



Economic and International Affairs Scrutiny Panel

Acceptance of Cash Payment Review

Witness: LibertyBus

Tuesday, 27th August 2024

Panel:

Deputy M. Tadier of St. Brelade (Chair)

Deputy M.B. Andrews of St. Helier North

Witness:

Mr. K. Hart, Regional Director, LibertyBus

[13:28]

Deputy M. Tadier of St. Brelade (Chair):

Welcome to this Scrutiny hearing. This is the Economic and International Affairs Scrutiny Panel. We are currently doing a review into how people pay for things, so the use of cash, the acceptance of cash in Jersey by businesses and suppliers of goods and services. In a moment, we will just ask you to introduce yourself for the record. So it is a live hearing, which is being streamed. I am Deputy Tadier, I am the chair of the panel.

Deputy M.B. Andrews of St. Helier North:

I am Deputy Max Andrews, a panel member.

Regional Director, LibertyBus:

I am Kevin Hart, so I am director for LibertyBus.

Deputy M. Tadier:

Thank you and welcome. I am just going to make you aware of this. It is nothing serious, but it is just to say that this is a parliamentary hearing, so it is covered by parliamentary privilege. So

anything you say, as long as you believe it to be true, then you are also covered by that same privilege. There is no recourse legally for you. So feel relaxed, even though it is a formal hearing. We appreciate you coming in and giving your time. I am going to actually hand over to Deputy Andrews just to start the initial questions, if that is okay.

Deputy M.B. Andrews:

Yes, thank you very much, Chair. Thank you for being in attendance today, Kevin. I just wanted to start off by asking you a question in relation to the rates that you set your passengers who pay cash compared to those who pay card, and there is a differentiation in the rates how they are charged. Some people have brought that to our attention in a number of submissions. I just wanted to know why is there a differentiation and will that differentiation be maintained in the future as well?

Regional Director, LibertyBus:

Okay, so the intention is, yes, to maintain a differentiation. The cash fare is set by ourselves but we cannot just introduce it, it has to be approved by the Minister. Each time there is a fare increase the Minister has to approve it.

[13:30]

So what we have done over the years is we have increased the cash fare, because the cost of handling cash is expensive, trying to freeze many of the lower fares just so people can switch to an easier payment form but also get the savings of ... if you look back, currently the cash fare is £2.80 single, you can get it on contact ... on pay-as-you-go on our own system for £2. The £2 fare cash was introduced 2015, 2016, so you can see that we have been trying to keep the fares as low as possible and just by changing the way people pay, so trying to push them into convenient for them, convenient for us and cheaper for us to handle because if we get money in advance, we have got the money in advance, they are pre-paying, so it is a loyalty scheme as well, is it not? We go into the Co-Op we might pay a little bit more but we get 4 per cent divvies back at the end of the year. So while we do not do the divvies back or anything like that, we do offer a discount on that cash fare.

Deputy M.B. Andrews:

So have you seen a different trend, shall we say, since the changes have been implemented by there is maybe being less cash being transacted?

Regional Director, LibertyBus:

Yes, absolutely. If you go back to when we first started in 2013, we are a 100 per cent cash business. It was all about the cash going over the till. But part of the contract was to introduce a digital system

so people could pay in different ways, so we started with our own card scheme. By 2017, 60 per cent was then on to Avanchi Card, 40 per cent on cash. In just a few years the switch was good because they were saving and it was more convenient for people, as people started to pay by different ways.

Deputy M. Tadier:

When you talk about the 60-40, do you differentiate between contactless and physical cash payments?

Regional Director, LibertyBus:

No, contactless did not come in until 2019.

Deputy M. Tadier:

2019.

Regional Director, LibertyBus:

Yes, but by 2017 obviously we had our own Avanchi Cards and that was the ... it moved to 60 per cent Avanchi Card and 40 per cent cash. That is still a significant amount of cash coming through the door. The catalyst was COVID. That was the catalyst for the complete change of cash falling to the floor, and the Government instructions do not accept cash. So we went down that line, but we were one of the first businesses to introduce cash back and bring cash back on bus. That is because people were still wanting to pay cash. But when we did that - no cash on bus for COVID - we still accepted cash in the bus station. So we lowered the minimum amount you could put on a card and we changed that so it was basically 2 single fares, so it was £5. Unlike other places, we did not charge for that initial card so there was no barrier to entry as such, so we brought it down from a £10 minimum charge to £5. You look at places like T.f.L. (Transport for London) for their Oyster card, they charge you £10 for the Oyster card. We have probably all got several Oyster cards that we are never going to get our £10 back on because where are they? We have never done that. So we did lower the barrier to entry on to the smart cards and then since then and since we have reintroduced it initially, cash went up because probably lots of people had cash that they needed to spend, they were not going to the bank, but over the last 6 months cash is now only 2.5 per cent of our takings. This morning, I just went through the figures, January 2022, it was 5.5 per cent of our takings, July 2022, 6 per cent. So as the tourists come in, you see an influx of cash because people have got a disposable income, they bring cash with them, they spend it. But, as I say, this year, in the first seven months, 2.5 per cent of our takings is cash. It is a very low percentage.

Deputy M. Tadier:

Is that on the bus you are talking about or ...?

Regional Director, LibertyBus:

On the bus, yes.

Deputy M. Tadier:

Is the front desk maybe more ...?

Regional Director, LibertyBus:

The front desk now it is higher ... but the percentage is probably higher in cash in the front desk but people will come in, they are not buying single tickets, they are buying their monthly passes so they are getting their deal in advance.

Deputy M.B. Andrews:

You mentioned about cash being more expensive to administer. What is the administrative cost when we have one cash payment, or is it more when you have to bank it?

Regional Director, LibertyBus:

The administrative cost on cash is ... you will probably be quite surprised, but we have to pay the drivers each day to hand the cash in. So they take the cash, they pay it in. If I go back pre-COVID, we were paying them five minutes a day to pay in. Post-COVID, now we are ... they are still handling cash, so we pay them three minutes a day. While that is not a lot, that is £40,000 a year just on driver payroll of paying cash into us. We then have somebody to count the cash because we cannot just send it off to the banks. We then have somebody physically to count the cash, bag it up into individual bags. They put the notes in and separate them, we have to separate all Jersey money and U.K. (United Kingdom) money. So we have got to do that, so ...

Deputy M. Tadier:

Why do they have to separate the U.K. and Jersey?

Regional Director, LibertyBus:

Because the banks will not accept it any other way. It is all a case of then you have to have it collected and banked. You cannot just take bags of it off to the bank. So you have it collected, so you have got G4S to collect it. We have got a driver paying-in machine, so they all have to pay into a machine so they get a digital receipt. Then somebody has got to take it out of that machine to count it and separate it. You have got to buy the machine. The machine is currently end of life. The software finishes in October, so there is £30,000 for a new machine, just for the drivers to hand it in. You have got coin sorters at the back end and you have got note sorters. You have got annual

maintenance costs. Then you have got the management time to make sure that all people are paying in the money when they should be because that does not always happen; you would think it is quite simple. The driver takes £20 and the driver hands in £20. It does not work that way. Each time that has got to be reconciled each week, so it is a lot of time. Without management time and reconciliation it is £65,000 a year just in costs. If you work that out to what we are taking in cash today, we are basically getting 72 pence in every pound. You can see that the difference, which is why our lowest fare, which is a £2 single on a pay-as-you-go card, is actually better for us, or as good as us taking cash.

Deputy M.B. Andrews:

Have you considered going cashless altogether?

Regional Director, LibertyBus:

We would need Government approval for that. We mentioned it, and I think we were encouraged to take cash as soon as we practically could after COVID, and there is no appetite, that I am aware of, to go cashless. I think that would be great. We could go cashless tomorrow. It would be good for us. We would not go cashless at the information desk because if people get paid in cash, they need to spend it, they want to catch a bus, then we can do that. But initially on bus would be good. Guernsey have already gone cashless. They went cashless last year, as a matter of interest, because of the adding costs and because the revenue is actually the state's revenue; it is a different contract. They decided let us just not have cash, and they did not get any backlash from it.

Deputy M. Tadier:

Can I ask about the differential, so it is probably ... you talk about a discount for the Avanchi Card but you are already ... there is a differential between contactless and cash itself so you are better off buying an Avanchi Card ...

Regional Director, LibertyBus:

Absolutely, yes.

Deputy M. Tadier:

... or buying a block of 10; it is £2 a fare. So it is £2.35, so it is already 35p extra for contactless. We could say that that really is the base fare and that the discount is for multiple purchases or pre-loading and that there is actually a premium for using cash.

Regional Director, LibertyBus:

There is a premium for using cash. The cash is the base fare, that is what the Minister approves. The discounts we apply is on the base fare to contactless and then to pay-as-you-go. The base fare is the cash fare and that is what is approved by Ministers.

Deputy M. Tadier:

One of the things that we are sensitive to and that some of the submissions we have highlight are the reasons for which people might use cash. For example, we have had a submission from the Community Savings Bank, which is in the public domain, and one of their concerns is to prevent marginalisation. They have talked about many individuals in our community, particularly the elderly, those with limited technological proficiency, they depend on cash for their daily transactions. The question to you, I guess, is that although I understand that cash is more costly for you as a business to accept, is how you justify, effectively, a differentiation between those who may be obliged to use cash because they do not have access to digital means?

Regional Director, LibertyBus:

So, if you go to Community Savings, Community Savings, I believe, do like a preloaded card that you can have. So I think having no access to digital on the majority of people, and just showing that we are only 2.5 per cent cash now - and that is in the summer months when people have got disposable cash and they come over here - shows that that is probably unfair, in a sense. Also any of the elderly population have normally got a card because they have got a free concessionary card, so they are not paying for bus fares with cash. If their card is out of date and they need to replace it then it is come into town, get on the bus and get a card quite quickly. There is no fee for replacing that card unless they continually lose them.

Deputy M. Tadier:

I think the panel fully accepts that there are costs to handling cash, especially in your context. We might argue that there are lots of businesses in Jersey who still have to handle cash and who otherwise absorb that. We do not know of any other businesses which charge a premium to use cash for goods or services, but there may be some out there. If I were to put it to you, for example, that somebody travelling from the countryside who never comes to town - it might be a migrant worker in Jersey who gets paid in cash - they turn up to the bus stop with their £10 note and they get on the bus, they are effectively being charged 20 per cent extra than somebody who is paying with a contactless card in a similar situation. Can you justify that expense in terms of a non-discrimination policy that you might have?

Regional Director, LibertyBus:

I think what you can see is we can justify the discounts we apply for not using cash. Our base fare is £2.80, which is set by us and the Minister. That is what we have got approval for. All we are

doing is not applying a discount because we have got reduced overheads when we come to card payments. So it is not a discriminatory fare. What we are doing is not applying the discount because of the cost of handling cash. We are getting 72 pence in every pound for every time somebody uses cash, so the discount ... what we are encouraging people to do is to utilise different means. We have introduced the app earlier this year and we speak to a lot of migrant workers on-Island, who come on-Island – 9/3 licences - especially in hospitality, for whatever, and actually they convert into the app. The app was only introduced in January for payments, and already we are at the same level of payments on the app as cash. So you can see that we are offering as many different ways to offer as great a discount as we can, because we have got to do what is best for the business. Also it streamlines the boarding, it can increase ... handling cash, people have not got the right fares, then if the driver has not got the right change, we have got to issue a change voucher; so it is a hassle for them to go to Liberation Station. We are very lucky in the sense of our operation is centred around St. Helier. You have got a very much hub-and-spoke operation, so the majority of people will come into town for a reason, and if they are in town the station is open 7.30 to 6.30, Monday to Friday. It is open 7 hours on weekends. So I think the opportunity for people to change their product is probably better than most. As for other businesses not charging or not offering discounts on their cash to pay by card, people have not got the same volume of cash going through their tills, et cetera. Even the likes of Co-Op and if you go into Alliance ... I went to Alliance not so long ago: “Can I have some cash back?” “We have stopped doing that, we do not take enough cash.” It is those sorts of things that you just stand back: “Oh, right, okay. Fair enough.” I understand they do not take enough cash, nor in our own business.

Deputy M. Tadier:

If you were to go to a pub and order a lemonade or a pint or you are ordering a sandwich from the market and they said actually it is going be 20 per cent more if you pay with cash, would you be comfortable with that?

Regional Director, LibertyBus:

If that is what they charge then you either ... you choose to buy it or you do not.

Deputy M. Tadier:

There is no choice on going on a bus, is there?

Regional Director, LibertyBus:

I will give you a prime example. My wife went to De Gruchy yesterday, tried to pay cash, she had some birthday money, could not pay cash in De Gruchy. “Well, not on this till, we have got one till that accepts cash.” Now it had an alternative, it was not more expensive, but there are plenty of

pubs out there at the moment and plenty of businesses out there who refuse to accept cash completely; we are not one of those.

Deputy M. Tadier:

But people cannot go to another bus company, can they, in Jersey? It is either you or they ...

Regional Director, LibertyBus:

No, they cannot. It is us. We are the States bus operator and all I can say is that we offer that discount for not paying for cash, and I think that is a reasonable discount to offer trying to make sure that we can keep the fares as low as we possibly can.

[13:45]

Deputy M.B. Andrews:

I just wanted to ask you a question about card payments and how much that is for one card payment for you as a business?

Regional Director, LibertyBus:

It is about 2 per cent.

Deputy M.B. Andrews:

Two per cent?

Regional Director, LibertyBus:

Yes.

Deputy M.B. Andrews:

Okay.

Regional Director, LibertyBus:

So in the grand scheme ... so even on your £2 transaction or £2.35 transactions, it is 2 per cent. There are a lot of transactions. But if you weigh up our transactions, actually the majority of people take the opportunity to move to Avanchi Card. It is about a third of our ... 30 per cent to 33 per cent and it fluctuates. Actually in the winter, it goes down to 25 per cent. So our locals, if you like, only 25 per cent in the winter, 33 per cent in the summer are using debit cards. The rest of the people are all on Avanchi Card. They are benefiting from those discounts from whether it is the monthly tickets or the pay-as-you-go tickets.

Deputy M.B. Andrews:

Also with LibertyBus, I just want to know a bit more about the ownership of LibertyBus and the level of accountability to the Minister as well, because I know, for instance, you have mentioned about cash obviously still being taken, and if the company was fully private, then usually they might say: "Well, look, let us go fully cashless, because it is going to probably be better when we are looking at cheaper operational costs." If you can maybe just elucidate the panel a bit more on that relationship between LibertyBus and the Government?

Regional Director, LibertyBus:

The bus contract is under contract. Actually the tender is currently mid-flow and a decision is to be made by the end of September, I believe, on who the next bus operator is going to be. We work under contract to the Government. The Minister sets out what they want out of the bus service and we operate it on your behalf. Yes, it is a private company, it is not being taken in-house, and it is not going to be taken in-house for the next 10 years, looking at the tender that has just gone out. We are accountable to the Minister. If the Minister comes to us and says: "We need you to reduce the cash fare", it would be a cost to the public purse. Anything you introduce such as the child fares, the free child fares, et cetera., everything is a cost to the public purse on that. The bus contract is subsidised, value for money-wise you get a very good deal compared to bus companies in the U.K. and the way that is structured. You will see in the U.K. at the moment that all bus fares are £2 single. The rest of it is being funded by U.K. Government on top of any routes that are not commercially viable to operate. So it is a huge cost. If you look at T.f.L. as a prime example for London, it costs millions of pounds a year to run it because it runs continuously at a loss. But we have got to be making sure that we are a profitable business.

Deputy M.B. Andrews:

Absolutely.

Regional Director, LibertyBus:

But also, we are very conscious that we will do a lot in the community to make sure that we are accessible for as many people. If you weigh up, when we took over in 2013, passenger numbers are at 3.2 million. In 2019, we hit 5 million. Last year, we hit 5 million again, and the numbers so far this year are growing. We are making the bus service as accessible as we can for everybody, keeping the fares as low as possible. A monthly pass is £52 if you pay online. It was £52 for a commuter pass in 2012, which entitled you to a journey in the morning and a journey in the afternoon, and you can travel all month for as long as you want to. So value for money-wise, I think Jersey is doing very well out of what we inherited and how we developed the fares. The more passengers we get on ... if you have got to keep putting more buses on, but as long as you can utilise the resources you have got, that is why you can do so much more for your money.

Deputy M.B. Andrews:

We also note as well from some of our submissions, concerns about people, for instance, who cannot open a bank account and obviously the effect that will have on them, for instance, when we are speaking about a transaction. So could you maybe just inform the panel about all the provisions that you have in place, for instance, with your cards to ensure that those individuals can still access your services even if they cannot have a card?

Regional Director, LibertyBus:

Anybody is entitled to come up to Liberation Station and get a pay-as-you-go pass or a monthly pass; there is no sign-up fee for it, hand it straight over the counter. Minimum to put on a pay-as-you-go is £5. In terms of cash fare, it is less than 2 journeys, £5, because it is £2.80 a fare currently, but it actually gives you 2 and a half journeys on a pay-as-you-go. So it gives you more for your money. As I say, there is no barrier to entry other than you just need the initial £5. For people who are going back to work and have been unemployed for a while, we have got a scheme in place that we have been running for a number of years with Back to Work, where we give them a discount on the initial purchase, even on pay-as-you-go. We have also got many businesses now taking up schemes for staff to give staff discounted travel. So we are working ... including Government.

Deputy M.B. Andrews:

What customer feedback have you received with all the services you have on offer regarding both cash and card transactions?

Regional Director, LibertyBus:

We do an annual survey each year. This year we had 3,200 responses and we have not had any negative comments because ... there is open dialogue in it, there are no negative comments in there, shouting about it is terrible, there is a difference for cash and card. While some people may be vocal about that differential, the people who are probably vocal it probably does not affect them. They perceive it to affect other people. What we are trying to do is say: "Look, we have got lots of products out there, come and talk to the guys in the station and we can give you the best way to deal with it." We see the same people in the bus station all the time and we have got some regulars and even they have switched to pay ... we have encouraged them to move from cash to pay-as-you-go because they are getting more for their money. You cannot do any more than ... you can lead a horse to water, you have just got to make them drink. I think the proof is that only 2.5 per cent of people are now paying cash is we are making a lot of people drink that water. The good thing is we are not switching them all to debit card sales. Actually, two-thirds of our customers are on our own Avanchi products, which is telling you that is the best option, the best value. Everybody loves a bargain, do they not? We all love a bargain. So if you can get something cheaper, I know I would

be signing up to it. I think we are probably all in the same mind now. If you ask us to put money in the box outside because somebody is collecting, we probably have not got any cash on us.

Deputy M. Tadier:

Can I ask what hours the front desk is open?

Regional Director, LibertyBus:

Yes, 7.30 to 6.30 Monday to Friday, 8.30 to 6.00 Saturday and 9.00 to 6.00 Sunday.

Deputy M. Tadier:

In terms of the topping up online for the Avanchi Card, how long do you allow for that?

Regional Director, LibertyBus:

It says online to allow 12 hours, it is normally through in a few hours, but also the app is instant. So if you can top up on the app, then you can do a block of 10 journeys instantly on the app.

Deputy M. Tadier:

I have got a couple of questions. I take your point about everyone loves a bargain. My concern would be to ask how those who just do not have a bank account and who do not need to come to town or ... so, for example, you could have somebody who lives in First Tower, who works at the airport, or they live at St. Ouen and they need to go to St. Aubin or First Tower on a regular basis, no interest or need to come to town, they do not have a bank account for whatever reason, how do those discounts help them?

Regional Director, LibertyBus:

The discounts will only help if you can come into town or you can ... I should say, even if you download the app, you would need to pay by card. So we can only do so much and we encourage people to come. When you look at the numbers, I think you will find that we have done a lot in the time that we have been operating and to push people from cash ... not push people from cash, but to get that move from cash to card and only 2.5 per cent being cash these days, I think we have done as much as we possibly can. Other than having ... what we do not want to do is allow top-ups on bus. If you allow a top-up on a bus, it just slows everybody's journey down. As you can appreciate, that would not be the ideal scenario. But then all of a sudden you are accepting more and more cash and actually the cost is going up. I think we have done a lot to encourage people to move and, yes, the occasional journey ... but if somebody is travelling every day, then we get a lot of people who are: "Okay, well if I make that journey into town, then I can come into town and I can buy a card." So, given the examples I think for the initial perhaps £2.80 into town, they will save themselves far more than that in days rather than weeks or months.

Deputy M.B. Andrews:

You mentioned about the tendering process being out at the moment. Are there going to be discussions about going cashless with the Minister? Because again, it seems it would probably be more efficient for LibertyBus to probably go that route.

Regional Director, LibertyBus:

The tender sets out the fares and does not give you an opportunity to change from that structure. But whoever the successful bidder is - hopefully it is us - then those conversations could take place, but the appetite has to be from Government to move. We, as a business, have got some set costs and I would love to get rid of £65,000 worth of costs each year. But the cash fare is the fare that the Minister controls. I think that is more of a question for the Minister on whether they have got an appetite to move to cashless. As the operator, we were asked to remove cash during COVID. We were asked: "As soon as you can, can you put it back in?" We did so. We work under contract to you, so that ball is firmly in your court to make that final decision.

Deputy M. Tadier:

Have you looked at maybe technology that you could use at the bus station, which would basically accept cash and then issue tickets automatically?

Regional Director, LibertyBus:

We have looked at technology in the bus station for the next tender, actually as part of it, if you look at that. It did not say that it had to accept cash, and actually you are not getting very many machines that are accepting cash anymore. Even if you go into a supermarket now, if you are scanning yourself, it does not accept cash anymore. It is all going away and moving to card payment.

Deputy M. Tadier:

Okay. I suppose to lead on from that, if it is the case that in the next few years, so we are going to speak to Government, if Government says: "We are going to continue with the acceptance of cash" and there is an option, of course, for Government to stipulate that businesses must accept cash. There is an option that Government just may do nothing and leave businesses to decide. If we continue for the foreseeable future in a hybrid system where people can generally pay for things with card and cash, and cash is still used to a greater or lesser extent, what do you think the implications would be for you if you are required to take cash, for example? Would you continue pretty much as you are?

Regional Director, LibertyBus:

We probably would continue. There will be a difference in price because, as I say, to get 72 pence in the pound, and the less cash that is being used the greater that cost is going to be to us. The cost is really at the bottom of where it can be now; what it is costing us. We cannot say we can only accept cash on certain buses, which means I have got to pay every single driver at that time each day to pay their money in. I have then got somebody to administer it. I have got to have the machines in place. So it is either a complete cutoff or we may as well accept cash. But we have seen the decline in 2 years to go from 5.5 per cent down to 2.5 per cent. If that decline continues and we are down to 1 per cent; actually every penny in the pound we get is going to just go down. But if the Minister says we have to accept cash then we have to accept cash. Remember that we do not put it up more than R.P.I. (retail price index), so our overall fares just remain as close to R.P.I. or less, and every year our overall increase has been less than R.P.I. throughout our tenure.

Deputy M. Tadier:

I do not think I have got any more questions on this theme.

Deputy M.B. Andrews:

I just wanted to ask you about any other businesses that you are aware of who have a differentiation in the rates that they charge between cash and card in Jersey?

Regional Director, LibertyBus:

In fairness, no. I really do not know of any. It depends on the volumes. You go into Co-Op, et cetera, then no, there is no difference. But you can probably get served a lot quicker if you are paying card in supermarkets than if you are queuing behind somebody and you want to pay cash.

Deputy M. Tadier:

Is it an economy of scale for you because you are really receiving so little cash that the ...

Regional Director, LibertyBus:

Absolutely, yes.

Deputy M. Tadier:

Do you know what the crossover point was, at which point that changed?

Regional Director, LibertyBus:

I do not, to be honest. I can come back to you on it.

Deputy M. Tadier:

It is not imperative. I guess it becomes a self-fulfilling prophecy. If people are paying with less cash, or you are accepting it less then the costs of banking that small amount go up, do they not?

[14:00]

Could you talk to us a little bit about what happened from the experience of COVID? One of the themes that have come out in submissions is that there is an element of hygiene to do with handling cash as well. Has that been a consideration for you?

Regional Director, LibertyBus:

So when COVID happened and we were told: "Right do not accept cash, it is hygiene" so straight away lots of protocol got put in place. The reason we continued to accept cash at the bus station is because it was very limited and how much was coming in, and the staff at the bus station at each time had a facility to go and wash their hands after each transaction. We gave everybody disposable gloves, et cetera, antibacterial spray. So all the drivers had that all the time. There is actually one driver still out there who continues to wear gloves - only one - but he continues to wear gloves every day ever since COVID. But that cost, yes initially that cost was high for us but for us to stop the spread of disease then it was a necessity, and I think a lot of people do not like handling cash anymore. It was convenient to get away from it and you see some of the money you pick up and we are all washing our hands a lot more than we ever used to, I think, after handling cash.

Deputy M. Tadier:

So if we accept for now that you just have to pay more for a cash fare with your bus company and in the foreseeable future you are going to continue to take cash because that is the way the Government wants to continue it, can I run through a practical scenario with you? So this is based on a true ...

Regional Director, LibertyBus:

I just want to take you back a sec. You continue to pay less for card payments rather than more for cash.

Deputy M. Tadier:

Can we agree that is semantics?

Regional Director, LibertyBus:

It might be semantics but the fare that is set by Government is the cash fare; we offer a discount.

Deputy M. Tadier:

Okay.

Regional Director, LibertyBus:

I know it is semantics but ...

Deputy M. Tadier:

If X is less than Y then Y is more than X. I think we can agree on that. So last week I was on the bus, I pay contactless. I have used Avanchi Card, and I would normally if I am regularly using it. Someone behind me actually produced a £10 note. The bus driver said: "Sorry I do not have any change." The first question is: is it usual for bus drivers not to have change?

Regional Director, LibertyBus:

So each driver has a float. But if you get the first £10 and somebody wipes your float out, then it has gone. So what we introduced during COVID, as soon as we brought cash back, was change vouchers because we stopped giving change. So we issued change vouchers so while he does not have change, you can have a change voucher where they can go to the bus station and pick up their change.

Deputy M. Tadier:

What are the options for you in future to resolve that kind of issue? If you are obliged to take cash and ...

Regional Director, LibertyBus:

I think your issue is actually the less cash you take you only need one £10 note to wipe out your floats. Whereas when we used to take a lot of cash, 3 customers you would have enough money for your change and all of a sudden your change would start to go around. That has been a considerable challenge for us. How much float do you give somebody? How much cash do you give them? Okay, well, what do we give you; £10, £20, £50 to make sure that ... in the till in the bus station, we have got £150 float. We cannot go and hand 100 bus drivers £150 float and keep that change when the cash they are taking is like 2.5 per cent of our takings. So we have got to be realistic in that, hence the reason for the change vouchers. To try and encourage people to get on with the right money, number one. Number 2, if the driver has run out of change, then there is an option for them to go and get change at the bus station. That did not use to happen. That is something new. If a driver is £10, £20 short of change, normally the customer would probably say: "Do not worry about it." We are not saying that is right hence the reason why we have introduced the change voucher so they can get the change.

Deputy M. Tadier:

Are change vouchers still available?

Regional Director, LibertyBus:

Absolutely, yes. They have been available since we have reintroduced them on COVID and we have not taken them away, and they are regularly used.

Deputy M. Tadier:

That is not what happened in this case.

Regional Director, LibertyBus:

They should have, but please send me the details outside of this hearing.

Deputy M. Tadier:

I do not want to get anyone in trouble, but I think your driver did the honourable thing and let the person on for free. Is there an option maybe to have a bunch of Avanchi Cards behind with a preloaded £10 and say: "Look, if you want to, you can have this in exchange for your £10"?

Regional Director, LibertyBus:

If the driver loses that, it is his responsibility. So if I said to the driver, there are 10 cards, he has got £100 on him. If he loses those cards, he is responsible for those cards. That is something that we would need a discussion with the unions on.

Deputy M. Tadier:

But if he lost the cash he is also ...

Regional Director, LibertyBus:

Or whether they would be comfortable with it. But in 12, 11 and a half years, we have not had too many instances where we have been requested for that. We have thought about it but it is do you give somebody £100 to look after and take responsibility of that day in day out.

Deputy M. Tadier:

But they could have a £100 float equally, could they not?

Regional Director, LibertyBus:

But they do not have that much float. If they choose to carry more float it is more money out of their own money. We give them a base float.

Deputy M. Tadier:

Okay. So you are looking at options for ...

Regional Director, LibertyBus:

We have always looked at options and we have always refrained from giving them cards purely because if they lose them it is their responsibility, and that is cash because you cannot stop a card being used until it is registered with somebody. As soon as those cards are printed and loaded, they are live, they can be used, but unless they are registered, we cannot stop them.

Deputy M. Tadier:

Okay. Good. Any questions at this point?

Deputy M.B. Andrews:

No, not from me.

Deputy M. Tadier:

I think those are all the questions we have got on this. Have you got any questions for us or any thoughts about ... as I said, we will be making findings and recommendations, not specifically about you and the way it affects LibertyBus, but generally about cash in the economy?

Regional Director, LibertyBus:

No, only from my own experience here, there are so many places now that do not accept cash at all; bars, restaurants. It is probably getting more and more each day, if I am honest. I think De Gruchy's was a prime example. Yes, they are actually accepting cash on one till, but not the other in the same building. But supermarkets, you can say exactly the same, can you not? So I think it is just ... some people do not want to accept it. Most of us will embrace the technology and enjoy the convenience it gives us, apart from when your phone runs out of charge. Which is not always a good thing.

Deputy M. Tadier:

Indeed. Well, Kevin, thank you for your time. We appreciate you coming in for this hearing. I think we have found it very useful and I hope it was a useful process for you as well.

Regional Director, LibertyBus:

Yes, good. Thank you very much.

[14:07]