

Transcript of James Lowman's Appearance on the Richard Bacon Show, BBC Radio 5 Live – October 21 2009

DJ1: Onto our other story of the night, the return of cash. Convenience stores are saying that there has been a big jump in the number of people using cash rather than plastic. Apparently 56% of transactions were done in cash in 2008 compared with 86% this year.

DJ2: That's a massive rise

DJ1: Let's find out why. We've got James Lowman in the studio, he's the Chief Executive of the Association of Convenience Stores which are taking all of these cash payments and also James Allen who I'm very much looking forward to talking to because he hasn't used cash in 23 months and he's survived basically entirely on plastic. Let's start with James (Lowman). You represent convenience stores, you say more people are paying in cash. Why is this?

James Lowman: I think a couple of things are happening. Firstly, in a recession, people tend to budget day to day. They tend to think about spending a certain amount of money every day. They might be less inclined to get in the car and go to the supermarket and cash is one of the ways that they can help control their spending.

DJ1: So literally, daily cash pulled out from underneath the mattress.

James Lowman: [laughs] I think it's more from out of the wallet but I think they use cash to manage their cashflow every day and I think the other thing, the bigger trend is that people's attitudes to credit have changed and from what our members are seeing, people are using the local shops more. They're shopping round more.

DJ1: But your members will be really keen on this, won't they. It saves on handling charges, installing technology doesn't it.

James Lowman: Yeah, I think retailers and convenience stores react to what customers want to do, they react to the ways that customers want to pay but it is cheaper you're absolutely right.

DJ1: What is the difference in cost between paying in cash and paying in card for one of your retailers?

James Lowman: I was looking at some British Retail Consortium figures today and they're saying that for £20 cash spent, the cost in terms of cash handling for retailers is about 3.8p, for £20 of a credit card transaction it's something like 17.4p

DJ1: So your members will be over the moon with more people paying in cash here.

James Lowman: Yeah, I think they want people to come in and they want to be able to serve customers in the way that they want to pay but yeah it's slightly more profitable for them.

DJ1: James, James Allen, the man with the plastic are you carrying any cash at all right now.

James Allen: No, I promise I'm not.

DJ1: Now you have been without cash for 23 months. Explain A how this started and B how you got away with it.

James Allen: I love this story, erm... I started off living without cash at the beginning of a drunken bet actually, to be honest with you.

DJ1: These things always happen as the result of a drunken bet don't they. Sorry go on.

James Allen: Well it was another night in the pub with my best friends and we were talking about what the royal family means to Britain these days and we were talking about the queen's face and we were talking about how most of the time when you see the queen's face it's when you're buying something in a store.

DJ2: Right

James Allen: And so...

DJ1: So you don't ever want to look at the queen again is that what you're saying

James Allen: No, actually I'm a royalist – I'm all for the queen, that's the problem I had sworn that it was impossible to live for a year without cash and the next morning the bet was in my name, it was a sportsman's bet and yeah

DJ1: And you've stuck with it, I mean there are tales that you've walked past £50 notes on the floor and haven't picked them up is that true?

James Allen: Yep absolutely yeah, my friends haven't ever forgiven me for that one.

DJ1: And have you paid with plastic for everything, literally down to a few pennies.

James Allen: Yeah

DJ2: People let you do that?

James Allen: Yeah absolutely, I think the most heinous example of that is that I once bought a carrot on my debit card in one of our more popular supermarkets.

DJ2: You drive me crazy if you're in a shop, I think it's unacceptable to use your card for anything under £10.

James Allen: really?

DJ2: Yeah, because you're delaying everyone behind you in the queue.

James Allen: No, that takes two seconds to do that, at least i'm not scrabbling around for my change. The one real bad example of this and one that I have a bit of a personal vendetta against them is the cheques, that takes much longer but cash, the shrapnel the 7p for the carrot, that'll take me longer than dialing in four digits.

DJ1: James Lowman from the Association of Convenience Stores, people like other James here must drive your members nuts.

James Lowman: No, I wouldn't say that, look I think that customers are always welcoming paying by different means. Our members are actually pretty excited about things like contactless payment which may provide the opportunity for customers who don't want to build up credit or want to use prepaid cards i know i was talking to James before and he was saying that he does that, he uses contactless cards so I think that all of those things are all good, I think what matters...

DJ1: But it is more costs for your members though so they want the cash

James Lowman: I think i'm more focused on the trends that are making local shops more important to people, the fact that you've got more single person households, more aging population and generally, there's a trend over the last decade now of people tending to shop more often for less and that's one of the things that's driving people to use cash more than cards as well, so I think those trends are very much in our favour.

DJ2: It's easier to fiddle if it's all cash

James Lowman: Your words not mine. Allegedly.

DJ1: Plastic James, you won't mind if I call you that do you

James Allen: It makes it a bit easier.

DJ1: Have you actually been banned from any of the shops for doing this?

James Allen: I haven't been banned from any shops for doing this, I've actually been forcibly evicted from what is actually my local convenience store for erm, I happened to go in there with a reporter and a photographer back when I first started doing this and one of the papers caught wind of me doing it and I dont know what was going on in the store but they didn't approve of me going in there so off I went. Yeah, that wasn't too good but no, I've never been evicted for just using cards at all.

DJ1: 23 months, do you think you're completely purged of cash, do you think you'll ever go back to it?

James Allen: Well, I think, James and I were talking about this outside and it's one of those things that at the end of the 12 months I got really close to using cash and was actually looking forward to using cash for all of the things I hadn't been able to get over like small gigs where there's a charge on the door things like that. It was actually the morning of the anniversary where I decided right, i'm going to go and use cash and the cashpoint that I went to didn't have any money in it.

DJ1: There you go it's divine intervention. We're going to have to leave it on that lovely note there, James Lowman Chief Executive of the Association of Convenience Stores and James Allen, a vowed fan of plastic, both thank you very much.