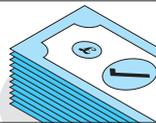


'We wouldn't survive if our beloved cash disappeared'

The drive towards cashlessness will have a huge impact on community groups and independent shops, write Adam Williams and Will Kirkman

Keep Cash



Small businesses, community organisations and charities have come together to back *Telegraph Money's* Keep Cash campaign.

Last week, this newspaper launched a major drive to highlight the urgent need to protect our physical currency, in light of retailers, restaurants and other businesses shunning cash in favour of cards and digital payments.

More than 20 high-street names, including M&S and John Lewis, have backed the campaign. Now smaller clothing shops, cafés, independent department stores, gift shops and boutiques have also joined the pledge to accept notes and coins indefinitely.

Keep Cash was praised in Parliament this week by Conservative MP David Johnston. He called on the Government to ensure citizens will "always be able" to access and spend cash. In response, Leader of the House of Com-

mons Jacob Rees Mogg expressed his support and said work was under way to protect physical currency.

Abandoning cash can have severe cost implications for small businesses. While large stores can absorb the cost of card machine payments, independent shops have been forced to shoulder higher fees. They must pay upfront and monthly fees for card readers, plus fees of up to 3.5pc for each transaction. These are ultimately passed to the consumer in the form of higher prices. Retailers, and therefore customers, would be vulnerable to even higher charges if cash disappeared.

It is not just small businesses that would struggle if cash was killed. Charities and community groups would be in jeopardy. Kathy Benn MBE, of Cheshire Community Action, a rural charity, said thousands of organisations relied on cash. "A lot of our clubs run raffles and other fundraising events where cash is the only means to take part," she said. "Our members do not have bank accounts or smartphones. They use cash every day."

Many people presume that, as banknotes and coins are legal tender, shops must accept them. However, legal tender refers only to the legal settlement of debts. Businesses are within their rights to reject any form of payment, even if it loses them customers.

But Andrew Goodacre of the British Independent Retailers Association, a trade body, said: "We must acknowledge many people do not want to, or cannot, access cards for payment."

Banks have been accused of making it difficult for businesses to use cash, as reduced opening hours have hampered their ability to deposit money at the end of the day's trading. Despite Covid restrictions being eased, many banks still operate reduced hours. This month TSB announced plans to close all of its over-the-counter services in branches permanently from 4pm.

Cashlessness can have a devastating impact on rural economies. Phone and internet signal is often poor, which can make digital payments difficult. Mrs Benn said the loss of cash would be the latest blow to rural life, following the axing of local bus services and post

office closures. A report published yesterday by the City watchdog, the Financial Conduct Authority, showed almost a quarter of the rural population are now more than 2km (1.2 miles) from their nearest free source of cash. Small businesses pay transaction fees when processing card payments, meaning retailers lose money every time someone does not pay with cash.

These charges can quickly add up if the majority of customers pay on card, with the costs ultimately passed on. Steve Holden, owner of three gift shops in Brentford, Billericay and Rayleigh with his daughter Libby (*pictured*), recently discovered he had been paying over the odds on his card transaction fees. "I've had quite a few run-ins with the card processing people," he said. "During lockdown I managed to have a proper look and found we were being ripped off, so I got a better rate from another supplier. But it's such a load of hassle changing companies and the service is rubbish."

Mr Holden backed this newspaper's Keep Cash campaign and said the drive towards digital payments risked damaging small businesses and local economies.

*'Cash helps keep our
prices reasonable'*

STEVE AND LIBBY HOLDEN



'We need cash to keep our community alive'

HELEN RICHARDS

Cash is the lifeblood of Britain's small social groups, many of which could not survive without it.

Helen Richards, from Stevenage, runs two groups that rely on weekly subscriptions: a group for widows and a curling club. If cash were to disappear, the clubs would have no choice but to close. "We couldn't manage without cash and many more clubs, societies and charities are the same," she said. "If the clubs had to fold, that is a lot of valuable social interaction lost."

Ms Richards said one of her groups, the Timebridge Widows Group, was the sole source of social contact for some members.

"If cash were banned then I would give up; I'm too old to worry about card machines," she said. "Our group has 30 members, and for one or two, it is their only contact with people each week."



'Banks are trying to force us to ditch cash'

WILLIAM COE

Many people think cash use is restricted to smaller transactions, but shoppers are still keen to make large purchases.

William Coe of Coes, an independent department store chain in East Anglia, said: "We do wedding hire and we see people paying for multiple suits in cash because they've saved up for years – and it's the same at Christmas."

But Mr Coe feels smaller businesses have been strong-armed into ditching cash by big banks. "Cash has a cost," he said. "Banks are charging more for handling it and it is harder to deposit. One of our shops is in a town where the last branch has closed so we can't physically deposit it any more."

Mr Coe blamed cost-cutting at banks for these difficulties. He added: "But we've never considered not accepting cash."

'Our customers love real money'

SHIRLEY LEADER

The death of cash should be a long way off according to Shirley Leader, owner of Velvet & Rose, a womenswear shop in Petersfield, Hampshire.

She said cash was the preferred payment method for many of her loyal customers.

"A lot of my customers have cards but like to take money out each week," she said. "I don't understand why other businesses would refuse customers from paying in cash, it is a valid way of paying. You would think it would be the other way round because of the cost and complexity of using card machines."

Mrs Leader said she still spends hundreds of pounds a year on card processing fees. "As a business we have to try and absorb those costs," she added.



HEATHCLIFF O'MALLEY/JULIAN SIMMONDS/JOHN LAWRENCE FOR THE TELEGRAPH

