Dear Philip,

On 12 March the Treasury Committee took evidence from Natalie Ceeney CBE, Richard Lloyd and Sian Williams following the publication of the Access to Cash Review on 6 March. The Review makes clear that significant, expeditious action is needed from Government, regulators and industry to ensure that cash access and acceptance is maintained in the UK. It also highlights the major risks to society that are likely to materialise in the event that this action is not taken.

While I understand that Treasury officials are due to meet with members of the Access to Cash Review Panel shortly, there are a number of specific issues on which I would be grateful for your thoughts.

Firstly, I would appreciate you placing on record the Treasury’s commitment to implementing the recommendations contained within the Review’s Final Report, working with the relevant regulators where necessary. I would also welcome your acknowledgement of the need for this work to be taken forward urgently. One of the overriding messages conveyed to the Committee during its evidence session was that the longer this issue is left unaddressed, the harder it becomes to resolve.

Separately, the Committee was told that legislation is likely to be required in order to fully implement some of the Review’s recommendations, particularly those relating to the proposed “access to cash guarantee”. While there are important steps that can and should be taken without the need for legislation, I would welcome your commitment to bringing forward the necessary legislation, which I believe would command strong cross-party support.

You will be aware that the Review concludes that it is likely to be a reduction in the acceptance of cash, rather than access to cash, that risks leaving certain groups in society behind. I would therefore be grateful if you could provide the details of any analysis undertaken by the Treasury on the incidence of shops and other service providers in the UK not accepting cash. If no such analysis has been undertaken, I would ask that the Treasury conducts this work promptly. I would also be interested to understand the Treasury’s thinking on how widespread cash acceptance can be encouraged. In addition, the Review shows that the high cost of the UK’s wholesale cash infrastructure serves to increase the cost to businesses of accepting cash. I am therefore interested to know whether the Treasury has held discussions with the public and private sector bodies that make up
the UK’s wholesale cash infrastructure on how it can be run more efficiently and sustainably.

Lastly, I ask that you consider making cash policy an explicit responsibility of the relevant Treasury Minister, and task this Minister with ensuring that the Government and regulatory response to this issue is well coordinated, efficient and comprehensive. This will require analysis of whether the regulators’ existing powers are sufficient.

I will be placing this letter, and in due course your response, in the public domain. I will also be providing a copy of this letter to the Bank of England, the Financial Conduct Authority and the Payment Systems Regulator.

Yours sincerely,

Rt Hon Nicky Morgan MP
Chair of the Treasury Committee