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# LINK MONTHLY REPORT

September 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 held a regular call at the beginning of October to review strategic progress. Vocalink CEO Keith Douglas and Kimon Rontidis, Head of Business Transformation, joined the call and the Board welcomed the opportunity have a detailed report from LINK's key infrastructure provider. Other issues discussed included the LINK Executives' recent attendance at the Party Conferences, part of an active ongoing programme of political engagement. The Board also noted that a public version of the Interchange Report had been published on the LINK Website as previously agreed.

LINK has published its *Annual Report 2022 – 2023* with commentary from the Chair, CEO and Director of Strategy. It also contains key statistics, details of LINK's financial inclusion programme, risk management and financial information. There is also information about the LINK Board itself and Senior Management Team. It can be downloaded from the website <https://www.link.co.uk/media/jyxbsfoz/link-annual-report-2023.pdf>

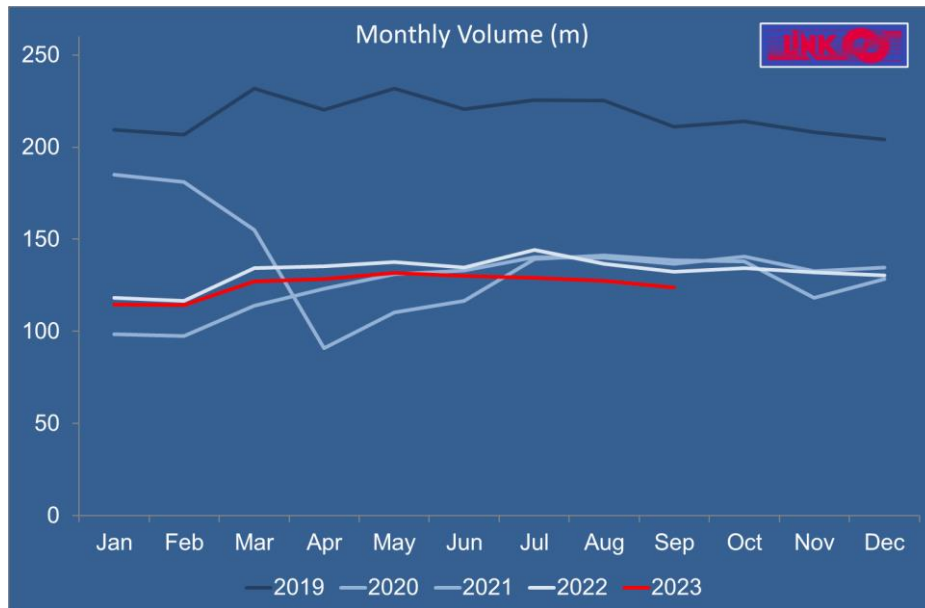
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## 3. LINK VOLUMES AND VALUES

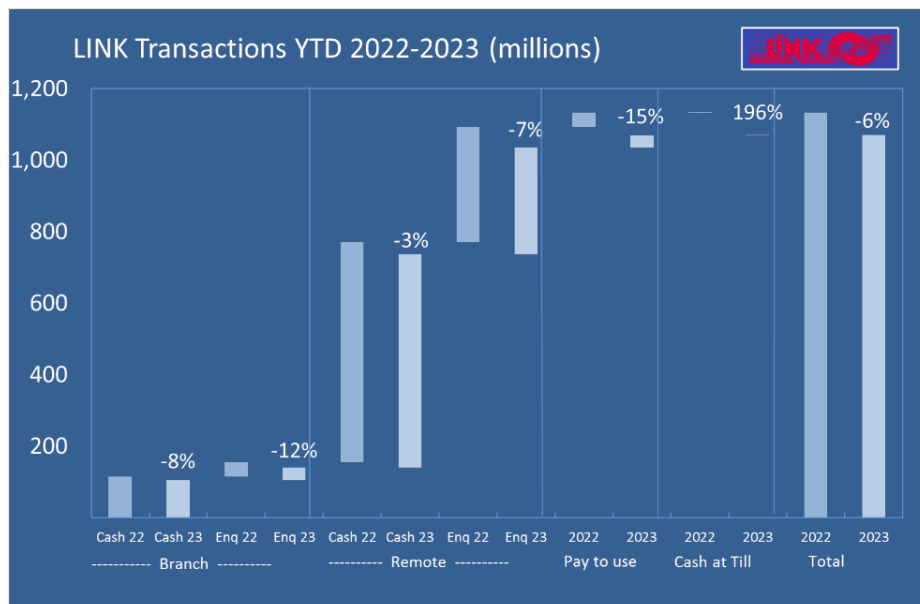
September saw total ATM transactions 6.4% down from September 2022, a smaller reduction than August's but still a larger monthly year-on-year reduction than we saw at the beginning of the year. Some of this will be due to the structural decline in consumers' cash usage as they move to digital payments, a pattern which seems to be returning as the effects of the COVID19 pandemic begin to unwind. Other factors affecting cash and ATM usage will include to the cost-of-living crisis reducing overall consumer spending, changes to people' work, leisure and shopping patterns and possibly the reduced acceptance of cash at some locations. The relatively poor Autumn weather may also be a factor.



| 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 |     |     |     |       |



While the overall reduction in LINK transactions for the year to-date is 6% compared to 2022, this is not uniform across every type of ATM, or every type of transaction.

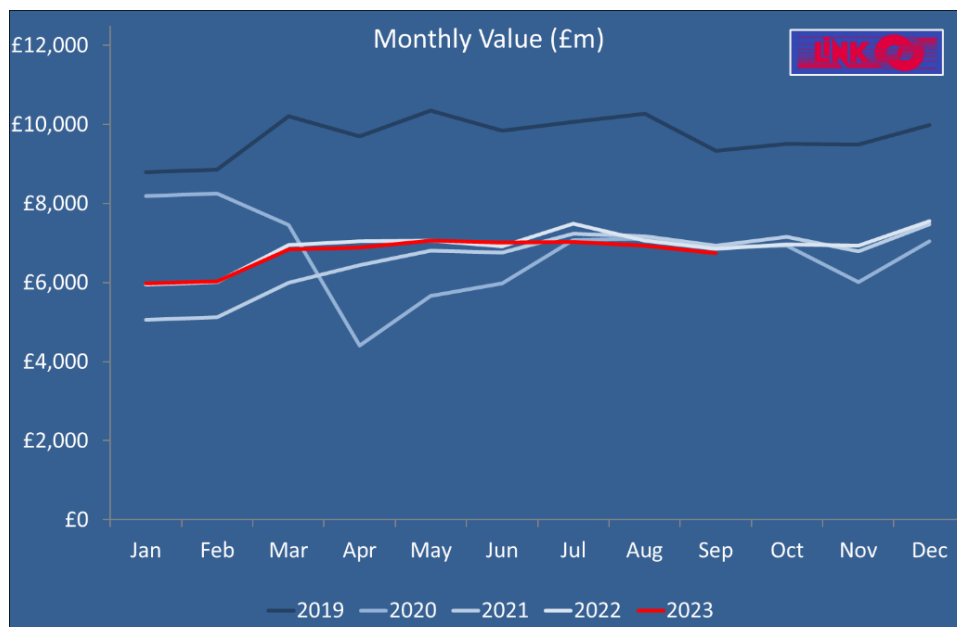




Balance enquiries have been falling faster than cash withdrawals, perhaps as consumers make more use of online banking or apps. Branch ATMs are seeing larger reductions than remote non-branch sites because of falling bank branch numbers overall. Pay-to-use numbers have also been dropping as locations either don't have a local demand for cash, such as pubs and clubs, or because they aren't generating enough cash to keep the ATMs full or cash.

The value of cash withdrawn also fell when compared to September last year although, as is usual, the reduction in values (1.5%) was a lot less than transactions (6.4%). This is because the average value withdrawn each time continues to rise September being £83.21 compared to £80.65 in 2022 and £67.30 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 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.

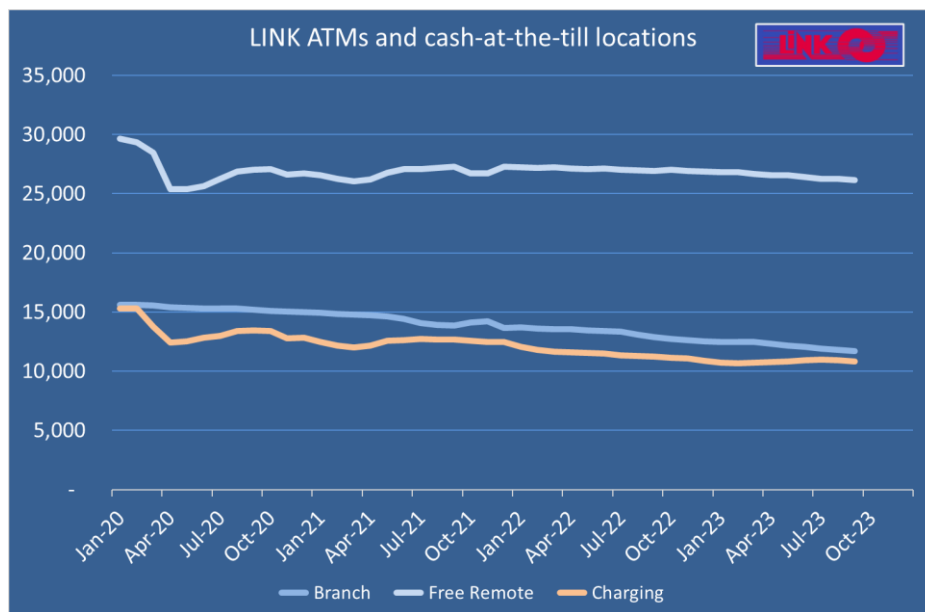
| LINK Transaction Values (£millions) |        |        |         |        |         |        |         |         |        |        |        |        |          |
|-------------------------------------|--------|--------|---------|--------|---------|--------|---------|---------|--------|--------|--------|--------|----------|
| Month                               | Jan    | Feb    | Mar     | Apr    | May     | Jun    | Jul     | Aug     | Sep    | Oct    | Nov    | Dec    | Total    |
| <b>2019</b>                         | £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 |
| <b>2020</b>                         | £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  |
| <b>2021</b>                         | £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  |
| <b>2022</b>                         | £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  |
| <b>2023</b>                         | £5,979 | £6,022 | £6,837  | £6,883 | £7,063  | £7,016 | £7,025  | £6,931  | £6,743 |        |        |        |          |



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.

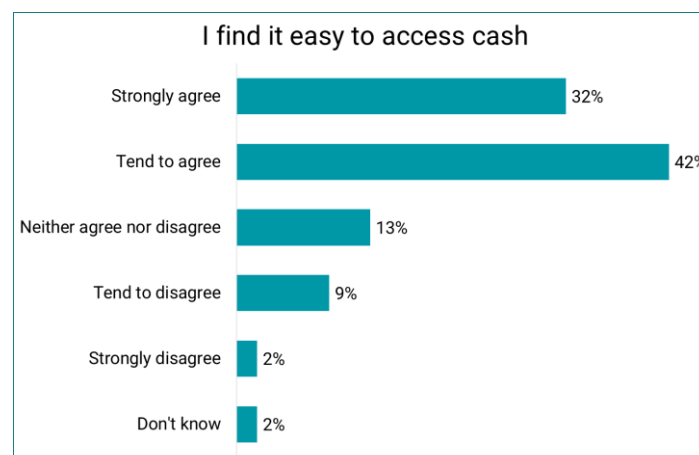
#### 4. ATM AND NUMBERS

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 48,684 ATMs in the UK, of which 37,850 are free-to-use. In the past year, branch (11,677) and charging (10,834) 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 – EASY TO ACCESS CASH?

LINK conducts regular research into consumers' use of cash and the latest survey asked whether they found it easy to access cash. Most people seemed to find this easy with only 11% disagreeing. However it is LINK's role to address these issues and make sure everyone has good free access to cash.





## 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, 116 lost free-to-use ATMs have been targeted for replacement and resolved, 52 through Direct Commissioning, 19 through Premiums and the remaining 45 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/>

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## 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.

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

| July 2023                             |            | Monthly change |
|---------------------------------------|------------|----------------|
| Total Protected ATMs                  | 3,428      | 18             |
| Live ATMs                             | 2,951      | 11             |
| <b>ATMs No Longer Transacting</b>     | <b>477</b> | <b>7</b>       |
| Temporarily out of action             | 16         |                |
| Investigations with operator underway | 8          | 2              |



|  |            |          |
|--|------------|----------|
| <b>ATMs Confirmed as Closed</b>                                      | <b>453</b> | <b>5</b> |
| ATMs not being replaced (a)  | 377        | 4        |
| <b>ATMs Targeted for Replacement</b>                                 | <b>76</b>  | <b>1</b> |
| LINK directly commissioning a replacement                            | 22         | -1       |
| <b>Resolution not Possible (b)</b>                                   | <b>54</b>  | <b>2</b> |
| <b>ATMs previously targeted for replacement and now resolved (c)</b> | <b>116</b> | <b>2</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.