



Consumer Council Terms of Reference

1 Purpose

1.1 The LINK Consumer Council's ('the Council') role is as an independent Council established to represent the interests of consumers and advise the Link Scheme Holdings Ltd (LSHL) Board on consumer issues that relate to the LINK Scheme.

1.2 The Council is independent of the LSHL Board and the Network Members Advisory Group (NMAG), although a number of Network Members will be represented on the Council.

1.3 Council members do not have any executive responsibility for the running of the Scheme.

1.4 The Council will not be responsible for individual consumer complaints, which should continue to be addressed to the LSHL Board or relevant Network Members. The Council may choose to raise concerns evident from consumer complaints.

1.5 The Council will consider, from a consumer perspective, issues for the LINK Scheme that relate to consumers. This will include, but not be restricted to, distribution of the pay-to-use and free-to-use network, financial inclusion, fraud and innovation.

1.6 Whilst the Council can discuss and comment on any issue related to consumers' use of ATMs, there are some issues, e.g. the level of consumer charges, that are competitive decisions for the LSHL Board or relevant Network Members that competition laws prevent the LSHL Board or relevant Network Members from discussing. Any Council views on these matters will be passed on to the LSHL Board or relevant Network Member for their individual consideration. The emphasis of the Council's work is on activities that are under the control of the LINK Scheme, although it may also look at the impact on consumers of activities outside of the control of LINK but related to ATMs.

1.7 Whilst the Council will have regard to the interests of consumers who may be considered disadvantaged in relation to access to financial services, they will also have an overall regard to all UK consumers. The Council will:

- (i) represent the interests of consumers by advising, commenting and making recommendations on activities related to ATMs and, in particular, on existing and developing LINK Scheme policy and practices that affect cardholders
- (ii) speak on behalf of consumers by reviewing, monitoring and reporting to the LSHL Board on the effectiveness of the LINK Scheme's policies and practices
- (iii) assess the effectiveness with which LSHL has delivered its objectives with respect to cardholders, namely to;
 - a. listen to and take account of the interests of all cardholders
 - b. provide universal acceptance of cards in ATMs in the UK
 - c. provide transparency on direct charging at ATMs
 - d. ensure clarity of branding so that customers know who is responsible for each ATM that they use
 - e. ensure that customers have secure, reliable access to their cash at ATMs



2 Membership

2.1 The Council will be chaired by an Independent Chairman (Chairman) appointed by the LSHL Board.

2.2 In addition to the Chairman, the Council will consist of a minimum of four additional independent members (Independent Members), who will represent the views of consumers. These Independent Members will be invited to join the Council by the Chairman of the Council, following advice and input from the LINK Scheme Executive. Any remuneration of Independent Members (who are to be considered on the Council in their individual capacity) will be at the discretion of the Chairman with input from the LINK Scheme Executive

2.3 The Council will also have four representatives of Network Members (Scheme Council Members, or SCM), who will be elected by the Network Members. Two shall be from Network Members that issue cards used in the LINK network, and two shall be from acquirer only Network Members.

2.4 SCM Members who nominate themselves for election to the Council must be Network Member Representatives. In the event that there is more than one nomination for a position, all Network Members will be asked to identify their first and second choice candidates from the relevant list of nominations. Each Network Member's full vote will be counted towards each of their first and second choices. Neither the vote for their first choice nor second choice candidates may be split between candidates. Votes will be cast by secret ballot. Those candidates with the highest total of votes shall be elected as the SCM. The Chairman of the Council will oversee all aspects of the election process and will announce the successful candidates. No lobbying or similar activity is to be permitted. Any Network Member engaging in lobbying shall, at the Council Chairman's complete discretion and for that election only, forfeit their right to vote in that election and be unable to put forward candidates for vacant posts.

2.5 SCMs will not form a majority of the Council. In addition to the views of their own institution, the SCMs should endeavor to represent the range of views expressed by Network Members (where known and not subject to any confidentiality duty), but not attribute specific views to individual Network Members. Nothing should be discussed by an SCM that is in breach of competition law.

2.6 . SCMs shall be appointed for a three-year term, subject to the Chairman's confirmation of each appointment after the first year.

2.7 Delegation of SCM's responsibilities, including attendance at Council meetings, is not allowed unless under exceptional circumstances and with the agreement in advance of the Chairman. If an SCM does not attend at least half of the Council's meetings in a calendar year through delegation or otherwise, they shall be retired and their position shall become vacant. They may not stand for re-election for a vacant position for another calendar year.

3 Secretariat

3.1 The LINK Scheme Executive will attend meetings of the Council and provide secretariat support to the Council, but will have no voting rights.



4 Quorum & Voting

4.1 There are cases where the independence of the Council and its advice is very important in decision-making about policy and rules. To this end, the Council has a voting mechanism on agreeing recommendations; this is only based on the votes of all the Independent Members plus the Chairman (although with full input and advice from the SCMs).

4.2 Quorum for such votes should be a minimum of three Independent Members, plus the Chairman, and the Chairman should have a casting vote.

4.3 The views of the SCMs are to be noted in the minutes.

4.4 The minutes will be a matter of public record.

5 Frequency of meetings

5.1 The Council will meet not less than twice a year. The LINK Scheme Executive will provide administrative support for up to six meetings per year.

6 Reporting responsibilities

6.1 The Council Chairman shall report to the LSHL Board on its proceedings after each meeting on all matters within its duties and responsibilities.

7 Other matters

7.1 The Council must agree any spending in advance with the LINK Scheme Executive.

7.2 Confidentiality and public accountability - discussions within the Council will be confidential, and all Members agree to respect the confidentiality of discussions. A breach of confidentiality may result in loss of membership should the Chairman or a majority of other Independent Members consider this appropriate.

7.3 The Council will publish an annual report summarising its findings, providing that a majority of any Independent Members approve the report. All Council members will be allowed to express their views in an appendix to the report if they are not in agreement with the majority. The LINK Scheme Executive will assist in the preparation of the report, which will be given space on the LINK website.

7.4 The Council has unfettered access to raise any consumer matters it so wishes with the Payment Systems Regulator or any other appropriate regulatory body. In the event of such an approach, the Chair will inform the Chair of the LSHL Board of the substance of its communication with the PSR or other appropriate regulatory body and any subsequent response that is received.

7.5 The Council may at any other time choose by majority agreement to make a public announcement, with minority Council members allowed to append their own views to that announcement. Such announcements will also be given space on the LINK website.