

**Card payments in Hackney Carriage Vehicles**

<b>Timetable</b>	
<b>Meeting</b>	<b>Date</b>
Licensing Committee	14 <sup>th</sup> September 2023

<b>Will this be a Key Decision?</b>	No
<b>Urgency</b>	Not Applicable
<b>Final Decision-Maker</b>	Licensing Committee
<b>Lead Head of Service</b>	John Littlemore, Head of Housing & Regulatory Services.
<b>Lead Officer and Report Author</b>	Lorraine Neale.
<b>Classification</b>	Public
<b>Wards affected</b>	N/A

**Executive Summary**

This report is for Licensing Committee to consider the matter of mandatory card payments in Maidstone's licensed Hackney Carriage vehicles.

**Purpose of Report**

The report informs Licensing Committee of the background of the proposed amendments to the Hackney Carriage and Private Hire Policy (Taxi Policy)

**This report makes the following recommendations to Licensing Committee**

1. That the Committee agree to consult on the proposals regarding potential change to the Hackney Carriage and Private Hire Licensing Policy to require Hackney Carriage vehicles to offer card machine payments by the 1<sup>st</sup> February 2024 as an option.
2. That the consultation be for a six-week period with direct engagement with the taxi trade.

# Card payments in Hackney Carriage Vehicles

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> <li>• Embracing Growth and Enabling Infrastructure</li> <li>• Safe, Clean and Green</li> <li>• Homes and Communities</li> <li>• A Thriving Place</li> </ul> <p>• We do not expect the recommendations will by themselves materially affect achievement of corporate priorities.</p>	Senior Licensing Officer
<b>Cross Cutting Objectives</b>	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> <li>• Heritage is Respected</li> <li>• Health Inequalities are Addressed and Reduced</li> <li>• Deprivation and Social Mobility is Improved</li> <li>• Biodiversity and Environmental Sustainability is respected</li> </ul> <p>• The report recommendations do not materially impact on the achievement of the cross-cutting objectives</p>	Senior Licensing Officer
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>• Refer to paragraph 4.1 of the report</li> </ul>	Senior Licensing Officer
<b>Financial</b>	<ul style="list-style-type: none"> <li>• No implications identified</li> </ul>	Adrian Lovegrove
<b>Staffing</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	Senior Licensing Officer
<b>Legal</b>	<ul style="list-style-type: none"> <li>• There is no statutory requirement to have a policy but Maidstone Borough Council chose to have one as it was felt that a policy ensures a transparent and consistent approach to licensing. The Statutory Taxi and Private Hire Vehicle</li> </ul>	Helen Ward, Lawyer (Contentious)

	Standards recommends that Authorities have a Policy and that it is regularly reviewed	
<b>Information Governance</b>	<ul style="list-style-type: none"> <li>The recommendations will impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes. The Information Governance Team will/have reviewed the processing of personal data affected and the associated documentation has been/will be updated accordingly, including a data protection impact assessment.</li> </ul>	Information Governance Team
<b>Equalities</b>	<ul style="list-style-type: none"> <li>An EqIA should be carried out as part of a policy or service change, should one be identified.</li> </ul>	Equalities & Communities Officer
<b>Public Health</b>	<ul style="list-style-type: none"> <li>No implications identified</li> </ul>	Senior Licensing Officer
<b>Crime and Disorder</b>	<ul style="list-style-type: none"> <li>There are no implications to Crime and Disorder</li> <li></li> </ul>	Senior Licensing Officer
<b>Procurement</b>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	Senior Licensing Officer
<b>Biodiversity and Climate Change</b>	<p>The implications of this report on biodiversity and climate change have been considered and;</p> <ul style="list-style-type: none"> <li>There are no implications on biodiversity and climate change.</li> </ul>	Senior Licensing Officer

## 2. INTRODUCTION AND BACKGROUND

2.1 Over the last couple of years there have been a growing number of complaints from members of the public in relation to the lack of hackney carriage vehicles offering card payment facilities or alternative cashless options. Although a proportion of the hackney carriage (taxi) trade do use card machines, it is not available in all vehicles and it appears that the preferred method of payment for taxi drivers continues to be cash .

2.2 However, for customers this has shifted, especially since the pandemic years, it is now common for the majority of people not to carry cash but to use card payments, or Apple Pay or Google Wallet via their smartphone.

2.3 It is considered that the implementation of card payment machines will have numerous benefits to both the trade and the travelling public.

- a. Public safety : Introducing card payment machines will make travelling by taxi easier and a more attractive option to customers. Card machines will stop the practice of leaving a customer without a ride, especially at night when they could be vulnerable.
- b. Driver safety : drivers are often vulnerable to crime through disputes about payment and through carrying amounts of cash.
- c. Drivers will not lose custom (it is understood taxi drivers are refusing fares when customers do not have cash)
- d. Taxi drivers can only refuse a fare if they have a 'reasonable excuse' : this usually means that a customer is displaying signs of aggression or intoxication. It is not considered 'reasonable' to refuse a fare because a customer does not have cash when they have other means to pay.

2.4 Two main areas of concern that the trade may have on this subject may be:

- a. The cost to the driver.
- b. Problems if no online coverage is available at the time of taking payment.

Card payment machines can be purchased for a single up-front cost (around £30-£40), there are no subscription costs but a small transaction fee will be charged (around 1.7% - which, on a £10 fare equates to under 17p). It is considered the cost of this transaction fee is far less than the loss of income from a refused journey. Any costs of providing card payment machines could be recovered by the proprietor by adding the charge as a running cost when requesting a Hackney Carriage fare tariff increase.

Most card payment machines usually allow payment to be taken 'off-line'. These machines store payment for up to 72 hours until such time as a signal is available and the payment can be processed.

N.B. The provision of card payment machines are in addition to existing cash payment options, and not a replacement for taking cash.

2.5 It is proposed to mandate the provision of card payment machines, if approved, in all hackney carriage vehicles by 1<sup>st</sup> February 2024 by way of adding the following conditions to each licence:

- a) The proprietor shall ensure that passengers are able to make payment by debit card, credit card or app via a contactless card payment facility.
- b) The proprietor shall ensure that all drivers of the vehicle are trained on how to use the card payment system and are aware that passengers must be able to make payment in this manner.

c) Where a fault in the card payment system is identified, the proprietor must notify the Council's Licensing Team and arrange repair/replacement within 72 hours.

2.6 Failure to arrange repair or replacement within 72 hours will result in the vehicle licence being suspended until the card machine facility is re-instated.

2.7 No complaints have been received in relation to private hire vehicles, this is probably because the journeys are pre-booked and payment options (including app based systems) are agreed prior to the journey.

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### **3. AVAILABLE OPTIONS**

3.1 Members require this item come back to Licensing Committee following the six week consultation period where they consider the responses and decide upon the matter.

3.2 Members could choose not to make any changes to Policy at this time and wait for the scheduled full review at the end of 2025.

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### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

4.1 Members approve the six consultation period as this change to the hackney carriage and private hire licensing policy will help ensure travelling by taxis is easier and a more attractive option to customers. It also helps improve safety for drivers.

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### **5. RISK**

5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. That consideration is shown in this report at paragraph 4.1. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.

### **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

6.1 N/A

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### **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

7.1 Carry out direct consultation with the taxi trade.

7.2 We will analyse any comments received and prepare any changes considered appropriate to the Policy for final approval and present a further report to the Licensing Committee on the 11<sup>th</sup> January 2024.

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## **8. REPORT APPENDICES**

- N/A
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## **9. BACKGROUND PAPERS**

- N/A