



TAXI AND GENERAL COMMITTEE - 26TH FEBRUARY 2025

SUBJECT: PROPOSAL TO INTRODUCE MANDATORY CARD PAYMENT FACILITIES FOR HACKNEY CARRIAGE (TAXI) VEHICLES

REPORT BY: CORPORATE DIRECTOR, ECONOMY AND ENVIRONMENT

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1. PURPOSE OF REPORT

- 1.1 Under the Local Government (Miscellaneous Provisions) Act 1976 The Council is able to set its criteria and condition requirements for proprietors of hackney carriage (taxi) vehicles.
- 1.2 This report seeks to inform Members of the result of a consultation exercise regarding a proposal to adopt a mandatory requirement for proprietors / drivers of hackney carriage vehicles to have the means to offer passengers the ability to pay both card/electronic / cash. Members are asked to consider whether to mandate card and electronic payment facilities in all Caerphilly licensed hackney carriage vehicles (taxis).

2. SUMMARY

- 2.1 The Local Government (Miscellaneous Provisions) Act 1976 provides the legal framework for the licensing of drivers, vehicles, and private hire vehicle operators. The Council being responsible for its district or local authority area. The Council is therefore able to set its criteria and condition requirements for proprietors of hackney carriage (taxi) vehicles. Following a request submitted by a licensed Caerphilly hackney carriage driver, Members are asked to consider the comments received following a consultation exercise with the licensed trade concerning a mandatory requirement for card and electronic payment facilities in all Caerphilly licensed hackney carriage vehicles (taxis).
- 2.2 Currently hackney carriage vehicle proprietors have the option as to whether to afford passengers card/electronic / cash payment means. Those who provide this may hold a business advantage over those businesses who do

not. Comments made in respect of card machine costs are noted, as are concerns over mobile network coverage to facilitate card / electronic payment means. It is suggested that best practice would be for the vehicle proprietor to afford both payment options in keeping with technological advancements and enhanced customer experience. Members are asked to decide whether to mandate card and electronic payment facilities in all Caerphilly licensed hackney carriage vehicles (taxi's).

3. RECOMMENDATIONS

- 3.1 It is recommended that the Taxi and General Committee does not mandate the requirement for card and electronic payment facilities in Caerphilly licensed hackney carriage vehicles (taxis).

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 Having considered the responses to the online survey the ability to offer both card /electronic and cash payments should be seen as best practice at this time., It is noted that several hackney carriage vehicle proprietors already provide means for passengers to pay by cash and card / electronic means.

Those proprietors who currently offer this facility provide the option for passengers on methods of payment and will likely benefit from repeat business because of the customer experience afforded.

- 4.2 Several responses received following the consultation detail the current cost-of-living crisis and the impact of a mandatory requirement upon the hackney carriage (taxi) trade in having to source electronic payment facilities and the card / machine charges that are passed on to the driver. These charges will not be able to be passed on to the customer in an increased fare.

Furthermore, respondents have raised concerns as to the quality of the mobile network coverage given the topography of the borough that will enable vehicle proprietors to provide passengers with means to pay by card / electronic payment facilities.

5. THE REPORT

- 5.1 Section 47 (1) of the Local Government (Miscellaneous Provisions) Act 1976 provides that a district council may attach to the grant of a licence of a hackney carriage under the Town and Policies Causes Act of 1847 such conditions as the district council may consider reasonably necessary and section 47 (3) provides the safeguard of an appeal for anyone aggrieved by any condition attached to the licence.

The Council can therefore set its own requirements in its area for the licensing of hackney carriages (taxi's.)

- 5.2 Hackney Carriage vehicles (taxis) are vehicles that can be hailed from the roadside and the cost of the journey determined by the hackney carriage meter. Whereas Private Hire vehicles must be prebooked and the cost of the journey is known in advance.
- 5.3 Historically, cash payments were the preferred payment method for hackney carriage (taxi) customers; however, in recent years with improved technology this has shifted, and it is now common for members of the public not to carry cash, relying solely on card payments or preferring to use Apple Pay or Google Wallet via their smartphone.
- 5.4 A request was received from a member of the trade proposing that hackney carriage vehicles should be mandated to offer passengers the ability to pay by both card and cash means. A copy of the request submitted is reproduced for Members information at **Appendix A**.
- 5.5 By way of some background to this proposal, a similar proposal was considered by Cardiff Council leading to its implementation of a mandatory requirement for hackney carriage vehicles in their area on the 1st September 2024.
- 5.6 A consultation exercise on the proposal submitted to the Licensing Team was undertaken between the 6th November 2024 and the 6th December 2024. A copy of the email sent to Caerphilly licensed drivers, vehicle proprietors and private hire operators on the 6th November 2024 is reproduced for Members' information as **Appendix B**. The consultation survey form is reproduced for Members information as **Appendix C**. The questions in respect of Mandatory card payments from question 12 onwards.
- 5.7 In total there were 83 responses to the consultation exercise, 77 using the online form and 6 responses by email. The Consultation was circulated to a total of 442 licence holders, vehicle proprietors and private hire vehicle operators. This equates to a response rate of 18.7% of existing licence holders. 2 of the responses were received after the Consultation concluded but their comments have been included. A summary document of the online responses received is reproduced as **Appendix D**. The relevant information taken from question 12 onwards.

It is noted that 56% of those responding online were supportive of hackney carriage vehicles having the ability to accept payment by both cash and card, 39% were opposed to the idea and 5% didn't know.

- 5.8 The responses of licence holders in respect of Mandatory electronic / card payments have been captured under the following headings namely –
- Do you agree or disagree that drivers of hackney carriage vehicles (taxis) should have the ability to accept payment by both cash and card? Please give reasons for your response.* Reproduced for Members information as **Appendix E**.

What would you consider to be the benefits of introducing a mandatory requirement that drivers of hackney carriage vehicles (taxis) must offer

passengers the ability to pay by both cash and electronically / card?
Reproduced for Members information as **Appendix F**.

If drivers of hackney carriage vehicles (taxi's) were required to have the ability to accept payments by both cash and electronic means, what time period should be permitted for hackney carriage vehicle drivers to comply with this requirement? Reproduced for Members information as **Appendix G**.

- 5.9 Having considered the comments submitted in **Appendix E**. Those in favour of a mandatory requirement detailed that more and more passengers were requesting to pay by card, that it allowed customer freedom and was more convenient. Comments were received which suggested that many passengers don't carry cash and that the trade should move with the times, and it was 2024 not the 80s. Comment was made that by taking card payments, this reduced the amount of cash being carried which could reduce crime and improve safety for drivers. One responder indicated that their card charges were very low at 1%.

Those who disagreed with a proposed mandatory requirement highlighted the following concerns, that Card and machine fees impact upon the income taken by drivers and that a tariff increase would be needed to cover the cost of card fees and the impact in general. Comment was expressed that many proprietors used hackney carriage vehicles for schools only and as a result they would be required to install card payment device for no reason. Comments were received to suggest that card / electronic payments should be voluntary and not forced. Several concerns were raised about the quality of the mobile signal (allowing devices too work) in some areas. There was further concern about cards being declined. There was a wider concern that such a move would diminish the use of cash in society which would lead to a system that incurs charges and diminishes a drivers' earnings.

- 5.10 Having considered the comments contained in **Appendix F**, concerning the benefits of a mandatory requirement to provide card / cash payments, comments referenced young people rarely carried cash and that the public rather than the driver would benefit in view of card costs being borne by the driver. One respondent detailed that the public would not need to look for vehicles that had card payments and would not need to be driven to the cashpoint to withdraw cash. Further comments alluded to everyone carried cards and phones.

Comments were also received which detailed that there would be no benefit to the trade, only a financial loss, however the banks would benefit. One responder commented that the council should not be able to make drivers lose money by making electronic payments mandatory. Some respondents detailed that they had never been asked to pay by card.

- 5.11 Having considered the comments contained in **Appendix G** concerning the possible timeframe of implementation if a change was approved. Responses were mixed dependant on the respondents' views. Views ranged from a reasonable timeframe to the longer the better and ultimately that taking card / electronic payments should not be mandated and should be left to the individual vehicle proprietor. Views differed on the time required to introduce

payment facilities which would have a bigger impact on proprietors of larger fleets. Some respondents suggested that card payments had been simple to set up whereas other responses suggested that this may not be the case.

- 5.12 There is nothing to preclude proprietors of hackney carriage vehicles (taxis) from installing card / electronic payment facilities in their vehicles and currently several proprietors already possess card / electronic payment facilities. Those who have invested in such technology may hold a business advantage and afford an increased customer experience compared to those yet to provide the same.
- 5.13 Officers are aware of plans for a consultation on a draft Taxi Bill for Wales which is likely to consider minimum standards for vehicles and is likely to consider the possible mandating of payment methods such as card/phone and cash. However, the draft Taxi Bill for Wales is yet to be published.
- 5.14 Understandably there are concerns over the current mobile network coverage in some parts of the borough. The topography of Caerphilly County Borough does differ from our neighbour Cardiff Council who have implemented a mandatory requirement for its hackney carriage vehicles.

Information suggests that Mobile data coverage for Wales confirms improvements have been made with all areas currently having over 85% coverage, this is due to increase to 95% [Connected Nations Wales Report 2024](#) The extent of mobile data coverage for Caerphilly Borough is available on the Council's Website [Caerphilly - Caerphilly County Borough](#).

- 5.15 Equally understandable are comments concerning the financial pressures on the taxi and private hire trade referred to in the Consultation responses and potential setup and ongoing business costs for card / electronic payments that would be required if mandated.
- 5.16 Comments provided that that some hackney carriage vehicle proprietors chose to use such vehicles only for the purpose of school contracts should be disregarded as that is a business decision made by those vehicle proprietors.
- 5.17 **Conclusion**

Currently hackney carriage vehicle proprietors have the option as to whether to afford passengers card/electronic / cash payment means. Those who provide this may hold a business advantage over those businesses who do not. Comments made in respect of card machine costs are noted, as are concerns over mobile network coverage to facilitate card / electronic payment means. It is suggested that best practice would be for the vehicle proprietor to afford both payment options in keeping with technological advancements and enhanced customer experience.

6. ASSUMPTIONS

- 6.1 No assumptions have been made or were thought necessary.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 This report and the consultation exercise undertaken with the hackney carriage and private hire vehicle trade following a proposal submitted by a hackney carriage vehicle licensee. The outcome of the Consultation saw that over 56% of those who responded were in favour of introducing a mandatory requirement for electronic payment facilities for hackney carriage vehicles.

Those who responded highlighted concerns in respect of the current cost of living crisis and cost implications for proprietors in sourcing and implementing electronic payment facilities and ongoing transaction costs per electronic payment. In addition, there were concerns given the Borough's topography as to whether electronic payments could be facilitated in some areas.

Several responses highlighted that many people now tended to rely upon electronic payment options and that several responders were already providing both cash and electronic payment options. Those providing the same it is suggested affording a better customer experience to passengers.

It is suggested that the ability to offer both payment facilities should be seen as best practice, as opposed to implementing a mandatory requirement at this time.

- 7.2 **[Link to IIA](#)**

8. FINANCIAL IMPLICATIONS

- 8.1 There are no financial implications for the Council from the introduction of mandatory card payment facilities in taxis. There would however be a financial implication on the hackney carriage proprietors to purchase a card payment reader device, and an additional card payment processing fee per transaction.

9. PERSONNEL IMPLICATIONS

- 9.1 There are no personnel implications associated with this report.

10. CONSULTATIONS

- 10.1 This report has been sent to the Consultees listed below and all comments received are reflected in this report. Prior to the preparation of this report, a consultation exercise was conducted with holders of driver, vehicle and private hire vehicle operator licences, whose responses are contained within this report.

11. STATUTORY POWER

- 11.1 Local Government (Miscellaneous Provisions) Act 1976

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Date: 30th January 2025

Consultees: Cllr Shane Williams - Chair, Licensing and Gambling Committee
Cllr Walter Williams - Vice Chair, Licensing and Gambling Committee
Cllr Philippa Leonard - Cabinet Member for Planning and Public Protection
Mark S. Williams - Corporate Director Economy and Environment - williams@caerphilly.gov.uk
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Appendices: Appendix A – Request to Mandate card / electronic payments in hackney carriage vehicles
Appendix B - Email sent to Licence holders.
Appendix C – Consultation Survey form
Appendix D – Summary of online responses.
Appendix E – Consultation response Mandatory Card payments
Appendix F – Consultation response benefits
Appendix G - Consultation response Timeframe for introduction

Background Papers:

[Connected Nations Wales Report 2024](#)