

Opinion: Prohibiting cashless stores in NJ preserves consumer choice, privacy

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Not long ago it was rare for a merchant to require payment with a card — typically only at places like car rentals where a guarantee to pay possible future charges is required.

Now requiring payment with a credit or debit card or a smartphone and refusing to accept cash is threatening to spread to regular retail stores. Amazon has a cashless bookstore in North Jersey and a plan to open 3,000 cashless grocery/convenience stores nationwide. Walmart and Starbucks are testing the cashless model.

Last week, the Legislature voted nearly unanimously to make it unlawful for regular retail stores to ban customers from paying with cash. Gov. Phil Murphy should ignore corporate lobbyists and sign the bill into law.

It's sort of un-American not to accept the legal tender of the United States as payment. It is also unacceptably discriminatory.

About a quarter of Americans don't have access to credit cards and similar digital cash technologies. A federal survey in 2015 found that 7 percent of households had no checking or savings account, and the number among black and Hispanic households was double that.

That's an awful lot of people who would improperly be denied access to part of the public retail market.

Many people prefer to pay with a card, especially if their credit worthiness and spending habits qualify for one that rewards them for spending. A Pew Research Center study found a quarter of U.S. adults make no cash purchases in a typical week. That's fine, that is their choice, but it's important for consumers to keep the ability to pay with cash.

Some of the reasons companies want to refuse cash are not beneficial to the public. It would let them eliminate some jobs. They could track customers and their purchases, market to them and even sell information about them to others. They could push consumers to spend more, which some studies have shown they're more likely to do when paying with cards than with cash.

The credit card companies would love a world in which everyone had to use their cards and pay them a big fee — about 2 percent of each purchase — so they're pushing for cashless stores too and lobbying against protecting consumer using cash.

So far, the corporations are winning on this issue. New Jersey would become only the second state to prohibit retailers from refusing cash from customers paying in person. Massachusetts had the foresight to do so 40 years ago.

New Jersey's law would fine cash-banning businesses up to \$2,500 for the first offense and \$5,000 for the second. It would be considered an unlawful practice under the state's Consumer Fraud Act.

Frankly, this consumer protection shouldn't be a problem for the overwhelming majority of businesses. They're glad to have customers however they wish to pay.

Cash remains the most frequent method of payment in the U.S., and almost half of consumers would rather pay with cash for purchases under \$10, according to a recent survey by [CreditCards.com](https://www.creditcards.com).

Businesses should want these customers, and New Jersey should help protect them and their privacy by insisting that stores accept the legal money of America.