

## Commercial cards make petty cash a thing of the past for British business

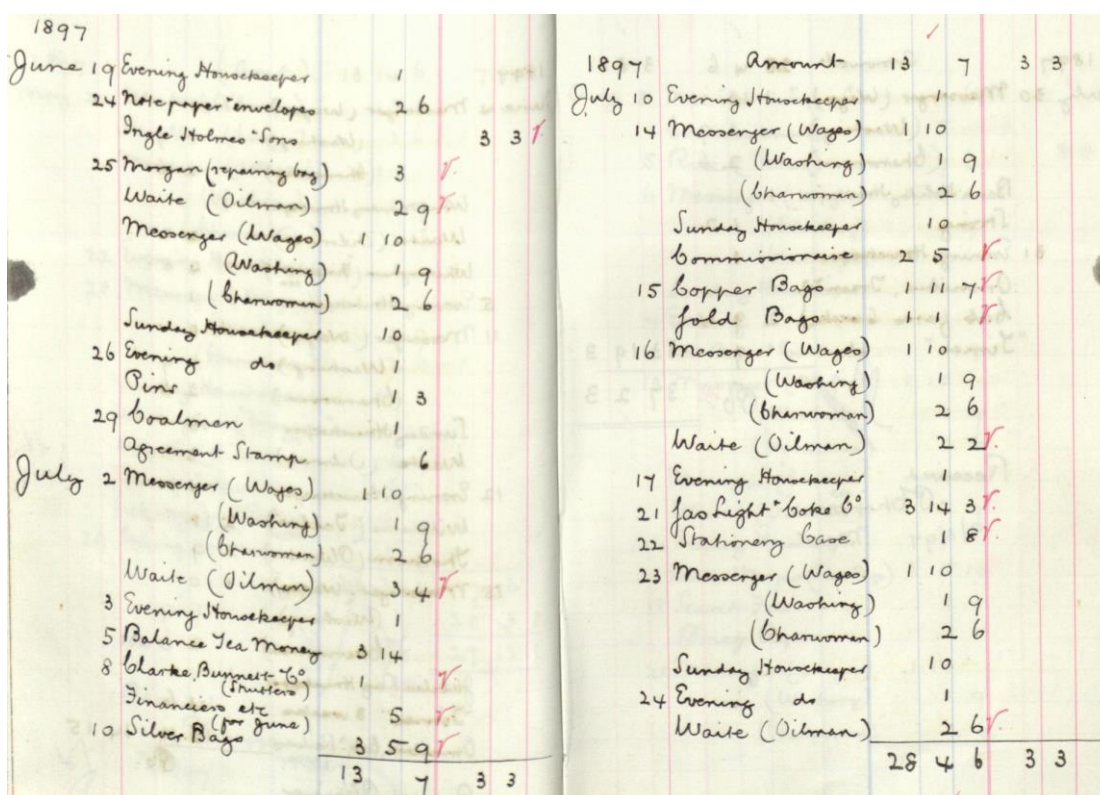
The days of petty cash could soon be in the past as businesses increasingly opt for commercial cards for their day to day spending and expenses.

HSBC UK data reveals that contactless transactions by its customers on commercial credit cards soared by almost a quarter (24%) last year compared to 2018.

The number of transactions across all of HSBC UK's commercial credit cards, business debit cards and corporate cards was also up by almost 20% during the same time span.

The data revealed that top merchants for commercial credit card spending were petrol stations, hotels and building supplies stores as businesses increasingly use cards for expenses and day-to-day spending.

In contrast cash advances on commercial credit cards reduced by 14% in 2019 with just 91,043 cash advance transactions compared to 106,298 the previous year.



1897		1897	
Date	Description	Amount	
June 19	Evening Housekeeper	1	
24	Note paper envelopes	2 6	
	Ingle Holmes' Sons		3 3 ✓
25	Morgan (repairing bag)	3	✓
	Waiter (Oilman)	2 9	✓
	Messenger (Wages)	1 10	
	(Washing)	1 9	
	(Charwomen)	2 6	
	Sunday Housekeeper	10	
26	Evening do	1	
	Pins	1 3	
29	Coalman	1	
	Agreement Stamp	6	
July 2	Messenger (Wages)	1 10	
	(Washing)	1 9	
	(Charwomen)	2 6	
	Waiter (Oilman)	3 4	✓
3	Evening Housekeeper	1	
5	Balance Tea Money	3 14	
8	Clarke Burnett & Co (Printers)	1	✓
	Financiers etc (for June)	5	✓
10	Silver Bago	3 5 9	✓
		13	7 3 3
July 10	Evening Housekeeper	1	
14	Messenger (Wages)	1 10	
	(Washing)	1 9	
	(Charwomen)	2 6	
	Sunday Housekeeper	10	
	Commissionaire	2 5	✓
15	Copper Bago	1 11 7	✓
	Gold Bago	1 1	✓
16	Messenger (Wages)	1 10	
	(Washing)	1 9	
	(Charwomen)	2 6	
	Waiter (Oilman)	2 2	✓
17	Evening Housekeeper	1	
21	Gas light - boks 6°	3 14 3	✓
22	Stationery base	1 8	✓
23	Messenger (Wages)	1 10	
	(Washing)	1 9	
	(Charwomen)	2 6	
	Sunday Housekeeper	10	
24	Evening do	1	
	Waiter (Oilman)	2 6	✓
		28	4 6 3 3

A page from a petty cash book used at the Paddington branch of a predecessor to Midland Bank documents purchases of envelopes, tea and pins in the summer of 1897.

Businesses have used petty cash for small expenses for hundreds of years and HSBC archives can trace references to petty cash books used by a predecessor to Midland Bank almost 200 years ago in 1835. Other references to petty cash in the archives include pages from a petty cash book used at the Paddington branch of a predecessor of Midland Bank in 1895 documenting purchases of envelopes, tea and pins among other items.

HSBC began offering cards to businesses in 1994 and the commercial credit card was introduced in 2006 to meet demands from firms looking for a more modern way to manage small transactions.

**Tom Wood, Head of Global Liquidity and Cash Management at HSBC UK**, said: “We’re increasingly seeing customers choose card solutions over cash as they look to manage their businesses more efficiently and more securely.

“Contactless transactions are up and the data shows that we’re increasingly seeing businesses use cards for their day-to-day travel expenses – likely because card transactions are far easier to keep track of than petty cash.”

This month HSBC UK has launched a new cashback offer to existing or new customers who take out a commercial credit card between 3 February and 30 April.

Any businesses taking out the new commercial credit cards (subject to credit application) will have until 30 June to make 10 transactions which will result in £15 cashback paid onto their balance by the end of August.

Businesses taking out multiple cards for employees will receive cashback for each card, as long as ten transactions are made on each by the end of June. That means a business opening four new employee credit card accounts could earn up to £60 in cashback if they make enough transactions.

Tom Wood added: “Our suite of commercial cards offer a number of benefits to customers. The ‘buy now, pay later’ nature of commercial credit cards can help to support the working capital cycle and cards provide better security and fraud controls.

“Using commercial credit cards also mean business owners can have peace of mind by providing employees with a way to make lower value transactions without giving them direct access to their bank accounts.”

***Ends***

#### **Note to editors**

#### **Photo captions:**

**Image 1** – The cover of a petty cash book used by the Paddington branch of a predecessor of Midland Bank between 1895 and 1898.

**Image 2** – A page from the Paddington branch book showing petty cash was used to purchase envelopes, tea and pins among other items in the summer of 1897.

**Image 3** – The cover of a petty cash book dating back to 1835 used by a predecessor to Midland Bank in Driffield on the Yorkshire coast.

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