

Lessons Learned From a Pandemic

How to be successful in a less-cash environment and safeguard the availability of cash

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COVID – impossible to plan for such an event?



COVID – different disaster?

- The COVID pandemic was similar in many respects to various other 'disaster events'
- For cash industry was it hugely different from any other disaster?





Impact on cash

- Local events with impact on the cash market and access to cash are becoming increasingly frequent
- Power infrastructure issues, closed bank branches, etc. drive people back to cash

=> People revert to cash in times of crisis

Did our disaster recovery plans work?

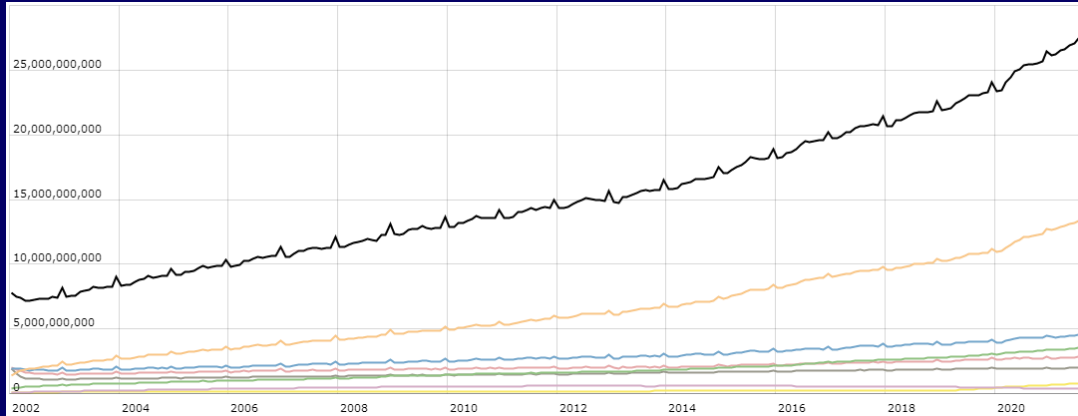
Yes, they did!

- Cash volumes could be provided as requested
- Processing capacity was maintained throughout – quality of notes in circulation was maintained
- Partnership approach - Think long term, not short term



High level impact assessment

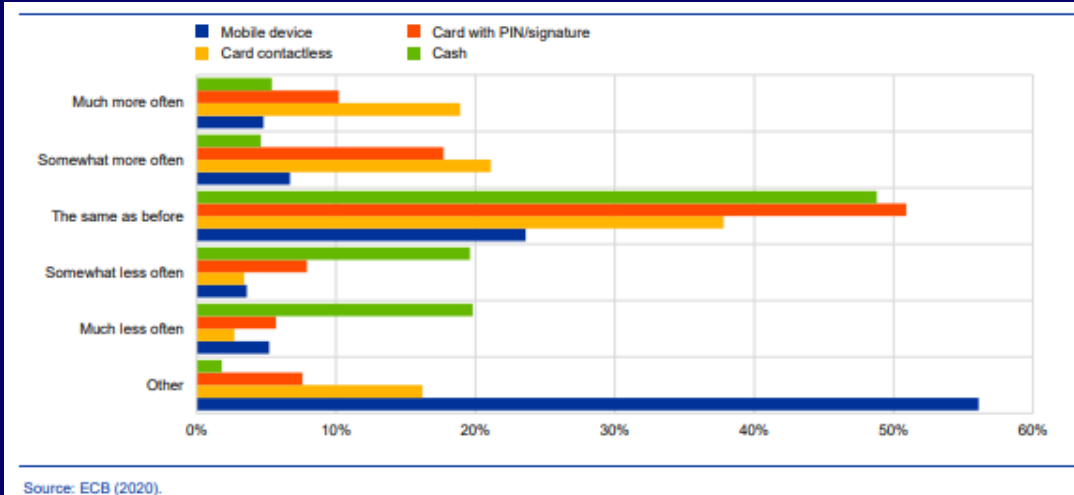
During COVID cash levels have never been higher – people have taken cash out as per any normal crisis



- People revert to cash in times of economic stress or crisis
- Significant amounts of cash have been stored – so even while short term cash center volumes have been lower, we have seen significant increases

Payment Behavior: Cash vs. ePayment

Use of payment during the pandemic



- People changed their payment behavior
- EPayment industry took advantage of the situation
- Cash is under more pressure than ever – As industry we need to ensure it remains available and a cost-effective payment method



Lessons Learned



Lessons Learned - Leadership

- Employee safety – being a good employer
- Customer needs – being a good partner
- Country needs – focus on social responsibility

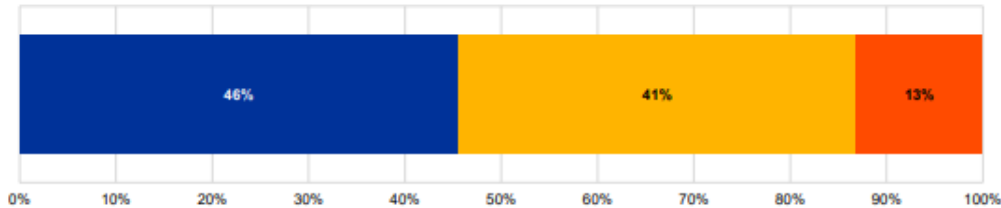
→ **Be a team player for the cash market**



Lessons Learned - Communication

Payment behavior expected after the pandemic

- Certainly continue to pay less with cash
- Probably continue to pay less with cash
- Will revert to your payment behaviour before the crisis



Source: ECB (2020).

Note: Data are for the euro area (all 19 countries).

The 'campaign against cash' threat is very real.....

MasterCard said on Tuesday it spent \$170 million on advertising and marketing in the first quarter, up 26 percent, to support the rollout of Masterpass - its digital wallet service.

Coronavirus could be spread by cash: WHO warns deadly bug can survive on paper money for days - as worldwide cases rise to 106,000 and deaths toll hits 3,600

- World Health Organization has advised public against using paper money
- Claimed that Covid-19 is just as likely to remain on cash 'as on any other surface'
- Comes as the global total of infections surpasses 100,000, with the death toll having reached at least 3,600 people
- Several major sporting events and gatherings including Six Nations, SXSW and England friendly have been postponed or cancelled
- Italy announced a lockdown of several northern regions to limit the spread while Iran Air have cancelled flights to Europe
- [Coronavirus symptoms](#): what are they and should you see a doctor?

By [WILLIAM COLE FOR MAILONLINE](#)

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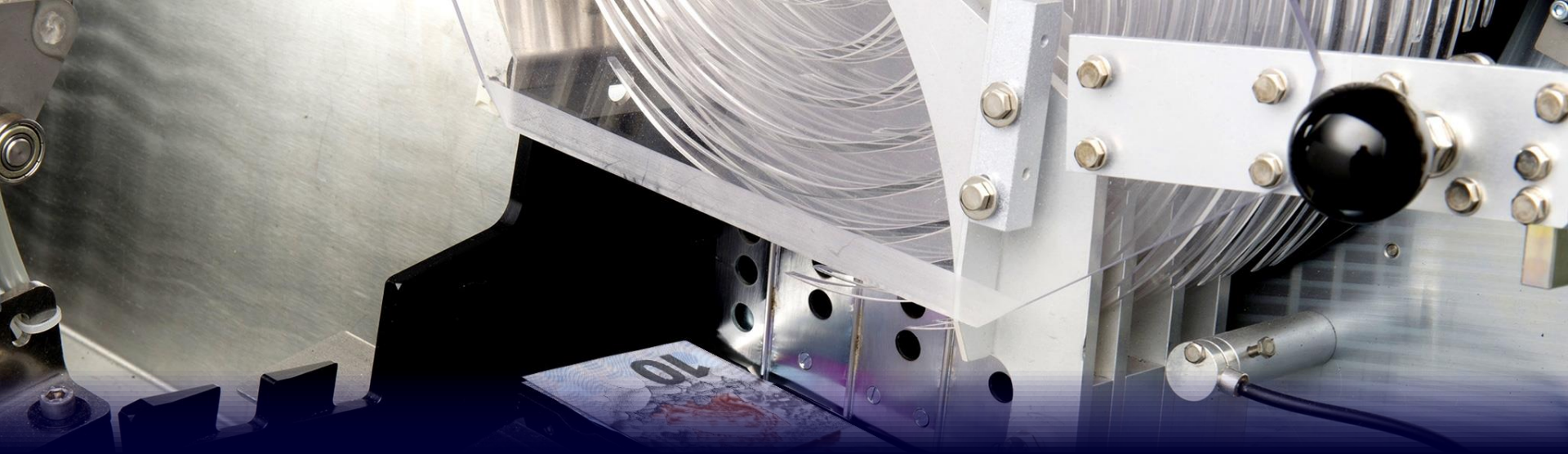
People should stop using banknotes and make contactless payments instead to prevent the spread of the [coronavirus](#), the World Health Organization has warned as the spread of the virus continues to escalate.

The international body had advised customers to wash their hands after handling cash because Covid-19 can remain on notes 'just like any other surface' for several days. But the health group has now advised against people using them in favour of digital transactions.

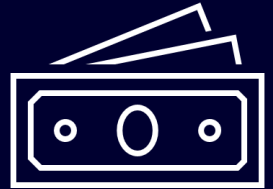
Lessons Learned - Communication

- Important to communicate early and effectively
- Mis-information had a profound, significant and long-term effect on our market

Are we ready for the next global attack on cash?



Opportunity – cash has never been more important



Thanks to COVID – Cash is in the headlines!

The Eurosystem cash strategy

Cash is an important part of your freedom to choose how to pay and essential for the financial inclusion of all groups in society. Our cash strategy aims to ensure that cash remains widely available and accepted as both a means of payment and a store of value.

Euro banknotes and coins are legal tender in the euro area, and cash is the only form of public money to which everyone can have direct access. The ECB and the national central banks – also known as the Eurosystem – have a fundamental responsibility, together with the banking sector, to ensure the smooth supply of cash and facilitate the use of cash in payments by people and businesses.



Banknotes are part of our economy, our identity and our culture – and we at the ECB have an immense responsibility to ensure that people maintain their trust in them.

Christine Lagarde, President of the ECB

Since the beginning of the pandemic, consumers have increasingly faced “No Cash” signs when trying to pay for purchases.

For some, this poses no problem. For others, this means being unable to buy the goods they need or having to travel a longer distance to find a store that accepts cash.

In October 2020, Dutch finance minister Wopke Hoekstra announced he would keep an eye on the increasing number of the country's stores refusing cash payments during the pandemic.

Hoekstra explained that people should be able to choose how they want to pay for purchases and that he would evaluate whether government intervention was needed to safeguard this right.

Prior to Covid-19, two major retail chains in the Netherlands, Marqt and Vlaamse Broodhuis, had already adopted a cashless payment policy.

UNI Europa, the European services workers union, says this is part of a “war on cash” in Europe. They argue that, “The Covid-19 crisis has further accelerated this trend: large retail chains recommended cashless payments or even refused cash altogether, and payment operators have used unproven fears of contamination through cash to call for an increase in contactless payments limits.”



A recent opinion by an advocate general at the European Court of Justice clearly states that cash is legal tender in Europe and as a general rule, must be accepted for payment (Photo: Flickr)



Banks must guarantee access to cash for everyone, says Age UK

Millions of older and vulnerable people cut off from ATMs and banking services, charity finds



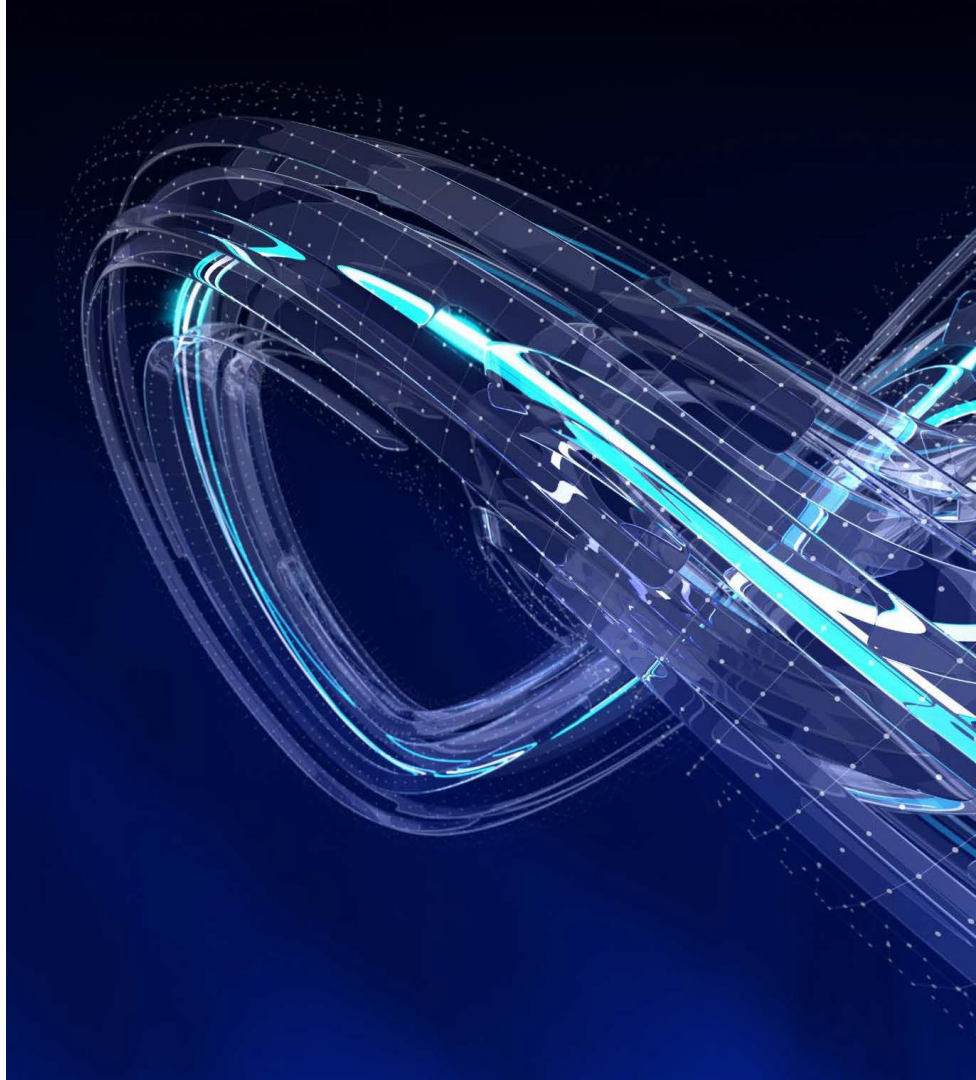
▲ Almost 13,000 free-to-use cash machines closed between 2017 and 2020, Age UK said. Photograph: Aaron Chown/PA

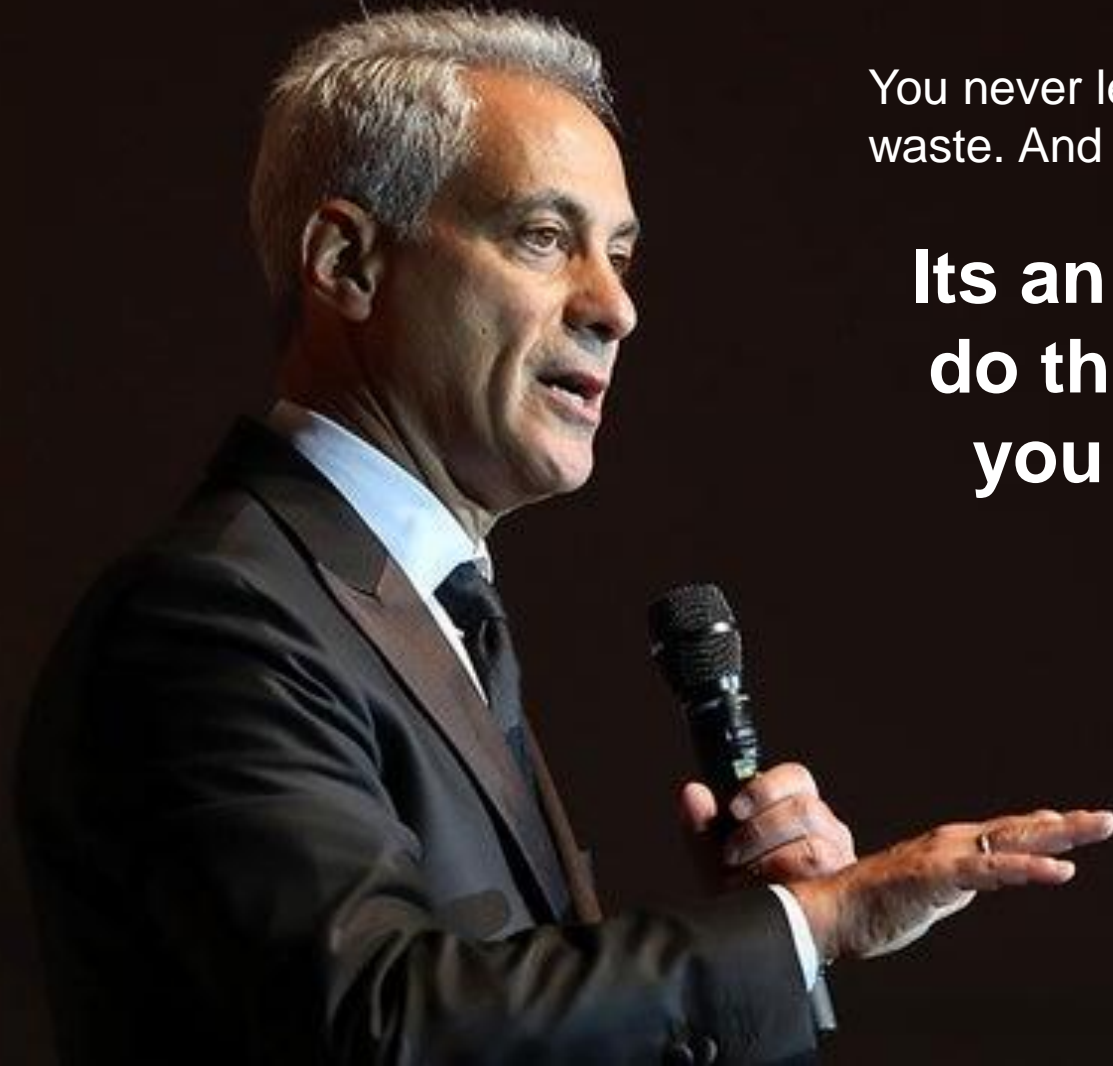
Banks must move swiftly to guarantee access to money for everyone as the cash system in part of the UK veers towards market failure, a national charity has said.

Cash has never been more important

Let's keep it a **cost-effective payment method** through:

- Optimization and standardization of the overall cash cycle
- Collaboration between different players
- High level of automation in the cash industry





You never let a serious crisis go to waste. And what I mean by that:

**Its an opportunity to
do things you think
you could not do
before.**

- Rahm Emanuel

Final Thoughts



- We can be proud of what we achieved during the pandemic
- Cash is under threat – but it has never been more relevant and required
- Pressure on cost of cash increased – necessity to continue holistic cash cycle optimization, standardization and automation
- Change is a good thing – lets embrace it!



No matter if black or white

**Lets make use of the last crisis and get well
prepared for the next one**