
LINK MONTHLY REPORT

December 2021



1. KEY ACTIVITIES

The LINK ATM network continues to operate to its usual high standard and remains well positioned to support UK consumers' access to cash needs through provision of a broad footprint of cash machines, effective risk management and high levels of operational resilience. LINK is working closely with its infrastructure provider and Network Members, all of whom continue to perform well.

The LINK Board met in person in December with a further Board call in early January and the Board has been carefully considering and fully supports the work LINK has been doing with the Cash Access Group to protect wider cash access through channels such as cash at the till and shared banking Hubs. In addition, on behalf of the Board, the Chairman welcomed Chris Davies as a new Non-Executive Director and thanked Liz Richards for her six years of service as a Director and Chair of the Audit Committee as she moves onto new opportunities.

The LINK staff moved back to home working during December and January but are looking forward to returning to the office, with appropriate risk assessments in place as soon as the Plan B restrictions are lifted. COVID-19 compliant delivery of LINK's Financial Inclusion Programme remains steady and effective. There are no commercial or operational issues causing concern and LINK and its various service providers continue to perform to the expected very high standard.

2. LINK VOLUMES AND VALUES

Overall transactions in 2021 were down 7% on 2020 and 42% down on pre-pandemic levels. Withdrawal values were down 3% on 2020 and 32% on 2019. The difference to volumes is the £13 increase in average withdrawal value as, while people used ATMs less, when they did visit an ATM they took out more cash. This meant that in 2021 there were 1.5bn ATM transactions of which 980m were cash withdrawals and £78bn was withdrawn from LINK ATMs.

While the first three months of 2021 were affected by lockdowns, as these were eased ATM use increased to the level seen in the second half of 2020 when COVID-19 restrictions were broadly the same. During this period, roughly July to October, ATM use was within 1% - 3% of 2020 but still down 34% - 37% on 2019. November was markedly busier than 2020 as that was a lockdown period. December was also up on 2020 by 5% as, while there were Plan B restrictions, they had less impact than the lockdowns we had in 2020.

As far as cash is concerned, COVID-19 appears to have changed at least some consumers' behaviour fundamentally. While ATM and cash use in 2022 is likely to be similar to the second half of 2021, it is unlikely to reach levels we saw pre-pandemic.

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	1522

Chart1: LINK weekly transaction volumes (m)

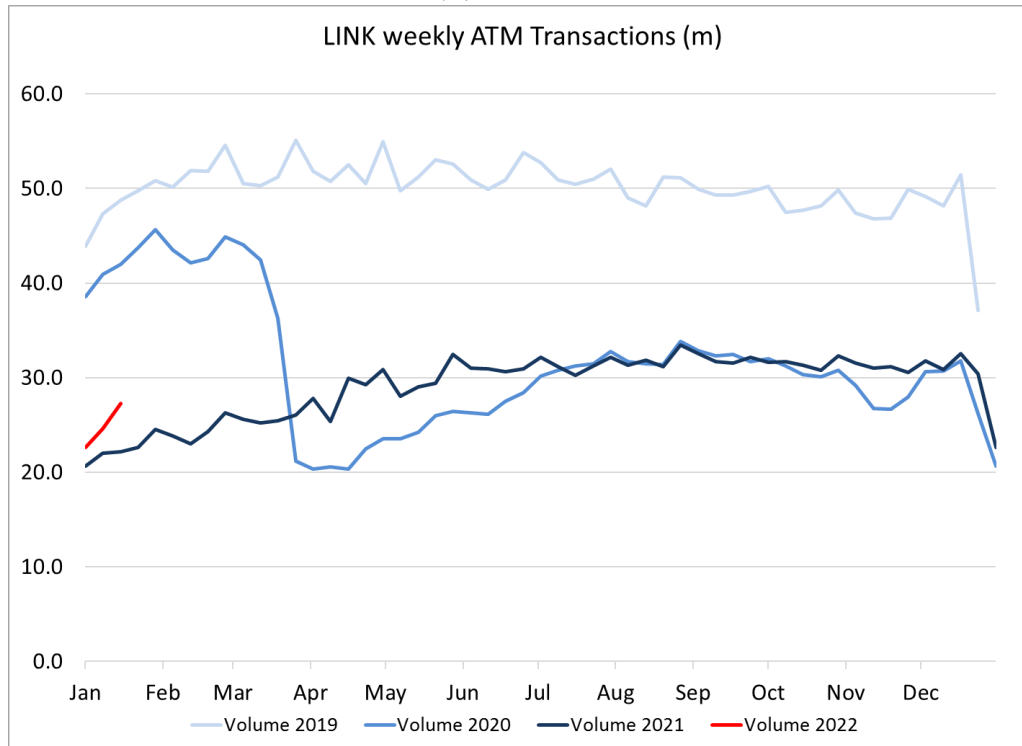
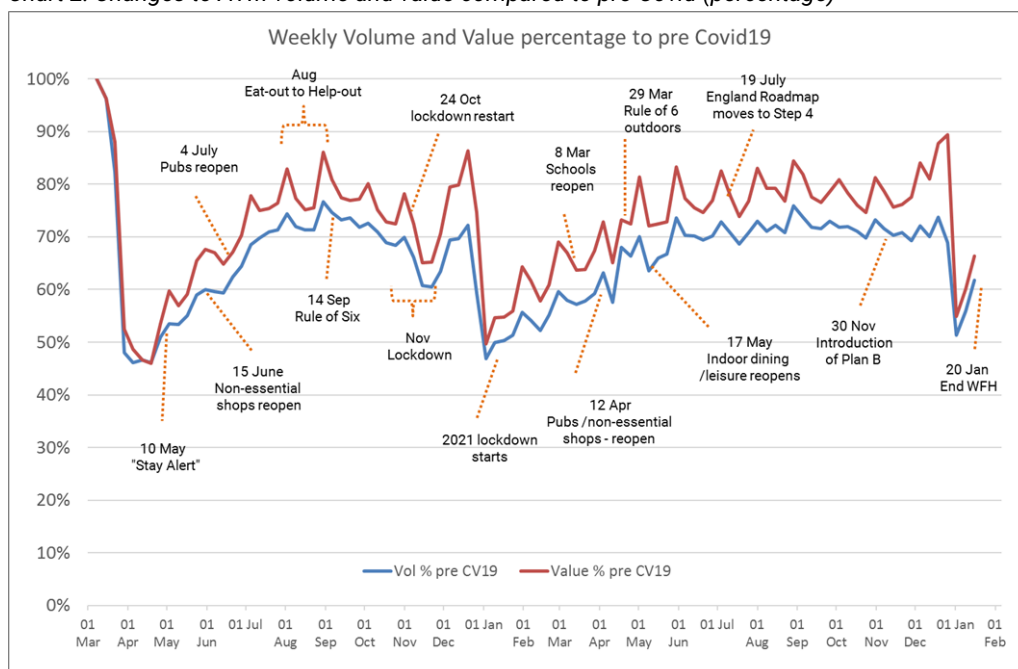


Chart 2: Changes to ATM volume and value compared to pre-Covid (percentage)



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

3. ATM NUMBERS

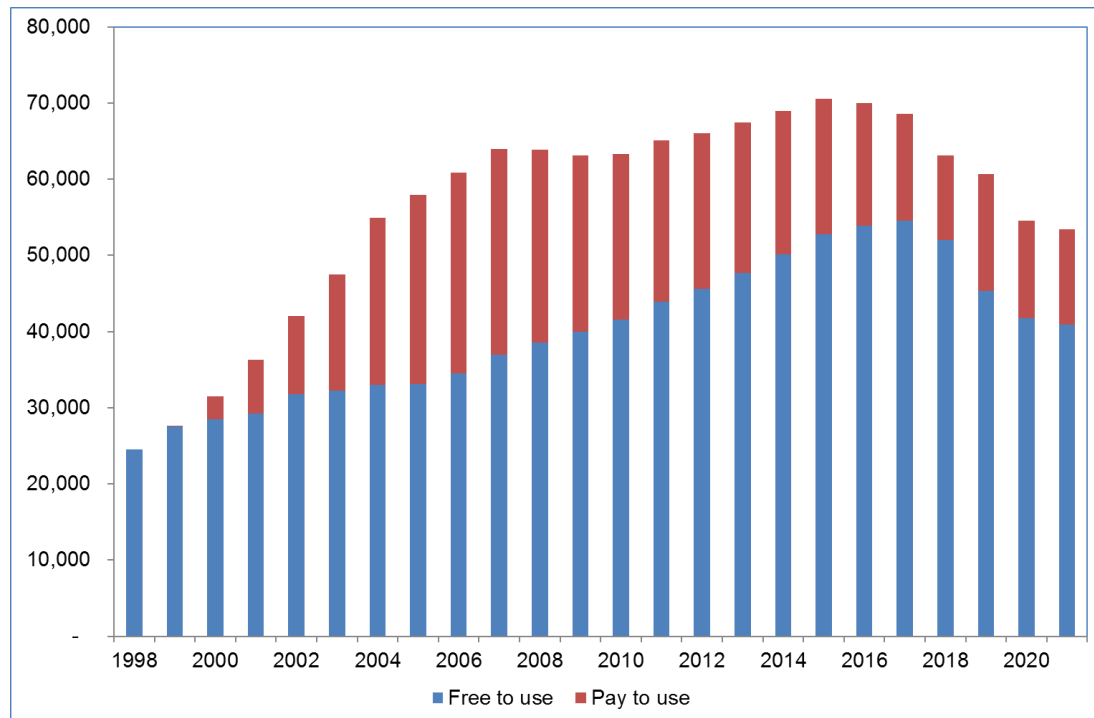
ATM coverage across the UK in 2021 remained broadly stable and in line with LINK's strategy and Financial Inclusion Programme objectives. Many ATMs closed during the pandemic due to social distancing or the closure of the premises which housed them. As restrictions have eased, a number of these machines have reopened. It seems likely that some locations, like pubs where a lot of people paid in cash and used to have quite a few pay-to-use ATMs, are now accepting less cash and as a result may no longer need on-site ATMs.

LINK ATM Numbers by Type and Owner 2020													
2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Branch	15,588	15,605	15,583	15,391	15,351	15,309	15,311	15,292	15,198	15,098	15,044	14,987	
Free Remote	29,638	29,336	28,478	25,392	25,393	25,652	26,240	26,875	27,050	27,077	26,598	26,740	
Total Free	45,226	44,941	44,061	40,783	40,744	40,961	41,551	42,167	42,248	42,175	41,642	41,727	
Pay to use	15,323	15,307	13,745	12,412	12,549	12,814	12,999	13,398	13,426	13,373	12,780	12,847	
Total ATMs	60,549	60,248	57,806	53,195	53,293	53,775	54,550	55,565	55,674	55,548	54,422	54,574	
Bank and Building Societies	25,148	25,001	24,955	23,268	23,236	23,294	23,309	23,295	23,130	22,971	22,897	22,856	
Non Card Issuers	35,401	35,247	32,851	29,927	30,057	30,481	31,241	32,270	32,544	32,577	31,525	31,718	
Total ATMs	60,549	60,248	57,806	53,195	53,293	53,775	54,550	55,565	55,674	55,548	54,422	54,574	

LINK ATM Numbers by Type and Owner 2021													
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Branch	14,917	14,827	14,801	14,752	14,627	14,450	14,056	13,905	13,836	14,137	14,638	13,655	
Free Remote	26,541	26,233	26,038	26,229	26,747	27,061	27,078	27,205	27,280	26,720	26,293	27,287	
Total Free	41,458	41,060	40,839	40,981	41,374	41,511	41,134	41,110	41,116	40,857	40,931	40,942	
Pay to use	12,491	12,156	12,023	12,140	12,587	12,616	12,725	12,699	12,653	12,600	12,483	12,456	
Total ATMs	53,949	53,216	52,862	53,121	53,961	54,127	53,859	53,809	53,769	53,457	53,414	53,398	
Bank and Building Societies	22,801	22,660	22,614	22,456	22,287	22,109	21,752	21,654	21,584	21,484	21,457	21,469	
Non Card Issuers	31,148	30,556	30,248	30,665	31,674	32,018	32,107	32,155	32,185	31,973	31,957	31,929	
Total ATMs	53,949	53,216	52,862	53,121	53,961	54,127	53,859	53,809	53,769	53,457	53,414	53,398	

Looking back further, ATM numbers have been falling since their high point in 2017. However, LINK's Financial Inclusion Programme has been very effective in ensuring that consumers still have good free access to cash through the LINK ATM Network. Free-to-use ATM numbers are currently close to where they were in 2010.

Chart 3: ATM numbers since 1998



4. 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, 80 lost free-to-use ATMs have been targeted for replacement and resolved, 31 through Direct Commissioning, 19 through Premiums and the remaining 30 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. Please see the LINK website for more details <https://www.link.co.uk/consumers/request-access-to-cash/>.

5. 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 1st 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.

August 2021	ATMs	Monthly change
Total Protected ATMs	3,212	20
Live ATMs	2,816	22
ATMs No Longer Transacting	396	-2
Temporarily out of action	21	-4
Investigations with operator underway	8	-4
ATMs Confirmed as Closed	367	-2
ATMs not being replaced (a)	313	-3
ATMs Targeted for Replacement	54	1
LINK Members offered premiums for replacement	0	0
LINK directly commissioning a replacement	31	1
Resolution not Possible (b)	36	2
ATMs previously targeted for replacement and now resolved (c)	80	2

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.