

Plan to phase out 1p and 2p coins on Isle of Man

The Isle of Man government is to encourage businesses to round prices to the nearest 5p as it looks to phase out 1p and 2p coins.

The island's treasury stopped minting Manx pennies – equivalent to UK pennies – in 2016 because the cost of making them outweighed their value.

However, in a recent survey, nearly half (48%) of people on the island said they disagreed with the idea of removing 1p, 2p, and 5p coins, from circulation altogether.

Fears businesses would round up rather than down – and the impact of that inflation – was listed as the key concern of residents opposing their removal.

There were also worries about the impact on charity collections.

Following the results of the survey, the [Isle of Man](#) Treasury said that while it had “concerns” about the “continuing cost of retaining low-value coins”, it would not remove them from circulation.

It said it would continue its policy not to mint new 1p and 2p coins and, should the stock run low, it would encourage businesses on the island to round their prices to the nearest 5p on a “voluntary basis”.

Treasury minister Dr Alex Allinson said: “As the cost of minting 1p and 2p coins is greater than their value, there are no plans to produce any more.

“Businesses should therefore start thinking about how this may affect them and plan for when the number in circulation falls

to a point that requires them to start rounding to the nearest 5p on a voluntary basis.”

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On charities, he urged people to “dig out any jars of small change they may have and give them to a good cause”.

“I’d also encourage charities to look at the support available to modernise their collection strategy through investment in mobile card readers,” he added.

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The Isle of Man uses its own currency, the Manx pound, which is not legal tender in the UK but is equivalent in value to sterling.

The island’s treasury said it had no plans to remove low-value

coins for now but it would follow suit if the UK government committed to such a policy.

A UK government spokesperson told Sky News: “We have no current plans to change the denominational mix of UK coins.”

There has long been speculation over the future of 1p and 2p coins in the UK.

In 2019, then-chancellor Philip Hammond attempted to end such speculation, by [pledging to protect the future of the cash](#).

The following year, figures showed how the [Royal Mint had produced 88 million new 1p coins in 2020](#) – after two years without minting any.

Other countries, such as Canada and New Zealand, have already moved to end the use of their pennies.

Canada stopped minting new pennies in 2012 in a bid to phase out the coins, while New Zealand removed pennies from its list of legal tender in 1990.