



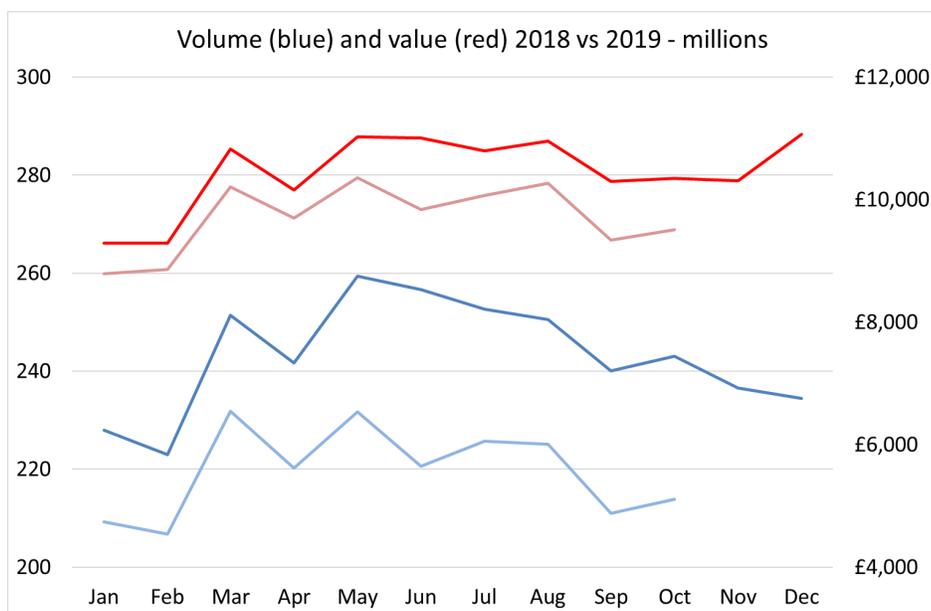
- 1. LINK BOARD.** The LINK Board last met on 7<sup>th</sup> November 2019 in Yorkshire and Directors took the opportunity to visit the Vocalink Processing Centre and review operational reliance and other matters. The Board considered and agreed its objectives for consumer access to cash and the latest ATM Footprint Report was carefully reviewed. The Board continues to be satisfied that the LINK ATM footprint is being maintained and individual LINK Directors will be making site visits in the coming months so they can assess cash issues on the ground and in person. In addition, Board Directors reviewed and agreed the structure of the 2020 Strategic Plan and reports from the Finance Director and the Remuneration and Nomination Committee. The LINK Risk Committee also met, considering and reviewing the key risks currently facing LINK and although it noted several developments, the overall status remained static.
- 2. MAINTAINING ACCESS TO CASH.** LINK is committed to protecting free access to cash for as long as consumers want it and on 31<sup>st</sup> October the new website to request a free-to-use ATM went live (<https://www.link.co.uk/consumers/request-access-to-cash/>). Funded by a new **Delivery Fund** there have already been over 150 requests from communities asking for a new ATM and over the coming months, and with the support of local MPs and councils, ATMs will be installed in new locations right across the UK.

LINK is already working to ensure that 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 6,500 such high streets in the UK and only six do not have free cash access at present. LINK will run a competitive procurement process to have ATMs installed in these six 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 2,770 ATMs in the programme, an increase of 21 since last month. Of these, 2,523 are live while 247 are no longer transacting. Of these, 213 are permanently closed or converted to charging, leaving 34 which are temporarily closed or under investigation. 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 and if necessary, will directly commission a new machine. 50 ATMs (1.8%) are targeted for replacement in this way at present.

- 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 12.0% between October 2018 and October 2019 and the value of cash withdrawn fell by 8.1% 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	211.01	213.90			2196.17

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	£9,336	£9,512			£96,938



- 4. ATM Numbers.** The total number of LINK ATMs continues to fall month-on-month as expected, with an overall reduction of 198 machines between September and October to 61,055. However, behind this total there was a drop of 910 free remote site machines and increase of 734 pay-to-use machines. In addition, there was a modest reduction of 22 branch machines. This means that the increase in charging ATMs in the past 12 months is 3,233 to 14,530 but because of the large fall in charging ATM numbers in 2018 the UK is still close to the number of pay-to-use ATMs in September 2017.

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	15,644	15,622	-	-	
Free Remote	35,578	35,104	33,933	33,321	33,004	32,621	32,143	32,125	31,813	30,903	-	-	
Total Free	51,877	51,343	50,127	49,502	48,972	48,465	47,879	47,802	47,457	46,525	-	-	
Pay to use	11,090	11,602	12,744	13,147	13,359	13,496	13,670	13,640	13,796	14,530	-	-	
Total ATMs	62,967	62,945	62,871	62,649	62,331	61,961	61,549	61,442	61,253	61,055	-	-	
Bank and Building Society	26,445	26,365	26,291	26,260	26,076	25,896	25,710	25,641	25,576	25,414	-	-	
Non Card Issuers	36,522	36,580	36,583	36,389	36,255	36,065	35,839	35,801	35,677	35,641	-	-	
Total ATMs	62,967	62,945	62,874	62,649	62,331	61,961	61,549	61,442	61,253	61,055	-	-	

### 5. INDUSTRY NEWS

LINK announced in October that its new contract with Vocalink has now been executed. This concludes the competitive procurement process and secures the provision of LINK's critical infrastructure until 2031. Further details can be found below.

<https://www.link.co.uk/initiatives/switching-and-settlement-eoi-6/>

LINK Chairman, Sir Mark Boleat spoke at the **Centre for the Study of Financial Innovation (CSFI)** round table event on 4<sup>th</sup> November on *Access to finance in rural communities* alongside Prof. Russel Griggs (South of Scotland Economic Partnership), Sacha Hilhorst (Demos) and Ross Borket (Post Office). Key themes at the event included that cash use, whilst declining, was by no means the only challenge facing rural communities and that other facilities such as a convenience store, which could offer cash access along with other goods and services was more important in keeping rural communities alive.

The **Royal British Legion** will be collecting contactless donations for the annual Poppy Appeal through a network of 1,100 cashless terminals as donations in public spaces such as high streets, shopping centres and railway stations have fallen as fewer people are carrying cash. This will be the largest-ever deployment of cashless terminals for a charitable campaign in the UK.

Graham Mott, LINK's Strategy Director, gave a presentation on how LINK is preserving access to cash in the face of rapidly changing consumer demand at **ATMIA's Europe ATM & Payments Innovation Summit** held in Rome in October 2019. The presentation can be downloaded from the link below <https://www.link.co.uk/about/news/link-presentation-preserving-cash-in-a-changing-world/>.

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### 6. LINK PRESS RELEASES AND CONSULATION RESPONSES

#### **LINK Press Release: 31<sup>st</sup> October: More than 100 requests in one month as communities apply for new ATMs**

*New website for applications and support launches. LINK's Community Access to Cash Delivery Fund allows consumers, councils and MPs to directly request a free ATM in areas with poor cash access. Less than one month since launching its Community Access to Cash Delivery Fund, LINK, the UK's main cash machine network have received more 100 applications for new ATMs.*

*The requests have come from every corner of the country, with isolated rural communities, deprived urban areas and small towns all getting in touch.*

*To meet this demand, LINK is today launching its new dedicated website for applications and help. This can be found here.*

*Local communities can apply through their MP, local council, or request help directly from LINK for support for free access to cash. For requests for a free-to-use cash machine, if it meets the criteria*

*which includes distance to nearest free ATM, availability of a Post Office, site security and that there is a suitable host location, LINK will fund the new ATM directly.*

*John Howells, LINK CEO said “It’s great that we’ve had so much interest so far. Many of the applications show there are locations around the country where there is a cash access problem. We’ve already visited 10 of these locations and will be working hard to listen to every community that has got in touch.*

*We want to hear from more communities that think they have an issue. Where there is a problem, LINK will take action.”*

*In August, LINK announced a commitment to protect free access to cash for every high street in the UK. Eleven new ATMs so far will form part of a pilot scheme and will be funded with the support of LINK’s bank and building society members. These new towns that will get a free ATM are Deal, Ebbw Vale, Margate, Middleton, Wilmslow, York, Battle, Bungay, Nuneaton, Tywyn in Wales, and Durness in Scotland.*

*In the past couple of weeks, three new ATMs, directly commissioned by LINK ATMs have been installed in locations that lost their free-to-use ATM. At the beginning of October, a new machine was installed in a retailer in the village in Ardington, Oxfordshire and last week saw two new ATMs open for business in Elham, Kent in the village’s local pub and Bracknell, Berkshire in the local petrol station.*

### **Consultation Response: October 2019: HM Treasury’s Financial Services Future Regulatory Framework Review, Call for Evidence.**

LINK’s response can be downloaded from the LINK website.

<https://www.link.co.uk/publications/link-consultation-responses/>

LINK’s key observations are as follows:

- The financial services market is changing rapidly, primarily in response to technological developments.
- The policy and regulatory framework is bound to lag behind changes in the marketplace, which can cause problems for financial institutions and for the markets in which they operate.
- Regulators tend to operate in silos, reflecting their mandates, which can mean that their policies and practices may not fully reflect the interests either of other regulators or more importantly of wider public policy concerns.
- Memoranda of understanding, overlapping boards and joint committees can all mitigate this problem although it needs managing proactively and with clear overarching objectives. The Bank of England’s overarching requirement on the need for operational reliance is an example of this being done well. An effective feature of the Bank’s approach is the strong coordination of different participants as well as different regulators. This approach should be developed.



- More direct input from government on clear high-level policy is required to help regulators align. The Treasury's recent helpful guidance on the need to manage cash access is an example of this being done well.
- The PSR has a very narrow focus and in retrospect its responsibilities should have been assigned either to the Bank of England or to the Financial Conduct Authority (FCA) rather than to a standalone regulator. LINK welcomes moves to integrate more closely the work of the PSR with the FCA and the Bank.