

Council Report

Ward(s) affected: All

Report of the Licensing Team Leader

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## **Taxi and Private Hire Licensing Policy – Card Payments in Taxis**

### **Executive Summary**

This report details the consultation responses received to the proposed changes to the Taxi and Private Hire Licensing Policy to help customers access the taxi service and prevent crime through the introduction of a requirement that all hackney carriages have the facility to accept payments by credit/debit card from 1 April 2019.

At its meeting on 17 January 2018, the Licensing Committee considered this report and endorsed the recommendation below.

### **Recommendation to Council**

That the Council considers the responses received to the proposed changes to the taxi and private hire licensing Policy during public consultation; and adopts the changes to the Policy requiring taxis to accept credit/debit card payments, including the facility to accept contactless payments by 1 April 2019.

### Reason for Recommendation:

To improve safety and access to the licensed hackney carriage service.

### **1. Purpose of Report**

- 1.1 The report informs the Council of the consultation responses received to the proposed amendments to the Taxi and Private Hire Licensing Policy 2015-2020 requiring all licensed hackney carriages to accept card payments.
- 1.2 It asks the Council to consider the consultation responses received and to adopt the proposed changes to the policy.

## **2. Strategic Priorities**

- 2.1 The taxi and private hire licensing policy will contribute to our fundamental themes as follows:
- **Our Society** - believing that every person matters and concentrating on the needs of the less advantaged
  - **Our Economy** – supporting business, growth and employment

## **3. Background**

- 3.1 The current Taxi and Private Hire Policy 2015-2020 adopted on 9 December 2015 introduced positive changes to protect public safety by introducing livery for taxis, door signs for private hire vehicles and the requirement for drivers to complete the BTEC Level 2 Certificate in the Introduction to the Role of the Professional Taxi and Private Hire Driver (QCF).
- 3.2 Since the introduction of the policy, the licensed taxi trade has faced a considerable increase in competition from mobile phone application based private hire operators, where the transaction is completed using customer's pre-registered credit/debit card details making payment options for customers more convenient.
- 3.3 Additionally, taxi drivers are often vulnerable to crime through disputes about payment and through carrying amounts of cash.

## **4.0 Proposed changes**

- 4.1 On 27 September 2017, the Licensing Committee considered the proposal to introduce an amendment to the hackney carriage vehicle licence requirements and conditions to require that all taxis have the facility to accept payments by credit and debit card by 1 April 2019.
- 4.2 The report recommended that the device, as a minimum specification, accepts Visa and MasterCard credit and debit cards, accepts contactless payments and provides a receipt.
- 4.3 Such a change will make travelling by taxis easier and a more attractive option to customers. Similarly, this change will also improve safety for drivers. The deadline of 1 April 2019 also allows a reasonable implementation period for proprietors.
- 4.4 Currently, a number of proprietors do accept card payments; however, this is by no means universal. The mandating of this requirement is an increasing approach by licensing authorities, including in respect of London taxis. The acceptance of card and contactless payments was the subject of a Transport for London (TfL) consultation in 2016 that found 86% of respondents backed card acceptance, with 68% agreeing that passengers should also be able to pay using contactless payments. The Council would seek to advise the public that this facility is available in Guildford taxis.

4.5 Any costs of providing card payment terminals could be recovered by the proprietor through adding this as a running cost to the hackney carriage fare calculator.

## 5. Consultation

5.1 Consultation is critical to ensure any changes to the Taxi and Private Hire Licensing Policy are clear and transparent for licence holders and the travelling public.

5.2 The Lead Councillor for Licensing and Community Safety, using delegated authority approved public consultation on the proposed Policy change.

5.3 The proposed changes to the Policy were subject to a 6 week consultation period, which ran from 17 October 2017.

5.4 Officers carried out the consultation, ensuring we consulted with all interested consultees by:

- Writing to all current hackney carriage licence holders
- Notifying the wider taxi trade via the Council's taxi newsletter
- Publicising the Policy changes on the Council's website
- Using social media to inform the public of the consultation and directing them to the website.

5.5 A total of twenty six (26) consultation responses were received to Policy change. These were all received via an online questionnaire set up to collect consultation responses. Anonymised results of the consultation are included in Appendix 1 to this report.

5.6 Of the 26 consultation responses received, seven (27%) described themselves as a member of the taxi trade. Nineteen (73%) described themselves as a member of the public.

5.7 The consultation indicated a resounding opinion in favour of the requirement for taxis to accept card payments, with 25 of the 26 (96%) agreeing with the proposal. One consultee disagreed with the proposal.

5.8 The majority of the additional comments supplied agreed with the rationale that the proposals would improve safety and convenience.

5.9 The one consultee who disagreed with the proposal identified themselves as a member of the taxi/private hire trade. Their comment was:

*“As a taxi driver how will I know that the card has not been stolen, all traders can decide if they want to accept a card payment before handing over goods if taxi drivers are forced to take cards then it will not be until the end of the journey until you know that the customer wants to pay by card and you might not have taken the job if you had known finally as a SELF EMPLOYED sole trader surely it is up me how I accept payment not the local licencing authority.”*

- 5.10 In response to the additional comments received, officers would advise as follows:

The one comment disagreeing with the proposal was on the basis that the card may be stolen; and that being self-employed, they should be able to specify how payment is taken as they would be less likely to accept a job if the customer were to want to pay by card.

With regard to this point of disagreement, it is equally possible that cash may be stolen or even counterfeit. The arguments in favour of increased safety through not carrying cash, in officers' view and through other consultation responses received, far outweigh any potential risk through a customer using a stolen card. With regard to a driver not wishing to accept a job should the customer pay by card, a licensed hackney carriage driver is only permitted to refuse a fare with "reasonable cause". It is unlikely that a customer's preferred method of payment would constitute reasonable cause to refuse a fare. Any costs associated with taking card payments could be recovered as a cost through the hackney carriage fare calculator. It is also important to emphasise the reasoning for the requirement for taxis to accept cards is to improve access to the service for customers, as well as safety for drivers. Hackney carriages are businesses, and it is important that they adapt to the needs of their customers as demonstrated by the consultation responses received from members of the public, who are potential customers, in favour.

The majority of consultee's comments, (20 out of 21 additional comments) agreed with the safety and convenience rationale for mandating card payments in taxis.

- 5.11 The consultation stipulated that, as a minimum specification, payments by debit/credit cards be accepted. The consultation also asked the question that if taxis were required to accept payments by card, should this facility include: contactless, American Express or PayPal.
- 5.12 The consultation responses indicated strong preference for taxis to accept contactless payments, with 23 out of 24 (96%) respondents in favour. There was a lesser view on whether taxis should accept American Express with only 7 out of 24 (29%) respondents in favour; and only 5 out of 24 (21%) in favour of taxis accepting PayPal.
- 5.13 To summarise, the consultation indicated strong support for card payments with 96% of respondents (100% of the public; 86% of the trade) in favour of the concept of requiring taxis to accept card payments. The consultation also indicated strong support for contactless payments with 96% of respondents in favour of taxis being able to accept contactless payments. Officers therefore recommend that the Council should proceed with the introduction of card payments, including contactless. Officers do not recommend the introduction of a requirement to accept American Express or PayPal due to the low level of support for these options.
- 5.14 At its meeting on 17 January 2018, the Licensing Committee considered this report and endorsed the recommendation shown in the Executive Summary.

## **6. Equality and Diversity Implications**

- 6.1 A requirement for hackney carriages to accept card payments would improve customer access to the service.

## **7. Financial Implications**

- 7.1 The implementation of any requirement could be managed through the existing licensing budget.
- 7.2 Consultation with the trade and suppliers indicates that there would be a cost percentage between 1 and 3% of the transaction fee. As such, on a typical £10 fare, a fee of about 10p to 30p would be taken by the device provider.
- 7.3 The cost of providing a card payment device could be recovered by the proprietor through recompensing this as a cost in the approved taxi fare calculator.

## **8. Legal Implications**

- 8.1 There is no statutory requirement to have a taxi and private hire licensing policy; however, it is good practice to do so. A policy assists with consistent decision-making; however, each case must be considered on its own merits with the decision maker being prepared to make exceptions to the policy in appropriate circumstances.
- 8.2 In relation to taxi and private hire licensing, there are specific powers contained in the Town Police Clauses Act 1847, Transport Act 1985 and Local Government (Miscellaneous Provisions) Act 1976. These allow the Council to specify the requirements that vehicles and drivers must meet in order to be licensed, and to refuse a licence to drivers if we are not satisfied that the drivers are fit and proper persons to hold a licence. They also allow conditions to be attached to licences (with the exception of hackney carriage driver's licences).
- 8.3 Any decision to require licensed hackney carriages to accept card payment could be reflected as a change to the vehicle specification (Appendix 7) and standard hackney carriage licence conditions (Appendix 5) of the current Policy.
- 8.4 The implementation date of 1 April 2019 allows a reasonable period for the trade to implement any changes. A condition can be attached to all new licences under Section 47 Local Government (Miscellaneous Provisions) Act 1976 requiring the proprietor to provide the facility to accept card payments from 1 April 2019.

## **9. Human Resource Implications**

- 9.1 There are no human resource implications arising from these proposals.

## **10. Summary of Options**

- 10.1 Having considered the consultation responses, the Council has three options:

(1) Decide not to introduce a requirement for taxis to accept card payments.

- (2) Approve a change to the hackney carriage and private hire licensing policy requiring taxis to accept credit/debit card payments by 1 April 2019
- (3) Approve a change to the hackney carriage and private hire licensing policy requiring taxis to accept credit/debit card payments, including the facility to accept contactless payments by 1 April 2019

## **11. Conclusion**

- 11.1 Approving this change to the Taxi and Private Hire Licensing Policy will help ensure travelling by taxis is easier and a more attractive option to customers. Similarly, this change will also improve safety for drivers.
- 11.2 As shown by the consultation there is strong support for the requirement for taxis to accept payments by credit/debit card, with the facility to accept contactless payments.

## **12. Background Papers**

[Taxi and Private Hire Licensing Policy 2015-2020](#)

## **13. Appendices**

Appendix 1: Summary of consultation responses received.