

1 in 4 vulnerable families want local authorities to provide cash option for new school meals voucher scheme

Families want the freedom to use cash at their local store rather than be forced to use supermarket gift cards

As the government's new online service to aid schools and parents in obtaining free school meals vouchers gets underway, research by digital payments expert, PayPoint, reveals that 1 in 4 vulnerable families believe supermarket gift cards limit convenience and choice*.

PayPoint specifically surveyed those in social grades C2, D and E, with 1 in 4 confirming they are eligible for at least one of the government's hardship schemes. 35% of those redeeming vouchers said the supermarket gift card offered by the government scheme works adequately for them. However, 23% said the benefit would be significantly greater if it was available as cash to spend in their local convenience store, rather than needing them to visit a large supermarket. Furthermore, 19% said they had experienced delays when using the government voucher scheme due to the complicated redemption process.

A third of the respondents to PayPoint's survey who do not use government vouchers have switched to shopping locally (32%), or having their groceries delivered to their home (34%) to avoid the risk of Covid contamination. However, these options are not available to those reliant upon using the government's current voucher scheme as they must redeem the voucher in person, at a supermarket, adding to the burden of those most vulnerable and most in need of support. 38% of people dependent upon government funding expressed concerns about traveling to supermarkets on public transport and the high volume of other people also shopping there.

PayPoint's Cash Out solution works in real-time to seamlessly enable eligible families to receive vouchers via email, letter or SMS to be presented in store to obtain a cash payment. Demonstrating the speed at which people can have access to cash, in October last year, Glasgow City Council issued a voucher which was presented in store to obtain a cash payment in just over a minute from it being received¹. PayPoint has a network of 27,700 retailers across the UK providing access to Cash Out and 99.4% of urban households live within 1 mile of one of these locations, confirming this as a far more convenient option than the eGift card alternative.

Danny Vant, Client Services Director of PayPoint commented: "Whilst there are 90 local authorities and housing organisations already working with PayPoint, there are many more that could be taking up the opportunity to make free school meal vouchers and Winter Hardship vouchers available in real-time and which can be presented for cash. Quick to set up and easy to access for both local authorities and recipients, PayPoint Cash Out gives disadvantaged families immediate access to funds for them to spend at a convenience store of their choice."

*Gorkana Survey of 200 consumers in social grades C2, D and E, January 2021