

Pre-Legislative Scrutiny of the General Scheme of the Access to Cash Bill 2024

MABS Submission to the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach

21 February 2024

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Context of the submission

The Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach ('the Committee') is undertaking Pre-Legislative Scrutiny of General Scheme of the Access to Cash Bill 2024.

The Committee invited the Citizens Information Board (CIB) to make a written submission with reference to the draft legislation. CIB referred this request to the Money Advice and Budgeting Service (MABS), a CIB-funded service, as this topics falls within the MABS remit and strongly

correlates to our submission on the 14 February 2024 to the Department of Finance's Public Consultation for the National Payments Strategy (NPS).¹

In drafting this submission, MABS observations are based on its practical experience of providing casework support to borrowers who are experiencing difficulty meeting their financial arrangements and servicing debt repayments on a consistent basis as they fall due. These individuals come from all backgrounds, income levels and cohorts of society. However, for the purposes of this submission, we will be drawing predominantly on the experiences of our clients who rely primarily and/or solely on cash for budgeting purposes and for their everyday payment needs.

The Committee is seeking views on the following:

- The policy rationale for the Bill
- The technical, legal, and drafting aspects of the Bill
- Possible areas where the Bill might be improved
- Possible implications/consequences arising from the Bill, and
- Any other comments you may wish to make on the Bill

In this submission, MABS aims to provide observations which may be of use to the Committee during this phase of its work. MABS respectfully submits that the technical detail of policy making and legislative drafting fall outside our area of expertise.

[About MABS and our approach to this submission](#)

Established in 1992, the Money Advice and Budgeting Service (MABS) helps persons to cope with personal debt and take control of their own financial wellbeing. It is a free, confidential, and independent service that operates from over 60 offices nationwide. MABS is funded and supported by CIB. There are currently 10 Companies in the MABS network – eight Regional Companies (North Dublin MABS, Dublin South MABS, North Connacht & Ulster MABS, North Leinster MABS, North Munster MABS, South Connacht MABS, South Leinster MABS and South Munster MABS), National Traveller MABS and MABS Support CLG. MABS Support CLG is dedicated to the provision of supports to the regional staff in the MABS network and providing specialist expertise on a range of areas. This includes learning and professional development, training, case

¹ [National Payments Strategy: Public Consultation | Department of Finance Consultation Portal](#)

management and technical support, social policy and research, community education and financial inclusion.

MABS approaches this submission, as it does its casework, from a holistic perspective which aims to reflect on the full picture and the full range of factors that impact on the clients we support. A significant proportion of MABS clients are low-income households and those facing digital and financial exclusion, including older persons, migrants, Travellers, persons with disabilities and other socially marginalised groups in Irish society. For instance, many MABS clients avail of the Household Budget Scheme (supported by An Post). These clients receive their social welfare entitlements via cash and have a proportion of their essential household expenditures (such as Local Authority rental payments, electricity and/or gas bills) deducted at source. It is important to note, according to the most recent figures available in the public domain, approximately 30% of all social welfare payments continue to be made in cash (as per 2020 statistics² from the Department of Social Protection).

As such, many MABS clients prefer to use cash for everyday payments and their own budgeting needs. The clients we support who take steps to actively avoid using basic digital services, making e-payments, or using online banking, do so for a number of reasons. One is that they prefer using cash as it is the most secure method of payment. It is tangible, safeguards consumer independence, and is non-excludable. Cash is also predominately used by those who are unbanked or underbanked, and who have lower than average levels of financial literacy. As such, the social shift towards non-acceptance of cash in Ireland has unforeseen consequences on social inclusion.³

At MABS, we provide a non-judgemental money advice service to support every client as they come through our door and call our national helpline, regardless of their circumstances and the way they bank or manage their money. We have observed first-hand how those who rely on cash face additional financial burdens – from charges on cash/ATM withdrawals (if they are available in their area), ‘cash premiums’ for paying public transport, utility bills, insurance, or other household charges, and difficulties accessing basic services (for instance, driver’s license applications and renewals and obtaining copies of marriage, birth and death certificates). We

² [Financial Inclusion among Social Housing Tenants - UCC and Cluid Housing report](#)

³ For more, see: [NT MABS Building the Box Equality Report](#)

therefore fully endorse the Access to Cash Bill 2024 as one of the integral policy and regulatory interventions urgently needed to protect acceptance and availability of cash across Ireland.

Overall, we are encouraged by the Government's recent activities in this space, including the drafting of this Bill as well as the on-going development of the National Payments Strategy (NPS)⁴ and the National Financial Literacy Strategy.⁵ Such interventions are keenly needed to support marginalised groups and tackle financial exclusion, as we in MABS observe daily the ways developments in the Irish financial landscape in recent years are widening social and economic inequalities in this area.⁶

MABS Observations on the Access to Cash Bill 2024

MABS strongly endorses the provisions set forth in the Bill, and its central aim 'to ensure the continuation of reasonable access to cash' (as outlined in 'Head 2: Purposes of the Bill') as well as to build the resilience of the cash system in Ireland. Below, we provide specific commentary on five central legislative provisions of the 'Access to Cash Bill':

Provision 1: The maintenance and elevation of cash infrastructure back to approximately pre-December 2022 levels (as outlined in 'Head 6: Reasonable Access to Cash').

This provision is particularly significant from a MABS perspective. Since the COVID-19 pandemic, the pillar banks have undertaken a number of economising activities that have impacted on communities and have undermined cash access in local areas. These activities include the closure or reduction of hours of operation of local bank branches, as well as reducing and selling of ATMs to independent and currently unregulated ATM operators (Cash in Transit companies).

MABS fully support the new legislation and the objective of preserving levels of cash access across Ireland through the elevation of the number of ATMs back to pre-December 2022 levels. As outlined in the Regulatory Impact Analysis⁷ document, this requirement will involve targeted efforts initially from the three main remaining retail banks operating in Ireland when the Bill is first enacted. It is our view at MABS that increasing and continuing resourcing local ATMs and

⁴ [National Payments Strategy: Public Consultation | Department of Finance Consultation Portal](#)

⁵ [gov - National Financial Literacy Strategy \(www.gov.ie\)](#)

⁶ For more, see: [Why banks need to maintain cash services for customers \(rte.ie\)](#) and [Why a cashless society may never emerge in Ireland \(rte.ie\)](#)

⁷ [gov - Access to Cash Bill 2024 - Regulatory Impact Analysis \(www.gov.ie\)](#)

cash access points is a vital first step to counteract the erosion of cash infrastructure across the country.

Provision 2: New regional criteria for minimum numbers of ATMs per 100,000 people and maintaining that a percentage of the population must be within 10 km of a cash service point *where cash and cheques can be lodged* (as outlined in ‘Head 6: Reasonable Access to Cash’). It also makes allowances for the Central Bank to issue guidelines on addressing ‘local deficiencies’ or any challenges with implementing/ maintaining cash access points in a local area (as outlined in ‘Head 7: Local deficiencies’).

This is another important development, and wholly welcomed by MABS. We recognise that such regional criteria is consistent with specific policy recommendations from the European Central Bank (ECB), that emphasise the importance of measuring cash access via the (1) density of cash access points and (2) specific consideration of their geographical proximity to citizens.⁸ These actions therefore serve to ensure that ATMs/ cash service points are available in rural areas while also simultaneously providing for a greater number (as needed) in more densely populated or urban parts of the country. It is also particularly welcome that the legislation incorporates not only ATMs where cash can be accessed, but also those with lodging capabilities (for both cheques and cash). These basic financial services are fundamental to many local communities.

As per the Supplementary Document for the Access to Cash Bill, returning the number of ATMs to pre-December levels will enable 99% of the population to be within 10 km of an ATM and 99.7% within 10 km of a cash service point.⁹ The legislation also allows for the Central Bank to regularly monitor and review this criteria at any time or by request from the Minister.

Provision 3: New, regular data gathering by the Central Bank in terms of assessing cash withdrawals and local deficiencies in terms of accessing cash (‘Head 8: Monitoring and Enforcement’).

This provision requires that the Central Bank will, on at minimum a quarterly basis, monitor and publish the number of ATMs and cash service points in each regional area. This will include gathering appropriate data from all relevant entities – including banks and independent (and newly regulated) ATM operators. This information will be crucial in order to ensure the terms and

⁸ [Guaranteeing freedom of payment choice: access to cash in the euro area \(europa.eu\)](https://ec.europa.eu/economy_finance/press_corner/2014/en/20140901_guaranteeing_freedom_of_payment_choice_access_to_cash_in_the_euro_area_en)

⁹ [Access to Cash: Supplementary information document](#)

conditions of the Bill are being met, while also providing for a new, nationally collated data set for the purposes of monitoring cash access and use in Ireland.

MABS would support the availability and accessibility of this data in the public domain, perhaps in a similar manner to the publication of the Central Bank's monthly card payment statistics (which currently includes limited, macro-level statistics in terms of domestic cash withdrawals).¹⁰ As such, there is arguably a need for further publically available data in terms of cash access and trends in cash usage in Ireland, and the provisions set forth in this Bill will serve as an important first step to addressing this gap.

Provision 4: This Bill will also empower the Minister to make regulations banning or capping access fees for withdrawals from Irish ATMs by consumers with EU bank accounts (as outlined in 'Head 10: Prohibition of charging access fees').

This is a particularly important provision of the Bill, and we would support the Minister making regulations that expressly prohibit fees at Irish ATMs. Fee-charging at ATMs can serve as a key barrier and exclusionary measure for those who regularly use and rely on cash. Disallowing ATM fees (specifically for Irish consumers using domestic ATMs) is also consistent with the recommendation from the Department of Finance's Retail Banking Review in November 2022,¹¹ which stipulated the following:

'... as a matter of policy, Irish consumers should not be charged access fees for withdrawing their own cash via a domestic ATM. This approach is consistent with the Eurosystem cash strategy, where it is stated that cash withdrawals should be free, or incur only a reasonable fee.' (page 68)

It is important to acknowledge that the Access to Cash legislation does not directly stipulate or commit to the prohibition of fees (rather gives the Minister the powers to ban or cap fees). From a MABS view, we would support the implementation of a fee-ban for all Irish consumers as well as those consumers with EU bank accounts (who currently are charged €1.95 to withdraw from an Irish ATM). In our view, this would serve as a crucial step in promoting financial inclusion, as it would specifically address and prevent an additional cost incurred by cash usage.

¹⁰ For example, see: [december-2023---monthly-card-payment-statistics.pdf\(centralbank.ie\)](#). There is also, to the best of our knowledge, no specific information regarding the number of ATMs and cash points in Ireland prior to December 2022.

¹¹ [gov - Retail Banking Review - November 2022 \(www.gov.ie\)](#)

Provision 5: The general provision for the implementation of a specific Central Bank registration framework or ‘regime’ for ATM operators and cash-in-transit firms (CITs) (as outlined in ‘Part 3: Registration regime for Cash-In-Transit companies (CITs) and Independent ATM Deployers (IADs)’).

The final provision of the Bill that MABS would like to provide commentary on is the regulation framework for ATM operators and Cash-In-Transit (CIT) firms. We strongly support the regulation of these entities by the Central Bank, and hope that such measures will enable widespread cash access and introduce rules that protect consumers and are appropriate to their needs. As per Part 3 of the Bill, included in the regulations will be: governing service standards (including hours of operation), denomination stocking, maximum out of service/ repair times, as well as signage and communication requirements. In addition, under the new regulations ATM operators must provide the Central Bank with ‘sufficient notice’ before removing an ATM from an area, in order to ensure the Central Bank ‘can notify designated entities of the upcoming change to facilitate an appropriate response’ (which may include replacing the ATM itself). Such regulations are important to ‘ensure appropriate service standards’ and to enable consumers to have the ‘reasonable expectation’ that an ATM in their area is available, in operation and will adequately suit their needs (See: Access to Cash Bill, page 36).

This provision of the Bill is significant and addresses a number of issues that persons currently experience in accessing ATMs/ cash points in certain parts of the country. For example, those who live in areas without a local bank branch may only have access to cash services inside a local shop. As such, at the moment they are restricted in terms of access to the shop’s opening hours (which might be limited). In our view, the new centralised regulations as set forth in this Bill will explicitly tackle this issue and therefore serve as an important measure to promote financial inclusion.

MABS would also support the new regulations by the Central Bank specifically addressing the availability of lower denominations of cash at ATMs (which we also noted in our submission to the Retail Banking Review and the National Payments Strategy). In Ireland, €20 appears to be the lowest denominator available from a majority of ATMs. This amount is also regularly unavailable, which forces a minimum withdrawal of €50 (and the consumer may not have these funds available in their account, especially if they are low-income and/or on social welfare).

Conclusion

As mentioned throughout this submission, MABS fully endorses the provisions set forth in the Access to Cash Bill 2024. In particular, the comprehensive and uniform regulation of ATMs by the Central Bank serve, in our view, as a critical measure to promote the resilience of cash infrastructure in Ireland. Such policy interventions are consistent with 2023 European Commission regulations that seek to protect the role of and legal status of cash, and ‘ensures that the physical form of central bank money, euro cash, remains present, available and accepted by all euro-area residents and enterprises.’¹²

MABS recognises this Bill as an important *initial* legislative measure to protect access and usage of cash, banknotes, and coins in Irish society, without additional penalties or costs to consumers. As outlined in our response to the Department of Finance’s National Payments Strategy Public Consultation, MABS would support further policy and legislative interventions in this area, specifically concerning the necessity of ensuring that all public bodies (or those entities in receipt of public funding) accept cash for services. We are particularly concerned with the growing trend of non-acceptance of cash in Ireland, and fear that non-cash acceptance in service industries will further exacerbate financial and social exclusion. We will continue to engage with public policy measures in this space over the coming months.

Thank you very much for taking the time to read our submission, and please do not hesitate to contact us directly if you have any questions or would like any more information in relation to this topic.

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MABS Support CLG

¹² [Clarifying the legal tender status of euro banknotes and coins \(europa.eu\)](https://european-council.europa.eu/media/e300042f-323d-4741-8f31-8c3998e60000/en/document/press/2023/06/clarifying-the-legal-tender-status-of-euro-banknotes-and-coins)