

Cash Access Policy Statement

Introduction

1. This document is the Cash Access Policy Statement which the Treasury is required to publish under section 131P of the Financial Services and Markets Act 2000 [‘the Act’], as amended by the Financial Services and Markets Act 2023. This Statement is made in accordance with relevant provisions of the Act.

Context

2. The adoption of digital payments that has been taking place across our economy and society over the past decade continues to provide opportunities for people and businesses across the UK. The proportion of the number of payments that do not involve cash in the UK has risen from around 45% a decade ago, to 85% as of 2021¹.
3. Digital payments can offer people and businesses convenient, tailored, and flexible ways of making and managing payments safely and securely. They have the potential to help facilitate enhanced competition in payment services in the form of new entrants and more choice for consumers, as well as innovations that can further improve access to financial services. Increasingly, digital payments can enable and may be accompanied by additional services, such as ways to help budget or keep a record of transactions. Digital payments may also reduce opportunities for the criminal minority who seek to exploit the characteristics of cash for physical theft, evading tax or laundering money. The government believes that it would be wrong for its approach to cash access policy to impede these many benefits and opportunities, and encourages steps to ensure that digital payment products and services are inclusive and accessible.
4. Nonetheless, the government recognises that digital payments may not yet be a suitable option for many people who still rely on notes and coins, for example to manage their finances, do their shopping, or to help out friends and relatives.

¹ [UK Finance | Payment Markets Summary 2022](#)

5. The government also recognises that 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. Given the overall reduction in cash use experienced in the UK, in the absence of government intervention the provision of services to access cash may decline in a disorderly way which is detrimental to users. Therefore, the government has legislated to protect access to cash services through the Financial Services and Markets Act 2023 to ensure that cash remains available for those who need it.
6. This follows new laws introduced in the Financial Services Act 2021 to facilitate cashback without a purchase. Data available in June 2023 indicates there are around 2,500 shops offering a cashback without purchase at the till service through the LINK network, which are dispensing around £5 million per month without a charge to customers.
7. The Financial Services and Markets Act 2023 introduces a requirement for the Financial Conduct Authority (FCA) to exercise its new functions for the purpose of "seeking to ensure reasonable provision of cash access services in the United Kingdom, or a part of the United Kingdom". This includes the ability for the FCA to set rules which designated firms, and, where applicable, designated operators of cash access coordination arrangements, must follow. The legislation also places a requirement on HM Treasury to publish a statement of policy concerning cash deposit and withdrawal services, to which the FCA must "have regard", including in determining what constitutes "reasonable provision" of cash access services in the UK.
8. The government particularly welcomes positive actions by industry to coordinate, via independent bodies, activities in relation to assessing the cash access needs of local communities and the provision of shared services. The government encourages designated firms to engage with industry initiatives designed to facilitate cash access and recognises the potential benefits these can provide for ensuring efficient and proportionate solutions, which are in the interests of consumers.

Policy

9. This Cash Access Policy Statement sets out the government's policy concerning access to cash deposit and withdrawal services for personal and business current accounts across the UK and is intended to inform the FCA's approach, including in relation to what constitutes "reasonable provision" of cash access services in the UK.
10. The government's aim is to maintain reasonable access to deposit and withdrawal services for these accounts. The government does not consider that a substantial redistribution or large-scale introduction of additional access points is required. This reflects the government's current understanding that, on a nationwide basis, the data suggests that the distribution of cash access is broadly comprehensive. Nonetheless, it is important to ensure that "reasonable provision" takes account of potential local deficiencies that may have a significant impact, evolving trends and innovations.
11. Based on analysis of cash access coverage published by the FCA², the government's current understanding of the distribution of cash access services across the United Kingdom is that:
- The vast majority of people in predominately urban areas³ of the UK have access to cash deposit and cash withdrawal services within a maximum of 1 mile of where they live.

² [Financial Conduct Authority | Access to cash coverage in the UK 2022 Q2](#)

³ For the purposes of this statement data has been informed by the FCA's assessment of access to cash coverage. Under that analysis, each census output area/small area is categorised as rural or urban using rural-urban classifications. For England, Wales, and Scotland, these classifications are sourced from the Office for National Statistics, and for Northern Ireland, they are sourced from the Northern Ireland Statistics and Research Agency. For England and Wales, urban areas are areas where the majority of its population live in a settlement of 10,000 people or more. For Scotland, urban areas are areas where the majority of its population live in a settlement of 3,000 people or more, or where the majority of its population live in a settlement of 3,000 or less but are within a 30 minute drive time from a settlement of 10,000 or more. For Northern Ireland, urban areas are areas where generally the majority of its population live in a settlement of 5,000 or more. In the case of Northern Ireland, for simplicity, the 165 out of 4,537 small areas originally assigned to a mixed rural/urban category are reassigned to either rural or urban category based on their band. Bands A-E are categorised as urban and F-H as rural; see [NISRA Urban-Rural Classification 2015](#) for more details.

- The vast majority of people in predominately rural areas⁴ of the UK have access to cash deposit and cash withdrawal services within a maximum of 3 miles of where they live.

12. The above reflects at least 95% of the population being within these distances of cash facilities as of the second quarter of 2022⁵.

13. The government expects that the FCA will continue to monitor the coverage of access to cash, which will be further supported by new powers for the FCA to collect information from providers of cash access services and other relevant entities.

14. The government's policy is that coverage for business and personal users should be maintained in line with the distribution of cash access services across the United Kingdom as set out above, while recognising that deposit and withdrawal needs 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.

15. In addition, with respect to personal current accounts, the government's view is that "reasonable provision of cash access services" (as to be determined by the FCA) means free cash access services. This does not preclude the provision of pay-to-use services. However, the government does not consider it appropriate for pay-to-use services to contribute towards "reasonable provision" in relation to such accounts.

⁴ For the purposes of this statement data has been informed by the FCA's assessment of access to cash coverage. Under that analysis, each census output area/small area is categorised as rural or urban using rural-urban classifications. For England, Wales, and Scotland, these classifications are sourced from the Office for National Statistics, and for Northern Ireland, they are sourced from the Northern Ireland Statistics and Research Agency. For England and Wales, rural areas are areas where the majority of its population live in a settlement of less than 10,000 people. For Scotland, rural areas are areas where the majority of its population live in a settlement of less than 3,000 people, with a drive time of 30 minutes or more to a settlement of 10,000 people or more. For Northern Ireland, rural areas are areas where generally the majority of its population live in a settlement of less than 5,000 people. In the case of Northern Ireland, for simplicity, the 165 out of 4,537 small areas originally assigned to a mixed rural/urban category are reassigned to either rural or urban category based on their band. Bands A-E are categorised as urban and F-H as rural; see [NISRA Urban-Rural Classification 2015](#) for more details.

⁵ For the purposes of this statement, data has been informed by the FCA's assessment of access to cash based on data for the second quarter of 2022. This data does not include assessment of the coverage of cash facilities relative to business premises across the UK. However, the distance relative to the residential population is considered here to be a suitable proxy.

16. In determining what constitutes “reasonable provision”, the legislation requires the FCA to have regard, in particular, to local deficiencies that have significant impacts. In doing so, the government’s view is that consideration should be taken of the degree to which services meet local needs in relation to both business and personal use. This may include the following factors as appropriate in the circumstances:

- types of cash services and nearest alternatives 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
- potential for reliance on assistance with accessing cash that is provided in-person

17. It is the government’s policy that, in the event of a significant change or closure to a cash access service, any proposed alternative service that has been identified for the purpose of maintaining reasonable access, in line with any FCA rules and guidance, is put in place no later than when the significant closure or change takes place.