

Bank of England: Proposed regulatory regime for sterling-denominated systemic stablecoins

LINK's Response to the Bank of England's consultation Proposed regulatory regime for sterling-denominated systemic stablecoins published 10th November 2025¹

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Introduction

1. LINK is a not-for-profit company governed by an independent Board. It has a public interest objective to protect access to cash across the UK.
2. LINK sustains access to cash through maintaining the coverage of free-to-use cash machines as well as improving free access in deprived areas of the UK through the operation of its well-established financial inclusion programme.
3. As part of its work, LINK manages the UK's main cash machine (ATM) network. LINK's network connects the vast majority of both free and charging ATMs in the country and allows customers of banks and building societies (card issuers) that are LINK Members to make cash withdrawals and balance enquiries with their payment cards at almost all ATMs. All of the UK's major card issuers and ATM operators currently choose to become Members of LINK. LINK processed 1.2bn transactions in 2025, dispensing around £76 billion in cash through a network of around 42,000 ATMs.
4. LINK's access to cash role also includes acting as the Coordination Body, having been designated as such by the Treasury. In this part of its role, LINK is notified by those Designated Firms that choose to participate in LINK's coordination arrangements of their intention to close branches, and LINK then assesses the impact of the closure on the local area. LINK also receives requests from communities (individuals and groups, including elected representatives) to review cash access.
5. Where LINK identifies a gap in cash access services that cause a significant impact on communities it recommends new cash facilities such as shared banking hubs and deposit services. To date, LINK has recommended new cash deposit and withdrawal services in approximately 290 communities. Responsibility for implementing LINK's

¹ <https://www.bankofengland.co.uk/paper/2025/cp/proposed-regulatory-regime-for-sterling-denominated-systemic-stablecoins>

recommendations is with the bank or banks concerned, some of whom choose to use a bank-owned infrastructure company called Cash Access UK for implementation.

6. LINK is regulated by the Payment Systems Regulator (PSR), and by the Bank of England as a systemically important payment system and is designated as such by the Treasury. LINK is also designated by the Treasury and supervised by the Financial Conduct Authority (FCA) in its role as the designated industry Coordination Body and is subject to the FCA's Access to Cash Sourcebook.

LINK's Response to the Consultation

7. LINK is pleased to respond to the Bank of England's consultation on the proposed Regulatory Regime for Sterling Denominated Systemic Stablecoin and notes with interest the proposals around interoperability. In particular, the Bank's central objectives, that stablecoins are as safe and reliable as existing forms of sterling, preserve the "singleness of money" and have the ability to redeem at par in fiat currency, ie cash.
8. Specifically, LINK notes and welcomes the expectation that systemic stablecoin issuers would have direct access to payment systems. *"We expect systemic stablecoin issuers to have direct access to payment systems. This would enable operations such as on or off-ramping and payments from commercial bank accounts into stablecoin accounts (and vice versa) to be conducted frictionlessly and settled in central bank money."* LINK further notes the explanation in the accompanying footnote that *"On and off-ramping refers to the process of going between stablecoins and existing (fiat) commercial bank money"*.
9. Cash is not specifically mentioned in this context, but LINK believes that the LINK payment system should also form part of this systemic interoperability as LINK provides access to cash (ie central bank fiat money) through its network of over 40,000 cash machines. Retail consumers would then have the ability to convert some or all of their stablecoin holdings into cash or vice versa through a LINK connected ATM / terminal.
10. Consumers could also convert their stablecoin into commercial bank money (or vice versa) via the same mechanism (noting LINK's work around contactless access which could facilitate this if mobile stablecoin payment wallets were being used). As such, it would be necessary for the Systemic Stablecoin Issuer (SSI) to have access to LINK, either directly or through an authorised intermediary, a Payment Interface Provider (PIP).
11. Such an arrangement would permit direct convertibility between a stablecoin holding and central bank fiat physical money (in the form of cash). Alongside LINK's daily netted settlement between its Members (which could include the stablecoin issuer for stablecoin/commercial bank money transactions conducted over LINK), for pure cash/stablecoin transactions, the daily netted difference between cash deposited in

exchange for stablecoin and vice versa could be settled against an authorised SSI's settlement account at the Bank of England.

12. LINK believes such cash/stablecoin interoperability could also assist both financial and digital inclusion for consumers who are currently cash dependent and do not have a commercial bank account or chose not to use one for this purpose. Being able to deposit cash and convert this directly into a systemically regulated stablecoin wallet (independent of a commercial bank) which could then be spent in a retail /online environment would represent a significant step forward for inclusion for these consumers and reduce the risks of them being left behind and solely dependent on cash. Such an arrangement would logically be similar to that required should a UK CBDC be introduced at some point.

Ends.