

Community Cash Advisory Panel

5th Opinion

October 2024

Commentary

At the September meeting, the Panel focused on understanding the impact of the Policy Statement from the Financial Conduct Authority (FCA) on LINK's assessments as the Coordination Body, under the FCA's regulatory scope from 18th September 2024, when the new rules come into effect.

The Panel noted it was anticipated that the new rules would increase the volume of assessments by up to 25% given the range of triggers for that and the changes to the thresholds, resulting in turn in an increase in banking hubs and other access to cash solutions. Other changes included the need for a capability to handle coin, and that LINK was receiving data on Post Office branch capacity which would form part of the Cash Access Assessment process as a Post Office, as is or augmented, was a possible solution to some branch closures.

Going forward, within the regulated framework created by PS 24/8, the Panel will maintain the focus established under the previous voluntary scheme created by the Participating Network Members, on ensuring the criteria for assessment secures solutions and services that meet the needs of vulnerable customers and small business.

In regard to existing hubs, the Panel were keen to understand where hub use had exceeded or fallen short of that expected and why, so future consideration of the criteria and the results of their application could be rooted in a more nuanced understanding of how vulnerable customers and small businesses actually behave in accessing to cash.

Opinions

1. In regard to the application of the Criteria

The Panel is satisfied from the assurances it has received that LINK has applied the Criteria correctly.

2. In regard to whether LINK's instructions for hub or deposit solutions have been followed

The Panel received an update from CAUK, noting that over 80 banking hubs were open and 100 would be operational by the end of 2024. There had been progress with deposit solutions and 90-100 deposit solutions are expected to be delivered by the end of the year, including multi-bank deposit machines. Coin deposit solutions are not expected live until Q1 next year. Daily run rates for hubs continue to climb every month, with prominent and convenient location being key to a hub's usage.

Joanna Wallace

CCAP Chair
October 2024