

Cashless society draws closer with only one in six payments now in cash

Level: Advanced

1 Warmer

a. Match the currencies with the countries in which they are used.

- | | |
|-----------|-----------------|
| 1. yen | a. India |
| 2. dollar | b. Hungary |
| 3. rand | c. Japan |
| 4. rupee | d. Egypt |
| 5. pound | e. Canada |
| 6. forint | f. South Africa |

2 Key words

a. Fill the gaps in the sentences using these key words from the text.

bounce back chunk decline hospitality hygienic
opt for reliant row shift surge transaction viable

1. A _____ is the action of buying or selling something.
2. If you _____ something, you choose it from different possibilities.
3. A _____ business specializes in serving food and drink.
4. A _____ is a noisy argument or a serious disagreement.
5. If things _____, they become less.
6. A _____ is a large piece of something.
7. A _____ is a sudden increase in something.
8. A _____ is a change in something.
9. If you are _____ on something, you depend on it.
10. If something is _____, it is clean and not likely to cause illness.
11. If things _____, they become successful or popular again after something bad has happened.
12. If something is _____, it is able to be done or worth doing.

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UK Finance study records a 35% drop in cash transactions in 2020 as Covid crisis turbo-charges change in spending habits

Rupert Jones

16 June, 2021

- 1 The UK has moved a big step closer to becoming a cashless society after official data showed that the number of payments made using notes and coins fell by 35% in 2020.
- 2 Changes in spending habits have been dramatically accelerated by the coronavirus pandemic, with 13.7 million people leading a “cashless life” in 2020 – almost double the 7.4 million figure in 2019. Five in six payments now involve no notes or coins, compared with half of all transactions a decade ago.
- 3 A growing number of businesses both big and small now refuse cash, with many having opted to go card-only over the past year.
- 4 The retailer Ikea says on its website that “for now” it is not accepting cash payments in its UK stores. Similarly, the restaurant chain Nando’s says customers cannot pay with cash, the Japanese food chain Itsu talks about being card-only in-store and the craft beer firm BrewDog is among the hospitality businesses that are now cashless.
- 5 Others such as Birds Bakery are discouraging the use of physical money. The Midlands chain, which was at the centre of a recent row about only accepting card payments in-store, says it “would prefer to take card payments where possible”.
- 6 “There has been a significant fall in cash use by consumers in a relatively short period of time,” said the banking trade body UK Finance, which issued the figures. “Since 2017, cash use had been declining by around 15% each year, so 2020 represented an acceleration of this decline.”
- 7 The trend reflects the fact that many places where people commonly use cash, such as pubs and cafés, were shut for chunks of 2020, while the lockdowns prompted a surge in the numbers shopping online. While many businesses have temporarily or permanently gone card-only, some consumers have been avoiding touching banknotes and coins because of Covid transmission worries.
- 8 Nevertheless, the findings are likely to raise concern about millions of people potentially being left behind as the shift to a cashless society speeds up. About 1.2 million consumers still mainly used cash for their day-to-day spending during 2020, down from 2.1 million people in 2019.
- 9 The independent Access to Cash Review said there were more than five million people in the UK still “heavily reliant” on notes and coins, while the consumer body Which? said those who still depended on cash to pay for everyday essentials “must not be forgotten”.
- 10 Contactless and mobile payments became much more popular in 2020. The number of contactless payments rose by 12% during 2020, and overall they accounted for more than a quarter (27%) of all payments. As recently as 2016, the figure stood at 7%.
- 11 This has been driven by a number of factors, including the decision to increase the upper limit for tap and pay from £30 to £45 in April 2020 – a further rise to £100 is planned – and a belief that contactless is more hygienic than handling cash.
- 12 About 83% of people in the UK now use contactless, with no age group or region falling below 75%.
- 13 Cash was used for 17% of all payments in 2020 – down from 45% in 2015 and 56% in 2010.
- 14 Despite this, it remains the second most frequently used payment method behind debit cards, and a new £50 note has recently gone into circulation. UK Finance said it was entirely possible that cash may “bounce back” later in 2021 or in 2022.
- 15 During 2020, there were 13.7 million consumers who either did not use notes and coins at all, or only once a month. This number has grown rapidly: in 2018, it was 5.4 million people; in 2017, it was 3.4 million; and in 2016, it was 2.9 million.

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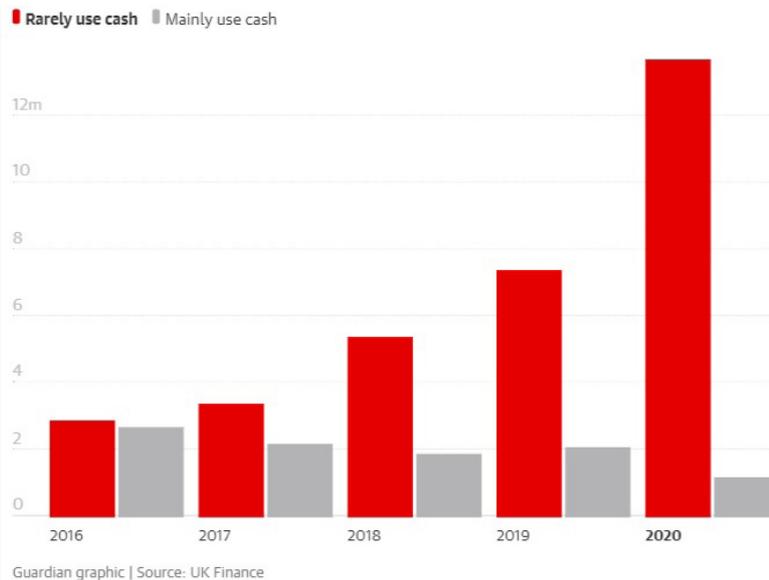
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- 16 However, with large parts of the economy closed for some of 2020, UK Finance said this was not necessarily a measure of people who had chosen to live a cashless life.
- 17 In the 2020 budget, ministers announced plans to introduce legislation to protect access to cash for those who need it. Gareth Shaw, the head of Which? Money, said the government must make progress on this to ensure that cash remained a viable payment option for as long as it was needed.

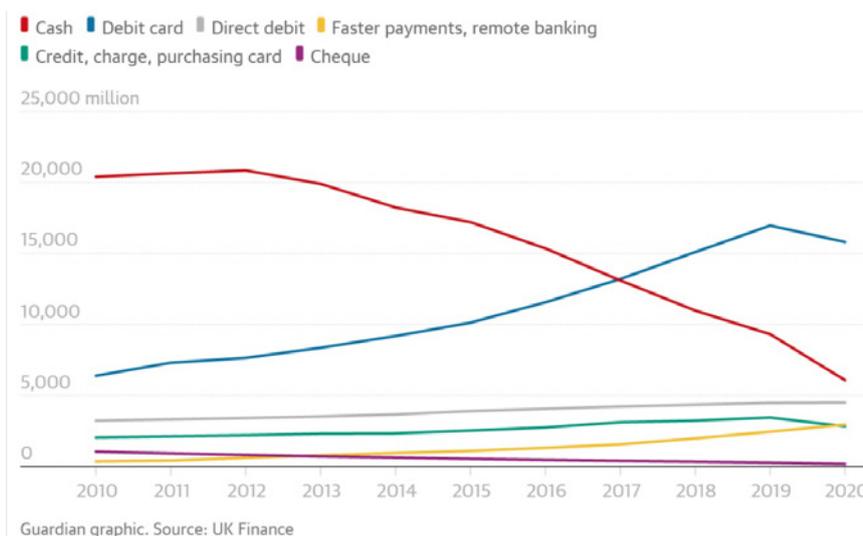
- 18 The Access to Cash Review has previously warned that the country's "cash infrastructure" – from cash machines to cash-sorting centres – could be in danger of collapsing because while the costs are largely fixed, income is declining quickly. Natalie Ceeney, its chair, said that as cash use declines, "there is an increasing risk that people won't be able to access it or that shops won't accept it. It's not a case of waiting for people to learn to use digital."

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The number of people who say they rarely use cash - once a month or less - grew to 13.7m in 2020



Cash payments have declined by 70% since 2010



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3 Comprehension check

a. Answer the questions using information from the article.

1. What has dramatically accelerated changes in spending habits?
2. How many people led a “cashless life” in 2020?
3. What was the percentage decline in the use of cash from 2017 to 2019?
4. Which places where people often use cash were closed for large parts of 2020?
5. What type of shopping saw a sharp increase during the lockdowns?
6. Why have some consumers avoided touching coins and banknotes?
7. How many people in the UK still rely on notes and coins?
8. What percentage of people in the UK use contactless payment cards?
9. Which new banknote was recently introduced in the UK?
10. In 2020, how many consumers either did not use notes and coins at all or only once a month?

4 Key language

a. Complete the table.

verb	noun
1. pay	_____
2. accelerate	_____
3. transmit	_____
4. decline	_____
5. find	_____
6. consume	_____ (person)

5 Discussion

a. Discuss these statements.

- “Most people no longer use cheques, so cash will soon disappear just like cheques.”
- “Paying in cash is safer than paying by card.”
- “No one has real money anymore. It’s just electronic numbers.”

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6 In your own words

a. Use the internet to find out which countries use cashless payments the most and which the least. Choose one 'cashless' country and one 'cash' country and write a short report comparing the two. Focus on:

- geographic location
- GDP (gross domestic product) and economic performance
- population
- important industries
- main exports