

### Medway Card Payment Mandate MLTDA additional information

#### Background

Traditionally the choice of allowing a customer to pay by card or make a cashless payment in a Medway Taxi and Private Hire vehicle is left to each individual vehicle proprietor. At present the majority of Medway drivers (approximately over 60%) do accept card, but as there is no policy requirement for drivers to accept card or a cashless payment for the fare due, there is no consistency of this service across the Medway fleet.

Mid 2020 at the start of the pandemic the MLTDA surveyed all members on whether as a trade in Medway we should mandate that all vehicle proprietors should accept card or contactless cards as a method of payment. This was mainly due to the general public feeling that paying by card was a safer and more convenient way to pay. Mandating card payments in Taxi and Private Hire vehicles was also considered a way to modernise the service that is expected by the public.

Of the drivers that responded to the survey 52% were for a card mandate and 48% against.

Several issues were raised by the trade during this survey, with the main sticking point being the signal outages in parts of Medway especially in the Hoo Peninsula. In order for a card transaction to be made in the vehicle there needs to be a mobile data signal present.

Since mid 2020 the mobile data signal strength has improved considerably with the introduction of 5g networks and in general there has been a vast improvement of mobile data signals across the whole of Medway.

Recently there has been reports of some serious safeguarding issues, with vulnerable members of the public left stranded late at night, unable to get home safely within a Medway licensed Taxi or Private Hire vehicle because the driver was unable to or refused to take payment via a credit or debit card or a contactless payment via a mobile phone.

In the interest of public safety and as a vital step in modernisation of the service in Medway. A Medway card mandate will ensure the safety of the public using Medway licensed Taxi and Private Hire services and provide confidence in and consistency of service across the fleet that is expected by the fare paying public.

## **Cashless payment mandate Brighton and Hove BC policy wording with additional insert**

Hackney Carriage and Private Hire vehicles as a condition of licence must have a functioning card payment device available for passengers to pay any fare due from the (date to be agreed). The card payment device must be in the public view, connected and working at all times to ensure customers are able to pay by card.

A proprietor may also have a receipt printing facility should they wish to do so.

It is important that any cashless payment device be in the public view within the vehicle while connected and working. A payment device that is connected and working but hidden in a driver's glove box will not reinforce the public's confidence in the ability to pay by card.

### **Card payment devices**

There are two different types of card readers/terminals available to accept card payment in Taxi and Private Hire vehicles :

- Fixed card payment reader/terminal usually hard wired into the vehicle
- Mobile/portable handheld rechargeable reader/terminal

Fixed card payment readers/terminals are usually hard wired into the vehicle. These readers/terminals require a fixed mount onto the dash or other suitable area within the passenger compartment of the vehicle via a screw mounted bracket. This type of reader/terminal is traditionally installed into larger public and private hire vehicles like the purpose built London Black Cab where there is sufficient space for them to be installed in the passenger compartment. Fixed card readers/terminals have an integral mobile data sim card installed to authorise card payments. These readers are supplied directly from the merchant and require fitment by an authorised auto electrician.

Mobile handheld card readers/terminals are a smaller device that can usually be mounted on the dashboard by a mobile phone holder and recharged directly from a 12v or USB socket. The majority of these readers/devices require a bluetooth smartphone connection to take card payment using an app that uses the mobile data from the smartphone to authorise the transaction. There are also available mobile rechargeable stand alone readers/terminals that have a data sim card integral to the reader that does not require a bluetooth connection to a smartphone and access to an app. The stand alone handheld readers/terminals are usually larger in size in comparison. The portable handheld readers/terminals can be purchased and supplied directly from the merchant and are dispatched by post, they do not require professional fitment. A few of these mobile handheld readers are also available from major retailers for example, Currys PC world or Tool Station.

## Card payment merchants and fees

There are several companies supplying card payment readers/terminals and are often referred to as credit card merchants. Below is a list of a few popular card payment reader/terminal suppliers and merchants :

LoPay, Zettle, PayPal, Square, Sum up, Dojo, MyPos, Stripe, Worldpay, Barclay.

The cost of mobile handheld card payment readers/terminals range from as little as £15 to £150. Some merchants will offer their card reader/terminal free of charge or at a reduced cost as part of a promotion.

A fixed card reader/terminal is usually offered at no cost, however there is usually a lengthy contract attached within the terms and conditions.

Most card processing merchants will charge a transaction fee for each transaction processed. This can vary depending which card is used for example amex, visa credit or debit cards, Google pay or Ipay. Typically card transaction fees average between 0.8% and 2.5%.

Some card processing merchants will also charge a fee of 20 to 30 pence per transaction on top of the transaction fee percentage charge.

Most card processing merchants provide their processing service without the need for a monthly or yearly contract with no monthly contract fees. However, a few merchants (mainly the fixed terminal providers) require commitment to a monthly or yearly contract with a fee payable, typically £20 to £30 per month on top of the transaction fee percentage charge.

On top of the card transaction processing fees, there may be an extra fee for services such as chargebacks, sending invoices or accepting international payment cards.

As you might expect, the cost of these optional add-ons will depend on the card merchant's contract, but to give an idea:

- Chargebacks (when a bank has to withdraw money from your account to return it to a customer) generally cost between £10 and £20
- Invoices and foreign card processing often add a percentage point to the credit card processing fee
- Refunds (when you voluntarily return money from your business account to a customer) generally cost between 30p to £1

Due to there being several merchants all with different terms and conditions and pricing structures, the choice of which credit card merchant and reader/terminal to use in order to accept card and contactless payments in their vehicle, should be left to each individual proprietor. So each proprietor has the option to choose a merchant provider that suits their business needs.

Since 2018, it has been illegal for businesses to impose surcharges onto customers for paying by debit card, credit card or electronic payment services. Therefore any fees incurred fall upon the individual driver as a business expense.

### **Receipts**

The receipt printers available for mobile card payment readers/terminals are quite costly and can be bulky and difficult to store when not in use. All mobile card reader suppliers do offer a digital receipt by email or text after each transaction.

It is stated in the Medway Taxi and private hire policy 2021-26 section 8.64.84 :

‘Any driver must, if requested by the passenger, provide a written receipt for the fare paid.’

This section is broad enough to also facilitate any card transactions. Therefore it is not necessary to mandate that proprietors must have a receipt printer for card transactions.

### **In the event that there is no signal or the terminal malfunctions or breaks (reworded for Medway)**

Source : <https://tfl.gov.uk/info-for/taxis-and-private-hire/accepting-card-payments>

### **Network data outages and local network blackspots**

If there is a documented network-wide outage or local network blackspot affecting many card payment devices, affected drivers should advise passengers - before accepting a fare - that they cannot take a card payment and why. Advise passengers that cash payments can be taken and offer to take them to a cashpoint.

Should a problem occur, our advice to drivers is:

- Ask the passenger to try their payment card again
- If the issue persists, ask the passenger whether they have another payment card or cash to pay for the fare
- If not, offer to take the passenger to the nearest cashpoint

If a passenger refuses to pay and an amicable agreement cannot be found, drivers should consider contacting the police.

All taxi drivers must check that the card payment device is fully working before starting work.

If a taxi driver experiences any problems with their card payment device they should contact the provider of the card payment system as soon as possible in order to report the problem and rectify the issue.

### **MLTDA member assistance in adopting new working practices**

It must be pointed out that several of our senior Taxi and Private Hire drivers do have difficulty in using technology. Some drivers are technophobic so using a card reader/terminal to take payment efficiently will be a big hurdle to overcome.

The MLTDA team is always there as a support network for any driver that may face difficulty. If the card mandate is authorised by the committee the MLTDA team intends to set up workshops to assist and advise any driver that may have difficulty in adapting to this new method of payment.

Nigel Jackson

Chairman of Medway Licensed Taxi Drivers Association