



THE UK'S CASH MACHINE NETWORK

LINK MONTHLY REPORT

May 2021



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

As lockdown restrictions ease and shopping and leisure locations reopen across the UK, 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 provision of a broad footprint of machines, effective risk management and high levels of operational resilience. LINK is working closely with its infrastructure provider and Network Members, all of whom continue to perform well.

In early May the LINK Board met by video link with the Senior Management Team for a strategic review of LINK's medium and long-term plans. This was in addition to the regular Board meeting where the Board welcomed the approval of Lord Holmes of Richmond's amendment to the Financial Services Bill on cashback without purchase. The Board was also updated on the latest engagements with LINK's regulators and the Footprint Report (detailed later) which shows LINK's effectiveness in meeting its commitments to consumers. There were no commercial or operational issues to report, and the Board discussed the Risk Summary, noting the effective control of key risks.

Remote working remains in place for LINK staff and continues to be effective. Regular all-staff virtual updates are held with the Senior Management Team and new team members have been successfully on-boarded with further recruitment ongoing during this period of fully online, remote working. There are several programmes in place to help support staff. Following the lifting of the stay-at-home guidance and the easing of the numbers that can meet outdoors, field-based activity resumed in April, with all site visits fully risk assessed and COVID-19 compliant. Planning and preparation for a safe return to the office continues in readiness for when that it is permitted. There are no commercial or operational issues causing concern and LINK and its various service providers continue to perform to the expected very high standard.

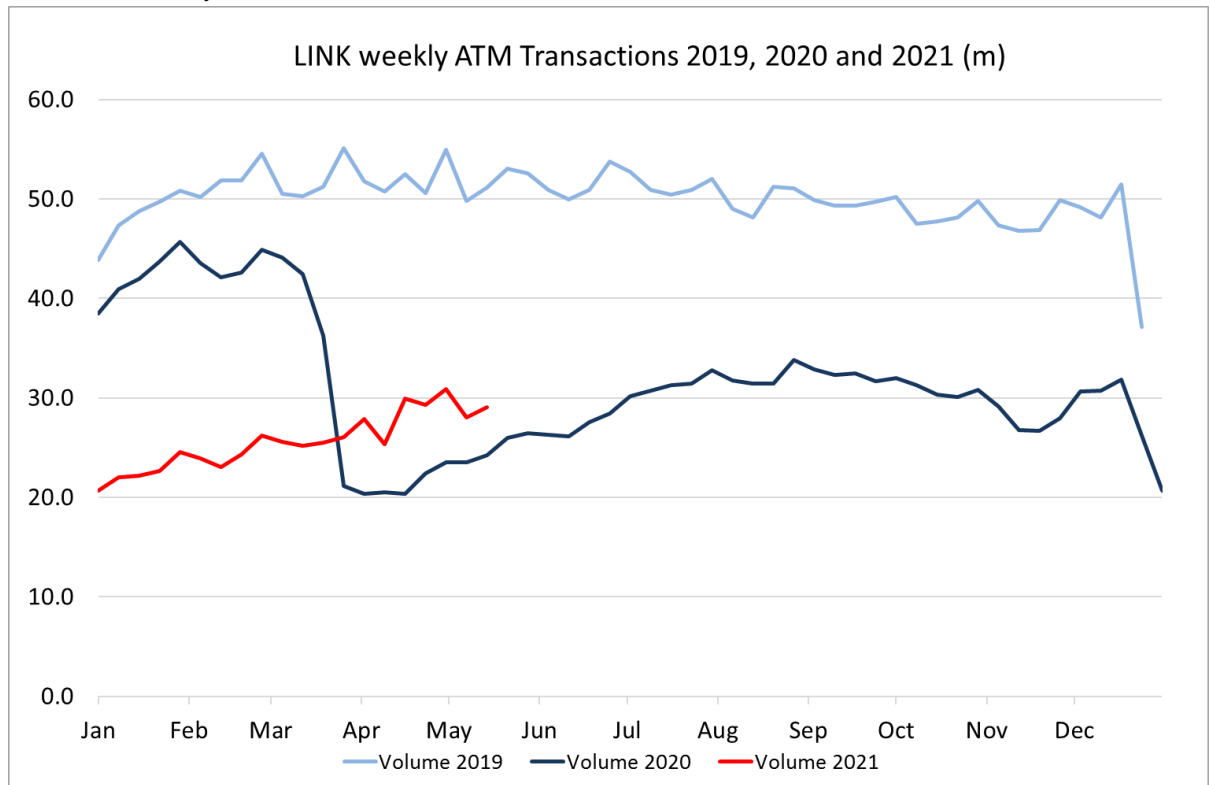
2. LINK VOLUMES AND VALUES

ATM use increased in April and when compared with the same period last year. It is still some 40% lower than two years ago. ATM use should gradually increase over the coming weeks as the relaxation of restrictions on retail and leisure continues. However, despite this reduced activity, April 2021 still saw almost 125m LINK transactions and almost £6.5 billion withdrawn.

LINK Transaction Volumes (millions)													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
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	129	1,643
2021	99	97	114	123									433

LINK Transaction Values (£millions)													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
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	£7,044	£81,010
2021	£5,062	£5,127	£5,995	£6,446									£22,630

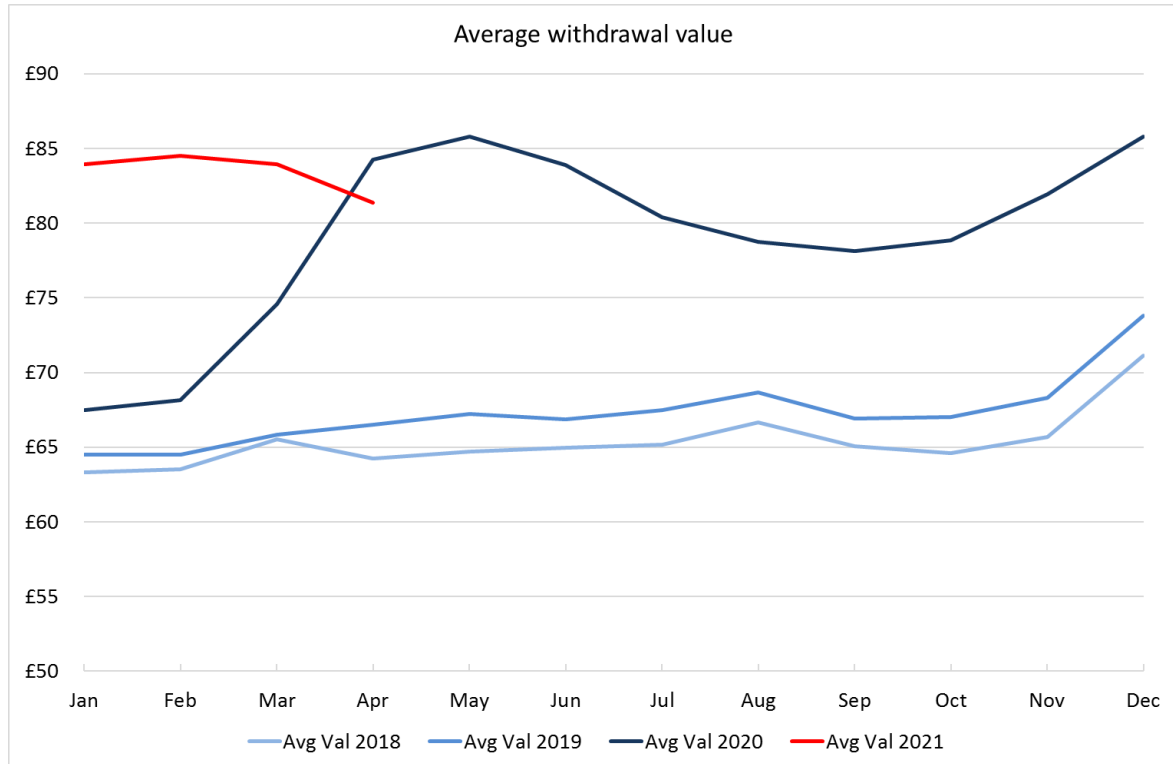
Chart1: LINK weekly transaction volumes



One of the features of the various lockdowns has been the marked increase in the average amount of cash consumers take out when they visit an ATM. The average value rose rapidly during the first lockdown to £86 before falling back over the summer. It then rose again in November and December when there were further lockdowns. Across the 14 months of the pandemic to-date the average has been £81, an increase from around £67 before the coronavirus crisis. This appears to be because when people are unable to get out and about, they take out more cash when they do visit an ATM as they know it may be some time before they can use one again. It is also likely that, with the closure of locations like pubs and other leisure facilities and with restrictions on travel and commuting, consumers have fewer opportunities for low-value spontaneous cash

withdrawals and they are forced to take out cash on their less frequent and often carefully planned ventures away from home. This pattern has been repeated in 2021 with average withdrawal values once again being much higher than before the crisis. There was a small fall from March to April which is consistent what was seen as previous lockdowns have been eased. However, the average withdrawal value remains very high by historic standards.

Chart 2: LINK average withdrawal values



3. ATM NUMBERS

ATM coverage across the UK remains satisfactory and in line with LINK’s strategy and Financial Inclusion Programme objectives.

Many of the ATMs that closed during to the first 2020 lockdown reopened last summer, although some remained shut due to social distancing requirements or the continued closure of the premises which house them. This year’s lockdowns saw ATM numbers fall once again but April has seen more ATMs coming back online as premises reopen and this is expected to continue as the various restrictions are eased.

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	14,987
Free Remote	29,638	29,336	28,478	25,392	25,393	25,652	26,240	26,875	27,050	27,077	26,598	26,740
Total Free	45,226	44,941	44,061	40,783	40,744	40,961	41,551	42,167	42,248	42,175	41,642	41,727
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	12,847
Total ATMs	60,549	60,248	57,806	53,195	53,293	53,775	54,550	55,565	55,674	55,548	54,422	54,574
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	22,856
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	31,718
Total ATMs	60,549	60,248	57,806	53,195	53,293	53,775	54,550	55,565	55,674	55,548	54,422	54,574

LINK ATM Numbers by Type and Owner 2021												
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Branch	14,917	14,827	14,801	14,752								
Free Remote	26,541	26,233	26,038	26,229								
Total Free	41,458	41,060	40,839	40,981								
Pay to use	12,491	12,156	12,023	12,140								
Total ATMs	53,949	53,216	52,862	53,121								
Bank and Building Societies	22,801	22,660	22,614	22,456								
Non Card Issuers	31,148	30,556	30,248	30,665								
Total ATMs	53,949	53,216	52,862	53,121								

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, 61 lost free-to-use ATMs have been targeted for replacement and resolved, 17 through Direct Commissioning, 19 through Premiums and the remaining 25 by regular installation programmes.

Overall, over 3,500 ATMs are in receipt of a subsidy as part of LINK's work on financial inclusion. LINK is now using social media to further raise awareness of the initiative and continues to welcome requests for ATMs. Please see the LINK website for more details <https://www.link.co.uk/consumers/request-access-to-cash/>.

5. LINK FOOTPRINT REPORT

LINK is committed to maintaining free access to cash for many years to come through an extensive network of ATMs, which covers the same area as it did on 1st February 2018.

This includes Protected ATMs which are machines 1km or more away from another free ATM and are therefore considered vital by LINK for their local communities' cash access. These Protected ATMs are analysed every month and the changes are summarised below. There are now 59 ATMs which have been replaced through this LINK's work.

March 2021	ATMs	Monthly change
Total Protected ATMs	3,133	2
Live ATMs	2,701	8
ATMs No Longer Transacting	432	-6
Temporarily out of action	78	-5
Investigations with operator underway	17	-5
ATMs Confirmed as Closed	337	4
ATMs not being replaced (a)	282	7
ATMs Targeted for Replacement	55	-3
LINK Members offered premiums for replacement	0	0
LINK directly commissioning a replacement	29	-2
Resolution not Possible (b)	26	-1
ATMs previously targeted for replacement and now resolved (c)	61	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 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

6th May 2021: LINK: ATM use up by 18% as lockdown restrictions ease.

<https://www.link.co.uk/about/news/link-atm-usage/>