

Minutes

FCA/PSR Access to Cash – Working Group 4: Digital Transition

24th November 2020 (Session 6)

Location: The meeting took place via video/audio link

Attendees:

Name	Organisation
Chris Pond (Chair)	Financial Inclusion Commission, FinTech Delivery Panel
Will Archdeacon	PSR
Rhiannon Butterfield	UK Finance
Nick Edwards	Lloyds Banking Group
Umer Fazil	Barclays
Kai Grunwald	NatWest
John Howells	LINK
Manisha Patel (observer)	Bank of England
Linda Robertson	Virgin Money
Nicky Stevens	Nationwide
Gary Sheen	Tesco Bank
Robert Thickett	BSA
David Thompson	Danske Bank
Tara Townsend	Bank of Ireland
Adam Iddon	HSBC
Nicole Wickwar	HSBC
John Appleton (observer)	HMT
Susie Bridge (observer)	HMT
Matt McParland (Secretariat)	Accenture

Apologies: Martin Henry (AIB), Duane Campbell (Tesco Bank), Niamh De Niese (Barclays), Elizaveta Chepkasova (FCA)

Item:

1. Chair introduction

The Chair gave an overview of the draft narrative created for Working Group 4. Working group members agreed with overall direction, adding additional detail in some areas.

The focus is on 'giving consumers a digital choice', not forcing people to make a transition. But cash is disappearing, and people will be left in a difficult situation if solely dependent on cash. The Chair noted that the narrative provides tangible recommendations across a number of industry initiatives (about what financial services can do) and also acknowledges areas where industry won't be able to solve alone, and will need support from regulators, government, private companies outside of financial services and consumer bodies.

2. Review of recommendations

Basic bank accounts – feedback suggested the proposal should be careful not to move away from the scope of Working Group 4 and into scope of another working group. The first step is to find innovative ways to make cards more available to target segments. The recommendation could be for banks to commit to conduct reviews of the features within basic bank accounts and, for those people who don't have accounts, to give them an alternative method.

Education – it was noted that there is already a lot going on within banks and a recommendation to extend what already exists through collaboration should be considered. As noted in a previous working group session, a significant barrier to digital is security and fraud; it was suggested that banks could transition from individual campaigns to a more industry-wide campaign and education programme.

FinTech solutions –engagement with the Open Banking entity was suggested to understand why third-party providers may not be providing solutions for this problem. One member of the working group highlighted that FData had offered to support the digital transition agenda, as had GOFCO (The Global Open Finance Centre of Excellence), but it was unlikely that significant engagement would be possible before the end of the year.

Secure digital access via Post Office – feedback suggested that the Post Office’s involvement could be emphasised more strongly, as a different category to libraries and other public locations, and one with stronger relationships in financial services than others. It was also suggested that outlining the practical steps supporting this recommendation would be a helpful.

Digital ID – it was highlighted that many banks are already exploring possibilities in this space, but the pace of progress would not support the ‘urgent’ nature of the recommendation. Given the existence of a payments use case for digital identity, the Payments Futures work was noted as having recommendations on this topic to consider.

‘Access to Digital Review’ – it was suggested that a proposed further review into digital access could cover some of the larger issues, like digital identity and open banking. The working group confirmed their agreement on the recommendation of an ‘Access to Digital Review’, noting that it would be important to have clear terms of reference (remit, governance, sources of funding etc) that specifically focuses work on access to digital payments for ‘cash preferers’.

3. Next steps

1. The Chair to update Working Group 4 narrative and share with the working group to provide feedback by the end of the week.
2. The Secretariat to organise a meeting to discuss what the Terms of Reference for an ‘Access to Digital Review’ might need to cover.