



Which?, 2 Marylebone Road, London, NW1 4DF  
Date: 16 November 2021

## Consultation Response

### **Which? Response to Payment System Regulator's (PSR) consultation CP21/9: Draft Specific Direction on maintaining free-to-use ATMs**

Which? welcomes the opportunity to respond to the PSR's consultation *CP21/9: Draft Specific Direction on maintaining free-to-use ATMs*.

In our view, Specific Direction 8 (SD8) serves an important purpose in maintaining access to cash, by ensuring that LINK has policies and practices in place to maintain a broad geographic spread of Free-to-Use (FTU) ATMs. This is particularly important for the 5.4 million adults who rely on cash for all or most of their daily purchases<sup>1</sup>. SD8 also provides helpful transparency of the measures that LINK has implemented to protect FTU ATMs, enabling the PSR and external stakeholders to monitor the actions that LINK has taken.

We therefore strongly support the PSR's proposal to issue a new Specific Direction to replace SD8, which is due to expire on 2 January 2022. The new Specific Direction should help to ensure that LINK continues to maintain broad geographic coverage of the FTU ATM Network in the UK and to meet the needs of the large numbers of consumers who continue to rely on cash.

In the 2020 Spring Budget, the Chancellor said the Government would bring forward legislation to protect access to cash and to ensure that the UK's cash infrastructure is sustainable in the long-term<sup>2</sup>. Clearly, there is likely to be some overlap between the planned legislation and the new Specific Direction. However, since both the scope of, and timetable for, legislation are uncertain at the present time, it is essential for the PSR to issue a new Specific Direction to protect consumers' access to FTU ATMs in the interim period. The new Specific Direction should remain in place until legislation to protect access to cash has been passed, a regulatory framework governing wider access to cash issues has been introduced, and a thorough assessment can be made of the impact and effectiveness of the new arrangements. This assessment should include consideration of any overlaps between the new legislative framework and the Specific Direction, and determine whether there remains a need for the new Specific Direction to continue.

We support the PSR's proposal for LINK to improve the transparency of its Direct Commissioning process, based on the findings from the PSR's previous review of SD8<sup>3</sup>. In addition, as part of the new Specific Direction, the PSR should consider requiring LINK to publish additional information to justify the closure and non-replacement of protected ATMs. Latest data published by LINK reveals that out of 3,016 protected ATMs, 422 are

<sup>1</sup> <https://www.fca.org.uk/publications/research/financial-lives-2020-survey-impact-coronavirus>

<sup>2</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/871799/Budget\\_2020\\_Web\\_Accessible\\_Complete.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/871799/Budget_2020_Web_Accessible_Complete.pdf)

<sup>3</sup> [https://www.psr.org.uk/media/ewbm4tqs/sd8-second-review\\_june\\_2021\\_v3.pdf](https://www.psr.org.uk/media/ewbm4tqs/sd8-second-review_june_2021_v3.pdf)

no longer transacting and of these 228 (7.6%) will not be replaced<sup>4</sup>. Currently, there are a number of reasons which can be given to justify non-replacement, with LINK explaining:

*(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<sup>5</sup>.*

While LINK's approach to determining where protected ATMs are not replaced is set out clearly in the 'LINK Policy on Protected ATMs'<sup>6</sup>, LINK should provide more granular detail about the reasons why it has been decided not to replace protected ATMs in specific locations. Currently, the published data merely lists the number in each category, though we understand that in each case a site visit is conducted following investigation of the local factors. Publication of the reports of these site visits would further improve transparency and provide greater confidence in the processes followed.

### **About Which?**

Which? is the UK's consumer champion. As an organisation we're not for profit - a powerful force for good, here to make life simpler, fairer and safer for everyone. We're the independent consumer voice that provides impartial advice, investigates, holds businesses to account and works with policymakers to make change happen. We fund our work mainly through member subscriptions, we're not influenced by third parties and we buy all the products that we test.

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**November 2021**

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<sup>4</sup> [LINK Scheme ATM Footprint Report \(July 2020\)](#), Published 11 September 2020

<sup>5</sup> [LINK Monthly Report - October 2021](#)

<sup>6</sup> <https://www.link.co.uk/media/1437/protected-atm-policy-v51.pdf>