House of Commons

London

SW1A 0AA

18 August 2023

Dear Colleague,

**PUBLICATION OF A CASH ACCESS POLICY STATEMENT**

I am writing to inform you that today, 18 August, the government has published its Cash Access Policy Statement, under section 131P of the Financial Services and Markets Act 2000, as amended by the Financial Services and Markets Act 2023.

While the adoption of digital payments across our economy and society continues to provide opportunities for people and businesses across the UK, the government recognises that cash continues of be used by many people. Furthermore, businesses need access to cash deposit services in order to keep accepting cash and, therefore, support people’s ability to continue to transact using cash.

The Financial Services and Markets Act 2023 has established a new legislative framework to protect access to cash. The legislation establishes the Financial Conduct Authority (FCA) as the lead regulator for access to cash with responsibility and powers to seek to ensure reasonable provision of withdrawal and deposit facilities, including free withdrawal and deposit facilities in relation to personal current accounts.

The legislation requires the Treasury to publish a statement of the government’s policies on access to cash, including policy on free access to cash in relation to personal current accounts, which will inform the FCA’s regulatory approach in this area. The government is today meeting this requirement through the publication of its policy statement.

The policy statement sets out the government’s current understanding of the distribution of cash access services across the UK, based on the latest analysis produced by the FCA. It specifies that the provision of cash access services should be maintained in line with this distribution, while recognising that the need to access a cash deposit or withdrawal service may differ by location, and between individuals and businesses, and that local circumstances and user needs may change over time with lack of access impacting locations differently.

With respect to personal current accounts, the policy statement specifies that reasonable provision of cash access services, as to be determined by the FCA, should mean free cash access services. While this does not preclude the provision of pay-to-use services, the government does not consider it appropriate for pay-to-use services to contribute towards ‘reasonable provision’ in relation to such accounts.

The policy statement also sets out additional factors that the FCA may take into account as part of its regulatory approach in seeking to ensure reasonable provision. This includes: types of cash services available; hours of availability; travel and geographic factors; demographic factors in a local area, such as age, and characteristics of vulnerability that may reflect a greater need for cash access; and potential for reliance on assistance with accessing cash that is provided in-person.

In anticipation of this Act, the financial services sector has taken significant steps to coordinate activities in relation to assessing the cash access needs of local communities and providing shared services. The policy statement welcomes positive actions by industry in this space.

The government’s policy statement is available on gov.uk: <https://www.gov.uk/government/publications/cash-access-policy-statement>

I am also pleased to inform you that today the government is presenting to Parliament the Bank of England’s statement of policy on its supervisory approach to market oversight for wholesale cash distribution. The supervisory regime gives the Bank the powers to ensure the wholesale cash distribution industry remains effective, resilient and sustainable and able to support continued access to cash.

I am depositing this letter and a copy of the Treasury’s Cash Access Policy Statement in the Parliament Libraries.



#### ANDREW GRIFFITH MP