

Nicky Morgan MP
Chair, Treasury Select Committee
House of Commons
London
SW1A 0AA

11 September 2018

Dear Nicky,

Following my letter to you of 1 August, I am writing to bring you up to date on the latest developments with LINK and the UK's ATM network.

Promoting the interests of users is one of our statutory objectives. As such we are committed to ensuring that ATMs continue to serve the needs of UK consumers and businesses, and we will not hesitate to take the required action to meet this commitment.

As set out in my letter of 1 August, we have now received the first set of figures and formal report from LINK, which it will publish on 12 September. We have also received the supplementary information we asked LINK to provide.

The figures show that **76** protected free-to-use (FTU) ATMs closed between 1 February 2018 and 1 July 2018. Of these:

- 12 were not accessible to the public (for example in a private business premises). Their closure does not appear to raise public access issues.
- 43 were located where a Post Office (PO) offering free cash withdrawals is available within 1km (21 of these were sited at a PO). We have asked LINK to consider whether a PO counter is a reasonable substitute in all cases.
- 21 require further investigation or are already targeted for replacement.

Given LINK's public commitment to maintain the broad geographic spread of FTU ATMs across the UK¹, we are concerned about the number of closures that have occurred during this period, before the change to the interchange fee. We believe LINK needs to develop more thoroughly, and set out more explicitly, its policies on monitoring and protecting FTU ATMs and getting protected, closed machines replaced as quickly as possible.

To ensure LINK does meet its commitment, we will now be developing a Specific Direction requiring LINK to do this, and to report to us on these on a regular basis.

¹ <https://www.link.co.uk/media/1351/h-documents-uploads-link-interchange-decision-31-january-2018.pdf>

I will also be writing to the banks that are members of the LINK scheme to confirm their commitment to providing this vital service to UK consumers and businesses.

These recent closures and the faster-than-anticipated decline in ATM withdrawals highlights the need to put in place a sustainable solution to providing continued free access to cash. As such, we are keen to work with Government and other interested stakeholders to inform our work on the future provision of access to cash and the role of regulation in achieving sustainable solutions. We are also conducting research with consumers and businesses to better understand their needs and how they use and access cash in the UK.

I hope this update is helpful in clarifying the current situation with LINK and the provision of FTU ATMs across the UK. I will of course keep you updated with future developments.

In the meantime, please let me know if you would find it helpful to have a meeting to discuss this issue in more detail.

Yours sincerely



Hannah Nixon
Managing Director