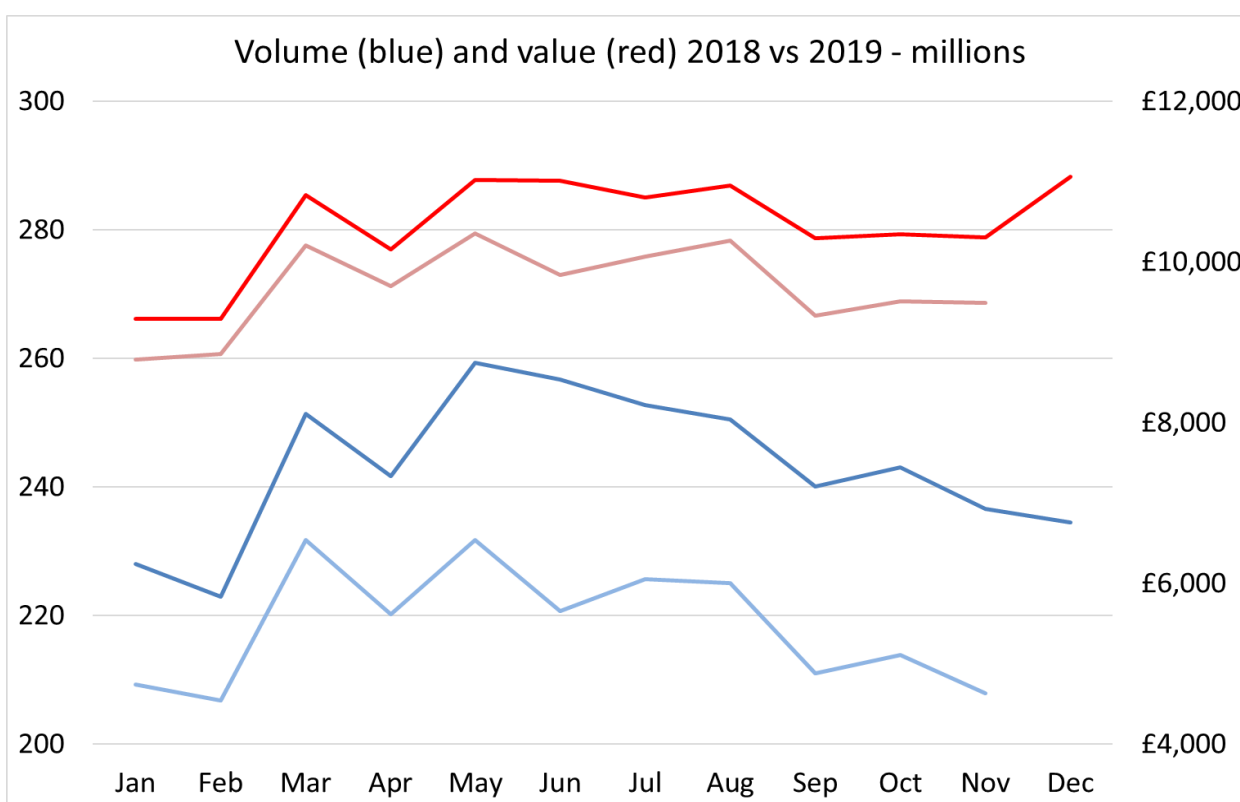


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- 1. LINK BOARD.** The LINK Board last met on 2nd December. The Board received a detailed report on the latest position on Community ATM Requests and was pleased to see such an enthusiastic response from consumers for the new initiative. The Board also confirmed that LINK was correctly resourced and able to move forward with an effective programme for installing the new machines. To support this work, in the past month, a number of Directors have taken the opportunity to make site visits to meet councillors and MPs and see for themselves what the local access to cash issues can be. The Board then reviewed the operational resilience of the LINK Payment System, noting that overall performance remains at high and therefore satisfactory levels. The Board also received and approved an update from the Risk Committee which set out the management of systemic risk for the LINK Payment System and that summarised the updated business continuity plans that were now in place. The Board remained fully satisfied that all the major risks were being considered and were being managed effectively. A regular detailed review of LINK's strategy is currently underway and at future meetings the Board will have the opportunity to consider and approve this. Finally, the Board received an update on the work the whole industry was doing to ensure the successful introduction of the new polymer £20 note which is due in February 2020.
 - 2. MAINTAINING ACCESS TO CASH.** LINK is committed to protecting free access to cash for as long as consumers want it and on 31st 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 2,600 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 2,793 ATMs in the programme, an increase of 23 since last month. Of these, 2,540 are live while 253 are no longer transacting. Of these, 217 are permanently closed or converted to charging, leaving 36 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. 49 ATMs (1.8% of the total ATMs in the programme) 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 12.1% between November 2018 and November 2019 and the value of cash withdrawn fell by 7.9% over the same period.
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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	207.95		2404.12

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	£9,494		£106,432



- 4. ATM Numbers.** The expected trend of falling total numbers of LINK ATMs continued in November with a reduction in ATMs between October and November to 60,921. There was a drop of 670 free remote site machines and increase of 581 pay-to-use machines. In addition, there was a reduction of 45 branch machines. The increase in charging ATMs in the past 12 months is 3,889 to 15,111 and 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 early 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	15,577	-
Free Remote	35,578	35,104	33,933	33,321	33,004	32,621	32,143	32,125	31,813	30,903	30,233	-
Total Free	51,877	51,343	50,127	49,502	48,972	48,465	47,879	47,802	47,457	46,525	45,810	-
Pay to use	11,090	11,602	12,744	13,147	13,359	13,496	13,670	13,640	13,796	14,530	15,111	-
Total ATMs	62,967	62,945	62,871	62,649	62,331	61,961	61,549	61,442	61,253	61,055	60,921	-
Bank and Building Society	26,445	26,365	26,291	26,260	26,076	25,896	25,710	25,641	25,576	25,414	23,448	-
Non Card Issuers	36,522	36,580	36,583	36,389	36,255	36,065	35,839	35,801	35,677	35,641	37,473	-
Total ATMs	62,967	62,945	62,874	62,649	62,331	61,961	61,549	61,442	61,253	61,055	60,921	-

5. INDUSTRY NEWS

Which? has called for the Government to step in and protect the UK's cash machine network

following its investigation into areas which are not well served by cash machines. Which? has provided a facility on its website where communities can request an ATM and will pass all enquiries directly to LINK to be reviewed through its Community Access to Cash Delivery Fund.

<https://www.which.co.uk/news/2019/11/exclusive-hundreds-of-atm-deserts-identified-in-the-uk/>

The Treasury Select Committee published its report on IT Failures in the Financial Services sector.

The report concluded the Committee's inquiry, launched in November 2018, into IT failures in the sector following a number of significant service disruptions. The report stated that the current level and frequency of disruption and consumer harm brought about by these failures is unacceptable. It called for regulators to make plain to financial services firms what their tolerance levels are for failure and said that that regulators should increase industry levies to ensure they are able fund the expert resource required to deliver adequate supervision of operational resilience.

<https://publications.parliament.uk/pa/cm201919/cmselect/cmtreasy/224/224.pdf>

A Business, Energy and Industrial Strategy (BEIS) Committee report was published on the Future of the Post Office Network following an inquiry into the threats faced by the network and the wider impact of Post Office closures on urban and rural communities, including the role that it plays in helping to address financial and social exclusion.

<https://publications.parliament.uk/pa/cm201919/cmselect/cmbeis/247/247.pdf>

6. LINK PRESS RELEASES

LINK has issued a number of press releases announcing new ATM installations as part of its financial inclusion programmes, including Binfield near Bracknell, Elham in Kent, and Durness in the Highlands. Binfield is included as an example below.



NOVEMBER 2019 - CASH ACCESS RESTORED AS NEW ATM INSTALLED IN BINFIELD

A new free-to-use ATM has today opened at the Lightfoots Filling Station near the village of Binfield, outside of Bracknell. Supported by LINK, the UK's main ATM cash machine network, the machine replaces a charging machine and complements the new convenience store within the garage.

The Berkshire site is one of over 2,700 areas across the UK where cash access is protected by LINK. This means that, in the event of an ATM being removed or switching to charging, LINK works with the local community to reinstall a free-to-use machine.

LINK is determined to protect free access to cash for every high street in the UK, and recently announced that local communities will now be able to 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 location, LINK will fund the new ATM directly. The details can be found at <https://www.link.co.uk/consumers/request-access-to-cash/>.

LINK's Head of Financial Inclusion, Nick Quin: *"Free cash access remains vital for communities and high streets across the country, which is why we're delighted to see this machine up and running. There's a lot of footfall coming into the new convenience store and serving the growing residential area nearby. No community should be forced to pay to access cash."*

"We want to hear from more communities that have cash access issues, because communities are best placed to identify issues. Any enquiries can be made via our new request website."

Chris Nike, owner, Shell Lightfoots: *"LINK was key in the negotiations with our cash machine provider, ensuring that customers at store could withdraw cash for free. We are extremely grateful to LINK for enabling us to provide this essential service."*

Marc Terry, International Managing Director for Cardtronics: *"We are delighted to be able to participate in the LINK Financial Inclusion Programme. This is the second of what I hope will be a significant number of Direct Commission ATMs that will help to protect access to cash for UK citizens up and down the country."*