



Link Scheme Holdings Ltd

## **LINK Scheme ATM Footprint Report**

**August 2023**

**Published on 12<sup>th</sup> October 2023**

In LINK's Final Decision and Impact Assessment on the results of its Interchange Consultation, published on 31<sup>st</sup> January 2018 (<https://www.link.co.uk/about/news/link-moves-to-secure-future-of-free-atms/>), the Board of LINK set out its commitment to maintain free access to cash for many years to come through an extensive footprint of ATMs with the same coverage as now. The date of this commitment started from 1<sup>st</sup> February 2018.

This included a commitment to leave interchange unchanged for all existing free ATMs 1 kilometre or more away from another free ATM, to ensure that LINK's reduction in interchange would not give a reason for closure. These ATMs are known as Protected ATMs.

This also initially included a commitment to apply at LINK's discretion a premium of up to 30 pence to deal with specific problems with free coverage of ATMs caused by loss of a Protected ATM. On 1<sup>st</sup> April 2019, LINK introduced additional premiums that can significantly increase payments to ATM operators by up to £2.75 per cash withdrawal. Premiums will be made available to all eligible Protected machines; these measures are aimed at safeguarding free-to-use ATMs in remote and rural areas.

Should these premiums not deal with a particular situation, then LINK has the ability to directly commission ATMs to provide free access.

The Board has decided to publish the total number of Protected ATMs and the number where free access has been removed through closure or by being turned into charging ATMs. Reports will be provided on a regular basis.

This report sets out an analysis of the number of Protected ATMs no longer transacting and, after identifying where there is alternative access to cash provision (such as a Post Office counter providing free cash access), and where there is no public impact (for example, because the site was not accessible to the general public, e.g. it was within a closed company site), it shows the resultant number of sites that will be targeted for replacement with premiums. Note that where the loss is due to a security reason such as a raid, and there are no willing site owners, LINK will not plan a replacement until the security situation is judged safe again by local site retailers and ATM operators.

In addition to this, LINK also publishes on its website the number of free and charging ATMs by parliamentary constituency.

For questions about this report contact LINK at [www.link.co.uk/contact-us/](http://www.link.co.uk/contact-us/).



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	<b>Current Position</b>	<b>Net Change Since Last Month</b>	<b>Explanation/Definition</b>
Total Protected ATMs	3,428 (100%)	+18	Free-to-use ATMs that do not have another free-to-use ATM within 1 km. This figure is updated monthly to include additional ATMs that now meet Protected status.
Live ATMs	2,951 (86%)	+11	A live ATM is one that is connected to the LINK network and being used.
<b>ATMs No Longer Transacting</b>	<b>477 (14%)</b>	<b>+7</b>	<b>An ATM that is not active (reason will need investigating to confirm if permanently closed, or if the closure is temporary due to operational issues such as an upgrade or machine change).</b>  <b>17 Protected ATMs were identified as no longer transacting or switched to pay-to-use. 10 Protected ATMs that were not transacting previously came back online, were replaced or removed from Protection resulting in a net change of +7.</b>

ATMs No longer Transacting	477 (14%)	+7	As above.
Temporarily Out of Action	16	-	Temporary issue with site, plan in place to re-install.
Investigations with Operator Underway	8	+2	Under investigation.
<b>ATMs Confirmed as Closed</b>	<b>453 (13%)</b>	<b>+5</b>	<b>Free-to-use ATM permanently closed or switched to pay-to-use.</b>

ATMs Confirmed as Closed	453 (13%)	+5	As above.
ATMs Not Being Replaced	377 (11%)	+4	Locations where consumers have free access to cash over the counter from the Post Office (199), where the site was not accessible to the general public (116), e.g. inside a corporate building, where there is a security issue (0), or where there is deemed to be no community detriment following a site visit by LINK (62).



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<b>ATMs Targeted for Replacement</b>	<b>76 (2.2%)</b>	<b>+1</b>	<b>Further action taken by LINK to replace – see detail below.</b>
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ATMs within Direct Commissioning	22	-1	These ATMs are currently within the Direct Commissioning Process and over time will either be resolved through a replacement ATM or it will be determined that a replacement is not currently possible and reported below.
ATMs Targeted for Replacement – Resolution not possible.	54	+2	Where it is not currently possible to replace a closed 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 consider alternative actions that it deems appropriate for these locations with consideration to the objective of protecting free access to cash.

<b>ATMs Targeted for Replacement Now Resolved</b>	<b>116</b>	<b>+2</b>	<b>Where a targeted for replacement site has now got free access to cash via an ATM or Post Office, whether through premiums, direct commissioning or through the free competitive market.</b>
Resolved through Direct Commissioning	52	+1	Where a targeted for replacement site has now got free cash access through direct commissioning. The community of Redditch has benefited from Direct Commissioning this month.
Resolved through the Free Market	45	+1	Where free cash access has been resolved by the free market.
Resolved through Premiums Offered to LINK Members <sup>1</sup>	10	-	No sites have been resolved through premiums this month.
Resolved through Premiums Prior to Offer to LINK Membership	9	-	

<sup>1</sup> Machines are offered a Protected Premium and, if they qualify, a Low Volume Premium. More details available at <https://www.link.co.uk/initiatives/financial-inclusion/>



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<b>Protected ATMs installed by Community Request Scheme<sup>2</sup></b>	3	-	Protected Machines which were never technically “Targeted for Replacement” but which have been replaced as a result of LINK’s Community Request initiative. Machines have been installed in Durness, Dishforth Airfield and Woodbury as a result of community requests locally.
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A list of the locations where ATMs are “Confirmed as Closed” is included with this Report.

Where an ATM is “Confirmed as Closed”, LINK assesses whether there is a Post Office counter service nearby as an alternative method for consumers to access their cash. If there is not a Post Office and the previous ATM was publicly accessible, then the area will be designated as “ATM Targeted for Replacement”. LINK does not own or operate ATMs and the siting of ATMs is a competitive market for ATM operators who choose to deploy where it makes sense for them to do so commercially. LINK therefore offers premiums to operators to support the deployment of a free-to-use ATM in locations designated as “ATMs Targeted for Replacement”. Where an operator commits to an installation, it can take a number of months for the ATM to be replaced. This period can vary depending on a number of factors e.g. the time it may take to find a suitable and willing retailer, negotiating commercial contracts, buildings works or potentially planning consents.

**Appendix 2: Financial Inclusion Programme Update**

See separate attachment.

**Appendix 3: Interchange Strategy Changes**

On 16<sup>th</sup> July 2018, LINK announced changes to future interchange rates, canceling the third 5% cut due in 2020 and putting on hold the fourth due in 2021.

On 20<sup>th</sup> September 2018, LINK announced increases to cash interchange rates effective from 1<sup>st</sup> October 2018 in response to changes in the Bank of England’s base rate. This had the effect of increasing cash interchange rates by approximately 2%.

On 1<sup>st</sup> January 2019, LINK reduced interchange rates by 5% in line with its interchange announcement at the end of January 2018.

On 1<sup>st</sup> April 2019, LINK introduced additional premiums that can significantly increase payments to ATM operators by up to £2.75 per cash withdrawal. Premiums are available to all eligible Protected machines and ATMs which resolve access in the most deprived areas under the Financial Inclusion Programme. These measures are aimed at safeguarding free-to-use ATMs in remote and deprived areas.

On 23<sup>rd</sup> July 2019, LINK announced that interchange rates effective from 1<sup>st</sup> January 2020 would be unchanged from those in effect from 1<sup>st</sup> January 2019.

On 19<sup>th</sup> March 2020 LINK announced that following a decrease in the Bank of England bank base rate to 0.25%, after careful consideration, particularly in the light of current economic

<sup>2</sup> These machines can be resolved via a range of interventions, either Direct Commissioning or premium offers. However, they are sites which were never targeted for replacement under the Footprint Reporting process.



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conditions, the LINK Board decided that LINK interchange would remain unchanged for the time being.

On 23<sup>rd</sup> March 2020 LINK announced that following a further decrease in the Bank of England bank base rate to 0.1%, after careful consideration, particularly in the light of current economic conditions, the LINK Board decided that LINK interchange would remain unchanged for the time being.

On 27<sup>th</sup> July 2020, LINK announced that interchange rates effective from 1<sup>st</sup> January 2021 would be unchanged from those in effect during 2020.

On 19<sup>th</sup> July 2021, LINK announced that interchange rates effective from 1<sup>st</sup> January 2022 would be unchanged from those in effect during 2021.

On 16<sup>th</sup> December 2021, the Bank of England bank base rate rose to 0.25%. After careful consideration of its access to cash objective and in light of the prevailing economic conditions, the LINK Board decided that LINK interchange would continue to remain unchanged.

On 3<sup>rd</sup> February 2022, the Bank of England base rate rose to 0.5%. After careful consideration of its access to cash objective and in light of the prevailing economic conditions, the LINK Board decided that LINK interchange would continue to remain unchanged.

On 17<sup>th</sup> March 2022, the Bank of England base rate rose to 0.75%. After careful consideration of its access to cash objective and in light of the prevailing economic conditions, the LINK Board decided that LINK interchange would continue to remain unchanged.

On 5<sup>th</sup> May 2022, the Bank of England base rate rose to 1%. After careful consideration of all relevant factors, including its access to cash objective, the LINK Board decided to increase LINK interchange rates effective from 1<sup>st</sup> August 2022.

On 16<sup>th</sup> June 2022, the Bank of England base rate rose to 1.25%. After careful consideration of all relevant factors, including its access to cash objective, the LINK Board decided to increase LINK Protected Cash Withdrawal interchange rates effective from 1<sup>st</sup> October 2022.

On 4<sup>th</sup> August 2022, the Bank of England base rate rose to 1.75%. After careful consideration of all relevant factors, including its access to cash objective, the LINK Board decided to increase LINK Protected Cash Withdrawal interchange rates effective from 1<sup>st</sup> December 2022.

On 22<sup>nd</sup> September 2022, the Bank of England base rate rose to 2.25%. On 3<sup>rd</sup> November 2022, the Bank of England base rate rose to 3%. After careful consideration of all relevant factors, including its access to cash objective, the LINK Board decided to increase LINK Protected Cash Withdrawal interchange rates effective from 1<sup>st</sup> February 2023.

On 15<sup>th</sup> December 2022, the Bank of England base rate rose to 3.5%, on 2<sup>nd</sup> February 2023 the Bank of England base rate rose to 4%, on 23<sup>rd</sup> March the Bank of England base rate rose to 4.25% and on 22<sup>nd</sup> June 2023, the Bank of England base rate rose to 5.00%. On 3<sup>rd</sup> August 2023, the Bank of England base rate rose to 5.25%. Any further changes to LINK interchange will be announced in due course.