

TONBRIDGE NEEDS ACCESS TO CASH

Tonbridge Community Forum briefing paper

Background

In recent years we have seen the closure of all the business banks on Tonbridge high street. We still have Nationwide, Santander and Halifax, but these only provide cash counter services to personal customers.

In January 2024 we will have a permanent (close to the) high street post office in Quarry Hill Road which will provide limited cash counter services for personal and business bank customers.

It is our small independent businesses that struggle without full local banking services. The bigger businesses can afford cash collection and delivery services, plus have the security to store takes and plenty of change. So limited high street banking is unlikely to affect chain businesses like Poundland or B&M or Wetherspoons but will affect the small independent businesses that form the character of our high street. This will have a knock effect on footfall and thus our local economy.

Why being able to spend cash matters

While use of cash is reducing, there are some people who are not comfortable using cards and contactless. 2022 research by the Financial Conduct Authority shows that some 6% of us rely almost entirely on cash and a further 20% use cash and other payment types equally. 74% of us rarely or never use cash. In the context of Tonbridge with a population of 40,000 that's over 10,000 who will at least be inconvenienced including 2,400 people significantly affected.

Those 2,400 are likely to be the most vulnerable and losing the ability to spend cash locally means they are at risk of losing their financial independence. But the rest of us will also be affected.

Logistically we are not ready for an entirely cashless society, from kids spending pocket money to buying from the farmers' market when the wifi signal drops or using a pound coin to get a trolley at B&M. Going entirely cashless would affect our community and this affect all of us, including those who are happy to be cashless.

Banking hub

Without business banks providing cash banking services on Tonbridge high street our business will struggle to bank cash takings or get change for their tills, they have no choice but to go cashless. This means many of our vulnerable who prefer, or rely on, cash will suffer. Many of our small local businesses could be forced to close.

The new post office will provide limited services which will help but a town our size with the number of high street retail and hospitality businesses needs a business bank presence.

Our best option is to get a Banking Hub which will be funded by the banking industry and will have the added bonus of providing both business and personal banking services. A Banking Hub will lead to an organic increase in businesses accepting cash - some of those businesses happy to be cashless will be more inclined to accept cash if they have easy access to cash counter services as provided by banks.

There are three organisations involved in the Banking Hub process:

- Link - responsible for assessing whether a town gets a hub.

- Cash Access Group - responsible for setting up the hub once approved by Link.
- The Post Office - which would run the hub in partnership with the banks. (To be clear it does not provide post office services and would not affect the post office being set up at Quarry Hill Road in January).

Link has already considered and rejected Tonbridge having a hub. I submitted a further formal request which has been rejected. The rejection is because the criteria currently only allows a town to have a hub if it has no banks at all. We still have Nationwide, Halifax and Santander branches - but none of them provide business counter services.

Financial Services & Markets Act 2023

Under this act the criteria for assessing whether a town gets a banking hub is being reviewed by the Treasury in partnership with the Financial Conduct Authority. An announcement is expected towards the end of the year with formal update of the rules by Summer 2024.

So we have an opportunity to get the criteria changed and get a Banking Hub in Tonbridge.

To this end, I have written to the following, explaining the Tonbridge situation and asking for their support to make sure the criteria is changed so that a town without a bank branch providing business banking services, gets a Banking Hub.

1. John Howells, Link CEO.
2. Joanna Wallace, Chair of Community Cash Advisory Panel.
3. Sheldon Mills, Financial Conduct Authority director.
4. Andrew Griffith, Economic Minister at the Treasury (now replaced by Abimbola Afolami)

In addition I have also contacted and met with Tom Tugendhat who has confirmed his support and that he will lobby for the criteria change. He has asked for those who are affected and want a Banking Hub to email him - he needs real-life stories from constituents and high street businesses.

What's needed?

Sharing and communicating the need to email Tom Tugendhat tom.tugendhat.mp@parliament.uk sharing individual and business stories. He needs ammunition to lobby.

Anyone wanting more information can go to the Facebook group <https://www.facebook.com/groups/tonbridgeneeds>

Sally Pearce | Tonbridge needs access to cash | 15 Nov 2023