The Guardian view on the cost of a cashless society: the most vulnerable will pay

One of the idiosyncrasies of China's huge appetite for luxury goods has been the high sales of man bags – a niche item in the west. Their popularity initially reflected not just the fondness of the newly rich for conspicuous consumption, but also the practical need to carry large wodges of banknotes in a country that hadn't truly embraced credit cards. Early last decade, it was unremarkable to pay a quarter's rent or buy a car in cash.

Yet even vegetable sellers in small markets, or people begging on the streets, now use QR codes. By 2020, 98% of people in a survey said they most commonly paid using smartphone apps. The advantage, for the consumer, is convenience. For the authorities it offers not only efficiency but oversight, in a country which is battling corruption and which closely surveils its citizens. Beijing has also been promoting a "digital yuan" developed by its central bank.

Now, however, it has announced measures to support the use of cash, such as ordering local authorities to make sure that markets and stores accept banknotes, aware that the reliance on payment apps makes life harder for both foreign tourists and for poorer, rural and elderly Chinese people struggling to access or adapt to new technology.

China's shift to cashless payment was particularly dramatic. But the transition is happening around the world, accelerated by the pandemic – and is raising similar concerns about exclusion. Last month, campaigners in Australia organised a Draw Out Some Cash Day to show that people still care about access.

In 2021, only 15% of UK payments were in notes and coins, with the vast majority on credit or debit cards. A forecast the following year suggested that figure would drop to 6% by 2031. In fact, cash rebounded in 2022 to 19% of transactions, reflecting people's return to physical stores, but also the impact of the cost of living crisis. Cash can help with budgeting: you can't spend money you haven't got.

It is also easy to use: cashless parking machines are easier for those collecting revenue, but can be infuriating and alienating for users unaccustomed to them. Cutting out cash hits the vulnerable hardest: according to a 2020 survey by the Financial Conduct Authority, 46% of the digitally excluded, 31% of those without educational qualifications, and 26% of those in poor health rely on it to a "great or very great extent". Mencap warned the Welsh Senedd that people with learning disabilities can find it hard to manage money without cash. And there are good, as well as nefarious, reasons to value its anonymising quality: women whose abortion rights have been restricted might find it life-saving.

Businesses should think carefully before refusing cash payments. Governments must ensure that people reliant on cash can continue to use it: in the UK, where thousands of bank branches and ATMs have vanished, the Financial Conduct Authority now has powers to protect access. But even if the supply of notes and coins can be assured, authorities must also ensure that services accept them. The onward march of digital payments won't stop, but cash still counts.

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