



THE UK'S CASH MACHINE NETWORK

LINK MONTHLY REPORT

Aug 2022



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2. 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 cash 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.

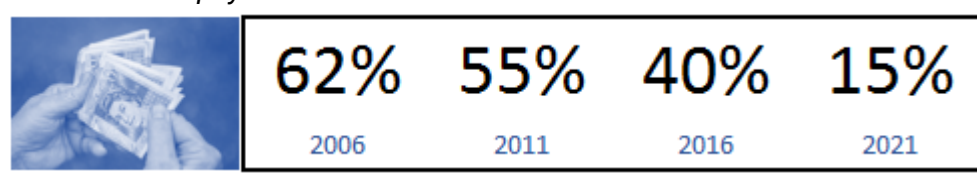
LINK continues to put a lot of effort into people planning as recruitment and retention continue to be issues across the industry. Careful network oversight continues and there are no commercial or operational issues causing concern at present. LINK and its various service providers continue to perform to the expected very high standard.

The LINK Board next meets in September.

3. UK PAYMENT MARKETS 2022

In August, UK Finance published UK Payment Markets 2022¹. This contains a wide range of payment data, including forecasts for the next 10 years. This showed that cash, despite being the second most frequently used payment method, was already in decline before falling significantly during the COVID-19 pandemic. Cash now accounts for just 15% of all payments.

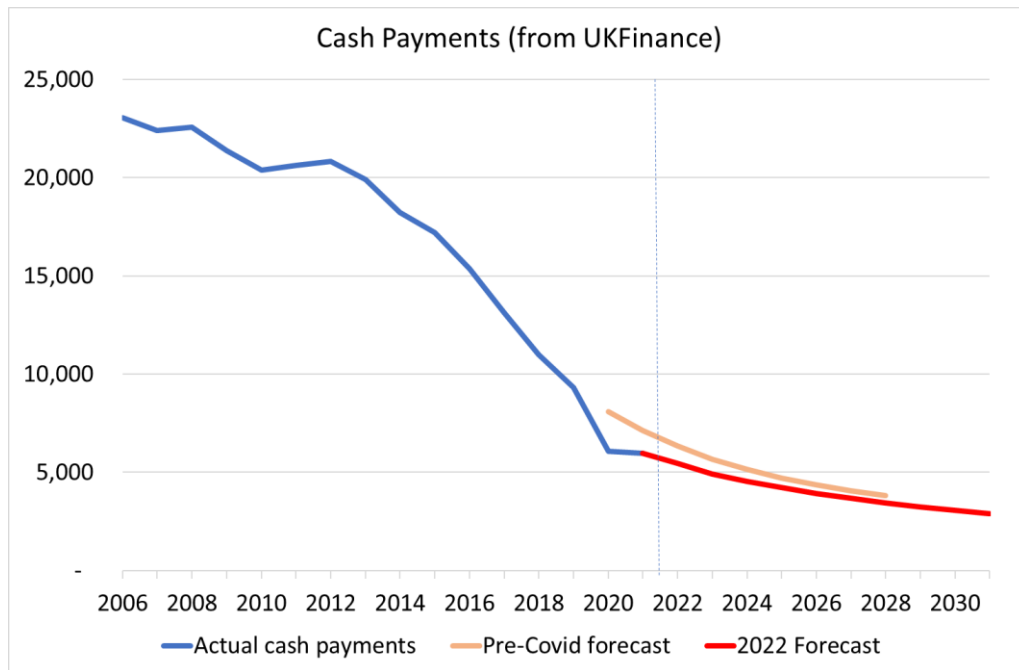
Cash as a % of payments.



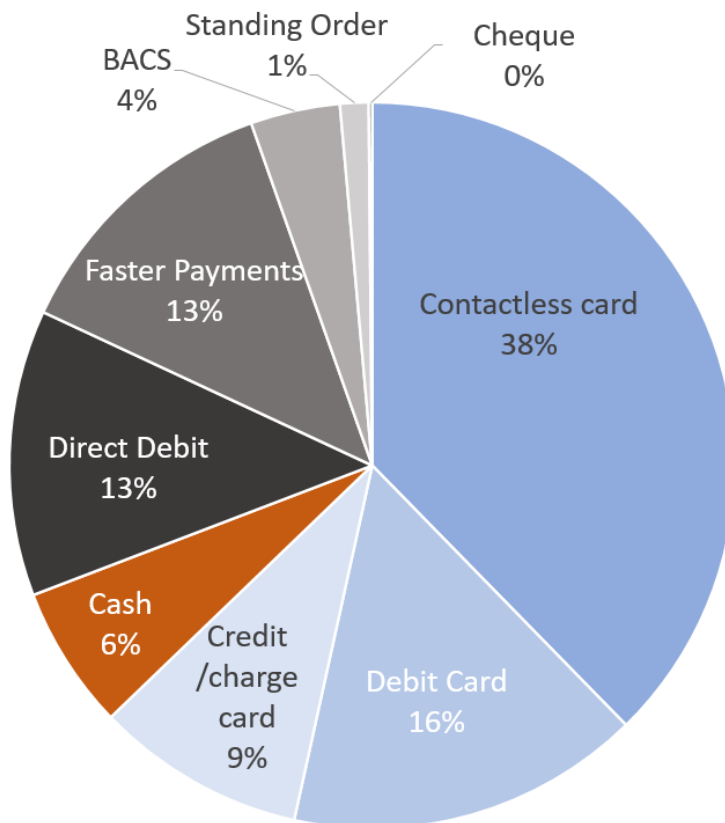
However, there are still around 1.1 million consumers who still mainly use cash when doing their day-to-day shopping and this barely changed from the 2020.

¹ <https://bit.ly/3dwZBFd>

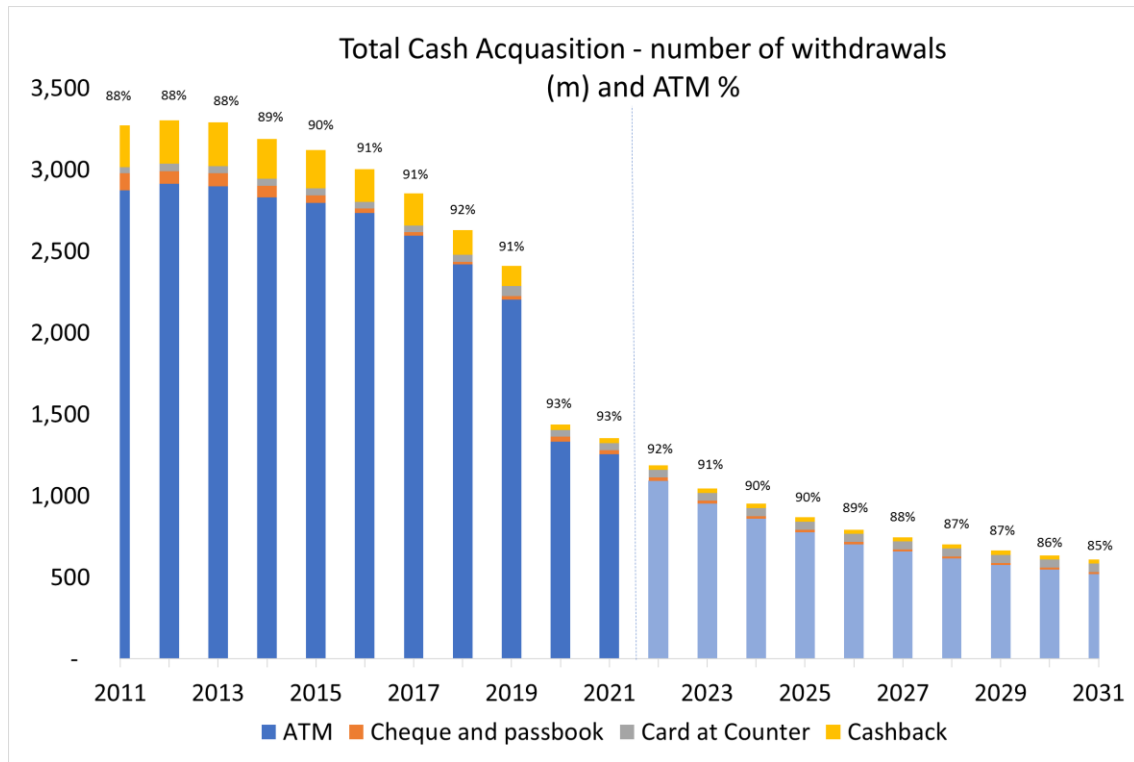
Looking forward to 2031, UK Finance forecasts cash usage to fall to just 6% of total transactions. However this means there will still be 2.8 billion cash payments, a not insignificant number.



Forecast payments percentages 2031



However despite falling cash use ATMs are still expected to dominate cash acquisition, still accounting for 85% of total withdrawals in 2031.



4. LINK VOLUMES AND VALUES

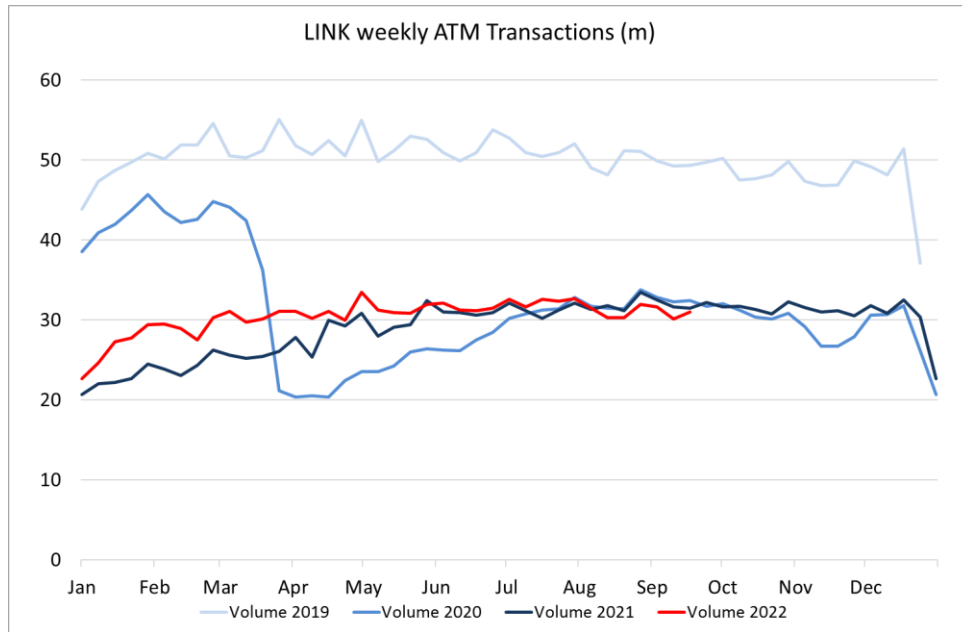
August's 137 million transactions were 2.4% lower than last year's and 3.4% below August 2020. This contrasts with July's figures which were above the last two years'. This meant there was an appreciable drop from July, something that has not seen recently. This could be a short-term effect, people now taking more holidays overseas or something longer terms as some consumers looking to cut back on their spending, perhaps concerned about the increasing cost of living.

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					

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					

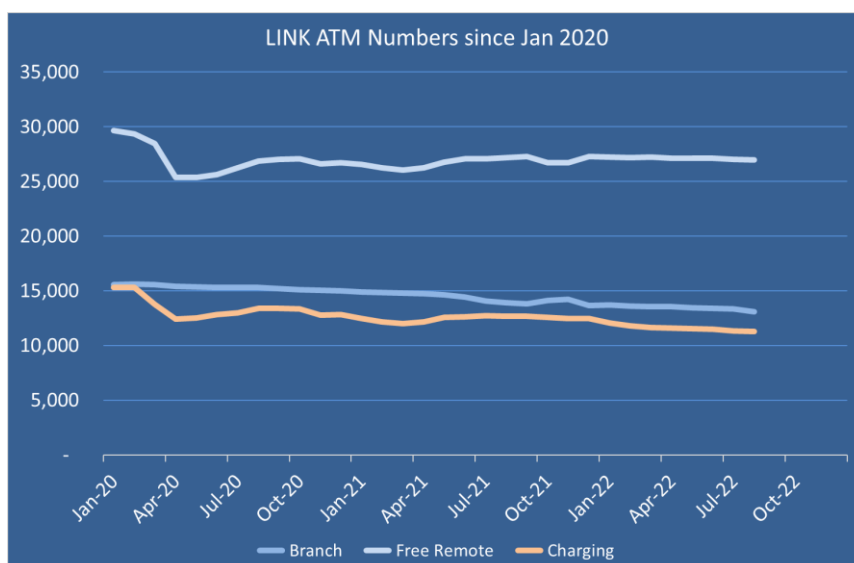
August saw almost just over £7 billion withdrawn from LINK ATMs, again slightly down on the past two years.

This means weekly ATM volumes are currently tracking below recent years, although looking forward, 2020 was increasingly affected by COVID-19 restrictions and lockdowns.



5. 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.



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, 96 lost free-to-use ATMs have been targeted for replacement and resolved, 45 through Direct Commissioning, 19 through Premiums and the remaining 32 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/>.

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.

July 2022		Monthly change
Total Protected ATMs	3,298	6
Live ATMs	2,869	7
ATMs No Longer Transacting	429	-1
Temporarily out of action	23	-1
Investigations with operator underway	9	2
ATMs Confirmed as Closed	397	-2
ATMs not being replaced (a)	342	2
ATMs Targeted for Replacement	55	-4
LINK directly commissioning a replacement	11	-6
Resolution not Possible (b)	44	2
ATMs previously targeted for replacement and now resolved (c)	96	4

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.