
1. LINK BOARD. The LINK Board last met by conference call on the 9th January. The Board received and considered reports from the Audit Committee and LINK Consumer Council and was delighted to see that the Post Office had joined this important forum. The Board also received a detailed update on the LINK Financial Inclusion programmes and was pleased to see such a good response to the Community Request an ATM Initiative, details below. The Board also reviewed and gave feedback on the draft LINK Strategic Plan and further iterations and detailed input from each Director will follow. The Board considered the updated Cyber Security Strategy and a Cyber Security training session is being held for all Directors in February. Finally, following a report from the Finance Director, the Board considered and reviewed the LINK Scheme's finances, operational performance, and risk management status.

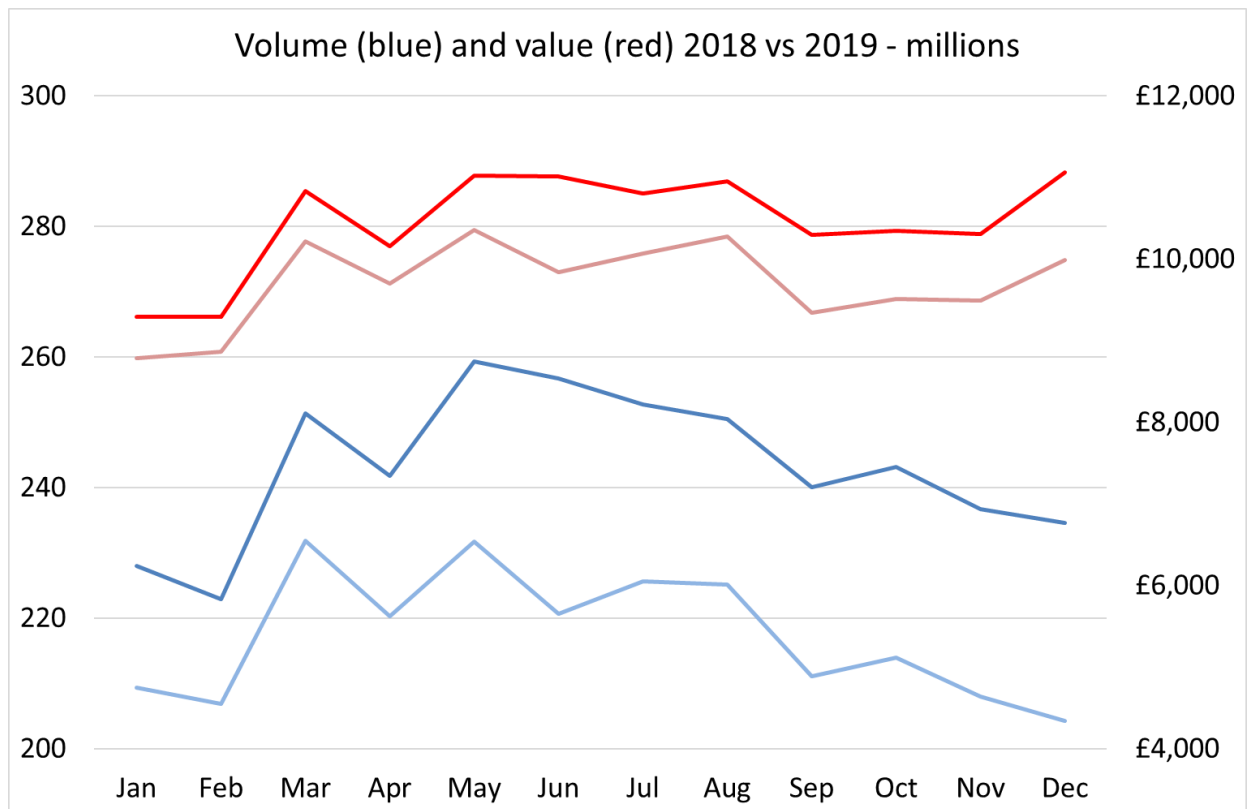
2. MAINTAINING ACCESS TO CASH. LINK is committed to protecting free access to cash for as long as consumers want it. The new **Community Request an ATM Initiative** has had over 2,600 requests. Over 2,500 of these requests have been made via Which? and just under 1% of the total came from elected representatives, with the rest from members of the public or site owners. With the support of local MPs and councils, ATMs will be installed in new locations right across the UK. Requests continue to be received and the webpage remains live for further requests at <https://www.link.co.uk/consumers/request-access-to-cash/>.

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 five do not have free cash access at present. LINK is running a competitive procurement process to have ATMs installed in these locations and has, for example, recently ensured that a High Street in Margate has a free-to-use machine under this programme. 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 12.9% between December 2018 and December 2019. The total annual fall between 2018 and 2019 was 10.6%. The value of cash withdrawn fell by 9.8% and 7.14% over the same periods respectively.

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	204.24	2608.36

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	£9,985	£116,417



4. ATM Numbers.

The expected trend of falling total numbers of LINK ATMs continued in December with a reduction in ATMs between November and December to 60,291. There was a drop of 763 free remote site machines and increase of 166 pay-to-use machines. In addition, there was a reduction of 14 branch machines. The increase in charging ATMs in the past 12 months is 4,157 to 15,277 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. The number of free ATMs is 45,014, which is the same as in 2012.

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	15,563
Free Remote	35,578	35,104	33,933	33,321	33,004	32,621	32,143	32,125	31,813	30,901	30,214	29,451
Total Free	51,877	51,343	50,127	49,502	48,972	48,465	47,879	47,802	47,457	46,523	45,791	45,014
Pay to use	11,090	11,602	12,744	13,147	13,359	13,496	13,670	13,640	13,796	14,529	15,111	15,277
Total ATMs	62,967	62,945	62,871	62,649	62,331	61,961	61,549	61,442	61,253	61,052	60,902	60,291
Bank and Building Society	26,445	26,365	26,291	26,260	26,076	25,896	25,710	25,641	25,576	25,414	25,305	25,272
Non Card Issuers	36,522	36,580	36,583	36,389	36,255	36,065	35,839	35,801	35,677	35,641	35,597	35,019
Total ATMs	62,967	62,945	62,874	62,649	62,331	61,961	61,549	61,442	61,253	61,055	60,902	60,291

5. INDUSTRY NEWS

HM Treasury announced that Andrew Bailey will succeed Mark Carney as the next Governor of the Bank of England from 16th March 2020. Mr Bailey has been the Chief Executive of the FCA since July 2016. Prior to this, he has held senior roles at the FCA and was previously Chief Cashier at the Bank. <https://www.bankofengland.co.uk/news/2019/december/andrew-bailey-announced-as-new-governor-of-the-boe>

NatWest became the first UK bank to launch a biometric payment fob. The fob will allow customers to make contactless payments of up to £100 without the use of a bank card or mobile phone. The launch is not NatWest's first venture into biometric fingerprint technology; last year the bank conducted similar trials of debit and credit cards. NatWest is working with Visa and Giesecke+Devrient Mobile Security to trial the service in UK markets. NatWest confirmed that the trials of credit and debit cards were successful, although it has not confirmed when they will be available, and they are now looking at how they can further develop this technology and push the boundaries to integrate it into our customers everyday lives. <https://www.finextra.com/newsarticle/34888/natwest-tests-biometric-payment-fob>

HSBC has teamed up with charities Shelter and Crisis to offer homeless people a basic bank account without the need for photo ID or proof of address. Having no fixed address is a major barrier to opening a bank account but the new HSBC service will allow the charity's addresses to be used instead. Having a bank account can make it easier to claim benefits, receive wages and pay rent and so can be a first step out of homelessness. <https://servicing.hsbc.co.uk/togetherwethrive/>

Metro Bank launched an on-demand cash collection of delivery service for SMEs. With 4.2 million UK SMEs relying on cash for day-to-day business operations, the service will be a welcome addition to the bank's customer base. Small businesses play a key role in maintaining cash access and acceptance. <https://www.metrobankonline.co.uk/about-us/press-releases/news/new-tech-enables-cash-to-remain-king-for-britains-smes-metro-bank-launches-mcash/>

6. LINK PRESS RELEASES

DECEMBER 2019 - BUSY DAYS FOR CASH MACHINES AS £1.3BN WITHDRAWN FOR LAST CHRISTMAS SHOPPING WEEKEND

Christmas shoppers withdrew £572 million from LINK ATMs on Friday 20th December making it the busiest day of the year. However, with some shoppers moving away from cash as a payment method, this falls well short of the highs of previous years. The busiest day ever was Friday 23rd December 2016 when a massive £730 million was withdrawn from LINK machines while last year, Friday the 21st December was the busiest day with £701 million dispensed.

Graham Mott, Director of Strategy, LINK: *“Christmas is traditionally one of the busiest times of year for ATMs, with shoppers hitting the high streets and revellers heading for pubs and clubs for their Christmas parties.”*

“Consumers shopping habits are changing fast with many now buying their presents online or looking for early Black Friday deals. However, cash is still an important part of Christmas spending and everyone can rest assured that the cash machines will be well-stocked for any last-minute presents and to tie people over the festive season.”

DECEMBER 2019 - LINK ANNOUNCES UP TO A FURTHER £4M IN NEW INVESTMENT FROM BANKS TO FUND NEW FREE-TO-USE ATMS

- **Over 2,700 requests for an ATM have been received from communities since October.**
- **20 new ATMs are already in the process of being commissioned.**
- **LINK to publish lists of areas where there are no ATMs or Post Offices to encourage innovation in cash access**

Following the launch of the request an ATM scheme in October, LINK, the UK’s main cash machine network, has today revealed it has received over 2,700 enquires from across every part of the country. Given the interest from communities, banks and building societies have agreed up to a further £4 million in additional funding for ATMs in 2020.

To-date, LINK has visited over more than 50 locations and has already agreed in principle to commission over 20 new ATMs. We have also spoken to 300 people who made the requests and have attempted to contact 1,500 more. Many of the requests have come from very small communities where there is limited retail activity and where an ATM may not always be viable. Therefore, this week, LINK will be publishing a list of areas containing four shops or less with no free access to cash within 1km via either an ATM or a Post Office. To enable anyone with an interest in the issue to use the data, LINK will also be publishing the list of areas in LINK’s Financial Inclusion Programme that do not have a free-to-use ATM or Post Office.

LINK CEO John Howells said: *“LINK is delighted with the response to the community initiative. New ATMs are beginning to open and we have many more planned for the New Year. Many of the requests have been made in locations where an ATM may not be viable. By publishing this data, we hope it will be helpful to organisations who are considering developing new innovations other than ATMs to provide access to cash such as the work by PayPoint, the retail terminal specialist, looking at the provision of cash directly from retailers’ tills.”*