
LINK MONTHLY REPORT

June 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 many shopping and leisure locations have continued to reopen across the UK the LINK ATM network is operating 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.

The LINK Board met by video link in early June where it heard details of the new *Access to Cash Action Group*, chaired by Natalie Ceeney CBE and David Postings the CEO of UK Finance, which brings together the banks, Post Office and LINK to focus on what can be done to protect free access to cash, across the range of available channels, even as the overall demand for cash declines. The Board welcomed a report from *Nick Quin, Head of Financial Inclusion*, who updated Directors on the Footprint Report, outlining LINK's effectiveness in meeting its commitments to consumers and noting that overall coverage continues to be good, the increased numbers of Protected free-to-use ATMs reflecting the successful work of LINK's Financial Inclusion Programme. Social media continues to be a useful tool in targeting communities to raise awareness of LINK's Community Request an ATM initiative and it is proving successful in improving free-to-use ATMs in deprived areas. The Board approved the Risk Summary, noting the updated Key Risks Report which reflected changes from the recent Board Strategy Event and the Risk Committee's meeting in May. There were no commercial or operational issues to report.

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. Field-based activity resumed in April, with all site visits fully risk assessed and COVID-19 compliant and delivery of LINK's Financial Programme remains steady and effective. Planning and preparation for a safe return to the office has been ongoing and all is now in place for when the time arrives and LINK will continue to be guided by government advice. 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.

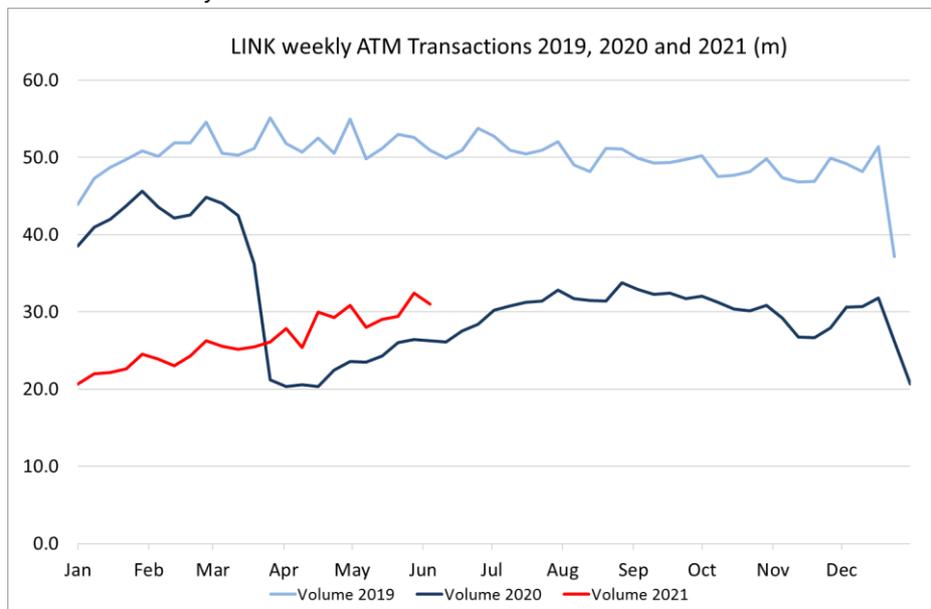
2. LINK VOLUMES AND VALUES

ATM use is continuing to steadily increase although comparisons with 2020 and 2019 continue to present difficulties as social, working and retail activity is still restricted to varying degrees. This seems likely to continue for some time. Nevertheless, ATM use remains low in terms of both volume and value when compared to the period immediately before COVID-19 and 2019 as a whole. However, the steady increase in use has matched the gradual lifting of restrictions and, even with this reduced activity, May 2021 still saw over 130m LINK transactions and £6.8 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	131								564

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	£6,809								£29,438

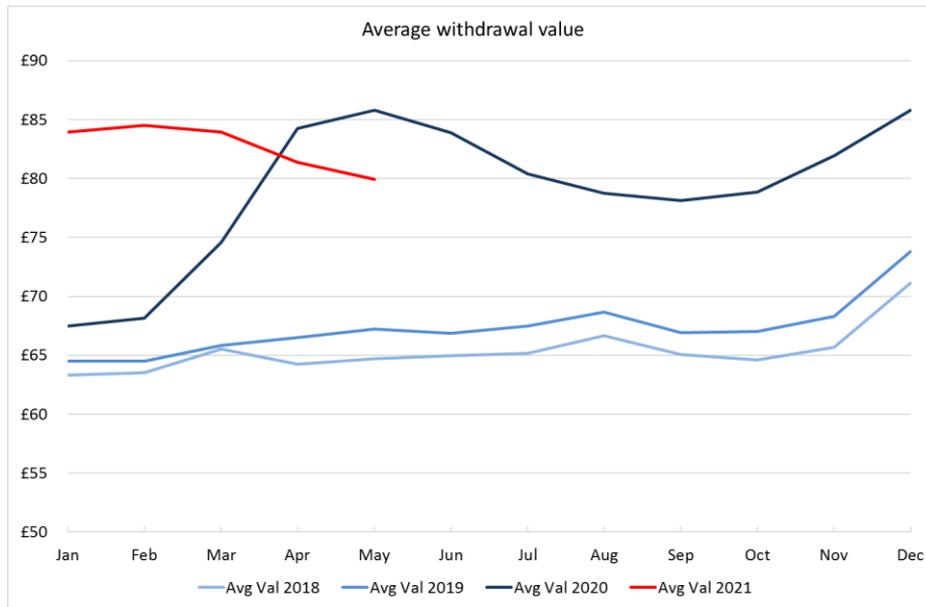
Chart1: LINK weekly transaction volumes



The average withdrawal value increased by almost £20 to over £85 during the first lockdown and it has continued to be high ever since, with only a modest fall last summer. This suggests that, while many consumers are visiting ATMs less often, when

they do so they are taking out more cash each time, possibly anticipating a longer period before they visit one again. This year, we have seen the average value fall once again as COVID-19 restrictions are lifted but the average value remains high and it is not clear whether this change in consumers' behaviour is permanent.

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 ATMs closed during 2020 due to social distancing or the closure of the premises which house them. As restrictions have eased a number of these have reopened and ATM numbers are now at their highest since before the pandemic. The continued reopening of premises as the remaining restrictions are lifted is likely to see ATM numbers increase further.

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	14,627							
Free Remote	26,541	26,233	26,038	26,229	26,747							
Total Free	41,458	41,060	40,839	40,981	41,374							
Pay to use	12,491	12,156	12,023	12,140	12,587							
Total ATMs	53,949	53,216	52,862	53,121	53,961							
Bank and Building Societies	22,801	22,660	22,614	22,456	22,287							
Non Card Issuers	31,148	30,556	30,248	30,665	31,674							
Total ATMs	53,949	53,216	52,862	53,121	53,961							

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, 62 lost free-to-use ATMs have been targeted for replacement and resolved, 18 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 community. These Protected ATMs are analysed every month and the changes are summarised below. There are now 62 ATMs which have been replaced through LINK’s work.

March 2021	ATMs	Monthly change
Total Protected ATMs	3,138	5
Live ATMs	2,715	14
ATMs No Longer Transacting	423	-9
Temporarily out of action	71	-7
Investigations with operator underway	13	-4
ATMs Confirmed as Closed	339	2
ATMs not being replaced (a)	287	5
ATMs Targeted for Replacement	52	-3
LINK Members offered premiums for replacement	0	0
LINK directly commissioning a replacement	25	-4
Resolution not Possible (b)	27	1
ATMs previously targeted for replacement and now resolved (c)	62	1

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.