

A Cashless Bahamas

The Evolution of the Financial Sector in A Digital Environment

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July 16th, 2021

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Abstract

The Bahamas is moving towards an economy that involves less usage of cash and more online banking, digital currency and use of atm cards. The issues that may arise with technology changing and affecting the financial industry is that there may be Bahamians who feel that they are not fully equipped to deal with the changes and the inability to integrate. This paper will analyze the evolution of the financial services sector in the digital environment and steps that The Bahamas has made to move along with the rest of the world. This research will also include literary reviews on the recent advancement of technology, the digital development of the country in different areas including government agencies and the banking sector and lastly insight towards the variables that will affect the effectiveness and efficiency of businesses going cashless.

Keywords: Online banking, digital currency, financial services, ATMS, transactions, technology, e-commerce, e-wallets, cashless

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Introduction

The Central Bank of The Bahamas has made a continuous effort to upgrade and monitor the financial sector in The Bahamas and has made great progress. In May 2021, The Central Bank of The Bahamas' governor, John Rolle, did an interview with Bloomberg and it is said that "The Bahamas became a global leader in e-money last year when it launched one of the world's first central bank digital currencies—the "sand dollar"—beating China's "digital renminbi" to the market by six months." The Sand Dollar and other digital apps are some of the latest technologies that have marked the way for The Bahamas to begin the transition into a cashless society.

Over the past three decades, global technology has evolved and made it easier for people and businesses to operate their daily lives. The use of technology also increased competition between business since each firm is trying to get ahead of the other. Among the industries significantly impacted by technology, the financial industry has experienced an increase in technology-based services. ¹The adoption of these services has benefited not only firms but individuals in many ways. These benefits for a firm include but are not limited to:

- Cutting costs for the firm
- Improving efficiency
- Improving the client's experience and;
- Easier and faster communication

For an individual:

- Having immediate access to account information

¹ BBC News Article on "*Advantages and disadvantages of using new technology for businesses*"

- Less barriers to national and international transactions and;
- Avoiding lengthy processes, for example being able to pay for an item in advance so that you can just receive your item and leave.

There is a wide range of benefits of technology but the with the advancement of technology everyday day, society has become more and more dependent on technology It can also create a gap between age groups as well as economic classes because of insufficient access to technology. (Paulski, 2017) . Despite the gaps that may occur, the financial and e-commerce industry continues to make the move towards a more technologic environment and are pushing for more and more cashless transactions. This research paper will be divided up into sections. The first section (introduction) will discuss the advancement of technology and how it became an integral part in the operations of the financial sector. The second section will look at what it means to be a cashless society and the variables that will affect a cashless society. The third section will give insight about the development of the Sand Dollar in The Bahamas as its official digital currency and how it will influence firms to adopt the payment option. The last section will give and present the methodology behind the research, provide recommendations, and conclude.

Literature Review

Economist ²Nikola Fabris (2019), and Erica Dunwoodle and Michael Myers (1999) analyze what it means to be a cashless society and its implementation into the economy and also how businesses adapted to using the digital currencies for conducting transactions.

² Nikola Fabris, “*Cashless Society – The Future of Money or a Utopia?*” 2019
Erica Dunwoodle and Michael Myers, “*The Dream of the Cashless Society: A study of EFTPOS in New Zealand*” 1999.

When analyzing the move from paying for items with cash to now using digital currency and e-wallets, there must be an acknowledgement of the development of digital wallets (e-wallets).

A digital wallet also known as an e-wallet are online currencies that allow its user to store funds, make transactions and transfer money between users.³The use of digital wallets reduces the need to have physical cash but also provides the user with a secure, compact way for performing transactions.⁴The development of digital wallets extends way back more than 25 years ago when an entrepreneur by the name of Dan Kohn from New Hampshire sold a CD over the internet and used a credit card as his option to receive payment in 1994. Five years later in 1999, PayPal introduced their electronic services for its users to be able to transfer between users. As of May 2021, there are more than 361 million active users on PayPal (Urosevic, 2021), with a wide variety of services that include debit cards for payments and lines of credit.

In 2003, Alibaba Group Holding Limited launched their mobile payment app Alipay in China and has grown tremendously to the point where its digital wallet is accepted in over 50 counties by merchants (Sacco, 2020). Another major digital wallet that has made a great impact with the development of digital wallets was Apple Pay which was launched in 2014. As of September 2020, there are more than 507 million Apple pay users worldwide which merchants can accept. (Best, 2021)

In addition to digital wallets, there is also the development of the banking sector going mobile and developing apps to make everyday banking easier. With the touch of a button,

³ *The adoption of technology in the financial services industry. Clients' perspectives*

⁴ The history of digital wallets by Francesca Sacco

customers can download the mobile banking app and be able to perform most of the transactions in the palm of their hand that otherwise might have required having to go into the bank. ⁵For example, through the Chase bank mobile app, customer can snap a photo of their cheque and deposit it right from the comfort of the home. Through mobile banking apps, you also can pay bills, track your account history, and transfer funds from one bank account to the next. As noticed, the advancements that has taken place allows everyone to move forward on a global scale. Now looking at how the financial sector has evolved along with the development of technology in The Bahamas and other countries.

⁶With technology moving forward, economist have acknowledged that the core daily functions of financial institutions have remained the same. These functions include:

- Clearing and settling payments
- Managing risk
- Providing financial aid
- Pooling of Funds
- Providing liquidity.

The functions are the same however the way that the services are provided has changed. Now that the use of technology is at its all-time high, financial institutions are now using it to their advantage and moving the majority of their process to be technology based. Businesses have

⁵ Chase.com

⁶ *The Six Core Functions Performed by the Financial System.*

also automated a few processes as well. Financial technology (Fintech) now plays a significant role in financial services. Initially, fintech was used to describe the technology systems that were applied to financial institutions, but it has shifted to ordinary services that are consumer based which includes retail, education, and fundraising (Kagan, 2020). According to EY's Global FinTech Adoption Index 2019, industries using financial technology has increased. In 2015, fintech services was at 16%, then went up to 33% in 2017 and then to an outstanding 64% in 2019 (Global, 2019). These results show that consumers are more aware of fintech services and use them as a part of their daily lives.

During the COVID-19 pandemic, the use of technology has increased, and businesses used this as an opportunity to introduced digital currency and the option for more contactless payment.⁷The way of payment has changed. Debit and credit cards have started to “squeeze” out cash and contactless technologies have increased payment instruments such as Automatic Teller Machines (ATMs) and there is a growing number of products and services that are being paid without cash.

What will happen to cash? Will it become obsolete? There is a constant debate between economist on what is the future of cash, however, it can be argued that for people of the younger generation it may seem so. (Mercadante, 2020). There are some governments that encourage the shift toward digital services because they see it as a way to address certain issues such as money laundering and tax evasion and to boost competition in between firms in the financial services industry. Others argue that digital payments protect consumers from being robbed or losing

⁷ This narrative can be fully read in “*Cashless Society – The Future of Money or a Utopis?*” by Nikola Fabris

money, as well as sparing them the hassle of constantly carrying a wallet (CERULUS & CONTIGUGLIA, 2018).

What does it mean to be a cashless society?

The notion behind a cashless society is that transactions are conducted using electronic payments instruments. A cashless society is defined as “An economic concept where financial transactions are executed in an electronic format rather than using a bank note” (Novice, n.d.). There are several instruments that allow a cashless society to be feasible such as cheques, credit cards, debit cards, digital apps and etcetera.

There are several countries making the move towards a cashless society. A good example is Sweden. According to the article Sweden: *How to live in the World's First Cashless Society*, “Sweden is one of the most technologically advanced nations on the planet” and is on track the being the first cashless society by 2023. Based on statistics, more than 80% of Swedes have access to online banking with less than 3% of the country’s transactions being conducted with the use of cash. Sweden has made it so that most businesses do not accept cash and it is rare to find one that does (Fourtané, 2020). Sweden’s digital currency app, Swish, is accessible to all citizens with more than 50% of Swedes using the app for completing transactions. According to the European Payments Council, in 2019, transactions involving cash only accounted for only 1% of Sweden’s Gross Domestic Product (GDP). By March of 2023, it is expected that Sweden will no longer accept cash and nationals and tourists will not be able to use cash for anything while in the country. Following Sweden are countries like the United Kingdom, France, Canada, and China just to name a few (Novice, n.d.).

Although there are several online payment options there are, the use of cash is still at a high (Rahad, et al., 2020).⁸ James Gleick described cash as “a heavy, expensive to produce, move count and guard” item. Gleick also considers digital money as the perfect type of money considering that its weightless and travels instantly. There are two sides of the argument. On one side, there are those that are for the cashless society movement and then those that are against it. Presented in Table 1 are main arguments for both sides.

For	Against
Convenience	Invasion of privacy
Decrease in crime and money laundering	Lack of knowledge to integrate
Lower transaction cost	Cybercrime

Table 1

Starting with the arguments for cashless societies:

1. As mentioned previously, debit and credits cards, banking apps and other forms of digital payments makes it easy to make payments. Additionally, with money being stored in a digital format, it is easily accessible on a mobile device with access to the internet.
2. Completing transactions using online instruments guarantees a paper trail of when and where money is being spent. Cash cannot be tracked which unfortunately allows criminals to be successful in counterfeiting and stealing money.
3. The lowering of transaction cost benefits financial firms. The elimination of cash would allow banks and other financial institutions to reduce their staff (Fabris, 2019). With the reduction of staff, also comes with the reduction of branch locations and shortened work

⁸ James Gleick is an American author and historian whose work has chronicled the cultural impact of modern technology.

hours for the staff that remains. This allows banks to pay out less money on overhead expenses such as salaries, rent and utilities.

While there is a reduction in the cost of transactions for a firm, people must also know that using digital forms of payment usual comes with an increase in transactions fees for the consumers (Rahad, et al., 2020).

The arguments that are against the move towards a cashless society are also factors that may possibly affect it from happening.

1. Many are concerned with all their financial data being stored in electronic devices and can be monitored by firms. Dunwoodie & Myers (1999) described it as “another way in which details of our lives becomes subject to scrutiny”. This then raises the question of “Who have access to viewing this financial information?”
2. ⁹The poor and elderly population remain dependent on cash. Their knowledge of the use of digital money and wallets are limited. Also, there is a significant part of the population in all countries that do not have access to bank accounts, mostly poor individuals, and marginalized groups. There is also a certain part of the population that does not have access to the Internet and are not IT literate. Low level of financial literacy can prevent some portion of the population from using cashless means of payment. The data from the Pew Research Center showed that 11% of the population do not use the Internet (Mercadante, 2020). However, the opposite effect in terms of financial inclusion should not be excluded. For example, in some rural areas or

⁹ Full version Cashless Society - The Future of Money or a Utopia. In J. o. Practice. Journal of Central Banking Theory and Practice.

remote parts of the country with extremely limited financial infrastructure such banks, ATMs, etc.

3. ¹⁰Lastly, cybercrimes. Cybercriminals go to a great extent to advertise their new techniques to lure in new victims. There is a list of potential crimes that can occur with the use of cash now decreasing. These crimes include:

- a. Counterfeit fraud
- b. Phising
- c. ATM fraud and;
- d. Skimming

These are some of the issues that must addressed before considering the transition to a fully cashless society.

The Sand Dollar in The Bahamas

Financial Inclusion and Retail Payments

¹¹The Bahamas have made great progress over the years in the context of modernizing the national payment system and expanding financial inclusion under the Payments System Modernization Initiative (PSMI). Under the PSMI, changes to the financial sector includes:

- Adoption of the Central Bank Act – 2000
- Establishment of the Real Time Gross Settlement (RTGS) System - 2004
- Establishment of an Automated Clearing House (ACH) - 2010
- Establishment of the Payments Policy and Oversight Unit (Payments Unit) - 2011

¹⁰ Avoiding Cybercrime Pandemic in Cashless Society using HMM . *International Journal of Computer Applications* , 35-43.

¹¹ (International Monetary Fund. Moneyary and Capital Markets Department , 2019)

- Adoption of the Payments System Act 2012 -2012
- Formal Establishment of the National Payments Committee (NPC) – 2012
- Adoption of the Payments Instruments Oversight Regulations - 2017
- Adoption of the Credit Bureau Bill: - 2018
- Project Sand Dollar – 2019

The Bahamas has its own payment app, the Sand Dollar. The Central Bank of The Bahamas has made a continuous effort to upgrade and monitor the financial sector in The Bahamas and has made great progress. The Sand Dollar is the official digital version of the Bahamian dollars that was launched by The Central Bank of The Bahamas in October 2020. The Sand Dollar is one of the newest projects under the Bahamian Payments System Modernization Initiative (PSMI) and its aim is for 100% of the population to have access to digital payments services (The Central Bank of The Bahamas , 2019). The Sand Dollar started its pilot phase on the island of Exuma in December 2019 and extending to Abaco in the first half of 2020. The PSMI objectives are to improve outcomes for financial inclusions, make the domestic payments systems more efficient and access to financial services across the country.

Due to the geography of The Bahamas, there are many out islands, that have limited access to banks and other financial institutions. Commercial banks have been the main provider of financial services in The Bahamas; however, they have not been able to meet all of the market needs. (International Monetary Fund. Moneyary and Capital Markets Department , 2019). Central Bank conducted a financial inclusion survey on the island of Exuma. This survey was an attempt to analyze the availability of financial services relative to the citizens needs and to see how willing they are to adopt a digital payment system using their phones or an online platform (The Central Bank of The Bahamas , 2019).

In 2021, the Sand Dollar has made its way into various sectors in the Bahamas. It is also available for both wholesalers and well as retailers. With the release of the Sand Dollar, Central bank has a list of supervised financial institutions that can authorized the currency and enroll customers (Sand Dollar, n.d.). These financial institutions are:

- Omni Financial Group Limited
- SunCash
- Moneymaxx
- Cash N' Go
- Kanoo
- MobileAssist
- Island Pay

In The Bahamas, citizens use several payment instruments options to complete transactions: debit cards, credit cards, credit transfers and digital currency. The use of other cashless methods has increased but cash and cheques still dominate the economy in The Bahamas.

The Sand Dollar and other online payment options have made it possible for individuals that may not have a bank account to be able to store money in their online wallet. As of 2019, there was only one digital currency issuer in The Bahamas, which was Island Pay. ¹²Island pay received its license in 2018 as a Payment Service Provider and Electronic Money Institution by the Central Bank of The Bahamas. This platform provides customers with 24/7 access to financial services that might otherwise be inaccessible to the underbanked and the unbanked. With Kiosk and bank integration customers can top up their accounts without needing a bank

¹² Information can be found on the “About Us” section on the Island Pay official website.

account. Once cash is on their account, account holders will have a spend feature that makes current cash-based transactions easier and faster and there is also the option to transfer money from one account holder to the other. In 2020, Island Pay had 20,000 digital wallet holders and has processed more than \$60m worth of payments which includes unemployment benefits from the Government of The Bahamas and the National Insurance Board (NIB) (Hartnell, 2021). Island Pay is available to all citizens of The Bahamas.

A list of companies has now advertised that they would not be accepting cash for future transactions or has introduced a cashless payment system that allows consumers to pay online. For example, the Bahamian courts have introduced the DigiPay platform that will “ease the doing of business” Minister of State for Finance Kwasi Thompson said in an interview with Eyewitness News Bahamas. DigiPay will give all government agencies the platform for cashless transactions to be fully integrated into their systems as of March 2021. This DigiPay platform will allow the Sand Dollar to be accepted as well across government agencies. The Department of Immigration was the first government agency in The Bahamas to go completely cashless by using DigiPay as of October 2019 (McKenzie, 2021). Since the implementation on the DigiPay platform more than 23,812 payment transactions have been made through that platform. In addition to the court system and the Department of Immigration, DigiPay has been used to facilitate other government services such as applying for a driver’s license renewal and legal certificates. Although, the use of credit and debit cards have increased, the courts are still seeing a high inflow of cash transactions which they intend to see a reduction soon and more use of DigiPay and cards (McKenzie, 2021).

In the financial sector, banks are also going cashless and encouraging customers to use the ATMs and mobile apps. In July 2020, ScotiaBank (Bahamas) Ltd. announced that four of their

branches located on the island of New Providence will be going cashless to expand their digital strategy. These branches are Downtown (Main Branch), Palmdale, Paradise Island (now closed) and Wulff & Jerome Avenue. ScotiaBank (Bahamas) managing director, stated that “cashless branches represent a significant step in getting customers comfortable with our convenience channels” (ScotiaBank (Bahamas) Ltd., 2020). All cheque/cash transaction will be done through the ATM or nearest bank branch that still do accept cash. ScotiaBank’s ATM allows its customers to:

- Deposit Cash or Cheques
- Withdraw Cash Withdraw US Dollars from US Accounts
- Transfer Funds Between Accounts
- Check Account Balances

Other banks also are cashless with The Central Bank of The Bahamas being among the list of banks.

Methodology

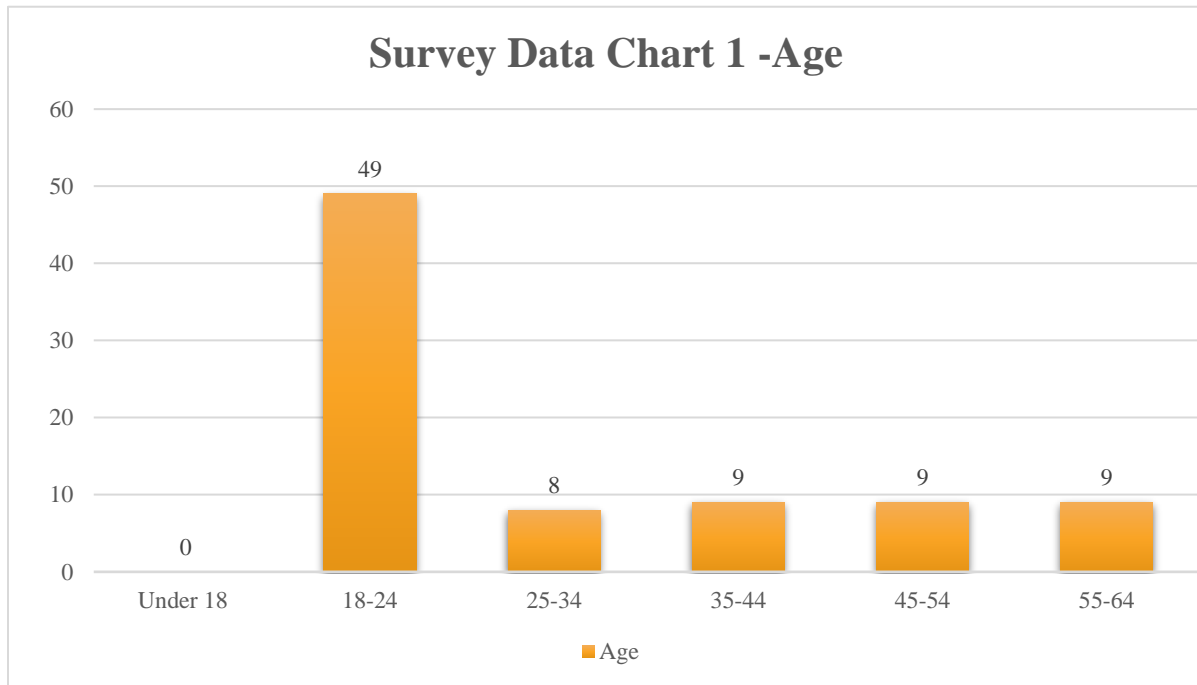
Based on the review of the literature in previous sections, there are several factors that may affect the efficiency of digital currency in The Bahamas. This survey was conducted to receive an understanding of how many individuals have access to banking options and the opinions about business going cashless from local Bahamians. ¹³85 individuals responded to the survey that was posted on different social media platforms¹⁴. Respondents were polled on their ages, access to online banking and the use of digital currency.

¹³ The 85 respondents represent a sample of the population.

¹⁴ Facebook, SnapChat and WhatsApp

The survey results are presented below.

¹⁵Seven age categories were presented for respondents to choose from. ¹⁶57% of participants identified in the age group of 18-24, 13% in the 25-34, 11% in the categories of 35-44 and 45-54,



7% in the 55-64 age group and 1% that were 65+.

Access to Banking/Financial institution

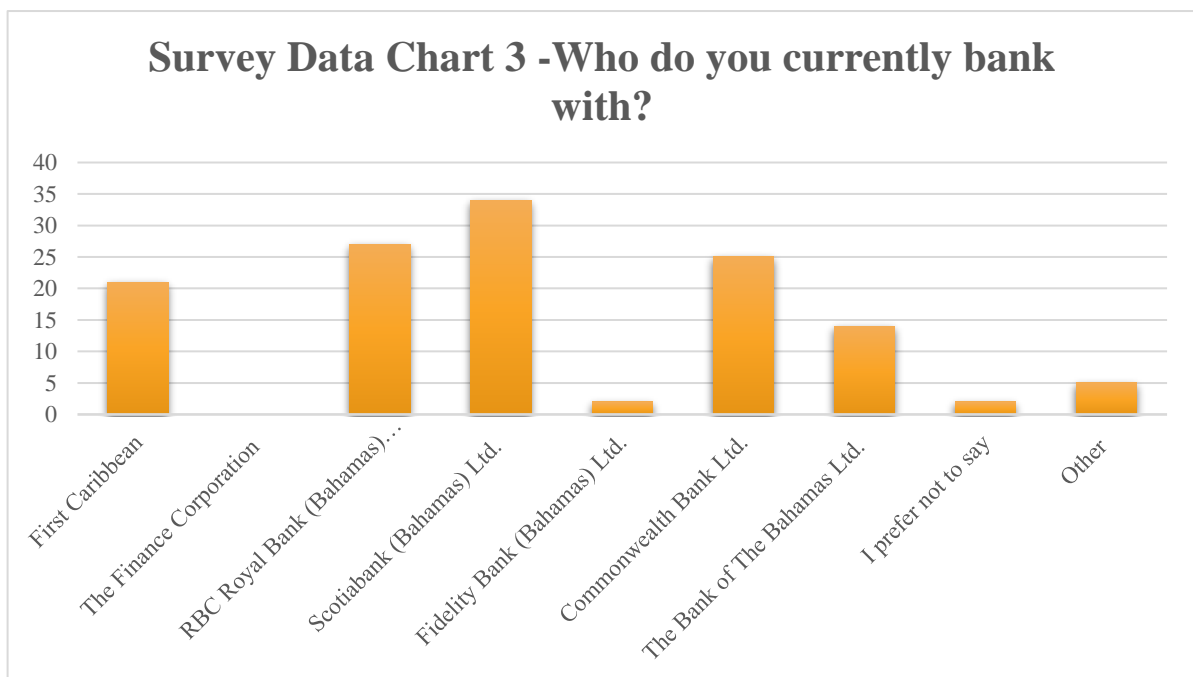
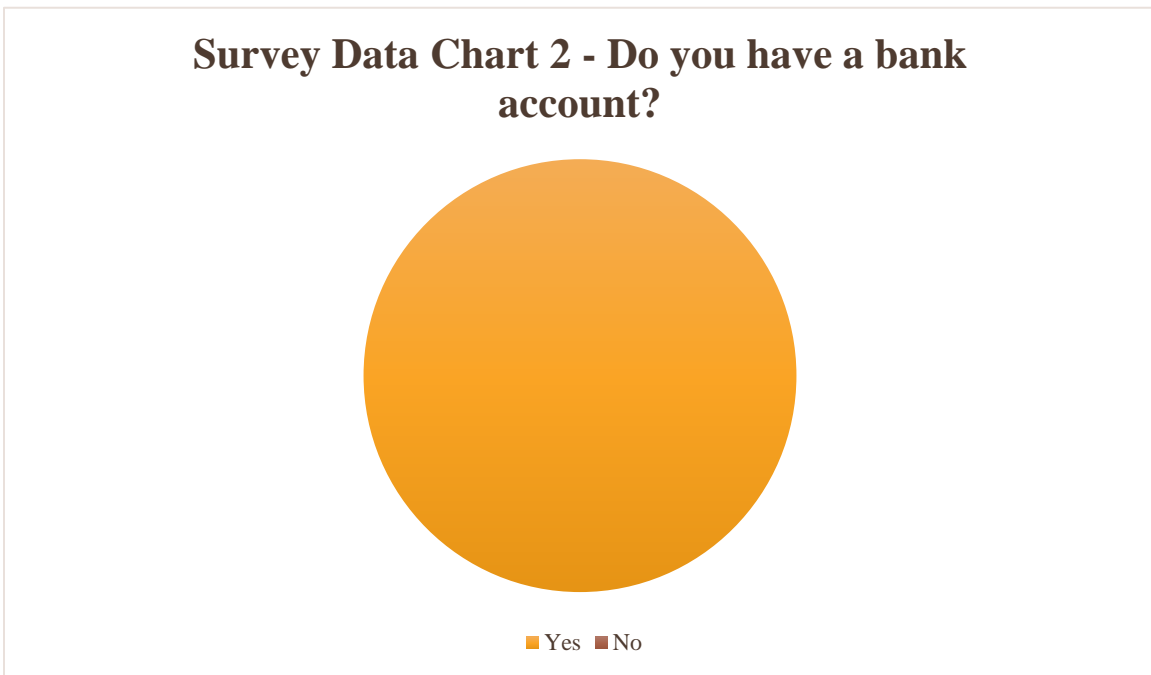
¹⁷All 85 respondents indicated that they have accesses to a bank account whether it be with a local bank or international banks.

¹⁵ Refer to data Survey Data Chart 1

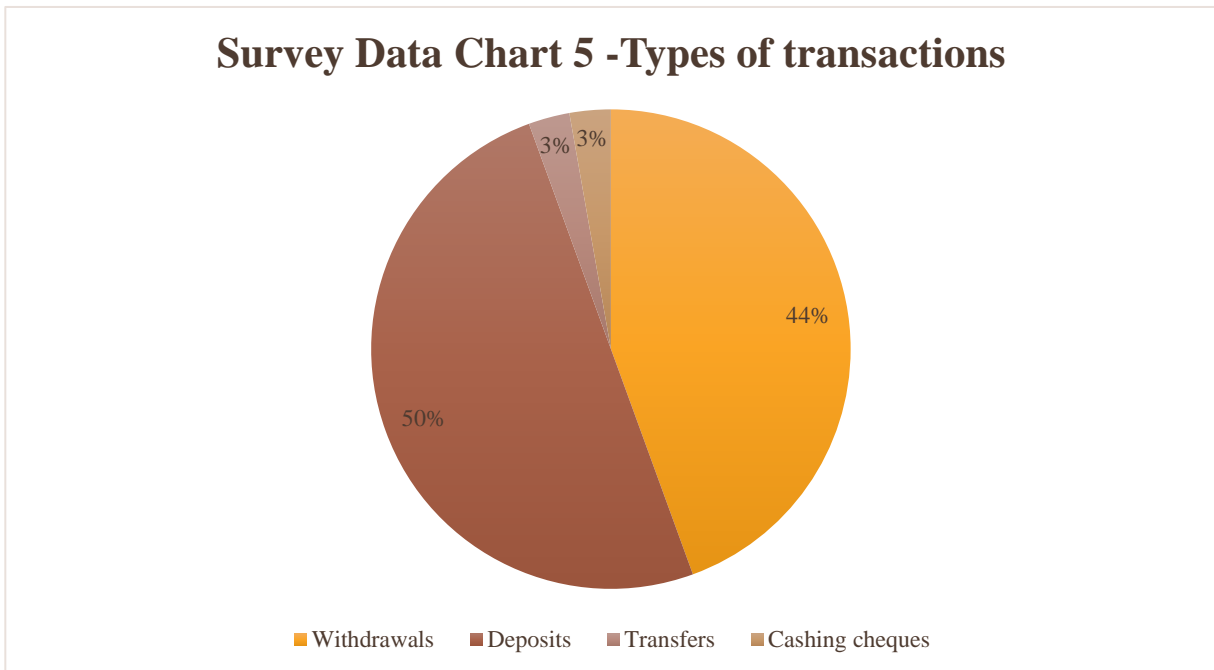
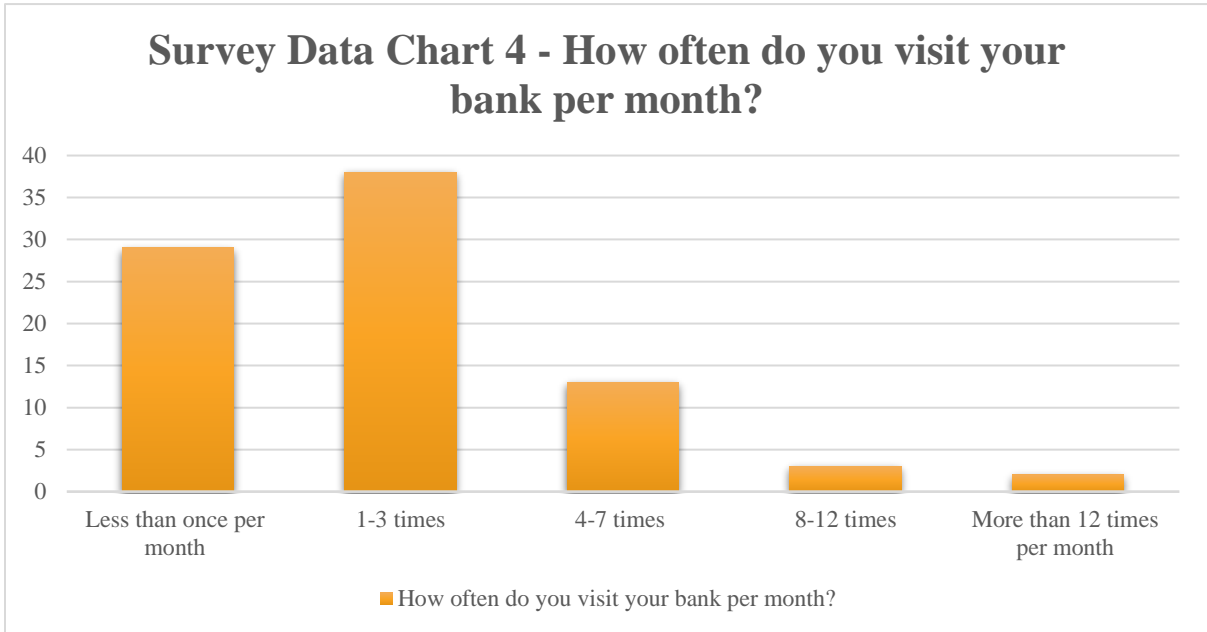
¹⁶ Percentages are rounded to the nearest whole number.

¹⁷ Refer to Survey Data chart 2 – Do you have a bank account?

Respondents were also asked which local bank that they use and were allowed to select more than one option. 2% of the respondents opted not to answer the question by selecting the “I prefer not the answer option”. While 3% commented that they also hold bank accounts out of the country.

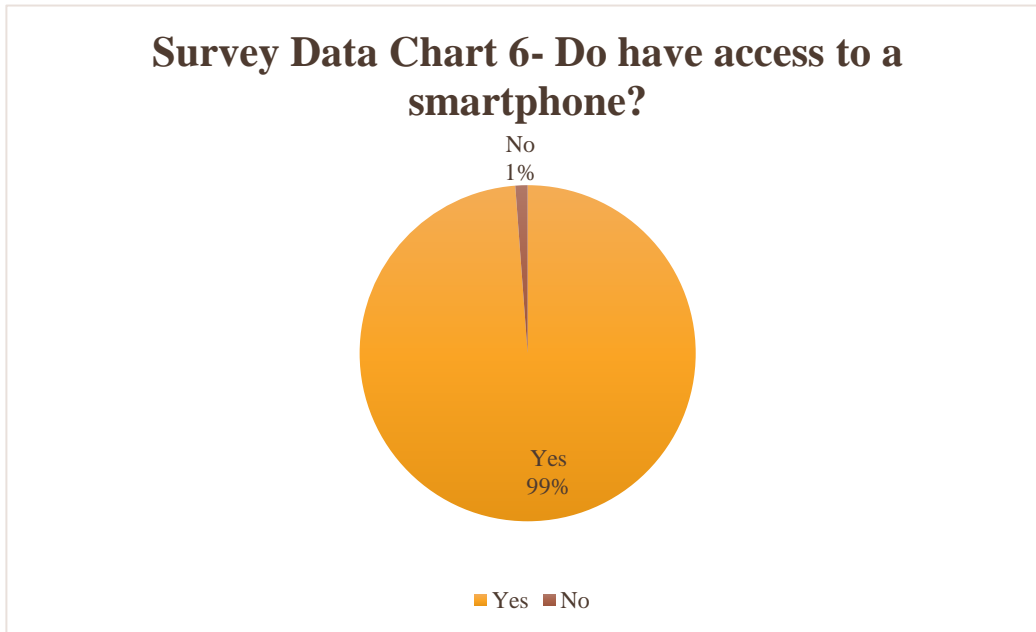


As it was determined that 100% of the respondents had access to a bank account and the questioned that followed was how often were they to visit their bank branch during the month and what type of transaction do they perform at the bank. Majority of respondents (62%) indicated that their main transaction at the bank is to perform transaction that involve the ATM such as withdrawals and deposits.



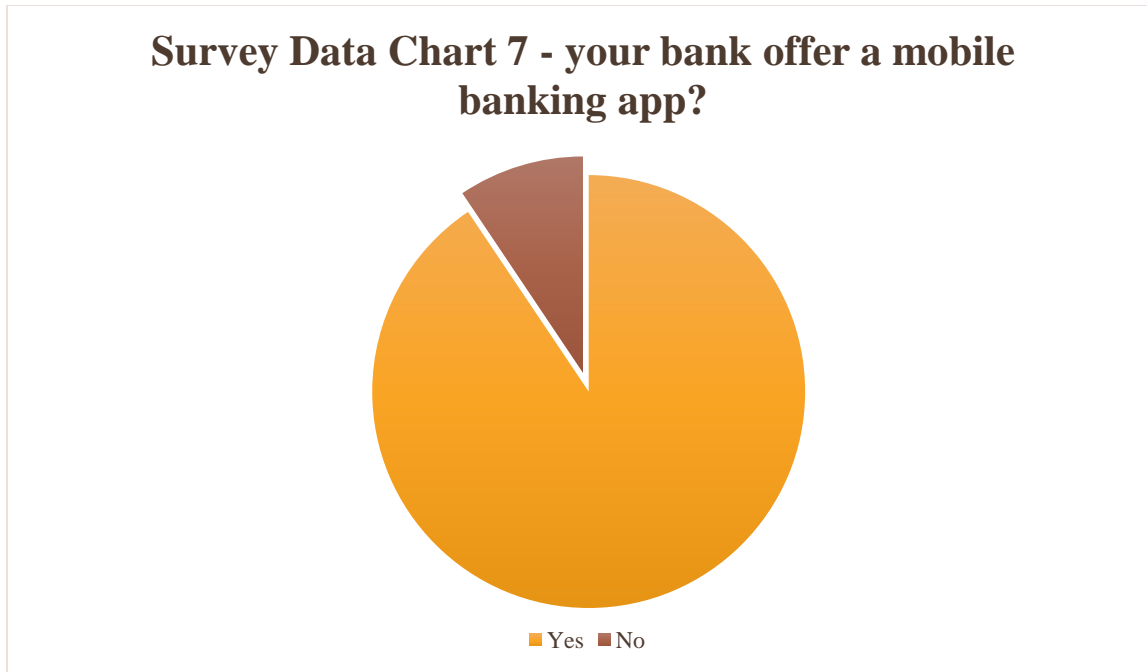
¹⁸Access to online payment instruments

Respondents were asked various questions such as do they have access to a smartphone, do their bank offer a mobile app, knowledge of the Sand Dollar and the type of digital currency and e-wallets they use. Out of all the respondents, one (1) answered that they do not have access to a smartphone, and it can be assumed that someone filled out the survey for that person.



With the access to a mobile, they were also asked if their bank have an online mobile app that they can use to be able to perform transaction. A small amount indicated that their bank does not have a mobile app.

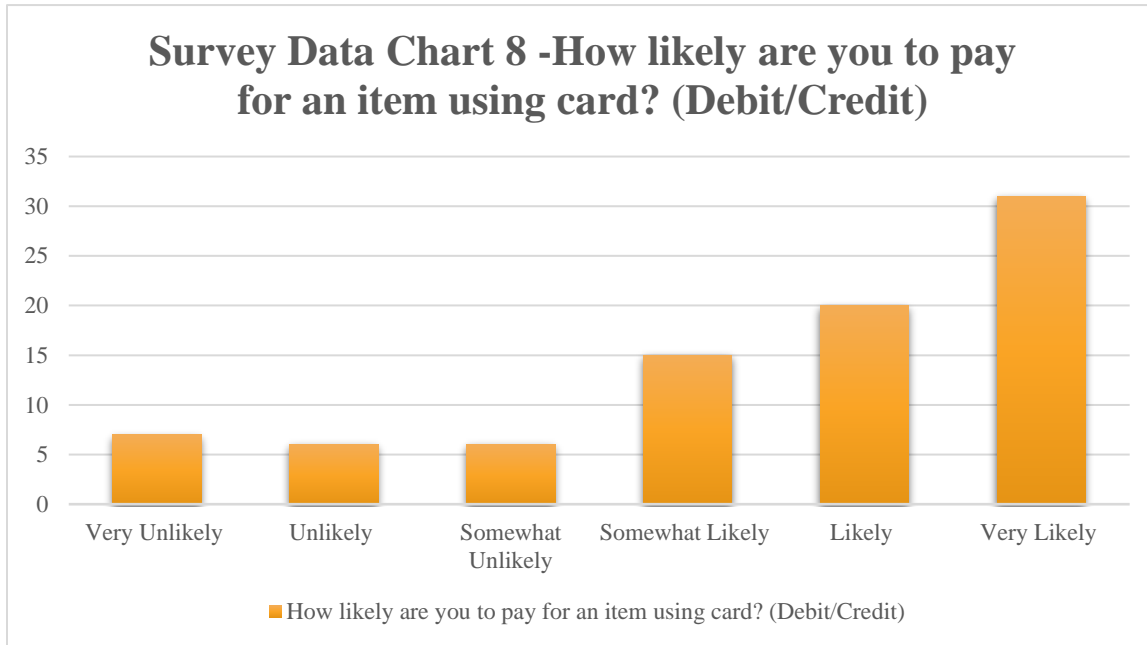
¹⁸ Online payment instruments for this survey included e-wallets, mobile banking apps and digital currencies.



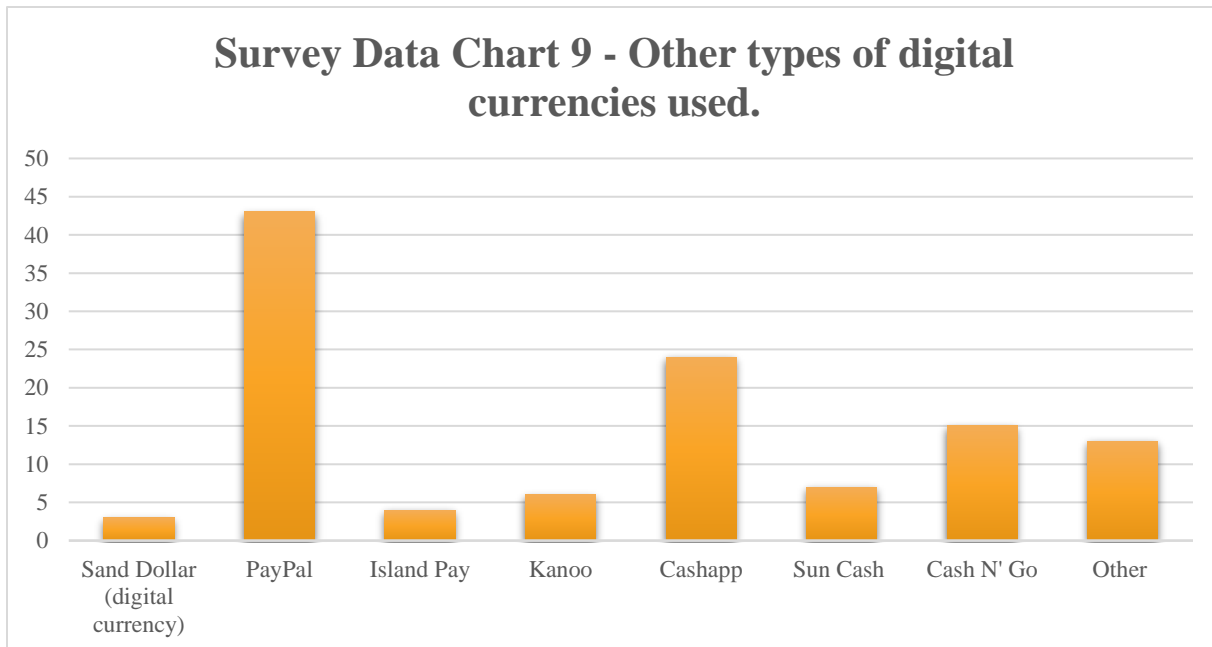
Payments

Throughout the paper, it was mentioned about the use of online payments by financial institutions and businesses in The Bahamas. With having a bank account often also comes with the account holder having either a debit or credit card that can be used to purchased items. Although paying for items with a card or online, there is still a small select few that prefer cash. With everyone that selected that they are unlikely to use a card to pay for an item, 100% of them

say that they prefer to use cash. For “Very likely” majority of the respondents fall into the age brackets between 18-24 and 25-34.



Despite the Sand Dollar being the official currency of The Bahamas, the survey revealed only ¹⁹4% of the respondents have used the Sand Dollar to complete transactions.



¹⁹ Refer to Survey Data Chart 9. Percentage rounded to nearest whole number from 3.5%

The last question in the survey asks respondents their opinions on businesses going cashless and there was a mixed response. Some agreed with the change and others did not like the idea so much.

Problems

The advancement of the payment systems in The Bahamas is moving into the right direction with the implementation of The Sand Dollar. However, there are still a few variables that need to be considered before The Bahamas can move into a fully cashless society.

The first issues come with the unwillingness of Bahamians to move from using cash to now using digital devices. There are consumers who are resistant to change and not be opened to changing from their normal. Often times the elderly are not as tech-savvy as the younger generation, resist change because it takes a lot of time to learn the latest technology.

Another issue is that there is a lack of access to financial instruments to the family islands. As mentioned before, several commercial banks have withdrawn their branches from some Family Islands and the number of ATMS has decreased. In October 2020, Scotiabank (Bahamas) Ltd. announced the closure of bank branches on the islands of Abaco, Exuma, Long Island and Paradise Island, leaving the citizens on those islands with limited options for banking. With branches closing, people will start to hold on to cash much longer instead of going and depositing those funds into the bank and with cash on hand they are more likely to purchase items with it.

The lack of financial literacy is also an issue. In 2018, the Central Bank of The Bahamas conducted a ²⁰financial literacy survey, and it was discovered that only “42.3% of respondents

²⁰ “An Analysis of The Bahamas Financial Literacy Survey”, Central Bank of The Bahamas, 2018.

were able to answer basic questions about financial computations” (International Monetary Fund. Moneyary and Capital Markets Department , 2019). Many Bahamians do not know the difference between a debit and credit card, the difference types of accounts (savings, checking, fixed, ect.) and that can be an issue when it comes to setting up bank accounts and knowing which one benefits them the most.

During the collection of the survey results, the issue of bank cost was mentioned. It is a concern of many that with the increased use of a debit or credit card, monthly charges for an individual will increase. If a customer withdraws money from an ATM that of their current bank, customers are charged a flat rate fee and a 12% VAT fee, which, that amount varies depending on the amount of money withdrawn. On the other hand, if a customer uses an ATM that is not the same as their card issuer, they are subject to a withdrawal fee in addition to the 12% VAT. These charges also apply to visitors with an international VISA card. Visitors are subjected to international processing fees, withdrawal fees and VAT. Banks also have monthly fees that are charged to a bank account at the end of each month. The amount that is charged all depends on the amount of transactions that are completed with that bank accounts and the same applies for a credit card.

Lastly, there is still many workers that depend on cash to get by. The bus transportation system is an industry that functions entirely with the use of cash. Another industry is the fishing industry that relies on the use of cash for the sale of products. If The Bahamas moves to being a completely cashless society, it will threaten their livelihood considering, that their locations for sale are usually done near the sea. Another set of individuals that still depend on cash are migrants that do not have bank accounts and get paid weekly by cash.

Before The Bahamas makes that complete shift to a cashless society, these issues should be considered and addressed.

Recommendations:

After completing the research, there needs to be more awareness about the official digital currency of The Bahamas, the Sand Dollar. The platform is available to everyone but as mentioned earlier in the variables that affect e-wallets and currency, the lack of knowledge will set the progression on the currency back. I think that there needs to be more financial technology literacy so that Bahamians can know their options and how to work these applications and financial literacy should also be offered to small business owners. Additionally, the Central Bank has an ongoing financial literacy campaign “Get Money Smart Bahamas” that was launched in 2018 that Bahamians should be encouraged to attend. Also, offer incentives for attending and participating in these financial literacy programs especially in remote areas.

Another recommendation for financial firms would be not to eliminate the option for cash. Instead, phase out cash use so that individuals can have the time to adjust to the transition and businesses should also take into consideration of the older generation ages (65+) that may not have access to smartphones. The older generation will also offer the most resistance, therefore it will take time and patience to get use to the idea of not using cash anymore.

Similar to the busing system in The United States of America, The Bahamas can create a busing system that involves the use of bus pass cards that allows the user to have a monthly subscription. An online platform must be developed through the Ministry of Transportation, that features different pass subscription options such a X number of swipes per month or the option to top up the card to a desired amount. The subscription can be paid for through an online portal and once activated can be swiped upon entrance onto the bus. The bus pass should also have an

identification feature such as a photo to prevent other persons from using it if it is misplaced. This card system will also have to come with the upgrade of the bus system itself so that the buses are equipped with the technology to accept such payment.

One final recommendation that I have would be close the gap between banks and customers. There are a lot of Bahamians that still have mistrust in local banks. A lack of financial education and business skills, as well as relatively weak standards of protection of consumers' rights contribute to lack of trust between financial service providers and customers in general. (International Monetary Fund. Moneyary and Capital Markets Department , 2019). A way possibly is for banks to display all their rates and fees on their website to create transparency. The IMF recommends that the Central Bank of The Bahamas gathers fees on basic products and services from all banks and publish them on its website as an oversight tool. This practice can further increase transparency and hold banks accountable to applying the fees that are reported on the website.

Conclusion

If we look at the evolution of money, it came a long way from the barter system to now digital currencies. Having the Central Bank of The Bahamas creating its very own digital currency is understandable in the next step of the evolution of money. While we can look forward to less and less paper transaction, it will not happen right away. However, it is logical to expect the Sand Dollar and other e-wallets would emerge with more everyday use. This paper discussed the evolution and digitization of the financial sector and the move from using cash to now cashless transactions both globally and in The Bahamas. As technology continues to become more advanced, it is necessary to watch the trends and increase literacy about financial technology.

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