

---

# LINK MONTHLY REPORT

November 2023

---





---

## 1. CONTENTS

2. Key Activities
3. LINK Volumes and Values
4. ATM Numbers
5. Consumer Research – Cash at Christmas
6. Maintaining Access to Cash
7. Footprint Report

---

## 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 London in early December where it was joined for a working lunch by Johan Alvinger, Director at Bankomat to discuss how Sweden is dealing with the transition from cash to digital. The Board also heard and considered a wide range of reports from Risk, Audit and Finance, the Consumer Council, as well as the latest forecasts for future ATM numbers. The Board also carefully reviewed the current position for consumers' cash access, a key priority and agreed that it remained satisfactory. The CEO was able to report that LINK's overall performance during 2023 remains as expected, with strong operational and compliance performance, and robust and effective risk management. The Board also held one of its regular Cyber Awareness sessions which gave Directors an opportunity to review the latest threats and mitigations and approve LINK's latest Cyber Security Strategy, preparedness and policies in this area, include a recent all staff exercise.

---

## 3. LINK VOLUMES AND VALUES

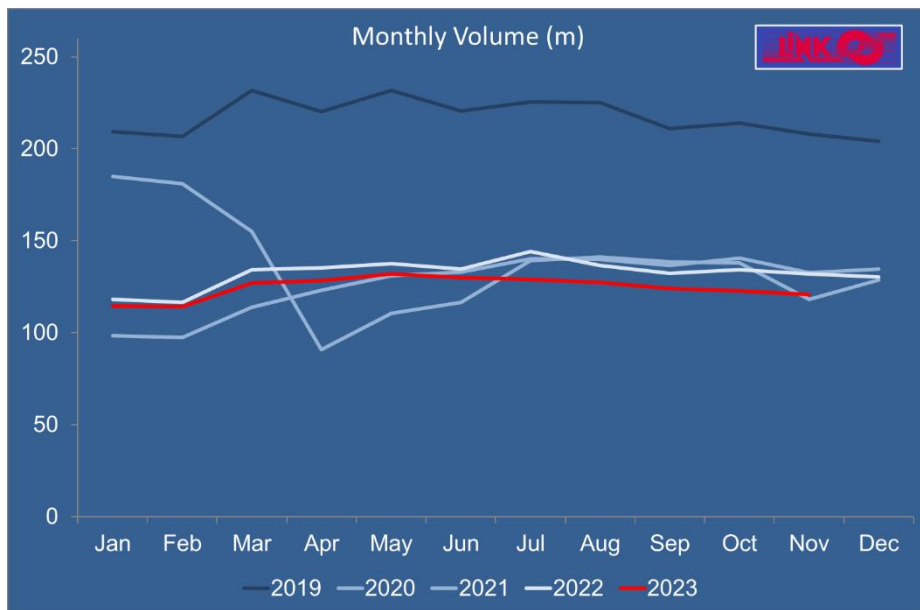
November saw total ATM transactions 8.6% down from 2022, the same as October and the second largest reduction of the year so far. This appears to suggest that the structural decline in consumers' cash usage, as they move to digital payments has returned, as the effects of the COVID19 pandemic continue to unwind. Overall consumer retail footfall remains negative, as reported by the British Retail Consortium (BRC)<sup>1</sup>, and ATM usage appears to closely match consumers' visits to high street and shopping centres. Other factors affecting cash and ATM usage include the ongoing cost-of-living crisis reducing overall consumer spending, changes to people's work, leisure and shopping patterns and possibly the reduced acceptance of cash at some locations.

---

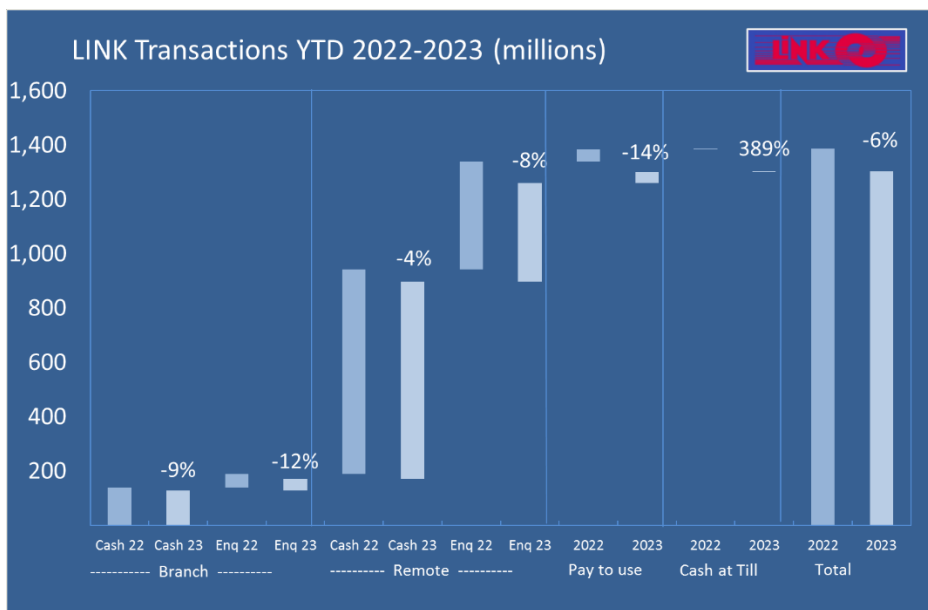
<sup>1</sup> BRC-SENSORMATIC IQ FOOTFALL MONITOR, November 2023



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	124	123	121		



The following chart shows where the YTD 6% reduction in ATM transactions is coming from. As can be seen, balance enquires are falling faster than cash withdrawals and branch and charging ATMs more than free-to-use remote sites.

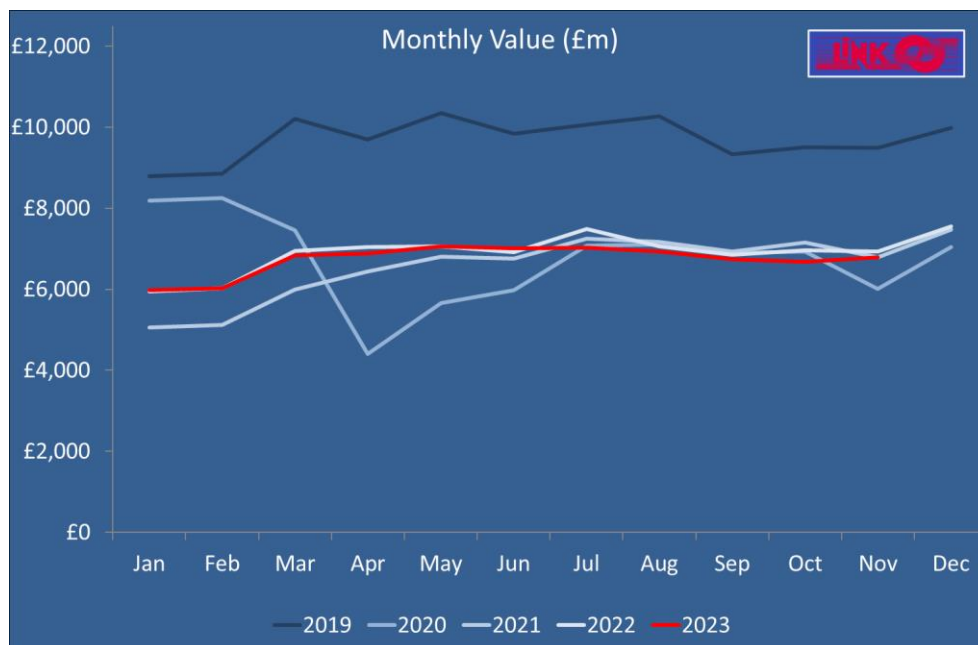




The value of cash withdrawn also fell when compared to November last year although, as is usual, the 2.2% reduction in values was a significantly less than transactions. This is because the average value withdrawn each time continues to rise, November's being £85.81 compared to £81.78 in 2022 and £68.30 in pre-pandemic 2019. This is a very well-established pattern and probably reflects changes in consumers' shopping, work and travel habits and perhaps a position where people take out a larger sum as a specific planned transaction, expecting the cash to last them for some time, rather than make more casual low-value spontaneous cash withdrawals, when their cash runs out and which they only expect to last them a day or so.

Another trend which seems to be establishing itself is that the monthly figures are much more consistent on a month-to-month basis. Looking back to pre-pandemic 2019 on the chart below, there were large increases or falls between months, whereas this year the variations are much less, even when compared to more recent years.

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	£6,743	£6,673	£6,780		

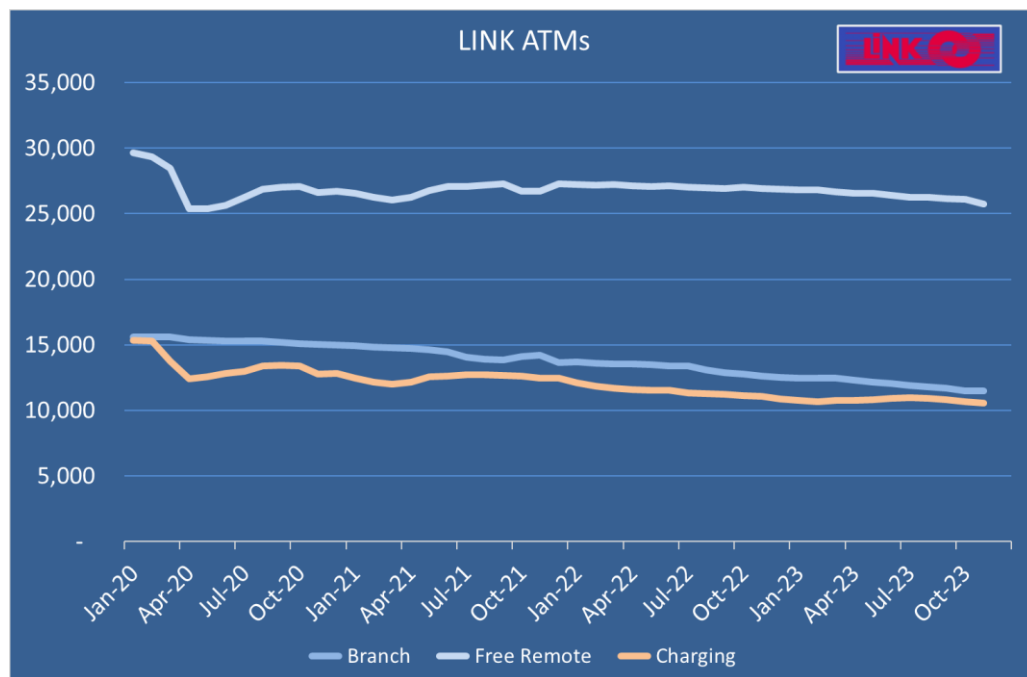




For more information and regular updates on cash and ATMs, see the LINK website [www.link.co.uk](http://www.link.co.uk) or LinkedIn <https://www.linkedin.com/company/2837871/> or Twitter/X [LINK Scheme@LINK\\_ATM\\_Scheme](https://twitter.com/LINK_ATM_Scheme).

#### 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 47,820 ATMs in the UK, of which 37,260 are free-to-use. In the past year, branch (11,549) and charging (10,560) 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 – CASH GIFTS AT CHRISTMAS?

LINK’s latest research showed that despite the growing ubiquity and convenience of digital payments, cash was the most popular financial gift for all age groups under 45. When asked what they would prefer to receive, gift cards and vouchers (42%) was the most popular, followed by cash (39%). One quarter (25%) prefer to receive a bank transfer, while more than one in ten (11%) would eagerly await a cheque. With higher interest rates compared to last year, 14% said they’d like money to go straight into a savings account with a further 8 per cent opting for Premium Bonds.



Alongside receiving gifts, LINK also asked about giving presents with nearly 8-in-10 people (78%) considering giving a financial gift this Christmas. When asked what type of financial gift people would prefer to give, the most popular present would be a gift card or voucher (42%) followed by cash (36%). Both come in ahead of a bank transfer at 16%.

The regions where people are most likely to give a financial gift are the North West (42%), East Midlands (41%) and South West (41%). London (28%) and the South West (32%) where the regions were people were least likely to give a financial gift. Of those giving a financial gift, 26 per cent they'd be likely to give between £20-£50 with a further 17 per cent likely to give between £50-£100.

---

## 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, 120 lost free-to-use ATMs have been targeted for replacement and resolved, 53 through Direct Commissioning, 19 through Premiums and the remaining 48 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 14<sup>th</sup> 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 1<sup>st</sup> 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.

In the last 5 years, the total population living within 1km of free cash access has increased from 89.5% to 89.6%



These Protected ATMs are analysed every month and the changes are summarised below.

August 2023		Monthly change
Total Protected ATMs	3,445	5
Live ATMs	2,962	2
<b>ATMs No Longer Transacting</b>	<b>483</b>	<b>3</b>
Temporarily out of action	11	-2
Investigations with operator underway	10	2
<b>ATMs Confirmed as Closed</b>	<b>462</b>	<b>3</b>
ATMs not being replaced (a)	384	5
<b>ATMs Targeted for Replacement</b>	<b>78</b>	<b>2</b>
LINK directly commissioning a replacement	22	
<b>Resolution not Possible (b)</b>	<b>56</b>	<b>2</b>
<b>ATMs previously targeted for replacement and now resolved (c)</b>	<b>120</b>	<b>4</b>

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.