

PARALLELS

If you believe in a parallel universe, it is amazing how coincidences occur. The thought struck me whilst reading a press article on the tube.

Today, if you visit Stockholm you can pay a street vendor with a credit card and in Copenhagen you can buy a single shot espresso with your smartphone, whilst Helsinki allows you to go grocery shopping and leave your wallet at home. It seems Scandinavia has long been the most cashless place on the planet and a recent development means Denmark is considering whether to go a step further and allow retailers to ban cash altogether.

They are considering that shops and services be given the option of going completely cash-free. The proposal needs to be approved by Parliament but if it gets the green light retailers could begin rejecting cash from January 2016. The rationale for retailers is simple - using cash is expensive, because it takes time for salaried employees to handle, and it's also a security concern. Carrying cash carries the risk of theft for the consumer also. There appears to be little resistance to the proposal from Danish media, consumers or businesses so far, with the country's largest supermarket group working on a system for cash-free grocery shopping with the mobile money transfer system MobilePay in the near future.

"Customers will be able to swipe their smartphone; scan their food; tap 'accept' when they're done and then just leave," says Mark Wraa-Hansen from Danske Bank, which runs MobilePay. The move towards a brave new cash-free world is supported by the UN Capital Development Fund's 'Better Than Cash Alliance' which is looking to accelerate the shift to electronic payments, funded by the Bill & Melinda Gates Foundation, MasterCard and VISA.

The parallel here is work going on with TISA as part of the TSIP project and its Digital Passport Working Group which has been consulting with UK government and regulators. The concept of the digital passport could bring significant benefits to consumers in the management, monitoring and control of their savings and investments. It will also deliver benefits to the providers of savings and investment products through improving the efficiency of new business and customer administration processing.

The development of any digital passport will be complex and involve a multi-phase development approach. It is proposed the initial focus of the digital passport being to provide a secure central store of basic client identification information (using available government system facilities) that will satisfy the KYC and AML checks required by UK regulation to open a new savings account and the transfer of assets in an existing account to a new provider.

The concept is similar to the Scandinavian cashless society in that once a consumer has established their digital identity, they will be able to invest and move their monetary assets in a very similar manner to buying that single shot espresso in Copenhagen. David Cameron and his government have publicly stated their support for digital development and the Cabinet Office with their "Verify" digital identity scheme are working closely with the TISA project to help make it a reality.

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