

# ACCOMMODATING ALL TYPES OF RAIL PASSENGERS

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Desk research – 13 Feb 2025



AUDIENCE UNDERSTANDING + CONCEPT TESTING + SOLUTIONS INSIGHT

transportfocus 

 quadrangle

# OVERALL

A range of different types of disadvantaged groups, but a lot of similarities which bind them together



- Digital exclusion is reported to make people x4 as likely to rely on cash
- And the profile of each audience is often reported as similar (e.g. elderly, low income, living in deprived areas)

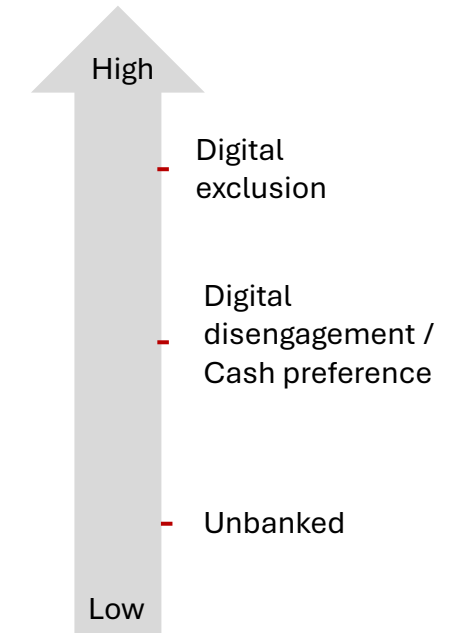


- While the unifying factor might be a desire to avoid specific types of digital/ online transactions – the primary driver for these differences can vary significantly, with the basis either built around either functional reasons (e.g. cost, budgeting) or emotional (e.g. no interest, don't want to change)



- It will be a long time before we have a cashless society and some consumers will have differing willingness to change behaviours. Digital exclusion and cash preference is often more nuanced than entrenched (e.g. it varies by circumstance).

Level of research & understanding




*Nb. Focus on recent sources due to the impact of the pandemic on society*

# THE UNBANKED - SUMMARY

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An under-researched, hard to reach audience



Few sources  
& hard to  
reach

- Few reliable sources – with the FCAs Financial Lives report the most comprehensive and frequently referenced by others
- By their nature, they are often marginalised groups, and therefore not easily researched



Key  
characteristics

- Despite the lack of sources, the FCA work provides valuable insight into the profile of this audience e.g. they are more likely to be 18-24 yrs old, Muslims, unemployed, have no educational qualifications, come from specific regions, have an illness or carer and... be digitally excluded



Reasons &  
Motivations

- Half are *not* interested in getting a bank account (22% would like one) – suggesting that it is not significantly impacting them
- However, some have previously been refused an account which could be influencing their lack of motivation



# THE UNBANKED (I)

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The main and most trusted source of information on the unbanked is the Financial Lives Study (6)

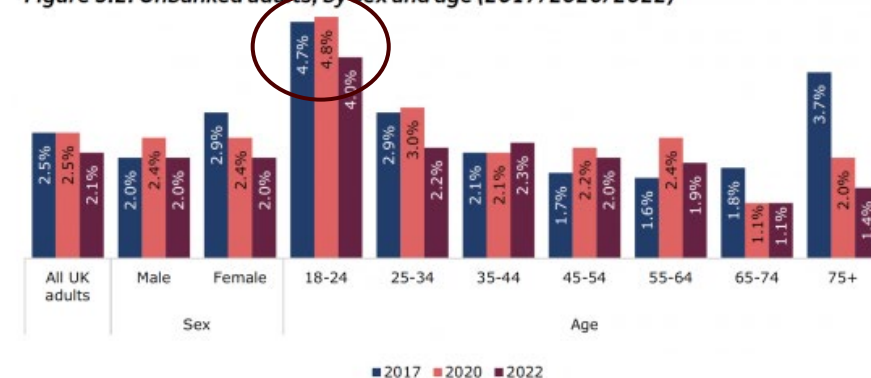
- Estimated 1.1 million adults, 2.1% of the population are unbanked (ie don't have a current account). 1.3% have no day-to-day account (e.g. a savings account)
- Who are the unbanked:
  - 10% of Muslims have no account
  - 7% of those without a job
  - 7% with no educational qualifications
  - 7% have an illness or carer
  - 6% of those who are digitally excluded
  - 6% of those in Southern Scotland
  - 4% in Greater Manchester and the West Midlands
  - 18-24 yr olds are twice as likely as 25+ yr olds

Table 5.1: Demographic groups most likely to be unbanked (2022)

	Unbanked (No current account)	Unbanked+ (No day-to-day account at all)
All UK adults	2.1%	1.3%
Muslim	10%	7%
Unemployed	7%	5%
Long-term sick, temporarily sick, looking after home, carer	7%	5%
No educational qualifications	7%	5%
Definitely have dyslexia, dyscalculia, or dyspraxia	6%	5%
Poor financial numeracy	6%	4%
Digitally excluded	6%	4%
In financial difficulty	6%	3%
Aged 18-21	5%	3%
Low confidence in managing money	5%	3%
Household income <£15,000	5%	3%
Students	4%	3%

Source: FLS Base: All UK adults (2017: 12,865/ 2020: 16,190/ 2022: 19,145) Question: POSum1. CAVEAT

Figure 5.2: Unbanked adults, by sex and age (2017/2020/2022)

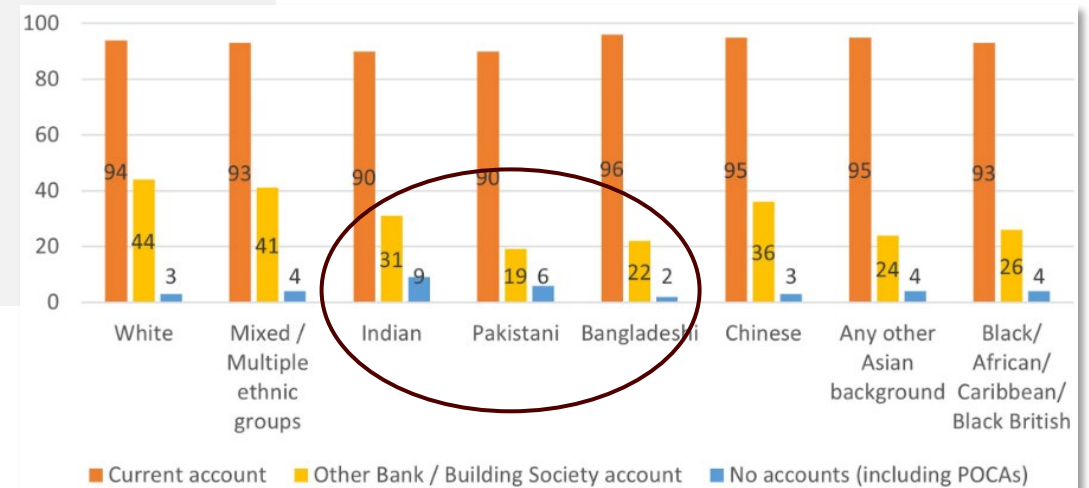


Source: FLS Base: All UK adults (2017: 12,865/ 2020: 16,190/ 2022: 19,145) Question: POSum1. CAVEAT

# THE UNBANKED (II)

- Half say they don't want or need a bank account – 22% would like one
- In 2022 – around one quarter of the unbanked were unaware that the largest banks have to offer everyone a basic bank account
- But many have been refused financial products
- Elsewhere, it is reported that the proportion of those who are unbanked “was nearly zero percent by 2021” (0.2%) – which is probably more of a reflection that they are hard to find in research than the true figure (7)

*The Family Resources Survey 2018/19 illustrates the impact of ethnicity on bank account holdings, with 6% and 9% of those with Pakistani and Indian origin not holding any account (11)*



# CASH PREFERENCE - SUMMARY

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Preference for using cash is divided between those who use it out of practical, budgeting necessity to those who have a “softer” preference

## Cost of living impact

- 6% of adults use cash for most or all purchases (FCA)
- The proportion of payments in cash has picked up since the pandemic after years of decline
- Use of cash for budgeting widely reported – and the profile of these consumers has similar characteristics to those who are digitally excluded

## Different motivators

- UK Finance report that a lot of cash use is “personality driven” rather than need – resulting in a broad cross-section of the population saying they prefer cash
- But other research points to a link to deprivation and the vulnerable e.g. the elderly, those on very low incomes, the digitally excluded etc.

## Cash and the railway

- Deprived areas / stations see far more cash transactions (e.g. stations in North of England)
- Previous research on this topic suggests that there is a range of customer types, from those heavily resistant to change, to those who may be more likely to change their behaviour.

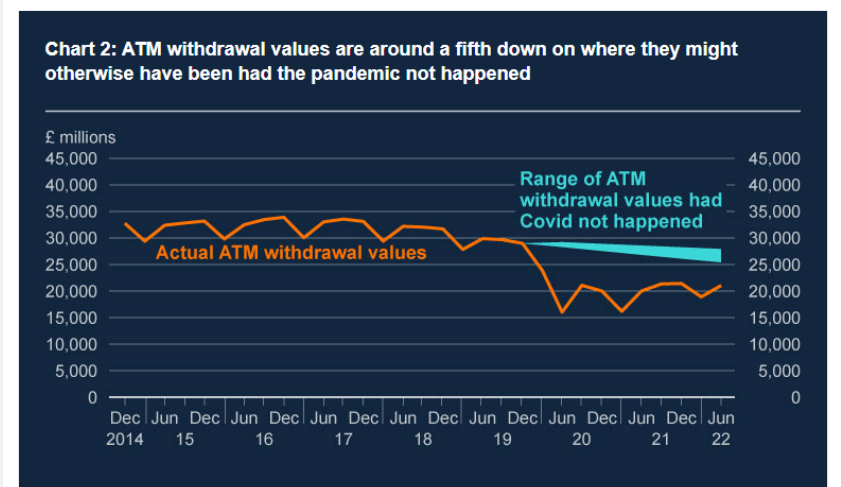
*“In 2011, 55 per cent of UK payments were made in cash. By 2032, only 7 per cent will be in cash.”*

# CASH USE & PREFERENCE (I)

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## Increase in cash popularity

- Cash use fell significantly during Covid, but it is widely reported that cash use has been on the increase in the past few years, however, it remains well below pre-pandemic levels (18, 19)
- The cost of living crisis is thought to have had a sustained impact, with those who mainly use cash appearing to increase in 2023, with many preferring to use it for everyday spending (1)
- Nationwide building society reported in January 2025 that cash use has risen for the third year in a row – and ATMs are not just being used for cash withdrawals with nearly half of transactions including mini-statements and paying bills. Before this, cash withdrawals had been on the decline 2014-2021 (17)
- The FCA has analysed data to understand the factors which have greatest impact on cash reliance:
  - 2022 6% of people rely on cash for most or all purchases
  - Digital exclusion makes people x4 as likely to rely on cash – the digitally excluded are more likely to be from low-income, poor health, older households
  - Cash reliance was also identified as higher for: those in Scotland and NI, the unemployed, living in urban areas
  - Interesting contrast with UK Finance and our own observations about cash preference also being prevalent within more unusual groups (e.g. some on higher incomes)



Sources: LINK ATM network and Bank calculations.

(Source 18,19)

# CASH USE & PREFERENCE (II)

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## Who prefers using cash


- While the assumption is that cash preference is heavily driven by **age**, its not as straight forward as that
- Not just those on lower incomes and is evenly spread across ages – in many cases it is personality rather than capability driven (1)
- However, as Age UK reports, the impact on the elderly and vulnerable of moving to a cashless society is most extreme – for those who rely on it for day to day spending the closure of branches, and increase in those places refusing to accept cash is “tantamount to being excluded from society” – it is a particular challenge in rural areas – for the elderly on lower incomes cash use is often about budgeting (2)
- Cash use preference among the elderly is often where there is a cross-over with digital exclusion (2)
  - Older people are often online but many do not like internet banking, this can be impacted by, for example, a partner dying who may have been responsible for financial management






# DIGITAL DISENGAGEMENT AND EXCLUSION - SUMMARY

A more heavily researched and understood area – especially exclusions (over disengagement)




## Affordability & accessibility

- 6% of the population don't have internet access at home – but half of those who don't go online at home, will get someone else to do it for them



## Attitudes and skills

- Although not clearly defined, research illustrates that a lack of digital engagement can be a combination of factors which it is possible to influence e.g. lack of interest; lack of confidence / skill; safety concerns – scams, viruses or data breaches; accessibility and user interface – too difficult to use



## Digital exclusion and the railway

- Digital exclusion impacting the ability to plan journeys. A general preference for choice and a range of options – including having someone to talk to

# DIGITAL DISENGAGEMENT & EXCLUSION (I)

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## Digital exclusion – highly varied causes

- 6% / 1.7m don't have internet access at home (15)
  - Half (52%) of those who do not go online at home get someone else to help
- Two types of digital exclusion – **disengagement** (motivational and personal reasons) and **affordability and accessibility** (14)
  - Associated with social, health, employment and financial inequalities – it can compound existing inequalities
  - Data suggests that lack of interest is the top reason for being offline - other reasons include fear of scams, or lack of confidence and skills
  - Levels of digital engagement are on a spectrum – they engage in some things but not others – linked to the task, device confidence or current life circumstances
  - It is not clear what proportion of the public are disengaged as there might be multiple reasons and it is not clearly defined

## Reasons for exclusion

### Box 1: Key issues associated with digital exclusion

**Motivation:** Motivational or personal barriers preventing people from engaging online include lack of interest, low confidence, mistrust in the internet, or challenges with using the technology due to inaccessibility (see [potential reasons for disengagement](#)).<sup>7</sup> People may make a deliberate choice to not engage with some digital activities, such as owning a smartphone (see [selective engagement](#)).

**Ability:** Those lacking basic digital skills are excluded by not being able to navigate the online environment.<sup>5</sup> Lack of skills can also affect motivation.

**Access:** Digital exclusion can result from people lacking the infrastructure to access the internet, such as not having adequate broadband or devices to connect with.<sup>1,4,10</sup>

**Affordability:** Digital exclusion can occur if people cannot afford the costs of being online.<sup>11</sup> Ofcom's 2024 Adult's Media Use and Attitudes report found that 17% of people who did not have internet at home, did not have internet because of reasons relating to cost, for example of broadband and devices.<sup>a 4</sup>

(source: 14)

*“Many factors shape why some people don't wish or feel able to engage online - including **mistrust**; **poor experiences**; **fear or anxiety** about online harms or about making mistakes; **avoiding reliance on others**; and **preferring in-person contact**. These can intersect with other barriers and characteristics. Among people who are currently offline: 14% say **lack of interest** is a key reason; 11% find the **online world too complicated**; 10% **do not have access to an internet-enabled device**; 7% are **worried** about potential scams and fraud.” (Source: 8)*

# DIGITAL DISENGAGEMENT & EXCLUSION (II)

## Digital exclusion in society

- **“Digital exclusion and digital inclusion are not ‘fixed’ states.”** People may face one or more digital barriers, to different degrees, at different times, and related to other vulnerabilities or life events. People may gain or lose access; gain or lose skills and confidence; gain or lose support.” (10)
- However, it is felt that **“there will always be a group of individuals that will not engage online”**(15) and for them, it is recommended that service providers should “avoid viewing digital as a cheap substitute for good customer service” (16) and that “adequate service provision should be maintained for those who cannot or do not wish to use online services” (e.g. telephone and in-person) – endorsed by charities, industry and academic stakeholders (13)

## Groups most likely to suffer from digital exclusion

- **Low social grade<sup>c</sup> or income:**<sup>7,31,32</sup> People in lower social grades (D and E) are more likely to be digitally disengaged than those in higher social grades (A and B).<sup>2,7</sup> People with lower incomes are also more likely to be disengaged.<sup>31,33,34</sup>
- **Lower education and/or general literacy:** People who left education before 16 years of age, and/or have low confidence in general literacy, are more likely to be disengaged.<sup>7,32</sup> Older adults with a higher education level, who do not use the internet, may be more willing to start using the internet in the future.<sup>13</sup>
- **Households without children** are more likely to be disengaged.<sup>7,33</sup> Good Things Foundation<sup>d</sup> found that for every child in the household, non-users were 1.7 times less likely to say “it’s not for me” as the reason they were offline.
- **Older people:**<sup>32</sup> Older people (65+ years) are less likely to be online and/or have basic digital skills.<sup>2,17,31,33–36</sup> Older people are also less likely to believe that the internet is relevant to them.<sup>13,31,35</sup>
- **Disability or long-standing health issues:** Disabled adults are less likely to use the internet than non-disabled adults.<sup>17,33,36</sup> Ongoing health concerns, such as fatigue or chronic pain, may also make it more difficult to engage online if technology is inaccessible.<sup>33,37</sup> A 2024 report by Ipsos UK for the Department for Work and Pensions<sup>e</sup> (DWP) found that the greatest self-reported decrease in internet usage was amongst customers with long-term sickness or disability.<sup>19</sup>

(source: 13)

# DIGITAL DISENGAGEMENT & EXCLUSION (III)

## Digital exclusion in affordability

- The Good Foundation and Liverpool University have explored the topic of digital inclusion and identified (10):
  - 9% of households struggle to afford mobile (c2.6m households) (*Ofcom's Affordability Tracker*)
  - 8% of households struggle to afford broadband (c1.9m households) (*Ofcom*)
  - 14% of young people (8-25 years) lack access to a device suitable for learning (c2m) (*DYI*)
  - 4% of 8-25 year olds lack both a learning device and home internet (c570k) (*DYI*)

## Digital exclusion and the vulnerable

- The digitally excluded are identified as a key aspect of the “vulnerable consumer” – alongside health, poverty, affordability – while digital exclusion is on the decrease it will persist – in 2020 1-in-20 consumers never use the internet. And not all internet access is equal – speed and network coverage is inconsistent (5)
- Digital exclusion intersects with; older age and poverty (10)
  - 36% of Pension Credit customers (and 16% of all DWP customers) were currently offline (DWP)
  - 48% of people with no formal qualifications lack foundation Essential Digital Skills (CDI)
  - 37% of people aged over 65 years old lack the Foundation Essential Digital Skills (CDI)
  - 25% of people with a disability or health condition lack Foundation Essential Digital Skills (CDI)
- There is some reference to finding the “hook” to demonstrate the personal relevance and value of being online to non-users – with trust growing with more positive experiences.



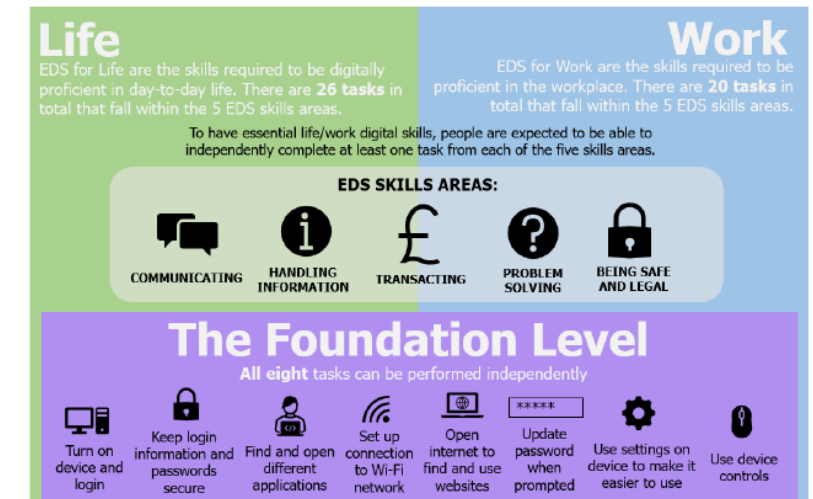
# DIGITAL DISENGAGEMENT & EXCLUSION (IV)

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## Digital exclusion – vulnerability and capability

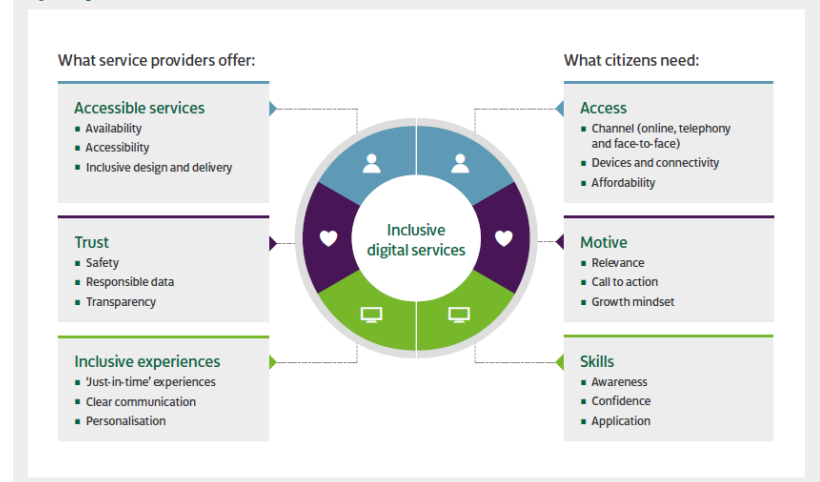
- Capability is a key issue: 23% of the population have low digital capabilities (8 - Consumer Digital Index, Lloyds Bank)
  - Age is the dominant driver (9-in-10 are aged over 50) – but 87% of those aged 60+ are online
  - 16% of adults lack the Foundation-level essential digital skills (c8.5m adults), 2% (1.3m) lack all of the foundation level skills - see EDS Framework below
  - 4% of adults are offline (c2.1m); 15% of whom are under 50 years old (c310k)
  - 25% of the digital excluded said that they struggled to interact with travel and leisure organisations because of not being online

Figure 2. Summary of the Essential Digital Skills (EDS) Framework



Source: Adapted from the Lloyd's Banking Group 2022 and 2023 Consumer Digital Indexes.

Figure 4. Digital inclusion model



# CASH USE & DIGITAL EXCLUSION & THE RAILWAY (I)

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- TF work identified that at stations in **deprived areas 1-in-3 transactions are made in cash** – which is higher than the average, and can include large stations in the North of England (e.g. Doncaster, Bolton, Hull, Middlesbrough, Halifax (3) – recommendations included:
  - Maintain cash as a payment method at stations where it is currently
  - Support people to buy online or using PAYG / simplify fares for greater passenger confidence
- **London TravelWatch** looked at the impact of digital exclusion or being digitally disadvantaged on travel in the capital (9)
  - They are more likely to be older, white, disabled and have lower incomes – factors which often overlap
  - 1 in 6 have been unable to buy a ticket without a digital device or internet connection, which prevented them from travelling
  - 1 in 5 thought they paid more for travel
  - They have less access to tools which help with planning around London e.g. planning info, payment platforms, up-to-date information
- Tackling transport related social exclusion in the **North of England**, Transport for the North identified a range of challenges – related to the type of people who are more likely to prefer using cash or are digitally excluded. One of the recommendations was to ensure that cash options for purchasing of tickets is still available (12)

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FOR DECISION MAKERS.




[info@quadrangle.com](mailto:info@quadrangle.com)

RESEARCH SKILLSET + CONSULTANCY MINDSET



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- 
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