

# COVID-19 IN THE CASH-HANDLING CYCLE AND ITS WORKING CONDITIONS

## *MTF Working Group/ Cash-handling*

*Fernando Garcés (Coordinator)- Banco de España*

*Raoul Barone- Banca d'Italia*

*Denis Montagne- Banque de France*

*Severine Vergnolle- Banque de France*

*Pol O'Fortuin – Central Bank of Ireland*

## INTRODUCTION

National Central Banks play a crucial role ensuring that all citizens have access to cash. Cash-handling, by its very nature, is predominantly physical work. Due to the Covid-19 emergency, the normal way of working has dramatically changed. The Executive Bureau of the SCECBU and the MTF Working Group consider it important to carry out research about the impact of Covid-19 to our normal working conditions.

For each section you will find the outcome of the analysis, supported by comments and graphs.

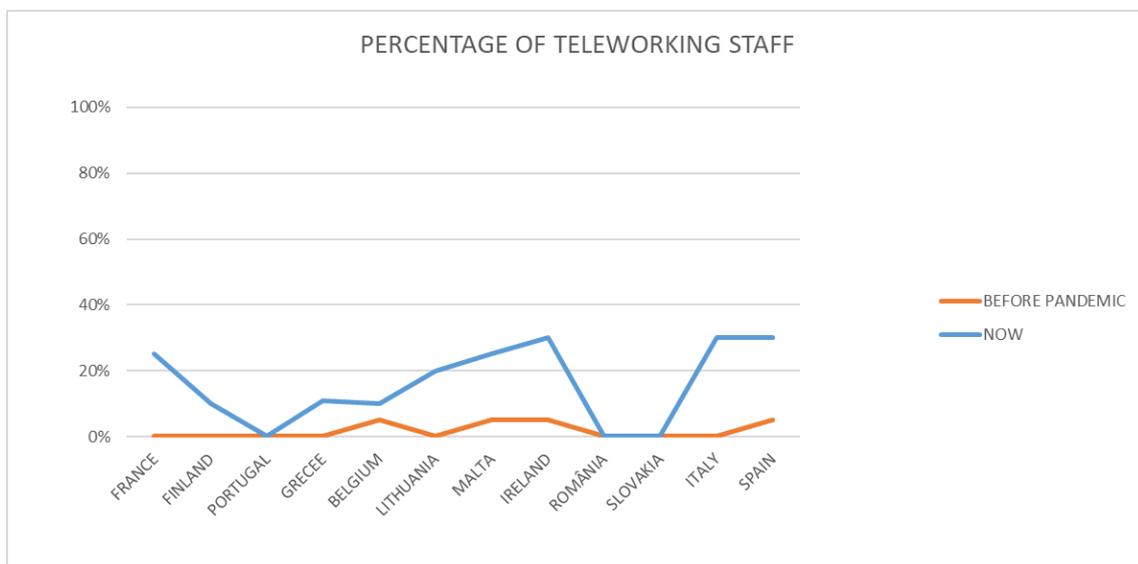
### 1. GENERAL VISION

In this paragraph, our aim is to provide a general overview about the impact and changes that Covid 19 has had on the staff involved in Cash-handling Departments.

Due to the special characteristic of this work, including colleagues involved in technical and supporting areas (logistic, maintenance, counterfeit, IT) the option to telework during the pandemic was limited. Only in some special cases (i.e. outbreaks in branches) the activities of sorting and cash-handling banknotes were suspended or reduced.

We received 12 answers, 11 from € area countries and 1 from outside € area, and in comparison with other business areas of NCBs, the average of teleworking was very low. We must point out that before the pandemic this average was almost zero, and, currently, the best situation is around 35%.

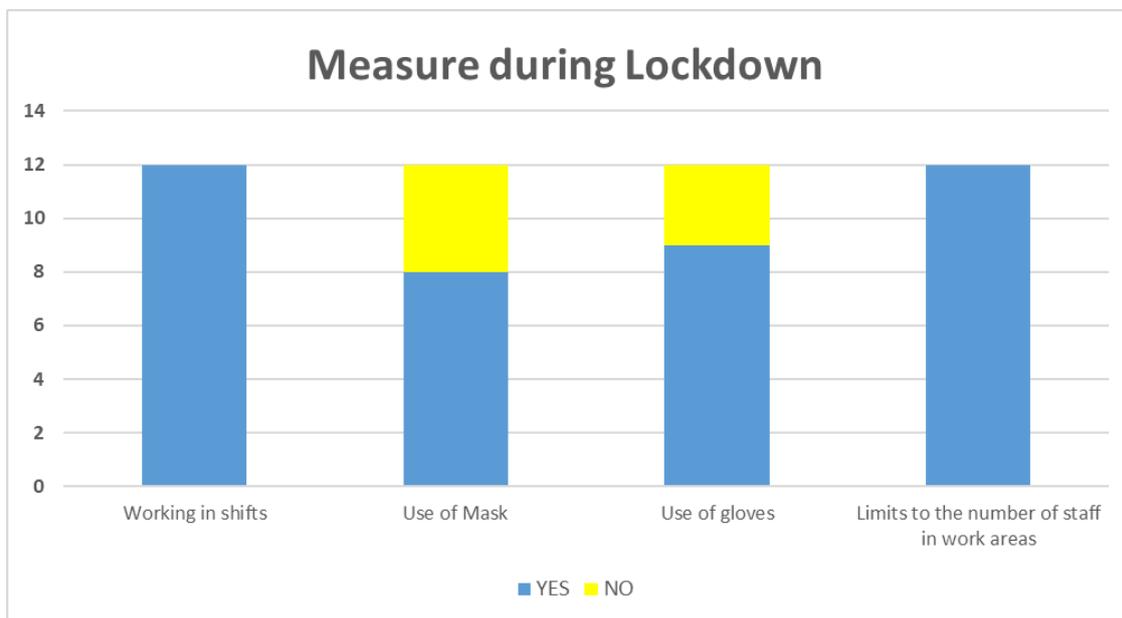
Answers are, in some cases, personal opinions of the respondents.



### 2. WORKING CONDITIONS DURING PANDEMIC

In this paragraph we have tried to focus on the measures taken during the lockdown in many countries as well as the impacts on the working conditions, with regard to health and safety measures and the impacts on salaries.

Regarding **wages**, no impact has been reported by all respondents, including staff remaining at home due to the safety measures taken.



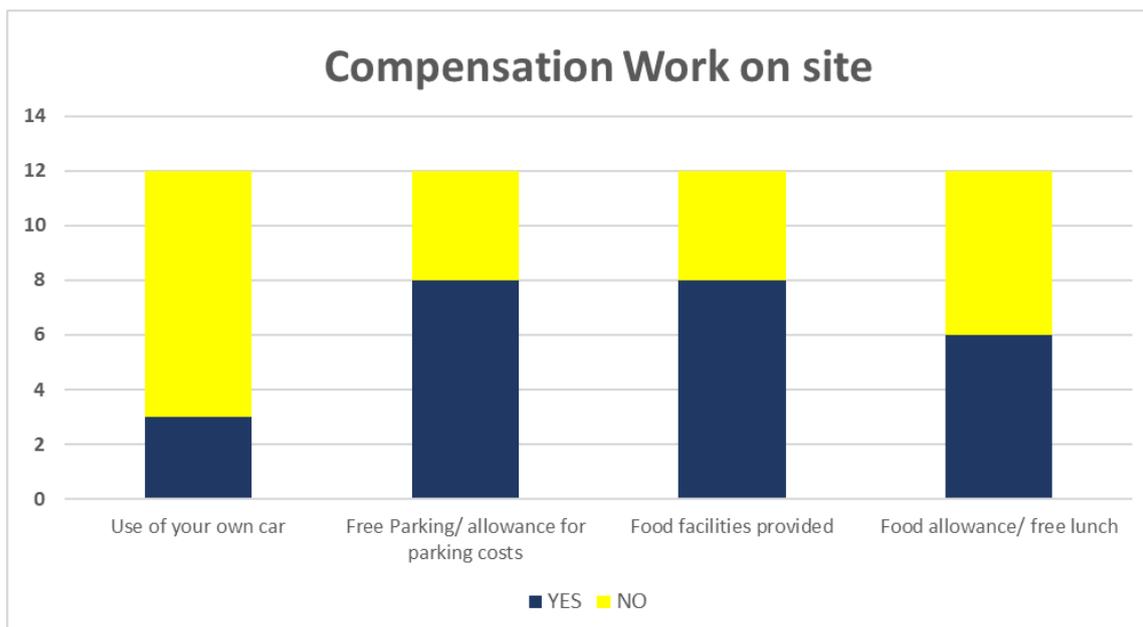
The graph above outlines the main measures taken to preserve the staff's health during the lockdown. It is clear the use of working shifts and the maximum number of staff in work areas were adopted by all the CBs. Also, we note, with some concerns, that not all the CBs considered the usage of facial mask and gloves as mandatory.

Below you can read some answers received from the respondents related with the general measures taken:

- Staff members were split in two groups in every department and worked on a week in, week out basis. This measure was considered as an adequate preventive measure.
- At the beginning of the pandemic, the inflows of the banknotes were in quarantine for fourteen days before being handled by the cashiers.
- Free of charge distribution of surgical masks, rubber gloves, hand and surfaces disinfectants, protective hands cream and antibacterial hygienic wet wipes in sufficient quantities to all staff for daily use.
- Twice a day a cleaning team disinfects workstations and other devices used such as telephones, keyboards, mice, etc.
- Shifts were implemented usually on a weekly basis.

We also asked for benefits provided by the banks for **the staff working on site** during the lockdown and the main answers are outlined below:

- An extra day-off for each week on site.
- The bank arranged transportation for employees who did not have their own car.
- Reimbursement of childcare costs for staff who had to work at the banks premises.
- The canteen was closed for hot meals, but a free "take away" lunch was provided to all personnel who were required to be on site; externals weren't allowed to use the canteen anymore.



The graph above outlines the main measures taken to compensate staff working on site; the more relevant were facilities for parking (avoiding public transportation) and food facilities.

### 3. COMING BACK TO “NORMAL” WORK

In this paragraph we have focused on the different measures implemented to assist with the general return to working on site. All the respondents said that the banks provided a health & safety plan to return to work on site. However, in only 4 NCBs, discussions between the Trade Unions or the staff committee and the employer took place and return to work plans were agreed.

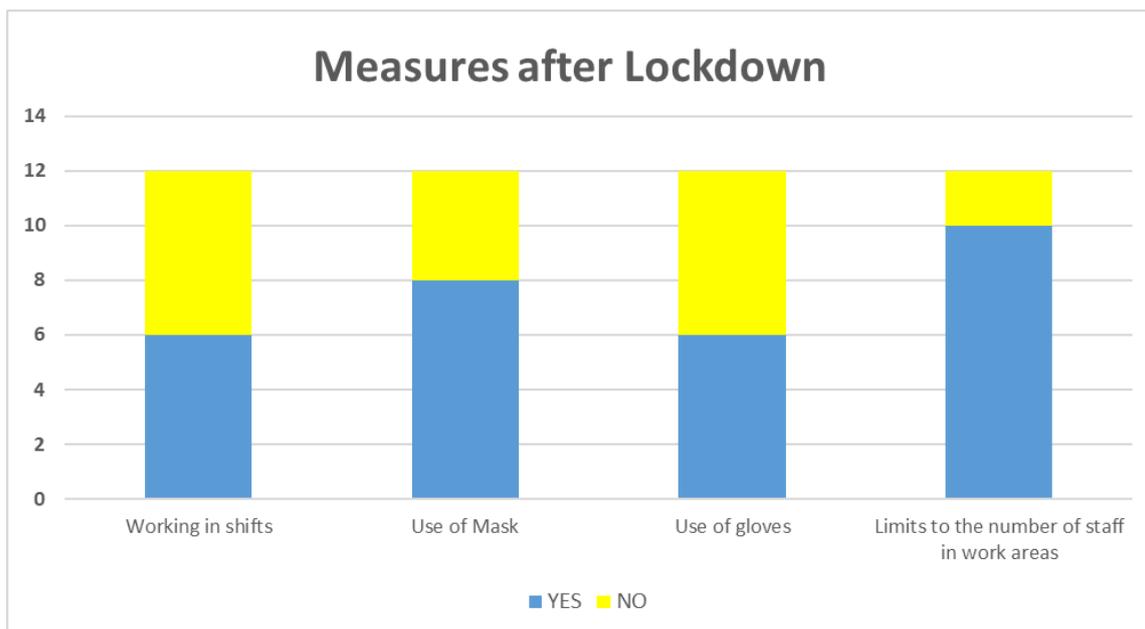
There is a wide disparity in the number of colleagues working in the cash centres (from 7 to 450 people) in our NCBs; this shows us the complexity of the approach to achieve a common return to work plan.

The graph below outlines the main measures taken to preserve the staff’s health during coming back to the “normal work”.

These further measures have been taken in addition to the measures implemented during the lockdown.

These measures are outlined below:

- Body temperature is checked before employees enter the premises.
- Installation of plexiglass to ensure “social distance” among employees.
- Blood Covid 19 testing for employees before re-starting work
- Physical team meetings are forbidden in order to preserve “social distance”
- Limits to the number of staff in social areas (i.e. canteen ) to preserve “social distance”



#### 4. FUTURE USE OF CASH

In this section we are asking our colleagues to give their views about the future use of cash, by asking for responses to two questions.

The first question is related to the **effects of the pandemic on the cycle of cash**. The main answers are outlined below:

- The use of cash declined during the pandemic and therefore the sorting volume was less than normal. Now it seems to be recovering a bit, but it is still less than normal.
- Number of cash operations has decreased significantly.
- Demand for cash has decreased during this period since people have opted for card and online payments and the number of tourists diminished completely.
- It is difficult to judge how much the usage of cash will increase as society returns to "normal life". In Ireland, cash is the main method of payment in the hospitality sector particularly pubs and restaurants and it is likely that cash usage would return to a great deal in these areas.
- All new cash entries from the commercial banks are, at present, being retained for 14 days in **quarantine** before being processed.
- In Italy, sometimes, due to the lack of cash handling, there were some problems for small shops to get banknotes of small value (€ 5 or € 10). In fact, in Italy most of the ATM distributes banknotes of € 20 or € 50. Anyway, the sense of responsibility of colleagues that worked onsite in areas where there were big problems during the first phase of the pandemic (March, April) allowed the system to work efficiently. It must also be taken into consideration that in Italy, due to the strong wish and commitment of the Trade Unions, there is still a sufficient number of branches. It allowed the Bank to replace the "production" of some branches, temporarily closed in the most affected areas, with other branches close to them.

- A reduction in cash-handling is taking place. We had an increase of the amount of withdrawals of money at the beginning of the pandemic and now we noticed a reduction in the deposits.

The second question is related with the opinion about future use of cash after this Covid 19 experience, and the main answers are outlined below:

- The pandemic combined with the unconstitutional measures taken by the government last year (by imposing tax penalties for not using electronic means of payments for at least 30% of one's gross income) are definitely a significant blow to the use of cash in Greece.
- The return to the situation before the pandemic is expected to be slow and gradual.
- Due to the recommendations to pay as much as possible cashless & even contactless, many customers got used to these payment methods, but possibly a certain number who prefer to keep their spending pattern private will return to cash payments. Moreover, the less privileged social groups have not the tools to pay cashless.
- There may be a decrease in the use of cash in the future.
- The normal cycle of cash usage has been greatly affected by the pandemic as most transactions are now carried out by electronic means due to fears associated with handling cash. Supermarkets, garages and those shops that are currently trading have all requested that transactions be carried out electronically if possible.
- The use of cashless ways of payment has significantly increased, but the use of cash is not in real danger and will not decrease. No banknote in the world is completely clean/sterile, but the risk of being contaminated by touching or handling a banknote is quite low. Many other objects in everyday life are perhaps more contaminated than banknotes, being touched by hand by many people: door handles, elevator knobs, supermarket trolley handles, subway railings, tram and bus handrails, even mobile phones, so that only proper personal hygiene can protect us from the possible transmission of viruses and micro-organisms.
- The use of cash will remain an important instrument of payments in Italy also after the pandemic. Italy has many old people, that prefer to use cash, because it is easy and expenses can be controlled. Some people do not have confidence with the banks and familiarity with the complexity of their online tools. There are also some fears related to the application of some capital taxes. Some people don't forget that in 1992, during a crisis, the Government withdrew from the bank accounts of all the citizens 0.6% of the total amount of their deposits.

## 5. CONCLUSIONS

The SCECBU has always considered that cash handling is a fundamental activity of the Central Banks. In the Guidelines of 2015, still in operation, we expressed our worries concerning the tendency of outsourcing of the duties to private companies, the closure of branches and the trend to concentrate all cash handling activities in a few large centres throughout Europe.

During all the Social Dialogue meetings at ESCB level with the ECB we always insisted on keeping these points.

During the last number of years new technologies have started. Fintech and the blockchains, a wider usage of electronic money has been developed in our world. But the “old-fashioned” banknotes (as someone from the ECB called them during a Social Dialogue meeting) are still very much used and appreciated by the European citizens. They are the only instrument that physically make people of 19 countries aware of being joined and linked by common values.

And, during this pandemic, the cash handling of banknotes, also in countries that have not adopted the euro, allowed people to use our important commodity.

This was ensured by the activity of many colleagues of the Central Banks, that, differently from others, had to physically work and had to handle banknotes that could have been a means of transmission of the virus.

We appreciated that in the worst period of the pandemic the Central Banks allowed colleagues to remain at home by providing the entire salary.

But we also noticed, unfortunately, that in some cases some Central Banks have not put in places all the security measures for avoiding any kind of risk for our colleagues that had to work on-site.

In some cases, they insisted for working on-site, even in periods or in geographic areas where it was very dangerous (many cases of Covid-19) and not necessary (the lockdown strongly reduced the need of banknotes).

Many decisions were taken unilaterally by the Central Banks, without involving the representatives of the employees, or without taking into due consideration their proposals and remarks.

This period must be a lesson to be learnt by everybody. It must make everybody aware of the importance of the banknotes, of the risk of the outsourcing (private companies could not have taken the same security measures provided by the central banks, because their “duty” is to make money), and, last but not least, of the extraordinary job, in very difficult conditions, with enormous risks, done by our colleagues working in direct contact with the banknotes. We want to express hereby our gratitude, also as European citizens, to these colleagues.

The TMF working group of SCECBU will raise and stress these points during the next meeting with the ECB President, hopefully at the end of this year.