
LINK MONTHLY REPORT

August 2023





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2. KEY ACTIVITIES

LINK is the UK's Cash Access and ATM Network, connects virtually all the UK's ATMs and provides communities with access to cash through services such as cash at retailers' tills and recommending communities for banking hubs. LINK continues to operate to its usual high standard and remains well positioned to support consumers' access to cash needs through effective risk management and high levels of operational resilience. LINK works closely with its infrastructure provider and Network Members, all of whom continue to perform well.

The LINK Board met in early September with a full agenda and discussed a number of subjects important to maintaining the LINK payment system in good order. These included the recently published *HM Treasury Cash Access Policy Statement*, the rollout of banking hubs, progress with other shared service solutions, and LINK's latest consumer research on attitudes to access to cash, cash acceptance and a cashless society. The Board's standing items included reviewing the Operational Report, noting that the operational performance of LINK's critical suppliers remains stable and satisfactory and the Footprint Report which confirmed that thanks to LINK's proactive work in this area, overall consumer cash access is satisfactory and is expected to remain so. The Board meeting was followed by a working session with Lord McNicol of West Kilbride to discuss current and future political developments and their potential influence on cash and payments.

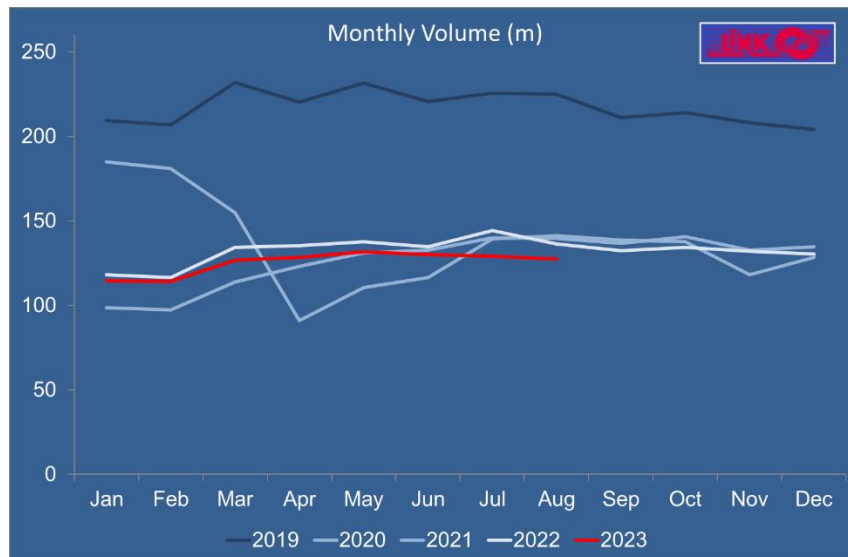
LINK submitted its response to HM Treasury's, *Future of Payments Review 2023: Call for Input*, and this is available on the LINK Website at <https://www.link.co.uk/media/z0npjrrt/link-answers-future-of-payments-review-call-for-input-03-08-23.pdf>

3. LINK VOLUMES AND VALUES

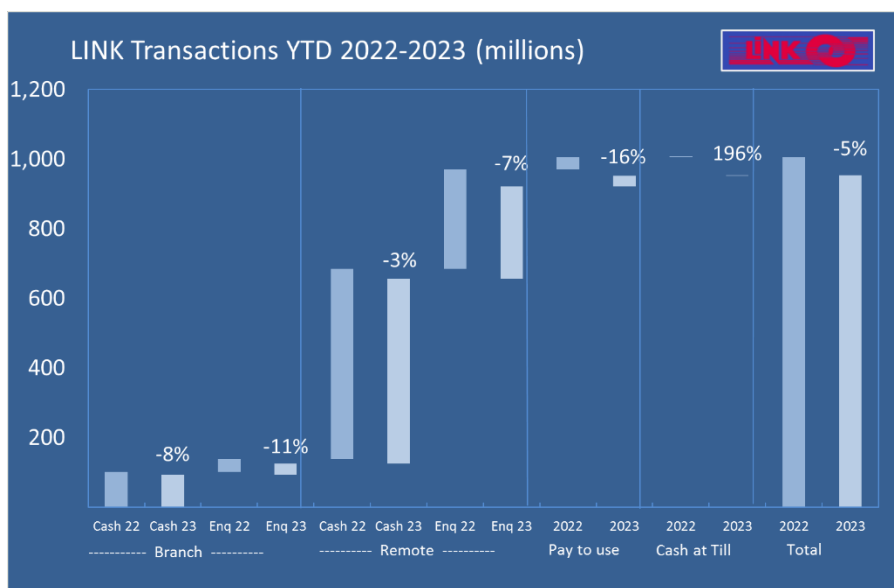
August saw total ATM transactions 7% down on August 2022, a smaller reduction than July's but still the second largest monthly year-on-year reduction this year so far. Some of this is due to the structural decline in consumers' cash usage, some will be down to the cost-of-living crisis reducing overall consumer spending and it is also possible that an increasing number of people are taking foreign holidays rather than local staycations and that this is reducing holiday spending here in the UK.



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	137	141	133	135	1,522
2022	118	117	134	135	138	135	144	137	132	134	132	130	1,587
2023	115	114	127	128	132	130	129	128					1,003

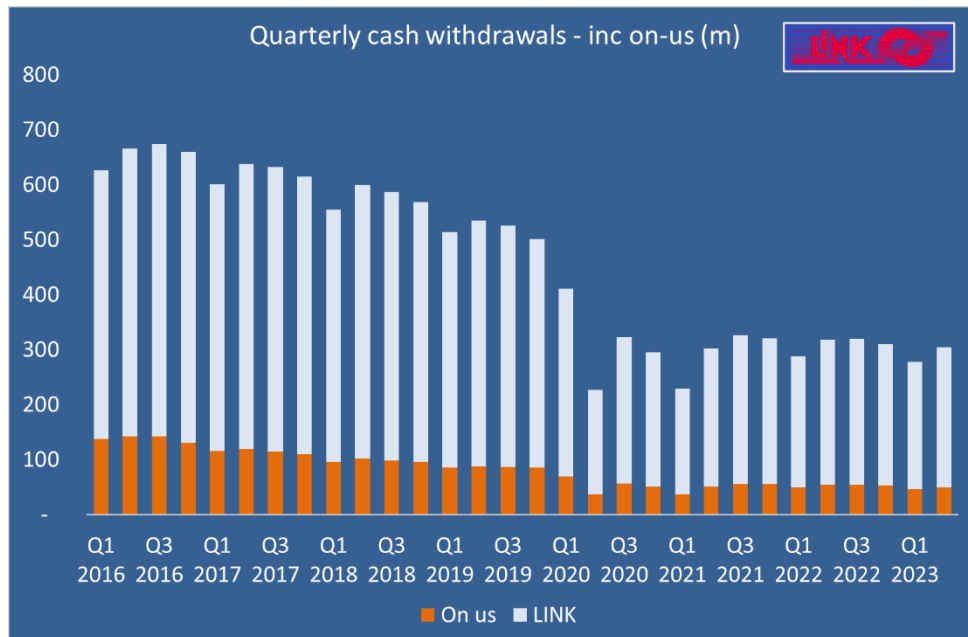


While the overall reduction in LINK transactions for the year to-date is 5% compared to 2022, this is not uniform across every type of ATM, or every type of transaction. Balance enquiries have been falling faster than cash withdrawals, perhaps as consumers make more use of online banking or apps. Branch and pay-to-use ATMs have been seeing larger reductions than free-to-use remote sites, probably because of falling bank branch numbers overall and the reduction in the number of pay-to-use ATMs which is also falling compared to last year.



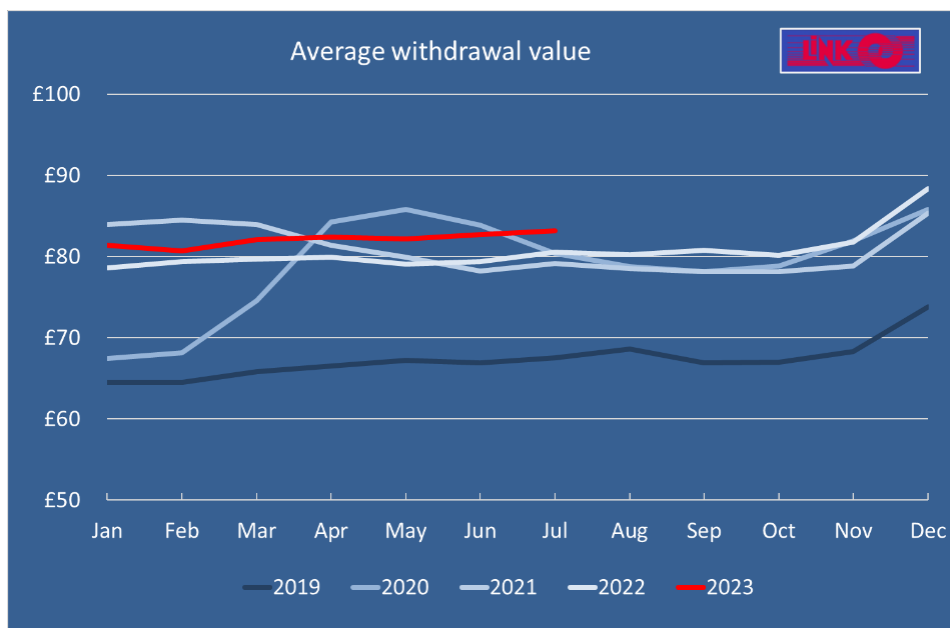
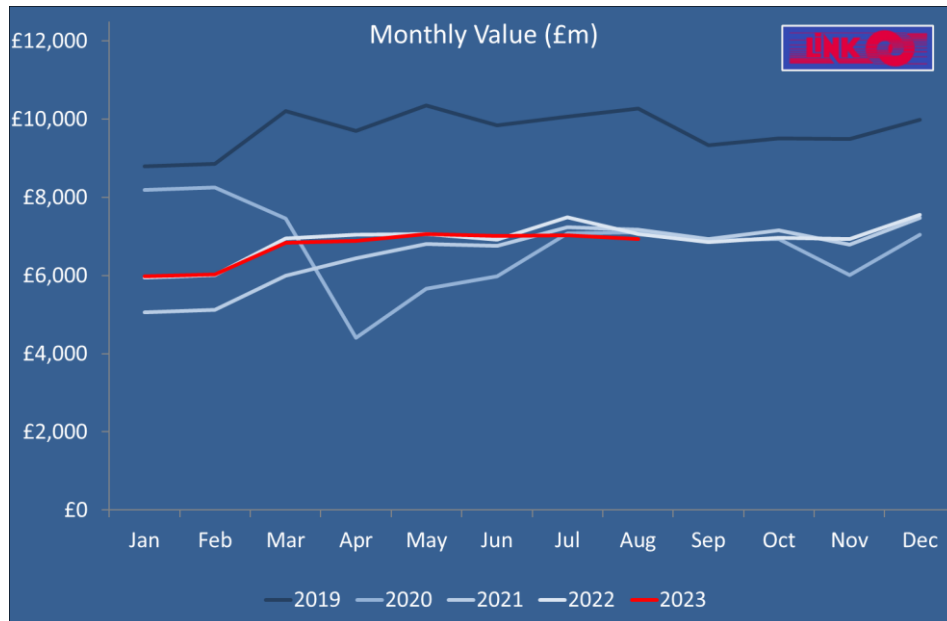


If we look at total cash withdrawals, ie including on-us where the customer uses their own bank's ATMs and which account for around 15% of all cash withdrawals, the number of cash withdrawals in Quarter 1 2023 was down 3.5% on the same period last year. The value withdrawn (£29bn) was effectively flat, down less than half of one percent on the previous year. Pay-to-use cash withdrawals now account for 3.5% of the total.



The value of cash withdrawn also fell when compared to August last year although, as is usual, the reduction in values (1.7%) was a lot less than transactions (6.6%). This is because the average value withdrawn each time continues to rise and August's £83.33 was £3.11 above August 2022 and £14.68 above pre-pandemic 2019. This is a very well-established pattern and may reflect changes in consumers' shopping, work and travel habits and perhaps a willingness to take out a larger sum, expecting it to last them some time, rather than regular lower values which they only expect to last them a day or so.

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	£6,928	£7,156	£6,785	£7,478	£78,960
2022	£5,946	£6,018	£6,952	£7,047	£7,065	£6,921	£7,481	£7,054	£6,848	£6,959	£6,932	£7,558	£82,781
2023	£5,979	£6,022	£6,837	£6,883	£7,063	£7,016	£7,025	£6,931	-	-	-	-	£53,756



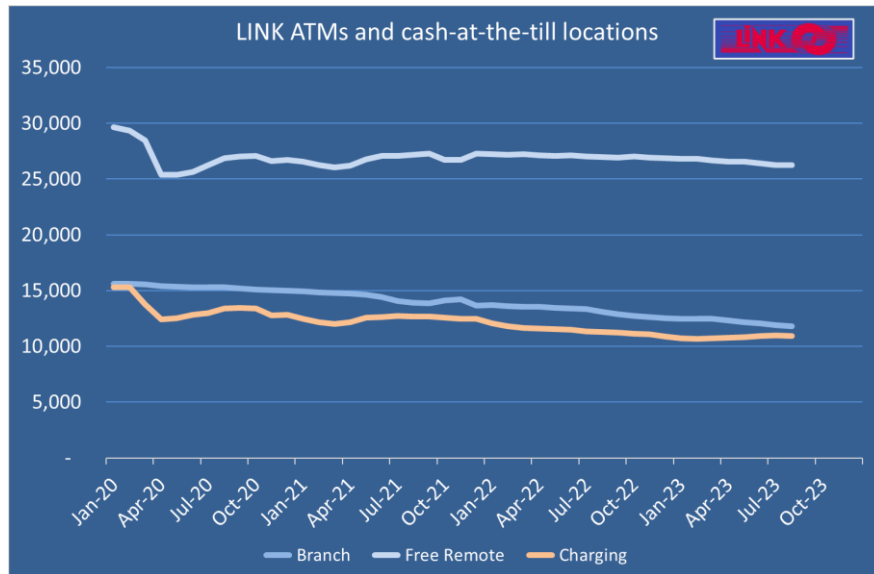
For more information and regular updates on cash and ATMs, see the LINK website www.link.co.uk or LinkedIn <https://www.linkedin.com/company/2837871/> or Twitter [LINK Scheme@LINK_ATM_Scheme](https://twitter.com/LINK_ATM_Scheme).

4. ATM AND NUMBERS

ATM coverage across the UK continues to be broadly stable and consistent with the forecasts in LINK's strategy, with a very slow decline in non-branch free-to-use ATMs in the past year. There are currently just under 49,000 ATMs in the UK, of which 38,049 are free-to-use. In the past year, branch (11,787) and charging (10,936) ATM numbers have declined at a faster rate than non-branch sites as branches close and host locations

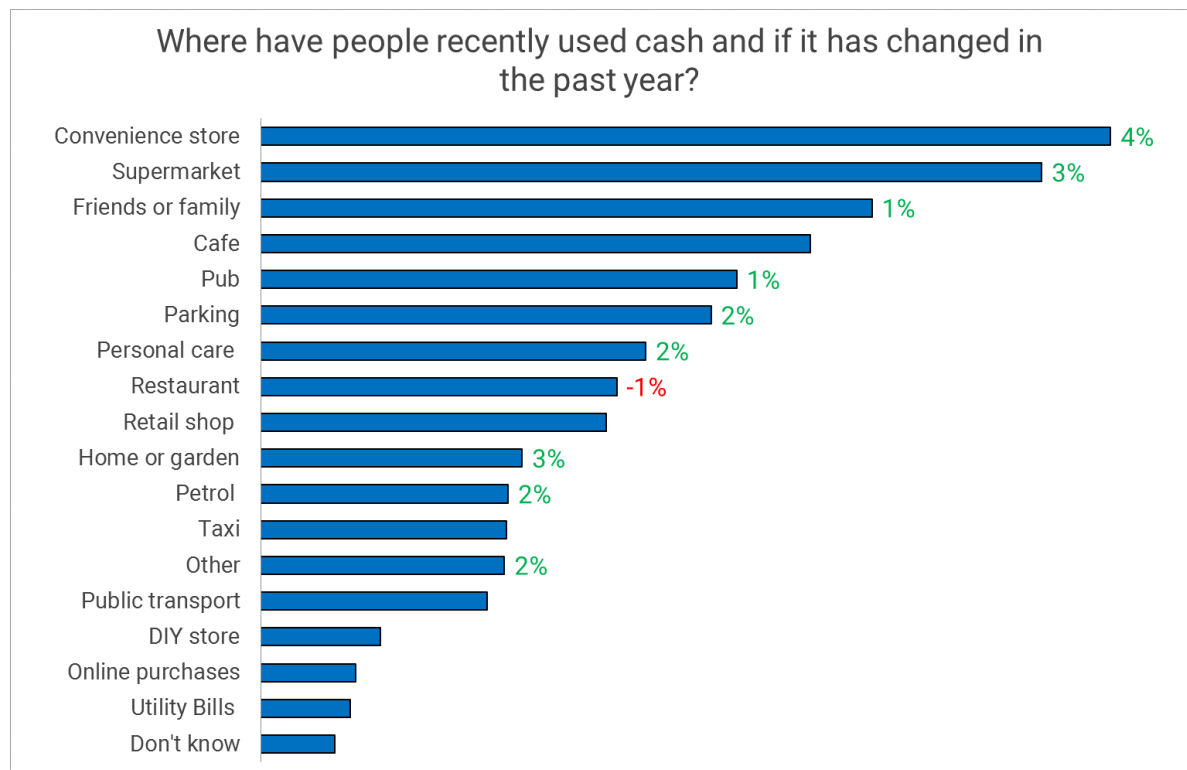


decide they no longer need charging ATMs or no longer take in enough cash to replenish them.



5. CONSUMER RESEARCH – WHERE HAVE PEOPLE RECENTLY USED CASH?

LINK conducts regular research into consumers' use of cash and the latest survey asked where people had recently used cash, and compares this to the same question a year ago. Overall, there was not a huge change in locations type but in most locations people said they were using cash a bit more.





6. 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, 114 lost free-to-use ATMs have been targeted for replacement and resolved, 51 through Direct Commissioning, 19 through Premiums and the remaining 44 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. See the LINK website for more details

<https://www.link.co.uk/consumers/request-access-to-cash/>.

On 14th July 2023 the PSR published its first Annual Review of Specific Direction 12 (SD12), designed to support LINK as it continues to do all it can to fulfil its commitment to maintain a broad geographic spread of free-to-use (FTU) ATMs. The PSR has concluded that SD12 is working well and should remain in place and it will undertake another review in spring 2024. The report, (link below) notes that *“LINK’s policies and processes to maintain, install and/or replace FTU ATMs are working well to ensure a broad geographic spread. Looking across all cash access points (i.e., ATMs, Post Office, retailer cashback), our latest data suggests that coverage is good – 96.5% of the UK population live within 2km of a cash access point, with 99.8% living within 5km”*.

<https://www.psr.org.uk/publications/general/first-annual-review-of-specific-direction-12/>

7. 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 2023		Monthly change
Total Protected ATMs	3,410	14
Live ATMs	2,940	11
ATMs No Longer Transacting	470	3
Temporarily out of action	16	2
Investigations with operator underway	6	-1



ATMs Confirmed as Closed	448	2
ATMs not being replaced (a)	373	3
ATMs Targeted for Replacement	75	-1
LINK directly commissioning a replacement	23	-1
Resolution not Possible (b)	52	-
ATMs previously targeted for replacement and now resolved (c)	114	3

The latest Footprint Report can always be found on the LINK website at:
<https://www.link.co.uk/initiatives/financial-inclusion-monthly-report/>.

Notes - LINK Footprint Report

(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.