

CASH INFRASTRUCTURE AND CASH ACCESS VULNERABILITY IN SPAIN

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INTERGRAF CURRENCY + IDENTITY

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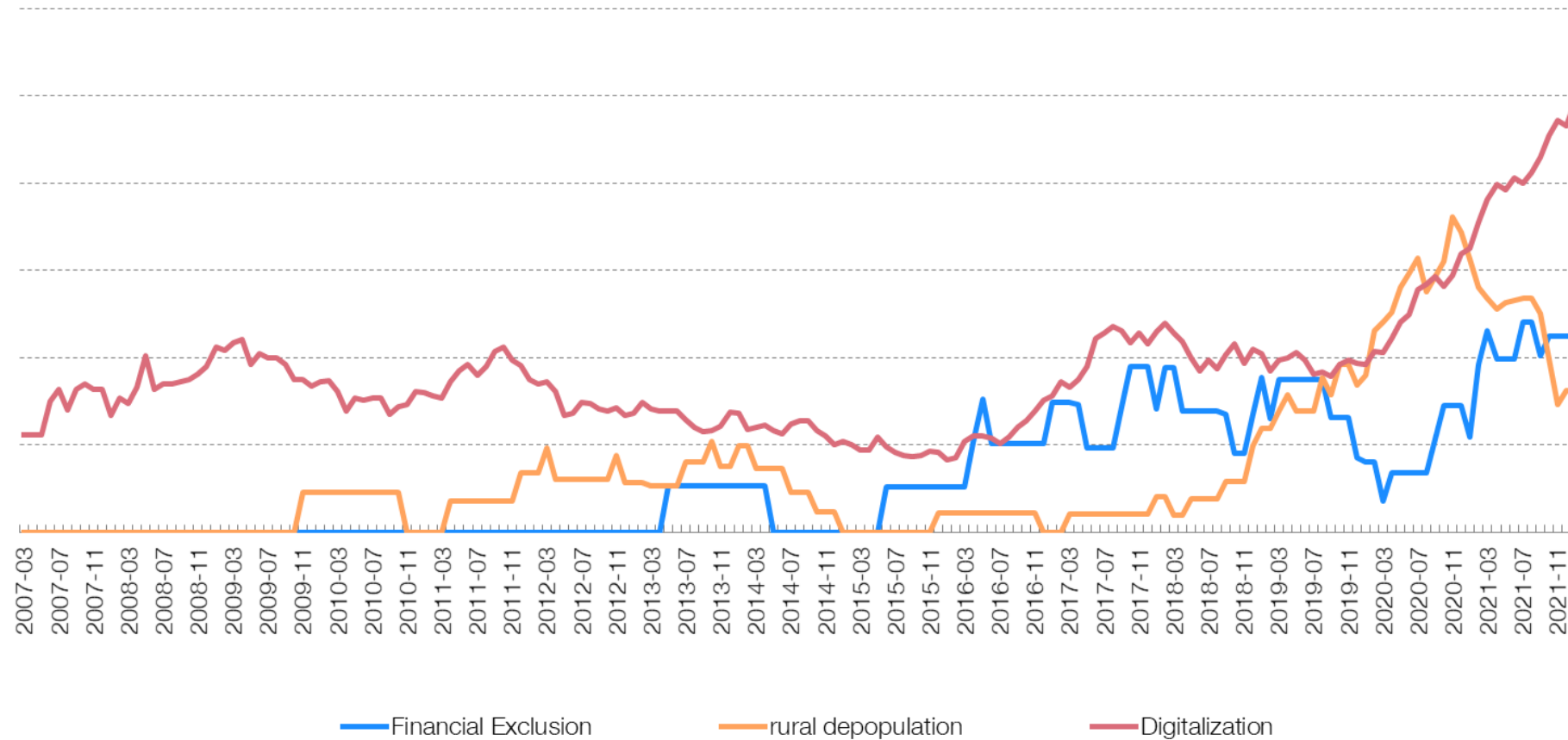
CASH AND ISSUE DEPARTMENT



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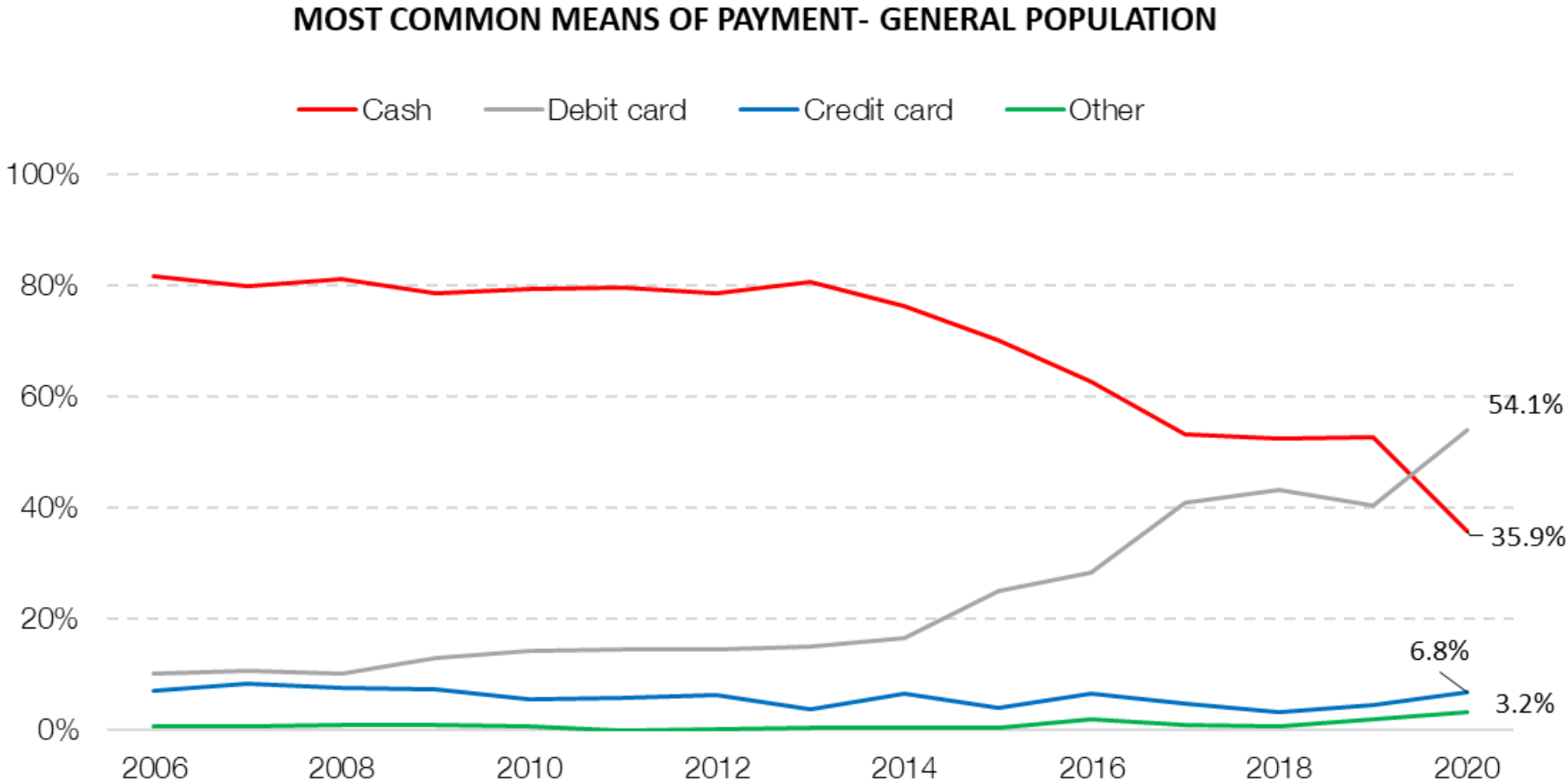
1. Introduction
2. Use of cash as a means of payments
3. Access to cash infrastructure
4. Cash access vulnerability
5. Initiatives to guarantee financial inclusion
6. Concluding remarks

Google searches in Spain



2. USE OF CASH AS A MEANS OF PAYMENTS

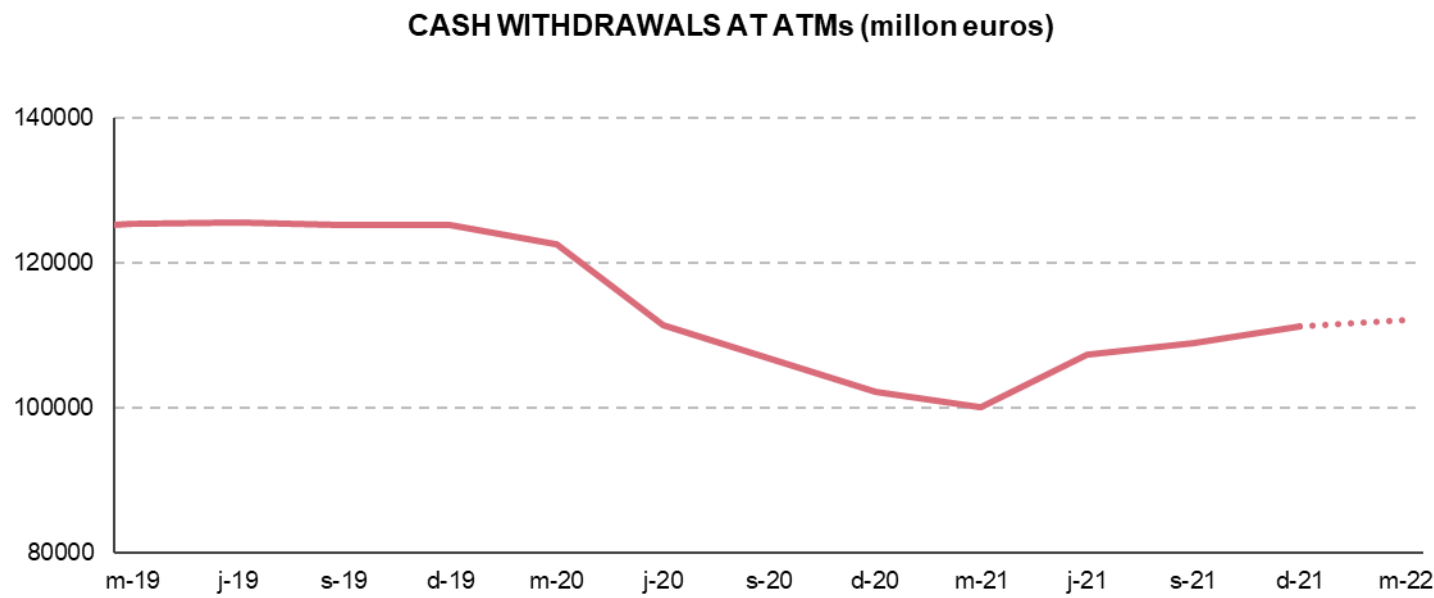
Cash is no longer the most frequent means of payment in Spain



Source: Bank of Spain

2. USE OF CASH AS A MEANS OF PAYMENTS

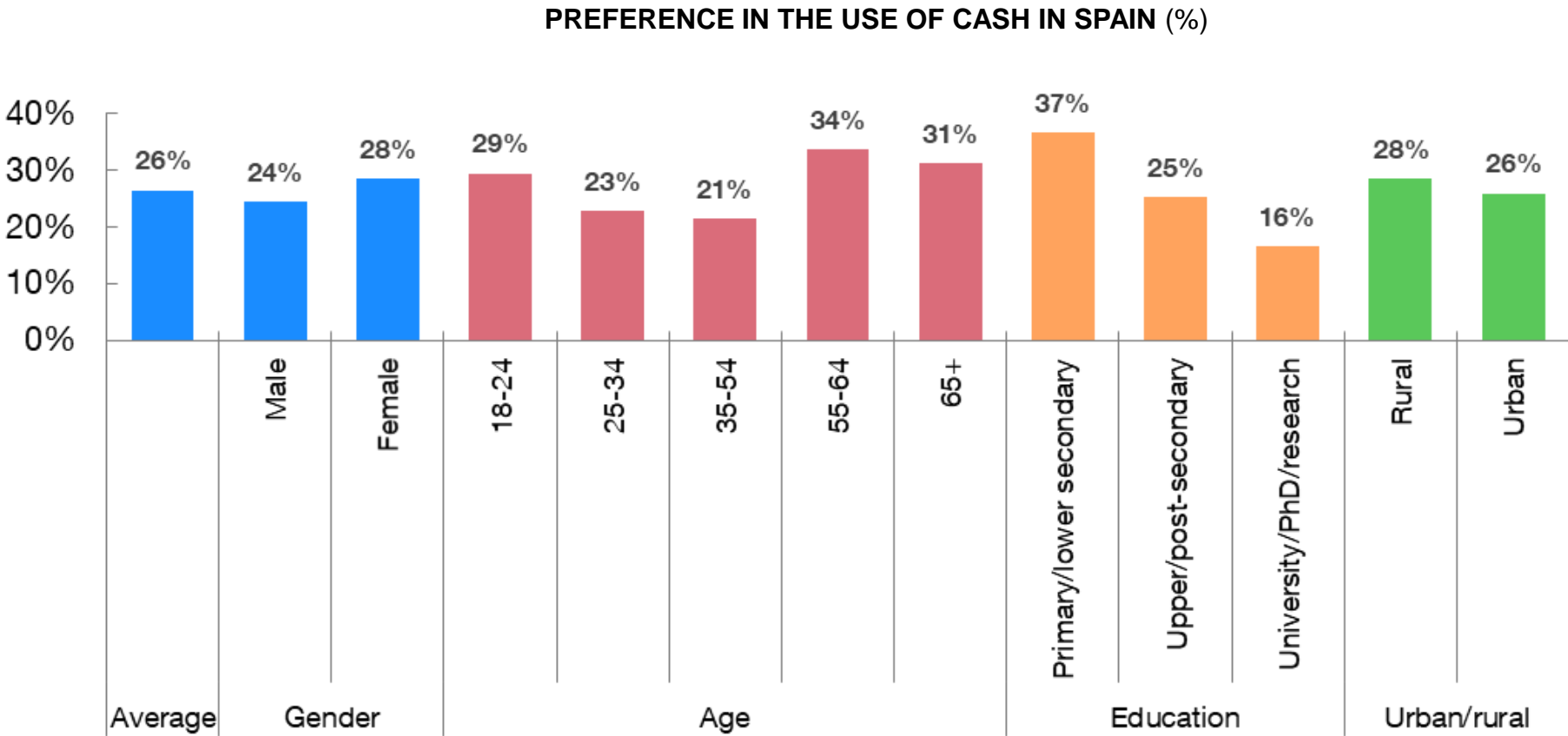
The decline in the use of cash might have stabilized after the COVID-19 shock. We expect cash payments to slightly increase in 2022 but without reaching pre-COVID levels.



Source: Bank of Spain
* Q1 22 forecast

2. USE OF CASH AS A MEANS OF PAYMENTS

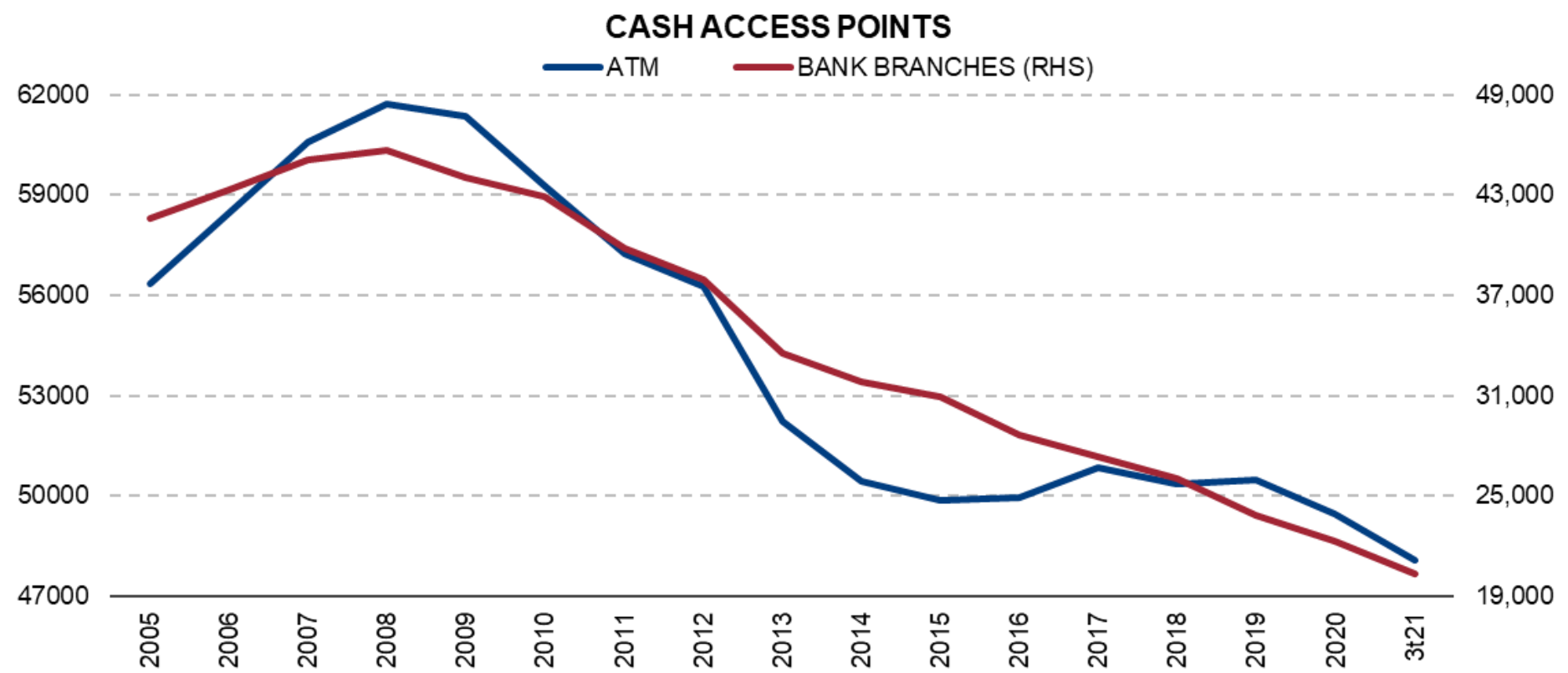
Older, younger and less educated individuals prefer to use cash as a means of payment more frequently than other groups of the population



Source: ECB (SPACE, 2019)

3. ACCESS TO CASH INFRASTRUCTURE

The reduction of the number of bank branches and ATMs has accelerated in the last years



Source: Bank of Spain, ECB

Distribution of the network of bank branches and ATMs (traditional channels)

Bank branches and ATMs



Source: Banco de España, Euronet, Cardtronics and Euro Automatic Cash

Alternatives channels

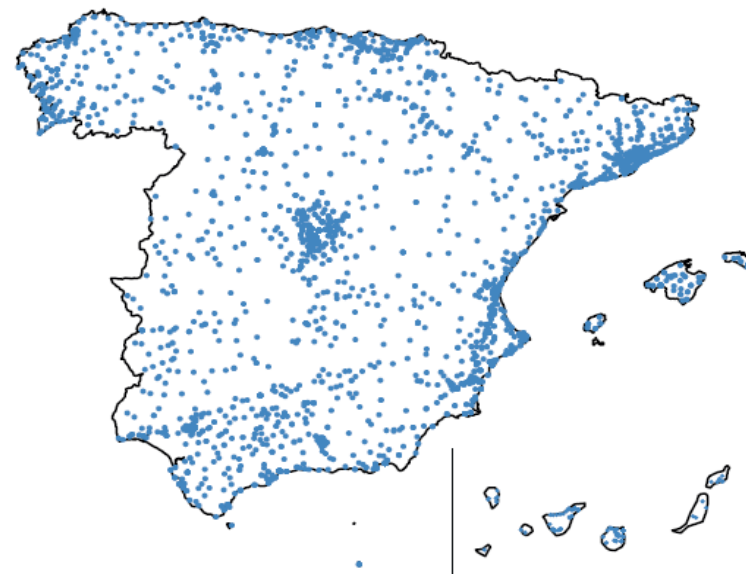
Increase in the alternatives to access cash through non-traditional channels

IADs ATMs



Source: Banco de España, Euronet, Cardtronics and Euro Automatic Cash

Post Offices as Cash Access Points



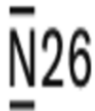
Source: Banco de España and Correos

3. ACCESS TO CASH INFRASTRUCTURE

Innovative solutions



Cash withdrawals and receipts at lottery and tobacco shops.



N26: collaboration with Viacash for cashback/CiS service.



Withdrawals and deposits through Correos cash app.



IADs ATMs.



Public subsidies for the installation of ATMs.



Collaboration between County councils and Prosegur to include an ATM at mobile libraries.

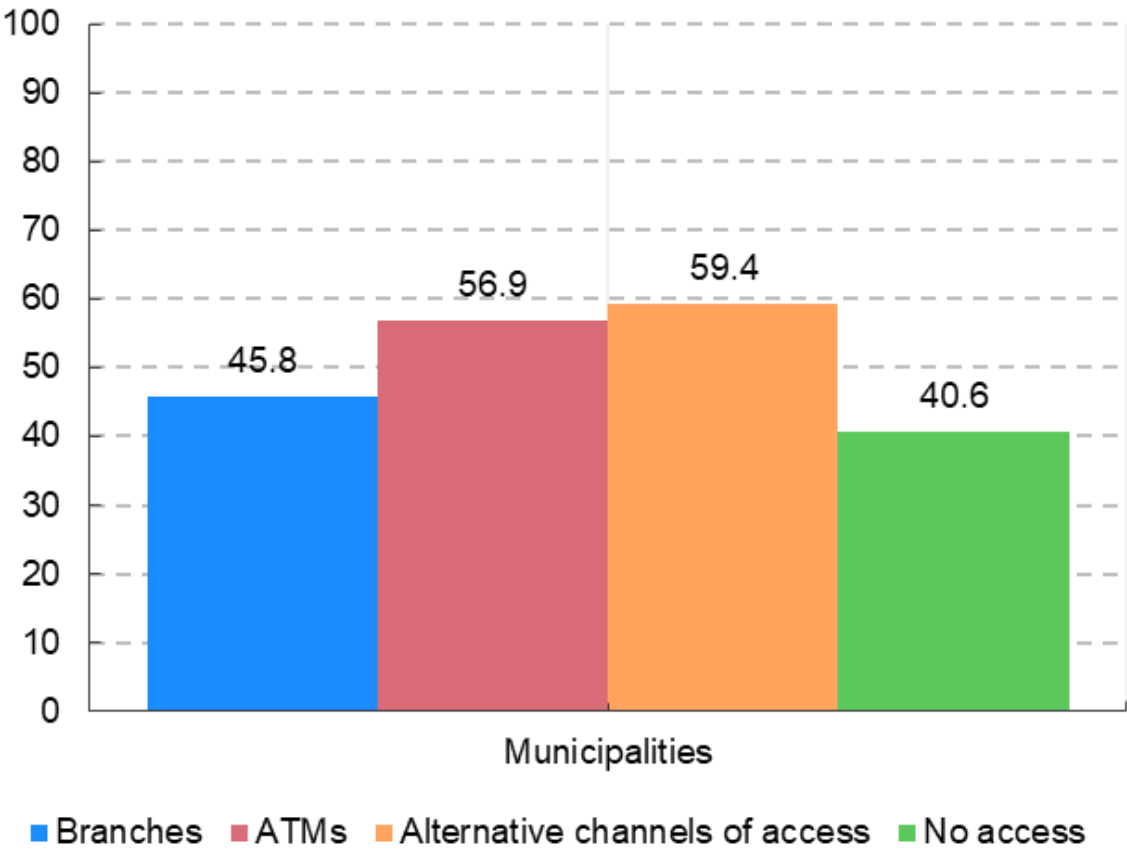


Prosegur cash will install a hundred ATMs in as many municipalities of Castilla-La Mancha affected by depopulation.

3. ACCESS TO CASH INFRASTRUCTURE

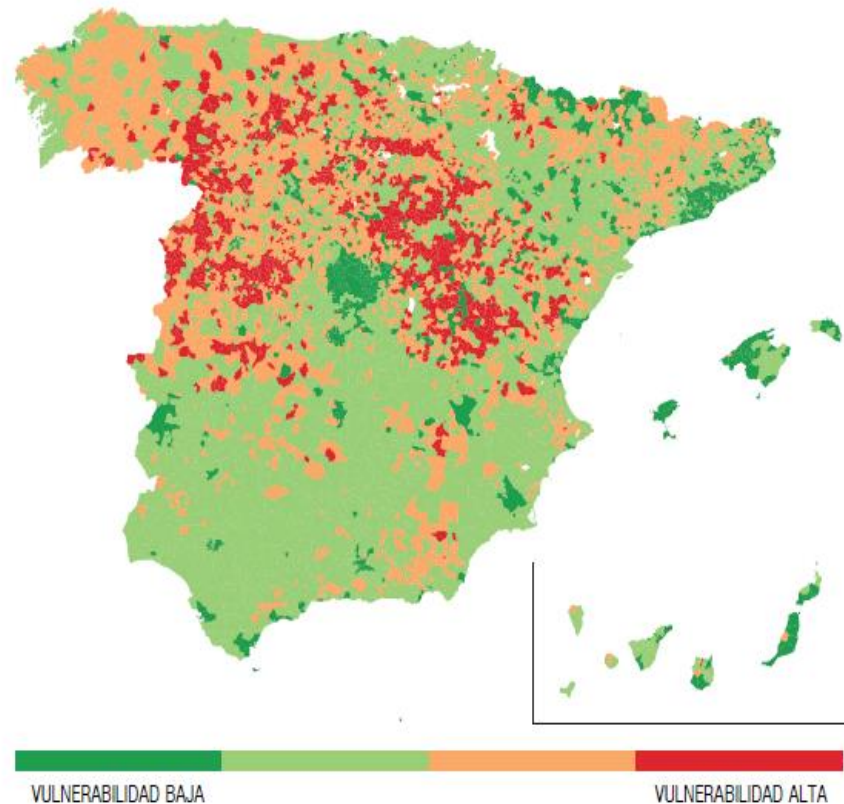
Almost 60% of the municipalities have access to cash through traditional and alternative points of access

ACCESS TO CASH BY TYPE OF ACCESS



- The ***Index of Access to Cash Vulnerability*** can be viewed as an early warning indicator that can help in the identification of communities that are more likely to become financial excluded with a sufficient time so that policy action can be effective.
- The index is built based on supply and demand data at the municipal level:
 - ✓ Number of points of access to cash per thousand inhabitants;
 - ✓ Distance in kilometers to the closest point of access to cash;
 - ✓ Average disposable income per person;
 - ✓ The proportion of people over 60 years old.

ACCESS TO CASH VULNERABILITY INDEX



Source: Banco de España

- Most of the Spanish population lives in localities with a low or very low level of vulnerability.
- Approximately 3% of citizens are in a situation of medium or high vulnerability in terms of access to cash.
- The most vulnerable are characterized by:
 1. elderly people who live in rural areas
 2. travel an average of 7 kilometers to the closest access point.
 3. Live in municipalities with less than 2.000 inhabitants.
 4. They mostly live in León, Salamanca and Zamora.

5. INITIATIVES TO GUARANTEE FINANCIAL INCLUSION

Cash availability

Law 4/2022, of February 25 about the protection of consumers and users in situations of social and economic vulnerability.

- Public policies must guarantee the rights in equal conditions in accordance with the specific situation of vulnerability.
- **The Government**, in coordination with Banco de España and representatives of the credit institutions, will **have to adopt measures before June 2022 to favor the inclusion of the most vulnerable people and, especially, the elderly.**

Banking Protocol for the promotion of the financial inclusion of the elderly

- Extension of minimum face to face service and preferential treatment in branches.
- Repair of ATMs out of service to ensure the supply of cash in a maximum of 2 days and information on the nearest alternative ATM.
- Providing customers financial education, digital and fraud prevention actions through the most appropriate channel.
- Preferential telephone service at no additional cost through a personal interlocutor for elderly or disabled customers.

Cash acceptance

Royal Decree-Law
24/2021

- Approved on 3 November 2021 by the Spanish Government
- Defend the right of citizens to pay with cash and punish retailers that require exclusively other types of payment methods.

6. CONCLUDING REMARKS

- Cash is still very important to many citizens, therefore it is essential that citizens who want or need to use this means of payment have access to it and the cash continues to be a widely accepted.
- The infrastructure for access to cash in Spain is extensive and has a generalized coverage. Traditional and alternative points of access complement each other reaching most of the population.
- Vulnerability in access to cash in Spain is low in much of the territory, but it should be noted that in 2020 approximately **1.3 million Spaniards were in a situation that can be considered vulnerable according to our estimations.**
- In recent months, several initiatives and innovative solutions have been developed in favor of the **financial inclusion** of the most vulnerable groups.

THANKS FOR YOUR ATTENTION

