

# The Future of Cash: Are We Becoming a Cashless Society?

Topic: Economics

## A. The Changing Way We Pay

For centuries, cash has played a central role in everyday economic activity. Coins and banknotes have allowed people to purchase goods, pay for services, and manage their personal finances. However, technological developments have transformed the way people handle money. Today, consumers can make payments using bank cards, mobile phones, and even smartwatches, often without carrying physical money. Digital payments have become increasingly common in shops, restaurants, and online businesses. Instead of withdrawing cash from an ATM, customers can simply tap a card or scan a code to complete a transaction. These methods are particularly appealing to people who value speed and convenience.

Banking applications also allow users to monitor their spending, review previous transactions, and manage their accounts from almost anywhere. As a result, some people rarely use cash and believe that physical money may eventually become unnecessary. However, the transition towards a cashless society raises important questions about financial security, personal privacy, and equal access to payment services. Although technology continues to change how money is used, it remains uncertain whether physical cash will eventually disappear altogether or continue to serve an important purpose.





## **B. The Benefits of a Cashless Economy**

One of the main advantages of digital payments is their convenience. Consumers no longer need to carry large amounts of money or worry about having the correct change. Electronic transactions can be completed quickly, making them useful in busy shops, public transport systems, and online marketplaces. Businesses can benefit from these developments as well. Digital payments can simplify accounting, reduce the time employees spend handling cash, and make it easier to maintain financial records. Electronic transactions may also help business owners identify spending patterns and make better-informed decisions about their products and services.

Digital payment systems can also help people manage their personal finances. Many banking applications provide detailed information about spending, allowing users to identify unnecessary expenses and adjust their budgets. Some services offer automatic payment reminders, which may help customers avoid missing bills. Furthermore, electronic transactions create records that can help banks and businesses identify unusual payment activity. These records may support efforts to detect certain types of financial crime, although they do not eliminate fraud. The benefits of digital payments therefore depend partly on how effectively payment providers protect users and respond to suspicious activity.

## **C. Security, Privacy, and Dependence on Technology**

Despite their advantages, digital payments introduce risks that cannot be ignored. Cybercriminals may attempt to steal banking information, access accounts without permission, or trick customers into transferring money.

Although financial institutions use security measures to protect their customers, no system is completely free from risk. Users must also take precautions, such as protecting their passwords and checking whether payment requests are genuine. Privacy is another important concern. When people pay electronically, details of their transactions may be stored by banks, payment providers, and other organisations. These records can help consumers monitor their spending, but they also raise questions about who can access the information and how it may be used.



Cash offers a different experience because ordinary cash purchases generally create fewer digital records with payment providers. For people who value financial privacy, this can be an important advantage. Physical money can also provide an alternative when electronic payment systems are unavailable. If a payment network experiences an outage, electricity is interrupted, or a mobile phone runs out of battery, customers may be unable to pay electronically. Such disruptions can affect both individuals and businesses that depend heavily on digital transactions. These concerns suggest that convenience should not be the only consideration when societies decide how payments should operate. A reliable payment system needs to protect users, safeguard their information, and remain accessible under different conditions.

## **D. Financial Inclusion: Who Might Be Left Behind?**

One of the most important challenges associated with a cashless society is financial inclusion. This refers to people's ability to access and use suitable financial services, including bank accounts and payment systems. While digital technology has made banking more convenient for many people, it has not removed every barrier to participation. Older adults who have limited experience with smartphones may find digital payments difficult to use, while people living in areas with poor internet connections may face practical problems. Individuals without bank accounts or suitable electronic devices could also struggle to pay for essential goods and services if businesses stop accepting cash.

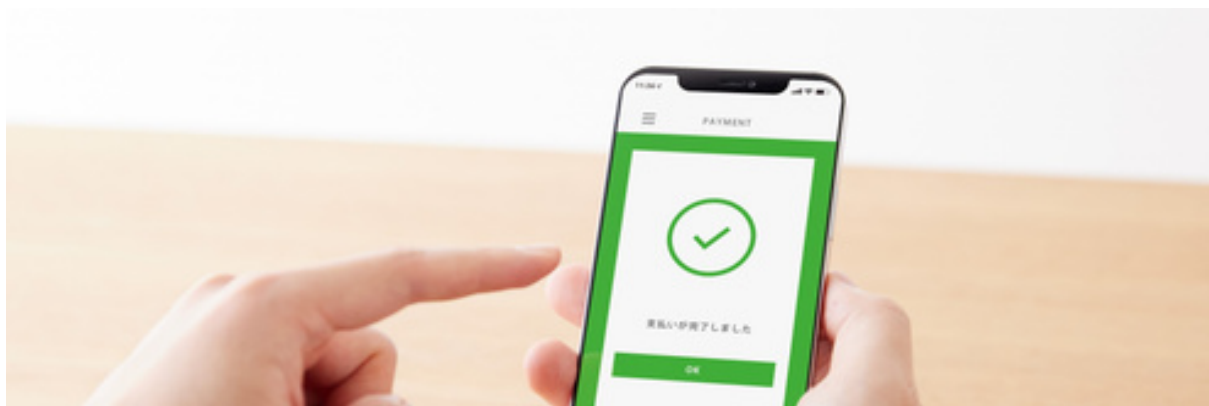
Financial circumstances can create further difficulties. Some people cannot afford reliable internet access or the devices needed to use digital banking. Others may have limited access to financial services because of their personal or employment circumstances. Small businesses also need to consider the costs of adopting electronic payment systems. Although digital transactions can simplify certain tasks, payment providers may charge fees for processing them, which can be significant for businesses operating on narrow profit margins. To reduce these barriers, governments and financial institutions could improve digital infrastructure, provide practical guidance on online banking, and ensure that suitable payment options remain available. Technological progress is more likely to benefit society when different needs and circumstances are taken into account.



## E. The Future of Physical Money

Despite the growth of digital payments, the complete disappearance of cash is not inevitable. People's payment preferences vary according to their age, lifestyle, financial circumstances, and access to technology. Some consumers prefer the speed of contactless payments, while others appreciate the simplicity and familiarity of banknotes and coins. Cash may also help some people manage their budgets because they can see how much money they have left to spend. Although digital banking applications provide similar information, individuals differ in how they prefer to monitor their expenses. Another important consideration is the need for alternative payment methods during emergencies. If electronic systems become unavailable, physical money can provide a practical backup and help maintain access to essential goods and services.

Rather than replacing cash completely, societies could maintain a system in which physical and digital payments exist alongside each other. This would allow consumers to choose the method that best suits their circumstances while enabling businesses to benefit from technological developments. The future of cash will depend on more than technological progress alone: governments, financial institutions, businesses, and consumers will need to consider convenience, security, privacy, and accessibility. A modern payment system should not simply offer the fastest way to complete a transaction; it should also be reliable, inclusive, and responsive to people's needs. Whether cash remains widely used or gradually becomes less important, the central challenge will be ensuring that changes in the way people pay do not leave parts of society at a disadvantage.





## PART 1. VOCABULARY DEVELOPMENT

Study the following 15 words and expressions from the reading passage.

| No. | Word or expression  | Definition                                                                        | Example sentence                                                                 |
|-----|---------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| 1   | Widespread          | Existing or happening in many places or among many people.                        | The widespread use of smartphones has changed the way people communicate.        |
| 2   | Monitor             | To regularly check or observe something.                                          | Banking applications allow customers to monitor their spending.                  |
| 3   | Transaction         | An act of buying, selling, or exchanging something, especially money.             | Most of the shop's transactions are completed electronically.                    |
| 4   | Financial security  | The condition of having enough money and being protected against financial risks. | Having savings can provide greater financial security during difficult times.    |
| 5   | Suspicious activity | Behaviour or actions that appear unusual or potentially dishonest.                | Banks use computer systems to identify suspicious activity in customer accounts. |
| 6   | Cybercriminal       | A person who commits crimes using computers or the internet.                      | Cybercriminals sometimes use fake emails to steal banking information.           |

|    |                            |                                                                                                 |                                                                                        |
|----|----------------------------|-------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| 7  | Privacy                    | The right or ability to keep personal information and activities from being accessed by others. | Some customers are concerned about their privacy when making online payments.          |
| 8  | Outage                     | A period when a service or system is unavailable.                                               | A payment system outage prevented customers from using their bank cards.               |
| 9  | Financial inclusion        | The ability of individuals and businesses to access and use appropriate financial services.     | Financial inclusion helps people who have traditionally had limited access to banking. |
| 10 | Barrier                    | Something that makes progress or access difficult.                                              | The cost of a smartphone can be a barrier to using digital banking.                    |
| 11 | Narrow profit margins      | A situation in which a business earns relatively little profit compared with its sales.         | Small shops with narrow profit margins may struggle with additional payment fees.      |
| 12 | Safeguard                  | To protect something from harm, damage, or danger.                                              | Banks must safeguard their customers' personal information.                            |
| 13 | Accessibility              | The quality of being easy to reach, use, or obtain.                                             | Governments should improve the accessibility of financial services.                    |
| 14 | Resilience                 | The ability to continue functioning or recover when difficulties occur.                         | Keeping alternative payment methods can improve the resilience of a payment system.    |
| 15 | Exist alongside each other | To continue to be present or used at the same time.                                             | Cash and digital payments may exist alongside each other for many years.               |

## Useful collocations for IELTS Speaking and Writing

- the widespread use of technology
- monitor personal spending
- complete a transaction
- improve financial security
- detect suspicious activity
- protect personal privacy
- experience a technical outage
- promote financial inclusion
- overcome financial barriers
- operate on narrow profit margins
- safeguard personal information
- improve access to financial services
- ensure accessibility for everyone
- strengthen the resilience of a system
- exist alongside traditional methods



## PART 2. VOCABULARY PRACTICE

### Exercise 1: Fill in the gaps

Complete each sentence using the correct word or expression below.

**accessibility | barrier | cybercriminals | financial inclusion | monitor | outage | privacy | resilience | suspicious activity | widespread**

1. The \_\_\_\_\_ use of mobile payment applications has made electronic transactions more common.

2. Many banking applications allow users to \_\_\_\_\_ their spending and identify unnecessary expenses.
3. Some older people find digital banking difficult, and a lack of technical knowledge can become a significant \_\_\_\_\_.
4. Banks use security systems to identify \_\_\_\_\_ and protect their customers from possible fraud.
5. A sudden internet \_\_\_\_\_ can prevent customers from completing electronic payments.
6. People may be concerned about their \_\_\_\_\_ when organisations collect information about their purchases.
7. Governments can promote \_\_\_\_\_ by ensuring that people from different backgrounds can access banking services.
8. \_\_\_\_\_ may attempt to steal personal information or gain access to bank accounts without permission.
9. Keeping alternative payment methods available can improve the \_\_\_\_\_ of a payment system.
10. Improving the \_\_\_\_\_ of digital banking can help more people use financial services.

## Exercise 2: Multiple-choice vocabulary

Instructions: Choose the correct answer, A, B, C, or D.

### 1. **Widespread**

The widespread use of contactless payments has changed the way many people shop.

What does widespread mean in this sentence?

- A. Expensive and difficult to maintain
- B. Common among many people or in many places
- C. Available only to a small group
- D. Recently introduced but rarely used

### 2. **Monitor**

People can use banking applications to monitor their spending.

What does monitor mean here?

- A. To reduce the amount of money available
- B. To transfer money between different accounts
- C. To check something regularly
- D. To prevent other people from spending money

### 3. **Transaction**

The bank contacted the customer about an unusual transaction.

What is a transaction?

- A. An exchange or movement of money
- B. A meeting between business owners
- C. A plan for saving money
- D. A technical problem with a computer

### 4. **Financial security**

Having sufficient savings can improve a person's financial security.

What does financial security refer to?

- A. The ability to avoid using digital technology
- B. The right to make purchases without paying taxes
- C. The guarantee that investments will always increase in value
- D. The condition of being financially stable and protected against certain risks

### 5. **Suspicious activity**

The bank investigated suspicious activity on the customer's account.

Why might activity be described as suspicious?

- A. It happens at the same time every month.
- B. It appears unusual and may involve dishonest behaviour.
- C. It involves a small amount of money.
- D. It is part of a normal shopping routine.

### 6. **Cybercriminal**

A cybercriminal gained access to the company's computer system.

Which person would be described as a cybercriminal?

- A. Someone who helps customers open bank accounts
- B. Someone who repairs damaged computer equipment
- C. Someone who uses digital technology to commit crimes
- D. Someone who develops a secure payment application

## 7. **Privacy**

Some consumers prefer cash because they are concerned about their financial privacy.

What does privacy mean in this context?

- A. The ability to keep personal information from being accessed by others
- B. The freedom to purchase anything without restrictions
- C. The right to receive free banking services
- D. The ability to use technology without an internet connection

## 8. **Outage**

A payment system outage left customers unable to pay by card.

What happened?

- A. The bank introduced a new payment method.
- B. Customers were asked to change their passwords.
- C. The payment system became faster than usual.
- D. The payment service temporarily stopped working.

## 9. **Financial inclusion**

The government introduced a program to improve financial inclusion.

What was the main aim of the program?

- A. To encourage everyone to stop using cash
- B. To help more people access and use appropriate financial services
- C. To prevent small businesses from accepting digital payments
- D. To limit the number of people who can open bank accounts

## 10. **Resilience**

Keeping cash available as a backup may improve the resilience of a payment system.

What does resilience mean here?

- A. The ability to process every transaction instantly
- B. The ability to eliminate all financial risks
- C. The ability to continue functioning or recover when problems occur
- D. The ability to prevent customers from changing payment methods

## Exercise 3: Vocabulary in context

**Instructions:** Choose the expression that best completes each sentence. Pay attention to the meaning of the entire sentence.

**1.**

The shop owner was concerned about the additional fees charged by the payment provider because the business operated on \_\_\_\_\_.

- A. widespread transactions
- B. financial inclusion
- C. narrow profit margins
- D. personal privacy

**2.**

Banks must introduce effective security measures to \_\_\_\_\_ their customers' personal information.

- A. monitor
- B. safeguard
- C. transact
- D. exclude

**3.**

People who have limited internet access may face significant \_\_\_\_\_ when trying to use digital banking services.

- A. barriers
- B. transactions
- C. outages
- D. preferences

**4.**

If cash and digital payments continue to \_\_\_\_\_, consumers will be able to choose between different payment methods.

- A. monitor their spending
- B. safeguard their privacy
- C. detect suspicious activity
- D. exist alongside each other

**5.**

The government wants to improve the \_\_\_\_\_ of financial services so that people with different needs can use them.

- A. cybercrime
- B. accessibility
- C. transaction
- D. outage

**6.**

Regularly checking bank statements can help customers \_\_\_\_\_ their spending and identify unusual payments.

- A. monitor
- B. safeguard
- C. exclude
- D. replace

**7.**

A sudden technical problem caused a payment system to stop working. The business was affected by a temporary \_\_\_\_\_.

- A. financial inclusion
- B. profit margin
- C. outage
- D. transaction

**8.**

Providing affordable banking services to people who have traditionally lacked access can promote \_\_\_\_\_.

- A. financial security risks
- B. narrow profit margins
- C. technological dependence
- D. financial inclusion

**9.**

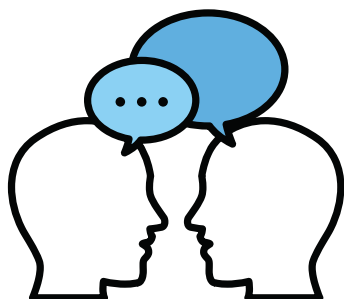
The bank contacted the customer after detecting \_\_\_\_\_ that might have involved unauthorised access to the account.

- A. widespread use
- B. suspicious activity
- C. financial inclusion
- D. narrow profit margins

**10.**

A payment system that can continue operating during technical problems demonstrates a high level of \_\_\_\_\_.

- A. privacy
- B. accessibility
- C. resilience
- D. financial exclusion



## **PART 3. IELTS SPEAKING**

### **Speaking Part 2: Individual Long Turn**

You should speak for 1–2 minutes.

**Describe a technology that has made everyday life easier.**

**You should say:**

- **what the technology is**
- **how people use it**
- **what advantages it offers**
- **and explain whether you think it has any disadvantages.**

You have one minute to prepare your answer.

### **Useful vocabulary**

You can use the following expressions in your response:

- digital payments
- convenient and time-saving
- monitor personal spending
- complete transactions
- protect personal information
- financial security
- depend on technology
- access to digital services
- make everyday tasks easier
- potential disadvantages

### **Suggested approach**

You should organize your response into four parts:

1. Introduce the technology: Explain what it is and when you started using it.
2. Describe its benefits: Explain how it saves time, improves convenience, or makes a task easier.
3. Discuss its disadvantages: Consider privacy, security, cost, or dependence on technology.
4. Give your opinion: Explain whether its benefits outweigh its disadvantages in your own experience.

## **Speaking Part 3: Discussion Questions**

### **Topic 1: Money and everyday life**

1. How have people's spending habits changed in recent years?
2. Why do some people find it difficult to save money?
3. Do you think people manage their money better when they use cash?
4. How important is financial education for young people?
5. Should schools teach students how to manage a personal budget?

### **Topic 2: Digital payments and technology**

6. Why are digital payments becoming increasingly popular?
7. What are the main advantages of paying by card or mobile phone?

8. What problems might people experience when they depend on electronic payments?
9. Do you think technological developments always make people's lives easier?
10. How might payment methods change in the future?

### **Topic 3: Privacy and financial security**

11. Why are some people concerned about sharing financial information online?
12. What can individuals do to protect themselves from online financial crime?
13. Should banks be responsible for protecting customers from digital fraud?
14. Do you think people are becoming too dependent on technology?
15. How can businesses make digital payments safer for their customers?

### **Topic 4: Society and financial inclusion**

16. What difficulties might older people face when using digital banking?
17. Should businesses be required to accept cash as well as digital payments?
18. How can governments help people who have limited access to banking services?
19. What are the possible disadvantages of a completely cashless society?
20. Why is it important to ensure that technological developments benefit different groups of people?

### **Topic 5: The future of cash**

21. Do you think physical cash will eventually disappear? Why or why not?
22. What are the advantages of keeping cash available during

emergencies?

23. How might a cashless society affect small businesses?

24. Should people be free to choose how they pay for goods and services?

25. What factors should governments consider before encouraging a move towards a cashless economy?

## ANSWER KEY

### Exercise 1: Fill in the Gaps

1. widespread; 2. monitor; 3. barrier; 4. suspicious activity; 5. outage; 6. privacy; 7. financial inclusion; 8. cybercriminals; 9. resilience; 10. accessibility.

### Exercise 2: Multiple-Choice Vocabulary

1. B; 2. C; 3. A; 4. D; 5. B; 6. C; 7. A; 8. D; 9. B; 10. C.

### Exercise 3: Vocabulary in Context

1. C; 2. B; 3. A; 4. D; 5. B; 6. A; 7. C; 8. D; 9. B; 10. C.