



# PRESERVING ACCESS TO CASH

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## 1. Introduction

**This paper analyses developments in cash access over the last few decades and likely future developments.**

**IT THEN DESCRIBES** what LINK, which runs the ATM network in the UK, is doing to preserve free cash access for those who need it as the use of cash declines.

The way that people pay for goods and services is changing. In the 1960s, cheques and cash were the norm. Now, electronic and card payments are taking over from cash, while cheque use has plummeted.

These developments have been driven by improvements in technology and changes in consumers' preferences and practice. However, the infrastructure supporting payments is inevitably much slower to change. A large network of bank branches is no longer sustainable as people visit them

less and less and as a result there have been large-scale bank branch closures. Cash dispensers (ATMs) have largely replaced bank branches as a means of accessing cash, but that network, growing until very recently, has also now become too large as consumers increasingly make less use of cash.

With any successful change in technology, the general tendency is for the majority to benefit. For most, the move to online banking and card and contactless payments is a huge benefit and convenience. But there are also groups in danger of being left behind as they are unwilling or unable to use and get the benefit of the developing technology. This applies to many services. For example, in retailing, those people who do not buy online are finding that their choice of retailer is now significantly restricted as high streets change and often decline across the country. Similarly, with financial

services, the closure of bank branches and now of ATMs means there is a risk of some people losing access to the services they need.

This paper draws on the valuable and extensive research done by others, particularly UK Finance's UK Payment Markets 2019<sup>1</sup> report on trends in payments and the final report of the Access to Cash Review<sup>2</sup> published earlier in 2019. ■

<sup>1</sup> Summary available online - <https://www.ukfinance.org.uk/sites/default/files/uploads/pdf/UK-Finance-UK-Payment-Markets-Report-2019-SUMMARY.pdf>.

<sup>2</sup> <https://www.accesstocash.org.uk/media/1087/final-report-final-web.pdf>.

## 2. Executive summary

The UK is undergoing a period of profound change in the way people use cash and pay for goods and services. Every day sees stories about this change.

**O**FTEN THESE STORIES come with challenges to traditional and long-standing concepts such as the high street, as consumers' buying habits develop, they move online and devices like mobile phones become ever more integrated into how people live their lives and interact with the world around them. Cash is part of this and, as with many changes, the spread of the impact is not uniform across different people and communities. While some embrace and benefit from new payment methods, others are slower to adapt and either do not want to change or are unable to do so, even if they wanted to.



The UK is leading the way in terms of moving away from cash, with perhaps only the Nordic countries, notably Sweden, ahead. This change seems to be inevitable as consumers adopt new technologies because of their speed, simplicity and convenience. However, established payment methods and systems like cash are still used and still have a place for certain consumers. In certain situations, cash remains the best or even only solution.

Cash “always works” and is the only contingency available to all when digital systems fail. It is still for many the quickest and best solution for paying another person, especially if there is no wish or need to share personal details. Cheques are still useful for paying a

friend, family member or tradesman, and bank branches are still a vital part of opening an account and establishing a relationship with a bank, as well as a point of contact if things ever go wrong.

Contactless payments are probably the key driver of the move away from cash. While they have been around for over 10 years, it is only in the last few years that their impact has really begun to be felt on cash use. There are several drivers behind this, including the number of enabled cards and merchant terminals, changes to the cost to merchants of accepting cards and increases to the upper limit on the value of contactless transactions. However, the main driver is probably simply habit and consumers' use itself. When someone is the only person in the queue using contactless (or now using a phone) they feel self-conscious and a cashier using an unfamiliar system may react with perhaps not-so-subtle eye-rolling. However, once these payments become more common, their familiarity, speed and effectiveness come to the fore. Visit a busy shop, café or bar and now the cashier may have the terminal to hand and is ready for a quick wave. Now the question is “Do you want a receipt?” in such a way as to suggest you don't, so they can get onto the next customer without the time and trouble of counting out change.

We are therefore seeing a move, by some, away from cash and, as a result, less-frequent ATM use. This is not planned for most people and indeed for most it is probably not a conscious decision. They just find they don't need to get cash as frequently, as the cash they are holding is lasting longer. At the same time, it seems likely that when at the ATM, perhaps feeling they may not need to use it again for some time, they may take out a slightly higher value. As a result, while the total number of ATM cash withdrawals is falling, the total value, although also falling, is decreasing at a slightly slower rate. An important additional factor is balance enquiries. While there is still a significant number at ATMs (around 30% of all transactions), their volume

has been falling much faster than cash withdrawals, probably reflecting consumers' wider options for getting balances through mobiles, tablets or online banking.

However, this is not yet universal. Contactless usage varies by factors such as area, region and age. This is reflected in changes in cash usage. LINK has seen the largest reductions in ATM use in London (where contactless travel on the Underground and buses was probably a catalyst) and the slowest in the North East and Northern Ireland. However, rates of decline everywhere are accelerating and all regions appear to be on the same path.

These changes in consumer use of cash and ATMs are now beginning to have an effect on the ATM network itself. By almost all measures, the UK has a high number of ATMs when compared to other countries. The network's rapid growth was facilitated by high cash use and a deregulated market which allowed independent ATM deployers (IADs) to compete with banks and each other to install ATMs in places which matched consumer demand and where their low-cost and innovative business models, such as Merchant Fill,<sup>3</sup> allowed their ATMs to operate in locations which would otherwise be unprofitable.

As use of ATMs has begun to decline, the number of cash machines, of which almost 60% are now operated by IADs, is beginning to fall as well. However, within the total number of ATMs there are three distinct constituencies that are linked, to a certain degree at least. Firstly, there are branch ATMs, the number of which has been falling for many years, reflecting the long-term trend of branch closures. The second group is so-called free remote ATMs, ie those away from branches that do not charge. They are mostly operated by IADs, although the large numbers of busy ATMs at supermarkets are usually run by banks. These increased until 2017, driven by the IADs rapidly expanding their networks, but from then onwards (shortly after ATM transactions started to decline) the »

<sup>3</sup> Merchant Fill is where the store fills the ATM with cash taken over the counter rather than having cash delivered in an armoured van. This is not permitted in many countries (including most of the Eurozone).

number of free remote ATMs has been falling as well. Finally, there are charging machines, which have always been contentious as no-one likes paying for a service that is usually free. The number of pay-to-use ATMs reached an all-time peak of 27,000 way back in 2007, but since then the number has declined to a low point of just over 11,000 at the end of 2018. This decline was driven by low usage; pay-to-use cash withdrawals have never been more than 4.5% of the total and competitive pressure meant both stores and ATM operators preferred free machines, which would take customers away from nearby charging machines. After large falls in 2018, this year has seen the number of pay-to-use ATMs start to rise in response to changes in the strategies of IADs, although they are still only to the level of a year ago.

There is therefore a challenge for LINK, the cash distribution industry and indeed the country as a whole, as all face falling use of cash overall, but a significant number of people and situations still need cash, both now and into the foreseeable future. LINK therefore welcomes HM Treasury's announcement of the new Joint Authorities Cash Strategy (JACS) Group, as well as the interest of bodies like the Treasury Committee. LINK is determined to continue to operate a widespread, effective and efficient network that ensures that cash is available for free for all those who need and chose it, for as long as is necessary. To support this, LINK commissioned the independent Access to Cash Review, chaired by Natalie Ceeney CBE. Its final report in March 2019 made a number of recommendations which LINK endorses and sees as a blueprint for how LINK, industry and regulators can maintain access to cash for many years to come. In addition, LINK has been restructuring the fees card issuers pay to ATM operators to provide the service. This has meant a slightly lower standard fee but a range of higher fees and incentives for ATMs in areas of low footfall or a long way from other machines where the falls in demand may otherwise make them unviable.

Consumers will need free access to cash for many years to come. LINK is determined to deliver this and will be working with its Members (banks,



building societies and IADs), consumer groups, wider stakeholders and regulators to ensure that everyone, no matter where they live, will still be able to get free cash access going forward. ■

### 3. How payments have changed

**Fifty years ago, people made payments predominantly by cheque and cash.**

**I**N THE LAST half century cheques have largely been replaced by credit and debit cards and the use of standing orders and direct debits from bank accounts. And over the same period, access to cash has changed from being from bank branches to ATMs, which now account for over 90% of cash withdrawals from accounts. As recently as 2013, there were over 11,000 bank branches across the UK, but this had fallen to 7,700 in 2018. The number is continuing to fall as banks seek to rationalise their estates.

More recently, there has been a move away from using cash to making payments with debit cards and, particularly over the last few years, contactless cards.

The number of cash payments peaked in 2000 when there were over 27 billion, accounting for 74% of all payments. By

2007, this had fallen to 22 billion, 61%. By 2018, there were only 11 billion cash payments, 28% of the total.

The proportion of adults with a debit card has reached 98% and correspondingly credit and debit card payments (including contactless) have increased from just under 4 billion (10% of all payments) in 2000 to 18 billion (47%) in 2018, of which 7.4 billion were contactless.

Contactless payments are an important driver of declining cash usage. Almost 70% of all adults in the UK made a contactless payment in 2018. The annual report on payments by UK Finance shows that two fifths (40%) of all card transactions in the UK are now made using contactless cards and two thirds of adults now using them.

UK Finance also report that there were 644 million contactless card transactions in February 2019, a 21% increase from 534 million in the same month a year earlier, and that the total value of contactless transactions was £5.9 billion in February 2019, an increase of 20% from £4.9 billion in February 2018.

However, there are significant variations by age and region: 83% of those between 25 and 34 use contactless but only 60% of those between 55 and 64. London has the highest use, with 70% of people using contactless, while the North West has the lowest use at 58%. ■

## 4. Use of cash today

Despite the growth in alternatives like contactless, cash is still widely used today.

**UK FINANCE REPORTS** that there are still around 13 billion cash payments a year. The Access to Cash Review found that 97% of people still carried cash while 85% of people still kept cash at home. The Review also found that 54% of people were still using cash for day-to-day shopping for items like bread and milk, 76% were paying for bus tickets in cash and 74% of charity donations were still in cash. When considering a cashless future, the Review found that 17% of the population felt they either wouldn't

be able to cope without cash or didn't know how they would.

There also remain a significant number of people, reported by UK Finance to be around 1.9 million, who used cash for all their day-to-day transactions in 2018. In the past, income has been the most important determinant of this group. In 2017, over 15% of people with an income of less than £10,000 a year relied on cash, compared to less than 2.5% of all higher income groups.

At the other end of the spectrum, there were 5.4 million people who used cash once a month or not at all during

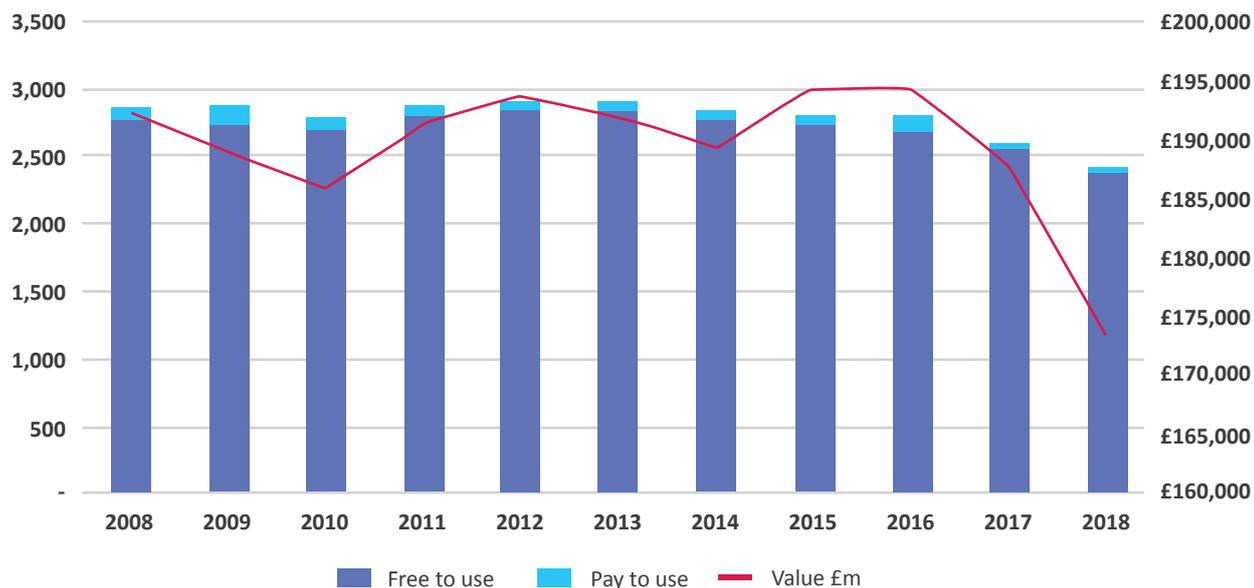
2018, one in ten adults. If those who rarely use cash (once a fortnight or less frequently) are included, this increases to 9.6 million people or 18% of adults. Younger people are the most likely to be rare users of cash. Of those aged between 25 and 34, almost 17% are only using cash once a month or not at all, and over a quarter are using cash once a fortnight or less. However even older groups are using less cash. Of those aged 65 and over, 7% of people are using cash once a month or less and 13% are using cash once a fortnight or less. >

### ATM volume and value of all transactions

Total cash withdrawals, including where customers use their own bank or building society's ATMs, peaked in the UK both for volume and value in 2012. Since then, there has been steady decline in overall ATM use as consumers have needed less cash for their day-to-day payments. >>

Cash Withdrawals - millions											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Free to use	2,765	2,735	2,700	2,793	2,842	2,832	2,769	2,738	2,677	2,547	2,374
Pay to use	101	92	86	81	73	67	62	59	56	50	46
<b>Total</b>	<b>2,866</b>	<b>2,827</b>	<b>2,786</b>	<b>2,874</b>	<b>2,915</b>	<b>2,899</b>	<b>2,831</b>	<b>2,797</b>	<b>2,733</b>	<b>2,597</b>	<b>2,420</b>
Value £m	£192,187	£188,743	£185,783	£191,318	£193,603	£191,827	£189,358	£194,313	£194,080	£187,464	£173,423

### All ATM cash withdrawals - millions

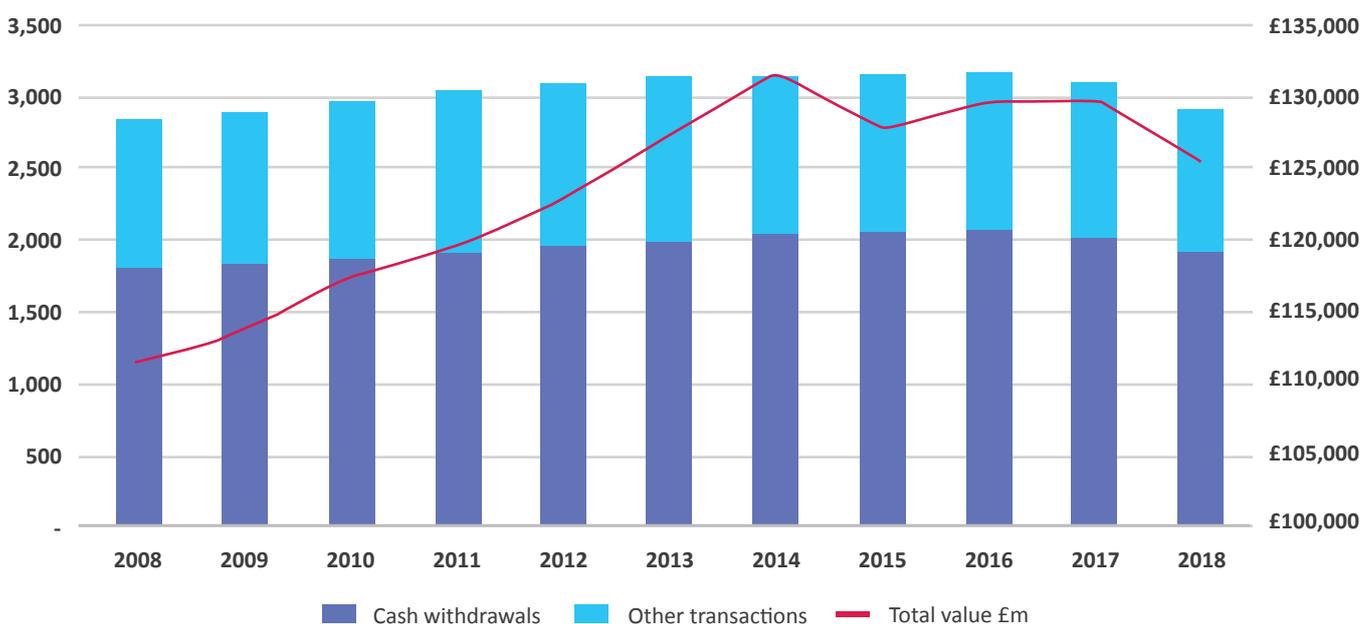


## LINK volume and values

LINK's volumes (those relying on the LINK network to connect a bank card to a machine other than one of the same bank) peaked in number in 2016 and in value in 2017, ie later than the market as a whole. This appears to be a displacement effect, as transactions moved from customers using their own bank's ATMs to LINK, caused in some cases by branch ATM closures, but also by banks' and building societies' remote ATM networks being replaced by IADs, where all their transactions will be LINK. 2017 and 2018 have seen LINK volumes beginning to decline, not only for cash but also for other transactions such as balance enquiries as consumers increasingly choose to check their balance on their phone, PC or tablet.

LINK - Millions											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cash withdrawals	1,808	1,833	1,863	1,903	1,945	1,995	2,047	2,064	2,073	2,026	1,917
Other transactions	1,034	1,058	1,109	1,144	1,152	1,144	1,103	1,099	1,098	1,079	1,000
<b>Total transactions</b>	<b>2,842</b>	<b>2,891</b>	<b>2,973</b>	<b>3,047</b>	<b>3,097</b>	<b>3,139</b>	<b>3,150</b>	<b>3,163</b>	<b>3,171</b>	<b>3,105</b>	<b>2,918</b>
Total value £m	£111,360	£113,790	£117,470	£119,659	£122,815	£127,504	£131,683	£127,832	£129,665	£129,743	£125,372

### LINK Volumes and Values - millions



### Changes in LINK ATM use

Jan - Apr 2019 vs Jan - Apr 2018	Change in volume (m)	Change in %
Total transactions	-75.88	-8.0%
Total value	-£2,012	-5.1%
Branch Cash	-20.23	-17.5%
Branch balance	-10.51	-23.9%
Free Remote Cash	-25.62	-5.3%
Remote balance	-21.68	-8.7%
Pay to use	3.84	27.4%

2019 has seen further changes, as the volumes and values of cash withdrawals continue to fall, along with balance enquiries, which are falling even faster. LINK total transactions for the first four months of 2019 to April were 8% lower than in the same period in 2018, although the total value of cash withdrawn fell more slowly.

Looking forward, the rate of decline in LINK transactions appears to be accelerating. The reduction in LINK transactions is currently expected to be between 9% and 10% for 2019 as a whole when compared with 2018.

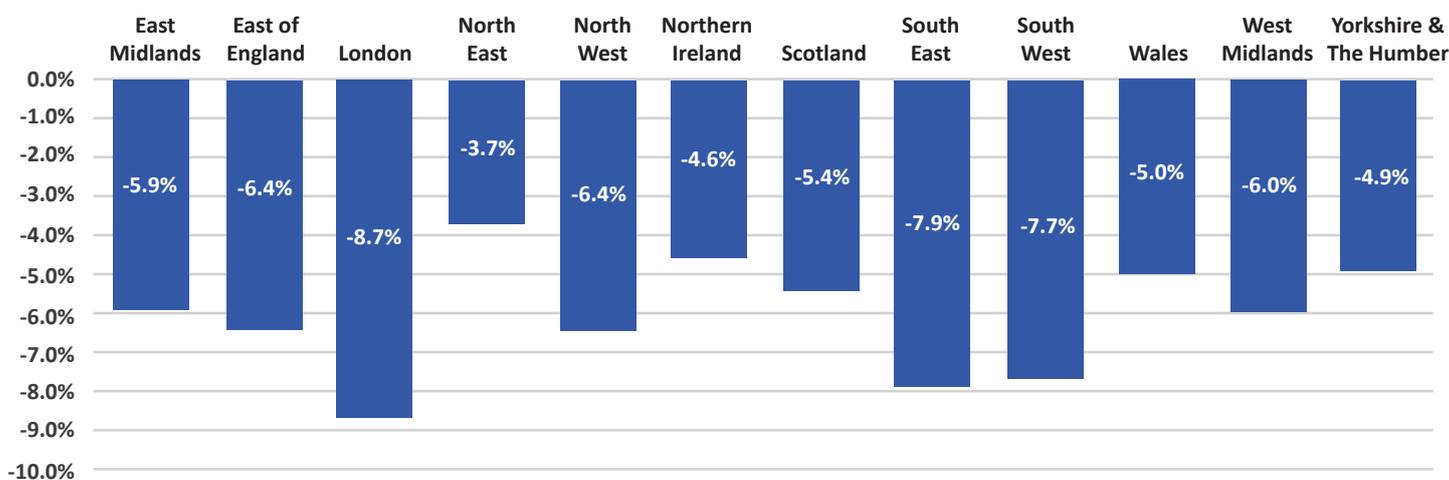
Continued declines at this rate are expected going forward.

The exception to these falls are pay-to-use withdrawals, which, although they represent a small percentage of total LINK withdrawals (around 3%), are rising as the number of pay-to-use machines is growing after many years in decline.

However, behind these figures there are significant regional variations. There are some very clear differences in contactless use, mirrored by a significant variation in the rate of change in ATM use. In the first four months of

2019 compared with the same period of 2018 there was a decline in LINK cash withdrawals of 8.7% in London, but of only 4.6% in Northern Ireland. These regional variations are important, and LINK will ensure that areas which are not moving away from cash as quickly as others still have their cash access protected. While it is possible these areas will catch up over time, and this appears to be the case, this is ultimately down to consumers' choice. >

### % Reduction in Number of Withdrawals - Jan - Apr 2019 vs Jan Apr 2018



### ATM numbers

Since the first ATM was installed just 50 years ago, they have become a common and established part of our urban and even rural landscape. Ten years ago, there were 39,991 free-to-use machines and 23,111 charging machines. In April 2019, there were

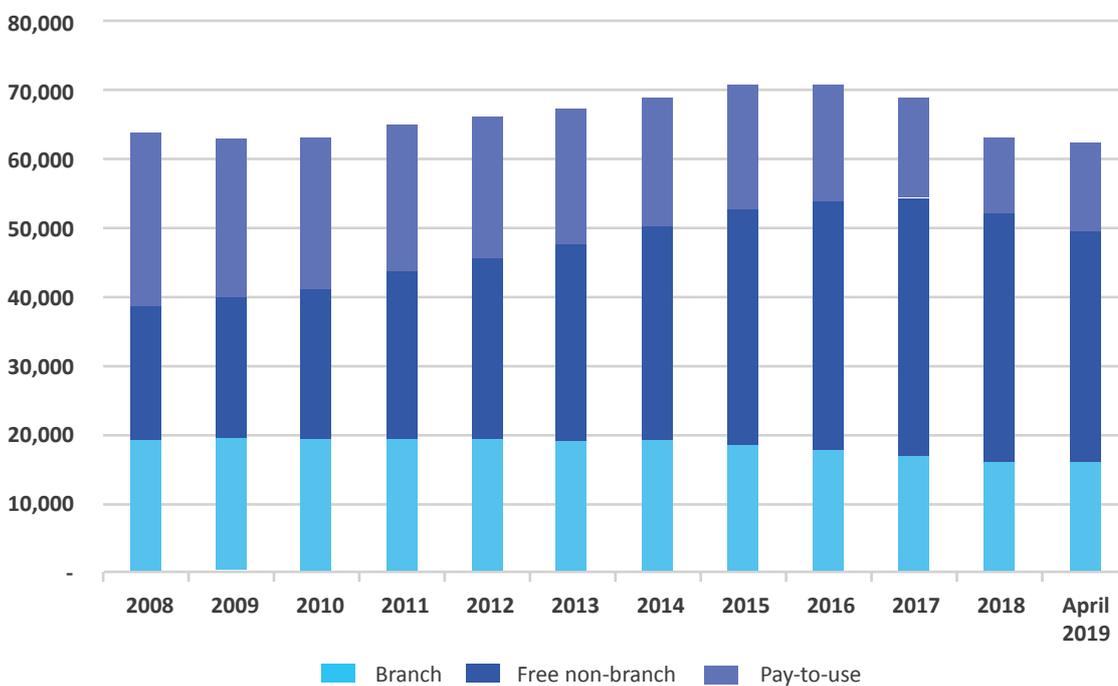
49,502 free-to-use machines and 13,147 charging machines. Most of these machines are clustered together in areas of high demand and high footfall, particularly retail centres and transport hubs: 73% of all free-to-use machines are within 300 metres of the

next, and 94% are within one kilometre. This is partly because people access cash not where they live, but rather when they travel and where they shop and work. >>

ATM Numbers												
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	April 2019
Branch	19,452	19,627	19,369	19,534	19,348	19,175	18,971	18,602	18,014	17,162	16,344	16,181
Free non-branch	19,113	20,364	22,082	24,355	26,286	28,540	31,234	34,161	35,909	37,437	35,688	33,321
<b>Total Free</b>	<b>38,565</b>	<b>39,991</b>	<b>41,451</b>	<b>43,889</b>	<b>45,634</b>	<b>47,715</b>	<b>50,205</b>	<b>52,763</b>	<b>53,923</b>	<b>54,599</b>	<b>52,032</b>	<b>49,502</b>
Pay-to-use	25,335	23,111	21,687	21,179	20,395	19,782	18,701	17,825	16,097	14,011	11,120	13,147
<b>Total</b>	<b>63,900</b>	<b>63,102</b>	<b>63,138</b>	<b>65,068</b>	<b>66,029</b>	<b>67,497</b>	<b>68,906</b>	<b>70,588</b>	<b>70,020</b>	<b>68,610</b>	<b>63,152</b>	<b>62,649</b>



### ATM numbers



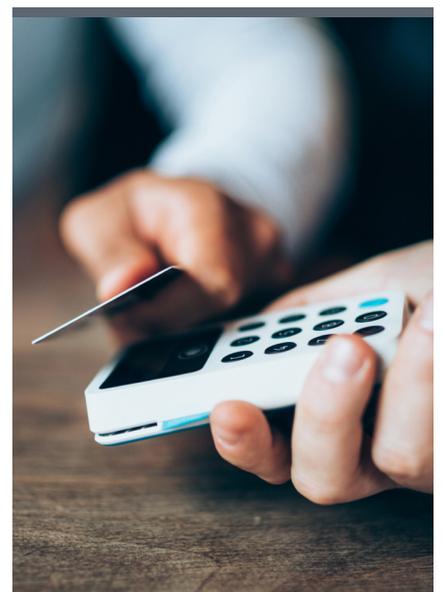
## 5. Future trends in payments

It seems widely, if not universally, accepted that cash use in the UK will continue to decline in favour of digital payments, mirroring the declines we are seeing in countries like Sweden, the other Nordic countries and the Netherlands.

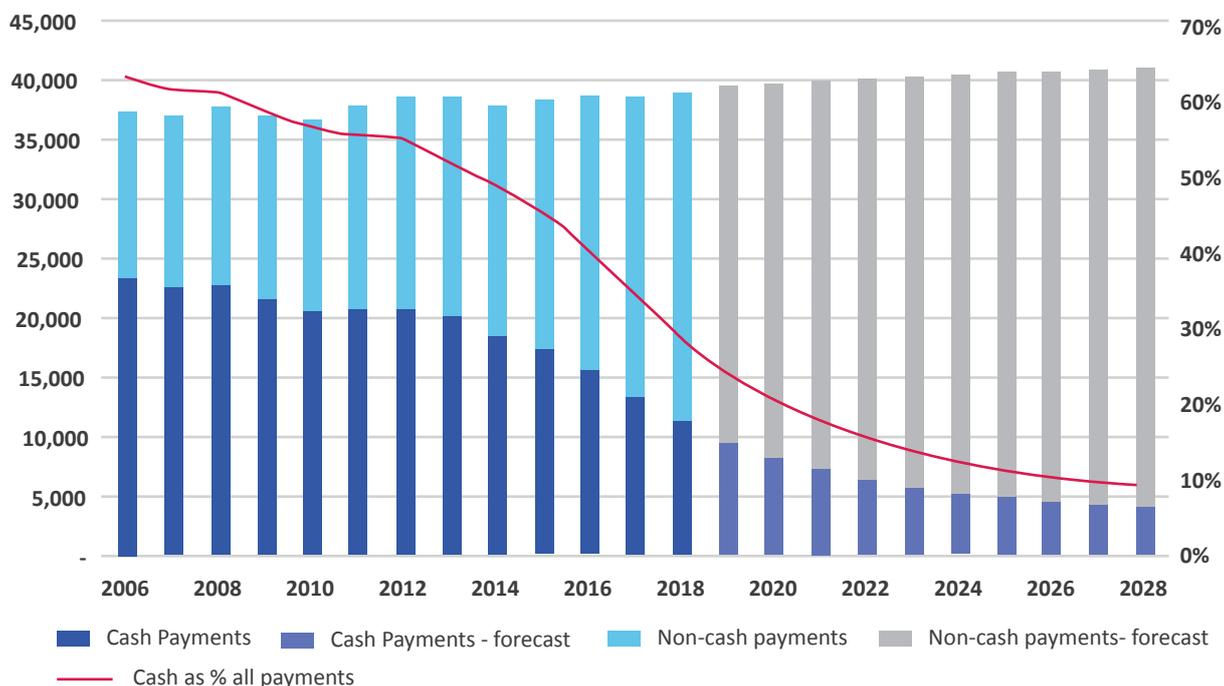
**H**OWEVER, THE PACE will depend on many factors. UK Finance predicts a fall in cash usage from 28% in 2018 to only 9% by 2028.

However, this would still leave between three and four billion cash payments in 2028, suggesting that even in a “near-cashless” economy there will be demand for cash and a requirement for a cash distribution network.

The key driver behind this will continue to be the growth in debit card payments, now the UK’s most frequent payment method, including contactless payments, payment-enabled phones and even wearables, which are proving increasingly popular, even for low-value payments. The chart below shows how UK Finance is forecasting cash payments to fall as a proportion of total payments. >



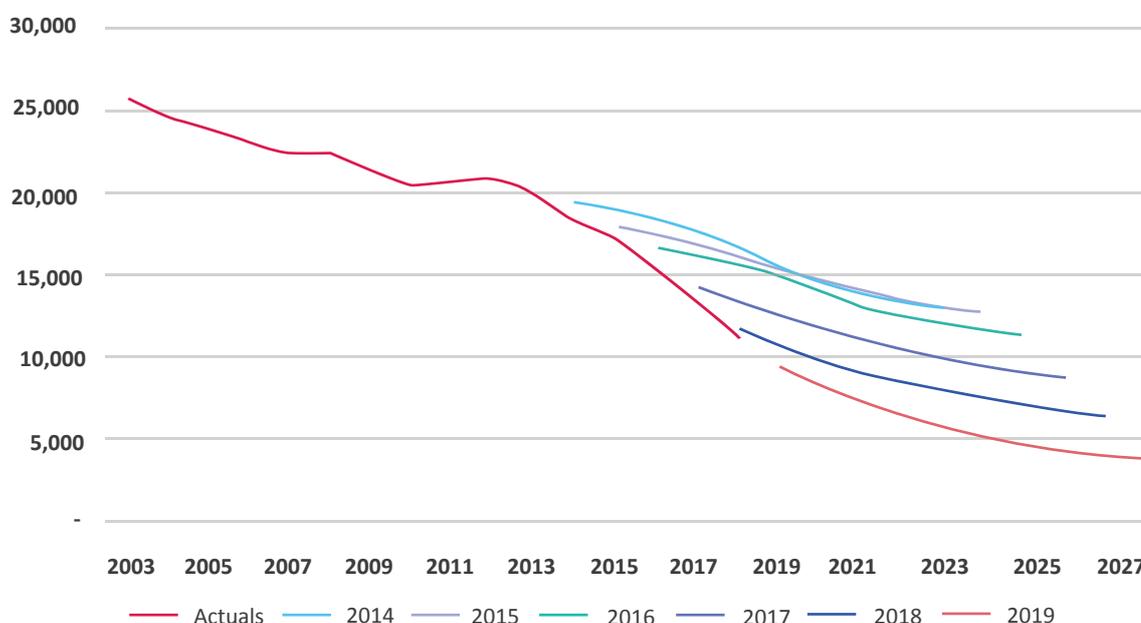
### Cash vs non-cash payments (millions) UK Finance forecast\*



It should, however, be remembered that forecasts of future consumer behaviour are always difficult and consumers’ future use of cash will depend on a lot of factors, such as their own preferences and habits, how alternatives to cash, such as in-app payments, using phones or wearables develop and are promoted, and consumers’ ability to both

obtain and spend their cash. As can be seen below, forecasts of cash usage in recent years have underestimated the decline in cash (mostly due to a faster than expected use of contactless) and therefore a steeper decline in future cash usage is possible. >

### Consumer Cash Payments, UK Finance forecasts vs actuals (millions)



The Access to Cash Review also considered this issue and conducted a number of consumer and regional workshops, which showed that for many consumers cash is still very important. For example, its physicality and ease-

of-use for budgeting cannot easily be matched by the digital alternatives. The Review therefore identified a range of factors that might affect the rate of change of cash usage. >>

\*Source: UK Finance - Cash and Cash Machines and UK Payment Markets, 2014–2019 reports.



## Factors which could drive cash usage down

- Increased acceptability of cards.
- Shops and others stop accepting cash.
- Increased use of online shopping.
- Increased use of cards on public transport.
- Problems and costs of processing and banking cash, especially as it becomes less common.
- Accelerated closure of bank branches and ATMs.
- Technical developments making the alternatives more attractive, eg introduction of an effective universal person-to-person payment app such as Swish (Sweden) or improved budgeting/cash management tools.



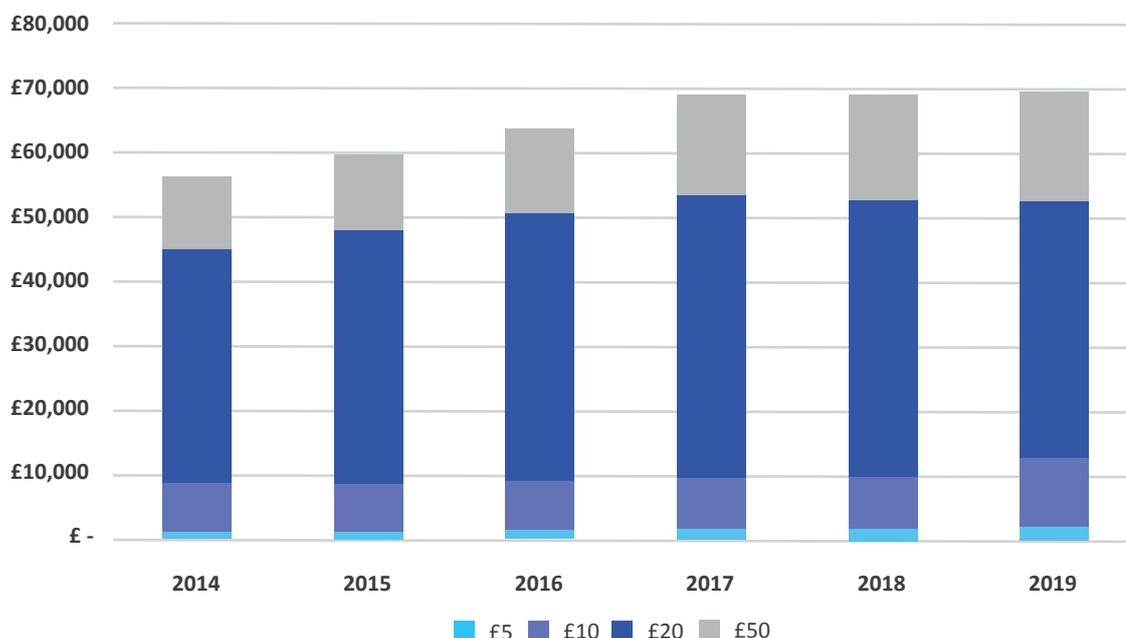
## Factors which could drive cash usage up

- Consumers lose faith in digital payments because of repeated systems failures.
- Increased consumer concern over privacy.
- Delays in rolling out infrastructure improvements, such as broadband.
- Very low or negative interest rates.
- Major economic crisis.

These factors are difficult to predict and, as noted, there are regional variations as well. However, it must be expected that at some point the decline of cash usage will slow as we approach a point where all those who are using alternatives to cash are already doing so and there will be left a core of cash users who will never give up cash or are only likely to do so over a much longer period. This slowing in the fall in cash usage is expected to occur first in areas with currently high rates of cash decline, such as London, while other areas where the rate of decline is slower may “catch up”. However, how long other regions may take to catch up is unclear and it is quite possible they may never reduce their cash usage to levels seen in, for example, London because of social, economic or geographical factors. Indeed, cash usage has always varied between areas, with Scotland, Northern Ireland, the North West of England and East London being traditional high cash use areas compared to the rest of the UK.

An additional factor is the total value of notes in circulation. This is sometimes taken to mean cash use by consumers, but in the UK, as in most other countries, the total cash issued and in circulation has been going up, even though consumers’ use of cash for day-to-day payments and accessed through ATMs has been going down. The Bank of England report that there are currently over 3.8 billion Bank of England notes, worth £69 billion, in circulation, which amounts to over £1,000 for every man, woman and child in the UK. However, this includes every note issued and not destroyed by the Bank itself, as well as notes that are being saved (for up to one year), hoarded (for periods of greater than one year) or held abroad for various purposes. An additional factor in recent years has been the move to polymer notes. The Bank of England also reported that as at September 2018, almost 250 million old £5 and £10 paper notes had yet to be returned, even though shops stopped accepting them in May 2017 and March 2018. These may have been lost, accidentally destroyed, being kept as souvenirs or still held as savings, but in any case, they are still counted in the circulation figures as they are still a liability on the Bank. ■

## Value of Bank of England notes in circulation (£millions)



## 6. Preserving access to cash

LINK is determined to ensure that cash is available for all those who need and chose it.

**I**N 2018 LINK commissioned the independent Access to Cash Review, the report of which was published early in 2019. This comprehensive review was commissioned as a response to the rapid decline in cash use and to the growing concerns about whether people who can't use or access cash in an increasingly digital society are being left behind. Chaired by Natalie Ceeney CBE, it had an independent panel of consumer champions and industry experts and was funded by, but independent of, LINK. It conducted extensive research into payment methods trends, international developments, consumer needs and behaviour across the UK and the financial and economic drivers of the cash economy. The Review met with regulators, banks, industry experts and consumer groups to understand the economics and practicalities of cash and digital payments. The Access to Cash Review published its final report in March with the following recommendations:

1. **Guarantee access to cash.**
2. **Ensure cash remains widely accepted.**
3. **Create a more efficient, effective and resilient wholesale cash infrastructure.**
4. **Make digital payments an option for everyone.**
5. **Ensure joined-up oversight and regulation of cash.**

LINK welcomes this report and believes it provides a blueprint for how LINK and others can help maintain access to cash for many years to come. In terms of the recommendations themselves and LINK's role:

**Recommendation One: Guarantee access to cash.** LINK already has a number of financial inclusion programmes to support access to cash in remote and rural areas, as well as those which may lose their free cash access because of ATMs being removed or moved to charging. LINK therefore welcomes a wider guarantee of cash access which would create a framework for this and incorporate other channels such as Post Office counters and cash from retailers' tills, over which LINK has no direct control. LINK believes that ATMs are part of a range of cash access channels and that to maintain wide free cash access

as consumers' use of cash declines, a joined-up and coordinated approach will be required. LINK is therefore already speaking to consumer groups, its Members, other industry participants, regulators and HM Treasury about how to deliver this.

**Recommendations Two: Ensure cash remains widely accepted.** The cost of cash acceptance is a key element in whether retailers will still be happy to accept cash. So far, cashless retailers are largely limited to cafés and the like in city centres where the impact on consumers is low. LINK recognises this issue and is keen to support innovation in this area to maintain low-cost cash acceptance for retailers. This might include, for example, consumers and businesses being given the opportunity to deposit cash automatically, ie not to be limited to ATMs or terminals belonging to their own bank or building society.

**Recommendation Three: Create a more efficient, effective and resilient wholesale cash infrastructure.** It will only be possible to maintain an ATM network if there is the back-end infrastructure to ensure that ATMs have the cash they need. LINK will therefore actively participate in the work recently announced by the Bank of England to ensure that the scale and structure of the cash infrastructure is as efficient and effective as possible »



and able to support the LINK ATM network.

**Recommendation Four: Make digital payments an option for everyone.**

LINK has less of a direct role in this recommendation as it is mostly focused on alternatives to cash. However, where innovations impact on ATMs – such as contactless ATM use, the potential for cardless ATMs or even cashless ATMs which, instead of giving out cash, issue a receipt which can be exchanged for cash at the till – then LINK will support ATM operators and card issuers.

**Recommendation Five:**

**Ensure joined-up oversight and regulation of cash.** LINK is committed to working closely with its regulators, the Bank of England and the Payment Systems Regulator, as well as liaising closely with HM Treasury, industry bodies like UK Finance and consumer groups.

**LINK's role in preserving access to cash**

Cash infrastructure is not costless. The cost of handling cash in the UK is around £5 billion a year, about £1 billion of this being the cost of the ATM network. All these costs are ultimately borne by consumers. This cost needs to fall in line with

the decline in usage, but with the important proviso that free access to cash is retained. LINK has therefore responded by changing the structure of fees paid to banks to ATM operators to help preserve consumers' access to cash by:

- Reducing the standard fee paid to ATM operators so that new ATMs in already well served urban centred do not open unnecessarily – and existing numbers can decline in time where there is overprovision.
- Protecting all free ATMs that are one kilometre or more away from the next nearest free machine – currently around 2,500 machines. If any close, for whatever reason, LINK will seek to ensure that there is alternative provision. This may involve additional funding or even directly commissioning an ATM, if there is no suitable alternative such as a Post Office available.
- Operating a Financial Inclusion Programme, through which an additional fee of 10p per transaction was historically paid for ATMs in deprived areas that otherwise would not be viable. This has recently been substantially restructured to

offer enhanced premiums of up to £2.75 per transaction for ATMs with a small number of transactions in the most remote, rural and deprived locations that would otherwise risk being closed. 2,120 ATMs now benefit from enhanced premiums.

**LINK is also working on other initiatives:**

- All 11,500 Post Offices provide free access to cash and cash deposit facilities. They are an important component of access to cash. LINK's ATM Locator App has been enhanced to include these as a source of cash, so consumers can easily see all the facilities available in an area.
- Providing access to cash directly through retailers' tills via LINK has the potential to increase the number of places where cash can be accessed, provided retailers can be fairly rewarded to offer the service. LINK is working with regulators to seek to remove the regulatory obstacles that currently prevent this from happening.
- Directly commissioning ATMs in a small number of areas that do not currently have an ATM but which need one. >

To help and support LINK and its Members, LINK has funded a Consumer Council since 2006 to provide advice on consumer issues and represent the interests of consumers in the governance and development of the LINK network. The Consumer Council brings together independent consumer representatives and LINK Members including card issuing banks and cash machine operators. The Consumer Council is central to supporting these various developments and bringing the voice of the consumer to the heart of LINK. ■

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## 7. Conclusion

Consumers will need free access to cash for many years to come. However, the existing infrastructure, which was designed for a world of much higher volumes, is not sustainable.

**T**HE ACCESS TO CASH REVIEW set out a blueprint for how to move forward and has been widely welcomed. LINK, as the provider of a vital element of the overall cash system, welcomes the Review's recommendations and looks forward to aligning its work with those of others to implement them. At the heart of this will be work to maintain a broad spread of free ATMs across the county, already being led by LINK as it targets incentives to maintain machines in rural and remote locations which might otherwise not be economically viable. Close alignment with other stakeholders, including the Post Office, which provides free cash access at all of its counters, will be an important part of the way forward. ■





If you would like to know more about LINK or have any suggestions or feedback, please get in touch.

[www.link.co.uk/contact-us](http://www.link.co.uk/contact-us)

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