



**Rochford District
Council**

REPORT TITLE:	To Amend The Policy To Include Requirement For Hackney Carriage Drivers To Offer Card Payment Facility
REPORT OF:	Eugene Minogue (Interim) Director - Communities And Health

REPORT SUMMARY

The Committee is requested to approve the inclusion of the following requirement in the Hackney Carriage and Private Hire Policy:

Card Payment Machines

- All licensed Hackney Carriage and Private Hire Drivers must provide a card payment facility as a minimum, devices should accept Chip and PIN, contactless and magnetic swipe payments;
- To mandate acceptance of VISA and Mastercard payments as a minimum but drivers may also choose to accept other cards, such as American Express and Diners Club
- To approve clear signage, visible from outside the vehicle, to make clear that all taxis now accept card payments.

RECOMMENDATIONS

- R1 -** To approve the inclusion of the card payment machine requirement in the Hackney Carriage and Private Hire Policy.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATIONS

- 1.1 Some Members have been approached by their constituents regarding taxi drivers without card payment facilities in their vehicles turning passengers away or charging customers whilst withdrawing money from a cash machine.
- 1.2 Contactless technology was introduced in 2007 and by 2017 contactless payments increased by 97%.
- 1.3 COVID-19 accelerated the use of card payments during the pandemic and this method of payment has become the norm for most commercial businesses and favoured by a large percentage of the population for even small, single item purchases.
- 1.4 Cashpoint use has decreased nationally resulting in their removal from some locations, including High Streets, due to a lack of demand

2.0 BACKGROUND INFORMATION

- 2.1 Following the increasing number of complaints received by Members of public that passengers are being turned away for wishing to pay by card. It is proposed to include the addition of a mandatory condition into the Hackney Carriage and Private Hire Policy.
- 2.2 Hackney Carriage and Private Hire drivers could make more money if they had a card payment machine as they would not be turning customers away, and customers would not need to limit the extent of their journey due to the amount of cash they have available.
- 2.3 This could be seen as a public safety issue, putting passengers at risk especially for vulnerable passengers late at night. Transport for London have insisted on card payment facilities in all licensed vehicles since 2017.
- 2.4 The costs associated with card payment machines vary; it is dependent on the provider.
- 2.5 There are concerns regarding collection of fares where a payment machine fails at the destination due to signal outage or technical fault or if the customer's card is declined due to insufficient funds.

Recent Card Payment report

2.6 In February 2024 Barclays Bank produced a report outlining their findings on contactless card payments. The key points of the report showed:

- A record 93.4 per cent of all in-store card transactions up to £100 were made with 'touch and pay' in 2023
- The average user spent £3,623 last year, up 8.9 per cent year-on-year, buying more expensive items more frequently
- For the third year running, the fastest growing segment for contactless usage was the over 65s
- 80 per cent of 85–95-year-olds now pay with contactless
- Physical cards are losing ground to mobile payments with younger consumers – one in five regularly leaves their wallet at home when out shopping

<https://home.barclays/news/press-releases/2024/02/80-pc-of-85-60-95-year-olds-now-pay-with-contactless/>

3.0 OTHER OPTIONS CONSIDERED

3.1 Alternative options were considered, but it was felt that in today's society all drivers should be able to offer a card payment option.

4.0 RELEVANT RISKS

4.1 It is accepted that some areas have low or little mobile phone signal such as rural parts of Hullbridge and Rochford. It is essential that the driver is aware of these areas when attempting to use the card payment facility.

5.0 ENGAGEMENT/CONSULTATION

5.1 In January 2024 a consultation was conducted with the Licensed drivers to determine whether they agree or disagree with insisting on the requirement to take card payments.

5.2 Of the 99 drivers that responded; 59 drivers (59.6%) agreed that all drivers should be able to take a card payment.

5.3 A number of drivers did not want to take card payment due to the transaction fees and the loss of tips.

6.0 FINANCIAL IMPLICATIONS

6.1 There will be no financial implications to the Council in changing the policy.

6.2 Drivers would be impacted due to the transaction fees, however a proposed fare increase by the trade will dilute this impact.

7.0 LEGAL/GOVERNANCE IMPLICATIONS

7.1 None identified

8.0 EQUALITY & HEALTH IMPLICATIONS

8.1 None Identified

9.0 ENVIRONMENT & CLIMATE IMPLICATIONS

9.1 None identified

10.0 ECONOMIC IMPLICATIONS

10.1 None identified

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APPENDICES

BACKGROUND PAPERS

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
None	N/A