

# Cash in decline: Down but not out

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EUROSYSTEEM

Thanks to Mr Bram Scholten

# The use of cash is in decline...

**...at least in Northwest Europe**

# ATM withdrawals (value)

<b>EUR per inhabitant</b>	<b>2008</b>	<b>2014</b>
<b>Finland</b>	<b>100</b>	<b>83</b>
<b>Netherlands</b>	<b>100</b>	<b>83</b>
<b>Norway</b>	<b>100</b>	<b>72</b>
<b>Sweden</b>	<b>100</b>	<b>83</b>

# Share of cash (in number of POS payments )

	2010	2015
<b>Netherlands</b>	<b>65%</b>	<b>50%</b>
<b>Sweden</b>	<b>39%</b>	<b>23%</b>

# Remember what happened to mail

<b>Netherlands: letter mail volume</b>	
<b>2000</b>	<b>100</b>
<b>2015</b>	<b>44</b>

**The use of cash is in decline...  
...at least in Northwest Europe  
This can happen elsewhere!**

**But.....**

**Society not ready to do without  
well-functioning cash**



# National Payment Forum Netherlands

**“Cash must remain  
well-functioning means of payment  
for POS transactions”**

**(Nov. 2015)**

# NPF-NL cares about cash: why?

- **Even today people without card**
- **Always some people unable to use card (permanently or temporarily)**

# **NPF-NL cares about cash: why? (cont'd)**

- **People with cash budget**
- **People that prefer anonymity**
- **Cash as fall back option**

# Well functioning means...

- **Cash accepted in POS payments**
- **Consumers can withdraw cash easily**
- **Retailers are able to deposit cash with ease and at reasonable cost**

# Threats to functioning of cash in NL

- **Retailers starting to refuse cash**
- **Banks closing ATMs**
- **Banks closing deposit locations, increasing fees**

# Legal tender: what does it mean?

- **EU law: euro cash is legal tender**
- **Eur. Court of Justice has final say**
- **Eur. Commission recommends: should be accepted in POS payments**

# Legal tender (cont'd)

- **In principle: contractual freedom**
- **But: 'cards only' can be unfair in consumer contracts (Dir. 93/13/EEC)**
- **Examples:**

- Monopolistic situation
- Essential service/product

# **The issue:**

## **how to manage the decline of cash?**



# Subjects to address

- 1. Useability of Cash**
- 2. Cash Withdrawal Facilities**
- 3. Cash Deposit Facilities**

# Options for decline management

- 1. Market decides (Sweden, at least until now)**
- 2. Legislation (Norway)**
- 3. Cooperation (Netherlands)**

# NPF-NL on use of cash

- Clear expectation that cash is accepted for POS payments
- Unless exceptional circumstances (e.g. on safety)
- Refusing cash may be against the law (legal tender)

# NPF-NL on withdrawing cash

For now:

- banks cooperate in some rural areas
- monitoring coverage ATMs

Future:

- common network of ATMs?  
(like Automatia in Finland or  
Bancomat in Sweden)

# NPF-NL on depositing cash

- Deposit locations: what matters?  
Easy to reach, safe, acceptable fees
- For now: monitoring
- Future: common network of deposit facilities?

# Down but not out!

- **Use of cash is in decline**
- **But: society needs well-functioning cash**
- **Legislation or cooperation needed on:**
  - use of cash for POS payments
  - facilities to withdraw cash
  - facilities to deposit cash