



THE UK'S CASH MACHINE NETWORK

LINK MONTHLY REPORT

May 2022



1. KEY ACTIVITIES

LINK is the UK’s Cash Access and ATM Network and connects virtually all the UK’s ATMs and provides communities with access to cash through services such as cashback at retailers’ tills and Banking Hubs. LINK continues to operate to its usual high standard and remains well positioned to support UK consumers’ access to cash needs through 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.

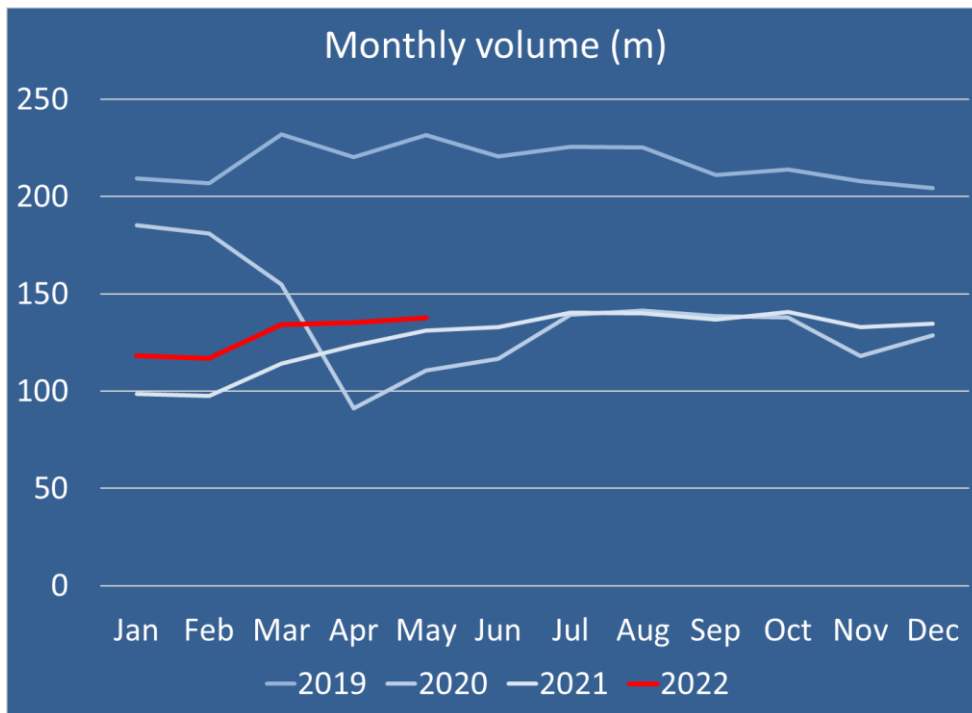
The LINK Board met in early May with a presentation from Christina Wejshammar, Head of Payments, Sveriges Riksbank on Sweden’s approach to protecting access to cash and migrating consumers onto digital payments. The CEO updated the Board on access to cash and the possible direction of future legislation to protect it, something which the Board welcomes. The Board also received reports on stakeholder management (including regulators) and the operational summary and was pleased to note the success of recent contingency exercises. Finally, the Board considered the risk summary report and discussed the significance of the risks currently facing the organisation, confirming they were within the Board’s agreed risk appetite and being correctly managed.

LINK continues to put a lot of effort into people planning as recruitment and retention are issues across the industry. 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

May’s 138 million transactions were 5% higher than 2021’s when COVID-19 restrictions were beginning to ease, but 40% down on April 2019, before the start of the 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
2022	118	117	134	135	138								

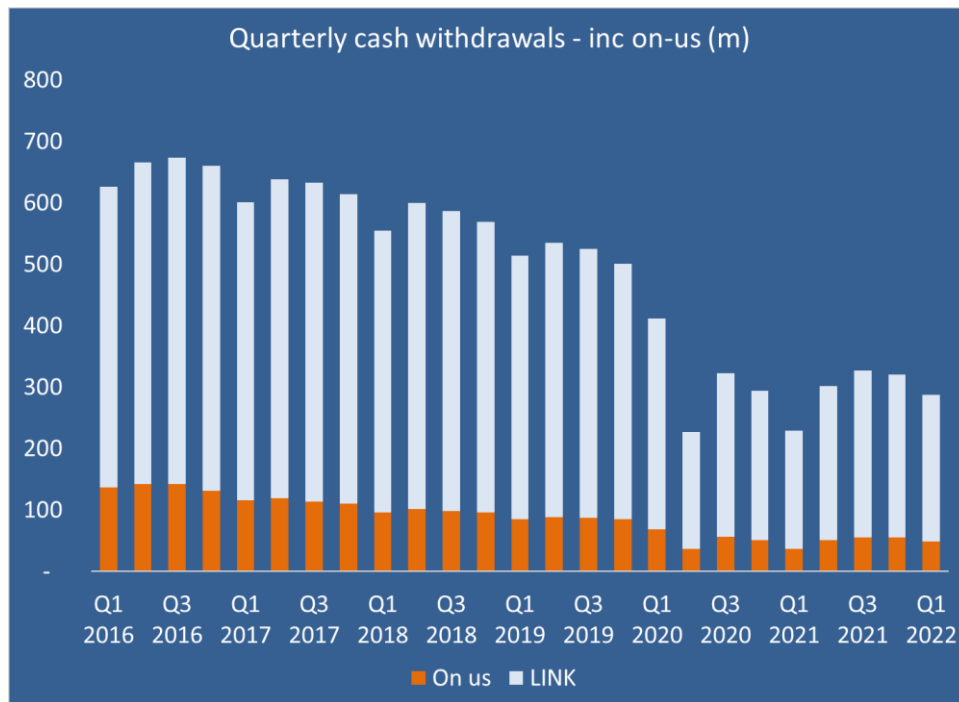


In May, over £7bn was withdrawn, up from £6.8bn in May 2021 and a slight increase on the previous month. Total values remain well below pre-pandemic levels but the average of around £225 million withdrawn a day remains significant and shows that despite an overall reduction in cash use it remains important for many consumers and businesses.

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								

The trends for total cash withdrawals, ie including customers using their own bank and building societies' ATMs, are also similar, see chart below. On-us withdrawals account for around 16% of all cash withdrawals. This is a proportion which has been falling as bank branches and their associated ATMs close and non-bank ATM operators (so-called IADs) now operate an increasing proportion of ATMs away from bank branches in locations like supermarkets and convenience stores.

Quarter One 2022 was up 26% on Q1 2021 when the UK was in lockdown but down 30% on Q1 2020 which was mostly before the pandemic, which hit with the first lockdown in late March.



3. LINK WELCOMES ACCESS TO CASH LEGISLATION

Following confirmation in Queen’s Speech on the 10th May that the Government will bring forward legislation to protect access to cash John Howells, CEO, LINK said: *“We strongly welcome today’s news and are pleased that the Government recognises that protecting access to cash is vital. We know that consumers are becoming increasingly digital and using alternatives to cash, but there are still ten million people who rely on cash.*

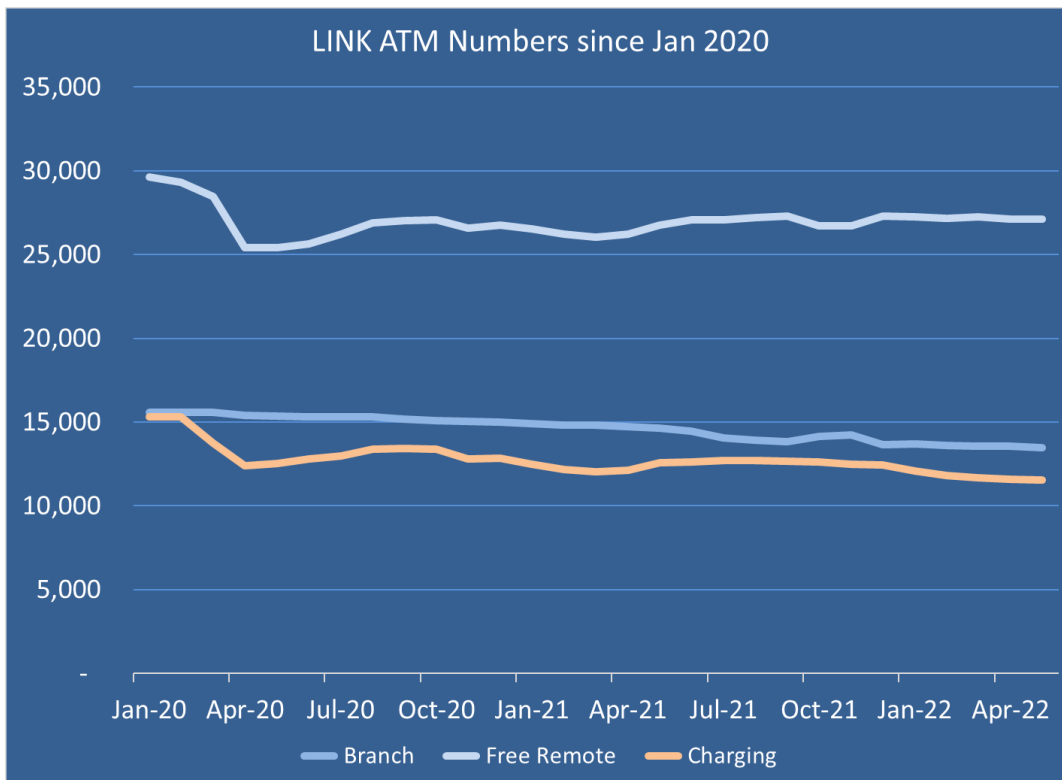
“A great deal of progress has been achieved by the banking industry over the past couple of years, in which LINK has played a critical role. This is good news for any community in the future as we continue to protect access to cash services and we look forward to seeing the details of the Bill in due course.”

4. ATM NUMBERS

ATM coverage across the UK in 2022 continues to be broadly stable and in line with LINK’s strategy and Financial Inclusion Programme objectives. The number of free-to-use remote, non-branch ATMs remains very stable and while there was a fall in numbers in the early days of the pandemic, this has barely changed in the past year, see table and chart below. The number of pay-to-use ATMs continues to gradually decline as at some locations, like pubs, where a lot of people paid in cash and there used to be quite a few pay-to-use ATMs, many are now accepting less cash and as a result may no longer need an on-site ATM. Branch ATM numbers are also dropping, as a result of bank branch closures rather than a decline in the number of ATMs per branch. LINK always carefully monitors branch closures to ensure there are still suitable ATMs nearby.

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 Society	22,801	22,660	22,614	22,456	22,287	22,109	21,752	21,654	21,584	21,386	20,996	20,935
Non Card Issuers	31,148	30,556	30,248	30,665	31,674	32,018	32,107	32,155	32,185	32,071	32,418	32,463
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

LINK ATM Numbers by Type and Owner 2022												
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Branch	13,711	13,611	13,557	13,548	13,471							
Free Remote	27,245	27,178	27,243	27,128	27,103							
Total Free	40,956	40,789	40,800	40,676	40,574							
Pay to use	12,083	11,824	11,671	11,606	11,550							
Total ATMs	53,039	52,613	52,471	52,282	52,124							
Bank and Building Society	20,721	20,252	19,878	19,828	19,716							
Non Card Issuers	32,318	32,361	32,593	32,454	32,408							
Total ATMs	53,039	52,613	52,471	52,282	52,124							



5. 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, 88 lost free-to-use ATMs have been targeted for replacement and resolved, 36 through Direct Commissioning, 19 through Premiums and the remaining 33 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/>.

6. 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.

March 2022		Monthly change
Total Protected ATMs	3237	5
Live ATMs	2822	-5
ATMs No Longer Transacting	415	10
Temporarily out of action	21	-
Investigations with operator underway	12	6
ATMs Confirmed as Closed	382	4
ATMs not being replaced (a)	325	3
ATMs Targeted for Replacement	57	1
LINK Members offered premiums for replacement	10	0
LINK directly commissioning a replacement	36	1
Resolution not Possible (b)	41	2
ATMs previously targeted for replacement and now resolved (c)	88	1

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.



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(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.