



WITHDRAWAL OF 1P & 2P COINS



FAQs - Consumers

Q: Why are 1p and 2p coins being withdrawn?

The Government is withdrawing 1p and 2p coins from circulation due to difficulties in obtaining newly minted coins, their rising cost of production relative to face value and the consistently low volume of 1p and 2p stock indicative of these coins falling out of circulation at a high rate.

Q: When will the Government stop distributing the 1p and 2p coins?

1p and 2p coins will officially be withdrawn from circulation from 1 January 2025 and from this date businesses will be unable to obtain or deposit pennies at the bank. The Treasury are recommending businesses start implementing rounding of cash transactions anytime from 1 July 2024.

Q: Can I continue to spend 1p and 2p coins after 31 December 2024?

No, the 1p and 2p coins will cease to be legal tender from 1 January 2025.

Q: Are businesses obligated to follow the symmetrical rounding system proposed by the Government?

Businesses are expected to round the final amount (or equivalently, the change owed) of any cash payment in a fair, consistent and transparent manner.

Experience in other countries that have phased out low-denomination coins, such as Australia and New Zealand, has shown that fair rounding practices have been respected.

Q: Should businesses round the prices of individual items?

No. Only the final amount in a cash transaction (or equivalently, the change owed) should be subject to rounding. Individual items should be presented in their exact amount prior to rounding.

Q: Should businesses round card transactions too?

No, rounding should only be applied to cash transactions. Debit, credit and store card transactions and payments by transfer are unaffected by rounding.

Q: Will consumers lose out by rounding?

No. The proposed rounding system is simple and fair for all. On balance, neither consumer nor retailer loses or gains as rounding can result in your bill being rounded up or down.



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Q: How will the Government ensure that businesses round final totals fairly?

Experience in other countries that have removed low value coins, such as Australia, New Zealand, Canada and Ireland, has shown that fair rounding practices have been respected. The proposed rounding system is not mandatory but businesses will have to tell consumers how they will round transactions.

Q: Can businesses introduce rounding to cash transactions before 1 January 2025?

Yes, this is an individual business decision. The Treasury will make available information and materials to any businesses who want to adopt rounding from 1 July 2024.

Q: Why can businesses introduce rounding to cash transactions before 1 January 2025?

This enables those businesses that want or need more time to make adjustments to their tills or train staff to do so whilst also enabling those business that are ready to make the change sooner to do so.

It is envisaged that this will help spread the impact on SCB of business and individuals depositing large volumes of pennies and will allow consumers time to adjust to the change before the coins are withdrawn from circulation.

Q: What do I do with any pennies I have?

These can be deposited at the counter in SCB along with a completed cash deposit slip, SCB request that any coins to be deposited are counted and separately bagged in individual coin bags. Coin bags are available from SCB. Note that deposits may take up to three days to clear.

Alternatively you can consider donating your pennies to a charity of your choice.

Q: How long do I have to bank my pennies?

You can deposit 1p and 2p coins at SCB anytime before 31 December 2024.

Q: My question isn't answered here. Who should I ask?

Please contact rounding@sec.gov.fk.