

BTS NRC

Visa considers extending 'war on cash' business incentives outside US



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The payment technology company revealed on Wednesday that it was launching a "cashless challenge" which would see 50 U.S. businesses receive \$10,000 each to help them convert to a cashless payment model.

Recipients of the award will be required to use the lump sum¹ to upgrade their point-of-sale systems so they are completely cashless. Any remaining money can be put towards marketing, the company said.

"We're declaring a war on cash," Andy Gerlt, a spokesman for Visa, said in the announcement Wednesday.

"We hope to offer a similar challenge to those merchants who are interested in other countries, including the U.K.," a spokesperson told *CNBC* in a separate email Friday.

"At this time, we do not have a firm plan on when such an initiative would be available in the U.K." The proposed \$500,000 investment in the U.S. should provide a boon² for Visa, the world's largest processor of credit and debit cards: it takes a fee from every payment that runs through the network.

This is one of the reasons many businesses are reluctant to make the transition, or choose to offset³ the cost to customers by having a minimum spend for card transactions. In the U.K. alone it is estimated that British retailers spent over £1 billion (\$1.29 billion) to accept card payments last year, according to research released Wednesday by the British Retail Consortium (BRC).

"It is ultimately the customer that decides how they wish to pay and BRC research shows that customers continue to use cash for more than 40 per cent of transactions in the UK," a spokesperson for the BRC told *CNBC* via email.

"At the same time, cash accounts for only 11 per cent of retailers' costs associated with accepting payments, compared to 73 per cent for card payments, therefore card companies can better serve retailers and their customers by providing a more cost-efficient service. It is estimated that, as of this year, more than half of all customer transactions in the U.K. were made via card payments, spurred⁴ in part by the growing popularity of new technologies, including contactless payment and Apple Pay. (351 mots)

¹ Lump sum = montant fixe

² A boon = a great sum a money

³ To offset the cost = reporter le coût sur

⁴ Spurred = encouraged