

Our Cash-Free Future Is Getting Closer

By Liz Alderman. July 6, 2020



5 There is no medical evidence that cash transmits the virus. Nonetheless, “perceptions that cash could spread pathogens may change payment behaviour by users and firms,” the Bank for International Settlements said in a recent study on the effect of Covid-19 on cash use.

Among those hoping to profit from the discomfort is Tappit, a British company that provides data gathering and cashless solutions such as wristbands and apps connected to a credit card for use at festivals, sporting matches and other events with large crowds.

10 Tappit, which honed¹ its sales pitch during the pandemic to promote “No more dirty cash,” has experienced a surge in interest by sporting arenas, hotels and restaurants seeking to revive business quickly after lockdowns, said Jason Thomas, the chief executive.

“Some partners who were slightly fearful of going cashless have now decided this is an opportunity to do so,” Mr. Thomas said, noting that cashless technology allows lines to move faster and encourages more spending. [...]

Tappit signed £20 million worth of new deals in the last two months, more than in any other period. “These are long-term contracts of between five to 10 years,” Mr. Thomas said. “That tells me that these organizations are never going back to cash.”

20 The authorities that manage the world’s currencies say the dangers of going fully cashless are rife². In tech-forward Sweden, cash has been disappearing so fast that Parliament and the central bank asked commercial banks to keep bills and coins circulating while they figure out what a cash-free future would mean.

25 Consumer groups warn that vulnerable people risk being marginalized. Many low-income earners and retirees³, as well as some immigrants and people with disabilities, have little or no access to electronic payments and are increasingly shut out as banks cut back on A.T.M.s and customer service.

Central banks are looking at whether electronic currencies can replace physical cash. The Swedish Riksbank is testing a pilot version of a digital krona, or e-krona, that could keep the functions of a currency backed by the state.

30 “In certain economies, there is still a role for cash, because it continues to provide a benefit and a utility,” said John Velissarios of Accenture, which is helping to manage the Riksbank’s test. [...]

While virtual euros and dollars are still a way off⁴, the shift in attitudes toward real cash brought on by the pandemic is unlikely to be reversed.

“Cash is not going to disappear,” said Mr. Velissarios.

“But it will continue to decline, and Covid is accelerating that trend.”

¹ honed = affiné, aiguisé, renforcé, accru

² rife = répandu, courant, fréquent

³ A retiree = un retraité

⁴ To be a way off = être éloigné