



THE UK'S CASH MACHINE NETWORK

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# LINK MONTHLY REPORT

December 2020

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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.

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## 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 through 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 ongoing coronavirus crisis.

The LINK Board held its regular monthly meeting in early December, approving details of LINK's involvement with the PSR/FCA *Access to Cash Roundtable* and its Working Groups, noting there was evidence of alignment and collaboration between the regulators to reform the cash market. The Board also approved the Strategy Scorecard performance for 2020, the new Scorecard for 2021 and carefully reviewed LINK's recent transaction volumes and forecast for 2021. 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. The Board approved the Operational Resilience Framework and Standard Operating Procedure and noted that LINK's overall risk profile remains stable as a result of the continued focus on controls and mitigations.

The Board welcomed Deanne Clifton, Chief Transformation Officer, as the newest member of the senior management team.

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## 2. LINK VOLUMES AND VALUES

LINK transaction volumes and values saw a significant reduction in November as a result of the various lockdowns introduced across the UK. November's volumes fell by 14% compared to the October while values fell by 13%. This meant that November 2020 was down on November 2019 by 43% for volume and 36% for value. Average withdrawal values remain high, £82 in November compared to £68 in November 2019.

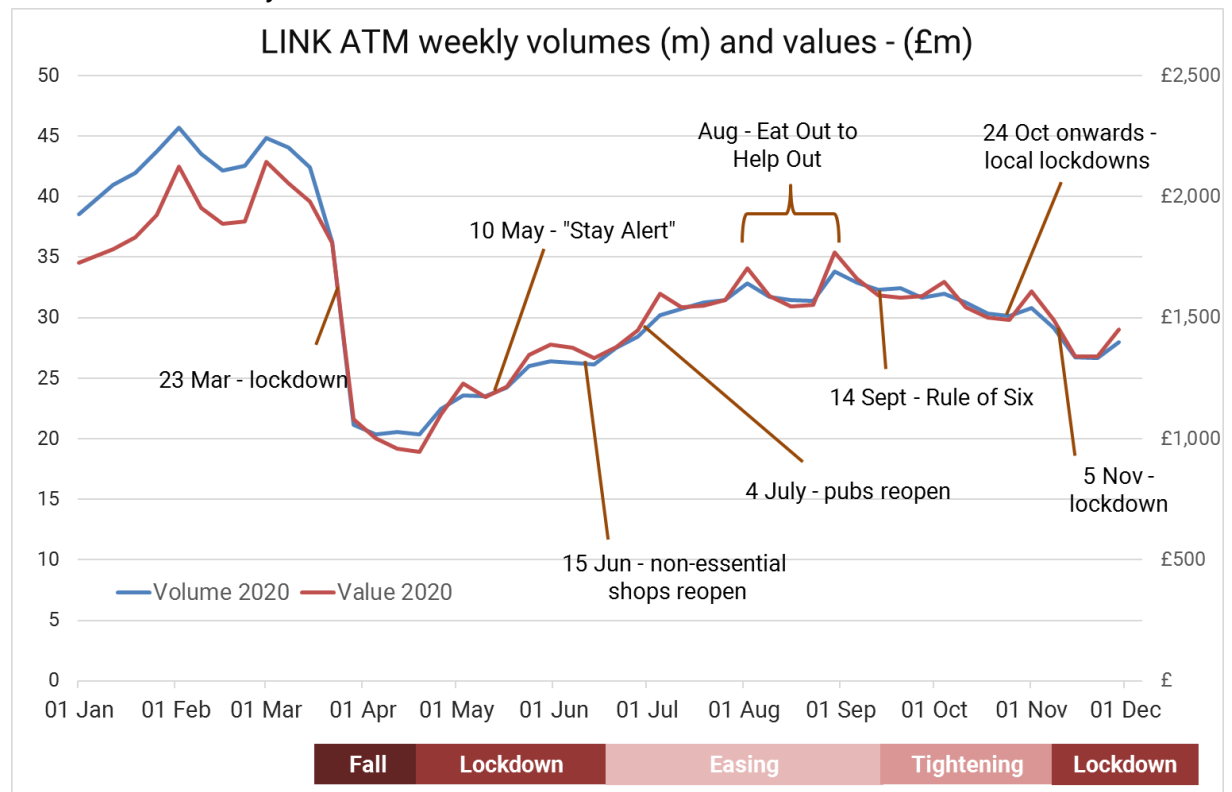
However, LINK's own research showed that 60% of people had still used cash in the previous two weeks, a reduction of 3% from October and while spending in pubs, restaurants etc which had closed or had restricted service fell significantly, the number of people who used cash in convenience stores and supermarkets was unchanged from the previous month.

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	118		

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	£6,016		

The chart below shows how LINK weekly transactions volumes and values changed through 2020. After the large fall in the first lockdown, ATM use increased through the early summer as various restrictions were relaxed. This reached a peak in August from a combination of people taking “staycations” in the UK and spending being boosted by the eat-out-to-help-out scheme. However, autumn saw LINK ATM usage decline, roughly at the same rate as 2019, until the tightening of restrictions in October and especially November reduced ATM use quite significantly, although not as much as the first lockdown in March / April.

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 reopened, although some have remained shut due to social distancing requirements or the continued closure of the premises which house them.

The November lockdowns have led to ATM numbers falling once again as some host premises are closed once more, although most these should reopen once the restrictions have been lifted. 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	15,044	-
Free Remote	29,638	29,336	28,478	25,392	25,393	25,652	26,240	26,875	27,050	27,077	26,598	-
<b>Total Free</b>	<b>45,226</b>	<b>44,941</b>	<b>44,061</b>	<b>40,783</b>	<b>40,744</b>	<b>40,961</b>	<b>41,551</b>	<b>42,167</b>	<b>42,248</b>	<b>42,175</b>	<b>41,642</b>	<b>-</b>
Pay to use	15,323	15,307	13,745	12,412	12,549	12,814	12,999	13,398	13,426	13,373	12,780	-
<b>Total ATMs</b>	<b>60,549</b>	<b>60,248</b>	<b>57,806</b>	<b>53,195</b>	<b>53,293</b>	<b>53,775</b>	<b>54,550</b>	<b>55,565</b>	<b>55,674</b>	<b>55,548</b>	<b>54,422</b>	<b>-</b>
Bank and Building Societies	25,148	25,001	24,955	23,268	23,236	23,294	23,309	23,295	23,130	22,971	22,897	-
Non Card Issuers	35,401	35,247	32,851	29,927	30,057	30,481	31,241	32,270	32,544	32,577	31,525	-
<b>Total ATMs</b>	<b>60,549</b>	<b>60,248</b>	<b>57,806</b>	<b>53,195</b>	<b>53,293</b>	<b>53,775</b>	<b>54,550</b>	<b>55,565</b>	<b>55,674</b>	<b>55,548</b>	<b>54,422</b>	<b>-</b>

### 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. To-date, 57 free-to-use ATMs have been directly commissioned, 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 1<sup>st</sup> 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 54 ATMs which have been replaced through this programme, an increase of five this month.

October 2020	ATMs	Monthly change
Total Protected ATMs	3,074	23
Live ATMs	2,670	22
<b>ATMs No Longer Transacting</b>	<b>404</b>	<b>1</b>
Temporarily out of action	64	-6
Investigations with operator underway	19	-1
<b>ATMs Confirmed as Closed</b>	<b>321</b>	<b>8</b>
ATMs not being replaced (a)	264	6
<b>ATMs targeted for replacement</b>	<b>57</b>	<b>2</b>
LINK Members offered premiums for replacement	5	-5
LINK directly commissioning a replacement	28	6
<b>Resolution not possible (b)</b>	<b>24</b>	<b>1</b>
<b>ATMs previously targeted for replacement and now resolved (c)</b>	<b>54</b>	<b>5</b>

## 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.

## 6. PRESS RELEASES

**27<sup>TH</sup> October - Six months of lockdown: how cash machine withdrawals varied across the UK.**

<https://www.link.co.uk/about/news/six-months-of-lockdown/>

**3<sup>RD</sup> November - ATM cash withdrawals jump since announcement of new national lockdown.**

<https://www.link.co.uk/about/news/atm-cash-withdrawals-jump/>

**24<sup>th</sup> November - LINK and PayPoint pilot enabling free cash withdrawals from retailers' tills goes live with good demand.**

<https://www.link.co.uk/about/news/paypoint-pilot-live/>