



Treasury Committee

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Hannah Nixon
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Dear Ms Nixon

Thank you for your letter of 30 November providing an update on the PSR's response to recent developments in the ATM market.

As I noted in my letter to LINK on 27 November, the Treasury Committee would clearly be concerned if changes to the LINK interchange rate led to a significant reduction in the number of free-to-use ATMs. It is also important that any changes to the LINK interchange rate ensure that the network remains sustainable in the long-term. It would be hard to argue that a significant reduction in free access to cash would be consistent with the PSR's statutory objective to promote the interests of service users.

I recognise that the PSR is monitoring this situation closely and that you feel your statutory powers would allow you to intervene effectively if consumer needs were jeopardised. It is now important that the relevant parties engage in constructive dialogue and that an outcome that protects service users is reached. The PSR should not hesitate to take appropriate steps if it feels that any party is not engaging appropriately with this process.

Significant fears over the future of the UK's ATM network have been raised in the past, but this the first time since the creation of the PSR that such a critical situation has arisen. This will therefore be an important test of the UK's model for payments regulation, not least given that similar concerns about the payments industry's ability to adequately take account of the interests of consumers were a significant driver behind the creation of the PSR.

The Committee will continue to monitor developments. I will be placing this letter into the public domain.

Morgan
Nicky

The Rt Hon. Nicky Morgan MP
Chair of the Treasury Committee