
LINK MONTHLY REPORT

September 2021



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 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 in person in early September was pleased to note the LINK Members' approval of the LINK Counter Terminal Transactions which have the potential to significantly widen cash access away from ATMs. The Board was also pleased to note that commercial and operational matters were continuing to perform well.

September saw LINK respond to a number of consultations and calls for evidence which the Board had previously discussed, including the following.

- PSR Consultation paper - Our proposed PSR Strategy
- HM Treasury – Access to Cash Consultation
- Bank of England Diversity and Inclusion in the Financial Sector
- HM Treasury Senior Managers & Certification Regime: Financial Market Infrastructures

LINK's responses can be found at <https://www.link.co.uk/publications/link-consultation-responses/>.

The LINK staff have now returned to the office on a staggered basis and this has allowed old and new colleagues to meet face-to-face while continuing with effective remote working at other times. LINK's field-based activity resumed back in April, with all site visits fully risk assessed and COVID-19 compliant and delivery of LINK's Financial Inclusion Programme remains steady and effective. 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

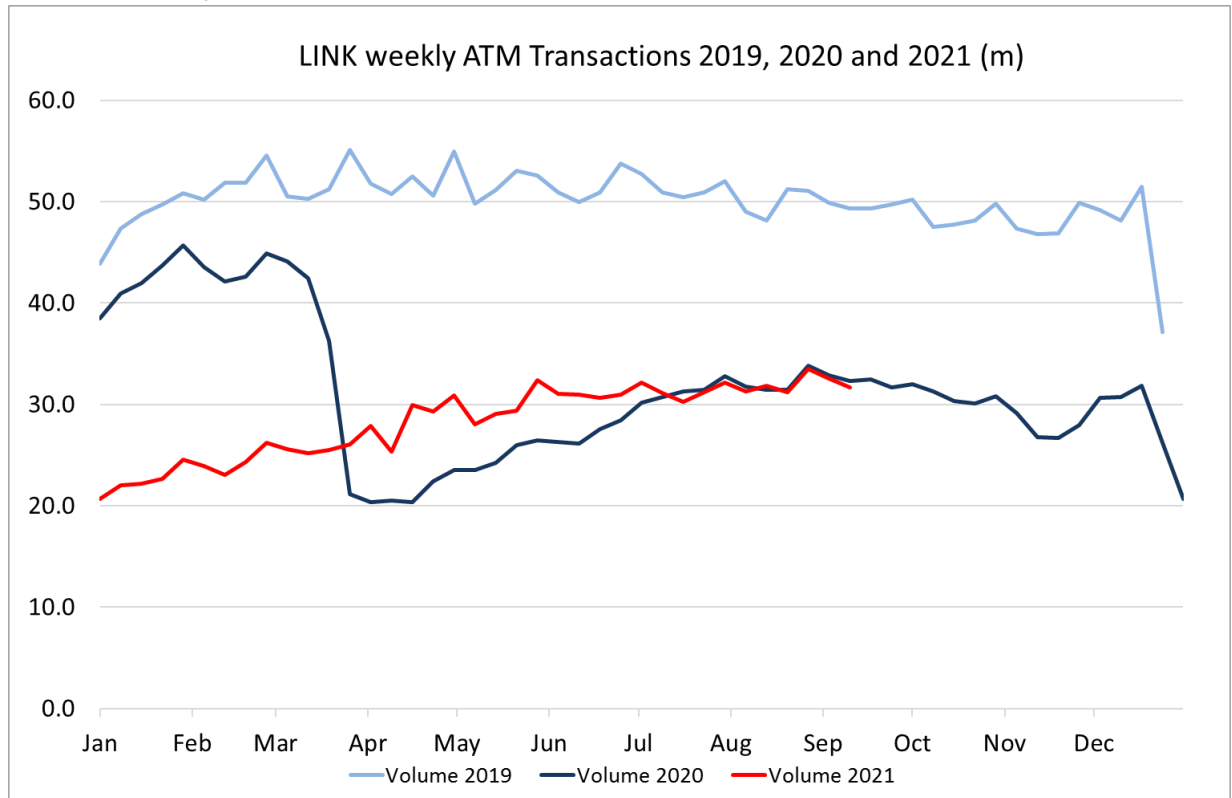
ATM use appears to have settled into a similar pattern as 2020 when COVID-19 restrictions were broadly the same. Transactions for July and August were within a few percentage points of last year's and while there appears some daily variation, Monday to Wednesday is usually quieter than 2020 while the weekends are busier, overall the figures are remarkably consistent.

However, volumes and values remain significantly below pre-pandemic levels and it seems almost certain that there has been a fundamental change in how some consumers are using cash, although even with this overall reduction in usage, August still saw 140m LINK transactions and over £7 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	133	140	140					977

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	£6,757	£7,242	£7,177					£50,614

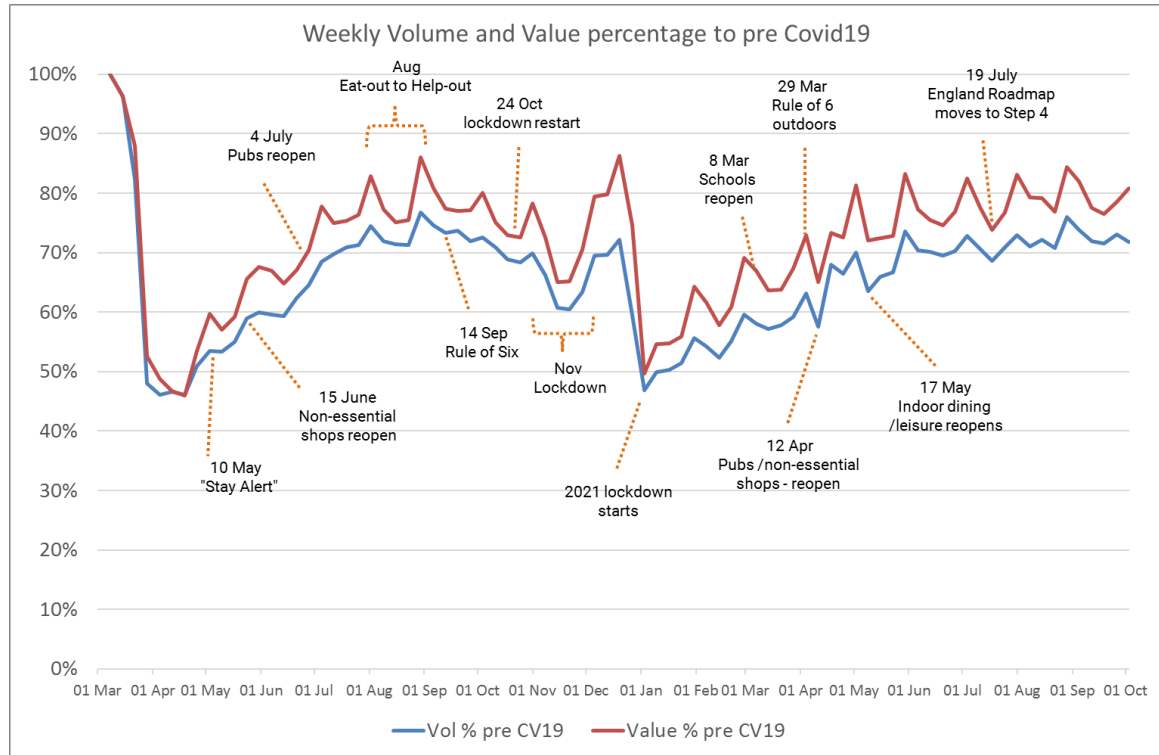
Chart1: LINK weekly transaction volumes



While recent ATM trends have been to closely track 2020, as we look forward to the rest of the year it is possible that ATM use will start to increase above that seen in 2020 as October 2020 saw the introduction of various tiered lockdowns, followed by the November lockdown and then significant restrictions over Christmas itself.

The charts above and below illustrate the dropping away of ATM use in Q4 2020 before a peak at Christmas, although even this didn't get ATM use close to pre-pandemic levels.

Chart 2: Changes to ATM volume and value compared to pre-Covid



3. ATM NUMBERS

ATM coverage across the UK remains as planned and in line with LINK’s strategy and Financial Inclusion Programme objectives. Many ATMs closed during the pandemic due to social distancing or the closure of the premises which house them. As restrictions have eased, a number of these machines have reopened, although it seems likely that some locations, like pubs, where a lot of people used cash and used to have quite a few pay-to-use ATMs, are accepting cash less now and as a result no longer need on-site ATMs.

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	14,450	14,056	13,905				
Free Remote	26,541	26,233	26,038	26,229	26,747	27,061	27,078	27,205				
Total Free	41,458	41,060	40,839	40,981	41,374	41,511	41,134	41,110				
Pay to use	12,491	12,156	12,023	12,140	12,587	12,616	12,725	12,699				
Total ATMs	53,949	53,216	52,862	53,121	53,961	54,127	53,859	53,809				
Bank and Building Societies	22,801	22,660	22,614	22,456	22,287	22,109	21,752	21,654				
Non Card Issuers	31,148	30,556	30,248	30,665	31,674	32,018	32,107	32,155				
Total ATMs	53,949	53,216	52,862	53,121	53,961	54,127	53,859	53,809				

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, 63 lost free-to-use ATMs have been targeted for replacement and resolved, 18 through Direct Commissioning, 19 through Premiums and the remaining 26 by regular installation programmes.

Overall, over 3,500 ATMs get 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.

July 2021	ATMs	Monthly change
Total Protected ATMs	3,161	4
Live ATMs	2,758	11
ATMs No Longer Transacting	403	-7
Temporarily out of action	45	-3
Investigations with operator underway	5	-2
ATMs Confirmed as Closed	353	-2
ATMs not being replaced (a)	297	1
ATMs Targeted for Replacement	56	-3
LINK Members offered premiums for replacement	0	0
LINK directly commissioning a replacement	26	-4
Resolution not Possible (b)	30	1
ATMs previously targeted for replacement and now resolved (c)	63	2

Notes – see next page

- (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.