How storms, cyberattacks and wars show cash is still king

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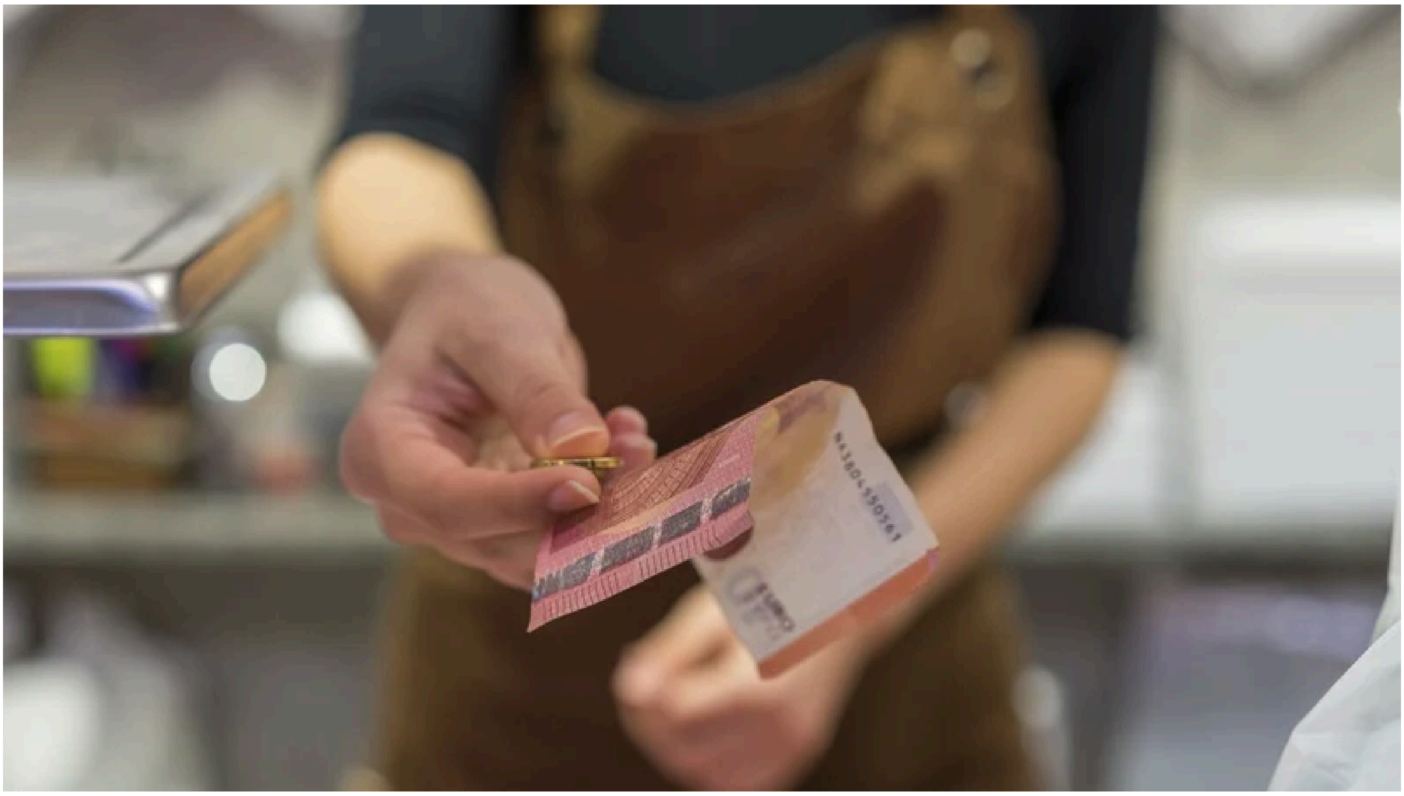

'Measures to protect access to, and acceptance of, cash are necessary to preserve the circulation of cash in an increasingly uncertain global environment.' Photo: Getty Images

Analysis: Recent events have highlighted the vulnerability of electronic transactions, leaving cash as the only reliable method of payment

The passing of the new Finance (Provision of Access to Cash Infrastructure) Bill (2024) is intended to 'provide for the continued provision of sufficient and effective access to cash infrastructure' in Ireland. This, in essence, will make legal provision for the availability, operation, regulation and accessibility of ATM services and cash service points. The recent SPACE survey from the European Central Bank shows that about half of all point of sale payments in Ireland in 2024 were made in cash.

So why then is the Irish government legislating to protect the availability of cash? While there are many important reasons, not least of which is to protect the economically and socially vulnerable, three other reasons are coming into sharper focus because they can impact us all: power outages, cyber security attacks and geopolitical uncertainty. Each of these have the potential to severely impair the electronic payments system, and can render cash as the preferred, or even only, method of payment available.

Report recommends for ATM's to stock smaller notes

From RTÉ Radio 1's Drivetime, new report recommends ATMs should stock smaller notes

In January 2025, some 790,000 homes, farms and businesses in Ireland were left without power following Storm Éowyn. Significant impairment to mobile connectivity was also reported, involving broadband outages and reduced overall network availability across all providers as a result of increased load. For some, broadband outages continued for many weeks. Only a month before, Storm Daragh had reportedly left 395,000 homes, farms and businesses without power.

Not surprisingly, during power outages or periods of reduced connectivity, consumers and businesses may experience difficulty in making or receiving electronic payments. But such difficulties are not just as the result of major weather events, with IT outages also have the potential to significantly reduce access to banking, as was seen in the global IT outage of July 2024.

International cash advocacy organisation Cash Matters states that, ‘while brief network outages occur every day, and are often a minor inconvenience, they can be widespread and lengthy enough to cause serious disruption’. In these situations, the resilience of cash as a payment method becomes more apparent. Cash Matters concludes with a stark reminder that having cash in these situations can be the difference between purchasing essentials, such as food and medicine, or going without.

New law ensures supermarkets and pharmacies accept cash

From RTÉ Radio 1's Today with Claire Byrne, new law ensures supermarkets and pharmacies must accept cash

Cyberattacks such as vishing, smishing and phishing are becoming increasingly common, resulting in loss of funds and potentially frozen bank accounts. In its 2025 Behind the Data paper, the Central Bank reports that fraud rates in Ireland are low but growing, with the total value of fraudulent payments rising by 26% in 2023 to €126m. Online card payments accounted for 86% of the total value of card fraud in 2023, amounting to €37.4m. 98% of card payment fraud by value occurred where fraudsters used stolen card, account or personal information.

In March 2025, AIB reported an increase in vishing of 79% in just two months when compared to the same time last year, with fraudsters often posing as bank staff to gain access to funds in bank accounts. Revolut reports an increased prevalence of the use of WhatsApp as a form of phishing fraud in Ireland. It also highlights how fraudsters can capture phone passcodes through observation of users. The SPACE survey shows that 59% of people in Ireland were also concerned about the privacy of digital payments, either because they preferred transactions to be more private or because they had concerns about their data being used for other purposes without their consent.

In Sweden, where cash usage had declined to just 1.2% of all payments, the Riksbank has recently moved to encourage people to keep and use cash. It said ‘cash is needed to enable everyone to pay and to provide an additional means of payment in the event of crisis or war’. In 2024, the Swedish Ministry of Defence recommended that all households maintain a minimum level of cash in varying denominations in the event of war, extreme weather, IT outages, crime or dangerous pathogens. Methods to support offline electronic payment systems are also being advanced.

From DW, Sweden calls on its citizens to prepare for war

Many other countries and jurisdictions are also progressing, or have implemented, legislative measures to ensure access to cash and increase cash acceptance. This includes Norway, which has the lowest cash usage of any country, Spain, the Netherlands and the US.

The focus of legislative measures in Ireland is on access to cash. Cash acceptance is seen as a separate matter and referred to in the National Payments Strategy 2024 as being of 'strategic importance'. All Government departments and agencies must ensure they accept cash payments or facilitate cash payments by a third party before the end of Q2 2025.

Proposed European legislation on the Euro as legal tender has been published which would make similar requirements of Irish businesses and other entities. Measures to protect access to, and acceptance of, cash are necessary, not alone to promote financial inclusion, but to preserve the circulation of cash in an increasingly uncertain global environment.

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