

Dear Sir,

### **Access to Cash Review**

Having seen details about this Review in the Money Mail I then went onto the site and downloaded the 17 pages of comments about cash in our society. First of all I would like to congratulate the writer(s) of this document which I found very well written, easy to read and sets out the various points very adequately. I would also like to inform you that I am 76 years old and therefore not one of the IT generation. I retired as a detective sergeant from the Metropolitan Police in 1996, after 35 years' service. Whilst I never served on the Fraud Squad I used to enjoy dealing with frauds and never ceased to be amazed at the ingenuity of criminals carrying out fraudulent crimes. For 10 years after the Police I was an Insurance Loss Adjuster Fraud Investigator looking into suspect insurance claims. I retired from this Job after 10 years and then for the next 10 years, with my wife, we operated our own investigation firm dealing in fraudulent insurance claims and also in the theft and recovery of stolen heavy Plant Equipment in London and the Home Counties. At the age of 74(2016) I decided to retire full time and enjoy a comfortable existence on my Police and Loss Adjuster pensions and of course state pensions.

My father was a bank manager having worked for the National Provincial Bank from the 1930's, with interruption for serving in the Army in the Second World War, until he was killed in a road accident in 1969, having just been promoted the Regional Manager for the National Westminster Bank, covering the North West of England. In his time everyone with a bank account knew their bank manager and he worked hard not only for the Bank but for his customers. He would turn in his grave at the way the Banking Industry has gone with mass branch closures, senior bank officials having massive salaries and huge bonuses for just doing their jobs properly. In my father's time such huge salaries and bonuses were unthinkable. The banking industry seems to have drawn away from providing a service to their customers and cannot wait to screw as much money as possible from their customers. They try to show that they have to close branches because of their lack of use. However it has been documented that the bank's statistics on this matter are highly suspect. It is clear to a vast number of people that the only reason they want to close branches and force customers onto on-line banking is so that they can make even bigger profits for the bank and the senior management.

I have held a bank account since I was 17, I got disillusioned with Nat.West so changed to Barclays. I was then totally disillusioned with Barclays during the financial crash of the late 1990 and their criminal activities over playing the money markets and the Libor scandal. I then transferred my account to Nationwide and have been very happy with the service they provide. However I have strong issues with the remuneration packages of the CEO and directors. In the recent AGM I did not support the remuneration package that they wanted. I felt they were far too high. In fact like the whole of the banking and other financial systems, heads of national building firms, top officials of Government and local government departments, Chiefs of Police etc are all drawing unwarranted huge salaries and bonuses for just doing their job, which 30 years ago were not heard of. Everyone has got too greedy.

Anyway getting back to The Cash Review.

**Question 1** – quite clearly there has been huge changes in cash demand over the past 20 years. With the advent of on-line banking and the ever increasing use of credit and debit cards people have found they don't need so much cash as in the past. Personally speaking I don't require as

much cash as I did years ago. My pensions are all paid into my account. I have set up direct debits for health insurances, car insurance, broadband and mobile phone services, housekeeping (paid to my wife), club membership fees and some charity payments. I use my credit/debit cards to pay for my petrol, meals out, cinema tickets, car repairs, car insurances and VEL.

When I was working I used to travel a lot on the London Underground and eventually bought an Oyster Card using my debit card as this was more convenient and cheaper.

If buying a holiday, white goods and other items for the home and garden, I would nearly always use a credit card as this was again convenient and gave added protection under consumer legislation.

Interestingly, I belong to my local stamp club, at every meeting we have a raffle at £1 a ticket, this is always paid cash and this seems an eminently sensible way to pay for such small amounts. I am sure there are very, very many other clubs and organisations that raise additional funds by such small amounts. It would be a treasurer's nightmare to collate such payments if they were made by debit/contact cards.

I find that by having about £50 in my wallet this enables me to pay for such things as fruit and veg.. at local greengrocers, birthday cards, small quantities of sweets and other confectionaries, newspapers which all involve small amounts and cash and seems a far more convenient way to pay for such items.

Recently VISA had a problem with its IT and as a result very many ATM and merchant card machines were unable to process payments by Credit/debit cards. I was visiting a local restaurant that evening and was greeted with signs 'Cash Only Accepted' Fortunately I had £100 cash in my wallet so was still able to take my wife out. This Visa problem was nearly over in 24 hours, but what would have happened if the problem took ages to sort out (like the TSB debacle about the same time).How would the public be able to pay for goods and services if there wasn't a cash option. As you say 95% of Swedes rely on on-line banking and use of credit cards etc. Sweden also had problems with the VISA breakdown. If this had gone on beyond a couple of days, how would day to day trade carry on?

**Question 2** – The needs of consumers for cash has been set out very well in your Review and I have shown above my own limited needs. Whilst I have no real financial problems there have been times in the past when my bank account had little in it but I happened to have some cash in the house which I could use, to say pay for petrol, car repairs, medication and similar small amounts.

The problem with digital payments is that it can so easily lead to debt and we should not encourage anything that gets people into debt. I understand our debt problem is vast. It seems ridiculous that punters can now partake in on-line betting which has meant huge debt problems for punters and their families. This facility should never have been allowed for the Betting and Gambling Industry. One doesn't need to be a genius to see how vast debt problems have arisen and their effects on family life. If the punter could only put on cash bets then he would hopefully never get in such a financial mess. Another reason, why cash still has a place in our society.

**Question 3** – The paper sets out very well the pros & cons for using cash. The biggest problem to cash is how the public will be able to access it. Bank branches are disappearing and it seems quite likely that in the foreseeable future the Banking Industry will want to close down all their branches

and everyone will have to bank on-line. In these circumstances the only way that the public can obtain cash is through ATMs and stores etc offering 'cash back'

I am not entirely 'a dinosaur' over adopting IT schemes in banking. However I strongly feel that nobody should be forced or penalized into having to adopt on-line bank accounts. For those born after, say 1970, the IT schemes present no problems to operate. However I and millions of others were not born into this IT era. Although I own a PC I do not have an I- Phone etc. Why should I have to pay £500 plus to get an I-phone etc because I am to be forced to have on- line banking. I don't trust on-line banking. Despite all the assurances of the Banking Industry the criminal fraudsters have no problems in hacking into bank accounts and withdrawing vast amounts of money. When the bank is informed they then have the cheek to blame the customer for somehow disclosing their pin number etc. when in fact no such disclosure has taken place. In my business account I had four attacks on it and about £10K in total was stolen. Fortunately I was re-imbursed but it caused some problems with running my business. The bank was always hinting the thefts were my fault but I had not disclosed anything to anybody.

The banks do not like having to reimburse their customers for vast amounts of moneys stolen from their accounts, claiming it's the customers fault. Let us get real, when 16- 17 year old geeks can sit in a bedroom in West London and hack in to the Pentagon, the White House or USA Government Departments then how can banks blame customers for their losses. It is now common knowledge that Eastern European criminals are past- masters at hacking into banks and business accounts so the Banking Industry must just accept that if customer accounts are hacked and large sums of money stolen then the Banks will have to re-imburse their customers, unless they have overwhelming proof. As that well known saying goes 'you have made your bed so lie in and take the consequences'

**Question 4** – we are undoubtedly going over to a digital economy but as already stated this is, all well and good, as long as there are no breakdowns in the IT systems. I certainly don't think we should rely solely on market forces to force digital payments. In fact I would go as far as to say that legislation should be passed to ensure that cash is readily available from ATMs and Banks(if they are still open) so that the cash user has ample opportunity to obtain cash.

**Question 5** – There should not be any charges for customers using ATMs to obtain cash or pay bills on line. This has been the situation since 2000 and is eminently sensible. Of course the banks and ATM firms are now looking to fleece the public of more of their funds so that we all will have to pay a small amount to use an ATM. This is a classic case of absolute greed by the banks, they have never had it so good, their profits are increasing year after year so why can't they just let ATM transactions be free and for once in their life perform a public free service to all their customers and not be the grasping money grabbers that they have become of the last 40 years or so. No customer should have to pay to enable them to get cash out of their bank account.

Well, I hope I haven't bored you with my suggestions and I shall look forward to the publishing of your review.

Yours faithfully

Mick Carter