



Link Scheme Holdings Ltd

## **LINK Scheme ATM Footprint Report**

**February 2019**

**Published on 10<sup>th</sup> April 2019**

In LINK's Final Decision and Impact Assessment on the results of its Interchange Consultation, published on 31<sup>st</sup> January 2018 (<https://www.link.co.uk/about/news/link-moves-to-secure-future-of-free-atms/>), the Board of LINK set out its commitment to maintain free access to cash for many years to come through an extensive footprint of ATMs with the same coverage as now. The date of this commitment started from 1<sup>st</sup> February 2018.

This included a commitment to leave interchange unchanged for all existing free ATMs 1 kilometre or more away from another free ATM, to ensure that LINK's reduction in interchange would not give a reason for closure. These ATMs are known as Protected ATMs.

This also included a commitment to apply at LINK's discretion a premium of up to 30 pence to deal with specific problems with financial inclusion caused by loss of a Protected ATM. Should that premium not deal with the problem within 2 months an additional subsidy will be considered.

The Board has decided to publish the total number of Protected ATMs and the number where free access has been removed through closure or by being turned into charging ATMs. Reports will be provided on a regular basis.

This report then sets out an analysis of the number of Protected ATMs no longer transacting and, after identifying where there is alternative access to cash provision (such as a Post Office counter providing free cash access), and where there is no public impact (for example, because the site was not accessible to the general public, e.g. it was within a closed company site), it shows the resultant number of sites that will be targeted for replacement with premiums. Note that where the loss is due to a security reason such as a raid, and there are no willing site owners, LINK will not plan a replacement until the security situation is judged safe again by local site retailers and ATM operators.

In addition to this, LINK also publishes on its website the number of free and charging ATMs by parliamentary constituency.

For questions about this report contact LINK at [www.link.co.uk/contact-us/](http://www.link.co.uk/contact-us/).



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	<b>Current Position</b>	<b>Net Change Since Last Month</b>	<b>Explanation/Definition</b>
Total Protected ATMs	2,466 (100%)	+19	Free-to-use ATMs that do not have another free-to-use ATM within 1 km. From October 2018, this figure is updated monthly and to include additional ATMs that now meet Protected status.
Live ATMs	2,311 (94%)	+6	A live ATM is one that is connected to the LINK network and being used.
<b>ATMs No Longer Transacting</b>	<b>155 (6%)</b>	<b>+13</b>	<b>An ATM that is not active (reason will need investigating to confirm if permanently closed, or if the closure is temporary due to operational issues such as an upgrade or machine change). In February, 22 Protected ATMs were newly identified as no longer transacting or switched to pay-to-use. 9 Protected ATMs that were not transacting previously came back online, were replaced or removed from Protection making a net change of +13.</b>

ATMs No longer Transacting	155 (6%)	+13	In February, 22 Protected ATMs were newly identified as no longer transacting or switched to pay-to-use. 9 Protected ATMs that were not transacting previously came back online, were replaced or removed from Protection making a net change of +13.
Temporarily Out of Action	12	-2	Temporary issue with site, plan in place to re-install.
Investigations with Operator Underway	4	-5	Under investigation.
<b>ATMs Confirmed as Closed</b>	<b>139 (5.6%)</b>	<b>+20</b>	<b>Free-to-use ATM permanently closed or switched to pay-to-use.</b>

ATMs Confirmed as Closed	139 (5.6%)	+20	As above.
ATMs Not Being Replaced	104	+12	Locations where consumer have free access to cash over the counter from the



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			Post Office (62), or where the site was not accessible to the general public (29), e.g. inside a corporate building, or where there is a security issue (13).
<b>ATMs Targeted for Replacement</b>	<b>35 (1.4%)</b>	<b>+8</b>	<b>Further action taken by LINK to replace – see detail below.</b>

ATMs Offered Premiums for replacement	20	+7	Premiums are offered to LINK Members for a 2-month period.
ATMs Not Replaced after 2 months – now in Direct Commissioning	15	+1	After 2 months of offering premiums, LINK will look to replace ATMs through directly commissioning a LINK Member to deploy and run a free ATM.

ATM Targeted for Replacement now Resolved	10	0	Where a targeted for replacement site has now got free access to an ATM.
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A list of the 139 locations where ATMs are “Confirmed as Closed” is included with this Report.

Where an ATM is “Confirmed as Closed”, LINK assesses whether there is a Post Office counter service nearby as an alternative method for consumers to access their cash. If there is not a Post Office and the previous ATM was publicly accessible, then the area will be designated as “ATM Targeted for Replacement”. LINK does not own or operate ATMs and the siting of ATMs is a competitive market for ATM operators who choose to deploy where it makes sense for them to do so commercially. LINK therefore offers premiums to operators to support the deployment of a free-to-use ATM in locations designated as “ATMs Targeted for Replacement”. Where an operator commits to an installation, it can take a number of months for the ATM to be replaced. This period can vary depending on a number of factors e.g. the time it may take to find a suitable and willing retailer, negotiating commercial contracts, buildings works or potentially planning consents.

### Financial Inclusion Programme Update

See separate attachment.

### Interchange Strategy Changes

On 16<sup>th</sup> July 2018, LINK announced changes to future interchange rates, canceling the third 5% cut due in 2020 and putting on hold the fourth due in 2021.

On 20<sup>th</sup> September 2018, LINK announced increases to cash interchange rates effective from 1<sup>st</sup> October 2018 in response to changes in the Bank of England's base rate. This had the effect of increasing cash interchange rates by approximately 2%.

On 1<sup>st</sup> January 2019, LINK reduced interchange rates by 5% in line with its interchange announcement at the end of January 2018.



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On the 23<sup>rd</sup> January 2019, LINK announced the introduction of additional premiums that can significantly increase payments to ATM operators by up to £2.75 per cash withdrawal. Premiums will be made available to all Protected ATMs (currently 2,466) depending on how well they are used. LINK expects over a thousand ATMs to be initially eligible from 1<sup>st</sup> April. In addition to Protected ATMs, free-to-use ATMs resolving access in the most deprived areas under the Financial Inclusion Programme will also be eligible for increased premiums. These measures are aimed at safeguarding free-to-use ATMs in remote and deprived areas.