

# Scottish Affairs Committee

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From the Chair, Pete Wishart MP

Hannah Nixon

Managing Director

Payment Systems Regulator

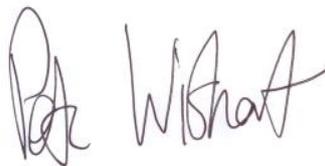
20 June 2018

Dear Ms. Nixon,

Thank you for giving evidence to the Scottish Affairs Select Committee's recent evidence session on the ATM network in Scotland.

During that session several contributors expressed the view that the PSR had not done enough to adequately understand the potential implications of LINK's changes and that further intervention is necessary. In response you stated that, if there is something that organisations such as Which? and the Federation of Small Businesses feel the PSR hasn't taken into account, that you are "definitely open to understanding that and looking at that in detail". With this in mind, the Committee would appreciate a further response from the PSR on the following issues:

1. The PSR has been criticised for not considering the wider context of LINK's changes, primarily; recent bank branch closures, other free alternative sources that consumers can use to access cash, and the role of the Post Office. The Committee would be grateful if you could set out whether the PSR considered the wider issues of access to cash when coming to its position on LINK proposals, and, if so, how it influenced the conclusions you came to?
2. LINK's consultation process was criticised during the inquiry for not considering alternative changes to the interchange fee reductions. It was suggested that the PSR could come back to this and consider alternative approaches that may be more effective in addressing LINK's concerns with the current system. Has the PSR considered alternative options and, if so, could it report back to the Committee with the conclusions that it reached?
3. It has been argued that LINK's reductions to interchange fee rates are a case of LINK being pressured into making a decision against the interests of consumers in order to protect the LINK scheme from losing members to competitors offering lower rates. Does the PSR believe that the current competition within the UK ATM network adequately corresponds with all of the PSR's statutory objectives (which include promoting the interests of both businesses and consumers and promoting effective competition), or is there scope for improvement?
4. During the session you said that the PSR will be engaging with consumers across the UK, including in Scotland, over the next 6 months to determine if the first cut to interchange has an adverse impact. Can the PSR provide further information to the Committee on how it will be engaging with Scottish consumers within this period?



**Pete Wishart MP**  
Chair, Scottish Affairs Committee