

# East Herts Council Report

## Licensing Committee

**Date of Meeting: 25 October 2023**

**Report by: Oliver Rawlings, Service Manager – Licensing & Enforcement**

**Report title: Consideration of mandating card payment facilities in licensed vehicles**

**Ward(s) affected: All**

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## Summary

This report outlines a proposal to require taxi licence holders to have the ability to take card payments.

## RECOMMENDATIONS FOR Licensing Committee:

- a) That Members review and provide comments to the Executive Member for Planning & Growth on the proposal to introduce a requirement to provide card payment facilities in all vehicles licensed by East Herts to inform the Executive's consideration of any recommendation to Council for approval.**

## 1.0 Proposal(s)

- 1.1 That the report is received by members of the Licensing Committee and the consultation responses and draft policy are scrutinised.

## **2.0 Background**

- 2.1 East Herts is an authority that grants licenses for hackney carriage and private hire drivers, vehicle proprietors and operators.
- 2.2 The key purpose of the hackney carriage and private hire licensing regimes is to ensure public safety. This proposed change will ensure that persons will be able to pay for a hackney carriage or private hire vehicle and get home.
- 2.3 It is proposed that the ability to take electronic payments is made mandatory due to the swift changes in how we all make payments. Work with the local licensing trade indicates that only 5%-10% of taxi licence holders do not already allow card payments – see section 3 of this report. Covid accelerated an already growing trend towards electronic payments, with fewer people carrying cash. We need to ensure that our licensed vehicles are accessible to all, as they form a vital and safe form of transport for members of the public.
- 2.4 Non-payment is an ever-present risk for drivers, adding another method of payment makes this less likely rather than more likely. Drivers would still be able to accept other existing forms of payment.
- 2.5 The statutory taxi and private hire vehicle standards issued by the Department for Transport (DfT) has a section which covers 'Changing licensing policy and requirements'. This section suggests that a pragmatic approach should be taken to the time scales for implementing changes in Policy.
- 2.6 Given this view, it is proposed to give existing licence holders a period of three months from the decision being taken to implement the Policy for them needing to evidence compliance. This is considered more than adequate for the 5-10% of the trade that don't already have card payment facilities to arrange this.
- 2.7 Scrutiny by the Licensing Committee is now being sought, with any comments and suggestions being passed to the Executive

Member for Planning & Growth for consideration prior to presentation to the Executive on 28<sup>th</sup> November 2023 seeking approval to recommend the policy change to Council on 13<sup>th</sup> December 2023. If the Policy is approved by Council on that date, then all licensed vehicles would be required to have card payment facilities in place by 13<sup>th</sup> March 2024.

- 2.8 Should the Policy be implemented, then changes will be made to East Herts webpages to inform customers of the changes and remind them of their responsibility to be able to pay for a journey regardless of the means used. Officers will also update the webpages to inform prospective licence applicants of the change and provide them with links to an updated handbook with the new Policy wording included.

### **3.0 Reason(s)**

- 3.1 In March 2023, a short four question survey was sent to the whole East Herts licensed hackney carriage and private hire trade to gain some information regarding the use of card payment facilities in licensed vehicles. In total, 97 responses were received which equated to approximately a third of all licence holders at that time. The results of this survey are **Appendix 'A'**.
- 3.2 The results showed that nearly 95% of the respondents already had card payment facilities in their vehicle and that nearly 55% thought it should be mandatory to have card payment facilities.
- 3.3 On the May 2023 all of the East Herts licensed hackney carriage and private hire trade were contacted and told that the formal consultation on mandating facilities to take card payments was open until 31<sup>st</sup> May 2023. The consultation letter, which went out via email or hardcopy, included the proposed wording for the Policy for consideration. There was a link to an online survey that also had the full wording of the proposed Policy and details of which parts of the existing

Policy would be amended if the change was implemented.

3.4 By 24<sup>th</sup> May 2023, only five responses had been received so all the licensed trade were contacted again to remind them that they only had seven days left in which to make their views known.

3.5 When the survey closed, a total of 34 responses had been received. Twenty-five responses were from the hackney carriage trade with the remaining nine being from the private hire trade. As part of Question 3, 'Do you agree with the proposal to make card payment facilities mandatory in all vehicles licensed by East Herts Council?', respondents were required to explain why they had given a particular answer. The consultation wording and survey results are **Appendix 'B'**.

3.6 There were several issues raised in the respondents' explanations that are addressed below:

- *Network coverage:*

This is an existing issue that drivers are aware of, as highlighted in the driver's response. It is likely that if a passenger asks to go to a destination where reception is poor that the driver will know and can raise this at the start of the journey. Whilst the Policy would mandate having card payment facilities available, all other forms of payment would still be accepted.

- *72-hour time period to get card facilities fixed or replaced:*

This is brought up as a concern by several respondents so officers would suggest that '72 hours' be replaced by 'one week' in the final wording of the Policy.

- *Will help to stop drivers picking and choosing jobs off taxi ranks:*

Anecdotally the Licensing Team have been told that drivers have refused short journeys due to not having card payment facilities. The Policy should help to address this and drivers that claim that their card payment facilities are not working to avoid short journeys may face enforcement

action.

- *What if a customer doesn't have enough money on his or her account:* Regardless of the chosen form of payment, it is always the passenger's responsibility to ensure that they have the ability to pay for their journey. Where a passenger cannot, or refuses to, pay for a journey, there is a variety of options open to the driver from simply driving the person to a cash point through to reporting the matter to the Police. This Policy does not change these options or create an excuse for customers not to ensure they can pay their fare.
- *There is a cost in obtaining the equipment and there are also fees. A while ago the regulations regarding card payment fees meant drivers cannot pass on this cost to customers:*  
From both surveys it appears that 90-95% of the licensed trade have already invested in card payment facilities so there will be no additional cost to those individuals. If this was not economically viable then the take up would have been much smaller among the trade so far. Those that must invest in card facilities as a result of the Policy change should see the same benefits as those that have already made the change. The respondent is correct that a hackney carriage cannot charge an additional amount for accepting a card payment as they can only charge the meter fare.
- *I believe it's down to the individual to decide whether they want to take card payments, I don't think it should be a contributing factor as to whether you get relicensed. There is still a great need for cash, for the times when card readers aren't working either to having no signal in the area your dropping off of if the system is down:*  
This Policy does not mean that drives will no longer be able to take cash. The intention is to increase the available payment options not to move to only allowing card payments.
- *Drivers should be allowed to take a fee of £0.50 per*

*transaction:*

Private hire vehicles and hackney carriages doing private hire work or taking a journey ending outside East Herts can set their own prices for a journey so the cost of taking a card payment can be included. As detailed above for journeys on the meter, the metered fare is the maximum that can be charged.

- *I do not believe that it should be mandatory, it should be an individual's choice, it should be up to each individual how they wish to run their business. This is not a health and safety issue, there are many taxis in the town that have that facility if you are worried about choice, should we mandate every taxi has a charging cable for every phone for convenience, should every taxi have a fridge in the boot for convenience. At what point do we draw the line, convenience leads to apathy, with the current climate of heading towards CBDC [sic] many people are concerned for the push for cashless society that will lead to the exclusion of swaves of society who for reasons out of their control can not get bank accounts much less debit cards. I am firmly against mandates on how one should run their business:*  
The respondent does not believe that this is addressing a 'Health & Safety' issue, but it is a public safety issue. Even in the other responses drivers themselves have identified that people have been refused journeys due to a lack of card payment facilities. This is about giving every member of the public a better opportunity to get home safely in an East Herts licensed vehicle. It avoids the need to drive passengers to a cash point at their expense and giving those that wish to run off without paying an additional opportunity. Phone charging facilities and making a fridge available were raised but neither is relevant to this Policy. The Policy does not stop people from paying a fare with cash or even push them towards card payments, it merely adds another option to the remaining 5-10% of vehicles that currently don't provide this. The Policy is inclusive and will not exclude people with out cards or bank accounts

from using licensed vehicles. Whilst the respondent believes the Policy is mandating how he runs his business, it is being proposed to promote public safety, and other than requiring him to offer a facility to his customers does not fetter his discretion to run his business how he wishes.

- *This shouldn't be made mandatory for Private Hire. I can understand it might be wise to make it mandatory for Hackney Carriage as they can be flagged down and passengers may only have cards on them. With Private Hire we are pre-booked. I explain to my customers at the time of booking that I take either cash or BACS payments which my customers are happy to do and all is arranged in advance, I have had no issue with not having card payment facilities. I feel it therefore shouldn't be made mandatory but up to the individual companies to implement this if they feel it necessary. Also its another monthly expense to have the facility for card payments. This business is hard enough without another expense!!!!:*

The respondent details the way in which his business operates successfully without card payment facilities and that his customers are happy to pay by cash or BACS. Whilst this might be the case with his particular business, the Policy will apply to all private hire businesses ensuring a consistent service to customers across the district. The cost of acquiring card payment facilities is addressed above and whilst it is an additional expense 90-95% of the licensed trade find it economically viable and it may encourage more customers to use this particular business in the long run.

- 3.7 The consultation responses show that 76% of respondents were supportive of the Policy and 94% already have card payment facilities.
- 3.8 In addition to the online survey, one Dual Driver and one Private Hire Driver emailed some additional comments to the Licensing Team. These are **Appendix 'C'**.
- 3.9 The Dual Driver raised four points which were:

1. cost to the trade: Card Payment facilities will cost drivers at the time of initial purchase and there is a fee for each transaction
  2. network coverage: There are locations in East Herts where you get no signal and card payment facilities may not work
  3. smartphones used for payment. Inability to pay fare at the end of a journey
  4. it should be the passenger's responsibility to ensure they are able to pay the fare.
- 3.10 These are all points were considered prior to the informal and formal consultations. They have been addressed in the points above raised by the respondents to the online survey.

#### **4.0 Options**

- 4.1 There are several options that Licensing Committee can recommend to the Executive Member for consideration.
- 4.2 **Option 1** – Leave the current Policy unchanged (Not recommended). Having identified that the Policy will have a positive impact on public safety, the core purpose of the licensing regime, and for the licensed trade this option is not considered appropriate. Whilst eight respondents said that card payment facilities should not be made mandatory the author of this report believes that those points have been addressed in this report such that they do not carry much weight.
- 4.3 **Option 2** – Endorse the Policy wording presented at Appendix D (Recommended). The Policy will promote public safety and have positive benefits for the licensed trade in East Herts. The comments regarding 72 hours possibly being too short for a faulty card machine to be replaced or repaired have been taken on board and the Policy wording changed to reflect this.
- 4.4 **Option 3** – Recommend a Policy with amended wording (Not



recommended). If the members of the Licensing Committee believe that the Policy should be amended, then reasons should be given for this. The Executive Member would then consider the suggested amendments and the need to consult the licensed trade again. Anything other than minor changes to wording, that do not change meaning, should be consulted upon.

## **5.0 Risks**

5.1 Having identified that the Policy change would support public safety, failing to take appropriate action, would fail to promote public safety.

## **6.0 Implications/Consultations**

6.1 Trade consultation was carried out twice:

- Informally in March 2023; and
- Formally in May 2023.

### **Community Safety**

Ensuring that passengers have as many ways to pay a fare as possible promotes public safety. By ensuring that all vehicles have card payment facilities in a society where carrying cash is less and less common means that the public should always be able to get home safely.

Conflict between drivers and passengers for non-payment should be less likely as there will be more ways to pay.

### **Data Protection**

No

## **Equalities**

Currently 42% of the licensed trade were born outside the UK but are now British citizens or have a right to work in the UK.

## **Environmental Sustainability**

No

## **Financial**

No

## **Health and Safety**

No

## **Human Resources**

No

## **Human Rights**

No

## **Legal**

Failure to implement any Policy in the correct way would leave the authority open to legal challenge.

## **Specific Wards**

No

## **7.0 Background papers, appendices and other relevant material**

- 7.1 Department for Transport, Statutory taxi and private hire vehicle standards (25/22/2022):  
<https://www.gov.uk/government/publications/statutory-taxi-and-private-hire-vehicle-standards/statutory-taxi-and-private-hire-vehicle-standards>
- 7.2 **Appendix A** – Licensed trade responses to informal consultation.
- 7.3 **Appendix B** – Licensed trade responses to formal

consultation.

7.4 **Appendix C** – Other trade responses.

7.5 **Appendix D** – Final proposed Policy wording.

### **Contact Member**

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Member for Planning and Growth)

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