

Report of the Head of Shared Regulatory Services

Proposal to Introduce Mandatory Card Payment Facilities in Hackney Carriages (Taxis)

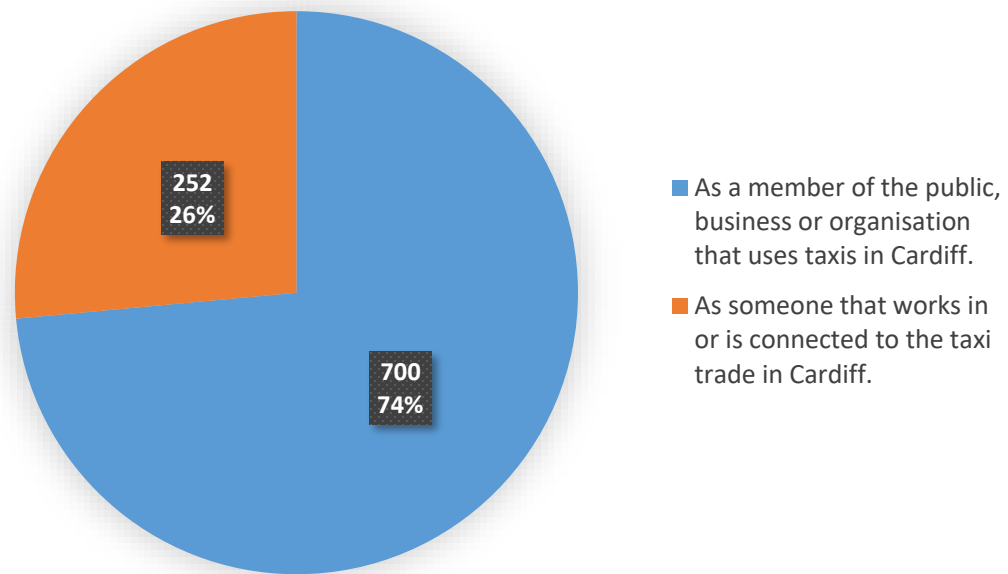
1. Background

- 1.1 At its meeting on 7 December 2022, the Public Protection Committee authorised the Licensing Department to carry out a consultation exercise, seeking the views of the trade and the public on a proposal to mandate all hackney carriages licensed by Cardiff Council to accept card payments. The purpose of this report is to update members on the outcome of that consultation and request a decision on whether to mandate card payment facilities in all hackney carriages.
- 1.2 Between 10 February and 4 April 2023, the Licensing Department conducted an online survey to gain the views of the public and the licensed taxi trade in relation to mandatory card readers. A copy of the survey questions asked to the public are contained in Appendix A, and the questions asked to the trade are contained in Appendix B.
- 1.3 There were 952 responses to the survey, of which 700 responses were received from members of the travelling public and 252 were received from those associated with the taxi trade. The survey was part of a larger piece of work that included questions in relation to the previous moratorium on issuing new hackney carriage licences.
- 1.4 Throughout this report, any reference to a taxi specifically relates to a hackney carriage. These are vehicles that can be hailed from the roadside or operate from designated taxi ranks.

2. Online Survey Responses

- 2.1 This section details the result of the online survey in relation to card payments. There were some questions asked solely to the public, others asked solely to the trade, and others asked to both groups.
- 2.2 The chart results represented in blue relate to the public response, and those in orange represent the trade response.

2.3 Question - How are you responding to this survey?

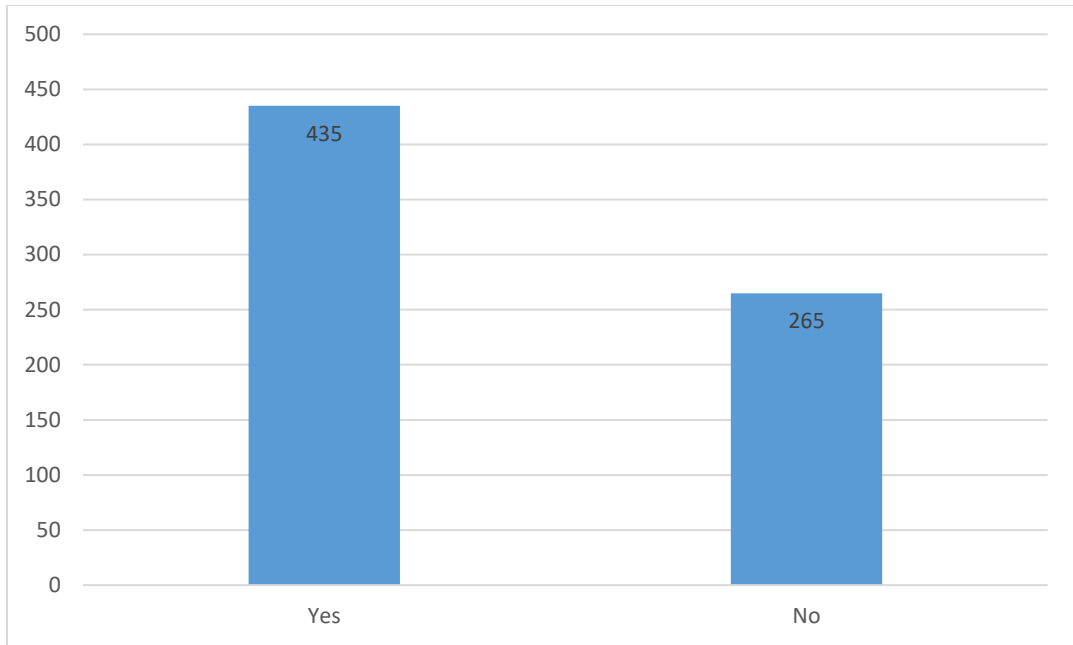


74% of respondents were members of the public, businesses or organisations that use taxis in Cardiff. 26% of respondents work in, or were connected to, to the taxi trade in Cardiff. Of the 700 public respondents, 28 (4%) identified as having a disability that requires the use of a wheelchair accessible taxi.

Of the 252 trade respondents, 166 (66%) indicated they drive a taxi that they own, 38 (15%) drive a private hire vehicle that they own, 29 (12%) drive a taxi that they rent, 7 (3%) were licensed private hire operators, and 4 (2%) drive a private hire vehicle that they rent.

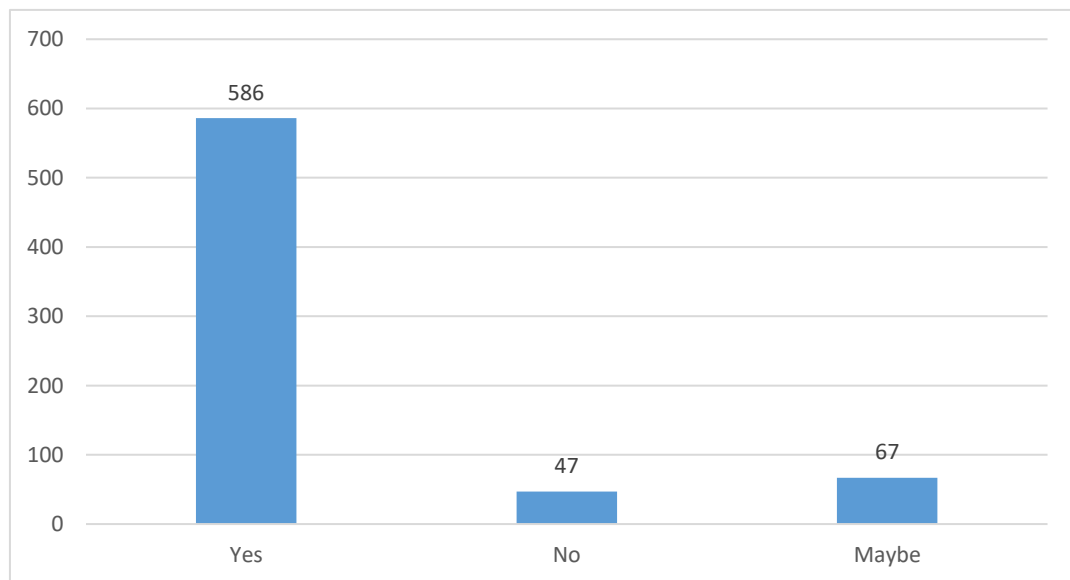
Other single responses were received from a respondent who funds Night Marshals in the city centre, the partner of a private hire driver, the owner of a taxi training company, a prospective taxi driver, a trade representative, a part time taxi driver, and a person that owns a business renting out taxis in Cardiff.

2.4 Question - Have you ever had an issue with a Cardiff taxi because the driver could only accept cash payment? (Public only question)



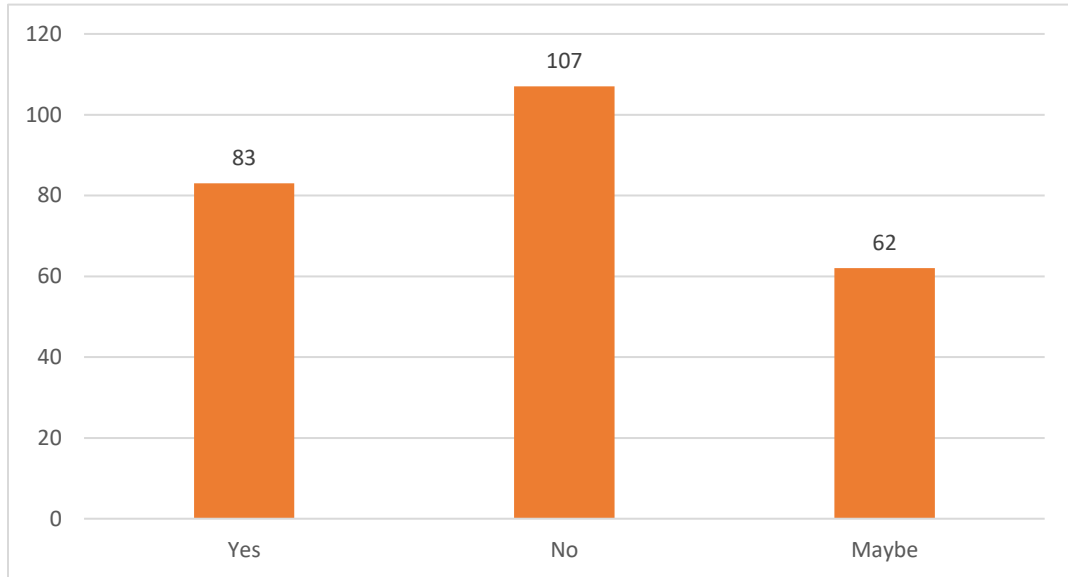
62% of public respondents indicated that they had experienced an issue with a Cardiff taxi because the driver could only accept cash as a payment.

2.5 Question - Do you think all taxis should be required to provide facilities for customers to make card payments? (Public response)



84% of public respondents thought that taxis should be required to accept card payments, 7% thought they should not and 10% were unsure.

2.6 Question - Do you think all taxis should be required to provide facilities for customers to make card payments? (Trade response)



42% of trade respondents thought that taxis should not be required to accept card payments. 33% thought they should and 24% were unsure.

2.7 Question - Please provide any further comments you'd like to make about payment methods in taxis (public and trade responses)

The following tables provide a representative selection of the comments made :

Public comments:

100% accept card. It's 2023!
100% have card payments for ease and to keep up with the times.
A lot of businesses are now going cashless and so are a lot of services. Many already take card. There is no excuse for Taxis in the capital city of the country to not be accepting card payments in 2023.
I rarely get taxis because they don't offer card payments and since covid I don't carry cash
I rarely have cash on me and have had to go to a cash machine before when I'd rather just get home
I regularly travel in London and have business guests down from London where card payments are the normal process. They always comment on the fact that they have to pay cash for a taxi
Cash only cash is king
Adds money to the fare trying to find a cash point, then hopefully it's a free cash point.

All taxies need to take cards and I was refused because I didn't have cash on me
All taxis should have the option to pay by card
All Taxis should offer CARD payment in 2022 as their DEFAULT. Cash should be backup payment method.
All taxis should take card as they do in all other major cities in the UK. Cardiff is the only major city I have an issue getting home after events or after a night out.
Almost anywhere I go in the world, cards are preferred. Why is Cardiff even asking?
As a capital city, it is expected from international travellers, especially post covid. Cash payments are out of date
As a female, being made to stop at a cash point on my way home is scary and doesn't feel safe
As a regular user I make sure I have cash on me but I think card payments are a good thing & follow other major cities
As a woman having to find cash somewhere first (or on the way) can feel unsafe
As much variety as possible should be provided. On several occasions I have met distraught individuals, in the city centre in my role as a Street Pastor, who are unable to obtain cash easily and conveniently, causing further unnecessary distress to the individual who basically just wants to get home.
Barely anyone carries cash these days and if taxis could accept card it would also be safer for the community E.g. students after a night out would not need to walk home
Why should they be required to give a cut of their earnings to VISA / Mastercard, and why would the council support this? If they require cash, then have cash on you or expect to stop to get some. It's no issue.
Card needs to be rolled in asap, who carry's cash these days ?
Card payments would be ideal as not many people carry cash anymore
Cash should remain an option, card charges are unfair and cannot be passed on
considering every venue in the city uses card payments the only transport now that doesn't is a taxi. this is ridiculous. all taxis in other cities take card they don't even question it. How can the capitol of wales be so far behind.
Why should the council force a self employed taxi driver to accept card payments !?
Contact less or pre payment of set amount via app to avoid meter being turned off
Contactless
It makes perfect sense and as lots of people like to pay by card these days, why not? And safer as drivers do not have a lot of cash hanging around the the car.
Contactless after Covid is important. Germs free.
Daughter in an unsafe situation tried to get cab to take her home but did not have enough cash. Totally unacceptable
Driver didn't have any change to give me change from my fare so he kept my money

Drivers often unable to give change for notes so if card payment is available without a cover charge would make taxis suitable for all
Drunk or vulnerable people that need to leave as quick as possible and being told no because its cash only, it puts more people at risk
Due to the pandemic I very rarely carry cash now. Nearly every company accepts card payments and taxis should too
While card payments could be made mandatory, it should be left to the licensee to decide which card terminal provider they contract to.
Every other major city takes cards. To pay cash requires having to withdraw from a cash point often late at night.
Many passengers now want to pay by card or phone. I got a reader 9 weeks ago. In that time I have taken £1,300 in such payments, so clearly there is a demand. The majority of drivers do not have readers, so I am enjoying increased trade.
I don't understand why it isn't a requirement already
I don't usually have cash so a "Cash only" sign inside the taxi is a major problem
I know if flagging a taxi or using a taxi rank, I need cash. I prefer to be cashless, so prefer to use an app. Card payments would be useful
I never carry cash anymore so only use taxi services that accept card payment
I never carry cash, so without card payment I have to find a different car.
I never withdraw cash for anything apart from times like this. All taxis should allow card payments to make it easier
The cost of the payment devices has reduced greatly in a quick time, making it a more viable option for those who trade in mobile or environments such as taxi drivers.
I often book an uber over a taxi as I don't carry cash much and its easier to and more efficient to pay by card.
Get fare right .my son was going to be charged £25 for a £10 fare
I caught a taxi at 3am from Cardiff A&E and having to pay only with cash was annoying, ok I only had to go to the main foyer and withdraws cash, but even so
I don't always carry cash. I find it hard to believe that they are a cash only service

Trade comments:

A card machine should be optional
A lot of customers struggle to use card payments and prefer cash
All of my customers I pick up never asked about card payment. A lot of my customers are pensioners and don't like the thought of paying a taxi fare by there card.
As sometimes you need payment at front especially night times and with card that's impossible
Because if they haven't got no funds in their account and take us 3 to 5 miles whose gone cover the fair they play the first one and get a way with free ride

Because they take commission and it's hard to work it out
Cash should always be carried as an alternative to card payment.
It is difficult sometimes getting customers paying for the journey and more difficult when its card It might decline end of the journey will be losing more money this way
Who's going to pay for the charge of using a card machine
I think in this day and age , it is ridiculous that Taxis don't have card payments, causes unnecessary stress for customer
First thing I bought when I started, plenty of card payment schemes about, they do take a small percentage maybe this can be passed on to customer? Probably only be a extra 20-50p if that
In these days and age, hardly anyone is carrying cash so it would be a good to provide the facilities for the customers.

3. Considerations

3.1 The 7 December 2022 report proposed the following conditions be added to the hackney carriage conditions of licence in relation to card payments:

- The proprietor shall ensure that passengers are able to make payment via a debit card, credit card and contactless card payment.
- The card payment system will be stored in a transparent plastic holder which will be affixed so that the card machine is always in prominent view of the customer.
- The card payment system must be stored in the holder at all times when the driver is available for hire.
- The proprietor shall ensure that all drivers of the vehicle are trained on how to use the card payment system and are aware that passengers must be able to make payment in this manner.
- Where a fault in the card payment system is identified, the proprietor must notify the Licensing Department and arrange repair/replacement within 48 hours.

Officers have reviewed the proposed conditions and feel that the additional requirement for the card payment system to be stored in a plastic holder, that is always in prominent view of the customer, to be unnecessary. Furthermore, the requirement to notify the Licensing Department within 48 hours of a fault may cause confusion as it is a requirement that the device is operational at all times.

- 3.2 Officers consider the conditions below to be more suitable in relation to the acceptance of card and contactless payments:
- All hackney carriages must have an electronic payment device to accept debit/credit card and contactless payments. As a minimum, Visa and MasterCard must be accepted.
 - The electronic payment device must be kept in the vehicle, be fully operational and available for immediate use at all times the vehicle is being used for hire and reward (including whilst standing or plying for hire).
 - All hackney carriages must display prominent signage to prospective passengers that states card and contactless card payments are accepted.
 - No additional costs as a result of card payments may be passed onto the passenger.
- 3.3 Historically, cash payments were the preferred payment method for customers; however, in recent years this has shifted and it is now common for people not to carry cash, relying solely on card payments or preferring to use Apple Pay or Google Wallet via their smartphone.
- 3.4 Card payments would lead to an easier and quicker method for customers to pay taxi fares, while stopping the need for customers to ask hackney carriage drivers to stop off at cash machines if they need cash to pay the fare.
- 3.5 Contactless payments (such as Apple Pay, Google Pay etc.) on a smartphone are increasingly becoming the preferred payment method for many people. This has resulted in many no longer carrying cash or their bank card. Very few cash machines can be used with a physical card which leaves an increasing number of people unable to use cash-only taxis as they have no means to obtain cash.
- 3.6 There are currently a number of card payment devices available to hackney carriage vehicle proprietors and drivers. Prices of these devices typically range between £29 and £200. There is also a payment processing fee around 1.5% to 2.5% for each transaction. This is comparable with the cost of card readers in other industries.
- 3.7 Transaction fees in respect of debit and credit card fees were abolished by the Government from 13 January 2018. This means that any customers using their debit or credit cards to pay fares in hackney carriages will not be charged any fees to use their cards. The customer will only pay the fare displayed on the meter.

- 3.8 Whilst there are additional costs for providing card payment facilities, it is envisaged that this will be offset by the increased trade as a result of offering these facilities.
- 3.9 Having a card payment facility for passengers would improve public safety for hackney carriage customers in Cardiff. Customers would not have the need to stop and use cash machines late at night.
- 3.10 Payments are governed by the Consumer Rights (Payment Surcharges) Regulations 2012 (amended by the Payment Services Regulations 2017). The Regulations limit charges to consumers who are buying goods and services. It is unlawful to impose surcharges on customers for using the following methods of payments:
- Consumer Credit Cards, debit cards or charge cards
 - Electronic payment services i.e. PayPal
 - Similar payment methods that are not card-based i.e. mobile phone based payment methods.

4. Consultation

- 4.1 This report is to present the results of a public consultation. The draft reports intended for consideration were made available at the licensing offices for any interested party to provide written submissions and submitted to the recognised trade group for comment prior to this meeting.

5. Achievability

- 5.1 This report contains no equality personnel or property implications.

6. Legal Implications

- 6.1 Section 47 (1) of the Local Government (Miscellaneous Provisions) Act 1976 provides that a district council may attach to the grant of a licence of a hackney carriage under the Town and Policies Causes Act of 1847 such conditions as the district council may consider reasonably necessary and section 47 (3) provides the safeguard of an appeal for anyone aggrieved by any condition attached to the licence.
- 6.2 All decisions taken by or on behalf of the Council must:
- a) be within the legal powers of the Council;
 - b) comply with any procedural requirement imposed by law;

- c) be within the powers of the body or person exercising powers on behalf of the Council;
- d) be undertaken in accordance with the procedural requirements imposed by Council e.g. standing orders and financial regulations;
- e) be fully and properly informed;
- f) be properly motivated;
- g) be taken having regard to the Council's fiduciary duty to its taxpayers; and
- h) be reasonable and proper in all the circumstances.

7. Equality Impact Assessment

- 7.1 The proposal has been screened for the potential impact on protected groups within the community and human rights. We do not consider on the basis of the above that a detailed Equality Impact Assessment is required for this proposal.

8. Well-being of Future Generations (Wales) Act 2015 implications

- 8.1 The Well-Being of Future Generations (Wales) Act 2015 ('the Act') places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.

In discharging its duties under the Act, the Council has set and published wellbeing objectives designed to maximise its contribution to achieving the national wellbeing goals. The wellbeing objectives are set out in Cardiff's Corporate Plan 2018-21: When exercising its functions, the Council is required to take all reasonable steps to meet its wellbeing objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the wellbeing objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.

The wellbeing duty also requires the Council to act in accordance with a 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:

- Look to the long term
- Focus on prevention by understanding the root causes of problems

- Deliver an integrated approach to achieving the 7 national well-being goals
- Work in collaboration with others to find shared sustainable solutions
- Involve people from all sections of the community in the decisions which affect them

The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below:

<http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

- 8.2 An assessment has been carried out in consideration of the Cardiff Well-being Objectives. A summary of the implications from the assessment:

Cardiff Grows in a Resilient Way

- Taxis form part of the public transport network with environmental and economic benefits for the wellbeing goal of A Prosperous Wales
- Safe, Confident and Empowered Communities
 - Stakeholders within the taxi trade, the general public and other relevant groups will have the opportunity to consider the proposals and respond to the consultation.

9. Financial Implications

- 9.1 There are no financial implications for the Council from the introduction of mandatory card payment facilities in taxis. There would however be a financial implication on the hackney carriage proprietors to purchase a card payment reader device, and an additional card payment processing fee per transaction. However, it is envisaged that these costs will be offset by the increased trade as a result of accepting card and contactless payments.

10. Recommendation

- 10.1 It is recommended that members consider this report and the responses to the online survey and consider whether to mandate card and contactless payment facilities in all Cardiff hackney carriages.
- 10.2 If members are minded to mandate card and contactless payment facilities in all hackney carriages, it is recommended that the following conditions are added to the hackney carriage conditions of licence:

- All hackney carriages must have an electronic payment device to accept debit/credit card and contactless payments. As a minimum, Visa and MasterCard must be accepted.
- The electronic payment device must be kept in the vehicle, be fully operational and available for immediate use at all times the vehicle is being used for hire and reward (including whilst standing or plying for hire).
- All hackney carriages must display prominent signage to prospective passengers that states card and contactless card payments are accepted.
- No additional costs as a result of card payments may be passed onto the passenger.

10.3 If members are minded to mandate card payment facilities in all hackney carriages, in order to give sufficient time for proprietors to comply, it is recommended that this proposal is implemented on 1 September 2024.

Helen Picton

Head of Shared Regulatory Services

14 February 2024

This report has been prepared in accordance with procedures approved by Corporate Managers.

Background Papers:

- [Public Protection Committee meeting, 7 December 2022](#)
- [Hackney Carriage Vehicle Licence Conditions](#)