VISA Europe response to the Access to Cash Review

October 2018

Visa Europe (referred to as "Visa" for the rest of this document) is pleased to respond to the Access to Cash Review ("the Review") and contribute to the conversation around the future of the UK payments infrastructure. As the UK moves towards becoming a leader in digital payments, this Review presents an important opportunity to consider the investment decisions which must be taken in order to enable a successful transition.

Our mission is to connect the world through the most innovative, reliable and secure digital payment network that enables individuals, businesses and economies to thrive. As the world goes digital, we constantly invest in the innovation and security driving the future of commerce, for the benefit of clients, consumers and merchants. The UK is a key market for Visa and we are committed to ensuring that we do our part in enabling its journey towards becoming a leader in digital payments.

Importantly, this Review presents an opportunity to more closely consider why certain people continue to rely on cash (e.g. budgeting and security) and what can be done for them. While we recognise that there will be a continued need for cash in the near future, we also consider that the market for digital payments is increasingly offering suitable alternatives. For instance, we have recently rolled out Visa Transaction Controls, which empowers cardholders to monitor and manage their spending more effectively. As the market for digital payments continues to innovate to address these needs, there will be wider adoption of digital payments.

We also recognise that those who continue to rely on cash may be among the most vulnerable in society. As the UK's transition continues, more needs to be done to enable greater digital and financial inclusion for these individuals. This year, we have become lead sponsors for the Financial Inclusion Commission and are working with a range of expert third sector and industry partners on analysing and responding to the challenges faced by the most underserved in society.

Finally, we recognise the emerging challenges the industry is facing in order to sustain the increasingly costly national cash infrastructure. These challenges must be addressed with targeted measures which ensure that those who require cash have adequate access to it. For instance, our ATM scheme includes a financial inclusion uplift on fees for free-to-use (FTU) ATMs which do not have another FTU ATM within a 1 km boundary.[1] We also note that ensuring wide geographic access of FTU ATMs is a key priority for the PSR and do not consider that the UK needs further regulatory intervention with regard to access to cash.

[1] With this uplift, operators earn more per transaction for withdrawals at ATMs as per this definition. This uplift is intended to facilitate sufficient cost recovery for these ATMs and mitigate risk of closures.

1 Overview

1.1 The UK's digitally mature payments landscape

The UK is trending towards becoming a leader in electronic commerce as consumers are increasingly choosing to use digital payments. Today, the UK economy ranks highly on most measures of digital adoption[2] and this has been supported by strong digital infrastructure, a prosperous technology industry, a stable policy environment and a well-constructed regulatory framework.

Consumers are increasingly choosing to use digital payments, as they recognise the value of convenient, tailored, flexible, and secure ways of purchasing goods and services. Merchant acceptance is also increasing as businesses recognise the benefits of digital payments such as security (against personal and business theft) and enablement of online commerce, which digital payments can bring to them.

At the same time, 2.2 million adults in the UK continue to use cash as their primary method of payment and there is need to understand the underlying drivers and issues for those individuals where digital payments are available.[3] In this respect, Visa considers that there are two key areas needing consideration around engagement in digital payments:

- Addressing individuals and families on low incomes to relying on cash as a more tangible and effective form of budgeting; and
- Improving trust in the security of digital payments over other payment alternatives.

For those individuals that are unable to access digital payments, identifying the barriers is important so that effective and focussed solutions are developed.

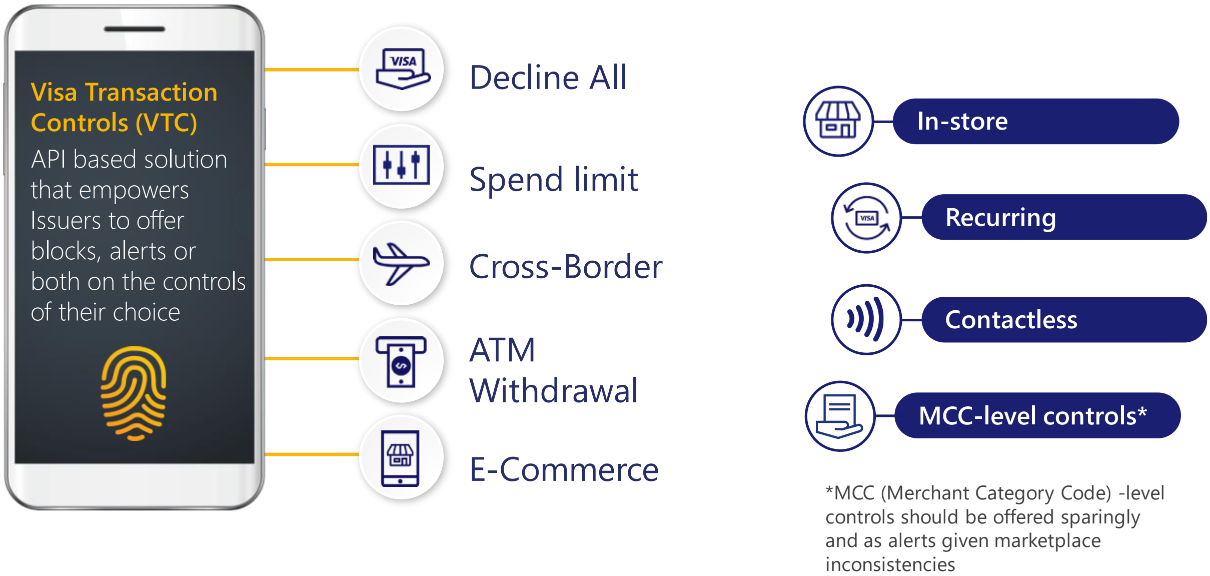
1.2 Investing in the UK's digital payments infrastructure to drive engagement

Our vision as a business is to be the best way to pay and be paid for everyone, everywhere and we are committed to ensuring that no one is excluded from reaping the benefits of digital payments. It is important that as the UK moves towards becoming a digital leader, the right investment decisions are made today to ensure that no one is excluded from reaping from the benefits of digital payments. For example, we have recently launched Visa Transaction Controls that allow cardholders to closely monitor transactions on their accounts with alerts, and set spending limits - helping to deliver greater control and effective management of finances through a mobile app.

2 For instance, for the past two years, the UK has seen the highest proportion of retail e-commerce sales as a share of retail trade in Europe.

3 As per statistics from UK Finance, a large majority of these 2.2 million UK adults have access to digital payments. Please see: https://www.ukfinance.org.uk/wp-content/uploads/2018/06/Summary-UK-Payment-Markets-2018.pdf.

Figure 1: Visa Transaction Controls



In terms of enabling greater trust in security of payments, we have invested in the Visa Token Service, a security technology that can enable our clients to build and maintain digital payment experiences while protecting consumers' sensitive information from fraud. Visa has also developed a global network of Visa Ready partners to offer digital payment token services to ensure that any payment service can become more secure and trusted. As well as increasing confidence in the ecosystem, this can help accelerate the adoption of new technologies, as participants can highlight their compliance with Visa's security standards.

Our view is that the market for digital payments continues to innovate, providing solutions to address the needs for those who continue to rely on cash.

1.3 The potential for greater financial and digital inclusion

Visa's global network and services are a powerful platform to advance financial inclusion – we recognise our role and responsibility in working with governments and other stakeholders to ensure no-one is left behind by the transition toward greater use of digital payments. We have learned that electronic payments, whether on a mobile phone, prepaid or debit card, are a gateway to the formal financial system for households and businesses.

This year, we became the lead sponsors of the Financial Inclusion Commission. We are embarking on a new programme of work with the Commission to address the complex challenges facing the UK, with particular focus on underserved small and micro merchants. Together with our partners and stakeholders, we intend to identify and address the most pressing issues facing these businesses and do what we can to help.

Earlier this year, we commissioned an independent UK-focused study[4] to understand how cash usage might change in the future for the financially underserved and vulnerable groups.[5] We found that for every vulnerable group that we surveyed, respondents are expecting over the next year to use less cash and more digital payments. Furthermore, the data from our findings suggests that all groups and regions can realise benefits when transitioning to digital payments, for instance through late payment savings, transaction time savings or reduced risk of theft.

In quantitative terms, these benefits can be summarised as follows:

- Residents across large cities (e.g. Manchester, Birmingham) would see an average of £119.15 in net benefits per person/per year.
- Those in medium-sized cities (e.g. Belfast, Coventry) would see £171.48 in gain and those in rural areas see £85.73 in gains.
- Underserved groups would all see additional positive impacts, ranging from £56.55 for those with disabilities in rural areas to £357.98 for those with disabilities in mid-sized cities.

As this data demonstrates, there is a clear case for addressing the current levels of financial and digital exclusion. It should be noted that while these studies are a helpful means of illustrating the potential societal benefits of digital payments, Visa understands that cash will remain a preferred mechanism of payment by some people for years to come.

Visa is aligned with the Government's priorities of greater digital inclusion, and the market for digital payments is constantly innovating to cater to more and more user segments to facilitate the UK's transition and to enable the realisation of wider economic benefits.

1.4 Addressing the challenges with access to cash

We do not consider any further regulatory intervention is required at this stage on access to cash. There is a strong regulatory response from the PSR's work with the UK's ATM network, where it continues to maintain regulatory oversight on access to FTU ATMs. Furthermore, we note that recent investment from the UK Government in the Post Office network helping to ensure protection of rural branches, from which consumers can access cash.[6]

As highlighted in the Review, the UK enjoys one of the best positions globally on cash access. Today, consumers are able to withdraw cash through ATMs, cashback facilities at retailers and "over-the-counter" facilities at bank branches or the post office. The most widely used method of cash acquisition is through ATMs, with the majority of these machines being FTU.[7] The other mentioned methods are also free for consumers at point-of-use, and indeed this has been the case historically.

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4 Commissioned by Visa Inc to ESI Thoughtlab. Research conducted during April 2018.

5 For the purposes of this study, these groups included those on a low income, unemployed people, retired people, people with disabilities, and people with chronic illnesses.

6 https://www.gov.uk/government/news/government-pledges-to-secure-the-future-of-the-post-office

7 In 2017, 79% of all ATMs (55,152) were reported to be FTU.

This is notwithstanding the fact that there are costs to maintaining the current levels of "free" access to cash. These costs relate largely to the country's ATM estate, which reportedly costs c.£1 billion per annum. Additional key costs of cash relate to printing of notes, minting of coins, merchant handling costs and the destruction or recycling of these. While users of cash never pay for these costs directly (other than at non FTU ATMs), these costs are ultimately passed on to them through lower bank interest rates and retail mark-ups.

The difficulty with sustaining these costs are becoming more evident, as highlighted in the Review, given the decline in cash usage. It is becoming costlier to operate infrequently used ATMs, with a number of them ceasing operation over time, and a bank branch network steadily in decline over the last three decades.[8] Clearly, this raises challenges with access to cash for those who need it, particular in areas of lower population density.

We do not consider that the growth in demand for digital payments will remove the need for cash and recognise the importance of ensuring that those need cash have access to it. Visa has a limited role in the UK market for the supply of cash:

- We operate a UK ATM network scheme, which is broadly the same network of ATM machines as LINK. This is operative where the customer has a Visa card issued by a bank that is not a member of the LINK scheme or a type of card that is not part of the LINK agreement (e.g. non-UK issued cards). We estimate that our share of domestic UK transactions represents less than 1% of all ATM transactions in the UK. Our ATM scheme has recently introduced a financial inclusion uplift for FTU ATMs that do not have another FTU ATM within a 1 km boundary.
- Across the UK, merchants are also able to offer cashback on transactions made by a Visa debit card. These cashback transactions incur a zero interchange fee for merchants and there is no differential in processing fees due to adding cashback to a payment.[9]

8 There were 20,583 branches in 1988 but only 8,837 in 2012.2. Source: British Bankers Association; Annual Abstract of Statistics 2013; table 5.02

9 There is no explicit fee related to cashback in our Scheme fees, but cashback is included in the calculation of volumes on which some of our Scheme fees are applied.

2 Annex: Visa's comments in response to specific questions

2.1 Questions 1 & 2: Future trends and the need for cash

Over the past decade, customers have responded to digital innovation in payments seeking greater convenience and security. There has also been significant growth of e-commerce, which has demand for digital payments. This change in demand for digital payments has led to a decline in cash usage. Debit cards overtook cash as the most frequently used payment method in the UK for the first time in 2017. This trend is forecast to continue with the number of debit card transactions increasing by 49% by 2027. At the same time, cash usage is forecasted to decline over the same period by 51%, and will represent 16% of all payments in 2027.[10,11]

Visa's view is that over the next ten to fifteen years, we will see further growth in demand for digital payment methods, including new payment channels, devices, and transaction types. For example, we expect to see more integration of digital payments into consumer devices such as mobile phones and wearables. However, given the rapid advancement of technology, and increasing numbers of innovative entrants to the payments space, it is difficult to say with certainty what the future payments market will look like.

The Review highlights individuals at a risk of being excluded from digital payments, and therefore would continue to need cash. For the remainder of this section:

- We will focus on **identifying the need for cash**, looking more closely at individuals who predominantly use it.
- We will then discuss our view of the **reasons for using cash**.

2.1.1 Identifying the need for cash

To understand the future need for cash better, it is important to identify the existing levels of cash demand and specifically any areas of cash reliance.

In 2017, 4.2% of all UK adults (2.2 million) predominantly used cash when shopping. However, within this group it is reported that 92% have a debit card and 72% use payment methods other than cash to pay their regular household bills.[12] This seems to indicate that the majority of people predominantly using cash have access to digital payments. These consumers may use cash as a matter of preference rather than reliance, which could be driven by factors such as security or budgeting concerns.

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[10] UK Finance, UK Payment Markets 2018, page 8

[11] However, we note that despite the projected fall in cash usage, cash will remain the second most frequently used payment method in the UK in 2027.

[12] UK Finance, UK Payment Markets 2018 – Summary, page 4

We believe there is value in looking carefully at how cash usage patterns will change for specific groups going forwards. Earlier this year, we commissioned work in this area to understand how cash usage might change in the future, particularly for the financially underserved and vulnerable groups across the UK. [13] Our findings suggest that for every group we surveyed, respondents are expecting over the next year to use less cash and more digital payments. The aggregate expected decrease in cash usage is c. 19%, and the aggregate expected increase in mobile payments and debit cards is c. 20% and c. 17% respectively.[14] This is consistent with broader projections of decline in cash usage across the whole population

Based on this, our initial view is that there is still scope for greater adoption of digital payments in the UK for the vulnerable and underserved, especially for those who have access to it. We consider that the market for digital payments has historically responded well to changing consumer needs and we note that it is increasingly focusing on solutions that can benefit those who continue to rely on cash.

We note that there are still those who may not have access to digital payments and will need cash going forwards because of a lack of alternatives. We consider that more should be done to understand why these individuals may be digitally excluded in order to develop targeted policy solutions.

2.1.2 Reasons for using cash

Visa commissioned a study to ESI Thoughtlab[15], which considered why consumers continue to use cash. The cultural and habitual attachment to cash; and security, risk and privacy concerns would appear more relevant to the UK market:

- Cultural and habitual attachment to cash. A key example here is where people with limited budgets being likely consider cash a simple and tangible way of managing their budget.
- Security, risk, and privacy concerns. Some consumers are reluctant to adopt digital payments because of worries about identity theft and loss of privacy.
- Inadequate digital infrastructure. The lack of reliable electricity infrastructure, underdeveloped internet connectivity, and low rates of computer and smart device ownership all impede progress towards greater adoption of digital payments.
- Limited financial or digital literacy, leading to limited ability to take advantage of digital solutions across a range of areas.
- Limited access to digital payment products. An underdeveloped banking and payment system can also directly impede the use of digital payments.

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13 Which included those on a low income, unemployed people, retired people, people with disabilities, and people with chronic illnesses.

14 These benefits from increased adoption of digital payments for these individuals are discussed further in section 2.3.1.

15 Formerly Roubini Thoughtlab. The independent study was commissioned by Visa Inc, and quantified the economic impact of increasing the use of digital payments in major cities around the world. The study was published October 2017. The full report is available here: https://usa.visa.com/dam/VCOM/global/visa-everywhere/documents/visa-cashless-cities-report.pdf.

- **Misperception that costs of accepting digital payments are higher than cash**. Merchants, and sometimes governments, can be reluctant to use digital payments because of perceived costs.

2.2 Question 3: Role of innovation in payments

Digital innovation over the last few decades has changed the way societies operate. In payments, we have seen an upsurge of new ways to pay that go far beyond the card and make digital payments even more accessible to consumers globally. Increasingly, non-traditional players are injecting new ideas and technologies into the traditional payments ecosystem, further expanding the reach of digital payments around the world. The development of Open Banking solutions enabled by PSD2 will significantly change the competitive landscape in payments.

A digital economy that works for everyone depends on everyone having the skills and tools they need to participate. This is a matter of both empowering consumers and businesses and of responsible players across every sector playing their part to make the transition to digital easier and more accessible. We have outlined below more specific innovations linked to the potential barriers some consumers may face in the UK market.

2.2.1 Overcoming cultural and habitual attachment to cash

Innovation can help overcome cultural and habitual attachment to cash in a variety of ways. We note two key examples:

- Traditionally, digital payments such as card payments and interbank payments have been perceived as more suited to medium-sized and larger payments, with smaller payments executed in cash. However, innovations in digital payments (such as contactless cards and Oyster cards in London) mean that they are increasingly being used for smaller payments.
- We understand that some people who rely on cash today do so because they currently feel less in control of budgeting with digital payments. One innovation we have developed to address this is Visa Transaction Controls, which allow cardholders to set spending limits through a simple control centre in their mobile banking app.[16]

2.2.2 Overcoming security and privacy concerns

Visa takes customer security and fraud protection very seriously, and our business rests heavily on being able to maintain that customer trust. This is why we have invested in Visa Token Service, a security technology that can help clients build and maintain digital payment experiences while protecting consumers' sensitive information from fraud. It replaces sensitive payment card account information, such as the 16-digit account number, expiration date and security code, with a unique digital identifier (a "token") to process payments without exposing actual account details.

[16] This is discussed in greater detail in the Overview section.

We are leveraging this technology and enabling quicker adoption of third-party payment solutions through the Visa Ready program, which allows developers to ensure their solution meets Visa's security standards and specifications. Visa has built out a global network of Visa Ready partners to offer digital payment token services to ensure that regardless of form factor, any device, appliance, or beyond, can become a more secure place for commerce.

As the payments industry moves away from static data elements such as PINs, passwords, and security codes, we believe that biometrics can and should play a greater role in the authentication experience. A recent Visa report found that 86% of customers would like to use biometrics when it comes to verifying identity or making payments.

Increasingly market participants are therefore looking at ways to strengthen authentication by pairing traditional methods with biometrics, dynamic pass codes, and risk-based analytics. For instance, Visa ID Intelligence is a new platform that allows issuers, acquirers and merchants to quickly adopt emerging authentication technologies and create more secure and convenient payment channels for customers.

We envisage that these advances will also help users feel more confident and secure when they use digital payments.

2.2.3 Overcoming inadequate digital infrastructure

While digital infrastructure in the UK is not likely to be a significant barrier, there are always opportunities to learn from other markets. We are no longer constrained by wired infrastructure, allowing us to reach the unbanked, the underserved and entirely new merchant segments in regions and places that were previously impossible due to weak telephony and electricity. These emerging regions are ripe for growth – from both a financial inclusion and digital payments perspective.

An example of this is India, where Visa stepped in to provide digital payment solutions, helping reduce India's cash dependence. We worked with the Indian Government to deliver on Bharat QR – an interoperable QR code, aligned with global standards, after it launched its demonetisation initiative. Other than providing a channel for secure payments without the need for a physical card, one of Bharat QR's biggest benefits is that using it does not require any up-front expenditure on a POS machine.

2.3 Questions 4 & 5: Policy measures and financing access to cash

In the UK, as in many countries, the market is evolving to meet consumers' needs. Here, a combination of a generally well-constructed regulatory environment, policy stability, and strong digital infrastructure conditions has resulted in continual investment and expansion of the market, as well as innovation from both new and existing payment service providers. In turn, this has helped meet the evolving needs of end-users consistently, enabling a rapid transition towards digital payments faster than many other economies

Therefore, for the remainder of this response,

- We will first discuss the case for further expanding financial and digital inclusion in the UK and highlight some of the work Visa has been doing to facilitate this.

- To the extent that there are concerns around enabling a smooth transition to what the Review describes as a "low cash society", we consider that existing government policy and regulation is effectively supporting this transition. Therefore, we will outline key elements of **the UK's existing policy and regulatory framework** that are in place to address the concerns raised in the Review.
- Finally, we will outline **Visa's role in the market of cash supply**, highlighting key features of our ATM and cashback schemes.

2.3.1 Expanding financial and digital inclusion in the UK

Visa recognises the Review's concerns over the risks of excluding certain segments from the UK's digital transition. The benefits of digital payments should be available to all consumers and businesses. At the heart of Visa's business is a commitment to provide digital payments for everyone, everywhere, which means working to ensure no-one is excluded. We believe that digital payments, whether on a mobile phone, prepaid or debit card, are a gateway to the formal financial system for households and businesses.

Building on our ESI Thoughtlab study which was published last year, Visa commissioned a comprehensive study focused on the UK earlier this year.[17] The study was based on surveys of consumers and businesses across the UK to determine the potential financial impact of digital payments, particularly with the focus being outside London and for specific groups like small merchants and potentially 'underserved' groups.[18]

The data suggests that all groups and regions can realise similar benefits when transitioning to digital payments, be they from banking timesaving, late payment savings, transaction timesaving, or even reduced crime.

- Residents across large cities (e.g. Manchester, Birmingham) would see an average of £119.15 in net benefits per person/per year; those in medium-sized cities (e.g. Belfast, Coventry) would see £171.48 in gain and those in rural areas see £85.73 in gains. Underserved groups would all see additional positive impacts, ranging from £56.55 for those with disabilities in rural areas to £357.98 for those with disabilities in mid-sized cities.
- At a business level, the total business impact across all businesses in large cities (outside of London) could see over £4.5 billion in net gains.

Visa recognises the important responsibility and contribution we can make as a business to bringing excluded groups into the economy. We have seen around the world how digital payments are often a springboard for economic participation and this is not only a moral imperative, but also a strategic commercial priority for our business. The UK is a thriving, developed economy, however unfortunately this does not mean full participation in the economic system, and there remain significant pockets of deprivation and exclusion.

Below, we outline some of the work we have been doing in the UK:

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[17] Commissioned by Visa Inc to ESI Thoughtlab. Research conducted during April 2018.

[18] These groups include those on a low income, unemployed people, retired people, people with disabilities, and people with chronic illnesses.

- We are working with various groups across the UK to help leverage the power of Visa to tackle financial inclusion, including our long-standing partnership with Young Enterprise to fund the teaching of financial literacy in schools.
- We are aware that the charity sector in general needs particular support when it comes to the transition away from cash. As consumers have carried less cash, charities have seen their on-the-street donations dwindle. To help charities accept digital payments, Visa developed a mobile point-of-sale ('mPoS') and designed a 3D printed holder that enables volunteers and charity workers to accept low-amount contactless donations from passers-by.
- Earlier this summer, Visa proudly sponsored the Great British High Street Awards, a nationwide competition led by the Ministry of Housing, Communities and Local Government. The competition recognises, celebrates and supports local high streets across the UK and the small merchants that make them a success. It also provides an opportunity for us to share best practices, with this year's competition having given us the opportunity to engage with over 900 merchants to date.
- We are proud to have recently become the lead sponsors of the Financial Inclusion Commission, the UK's foremost policy and advocacy organisation in this space, and we are embarking on a new programme of work with them to address the complex challenges facing the UK in this regard. As part of this work, we are focusing particularly on underserved small and micro merchants. Working with expert partners and convening discussion amongst key stakeholders, we intend to identify and address the most pressing issues facing these businesses and do what we can to help.
- Another example is the work that Visa and our partner Square have done in the town of Holywell, North Wales. Square offers an affordable and easy-to-use card-reader for merchants. It does this with an app that allows merchants of all sizes to process and manage credit card transactions through a device plugged into a smartphone or a tablet. Square partnered with the town of Holywell last Christmas to enable Holywell's 'Digital Town' initiative, whereby 50 local businesses were equipped with Square Readers so that they could accept credit and debit cards — many for the first time. The campaign was a great success for both shoppers and businesses, with over 95% of the town's independent high street businesses now accepting card payments.

We are always looking for more ways to facilitate more widespread financial and digital inclusion – for both businesses and consumers, irrespective of characteristics or status.

2.3.2 *The UK's existing policy and regulatory framework*

We do not consider that further regulatory supervision is required in order to support the UK's transition towards digital payments.

Our view is that the UK's existing policy and regulatory framework is helping address the UK's transition away from cash. For example, the UK Government has a robust Digital Inclusion Strategy – with an emphasis on digital skills, literacy, connectivity and accessibility.[19] The UK Government also recognises that digital exclusion affects some of the most vulnerable and disadvantaged groups in society, including those in social housing, those on lower wages, those with disabilities and older people.

Despite the challenges, the trends are positive and the digital inclusion dashboard shows steady year-on-year progress. For example, the proportion of households with an internet connection has increased from 77% in 2011 to 86% in 2016 and the proportion of adults who access internet on mobile phone and/or portable computers has increased from 58% in 2012 to 75% in 2016.[20]

We also note the Review's concerns around whether the cash value chain can adapt to changing market conditions or if it requires further regulatory intervention. Noting that regulation should be targeted, proportionate and based on a robust evidence base, we would like to highlight that the PSR actively monitors accessibility to the country's ATM network. Crucially, we understand that PSR has powers to intervene if it considers that the current geographical spread of FTU ATMs is threatened.

We also note the Government's recent investment in the Post Office network, which seeks to ensure that over 99% of UK adults are within 3 miles of their nearest branch. [21] This investment, among other things, seeks to protect rural branches and therefore we consider that this is a positive development for securing access to cash for consumers going forwards.

2.3.3 Visa's role in the market for cash supply

Visa operates a UK ATM network scheme, which is in addition to the more widely used LINK scheme. Our ATM scheme uses broadly the same network of ATM machines as LINK, and is operative where the customer has a Visa card issued by a bank that is not a member of the LINK scheme or a type of card that is not part of the LINK agreement (e.g. non-UK issued cards). We estimate that our share of domestic UK transactions represents less than 1% of all ATM transactions in the UK.

Given the importance of ATMs as a means of access to cash, we consider that it is important that all consumers have access to them. Last year, we introduced an uplift to the fees for ATMs that are located across a defined set of Financial Inclusion Areas.[22] We have also recently agreed on an increase of this uplift to help ensure that the geographic coverage of these FTU ATMs can be maintained going forward.

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19 https://www.gov.uk/government/publications/government-digital-inclusion-strategy/government-digital-inclusion-strategy

20 https://www.gov.uk/performance/digital-inclusion

21 https://www.gov.uk/government/news/government-pledges-to-secure-the-future-of-the-post-office

22 Which we define as ATMs which are the only FTU ATMs within a 1 km boundary.

Additionally, we note that merchants are able to offer cashback on transactions made by a Visa card. In the UK, cashback only applies to debit and a zero interchange fee is currently implied and there is no differential in processing fees due to adding cashback to a payment. There is no explicit fee related to cashback in our Scheme fees, but cashback is included in the calculation of volumes on which some of our Scheme fees are applied.