



## **Unite consultation response – FCA CP23/29\*\*\* Access to Cash**

### **Unite the union response**

This submission is made by Unite, the UK's largest trade union with over one million members across all sectors of the economy, including manufacturing, financial services, transport, food and agriculture, construction, energy and utilities, information technology, service industries, health, local government and the not-for-profit sector. Unite also organises in the community, enabling those who are not in employment to be part of our union.

Of particular relevance to this submission, Unite represents workers in the financial services industry, those in local bank branches across the country who serve communities and small businesses.

The closure of bank branches over the last decade has resulted in a huge decline in access to cash for customers and SMEs as well as resulting in the loss of thousands of highly skilled and experienced bank staff.

Our comments and the paragraphs/questions in the consultation document that they relate to are presented below.

1.3 and 2.8 Unite is clear that access to cash is vitally important and must be protected for the benefit of all. The current cost of living crisis means more than ever customers need to make financial plans and budget to survive. The use of cash for budgeting is vital for many and without it many face financial difficulties. The importance of choice for all customers is fundamental.

1.5 The closure of bank branches has denied many communities and businesses the "reasonable provision" of cash deposits services to which they are entitled.

1.11 Unite welcomes that the FCA "recognise the importance of cash access services to local communities and economies and know that the loss of such services can have a significant impacts."

1.12 and 1.13 Whilst Unite - is supportive of the services delivered by the banking hubs, the extremely slow development of these and the limited service provision is a

cause of concern. The slow pace of delivery of these long-awaited bank hubs has denied many access to cash service these have long needed.

1.15 Unite welcomes the proposed four rules and guidance to improve access to cash.

1.19 The outcomes sought need to include local service provision by skilled staff to give all customers choice and support.

1.28 The decline in the acceptance of cash is key issue for customers. This needs further examination and action.

1.32 As the recognised trade union across the banking and financial services sector Unite is clear that the voice of those who serve customers is key in the discussion around access to cash to ensure all stakeholders are heard. This consultation is silent on the manufacturing of UK currency which is done by Unite members in the GPMIT sector. Currently in this country we print and produce the polymer paper. In addition the Bank of England consultation on digital currency will minimise cash production even further and lead to further job losses.

1.40 Unite has significant concerns about the equality implications of the withdrawal of access to cash services.

2.1 Unite welcomes the statement by the regulator that “cash remains vital for many consumers and businesses.” It appears that the banking sector has neglected this key fact for too long.

2.3 Did the decline in cash use halt in 2023?

2.6 - 2.9 - 2.10 The importance of access to cash must be kept at the forefront of all policy decisions. As well as the challenges around financial exclusion the issues around digital exclusion cannot be ignored.

2.17 – 2.22 The loss of cash facilities costs customers directly whilst the profit-making finance organisations save money. While customers must absorb the costs to travel further (and the time implications) the businesses continue to grow their astronomical profits. The cost of rural transportation must be considered. It is widely accepted that there is a disability price tag where disabled people face higher costs of living. Scope reports that in 2023 disabled people continue to face higher costs.

2.20 It is essential that the finance sector does not diminish the mental health implications that the reductions in access to cash have brought. Local communities have been decimated by the closure of bank branches and the loss of valued contact with long serving knowledgeable staff.

2.24 Many local economies have been shattered by the loss of their last bank branches. Once the last bank branch closes the foot fall on local high streets drops and the local small businesses see a reduction in trade.

2.36 Unite notes that bank hubs do not provide the range of financial services or support that local bank branches and their staff are able to provide.

2.6 Unite notes that post offices do not provide the range of financial services or support that local bank branches and their staff are able to provide.

3.8 Unite would question the level of public awareness around cashback without purchase.

3.9 The banking hub service while beneficial is limited in its capacity and cannot replace the much-valued bank branch.

3.11 Unite supports the campaign by consumer groups around in person support in bank branches. Highly trained employees help customers everyday to navigate an increasingly complex financial world. Many of the most vulnerable and socially excluded depend on and trust their local banking staff. At a time of heightened concerns around online scams and fraud the role of staff is as important as it has ever been.

3.17 Access to banking and cash is at present a complete postcode lottery with no consistency.

Q1 – Unite would suggest that an additional trigger event should be the loss of all access to in person support to provide important support.

4.5 Unite views trade union representatives as a key stakeholder in local communities. Not only does Unite represent the people living within the community, the insights available from the local banking workforce also gives a clear insight into the financial banking needs of local communities.

Q4 - Eight weeks is not sufficient for a local community to mobilise and engage ahead of a cash access assessment. Those impacted will be some of the most isolated, vulnerable, and excluded in our community, this process requires a longer time provision.

Q6 - Unite believes the transport links and associated costs must also be considered around a deficiency in services.

5.34 Unite supports this statement.

5.45 Availability of help is a key factor to consider. This is even more important for the socially and financially excluded members of the local community.

5.51 Unite considers trade union activists as key members of the local community who are well placed to raise concerns of local people about the adequacy of existing cash access needs.

Q15 and Q16. Yes.

7.18 The issues around access to cash are extremely broad. The rules can not be so flexible that designated firms simply provide the most limited and cheapest option for access to cash.

7.21 and 7.23 There does not appear to be sufficient public knowledge about the cashback without purchase scheme.

7.25 The importance of knowledgeable staff is key in addressing financial queries and challenges. Whilst customers may seek a balance from their account without being able to engage with a bank employee their query or problem cannot be addressed.

7.26 and 7.27 The loss of banking provisions is without question devastating to many local communities. Any delay in replacement services can cause immeasurable damage to individuals and small businesses. Unite welcomes the FCA acknowledging the major impact delays or gaps can have on the vulnerable.

7.29 – 7.32 – Unite supports the principle that requires “designated firms not to close cash access facilities or make material changes to the services they provide until any additional services required by the assessment are in place.”

Q20 - The concept of access to cash is simply too broad. Experience has shown that the sector tends to do the minimum required for the most vulnerable. Without requiring sufficient banking infrastructure those with the quietest voices will lose the most.

8.1 Unite is clear that the union for banking and financial services is a relevant local stakeholder.

8.2 The publicity of this information must be visible. Unite is concerned this information will be hidden on an obscure section of the organisation’s website.

8.3 Unite is concerned that accessing this information depends on a high level of digital knowledge and ability. This consultation repeatedly refers to the challenges around digital exclusion yet is placing huge emphasis on the digital space in order to inform customers of where digital facilities and spaces are.

Q21 - Where this information is published online and elsewhere is key. Obscure online publishing is a real risk.

8.10 Unite supports the proposal that the signage should be in place until the planned closure or material change is in place.

8.14 This approach puts too great a responsibility on the customers. They are expected to seek out information and then take steps to have the gaps addressed. When some of the most disadvantaged and vulnerable will be impacted in the gaps in cash service provision this does not seem appropriate or workable.

8.18 The process sets out a high level of expectation on local stakeholders. Unite would wish to understand how those with additional needs or challenges will get support to access the information. How would all of these steps be possible for those without online access or the skills to find the information?

Q26. No. It is too limited in the scope and too much assumed about the stakeholders' capabilities.

9.2 Unite is very much supportive of this objective and believes it is vitally important.

9.4 The supervision of this area is key, for too long the sector has been able to disregard the cash access needs of customers and SMEs.

9.7 Unite is unclear what this means in practice "...we will use our full range of powers to tackle them." This needs to be explicit and clear to all.

9.11 Unite is fully supportive of the suggestion that new rules would require designated firms to submit data on their branches and planned closures. This is urgently needed and truly overdue.

Q27 - Firms should report job losses as a result of any service reductions or branch closures.

9.19 Unite would like the timescales for this data gathering to be set out.

Unite elected workplace representatives carried the following motion at the Unite National Policy Conference in 2023:

**Motion 109: Cashless Society - CARRIED**

Conference calls on Unite to endorse and support the campaign for a Universal Service Obligation to be introduced by government for cash and in doing so putting on UK banks a legal obligation to provide cash on the same footing as the USO does currently for water, electricity, post and more recently broadband.

The Bank of England's 2022 survey suggested that 65% of UK consumers use some cash and need regular access to ATMs. Currently it is not illegal for shops, hotels and other outlets to refuse to take cash and with over 2.4 million citizens aged 65 plus reliant on cash for essential payments such as bills and food we need some government intervention.

It is not only pensioners though. Many low paid workers, disabled workers and others on benefit may not have the banking facility to work with the cashless system and rely on cash payments to control their budgets and expenditure. Citizens in this category are often disenfranchised in a cashless environment. Buying a coffee for a friend, buying a drink at a gig or just getting on a bus to the high street are all prohibited if you are not using a digital payment.

The printing and design of UK bank notes and the maintenance of our ATM machines are roles currently performed by our Unite members and as we sleep walk into a cashless society our jobs and manufacturing sites are at risk.

But it is not just about our member's jobs. Digital transactions leave a footprint, and as citizens our purchases and our behaviours are monitored and there is a total lack of privacy as we go about our day to day work and social interaction.

Conference supports this campaign and seeks support from the Executive Council and the political team to put pressure on the UK government to deliver the USO for cash.

Dominic Hook and Caren Evans - National Officers Finance Sector  
Unite House 128 Theobalds Road Holborn WC1X 8TN.

For further information please contact Saba Edwards, Unite senior communications officer.