

CASH v Contactless
LONG LIVE THE KING!



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MAESTRO CAMPAIGN

CARDTRONICS

**“CASH
IS
DEAD”**



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Strange – 90% of ALL payments made in the World today are made using cash!!!



So, the Public love cash, even if the Card Schemes don't!

Cash first emerged in India in the 6th Century BC.



When one considers that Rome wasn't even founded until the 7th Century BC, one can see that cash has had a hold on public affection for a very, very long time.

PAPER PAYMENTS

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Paper money arrived more than 1000 years after the invention of coins and was first issued in China in the 7th Century AD.



CASH IN YOUR HAND

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Since then of course we, the great British public - and in fact almost everyone in the World - have grown very fond of the warm, comfortable feeling one gets from having a wad of bank notes in our hands.

If you don't think it is comforting to have bank notes, ask someone who doesn't have any cash to carry!!!

has of course been

HUGE!!!

The international Card Schemes have both declared that cash is their enemy and they – and their members – have expended literally hundreds of millions of pounds to try to win the war they have declared on cash.

The cost of new technology has of course played a part in the huge expenditure but in the end much of the spend has been on advertising and promotional activity aimed at trying to convince the Public (that's you and me, by the way!) that we are somehow dinosaurs for preferring **CASH** to cards and, especially, the truly dreadful contactless cards.

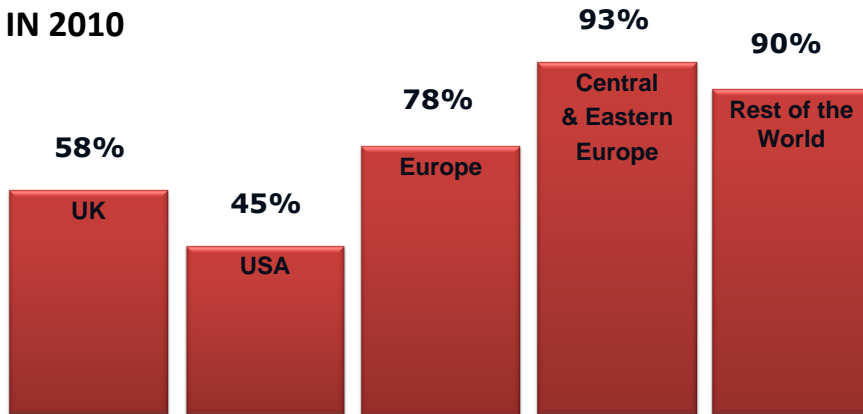
**Despite all that card issuers have done
and all the money they have spent.**

**IN THE UK
AROUND 58% OF
ALL PURCHASES
IN 2010 WERE
MADE USING
CASH**



**THIS IS NOT
PLEASANT
READING FOR
CARD ISSUERS**

**CASH AS A % BY VOLUME OF
TOTAL RETAIL TRANSACTIONS
IN 2010**



**THERE ARE
CERTAINLY
ENOUGH OF THEM
AROUND!!**



CARDS ... HOW THEY STACK UP!

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*So, by 2009 we had
149 million cards in
issue in the UK.*



*As an example of the
growth in 'Third World
Economies,' by 2009
1.89 billion debit cards were in
use in China.*



*In Worldwide terms in 2009,
the total number of debit
cards in use reached a
staggering*



3.8 billion!

UK CARD SUCCESS STORIES

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**The Oyster Card was issued in
the UK in 2003**

**By June 2010 over 34 million
Oyster Cards had been issued
and more than 80% of all
journeys undertaken
on services run by
Transport For London were
made using Oyster Cards**

**BECAUSE THE LONDON PUBLIC WERE
BRIBED TO USE THE CARDS!!!**

Example: A one-stop journey on the London Underground using Oyster is less than 40% of the fare charged when the Public uses cash.

**IN SHORT, A TOTAL DISGRACE IN TERMS OF
PENALISING USERS OF THE WORLD'S
FAVOURITE PAYMENT METHOD!!!**

**NOW LET'S LOOK AT SOME
LESS SUCCESSFUL STORIES**



The first contactless cards in the UK were issued by Barclaycard in 2008. As of August 2011, there were approximately 19 million contactless-enabled cards in the UK, with Barclaycard and Barclays leading the roll-out with around 15 million contactless-enabled cards in circulation and 55,000 plus terminals in use.

So around 1 in 3 UK residents currently have a contactless card.

BUT VERY FEW TRANSACTIONS CURRENTLY

THERE WERE ONLY 1.7 MILLION CONTACTLESS TRANSACTIONS PROCESSED IN THE UK!!!

PATHETIC!!!

EVEN AT THAT STAGE, THERE WERE OVER 30,000 TERMINALS ACHIEVING 1.7 MILLION CONTACTLESS TRANSACTIONS IN THE WHOLE YEAR!!!

THAT'S 57 PER YEAR, PER TERMINAL OR ONLY AROUND 5 PER MONTH!!!

Bank Machine processed well over 10 million cash withdrawals at its ATMs in October 2011.

6 TIMES AS MANY TRANSACTIONS AS WERE PROCESSED BY ALL THE UK'S CONTACTLESS TERMINALS IN THE WHOLE OF 2010!!!

WHAT A SUCCESS STORY FOR CONTACTLESS?

NOT!!!!

SO WHY HAS CONTACTLESS NOT CAUGHT THE PUBLIC'S IMAGINATION?

1. BECAUSE THE UK PUBLIC DOESN'T LIKE BEING LECTURED TO BY BANKS AND CARD SCHEMES AS TO WHAT SERVICES THEY SHOULD AND SHOULDN'T PREFER TO USE.
2. THE PUBLIC DO NOT SEE ANY ADVANTAGE IN USING CONTACTLESS AND IN THIS CASE THE PUBLIC HAVE 20:20 VISION!!



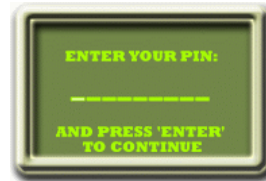
IT DOES NOT BRING SHORTER QUEUES OR FASTER TRANSACTIONS, DESPITE ALL OF THE ADVERTISING TO THE CONTRARY.

ONE ADVERT CLAIMED THAT A CONTACTLESS TRANSACTION IN A FAMOUS FAST FOOD RESTAURANT COULD BE CARRIED OUT IN LESS THAN 1 SECOND!!! WHEN I HAND OVER MY £10 NOTE TO PAY FOR MY SUPERCALIFRAGILISTICEXPIALIDOCIOUS MAC AND WALK AWAY, THIS IS EVEN FASTER THAN THE 1 SECOND CLAIM MADE FOR CONTACTLESS AND SINCE CONTACTLESS'S OWN WEBSITE CLAIMS THAT YOU HAVE TO HOLD OUT YOUR CARD AT PRECISELY THE RIGHT TIME IN FRONT OF THE CARD READER, IT'S HARD TO BELIEVE THE 1 SECOND CLAIM IN ANY CASE!

SO WHY HAS CONTACTLESS NOT CAUGHT THE PUBLIC'S IMAGINATION?

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3. **THE PUBLIC IS NOT CONVINCED REGARDING THE SECURITY OF CONTACTLESS TRANSACTIONS. THIS IS HARDLY SURPRISING SINCE ONLY A SHORT TIME AGO WE WERE ALL BEING TOLD THAT PIN NUMBERS WERE ESSENTIAL TO AVOID FRAUD AND NOW WE'RE BEING TOLD BY THE PROMOTERS OF CONTACTLESS THAT PIN NUMBERS DON'T MATTER!!! AND OF COURSE WE ALL KNOW THAT THE LIMIT FOR CONTACTLESS TRANSACTIONS WHICH STARTED AT £10 AND IN SHORT ORDER HAS BECOME £15, HAS TO INCREASE TO AROUND £30 IF THE CARD SCHEMES ARE TO MAKE PROFITS FROM THE TRANSACTIONS!**



HONESTY IS THE BEST POLICY

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STRANGE THAT WHEN WE WERE TOLD A COUPLE OF YEARS AGO THE CHEQUE GUARANTEE SCHEME HAD TO STOP BECAUSE OF FRAUD, WHEN AT LEAST YOU HAD TO GIVE A SIGNATURE ON THE CHEQUE, WE ARE NOW TOLD FRAUD REALLY DOESN'T MATTER WITH 'PIN FREE' CONTACTLESS.

IT IS TIME WE WERE TOLD THE WHOLE TRUTH BY THE CARD SCHEMES REGARDING LOSSES DUE TO CARD FRAUD. WE NEED TO BE FRIGHTENED A LITTLE BY HONESTY, WHICH HAS BEEN SADLY LACKING TO DATE.



WHAT'S THE OUTCOME OF THIS?

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So, after all those billions of pounds have been spent on developing, marketing and advertising, it's clear from the behaviour of the Public that cash remains their favourite method of payment.

The preference of the Public for cash means that it is crucial that cash is not unfairly disadvantaged – as it was in the case of the Oyster card - as compared to alternative payment methods.

If Card Schemes can persuade the Public to move from cash to cards because of genuine advantages cards offer, that is of course fine. However, Card Schemes must not be allowed to artificially manipulate either the cost to the Public of using cash or the convenient availability of cash, through for example, ATMs.

The most important word?

**CHOICE – AND
THE PUBLIC
MUST BE FREE
TO EXERCISE IT!**

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**THANK
YOU**