

THE WAR ON CASH CASH & CASHLESS

Hugo Cuevas-Mohr, IMTC



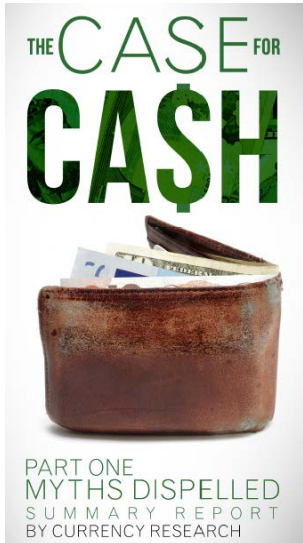
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Why the War on Cash?

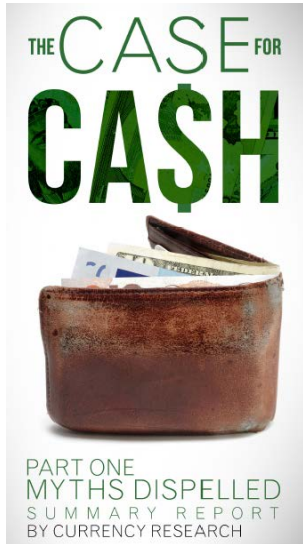
- Banks do not want to manage cash anymore
 - *Why?*
 - *Because they are making more money handling other forms of payment*
 - *“Banks and Credit Card Companies are brainwashing the public to replace public money by private money”*

<https://imtconferences.com/wp-content/uploads/2018/03/Case-for-Cash-Summary-imtc.pdf>

CASH MYTHS DISPELLED

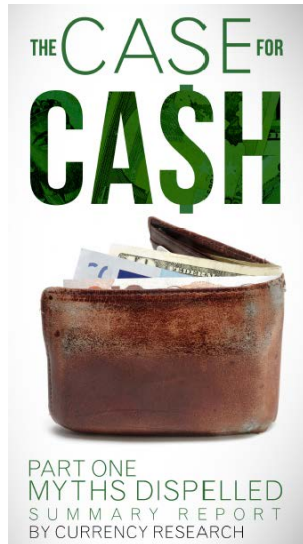


- *Please contact Currency Research (rhyde@currency-research.com) for information on receiving the full Case For Cash report.*
- *You can download the full summary here: <http://bit.ly/2H2oXVh>*
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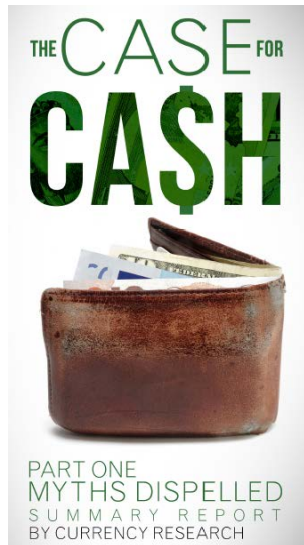
CASH MYTHS DISPELLED

- MYTH 1: CASH IS EXPENSIVE
- MYTH. 2: WITHOUT CASH, CRIME WOULD DECLINE OR DISAPPEAR
- MYTH 3: THE CASHLESS SOCIETY IS JUST AROUND THE CORNER
- MYTH 4: CASH DEMAND IS DECLINING
- MYTH 5: RETAILERS PREFER CREDIT CARDS



CASH MYTHS DISPELLED

- 6. MYTH 6: CASH IS “DIRTY”
- 7. MYTH 7: CASH IS ONLY USED BY THE OLDER GENERATION
- 8. MYTH 8: BITCOIN WILL REPLACE CASH
- 9. MYTH 9: CREDIT CARDS ARE “SAFER” THAN CASH
- 10. MYTH 10: CASH IS “LOW TECHNOLOGY”



CASH MYTHS DISPELLED

- 11. MYTH 11: ONLY CRIMINALS USE BANKNOTES
- 12. MYTH 12: CASH WILL BE REPLACED BY MOBILE PAYMENTS
- 13. MYTH 13: CONSUMERS DON'T LIKE CASH
- 14. MYTH 14: CASH HAS NO SOCIETAL BENEFITS

Should the Remittance Industry participate on the War on Cash?

- What do we care
 - *Provide all channels for our customers, improving the payment channels they prefer the most*
 - *The preferred channel varies by corridor*
 - *Digital doesn't mean "cheaper", especially not when card + bank fees are taking into account.*
 - *Do we want to replace the agent with a card company or a bank?*
 - *Customer's convenience is very important*
 - *Cash Management is becoming less expensive with technology too*

What does experience tells us?

- Is extremely hard to switch brick & mortar clients to an online channel
 - *Experience has shown us that even working with branches, the rate of turnover, using all types of promotions & incentives is close to 10% and not sustainable*
 - *With agents switching clients is hard to accomplish as agents fill customers minds with “horror online stories”*
 - *The hype for digital doesn't have to drive us away from serving our clients with all types of creative solutions and networking partnerships that best serve the client*

Some Money Transfer Cash Myths

- Digital Channels are less risky for MTOs
 - *Fraud management is a haunting task that is difficult to master*
- KWC is more secure using digital channels
 - *Client KWC is complex in all channels and using another identity or different identities for the type of client the industry manages is different, but equally hard*
- Banks prefer that MTOs use online channels because they're less risky
 - *Banks are favoring online channels but mostly because they might trust your controls are better with online channels*
 - *(Remember that the War on Cash is the bank's war; we – and our clients, are just paying the price.)*

Thank You !

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