

Community Cash Advisory Panel

6th Opinion

April 2025

Commentary

At the March meeting, the Panel reviewed LINK's Coordinating Body activity for the first time under the FCA's regulatory framework effective from September 2024.

The Panel noted significant increases in assessment activity and site visits, resulting in turn in an increase in banking hubs and other access to cash solutions recommended. Some of these have been in communities which had not met allocation thresholds before the regulatory framework but which because of changes in assessment criteria now did. LINK has recommended approximately one-third of the outcomes in six months of regulated assessment than were recommended over more than two years under the voluntary scheme.

The Panel also discussed the source of community requests for banking facilities, looking at the breakdown of requests across the regions, considering vulnerability data, and local political profile, in order to consider whether community requests were arising equally across communities in the UK. Our consideration led to Opinion 1 below. As part of this the Panel asked for further data to inform an additional view as to whether promotion of community requests is effective in more ethnically diverse areas.

The Panel also considered both the LINK compliance teams' usual assurance review of the application of the new regulatory framework, and LINK's plan to commission regular Independent Assurance Reports, prepared in accordance with the International Standard on Assurance Engagements (ISAE) 3000 to be carried out by a 3rd party audit provider. The Panel decided to in future consider both sources of assurance, sampling cases for internal review and for LINK to also share reports from the external assurance exercise. The Panel were mindful that the Terms of Reference placed a responsibility on the Panel to take a view on the accuracy of the application of the criteria.

Opinions

1. In regard to whether Community Requests are arising evenly from communities across the UK

From the data considered the Panel has no immediate concern about a lack of requests from areas that might be considered vulnerable on the dimensions measured (financial, age and digital inclusion). There was agreement though that a watching brief should be kept to ensure that communities assessed as being financially vulnerable continued to have requests raised for their consideration.

2. In regard to the application of the Criteria

The Panel is satisfied from the assurances it has received that LINK has applied the Criteria correctly.

3. In regard to whether LINK's instructions for hub or deposit solutions have been followed

The Panel received an update from CAUK, with a particular focus at the Panel's request on the installation of Multi-bank Deposit Machines, noting 4,420 in place by January 2025. The continued roll out of Bank Hubs was also noted with 54 temporary and 74 permanent hubs in place.

Joanna Wallace

CCAP Chair

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