
LINK MONTHLY REPORT

October 2023





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2. KEY ACTIVITIES

LINK is the UK's Cash Access and ATM Network, connects virtually all the UK's ATMs and provides communities with access to cash through 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 met in early November at LINK's offices in North Yorkshire, giving Directors the opportunity to see the operation in person and meet and talk to all the staff, including over an informal lunch. In addition, during the meeting the Board was able to get an in-person briefing from HR. The Board also heard and considered a wide range of reports from Risk, Audit and Finance as well as the latest forecasts for cash usage and payments. The Board also carefully reviewed the current position for consumers' cash access, a key priority and agreed that it remained satisfactory. The CEO was able to report that LINK's overall performance during 2023 remains as expected, with strong operational and compliance performance, and robust and effective risk management,

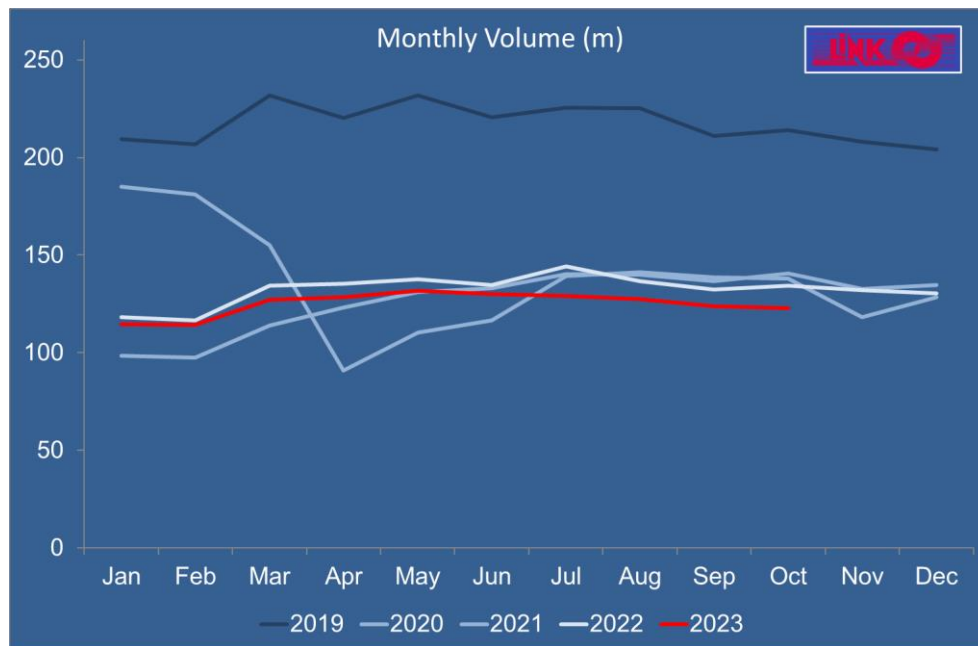
LINK has published its *Annual Report 2022 – 2023* with commentary from the Chair, CEO and Director of Strategy. It also contains key statistics, details of LINK's financial inclusion programme, risk management and financial information. There is also information about the LINK Board and Senior Management Team. It can be downloaded from the website <https://www.link.co.uk/media/iyxbsfoz/link-annual-report-2023.pdf>

3. LINK VOLUMES AND VALUES

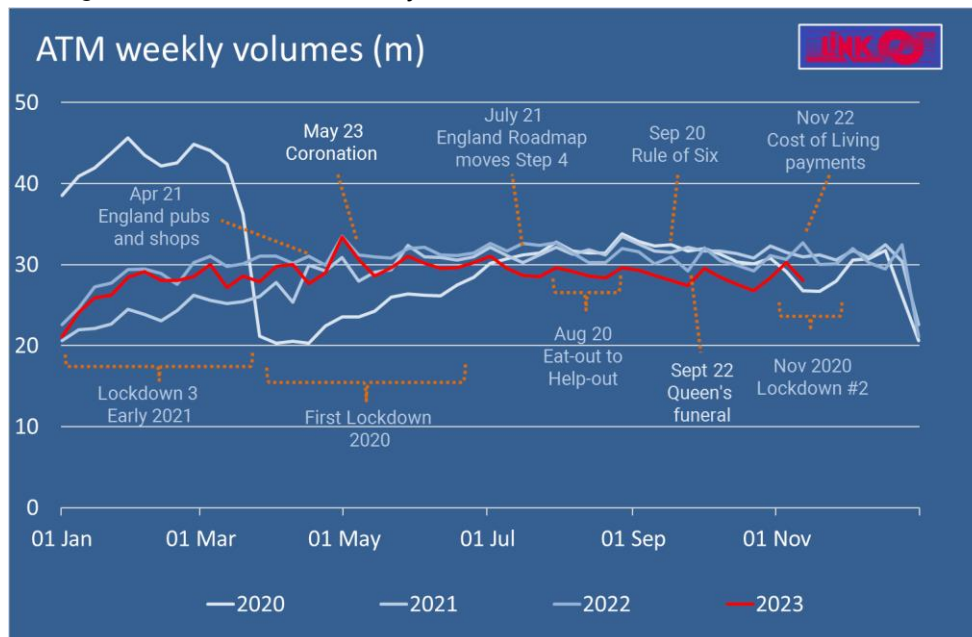
October saw total ATM transactions 8.6% down from October 2022, a larger fall than September's and the second largest reduction of the year so far. This appears to suggest that the structural decline in consumers' cash usage, as they move to digital payments has returned, as the effects of the COVID19 pandemic continue to unwind. Other factors affecting cash and ATM usage include to the ongoing cost-of-living crisis reducing overall consumer spending, changes to people' work, leisure and shopping patterns and possibly the reduced acceptance of cash at some locations. The relatively poor October weather may also be a factor.



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			



The following chart shows how weekly ATM transactions have fluctuated since 2020.

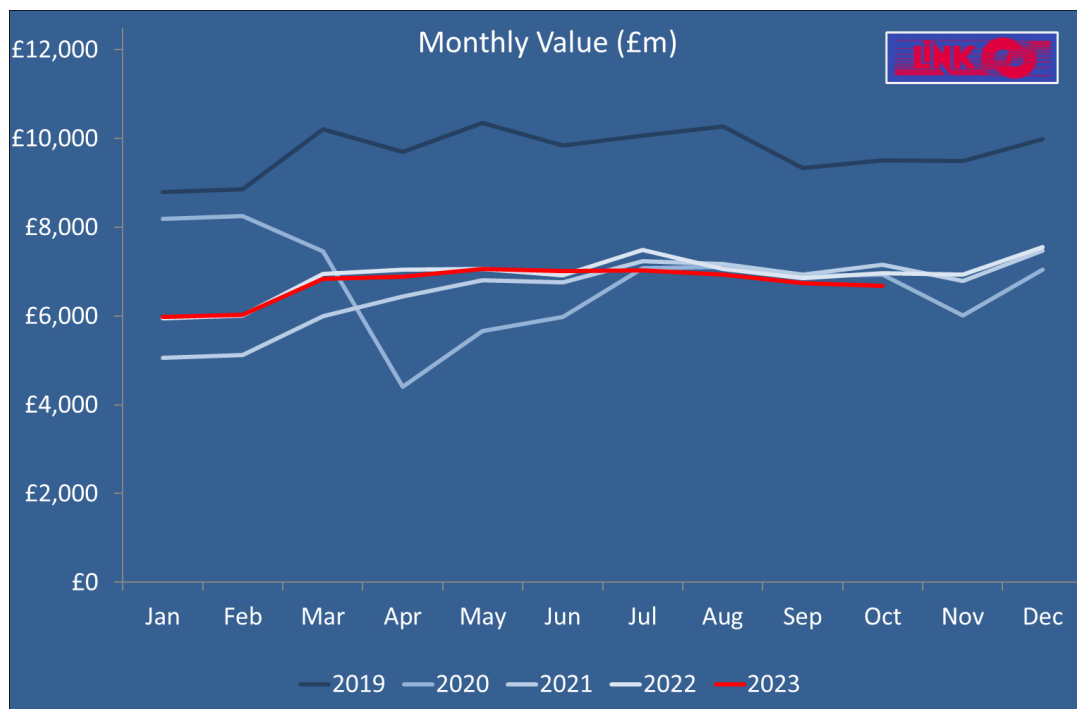




The value of cash withdrawn also fell when compared to October last year although, as is usual, the 4.1% reduction in values was a less than transactions. This is because the average value withdrawn each time continues to rise, October being £83.35 compared to £80.15 in 2022 and £67.30 in pre-pandemic 2019. This is a very well-established pattern and probably reflects changes in consumers' shopping, work and travel habits and perhaps a willingness to take out a larger sum, expecting it to last them some time, rather than regular lower values which they only expect to last them a day or so.

Another trend which seems to be establishing itself is much is that the monthly figures are much more consistent on a month-to-month basis. Looking back to pre-pandemic 2019 on the chart below you can see there were large increases or falls between months whereas this year the variations are much less, even when compared to more recent years.

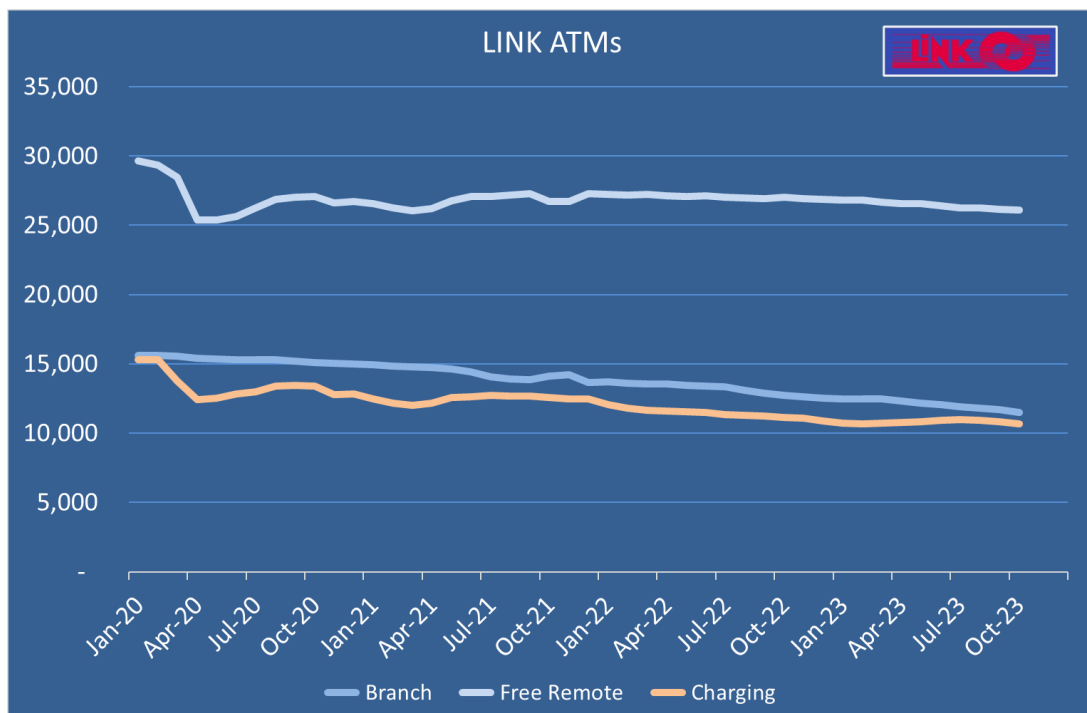
LINK Transaction Values (£millions)													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2019	£8,788	£8,859	£10,211	£9,701	£10,354	£9,837	£10,070	£10,271	£9,336	£9,512	£9,494	£9,985	£116,417
2020	£8,182	£8,258	£7,450	£4,399	£5,664	£5,972	£7,076	£7,105	£6,903	£6,939	£6,016	£7,044	£81,010
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			



For more information and regular updates on cash and ATMs, see the LINK website www.link.co.uk or LinkedIn <https://www.linkedin.com/company/2837871/> or Twitter/X [LINK Scheme@LINK_ATM_Scheme](https://twitter.com/LINK_ATM_Scheme).

4. ATM AND NUMBERS

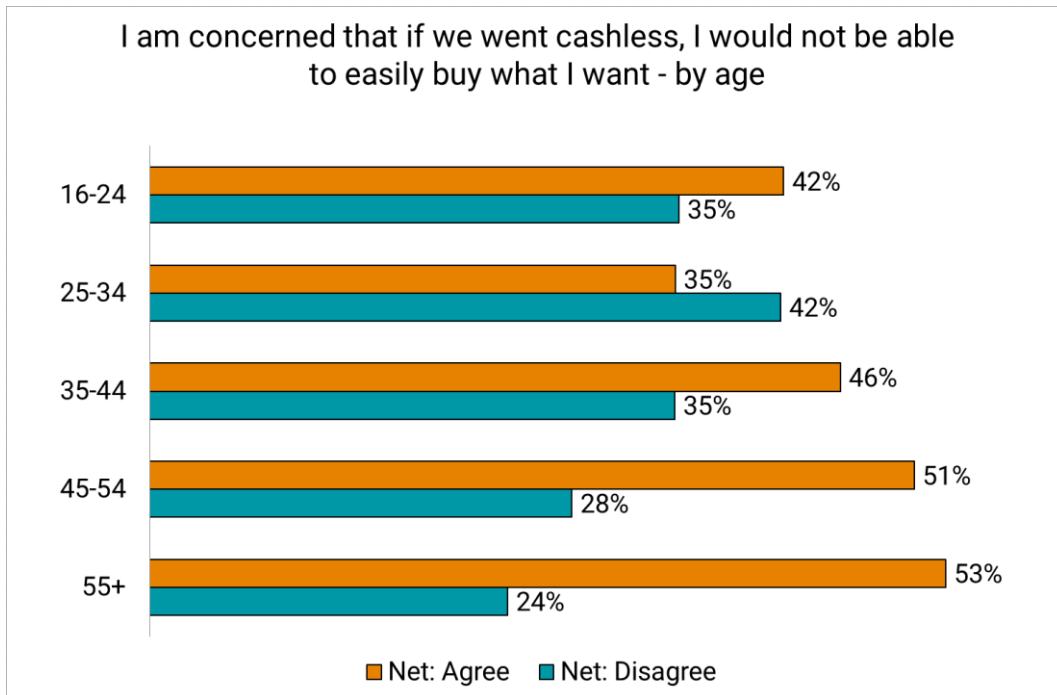
ATM coverage across the UK continues to be broadly stable and consistent with the forecasts in LINK’s strategy, with a very slow decline in non-branch free-to-use ATMs in the past year. There are currently 48,278 ATMs in the UK, of which 37,592 are free-to-use. In the past year, branch (11,505) and charging (10,686) ATM numbers have declined at a faster rate than non-branch sites as branches close and host locations decide they no longer need charging ATMs or no longer take in enough cash to replenish them.



5. CONSUMER RESEARCH – GOING CASHLESS?

LINK conducts regular research into consumers’ use of cash and the latest survey asked people whether they were worried if we totally went cashless. As you might expect, people over 55 were the most likely to be concerned, however the least concerned, in fact the only the group which were overall less concerned than concerned were not Gen-Z but Millennials aged 25-34.

LINK’s role to ensure that everyone has good free access to cash, regardless of their age.



6. 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, 116 lost free-to-use ATMs have been targeted for replacement and resolved, 52 through Direct Commissioning, 19 through Premiums and the remaining 45 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 14th 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/>



7. 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 2023		Monthly change
Total Protected ATMs	3,428	18
Live ATMs	2,951	11
ATMs No Longer Transacting	477	7
Temporarily out of action	16	
Investigations with operator underway	8	2
ATMs Confirmed as Closed	453	5
ATMs not being replaced (a)	377	4
ATMs Targeted for Replacement	76	1
LINK directly commissioning a replacement	22	-1
Resolution not Possible (b)	54	2
ATMs previously targeted for replacement and now resolved (c)	116	2

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.