



THE UK'S CASH MACHINE NETWORK

LINK MONTHLY REPORT

November 2020

LINK recommends that people continue to take their usual hygiene precautions for contact with surfaces whether they are using ATMs, spending cash, or making payments by methods such as cards or phones. In particular, washing your hands regularly and refraining from touching the eyes, nose and mouth.

1. KEY ACTIVITIES

The LINK ATM network continues to operate to its usual high standard and remains well positioned to support UK consumers’ access to cash needs though effective risk management and operational resilience. LINK continues to work closely with its infrastructure provider and Network Members, all of whom have continued to apply a vigorous level of focus and governance on ATM activity throughout the coronavirus crisis.

The LINK Board held its regular monthly meeting in early November, reviewing and approving details of LINK’s involvement with the PSR/FCA *Access to Cash Roundtable* and its Working Groups. The Board also discussed and approved an update of LINK’s stakeholder engagement and communication strategy and LINK’s draft submission to the HM Treasury’s Call for Evidence on Access to Cash which will be submitted later in the month. The Board considered the regular report on the overall operational position of LINK, including the latest Operations Dashboard and the key risks, and confirmed that the operation of the Network remains stable and the overall control environment effective.

2. LINK VOLUMES AND VALUES

LINK transaction volumes saw a small reduction in October when compared to September, whilst values saw a small rise. These are typical for this time of year. October saw a significant tightening of COVID-19 restrictions across various parts of the UK and November has seen a lockdown across the whole of England and these have had a significant impact on cash and ATM use.

However, LINK’s own research showed that in October 63% of people had still used cash in the previous two weeks, a large number although a small reduction on the previous month, reflecting the increased restrictions. Convenience stores remain the most common place to use cash, although 16% of people are giving cash to friends and family.

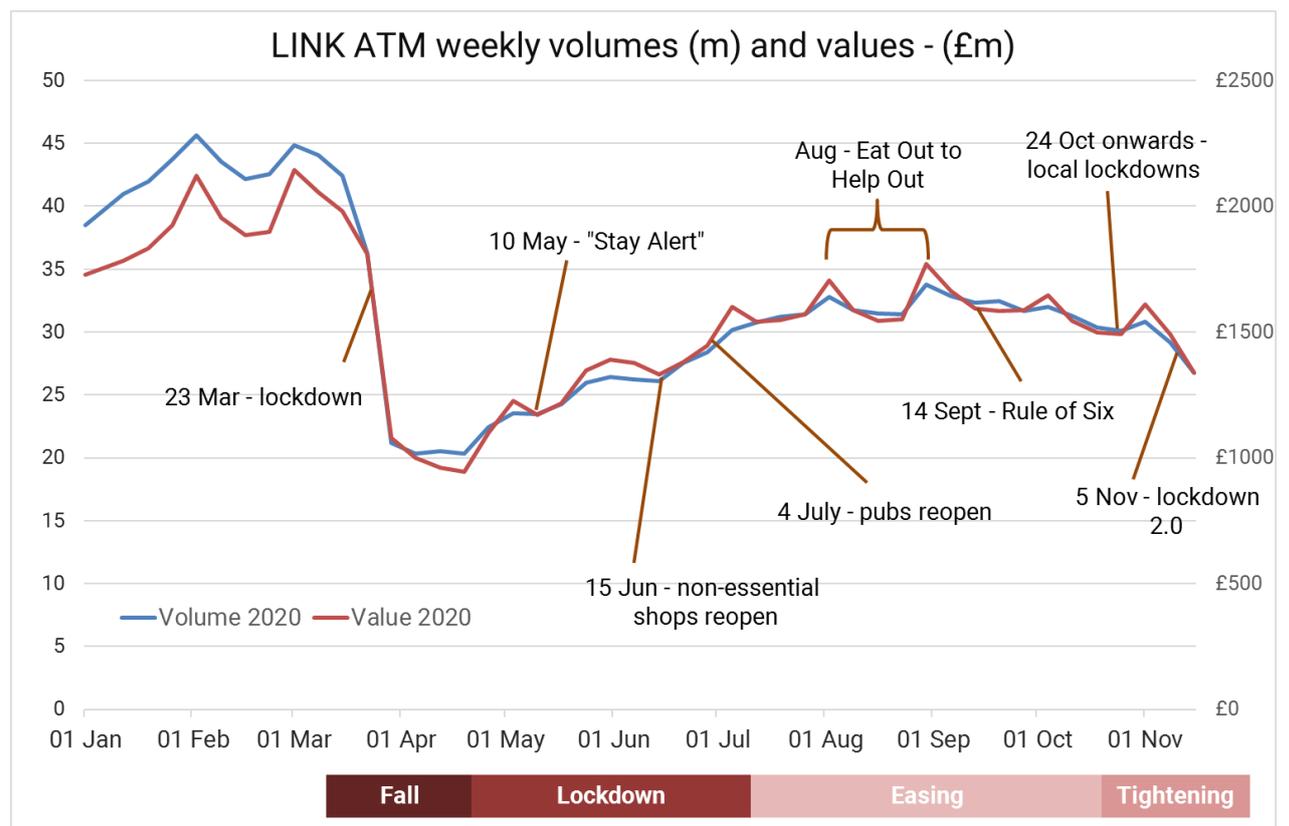
| LINK Transaction Volumes (millions) | | | | | | | | | | | | | |
|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| Month | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
| 2018 | 228 | 223 | 251 | 242 | 259 | 257 | 253 | 250 | 240 | 243 | 237 | 235 | 2,918 |
| 2019 | 209 | 207 | 232 | 220 | 232 | 221 | 226 | 225 | 211 | 214 | 208 | 204 | 2,608 |
| 2020 | 185 | 181 | 155 | 91 | 110 | 117 | 139 | 141 | 139 | 138 | | | |

| 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 |
| 2020 | £8,182 | £8,258 | £7,450 | £4,399 | £5,664 | £5,972 | £7,076 | £7,105 | £6,903 | £6,939 | | | |

The chart below shows how LINK weekly transactions volumes have varied through 2020 so far. Recent years have seen a slowing in ATM use in the later part of the year and this pattern seems to be repeating again in 2020, overlaid with a peak due to management of COVID-19 at the end of August.

However, the pattern of transactions continues to be significantly affected by the various lockdowns and other restrictions which are affecting different parts of the UK.

Chart 1: LINK weekly transaction volumes and values



3. ATM NUMBERS

ATM coverage across the UK remains satisfactory. A large number of the ATMs that closed during to the first lockdown have reopened, although some remained shut due to social distancing requirements or the continued closure of the premises which house them.

The latest lockdowns have led to ATM numbers falling once again as some host premises are closed once more. The overall operational performance of the network continues to be high.

| LINK ATM Numbers by Type and Owner 2020 | | | | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----|-----|
| 2020 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Branch | 15,588 | 15,605 | 15,583 | 15,391 | 15,351 | 15,309 | 15,311 | 15,292 | 15,198 | 15,098 | - | - |
| Free Remote | 29,638 | 29,336 | 28,478 | 25,392 | 25,393 | 25,652 | 26,240 | 26,875 | 27,050 | 27,077 | - | - |
| Total Free | 45,226 | 44,941 | 44,061 | 40,783 | 40,744 | 40,961 | 41,551 | 42,167 | 42,248 | 42,175 | - | - |
| Pay to use | 15,323 | 15,307 | 13,745 | 12,412 | 12,549 | 12,814 | 12,999 | 13,398 | 13,426 | 13,373 | - | - |
| Total ATMs | 60,549 | 60,248 | 57,806 | 53,195 | 53,293 | 53,775 | 54,550 | 55,565 | 55,674 | 55,548 | - | - |
| Bank and Building Societies | 25,148 | 25,001 | 24,955 | 23,268 | 23,236 | 23,294 | 23,309 | 23,295 | 23,130 | 22,971 | - | - |
| Non Card Issuers | 35,401 | 35,247 | 32,851 | 29,927 | 30,057 | 30,481 | 31,241 | 32,270 | 32,544 | 32,577 | - | - |
| Total ATMs | 60,549 | 60,248 | 57,806 | 53,195 | 53,293 | 53,775 | 54,550 | 55,565 | 55,674 | 55,548 | - | - |

4. MAINTAINING ACCESS TO CASH

LINK's Financial Inclusion Programme continues to be effective in maintaining free access to cash for consumers in rural, remote and deprived communities across the UK. Over 35 new free-to-use ATMs have been installed, with more in the pipeline. LINK continues to welcome requests for ATMs and is now using social media to raise awareness of the initiative further.

5. LINK FOOTPRINT REPORT

LINK is committed to maintaining free access to cash for many years to come through an extensive network of ATMs, the footprint of which covers the same area as it did on 1st February 2018. This includes *Protected ATMs* which are 1 kilometre or more away from another free ATM and are therefore vital for their local communities' cash access. These Protected ATMs are analysed every month and the changes are summarised below. There are now 49 ATMs which have been replaced through this programme, an increase of two this month.

| September 2020 | ATMs | Monthly change |
|--|------------|----------------|
| Total Protected ATMs | 3,051 | 11 |
| Live ATMs | 2,648 | 15 |
| ATMs No Longer Transacting | 403 | -4 |
| Temporarily out of action | 70 | -8 |
| Investigations with operator underway | 20 | -3 |
| ATMs Confirmed as Closed | 313 | 7 |
| ATMs not being replaced (a) | 258 | 9 |
| ATMs targeted for replacement | 55 | -2 |
| LINK Members offered premiums for replacement | 10 | -4 |
| LINK directly commissioning a replacement | 22 | -1 |
| Resolution not possible (b) | 23 | 3 |
| ATMs previously targeted for replacement and now resolved (c) | 49 | 2 |

Notes

(a) ATMs are not replaced where consumers have free access to cash over the counter from a nearby post office, where the site was not accessible to the general public, where there are security concerns, or where there is assessed to be no community detriment following a site visit by LINK.

(b) Where it is not currently possible to replace a *Protected ATM* for reasons such as no suitable premises within 1km, no willing site owners to host an ATM or no operator willing to deploy an ATM. LINK may still consider alternative actions and these sites remain on file.

(c) Sites which were targeted for replacement through the programme and now have free access to cash via an ATM, whether through Premiums, Direct Commissioning or through the free competitive market.