

COUNCIL

19 OCTOBER 2023

CONTACTLESS PAYMENT FACILITIES IN TAXIS

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Summary

The purpose of this report is to present the results from the consultation on amending the Hackney Carriage and Private Hire Policy to include a mandatory condition for all licensed Hackney Carriage and Private Hire Vehicles to have a functioning cashless payment facility available for fare paying passengers.

The report was previously considered by the Licensing and Safety Committee on 23 August 2023, which recommended the policy change to Full Council for approval.

The minutes of the discussion at Licensing and Safety Committee are set out at section 7 of the report.

1. Recommendation

- 1.1. The Council is requested to approve the inclusion of the following requirement in the Hackney Carriage and Private Hire Policy:

“Card Payment Machines

All licensed Hackney Carriage and Private Hire Drivers must provide a card payment facility in accordance with the Guidance for Electronic Payment Devices.”

2. Budget and policy framework

- 2.1. The Licensing and Safety Committee’s Terms of Reference state that the Licensing and Safety Committee will make recommendations to Council for approval of any changes to a licensing policy.

3. Background

- 3.1. Some Members have been approached by their constituents regarding taxi drivers without card payment facilities in their vehicles turning passengers away.
- 3.2. This could be seen as a public safety issue, putting passengers at risk especially for vulnerable passengers late at night.
- 3.3. Contactless technology was introduced in 2007 and by 2017 contactless payments increased by 97%. COVID-19 accelerated the use of card payments during the pandemic and this method of payment has become the norm for most commercial businesses and favoured by a large percentage of the population for even small, single item purchases.
- 3.4. Cashpoint use has decreased nationally resulting in their removal from some locations, including High Streets, due to a lack of demand.
- 3.5. Hackney Carriage and Private Hire drivers could make more money if they had a card payment machine as they would not be turning customers away, and customers would not need to limit the extent of their journey due to the amount of cash they have available.
- 3.6. The costs associated with card payment machines vary; it is dependent on the provider. Attached at Appendix A is a table detailing the most common card machines used by the Hackney Carriage and Private Hire industry and the associated costs.
- 3.7. There are concerns regarding collection of fares where a payment machine fails at the destination due to signal outage or technical fault or if the customer's card is declined due to insufficient funds.
- 3.8. Attached at Appendix B is a submission from the Medway Licensed Taxi Driver Association (MLTDA).
- 3.9. Following the increasing number of complaints received by Members of passengers being turned away for wishing to pay by card it was proposed to include the addition of a mandatory condition to Appendix B of the Hackney Carriage and Private Hire Policy:

Card Payment Machines

All licensed Hackney Carriage and Private Hire Vehicles must be equipped with a card payment system in accordance with the attached Guidance for Electronic Payment Devices

The guidance is attached at Appendix C.

- 3.10. At its meeting on 7 February 2023, the Council's Licensing and Safety Committee agreed for officers to consult on the proposed policy change and present the results for consideration at a future meeting.

4. Options

- 4.1. Please see Appendix D – Consultation Responses and Appendix E – Officer comments and recommendations.

5. Advice and analysis

- 5.1. A Diversity Impact Assessment identified the policy change may affect older drivers that struggle with new technology. However, the Medway Licensed Taxi Drivers Association will provide any assistance and training to any driver requiring such.

6. Risk management

- 6.1. A documented policy ensures a transparent and consistent approach to licensing that reduces the opportunity for challenge through the Courts. Challenges to a particular decision are more likely to fail if the Council can demonstrate that it has adhered to its published policy and there was no reason to depart from it. Any departure from the policy will be based on material evidence and will be documented giving clear and compelling reasons for such departure.

7. Licensing and Safety Committee

- 7.1. The report was considered by the Licensing and Safety Committee on 23 August 2023 and the minutes of the discussion are as follows:
- 7.2. The Committee invited the Chairman of Medway Licensed Taxi Driver Association to join the meeting to contribute to the discussion on contactless payment facilities in Taxis.
- 7.3. It was suggested that consideration relating to a review of tariffs should be deferred as it was not linked to contactless payment facilities and therefore the tariff review should be discussed as a separate issue at a later meeting.
- 7.4. The Licensing Manager informed the Committee of the results from the consultation on amending the Hackney Carriage and Private Hire Policy to include a mandatory condition for all licensed Hackney Carriage and Private

Hire Vehicles to have a functioning cashless payment facility available for fare paying passengers.

- 7.5. The Committee discussed connectivity issues and set up costs and were pleased to note the support the Medway Licensed Taxi Driver Association planned to offer to drivers if the proposal was approved and implemented.
- 7.6. The Chairman of Medway Licensed Taxi Driver Association confirmed that the support in setting up contactless payment facilities would be advertised and made available to any licensed taxi driver in Medway.
- 7.7. The Committee noted that if contactless payment facilities in taxis were approved, there would be opportunities to publicise this facility to the public.
- 7.8. **Decision:**

1. The Committee agreed to recommend to Full Council for approval the inclusion of the following requirement in the Hackney Carriage and Private Hire Policy:

Card Payment Machines – All licensed Hackney Carriage and Private Hire Drivers must provide a card payment facility in accordance with the Guidance for Electronic Payment Devices.

2. The Committee agreed that the recommendation to authorise officers to implement a review of tariffs in liaison with Medway Licensed Taxi Driver Association be deferred and considered separately by the Committee at a later date.

8. Consultation

- 8.1. A consultation exercise was undertaken between 12 June 2023 and 23 July 2023.
- 8.2. 153 responses were received from the trade with 47 agreeing with the policy change, 73 objecting and 3 not specifying their option. 20 responses were received from Councillors; all agreeing to the policy change. No responses were received from the public.
- 8.3. For Members' information, Kent Online interviewed Vokes Taxis and published an [article](#) on 6 January 2023, which included a public survey. They asked the question:

Is it right to expect taxi drivers to accept card payments as well as cash?

The results are as follows:

Yes- it's the way the world operates nowadays: 637 votes

No – drivers can demand whatever type of payment they like: 132 votes

- 8.4. Attached at Appendix D is a summary of the responses received.
- 8.5. All comments received were considered by officers and our comments and recommendations are attached at Appendix E.
9. Climate change implications
 - 9.1. There are no climate change implications.
10. Financial implications
 - 10.1. The cost of consultation and publishing an updated policy would be met from within existing budgets.
 - 10.2. Revision of the Hackney Carriage and Private Hire Licensing Policy as outlined in this report is not envisaged to place any new financial pressures on the Councils as the cost of providing a contactless payment facility in licensed Hackney carriage and private hire vehicles would be borne by the licensee.
11. Legal implications
 - 11.1. There is no legal requirement for a policy, however it is best practice. This is different from the Licensing Act 2003 and the Gambling Act 2005 where a written policy is a legal requirement.
 - 11.2. Rights of appeal are granted to all applicants and licensees who are aggrieved by any licensing decisions.

Lead officer contact

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Appendices

Appendix A – Card Machines
Appendix B – Submission by the MLTDA
Appendix C – Guidance for Electronic Payment Devices
Appendix D – Consultation Responses
Appendix E – Officer comments and recommendations
Appendix F – Diversity Impact Assessment

Background papers

None