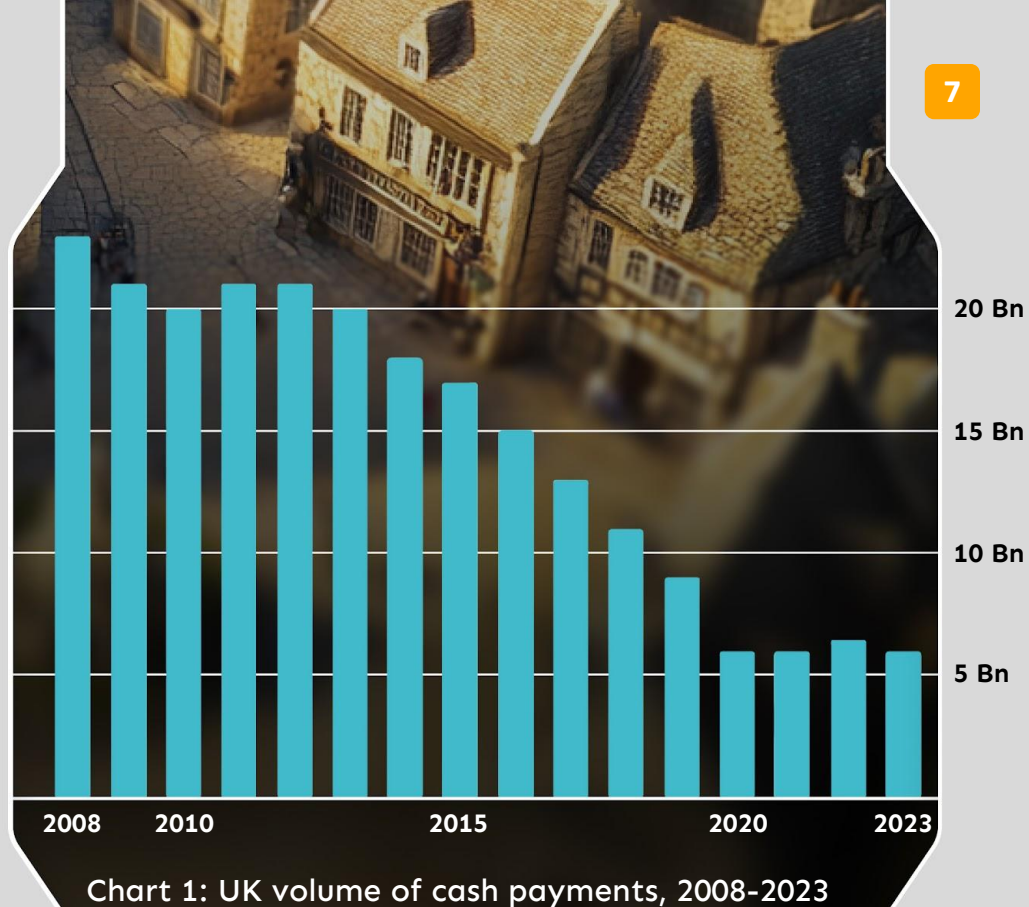


Chart 1: UK volume of cash payments, 2008-2023

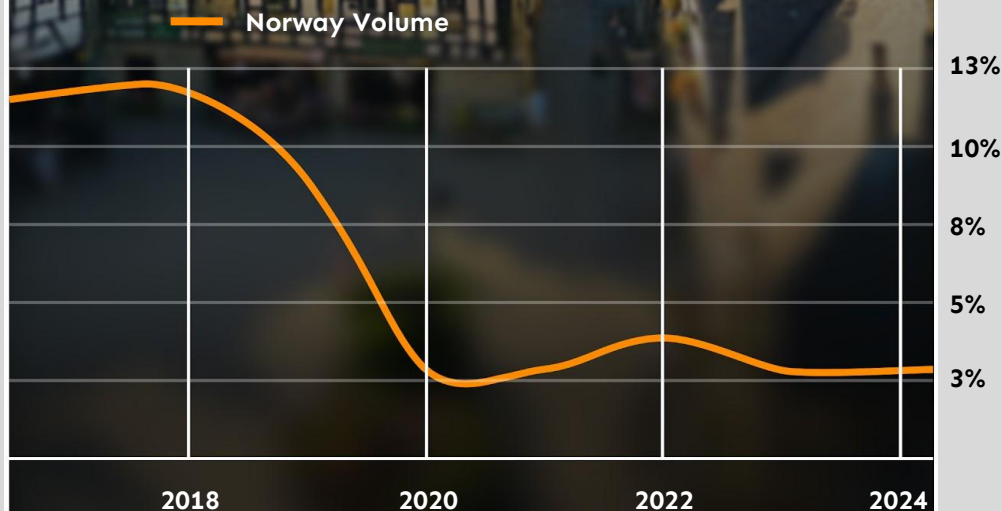
UK & Netherlands Cash payments

This is a trend that has been experienced in countries that have witnessed a major shift away from cash. Sweden and Norway are commonly presented as two of the most 'cashless' countries in the world. Over the past decade their citizens have adopted digital payments in a much more aggressive manner than western and central European countries, largely due to low populations and the availability and success of domestic digital payment options, such as Swish in Sweden ¹ and Vipps in Norway. ² However, cash remains a feature in their societies and both countries have made efforts to introduce legislation to mandate cash acceptance to ensure that cash users aren't excluded from essential and day-to-day activities. In Norway, the Central Bank Act, passed in 2024, mandates that business must offer cash payment options for amounts up to 20,000 kroner (about £1,400). ³ In Sweden, the Riksbank is in favour of a cash obligation for the sale of essential goods. ⁴

These developments demonstrate that despite a successful drive to digital there is a continued use of cash in Norwegian and Danish society. In Sweden, data from the Riksbank shows that while 40% of people said that they paid cash for their last in-store purchase in 2010, this has been around 10% for the past three years. ⁵ As shown in **Chart 2** (right), in Norway, the number of cash payments as a percentage of the total number of payments fell from 12% in 2017 to 3% in 2020, where it has remained without significant variation.

**Chart 2: Total volume of cash payments
(as a % of total payments) in Norway**

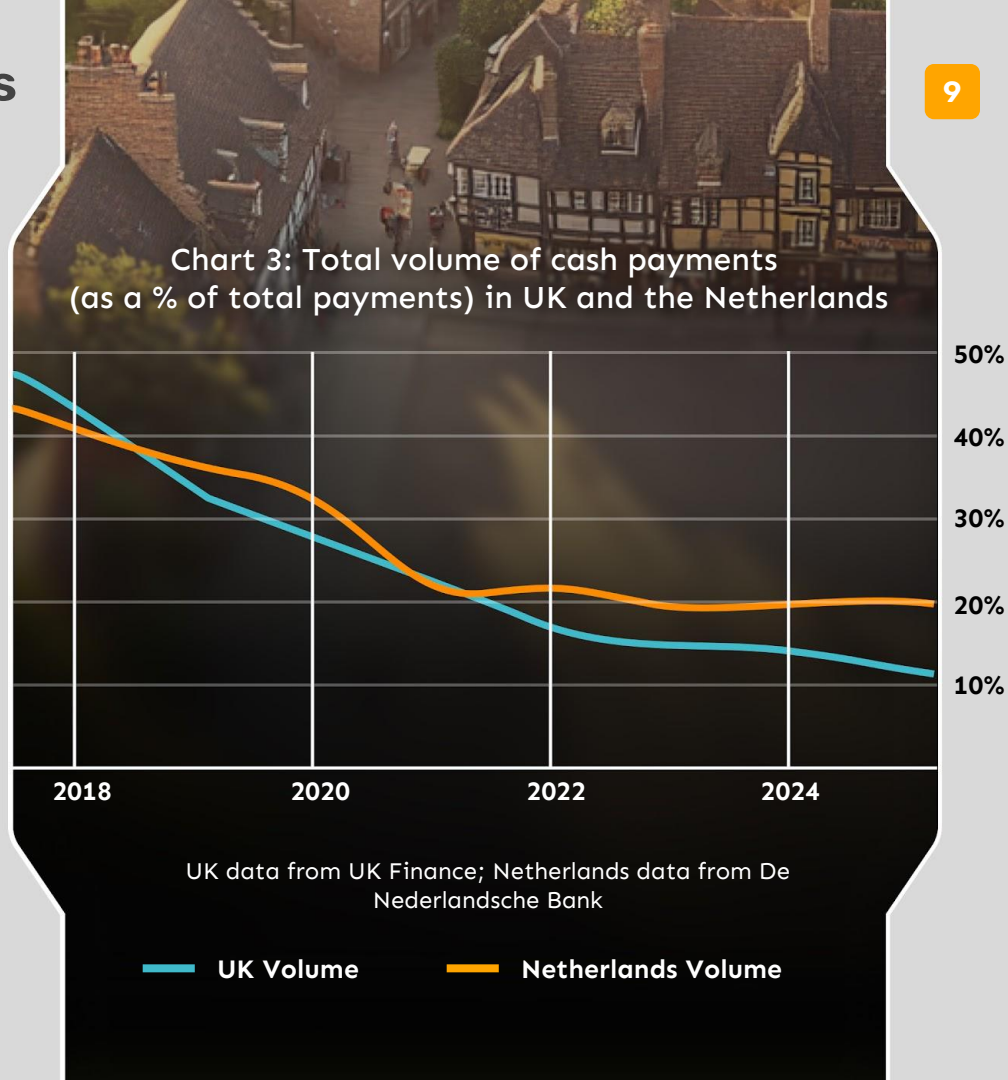
Data from: Norges Bank Papers - Retail payment services 2023



- ¹ Payment Habits of Swedish People
- ² Norges Bank Papers - Retail payment services 2023
- ³ Norges Bank - The right to pay cash
- ⁴ Riksbank - Obligation to accept cash
- ⁵ The Swedish payments market is almost entirely digital

UK & Netherlands Cash payments

All countries are experiencing a transition to digital payments and the associated challenges with access to cash. While there are lessons to be learned from Sweden and Norway the UK is not on the same track of their digital transformation, and much more can be gained from looking at countries with more common characteristics. The Netherlands provides a better comparison being at a similar stage, and, as demonstrated in **Chart 3** (right), both countries have experienced a similar decline in cash use. Interestingly, the Dutch experience has seen cash payments plateau at a 20% share of total payments for the past few years. While the UK is at a much lower level of cash payments, it suggests that the slowdown in cash decline might be a common trend and one we should consider as potentially becoming the new normal in the UK.



Reasons for the slowing down of the decline of cash

There are several reasons for why the decline of cash is slowing down in the UK, potentially resulting in a plateau:

- 1 Written evidence submitted by Fair4All Finance
- 2 NatWest, 2024
- 3 UK Finance, Payment Markets Review 2024
- 4 Global growth forecast slashed by IMF over tariff impact



Limit of digital payment adopters

It could be the case that digital payments are reaching a limit in terms of new adopters, with those who are reliant on cash standing firm, and a steady segment of society content with their mix of digital and cash payments. The total number of payments increasing year-on-year does not necessarily mean an increase in the number of new digital payment users.



Increased dependence on cash

The past few years have placed a strain on many household incomes due to the pandemic, cost of living crisis and inflation. In the past, such as in the aftermath of the global financial crisis, people turned to cash for greater control of their finances. There is evidence to show that more people in financially vulnerable circumstances are increasing cash use for spending. ① and cash reliance has increased across all UK adults. ② UK Finance data showed an increase of nearly 1 million people between 2022 and 2023 who said they mainly use cash. ③



Impact of the pandemic

Impact of the pandemic. The Covid-19 pandemic and lockdowns led to many people adopting digital technology at a faster pace than they otherwise would have, such as the use of online shopping, video calls and mobile apps. The same can be said for the increased use of non-cash payments, accelerated by shops encouraging contactless payments and some deciding to go completely cashless. This may have accelerated the decline of overall cash payments and left a plateau. The drop in total cash payments from 9 billion in 2019 to 6 billion in 2020, as demonstrated in **Chart 1**, suggests this to be the case.

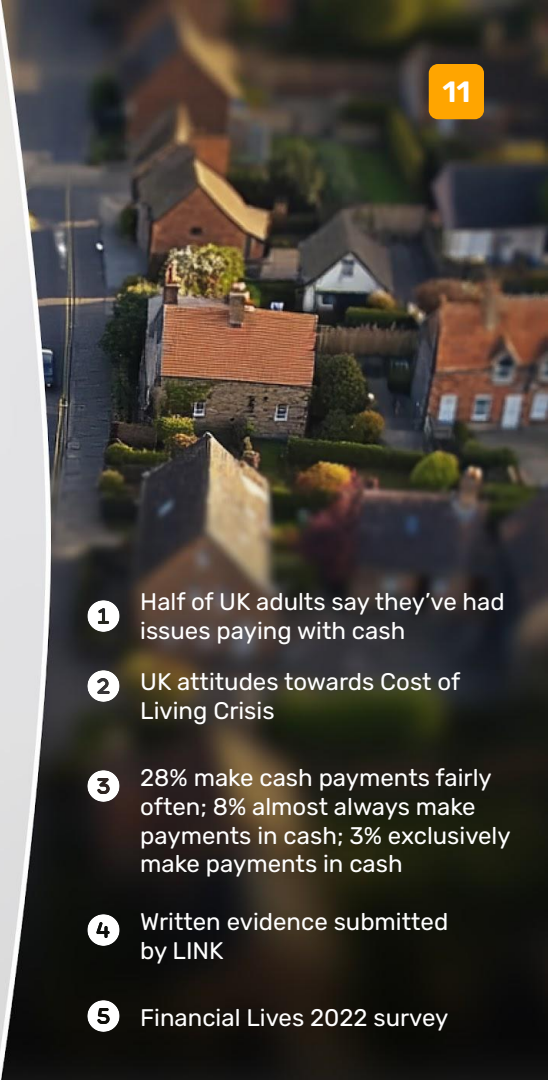
The answer is likely a combination of all three, and with economic growth predicted to slow down due to the impact of US tariffs, the next few years could add strain on household budgets, which may strengthen the role of cash. ④

The majority cash user

In terms of understanding what this new environment means for cash payments, the emergence of a plateau renders the total share of cash payments is an inadequate indicator to understand the role of cash in society as it's likely that industry surveys for the next few years will inform us that cash accounts for c.10% the volume of payments. Different approaches can result in more useful insights into who's using cash and add detail to the overall share of transactions. For example, research from LINK found that towards the end of 2024 73% of people said they have used cash in the past two weeks to pay for something, a number which has remained consistent over the past few years. ① A survey from 2023 found that 94% of people said that they use cash at least occasionally, the same level when the survey was asked the previous year. ② Research from YouGov found that in January 2025, 39% of people said they make cash payments at least 'fairly often', and only 8% said that they never make payments, in contrast to the 3% who said they exclusively make payments in cash. ③

There is also research that shows where people are spending their cash, which provides much better insights to understanding the use of cash. For example, research from LINK found that between 2022-2024 the most popular locations for cash spending were convenience stores and supermarkets, with around a quarter of people regularly spending cash there, and around a fifth of people giving cash to family and friends. ④

These insights provide a much more holistic view and act as a useful indicator to understand the role of cash today. These surveys suggest that cash remains an important feature in the day-to-day lives of most people living in the UK, not just the 6% of the population who rely on cash for most purchases. ⑤ This is important to recognise as it paints a new view of the role of cash, one that replaces the narrative of decline that does little to reflect reality. This new narrative on the role of cash should be developed and promoted as it encourages the banking and payments industry to continue to support, innovate and invest in the cash infrastructure. This is required to future-proof the government's commitment to protecting cash and ensure that face-to-face services remain on the high street.

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- ① Half of UK adults say they've had issues paying with cash
 - ② UK attitudes towards Cost of Living Crisis
 - ③ 28% make cash payments fairly often; 8% almost always make payments in cash; 3% exclusively make payments in cash
 - ④ Written evidence submitted by LINK
 - ⑤ Financial Lives 2022 survey

Cash as the Contingency Payment Method

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It is also necessary to discuss the new role for cash as the contingency payment method. Research has found that even for those not using cash regularly, it plays an important function as a backup payment method.

Those who prefer non-cash payment methods still carry cash in case of emergencies or card system failure. ❶ They have reason to feel this way as there have been over 158 banking IT failures between January 2023 and February 2025, resulting in millions of people being unable to access online banking services, ❷ as well the major IT outage in July 2024, which left supermarkets and other retailers unable to accept digital payments. ❸ This lack of faith in the digital system is not only being felt in the UK. In late April 2025, a major blackout in Spain and Portugal resulted in banks and payment systems failing, resulting in retailers and taxis only accepting cash. ❹ A recent report from the UK's Treasury Select Committee recommended that HM Treasury must "consider the value of physical cash in emergency preparedness" including encouraging individuals to keep cash at home and the role of the cash distribution in a severe payment systems outage. ❺

In addition to this, the threat of cyber warfare and national security concerns

have made countries aware of the vulnerabilities of payment systems, resulting in the promotion of cash as back-up. In Sweden, the Riksbank has encouraged households to occasionally use cash for payments to remain familiar with cash management to allow easy use in a crisis. ❻ They are also opening new central bank cash depots to reduce the risk that cash would be difficult to use in the event of a disruption. ❼ These developments suggest that cash has a new lease of life as not only as a day-to-day payment method but in a wider societal role that supports the whole economy.

- ❶ NatWest, 2024
- ❷ A month's worth of IT failures at major banks and building societies in the last two years
- ❸ CrowdStrike: IT Outage
- ❹ Outage leaves Spaniards and Portuguese feeling powerless
- ❺ House of Commons Treasury Committee: Acceptance of cash
- ❻ Riksbank: Are payments in Sweden safe?
- ❼ Riksbank: Public's ability to pay in times of crisis and states of heightened alert needs to be strengthened



REASSESSING THE ROLE OF CASH

Key Takeaways

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1

Cash use in the UK is no longer on a steep decline and has been at steady level for the past few years. This reflects similar developments in the Netherlands.

2

Focusing on the small groups of people who depend solely on cash, and those who don't use it at all, ignores the reality that most people use cash in their day-to-day activity to a varying degree.

3

There is growing recognition of the role for cash as the contingency payment method that can continue to support payment activity in the event of an electricity outage, natural disaster or threat to natural security.

ADDRESSING THE COIN DILEMMA

The Access to Cash Review noted one of the biggest imperatives to **keeping** cash **viable** in the coming years is to rethink the **economic** model underpinning it.



Coins, an essential element to cash

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The Access to Cash Review noted that one of the biggest imperatives to keeping cash viable over the coming years is to rethink the economic model underpinning it. Indeed, the review found that the biggest drivers of merchants and retailers refusing to accept cash are the rising costs of handling and banking cash. Addressing this requires system-wide view of the cash cycle. ¹

To date, efforts to reduce the cost of cash have focused on access points, such as rationalising ATM estates and ensuring adequate coverage, and industry collaborations such as the Banking Hubs rolled out by Cash Access UK. ² However, more attention is required to ensure that retailers, particularly SMEs, can have a convenient and cost-effective way to bank their cash.

Coins are an essential element to cash, facilitating the use of banknotes but also enabling people to benefit from cash as saving and budgeting tool. It is also a component of the cash cycle that can be reformed, reduce the cost of cash acceptance and offer greater convenience to SMEs. An estimated 27 billion coins are in circulation in the UK. ³

The review found that the biggest drivers of merchants and retailers refusing to accept cash are the rising costs of handling and banking cash.

¹ Access to Cash Review: Final Report

² Cash Access UK

Perhaps the largest issue with coins is that they don't circulate well. Whereas banknotes are purposely attained at ATMs, used to make purchases, carried in wallets and purses and given as gifts, coins tend to be received as change and sit dormant in jars and cars until they are required for a one-off reason (i.e. accessing a shopping trolley) or they're eventually cashed in at a coin machine or bank branch.

The recirculation problem is more pronounced for low-value coins, as less than a third of people carry 1p and 2p coins around with them to spend, and less than half of people carry 5p and 10p to spend. ⁴

³ UK's Circulating Coin Mintage Figures

⁴ UK Finance: How consumers feels about cash

The coin demand strain

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While a reduction in coin carrying enables people to indirectly save, the poor circulation of coins causes a practical headache for cash cycle participants and may be exacerbating existing challenges, such as reducing the cost. This is because retailers must replenish their coin stocks via cash-in-transit deliveries, which increases the cost of accepting cash payments.

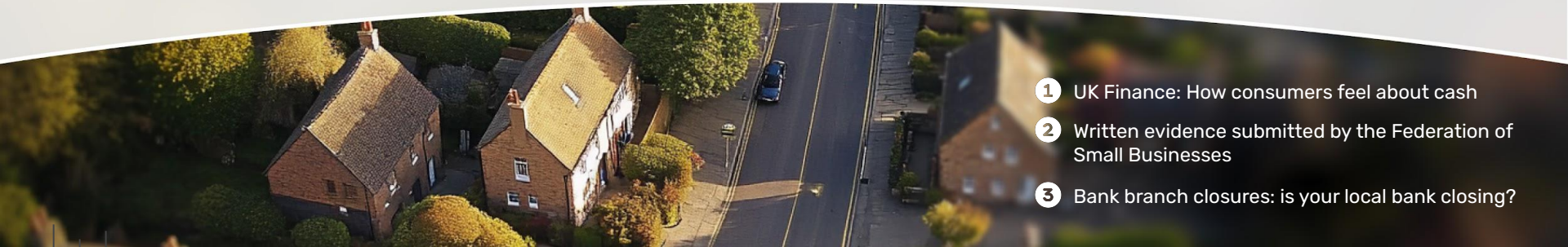
This demand puts strain on the stock of coins in wholesale cash centres, who aren't receiving old coins as they do banknotes, due to poor recirculation. The outcome of this is that despite there being 27 billion coins in circulation, and cash use declining, between 2019 and July 2022, £355 million in new coin was drawn from The Royal Mint.

While some of this may be, for example, commemorative coin, that cannot account for the full amount. ¹

This causes a headache for businesses, who need access to deposit services to bank their coins and to have coins in their tills and continue to accept cash. The Federation of Small Businesses has raised awareness of the danger of cash becoming a prohibitively expensive undertaking for many SMEs, a challenge exacerbated by the closure of bank branches and reduced availability of cash handling facilities.

Their latest research shows that since the Covid-19 Pandemic, over three-in-five local businesses saw reduction in bank branches in the South West (64%), Yorkshire and The Humber and the North East (62%), North West (61%), and the East Midlands (61%). This is compared to less than half of local businesses in London (46%). ² Despite the roll out of banking hubs, there are an additional c.400 branch closures planned for 2025/26, which will make this situation harder for SMEs. ³

Percentage of businesses with reduction in bank branches	64%	62%	61%	61%	46%
	South West	Yorkshire, Humber, NE	North West	East Midlands	London Area



- ¹ UK Finance: How consumers feel about cash
- ² Written evidence submitted by the Federation of Small Businesses
- ³ Bank branch closures: is your local bank closing?

How to address the coins issue

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Improving and modernising the cash cycle is a continuous process and it's clear that there's a need to address the issues surrounding coins. This can be addressed in two ways:



Introduce new channels for SMEs to deposit coins

Cash handling costs can be reduced for SMEs if there were more cash deposit machines on the high street that accept coins. These can provide a convenient and cost-efficient way to support retailers and SMEs to continue to accept cash by reducing their reliance on cash-in-transit deliveries and offering a low-cost alternative to bank coins.

There's also support for this type of service from consumers. In a recent survey 47% said they'd use a cash deposit machine in a supermarket or convenience store, and 41% said that they'd use a remote cash deposit machine. ¹ This can also support the recirculation of coins if it's put back into circulation by the machine host. For example, if a deposit machine is in a branch of bank or building society, the coins can be used to meet demand for new coins by customers over the counter.

¹ NatWest



Enact a coin return programme

The millions of pounds of dormant coin sitting in cars, jars and down the back the sofa, could be returned to life if a coin return programme encouraged them to do so. The premise is simple: a nationwide campaign calls on the UK's citizens to deposit their coins at a deposit machine or bank branch counter in return, with the value being credited to their account. There could also be the option for a charitable donation. Such an endeavour would reduce the need for new coins to be minted by The Royal Mint and reduce the overall cost of cash. This operation would be a similar, but smaller, operation to the successful introduction of the new £1 coin and the campaign to return the old round coin in 2017. In Hong Kong, the Hong Kong Monetary Authority has run the Coin Collection Programme since 2014 and has collected nearly 950 million coins, amounting to a total face value of HK\$1,496 million, which are reintroduced into circulation to meet demand. ²

² HKMA introduces updated schedule for Coin Collection Programme



ADDRESSING THE COIN DILEMMA

Key Takeaways

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1

Greater attention is required to ensure that retailers, particularly SMEs, can have a convenient and cost-effective way to bank their cash.

2

Coins circulate poorly leading to large retailers requiring regular stock replenishment and SMEs needing local coin deposit facilities.

3

Improving and modernising the cash cycle is a continuous process and it's clear that there's a need to address the issues surrounding coins. Enacting a coin return programme and introducing new channels for SMEs to deposit coins are the natural next steps.

NEW CHANNELS FOR DIGITAL INCLUSION

The explosion in **payments** innovation over the past few years can **hide** the fact that widespread digital adoption is a relatively **new phenomenon**.



Identifying new channels for digital inclusion

Digital inclusion is a priority for this government. It means ensuring everyone has the access, skills, support and confidence to engage in our modern digital society and economy, whatever their circumstances. ^①

- ① Digital Inclusion Action Plan: First Steps
- ② Lloyds: 2024 Consumer Digital Index
- ③ Digital Inclusion Action Plan: First Steps
- ④ Lloyds: 2024 Consumer Digital Index

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According to the UK Consumer Digital Index 23% of the population have very low, and 9% low, digital capability. That accounts for 16.8 million people, including 1.6 million who are completely offline. ^②



UK Digital
Capability

9%

Low

23%

Very
Low

The government has made great strides this year to tackle digital exclusion with the publication of a cross-departmental action plan. ^③ This is to be commended but it ignores the role that banking and payments can play in improving digital literacy and capability. This is a missed opportunity as interacting with banking and payments is a day-to-day activity for every citizen.

For those with low digital skills, focusing supporting in this area has the potential to vastly improve digital inclusion. 22.6 million people would like to improve their digital skills and two-fifths (41%) of those aged over 75 favour, or only use, an offline approach to undertake everyday tasks. There are certain segments of our society more likely to still rely on in-person banking options, including older people, those with poorer digital skills and those in lower socio-economic groups. The digitally under-confident are turning to family members for help with their digital banking. One in five (11 million adults) help others with making payments, finding balance and statements or paying in cheques. ^④

The High Street as a Channel for Digital Inclusion

- 1 BIS: Digital payments as a boon to financial inclusion
- 2 BIS: Lessons from the Unified Payments Interface (UPI)
- 3 LINK: Is the UK ready to go digital?



High Street banking presents an ideal setting for citizens who lack digital confidence to try and become comfortable new digital services, with human support at hand. Increasing access to digital payments enables previously excluded people to participate in a wider set of economic activities that are increasingly online.



In the past few years, there has been a spectacular example of this through the roll-out of the PIX real-time payments solution in Brazil, which enabled 50 million Brazilians to make their first digital payment ever. 1



Similar developments are happening in India with the Unified Payments Interface, a real-time payment system that enables instant money transfers between bank accounts using mobile devices. 2



The UK is in a very different situation to Brazil and India. However, there is an opportunity for banking and payments to be viewed as key element to improving digital inclusion. While most age groups are confident conducting day-to-day banking online, there is a desire to complete large financial commitments in-person. 3



This presents a route to improve digital inclusion by maintaining in-person services on the high street.

Using the high street to improve digital inclusion



Rather than focusing on large scale projects, the UK can utilise payments and banking to improve digital inclusion by maintaining in-person services on the high street with staff capable of supporting day-to-day services and more complex products such as mortgages and savings. Taking place in a secure environment with a professional at hand, this has the potential to vastly improve a person's digital capability and confidence.

The advantage of this taking place in a bank branch on the local high street, is that the customer will return and repeat the task, becoming more confident every time and eventually transferring those skills, and the confidence, into other parts of their day-to-day life.

This type of service will become more important as services become more digital.

The Data (Use and Access) Bill, currently awaiting Report Stage in the House of Commons, ^① paves the way for the growth of new smart data schemes that can allow people to benefit from more data-driven and personalised products in energy, telecoms, pensions, mortgages, transport and insurance.

Consumers will be offered the most cost-effective options and be able to switch to a cheaper or more relevant product in a single click. ^② While this is to be encouraged, it will likely only benefit those who have the digital capability to use these services and the confidence to act on it. Offering in-person support on the high street to guide people with a range of digital skills, as well as offering ongoing in-person support, presents an ideal opportunity to not only support those with low digital skills, but also ensure the broad success of this agenda. This is an example of the analogue support that's necessary for a successful digital strategy.



^① Parliament: Data (Use and Access) Bill

^② Open Banking: Open Finance

Role of Cash to Support Digital Inclusion

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There's also an important role that access to cash plays in supporting digital inclusion. A recent study from the OECD, that looked at access to cash in several countries, notes that there those with a preference for cash are at a higher risk of facing barriers to digital payments and may be vulnerable to losing access to payment systems if access to cash is not maintained. The UK is on its own unique transition from analogue to digital payments, but, as noted in previous section, it's clear that cash has a long future. This is made even clearer by the recent research to show that vulnerable groups continue to exhibit an outsized preference for and reliance on cash. This is outlined in the box:

13%	Of those on low income use cash all the time, double the UK average
34%	Of those on low income use cash most or all the time, 50% above UK average
31%	Of those with a disability use cash most or all the time, 50% above UK average
26%	Of blue-collar respondents (social grade C2DE) use cash most or all the time: 30% more than white-collar counterparts (ABC1)
45%	Of digitally excluded use cash most or all the time
68%	of digitally excluded would be majorly inconvenienced or worse without the ability to use cash, compared to 36% of non-digitally excluded



NEW CHANNELS FOR DIGITAL INCLUSION

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Key Takeaways

1

Including a focus on banking and payments in the government's digital inclusion strategy has the potential to improve digital skills and capability.

2

The High Street presents an ideal setting to provide in-person support with digital services. This can not only support banking but also the success of the smart data agenda and ensure it benefits everyone, not just the digitally savvy.

3

A recent study from the OECD found that people with a preference for cash are at a higher risk of facing barriers to digital payments and may be vulnerable to losing access to payment systems if access to cash is not maintained.



Closing

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Access to cash and banking requires renewed attention to ensure that success to date is not undone by the complex challenges that underline their continued provision

This White Paper has explored three areas that require attention from the banking and payments industry, as well as policymakers, to ensure that cash remains a cost-effective, convenient and accepted form of payment, and that face-to-face banking services remain on the high street. These conditions are vital to the future success of a robust, inclusive and competitive UK payment infrastructure.

It's time to realise that cash is not a niche payment method that's only used by a small segment of society. It should be viewed as an essential element of the payment infrastructure, one that's used by most people and plays an important role as a contingency system in response to the fragilities of digital systems. As demonstrated by the payments landscape in Sweden and Norway, even in the most cashless and pro-digital countries, cash has an important role to play.

There is also the need to recognise that new channels are required to support digital inclusion. High street banking presents an ideal setting for citizens who lack digital confidence to try and become comfortable new digital services, with human support at hand. This will become more important as services become more digital and can be delivered in a manner that maintains access to cash and face-to-face banking at the heart of communities, offering a much-needed boost to cherished high streets.

Finally, an increase in coin deposit machines and the implementation of a coin return programme will not only reduce the cost of cash for SMEs but also reduce the cost of cash by bringing new life to the billions of coins lying dormant across the nation. Addressing these complex challenges will ensure that cash can remain viable in the future and continue to play an essential role in the UK's payment infrastructure.

CASH AS A PAYMENTS INFRASTRUCTURE

Enryo
Consulting

OneBanx
a GLORY company