

MANDATE OF THE ERPB WORKING GROUP ON ACCESS AND ACCEPTANCE OF CASH

As concluded at the ERPB meeting on 26 November 2020 and in line with Article 8 of the mandate of the Euro Retail Payments Board (ERPB), a working group on analysing access to and acceptance of cash in the euro area is set up. It will conduct a stock taking exercise of various ongoing initiatives by relevant stakeholders and identify gaps not yet addressed and deserving further investigations. On this basis, the ERPB would consider possible next steps.

1. Scope

The ERPB expressed the view that access to and acceptance of cash is a relevant concern and may become a crucial issue in the light of developments driven by the coronavirus (COVID-19) pandemic.

In the course of the structural changes in retail banking, credit institutions continue to adjust their branch networks and strive for optimising operational costs, implying the risk that cash services would become difficult to access in some areas. Whilst consumers and companies seem to still have, by and large, adequate access to cash services of credit institutions, there is evidence that the range of cash services offered is diminishing, at least in certain areas in the euro area. At the same time, the costs associated with acquiring and depositing cash by businesses and the general public seem to be rising.

There are growing concerns about a diminishing network of cash access points (withdrawals and lodgements of cash) - especially for coins – and the related service conditions. In order to safeguard (legal tender) cash as widely accepted and available means of payment and to promote a cooperative approach to improve the cash cycle, the working group will analyse the current cash service levels for consumers and businesses in the euro area and whether they meet customer needs. In case loopholes are identified, the working group may elaborate on them.

2. Deliverables

The working group is invited to prepare a report summarising the stock take, their analyses and key findings regarding access to and acceptance of cash and the respective conditions thereof, including the following:

- a. Overview of the factors influencing the bank branch and ATM networks (credit institutions and, where applicable, IADs) and description of possible future initiatives how to avoid cash supply deficits, for example in rural areas;
- b. Overview of various initiatives aiming at ensuring adequate cash withdrawal and lodgement facilities, especially for smaller and medium sized enterprises (which usually do not contract CITs to take care of cash lodgements/withdrawals and need to rely on “local” cash services);
- c. Overview of obstacles regarding the acceptance of cash and initiatives aiming to ensure acceptance of cash also in the future; and
- d. Overview and evaluation of alternative ways where other actors (e.g. retailers, post offices) could offer services to provide access to cash (i.e. cashback, cash-in-shop etc.), including possible obstacles hindering such cash services.

Based on their initial findings of the stock-take exercise, the working group may consider providing additional key elements that may be needed to enhance the analysis.

3. Time horizon

The working group will be established in February 2021 and shall deliver its report by November 2021.

4. Participants and chairmanship

The working group shall include relevant stakeholders, including representatives of ERPB members. Other relevant stakeholders may also be invited to join as relevant third parties¹. One representative of the ECB and a limited number of representatives of euro area NCBs will be invited to join the working group as active participants. A representative of the EU Commission will be invited as observer. The working group will be co-chaired by the AGE Platform Europe (demand side) and the European Savings & Retail Banking Group (supply side). The Secretariat will be provided by the European Savings & Retail Banking Group.

Members representing their associations and the co-chairs will be appointed by the ERPB Chair based on suggestions from their respective associations. Other participants – after expressing interest to the ERPB

¹ It is suggested to invite the European Security Transport Association (ESTA), ATM Industry Association (ATMIA) and European Vending and Ticketing Association (EVA) as relevant third party.

secretariat – may be invited by the ERPB Chair to join the group based on consultation with the members of the ERPB.

5. Rules of procedure

The mandate of the ERPB defines a broad set of rules for the procedures of its working groups: the working group takes positions on a $\frac{3}{4}$ majority basis; dissenting opinions are mentioned in any relevant documents prepared by the working group. The members of the group decide on how to organise secretarial support, timing and rules of meetings and communication via written procedure, as well as on the need and format of any interim working documentation produced. Costs related to the operation, meetings, chairmanship and secretariat are carried by the members of the group themselves.