

LINK Consumer Council Annual Report 2022





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Foreword



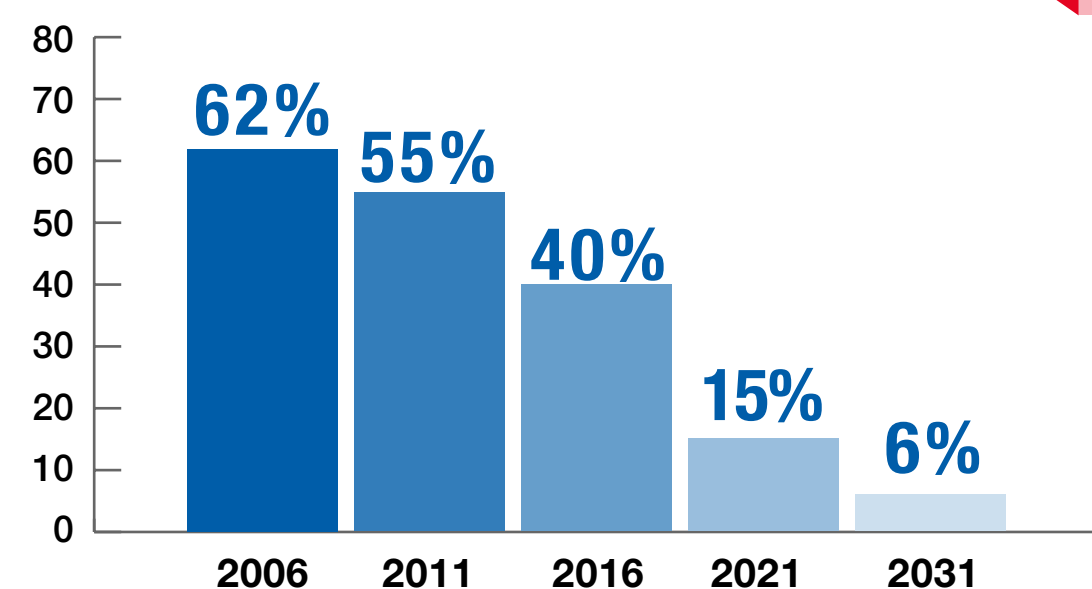
After a turbulent economic year, I'm pleased to present this annual report of the LINK Consumer Council's continued work to protect access to cash across the UK.

The Council has been a champion of access to cash since 2006, and in 2022 we saw real progress across the industry, in Parliament and on the high street to ensure consumers can continue to withdraw cash free of charge, conveniently.

People are still choosing to use other ways to pay. In fact, this year, UK Finance suggested that cash makes up just 15% of payments, and forecast it to be just 6% of transactions by 2031.

As the cost of a basket of shopping shoots up, this forecast brings into stark relief the need to protect people who still use cash to budget. LINK and the Consumer Council have done this by lobbying the Government and MPs on

Cash as a % of all payments



Source: UK Payment Markets Summary 2022, UK Finance

access to cash, investigating cash usage in the different nations of the UK, and ensuring the effectiveness of the Financial Inclusion Programme.

The Consumer Council also continues to innovate, with work to promote the new cash at the till service proving a success, and plans in place to update LINK's website.

Cash at the till has played a key role in access to cash in 2022. The service now

supports over 40 deprived communities to access cash, despite only being a year old. It is helping to shift the dial for access to cash.

In addition to new initiatives, the Council has taken a deeper look at existing work too. Considering access to cash in Northern Ireland and Wales, the Council has made recommendations to support consumers there, and will continue to analyse UK regions next year.

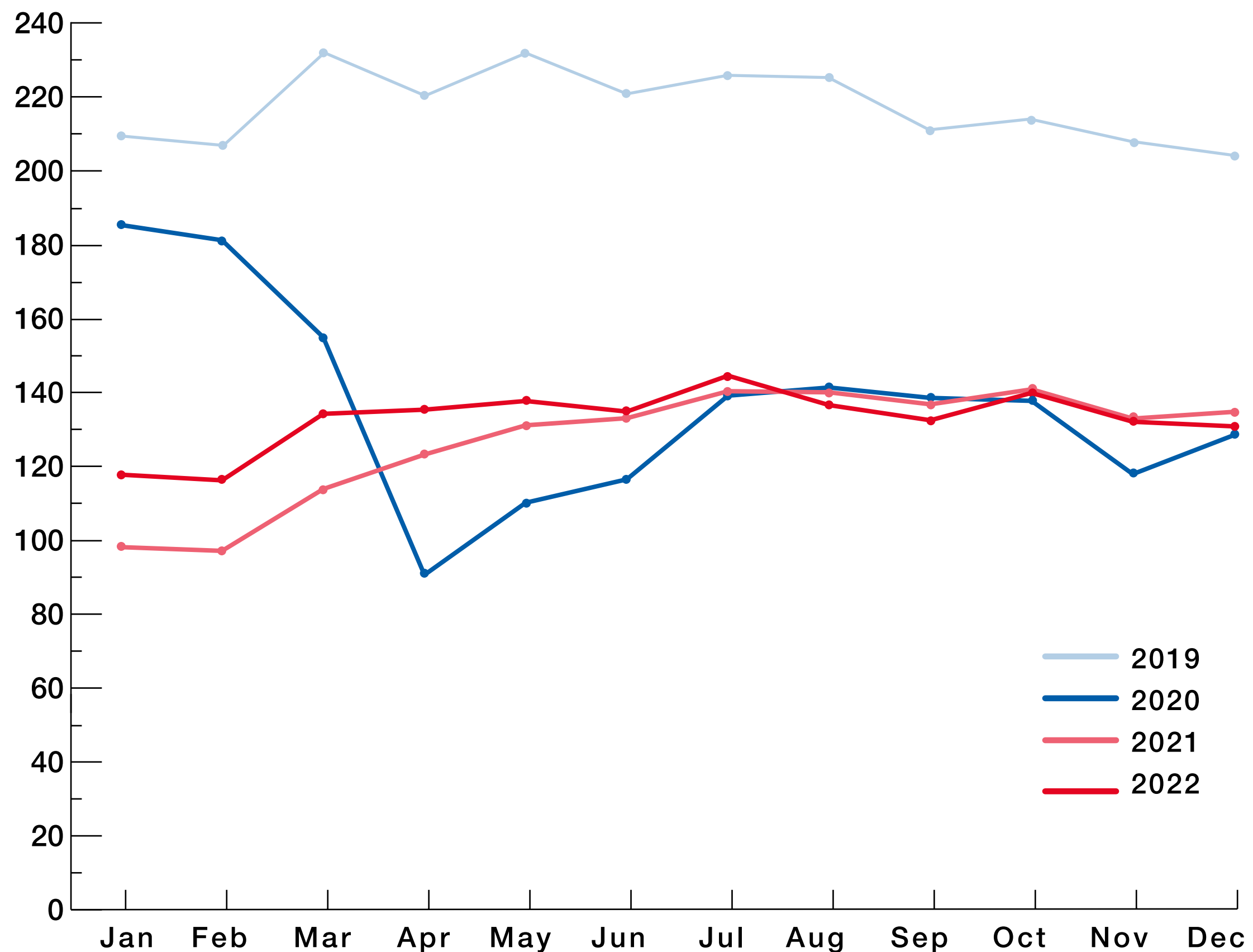
I'd like to thank members of the Council for their diligence in supporting access to cash. Even with the support of Government legislation, their scrutiny and consumer focus will remain vital to millions of consumers across the country. It is a privilege to continue to Chair the Council, and I look forward to working with members in 2023.

Tracey Graham

Chair, LINK Consumer Council

Financial inclusion in numbers

Monthly transactions at LINK ATMs (m)



99.9%
of high streets have cash access within 1km.



2,313
Deprived areas with good cash access.

3,450

ATMs receive a financial inclusion subsidy.



£80m

Withdrawn from directly commissioned ATMs in 2022.



£15.5m

Investment in interchange premiums.

£1,500

Average amount withdrawn by a UK adult in a year.

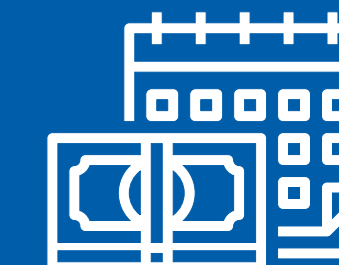
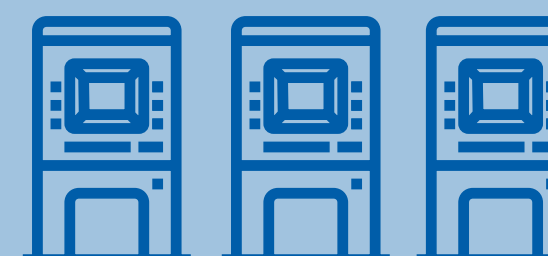


3,303

Protected ATMs.

105

Community Request ATMs installed.



£1.6bn

Total withdrawn from LINK ATMs per week.

Securing the future of cash access

In 2019, the Government promised to legislate to protect access to cash. Since then, we have been through a pandemic, had four prime ministers, six chancellors and a General Election. Throughout it all, LINK and the Consumer Council have argued strongly that the legislation was vital to secure access to cash for the long term.

During those three years, a huge amount of work has been done to protect access to cash. LINK's High Street Commitment, Community Request Scheme, and continued investment in protected ATMs have ensured that 99.9% of high streets have access to cash within one kilometre.

The Post Office has remained a vital channel for cash access, and cashback without purchase was launched in 2021.

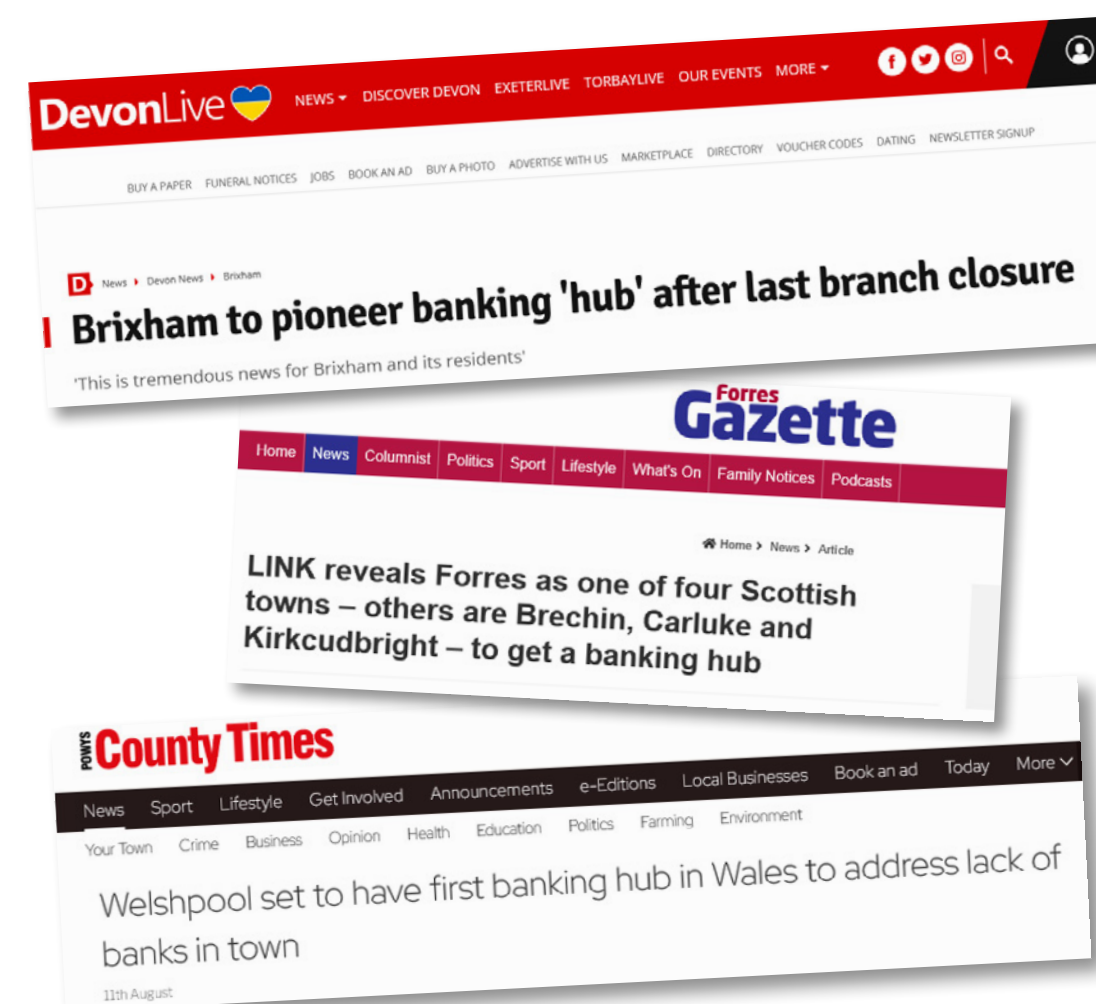
The legislation was published in July 2022. It will give the Financial Conduct Authority a major role in the future of cash access, and create a framework that will

secure the cash network for a long time to come.

Since the Financial Services and Markets Bill was published, LINK has worked to ensure that MPs and Peers know what the Bill means for consumers. An event in September attracted scores of MPs, and the Second Reading of the Bill showed strong support across party lines for the future of cash. In Committee Stage, there were several amendments which focused on access to cash, and a healthy debate on the subject. If the Bill passes, it should give industry and consumers confidence in the future of cash.



The Financial Services and Markets Bill will create a framework that will secure the cash network for a long time to come.



A new Financial Services and Markets Bill was published in 2022 (clockwise from top left): headlines welcoming new bank hubs; Paul Maynard MP, Sarah Olney MP, Richard Holden MP and Jamie Stone MP

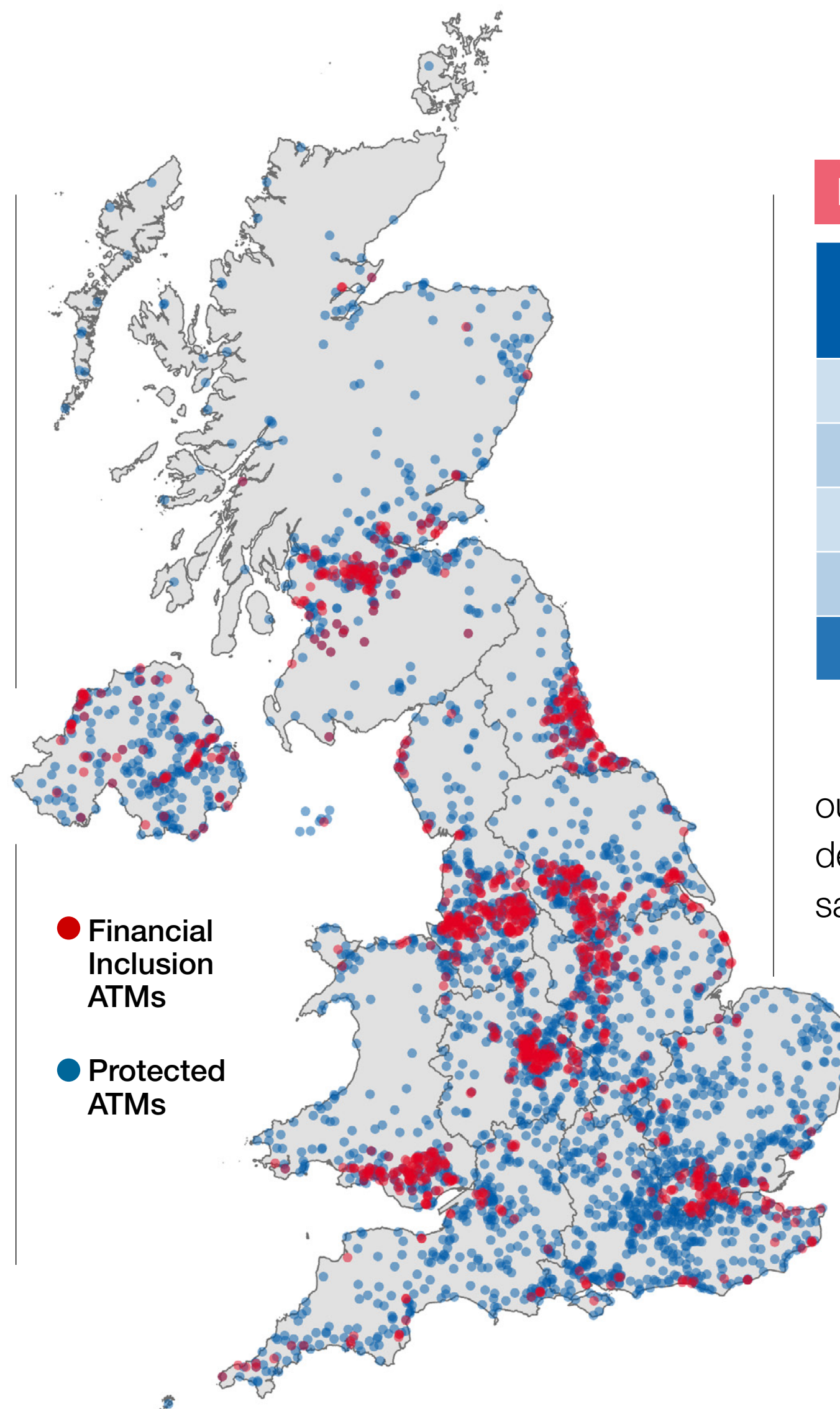


Developing the Financial Inclusion Programme

LINK's Financial Inclusion Programme focuses on providing free access to cash in 2,805 of the most deprived areas in the UK. In October 2022, 83% of them were considered to have good free access to cash.

Research has shown there are clear regional differences in the availability of free access to cash, which is why, this year, the Consumer Council began a programme of regional deep dives to better understand the barriers in different parts of the country. The Council has heard about Northern Ireland and Wales and will consider Scotland in 2023.

Geographic barriers, historic issues and different ways people use cash all contribute to the differences. LINK has shared this insight with the Cash Action Group, local authorities and consumer groups to recommend that the issues identified are addressed.



LINK Financial Inclusion Programme By Region

Country	Number of Areas Resolved by ATMs	Number of Areas Resolved By Post Office	Number of Areas Resolved By Cash at the till	Total Percentage of Areas Resolved
England	1282	314	27	85%
Scotland	216	50	12	83%
Wales	250	85	5	77%
Northern Ireland	70	7	0	65%
Total	1818	456	44	83%

LINK has also worked to understand outstanding areas across the UK in more depth. In the summer and autumn, a sample of 26 communities were randomly selected for site visits to consider whether the level of access to cash was meeting needs and if the data matched the reality in the community.

Those visits showed that the programme continues to make an

enormous difference in the most deprived areas of the country and provided valuable insights into how the programme could be developed further. They also highlighted the important and growing role that cash at the till is playing in improving access to cash for consumers in deprived areas.

These steps are helping LINK and the Consumer Council to take the Financial Inclusion Programme from strength to strength.

Raising awareness of cash at the till with milestone marketing campaign

Launched in 2021, cash at the till has gone from strength to strength in 2022. There are now over 1,800 locations offering the service over the LINK network, and in September the Council heard plans from Barclays to roll out even more via its own network.

Over 100,000 people are now using the service every month, withdrawing more than £3 million in this period. The service has also brought free access to cash to some locations that wouldn't be able to host an ATM, such as Nant-y-Moel in Wales, where LINK had been unable to find a location to fund a new ATM.

LINK has also taken steps to increase awareness of cash at the till as a new way of accessing cash. Working across the North East, North West and Scotland, the Consumer Council sponsored LINK's first ever marketing campaign.

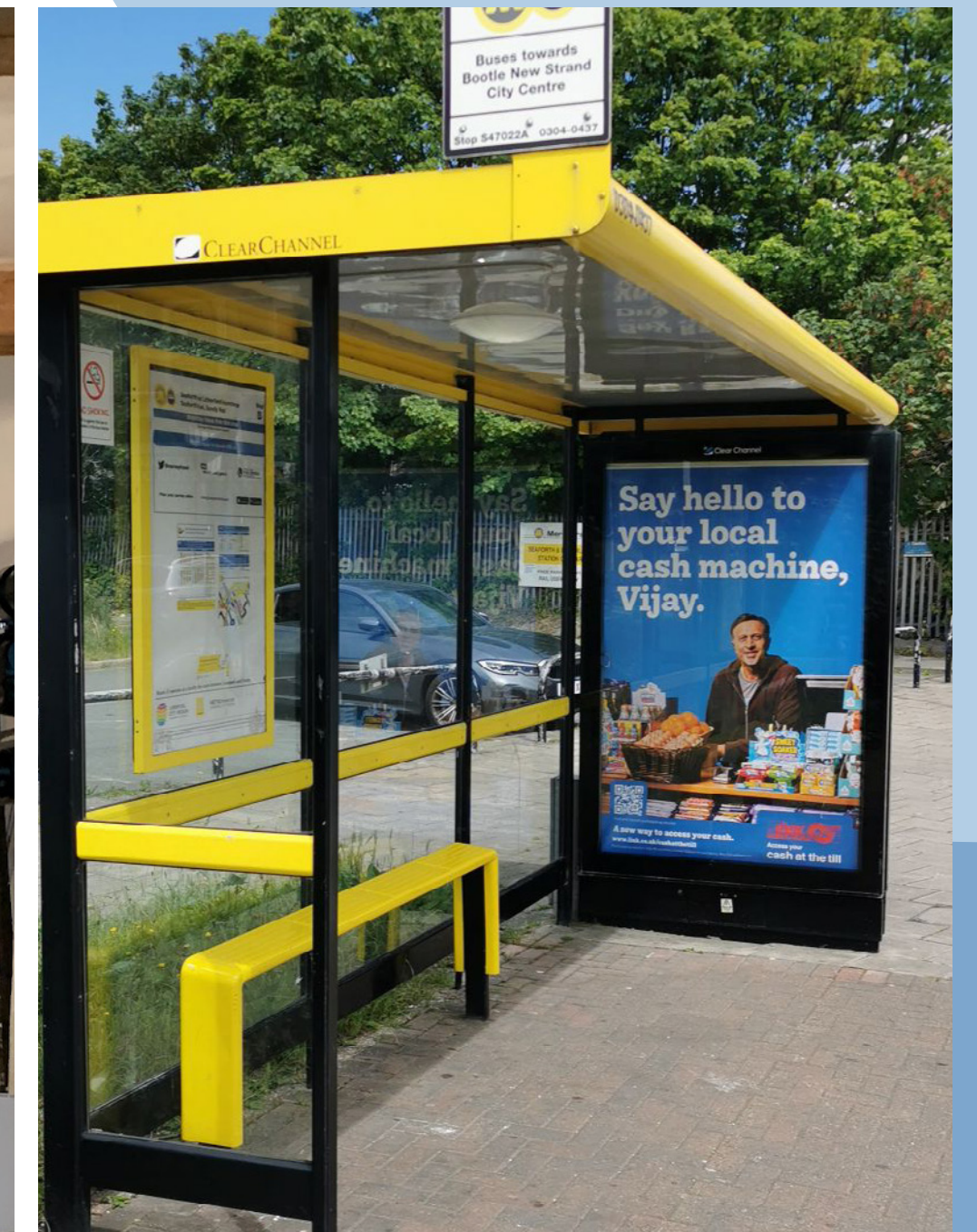
The campaign played on 10 radio stations, featured on 207 outdoor posters and included thousands of digital ads and messages delivered to people's homes. ▶

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Over 100,000 people are using the cash at the till service every month... It has brought free access to cash to some locations that wouldn't be able to host an ATM.



In LINK's first marketing campaign, digital adverts promoted the new way to access cash



Raising awareness of cash at the till with milestone marketing campaign

Meet your new cash dispenser, Liz.
Access your cash at the till
Participating retailers only. No purchase needed. Subject to availability. Max £50 withdrawal.

1 2 3 easy ways to access your cash
Participating retailers only. No purchase needed. Subject to availability. Max £50 withdrawal.

Cash at the till
Available at your local corner shop.
Participating retailers only. No purchase needed. Subject to availability. Max £50 withdrawal.

You don't even need to buy anything (unlike cashback)
2 A free-to-use ATM
Participating retailers only. No purchase needed. Subject to availability. Max £50 withdrawal.

3 Your local Post Office
Participating retailers only. No purchase needed. Subject to availability. Max £50 withdrawal.

LINK
Access your cash at the till
Participating retailers only. No purchase needed. Subject to availability. Max £50 withdrawal.

Social media advert promoting *Cash at the till*

Featuring a friendly shopkeeper at the heart of the message, the ad highlighted the new way to access cash, and was targeted at areas where the service had been established.

The campaign delivered promising results. At the same time as adverts went out, LINK saw a spike in the number of people downloading the Cash Locator, as well as spikes in visits to the LINK website.

At the same time, there is evidence that cash at the till locations saw slight increases in their transaction volumes when advertising was done locally.

LINK plans to continue the campaign and develop how it is targeted to raise better consumer awareness of free access to cash.

ATM fraud low – but work continues to tackle distractions

Since COVID, fraud and crime at ATMs has remained much lower than pre-pandemic levels. A number of successful convictions and long sentences may have played a part in reducing the attractiveness of ATM crime for the time being. However, there is no room for complacency. New fraud techniques continue to be identified, and the number of criminals distracting vulnerable consumers remains a concern.

LINK continues to work closely with its Members and law enforcement across the UK, sharing intelligence and information and LINK is currently working with Crimestoppers to develop a specific campaign to help tackle distraction thefts.

The reality of cash usage in 2022

2022 has proved to be a turbulent year for the economy, with increasing inflation, a cost-of-living squeeze and fluctuations in the value of the pound. Amid that turbulence, LINK has continued to maintain a reliable and effective cash access network, which is used by millions of people every day.

That network is much less busy than it was three years ago, before COVID-19. The people who chose new ways to pay during the pandemic have stuck with them, and LINK cash machines remain 40% less busy than before the pandemic.

However, that is still a whopping £1.6 billion withdrawn from ATMs every week. Reports of the demise of cash may well be premature, in the Council's view.

The Council has spent the year considering these trends and looking at them from a regional perspective. Analysis of cash usage in Scotland, Wales and Northern Ireland revealed similar patterns to the country as a whole, but with significant variations among each. For example, Northern Irish consumers withdraw significantly more cash every time they visit an ATM.

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The people who chose new ways to pay during the pandemic have stuck with them, and LINK cash machines remain 40% less busy than before the pandemic.



More than five million people rely on cash

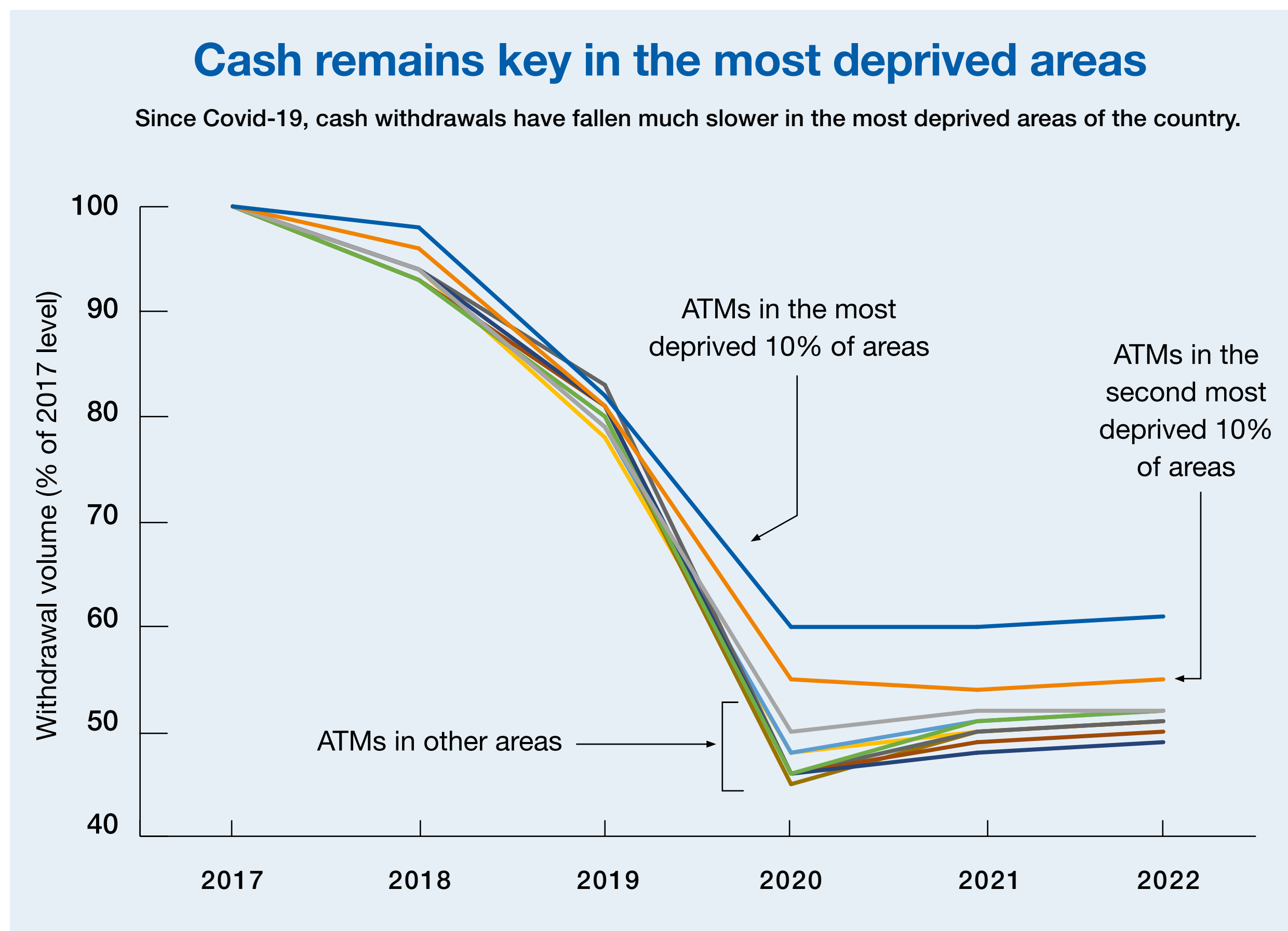
A major update to the Access to Cash Review was published in April. Based on a detailed survey and stakeholder interviews, the RSA found that over five million people “still rely on cash to budget and for day-to-day use”.

The research showed remarkable similarities to the 2019 Access to Cash Review, suggesting that even though times have changed, for many people cash is still king.

The reality of cash usage in 2022

In every corner of the UK, however, it is clear that the biggest indicator of cash reliance remains income. This was found to be true by the Access to Cash Review 2019, repeated by the RSA Cash Census 2022, and is borne out in LINK's data.

It also became increasingly clear as the cost-of-living crisis began to bite in mid-2022. With consumers facing rising prices for everyday goods, surveys conducted by LINK began to show that 10% more people were planning to increase their use of cash to budget. Stories appeared with tips about how to budget using cash, while "cash stuffing" using jars and envelopes became a viral trend on TikTok. The Post Office also reported record cash withdrawals by personal customers.



The Council's view remains that the cash access network, as it stands, provides a vital and effective service to those customers. The work done this year to secure access to cash in legislation will ensure that, whether you use cash occasionally or have a series of envelopes with your monthly budget tucked away, the network will continue to serve you.



Cash user in Efail Isaf

Supporting free access to cash in communities

LINK continues to hear from communities who need better access to cash, and works to deliver new ATMs and services for them. In 2022, over £80 million was withdrawn from ATMs commissioned by LINK to support communities.

In some communities, this has helped people budget. In one deprived community, LINK installed a free ATM close to an existing charging ATM as the community had no choice but to pay 99p or travel elsewhere by bus. Since then, the amount spent by people on cash locally has gradually reduced, until charges were removed from the neighbouring ATM. This work has saved the local community over £80,000 in withdrawal fees since 2020.

In 2022, 16 new communities have gained free access to cash thanks to a community request, and LINK will continue to promote the scheme and respond to areas of need.

Community Request ATMs installed in 2022

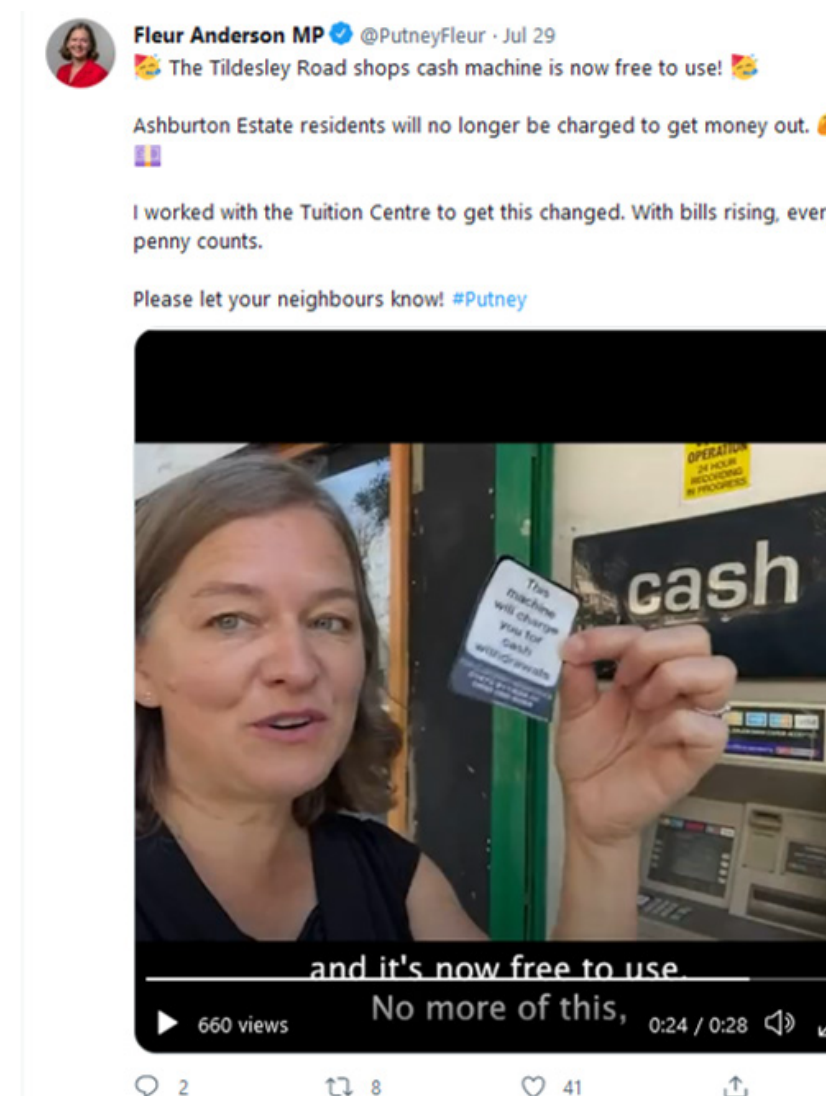
- Birmingham
- Albemarle
- Seal
- Tamworth
- Putney
- Norwich
- Woodbury
- Blunsdon St Andrew
- Sheerness
- Bo'ness
- Penpedairheol
- Cwmaman
- Merthyr Vale
- Polzeath
- Collyhurst



Community Request ATM in Birmingham



Ian Vernon and Tracey Graham open a new Community Request ATM in Seal



Fleur Anderson MP promotes a new ATM in Putney

Serving the most remote and deprived areas

LINK's protected and deprived ATM network has continued its work sustaining the geographic spread of ATMs across the country. Serving the most remote parts of the country and the most deprived, these ATMs remain in place regardless of whether they would be commercially viable on normal terms, because LINK pays up to an extra £2.75 per transaction.

For every withdrawal, 3,450 ATMs get enhanced rates. Over 300 get over £1 per withdrawal, and 150 receive

3,450

ATMs get enhanced rates for every withdrawal.

as much as £3.05 every time someone makes a withdrawal.

This work supports some of the most remote ATMs in the country – including

ATMs on the Isle of Harris and the Isles of Scilly, and those on the mainland that are miles from any alternative, like Llanwrtyd Wells. These are a lifeline to rural communities relying on cash.



Pay-to-use customers supported by banks

Two Consumer Council members have taken steps in 2022 to support their customers who may be overspending at pay-to-use ATMs.

Building on LINK research, NatWest and Barclays have proactively contacted customers who are regularly paying to access their cash, to highlight free local alternatives, including the Post Office.

This work has involved phone calls with customers and prompts on the banks' mobile apps, and has saved some customers significant sums.

The most remote ATM in the UK

Durness, on the north coast of Scotland, is the UK mainland's most remote ATM. Over 20 miles from an alternative ATM, it serves a coastal community with many tourists from overseas. Directly commissioned by LINK, it is a demonstration of how far LINK will go to protect cash access.

About the Consumer Council



Tracey Graham

Tracey is a portfolio Non-Executive Director, on the Boards of Close Brothers plc (Merchant Banking),

discoverIE plc (Electronics), Ibstock plc (Building Supplies) and Nationwide Building Society. Tracey has chaired the Consumer Council for seven years, championing free access to cash through initiatives such as the launch of the ATM Cash Locator and *Cash at the till*.



Tim Allen

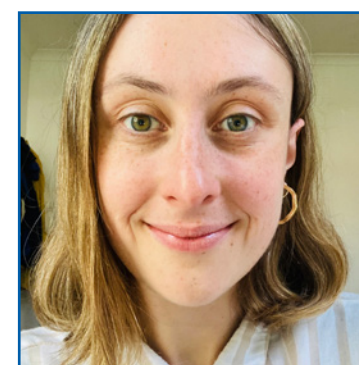
Tim is Director of Access to Cash and Branch Services at Barclays, where he has over 20 years' experience.



Adam Bailey

Adam is Head of ATM Self Service Operations for NatWest Group. He has 20 years' experience

in the cash and ATM marketplace and is accountable for the bank's ATM estate, branch cash automation and the operations of ATMs at Tesco stores. Adam is also the Chair of the UK Finance Cash Policy Committee.



Rachel Beddow

Rachel leads Citizens Advice's policy and advocacy work in debt and housing. She's interested

in how we help people and communities recover from the pandemic, how we build better systems and support for those who are struggling, and how we can bring people and frontline experts into the design of policy solutions.



Lady Margaret Bloom CBE

An economist and Honorary Professor at King's College London,

Margaret's experience and expertise in financial consumer and small business issues particularly concerns access to cash, financial inclusion, regulation, lending standards and indebtedness.



Kerry Fern

Kerry is the Financial Inclusion Lead at the Department for Work and Pensions. She has a history of working with disadvantaged groups and in matters relating to financial inclusion.



Iain Gibson

Iain is Head of ATMs at Sainsbury's Bank, with over 37 years' banking experience, previously

holding several customer-facing roles at Bank of Scotland and Lloyds Banking Group. For the last 20 years, Iain has been responsible for all aspects of ATMs, including compliance, operations, security and customer service. He is a member of the LINK Network Member Advisory Group.



Martin Kearsley

Martin is Cash and Banking Director at the Post Office and has more than 40 years' experience in financial

service IT businesses. The Post Office delivers a vital piece of the national access to cash infrastructure, and Martin manages all aspects of Post Office cash services in travel, ATM, POca and cash banking across the Post Office network. He represents the Post Office on both the Community Access to Cash Pilots (CACP) programme and the Cash Action Group, and liaises with HM Treasury on Post Office cash strategy.



Scott Kennerley

Scott is the Director of Financial and Postal Services at the Consumer Council for Northern

Ireland, the statutory body responsible for championing and representing the interests

of its consumers and citizens. Scott is responsible for the strategic leadership of his organisation's financial and postal services policy work. Prior to joining the Consumer Council for Northern Ireland, Scott managed the Debt Advice Service provided by Citizens Advice Northern Ireland. He has worked in the finance industry as both a mental health debt advice specialist and a financial advisor.



Paul Maynard MP

Paul is the Member of Parliament for Blackpool North & Cleveleys. He has served as Parliamentary

Under-Secretary of State for the Department for Transport and the Justice Minister, and Government Whip. Paul's constituency is the second most deprived Conservative-held seat in the country. Paul campaigns for better financial resilience and in keeping access to cash.



Nick Wiles

Nick joined PayPoint in 2009 and became Chief Executive in May 2020, having previously carried

out the roles of Chairman and Executive Chairman of the company. Before joining PayPoint, Nick held senior positions at Nomura, Cazenove and Mercury Asset Management alongside various non-executive director appointments. At PayPoint, Nick is responsible for the day-to-day leadership and operational management of the company.



Sian Williams

Sian is CEO of Switchback, a charity that supports young men to find a way out of the justice system

and build a stable, rewarding life they can be proud of. Prior to joining Switchback, Sian was Director of Innovation and Policy at Toynbee Hall in London's East End, where she led work to ensure people with lived experience of exclusion and hardship are involved in shaping policy and practice solutions. She is also Chair of the new economy think tank Positive Money, Vice-Chair of the Financial Inclusion Commission and a Non-Executive Director of the Financial Inclusion Forum. Sian also represents the interests of people at risk of exclusion on the Pay.UK End User Council and the UK Finance Cash Action Group.



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