

**Proposal: To improve free access to ATM cash throughout the UK – Vital for local economies both now and in recovery phase.**

- We detailed the concern over the vulnerability of the cash infrastructure in letter of 30th March, here is a proposal to greatly assist consumers and the UK economy.
- The reduction in volumes due to shut down of retailing other than grocery and travel restrictions has reduced ATM transactions by 50-60%. This impact on revenue at this time means that even more local food retailers may not have an ATM, even though a local bank branch may have closed or a free machine becomes a pay ATM which means far less transactions and that the consumer pays not their bank.
- The pay ATMs also deflect economic activity and consumers elsewhere – away from the locality.
- Cash is important for budgeting, helping the vulnerable, elderly and isolating. Never has it been more important and it is now a much larger share of the much-reduced payments made by consumers.
- Growth of pay ATMs means less well-off customers are frequently paying £1 or up to £2 to withdraw £10 or £20, instead of an interchange fee of c.40p up from 25p paid by their bank for a ‘free’ transaction.
- As overall ATM transactions have halved this would still be much less than the banks would have expected to pay immediately before the pandemic.

**NoteMachine group is prepared to revert all recently converted ATMs from charging back to free.**

- It would mean a great deal to many people and communities, helping local economies and the vital local retailers that have become so important if consumers are to avoid traveling.
- This would be a considerable stimulus to the faltering local economy and reduce crowding into larger and more distant stores. The convenience store market is a beneficiary and now really key to consumers and reducing travel.
- It would mean a reduction in economics for us but worthwhile for a better economy and is line with the mechanism of LINK cost study pricing that drove near universal free to use ATM transactions at lower economic cost than anywhere else.
- While we cannot speak for our competitors this pricing would apply universally to ATMs whether those of banks or independent operators and is likely to result in them following this led to “free” ATMs. We would convert over 2,500 machines to “free” and if the rest of the market did likewise it could mean a total of 5-6,000 accessible, local outlets becoming “free”.
- The increased cost per transaction of 40p on currently reduced volumes would move the banks interchange cost back in line with pre coronavirus. It is only exactly how the LINK scheme did work to adjust infrastructure costs by volume, before the LINK / Bank move to abandon this competitive regulator agreed approach in July 2018. This has created ATM deserts and far fewer free ATMs.
- The alternative is that the consumer pays more, £1-£2, and there is much less cash in the economy.
- We believe the proposed “free” move would be a great outcome for all.