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# LINK MONTHLY REPORT

May 2024

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## 2. KEY ACTIVITIES

LINK is the UK's Cash Access and ATM Network, connecting virtually all the UK's ATMs and providing communities with access to cash through ATMs and 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 meet in early May, combining the formal meeting with a strategic review day which gave the Board and Senior Management Team the opportunity to review LINK's position and plans for the coming years. At the meeting, the Board reviewed the Operational Report and noted that operational performance of LINK's critical suppliers remains stable and satisfactory. The Board also considered the latest ATM Footprint Report, which summarises LINK's effectiveness in meeting its commitments to consumers, and agreed that access to cash remains satisfactory. Finally, the Board carefully reviewed the latest Risk and Finance Reports and was pleased to note that the Scheme's operational performance was as expected and remained completely satisfactory.

The LINK Scheme Limited Board also met in May and approved the following reappointments for three-year terms of office: John Gill from 1st June 2024, David Rigney and Bill Raynal from 1st August 2024.

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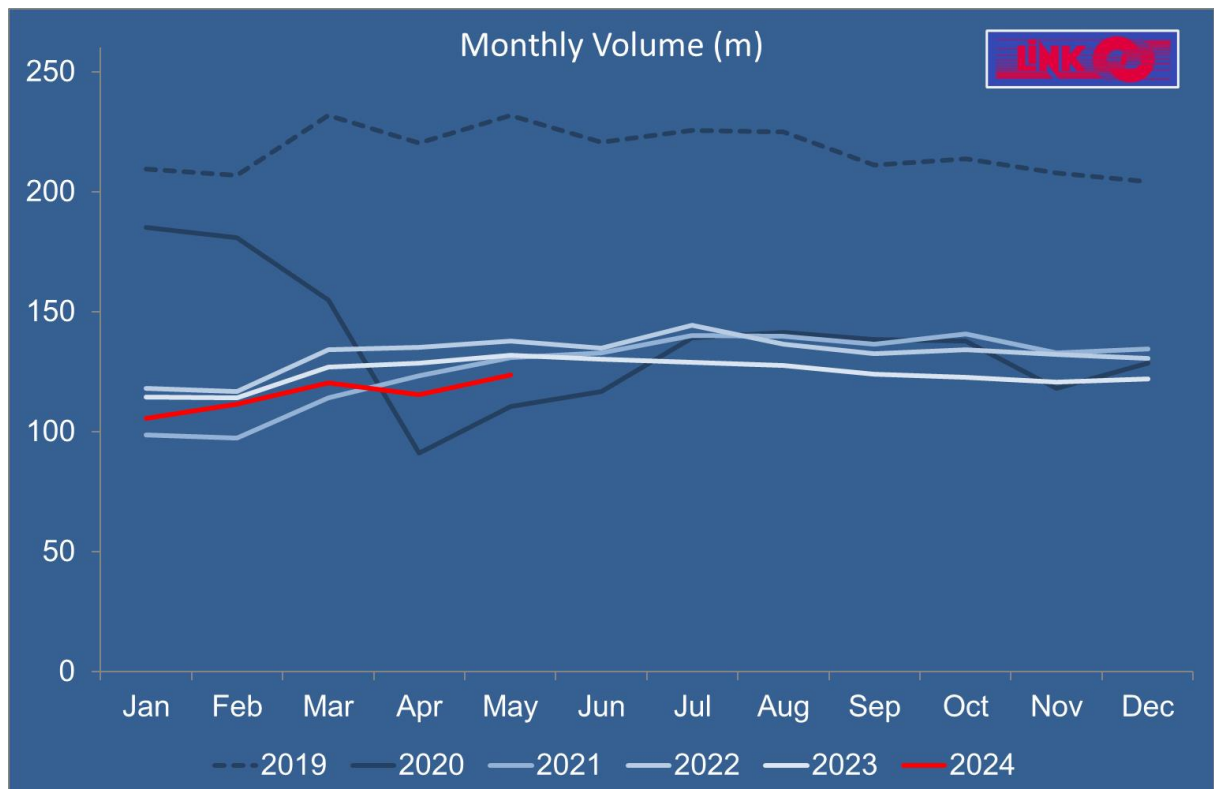
## 3. LINK VOLUMES AND VALUES

April saw volumes fall 6.2% on 2023, a smaller fall than April's which some attributed to some better weather and the effect of the May Day Bank Holiday, the weekend of which fell entirely in May this year. The change year to date is -6.4% compared to -4.0% for the same period in 2023.

ATM withdrawal values continue to fall at a slower rate than transactions. May saw values fall 0.4% on 2023, ie they were effectively the same, making the change year to date, -0.7%.



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	123	121	122	1,492
2024	106	111	120	115	124								576



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
2022	£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
2023	£5,979	£6,022	£6,837	£6,883	£7,063	£7,016	£7,025	£6,931	£6,743	£6,673	£6,780	£7,435	£81,389
2024	£5,864	£6,279	£6,882	£6,511	£7,032								£32,570

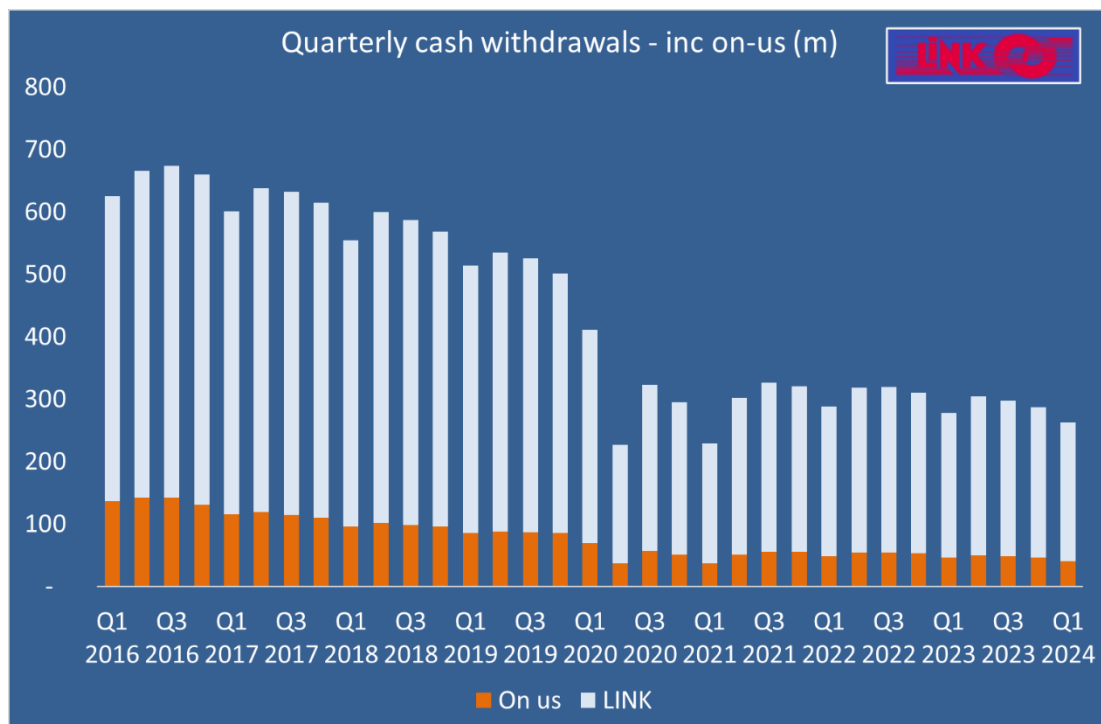
The average withdrawal continues to increase, £85.90 in May, a significant rise on May 2023's £82.19 and £67.21 back in 2019.



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. QUARTERLY TOTAL ATM WITHDRAWALS

Total ATM withdrawals include on-us withdrawals where customers use their own bank or building society's ATMs. These are collected quarterly by PayUK. These fell on Q1 which is normal when compared to the last quarter of the previous year and they fell by 4.2% when compared to Q1 2023.

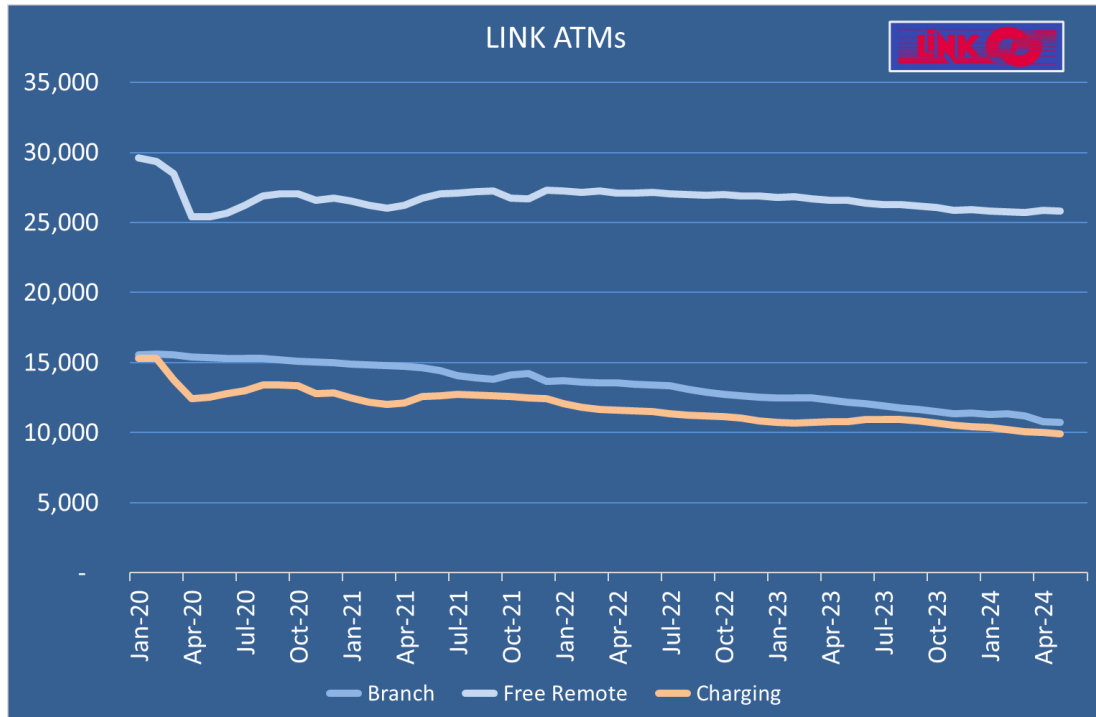


#### 5. ATM AND NUMBERS

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.

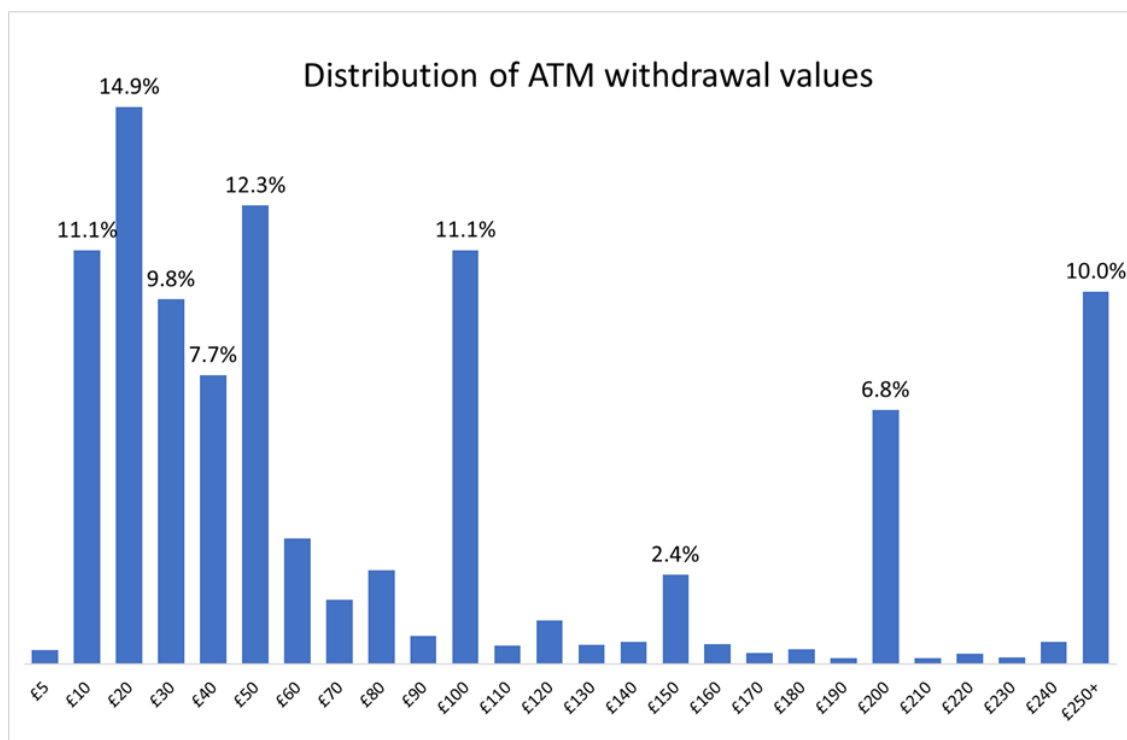
There are currently 35, 577 free ATMs across the UK, plus a further 9,942 pay-to-use machines.

Branch ATMs reflect the number of branches while Pay-to-use ATM numbers have declined at a faster rate than free remote ATMs as ATM host locations decide they no longer need charging ATMs or no longer take in enough cash to replenish them.



**6. CONSUMER RESEARCH – Distribution of ATM withdrawal values**

When looking at withdrawal values made at ATMs the range is nothing like the normal distribution around the mean you might see for an independent, randomly variable dataset. Instead Consumers withdraw cash in distinct steps based on their needs, available funds and what feels a natural number.





Overall, there seems to be a split between low values and at the other end, a significant number of people choosing to withdraw large amounts of cash. Over a quarter of people are still taking out £20 or less and as according to UKFinance the average cash purchase is around £12, this must be people taking out cash to last them just a few days, or they are only ever using cash for low values.

At the other end of the spectrum 1 in 6 are withdrawing £200 or more and 10% are withdrawing £250 or more. This later group must be taking out close to their daily maximum and are either expecting the cash to last them a long time, are using a lot of cash day-today or they are withdrawing large amounts (perhaps on successive days) for a single high-cost item (eg a cash-in-hand builder).

One of the possible factors in the increasing average value and a possible driver of the higher values is migration to LINK ATMs from other cash access channels, potentially driven by bank branch closures. Given the average withdrawal value for passbooks, counter withdrawals and cheques are all higher than ATMs, a move to ATMs for these withdrawals could be pushing up the ATM average.

This may also apply to ATMs themselves, if non-LINK on-us ATM withdrawals are included, then the overall current average withdrawal ATM value is around £6 higher than LINK's as consumers have always tended to choose their own bank or building societies' ATMs when they withdrawal large amounts of cash. If their branch and associated ATMs has disappeared these high value, previously on-us withdrawals may migrate to LINK via other nearby machines.

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## **7. 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, 129 lost free-to-use ATMs have been targeted for replacement and resolved, 61 through Direct Commissioning, 19 through Premiums and the remaining 49 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/>

## 8. 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.

In the last 5 years, the total population living within 1km of free cash access has increased from 89.5% to 89.6%.

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

April 2024		Change
Total Protected ATMs	3,510	6
Live ATMs	2,993	11
<b>ATMs No Longer Transacting</b>	<b>517</b>	<b>-5</b>
Temporarily out of action	20	-16
Investigations with operator underway	15	6
<b>ATMs Confirmed as Closed</b>	<b>482</b>	<b>5</b>
ATMs not being replaced (a)	389	4
<b>ATMs Targeted for Replacement</b>	<b>83</b>	<b>1</b>
LINK directly commissioning a replacement	23	2
<b>Resolution not Possible (b)</b>	<b>60</b>	<b>-1</b>
<b>ATMs previously targeted for replacement and now resolved (c)</b>	<b>129</b>	<b>1</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.

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