

Times are a-changin' in London where contactless is king

September 5 2018, by Joseph Stenson



London busker Charlotte Campbell is one of the first performers to use a contactless card reader

For centuries, London has sustained a street-level economy where performers and vendors make a living from the spare change of

strangers—but they are being forced to adapt as cash falls out of fashion.

Busker Charlotte Campbell, who sings for her supper almost every day in the shadow of the London Eye top tourist attraction, was one of the first performers to use a contactless card reader.

"Things are changing in London and people tend to use cards to pay for things", Campbell told AFP, before an afternoon gig.

"That makes busking a dying art if people aren't carrying cash any more."

Between five and 10 percent of Campbell's income now comes not from coins tossed into her guitar case, but from people tapping bank cards on her reader—set up through her phone to debit £2 (2.22 euros, \$2.60) at a time.

It's a rising trend: a report from the British Treasury earlier this year revealed that cash accounted for 40 percent of all domestic payments by volume in 2016, down from 62 percent in 2006.

The same report predicted its share of payments would fall to 21 percent by 2026—bringing Britain to the brink of becoming a cashless society.

In January, the government spurred the process by outlawing surcharges for using debit or credit cards in shops, removing one of the only significant downsides to digital payments for consumers.



In a growing trend, busker Charlotte Campbell uses her phone to enable people to tap their bank cards on her contactless card reader to make donations

Cashing in

There are other signs in the British capital that businesses are cashing in by banning coins and notes.

A number of lunch spots in the City of London—the epicentre of the country's finance trade—now warn customers with prominent signage that they are entirely cash-free. Others assume that card payment is the default at the check-out.

And some street vendors of The Big Issue magazine—part of a charity

scheme to lift people out of poverty and homelessness—have also taken to carrying contactless readers to attract passersby who are not carrying cash.

At Christ Church in East Greenwich, in southeast London, helpers still pass around traditional tithing bags to collect donations from the faithful during Sunday service.

But Reverend Margaret Cave has also been recently deploying a contactless card reader to mop up one-off donations from her flock—young and old alike.

"I've taken card payments from our 93-year-old member of congregation and some of our much younger people," she said.

"You know it's safely and securely going through to your bank account, no one can take it—so it's much better than having cash from that point of view."



A British Treasury report earlier this year showed that cash accounted for 40 percent of all domestic payments by volume in 2016, compared to 62 percent in 2006

'Cold war against cash'

But not everyone is sold on the benefits of moving towards a fully cashless country.

"The big problems of cashless society tend to be split into three areas," said finance expert Brett Scott, author of "The Heretic's Guide to Global Finance: Hacking the Future of Money".

"There's the surveillance element, that you can be watched; there's the

financial exclusion element, that you might be excluded from the system; and then there's a whole cybersecurity question," he told AFP in an interview.

He said banks, card companies, government departments and financial technology firms have all been engaged in a two-decade long "[cold war](#) against cash", attempting to convince the public that coins and notes are an unwieldy inconvenience.

"In some ways, you can think about this a bit like the gentrification of payment," he said.

"They're trying to push all kinds of informal activity or non-institution-based activity into a kind of digital enclosure that can be watched and can be managed by large institutions."

Authorities are keen to move away from cash as the recording of transactions makes it harder to avoid taxes, as well as to finance terrorism.

But the homeless, refugees and others who struggle to secure bank accounts could be shut out of this new economy, Scott warned.

Recent history also seems to vindicate those with concerns about overreliance on card technology.

In June, 2.4 million British card transactions were affected by a Visa outage—leaving pubs, shops and restaurants struggling to do business during prime trading hours on a Friday night.

© 2018 AFP

Citation: Times are a-changin' in London where contactless is king (2018, September 5) retrieved

17 July 2024 from <https://phys.org/news/2018-09-a-changin-london-contactless-king.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.