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Bank of England to Keep Watch on UK Cash Acceptance

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The Bank of England has confirmed that it will continue tracking trends in cash use via its regular consumer surveys, to help assess declining acceptance and its effects on vulnerable people such as older adults, those experiencing digital exclusion and survivors of economic abuse. While the government has acknowledged concerns, there remains no legal obligation for businesses to take cash payments.

In its response to the Treasury Select Committee, the government confirmed that the Bank of England will continue including questions about cash acceptance in its consumer surveys, a practice that began in 2020 as part of ongoing monitoring efforts. This approach ensures that public sector data, rather than just figures from private organisations, inform policymakers about how often individuals still rely on physical currency.

The committee warned that declining cash acceptance risks creating a “two—tier society” in which individuals who depend on cash, such as older people, survivors of economic abuse, and those with learning disabilities, may face exclusion from services like cafés, leisure centres and public transport. While the Financial Conduct Authority, which regulates financial services firms, has focused on maintaining access to cash, Members of Parliament have stressed that understanding small businesses’ willingness to accept cash is equally important.

The Economic Secretary to the Treasury told MPs: “We have no plans to regulate businesses, big or small, to compel them to accept cash,” confirming the government has no intention of mandating cash acceptance. Despite this position, the committee argued that a time may come when the Treasury must step in to mandate cash acceptance if those relying on physical currency are not sufficiently supported.

Dame Meg Hillier, Chair of the Treasury Select Committee, welcomed the Bank of England’s continued monitoring, but urged the government to go further, stating the response “agrees action is needed to avoid financially excluding vulnerable groups,” warning that exclusion would spill into community spaces such as leisure centres and public transport.

The current approach reflects a cautious balancing act: preserving market freedom for businesses while recognising the practical needs of millions who still prefer or depend on cash. While the government’s reluctance to impose mandates is understandable from a business perspective, many observers will be watching closely to see whether the forthcoming Financial Inclusion Strategy delivers tangible safeguards for those at risk of being left behind.