



Exploring the impact of TfL moving to cashless stations

A report produced by 2CV

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Research objectives and method

Research objectives and key questions

- To explore the potential impact of cashless stations and gather an evidence base for decision making for post pandemic cash acceptance
- Key questions to answer:
 - What is the size of cash demand?
 - Who uses cash and why? Do cash users have access to alternatives?
 - What impact would cashless stations have on TfL's customers and reputation?

Research method

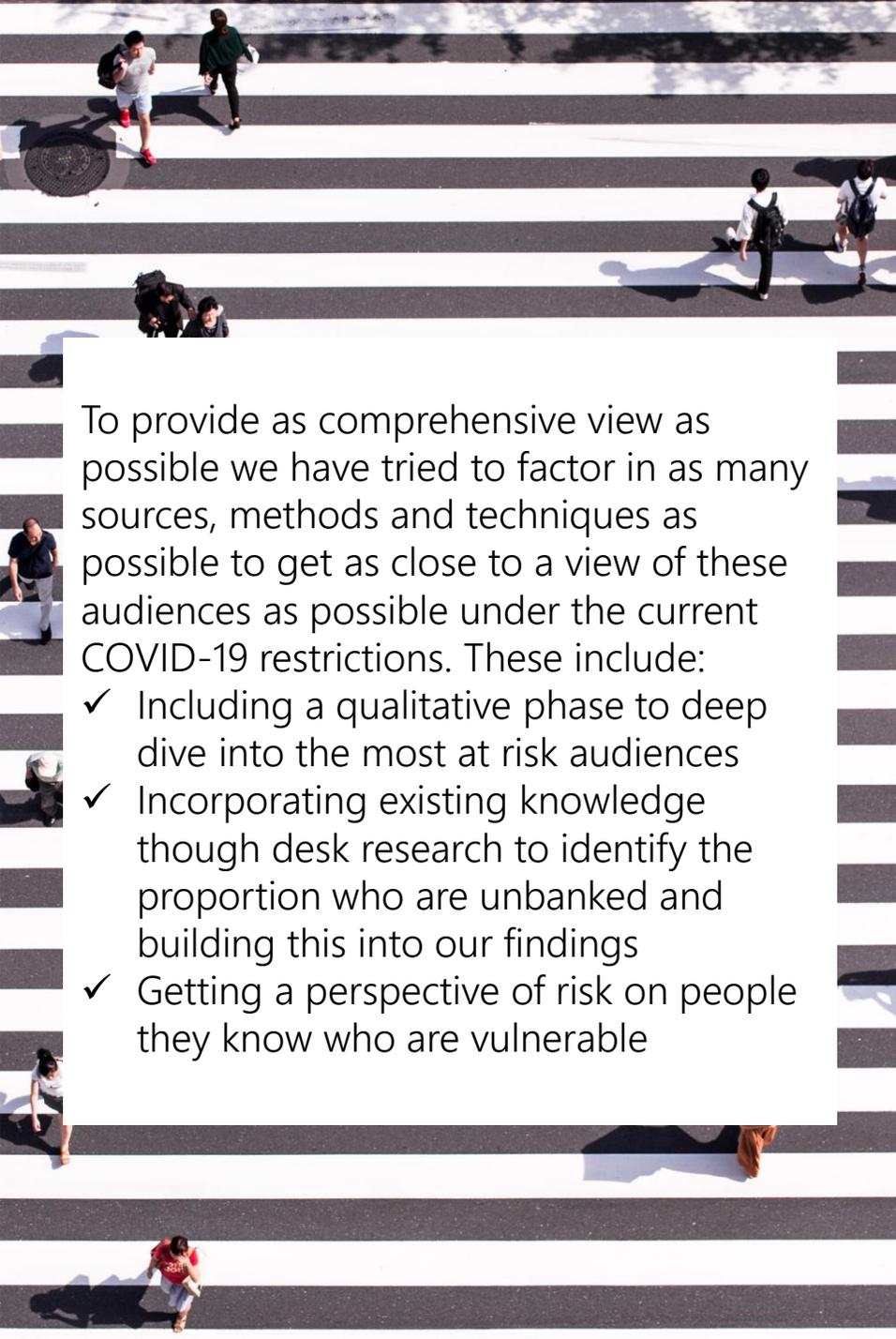
- We used a mixed method approach to fully explore the topic of cashless stations and the challenges of research during lockdown restrictions. This also allowed us to compensate for bias in the individual methods.
 - Desk research to analyse our previous research and the latest trends on cashless payments.
 - Expert interviews to gather the views of a range of sectors – representatives of vulnerable groups, the finance sector, academics, employment and debt advisors, and consumer rights groups
 - Online quantitative survey to size the use of cash and understand the potential impact on our reputation
 - Qualitative depth interviews with vulnerable customers, including unbanked and underbanked Londoners and customers with technology worries



Quantitative considerations around representation

APPLYING A RANGE OF METHODS AND TECHNIQUES TO PROVIDE A HOLISTIC VIEW IN THE CURRENT CLIMATE

- The panels we work with do their upmost to deliver representation across key demographics such as age, gender, income, and ethnicity
- However, the nature of any online work is there are “hidden” audiences that cannot be accessed through this method; including digitally excluded, the unbanked and the homeless
- The only truly effective way we can reach these populations is through the face-to-face method we embarked on ahead of lockdown. Which is not possible due to COVID restrictions
- We have been mindful of this throughout the research process and when compiling results to avoid biasing the picture
- Quantitative results were used combined with desk research to provide a more accurate view on the size the impacted audiences



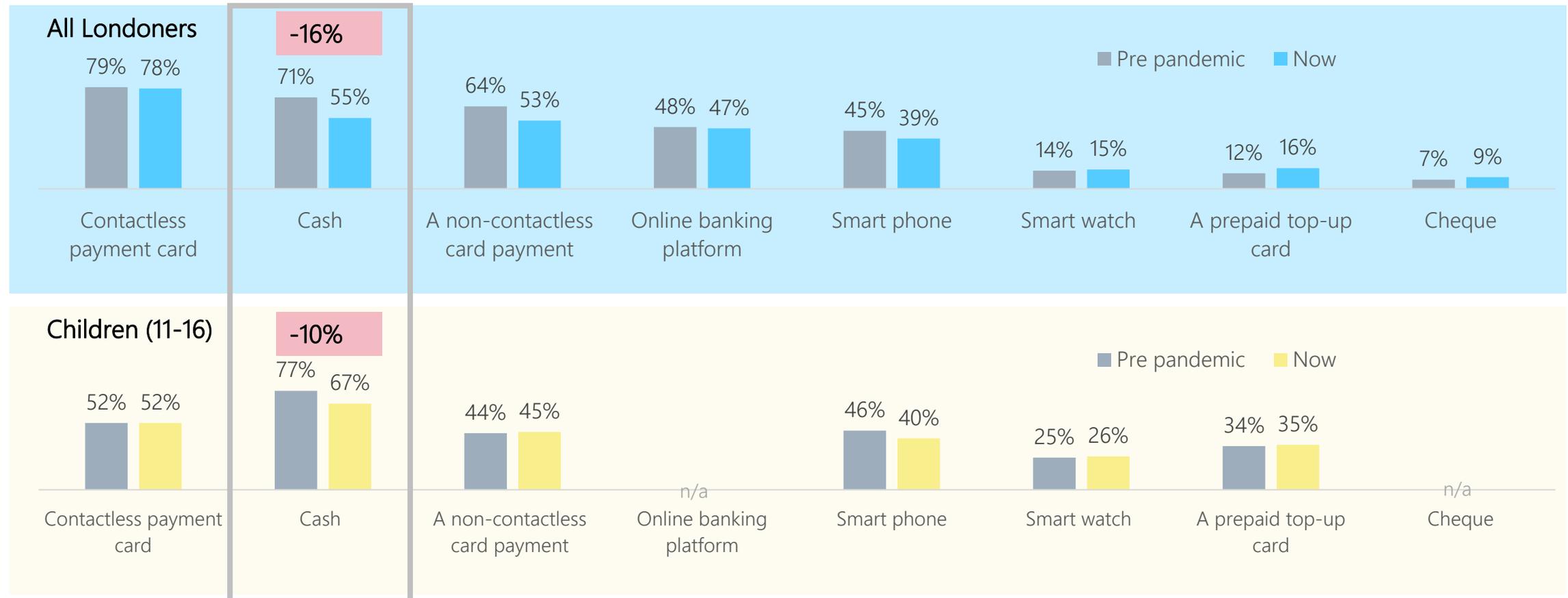
To provide as comprehensive view as possible we have tried to factor in as many sources, methods and techniques as possible to get as close to a view of these audiences as possible under the current COVID-19 restrictions. These include:

- ✓ Including a qualitative phase to deep dive into the most at risk audiences
- ✓ Incorporating existing knowledge though desk research to identify the proportion who are unbanked and building this into our findings
- ✓ Getting a perspective of risk on people they know who are vulnerable

Whilst in decline, cash use remains common

Having a mix of card and cash options reaches a wide audience and delivers customer choice

Payments used on a weekly basis Pre Covid vs. current use (March 2021): All Londoners and Children aged 11-16



A1. Before the Covid-19 pandemic, typically, how often did you use the following payment methods? Before the Covid-19 pandemic, typically, how often did your child/ children (aged 11-16) use the following payment methods-to make purchases?

N1. Currently, how often do you use the following methods of payment? Currently, how often does your child/ do your children (aged 11-16) use the following methods of payment? All London adults n=1509 Parents answering about 11-16 year-olds n=153

Card payments are the most popular payment method on TfL, followed by cash

Typical payment used on the TfL network – net across all modes (proportion of Londoners)




Despite not being able to use cash directly on buses, 25% of all Londoners use cash to top up their Oyster cards when travelling by bus.

Most bus users pay with cash to top up their Oyster card in multiple ways, most commonly **Oyster Ticket Stops** (60%) and at **ticket machines in stations** (60%)

B3. Typically, how did you pay when using the following modes of transport in London?

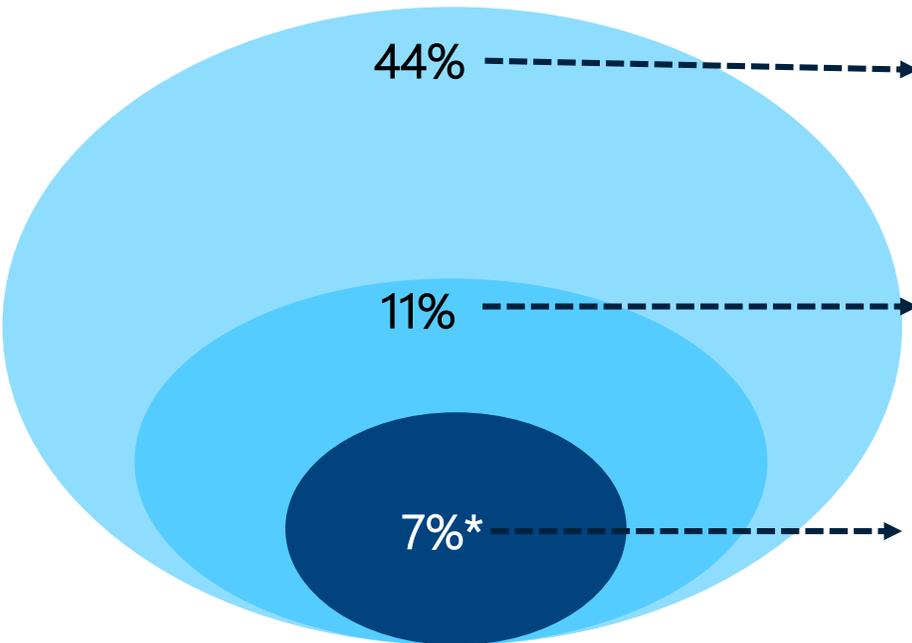
B5. Which of the below payment methods did you prefer to use when paying for transport around London? All London adults n=1509 Parents answering about 11–16-year-olds n=153

Transaction data provided by TfL

Having the option of cash is important with 7% feeling unable to travel without it

Impact of cashless TfL stations on travel

ALL LONDONERS



Would cause some difficulty/ stress when travelling (partial dependence)

Uncertainty whether could continue to travel (Cash dependence)

Would not be able to travel/unbanked (Cash reliance)

CHILDREN 11-16

61%

16%

8%

Those unable to travel without cash tend to have a lower income or be unemployed, or are disabled.

We didn't find a bias towards older people in our survey, potentially due to the use of the freedom pass

D6. How much, if at all, would you personally be affected if you couldn't use cash at TfL stations. All London adults n=1509 Parents answering about 11-16-year-olds n=153
 *Unable to travel figure of 7% comes from combination of those within our online survey who said they could not travel (4%) and desk research into the unbanked/ not online (3%)

Some customers rely heavily on cash due to factors largely outside their control

Customers in these groups can become accustomed to disadvantage and feel their voice is not heard by larger society

You need an address for a bank account, I don't have one so what am I meant to do?

Customer depth

I have Asperger's. I see numbers in a certain way, if there's not a certain rhythm, I need to level it up so I don't like using my bank account because everything affects the balance.

Customer depth

Circumstance

Homeless

Unemployed

Fleeing domestic abuse

Data or device-excluded

Poor physical or mental health

Immersed in cash economy – eg paid in cash

Experience

In debt or been in debt

Lower income driving a need to control spending

Experienced card or online fraud

I was robbed at an ATM a few years ago and they took everything they could. I blame having a card, if we just worked in cash, I wouldn't have been there in the first place.

Customer depth

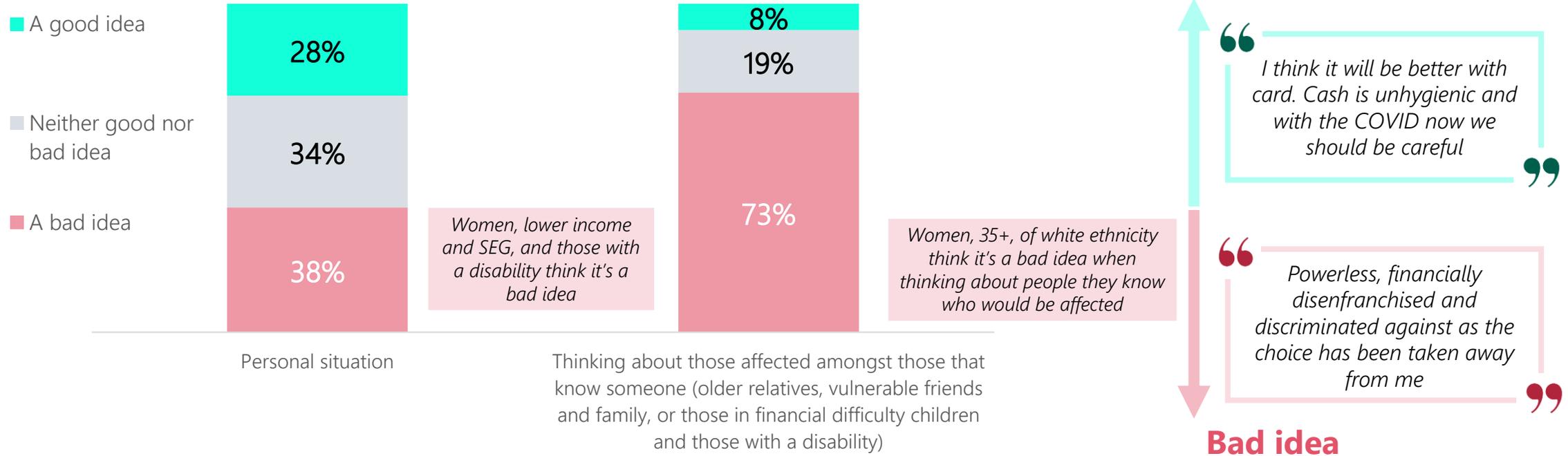
Expert view [London TravelWatch]

- It is not easy to define exactly who sits under cash reliant
- Some are more obviously at-risk – unbanked, homeless, hidden homeless, domestic abuse victims
- But the number of people relying on cash in daily life is far greater than any known figure and reasons for reliance vary, making it hard to plan the range of mitigations needed

The idea of TfL cashless stations creates mixed opinion; more negative among those who know someone who would be affected

30% of Londoners knew someone who would be personally affected by removing cash from stations

Perceptions of TfL removing cash options from TfL stations



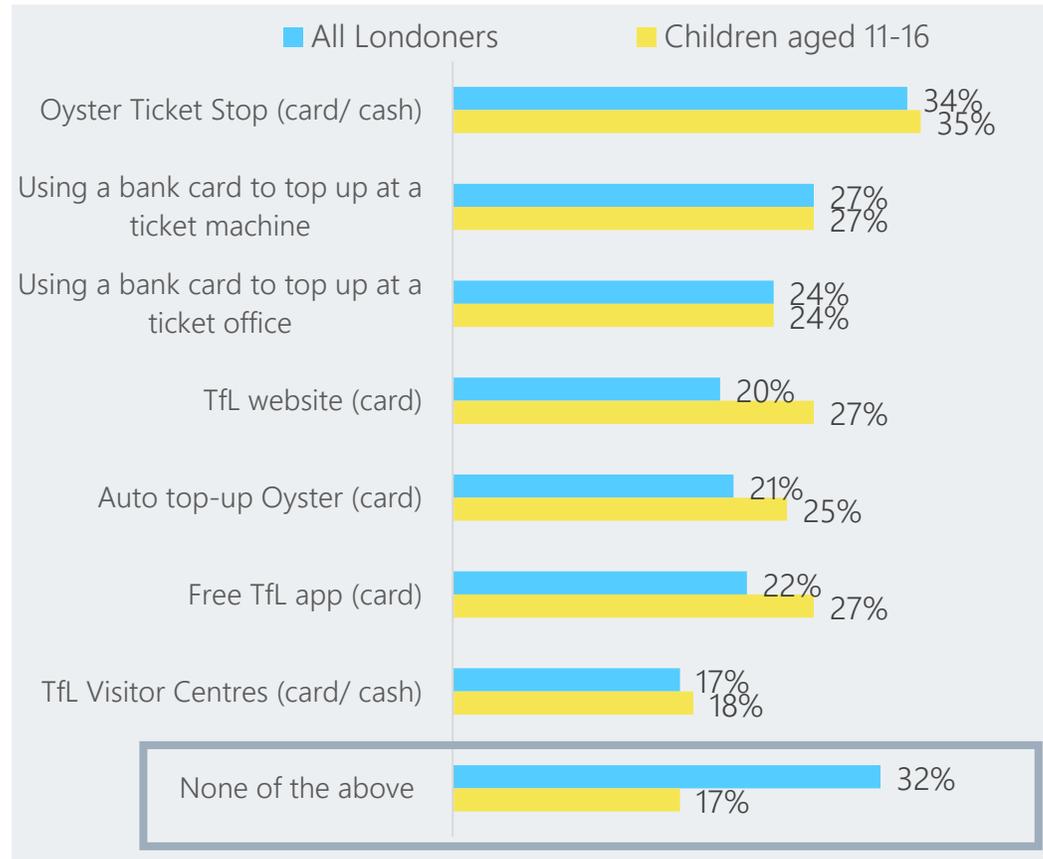
D1. If Transport for London (TfL) removed the option to pay with cash at TfL stations, how would this make you feel? All London adults n=1509

D2. Thinking about your personal situation, what do you think about the idea of Transport for London (TfL) removing the option to pay with cash at TfL stations London rep n=1509. Survey used scale of excellent – terrible.

E6. Thinking about the ..., what do you think about the idea of Transport for London (TfL) removing cash options from TfL stations amongst those aware of someone negatively impacted n=430. Survey used scale of excellent – terrible.

Having a range of options can mitigate perception of risk for some, but not for all

Believe payment option would reduce negative impacts of cashless



Any other alternative options that would reduce negative impact

Most would suggest an expansion of places available to top up their Oyster card with cash

“ Just make sure I can top up from as many different places as possible **for when one of them is down.** ”

“ I am not sure I would need them. I walk past a newsagents to get to the station, so that would be a first stop. ”

“ Saying you can download an app and link it to your bank card is **NOT** an alternative. **That's not how people see money.** ”

“ Increase the number of outlets that an Oyster card can be topped up at. **What about supermarkets, Post Offices, pubs?** ”

“ My child would need to either **ask me** to top up their card on a regular basis or have to **walk to a newsagent.** ”

F3. And which of the below payment options for topping up Oyster cards could significantly reduce any negative impact of not being able to use cash at stations?

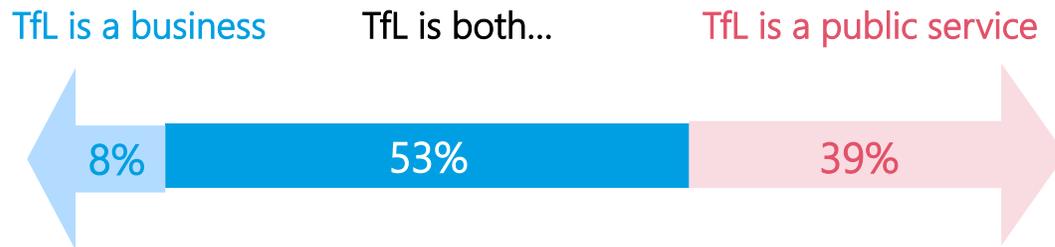
F4. Please tell us whether there any other options that could help you access the network if cash payment at stations wasn't an option?

All respondents. London n=1509, Children=153

Customers and experts see society clearly moving towards “less-cash” but not cashless yet

TfL is not expected to be ahead of the curve on being completely cashless

- TfL played a part in the trend towards less cash – Oyster, contactless payment, cash free Buses
- But cashless stations are considered a step too far right now
- TfL is considered to be an essential service alongside supermarkets, a definition that has sharpened during the pandemic
- Customers want to see TfL help London recover in an inclusive way. Many hold TfL up to public service expectations



- Complaints alone cannot give an accurate read on issues of vulnerable groups as their voices can be less-heard and require more proactive engagement

“TfL are heading that way [cashless] with less ticket booths but it still feels like **too big a jump** to go cashless now.
Customer depth”

Expert view [SecuraMonde]

“There is a difference between a less-cash society and a cashless one. I can see benefits to less-cash and we're clearly moving that way but totally cashless would be a huge leap from where we are now.”

Expert view [London TravelWatch]

“Until Sainsbury's and Tesco and B&Q stop taking cash, I don't see why TfL would. Society will move there in time but there seems no rationale for them to go quicker than other parts of society.”

Insight summary

Cash payments are particularly valued by some customers

- 7% of Londoners would not be able to travel if we removed cash at stations
- This tends to be customers on lower incomes, unemployed or disabled customers

Many customers hold TfL up to public service expectations and consider us an essential service

- Being seen to exclude some customers prompts wider concern and reputational damage

Less-cash is a preferred option to cashless, and is felt to be in sync with wider trends

- TfL is not expected to lead the transition to a cashless society

It is important that cash remains an option for TfL as an organisation, and locally at or close to stations

- Reasons for cash reliance are varied making it hard to find mitigations which meet the needs of all customers
- The close availability of accessible cash accepting Oyster Ticket Stops was the most mentioned mitigation by customers and experts
- Mitigations are needed for the rare, but extreme cases, where customers need to travel and cannot pay without cash