

Coventry Building Society response to the Access to Cash Review

Coventry Building Society

Coventry Building Society is the second largest building society in the UK.

We have a network of 70 branches, extending from Abingdon in the South to Sheffield in the North, as well as 18 agencies in the South West of England.

We operate a small ATM network comprising 58 branch ATMs and 8 remote ATMs.

We issue cash-cards on some of our instant access accounts. We do not offer debit or credit cards, and we do not offer contactless technology on our cash-cards.

We welcome the Access to Cash Review and support the aim of ensuring that there remains an inclusive cash service that meets the needs of our members.

Question 1: What do you think could happen to cash demand in the UK over the next fifteen years?

We expect the number of cash payments to continue to fall over the next few years, but the fall will vary significantly between demographic groups.

Many of our instant access account holders rely on cash via our branch and ATM networks to pay for day to day living expenses. This is in part due to customer preference and lack of suitable alternative payment methods available through the Society.

As a card issuer, we are seeing the number of cash-cards we issue increasing year-on-year, and we currently have over 200,000 cash-cards in circulation. (We no longer have open-issue debit card accounts).

Question 2: What are consumers' needs for cash and digital payments and how can they best be met in the future?

The gap between those who use cash and those who use other forms of digital payments will continue to widen. Some consumers rarely use cash at all, whilst others rely almost entirely on cash. This latter category includes those who see cash as an effective method of budgeting. This is particularly evident with low income households

It is essential that these consumers are supported in the transition away from cash and that their needs are assessed when identifying alternative payment methods.

Question 3: What digital or other innovations are likely to affect those who currently are using cash?

Coventry Building Society operates a traditional building Society model; retail savings and mortgages. Our focus is on our core business, and not on payment innovation.

We are committed to our branch network, in which we are investing significantly over the next two years. This will result in each branch undergoing a transformation to ensure our branches continue to meet the needs of our members, including their access to cash over the counter and in some locations via an ATM.

Consumers who predominately use cash may find access to certain services restricted in the future where digital only payments are accepted. E.g. Public transport

Question 4: Does access to cash require regulation or central co-ordination that goes beyond the current framework? If so, what should this involve?

There is a significant cost in making cash available to consumers. It is essential that there continues to be oversight to ensure that commercial decisions do not make cash inaccessible to those who need it.

Question 5: How should access to cash be paid for?

The CBS ATM network is free-to-use and we strongly support the continuation of a free-to-use ATM network in the UK.

Consumer expectation is that cash services (and other forms of payment services) are free at the point of use.

Financial Institutions and ATM operators will need to make their own commercial decisions about how to charge customers for using their services.