



FOUR CHANGES TO CONSIDER WITH THE NEW £20 POLYMER NOTES

Changes in factors outside of a business's control can often have consequences that require immediate action to ensure there is no disruption to the business. A change in currency is one of these factors that can impact an organisation.

This short paper explains:

1. How the notes have changed
2. The impact of having the £20 polymer substrates and paper notes in circulation will have on your business
3. What affect the new notes will have on businesses depending on the types of cash handling devices that they use,
4. What issues these new notes themselves may present in your business

Also covered is the issue of security of the new notes, detailing the features that are designed to help protect businesses and consumers from fraud.

NEW NOTES AND NEW CHALLENGES

The new polymer £20 note will be issued by the Bank of England in February 2020. The old paper £20 note currently has no date for its withdrawal from circulation meaning businesses will need to manage both old and new notes for the foreseeable future. This period of mixed notes being in circulation may create difficulties for businesses using cash counting equipment, particularly those that are using count by weight (CBW) devices given the differences in weight between the old paper, and new polymer notes of which Bank of England are stating there will be two types of polymer £20 note.

HOW HAVE THE NOTES CHANGED?

The most notable and obvious change in the notes is the material that they are made from. The notes are no longer made from paper and are instead made from a thin and flexible plastic material. The dimensions of the notes have also changed, as has the weight of the new notes when compared with the old, paper notes. While the tiered sizing based on the face value of the note will be maintained, the polymer version of the £20 note will be 139mm × 73mm versus the current size of 149mm × 80mm.

The security of the new notes has been enhanced. Some of the security methods that worked to identify fraudulent paper-based notes are no longer valid or reliable methods to protect businesses. For example, forged note pens are a measure that has no ability to detect counterfeit notes made from a polymer substrate. These polymer notes are more durable, lasting 2.5 times longer than paper notes, meaning that the note quality will have a decreasing impact on the reliability of the counters.

MAIN CHANGES

- No longer paper but polymer
- Dimensions are now different
- More durable
- Weight of the new notes are not the same and may vary
- New enhanced security means forged note pens no longer work

MANAGING TWO DIFFERENT TYPES OF NOTES IN YOUR BUSINESS

While there is no withdrawal date for the existing paper £20 note, businesses will have to manage a few different types of note in the interim. In some instances, businesses may need to manage two types of the new £20 polymer note due to difference in weight and the paper note.

While both paper and polymer notes are in circulation, depending on how you count your cash, staff may need to pre-sort the notes into old and new before they're put into the device. Not only is this time consuming it introduces the potential for human error and even additional risk of shrinkage. For instance, where businesses use Count By Weight (CBW) devices, the need to separate the note and polymer notes will be inevitable.

Conversely, note counters and sorters do not rely on the weight of the notes, they recognise each note individually as it passes through the device. This removes the need to pre-sort the notes delivering the most accurate count in the shortest possible time with the least requirement for staff intervention.



CAN COUNTERFEIT NOTES BE MADE, AND HOW CAN I PREVENT MY BUSINESS FROM ACCEPTING THEM?

The new polymer £20 note has enhanced security features making it harder and more challenging to copy. The existing paper £20 note has two features visible to the naked eye whereas the new polymer note has 6 including: a see-through window, which contains a portrait of the Queen; a round purple foil patch on the back of the note which contains the letter “T” and which sits directly behind the silver crown on the front; metallic and holographic images and see-through windows.

As with any change there will be a period of vulnerability when your staff are less effective at recognising counterfeits. This presents issues for businesses accepting cash that have not fully automated their cash handling processes. Count by weight devices, for example, have no way to detect a counterfeit note other than clearly by the weight of the notes.

In contrast, cash automation solutions not only identify but authenticate each note as it passes through the device using advanced recognition sensors that examine both visible and non-visible security features to ensure accuracy and validity.

**CASH AUTOMATION
SOLUTIONS NOT
ONLY IDENTIFY BUT
AUTHENTICATE EACH NOTE
AS IT PASSES THROUGH
THE DEVICE...**

HOW DO I MANAGE PAPER AND POLYMER NOTES WHILE BOTH ARE IN CIRCULATION?



All businesses that have deployed cash management solutions have done so in order to gain efficiencies. The more automated the process, the easier it is to deal with the different notes that your business will receive, for example the use of note counters do not require a separation of the paper and polymer notes

Those who use CBW devices will find their operations are significantly impacted on two separate instances. Firstly, when the notes are released. The new notes, as previously mentioned, have different weights, meaning that there is a need to download new software and re-calibrate the CBW devices. Secondly, any business using CBW devices must separate the old and new notes while both are still in circulation. The separating of notes is an added, manual step to the cash handling process and is vulnerable to human error. It is not just human error that can lead to problems, but also the time that it will take to separate the notes. The polymer material, as noted, can be slippery when first issued. This can lead to further human error and any efficiency achieved while dealing only with paper-based notes in the past being eroded or completely lost.

WHAT CAN I DO TO SAFEGUARD MY BUSINESS AGAINST DISRUPTION WITH THE NEW £20 POLYMER NOTE?

To ensure that the impact on your business is minimal you must make sure that you have identified all the cash handling devices across your business.

You should contact your current manufacturer to ensure that your device will support the new £20 note. This may be an optimal time to ask your supplier about the product life cycle of the device that you are currently using. The need to update your software may coincide with hardware coming to end of life. If this is the case, to ensure that you get maximum benefit out of your cash handling devices, you should consider talking with experts to understand your options.



CONCLUSION

In order to minimise the impact on your cash handling processes with the imminent introduction of the new £20 polymer notes and the Bank of England stating that the new polymer £50 notes will be in circulation by the end of 2021, this is the time for all businesses across retail and finance to assess their cash processes. It's important to ensure that your cash devices, CBW or cash counters, are ready and more importantly reliable for the changes ahead whether that be for pre-sorting, accuracy or counterfeit protection.

**GLORY IS A GLOBAL
LEADER IN CASH
TECHNOLOGY SOLUTIONS
FOR BOTH THE RETAIL AND
FINANCIAL INDUSTRIES.**

GLORY is a global leader in cash technology solutions for both the retail and financial industries. If you would like to discuss how we can help minimise disruption to your business from introduction of the new £20 and planned £50 notes please contact UK Sales **+44 844 811 2006** or **sales@uk.glory-global.com**

Glory, Infinity View, 1 Hazelwood, Lime Tree Way, Chineham, Basingstoke, Hampshire RG24 8WZ, UK

 +44 (0)1256 368000  info@uk.glory-global.com  glory-global.com

WP-POLYMERNOTECONSIDERATIONS-0120

Glory Global Solutions is part of GLORY LTD. This document is for general guidance only. As the Company's products and services are continually being developed it is important for customers to check that the information contained herein includes the latest particulars. Although every precaution has been taken in preparation of this document, the Company and the publisher accept no responsibility for errors or omissions. The Company and the publisher accept no liability for loss or damages resulting from the use of the information contained herein. This document is not part of a contract or licence save insofar as may be expressly agreed. All capabilities and capacity and throughput figures are subject to note/coin size, note/coin quality and process used. GLORY is a registered trademark of GLORY LTD. in Japan, the United States of America, and EU. All trademarks are owned by the GLORY Limited Group of companies. © Glory Global Solutions (International) Limited 2020.