STATES OF JERSEY

ACCEPTANCE OF CASH PAYMENTS REVIEW (S.R.1/2025): RESPONSE OF THE MINISTER FOR SUSTAINABLE ECONOMIC DEVELOPMENT

Presented to the States on 28th March 2025
by the Minister for Sustainble Economic Development

STATES GREFFE

ACCEPTANCE OF CASH PAYMENTS REVIEW (S.R.1/2025): RESPONSE OF THE MINISTER FOR SUSTAINABLE ECONOMIC DEVELOPMENT

Ministerial Response to:	S.R.1/2025
Ministerial Response required by:	18th March 2025
Review title:	Acceptance of Cash Payments Review
Scrutiny Panel:	Economic and International Affairs Scrutiny Panel

INTRODUCTION

The Government welcomes the work of the Economic and International Affairs Panel on this important subject. Like most comparable jurisdictions, there has been a general trend away from the use of cash in recent years as the convenience and flexibility of card, and particularly contactless, payments have risen. It remains a matter of choice for consumers which payment method they prefer, and the Government will continue to ensure that cash is readily available for those who choose to use it.

FINDINGS

	Findings	Comments
1	Digital payment transactions are likely more prevalent than cash payments within the Island, however specific data identifying this is limited. Although the rate of reduction has slowed since 2020, there has been an overall trend of reducing demand for cash in Jersey, with a reported drop in the number of payments being made in cash. This mirrors the United Kingdom where a further reduction in cash use is forecast and there may be a point that the number of organisations accepting cash payment is reduced to a point where it is effectively removed as an option.	This customer led trend is noted in respect of the UK, but both the UK Government and Jersey have indicated that they will support the continued circulation of cash for use by those businesses and individuals who wish to.
2	A small amount of submissions dealt with those individuals or charities that still used cheques, the Panel does not have sufficient evidence to draw conclusions on the impacts in this area	Noted.

	Findings	Comments
	but notes they are also subject to banking charges and practices which may vary from institution to institution.	
3	Although examples were given of older people being receptive to digital technologies and able to use these to make payments, it would appear that this group, the island's demographics, skills, technologies, and reliance on and use of, either digital or cash payments is likely to alter in future years.	Noted.
4	Other groups were highlighted as preferring or and benefiting from a wide range of payment methods. Digital payment methods were highlighted by some as potentially challenging for those who face physical or mental impairment, however some outlined that they also benefited from technology, with further evidential data in the area being called for to justify any mitigating actions. Those with lower household income seem more likely to carry and therefore use cash, compared to those with the highest household incomes. Visitors to the Island are also likely to carry and use cash with Jersey's currency adding to its tourism offering and unique cultural identity.	Jersey's currency is highlighted by Visit Jersey on their website, providing information to visitors and drawing attention to this aspect of the Island's unique identity.
5	The availability of cash and access to it is an important factor in how people pay for goods and services. The panel received evidence of a variety of experiences about the provision of ATMs, cash-back and cash wages.	Noted.
6	Elements of regulatory protection for cash access are found in the United Kingdom through the Financial Services and Markets Act 2023. Access to bank branches may also impact upon payment method choices, for both individuals and businesses in terms of increasing travel time and	This is correct although it should be noted that the UK does not provide for a statutory right to pay in cash and, as in Jersey, businesses remain free to determine which methods of payments they choose to accept.

	Findings	Comments
	costs, with concern being raised over further branch closures.	
7	There are Islanders who are unable to hold bank accounts for various reasons. This is likely to restrict their choice of payment methods. Jersey Community Savings provides a number of services to aid those unable to access mainstream banking services, including provision of digital payment methods and access to cash via ATMs or Jersey Post.	Noted.
8	Being told that you cannot pay for goods and services with cash is likely to cause embarrassment and frustration for some people, especially if there are practical reasons why digital payments may be difficult or impossible for them.	Noted.
9	Statistical data is limited on the number of organisations who do or do not accept cash payments in Jersey although the majority of organisations operating in the Island likely accept both cash and digital payment methods, there are some that only accept one or the other.	Noted.
10	Although there is no statutory definition of the term “legal tender”, cash is given value as such through relevant elements of legislation. However, legally there is no requirement for a seller of goods or services in Jersey to accept a specific payment method, including cash as parties enjoy freedom of contract and choice.	This is correct.
11	Although security systems are employed to protect digital payment systems and their users, there is a perception among some individuals that digital payment methods are less secure than cash payments or open to criminal activity and it has been confirmed that large amounts of fraud	Criminal practices will always evolve, and we have seen increasingly novel scamming and fraud schemes in recent years. The States of Jersey Police, Consumer Council, Fraud Prevention Forum and Jersey Cyber Security Centre provide education and advice to affected Islanders.

	Findings	Comments
	occur electronically. To many, transacting in cash is seen as a protection against this. Conversely, the ability of cash to be stolen, lost or destroyed was also highlighted by both individuals and businesses.	Anyone affected by fraud should report this to the States of Jersey Police on 01534 612612. This notwithstanding, it is recognised that money laundering activities are heavily reliant on cash and the use of cash is not a guarantee against fraud or scams.
12	The reliability of digital payment systems can be affected by a number of factors, including power outages, systems failures or cyber-attacks. There is a perception that cash offers resilience when digital payments are inoperable, however reliance upon technology to enable cash transaction or the supply of cash may cause issue in some circumstances. The impact and likelihood of digital payment methods being inoperable for extended periods has also been refuted by some.	Banks are required to maintain business continuity plans subject to the JFSC Code of Practice for Deposit-taking Business.
13	An individual's right to privacy was often highlighted as a key benefit of cash payments over digital payments. Banks having a duty to undertake due diligence with a requirement to understand the source of funds for all transactions, whether in cash or digitally and to undertake an assessment of risk. Individual's privacy when making digital payments are protected by the Data Protection (Jersey) Law 2018.	Noted.
14	Many people believe that cash gives them greater control of household budgeting and was a way to avoid getting into debt, which may be a higher risk when making digital payments.	The Citizens Advice Bureau provides free and impartial advice to Islanders who may need support in budgeting, this includes an online budget planner. A number of apps are also available to support budgeting while using digital payments.
15	Cash was perceived by many as easy and quick to use, however digital payment methods were perceived as easier and quicker to use especially by younger respondents to the Panel's	Noted, this is reflective of the importance that choice plays for both businesses and consumers.

	Findings	Comments
	survey and witnesses who gave evidence.	
16	Although the COVID-19 pandemic had a significant impact on payment methods, hygiene of cash is not understood to be of significant consequence to its use or acceptance at this time.	This is correct.
17	Overall, it was highlighted that digital payment methods provided significant productivity gains for businesses over accepting cash. Businesses face charges for use of digital payment systems such as card reader machines, which vary by provider and business size. Charges are also faced by businesses for bank services when handling cash, which has been highlighted as relatively more expensive than digital payments for some business account customers. Exact charges vary from bank to bank.	Noted.
18	There have been reported instances of organisations being asked to limit their cash transactions or refused banking services due to operating primarily through cash.	Noted.
19	The Government of Jersey does not have an agreed policy or strategy regarding acceptance of cash payments as an organisation or for cash use and acceptance within the larger economy.	Individual Departments maintain policies around the acceptance of cash and Government looks to support the use of cash payment where possible – with explicit provision being made under the Public Finances Manual. Within the wider economy, individual businesses and consumers are free to make their own decisions on their preferred payment method.
20	Money laundering regulations and guidelines include suspicious activity reporting requirements for both cash and digital payments, with additional requirements in place for high-value dealers. It is perceived that, in practice, suspicious activity, including cash payments, would be reported to	This is correct.

	Findings	Comments
	Financial Intelligence Unit and this had recently been exemplified.	
21	Compliance work is undertaken by Revenue Jersey for both cash and digital payments. Jersey’s National Risk Assessments have not uncovered any significant risks of domestic tax evasion, however it has been highlighted that HM Treasury has benefited by the rise in use of digital payment methods.	This is correct.
22	The Government of Jersey maintains a Currency Fund to match the value of Jersey’s printed notes and coins to GBP Sterling. It has been suggested that this is a profitable venture for the Treasury as it is invested for a profit return.	Noted. The Fund is invested for capital protection rather than for profit.
23	Acceptance of cash payments across the Government of Jersey is variable, with the Panel being informed of £1,000 limit and instances in which no cash payment could be made.	Individual Departments maintain policies around the acceptance of cash and Government looks to support the use of cash payment where possible. The Public Finances Manual provides alternative routes for payments greater than £1,000.
24	There is evidence that the demise of cash is having a detrimental impact to the economic inclusion of some vulnerable sections of the community. For many, cash acceptance was heavily linked to maintaining social connection, interaction and inclusivity. Physical cash was also seen by many as having value past its financial amount: being tangible, traditional and a novelty for tourists. Furthermore payment method acceptance may have wider impacts on certain elements of purchases, such as tips or service provision, as well as car-boot sales, honesty boxes and charitable donations.	Noted.
25	A number of European countries have introduced legislation mandating the acceptance of cash payments, including France, Germany, Norway	This is largely correct, although it should be noted that Estonia’s legislation does not mandate the acceptance of cash payments. Indeed, section 4 of the *Payment Institutions and E-Money Institutions Act* cited in the Panel’s

	Findings	Comments
	and Estonia. There are varied exemptions to mandatory cash payment acceptance that have been included by some countries legislating for this, including those based on set limit of cash value or number of coins or notes in one transaction.	report explicitly excludes 'payment transactions made exclusively in cash directly from the payer to the payee, without any intermediary intervention'. In January of this year, Estonia's National Bank introduced a new rounding rule for cash payments – phasing out the use of one and two-cent coins in everyday shopping.
26	Having introduced regulatory protections concerning access to cash, acceptance of cash payments continues to be a topic of consideration in the UK, with a Parliamentary Select Committee Review of the topic underway.	The acceptance of cash payments continues to be a topical subject, but UK Ministers have recently ruled out forcing businesses to accept cash.
27	The European Commission made judgements and legislative proposals for the mandatory acceptance of Euro banknotes and coins, without extra charges for the person paying.	This is correct.
28	There is a strong desire from consumers to be able to choose their preferred payment method and non-acceptance of a payment method is perceived by many as a form of discrimination, However, it is not clear whether in fact, refusal to accept cash would constitute discrimination, in law, and has no challenges have been made or considered to date under relevant legislation such as the Discrimination (Jersey) Law 2013.	The issue of whether the refusal to accept cash constitutes discrimination under the Discrimination (Jersey) Law 2013 is complex. Based on current understanding, it would be challenging to prove that the refusal to accept cash directly constitutes discrimination, particularly under the existing legal framework. The Law primarily addresses direct discrimination on the grounds of protected characteristics, including disability. While some individuals with disabilities may rely on cash for its accessibility, others may use digital banking methods, and there is no clear legal precedent or challenge to date in this area.
29	An organisation enjoys the right to accept payment methods of its choosing and there were those who indicated that leaders of the organisation or business should be allowed to continue to make decisions to best match their customer and operational needs.	Agreed.

	Findings	Comments
30	There was a call by some to allow "market forces" to naturally run their course, and that consumer choice would dictate provision of payment method acceptance.	Noted.
31	Most organisations believe that mandating cash acceptance is unnecessary at this time and would introduce significant regulatory burden, and apart from one Jersey group (Cash is King) and one UK based group (Payment Choice Alliance) , those who gave " in-person" evidence stated they did not want to see legislation that required businesses to take cash, even those who advocated for vulnerable groups.	Noted.
32	There are calls for acceptance of cash payments to be safeguarded in Jersey, with some believing that acceptance of cash payments should be mandated through legislation. Those calling for legislative or safeguarding measures were generally of the opinion that these should be introduced for all cash payments, and there was a belief by some that essential services already met this need without further intervention. The view that all public service provisions should accept cash payments was also raised, and although this is largely the case, instances of refusal and uncertainty on amounts accepted have been identified.	Noted.
33	The Panel was made aware of instances of differential pricing based on payment method, this was often seen as unfair and discriminatory with calls made to prohibit this practice.	The Price and Charge Indicators (Jersey) Law 2008 and its subordinate Regulations and the Consumer Protection (Unfair Practices) (Jersey) Law 2018 require businesses to inform their customers of any additional charge, including for a specific payment method. This achieves transparency, however surcharges are lawful. Businesses may include such charges in recognition of the additional costs they incur as a result of transaction fees or costs to count and securely store a cash float.

	Findings	Comments
34	It was suggested that anti-money laundering and client due diligence undertaken by banks to meet regulatory requirements could be contributing to the charges made for commercial banking services.	Noted.
35	The Minister for External Relations, with responsibility for Financial Services, undertakes conversations with banks about the services that they provide and the regulatory environment in which they operate.	This is correct.
36	Government-run banking services or central bank digital currencies were highlighted in the Review, but were not generally seen as realistic or beneficial in Jersey.	Noted.
37	There was a call from some members of the public to introduce banking hubs to deal with the issue of branch closures in outlying areas., with the Government of Jersey undertaking preliminary actions in this regard.	Noted.
38	Education on digital payment methods, building financial budgeting skills and support in accessing digital payments were identified as important to allowing appropriate economic inclusion, with private and charitable organisations providing this currently.	Noted.

RECOMMENDATIONS

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
1	The Minister for External Relations should, by 31 December 2025, liaise with the banking sector to require that banks give 6 month notice period to both the	MER	Partially Accept	The Minister will be writing to members of the banking sector to request that they give sufficient notice to both their customers and Government of any branch closures.	Q2 2025

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	Government of Jersey and its customers prior to the closure of any of its branch or cash machines in the Island, and ensure due consideration is given to the needs of customers in the decision to close a bank branch.				
2	The Minister for External Relations should consider other suitable and proportionate measures to ensure that minimum service levels are maintained by banks for their customers and the wider community in relation to in person counter and branch services and to the paying in and withdrawal of cash.	MER	Partially Accept	As above, the Minister will be writing to the banks to encourage them to ensure service levels, particularly amongst outlying branches, are maintained and that where closures are necessary, these are clearly communicated to customers.	Q2 2025
3	The Minister for Sustainable Economic Development should, by 31 December 2025, ensure that relevant questions on the use and acceptance of payment methods are included annually within relevant surveys such as the Jersey Opinions and Lifestyle Survey (JOLS), Annual Business Survey (ABS) and Children and Young Persons Survey to allow for tracking of the topic. Data to enable policy consideration in this area should be routinely collated.	MSED	Partially Accept	The Minister will be seeking the inclusion of suitable questions within the next Jersey Opinions and Lifestyle Survey. It should be noted that the Chief Statistician is independent and Ministers are not empowered to direct the Chief Statistician on the carrying out of their functions.	Q1 2027

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
4	The Minister for Sustainable Economic Development should, by 31 December 2025, undertake work with Ministerial colleagues to ensure contingency planning is completed and there has been sufficient testing of the islands economic resilience should payment methods fail.	MSED	Reject	This recommendation relates to the Minister for External Relations who holds responsibility for Financial Services. As noted in response to Finding 12, contingency planning is already in place per the JFSC Codes of Practice which require regulated businesses to have in place business continuity plans to ensure they can continue operating and limit losses to acceptable levels in the event of business disruptions. Individual businesses are encouraged to maintain their own contingency plans should payment methods fail.	N/A
5	The Minister for External Relations should, by 30th April 2025, liaise with banks to ascertain the number of instances where businesses have been denied banking services and the reasons that some organisations may be requested to limit their cash handling. Results of these discussions should be provided to the Panel.	MER	Reject	Banks have valid reasons for rejecting new businesses or implementing risk mitigation measures to safeguard their operations. There is no evidence of market failure in this area. Without a compelling justification for government intervention in collecting sensitive information, any action beyond the existing measures enforced by the JFSC would be unwarranted. However, Government continues to liaise with industry representatives to identify and address any emerging issues in this area.	N/A
6	The Minister for Sustainable Economic Development should undertake work with Ministerial colleagues to form a clear policy and subsequent strategy on Government of Jersey actions regarding the acceptance of cash payments and digital inclusion. This should be	MSED	Reject	This is not considered necessary as Government Policy remains that businesses should be free to choose their preferred payment methods. As with other jurisdictions, we have seen a general trend in customer preference towards digital payments over the use of cash. Legislation is in place to ensure customers can make informed decisions and are advised of any additional costs associated with their preferred payment method.	N/A

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	published no later than 31st December 2025.				
6a	As part of the formation of an acceptance of cash payments strategy, the Minister for Sustainable Economic Development should give consideration and identify actions to negate the impact on the economic inclusion of all islanders should cash acceptance fall further or be removed completely, ensuring that no form of economic discrimination takes place.	MSED	Partially accept	Government remains committed to supporting the availability of cash to enable businesses and consumers to make their own decisions around their preferred payment method. The Minister for Sustainable Economic Development will continue to work with colleagues to monitor the availability and use of cash in Jersey and will take action if market failures are identified.	N/A
6b	As part of the formation of an acceptance of cash payments strategy, the Minister for Sustainable Economic Development should identify the implications of the actions undertaken by both the European Commission and United Kingdom in the acceptance of cash payments.	MSED	Neither accept nor reject	This will be kept under review.	N/A
6c	As part of the formation of an acceptance of cash payments strategy, the Minister for Sustainable Economic Development should reflect on how to meet both the needs of consumers and business and consult with these sufficiently.	MSED	Partially accept	The Minister for Sustainable Economic Development meets frequently with consumer groups, such as the Jersey Consumer Council, businesses and industry bodies such as the Chamber of Commerce and will ensure that cash payments are discussed on a regular basis.	Ongoing
6d	As part of the formation of an acceptance of cash	MSED	Reject	This is not considered necessary as Government Policy remains that	N/A

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	payments strategy, the Minister for Sustainable Economic Development should give due consideration to development of legislation mandating for the acceptance of cash payments.			businesses should be free to choose their preferred payment methods.	
6e	As part of the formation of an acceptance of cash payments strategy, the Minister for Sustainable Economic Development should identify actions to ensure the acceptance of cash payments by providers of essential services.	MSED	Partially accept	This is not current Government Policy but the Minister for Sustainable Economic Development will continue to monitor the acceptance of cash across providers of essential services and will take action if market failures are identified.	N/A
6f	As part of the formation of an acceptance of cash payments strategy, the Minister for Sustainable Economic Development should consider if prohibiting differential pricing based on payment method in the wider economy is needed.	MSED	Reject	As outlined in response to Finding 33, businesses typically include such charges to reflect the additional costs they incur as a result of transaction fees or costs to count and securely store a cash float. Prohibiting these charges could lead to these businesses refusing to accept payments in a more costly method or lead to the costs of these transactions being passed onto all customers.	N/A
7	There should be a presumption that cash payments are accepted for all public services, including parking and transport. The Council of Ministers, through any acceptance of cash payments strategy, should identify and confirm its position on the requirements, exemptions and limits to	CoM	Neither accept nor reject	This will be kept under review. The Government aims to provide customers who are unable to pay via digital payment channels the option to pay for government services using cash. Payment options are kept under review.	N/A

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	its own acceptance of cash payments in order to inform the wider Island economy.				
8	As part of the formation of an acceptance of cash payments strategy, the Minister for External Relations and Minister for Sustainable Economic Development should consider how charitable organisations can be assisted by the both the Government of Jersey and the private sector including banks, during the transition to digital payments.	MER / MSED	Accept	The Minister for External Relations will be writing to the Charity Commissioner to seek further clarification on this issue and understand what action, if any, could be taken.	Q2 2025
9	The Minister for Sustainable Economic Development should, by 30 April 2025, issue interim guidance to businesses indicating that they should accept a cash payment where it is the customer's only way of paying.	MSED	Reject	This is not considered necessary as Government Policy remains that businesses should be free to choose their preferred payment methods.	N/A
10	The Council of Ministers, by 31 December 2025, should ensure that no differential pricing based on payment method is made in the provision of public services, including third party providers such as transport services and arm's length organisations.	CoM	Neither accept nor reject	This will be kept under review.	N/A

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
11	The Minister for Sustainable Economic Development should, by 30 April 2025, issue interim guidance to businesses indicating that differential pricing based on payment method should not take place.	MSED	Reject	See response to recommendation 6f.	N/A
12	As part of the formation of any acceptance of cash payments strategy, the Minister for External Relations should give due consideration to the impact of the banking regulatory environment upon payment options. This should include whether Ministerial oversight or limitation of banking charges on cash handling services is needed to ensure that charges are reasonable and proportionate.	MER	Reject	Without a compelling justification for Government intervention, mandating oversight or limitation of banking charges on cash handling services would be unwarranted. Statutory measures for redress already exist for consumers to pursue any concerns relating to fairness of treatment by financial service providers.	N/A
13	The Minister for External Relations should continue to work towards the provision of banking hubs, and report back to the Panel by 30th April 2025.	MER	Reject	This will be kept under review.	N/A