

# New powers to protect access to cash

- Millions of people in communities across the UK will see their ability to access cash protected in new powers set out by the government today (Thursday 19th May)
- For the first time, the UK's largest banks and building societies will be subject to new Financial Conduct Authority powers to ensure the continued availability of withdrawal and deposit facilities in local communities across the UK
- Measures will be legislated for in the upcoming Financial Services and Markets Bill which will protect consumers and enhance the UK's position as a global leader in financial services

Under the new rules, the financial regulator – the Financial Conduct Authority (FCA) – will be granted new powers over the UK's largest banks and building societies, to ensure that cash withdrawal and deposit facilities are available in communities across the country.

The FCA's new powers will allow it to address cash access issues at both a national and local level. To support the FCA, the government will in due course set out its expectations for a reasonable distance for people to travel when depositing and withdrawing cash. This will reflect the existing spread of cash withdrawal and deposit facilities in the UK.

Cash is the second most frequently used method of payment in the UK, and around 5.4 million adults rely on cash to a very great or great extent in their daily lives – further emphasising the importance of this legislation and new FCA powers.

**Economic Secretary John Glen, who will be visiting Scotland on Thursday, said:**

Millions of people across the UK still rely on cash, particularly those in vulnerable groups, and today we are delivering on our promise to ensure that access to cash is protected in communities across the country.

I want to make sure that people are still able to use cash as part of their daily lives, and it's crucial to ensure that no person nor community across the UK is left behind as we embrace a more digital world.

The Chancellor set out in his Mansion House Speech in 2021 that the UK must remain at the forefront of innovation and technology, and the government

recognises the need to embrace the transition to a more digital world and realise the opportunities this brings individuals and businesses.

But as we transition to a digital payments system, it is critical to acknowledge that cash access remains vital to millions of people in communities across the UK, particularly those in vulnerable groups, and no one should be left behind.

The government passed legislation to enable the widespread adoption of cashback without a purchase as part of the Financial Services Act 2021, which was possible as a result of the UK's departure from the European Union.

And last month the government announced its intention to legislate to provide the Bank of England with the powers necessary to ensure the UK's wholesale cash infrastructure – which includes the network of cash centres integral to the sorting, storing and distribution of notes and coin – remains effective, resilient, and sustainable, and continues to support access to cash across the UK. Taken together, these measures will ensure that the UK's cash infrastructure is viable for the long term.

These powers will be legislated for in the upcoming Financial Services and Markets Bill, which will protect consumers and enhance the UK's position as a global leader in financial services.

### **Further information**

- The government held a [consultation on access to cash](#) from 1 July to 23 September 2021
- Currently, around 96% of the population are within two kilometres of a free-to-use cash access point. This includes free-to-use ATMs, bank branches and Post Office branches.
- The government's plans for legislation will allow HM Treasury to specify which banks and building societies the FCA's powers will apply to for the purpose of ensuring continued access to cash across the UK.
- In December 2021, the sector announced that it had developed a voluntary industry model that accounts for the different types of facility that provide cash access, including initiatives to provide shared services, to protect access to cash. Under the model, a coordination body assesses the cash needs of local communities and makes recommendations for alternative services to be put in place as appropriate. The government intends to enable HM Treasury to designate cash coordination bodies for FCA oversight. This has been facilitated through the Cash Action Group, which was convened by UK Finance and consists of major retail banks and building societies, consumer groups, Post Office, and LINK.

- Ten years ago, cash was the most frequently used means of payment in the UK, representing around 20 billion transactions per year in 2010. According to UK Finance, in 2020 cash remained the second most frequently used payment method in the UK and was used in around 6 billion payments.
- The Financial Services and Markets Bill will legislate for these powers and will be introduced in due course, when parliamentary time allows
- [Wholesale cash policy statement](#)