

INTRODUCTION. LINK is increasingly in the public eye given its key role in managing significant reductions in the use of cash by consumers and in maintaining the ATM footprint. LINK's website includes relevant statistics and publications. However, to provide a succinct summary of developments, LINK has decided to publish this monthly report. It will cover decisions of the LINK Board that should be in the public domain, monthly statistics and details of public announcements by LINK.

1. LINK BOARD. The LINK Board last met on 5th September 2019. Items considered by the Board included the CEO's Report, which covered LINK's announcement of its new Retail Centre commitment and the extensive engagement by LINK with the PSR across over the summer, particularly regarding the PSR's investigation into LINK interchange. The Board is satisfied that the ATM footprint is being maintained in a manner that meets the requirements of consumers. The Board also considered the progress of the infrastructure tender, noting the remaining tasks and dependencies required to conclude the project. The Board approved the LINK budget for 2020 and reviewed and approved the minutes of the recent Risk Committee and the 2019 CPMI-IOSCO Submission. The Board also considered and reviewed the key risks currently facing LINK and approved the progress being made to further strengthen LINK's approach to managing risk.

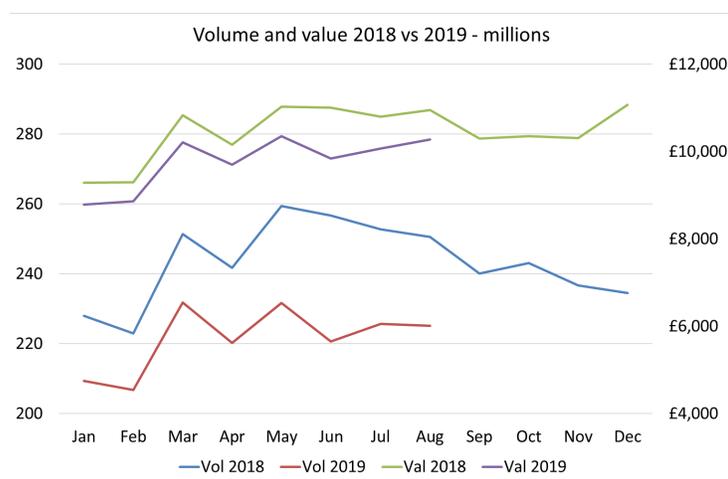
2. MAINTAINING ACCESS TO CASH

LINK is committed to protecting free access to cash for as long as consumers want it. As part of this, LINK is ensuring every high street across the UK with at least five shops has a free ATM or Post Office within 1km of its centre. There are around 6,800 such high streets in the UK and only eight do not have free cash access. Therefore, LINK will run a competitive procurement process to have ATMs installed in these eight locations in the coming months. LINK also has a programme to protect free-to-use ATMs that don't have another ATM within 1km. There are currently 2,660 ATMs in the programme, an increase of 81 since the last month. Of these, 2,449 are live while 211 are no longer transacting. Of these, 178 are permanently closed or converted to charging and 44 (1.6%) are targeted for replacement, where if there are no nearby alternatives such as a Post Office, LINK will offer premiums to operators to encourage the installation of a new machine. LINK is also trialling directly commissioning free-to-use ATMs in communities with poor access to cash. Over the coming months, and with the support of local MPs and councils, ATMs will be installed in five new locations.

3. LINK VOLUMES and VALUES. The impact of many consumers reducing their cash usage continues to be seen across the LINK network. The number of LINK transactions fell by 10.2% between August 2018 and August 2019 and the value of cash withdrawn fell by 6.2% over the same period.

LINK Transaction Volumes (millions)													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2018	228.02	222.92	251.39	241.72	259.35	256.68	252.72	250.49	240.09	243.09	236.63	234.50	2917.60
2019	209.31	206.80	231.81	220.25	231.70	220.66	225.67	225.06					1771.26

LINK Transaction Values (£millions)													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2018	£9,289	£9,294	£10,831	£10,158	£11,023	£11,006	£10,801	£10,954	£10,297	£10,346	£10,308	£11,065	£125,372
2019	£8,788	£8,859	£10,211	£9,701	£10,354	£9,837	£10,070	£10,271					£78,090



- 4. ATM Numbers.** The total number of ATMs continues to fall month-on-month with an overall reduction of 107 machines between July and August, driven by a reduction of 59 branch machines and 18 free remote site machines. Whilst in recent months there has been a significant number of free machines being converted to charging, August saw a fall of 30 in the overall number of pay-to-use (PTU) ATMs. This means that the increase in charging ATMs in the past 12 months is 1,865. However, because of the large fall in charging ATM numbers in 2018 the UK is still close to the number of PTU ATMs at the beginning of 2018.

LINK ATM Numbers by Type and Owner													
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Branch	16,299	16,239	16,194	16,181	15,968	15,844	15,736	15,677	-	-	-	-	
Free Remote	35,578	35,104	33,933	33,321	33,004	32,621	32,143	32,125	-	-	-	-	
Total Free	51,877	51,343	50,127	49,502	48,972	48,465	47,879	47,802	-	-	-	-	
Pay to use	11,090	11,602	12,744	13,147	13,359	13,496	13,670	13,640	-	-	-	-	
Total ATMs	62,967	62,945	62,871	62,649	62,331	61,961	61,549	61,442	-	-	-	-	
Bank and Building Society	26,445	26,365	26,291	26,260	26,076	25,896	25,710	25,641	-	-	-	-	
Non Card Issuers	36,522	36,580	36,583	36,389	36,255	36,065	35,839	35,801	-	-	-	-	
Total ATMs	62,967	62,945	62,874	62,649	62,331	61,961	61,549	61,442	-	-	-	-	

5. INDUSTRY NEWS

LINK announced its new programme to protect free access to cash in every UK high street, see press release below. LINK welcomes the recent appointment of Chris Hemsley as the new Managing Director of the **Payments System Regulator**. At the **Bank of England** there have been a number of changes in the Financial Market Infrastructure team; Christina Segal-Knowles, Executive Director, Simon Morley, Director of FMI Supervision and Clare Ashton, permanent Senior Manager for the Retail Payments Supervision Team. LINK looks forward to working closely with these new colleagues. **The House of Commons Scottish Affairs Committee** published its report, Access to Cash in Scotland on the 29th August.

<https://publications.parliament.uk/pa/cm201719/cmselect/cmscotaf/1996/1996.pdf>

The report's principal conclusion was that -

"We believe that there will continue to be a need for cash for the foreseeable future and welcome the Minister's agreement about its continued importance for society, particularly in Scotland. While we welcome a number of the individual initiatives that the Minister mentioned, which we will explore later in this Report, we believe there is a need for an overarching strategy to guarantee consumers access to cash. This is especially important in Scotland given the physical and digital connectivity challenges it faces. We endorse the recommendations in the Access to Cash Review and recommend that the Government publish a strategy outlining the steps it will take to ensure Scottish consumers' continued access to cash."

The report makes a number of specific recommendations about ATMs, specifically referring to the needs of rural and remote areas and the merits of having universal deposit-taking machines.

6. LINK PRESS RELEASES

29th August 2019 - LINK protects free access to cash for every UK high street

<https://www.link.co.uk/about/news/link-access-to-cash-commitment/>

"Responding to the rapid and unprecedented decline in cash usage by UK consumers, LINK, the country's main cash machine network, has announced that funding will be made available to protect free access to cash for every high street in the UK. From today, should a high street be threatened with the loss of an ATM or Post Office, LINK will step in to ensure that an ATM is made available and paid for with funding from all the UK's main banks and building societies.

In March, the independent Access to Cash Review said the UK is not ready to go cashless and set out a series of measures necessary to ensure no one is left behind as the UK moves towards an increasingly cashless society.

LINK's announcement today will ensure that, as the UK continues to evolve from a high-cash economy to one where most payments are made digitally, ATMs – which remain a vital part of the UK's cash infrastructure – are protected.

LINK has also announced that, for the first time, it will directly commission free-to-use ATMs in communities with poor access to cash. Over the coming months, and with the support of local MPs and councils, ATMs will be installed in Battle, East Sussex, Bungay, Suffolk, Hill Top in Nuneaton, Tywyn in Wales, and Durness in Scotland. The locations will form a restricted trial that will run through 2020.

LINK CEO John Howells said: "LINK is determined to defend free access to cash across the UK in the face of very rapidly declining cash use. Today's action will protect consumers whilst much needed industry reforms to move to a more sustainable utility infrastructure take place."