'Cash is here to stay': why cash is king in emergency planning

Updated / Saturday, 29 Nov 2025 11:48

The ECB has highlighted a growing recognition among central banks, finance ministries and civil protection agencies that cash is a critical component of 'national crisis preparedness'. Photo: Getty Images

Analysis: Governments are increasingly advising people to keep cash on hand for emergencies which may severely impair electronic payments systems

Recent reports that Irish households will soon be advised to keep a small sum of cash in their homes in the event of emergencies come as no surprise. The European Central Bank (ECB) has highlighted a growing recognition among central banks, finance ministries and civil protection agencies that cash is a critical component of 'national crisis preparedness'. Tanaiste Simon Harris confirmed that advice is being drawn up by the Office of Emergency Planning, under the Department of

Defence, to encourage people to be prepared for situations where digital financial services could not be used.

Earlier this year I wrote about the potential for power outages, cyber security attacks and geopolitical uncertainty to severely impair the electronic payments system. In such situations, it's possible that cash may be the only method of payment available, for hours, days or even longer, and needs to be protected.

From RTE Radio 1's The Business, is cash still king?

The importance and resilience of cash as a form of payment is difficult to dispute. The Eurosystem Cash Strategy has recognised cash as "an important part of your freedom to choose how to pay and essential for the financial inclusion of all groups in society". The ECB SPACE survey shows that cash was the most frequently used payment method at point of sale in in 2024 in 14 out of 20 countries in the euro area, especially for payments under €50.

In Ireland, cash usage post-Covid is relatively stable. Although the number of cash payments was reported in the survey to have decreased by 5%, the total value of cash payments had stayed the same. The perceived key advantages of cash cited in the survey were anonymity and protection of privacy and making consumers more aware of their own expenditure.

The Department of Finance reports an increase in the use of cash in Ireland in 2025, with 92% of those surveyed saying they use it, up from 91% in 2024. As asserted by the ECB in 2025, "the sustained demand for cash, despite the proliferation of digital payment alternatives, suggests its distinct utility and imperfect substitutability...amplified by sharp increases in public demand during major crises". The ECB also states that "the fact that it is tangible, resilient, offline and widely accepted become paramount during crises, and can also be leveraged for crisis preparedness".

From RTÉ Radio 1's Drivetime, report recommends bank stock ATMs with smaller notes

Several European countries have begun advising their citizens to maintain small sums of cash in case of emergency. In Sweden, known for being one of the most cashless societies in the world, the Riksbank has recently moved to encourage people to keep and use cash to ensure the resilience of the country's payment system. The Swedish Civil Contingencies Agency also issued advice to households in November 2024 to hold cash equivalent to a week's worth of purchases and, more strikingly, to "use cash occasionally to maintain your level of preparedness and familiarise yourself with how cash looks and works".

In May 2025, the Dutch National Forum on the Payment System advised consumers to have about €70 per adult and €30 per child in cash on hand in preparation for situations where the payment system goes down. The German Federal Office of Civil Protection and Disaster Assistance recommends having "sufficient cash reserves" at home in the event of power outages and the Austrian National Bank recommends holding cash of €100 per household member "should electronic payment options not be available".

The Bank of Finland recommends that households should keep enough cash to last them for up to 72 hours in the event of payment system disruptions, while a report published by the UK House of Commons Treasury Committee in July 2025 urged HM Treasury to consider recommending that cash is held by individuals in case of emergency. As recently as October 2025, the Bank of Portugal in its Notes and Coins Bulletin October 2025, highlighted the critical role of cash for its citizens as a backup payment method during crisis, citing lessons learned from the April 2025 blackout.

From RTÉ Brainstorm, why banks need to maintain cash services for customers

While advice to maintain cash for emergencies is well-made, and serves to remind us all to be prepared when digital systems let us down, it is important that cash does not become viewed merely as a backup measure, nor that digital financial services are assumed to be the default option for all citizens. Easy accessibility and wide acceptance of cash must continue to be supported for those who need to, or choose to, use it, whatever the reason.

A viable and sustainable cash payments system is, and must continue to be, supported through policy, regulatory and legislative provision, ensuring it also works during an emergency. This is increasingly being recognised at European and individual state levels. In the words of Piero Cipollone, member of the Executive Board of the ECB, 'cash is here to stay'.

Follow RTÉ Brainstorm on WhatsApp and Instagram for more stories and updates

---

The views expressed here are those of the author and do not represent or reflect the views of RTÉ
