

Is it illegal for shops to refuse cash? Why business can ask for EFTPOS only during coronavirus

By Stuart Marsh • Senior Producer | 2:17pm Apr 29, 2020



Coronavirus: 'Tap and go' limit increased to avoid COVID-19 spread

[Tweet](#)

[Facebook](#)

[Mail](#)

Thousands of Australian businesses have moved towards accepting card-only payments as they work to minimise interaction between employees and customers during the coronavirus pandemic.

While there isn't sufficient evidence to show that cash is riskier than card, it's prompted many Australians to argue that because cash is legal tender businesses must accept it under law.

Roland Bleyer, founder of [creditcard.com.au](#), explains that it's actually perfectly legal for shops to refuse cash – so long as they make it clear before you purchase.

READ MORE: [How Bunnings will be used to combat coronavirus in Australia](#)



Harris Farm at Westfield Bondi Junction is accepting card payments only. (Supplied)

"It's worth noting that the idea of merchants not accepting cash is actually legal. For many Aussies, especially those of the older generation, cash is still king," Mr Bleyer said.

"They like having cash, they like using cash, and they don't particularly like the idea of having to use anything but cash when cash is still 'legal tender'."

According to the Reserve Bank of Australia, a provider of goods or services is at liberty to set the commercial terms upon which payment will take place.

This essentially means when you buy something from a shop – say a takeaway coffee from a cafe – you are technically entering into a contract to purchase the coffee when you order.



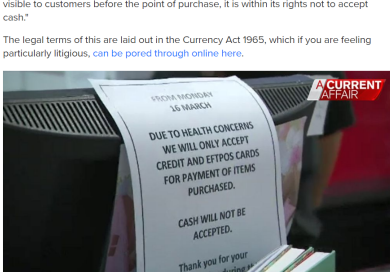
Merchants can request card-only payments - but they must make it clear before you begin shopping. (AAP)

Cafes (and all businesses) are well within their rights to ask for card payments only – but they must make that clear before you order (and therefore before you enter into your "contract").

"Refusal to accept payment in legal tender banknotes and coins is not unlawful," says Mr Bleyer.

"So, as long as the merchant has a sign at the counter that lays out these terms, which is visible to customers before the point of purchase, it is within its rights not to accept cash."

The legal terms of this are laid out in the Currency Act 1965, which if you are feeling particularly litigious, [can be pored through online here](#).



This newsagency is banning cash in the hopes it will help stop the spread of the virus to employees. (A Current Affair)

The dramatic change towards cashless payments has even prompted the [Australian Banking Association](#) to fast-track up to half a million debit cards for elderly Australians who have never possessed a cashless card to use with their account.

According to the RBA, there is one facet of society where a payment of cash cannot be turned down: repaying a debt.

"If a provider of goods or services specifies other means of payment prior to the contract, then there is usually no obligation for legal tender to be accepted as payment," explains the central bank.

"However, refusal to accept legal tender in payment of an existing debt, where no other means of payment/settlement has been specified in advance, conceivably could have consequences in legal proceedings; for example, the creditor may be unable to enforce payment in any other form."

For breaking news alerts and livestreams straight to your smartphone sign up to the [9News app](#) and set notifications to on at the [App Store](#) or [Google Play](#).

You can also get up-to-date information from the Federal Government's Coronavirus Australia app, available on the [App Store](#), [Google Play](#) and the [Government's WhatsApp channel](#).