

# Consultation Paper

## CP23/29\*\*\*

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# Access to Cash

December 2023

## How to respond

We are asking for comments on this Consultation Paper (CP) by **8 February 2024**.

You can send them to us using the form on our [website](#).

Or in writing to:

Retail Banking  
Financial Conduct Authority  
12 Endeavour Square London  
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**Telephone:**

020 7066 1000

**Email:**

[cp23-29@fca.org.uk](mailto:cp23-29@fca.org.uk)

When we make rules, we are required to publish an account of the representations we receive and how we have responded to them. We are also required to publish a list of the names of the respondents who made the representations, where those respondents consent to the publication of their names. In your response, please indicate whether or not you consent to the publication of your name. For further information on confidentiality of responses, see the Disclaimer at the end of this CP.

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## Chapter 1

# Summary

## A consultation on how we support access to cash in an increasingly digital world

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- 1.1** We are responsible for regulating and supervising the UK retail banking industry.
- 1.2** The ability to make and accept payments for goods and services is at the heart of day to day life. We have seen significant innovation and change in the way that consumers can pay and businesses will accept payments – the volume of payments in the UK that do not involve cash rose from around 46% to 86% in the decade to 2022. This rise has been driven by innovation in payments and changes in customer behaviour, and accelerated during the pandemic. Consumer demand, new technologies and the cost of accepting cash payments are driving the shift to digital transactional banking. Digital payments can decrease cost and increase convenience and efficiency for both businesses and consumers.
- 1.3** However, while digital payments can make life easier, cash is still vital for many. Our Financial Lives Survey found 3.1 million adults (6%) used cash to pay for everything or most things in the 12 months up to May 2022. Cash remains particularly important for consumers with vulnerable characteristics and many small businesses.
- 1.4** So it is therefore important that we manage the pace and impact of any change, and ensure consumers are given appropriate support.
- 1.5** This is why, through the Financial Service and Markets Act 2023, Parliament tasked us with 'seeking to ensure reasonable provision' of cash deposit and withdrawal services for personal and business current accounts across the UK. This includes access to both notes and coins, and access that is free of charge for consumers with personal current accounts. In determining 'reasonable provision' we are also required to have particular regard to local deficiencies in the provision of cash access services which have significant impacts.
- 1.6** This consultation sets out proposals to establish a new regulatory regime, using the new powers given to us. Our rules will require banks and building societies designated by the Government to assess and fill gaps, or potential gaps, in cash access provision that significantly impact consumers and businesses.
- 1.7** While we must exercise our powers for the purposes set out by Parliament, we welcome views in response to this consultation on the proportionality of our approach to ensuring the reasonable provision of cash deposit and withdrawal services.

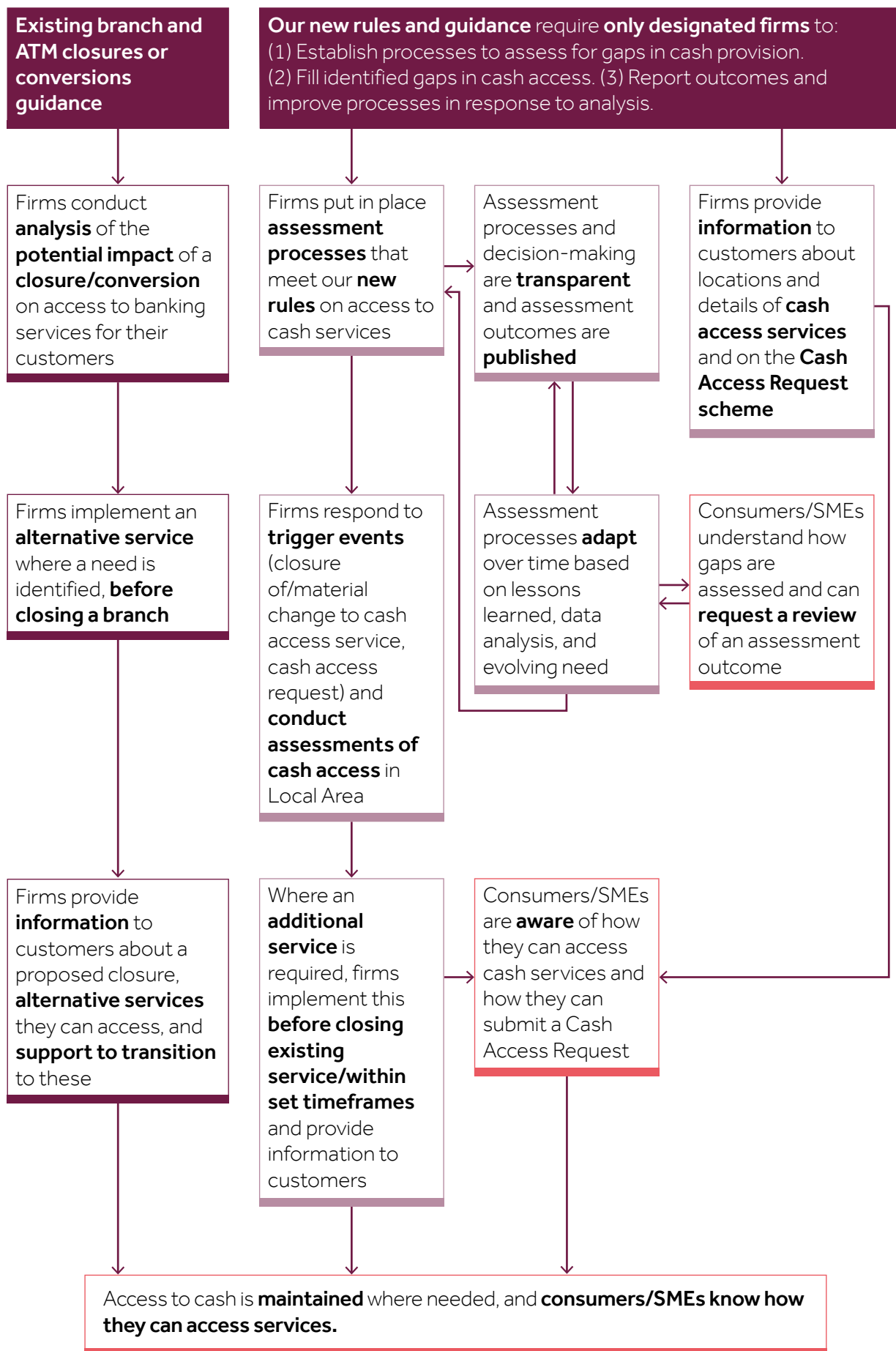
## The wider context and how it relates to our work

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- 1.8** We are consulting amidst a fundamental shift in retail banking.
- 1.9** Over the past few years, we have been monitoring and publishing data on the provision of cash access services. As of Q1 2023, 95.1% of the UK population are within 1 mile of a free to use cash withdrawal point, such as cash machines and Post Office branches, with 99.7% of the UK population within 3 miles of one.
- 1.10** In pursuing the reasonable provision of cash access services in the UK, we must have regard to the Treasury's August 2023 Statement (the Statement). This judges that on a national level, the distribution of cash access services is broadly comprehensive and a substantial redistribution or large-scale introduction of additional access points is not required.
- 1.11** However, as the way people pay changes, so too is the shape of branch and ATM networks. Our data suggests that in the 2 years to Q1 2023, 1,391 bank and building society branches closed, as did 2,176 free-to-use ATMs. As the Statement acknowledges, what is a reasonable provision of deposit and withdrawal services may differ by location, and local circumstances and needs may change over time with lack of access affecting locations differently. We recognise the importance of cash access services to local communities and economies, and know that the loss of such services can have significant impacts.
- 1.12** Against this backdrop, industry, the Post Office, and consumer groups have set up a voluntary initiative through the Cash Action Group. Under this initiative, the operator of the UK's main ATM network, LINK, assesses community cash access needs where cash access facilities close or consumers report there are gaps in provision. It then works with firms to deliver additional services where these assessments identify additional services are required.
- 1.13** While we welcome the collaborative approach of industry, we are concerned the current and significant delays in installing services risks harming cash reliant SMEs and individuals: 101 banking hubs and 88 deposit solutions have been recommended, but only 23 hubs have been delivered, with another 7 hubs expected before the end of the year. More must be done to improve the timely delivery of services following the closure of facilities and where cash access gaps have been identified. More should also be done to ensure individuals and organisations concerned about cash access understand how gaps are assessed and where appropriate, challenge decision making.

- 1.14** Our proposed regime aims to strengthen accountability and transparency to ensure cash access services accommodate local needs. This includes SMEs and those who are most reliant on cash, such as those on low incomes or displaying other characteristics of vulnerability. We propose to require designated firms, acting alone or via a designated coordination body, to establish a cash access request process. This will allow local communities to ask for significant gaps in local cash provision to be addressed. It should build upon the benefits of the existing voluntary scheme run by industry and place it on a regulatory footing.
- 1.15** Our proposed new rules and guidance will go further than the existing voluntary scheme by requiring all designated firms, acting individually or (where permitted) through a coordination body, to:
- Develop a more comprehensive cash assessment process that is more responsive to a wider range of local needs.
  - Publish assessment outcomes and make processes transparent.
  - Respond to a wider range of trigger events to undertake a cash assessment in a local area.
  - Meet set timeframes for delivery of additional cash access services identified by cash access assessments. This will prevent unreasonable delays, reducing the cost burden on consumers and businesses that can arise from limited access to cash in their local area.
- 1.16** We set out our proposed access to cash rules and guidance in Appendix 1 (Draft Handbook text). After our consultation, we expect to publish our finalised rules, currently in draft in Annex D to the instrument in an 'Access to Cash Sourcebook'. While these rules will only cover cash access services, they will be supplemented by our existing guidance on branch and ATM closures or conversions (FG22/6).

The diagram below shows how our new cash access regime will work alongside the existing Branch and ATM closures or conversions guidance.



## Who this consultation applies to

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**1.17** This consultation applies to:

- firms which provide current accounts to personal or business customers and anticipate being designated by the Treasury under Part 8B of the Financial Services and Markets Act 2000 (FSMA), as they will be subject to the new rules set out in Chapters 4, 5, 6, 7, 8 and 9.
- businesses which anticipate being designated by the Treasury under Part 8B of FSMA as a coordination body, as they will be subject to our new rules in Chapter 4, 5, 6, 8 and 9.
- businesses involved in the supply of cash access services and operation of cash facilities, including the Post Office and operators of payment systems through which cashback is provided, as they may be subject to new requests for information, as set out in Chapter 9.

**1.18** We also wish to hear views from:

- groups or those representing the interests of consumers and SMEs
- customers who rely on cash access services
- other firms which provide current accounts to personal or business customers

## Outcomes we are seeking

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**1.19** Our outcomes focused assessment framework is designed to deliver sustainable outcomes in local service provision, be flexible enough to accommodate different cash needs in different areas and be responsive enough to adapt to trends in cash usage. We want our new rules and guidance to:

- **Address the local needs of consumers and businesses** – Designated firms and FCA efforts are focused on consumers and SMEs in local areas who would be most impacted by a deficiency in provision.
- **Prevent unreasonable costs to accessing services** – Consumers who rely on cash can access it without facing charges or unreasonable travel costs or travel time.
- **Maintain assisted services where needed** – Consumers who are unable to self-serve via an automated or digital service have reasonable access to cash services that help them deposit or withdraw cash as needed.
- **Ensure access to coins** – Consumers who require access to coins as well as notes have reasonable access to this, giving them access to non-rounded amounts.
- **Maintain cash deposit services for local business** – Small retail businesses have reasonable access to cash deposit facilities so that they can accept cash and offer cashback. This will help ensure customers who rely on cash are able to spend it more widely.
- **Support continued innovation** – Encouraging new cash solutions that are efficient, cost-effective, can serve a wider range of customers and adapt to meet evolving consumer and small business cash needs.
- **Enhance collaborative efforts** by industry designed to deliver efficiencies around the independent assessment of local needs and shared cash access solutions.
- **Improve accountability and delivery times** for appropriate cash access solutions.

## What we propose: a summary of our approach

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**1.20** In our Access to Cash Statement of Policy (August 2023), we said that we want to make rules that are sufficiently flexible to respond to the needs of personal customers and SMEs in different local areas across the country and how these needs may vary and evolve over time. Under our proposed new regulatory regime, designated firms would be required to:

- Undertake **cash access assessments** to determine whether additional cash access services are required to address local deficiencies where there is a planned or unplanned **closure of a cash access facility, or material reduction or change in the services it provides.**
- Respond to **cash access requests** from local residents, community organisations and representatives to consider, assess and plug gaps in local deficiencies.
- **Deliver additional cash services to fill gaps in cash service provision** where cash access assessments show that there is or will be a local deficiency in cash access with significant impacts and provision of the additional services is reasonable.
- Ensure they **do not close cash facilities, including bank branches, until any additional cash services identified as needed in the relevant assessment are available.**
- **Provide customers with clear information about where they can access cash services** and how to raise concerns about a deficiency in cash access in their local area.

**1.21** We strongly encourage designated firms to work through a single independent co-ordination body designated by the Government to meet their requirements around assessments under our proposed rules which we set out in Chapters 4 and 5. For this reason, the rules we are proposing will apply to both designated firms and, where appropriate, any designated independent coordination body acting on their behalf (collectively referred to in this consultation as designated entities).

**1.22** We are proposing an outcome-based approach to setting expectations around local cash access assessments. Rather than prescribe a rigid set of minimum criteria, our proposed rules will require designated entities to assess whether there are cash access deficiencies in a local area and robustly examine a range of factors to determine if any identified deficiencies are likely to cause a significant impact in the local community. For example, factors such as population demographics of an area, impacts on vulnerable customers and geography of area. We set these factors out further in Chapter 2.

## How our proposals relate to our strategic and operational objectives

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**1.23** Our proposals align with our strategic objective of ensuring the relevant markets function well. They seek to ensure the reasonable provision of cash deposit and withdrawal services which will support transactions between consumers and businesses.



- 1.24** Under the new section 131Z2 FSMA, our competition duty in section 1B(4) FSMA, secondary competitiveness and growth objective in section 1B(4A) FSMA and operational objectives in section 1B(3) FSMA including: the consumer protection objective; the integrity objective; and the competition objective do not apply when discharging a function under Part 8B FSMA. This is because our cash purpose represents a standalone objective for the FCA. Our proposals specifically relating to the costs of supervision, set out in detail in paragraphs 1.34-1.35, are not intended in themselves to advance our objectives, but to fund work we do to further them. So these proposals indirectly advance both the cash purpose, and, insofar as necessary, our operational objectives. However, our regulatory approach continues to observe regulatory principles, including the principle of proportionality.
- 1.25** We continue to advance our operational objectives through other rules and guidance, and firms should continue to abide by their responsibilities under these. In particular, firms should remain mindful of their wider responsibilities to their customers, not limited to accessing cash, under PRIN 12 (Consumer Duty). The Duty requires a high level of protection for retail customers by firms, with a focus on good outcomes. As outlined in [FG22/5 Final non-Handbook Guidance for firms on the Consumer Duty](#), firms should engage with us if they are considering withdrawing or restricting access to products or services in a way that will have a significant impact on vulnerable consumers or on overall market supply.

## Exclusions and limitations of our regulation

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### Wider banking services and bank branch closures

- 1.26** Our new powers do not extend to the provision of wider banking services. They are not directed towards the maintenance of branch networks or stopping bank branch closures generally. However, our proposed access to cash rules will impact when firms may close bank branches because of the cash access they provide, supplementing our existing [Branch and ATM Closures and Conversions Guidance](#).

### Specific Direction 12

- 1.27** [Specific Direction 12 \(SD12\)](#) is a regulatory tool used by the Payment Systems Regulator (PSR) to deliver its strategic outcome of ensuring everyone has access to payment systems that meet their needs. SD12 came into effect in March 2022 and holds LINK accountable for maintaining a broad geographic spread of free-to-use ATMs that allows users to access cash when they need to. SD12 and our new proposed access to cash rules are complementary as they have a similar policy objective in ensuring the provision of cash access services align to users' needs. In line with the PSR's regulatory remit SD12 is focused solely on ATMs as a channel for cash access provision whereas our new powers and proposed rules have a wider remit and are 'channel neutral' in terms of cash access facilities. We will continue to work with the PSR on ensuring SD12 and our proposed rules remain aligned.

## Cash acceptance

- 1.28** This consultation does not look at the acceptance or non-acceptance of cash by retailers. We do not have powers to require retailers to accept cash as payment for goods or services. The existing law allows retailers to decide whether to accept cash or to only accept digital payments. However, our proposed approach will aim to ensure SMEs have sufficient access to cash deposit facilities, helping ensure that those retailers who do wish to accept cash remain able to deposit cash.

## Denominational mix in ATMs

- 1.29** The Bank of England is responsible for setting targets for the denominational mix of notes in ATMs. However, our proposed rules will require designated firms and coordination bodies to take the needs of local areas into account when carrying out cash access assessments. We encourage firms to consider if they can align their denominational mix targets to those areas of the country which may have a particular need for access to lower denominations of notes.

## Wholesale cash distribution

- 1.30** Our new powers are focused on cash access for individual and SME retail customers, and do not extend towards the arrangements by which cash is made available to providers of cash access services such as banks, ATMs and Post Offices themselves. We recognise the importance of the wholesale cash system in enabling people to use cash, and are closely engaging with the Bank of England who were given new powers to supervise wholesale cash distribution as part of the Financial Services and Markets Act 2023. They set out their intended approach to overseeing the wholesale cash market in a recent [statement of policy](#), and are currently consulting on proposals for the market oversight codes of practice, which provide transparency on the minimum standards of conduct and practice that recognised firms must meet. The [consultation](#) includes a draft Data Catalogue which forms part of the Code of Practice on Information gathering and detailed guidance which helps recognised firms comply with the requirements. The Bank of England expects to consult on and publish its approach to enforcement in 2024.

## Measuring success

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- 1.31** We will continue to collect data from providers of cash access services to monitor cash coverage at a national level and to report our findings publicly and to the Treasury. This will include continuing to look at the distances people live from cash access services. This information will be supplemented by new information we are requesting from designated entities and others to look at the mix of cash services and cash access facilities available in local areas to assess the responsiveness of firms to the needs of local customers and businesses. Further information about our approach to supervision, enforcement and proposed new reporting requirements is in Chapter 9.

- 1.32** We will engage with a range of stakeholders about the impact of our new rules on access to cash services. This includes designated firms, designated coordination bodies, our consumer network and organisations representing SMEs.
- 1.33** We will continue to use our Financial Lives Survey to track the experience of consumers who rely on cash, including their numbers, the characteristics they share, and their experiences of accessing it.
- 1.34** We expect the way people engage with cash access services to continue to change over time. Our proposed rules are intended to be flexible enough to adapt to consumers' and SMEs' changing needs, but we will continue to keep their suitability under review. We will remain open to revising them if our data suggests our final policy stops delivering the intended outcomes.

## Data-led supervision

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- 1.35** In our commitment to being an innovative, assertive and adaptive regulator, we are using our improved data and digital capabilities to be more forward-looking and proactive. Chapter 9 sets out our data-led approach to supervision, and we are committed to improving our reporting requirements in this area to enhance our capability to be more proactive.
- 1.36** This should enable us to more quickly identify practices that negatively affect cash access for local communities and to intervene assertively where appropriate. For example, we will focus not only on checking whether designated entities comply with our rules but also on whether consumers know where they can access cash locally, expect changes to services and when they can expect replacement or new services installed.
- 1.37** Even with greater operational efficiency and a data-led approach, we need to prioritise. Our remit is large and growing. Our commitments to our data-led supervisory approach will allow us to prioritise our interventions where they can have the greatest impact.

## Fees

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- 1.38** We recover our costs from the firms we regulate. We are required by section 131Z1 of FSMA, as amended by FSMA 2023, to restrict recovery of costs that relate to the new access to cash rules to the current account providers which will be designated by the Treasury. These firms will all be deposit-takers in fee-block A.1, whose fees are based on their Modified Eligible Liabilities (MELs). To limit cost recovery to these designated firms without imposing any new data requirements on them, we propose to put them into a new fee-block (A.24) and calculate their fees from the MELs they have already reported to us for fee-block A.1. Designated firms will pay A.24 fees in addition to their A.1 fees. Like all other firms in the A fee-blocks, they are already paying a minimum fee in fee-block A.0 so there is no additional minimum fee associated with A.24. We accordingly propose to set the minimum fee threshold in A.24 at zero to ensure that all firms in it

contribute towards recovery of the costs of the access to cash project and regime. There will not be any application or variation of permission (VoP) fee.

- 1.39** We propose to recover project costs in 2024/25, along with the annual costs of fulfilling our obligations under the access to cash regime. We will consult on the rate through our annual consultation on FCA fee-rates in April 2024. It will be calculated from the annual budget agreed by the FCA Board and published in our Business Plan. The final rate after consultation will be set by the FCA Board in June 2024. Based on the information currently available to us, we estimate that the fee-rate for fee-block A.24 in 2024/25 is likely to be in the range of £1.00 – £1.50 per £1m or part-£m of MELs. This would be equivalent to between 5% to 7% of the fees they already pay in fee-block A.1. Following the recovery of our regime set up costs, we expect the ongoing regulatory costs to represent 1.5% to 2% of the A.1 fee. You can find the proposed changes to the fees block in Annex B to the instrument at Appendix 1 to this paper [draft handbook text].

## Equality and diversity considerations

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- 1.40** We have evaluated the equality and diversity impacts that may arise from our proposals. We consider that by seeking to maintain reasonable access to cash services, our policy proposals will have a positive impact on consumers who rely on cash. This includes those with protected characteristics, who in some cases may be more likely to rely on cash. For example, our 2022 Financial Lives Survey shows that those of an older age, with disabilities, or from minority ethnic backgrounds, are all disproportionately likely to rely on cash as a payment method compared to the population as a whole.
- 1.41** We do not consider that our proposals will negatively impact any groups that share protected characteristics under the Equality Act 2010.
- 1.42** We will continue to consider the equality and diversity implications of our proposals during the consultation period and will revisit them following any relevant feedback.
- 1.43** Further information on our Equality Impact Assessment is in our compatibility statement at Annex 2.

## Next steps and implementation period

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- 1.44** We want to know what you think about our proposals. Please send us your comments on our proposals by 8 February 2024 using one of the methods in the 'How to respond' section on page 2. We will make your response available for public inspection unless you ask us not to.
- 1.45** We expect to finalise our rules in Q3 2024, alongside the publication of our Policy Statement. We recognise there may be a high volume of cash access requests in the initial period after the rules come into force. So we are considering, and consulting on, a transitional period which would give designated entities additional time to carry out cash access assessments for the first 3 months after the rules come into force.

## Chapter 2

# The wider context

**2.1** Notwithstanding the long-term shift towards digital transactional banking, access to cash remains vital for many consumers and businesses. There is a risk that without appropriate controls, a decline in the provision of cash access services could have a significant impact on the 3.1 million customers who use cash to pay for everything or most things. A significant proportion of these customers are likely to have vulnerable characteristics and be on low incomes. Reliance on cash will continue to change over time. Our proposed access to cash rules and guidance focus on helping consumers and SMEs adapt to those changes. This sits alongside a much broader government and industry-wide agenda around supporting financial and digital inclusion.

**2.2** In this chapter we set out:

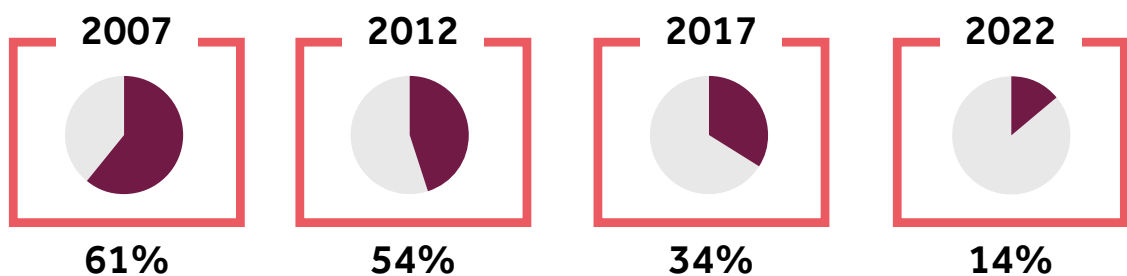
- the decline in the use of cash and growth of digital payments
- which groups of consumers and SMEs are most reliant on using cash and the potential impact caused by the unmanaged decline of cash access services
- the case for managing the decline for cash access services
- a collective approach to supporting the reasonable provision of cash access services for local areas

## Declining demand of cash and growth of digital payments

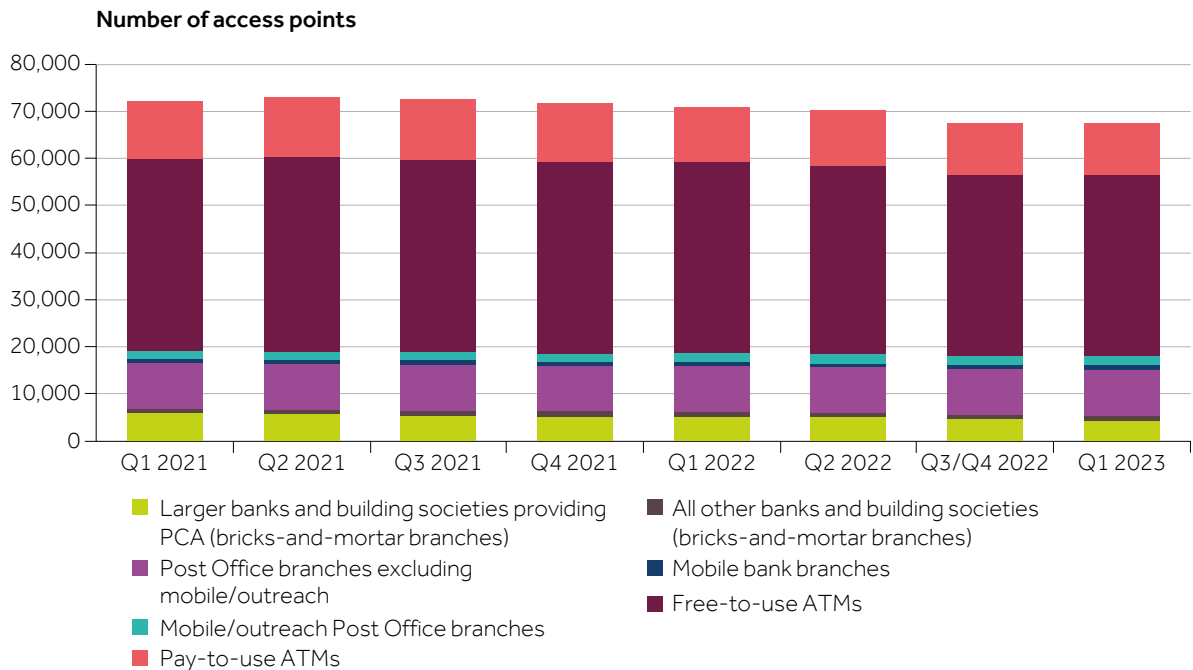
**2.3** There has been a decline over several years in the usage of cash as a percentage of all payments in the UK. This is shown in the diagram below.

### Declining demand for cash

Cash as a % of all payments



**2.4** According to our data, the number of cash access facilities has been steadily declining in the last few years. This is shown in the diagram below.



**2.5** The volume of payments that do not involve cash in the UK has risen from around 46% a decade ago, to 86% as of 2022. This change is being driven by technological advances. For example, contactless payments, banking apps and mobile wallets are increasingly popular among consumers of all ages, who want a faster way to pay and the convenience of not carrying cash. The Covid-19 pandemic accelerated this move towards digital payments. In August 2023, contactless payments accounted for 64% of all credit card and 76% of all debit card transactions. However, for the first time in a decade, the volume of cash payments rose by 7% year on year in 2022, possibly due to post-pandemic rebound, economic uncertainty and the increased cost of living. However, this overall decline in the demand for cash can mask differences in cash usage in some parts of society. Cash remains a vital method of payment for many consumers, particularly those with vulnerable characteristics, with 1 billion cash withdrawals in 2022. We explore cash usage in more detail later in this chapter.

## Cash is still widely used by some groups of society

**2.6** Cash remains a vital payment method for many consumers in the UK, particularly those with vulnerable characteristics. Our latest Financial Lives Survey (FLS) found that an estimated 3.1 million UK adults (6%) used cash to pay for everything or most things over the 12 months up to May 2022, this rises to 9% for those who had one or more characteristics of vulnerability. The proportion of UK adults that used cash to pay for everything or most things increases to 26% for those that are digitally excluded, 15% for those that have poor health and 14% for those with a household income less than £15,000. Our internal research using the FLS 2022, which we plan to publish in due course,

finds that digital exclusion and having a low income are the demographic characteristics that have the largest impact on the probability that an individual relies on cash.

## Low financial resilience

- 2.7** Individuals with low financial resilience, for example due to having a low income, are more likely to rely on cash. The FLS 2022 found that 14% of those with a household income less than £15,000 use cash to pay for most or everything. This is supported by [London Economics research](#) (commissioned by the FCA) which found that on average respondents to their survey on lower incomes use cash services more often than those with higher incomes.
- 2.8** Those with low financial resilience often rely on cash to help manage their budget. [RSA](#) research found that two thirds of those that would most struggle to cope in a cashless society relied on cash for budgeting. [Savanta ComRes](#) qualitative research (commissioned by the FCA) found many of those dependent on cash relied on it to manage a very low income and avoid overspending. They may be also less likely to have access to digital infrastructure as found by the [Access to Cash Review](#).

## Digital exclusion

- 2.9** Consumers that are digitally excluded are also more likely to rely on cash. The FLS 2022 found that 26% of those that are digitally excluded use cash to pay for most or everything.
- 2.10** Consumers can be digitally excluded as result of low digital skills or confidence, or a lack of (or inability to afford) digital access. However, our internal research using FLS 2022, which we plan to publish in due course, on average finds that cash reliance is more likely to be driven by having low digital skills.
- 2.11** Poor digital access due to poor internet connectivity can also, however, make it more difficult to use online payment services. The Access to Cash Review highlights that those living in remote or rural areas can experience a lack of broadband or reliable 4G mobile data coverage. They are more likely to not use the internet and for similar reasons be unable to rely on digital payments, so instead use cash.

## Other factors

- 2.12** There are other factors that are associated with greater reliance on cash: for example, being older or in poor health. For example, the Access to Cash Review found that 75% of the UK population believed a cashless society would mean older people would find it difficult to do everyday things like pay bills. [Research by Ofcom](#) and our own FLS 2022 suggest these factors are likely to be correlated with one or both of digital exclusion and low financial resilience.

## Potential impact of an unmanaged decline in the provision of cash access services

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- 2.13** To improve our understanding of the impact of cash services closures, we commissioned London Economics (in partnership with YouGov and Kudos Research) to provide quantitative estimates of the costs to individual consumers and SMEs associated with a loss of access to cash services at the location they usually use them. A key component of this research project are UK-wide surveys of consumers and SMEs, conducted by YouGov and Kudos Research with oversight by London Economics. This includes an online survey of 1,540 consumers and 1,533 SMEs by YouGov and a CATI (Computer Assisted Telephone Interview) survey of 150 consumers by Kudos Research. The fieldwork was conducted over October and November 2022 and the resulting data was weighted to be representative of consumers who use cash at least once a month and SMEs which are likely to accept cash. The full results of this research can be found in [the narrative report](#) and the details of their methodology can be found in [the technical report](#).
- 2.14** In response to a loss of access to cash services at their usual location, there are a number of reactions that individuals and businesses may take. The reactions considered in this research were as follows: continue to access in-person cash services but at an alternative location, switch bank, substitute in-person cash services with digital channels (online or telephone banking, or debit or credit cards), and rely on someone else to access cash services for them. Individuals may take multiple actions in response to a closure, for example, they may continue to access cash services at a different location but also switch bank providers and use digital payment methods more often.
- 2.15** We use the findings of this research to describe individuals' reactions to losing access to each cash service at their usual location and the likely costs in this section and in our Cost Benefit Analysis (CBA) in Annex 3.

### Impact on consumers

- 2.16** The unmanaged decline in the provision of cash access services could have a significant impact on those groups most reliant on cash, such as those with vulnerable characteristics.
- 2.17** London Economics' research considers that following a closure of their usual cash access facility, individuals will decide how to respond based on the available set of choices to them, such as travel to alternative services available or switch to digital payment methods among other options. These decisions will be informed by weighing up their willingness and ability to pay to travel further to access cash services compared to their willingness and ability to switch to alternative payment methods such as digital payment methods.
- 2.18** The research estimates costs to individuals from losing access to cash services at their usual location based on their reactions to a closure. For example, if an individual decides to continue to access cash services and travel to an alternative service, they may incur



travel and travel time costs, or if they decide to make more use of digital payments, then they may incur switching and familiarisation costs.

- 2.19** The research finds that following a closure of their usual cash access facility, most individuals (99%) who use cash at least once a month say that they would continue to access withdrawals services at a different location following the closure of the service at their usual location. The proportion of those that would continue to access deposit (95%) and balance enquiry (93%) services at a different location is slightly lower but still high. The results in the most significant costs to individuals being travel and travel time costs. Consumers in rural areas typically experience higher costs when they lose access to cash services at their usual facilities than consumers in urban areas because they have to travel further to alternative locations.
- 2.20** The research also finds that individuals would also take other actions in response to a closure. Note, these actions could be taken in conjunction with continuing to access cash services at another location. For example, around 30% of individuals say they would make more use of credit and debit cards or online or telephone banking in response to a cash withdrawal service closure, and around 20% of individuals would take these actions in response to a cash deposit service closure. There is evidence to suggest that consumers may experience stress or anxiety resulting from having to use online or telephone banking or credit or debit cards if they lose access to cash services and that these costs may be higher for consumers on low incomes.
- 2.21** We consider that finding an alternative facility may become increasingly more difficult if cash facilities continue to close in an unmanaged way. For some individuals, the increased travel-related costs of continuing to access cash services may result in them switching to alternative payment methods. This could result in unreasonable costs to those who continue to try to access cash services. Costs incurred may be higher for individuals with characteristics of vulnerability. For example, if they struggle to switch banking provider to continue to access nearby assisted cash services (where consumers need help because they are not able or confident to use machines) at a different bank.
- 2.22** We consider that the burden of costs may be exacerbated for individuals with characteristics of vulnerability. This is of particular concern given that those that rely on cash are more likely to have these characteristics. For example, additional travel costs will have more of an impact on those on low incomes and those with poor health may struggle to travel further. Research by [Savanta ComRes](#) (commissioned by the FCA) found some of the people they interviewed had long-term health conditions that impaired their mobility which meant they could only travel shorter distances.

## **Access to deposit services is vital to SMEs who accept cash payments**

- 2.23** Cash payments are widely accepted by SMEs. Research by [Savanta ComRes](#) found nearly two thirds of small business owners were 'very happy' to accept cash and 78% were very likely to accept cash over the next 5 years. Some businesses rely on cash payments. London Economics' research found that 18% of cash accepting SMEs say most or all the payments their business accepts are in cash.

**2.24** SMEs that accept cash payments need to be able to deposit their cash takings and withdraw coins so that they have a cash float available to provide change for customers. London Economics' research found that the most frequently used cash service by SMEs is depositing cash, which is used on average slightly more than twice a month.

**2.25** Like individual consumers, following a closure of their usual cash access facility, London Economics' research found most cash accepting SMEs (over 90%) would continue to access cash services at a different location following the closure of cash services at their usual location and at a similar frequency. This suggests that some SMEs view cash services as a necessity, as they would continue to access them at the same frequency even when it becomes less convenient. This means that the most significant costs are travel and travel time costs. These costs may continue to increase if being able to access cash services means travelling further to an alternative facility.

**2.26** SMEs may decide to use cash services less often to mitigate against additional travel costs to deposit cash. However, this could result in further costs, including:

- keeping more cash on premises means SMEs may have to increase spending on insurance or security measures
- SMEs may have reduced capacity to serve customers wishing to pay in cash, which could lead to lost sales (eg due to lack of change)
- SMEs may feel a lack of security from carrying more cash when using cash services

### **The case for managing changes in cash provision at a local level**

**2.27** Where these costs are significant enough to create barriers to SMEs accepting cash payments, this may reduce the ability of individuals or other businesses to use cash.

**2.28** The Statement acknowledges that deposit and withdrawal needs may differ by location, between individuals and businesses, and that local circumstances and user needs may change over time with lack of access affecting locations differently. In determining 'reasonable provision' under FSMA we must have particular regard to local deficiencies in the provision of cash access services which have significant impacts. The Statement also acknowledges the importance of ensuring that 'reasonable provision' takes account of potential local deficiencies that may have a significant impact. So, our proposed approach is to focus on the provision of cash access services at a local level and on the impact of changes to cash access in local areas.

**2.29** Given the current trend of transitioning away from cash payments, it would not be proportionate to require firms to focus on local gaps which do not have a significant impact. In this way, our approach is adaptable to changing local needs and circumstances. It is not about ensuring there are no changes to current provision over time, but that change is managed appropriately.

**2.30** Our approach to conducting assessments of cash access is set out in Chapter 4. Under our proposed approach the closure of cash access facilities or material reduction or change to the cash access services they provide, and a cash access request scheme, will be the catalysts for assessments being carried out. We will use the distances set out in the Statement as a measure of whether there is or would be a deficiency in provision in a local

area. Generally, there will be a deficiency if appropriate cash access facilities, which are free to use for personal customers, with sufficient capacity are not provided within 1 mile for urban areas and 3 miles for rural areas from where the vast majority (at least 95%) of people live (see our approach to urban versus rural areas in paragraphs 3.18-3.20).

- 2.31** In determining if a deficiency is likely to have a significant impact (a significant deficiency), the focus will be on the degree to which individuals and SMEs in the area are affected by the deficiency. This includes being responsive to the different cash needs of consumers and SMEs by considering population and population demographics, the impact on those in vulnerable circumstances, geography, transport infrastructure, and the number of retailers in different local areas. In setting out these and other factors, such as the need to access assisted cash services, we have had regard to factors set out in the Statement.
- 2.32** We are taking a principles-based approach to setting expectations around the assessments designated entities must carry out to establish if deficiencies with significant impacts exist. Avoiding rigid minimum standards is necessary to allow an assessment framework which is flexible enough to accommodate for different cash needs in different local areas and is also responsive to evolving trends in cash usage.

## Working together to provide cash access

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- 2.33** This outcomes based, flexible approach would allow a collective approach to providing cash access to continue. The current industry approach to branch closures is collaborative as in December 2021 a group of banks and building societies and consumer groups formed the [Cash Action Group](#). The Cash Action Group have worked with LINK on a [voluntary initiative](#) to assess communities cash access needs following branch closures.

### LINK initiatives on access to cash

Since January 2022, LINK has undertaken over a [thousand assessments](#) following a notification of a bank branch closure. LINK has also (since October 2019) run a [Community Requests Scheme](#) allowing members of the public, elected officials and community groups to request a review of their community's access to cash. These initiatives have resulted in LINK recommending banking hubs in 90 communities and deposit services in 73 communities. The table on this [webpage](#) provides more details of these LINK assessments and recommendations (it is based on publicly available information and is subject to change).

- 2.34** This initiative involves the firms notifying LINK of planned branch closures. LINK then acts as a coordination body for the firms, assessing whether additional cash access facilities are required to meet the communities cash needs after the closure has taken place. If LINK determines that a new cash access service is needed, firms work through Cash Access UK (CAUK), a not-for-profit company established by 10 large high street banking providers,

to provide it. We welcomed this initiative as it recognises and addresses the challenge of seeking to maintain provision by identifying locations for shared services. Following the changes outlined in this consultation, the Cash Action Group and LINK may consider it appropriate to revise their initiative to fit well with cash assessments.

## Working together to deliver solutions

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- 2.35** We will encourage designated firms to continue to work collaboratively to deliver new or replacement cash services under our proposed rules.
- 2.36** Joint initiatives are also underway to provide new services such as Banking Hubs by firms via CAUK. These hubs are shared banking services which provide cash and banking services to customers of different banks and building societies in one location. They have the potential to deliver significant benefits for the local areas they are in by providing both access to cash and community bankers who can support customers accessing wider banking services. CAUK is also working with partners including the Post Office to develop further solutions which will allow access to cash deposit services, particularly for SMEs in areas where bank branches are not easily accessible. Below is an example of a banking hub which has been set up:

### Cash Access UK banking hub: Acton

In June 2023, the Acton banking hub opened in a local shopping centre. It offers a counter service operated by the Post Office where customers of nearly all large banks and building societies can withdraw cash, deposit cash and cheques, check their account balance, pay utility bills and collect change (for business customers). It also provides a community banker service where customers can discuss wider banking services with their own banking provider, a different provider is available on each day of the week (Monday to Friday). See [here](#) for more details on this and other hubs that are open or in development.

- 2.37** These current industry cash initiatives have shown that working collaboratively has the potential to allow firms to innovate to achieve efficiencies in assessment and the provision of cash services to meet the needs of consumers and SMEs. Feedback on banking hub pilots, for example, was overwhelmingly positive.
- 2.38** Our approach for our proposed new access to cash rules accepts that firms may work together, through a designated coordination body to undertake assessments. And if the assessment identifies new services are needed, firms may work together to provide these shared cash services. However, the framework of our proposed access to cash rules and guidance also allows for designated firms to act independently.
- 2.39** While good progress has been made, we expect designated firms and designated coordination bodies to work together to increase the pace of deployment and to develop further options for cash access.

## Chapter 3

# The cash access landscape

- 3.1** Consumers and SMEs can currently access cash through a wide range of outlets and channels. This chapter sets out the current cash access landscape including the different providers of facilities and services. It also looks at the distribution of cash access on a national and local level and differences between urban and rural provision.

## Key providers of cash access services

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### Bank and building society branches

- 3.2** Bank and building society branches provide an important source of access to cash. Branches allow customers to withdraw exact sums from their accounts, and also provide an important source of assisted cash for those who need in-person support. However, the shape of branch networks has changed significantly in recent years: between 2012 and 2022, the total number of bank and building society branches in the UK fell by 40%.

### ATMs

- 3.3** ATMs are some of the most important ways by which people can access cash. In 2022, ATMs accounted for over 92% of cash acquisition in the UK. ATMs are also often located externally which allows for 24-hour access to cash withdrawals typically not available using other means.
- 3.4** The existing co-operation across the industry through membership of payment schemes such as those operated by LINK, Mastercard and Visa allow customers of a wide range of firms to access cash via extensive networks of ATMs (many of which are provided by independent ATM deployers (IADs)). In 2022, LINK reported that there were around 50,000 ATMs in the UK which together handled an average of around £7bn in cash withdrawals each month. It is expected that in 2023, ATM usage will continue to decline as ATM transactions are expected to be down by a further 5% compared to 2022.

### Post Offices

- 3.5** The Post Office's network of branches plays a critical role supporting individual consumers and SMEs to access cash. The Post Office is required by the Government to meet 6 'Access Criteria', for example 99% of the UK population to be within 3 miles of their nearest post office outlet. The Post Office Network Reports provide details of the criteria and success in achieving them.
- 3.6** Under an agreement known as the Banking Framework, which runs from 1 January 2023 to 31 December 2025, customers of 30 signatory bank and building societies can use Post Office branches to withdraw cash from their accounts and make balance enquiries. Some signatory firms also allow customers to deposit cash and cheques to their

accounts via the Post Office. Post Office branches can also provide appropriate help to cash users who need help to deposit and withdraw cash. In October 2023, more than £3.3bn was deposited and withdrawn over Post Office counters.

- 3.7** Where firms are signatories to the Banking Framework, the cash access needs of most individual consumers may be met at Post Office branches. The cash access needs of many SME customers can also be met at the Post Office, though for larger, or more cash intensive businesses, a Post Office branch may not be the most appropriate solution to meet their needs.

### **Cashback at the till**

- 3.8** Cashback with a purchase has been available at many retailers for a long time. The Financial Services Act 2021 removed any need for a business wanting to offer cashback without purchase to be FCA authorised and allowed retailers to facilitate cashback at tills without a purchase of goods or services taking place. The use of cashback at the till allows consumers and SMEs to withdraw exact sums. The cashback at till service operated via the LINK network also allows consumers and SMEs to check account balances. Data available in June 2023 indicates there are around 2,500 shops offering cash at the till service through the LINK network, which are dispensing around £5m per month without a charge to customers.

### **Banking hubs**

- 3.9** As we set out in Chapter 2, banking hubs provide cash and banking services to customers of different banks and building societies in one location. They are owned by CAUK and operated by the Post Office. Each banking hub has a counter where customers can withdraw cash, check their balance, deposit cash and cheques, and access change-giving services (for SMEs). Over 101 banking hubs have been recommended, with 23 hubs delivered (and another 7 hubs expected before the end of the year).

### **Other types of provision**

- 3.10** During the Covid-19 pandemic, firms responded to the needs of vulnerable individuals by providing access to cash through cash delivery services. In addition, cash collection and cash delivery services, often provided via third party firms, are made available by many firms to their SME customers who require significant levels of cash to be deposited or withdrawn. Some firms also use mobile branch services particularly in rural areas to meet customers' needs.

## **What is assisted cash and who provides it**

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- 3.11** For some consumers, help to deposit or withdraw cash is a necessity. Consumers with characteristics of vulnerability including those on a low income, those who are digitally excluded, older and/or in poor health are most likely to need help for certain transactions. Consumer groups have also highlighted that some consumers require

in-person support because they are not able or not confident to use machines. In the absence of assisted cash facilities, these consumers may have to rely on friends, family or carers to access cash or travel an unreasonable distance to access those facilities.

**3.12** Assisted cash is usually in-person support, in a bank branch or Post Office outlet, including banking hubs. Other services may be developed which provide assisted cash in a non-traditional setting for example, in-person support provided alongside stand-alone withdrawal and deposit machines. Technological advances may also mean that a virtual human presence (for example a video-call) could be sufficient.

## National coverage of cash access

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**3.13** Despite a significant number of bank branch closures across the UK, geographical coverage of access to cash for personal customers relative to where they live has remained broadly stable since our monitoring of cash access began in 2021.

**3.14** Our most recent analysis of cash access coverage found that in the first quarter of 2023, the vast majority (at least 95%) of the UK population have free access to cash deposit and withdrawal facilities within:

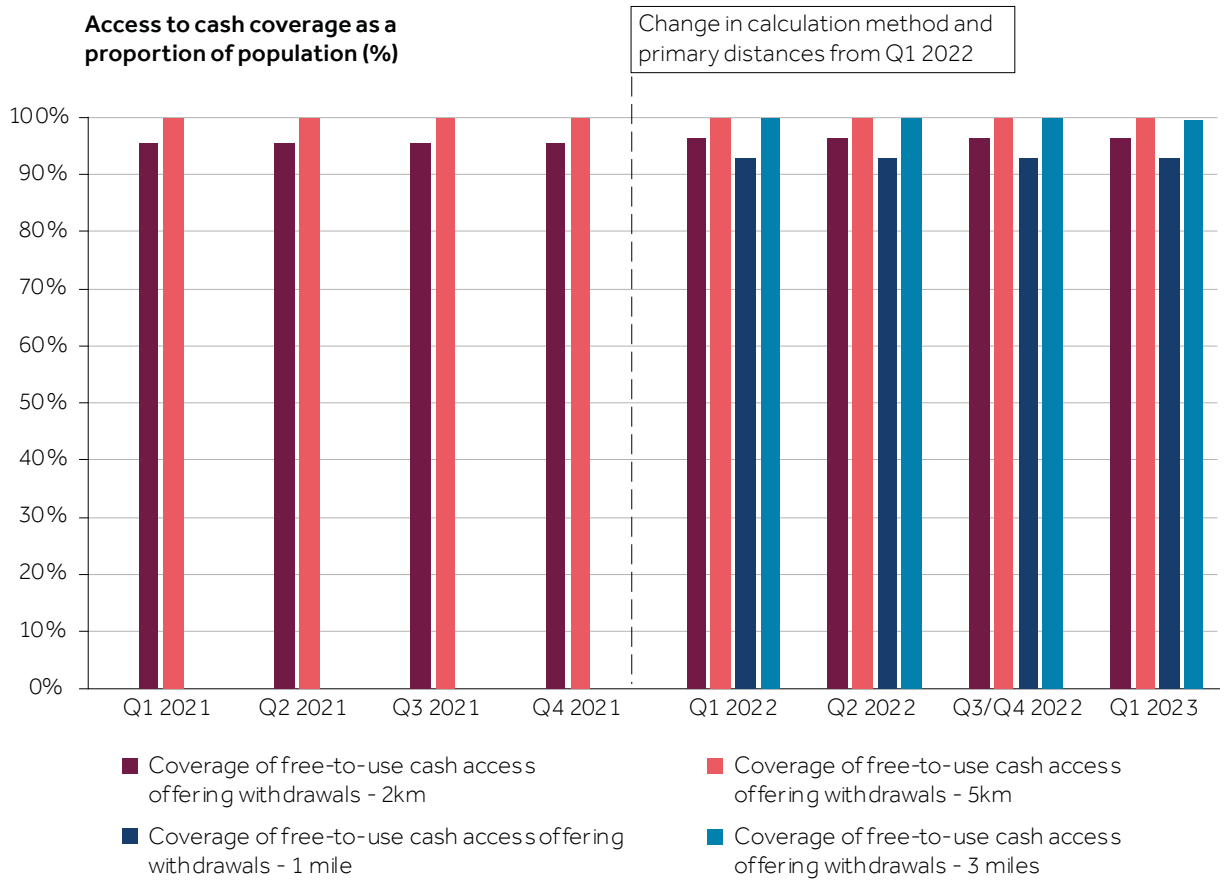
- 1 mile of where they live when in predominantly urban areas
- 3 miles of where they live in predominantly rural areas

**3.15** While the total number of cash access points (excluding cashback) has reduced by 4,701 in the two years to Q1 2023, driven by a 1,391 reduction in bank and building society branches and 2,176 (1,361) reduction in free-to-use (pay-to-use) ATMs, cash coverage across the UK as a whole has remained broadly consistent. Figures 1 and 2 outline our analysis of cash access coverage between Q1 2021 and Q1 2023 for free to use deposit and withdrawal facilities respectively. We estimate that during this period:

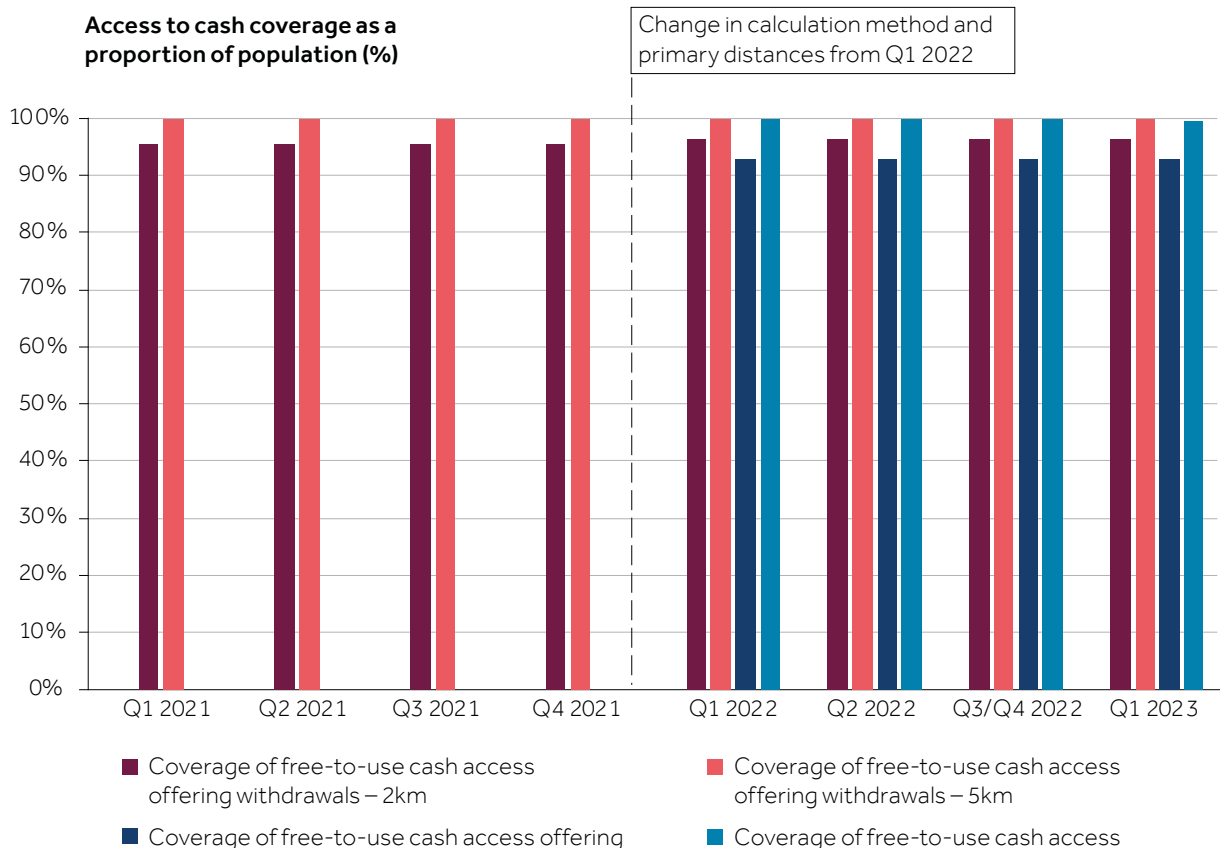
- around 95% of the UK population people were within 2km of a free-to-use cash access point offering deposits while over 99% were within 5km
- around 96% of the UK population people were within 2km of a free-to-use cash access point offering withdrawals while over 99% were within 5km

**3.16** The consistent national coverage of free to use cash access outlets has been supported by access requirements placed on the Post Office by the Government and our supervision of firms complying with our branch closure guidance. It has also been supported by the Payments Systems Regulator's (PSR) Specific Direction 12 which places specific requirements on LINK to maintain a broad geographic coverage of free-to-use ATM networks in the UK in some of the most deprived and remote areas in the country through the Protected ATM scheme.

**Figure 1: Access to cash coverage for personal customers in the UK for all free-to use-cash access points offering deposits Q1 2021 and Q1 2023**



**Figure 2: Access to cash coverage for personal customers in the UK for all free-to use-cash access points offering withdrawals Q1 2021 and Q1 2023**





## Local versus national cash access

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- 3.17** Although we consider national coverage to be reasonable, there may be deficiencies in cash access at the local area level that result in significant impacts to the local area. The [Statement](#) notes it is important to ensure that 'reasonable provision' of cash access takes account of potential local deficiencies that may have a significant impact, as well as evolving trends and innovations. Our rules and guidance will focus on the need to ensure that access at a local level is reasonable.

## Our approach to urban versus rural areas

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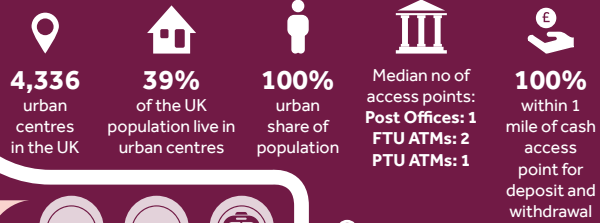
- 3.18** The [Statement](#) differentiates between urban and rural areas. Our proposed assessment process will have regard to the differences in current distribution of access services in urban and rural areas. We set out below our approach to determining if a local area is considered to be urban or rural.
- 3.19** Our [ongoing reporting of access to cash](#) includes analysis of access in urban and rural areas. Under that analysis, each Census Output Area (small area in Northern Ireland) is categorised as rural or urban using rural-urban classifications from the Office for National Statistics (NISRA in Northern Ireland). This is done differently in the different nations that make up the UK to reflect regional differences:
- For **England and Wales**, rural areas are Census Output Areas where the majority of its population live in a settlement of less than 10,000 people.
  - For **Scotland**, rural areas are Census Output Areas where the majority of its population live in a settlement of less than 3,000 people, with a drive time of 30 minutes or more to a settlement of 10,000 people or more.
  - For **Northern Ireland**, rural areas are small areas where the majority of its population live in a settlement of less than 5,000 people. In Northern Ireland there are 165 out of 4,537 small areas that have been assigned to a mixed rural/urban category by NISRA in the 2015 classification of urban/rural areas. In our analysis, for simplicity, these are reassigned to either a rural or urban category based on settlement classification bands provided by NISRA. Bands A-E are classified as urban and F-H as rural.
- 3.20** To further support our understanding of access at a local area level, including how it differs between rural and urban areas, the FCA has also developed archetypes of coverage. This work involved first defining a set of geographical areas and then clustering them based on cash access and other characteristics into archetypes. Details of how we conducted this work can be found in the [Technical Annex](#). An overview of our findings is set out in the diagram below.

# Access to Cash

How where you live makes a difference

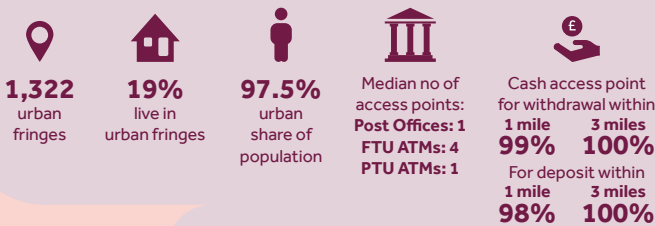
## Urban centres

Small but densely populated urban areas close to shops. Widespread access for taking out and depositing cash.



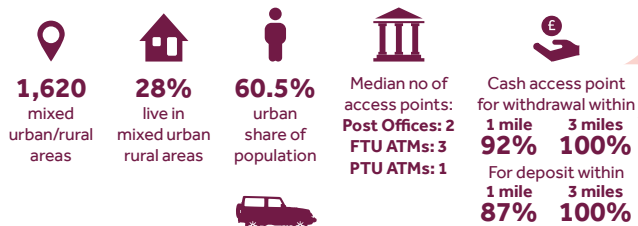
## Urban fringes

Densely populated urban areas further from shopping centres. Very high levels of cash access coverage. Post Offices play an important part.



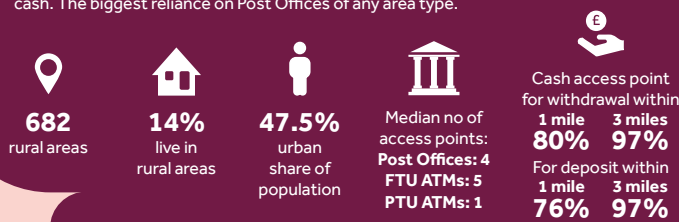
## Mixed urban/rural

Larger areas with mixed urban and rural populations where cash access coverage is generally high. However, people may travel further to get cash and Post Offices are more available.



## Rural

Large, sparsely populated areas where most people live rurally. A higher percentage of people have to travel further to get or pay in cash. The biggest reliance on Post Offices of any area type.



## Chapter 4

# Cash access assessment triggers

- 4.1** Local areas have different needs for cash access services. Our proposed regulatory framework sets out clear expectations on how and when designated entities must undertake cash access assessments along with an 8-week timeframe for their completion. We are consulting on whether the proposals provide sufficient flexibility to enable designated entities to effectively assess evolving local needs.
- 4.2** This chapter sets out our proposed 'trigger events' requiring designated entities to undertake a cash access assessment. This includes the closure of an existing cash access facility and cash access requests.
- 4.3** Chapter 5 sets out a '3-step' assessment framework for assessing and remediating cash access deficiencies in a local area which have significant impacts, including defining local areas. Chapter 6 describes other factors designated entities must consider when designing their assessment process. This includes expectations relating to transparency and accountability.

## Choosing to use a designated coordination body

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- 4.4** We anticipate designated firms may choose to use a designated coordination body to comply with these proposed rules on the assessment process (where permitted) and, where that is the case, our proposed rules would also apply to that body. In such cases, compliance by the body with our rules will also be treated as compliance by the designated firms that participate in its coordination arrangements, and non-compliance will be treated in the same way. Our enforcement powers and power of direction apply to both individual designated firms and to designated coordination bodies.
- 4.5** We consider that the use of a designated coordination body may allow designated firms to efficiently achieve the intended outcomes for consumers and SMEs. But our proposed framework also allows designated firms to undertake their assessments without being a member of a designated coordination body. In this scenario, a designated firm would need to ensure it complies with all applicable rules relating to the assessment process, which may result in additional costs.
- 4.6** If a designated firm that participates in arrangements of a designated coordination body decides to leave for any reason, it must give us reasonable advance notice. Full compliance with applicable rules will be expected of both the designated firm and the designated coordination body to ensure a seamless transition.

## Trigger events for carrying out assessments

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**4.7** We propose that designated entities must carry out assessments in response to the following trigger events:

- **Closures of, or material reductions/changes to the provision of cash access services at, an existing facility** (excluding cashback, pay-to-use services for personal current accounts, and cash delivery/collection services).
- **Receipt of a cash access request** from a member of the local community, representative organisation, or others with a sufficient interest.

## Closure of an existing cash access facility

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**4.8** Under the existing voluntary process run by LINK, undertaking a cash access assessment resulting from a closure is limited to when its member banks or building society closes a branch. Under our new regulatory regime, we propose to extend the number of triggers that require designated entities to undertake cash access assessments to:

- **Closure of a designated firm's cash facility;** this includes a decision to close a bank or building society branch or an ATM, as well as events that are unexpected such as closure resulting from physical damage.
- **Closure of a cash facility operated by a non-designated person;** as local areas may be significantly affected by other providers' decisions. This includes closure of facilities operated by non-designated banks or building societies; Post Offices providing cash services; independent ATM deployers; any other cash facilities such as mobile facilities. In such cases, our proposed rules recognise that designated firms may not always know beforehand that a facility is closing and that assessments may only be possible after the facility has closed.

## Material changes to an existing cash access service

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**4.9** Any material changes to an existing service such as opening hours or the nature of cash services such as the removal of assisted cash access services could also affect reasonable access by certain groups. We propose that material changes should include:

- conversion of a free-to-use cash access service to pay-to-use
- removal of a counter or a significant reduction in opening hours
- loss of an assisted cash access service
- removal of functionality to deposit or withdraw coins and/or notes
- designated firm leaving a shared arrangement

**4.10** An assessment under the proposed new rules may identify a gap in reasonable provision which was created by a designated firm's decisions taken before the rules came into force, but which only take effect afterwards. Designated firms should consider this when

planning closures of cash access facilities or making material changes to the provision of cash access services ahead of our proposed rules coming into force.

- 4.11** We think it is important that the withdrawal of a designated firm from a shared services facility should be treated as a trigger event. While other designated firms may continue to provide cash access services there, we think cash access assessments should give consideration to whether the withdrawal affects the capacity of that facility to meet the needs of the local area, for example in terms of opening hours.

**Q1: Do you agree with the proposed 'trigger events' for a cash access assessment resulting from a closure of or material reduction/change to a service? Are there any additional trigger events we should consider?**

## Receipt of cash access request

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- 4.12** Each local area is unique, and local communities will be well placed to highlight if there are gaps in cash access facilities. These gaps or deficiencies may have been caused by historical bank branch closures, high economic deprivation and/or changes in demographics that increase cash reliance. A growth in cash access demand in the area could also be created through new housing or new retail facilities.
- 4.13** We are encouraged by the voluntary industry scheme operated by LINK that allows local communities to request a review of access to cash in their area, resulting in the delivery of additional free to use ATMs and banking hubs.
- 4.14** We want individuals and local businesses to be able to make cash access requests. We are proposing rules that set a clearer and transparent framework around how cash access requests are submitted, assessed and outcomes delivered promptly. We give more detail in Chapter 5.

## Who can raise a cash access request

- 4.15** To be effective, and to reduce the risk of high numbers of vexatious requests, the cash access scheme should only be available to those who can show they have sufficient interest in the provision of services in the area. This includes local residents and business owners. It also includes groups or individuals who represent the local area or have a legitimate interest. For example, local councils, local trader groups, elected representatives and those who regularly visit.
- 4.16** Where necessary and appropriate, and to fulfil our new cash purpose, we propose the FCA will also be able to request that designated firms assess cash provision in a particular local area with boundaries and population determined by us.

## Content of cash access requests

**4.17** To support individuals and businesses to make a cash access request effectively, our proposed rules will require designated entities to publish information on its cash access request process. The request must indicate the location of the community it relates to by reference to an address, street or retail area. We propose to allow firms to ask for the following information from requesters.

**4.18** The type of service deficiency, including customer type, that the request relates to

- cash withdrawal
- cash deposit
- business customers
- free to use services for personal customers

if the concern relates to particular aspects or features of the service

- availability of assisted cash
- ability to withdraw/deposit a reasonable mix of both coins and notes.

**4.19** While designated entities may request this information, they must do so using plain language and in a manner that supports consumers to act. This includes avoiding friction 'sludge' in the design of the request process, to prevent or disincentivise consumers from submitting a request. They must not seek more information unless relevant.

## Repeat cash access request for the same area

**4.20** We recognise that designated entities could be subject to repeat cash access requests for the same area. So we propose that designated entities should not have to act on a cash access request where a cash access assessment is ongoing, or has been completed within the preceding 12 months, for the same (or substantially the same) local area and the same issues within the preceding 12 months. This would not prevent subsequent closures in a local area from triggering the need for a new cash access assessment.

## Acknowledgement of cash access requests

**4.21** We propose that in all cases, cash access requests received by the designated entities undertaking the assessment must be promptly acknowledged. Designated entities must also promptly confirm whether they will undertake a cash access assessment or explain why not.

**4.22** Where an assessment has been triggered, we propose that the designated entity must give the requester certain other information. This includes an estimated timeframe, how to find out the outcome of the assessment, and how to ask for a review of that outcome.

**Q2: Do you agree that our proposals will enhance communities' ability to proactively address cash access concerns in their areas?**

## Circumstances in which an assessment does not have to be undertaken

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- 4.23** Circumstances where we consider it would not be proportionate to require designated entities to carry out a cash access assessment include where the requester does not have a sufficient interest.
- 4.24** Consumers may also make a cash access request unaware of the variety of ways in which cash services can be accessed or what cash access facilities are already locally available. Once the requester knows how and where they can access cash services, they may wish to withdraw their request. We propose that designated entities do not need to carry out a cash access assessment if clear indication in writing is given by the requester of their intention to withdraw their request.
- 4.25** We also propose that where an assessment was triggered by a closure which is no longer happening, the assessment process can stop, and the designated firms would not have to deliver additional services. We have proposed, in Chapter 7, notification provisions which will address this scenario.
- 4.26** We also think it would be disproportionate for designated entities to carry out an assessment where 1 or more ATMs close at a single site where multiple ATMs are located, as long as at least 1 remains which offers the same services.

**Q3: Should there be other events that should not trigger a cash access assessment? If so, what are they?**

## Proactive assessments of cash access requests

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- 4.27** We do not propose to require designated entities to proactively conduct assessments to look for significant deficiencies in provision outside proposed 'trigger events'. Doing so would not be proportionate in the context of the Government's Statement which reflects its understanding that, on a nationwide basis, the data suggests current coverage of cash access is broadly comprehensive. However, to conduct a reasonable assessment we will expect designated entities to base it on sufficient information and to be responsive to data and information outside of the specified trigger event, such as planned housing developments or specific local transport issues, which may be relevant to the outcome.

## Notification of closures and cash access requests

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**4.28** We have proposed rules on notification by:

- designated firms of closures of their own cash access facilities
- designated entities of closures of facilities of non-designated entities (where they become aware of these through publicly available information)
- designated entities responsible for cash access assessments of receipts of cash access requests

**4.29** The proposed rules are designed to ensure that all designated entities are aware of trigger events. They require notification to any designated coordination body and any firm not participating in cash coordination arrangements (as well as, for closures, to us). The proposed rules assume that the designated coordination body will make its members aware of the relevant trigger event.

## Timeframes for conducting assessments

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**4.30** We propose that designated entities should complete a cash access assessment as soon as reasonably practicable, and within 8 weeks of the trigger event (save in exceptional circumstances beyond their control).

**4.31** We recognise that there may be a higher volume of cash access requests made in the initial period following the rules coming into force. So we propose a transitional arrangement, in which designated entities will have 12 weeks to complete cash access assessments. We propose this would be for the first 3 months after the rules come into force.

**Q4:** Do you consider that 8 weeks will be sufficient time to gather information and complete a cash access assessment? If not, please set out an alternative with reasons?

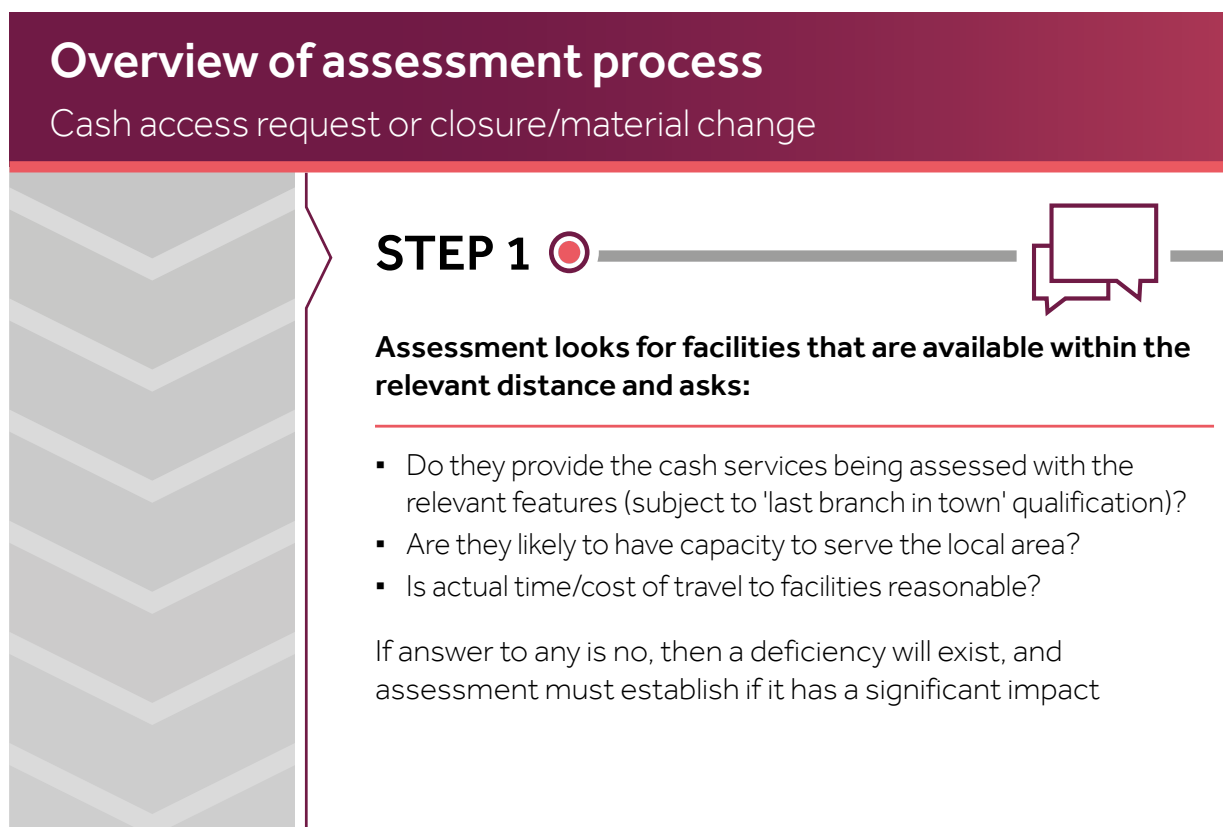
**Q5:** Do you agree with our transitional period of 3 months?

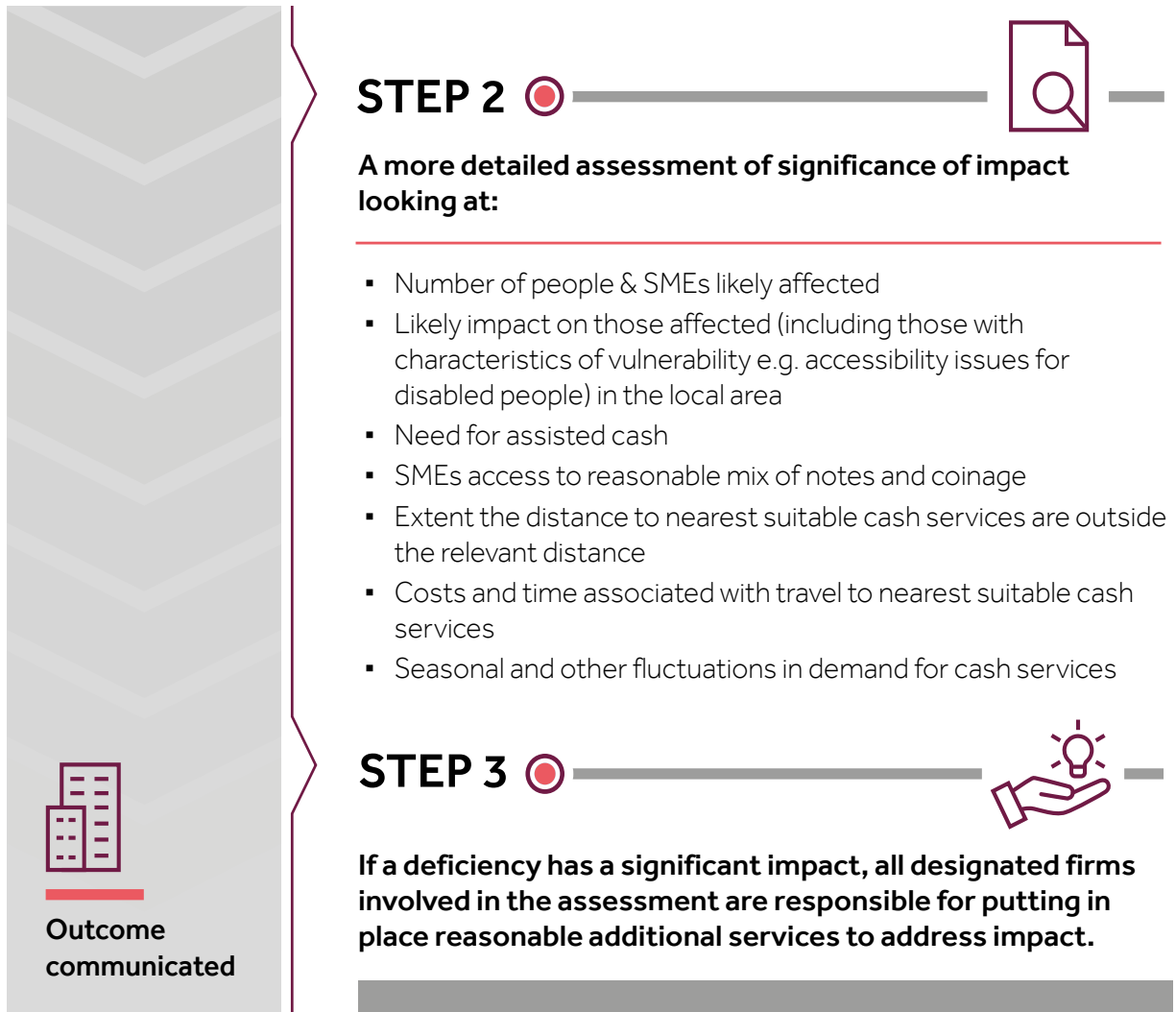


## Chapter 5

# A 3-step cash access assessment

- 5.1** This chapter sets out a proposed '3-step' assessment framework for assessing and remediating cash access deficiencies in a local area:
- Step 1 – Establish if there is, or would be after a closure/material change in services, a deficiency in cash access in the local area.
  - Step 2 – If a deficiency does or would exist, consider whether it has or would have a significant impact.
  - Step 3 – If it has a significant impact, identify additional cash access services that would address the significant impacts and be reasonable to provide.
- 5.2** The diagram below provides a broad outline of the proposed assessment process.





## Step 1: Identifying if there is a cash access deficiency in the local area

- 5.3** We propose that in order to establish if a deficiency exists, a cash access assessment will require designated entities to focus on what cash services are available (or will remain available following a closure/material change in services) to the individuals and businesses based in the local area.

### Defining the local geographic area

- 5.4** To conduct an assessment, it is necessary to establish the geographic area being assessed which we refer to in this consultation as the local area. Establishing this is a necessary step to identifying the affected population of individuals and businesses

and to calculate distances from facilities, and a necessary precursor to the whole assessment process.

## Addressing the use of distances set by the Treasury while recognising local needs

- 5.5** We know from our research that in response to a closure, consumers travel further to access cash services resulting in more time and cost.
- 5.6** The Treasury has set out in the Statement the distances (as the crow flies) within which it understands at least 95% of people have access to cash deposit and withdrawal services. The Government's policy is for this coverage to be maintained. The distances in the Statement are not relative to business premises but are instead relative to the residential population which is considered to be a suitable proxy.
- 5.7** Different distances have been set out for the rural and urban area and we will expect designated entities to apply those when considering **relevant distances**:
- For consumers and SMEs in **urban** areas the relevant distance is within 1 mile of where at least 95% of people in the local area live.
  - For consumers and SMEs in **rural** areas the relevant distance is within 3 miles of where at least 95% of people in the local area live.
- 5.8** The Statement also recognises that cash access needs differ by location and acknowledges that we are required by legislation to have particular regard to local deficiencies that have significant impacts.
- 5.9** Access to suitable cash services within the relevant distance will be a consideration for whether there is a local deficiency or not. How far the nearest suitable cash facilities sit outside the relevant distance will also play a role in Step 2 in understanding if the deficiency has significant impacts. Distances, however, should not be the only consideration in a designated entity's cash access assessment.

## Flexible approach to methodologies

- 5.10** We propose to give designated entities some flexibility to develop their own methodology to define a local area. This is subject to consideration of:
- where people live or SMEs are based
  - how they are or would be affected by a deficiency in the cash access services being assessed
- 5.11** The local area under assessment must be clearly defined by setting a boundary which identifies the population and businesses that could be affected if there was a deficiency in the cash access services being assessed, and considers whether the local area under review is urban or rural. It is not necessary to establish whether anyone actually uses cash, nor to undertake any of the detailed steps in the assessment itself. Designated entities will need to set out the approach to defining a local area in their assessment policy and apply it across all assessments.

**5.12** Under the current voluntary arrangement, when there is a closure or a Community Request, LINK creates a radius from the nearest retail centre and draws a circle to identify the local affected area. While this approach is straightforward, we do not consider the same radius measurement is workable in every scenario as it may not reflect the differences between local areas.

- The examples below highlight different scenarios that determine how a local area could be identified.

In this example, we take a rural area where there is a larger village surrounded by smaller villages. The larger village's high street is classified as a retail centre given the number of shops which those in surrounding villages use to access goods and services. It contains 3 access facilities, including a Post Office in the middle and 2 ATMs, one at each end. Some, not all, of the surrounding villages have local grocery stores which may have an ATM and/or a Post Office kiosk within them.

**Example 1:** There is a proposal to close one of the ATMs on the larger village's High Street. The affected local area in this case will likely not only include the residents and SMEs of the larger village, but also the residents and SMEs of the surrounding smaller villages for which the larger village is a hub for purchasing goods and services.

**Example 2:** There is a smaller village which currently contains no Post Office or ATM. A Cash Access request has been made by a local residents' group to review cash access services in the local community (they hope an ATM will be installed outside this smaller villages' grocery store). The relevant local area in this case is likely to be the smaller village although designated entities will be able to consider if cash facilities in the larger retail area fall within the relevant distance. If not, designated entities may wish to consider at Step 2 how far outside the relevant distances the cash access services in the larger retail area are.

**5.13** The examples indicate how the local area affected might be determined. In some cases, a simple approach will be adequate whereas in others there may be a need for a more bespoke approach. We welcome suggestions on alternative flexible ways to define a local area that takes account of the needs of consumers and SMEs.

**Q6: Do you agree with the approach of establishing a local area by reference to the addresses of those who could be affected by a deficiency? Are there any other factors designated entities should be required to take into account when establishing the local area to be used in assessments?**

### Establishing if there is a deficiency

**5.14** The diagram below sets out how we expect designated entities to establish if there is a deficiency in cash access provision following a trigger event.

## Assessment process

### STEP 1



#### Identify if there is or would be a deficiency following a trigger event



1

##### Trigger event

- Closure of or material change to own cash service
- Closure of or material change to cash service of other entity
- Cash access request from person or organisation (incl FCA) with a sufficient interest



2

##### Identify the local area

- Where are the people/businesses who could be affected?
- Is it an urban or rural area?



3

Where the trigger is a **closure/material change**, the specified services & features which are being removed/changed should be considered

Where the trigger is a **cash access request**, the services & features identified in the request should be considered

**At least 95% of people** living in that local area have access to whatever service/features have to be assessed within the relevant distance (1 mile urban/3 miles rural)



4

##### The facilities:

- not** planned for closure
- 'Last branch in town' qualification does not require assessment to go to step 2.
- the time and cost to get to them is reasonable for the area
- the services are free to use for personal customers
- have sufficient capacity



5

Assessment can conclude there is or would be **no deficiency**

- 5.15** Under the Step 1 stage of the assessment, we propose cash access services should be considered without regard to an existing customer relationship (apart from as set out in 5.34) or the demand for that service. Cash access assessments will require designated entities to focus on what cash services are available, or will remain available after a closure/material change, in the local area.
- 5.16** Our proposed rules break the services down into 4 categories (**specified services**):
- free to use cash withdrawal services on personal current accounts
  - cash withdrawal services for businesses
  - free to use cash deposit services on personal current accounts
  - cash deposit services for businesses
- 5.17** There are then 2 service features (**specified features**):
- functionality for a reasonable mix of both coins and banknotes to be deposited or withdrawn
  - availability of assisted cash
- 5.18** The question of which of these services and features need to be assessed depends on which services designated firms provide their own customers, and whether the assessment is triggered by a closure/material change or cash access request and is dealt with in more detail below.
- 5.19** In establishing what suitable cash facilities are available in Step 1 (and throughout the whole assessment process) we propose the following should be ignored:
- cash services on personal current accounts that are not free;
  - cashback with a purchase;
  - services that are going to close;
  - additional services that may result from any other assessment undertaken as a result of the same trigger.
- 5.20** We also propose that significant weight should be given to whether cash services are provided with consistency during stated opening hours, which could have particular implications for some facilities offering cashback without a purchase (see 7.20).
- 5.21** We anticipate that designated entities will base their assessments at Step 1 on information that is easily available. For example, information contained in a cash access request, awareness from previous assessments, reasonable assumptions based on the type of facility providing the service and reasonable assumptions based on the type of area.

### **Services on accounts not provided by designated firms**

- 5.22** We propose that designated firms carrying out their own assessments will not have to assess services that relate to current accounts they do not provide to their own customers. For example, a firm which does not serve business customers would not have to assess cash withdrawal and deposit services for businesses.

- 5.23** Similarly, a designated coordination body would not have to assess services relating to current accounts that none of its participating firms provide. Where some of its participating firms provide current accounts to which a given service relates, the designated coordination body would be expected to assess that service. However only those participating firms would be held responsible for delivering any additional such services resulting from that assessment, as outlined in paragraph 7.7.

### **Treatment of closures**

- 5.24** For closures and material changes, the assessment must consider the specified services and features that are subject to removal or change at the relevant facility and then see whether (i) there are cash facilities within the relevant distance and (ii) they provide those types of specified services and features. If the criteria above in (i) and (ii) are both met, then subject to the qualifications below relating to reasonable time/travel costs, capacity, and bank/building society branch services the assessment can end at Step 1. If they are not, then the assessment must find a local deficiency and proceed to Step 2.

### **Treatment of cash access requests**

- 5.25** Cash access requests will be treated slightly differently, and assessments need to consider whether the specified services and features identified by the requester, are available within the relevant distance. If they are, then subject to the qualifications below, the assessment can end at Step 1.

#### **Example – no deficiency**

A free to use external ATM is scheduled to close. When assessing what provision remains for personal current account customers within the relevant distances, only free to use cash withdrawal services should be considered. When assessing what provision remains for business account customers, any cash withdrawal services could be considered. If there are 'like-for-like' services available, and none of the qualifications such as capacity create any issues, then the assessment can find that there is no deficiency and end at Step 1. However, if the assessment finds that there are no 'like-for-like' services available, this means a deficiency exists and it is necessary to proceed to Step 2 to identify the impact of this deficiency on consumers in the local area.

### **Additional factors that should be considered in Step 1**

#### ***Unreasonable time and/or travel costs***

- 5.26** Assessments need to take account of the length of time it takes to travel to cash access facilities located within the relevant distance and the costs of travel, taking account of local geographic, transport and other potential barriers. A deficiency in Step 1 could relate to unreasonable travel times or costs to reach cash access facilities.

### **Example – challenges of local geography**

An assessment is triggered by the closure of a cash access facility. When looking at similar services, consideration should be given to the actual journeys people will have to make to get to those services. There is another facility available within 1 mile (the relevant distance in this case) as the crow flies offering like-for-like services and features, but it is on one side of a river and the location of the bridges means the actual distance to travel to the facility for most people in the local area is longer than a mile. For those living on the other side of the river, walking to the nearest bridge to get to the facility could take a considerable amount of time. Although there is another cash access facility less than a mile as the crow flies from the closing facility, it may need to be excluded at Step 1.

## **Capacity**

- 5.27** When assessing any deficiency, assessments need to also consider if the cash access facilities being relied upon within the relevant distance between them have sufficient capacity. In the case of an assessment triggered by a closure, this would involve looking at the capacity situation after the closure.

### **Example – sufficient capacity**

A cash access facility closes which served customers from 3 counters. An alternative cash access facility exists within the relevant distance offering the same specified services and features but with only 1 counter. The assessment will need to consider if the alternative facility will be able to sufficiently accommodate an increased number of users because of the closure.

## **Thinking holistically about cash provision**

- 5.28** It is possible that over time multiple cash access requests are made from the same community relating to different cash access issues. Rather than narrowly focusing an assessment in response to one particular issue, there may be occasions where an assessment goes further and looks more holistically at provision within the local area. This may be more efficient in the long-term and provide a fuller picture of mapping needs against current or future provision.



**Q7: Are there any additional factors that should be considered by designated entities in the Step 1 assessment process? Please detail what and why they are important to understanding if a local cash access deficiency exists?**

## Last branch in town

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- 5.29** We recognise that the decision to close a bank or building society branch is a commercial decision for firms to make. However, the effect of recent branch closures is that the cash needs of many communities are being serviced by a fewer number of providers and in some instances only 1 or 2 bank or building society branches remain.
- 5.30** Reasonable access to cash services for consumers and businesses in a local area may not always be met by the last remaining bank or building society branch in town. An ATM located at the branch may provide free access to cash withdrawals to non-customers, whereas deposit solutions or counter services within the branch may only be available to the branch's own customers and not serve the majority of consumers in the local area.
- 5.31** We do not believe it is the intent of the Government's cash access legislation to maintain the branch network. However, our view is that where only 1 bank or building society branch is or will be left in a local area, it may be unreasonable to expect high levels of switching by individuals and SMEs to retain over the counter access to withdrawal and deposit services locally.
- 5.32** Given that a significant proportion of customers reliant on cash are on low incomes or are digitally excluded, those customers would face additional challenges in switching, including from any additional costs travelling outside their area to access the branch of their current bank or building society provider. For SMEs there may be some challenges to switching account providers if they rely on their existing provider for business loans.
- 5.33** Currently LINK will not consider whether an area requires a new cash solution if there is a remaining bank or building society branch in town, subject to certain exceptions. These exceptions include if the branch is opened for less than 12 hours a week, is cashless, or does not service SMEs.
- 5.34** We do not believe that the current industry approach will deliver the outcomes for reasonable provision we are seeking. The independent body, the Community Cash Advisory Panel, that oversees LINK's existing work assessing branch closures shares our concerns. Our proposal is that if there is one other facility within the relevant distance that serves at least one other bank or building society's customers, including where relevant, SMEs, that could be enough to conclude at Step 1 that existing provision of services in the area is sufficient (ATM cash withdrawal services at the last branch may also be enough). However, where there is not, a fuller Step 2 assessment would be required. The proposal is set out in more detail in the diagram below.

**Assessment process: Last branch in town (assumes all specified services are being assessed)**

**Step 1 assessment**

A deficiency may not exist where withdrawal and deposit cash services are available to personal and SME customers of at least two banks/ building societies within the relevant distance (1 mile urban and 3 miles rural)

**Trigger event**

**Closure** of a bank/ building society branch or material change to services  
 Closure of/ material change to cash service **of other entity** i.e. Post Office

Closure of/ material change to cash service **of other entity** i.e. Post Office

**Cash access request** from person or organisation (including FCA) with sufficient interest.

**Identify the local area**

Where are the people/businesses that could be affected?  
 Is it an urban or rural area?

**What facilities remain within relevant distance**

Only one branch remains of a bank/building society (no ATM). No other facilities.

Only one branch remains of a bank/building society with ATM. No other facilities.

Branch and one other facility that serves at least one other bank's/ building society's customers.

Assessment must conclude **deficiency across all services** exists

Assessment must conclude **deficiency** exists at least in deposit services

Assessment may conclude **no deficiency** exists subject to reasonable travel times/ cost/ capacity.

**Step 2 assessment**

**Identify if deficiency has a significant impact in the area. Factors to consider include:**

- Numbers impacted
- Vulnerable consumers
- Assisted cash
- SME needs – mix of coins/notes
- Distance to nearest suitable facilities
- Unreasonable travel time/costs
- Seasonal impact

**Yes**  
 significant impact

**Additional services required\***

**No**  
 significant impact

**No additional services required**

\* See diagram of Step 3 assessment

## Supporting consumers to switch providers

- 5.35** We have considered the role of switching where any closure or cash access request relates to or leads to a 'last branch in town' scenario and how reasonable it is for consumers and SMEs to switch to that firm. We understand that the rate of switching is low and there could be particular barriers for vulnerable customer groups especially those that are digitally excluded. We have also considered the findings of our report into UK Payment Accounts: access and closures, which sets out that subject to the relevant legislation, UK current account providers can make commercial decisions regarding who they provide accounts to or not. So we don't think it can be assumed that high levels of switching is reasonable, particularly for vulnerable groups.
- 5.36** We encourage firms to consider ways to support those groups and others, such as SMEs, through promoting the Current Account Switching Service and other local initiatives to tackle digital exclusion.

**Q8: Do you agree with our last branch in town proposal?**

**Q9: Are there other proposals for the last branch in town we should consider?**

## Step 2: Assess the significance of the impact of deficiencies

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- 5.37** Where a deficiency is identified at Step 1 in the provision of specified services being assessed, designated entities must assess whether the deficiency causes, or will cause, significant impacts for consumers and SMEs in that local area. Unlike the current voluntary industry arrangement, assessments should not be restricted to considering the needs of existing customers of a particular firm or firms.

### Considering a range of factors to understand the needs of all cash users in the local area.

- 5.38** We set out in Chapter 2, there are specific groups of consumers who are more reliant on cash than others, and where the lack of access could have a significant impact. These groups include those:
- who are digitally excluded
  - with low financial resilience, including those on low incomes
- 5.39** Under the current industry voluntary scheme for branch closures LINK use data on low financial resilience, digital exclusion and numbers in the population who are aged over 65, in their assessment of the needs of local communities.
- 5.40** We support the continuation of an approach to understanding the cash needs of a local area which prioritises the understanding of the proportion of consumers and SMEs in the area displaying demographic characteristics which may indicate they are more likely to rely on cash.
- 5.41** Paragraphs 5.42 to 5.50 give further details of the factors that we propose designated entities must include in their assessment process. The below diagram sets out a non-

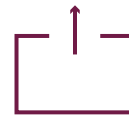
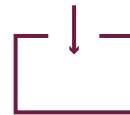
exhaustive list of factors that we expect to form part of an assessment at Step 2. Designated entities should consider additional factors as necessary.

## STEP 2



### Identify if the deficiency has significant impacts on the local area

The services assessed at step 1 should be considered



The impact on **all people** and **SMEs** in the area need to be considered – not just customers



The factors that should be considered to establish if a deficiency has significant impacts include –

- Are there any **seasonal or other fluctuations** to consider?
- Number** of people and SMEs likely to be affected?
- Time and cost of travel to **nearest suitable cash services** compared to nearest retail services.
- How **far outside the distances** are the nearest suitable cash services and do they have capacity?
- Likely impact on those affected – what are the needs of **vulnerable people**?
- Can **SMEs** access reasonable mix of notes and coins?
- Is there a need for **assisted cash**?

### ***Deficiencies that cause a significant impact: factors to consider***

- 5.42 Number of people affected:** A significant deficiency is likely to occur where a substantial number of people in a local area are likely to be affected.
- 5.43 Additional consumer costs:** The lack of free to use services within a reasonable distance may result in the consumers on the tightest budgets incurring additional expense to travel to another facility or using nearby pay-to-use services.
- 5.44 Vulnerability:** The likely impact on those in vulnerable circumstances is a factor. As part of this designated entities should consider the impact on those groups who may have particular difficulty accessing services due to disabilities
- 5.45 Availability of help:** Assisted cash services are most likely to be required by consumers with characteristics of vulnerability eg, be digitally excluded, be older and/or be in poor health. In addition to accessibility, designated entities should also consider if there is adequate provision of assisted cash services to meet the needs of consumers and SMEs with those characteristics.
- 5.46 Consideration of the specific needs of SMEs:** Depending on the sector in which they operate, those businesses that access cash payments may regularly deposit significant volumes of cash and may also require to withdraw coins to allow them to provide change to customers. Assessments should also look at widely available information on numbers of, and types and nature of businesses in a particular area.
- 5.47 Distance:** How far the nearest suitable cash access facilities fall outside the relevant distances set out in Step 1, which could affect certain groups more significantly than others. In rural areas where consumers and SMEs will usually travel further than 3 miles to access retail services, designated entities may conclude it is reasonable for them to travel similar distances to access cash services.
- 5.48 Seasonal fluctuations:** Local areas that attract tourists at specific times of year may need increased access to cash services. For example, during the summer months retailers in coastal resorts may see higher cash volumes and need increased access to cash deposit services.
- 5.49 Capacity:** We will expect designated entities to get sufficient data on the capacity of the nearest cash access facilities they consider suitable. This will help them to understand if the cash access facilities have both the physical capacity and staffing levels to provide the cash access services to accommodate cash users from the local area. This includes any additional demand moving from a closing service. Opening hours may be relevant to a cash access facility's capacity. For example, the facility may be open for so few hours each week that this leads to unacceptable queues or delays in service.
- 5.50** If a cash access assessment is taking place because of a branch closure the assessment of capacity is likely to already take place as part of a firm's understanding of where and how its customers will access branch services (see our Branch and ATM closures or conversions guidance), including cash access services post closure (this is often referred to as deflection analysis). However, we think that because the needs of all cash users must be considered, it is likely that the requirements of our proposed assessment will be

greater than the current assessment of capacity under our Branch and ATM closures or conversions guidance.

- 5.51** The above list of factors is non-exhaustive. We expect designated entities to be particularly alert to any concerns raised by local community representatives about the adequacy of existing cash access facilities to meet the needs of the local area.
- 5.52** Step 2 of the cash access assessment should look not only at the numbers of individual users in the local area but also the proportion of the population who may fall into groups which are more likely to be significantly affected by a deficiency in cash access services. Reliance on cash, and an increased demand for assisted cash services, among those with vulnerable characteristics may be high and care should be taken to establish any significant impacts.
- 5.53** We recognise that given the unique nature of many local areas, assessing the impact of a deficiency may be challenging. We have proposed guidance to accompany our rules where appropriate but designated firms should engage with local community and relevant local representatives to fully understand the cash needs of the consumers and SMEs they represent.

### **Only deficiencies with significant impacts to be addressed**

- 5.54** Our proposed rules require designated entities to only address deficiencies in cash access services that cause or are likely to cause significant impact.
- 5.55** To ensure our rules adapt to differing and evolving local needs, we do not propose to prescribe numerical criteria, whereby an impact should only be treated as significant if its impact reached a simple threshold of the number of consumers or SMEs in the local area affected. We expect designated entities to assess how customers are affected, paying particular focus to those in vulnerable circumstances that could face significant impacts should their access to cash be withdrawn or limited in their local area.
- 5.56** Our proposed rules require designated entities to establish the policies and procedures for how they will assess the significance of a deficiency in a local area, including the principal factors they must consider. Assessment processes will need to be reviewed and updated on a regular basis, as discussed in Chapter 6. We anticipate that as the assessment process evolves, and by working collaboratively with local groups and community representatives, the understanding of local needs by designated entities will mature, building a developed understanding of what cash access deficiencies cause significant impacts.

### **Example – does the deficiency have significant impacts?**

The closure of the only Post Office triggers an assessment for a small rural town. The local area has around 4,000 residents and a large number of small local businesses which depend on year-round tourist visitors. The area has 1 ATM which is in a small supermarket on the edge of the town.

The nearest other Post Office is just over 1 mile away in the next town. It has 1 counter which now acts as the only postal and cash service for around 10,000 residents. The local area has a high proportion of elderly residents who use cash frequently and some local businesses still operate a cash only policy.

Although within the prescribed distance of 3 miles, Step 1 of the assessment process determines that the potential impact of the extra demand for cash deposit services at the nearest other Post Office means it would not have sufficient capacity after the closure and this would result in a local deficiency. In Step 2 of the assessment the needs of the local area and degree of impact are assessed – noting the high numbers of cash reliant older people and SMEs.

Having assessed their needs and taken account of relevant factors it is determined that the deficiency has significant impacts on the local area and must be addressed.

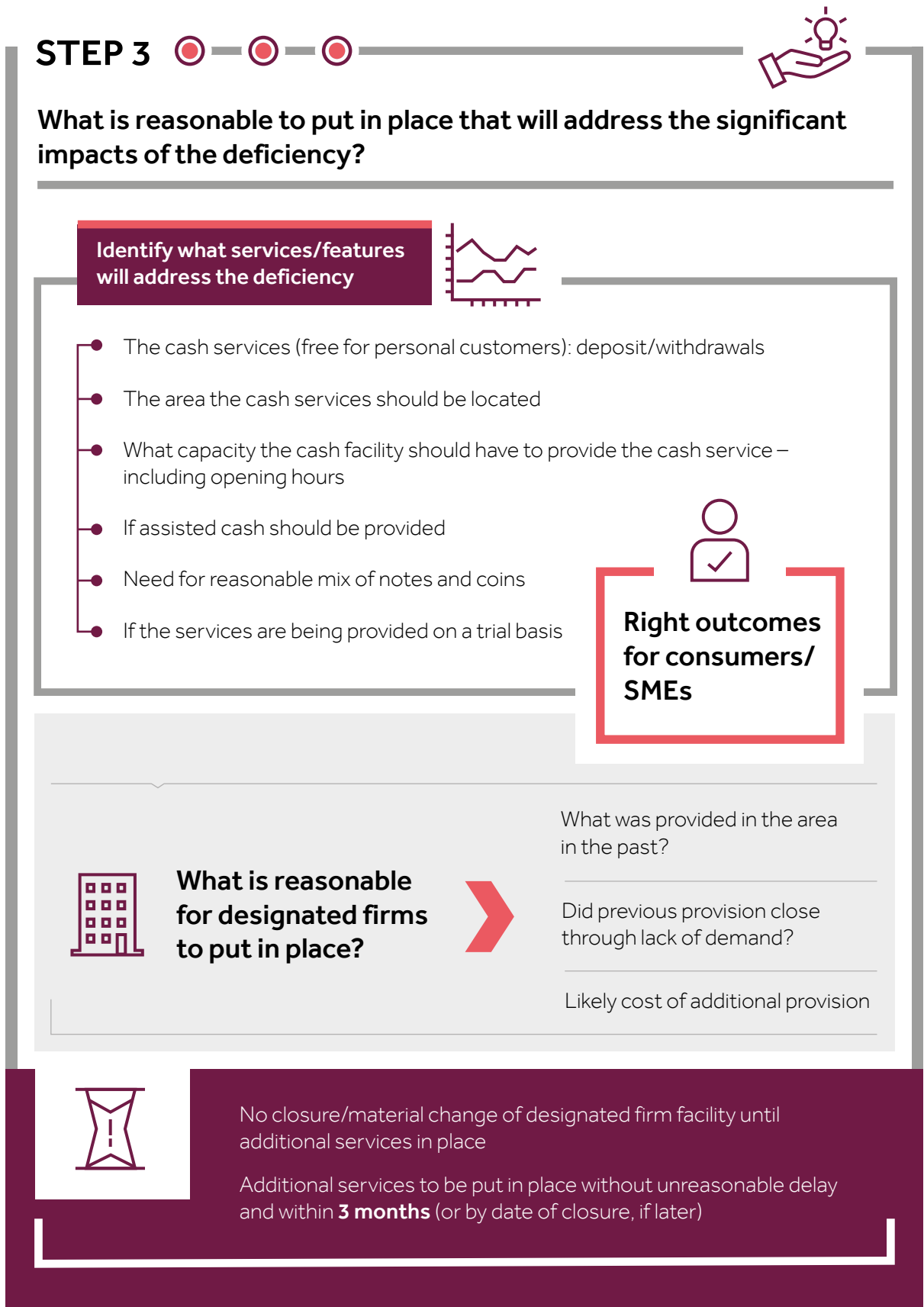
**Q10: Do you agree with our proposals for Step 2 of the assessment process and the factors designated entities should take into account in establishing if a local deficiency causes or would cause significant impacts?**

**Q11: Do you think there are additional factors that designated firms should consider? If so, what would these be?**

## **Step 3- identifying additional cash access services required**

**5.57** Where a deficiency in cash access services is assessed as having a significant impact in the local area, Step 3 of our proposed assessment process identifies what additional services would address these impacts. This includes considering what is reasonable to provide. The assessment will also need to identify whether the additional services need certain features (see diagram below), as well as the capacity needs and opening hours of any facility providing the additional services. It will also need to say whether the additional services are to be provided on a permanent or trial basis.

5.58 We have set out our approach under Step 3 in the diagram below.





Where assessments are being undertaken by more than one designated entity following the same trigger event, none of them can take into consideration the availability of additional services that may result from the other's assessment.

- 5.59** It is important that the assessment is clear on what services and/or features must be delivered. But we do not propose that our rules should specify the type of facility (eg bank branch) to be provided. Instead, we specify the services (eg deposit facilities for SMEs) and certain features (eg opening hours, assisted services). We do not intend for the assessment process to constrain efforts by industry and local communities to develop new, shared and innovative models of cash access provision in the local market. Banking hubs, where delivered, are a good example of how firms have come together to innovate in the provision of cash services, and we want firms to continue to innovate in this area.
- 5.60** In determining what is reasonable, we propose that designated firms can consider what (if any) cash access services were provided in that local area in the past and the reasons for their closure. For example, a cash access facility may have closed through a significant lack of demand.
- 5.61** There may also be occasions where the likely cost of providing new or additional cash services would not be reasonable. However, this would apply in only very exceptional cases given the variety of different cash access solutions available to designated firms, including the use of mobile services. In delivering any additional services as a result of a cash access assessment, designated firms should be mindful of the duty to make reasonable adjustments for people with disabilities under the Equality Act 2010 in Great Britain and the need to comply with equivalent legislation in Northern Ireland. While cash access assessments are not expected to make judgements about compliance with such legislation, they should explain their findings on the impact on those who have particular difficulties with accessing services due to disabilities. Those findings may assist designated firms in meeting relevant statutory obligations

### **Trial, or pilot periods**

- 5.62** An assessment may conclude that a local area should receive additional cash services subject to a trial period. For example, this could relate to testing an innovative shared solution or setting up services in a remote geographic area.
- 5.63** In such circumstances, the assessment must address the **duration of** the trial, why it is considered appropriate and **the criteria for deciding if it has been successful**. Following the completion of the trial, we propose that the assessment should be updated to show what additional services will be provided on a permanent basis, and if not to provide the reasons for that.

## Chapter 6

# Governance, transparency, and accountability

- 6.1** In developing these proposed rules and guidance, we have sought to build upon the existing voluntary process firms currently use for branch closures. We want to strengthen this process through a regulatory framework and thereby improve accountability, transparency, and responsiveness to local cash access needs.

## Publication of assessment criteria and periodically reviewing effectiveness

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- 6.2** It is important that cash access assessments are conducted consistently and transparently so consumers and SMEs can understand and trust the process. Appropriate governance and systems and controls must be in place to ensure policies support compliance with our proposed rules.
- 6.3** We propose that the views of stakeholders, including consumers and SMEs, are accounted for in the design and ongoing monitoring, and improvement of the assessment process. The current voluntary coordination body, LINK, continues to develop and improve its processes following feedback from stakeholders and their own experience of conducting assessments. We expect designated entities may need to consult more broadly to include decisions that will be used to determine if significant impacts exist across our 3 steps. This is important to ensure assessments reflect consumers' needs and the cash landscape as it changes over time.
- 6.4** We propose to require designated entities to establish, assess and periodically review the effectiveness of their policies and procedures around assessments reflecting on feedback from stakeholders to improve the quality of its assessment and help them comply with the rules. This is consistent with our general expectations of firms included under the Consumer Duty which states that 'firms should continuously learn from their growing focus and awareness of real customer outcomes'.
- 6.5** We also propose that where a designated entity proposes to update their assessment policies and procedures, they should be required to submit a report to the FCA outlining any substantial changes they are making.
- 6.6** To promote transparency, we are also proposing rules to ensure that designated entities publish details of their assessment process, information about how to request an assessment, and the outcomes of assessments. This is discussed in more detail in Chapter 8.

**Q12: Do you agree with our proposed requirement for designated entities to publish and periodically review their policies and procedures around cash access assessments? Are there other ways the accountability and transparency of the assessment process could be enhanced?**

## Conducting reviews of assessment outcomes

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- 6.7** It is important that consumers and SMEs can raise relevant concerns about an assessment or give further information which may be relevant to the outcome of an assessment. So we propose designated entities should put in place a sufficient and robust review process to allow assessment outcomes to be reviewed, irrespective of the trigger mechanism.
- 6.8** In current practice, the industry voluntary scheme to assess communities' cash needs following bank branch closures, includes a decision complaints process where the co-ordinating body for the scheme (LINK) initially investigates complaints about LINK's assessments. If the complainant is unhappy with the outcome of this investigation, they can ask an independent assessor to consider whether LINK has properly assessed the options for the community based on their current criteria. Our proposed rules are that the review of the assessment is designed by and the responsibility of the designated entity themselves, as we can only make rules that apply to designated entities (under Part 8B of FSMA). But designated entities may wish to continue to have or to introduce the help of an independent body to provide extra rigour in their review process.
- 6.9** To ensure reviews are proportionate, we propose that a review can only be requested to correct factual inaccuracies in the assessment or if there is new information available, each of which could have an impact on the assessment's outcome. We also propose that only those who have a sufficient interest in reasonable provision of cash access services in the local area can ask for a review. The test for sufficient interest here would be the same as for cash access requests.
- 6.10** We propose that the request for the review of an assessment outcome must be made in writing and within 21 days of the publication of the outcome of the assessment.
- 6.11** As noted above, to ensure awareness of the review process, we propose designated entities must include details of how to ask for a review when they acknowledge receipt of a cash access request and when they publish the outcome of assessments.

**Q13: Do you agree that only those with a sufficient interest in the outcome of the assessment in a local area can ask for a review and do you agree that we should allow 21 days after the publication of an assessment to request a review?**

**6.12** We propose that the review of a cash access assessment should be completed within 8 weeks from when the request is received by the designated entity. We propose that the outcome of the review and the rationale for that outcome should be confirmed to those who request the review.

**6.13** If the review results in a revised outcome to the assessment, we also propose that firms must publish information about the review and any changes to the original cash access assessment resulting from it. This is set out in Chapter 8.

**Q14: Do you consider 8 weeks to be sufficient time to complete a review of a cash access assessment? If not, please state why and what you would consider a reasonable timeframe.**

## Chapter 7

# Providing additional cash access services

**7.1** In this chapter, we set out proposals for how designated firms will be held responsible for providing the additional cash services that are identified in cash assessments. The rules and guidance outlined in this chapter will apply only to designated firms.

### Individual responsibility

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- 7.2** As we set out in Chapter 4, cash access assessments will identify what cash services are needed to address significant deficiencies and would be reasonable to provide in local areas. The intention of our proposed rules is to ensure any new services are delivered promptly.
- 7.3** We have considered how best to achieve this in our rules and are proposing to hold all designated firms responsible for delivery of new cash services.
- 7.4** To ensure that our rules are proportionate, designated firms will be able to choose the most appropriate facilities to deliver the additional services. This would be subject to the facility addressing certain issues identified in the cash access assessment.
- 7.5** For example, an assessment may identify a need for assisted cash which would exclude designated firms delivering a purely automated solution. We note the current joint industry initiatives to deliver banking hubs and our rules will allow designated firms to choose to act collectively to deliver cash access facilities. The proposed rules are outcome focused: the outcome being provision of the additional services.

### How this will work in practice

- 7.6** Where a cash access assessment identifies an additional cash service is needed in a local area, each designated firm involved in that assessment will be responsible for ensuring the new service is put in place for the benefit of their own customers.
- 7.7** Within their area of designation (Great Britain, Northern Ireland or the whole of the UK) our rules will require every designated firm to provide the cash service(s) identified in the assessment they are involved in, regardless of whether they have customers in that particular area. However, they will not be required to deliver services to a customer group they do not serve, for example a firm would not be required to provide services for SME customers if they do not offer business current accounts.
- 7.8** Designated firms could comply with this obligation to provide new services in one of two ways:
- **Acting collectively:** For example, through a shared delivery body, to decide what enhanced or additional facilities should be put in place to enable each designated

firm to deliver the services it will provide to its customers. This is the model firms currently use to deliver shared banking hubs.

- **Acting independently:** A firm may choose not to participate in delivery of shared solutions in one or more local areas. They may instead provide or procure facilities independently of other designated firms through which its services will be delivered, for example in a bank branch.

**7.9** The Chapter I prohibition contained in the Competition Act 1998 prohibits agreements and concerted practices that prevent, restrict or distort competition. This means, for instance, that rival undertakings cannot allocate markets between themselves. It also means that they must not share strategic or competitively sensitive information among themselves, as this can reduce strategic uncertainty in the market and/or is capable of influencing the competitive strategy of other undertakings. For example, if one undertaking knows what its rival will do, it has reduced incentives to make its best offer to customers, who can therefore suffer as a result.

**7.10** In this case, if designated firms act collectively to deliver cash services, they remain subject to competition law, and so must ensure, for example, that they do not allocate markets among themselves, nor share competitively sensitive information among themselves.

## Alternative approaches we have considered

**7.11** We have considered various other options for identifying which designated firms should be responsible for providing the additional cash access services in a local area.

**7.12** **We considered that some of the designated firms will have branch footprints which are concentrated to a particular region but have a minimal presence in another region.** We want to avoid limiting designated firms' obligations to only areas where they have substantial customer bases. This could have unintended consequences of incentivising firms to exit regions, with adverse consequences for provision of cash access services. It also fails to recognise that people may use cash services in areas other than where they live or that people move and travel within regions and nationally. For example, they may need to access cash services in the area where they work or do business (see [Explanatory Notes](#) to FSMA 2023). Also, using branch footprint would ignore that designated firms are likely to have been providing cash services across the country via the post office banking framework and ATM network.

**7.13** **We also considered not holding designated firms responsible for addressing significant deficiencies in local areas where they have never had a branch or where they have never offered cash services.** However, it would be difficult to establish what a branch includes (eg whether it would include previous brands of merged banks or building societies). It would also be difficult to establish what cash services are included and what would be the relevant date to include them from as the Banking Framework agreement expanded provision of cash access at Post Offices.

**7.14** **We consider the alternative approach of choosing which designated firm should deliver could result in a disproportionate burden being placed on some firms.** It would also create uncertainty about which designated firms are expected to deliver solutions,

which could lead to disagreements potentially resulting in delays to solutions being delivered. Holding every designated firm responsible for providing access should also prevent any designated firm being able to unfairly avoid its responsibility to contribute to the maintenance of reasonable cash provision by relying on other designated firms acting to provide cash access facilities.

- 7.15** Designated firms may choose to share facilities to provide cash access services. Existing practice has shown that by working collectively firms can deliver cash services in a cost-effective way which meets the needs of consumers and SMEs of multiple firms, and we expect that to continue. Most firms already provide national access to cash services through their membership of payment schemes and the Post Office Banking framework.
- 7.16** Within our rules, we propose to allow designated firms to continue to decide how best to fund delivery and ongoing provision of shared cash services so these costs can fairly be apportioned between firms. The rules focus on delivery of an outcome: provision of the additional services. Designated firms are reminded that they must continue to comply with competition law when discussing how to fund shared services.
- 7.17** We also propose that designated firms should be able to commission third parties such as the Post Office, Independent ATM deployers, deposit solution providers (among others) to provide solutions for them. This is why our proposed rules talk about 'providing or procuring' the additional services. Solutions will usually be delivered quicker and more efficiently using established procurement channels. An example of this would be where an ATM would be a preferred solution and one which can be delivered effectively and competitively given the current LINK commissioning process.

**Q15:** Do you agree with our approach to holding all designated firms responsible for providing additional cash access services identified in the assessment undertaken by or for them? If not, how do you think accountability for delivering those services should be divided amongst individual firms?

**Q16:** Do you agree with our proposal to hold designated firms responsible for delivering services across their entire area of designation, including where they have a minimal footprint?

**Q17:** Do you agree with our proposal not to require designated firms to deliver services aimed at customer groups they do not already serve (for example, not requiring firms who do not provide business current accounts to their customers to deliver services for SMEs)?

## Flexibility to choose what facilities will deliver additional services.

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- 7.18** We do not propose to prescribe what cash access facilities should be provided for any particular scenario. As discussed in Chapter 3, cash access services can be provided through a range of facilities or venues such as bank branches, Post Offices, banking hubs and ATMs. We want our rules to be flexible and to encourage ongoing innovation in the development of new types of cash facilities. Innovation will help support consumers as cash requirements continue to change, and as technology evolves. Banking hubs are an example of such beneficial innovation.
- 7.19** In addition, FG22/5 (Final non-Handbook Guidance for firms on the Consumer Duty) sets out that we expect firms to be able to identify when particular groups of customers, such as customers with characteristics of vulnerability or customers who share specific protected characteristics, under the Equality Act 2010 or equivalent legislation, receive systematically poorer outcomes. This may indicate that the firm is not meeting the Consumer Duty for those groups or is breaching its legal obligations. Firms should keep these obligations under consideration when choosing which facilities to provide.

### Ensuring what is put in place provides a consistent service

- 7.20** It is important that additional cash access services are available consistently during the stated opening hours of the relevant facility to allow consumers and SMEs to plan when and where they will access cash. So we propose that designated firms must take reasonable account of whether facilities they want to use to deliver additional services in line with an assessment will provide consistency of service during stated opening hours. We expect this to be relatively straightforward for more established solutions such as ATMs, Post Office counters and bank branches. However, it may be more challenging for firms to rely only on services such as cashback without a purchase unless they can demonstrate the consistency of the service.
- 7.21** We welcome the continued availability of cashback both with and without a purchase as both can be a useful source of cash access for consumers. However, for the purposes of our proposed cash regime, we think there may be some limitations with both types of service as explained below.

### Cashback with a purchase

- 7.22** Cashback with a purchase is a common source of cash. But there is conditionality to its use as it requires the customer to pay for a product, which they may not always want/need, to access this service. This could, in particular, present a barrier for consumers with low financial resilience. For this reason, we do not regard it as an appropriate means of delivering additional cash access services and propose that it should be excluded from consideration.



## Cashback without a purchase

**7.23** The advantage is that it is not conditional on the consumer making a purchase, however:

- **It may only be available at the discretion of the retailer.** This may be on a transaction-by-transaction basis, and dependent on the cash available in the till. This may result in significant variation in service between retailers and even depend on the day/time of the request.
- **Balance enquiries are not always available.** As set out in paragraph 7.25, we think that for many consumers, the ability to check the amount of cash available in their current account is a valuable service.

**7.24** We want to recognise the value of cashback for consumers, and it could be a supplementary source of cash provision. We propose that designated firms should only consider cashback without a purchase as a solution where they can show there is consistency of service.

**Q18: Do you agree with our approach to cashback without a purchase and if not, why?**

## Balance enquiries

**7.25** We think that for many cash users, the ability to conduct a balance enquiry is an important service. LINK's Annual Report 2023 found the proportion of balance enquiry transactions at ATMs has returned to pre-Covid levels of around 31%. This suggests that the ability to check what cash they have available is important to cash users. So where new cash withdrawal services are required, we will expect designated firms to ensure this feature is present.

## Setting timescales within which firms must provide additional services

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**7.26** We know that some consumers and SMEs who rely on cash may be significantly affected if there is a gap or delay in the provision of a new cash service in their local area. We welcome the progress that has been made so far by industry to establish processes to assess the cash needs of local communities and to deliver banking hubs and other solutions where they are needed. However there have, disappointingly, been significant delays with the rollout of these solutions.

**7.27** We want to see firms doing everything within their power to support the timely delivery of solutions. We are concerned that any gap between a bank or building society branch closing and delivery of new or additional cash services could have a significant impact on customers in vulnerable circumstances who may rely on them. So we propose to set rules for the timelines within which designated firms must deliver new or additional services.

## When additional services are required following a closure

### *For all closures*

**7.28** When additional services are recommended following a (proposed) closure or material change to existing cash access services (regardless of if these are planned or unplanned, or by designated or non-designated firms), we propose designated firms should be required to provide those additional services **without unreasonable delay, and in any event:**

- within 3 months of the publication of the assessment or the conclusion of any review, whichever occurs later
- or, if it comes later, by the time the closure takes place

### *For planned closures by designated firms*

**7.29** Where the (proposed) closure or material change is planned and concerns cash facilities operated by a designated firm, we propose that the designated firm **should be required not to implement the closure until a cash access assessment has been completed by the designated firm or by a designated coordination body it is part of, any review has been completed, and any additional services identified as part of that service have been delivered.**

**7.30** That is, we propose requiring designated firms not to close cash access facilities or make material changes to the services they provide until any additional services required by the assessment are in place.

**7.31** This mirrors our existing Guidance on Branch and ATM closures or conversions, which sets out that firms should consider the need to avoid causing harm by making sure that any proposed alternative service (or adequate interim arrangement) is in place and accessible to customers before a branch closure or conversion.

## When additional services are required following a cash access request

**7.32** Where an assessment results from a cash access request, we propose that the cash access services identified in it be provided **without unreasonable delay, and in any event within 3 months of the publication of the outcome of the assessment or the conclusion of any review, whichever occurs later.**

**Q19: Do you consider these timescales to be reasonable? If not, what do you consider to be reasonable?**

## Our approach to making assessment and delivery rules

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**7.33** Our assessment framework and rules on the delivery of services, set out over Chapters 4 to 7, are intended to be focused on delivering the right outcomes for consumers and SMEs, in terms of services, not on prescribing the facilities designated firms must use to deliver the services. We want our new rules and guidance to deliver sustainable

outcomes in local service provision, be flexible enough to accommodate different cash needs in different areas and be responsive enough to adapt to trends in cash usage. We therefore do not propose to prescribe what cash access facilities should be provided for any particular scenario, and want designated entities to carry out holistic assessments that consider the needs of communities as a whole. However, we consider it important to require firms to consider specific features when undertaking their assessments to ensure that the assessments undertaken are sufficiently comprehensive.

**Q20: Do our proposals strike the right balance between being outcomes-based and having the right level of detail? If not, could they be changed to better deliver cash access outcomes?**

## Chapter 8

# Keeping consumers informed

- 8.1** In this chapter we summarise our proposed rules for designated firms on communicating information on cash access to consumers, SMEs, and relevant local stakeholders.
- 8.2** We propose requiring designated firms, or where appropriate, the coordination bodies acting on their behalf, to:
- publish information on where consumers and SMEs can access cash
  - raise awareness of the cash access request scheme and how to make a request, and, where assessments take place, publicise how to request a review of the outcome
  - publish information on the outcomes of cash access assessments, including where these are revised following trial periods or reviews
  - publish information on additional cash access facilities to be provided due to an assessment outcome, including what services and features will be offered and expected delivery dates
- 8.3** This will enable consumers, SMEs and, where relevant, other local stakeholders to understand where they can access cash, request an assessment where they feel existing provision in their area is inadequate, and to challenge the outcomes of assessments where they are inappropriate.

## Telling customers where cash access facilities are

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- 8.4** Concerns about a lack of cash access in a local area can sometimes be due to a lack of awareness of existing facilities.
- 8.5** To address this, and help consumers and SMEs understand where they can access cash, we propose that designated firms must publish information about the range of cash access services available to their customers (subject to some exceptions), in an easily accessible place on their website.
- 8.6** Where designated firms can reasonably get this information, we would expect the following to be included:
- the type of facility eg, bank branch, ATM, Post Office
  - its address or location
  - cash access services provided
  - opening hours
  - accessibility information eg, availability of wheelchair access or hearing loop
  - whether each service allows for a reasonable mix of coins and banknotes to be deposited or withdrawn
  - details of any charges to users to access the service

- what (if any) assisted cash services are available
- types of ancillary services provided ie, balance enquiry, PIN management

**8.7** Designated firms could also include other information that they consider relevant or helpful to their customers in accessing the cash services they require.

**Q21: Is there any other information which should be published for consumers and SMEs?**

**8.8** LINK currently provides information through its Cash Locator tool. We would encourage designated firms to provide the above information using a similar tool, allowing their customers to see where they can access cash in real-time. Designated firms could do so in the form of their own cash locator tool, or they could have a designated coordination body create, maintain, and host such a tool on their behalf. If a designated firm relies on a tool published by a designated coordination body, they must signpost their customers to the tool, ensuring they provide them with enough information on their own websites to be able to access it.

**8.9** We propose that the published information must be regularly reviewed and kept up to date.

**8.10** To raise awareness among their customers about how they can find information about the locations and details of cash access facilities, we propose that designated firms should promote this information in the case of a closure of one of its cash facilities or material change in the cash access services it provides. We propose that designated firms should do this by using accessible signage at the cash access facility to signpost their customers to where they can find the information the firm or designated coordination body publishes about the locations and details of cash access facilities more generally. We propose that this signage should be in place until the planned closure or material change takes effect.

**8.11** Designated firms may wish to consider additional methods of communicating the above information to their customers. For example, promoting the information they publish about the availability of cash access services to organisations that support consumers with specific characteristics of vulnerability. We encourage all firms, including non-designated firms, to promote this information. Designated firms are reminded of their obligations under the Consumer Duty or Principle 7 in their communications with customers.

**Q22: Are there any other opportunities and formats designated firms could use to communicate to customers about where they can access cash?**

## Communicating the cash access request scheme

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**8.12** We consider the cash access request scheme a vital tool to identify significant gaps in the provision of cash access services. In particular, where changes in demographics

resulting in increased demand for cash render existing facilities inadequate. For the scheme to operate successfully, consumers and SMEs must be aware of its existence and how to use it. So, we propose that designated entities promote and raise awareness of the scheme by clearly setting out on their websites what a cash access request is, and how individuals or organisations can submit one.

- 8.13** We also propose to require designated firms or a designated coordination body responsible for managing cash access requests to inform local authorities, Members of Parliament, and members of devolved national legislatures of the scheme. This will help make it easier for local authorities, local representatives and the local stakeholders they work with to submit cash access requests.

**Q23: Do you agree with our approach to designated entities raising awareness of the cash access request scheme?**

## Publication of assessment criteria

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- 8.14** It is important that cash access assessments are conducted consistently and transparently so consumers and SMEs can understand and trust the process. So we propose that designated entities must publish the details of the process they will follow to conduct assessments and reviews in an easily accessible place on their website.
- 8.15** Designated entities' policies and procedures must set out the principal factors and criteria they will consider in undertaking cash access assessments. This will include their approach to establishing if there is a deficiency in cash access in the local area (including their approach to defining local areas), to identifying whether deficiencies have significant impacts, and to identifying additional cash access services required and reasonable solutions to address any such deficiencies.
- 8.16** As noted in Chapter 6, we propose requiring designated entities who carry out cash access assessments to periodically review the effectiveness of their policies and procedures. So, we also propose that designated entities must keep the published versions of those policies and procedures up to date.

## Publishing information on outcomes of assessments, trials, and reviews

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- 8.17** In addition to their assessment procedures, our rules will require designated entities to publish information about the outcomes of all assessments they undertake. This also includes assessments which conclude that there is no deficiency or that a deficiency has no significant impact on the local area.

**8.18** We propose that the designated entity conducting the assessment must, as soon as it is reasonably practicable to do so, ensure that the following information is published in an easily accessible place on their website:

- the date of the cash access assessment
- the reason the assessment was undertaken (ie, cash access request, closure)
- if it was triggered by a closure, the expected date of the closure
- the local area assessed, and the methodology used to establish it
- a summary of the criteria and rationale used in Steps 1, 2 and 3 of the assessment process, and the outcomes of those steps in terms of the provision of additional services for a) individuals and b) businesses in that local area
- where significant impacts have been identified, the services and features that have been identified as reasonable to provide to address them, and certain other matters from the assessment
- whether additional cash access services are to be provided on a permanent or trial basis, and where on a trial basis:
  - a summary of the reasons why the trial is appropriate
  - the criteria for determining whether the trial is successful
  - details of the trial period
- a statement that any additional cash access services for personal customers are to be provided free of charge
- who must deliver the additional services under our proposed rules and the timescale within which they are expected to deliver them under those rules (see Chapter 7)
- the availability of a review process and how to request a review

**8.19** We recognise that assessment decisions may contain confidential information. For example, where the assessment has to ignore the availability of services at a facility which is the subject of an intended closure that has not yet been announced. Where this is the case, we understand that designated entities will want to publish the information without revealing confidential information.

**8.20** Where a cash access assessment is updated following the completion of a trial period, we propose that the information published about the outcome of that assessment must be updated. This must include the date on which the cash access assessment was updated, how the information published about the outcome of the assessment has been updated because of the trial, and a summary of the reasons for these updates.

**8.21** Similarly, where a review results in a revised cash access assessment, we propose that firms be required to publish the fact a review has taken place, the reason for the review, and any changes to the published details of the original cash access assessment resulting from the review.

**Q24: Do you agree with our proposals for publishing information about the outcomes of cash access assessments? If you believe there is further information that designated entities should provide, please give details.**

## Publishing information about additional cash access facilities

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**8.22** Following an assessment that identifies the need for a replacement or new cash access service, we propose designated firms must publish further information about that additional service. This is in addition to the information they or their designated coordination body must publish about the outcome of the assessment.

**8.23** We propose that designated firms must publish the below information in an easily accessible place on their website as soon as reasonably practicable, and keep it up to date:

- details of any existing or new additional cash access facility that will provide the service including address or location, expected launch date, opening hours and whether the service is permanent or a trial
- what cash access services will be available
- whether each service will allow for a reasonable mix of coins and banknotes to be deposited or withdrawn
- what (if any) assisted cash access services will be available
- accessibility information
- availability of balance enquiry service

**8.24** We recognise that designated firms may not always be able to give a definitive date cash access services will become available. For example, provision of some additional cash services may require firms to secure new buildings or additional space. In such instances, we will expect firms to provide their best estimate of the expected date or range of dates, along with an explanation of why a more definitive date is not possible.

**Q25: Do you agree with our proposals for publishing information about additional cash access facilities? If you believe there is further information that designated entities should provide, please give details.**

## Notification when closing cash access facilities

**8.25** If an assessment is triggered by the closure of a designated firm's cash access facility or a material change in the cash access services it provides, we propose that the designated firm or designated coordination body inform the following persons about this and of the assessment outcome in terms of additional provision.:

- relevant local authorities
- relevant Member of Parliament



- any members of the devolved national legislatures (Members of the Senedd, Members of the Scottish Parliament, or Members of the Northern Ireland Assembly) representing the relevant local area

**8.26** The designated entity should also inform them of any of the details referred to in paragraph 8.23, where applicable. We propose that the designated entity must do this as soon as reasonably practicable.

**8.27** As noted in paragraph 8.10, we also propose that they must use accessible signage at the relevant cash facility. This signage should set out the details of any additional cash access services and signpost information about the availability of cash access services on the designated firm's or designated coordination body's website. We propose that this signage should be in place until the planned closure or material change takes effect.

**8.28** Where a firm is closing a bank branch or ATM or making changes to these facilities that would have a significant impact on customers, we expect all firms to continue to refer to our Branch and ATM Closures and Conversions Guidance ([FG22/6](#)).

**Q26: Do you agree with our proposals for sharing information on the closure of a facility? If you believe there are other stakeholders that designated entities should engage with, please give details.**

## Chapter 9

# Supervision, reporting and complaints

- 9.1** This chapter sets out how we plan to supervise designated firms' and coordination bodies' compliance with our proposed rules, and the data we propose to gather from designated entities and others to enable us to do so.
- 9.2** We will focus our supervision efforts on promoting the right outcomes for consumers and SMEs. We want cash services to accommodate local needs, and consumers and SMEs not to face unreasonable barriers to accessing cash.
- 9.3** We will focus on the need for the cash access services designated firms provide to address any significant impacts of deficiencies identified in cash access assessments, rather than prescribing exactly what facilities they must put in place. This will help address the cash access needs of consumers and SMEs, while supporting continued innovation and encouraging new cash solutions.

## Approach to supervision and enforcement

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- 9.4** We propose to gather data which will help us monitor where cash access services are available to consumers and SMEs, demand for these services and the demographics using them, and where their withdrawal is likely to have the most significant impacts. Supervisors will use this data to analyse the potential impacts of closures and take mitigating action if necessary. It will help us challenge designated coordination bodies and firms if we are concerned they are not identifying or addressing deficiencies in cash access with significant impacts.
- 9.5** As outlined in Chapter 5, where our data or other insights suggest that provision of cash access may not be reasonable in a particular local area, we propose that the FCA itself may request that designated firms undertake a cash access assessment for that area. This is in addition to designated firms' and coordination bodies' ongoing requirements to undertake cash access assessments in response to closures of cash facilities or on receipt of cash access requests. Where appropriate, we will ask for an assessment of provision in a particular local area with boundaries and population determined by us.
- 9.6** We will also gather information to help us assess whether the assessments and reviews designated entities undertake are effective and in line with the proposed rules set out in Chapters 5 and 6. In situations where we believe the policies and procedures relating to cash access assessments need amending, we have the power to impose requirements to act (via directions) on designated firms and coordination bodies. If necessary, we can also use the power of direction to require designated firms to deliver cash access solutions in particular local areas. We will use these powers where necessary to help manage ongoing or immediate risks to the reasonable provision of cash access services.
- 9.7** We will also have powers to take enforcement action under FSMA to ensure designated firms and coordination bodies face appropriate action where they fail to comply with our

rules. Where we identify serious or persistent breaches of our rules, we will use our full range of powers to tackle them.

## Monitoring reasonable access: proposed reporting requirements

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**9.8** Since 2021, we and the PSR have been gathering data on access to cash including on the locations of cash access points and other relevant information. We publish a regular update giving an overview of geographical cash access coverage in the UK. This data is currently gathered on a voluntary basis.

**9.9** We now propose creating new rules to require designated firms to report data to us on the provision of cash access services. We will also gather information from other entities who are involved in the cash access market. This includes non-designated banks and building societies, Post Offices, and ATM networks and operators (using the enhanced information gathering power granted to us under FSMA s131Y to require such entities to provide data where reasonably required). This data will be used to inform our understanding of cash coverage in the UK.

We will get data from the:

- largest personal current account (PCA) providers – to gain data on the branch coverage of the banks and building societies who provide the vast majority of current accounts in the UK (this will include both designated firms and large non-designated firms)
- ATM network (LINK) – to gain ATM data
- Post Office – to gain information around Post Office cash access facilities, as well as the banking hubs they operate
- payment systems through which cashback is provided – to gain data on cashback locations

**9.10** The information from these firms and entities on cash access services, including on location, opening hours, facilities offered, accessibility, and customer use of services, will be used to support our ongoing monitoring of the provision of cash access services. As noted above, this data will support our supervision approach by directing effort to the facilities whose closure would have the greatest detrimental impact on local areas.

### What data should be submitted

#### *From designated firms:*

**9.11** We propose creating new rules to require designated firms (banks and building societies) to submit data to us on their branches and on planned branch closures – see Annex C to the instrument at Appendix 1 to this paper (Draft Handbook text). The table below sets out a summary of this and our proposed rules provide a detailed list of the data fields to be reported.

Information required	Handbook location of requirement	Frequency
Branch data including: <ul style="list-style-type: none"> <li>• locations</li> <li>• opening hours</li> <li>• facilities (eg, deposit, ATMs)</li> <li>• accessibility (eg, wheelchair, hearing, visual impairment)</li> <li>• activity and usage (eg, numbers of personal/business customers and transaction volumes)</li> </ul> Branch closure data: <ul style="list-style-type: none"> <li>• details on planned branch closures</li> </ul>	SUP 16, with guidance in the annex to SUP 16	3 windows per year to submit data: <ul style="list-style-type: none"> <li>• 1-14 February (for branch data covering Q3 and Q4 of the previous year)</li> <li>• 1-14 June (for branch data covering Q1 of the current year)</li> <li>• 1-14 October (for branch data covering Q2 of the current year)</li> </ul> Data on any planned branch closures. We have aligned these with the existing industry processes as far as possible.

**Q27: Are there any barriers to designated firms providing the suggested data? If so, is there any other information we could gather from designated firms to help us to understand the availability of cash access services?**

***From non-designated firms and non-regulated entities:***

- 9.12** We also propose to gather additional information on the availability of cash access services from a range of other entities. This includes non-designated banks and building societies, Post Offices, and the ATM network (LINK). This information will include monitoring data on the characteristics of the services (eg, branches, ATMs, Post Offices, cashback) and on planned closures of these services. For some of these services, we want full details of any proposed closures and for others we are only asking for notifications of planned closures.
- 9.13** While we do not have rule making powers under the access to cash regime for non-designated persons, the enhanced information gathering power granted to us under FSMA s131Y allows us to require the above entities to provide information where this is reasonably required to help exercise our functions under the new access to cash regime. We will exercise this power where we need to in order to effectively monitor the availability of cash access services.
- 9.14** The table below sets out the information we propose to request from each entity.

Provider	Monitoring data collection frequency Per year	Type of data	Location	Opening Hours	Facilities	Accessibility	Activity and usage (eg, no. of personal / business customers and transaction volumes)	
Non-designated banks & Building Societies with a large branch network (10 or more branches)	1	Branch monitoring data. Only notifications of proposed closures as per branch closure <a href="#">guidance</a>	Yes					
Non designated banks & Building Societies with a small branch network (under 10 branches)	0	Only notifications of proposed closures as per branch closure <a href="#">guidance</a>	No					
Post Office	3	Post Office monitoring data	Yes					
ATM network (LINK)	3	ATM monitoring data.	Yes	No	Yes	Yes	Yes	
Payment systems through which cashback is provided (Visa and Mastercard)	1	Cashback monitoring data	Yes	Yes	No	No	Yes	

**9.15** We do not propose to collect regular data from independent ATM deployers (IADs) However, our enhanced information gathering power applies to IADs and we may choose to use this to gather more information should it be required in future.

**9.16** We also do not currently propose to gather regular data from cashback without purchase operators. This is currently only available at a relatively small number of

retailers, transaction volumes are low, and at many retailers cashback may not be consistently available. We will continue to monitor the availability and uptake of cashback without purchase through our supervisory engagement with operators. We may ask for more regular data in future if cashback without purchase becomes more widely available and used.

- 9.17** The branch monitoring data we propose to gather from non-designated banks and building societies with a large branch network aligns with that we propose to gather from designated firms.
- 9.18** The data we propose to gather from the Post Office and ATM network (LINK) is set out in Appendix 2 to this paper.
- 9.19** We also expect to collect information on proposed ATM closures from LINK in the future. We will review the format and frequency with which we collect it in due course.
- 9.20** We understand that the data collected by operators of payment systems through which cashback is provided is not the same or directly comparable. We therefore do not set out the specific data items we intend to collect from them in this paper. As outlined in the table above, we propose to gather data from them on location, opening hours and activity. This will be in line with data we have gathered from them previously.

**Q28: Are there any barriers to these non-designated firms or non-regulated entities providing the suggested data?**

***How to submit data to us***

- 9.21** For monitoring and proposed closures data, some firms and non-regulated entities currently report to us voluntarily outside of our regulatory data collection platform RegData. We want firms to continue providing data in the same way until they are able to submit this via RegData, at which point, we will want data provided to us via RegData.

***Non-submission of data***

- 9.22** We will ask both designated firms and the other entities outlined above to submit data on time and in line with the collection frequencies outlined above.
- 9.23** Designated firms will be required to do so under the new reporting rules set out above.
- 9.24** As above, where other entities do not submit monitoring information as requested, we may exercise our enhanced information gathering power to formally require it from them. Gathering this data is important in order for us to effectively monitor the availability of cash access services and exercise our functions under the new access to cash regime.

## Information on cash access requests, assessments, and reviews

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- 9.25** In addition to the data on cash access provision, we will also collect information about cash access requests, assessments and reviews through our supervisory engagement with designated entities, using formal information gathering powers where necessary. As outlined in paragraph 6.5, where a designated entity proposes to update their policies and procedures around assessments and reviews, we also propose to require them to submit a report to us with a description of any substantial changes. This information will help us to monitor and actively supervise whether the assessments and reviews designated entities are undertaking are meeting the proposed rules and resulting in reasonable provision of cash access services.
- 9.26** To ensure designated firms act promptly we have set timescales within which firms must deliver services identified as being required by a cash access assessment (set out in Chapter 6). In addition, designated firms must publish information about the solution they intend to deliver, including expected delivery date. We will monitor whether there are concerns about delays through our ongoing supervisory engagement with firms and would expect firms to be able to explain to us what is preventing them delivering services within the required timeframes and take reasonable steps to overcome any blockers. If we do not consider the reasons justified, we would use our supervisory toolkit including public censure, the power of direction (section 131W FSMA) and if there was a widespread failure to comply we may also consider other enforcement action.
- 9.27** Once the additional cash access services identified by cash access assessments are installed, where appropriate, such as when we understand they are receiving high numbers of complaints, we will also engage with designated firms about the operation of these services.
- 9.28** In taking this approach, we are not proposing to create more detailed rules for reporting of cash access requests, assessments, reviews or complaints. We consider that the flexibility offered by our supervisory engagement with designated entities will better enable us to identify and keep up to date with any issues arising. We consider that the information we receive through our supervisory engagement, in conjunction with the information entities will be required to publish publicly about the outcomes of assessments and reviews and about when new services are expected to be delivered, will give us enough information to undertake our supervisory approach. Our enhanced information gathering power will also allow us to require designated entities to provide additional information and documents where this is reasonably required to help exercise our functions under the new access to cash regime. We will keep our approach under review and may consider whether additional regular reporting requirements are necessary in future.

**Q29: Do you agree with our approach to gathering information about assessments, reviews, delivery of services and complaints related to our access to cash rules?**

## Complaints

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- 9.29** It is important consumers and SMEs are able to complain to firms they are customers of, about the firm's conduct when things go wrong. Below we explain how and where a consumer or SME can go if they have complaints related to actions required under our proposed access to cash rules. Initially if a consumer or SME wants to complain about their firm's conduct, they should bring the complaint to the firm itself to consider. If they are unhappy with the outcome of the complaint to the firm, the Financial Ombudsman Service (the Ombudsman Service) may be able to consider their complaint.
- 9.30** We set out below how these complaints interact with our Dispute Resolution: Complaints Sourcebook (DISP) which covers how firms should deal with complaints from their customers (including potential customers) promptly and fairly, and the scope of the Ombudsman Service's jurisdiction to consider complaints.

### Complaints about cash access assessments

- 9.31** If someone, or a group (with sufficient interest in the local area), is concerned about the outcome of a cash access assessment, where the concern is about a factual inaccuracy or lack of information that could have had an impact on the outcome of the assessment, they can request a review of the assessment. We have proposed that designated entities must have a process (set out in Chapter 6) to handle reviews of cash access assessments.
- 9.32** Undertaking a cash access assessment may not be an activity that comes under the scope of DISP. Complaints about cash access assessments may also not come under the Ombudsman Service's jurisdiction. So we propose that the review process (described in Chapter 6) is available for those wishing to complain about a cash access assessment.

### Complaints about access to cash including closures

- 9.33** Under our proposed access to cash rules, if somebody is concerned about the lack of cash access in their local area, they will be able to submit a cash access request. When firms or the Ombudsman Service receive complaints of this type, they may wish to signpost to information about submitting a cash access request where appropriate.
- 9.34** As outlined in Chapter 4, a cash access facility closure would be a trigger event and would require designated firms to undertake a cash access assessment (subject to certain exceptions). Separately to this requirement, if a firm has withdrawn a cash access facility, it would be open to a customer of that firm to complain to their firm about the impact the withdrawal has had on them. If the customer remains dissatisfied with



that firm's response, the customer may then be able to complain to the Ombudsman Service. However, the customer would only be able to complain to the Ombudsman Service about the actions of the firm of which they are a customer – not about the actions of other firms. The Ombudsman's approach to such complaints will depend on the individual circumstances of the complaint itself, including the specific impact that the withdrawal had.

### **Complaints about the delivery of additional cash access services**

- 9.35** Under our proposed new access to cash rules, designated firms will be held responsible for delivering the additional cash services identified in cash assessments. If designated firms fail to adequately do this, it may result in complaints from consumers and SMEs. This could include complaints about the time it takes to install additional cash access services identified by an assessment or the operation of these services once they have been installed. For example, if they are not open for enough hours to meet local demand.
- 9.36** Where a customer is complaining to their firm about the delivery of additional cash access services this could fall under the DISP definition of complaints. Where these do fall under the DISP definition of complaints, firms are required to follow the rules in DISP including investigating the complaint and considering whether remedial action may be appropriate. We will also expect firms to report complaints (as required under the DISP complaint reporting rules) about the delivery of additional cash access services as complaints about the relevant product the customer making the complaint holds eg current accounts or savings accounts.
- 9.37** A customer may be able to complain to the Ombudsman Service about their own firm's withdrawal of or failure to provide access to cash. As noted above, whether the Ombudsman Service can consider these complaints, and the Ombudsman's approach to such complaints, will depend on the particular circumstances of the case.

**Q30: Do you have any comments on how complaints about our proposed access to cash rules will be handled?**

- 9.38** The diagram below sets out who consumers could complain to for the individual concerns set out above.



### **Complaints relating to cash access assessments**

Firms & Coordination body\*



### **Complaints relating to access to cash including closures**

Firms\*\* & potentially the Ombudsman Service\*\*\*



### **Complaints about the delivery of additional cash access services**

Firms & potentially the Ombudsman Service\*\*\*

- \* Review of a Cash Access Assessment process can be followed
- \*\* Can signpost to Cash Access Requests if appropriate
- \*\*\* No Ombudsman Service rights where complainant is not an existing or potential customer

## **Private right of action**

- 9.39** FSMA provides that a private person (generally, individuals, not businesses) who has suffered a loss through a firm's breach of one of our rules has a right to take legal action for damages against the firm. However, we can switch off the private right of action (PROA) when making or changing a rule.
- 9.40** We propose to not provide a PROA for breaches of our access to cash rules. Our new powers aim to ensure cash access provision for local communities rather than for any one individual. Also, under the new proposed rules responsibility for remedying a consumer access issue would not lie with one firm, as under these rules all designated firms would have responsibility for delivery of any additional cash access services. So we think it is reasonable for the PROA not to apply in this instance.
- 9.41** A PROA is part of a wider range of mechanisms which make firms accountable for their breaches of our rules, and by which consumers can get redress. This includes firms' own complaints and redress procedures, our supervisory and enforcement activities and access to redress through the Ombudsman Service. As set out above, we have proposed a cash access request scheme and a review process for cash access assessments, and there is an existing complaints framework (making complaints to firms and to the Ombudsman Service) which are likely to be a more appropriate route for

consumers to raise their concerns. These are designed to make it straightforward for consumers to pursue complaints at no additional cost to them, and without the need for legal representation.

**Q31: Do you agree with our proposal to not provide a private right of action for breaches of our access to cash rules?**

## Annex 1

### Questions in this paper

- Q1:** Do you agree with the proposed 'trigger events' for a cash access assessment resulting from a closure of or material reduction/change to a service? Are there any additional trigger events we should consider?
- Q2:** Do you agree that our proposals will enhance communities' ability to proactively address cash access concerns in their areas?
- Q3:** Should there be other events that should not trigger a cash access assessment? If so, what are they?
- Q4:** Do you consider that 8 weeks will be sufficient time to gather information and complete a cash access assessment? If not, please set out an alternative with reasons?
- Q5:** Do you agree with our transitional period of 3 months?
- Q6:** Do you agree with the approach of establishing a local area by reference to the addresses of those who could be affected by a deficiency? Are there any other factors designated entities should be required to take into account when establishing the local area to be used in assessments?
- Q7:** Are there any additional factors that should be considered by designated entities in the Step 1 assessment process? Please detail what and why they are important to understanding if a local cash access deficiency exists?
- Q8:** Do you agree with our last branch in town proposal?
- Q9:** Are there other proposals for the last branch in town we should consider?
- Q10:** Do you agree with our proposals for Step 2 of the assessment process and the factors designated entities should take into account in establishing if a local deficiency causes or would cause significant impacts?
- Q11:** Do you think there are additional factors that designated firms should consider? If so, what would these be?
- Q12:** Do you agree with our proposed requirement for designated entities to publish and periodically review their policies and

procedures around cash access assessments? Are there other ways the accountability and transparency of the assessment process could be enhanced?

- Q13:** Do you agree that only those with a sufficient interest in the outcome of the assessment in a local area can ask for a review and do you agree that we should allow 21 days after the publication of an assessment to request a review?
- Q14:** Do you consider 8 weeks to be sufficient time to complete a review of a cash access assessment? If not, please state why and what you would consider a reasonable timeframe.
- Q15:** Do you agree with our approach to holding all designated firms responsible for providing additional cash access services identified in the assessment undertaken by or for them? If not, how do you think accountability for delivering those services should be divided amongst individual firms?
- Q16:** Do you agree with our proposal to hold designated firms responsible for delivering services across their entire area of designation, including where they have a minimal footprint?
- Q17:** Do you agree with our proposal not to require designated firms to deliver services aimed at customer groups they do not already serve (for example, not requiring firms who do not provide business current accounts to their customers to deliver services for SMEs)?
- Q18:** Do you agree with our approach to cashback without a purchase and if not, why?
- Q19:** Do you consider these timescales to be reasonable? If not, what do you consider to be reasonable?
- Q20:** Do our proposals strike the right balance between being outcomes-based and having the right level of detail? If not, could they be changed to better deliver cash access outcomes?
- Q21:** Is there any other information which should be published for consumers and SMEs?
- Q22:** Are there any other opportunities and formats designated firms could use to communicate to customers about where they can access cash?
- Q23:** Do you agree with our approach to designated entities raising awareness of the cash access request scheme?

- Q24:** Do you agree with our proposals for publishing information about the outcomes of cash access assessments? If you believe there is further information that designated entities should provide, please give details.
- Q25:** Do you agree with our proposals for publishing information about additional cash access facilities? If you believe there is further information that designated entities should provide, please give details.
- Q26:** Do you agree with our proposals for sharing information on the closure of a facility? If you believe there are other stakeholders that designated entities should engage with, please give details.
- Q27:** Are there any barriers to designated firms providing the suggested data? If so, is there any other information we could gather from designated firms to help us to understand the availability of cash access services?
- Q28:** Are there any barriers to these non-designated firms or non-regulated entities providing the suggested data?
- Q29:** Do you agree with our approach to gathering information about assessments, reviews, delivery of services and complaints related to our access to cash rules?
- Q30:** Do you have any comments on how complaints about our proposed access to cash rules will be handled?
- Q31:** Do you agree with our proposal to not provide a private right of action for breaches of our access to cash rules?

## Cost benefit analysis

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- Q32:** Do you have any comments on our cost benefit analysis, including our analysis of costs and benefits to firms, consumers and the market?
- Q33:** Do you have any comments on the assumptions used in our analysis of the costs and benefits to firms, consumers and the market?

## Annex 2

# Compatibility statement

## Compliance with legal requirements

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1. This Annex records the FCA's compliance with several legal requirements applicable to the proposals in this consultation, including an explanation of the FCA's reasons for concluding that our proposals in this consultation are compatible with certain requirements under the Financial Services and Markets Act 2000 (FSMA).
2. When consulting on new rules to be made under Part 8B FSMA, the FCA is required by section 138I(2)(d) FSMA to include an explanation of why it believes making the proposed rules is (a) compatible with its general duty, under s. 1B(1) FSMA (as modified by s. 131Z2 FSMA), so far as reasonably possible, to act in a way which is compatible with its strategic objective and advances its purpose under s. 131U FSMA of seeking to ensure reasonable provision of cash access services in the UK or a part of the UK, and (b) its general duty under s. 1B(5)(a) FSMA to have regard to the regulatory principles in s. 3B FSMA (as modified by s. 131Z2 FSMA). The FCA is also required by s. 138K (2) FSMA to state its opinion on whether the proposed rules will have a significantly different impact on mutual societies as opposed to other authorised persons.
3. The FCA also has a duty under section 1B (4) FSMA to promote effective competition in the interests of consumers so far as is compatible with meeting our objectives to protect consumers and enhance market integrity. In accordance with the new section 131Z2 FSMA, our competition duty in section 1B (4) FSMA, secondary competitiveness and growth objective in section 1B (4A) FSMA and operational objectives in section 1B (3) FSMA including: the consumer protection objective, the integrity objective, and the competition objective do not apply when discharging a function under Part 8B FSMA. This is because our cash purpose represents a standalone objective for the FCA.
4. The proposals relating to costs of supervision would be made using the FCA's rule-making power in Schedule 1ZA paragraph 23 of FSMA, as read in conjunction with section 131Z1 of FSMA. Insofar as necessary, the FCA is including an explanation of why it believes making the proposed rules (a) is compatible with its general duty, under section 1B(1) FSMA, so far as reasonably possible, to act in a way which is compatible with its strategic objective and advances one or more of its operational objectives, (b) so far as reasonably possible, advances the secondary international competitiveness and growth objective, under section 1B(4A) FSMA, and (c) complies with its general duty under section 1B(5)(a) FSMA to have regard to the regulatory principles in section 3B FSMA.
5. Our regulatory approach continues to observe regulatory principles, including the principle of proportionality and it may be appropriate to consider competition in determining what reasonable provision is. In determining reasonable provision, we are to have regard to such matters we consider appropriate (s.131U(3)(b)), and we see

competition as one such matter. Our policy/rules are intended to aid competition by being channel neutral and allowing firms flexibility to choose appropriate facilities and innovate to fill significant deficiencies in cash access. Firms must continue to comply with their competition law obligations, including under the Competition Act 1998. It is up to the individual firms to assess and manage these risks, but the utilisation of an appropriate, independent cash coordination body (responsible for e.g., assessing cash provision for multiple designated firms) and an implementing body (responsible for delivery of cash solutions), should help to mitigate these risks.

- 6.** In addition, this Annex explains how we have considered the recommendations made by the Treasury under s. 1JA FSMA about aspects of the economic policy of Her Majesty's Government to which we should have regard in connection with our general duties. We have had regard to the latest letter from Treasury (originally known as the "remit letter"), published 9 December 2022. For example, we have considered the use of technology in financial services by taking an outcomes-based approach to implementation of additional cash services required under the proposed rules and being neutral as to the type of facility to be used to provide those services. Additionally, we have had regard to supporting the government's objective of medium to long-term economic growth in the interests of consumers and businesses. There are many SME's that rely on cash transactions for various reasons. Our policy supports the continued viability of these organisations. We have also had regard to the government's commitment to securing better outcomes for all consumers and having regard to the needs of different consumers who use or may use financial services. Our proposals consider characteristics of vulnerability as well as the differences between individuals and SMEs, in determining whether there is a significant impact because of a local deficiency in cash access services. This Annex includes our assessment of the equality and diversity implications of these proposals.
- 7.** We have also considered the [Cash Access Policy Statement](#) published by Treasury and, as such, we seek to maintain a network of cash access facilities that is in keeping with the current distribution of services so that people and businesses who remain reliant on cash are able to withdraw and deposit it. There are two areas FSMA requires us to have regard to the Statement: (1) determining reasonable provision (we have incorporated the distances in the Statement into the cash access assessment process in the proposed rules, and with respect to personal current accounts have focused on free cash access services as per the Statement), and (2) determining whether there are local deficiencies and the significance of the impacts of such deficiencies (we have also incorporated into our proposed cash access assessment process factors that the Statement says may be appropriate considerations for determining the degree to which services meet local needs). Our proposals also considered other factors which we consider appropriate in determining reasonable provision and whether there is a local deficiency that results in significant impacts.
- 8.** Under the Legislative and Regulatory Reform Act 2006 (LRRRA) the FCA is subject to requirements to have regard to several high-level 'principles' in the exercise of certain regulatory functions and to have regard to a 'Regulators' Code' when determining general policies and principles by which we exercise certain regulatory functions and giving general guidance (but not when exercising other legislative functions like making rules). This Annex sets out how we have complied with requirements under the LRRRA.



## The FCA's objectives and regulatory principles

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### Cash purpose

9. The proposals set out in this consultation are intended to advance the FCA's new cash purpose in FSMA of seeking to ensure reasonable provision of cash access services in the UK or a part of the UK.
10. Our proposals will achieve this by establishing a regime which involves identification of gaps in reasonable provision, provision of additional services where appropriate, measures to raise awareness of provision, and requirements that will assist us in monitoring provision and the effectiveness of the regime. Our proposed rules require each of the banks and building societies that will be designated by the Government as subject to the new access to cash regime to conduct assessments of the reasonableness of cash provision when certain significant changes in local access occur or are proposed, or where a cash access request is made under the proposed rules. Additionally, our proposals require designated firms to fill gaps in provision where, broadly, assessments conclude the gap will have a significant impact and it is reasonable to provide an additional service. Our proposals will also require designated firms to raise public awareness of the cash access request scheme and availability of cash access services through notification and publication provisions, and to report data to us which will assist us in monitoring provision.

### Strategic objective

11. We consider these proposals are compatible with the FCA's strategic objective of ensuring that the relevant markets function well because they seek to ensure the reasonable provision of cash deposit and withdrawal services which will support both the retail cash market as well as, more broadly, transactions between consumers and businesses. For the purposes of the FCA's strategic objective, "relevant markets" are defined by s. 1F FSMA.

### Operational objectives and secondary objective

12. The proposals relating to the recovery of costs of supervision are not intended in themselves to advance our operational objectives, but the fees we collect fund our capacity to achieve them. Insofar as necessary, the proposals relating to the recovery of costs of supervision therefore also indirectly advance our operational objectives and our secondary objective of facilitating the international competitiveness of the UK economy and its growth in the medium to long term.

### Regulatory principles

13. In preparing the proposals set out in this consultation, the FCA has had regard to the regulatory principles set out in s. 3B FSMA (as modified by s. 131Z2FSMA).

### **The need to use our resources in the most efficient and economical way**

14. Our proposed rules will impose requirements on designated firms (or their designated coordination body) to conduct cash access assessments, and requirements on designated firms to fill gaps in reasonable provision. We will supervise compliance with those rules. We consider this to be the most efficient use of resource. Additionally, we are gathering data to help us understand where the loss of cash access services is likely to have the most significant impacts, which will reduce resource-burden by directing supervisory resource where it is most needed (see "Supervision, monitoring and complaints").

### **The principle that a burden or restriction should be proportionate to the benefits**

15. Our approach aims to direct effort to those local areas with the greatest need. This is via a cash access assessment which identifies not only if there is a deficiency, but also whether that deficiency results in significant impacts. Only when both of those stages are passed should additional provision be provided. We have also considered proportionality in terms of what additional services it would be reasonable to expect designated firms to provide to address a deficiency with significant impacts, and we are taking a channel-neutral approach to the type of facility to be used to provide those additional services. The proposed fees are necessary for us to meet the cash purpose and, insofar as necessary, our objectives and we consider them to be proportionate. In particular, we are proposing to base the fee calculation on data which the firms already submit, keeping the process simple and cost effective and avoiding the creation of new reporting requirements. We have considered the impact of our proposals on both designated entities and cash users and have undertaken a cost-benefit analysis (CBA) which is included in Annex 3 of this paper. We consider the costs are proportionate to the benefits.

### **The need to contribute towards achieving compliance by the Secretary of State with section 1 of the Climate Change Act 2008 (UK net zero emissions target)**

16. We consider our approach to be neutral with regard to this regulatory principle. Our approach is focused on ensuring firms deliver cash access services which meet the needs of communities, not on prescribing exactly what facilities must be put in place to do so or their carbon footprints. We recognise that delivering additional cash access services will have climate impacts, however we consider this to be an unavoidable consequence of ensuring the reasonable provision of cash access services. In any event, the Treasury's Cash Access Policy Statement judges the distribution of cash access services to be broadly comprehensive on a nationwide level and our policy is not designed to result in a substantial redistribution or large-scale introduction of additional access points.

## **The general principle that consumers should take responsibility for their decisions**

17. We are consulting on a mechanism to allow cash users to trigger a cash assessment via a cash assessment request. Information about the cash access request procedure will be published by designated firms and any designated coordination body who undertakes cash access assessments. This will allow consumers to make informed decisions about whether to make a cash access request, but the decision is their responsibility. Additionally, in some cases there is an element of consumer choice as to the location they live in.

## **The responsibilities of senior management**

18. SMFs are required to take reasonable steps to ensure that the business of the firm for which they are responsible complies with the relevant requirements and standards of the regulatory system and can therefore be held personally accountable if they did not take appropriate actions to ensure compliance with the new rules. We do not consider it necessary to amend SM&CR rules in order to implement the policy. Our proposed rules will require designated entities to set out their policies and procedures relating to cash access assessments in writing and have them approved by its governing body or senior personnel.

## **The desirability of recognising differences in the nature of, and objectives of, businesses carried on by different persons including mutual societies and other kinds of business organisation.**

19. Our proposed rules will apply equally to firms designated by the Government. This is intended to ensure a level playing field for all entities in the market. These rules build in recognition that the business models of designated firms may differ in terms of the types of customers (i.e. personal or business) that they offer current accounts to. For example, any requirement to provide additional cash access services would only apply with respect to the current accounts that a designated firm offers its customers.

## **The desirability of publishing information relating to persons subject to requirements imposed under FSMA, or requiring them to publish information**

20. On a quarterly basis, with the Payment Systems Regulator (PSR), we gather data on access to cash. This captures the locations of cash access points and other relevant information like temporary closures, opening hours, and accessibility. This data covers bricks-and-mortar, mobile bank, and building society branches, automated teller machines (ATMs), and the Post Office network. We supplement this information with annual data on cashback locations and it is published. The data we are proposing to gather using our new powers is in line with and builds upon this. We are also proposing that designated entities publish information about the outcome of cash access assessments and resulting additional cash facilities. This supports our cash purpose by ensuring that assessments are transparent. The proposal to require designated firms

to publish details of cash access points also supports our cash purpose in that it raises awareness of their availability.

## **The principle that we should exercise our functions as transparently as possible**

- 21.** We have shared our proposals in sufficient detail in this paper and have regularly engaged with relevant stakeholders as we have developed our approach. Our final rules and guidance will be published following consultation.

### **S.1B(5)(b) FSMA**

- 22.** In formulating these proposals, the FCA has had regard to the importance of acting to minimise the extent to which it is possible for a business carried on (i) by an authorised person or a recognised investment exchange; or (ii) in contravention of the general prohibition, to be used for a purpose connected with financial crime (as required by s. 1B(5)(b) FSMA). When providing services that take cash deposits, firms should seek to find the balance between ensuring customers have access to cash where it's needed and complying with their AML and other financial crime obligations.

## **Compatibility with the duty to promote effective competition in the interests of consumers**

- 23.** Our competition duty in section 1B(4) FSMA is disapplied by section 131Z2 FSMA when discharging a function under Part 8B FSMA. With regard to the costs of supervision proposals, fees are not intended in themselves to influence firms' behaviour but enable us to fund the necessary activities which includes meeting any applicable duty to promote effective competition in the interests of consumers.

## **Expected effect on mutual societies**

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- 24.** The FCA does not expect the proposals in this paper to have a significantly different impact on any mutual societies designated under Part 8B.

## **Equality and diversity**

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- 25.** We are required under the Equality Act 2010 in exercising our functions to 'have due regard' to the need to eliminate discrimination, harassment, victimisation, and any other conduct prohibited by or under the Act, advance equality of opportunity between persons who share a relevant protected characteristic and those who do not, to and foster good relations between people who share a protected characteristic and those who do not.

26. As part of this, we ensure the equality and diversity implications of any new policy proposals are considered. The outcome of our consideration in relation to these matters in this case is stated in chapter 1 of the Consultation Paper.

## Legislative and Regulatory Reform Act 2006 (LRRRA)

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27. We have had regard to the principles in the LRRRA for the parts of the proposals that consist of general policies, principles or guidance:
- **transparent** – we have shared our proposals in sufficient detail in this paper and have regularly engaged with relevant stakeholders as we have developed our approach.
  - **accountable** – the monitoring data we propose to gather from firms is in line with and builds upon what we already gather on a quarterly basis with the PSR. This provides a clear view of cash coverage in the UK and how this is changing over time, which will assist in evaluating the effectiveness of our measures.
  - **proportionate** – our regulatory approach observes the principle of proportionality. See also earlier under “The principle that a burden or restriction should be proportionate to the benefits”.
  - **consistent** – we have sought to ensure our approach is consistent and works together with our existing branch closures guidance.
  - **targeted only at cases in which action is needed** – our approach aims to direct effort to those local areas with the greatest need. This is via an assessment which identifies not only if there is a deficiency, but also whether that deficiency results in significant impacts. Only when both of those stages are passed should additional provision be provided.
28. We have had regard to the Regulators’ Code for the parts of the proposals that consist of general policies, principles or guidance. We have sought to make our proposals clear and proportionate to make it easier for designated firms to comply and grow. Many firms are already conducting assessments and implementing solutions via third parties, so our proposals should not be a significant change. We have also provided simple and straightforward ways to engage with firms likely to be designated and hear their views; this is one of the purposes of this consultation. Additionally, our supervisory team is, and will continue to be, actively engaged with firms. Our approach is based on risk; we target action in cases where we consider there to be the most risk. We have actively engaged the PSR, to ensure that our proposals intend to collect only appropriate information from firms and to avoid unnecessary duplication of information requests.
29. Following this consultation, we intend to publish the final rules together with plenty of clear guidance to help designated firms and coordination bodies meet their responsibilities. Supervisors will also be available to answer any questions as they arise. Lastly, we are taking a transparent approach by openly and clearly publishing this consultation which sets out our approach to our role under Part 8B FSMA and the development of the proposed rules. Our approach to regulatory activities more generally is set out in other publications, such as the Enforcement Guide (which sets out our approach to enforcement).

## Annex 3

# Cost benefit analysis

## Introduction

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1. The Financial Services and Markets Act 2000 (FSMA), as amended, requires us to publish a cost benefit analysis (CBA) of our proposed rules. Specifically, section 138I requires us to publish a CBA of proposed rules, defined as 'an analysis of the costs, together with an analysis of the benefits that will arise if the proposed rules are made'.
2. This analysis presents estimates of the significant impacts of our proposal. We provide monetary values for the impacts where we believe it is reasonably practicable to do so. For others, we provide estimates of outcomes in other dimensions. Our proposals are based on carefully weighing up these multiple dimensions and reaching a judgement about what reasonable cash access services provision should look like, taking into account all the other impacts we foresee.
3. Our proposals focus on the provision of cash access services, defined as cash deposits and withdrawals, and will apply to firms which provide current accounts and are designated by the Treasury under Part 8B of FSMA 2000. Unless otherwise stated, references to firms in this CBA are to those firms designated by the Treasury. In determining "reasonable provision" under FSMA we must have particular regard to local deficiencies in the provision of cash access services which have 'significant impacts'. Throughout our CBA, we use the term 'significant impacts' to refer to 'significant negative impacts' as implied by the legislation.

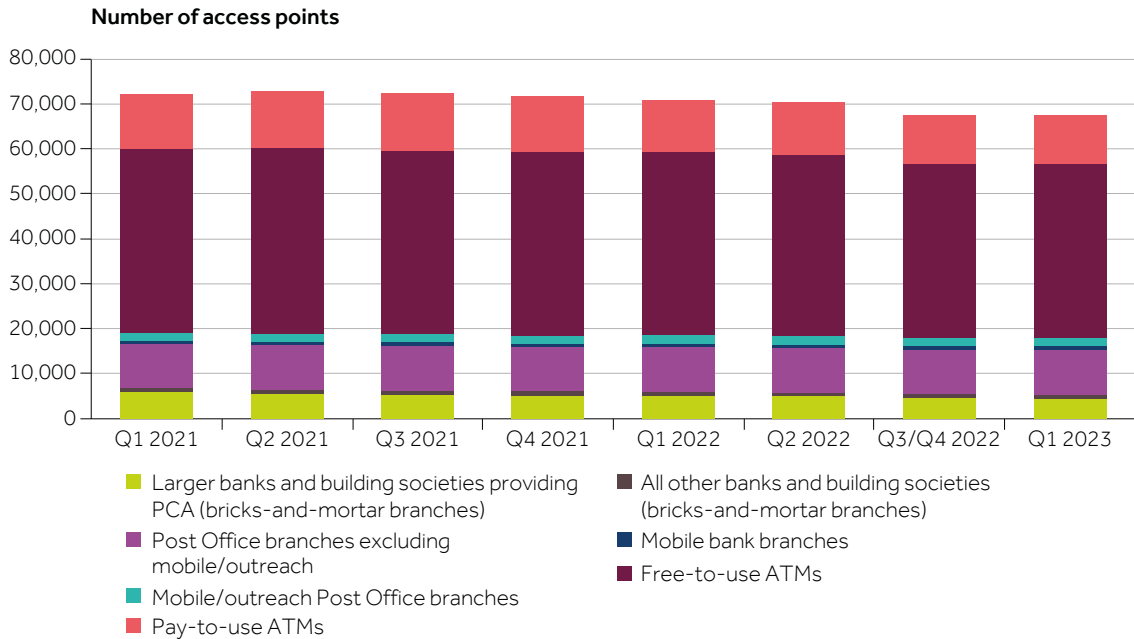
## Overview of the cash access services market

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4. The volume of payments that do not involve cash in the UK has risen from around 46% a decade ago, to 86% as of 2021. This change is being largely driven by technological advances and shifts in consumer preferences from cash to digital payments such as card payments. More recently the use of cash declined substantially during the five years from 2017 to 2022, from 34% to 14% of the volume of transactions, a trend which has been prevalent since 2012. At the same time, the use of debit cards has been increasing, accounting for half of the transactions made in the UK in 2022.
5. In response to this, the supply of cash access services has also declined. Our data suggests that in the two years to Q1 2023, 1,391 bank and building society branches of larger banks closed, as did 2,176 free-to-use ATMs (see Access Cash Coverage 2023 Q1 report). The steady decline in cash access facilities over recent years is shown in Figure 1 below.
6. Based on our data in Figure 1 below, as at the end of March 2023, there were 56,567 free to use (FTU) cash access points (excluding cashback) out of which 17,841 were bricks-

and-mortar or mobile branches of larger banks and post office branches (see Access Cash Coverage 2023 Q1 report).

**Figure 1. Total cash access facilities between 2021 and 2023**



Source: FCA cash access coverage monitoring data

7. Despite this, cash remains an important method of payment for many consumers and businesses with 1 billion cash withdrawals in 2022 according to LINK's annual report. Our latest Financial Lives Survey (FLS 2022) found that an estimated 3.1 million UK adults (6%) used cash to pay for everything or most things over the 12 months up to May 2022, which was lower compared to the Financial Lives Survey of 2020 when 11% of adults were estimated to pay for everything or most things. We define these consumers as 'cash reliant'. In the FLS 2022, the proportion of UK adults that used cash to pay for everything or most things increases to 26% for those that are digitally excluded, 15% for those that have poor health and 14% for those with a household income less than £15,000.
8. In addition to consumers, Small and Medium Enterprises (SMEs) also need to access cash services to transact with customers that are cash reliant. HMRC research found around 75% of small business and 73% of the medium businesses accept cash. As the majority of SMEs are small, we assume that, on average, 75% of SMEs accept cash. For the purposes of our CBA, we estimate that there are approximately 1.47 million cash accepting SMEs using the number of SME addresses (1.96 million) from the data on local provision (see section 'Data' below) multiplied by the proportion of SMEs that are found to be accepting cash (75%).
9. Consumers and SMEs can currently access cash services through a wide range of cash access facilities, including bank and building society branches, free or pay to use automated teller machines (ATMs), the Post Office including Banking Hubs (banking

and cash access services for customers of different banks and building societies in one location operated by the Post Office), and via cashback services at the till in retailers. We describe these in detail in paragraphs 3.1 to 3.12 of Section 3 ('The cash access landscape') of the CP. However, we note that deposit services and in-person cash services generally must be accessed at bank and building society branches and post offices including Banking Hubs. We note there are also some automated deposit machines.

## Problem and rationale for intervention

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10. We showed in paragraphs 4 to 7 of the previous section that the use of cash and the provision of cash services have been declining. In response to the declining use of cash access services, providers of cash access facilities have incentives to continue closing facilities to reduce their operating costs. Without a managed decline of cash access facilities, there is a risk of significant impacts to consumers and SMEs that rely on cash access services.
11. We set out the market failures that are not currently addressed through the existing regulatory framework and the significant impacts that could arise as a result of these market failures below.

## Market failures and regulatory gaps

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12. The existing regulatory framework does not ensure that the wider impact of cash access facility closures on the overall availability of cash access services for all consumers and SMEs in a local area is considered when making decisions about closures.
13. Under our existing guidance (FG22/6), banks and building societies are expected to assess the impact of their branch and ATM closures on the customers of the closing branch. Therefore, the wider population of cash reliant consumers using ATMs on the LINK network at branches that are accessible to customers of different firms are not considered. There is also no consideration of the impact of multiple branch closures by different brands on overall cash access services provision. As a result, by withdrawing their cash access facilities, banks and building societies may generate costs for consumers and SMEs who rely on cash access services that are not taken into account as part of their decision to close their branch ('negative externalities').
14. When firms consider the impact of closing their cash access facility, the Post Office may often be relied upon to provide alternative cash access services. In particular for rural areas which, as we show in our Technical Annex to the CP, are much more likely to rely on Post Office branches than urban areas. Our analysis and data suggest that, on average, rural areas have low presence of bank and building society branches and much higher presence of Post Office branches (see paragraphs 5.4-5.7 and Tables 7-11 in our Technical Annex). However, under our existing guidance (FG22/6), firms are not expected to assess subsequent closures of Post Office branches that may be partially relied upon to provide alternative cash access services. Note, the distribution of Post Office branches is protected and so has remained stable since 2009 (see House of



Common Library research briefing), but there may be changes in service provision at the local area level that could result in significant impacts.

15. Similarly, other ATMs provided on the LINK network may also be relied upon to provide alternative cash access services, however, subsequent closures of these facilities would not be assessed. Note, the Payment System Regulator's Specific Direction 12 (SD12) currently places specific requirements on the operator of the LINK ATM network (LINK), to maintain a broad geographic coverage of the FTU ATM network in the UK.
16. Our existing regulatory framework also does not require firms to proactively provide information to consumers and SMEs on how to raise concerns about a deficiency in cash access in their local area. However, there is information available around this process through industry's voluntary scheme (see 'Baseline' section of our CBA for more details).
17. Due to the gaps in our regulatory framework and the expected persistence of the recent trend of declining provision of cash access services, cash reliant consumers and cash accepting SMEs may face significant impacts from closures.

## Significant impacts

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18. We consider there are two key channels for these negative externalities to result in significant adverse impacts to consumers and SMEs if the decline in cash access facilities is not managed adequately.
19. First, individuals may incur unreasonable costs to access cash facilities. Our research commissioned to London Economics (see 'Key data sources' section below for more details) shows that when cash reliant individuals and surveyed SMEs lose access to their usual cash service at their usual location, the vast majority (over 90%) would continue accessing cash services at an alternative location without decreasing their frequency of use. This suggests that many cash users have weighed up their willingness and ability to pay to travel further to access cash services against their willingness and ability to switch to alternative payment methods such as digital payment methods, and decided it is still net beneficial for them to continue to access cash facilities. This could be because the perceived costs of switching to digital payments methods are too high, or the cost of travelling to an alternative cash access facility is currently low or accessing cash facilities is a necessity. Note, we consider that consumer's assessments are likely to change over time as the cash services network shrinks and consumers have to travel further to access an alternative facility.
20. The increased costs of accessing cash facilities will disproportionately impact those who rely on cash, as they are more frequent users of these facilities. Our latest Financial Lives Survey (FLS) found that an estimated 3.1 million UK adults (6%) used cash to pay for everything or most things over the 12 months up to May 2022, this rises to 9% for those who had one or more characteristics of vulnerability. Our analysis, which we plan to publish shortly, using the FLS 2022 finds that being digitally excluded or having a low income has the largest impact on the probability that an average individual relies on cash out of a range of demographic characteristics. We provide a more detailed summary of the types of individual consumers that are likely to be impacted and supporting

evidence in the CP (see paragraphs 2.6 to 2.12 in section 'The wider Context' of the CP). Therefore, any barriers to accessing cash are likely to disproportionately impact consumers with characteristics of vulnerability, as they are more likely to rely on cash. The burden of costs may be exacerbated for these individuals. For example, those with low incomes may struggle most to absorb additional travel costs or those with poor health may struggle to travel further.

- 21.** This evidence suggests that there are likely to be consumers who could be confronted with unreasonable costs, and so significant impacts, to continue to use cash access facilities if the decline of provision is not adequately managed under our proposals. We provide quantitative estimates of these impacts in the 'Benefits' section of this CBA. A continuation or an acceleration of the rate of closure of cash access facilities could compound this issue as consumers may face increasingly higher costs to travel further to find alternative facilities or may have to use a pay-to-use ATM if there is no longer a nearby free alternative.
- 22.** As a result of unreasonable costs of access to cash services, some consumers may experience significant impacts from being prevented from accessing cash facilities entirely or at a reduced frequency. For example, our [FLS 2022](#) shows that 50% of people that rely on cash do so because it helps them with budgeting. Therefore, we consider reduced access to cash access services could therefore negatively impact their ability to budget. We also consider that cash reliant individuals prevented from accessing cash services may also experience exclusion from being unable to pay for goods and services.
- 23.** SMEs need to be able to access cash services to transact with consumers that rely on cash. We consider that if the costs of accessing cash services is too high, they may be unable to transact with these consumers. This could lead to SMEs losing trade and cash reliant consumers having to incur higher costs finding retailers who do accept cash or risk losing their financial independence. We want to ensure that the needs of SMEs that provide goods or services to consumers are met through ensuring there is reasonable access to cash deposit and withdrawal facilities. This should avoid access to these facilities becoming a barrier to offering cash as a payment option to their customers, through sustaining the cash cycle for those that rely on cash facilities.

## Baseline

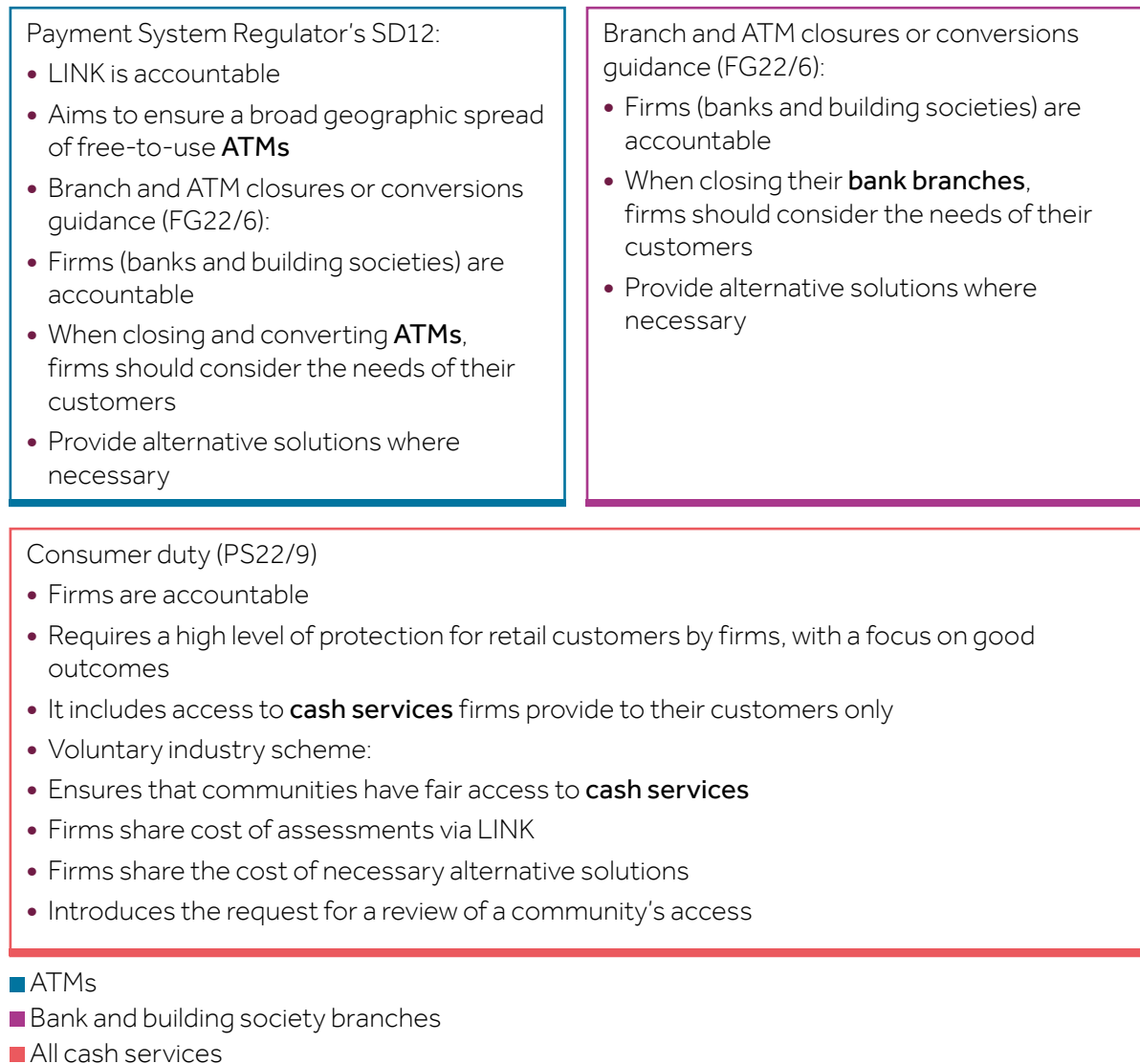
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- 24.** The costs and benefits of our proposals are assessed against the baseline of existing regulation and voluntary arrangements by industry, and our expectations about the demand for and supply of cash access services.
- 25.** There are two key pieces of existing regulations that already apply to some types of cash access services and facilities.
- 26.** The [Payment System Regulator's SD12](#) currently places specific requirements on the operator of the LINK ATM network, to maintain a broad geographic coverage of the FTU ATM network in the UK. SD12 came into effect in March 2022 and holds LINK accountable for delivering a broad geographic spread of free-to-use ATMs that allows users to access cash when they need to. As part of this, LINK currently ensures the

provision of free access in the most deprived and remote areas in the country through the Protected ATM scheme.

- 27.** While the SD12 aims at maintaining a broad geographic spread of FTU ATMs, our Branch and ATM Closures or Conversions Guidance ([FG22/6](#), October 2022) has a broader scope. It sets out our expectations when firms are considering the long-term closure of a branch or ATM or conversion of an ATM. The scope of [FG22/6](#) includes a full planned closure of a branch or ATM, a reduction in branch opening hours or days, or reduction in branch services where this would have a significant impact on customers, i.e., a partial closure, and the conversion of a FTU ATM to pay-to-use. As part of this guidance, firms should consider the needs of **their customers** and assess how their customers may continue to access the full range of banking services provided at the branch proposed for closure. They are also expected to ensure they take their customers' needs into account throughout the closure or conversion process and consider what alternative provision is or could reasonably be made available to address any loss of service.
- 28.** Our Consumer Duty also requires a high level of protection for retail customers by firms, with a focus on good outcomes rather than just fair ones. This includes cash access services firms provide to their customers only.
- 29.** [FG22/6](#) also encourages firms to 'engage with industry initiatives designed to address gaps in access that their planned closures or conversions may create'. To do so, a [voluntary scheme](#) was set up by industry, the Post Office, consumer groups through the Cash Access UK and LINK, to share services. The voluntary scheme builds on and extends beyond the Branch and ATM closures or conversions guidance in several ways:
- It aims to ensure that **communities** have fair access to cash, whereas [FG22/6](#) requires firms to consider the needs of their customers only.
  - Banks share the cost of assessing community cash needs which would be carried out independently by LINK. [FG22/6](#) only expects firms to do these assessments with focus on their customers, therefore it does not explicitly expect firms to share the costs.
  - Banks share the provision of cash and other banking services where alternative solutions are necessary (eg, via Banking Hubs). [FG22/6](#) only expects firms to provide alternative solutions to their customers where reasonable, therefore it does not explicitly expect firms to share the costs.
  - It introduces the ability for consumers and other relevant stakeholders (eg elected officials) to request a review of their community's access to cash from LINK.
- 30.** Although we note the existence of this voluntary scheme, we assess the running costs of the scheme and the benefits in our CBA as this scheme was not assessed as part of our CBA of [FG22/6](#).
- 31.** In Figure 2 below we provide a summary of the existing relevant regulatory framework, separately for ATMs, branches and for all cash access services.

**Figure 2: Summary of the existing relevant regulatory framework**



**32.** In the 'Overview of the cash access services market' section of the CBA, we discussed that the volume of transactions in cash declined between 2017 and 2022 and that cash reliance has also decreased between 2020 and 2022. We consider that the population of individuals who demand and rely on cash access services may continue to decline, and therefore the observed past trend of declining demand will also continue. We also expect that in response to this, the supply of cash access services may continue to shrink at the current rate as we outlined it in paragraphs 5 of the CBA.

## Our proposed intervention

**33.** We are proposing new rules and guidance that will hold designated firms responsible for filling gaps in provision where deficiencies in cash access are assessed as having a significant impact on consumers and SMEs and it is reasonable to provide additional services.

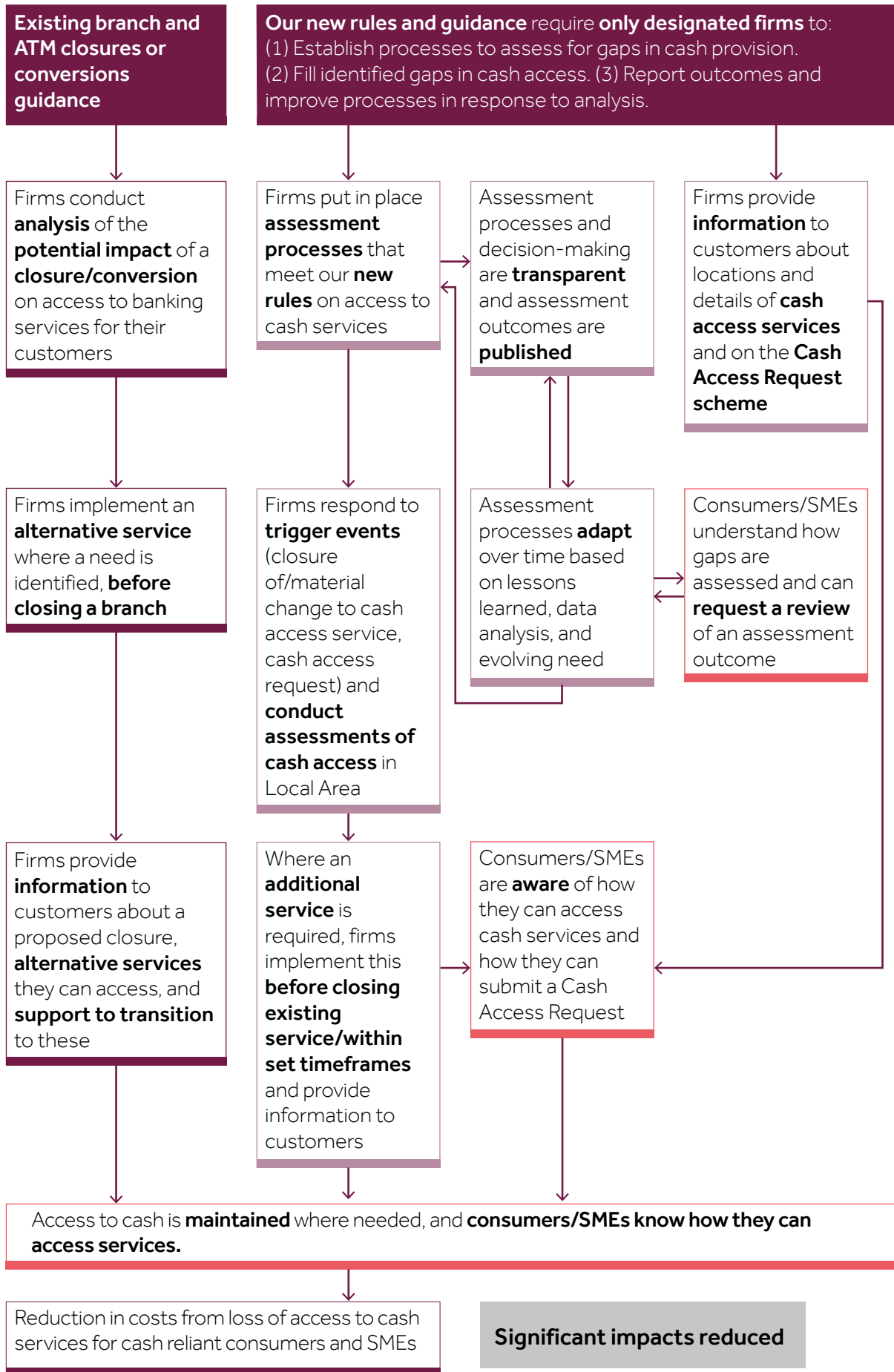
- 34.** Broadly, we propose to require designated firms to:
- Assess whether the provision of cash access services is or would be deficient, and whether any deficiency results in significant impacts when there is a closure or material change to cash access services provision in a local area. This includes closures of designated firm's services and those run by non-designated entities eg Post Offices or independent ATM operators.
  - Conduct assessments following receipt of a cash access request
  - Deliver additional cash solutions to fill gaps in cash service provision where assessments show that there are or likely to be significant impacts from deficiencies in cash access and it is reasonable to provide them.
  - Ensure that they do not close cash facilities, including bank branches, until any additional cash access services identified in the assessment process are available.
  - Ensure any additional cash access services identified in an assessment are provided within 3 months of the outcome/any review being published, or by the closure date if later.
  - Provide consumers and SMEs with clear information about where they can access cash services and how to raise concerns about a deficiency in cash access in their local area.
  - Report branch data and branch closure data to us, which supervisors will use to analyse the potential impacts of closures and take mitigating action if necessary.
- 35.** Overall, to prevent significant impacts from reduced provision in a local area we propose a three-step assessment which we describe in detail in Chapter 5 of the CBA. In the first step, following a closure of or material change to a cash access service or a cash access request, firms would be expected to assess whether there would be or there already exists any deficiencies in cash access provision in the local area. If the first step identifies a deficiency, in the second step, firms would assess whether there would be or there exist any significant impacts. If the second step identifies any significant impacts, firms would need in the third step to provide reasonable solutions that address the significant impacts.
- 36.** Following good practice, we have considered several alternatives before arriving at our preferred proposal as described in paragraphs 7.11 to 7.17 of our CP. We considered not holding designated firms responsible for addressing significant deficiencies in local areas where they do not have a customer base (eg using their branch network). However, it would be difficult to establish what a branch includes (eg would it include previous brands of merged banks or building societies), or to establish what cash access services are included and what would be the relevant date to include them from, in particular, as the Banking Framework agreement expanded provision of cash access at Post Offices. We consider this could also incentivise firms to exit the market in local areas which could have adverse consequences for the provision of cash services and could impose significant costs on consumers.

## Causal chain

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- 37.** The following causal chain illustrates how we expect our proposals to lead to a reduction in significant impacts. We set out how the existing guidance interacts with our proposals in more detail in the 'Baseline' section above.

**Figure 3: Our causal chain**



## Affected entities

- 38.** Our proposals will apply to firms which are designated by the Treasury under Part 8B of FSMA 2000. If the Treasury chooses to designate a coordination body, the coordination body must also comply with its obligations under our rules. However, the coordination body's activities will be funded by designated firms, meaning that the costs will still fall to firms (whether they use a coordination body or not).
- 39.** In the absence of knowledge of the firms that the Treasury will designate, we assume the number of designated firms based on the designation criteria set out by Government in Part 8B of FSMA 2000 and our internal data.
- 40.** The designation criteria are:
- The distribution of cash access services operated by the provider in the United Kingdom, Great Britain, or Northern Ireland (as the case may be)
  - The distribution in the United Kingdom, Great Britain, or Northern Ireland (as the case may be) of persons holding current accounts provided by the provider
  - The provider's share of the current account market in the United Kingdom, Great Britain, or Northern Ireland (as the case may be)
  - The total value of the deposits held in current accounts provided by the provider in the United Kingdom, Great Britain, or Northern Ireland (as the case may be)
- 41.** Based on this designation criteria and our internal data, we assume that up to 15 firms will be designated at the point our regulatory rules come into effect for the purposes of this CBA. We note that at the time of this publication, the Treasury has not made a final decision on firm designations and will designate firms in accordance with the relevant provisions in FSMA 2000. We recognise that it is also possible that the number of firms that are designated may change over time.
- 42.** We also expect to ask banks, building societies, Post Offices, ATM operators, and cashback providers to submit data to us to inform our understanding of cash coverage in the UK.

## Key data sources

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- 43.** To inform our assessment of the impact of our proposals, we draw on the key data sources outlined below.

### Data on localised current provision ('archetypes')

- 44.** For the purposes of our CP, we have created localised data on current cash access services provision, and we have grouped them into four different 'archetypes' based on their characteristics. We define a 'local area' as a collection of adjacent geographical areas that groups together a set of smaller areas, namely 'output areas' (or 'small areas' in Northern Ireland) which are predetermined by the Office for National Statistics, ONS, (or the Northern Ireland Statistics and Research Agency, NISRA, in Northern Ireland).

Each of the local areas has its own 'retail centre' which captures where cash usage is determined to be high and which is sourced from CACI, a data and technology company. Intuitively, the retail centre can be viewed as the 'high street' or the 'town centre' of each local area, which is often (but not always) the case. Overall, we have defined 7,960 local areas which we have grouped in four archetypes based on certain similar cash provision characteristics that they share. In the [Technical Annex to the CP](#), we explain the details of our methodology and data.

45. For the purposes of our CBA, we set out average characteristics for all local areas of each local area archetype in Table 1 below.

**Table 1: Selected characteristics of the local areas, by archetype**

Archetypes	Number of local areas in each archetype	Average number of branches of larger banks and building societies (Type A)	Average number of Post Office branches	Average number of free-to-use ATMs	Total population in each archetype
A	4,336	0.5	0.6	4	26 million
B	1,322	0.6	1.3	6	13 million
C	1,620	0.4	2.5	5	19 million
D	682	0.9	4.7	7	9 million
<b>All local areas</b>	<b>7,960</b>	<b>0.5</b>	<b>1.5</b>	<b>5</b>	<b>67 million</b>

Source: FCA analysis of data collected from Banks and Building Societies, Post Office, and LINK, ONS and NISRA data, CACI data.

Table notes: 1. Details of the FCA analysis can be found in the [Technical Annex to the CP](#). 2. Averages refer to arithmetic means.

46. Archetype A is the largest archetype with 4,336 local areas accounting for 39% (25 million over 67 million). The local areas in Archetype A have some presence of larger banks and building societies (Type A) branches close to the average across all local areas, lower presence of post office branches and the presence of free-to-use ATMs is close to the average. Archetype B accounts for 1,322 local areas and 19% of the UK population. Archetype C accounts for 1,620 local areas and 28% of the population. Population size of C tend to be larger than that of Archetype B. Population sizes of C tend to be larger than that of Archetype B. Average provision is slightly lower in Archetype C than B. Archetype D accounts for 682 local areas and approximately 14% of the population. These areas contain more cash access points of all types than all other archetypes and are particularly reliant on Post Office branches.
47. We also match this local area data with business addresses from [AddressBase plus \(ABP\)](#) data. Using the classification of ABP for each address, we identify businesses that are most likely to be SMEs transacting with consumers and so use cash access facilities. We consider that SMEs in the following sectors in ABP data are more likely to be transacting with consumers: education, accommodation and food services, arts and entertainment, medical services, professional, scientific and technical services, and retail businesses.



We have excluded sectors such as manufacturing and utilities. This classification is informed by [HMRC research](#) and supported by the London Economics survey results (see below), as the sectors with the highest proportion of businesses accepting mostly or all cash payments were Health or medical services (21%), Hospitality and recreation (20%) and Personal care and services (18%). We estimate that there are 1.96 million SME addresses classed to be operating in these sectors in the ABP data across all 7,960 local areas. We show our estimates of the SME population across the local area archetypes in Table 2 below.

**Table 2: Descriptive statistics of estimated number of SMEs in local areas, by archetype**

Archetypes	Estimated total number of cash accepting SMEs
A	0.8 million
B	0.3 million
C	0.5 million
D	0.3 million
All local areas	1.9 million

48. We use this local area-level data in our 'Benefits' section. In particular, we use:

- the proportion of the output/small areas that are classified as urban
- the distance to the nearest local area
- the average distance to the five nearest local areas
- the number of adults in each local area
- the number of SMEs

49. In Table 3 below we provide the average values per archetype of the variables we outline in paragraph 48 above.

**Table 3: Average values of selected variables from the localised provision data**

Archetype	Average % of output/ small areas classified as urban in each local area	Average distance to the nearest local area (in miles)	Average distance to the nearest five local areas (in miles)	Average of adult population	Average of estimated SME population
A	100%	0.4	0.7	4,704	193
B	98%	0.6	1.2	7,798	234
C	61%	1.2	2.6	9,389	304
D	48%	4.4	8.0	10,975	452
All local areas	87%	0.9	1.8	6,708	245

Table notes: 1. Distances between local areas are measured as the distance between their retail centres. 2. Averages refer to the arithmetic means.

## London Economics Research

- 50.** To estimate the costs that consumers and SMEs face when losing access to cash access services at their usual facility, we commissioned London Economics (LE) to undertake survey research. A key component of this research project are UK-wide surveys of consumers and SMEs, conducted by YouGov and Kudos Research with oversight by LE. This includes an online survey of 1,540 consumers and 1,533 SMEs by YouGov and a CATI (Computer Assisted Telephone Interview) survey of 150 consumers by Kudos Research. The fieldwork was conducted over October and November 2022 and the resulting data was weighted to be representative of consumers who use cash at least once a month and SMEs which are likely to accept cash. The results of this research can be found [here](#) and the details of their methodology can be found [here](#).
- 51.** To ensure representativeness of the consumer sample, quotas were used on a significant amount of the demographic characteristics (eg gender, age, income, disability, geographical region). Similarly, for SMEs quotas were used on the employee size of the firms, the geographical region and the industry classification. The sample included SMEs in more cash reliant sectors (eg hospitality or recreation) and less cash reliant sectors (eg wholesale). Therefore, the characteristics of the surveyed consumer and SME samples were similar to the demographic characteristics observed in the population, which ensure representativeness.
- 52.** LE research considers that following a closure of their usual cash access facility, consumers and SMEs will decide how to respond based on the available set of choices to them, such as travel to alternative services available or switch to digital payment methods among other options. These decisions will be informed by weighing up their willingness and ability to pay to travel further to access cash services compared to their willingness and ability to switch to alternative payment methods such as digital payment methods. Individuals may take multiple actions in response to a closure, for example, they may continue to access cash services at a different location but also switch bank providers and use digital payment methods more often.
- 53.** Based on their reactions to closures, consumers and SMEs face a range of costs. The costs investigated in this research are estimated in one of two ways. Where feasible, costs are estimated by combining responses given in the survey related to how consumers and SMEs currently use cash services and how they would respond in the event of a loss of access with relevant parameters from secondary data. In general, the survey data captures the reaction of consumers to the closure of their usual facility and the secondary data is publicly available data used to assign a monetary value to the costs associated with the reactions. Where this approach is not feasible, since relevant parameters are not available from secondary data, econometric methods using data (from the surveys) on consumers' and SMEs' willingness to pay to avoid loss of access are used to obtain estimates of the relevant costs. More details about the derivations of the costs can be found in [Section 3.3 of the Technical Report](#).
- 54.** We use the LE survey estimates data to discuss the significant impacts that our proposals seek to address, the benefits and to assess the proportionality of our proposals. In particular, we use:

- the proportion of consumers that use each service, cash withdrawals, cash deposits, balance enquiries
- the proportion of SMEs that use each service, cash withdrawals, cash deposits, balance enquiries, getting change services
- the proportion of consumers and SMEs that check their balance simultaneously as when checking their balance
- the average monetary cost of losing access to each of the services, for both consumers and SMEs, at their usual facility
- the travel related costs of losing access to each of the services, for both consumers and SMEs, from their usual access point
- the non-travel costs from losing access to each of the services, for both consumers and SMEs, from their usual access point

## Our Analytical Approach

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- 55.** To quantify the costs to firms to provide additional cash access facilities, we collected information on the costs of providing cash access facilities to assess the likely costs of providing cash services solutions. Firstly, we surveyed banks and building societies on the cost of providing cash services solutions in February 2023 as part of our ongoing data collection to inform branch closures supervision and our access to cash coverage data publications. We received responses from 15 banks providing estimates of the average cost of operating ATMs and mobile bank branches. We also surveyed Cash Access UK on the costs of operating Banking Hubs.
- 56.** We use assumptions from our Standard Cost Model (SCM) to estimate familiarisation and gap analysis costs to designated firms and costs relating to IT changes to affected entities to set up processes to comply with data reporting requirements. In early 2023, the underlying salary and firm size data in the SCM were updated, however, the underlying assumptions remain the same. The SCM uses assumptions on the estimated number compliance staff who need to review the policy documentation and their salaries, and the estimated number of legal staff who need to complete legal review and gap analysis and their salaries.
- 57.** We also surveyed the existing coordination body in May 2023 on the existing operational costs of their existing processes and likely costs of adapting their existing processes based on our high-level requirements. Since then, we have finalised the detail of the requirements, however, we believe the cost estimates are still reflective of our requirements. We therefore draw on these estimates in this CBA to assess the likely costs of our proposals.
- 58.** To quantify the benefits to consumers and SMEs from providing cash services solutions, we use quantitative estimates of the average costs to individual consumers and SMEs associated with a loss of access to cash services at their usual facility from the LE research. We use these estimates to illustrate the potential costs to consumers and

SMEs avoided (benefits) by maintaining access to cash services via their existing access points.

- 59. To assess whether our proposals are likely to be net beneficial, we estimate when the benefits of providing cash access solutions is likely to outweigh the cost of providing the solutions. The breakeven point is how many areas each solution would need to serve to be net beneficial, and we show how likely it is that this will be met based on descriptive statistics of local area archetypes.
- 60. In the 'Risks and uncertainties' section of our CBA we discuss the limitations of our key assumptions that inform our estimates of the costs and benefits.

## Summary of costs and benefits

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- 61. We expect the most significant costs to industry from our proposals are the costs of the provision of any additional cash access solutions that would not be incurred under the counterfactual. Equally, the most significant benefits will be the reduction of significant impacts to consumers and SMEs that rely on cash services through the provision of additional cash access services solutions.
- 62. These costs and benefits are difficult to measure as cash access assessments will need to make judgments about the necessary provision in local areas, within the framework of our rules and guidance, which will differ from each other in their geographic, demographic and other characteristics. As costs and benefits are driven by uncertainties such as rate of closures and thresholds for delivery of solutions including the units of analysis (local areas) firms use, we provide illustrative examples of the potential scale of costs and benefits of provision in our section on 'Costs', paragraphs 66 to 112 of the CBA, and in our section on 'Benefits', paragraphs 113 to 139 of the CBA.
- 63. Table 4 summarises the estimated costs and benefits of our proposals.

**Table 4: Summary of assessment of costs and benefits**

	Total one-off costs	Total ongoing (annual) costs
Familiarisation and gap analysis	£0.2m	-
Assessing cash access	£0.5m	£2m (including existing operational costs)

	Total one-off costs	Total ongoing (annual) costs
<b>Provision of cash access services</b>	<p>The solutions delivered will depend on judgments about provision in local areas within the framework of our rules and guidance. To provide an illustrative example, we estimate the cost of delivering banking hubs recommendations in response to bank branch closures and cash access requests in 2023 as a guide for annual costs. We estimate:</p> <ul style="list-style-type: none"> <li>• Total one-off costs incurred to set-up 41 banking hubs: £12.4m</li> <li>• Total ongoing costs per year for 41 banking hubs: £7.5m</li> </ul> <p>If another 41 banking hubs were recommended in year 2 then the total costs in year 2 would be £12.4m to set-up 41 additional banking hubs and £15m to operate 82 banking hubs.</p> <p>Note, our proposals are likely to increase the overall number of solutions and result in costs in addition to this.</p>	
<b>Providing information on cash access</b>	£0.5m	£0.3m
<b>Reporting requirements</b>	£0.2m	£0.2m (including existing data collection costs)
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Continued or improved access to cash services without incurring significant impacts, such as unreasonable travel-related costs for individuals and SMEs, particularly for those that rely on cash access services and for consumers with characteristics of vulnerability.</li> <li>• Reduced likelihood of individuals or SMEs being excluded from using cash due to lack of access to cash services.</li> <li>• Consumers are better informed about where to access cash services and how to raise issues around access, resulting in any significant impacts being addressed.</li> </ul>	
<b>Breakeven analysis</b>	<p>We expect that the cost of provision of additional solutions could be net beneficial if the solutions implemented serve multiple local areas. Based on the proximity of local areas to nearby local areas we consider this to be reasonably possible.</p>	

- 64.** We assess whether our proposals are likely to be net beneficial using breakeven analysis to test when the provision of cash access solutions are likely to breakeven with the estimated significant impacts to consumers and SMEs of a loss of access to cash services. We set out this analysis in paragraphs 140 to 166 of the CBA. Based on this analysis, we expect that our proposals could be net beneficial if the solutions implemented serve multiple local areas. We believe that this is likely to be achievable as in many cases there are a group of local areas that are reasonably close and so consumers and SMEs in nearby local areas could be served by solutions in another local area.
- 65.** As noted in paragraph 1.7 of our CP, while we must exercise our powers for the purposes set out by Parliament, we are mindful of the need to do so in a proportionate manner, and welcome comments in response to this consultation on our assessment of the costs and benefits of our approach to ensuring the reasonable provision of cash deposit and withdrawal services.

## Costs to designated firms

66. In this section we set out the expected costs of our proposals to designated firms and other entities:
- Familiarisation and gap analysis
  - Cash access assessments
  - Provision of additional cash access services
  - Communicating information to cash users
  - Data reporting
67. We assume that firms will take the most efficient approach to comply with our requirements by choosing to continue to operate the voluntary initiative set up by industry and designate a coordinating body.
68. The estimated costs include the cost of operating the existing voluntary industry scheme and the incremental costs of adapting the existing scheme to comply with our proposals.

### Familiarisation and gap analysis costs

69. Firms will incur costs to familiarise themselves with the requirements and complete gap analysis to understand the changes required to their existing practices to meet our requirements.
70. We use our Standardised Cost Model (SCM) to estimate the cost to designated firms to familiarise themselves with the proposals and complete gap analysis. We assume that costs incurred by all 15 firms are aligned with the definition of 'large' firms in our SCM, as defined using fee-block data (see page 42 of our ['How we analyse the costs and benefits of our policies'](#) for more details).
71. Based on our SCM, we estimate that there will be 20 compliance staff who need to read the policy documentation and 4 legal staff to complete gap analysis. The hourly compliance and legal staff pay at large firms is assumed to be £63 and £74 respectively. The total estimated costs from familiarisation and gap analysis per firm and to a total of 15 firms are set out in table 2 below.

**Table 5: Estimated costs to firms for familiarisation and gap analysis**

	Cost per firm (£)	Total cost (£)
Familiarisation and gap analysis	11,000	165,000

Table notes: Figures are rounded to the nearest thousand.

### Costs of assessing cash access

72. To identify if there are significant deficiencies in cash access, firms (either individually or through a coordination body) will be required to conduct assessments of cash access

services provision in local areas following specific trigger events. A summary of the proposed assessment process is in paragraphs 5.1 and 5.2 of the CP.

- 73. Under the existing industry scheme, assessments of cash access services provision are triggered following the announcement of bank branch closures from participating firms and receipt of community requests.
- 74. If firms decide not to continue with the existing arrangement and conduct assessments individually, we expect the total costs for all firms set out in this section to be the total cost for an individual firm instead. Firms would also incur initial set-up costs to implement their own assessment process. As the costs would be substantially higher for firms to take this approach, we believe it is unlikely they will decide to operate their own individual assessment processes and present costs on the basis that firms will continue under the existing arrangement.

**Existing industry assessment process**

- 75. As set out above, we expect that it is likely that firms will choose to continue to operate the existing assessment scheme to comply with our requirements in the most efficient way.
- 76. The current (voluntary) industry scheme costs approximately £1.1m per year to operate based on estimates provided by LINK. A summary of the average number of assessments and the estimated cost per assessment is in Table 6 below. Note, the ongoing cost of assessments is included in the £1.1m.

**Table 6: Average estimated cost per assessment shared between firms**

Assessment type	Annual number of assessments conducted (Apr 2022-March 2023)	Average cost per assessment
All	734	£1,000 (weighted average)
Stage 1 assessment	421	£600
Stage 2 assessment	125	£700
Stage 3 assessment	188	£1,800

- 77. Without the current industry scheme, participating firms would not consider the impact of their branch closures on all cash users, only their customers under our FG22/6, and gaps in cash services provision would likely persist as described in our CBA section on 'Problem and rationale for intervention'. Therefore, we consider that the benefits of continuing to operate this scheme are likely to outweigh the operational costs, subject to adapting it to the new proposals, aligned with our analysis of the benefits of the proposals. This scheme also enables firms to share costs of cash access services solutions resulting in cost efficiencies to participating firms.

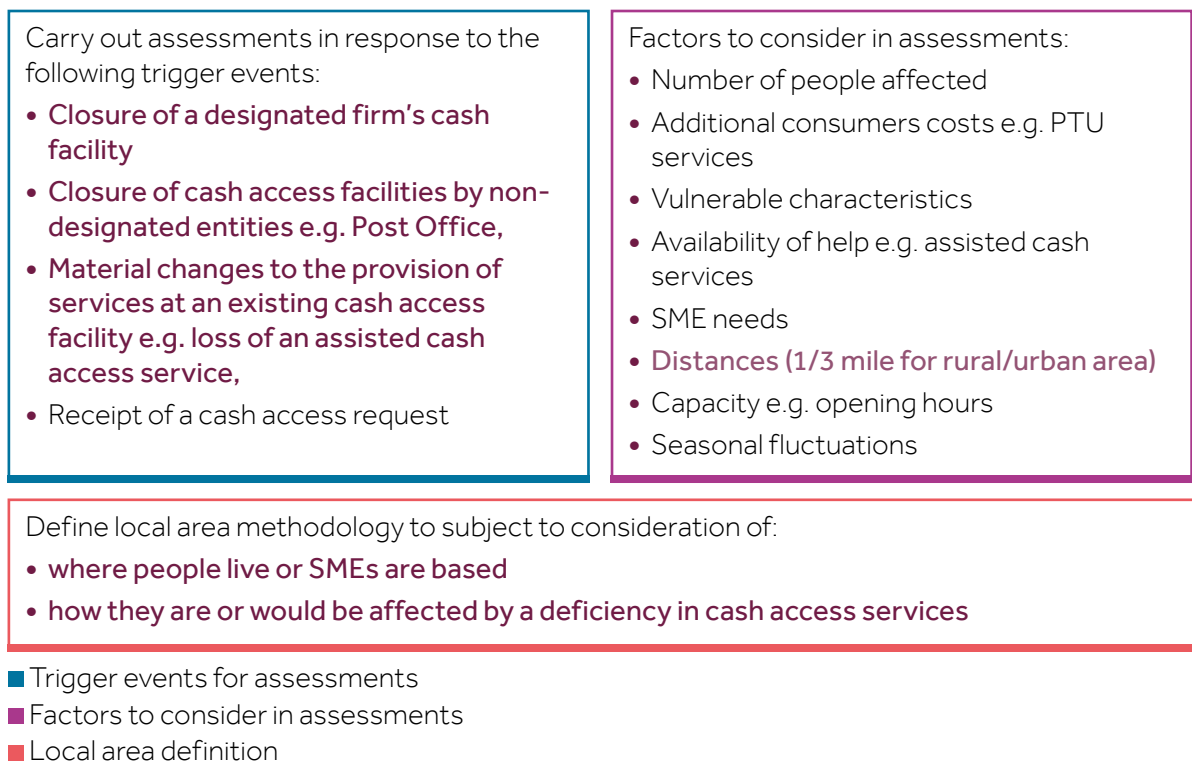
**78.** We describe the additional costs expected to be incurred by firms to adapt this existing process to meet our proposals and continue to operate an enhanced assessment process.

**Costs of changes to assessment process**

**79.** Firms will need to make changes to the existing industry assessment process to comply with our proposals. We set out these changes below and present the total estimated cost to all firms and the average cost per firm resulting from these changes in Table 7.

**80.** A summary of our proposals relating to cash access assessments, with changes to the existing process in purple, is in Figure 4 below.

**Figure 4. Summary of proposals relating to cash access assessments, with changes in purple**



**81.** Our proposals will require firms to complete assessments following specific triggers. Under the existing assessment process, assessments are triggered following the announcement of bank branch closures, receipt of community requests, or a firm request. LINK also has a separate process to assess ATM closures and conversions to meet SD12. Therefore, to meet our requirements, we expect firms will incur additional costs to conduct assessments in response to approximately 8 additional trigger events based on the non-exhaustive list of trigger events in Chapter 4 of the CP. This includes closures of Post Office branches, ATMs operated by Independent ATM Deployers (IADs), non-designated firm's branches, mobile facilities, and 4 proposed material changes.



- 82.** These additional triggers will result in ongoing costs to firms to complete additional assessments. Although the existing coordinating body factored in an increase in the number of assessments resulting from new trigger events into the estimated ongoing costs in Table 7 below, we consider these costs to be very uncertain as they will depend on the actual rate of triggers which it is not reasonably practicable to predict.
- 83.** The number of additional assessments will be driven directly by the rate of trigger events including through additional cash access requests made by those in a local area raising that cash access for their area is not reasonable because of firms promoting the cash access request scheme (see 'Costs for providing information on cash access' section below). We showed in Table 6 above that the weighted average cost of an assessment is £1k, which we expect to be the approximate cost of each additional assessment.
- 84.** Our proposals will also result in costs to firms to update their approach defining local areas and measuring distances from households to cash access facilities:
- Updating the existing local areas definitions will involve one-off costs to adapt the local area definitions.
  - Monitoring distances from households to cash access facilities at the local area level will result in costs to set-up the relevant IT processes and ongoing costs to monitor distances as part of the assessment process.
- 85.** Firms will also be required to produce more detailed publications about the assessment process and assessment outcomes:
- The existing coordination body already publishes information about the assessment process including how it was established and what is assessed. Therefore, we expect firms to incur no material additional costs to do this if firms are required to update this information to reflect an adapted assessment process that meets our proposal.
  - Although the existing coordinating body already publishes assessment outcomes on their website, we expect that firms will also incur one-off costs to amend their website to publish a more detailed summary of the outcomes of assessments and ongoing costs to continue to publish more detailed reports on assessment outcomes.
- 86.** Using information provided by the existing coordination body, we estimate the total cost of these changes to the assessment process and the ongoing costs in Table 7 below. Note, these costs are indicative as the exact cost will depend on the size of the changes.

**Table 7: Estimated total costs to firms to update existing assessment process**

Type of cost	One-off cost	Ongoing (annual)
Additional trigger events	£320k	£680k <sup>1</sup>
Updating local area definition	£40k	£85k
Monitoring distances to cash services	£40k	£85k

Type of cost	One-off cost	Ongoing (annual)
More detailed publications on assessment outcomes	£40k	£85k
<b>Total cost to all firms</b>	<b>£440k</b>	<b>£935k</b>
<b>Average cost per designated firm<sup>2</sup></b>	<b>£30k</b>	<b>£62k</b>

Source: 1. The ongoing (annual) costs per trigger are based on an average of 85 additional assessments per trigger event (680 additional assessments in total) at an average cost of £1k. 2. These estimates are based on information provided by the existing coordinating body on making a previous change to the assessment process.

### Costs of providing cash access

- 87.** If an assessment determines additional cash access services are required, firms will incur costs to implement a cash services solutions and ongoing costs to operate them. Firms' assessments will decide whether a cash service is required and they will then have the flexibility to decide what type of facility to deploy to provide that service in the most cost-effective way. Firms could do this individually or with a shared service through an independent body as is currently practiced via Cash Access UK. Currently firms are investing in the deployment of Banking Hubs as the most efficient way to provide cash services while also providing some in-person banking services. Other solutions in development by firms include new facilities to provide SME deposit services such as the LINK deposit scheme.
- 88.** The estimated average costs to firms to operate the typical infrastructure that provides cash access services are set out in Table 8 below. These costs are based on information from banks and building societies and Cash UK. We invite further comments from stakeholders on the costs of providing cash services solutions.
- 89.** The cost of operating a bank branch, mobile bank branch and Banking Hub reflect the cost of operating the entire facility that is likely to be providing other banking services in addition to cash services. Also, it is unlikely that firms will provide a bank branch, mobile bank branch or banking hub to meet cash services needs only, this will likely be deployed to wider obligations in addition to the requirements in this CP.

**Table 8. Average estimated cost of operating of infrastructure providing cash access services**

Type of cash service solution	Ongoing annual cost (£)	Total 10-year Present Value	Notes
ATM	£15k	£127k	This figure is based on data provided by 13 firms in February 2023.

Type of cash service solution	Ongoing annual cost (£)	Total 10-year Present Value	Notes
Bank branch	£617k	£5.3m	This is based on the average cost of operating a bank branch in -2021 provided by firms as part of ongoing data collection for Strategic reviews of Retail Banking.  The cost of operating a branch could vary due to location, range of services provided. The average cost may vary over time as branches continue to close. For example, branches that have higher operational costs compared to usage may be more likely to become candidates for closures.
Mobile bank branch	£47k	£400k	This figure is based on data provided by 2 firms in February 2023 and represents the average cost per location/stop of a mobile bank branch.
Banking hub	£184k (+Post Office transaction fees <sup>1</sup> )	£1.9m	The set-up cost is estimated to be £303,000.  This figure was provided by Cash Access UK on behalf of firms. These costs would be shared by firms with presence in the Banking Hub.
Enhanced Post Office	£2k (+Post Office transaction fees <sup>1</sup> )	£43k	This solution involves upgrading existing Post Office branches to Post Offices to provide additional capacity (eg separate queue for banking and cash services). The estimated set-up cost for providing additional capacity is 26,000, however, the cost would depend on the specifics of the existing facility. It may not be possible to upgrade all types of Post Offices.

Tables notes:

1 Firms incur costs to allow their customers to use cash services at the Post Office Network under their individual contracts under the Banking framework agreement. Firms incur both annual fixed fees and transaction fees for their customers.

2 We adjust the average costs to 2023 prices using GDP deflators if the information was not already in 2023 prices.

3 Total ten year present values include one-off costs where information was available and were calculated using 3.5% discount factor in the Government's Green Book.

**90.** We expect firms will continue to invest to innovate and find more cost-effective solutions to continue to provide cash access services, particularly if the use of cash continues to decline.

## Cost of providing solutions

- 91.** Under the current voluntary industry scheme, firms are delivering Banking Hubs, deposit services solutions and ATMs as recommended by cash access assessments. Based on LINK's published assessment outcomes as at 22/11/23, 41 Banking hubs, 39 deposit solutions and 10 ATMs were recommended to be implemented in response to participating firms' bank branch closures and cash access requests in 2023.
- 92.** We present the estimated total costs of these solutions in Table 9 to illustrate the potential scale of costs of providing solutions. Note, these solutions have already been deployed or recommended and may have been provided as the most cost-efficient way of meeting their obligations to their customers under FG22/6. We do not present the average cost to a firm as the cost of providing shared solutions such as Banking Hubs are apportioned between participating banks based on market share.

**Table 9: Estimated cost of solutions recommended for bank branch closures and cash access requests in 2023**

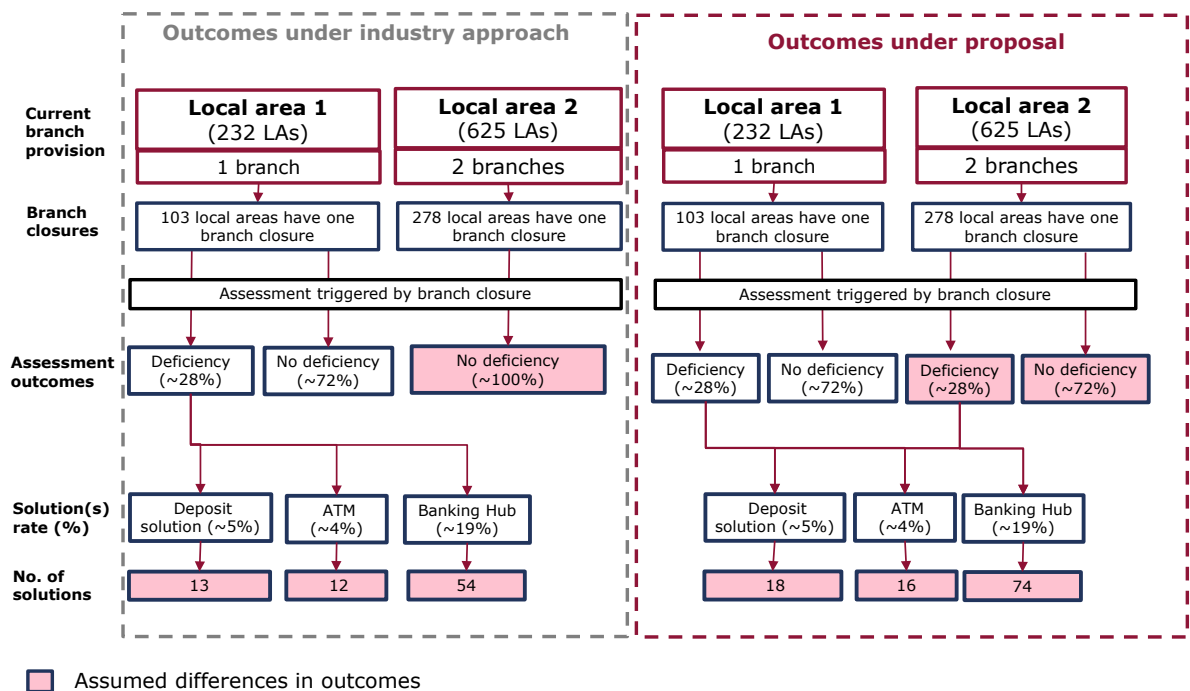
Solution	Number of solutions	One-off and ongoing (annual) costs	Total 10-year present value
Banking hubs	41	One-off: £12.4m Ongoing (annual): £7.5m	£77.4m
Deposit solutions (There is currently no information available on the costs of providing deposit solutions, as they are currently being trialled. We use the estimated costs of providing Banking Hubs instead. This will be an overestimate.)	39	One-off: £11.8m Ongoing (annual): £7.2m	£73.6m
ATMs	10	One-off: £0.1m Ongoing (annual): £0.1m	£1.3m <sup>1</sup>

Tables notes: 1. For the purposes of the CBA, we assume the one-off set-up cost of an ATM is the same as the ongoing (annual) operational cost as we do not have this information. We consider it to be a reasonable estimate.  
2. The present value is computed across a 10-year period with 3.5% discount factor based on the Government's Green Book.

## Illustrative scenarios of increase in solutions

- 93.** We consider our proposals will likely result in firms providing additional cash access services solutions compared to the current industry assessment scheme. As cash access assessments will continue to make judgments about the necessary provision in local areas and when to deliver a solution, we consider solutions should still be delivered when it is proportionate to do so.
- 94.** We consider our proposals may increase the number of solutions provided compared to the existing industry scheme in the following way::
- Solutions recommended following assessments of cash access following new trigger events, for example, material service reductions not considered as trigger events under the current industry approach.
  - Solutions recommended following assessments of cash access that proceed to at least stage 2 of the assessment, that would not have under the current industry approach. In particular, the conditions related to the 'last branch in town' (see paragraphs 5.28 to 5.36 of the CP).
  - Solutions recommended following assessments of cash access conducted in response to additional cash access requests resulting from our proposals for firms to promote the scheme or requests from a wider group (eg businesses) that cannot currently make requests.
- 95.** We set out an illustrative example of the potential additional solutions that could be recommended resulting from our proposals relating to the 'last branch in town'.
- 96.** We estimate the scale of potential impact of these changes based on provision within the local areas defined as described in the 'Key data sources' section of our CBA and in the Technical Annex. The expected differences in the number of cash access solutions under the current industry approach compared to under our proposals in relation to the 'last branch in town' condition are summarised in Figure 5 below. We set out the assumptions and limitations below.

**Figure 5: Illustrative scenario of impact of 'last branch in town' condition**



97. This illustrative analysis is based on a number of assumptions:

- Using localised data and the local area definitions described in our Technical Annex, we estimate there are approximately 232 local areas with 2 bank and/or building society branches (Type A) and 625 with 1 bank and/or building society branch (Type A). These local areas may also have other facilities such as Post Office.
- We assume the same number of bank branches operated by firms currently participating in the industry scheme close as in 2023 (639), based on data published on the outcomes of assessments of closures as at 21/11/2023, and that these are evenly distributed across all local areas with bank branches.
- Following a closure of a bank branch in these local areas, a stage 2 assessment could be triggered under our proposals in all areas (857) rather than in only areas (625) with no branch remaining in the counterfactual. In some cases, the Post Office will provide an alternative service and a stage 2 assessment would not be triggered, however, this will likely depend on capacity at specific Post Office branches which we do not have information on. We account for this in our analysis by applying an assume solutions recommendation rate (see next bullet point).
- It is unclear how many additional solutions will be recommended following these additional assessments. The solutions recommendations will depend on supply-side factors such as nearby facilities and their capacity, and demand-side factors such as the estimated cash reliant population. Therefore, we assume that solutions are recommended based on the proportion of closures proposed in 2023 that were the last branch in town and received a recommendation for a solution under industry's current approach (as at 21/11/23). This accounts for some Post Office branches providing alternative services and no additional service being provided.

98. This illustrative analysis is subject to the following key limitations:
- We are using a particular unit of analysis (local areas as defined in the Technical Annex), however, the proposals focus on facilities within the relevant distances of an area in which a trigger event has occurred, and industry will define their own local areas based on our rules and guidance.
  - The solutions rate is uncertain and will depend on judgements made in cash access assessments related to supply-side and demand-side factors.
99. Despite these limitations, we produced this illustrative analysis to ensure we have properly accounted for all potential costs of our proposals, and we will consider updating this analysis for our Policy Statement (PS) if we are able to source better information or receive more information from stakeholders through our consultation.
100. We set out the estimated costs in Table 10 below. We focus on the additional costs of Banking Hubs as they are the costliest and most recommended solution. Deposit solutions and ATMs are also recommended but at a much lower rate. There is insufficient data on the number of material service reductions and existing cash access requests, and how the rate will change following introduction of our proposals. Therefore, we do not present illustrative examples of potential costs for solutions recommended under these two scenarios compared to the current industry approach.

**Table 10: Illustrative scenario of costs of 'last branch in town' condition**

	Counterfactual in year 1	Policy proposals in year 1
Bank branch closures	Estimated total: 639 Of which LBIT: 278	Estimated total: 639 Of which LBIT: 278 Of which second LBIT: 103
Estimated number of Banking Hubs recommended	54	74
Cost of setting up and operating Banking Hubs	<b>Banking hubs</b> <ul style="list-style-type: none"> <li>• Set-up: £16.3m</li> <li>• Ongoing (annual): £9.9m</li> </ul>	<b>Banking hubs</b> <ul style="list-style-type: none"> <li>• Set-up: £22.3m</li> <li>• Ongoing (annual): £13.5m</li> </ul>
Total additional cost in year 1		<ul style="list-style-type: none"> <li>• <b>Additional assessments: up to £260k<sup>1</sup></b></li> <li>• <b>Set-up and operate banking hubs: £9.7m</b></li> </ul>
Total 10-year present value for additional banking hub solutions		£37.6m

Table notes: 1. This is a maximum based on all 103 of branches that are the second last branch in town having a stage 2 and stage 3 assessments costing £700 and £1,800 respectively.

101. FG22/6 expects firms to put any alternative service that has been identified through their analysis of the impact of a branch closure in place before the branch closes. Similar to this, our proposals would prevent designated firms from closing a branch until any

additional services identified in the assessment are put in place. Based on these solution types continuing to be recommended and Banking Hubs continuing to have around a 15-month lead time firms may need to provide temporary solutions or maintain their branch during the lead-time for the delivery of a solution in some cases. We assume firms would deploy a temporary service, for example, a mobile branch, as the most cost-efficient solution. We do not have full information on current practices and therefore consider this could be an additional cost compared to current industry practices.

- 102.** Using the illustrative analysis set out in Table 10 above, and the current lead time for a banking hub being 15 months, this could cost firms up to £3.2m (69\*£47k) in total to provide a temporary mobile branch while waiting for a Banking Hub to be implemented, depending on existing practises

### Costs of providing information about cash access

- 103.** Our proposals will result in costs to firms to provide the following information about cash access to consumers:
- **The availability of cash access in their local area.** The existing coordination body operates a cash locator tool, and we assume that firms will use this tool to meet new rules to make information on the availability of cash access in local areas. We consider there would be some additional costs for firms to update the cash locator tool to provide information on the location of branches and information on the availability of coin withdrawal in the tool.
  - **The details of their cash access request scheme.** Although the existing coordinating body already communicates the availability of cash access and details of the cash access request schemes, firms will incur one-off costs to update their websites to sign-post their customers to the cash locator tool and how to make a cash access request.
  - **Notifications of changes to cash access points.** Firms will also incur one-off costs to set up the IT processes to notify stakeholders and their customers about changes to cash access facilities, and ongoing costs to continue to provide notifications. We consider these costs will be relatively minor given firms have the processes in place to notify their customers of their branch closures under [FG22/6](#).
- 104.** Firms will also have to provide information to Members of Parliament and Members of Devolved Governments and Local Authorities about the cash access request scheme and closures or material changes to their own cash access facilities.
- 105.** The estimated total costs to firms to provide this information to cash users and stakeholders are summarised in Table 11 below.



**Table 11. Estimated total one-off and ongoing costs of providing information about cash access**

	One-off cost	Ongoing costs (annual)	Assumptions
Updates to existing cash locator tool	£200k	£40k	Estimates provided by existing coordinating body to make a previous update to the tool (updating with Post Office branch locations).
Communicating with stakeholders and cash users: Updating website pages Notifying stakeholders and customers about changes in cash access and details of the cash access request scheme	£287k	£287k	Based on our SCM, we assume a project length of 5 days with 46 total persons for larger firms. We estimate one-off costs to be approximately £19,000 per firm and assume ongoing costs to provide notifications are similar to the one-off IT costs, although these costs will be partly driven by the rate of notifications which is uncertain.
<b>Total</b>	<b>£487k</b>	<b>£327k</b>	

## Reporting information about cash access to the FCA

- 106.** We propose to seek data from 63 banks and building societies (including designated entities), Post Office, ATM Network (LINK), and 2 payment systems through which cashback is provided (Visa and Mastercard).
- 107.** Banks and building societies providing cash access services, payment systems through which cashback is provided and Post Office will be requested to submit data on cash access at the same frequency as their current voluntary data submissions, however, the format of the submission will change. Therefore, we expect one-off costs to entities to familiarise themselves with the requirements and set up the processes to complete the data submissions (eg update any relevant code). We use our SCM to estimate the costs incurred to entities to make familiarise themselves with the requirements and set up the relevant processes in Table 12 below. Given they are already submitting this data voluntarily, we do not expect material costs to continue to submit data on an ongoing basis, however, we include these costs in our CBA to ensure we accounted for all costs of our proposals.
- 108.** We also currently receive the required data from LINK and IADs from the Payment Systems Regulator which receives data from LINK. Therefore, we expect similar costs

to be incurred by these entities to familiarise themselves and set up the relevant processes. Given they are already providing the required data to LINK, we do not expect material costs to continue to submit data on an ongoing basis, however, we include these costs in our CBA to ensure we accounted for all costs of our proposals.

**Table 12. Estimated one-off costs to implement required data reporting**

	One-off	Ongoing (annual)	Assumptions
Familiarisation cost per entity (excluding designated entities)	£400	-	<ul style="list-style-type: none"> <li>We assume one compliance staff and one legal staff will require approximately half a day to familiarise with themselves with the requirements.</li> <li>We do not estimate familiarisation costs for the 15 entities assumed to be designated as these are estimated separately.</li> </ul>
IT project cost per entity	£3k	£3k	We assume that entities will spend approximately 10 working days (2 weeks) to set up the process to complete the data submissions.
Total cost per entity	Non-designated entities: £3.4k Designated entities: £3k	All entities: £3k	
Total costs for all 67 entities	£222k	£201k	

**109.** As the current submissions are voluntary, some firms provide less information due to our inability to receive commercial data without Non-Disclosure Agreements. Some firms may not have full data on the specifics of all cash access facilities either. Therefore, there may be some costs to firms to collate full data sets to meet our requirements, however, we are unable to reasonably estimate these costs as we do not know the scale of this issue.

### Increase in FCA fees

**110.** To recover the costs of overseeing the cash regime, we propose to recover the full project costs in 2024/25, along with the annual supervisory costs. We will set the rate through our annual consultation on FCA fee-rate in April 2024. More details on the proposed fee increase can be found in paragraphs 1.35 to 1.36 of the CP.

## Costs to the FCA

- 111.** There will be costs incurred to supervise the access to cash regime. To enable us to supervise effectively, we are developing a tool to allow for efficient data ingestion and to take a data-led approach to supervise outcomes for cash provision. We expect collecting data through regulatory returns will improve data quality thereby improving the speed, efficiency and quality of our ongoing cash access monitoring and supervision.
- 112.** These costs will be recovered from designated firms through a fee increase as described in paragraph 110 above.

## Benefits

- 113.** We expect that the decline in provision of cash services may continue, and our intervention aims to ensure that consumers and SMEs who require access to cash services will not face significant impacts from deficiencies in the provision of cash access services in their local area.
- 114.** In this section, we describe the mechanisms through which we expect these benefits to arise and the type and scale of significant impacts that could be reduced due to our proposals.

## Mechanisms to identify significant impacts

- 115.** We expect significant impacts to be mitigated through the delivery of cash access solutions following assessments of cash access in local areas by designated entities. We expect this will be achieved via the following mechanisms:
- Monitoring relevant trigger events
  - Improved accountability, governance, and transparency
  - Improved availability of information for stakeholders

## Monitoring trigger events

- 116.** Our proposals would ensure that designated entities carry out assessments in response to the trigger events we describe in paragraph 4.7 of the CP. These triggers are:
- the closures of, or material reductions/changes to the provision of cash access services at an existing facility; and
  - receipt of cash access request.
- 117.** For branch closures, our proposals require firms to consider the entire population of consumers and SMEs of the local area affected in their assessments, and not only the customers of the closing branch. Therefore, consumers and SMEs in the local area who would be significantly impacted by the intended closures absent our proposed intervention, should see cash services solutions being put in place.
- 118.** Our proposals require designated firms to assess the intended closure or material change (such as a free to use service converting to a pay to use service) of any cash

access service. This will cover all free-to-use ATM closures (and closures of pay-to-use ATMs) beyond the ones that are currently identified as 'protected' under SD12. This means that any significant impacts from a reduction in the available of ATMs that are not protected would be avoided under our intervention.

- 119.** Our proposals would also require the designated firms to not only react to closures of their own access points but also those of third parties, such as the Post Office and branches and ATMs of the non-designated firms. This would benefit all consumers and SMEs of a local area by ensuring that where such closures occur, assessments are carried out and any deficiencies which have significant impacts are addressed to ensure reasonable provision is maintained.
- 120.** Our proposals will also require firms to operate a cash access request scheme, where anyone with sufficient interest can ask for the cash access in their area to be assessed following the same process as for the closures. This would bring the existing voluntary scheme into the regulation and would allow stakeholders concerned about cash access in their area to have it reviewed. If a deficiency that has a significant impact is identified, then the necessary additional services (additional solutions) will be provided where this is reasonable.
- 121.** Additionally, our proposals require the designated firms to promote the cash access requests and provide clear instructions about how to submit one. If consumers and SMEs in a local area have a clearer understanding of how to submit a cash access request, this will improve their engagement with this process and as a result more significant impacts may be addressed.

### ***Improved accountability, governance and transparency***

- 122.** We expect our proposals to strengthen the assessment process by providing a regulatory framework that improves accountability, transparency, and responsiveness to local cash access needs.
- 123.** Under our proposals firms would be required to publish their assessment criteria and periodically review their effectiveness. Stakeholders, such as consumers and SMEs, can also raise relevant concerns about an assessment or give further information which may be relevant to the outcome of an assessment irrespective of the trigger event. These requirements ensure that assessments reflect consumers' needs and the cash services landscape as they change over time.

### ***Improved availability of information for stakeholders***

- 124.** Our proposals also require the designated entities to provide information to consumers on locations and details of cash access services as well as on the cash access request scheme.
- 125.** This will enable consumers, SMEs and, where relevant, other local stakeholders to understand where they can access cash services, how to request an assessment where they feel existing provision in their area is inadequate, and how to challenge the outcomes of assessments where appropriate.

## Reduction in significant impacts

- 126.** Through these mechanisms, cash access solutions will be provided where there are significant impacts to consumers and/or SMEs from a deficiency in cash services provision. We discuss these significant impacts in section 'Problem and rationale for intervention', paragraphs 18 to 23, of the CBA.
- 127.** We consider that the main channel for a reduction in significant impacts is through ensuring there are not unreasonable costs of access to cash services for consumers and SMEs that rely on cash. For the purposes of our CBA and to seek to quantify the potential scale of benefits from our proposals, we consider that the costs consumers and SMEs face from reduced access to cash services can be a reasonable approximation of the key benefits of our proposals. This is because we expect that our proposals could prevent these costs to some extent through the provision of additional cash services solutions. To do this, we present the estimated average incremental cost to each consumer and SME from withdrawing access to their usual cash services facility using research we commissioned to London Economics (in partnership with YouGov and Kudos Research). We provide a brief description of this research in paragraphs 50 to 54 of the CBA of the 'Key data sources' section. The headline findings of this research can be found in the [Narrative Report](#) and the detailed methodology and estimates can be found in the [Technical Report](#).
- 128.** The actual benefits resulting from our proposals are likely to be greater than the average costs presented below for several reasons. Firstly, we consider that solutions would be implemented when the costs avoided through implementing a solution are likely to be higher than average. For example, significant impacts are more likely to occur in areas with relatively worse provision where consumers and SMEs would find it particularly difficult to switch facilities. A continuation or an acceleration of the rate of closure of cash access facilities will increase these costs further as alternative facilities will be available further away than the distances estimated in the LE research. We note that the estimates provided below are based on average cash services provision in 2022. Secondly, we expect that significant impacts would be avoided to those that rely on cash services with characteristics of vulnerability (eg low financial resilience) and, on average, these groups could experience higher costs as they need cash services more frequently than the average cash user. We consider the burden of costs may also be exacerbated for these groups as, based on [FLS 2022](#), consumers with characteristics of vulnerability are more likely to be cash reliant. Also, our [FLS 2022](#) shows that 50% of people that rely on cash do so because it helps them with budgeting. Finally, there may also be other costs which are not estimated as part of this analysis (eg costs associated with using cash or services less frequently).
- 129.** On the other hand, we note that some costs will still be incurred as consumers and SMEs may still need to travel slightly further to access solutions and there may be potential benefits associated with reactions to a loss of access to cash services. For example, benefits for consumers from making use of credit or debit cards (eg card rewards). In the 'Risks and uncertainties' section, we note the key limitations of the estimates we provide below.
- 130.** In addition to significant impacts avoided to those that rely on cash services, there are likely to wider social benefits of maintaining access to cash services. For example, improved access to cash services for cash users that do not rely on cash services but

might prefer to have access to cash services. Based on the FLS 2022, we estimate that an additional 10.5 million (20%) UK adults may benefit from cash services solutions in addition to those that rely on cash services, as this group uses cash and other payment methods equally. Additionally, there will be wider benefits from other services sometimes provided through cash services solutions (eg wider banking services at Banking Hubs).

**Potential costs avoided to consumers**

- 131.** Table 13 below presents the average benefit for consumers that we have identified as being associated with maintaining access to each cash service (at their usual facility) and that are possible to estimate. The average benefit shown is for consumers that use cash services at least once a month and are in pounds per year and per consumer affected. We estimate average costs for consumers in rural and urban areas based on mapping the postcode they provided in response to the survey to ONS data.
- 132.** In response to a loss of access to cash services at their usual location, there are a number of reactions that consumers may take. The reactions consumers could take and the associated costs considered in the LE research were:
- Continue to access in-person cash services but at an alternative location. This may incur travel-related costs if the alternative location is further away or takes longer to get to, or stress or anxiety about having to use a different location. Depending on what kinds of access points the current and alternative locations are, they may also have to pay increased cash machine fees or experience a loss of privacy or security.
  - Switch bank, which may incur a switching cost and may lead to stress or anxiety.
  - Substitute in-person cash services with digital channels (online or telephone banking or debit or credit cards). This could lead to switching and familiarisation costs, stress or anxiety or fraud-related costs.
  - Rely on someone else to access cash services for them, which could lead to a loss of financial independence.
- 133.** With respect to the estimated benefits shown in Table 13 below, we note that balance enquiry services are only covered by our proposals to the extent that they must be provided alongside any additional cash withdrawal service.

**Table 13: Estimated benefit to consumers from maintaining access to each service at their usual facility**

Cost per year	Withdrawals	Cash deposit	Balance Enquiries
Travel cost from travelling to alternative facility	Yes	Yes	Yes
Travel time cost from travelling to alternative facility	Yes	Yes	Yes
Bank switching cost	Yes	Yes	Yes

<b>Cost per year</b>	<b>Withdrawals</b>	<b>Cash deposit</b>	<b>Balance Enquiries</b>
Online or telephone banking potential fraud cost	Yes	Yes	Yes
Online or telephone banking switching and familiarisation cost	Yes	Yes	Yes
Cash machine fees from having to switch to PTU	Yes	No	No
Theft cost from withdrawing/ depositing larger amounts	Yes	Yes	No
Increased overdraft charges from using cash services less	Yes	Yes	No
Loss of consumer satisfaction by reduced spending	Yes	Yes	No
Debit or credit card potential fraud cost	Yes	Yes	Yes
Debit or credit card switching and familiarisation cost	Yes	Yes	Yes
Stress or anxiety from using online or telephone banking	Yes	Yes	Yes
Lack of privacy or security from not being in branch	Yes	Yes	Yes
Stress or anxiety from using debit or credit cards	Yes	Yes	Yes
<b>Average cost from loss of access to each service at their usual facility, all consumers</b>	<b>£51</b>	<b>£37</b>	<b>£94</b>
<b>Average cost from loss of access to each service at their usual facility, consumers in rural locations</b>	<b>£63</b>	<b>£34</b>	<b>£135</b>

Cost per year	Withdrawals	Cash deposit	Balance Enquiries
Average cost from loss of access to each service at their usual facility, consumers in urban locations	£46	£39	£87

Source: FCA calculations using London Economics Research

Table notes: 1. The table shows the estimated average benefits from maintaining access to each service which are equal to the avoided costs incurred by losing access to this service from the usual location and estimated by the London Economics (LE) research. The table excludes variables that could not be quantified with statistical significance at a level at least 10%. See Section 3.3 and Table 19 (page 27) in the Technical Report. The detailed estimates of all variables are in Section 2.3 (page 28) of the Narrative Report. The average benefit estimates in this table should not be summed to estimate the total benefit of maintaining access – see paragraph 151 of the CBA. 2. The benefit estimates are in 2023 prices using the October 2023 12 month CPI inflation rate from the ONS. 3. Balance enquiries service is not covered by our proposals as a standalone service, but we include it here as necessary ancillary cash service for consumers.

- 134.** The benefits in Table 13 are driven by consumers' reactions to the closure of their usual cash access facility and, in particular, by travel related costs which amount for the vast majority of the average estimates. We might expect travel costs associated with continuing to access cash services following a closure to increase over time as cash services provision continues to decline. However, increased travel costs could also impact consumers decisions on the actions they should take in response to a closure. LE research found that consumers would need to travel on average between 30% and 50% further to access each service in an alternative location in the event of the closure of their existing access point. However, our internal analysis suggests on average there are likely to be closer alternative facilities. This could be because survey respondents did not have full information on the nearest alternative cash services or due to preferences around the alternative facility they would go to instead. Also, consumers in rural areas typically experience higher costs when they lose access to cash services at their usual facilities than consumers in urban areas because on average they have to travel further to alternative locations.
- 135.** The costs from losing access to cash services would disproportionately impact consumers with characteristics of vulnerability who are more likely to rely on cash, and the burden of costs may be exacerbated for these groups of individuals relative to those without characteristics of vulnerability. For example, they may struggle to switch banking provider to continue to access nearby assisted cash services at a different bank (where consumers need help because they are not able to use machines), so will need to incur unreasonable travel costs. Therefore, the benefit for these consumers would be larger than the benefit that we quantify in this section. The sample size for the consumers with certain vulnerability characteristics in the LE research is not sufficiently large to allow us to derive reliable estimates of the costs they would face. However, LE do estimate in the Narrative Report that consumers from households with household income below £15,000 would face higher average costs than those from households with higher income mainly because they use cash services more frequently.



### **Potential costs avoided to SMEs**

- 136.** Table 14 below presents the estimated average benefits for the SMEs that we have identified as being associated with maintaining access to each cash service at their usual cash access facility and are possible to estimate. These benefits depend on the reaction that the SMEs would have in the event of the closure of their usual access point.
- 137.** In response to a loss of access to cash services at their usual location, there are a number of reactions that SMEs may take. The reactions SMEs could take and the associated costs considered in the LE research were:
- Continue to access in-person cash services but at an alternative location. This may incur travel-related costs if the alternative location is further away or takes longer to get to. Depending on what kinds of access points the current and alternative locations are, they may also have to pay increased cash machine fees or a loss of security.
  - Switch bank, which may incur a switching cost and may lead to ongoing inconvenience from banking with a new organization.
- 138.** As with consumers, balance enquiry services are covered by our proposals to the extent that they must be provided alongside any additional cash withdrawal service. Change services for SMEs is covered by the regime if this is part of a cash withdrawal service.
- 139.** For similar reasons described above in paragraph 134 for consumers, the biggest drivers of the benefits for SME are the avoidance of travel related costs and of bank switching costs. The potential increase in fraud from using online or telephone banking more often and inconvenience from using digital payments are also a sizeable part of the average costs that the SMEs would avoid as a result of our proposals.

**Table 14: Relevant benefits from maintaining to each service for SMEs at their usual facility**

<b>Cost</b>	<b>Withdrawals</b>	<b>Deposits</b>	<b>Balance enquiries</b>	<b>Getting change</b>
Travel cost from travelling to alternative facility	Yes	Yes	Yes	Yes
Travel time cost from travelling to alternative facility	Yes	Yes	Yes	Yes
Bank switching cost	Yes	Yes	Yes	Yes
Online or telephone banking potential fraud cost	Yes	Yes	Yes	Yes

Cost	Withdrawals	Deposits	Balance enquiries	Getting change
Online or telephone banking switching and familiarisation cost	Yes	Yes	Yes	Yes
Cash machine fees from having to switch to PTU	Yes	Yes	No	No
Cash or change delivery or collection fees	Yes	Yes	No	Yes
Burglary cost from having more cash in premises	Yes	Yes	No	Yes
Security expenditure from having more cash in premises	Yes	Yes	No	Yes
Insurance expenditure from having more cash in premises	Yes	Yes	No	Yes
Lost profit from reduced ability to serve cash-paying customers due to reduced cash holdings in their premises	Yes	Yes	No x	Yes
Lost profit from not accepting cash	Yes	Yes	Yes	Yes
Digital payments switching and familiarisation cost	Yes	Yes	Yes	Yes
Inconvenience from using digital payments	Yes	Yes	Yes	Yes

Cost	Withdrawals	Deposits	Balance enquiries	Getting change
Average cost from loss of access to each service	£103	£164	£140	£173

Source: FCA calculations using London Economics Research

Table notes: 1. The table shows the estimated average benefits from maintaining access to each service which are equal to the avoided costs incurred by losing access to this service from the usual location and estimated by the London Economics research. The table excludes variables that could not be quantified with statistical significance at a level at least 10%. See Section 3.3 and Table 20 (page 28) in the Technical Report. The average benefits estimated in this table should not be summed to estimate the total benefit of losing access – see paragraph 151 of the CBA. The detailed estimates of all variables are in Section 3.3 (page 43) of the Narrative Report. 2. The benefit estimates are in 2023 prices using the October 2023 12 month CPI inflation rate from the ONS. 3. Balance enquiries and getting change are not covered by our proposals as a standalone service, but we include them here as necessary ancillary cash services for SMEs.

## Breakeven analysis

- 140.** Under our proposals designated firms will have to provide cash services solutions to address significant impacts to consumers and SMEs from any deficiency found in provision of cash access services for in local areas. The total costs and benefits of our proposed intervention will depend on a number of factors and how these factors would differ as a result of our intervention relative to the counterfactual. A non-exhaustive list of some of these key factors is:
- the rate of trigger events;
  - the number of cash reliant consumers affected;
  - the number of affected SMEs;
  - the availability of alternative access points in the local area and within the relevant distances;
  - the reactions of consumers and SMEs to the closures;
  - the number of areas that would be identified to face significant impacts and the solutions recommended through the assessments.
- 141.** There is uncertainty around how these factors would differ as a result of our proposals relative to the counterfactual. Therefore, it is not reasonably practicable to accurately estimate the total costs and benefits of our proposals and weigh them up to assess whether our proposals are likely to be net beneficial.
- 142.** Instead, to test whether the proposals are likely to be net beneficial, we estimate the breakeven point for additional cash services solutions and assess the likelihood that our proposals will deliver this. We define the breakeven point for each local area as the number of local areas each additional solution needs to serve on average in order for the benefits from access to cash services in these local areas to breakeven with the cost of providing these cash services.
- 143.** To estimate the breakeven point of each archetype we estimate a number of parameters:
- The number of cash reliant consumers and cash accepting SMEs in each local area

- Which local areas are urban or rural
- The average value of benefits to consumers and SMEs from losing access to all cash services from their usual access point
- The cost of providing additional solutions, which includes the one-off set-up costs as well as the ongoing operational costs.

**144.** The estimation of these parameters and of the breakeven points rely on a number of assumptions that we discuss in paragraphs 145 to 156, below. In the 'Risks and Uncertainties' section of the CBA, we discuss the implications of these assumptions. For this analysis we use our data on the provision at the local area data (see section 'Key data sources' in our CBA or our [Technical annex to the CP](#)) and data from the LE survey research described in the previous section and in section 'Key data sources' of the CBA.

## Assumptions

### *Assumptions on local area and population estimates*

- 145.** We have estimates of the adult population in each local area obtained by the ONS and NISRA for the output and small areas, respectively, that comprise them.
- 146.** We assume that the local areas are urban if they have a share of output/small areas classified as urban above the average share of urban areas across all local areas. This average is 87% in our data. Using this classification, we estimate the cash reliant population to be 4% of UK adults in rural local areas and 6% of UK adults in urban local areas based on FLS 2022 data. We use the FLS 2022 data to estimate the average percentage of cash reliant population because it is our most recent data source, it has a large sample size of c19,000 UK adults and is representative of UK adult population. Additionally, we only focus on the cash reliant population as this generally aligns with our approach to provision of cash services to those who need or rely on them.
- 147.** Based on the LE Research survey data, we have estimated that 95%, 75% and 57% of cash reliant consumers use the services for cash withdrawals, cash deposits and balance enquiries respectively. Additionally, of the consumers that use balance enquiries only 17% of them do this on separate occasions to when using the other two cash services.
- 148.** We estimate the SME population in each local area using the number of SME addresses from ABP data (described in our section 'Key data sources'). We assume that 75% of the SMEs in each local area accept cash as a means of payment and therefore affected by the availability of cash services. We assume the largest figure from the [HMRC published research](#) where 75% of small business accept cash and 73% of the medium businesses accept cash. We assume the largest figure, because we have already filtered for the more cash reliant sectors as we described in paragraph 47 of the CBA.
- 149.** Based on the LE Research survey data, we have calculated that 66%, 82%, 45% and 43% of cash accepting SMEs use the services for cash withdrawals, cash deposits, balance enquiries and for getting change respectively. Additionally, of the SMEs that use balance enquiries services only 11% of them do this in separate occasions to when using the other cash services.

- 150.** As we have discussed, access to balance enquiry and change services are not specifically addressed through our proposals, but we include them in our analysis as they are considered ancillary cash services that consumers and SMEs use.

### ***Assumptions on quantifying significant impacts***

- 151.** For consumers, we obtain an approximation of the total benefit from maintaining access to cash services by multiplying the number of cash reliant consumers with the weighted average of the benefits for each cash service we present in Table 13 above for rural and urban local areas. We use the weights we discuss in paragraph 147 above to obtain an overall average for all three services.
- 152.** For SMEs, we obtain an approximation of the total benefit from maintaining access to cash services by multiplying the number of cash accepting SMEs with the weighted average of the benefits for each cash service we present in Table 14 above. We use the weights we discuss in paragraph 149 above to obtain an overall average for all four services.
- 153.** To obtain the aggregate present value of the benefit from maintaining access to all services in each local area we sum the benefits for consumers and SMEs and multiply them by a factor 8.61 based on the Government's Green Book discount rate of 3.5% over a 10-year period.
- 154.** As we discuss in paragraphs 132 and 137 of the 'Benefits section', the estimates in the LE research account for the reaction of the consumers and SMEs. We assume that these will remain constant in the future as we are unable to reasonably predict how reactions will change over time.
- 155.** To estimate the aggregate present value of the cost of providing additional alternative solutions we multiply the annual operating cost of each type of infrastructure, namely mobile branches and banking hubs, from Table 8 of the CBA with the factor 8.61 (reflecting a discount rate of 3.5% applied over 10 years). For the banking hubs we also add the estimated one-off cost that is incurred to set one up. We focus on these two types of solutions as they are the ones that are most costly, excluding bank branches, so our breakeven analysis is relatively conservative. We exclude the bank branches because they are unlikely to be implemented as solutions as they are significantly more costly than the alternatives.
- 156.** We do not incorporate in our assessment the impact from closures of ATMs because as we show in our Technical Annex there is significant availability of them, and the cost of providing them is relatively low compared to other types of infrastructure (see Table 8 of the CBA).

## Results

### *Estimated parameters*

- 157.** In Table 15 below we show, for each local area archetype, our estimates of the number of rural areas, the average number of cash reliant adults and cash accepting SMEs and the estimated average of the total present value of benefits to consumers and SMEs.

**Table 15: Estimated parameters of local area archetypes**

Archetype	Number of archetypes	Number of rural local areas of each archetype	Average number of cash reliant adults per local area of each archetype	Average number of cash accepting SMEs per local area of each archetype	Average of the total present value of benefits to consumers and SMEs per local area of each archetype
A	4,336	0	282	145	£0.29 m
B	1,322	17	465	175	£0.40 m
C	1,620	1,198	422	228	£0.47 m
D	682	518	486	339	£0.65 m
All local areas	7,960	1,733	359	183	£0.23 m

Table notes: 1. The table shows the estimated of the number of rural areas, the average number of cash reliant adults and cash accepting SMEs and of the average of the total present value of benefits to consumers and SMEs. We discuss the assumptions that inform our estimates in paragraphs 145 to 156 of the CBA. 2. Present value is computed across a 10-year period with 3.5% discount factor based on the Government's Green Book. 3. Averages refer to the arithmetic mean.

- 158.** In Table 6 of the CBA we showed that the weighted average cost between April 2022 and March 2023 of each assessment is approximately £1,000 based on the current industry scheme. Based on this, we estimate that all three stages of assessment would cost approximately £3,000 (£1,000 x 3), which is a one-off cost.
- 159.** The operational cost of a banking hub also includes the provision of wider banking services and not only that of the cash services. Inside the banking hubs there is usually a Post Office counter which offers only cash services. To approximate the isolated cost of the provision of cash services by the banking hub we assume that it is equal to the one-off set-up and ongoing operational cost of the post office counter of the banking hub.
- 160.** In Table 16 below we show the estimated average cost of assessment and the total present value (over a 10-year period and with a discount rate of 3.5%) of each alternative solution. We observe that the average cost of setting up and operating a banking hub is £0.9 million for cash services only, £1.9 million for all banking services including cash services, and of operating a mobile branch is £0.4 million.

**Table 16: Estimated average cost of assessment and of alternative solutions per local area**

	Cost values
One-off cost of full assessment	£3,000
Total present value of cost of one banking hub, cash services only	£0.9 m
Total present value of cost of one banking hub, all services	£1.9 m
Total present value of cost of one mobile branch (one stop)	£0.4 m

Table notes: 1. We discuss the assumptions that inform our estimates in paragraphs 145 to 156 of the CBA. 2. Present value is computed across a 10-year period with 3.5% discount factor. 3. Averages refer to the arithmetic mean.

### **Breakeven analysis results**

- 161.** Based on the estimated average benefits in Table 15 and the estimated average costs in Table 16, we expect that the cost of provision of cash service solutions could be net beneficial if the solutions implemented serve multiple local areas.
- 162.** The breakeven point for each archetype describes how many local areas each additional solution needs to serve on average in order for the benefits from access to cash services for cash reliant consumers and SMEs in these local areas to breakeven with the cost of providing each solution plus the cost of the full assessment. To compute the breakeven point, we divide the net present value of the benefit by the sum of the present value of the cost of provision of each type of solution plus the one-off full assessment cost. We show the results in Table 17 below.

**Table 17: Breakeven points**

Archetype	Average of the total present value of benefits to consumers and SMEs per local area of each archetype	Breakeven point: number of local areas covered on average by a banking hub (cash services only)	Breakeven point: number of local areas covered on average by a banking hub (all banking services)	Breakeven point: number of local areas covered on average by a mobile branch stop
A	£0.29m	3	6	1
B	£0.40m	2	5	1
C	£0.47m	2	4	1
D	£0.65m	1	3	1

Table notes: 1. We show the present value of estimated average cost of assessment and of alternative solutions per local area on Tables 15 and 16, respectively. 2. To obtain the breakeven point we divide the net present value of the benefit by the sum of the present value of the cost of provision of each type of solution plus the one-off full assessment cost. 3. Averages refer to the arithmetic mean.

- 163.** We believe that the breakeven points are likely to be achievable on average, as on many occasions other local areas can be reasonably close and so solutions could benefit consumers and SMEs in other local areas. In Table 18 below we provide evidence from our analysis on the proximity of other local areas to support this. We focus on proximity because as we showed in paragraphs 134 and 139 of the CBA, travel-related costs are the majority of the costs that consumers and SMEs would face when they lose access to cash services at their current facility.
- 164.** We observe that the majority of the local areas of Archetypes A, B and C have their nearest local area within the relevant distances (1 mile for urban local areas and 3 miles for rural local areas). Similarly, when we look at the average distance to the five nearest local areas, we observe that Archetypes A, B and C are much more likely to have five local areas on average within the relevant distances than Archetype D. These results demonstrate that local areas of Archetype A can on average comfortably share multiple facilities or additional solutions. Archetypes B and C on average would also be able to share additional solutions, but less areas would share one than in Archetype A. For archetype D, it becomes on average less likely for more than 2 or 3 areas to be able to share one facility or solution compared to the other three archetypes. These are broadly aligned with the breakeven points of Table 17 above, where the number of areas that would share a solution decreases as we go from Archetype A to D.

**Table 18: Proximity metrics for assessing likelihood that solutions will serve multiple areas, by Archetype**

Arche-type	Number of local areas	Number of rural local areas of each archetype	Number of local areas of each archetype whose nearest local area is within the relevant distances	Number of local areas of each archetype whose five nearest local areas are on average within the relevant distances
A	4,336	-	4,307	3,921
B	1,322	17	1,141	600
C	1,620	1,198	1,383	856
D	682	518	322	78

Table notes: 1. The relevant distances are 1 mile for urban local areas and 3 miles for rural local areas. 2. We assume that the local areas are urban if they have a share of output/small areas classified as urban above the average share of urban areas across all local areas. 3. Distances between local areas are measured as the distance between their retail centres.

- 165.** We note that our breakeven analysis does not account for the wider benefits to the local area from the banking services that the Banking Hubs offer nor the wider social benefits of maintaining access to cash services (eg benefits to cash users that do not rely on cash services but might prefer to have access to cash services). Similarly, consumers with characteristics of vulnerability would benefit more from maintained



access to cash services than the estimated averages we have included in our analysis. However, we are unable to estimate the proportion of the population in each local area that have characteristics of vulnerability in order to account for their increased benefits in our analysis. Also, solutions are likely to be implemented when the average costs to consumers are higher than average, indicating there are unreasonable costs of access to cash services and there may be significant impacts. These factors are likely to increase the potential benefits of solutions and contribute to lowering the breakeven points we show in Table 17, meaning that a solution would need to serve fewer areas to be net beneficial.

- 166.** Additionally, the estimated benefits from the LE research are based on the costs that consumers and SMEs would incur if they lost access to their usual access point. Given that solutions will be required to serve multiple local areas in order to breakeven, consumers and SMEs would still incur travel related costs to access cash services in the solutions replacing their usual access point within the relevant distances, which we are unable to estimate.

## Risks and uncertainties

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- 167.** There are several uncertainties that affect the scale of total costs and benefits of our intervention. We set out the most significant risks and uncertainties below.
- 168.** The cash access assessments will need to make judgments about provision in local areas, within the framework of our rules and guidance, which will differ from each other in their geographic, demographic, and other characteristics.
- 169.** Judgements for delivering solutions will also be based on their assessment of the population affected (their unit of analysis for a local area) and the cash access facilities that serve this population. The illustrative scenarios around costs and our breakeven analysis in this CBA are based on a particular unit of analysis (local areas as defined in the Technical Annex to the CP), however, the proposals focus on facilities within the relevant distances of an area in which a trigger event has occurred (closures or cash access request) and industry will define their own local areas aligning with our rules.
- 170.** The total costs and benefits compared to the counterfactual will also depend on the rate of cash access facility closures, and we have assumed that provision of cash services would not increase in the counterfactual. The extent at which provision of cash services would reduce absent our intervention would drive the number of additional assessments and solutions required. The number of solutions provided will drive the scale of significant impacts avoided (benefits) as well as the cost of setting up and operating the additional solutions. As both variables are uncertain and it is not reasonably practicable to forecast closures and assessments, it is difficult to estimate total costs and benefits accurately.

- 171.** The scale of costs and benefits will depend on the total cash reliant population which is likely to continue to decline, as well as changes in the costs of solutions. In our analysis, we do not factor in changes in the total population of cash reliant consumers or SMEs.
- 172.** The benefits of our proposals have been approximated using the estimated average costs for consumers and SMEs from losing access to their usual facilities, as estimated by the LE research. We present these estimates in Tables 13 and 14 of the CBA, in the 'Benefits' section. These essentially capture the avoided costs to the average consumer and the average SME and as such they are subject to certain limitations. First, the benefits from maintaining access for the consumers with vulnerability characteristics are likely to be higher than what the averages imply. We cannot factor the difference in benefits that more vulnerable consumers would benefit from, because we are unable to estimate with our current data the number of consumers with characteristics of vulnerability at the local level. Second, we are unable to estimate the costs for consumers and SMEs if they lost access to cash services from multiple facilities in a local area in addition to their usual one. Where multiple access facilities in a local area are withdrawn, the benefits from maintaining access would be higher than the ones implied in our breakeven analysis.
- 173.** The total costs will depend on whether firms appoint a coordination body to meet our requirements and continue to use the existing assessment process in place. We expect costs to be substantially higher if firms decide to meet our requirements individually. We consider this to be an unlikely scenario given the existing industry scheme in place and therefore do not present costs on this basis.

## Indirect Impacts

---

- 174.** Firms could seek to pass on the costs of meeting requirements and providing cash services solutions to their customers. As firms already fund a coordination body to assess cash access services and the solutions recommended by the coordinating-body, we expect it is unlikely that the additional costs will be material to customers.
- 175.** It is likely that our proposals will promote the innovation of new shared solutions to meet cash needs that will benefit firms through cost efficiency. The commercial application and diffusion of ideas through innovation is a key driver of long-term productivity growth and international competitiveness of the UK economy.

## Unintended consequences

---

- 176.** We consider that firms may increase the rate of cash access services closures in anticipation of our rules coming into effect, to avoid being subject to a cash access assessment and potentially be required to put a cash services solution in place. If these closures have resulted in significant impacts, then we expect these issues would be raised by stakeholders through the cash access request scheme, and solutions would be delivered if recommended.

- 177. Firms could also seek to ensure that the minimum level of cash access provided to avoid a cash access assessment. Again, we expect the cash access request scheme to ensure that any issues with cash access are addressed.
- 178. We will continue to monitor cash access coverage for signs of these unintended consequences as described below.

## Monitoring

---

- 179. We will monitor progress to ensure the effectiveness of our proposals and any unintended consequences, as summarised in Table 19 below.

**Table 19: Proposed monitoring approach to our proposals**

Outcomes	How will we monitor effectiveness?
Reasonable cash access coverage	<p>Collect information about cash access requests, assessments and reviews through supervisory engagement to help us assess whether they are effective and in line with the proposed rules.</p> <p>Use data provided by entities on cash access provision to monitor cash access coverage. This will cover mix of facilities, accessibility and opening hours.</p>
Reduced significant impacts on consumers	<p>Monitor where cash access services are available to consumers and, demand for these services and the demographics using them, and where their withdrawal is likely to have the most significant impacts.</p> <p>Financial Lives survey to track the experience of consumers who rely on cash, including their numbers, the characteristics they share, and their experiences of accessing it.</p>

**Q32:** Do you have any comments on our cost benefit analysis, including our analysis of costs and benefits to firms, consumers and the market?

**Q33:** Do you have any comments on the assumptions used in our analysis of the costs and benefits to firms, consumers and the market?

## Annex 4

# Abbreviations used in this paper

<b>Abbreviation</b>	<b>Description</b>
<b>ATM</b>	Automated Teller Machine
<b>CATI</b>	Computer Assisted Telephone Interview
<b>CAUK</b>	Cash Access UK
<b>CBA</b>	Cost Benefit Analysis
<b>CP</b>	Consultation Paper
<b>DISP</b>	Dispute Resolution: Complaints Sourcebook
<b>FCA</b>	Financial Conduct Authority
<b>FG</b>	Finalised Guidance
<b>FLS</b>	Financial Lives Survey
<b>FSMA 2000</b>	Financial Services and Markets Act 2000
<b>FSMA 2023</b>	Financial Services and Markets Act 2023
<b>FTU</b>	Free to use
<b>HMRC</b>	HM Revenue & Customs
<b>IADs</b>	Independent ATM deployer
<b>LBIT</b>	Last branch in town
<b>LE</b>	London Economics
<b>LRRA</b>	Legislative and Regulatory Reform Act 2006
<b>MELs</b>	Modified Eligible Liabilities
<b>NISRA</b>	Northern Ireland Statistics and Research Agency

<b>Abbreviation</b>	<b>Description</b>
<b>Ombudsman Service</b>	Financial Ombudsman Service
<b>ONS</b>	Office for National Statistics
<b>PCA</b>	Personal Current Account
<b>PRIN</b>	Principles for Businesses
<b>PROA</b>	Private Right of Action
<b>PSR</b>	Payment Systems Regulator
<b>PTU</b>	Pay to use
<b>SCM</b>	Standardised Costs Model
<b>SD 12</b>	Specific Direction 12
<b>SM&amp;CR</b>	Senior Managers and Certification Regime
<b>SME</b>	Small and Medium Sized Enterprise
<b>SMFs</b>	Senior Management Functions
<b>the Statement</b>	Cash Access Policy Statement
<b>VoP</b>	Variation of permission

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We are obliged to list the names of respondents, which is a matter separate from any request for the content of a response to be kept confidential. However, we will only publish the name of a respondent to a consultation where that respondent has consented to the publication of their name.

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# Appendix 1

## Draft Handbook text

## ACCESS TO CASH SOURCEBOOK INSTRUMENT 2024

### Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (the “Act”):
- (1) section 131V (FCA rules);
  - (2) section 137T (General supplementary powers)
  - (3) section 137T (General supplementary powers) as applied by section 131V;
  - (4) section 138D (Actions for damages);
  - (5) section 139A (Power of the FCA to give guidance); and
  - (6) paragraph 23 (Fees) of Schedule 1ZA.
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

### Commencement

- C. This instrument comes into force on [*date*].

### Amendments to the Handbook

- D. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2) below.

(1)	(2)
Glossary of definitions	Annex A
Fees manual (FEES)	Annex B
Supervision manual (SUP)	Annex C

### Making the Access to Cash sourcebook (ATCS)

- E. The FCA makes the rules and gives the guidance in accordance with Annex D to this instrument.
- F. The Access to Cash sourcebook (ATCS) is added to the Specialist sourcebooks block within the Handbook, immediately before COLL.

### Notes

- G. In the Annexes to this instrument, the notes (indicated by “**Note:**”) are included for the convenience of readers but do not form part of the legislative text.



**Citation**

- H. This instrument may be cited as the Access to Cash Sourcebook Instrument 2024.
- I. The sourcebook in Annex D to this instrument may be cited as the Access to Cash sourcebook (or ATCS).

By order of the Board  
[*date*]

## Annex A

### Amendments to the Glossary of definitions

In this Annex, underlining indicates new text, unless otherwise stated.

Insert the following new definitions in the appropriate alphabetical position. This text is not underlined.

<i>ATCS</i>	the Access to Cash sourcebook.
<i>assisted cash access service</i>	provision of the support of an appropriately trained individual, whether physically present or not, to assist with a <i>cash access service</i> .
<i>cash access assessment</i>	the assessment required by <i>ATCS</i> 4.1.1R and which must be undertaken in accordance with <i>ATCS</i> 5.
<i>cash access coordination arrangements</i>	<p>have the meaning given in section 131N of the <i>Act</i>, which is arrangements:</p> <ul style="list-style-type: none"> <li>(a) which are designed to coordinate the provision of <i>cash access services</i> by 2 or more providers of such services; but</li> <li>(b) which do not directly provide <i>cash access services</i> to any <i>person</i>.</li> </ul>
<i>cash access facility</i>	a branch, banking hub, mobile facility, automatic teller machine or other physical facility, or a <i>cash</i> delivery or collection service, in each case through which any <i>cash access service</i> is provided.
<i>cash access request</i>	<p>a request in writing from a <i>person</i> to review the adequacy of the provision of <i>cash access services</i> for any local community in the <i>UK</i>:</p> <ul style="list-style-type: none"> <li>(a) to a <i>designated person</i> who undertakes <i>cash access assessments</i> under <i>ATCS</i> 4.1.1R(3) for the part of the <i>UK</i> to which the request relates;</li> <li>(b) submitted in accordance with the details provided under <i>ATCS</i> 3.1.2R(4) or <i>ATCS</i> 3.1.3R(2); and</li> <li>(c) which indicates the location of the community by reference to an address, street or retail area.</li> </ul>
<i>cash access requester</i>	the <i>person</i> or <i>persons</i> who make(s) a <i>cash access request</i> .
<i>cash access service</i>	<p>has the meaning given in section 131N of the <i>Act</i>, which is:</p> <ul style="list-style-type: none"> <li>(a) a service which enables <i>cash</i> to be placed on a <i>relevant current account</i>; or</li> </ul>

	(b) a service which enables <i>cash</i> to be withdrawn from a <i>relevant current account</i> .
<i>cash deposit service</i>	has the meaning given in section 131N of the <i>Act</i> , which is a service which enables <i>cash</i> to be placed on a <i>relevant current account</i> .
<i>cash withdrawal service</i>	has the meaning given in section 131N of the <i>Act</i> , which is a service which enables <i>cash</i> to be withdrawn from a <i>relevant current account</i> .
<i>cashback facility</i>	a retail store where the only <i>cash access services</i> : <ul style="list-style-type: none"> <li>(a) are provided by the retailer (whether as <i>principal</i> or agent); and</li> <li>(b) fall within paragraph 2(e) (cashback with a purchase) or 3 (cashback without a purchase) of Schedule 1 to the <i>Payment Services Regulations</i>.</li> </ul>
<i>designated coordination body</i>	a <i>person</i> with responsibility for operating or managing <i>cash access coordination arrangements</i> designated by the Treasury pursuant to section 131R of the <i>Act</i> for the purposes of Part 8B of the <i>Act</i> .
<i>designated firm</i>	a <i>relevant current account provider</i> designated by the Treasury pursuant to section 131R of the <i>Act</i> for the purposes of Part 8B of the <i>Act</i> .
<i>designated person</i>	a <i>designated coordination body</i> or a <i>designated firm</i> .
<i>non-participating designated firm</i>	a <i>designated firm</i> that does not participate in <i>cash coordination arrangements</i> operated or managed by a <i>designated coordination body</i> .
<i>participating designated firm</i>	a <i>designated firm</i> that participates in <i>cash coordination arrangements</i> operated or managed by a <i>designated coordination body</i> .
<i>relevant closure</i>	the following events, whether they are planned, unplanned, yet to happen or have already happened (as the context requires), and which are reasonably anticipated to last, or have lasted, for at least 6 <i>months</i> : <ul style="list-style-type: none"> <li>(a) a full closure of a <i>cash access facility</i>; or</li> <li>(b) a material reduction in the <i>cash access services</i> provided at a <i>cash access facility</i>, or a material change in the nature of such provision;</li> </ul> <p>but excluding such events insofar as they relate to:</p> <ul style="list-style-type: none"> <li>(c) a <i>cashback facility</i>;</li> <li>(d) a <i>cash</i> delivery or collection service; or</li> <li>(e) any <i>cash access service</i> in relation to <i>relevant personal current</i></li> </ul>

*accounts* that is not provided free of charge.

*relevant current account* has the meaning given in section 131O of the *Act*, which is in summary an account provided by a *relevant current account provider* in reliance on its *Part 4A permission to accept deposits* by means of which one or more named *persons* are able to:

- (a) place *cash*;
- (b) withdraw *cash*; and
- (c) execute and receive *payment transactions* to and from third parties, including the execution of *credit transfers*.

*relevant current account provider* has the meaning given in section 131O of the *Act*, which is in summary a *person* (other than a *credit union* or *friendly society*):

- (a) who has a *Part 4A permission to accept deposits*; and
- (b) who provides *relevant current accounts* in reliance on that *permission*.

*relevant personal current account* has the meaning given in section 131O of the *Act*, which is a *relevant current account* held by one or more individuals for purposes outside any business, trade, craft or profession of that individual or those individuals.

*specified cash access facility feature* the following features of a *cash access facility* insofar as they relate to a *specified cash access service*:

- (a) the functionality for a reasonable mix of both coins and banknotes to be deposited or withdrawn (as appropriate); or
- (b) the availability of an *assisted cash access service*.

*specified cash access service* the following types of *cash access service*:

- (a) a *cash deposit service* in relation to *relevant personal current accounts* that is provided free of charge;
- (b) a *cash deposit service* for businesses;
- (c) a *cash withdrawal service* in relation to *relevant personal current accounts* that is provided free of charge; or
- (d) a *cash withdrawal service* for businesses.

Amend the following definition as shown.

*cash* (1) (except as specified in this definition) in accordance with section 189(1) of the *CCA*, includes money in any form.

- (2) (in ATCS) has the meaning given in section 131N of the Act, which is:
- (a) banknotes issued by the Bank of England, or an authorised bank in its capacity as an issuer of banknotes in Scotland or Northern Ireland (see Part 6 of the Banking Act 2009); or
  - (b) coins made by the Mint, within the meaning of the Coinage Act 1971 (see section 11 of that Act).

## Annex B

### Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless stated otherwise.

[*Editor's note:* The text in this Annex takes into account the changes proposed by CP23/22 'Regulatory fees and levies: policy proposals for 2024/25' as if they were made.]

#### 4 Periodic fees

...

#### 4.2 Obligation to pay periodic fees

...

Modifications for persons becoming subject to periodic fees during the course of a fee year

- 4.2.7E R (1) (a) *A firm* (other than an *ICVC*~~, a~~, or an *issuer* of *regulated covered bonds*) which becomes authorised or registered, or whose *permission* and/or activities is/are extended, during the course of the *fee year* must pay a fee based on its projected valuation for the first twelve *months* of its new business.
- ...
- (2) ...
- (b) ...
- (3) (a) If a firm becomes a designated firm during the course of the fee year, it must pay a pro-rata share of the fees related to designated firm status.
- (b) For the purposes of (a), the pro-rata share of the fees related to designated firm status is calculated by applying the formula  $(A \times B) \div 12$ , where:
- A is the amount of fees related to designated firm status for a full year (as determined by identifying the tariff rates becoming relevant to the firm as a result of becoming a designated firm, and applying those to the tariff base); and
- B is the number of calendar months (inclusive) between the calendar month during which the firm became a designated firm and the last calendar month of that fee year.

...

Calculating all other fees in the second and subsequent years of authorisation where a full year of tariff data is not available

...

- 4.2.7K R Where the measure is not cumulative (e.g. the number of traders for fee-block A10), the *firm* must use the figure relating to the valuation date specified in *FEES* 4 Annex 1AR Part 5 (e.g. 31 December for A10). Table A sets out the reporting requirements for the key fee-blocks when full actual data is not available:

Table A: calculating tariff data for second and subsequent years of authorisation when full trading figures are not available

Fee-block	Tariff base	Calculation where trading data are not available
...		
A.23	...	
<u>A.24</u>	<u>See A.1 (Deposit acceptors)</u>	
...		

...

Extension of Time

...

- 4.2.11 R Table of periodic fees payable to the *FCA*

1 Fee payer	2 Fee payable	3 Due date	4 Events occurring during the period leading to modified periodic fee
Any <i>firm</i> (except an <i>ICVC</i> )	As specified in <i>FEES</i> 4.3.1 R in relation to <i>FEES</i> 4 Annex 2AR and <i>FEES</i> 4 Annex 11 R	(1) Unless (2) applies, on or before the relevant dates specified in <i>FEES</i> 4.3.6 R.  (2) If an event specified in column 4 occurs during the course of a fee year,	<i>Firm</i> receives <i>permission</i> , or becomes authorised or registered under the <i>Payment Services Regulations</i> , article 8 of the <i>MCD Order</i> , the <i>DRS Regulations</i> or the <i>Electronic Money Regulations</i> ; or

		30 days after the occurrence of that event, or if later the dates specified in FEES 4.3.6 R.	<i>firm</i> extends <i>permission</i> or its <i>payment service</i> activities; <u>or <i>firm</i> becomes a <i>designated firm</i></u>
...			

...

**4.3 Periodic fee payable by firms (other than AIFM qualifiers, ICVCs and UCITS qualifiers)**

...

4.3.2 G (1) The amount payable by each *firm* will depend upon the category (or categories) of *regulated activities* or *payment services* it is engaged in (fee-blocks) ~~and~~, whether it is issuing *electronic money*, and whether it is a *designated firm*, and on the amount of business it conducts in each category (tariff base). The fee-blocks and tariffs are identified in FEES 4 Annex 1AR (and guidance on calculating certain of the tariffs is at FEES 4 Annex 12 G and FEES 4 Annex 13G) while FEES 4 Annex 2AR sets out the tariff rates for the relevant *fee year*. In the case of *firms* that provide *payment services* and/or issue *electronic money*, the relevant fee blocks, tariffs and rates are set out in FEES 4 Annex 11R.

...

Modification for firms with new or extended permissions or designations

4.3.4 G (1) A *firm* which becomes authorised or registered during the course of a *fee year* will be required to pay a proportion of the periodic fee which reflects the proportion of the year for which it will have a *permission* or the right to provide particular *payment services* or the right to issue *electronic money* – ~~see FEES 4.2.5 G and FEES 4.2.6 R.~~

(2) Similarly a *firm* which extends its *permission* or its right to provide particular *payment services*, or becomes a *designated firm*, so that its business then falls within additional fee blocks will be required to pay a further periodic fee under this section for those additional fee blocks, but discounted to reflect the proportion of the year for which the *firm* has the extended permission or *payment services* activity - ~~see FEES 4.2.6 R and FEES 4.2.7 R~~ or is a *designated firm*.

...

Firms Applying to Cancel or Vary Permission, etc. Before Start of Period



4.3.13 R (1) If:

(a) a *firm*:

(i) ...

...

(v) ...

(vi) receives notice of cancellation of its status as a designated firm; or

...

(b) the *firm, issuer or sponsor* makes the application or notification referred to in (a), (aa) or (ab) respectively, or receives notice of cancellation of designated firm status, before the start of the *fee year* to which the fee relates;

*FEES 4.2.1 R* applies to the *firm* as if the relevant variation or cancellation of the *firm's permission* or authorisation or registration under the *Payment Services Regulations, MCD Order, DRS Regulations* or the *Electronic Money Regulations, cancellation of designated firm status,* de-listing or removal from the list of approved *sponsors*, took effect immediately before the start of the *fee year* to which the fee relates.

(2) But (1) does not apply if, due to the continuing nature of the business, the ~~variation, cancellation, de-listing or removal change~~ is not to take effect on or before 30 June of the fee year to which the fee relates.

...

Cancellation and variation of Part 4A permission under Schedule 6A, and cancellation of designated firm status

4.3.18 G The *FCA* will not refund periodic fees if, after the start of the period to which they relate, a *person's Part 4A permission* is cancelled under Schedule 6A ~~or~~, the *person's Part 4A permission* is varied, reducing its permission under Schedule 6A, or a firm receives notice of cancellation of designated firm status (but see *FEES 2.3 (Relieving Provisions)*).

...

**4 Annex FCA activity groups, tariff bases and valuation dates  
1AR**

Part 1

This table shows how the *FCA* links the ~~*regulated activities*~~ activities (for which a *firm* has permission or designation) to activity groups (fee-blocks). A *firm* can use the table to identify which fee-blocks it falls into based on its permission or its other activities.

Activity group	Fee payer falls in the activity group if:
...	
<b>A.23 Funeral plan intermediaries and funeral plan providers</b>	...
<b><u>A.24 Access to cash – designated firms</u></b>	<u>it is a <i>designated firm</i>.</u>
...	

...

Part 3

This table indicates the tariff base for each fee-block set out in Part 1.

The tariff base in this Part is the means by which the *FCA* measures the amount of business conducted by a *firm* for the purposes of calculating the annual periodic fees payable to the *FCA* by that *firm*.

Activity group	Tariff base
...	
<b>A.23</b>	...
<b><u>A.24</u></b>	<b><u>MODIFIED ELIGIBLE LIABILITIES</u></b> <u>These are determined in the same manner as the relevant tariff-base in the A.1 fee-block.</u>
...	

...

Part 5  
 This table indicates the valuation date for each fee-block. A *firm* can calculate its tariff data in respect of fees payable to the *FCA* by applying the tariff bases set out in Part 3 with reference to the valuation dates shown in this table.

Activity group	Valuation date
...	
<b>A.23</b>	...
<b><u>A.24</u></b>	<u>This is determined in the same manner as the relevant date in fee block A.1.</u>
...	

...

**4 Annex 2AR FCA Fee rates for the period from 1 April 2023 to 31 March 2024**

Part 1  
 This table shows the tariff rates applicable to each of the fee blocks set out in Part 1 of *FEES 4 Annex 1AR*.

...

Activity group	Fee payable	
...		
<b>A.23</b>	...	
<b><u>A.24</u></b>	<u>Band width (£ million of Modified Eligible Liabilities (MELs))</u>	<u>Fee (£/£m or part £m of MELs)</u>
	$\geq 0$	[tbc]
...		

...

**Annex C**

**Amendments to the Supervision manual (SUP)**

In this Annex, underlining indicates new text and striking through indicates deleted text unless stated otherwise.

**16 Reporting requirements**

**16.1 Application**

...

16.1.3 R Application of different sections of SUP 16 (excluding SUP 16.13, SUP 16.15, SUP 16.22 and SUP 16.26)

(1) Section(s)	(2) Categories of firm to which section applies	(3) Applicable rules and guidance
...		
<i>SUP 16.31</i>	...	
<u>SUP 16.32</u>	<u>A designated firm</u>	<u>Entire section</u>
...		

...

**16.3 General provisions on reporting**

...

Structure of the chapter

16.3.2 G This chapter has been split into the following sections, covering:

(1) ...

...

(26) *financial promotion approval* reporting (*SUP 16.31*); and

(27) access to cash reporting (SUP 16.32).

...

Insert the following new section, SUP 16.32, after SUP 16.31 (Financial promotion approval reporting). The text is not underlined.

## **16.32 Access to cash reporting**

Application

Who?

16.32.1 R This section applies to every *designated firm*.

Where?

16.32.2 R Where *rules* in this chapter require a *designated firm* to do or refrain from doing anything, the *designated firm* is required to do or refrain from doing that thing in relation to:

- (1) the *UK*, if it is designated by the Treasury pursuant to section 131R of the *Act* in relation to the whole of the *UK*; or
- (2) the part of the *UK* in relation to which it is designated.

16.32.3 G (1) The effect of SUP 16.32.2R is that, if a *designated firm* is designated by the Treasury pursuant to section 131R of the *Act* in relation to only part of the *UK*, the reporting requirements in SUP 16.32 only apply in respect of the part of the *UK* in relation to which the *designated firm* is designated.

- (2) If a *designated firm* is designated by the Treasury pursuant to section 131R of the *Act* in relation to only part of the *UK*, and that *designated firm* also has branches in another part of the *UK*, the *FCA* may use the information gathering power in section 165 of the *Act*, as applied by section 131Y of the *Act*, to require the *designated firm* to provide information in respect of its branches in the part of the *UK* in relation to which it is not designated in order to assist the *FCA* in exercising its functions under Part 8B of the *Act*.

Purpose

16.32.4 G The purpose of this section is to require *designated firms* to submit information on their branch data and proposed branch closures in a standard format to the *FCA*. This information will assist the *FCA* in exercising its functions under Part 8B of the *Act*.

Reporting requirement

16.32.5 R A *designated firm* must submit to the *FCA* the Branch Data and Closures Report in the format set out in SUP 16 Annex 56 in accordance with this section.

Frequency and timing of Branch Data and Closures Report

- 16.32.6 R (1) A *designated firm* must submit the Branch Data and Closures Report during each of the following windows:
- (a) 1 to 14 February;
  - (b) 1 to 14 June; and
  - (c) 1 to 14 October.
- (2) The information to be included in relation to branch data in a Branch Data and Closures Report relates to a corresponding quarterly reporting period. The table below sets out the quarterly reporting periods and applicable windows for submitting the related Branch Data and Closures Report.

Quarterly reporting period data relates to	Window for submitting data
1 January to 31 March	1 to 14 June of the same calendar year
1 April to 30 June	1 to 14 October of the same calendar year
1 July to 30 September	1 to 14 February of the following calendar year
1 October to 31 December	1 to 14 February of the following calendar year

- 16.32.7 G (1) A *designated firm* will be required to submit two Branch Data and Closures Reports during the 1 to 14 February window: one containing information relating to branch data for 1 July to 30 September of the previous calendar year, and one containing information relating to branch data for 1 October to 31 December of the previous calendar year.
- (2) The information to be included in relation to proposed branch closures in a Branch Data and Closures Report will be forward-looking.

#### How to submit Branch Data and Closures Reports

- 16.32.8 R A *designated firm* must submit the Branch Data and Closures Report:
- (1) online through the appropriate systems accessible from the *FCA's* website; or
  - (2) if the appropriate systems are unavailable, via email to

branchclosuredata@fca.org.uk.

After SUP 16 Annex 55 (Categories of investment for notifications and reports relating to approvals of financial promotions) insert the following new Annex as SUP 16 Annex 56. The text is not underlined.

16            Branch Data and Closures Report  
Annex        The form can be found through the following address:  
56R            [*Editor's note: insert link*]

The following data reporting fields must be completed, where applicable, for all branches. We ask that you provide your submission as an XML file, following the formatting guidelines as far as possible. We recommend reviewing previously processed returns you have been provided with for further guidance on the formatting of fields that are similar.

#### Notes

ATM IDs: By 'ATM IDs' we mean the IDs used by the LINK Scheme Ltd., which they normally obtain from you. ATM ID formats vary. The most common case is an 8-symbol ID containing both letters and numbers (it can also be prepended by a 6-digit firm ID). Please contact us directly if in doubt or if the proposed format is not suitable.

Proposed closures: these data reporting fields must be completed for any and all branches that are proposed to be permanently closed. Branches which were submitted as proposed closures in a previous hopper but are not yet publicly announced as closures should be submitted and the "Previous\_hopper" column inputted as TRUE.

Planned weekday closures: These should be provided separately to your firm supervisor, with [branchclosuredata@fca.org.uk](mailto:branchclosuredata@fca.org.uk) copied into your response.

Community bankers: These locations should be included and labelled according to the column "Community\_banker" provided. Note, however, that Banking Hub locations should not be included in the submission.



Further information on how to submit the data:

- Please endeavour to submit as much information as you can. It is important that you list all branches, including agency and 'cashless' branches, if applicable, but excluding branches that have already been permanently closed. If a permanent closure of a branch has been announced or decided upon, but has not yet eventuated, the branch should still be included, even if it is temporarily closed.
- The submission should contain one row per branch or one row per mobile stop, if present. A mobile branch is a collection of one or more mobile stops. The first row should include column names (single row) as per the template. Should you need to include custom header names which require notes, please provide such notes separately (for example, by including an explanation in an email).
- In all cases, empty (missing) cells should only be used to indicate unknown, unavailable, or not applicable. In particular, known values in Boolean columns should only be either TRUE or FALSE; similarly, zeroes in numeric columns should only denote known zero values, etc.
- Please let us know of any data quality concerns or where data has not been cleaned/checked, etc.

<b>All branches</b>			
<b>Data reporting field identifier</b>	<b>Data reporting field definition</b>	<b>Type</b>	<b>Notes</b>
<b>A: Identifying information</b>			
FRN	Your firm's Financial Services Register reference number (FRN); see <a href="https://register.fca.org.uk/s/">https://register.fca.org.uk/s/</a>	6- or 7-digit number	Must be recognised as a known FRN.
BUID	A unique ID used by your organisation to identify branches.	any	The values must be unique for a given FRN (i.e. for a given firm) and there must be no missing IDs. If any branch unique IDs (BUIDs) are missing or non-unique, all values will be replaced by a range from 1 to the total number of branches.  If you are adding new branches, these should have

			<p>new unique IDs. There should be no repeating IDs unless these are referring to a mobile 'branch'. If you wish to update BUIDs for existing records, please keep the original BUID column and include a new column, e.g. BUID_New, for unique branch IDs.</p>
MUID	A unique ID used by your organisation to identify mobile stops/branches.	any	<p>This column also distinguishes mobile stops from physical branches. Please keep this column empty for non-mobile branches.</p> <p>Note that by a 'mobile branch' we mean a collection of mobile stops (if more than one); i.e. a single van (= 'branch') can be stopping at different locations on its route.</p> <p>Ideally, a stop will be defined by a unique location, but we understand that this will not always be possible.</p> <p>If you are adding new mobile stops, these should have new unique IDs (within a given BUID).</p> <p>If you wish to update mobile stop unique IDs (MUIDs) for existing records, please keep the original MUID column and include a new column, e.g. MUID_new, for unique mobile stop IDs.</p> <p><b>In all cases, please keep this column empty for non-mobile branches.</b></p>
Branch_name	Branch name	text	Must be recognised and associated with the FRN.
Brand	Brand or trading name (if different from the firm name).	text	Please provide this information if branches belonging to multiple brands are included in the same file.

			Must be recognised and associated with the FRN.
Sortcode	Branch sort code <b>with no hyphens.</b>	6-digit code	Sort code associated with the branch.
OTHER_ID	Any other identifying information, if applicable.	any	Free format
Leasehold	This branch is a leasehold which is due to expire <b>within the next 12 months.</b>	TRUE/FALSE/ missing	
<b>B: Location information</b>			
Postcode	Postcode	text	<p>Preferred format: &lt;outcode&gt;&lt;single space&gt;&lt;incode&gt;, where:</p> <ul style="list-style-type: none"> <li>the outcode contains 2, 3, or 4 alphanumeric characters and is of the form AN, ANN, AAN, ANA, AANN, or AANA, with A denoting a letter and N denoting a digit, and</li> <li>the incode is 1 digit and two letters (NAA).</li> </ul> <p>For example, "E20 1JN".</p> <p>If possible, please ensure any terminated postcodes are replaced with their correct live versions.</p>

Address	Branch address, excluding postcode.	text	<p>Please include building name/number(s), where applicable. Please avoid abbreviations as far as possible.</p> <p>For example, "Financial Conduct Authority, 12 Endeavour Square, London".</p> <p>For mobile stops, please include the nearest available address where possible.</p> <p>A single line address is preferred, but it is acceptable to include separate columns for Address_1, Address_2, etc.</p>
Easting	Branch location: British National Grid (BNG) coordinates (OSGB 1936 / EPSG: 27700), easting and northing.	numeric	Note that BNG is used for all of the UK, including Northern Ireland. Various databases for Northern Ireland will commonly use versions of the Irish National Grid instead (typically either IRENET95, EPSG: 2157 or TM75, EPSG: 29903).
Northing		numeric	
Latitude	Branch location: World Geodetic System 1984 (WGS) coordinates (WGS 84, EPSG: 4326), latitude and longitude.	numeric	Note that these are reprojected BNG coordinates.
Longitude		numeric	
OTHER_LOCATION	Any other information which might help to precisely locate the branch, if applicable.	any	Free format
<b>C: Opening hours</b>			

OH_Mon	<b>Current</b> branch opening hours.	text	<p>Here, 'current' should be taken to mean typical in the most recent period. Generally, these will be the opening hours at the end of the reporting period.</p> <p>However, please do not report any very short-term temporary changes, e.g. when a branch happened to be closed on a particular day during the last week of the quarter, but such a change was a one-off.</p> <p>For the purposes of this definition, 'short-term' should be taken to mean a period of less than 2 weeks. Changes 'until further notice' are generally not short term.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>'09:00-16:00' denotes a branch open from 9am to 4pm without a break.</li> <li>'08:45-12:30; 13:30-15:00' denotes a branch open from 8:45am to 12:30pm, closing (e.g. for lunch) from 12:30pm to 1:30pm, and then open from 1:30pm to 3pm.</li> </ul> <p>If a branch is closed on a given day, this should be recorded using a single keyword 'closed'. Note that this is not the same as an empty cell, which indicates that the opening hours for this branch are unknown.</p> <p>Please adhere to the formatting guidelines as much as possible:</p> <ul style="list-style-type: none"> <li>A single time should be recorded as HH:MM, where HH is a zero-padded hour between 00 and 23 (24-hour clock) and MM is a zero-padded minute between 00 and 59. (This is</li> </ul>
OH_Tue			
OH_Wed			
OH_Thu			
OH_Fri			
OH_Sat			
OH_Sun			

			<p>the reduced precision extended ISO 8601 format without seconds and with the qualifier 'T' omitted as there is no risk of ambiguity.)</p> <ul style="list-style-type: none"> <li>• A range should be recorded as &lt;from&gt;-&lt;to&gt; (separated by a single dash), with both from and to in the HH:MM format, and the from time earlier than the to time.</li> <li>• Multiple ranges should be separated by a semicolon.</li> </ul>
OH_Reduced	These opening hours have been reduced relative to pre-Covid-19 levels, i.e. relative to February 2020.	TRUE/FALSE/missing	This should be TRUE if any opening hours have been reduced.
Temp_closed_days	How many days has this branch been closed for in the quarterly reporting period to which the data relates?	numeric	Please approximate if the precise count is not available. Enter 0 if no such closures; leave empty if unknown.
Temp_cl_reason	Reason(s) for temporary closure(s), e.g. 'maintenance'.	text	<p>If more than one reason, please enter a semicolon-separated list (preferably in order of importance).</p> <p>If one of the reasons is clearly more important, you do not need to list all of them. For example, if a branch has been closed for 5 days due to maintenance and for 1 day due to, for example, weather conditions, please include maintenance as the main reason.</p>
OTHER_HOURS	Any other information on opening hours, if applicable.	Any	Free format

<b>D: Branch characteristics and internal facilities</b>			
Agency	This is an agency branch.	TRUE/FALSE/ missing	
Dependent	This branch is operationally dependent on or 'twinned' with a neighbouring branch (e.g. due to shared staffing, rotas, etc.).	TRUE/FALSE/ missing	
Community_banker	This location is for a community banker.	TRUE/FALSE/ missing	Community bankers are locations where staff can support customers in a local area, typically offering drop-in or appointment sessions in local venues. These locations are frequently set up to support customers in areas that have experienced branch closures and are often cashless. Note that Banking Hub locations should not be included in the submission; this field captures community banker locations that are unique to your firm.
Counter_f2f	This branch has assisted services, i.e. either a counter or face-to-face services or both.	TRUE/FALSE/ missing	
Consumer_deposits	This branch has <b>internal free-to-use facilities</b> for <b>personal</b> banking customers to make cash deposits.	TRUE/FALSE/ missing	<p><b>Any</b> facilities qualify, including counter-based, 'Smart ATMs' with deposit function, etc.</p> <p>Please note that:</p> <ul style="list-style-type: none"> <li>a branch will be considered 'business only' if it has no free-to-use internal facilities for cash</li> </ul>

			<p>deposits or withdrawals available to personal banking customers.</p> <ul style="list-style-type: none"> <li>a branch will be considered 'cashless' if all 4 statements regarding business and consumer deposits and withdrawals are false (i.e. there are no free-to-use internal facilities for cash deposits or withdrawals available to either business or personal banking customers).</li> </ul> <p>If a branch does <b>not</b> deal with current accounts and has no ATMs or other such facilities for cash withdrawals or deposits, but still deals with <b>savings accounts</b> (so that customers can, at least in principle, withdraw cash from or deposit it into their savings accounts), <b>please answer TRUE to the relevant question(s) and make a note in OTHER_TYPE = "Savings only"</b>.</p>
Business_deposits	This branch has <b>internal free-to-use facilities</b> for <b>business</b> banking customers to make cash deposits.	TRUE/FALSE/ missing	<b>Any</b> facilities qualify, including counter-based, 'Smart ATMs' with deposit function, etc.
Consumer_withdrawals	This branch has <b>internal free-to-use facilities</b> for <b>personal</b> banking customers to make cash withdrawals.	TRUE/FALSE/ missing	<b>Any</b> facilities qualify, including counter-based, ATMs, etc.
Business_withdrawals	This branch has <b>internal free-to-use facilities</b> for <b>business</b> banking customers to make cash withdrawals.	TRUE/FALSE/ missing	<b>Any</b> facilities qualify, including counter-based, ATMs, etc.



Business_balance_enquiries	This branch offers balance enquiry services for business accounts.	TRUE/FALSE/missing	
LBIT	Do you classify this branch as last branch in town/last branch in community?	TRUE/FALSE/missing	This is based on your firm's internal definition.
Int_FTU_ATM_IDs	IDs of all internal free-to-use ATMs.	text	Enter a semicolon-separated list if more than one internal free-to-use ATM (FTU ATM) is present. Enter 'none' if no internal FTU ATMs are present. Leave empty only if unknown (alternatively, indicate this by a single keyword 'unknown'). In the unlikely event that these IDs are unknown to you, please provide information about the number of such ATMs - enter an integer (0, 1, 2, ...).
Int_PTU_ATM_IDs	IDs of all internal pay-to-use ATMs.	text	Enter a semicolon-separated list if more than one internal pay-to-use ATM (PTU ATM) is present. Enter 'none' if no internal PTU ATMs are present. Leave empty only if unknown (alternatively, indicate this by a single keyword 'unknown'). In the unlikely event that these IDs are unknown to you, please provide information about the number of such ATMs - enter an integer (0, 1, 2, ...).
Counter_all	Please provide an estimate of the total number of counters within the branch	numeric	A counter is classified as a staffed unit which provides cash deposit facilities for customers. Please include any counter which is staffed. Do not

	which serve either personal and/or SME customers.		include counters which are never staffed or which do not allow for cash deposit and withdrawal.
Counter_personal	Please provide an estimate of the total number of counters within the branch which serve personal customers.	numeric	A counter is classified as a staffed unit which provides cash deposit facilities for customers. Please include any counter which serves personal customers.
Counter_sme	Please provide an estimate of the total number of counters within the branch which serve SME customers.	numeric	A counter is classified as a staffed unit which provides cash deposit facilities for customers. Please include any counter which serves SME customers.
ADM_all	Please provide an estimate of the total number of ADMs within the branch which allow personal and/or SME customers to deposit notes and/or coin.	numeric	An Automated Deposit Machine (ADM) is classified as a machine within the branch which allows customers to deposit cash (either notes and/or coin).
ADM_personal	Please provide an estimate of the total number of ADMs within the branch which allow personal customers to deposit notes and/or coin.	numeric	An Automated Deposit Machine (ADM) is classified as a machine within the branch which allows customers to deposit cash (either notes and/or coin). Please include any ADM which serves personal customers.
ADM_sme	Please provide an estimate of the total number of ADMs within the branch which allow SME customers	numeric	An Automated Deposit Machine (ADM) is classified as a machine within the branch which allows customers to deposit cash (either notes and/or coin).

	to deposit notes and/or coin.		Please include any ADM which serves SME customers.
ADM_note	Please provide an estimate of the total number of ADMs within the branch which allow a personal and/or SME customer to deposit notes <b>only</b> .	numeric	An Automated Deposit Machine (ADM) is classified as a machine within the branch which allows customers to deposit cash (either notes and/or coin). Please include any ADM which allows note deposit.
ADM_coin	Please provide an estimate of the total number of ADMs within the branch which allow a personal and/or SME customer to deposit coin <b>only</b> .	numeric	An ADM is classified as a machine within the branch which allows customers to deposit cash (either notes and/or coin). Please include any ADM which allows coin deposit.
ADM_cash_IDs	IDs of all automated deposit machines (ADMs).	text	Enter a semicolon-separated list if more than one ADM is present. Enter 'none' if no ADMs are present. Leave empty only if machines do not have IDs or they are unknown.
ADM_support	This branch provides in-person support to customers who use ADMs that allow customers to deposit cash (notes and/or coin) into their accounts.	TRUE/FALSE/ missing	This should be true if support is provided for any of the machines.
Non_chip_card	This branch has facilities to provide cash withdrawals	TRUE/FALSE/	

	and/or deposits for customers without a chip-enabled card.	missing	
OTHER_TYPE	Any other branch characteristics (covering cash access services) not captured by the above questions, if applicable (except 'mobile branch').	any	Free format
<b>E: Branch accessibility</b>			
Wheelchair	This branch is wheelchair accessible.	TRUE/FALSE/missing	
Stepfree	This branch has step-free access.	TRUE/FALSE/missing	
Hearing	This branch has a hearing/induction loop available.	TRUE/FALSE/missing	
Visual_impairment	This branch has a speaking ATM or counter service available.	TRUE/FALSE/missing	
OTHER_ACCESS	Any other branch accessibility information, if applicable.	any	Free format
<b>F: External facilities</b>			

Ext_deposit	This branch has external machines or safes that allow customers to deposit cash into their accounts.	TRUE/FALSE/ missing	<p>Examples may include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• envelope deposit machines,</li> <li>• smart deposit machines,</li> <li>• ATMs that accept cash deposits.</li> </ul> <p>This should be TRUE if any such machines are available.</p>
Ext_FTU_ATM_IDs	IDs of all external free-to-use ATMs.	text	<p>Enter a semicolon-separated list if more than one external free-to-use ATM (FTU ATM) is present.</p> <p>Enter 'none' if no external FTU ATMs are present.</p> <p>Leave empty only if unknown (alternatively, indicate this by a single keyword 'unknown').</p> <p>In the unlikely event these IDs are unknown to you, please provide information about the number of such ATMs - enter an integer (0, 1, 2, ...).</p>
Ext_PTU_ATM_IDs	IDs of all external pay-to-use ATMs.	text	<p>Enter a semicolon-separated list if more than one external pay-to-use ATM (PTU ATM) is present.</p> <p>Enter 'none' if no external PTU ATMs are present.</p> <p>Leave empty only if unknown (alternatively, indicate this by a single keyword 'unknown').</p> <p>In the unlikely event these IDs are unknown to you, please provide information about the number of such ATMs - enter an integer (0, 1, 2, ...).</p>
Ext_24_7	The external facilities at this branch are accessible 24/7.	TRUE/FALSE/ missing	

OTHER_EXTERNAL	Any other external facilities (covering cash access services), if applicable, or any additional notes.	any	Free format
<b>G: Usage levels</b>			
Footfall_consumer	Your best estimate of the number of personal customers served at this branch in the quarterly reporting period to which the data relates.	numeric	<p>The total footfall would include all personal customers who made use of any internal facilities regardless of the service (i.e. this includes people who came in to ask a question about their account, for example). This does not include personal customers who only used external facilities (e.g. external ATMs).</p> <p>This is the sum of every visit by personal customers. Account openings should be included in this figure but footfall relating to safe deposit boxes should be excluded.</p>
Footfall_business	Your best estimate of the number of business customers served at this branch in the quarterly reporting period to which the data relates.	numeric	<p>The total footfall would include all business customers who made use of any internal facilities regardless of the service (i.e. this includes people who came in to ask a question about their account, for example). This does not include business customers who only used external facilities (e.g. external ATMs).</p> <p>This is the sum of every visit by business customers. Account openings should be included in this figure but footfall relating to safe deposit boxes should be excluded.</p>

Vol_withdrawal_consumer	Your best estimate of the total volume, in pounds (i.e. the total value, or the sum of all the transaction amounts), of in-branch personal cash withdrawals in the quarterly reporting period to which the data relates.	numeric	<p>Note that this is the total pound value of withdrawals from accounts, not the total amount of transactions. This figure should include withdrawals made from accounts that thereafter closed during the quarter.</p> <p>Please do <b>not</b> include the currency symbol (all values should be in pounds) or any thousands separators (commas). Use a dot as a decimal separator if the number includes pence (but this is unnecessary).</p>
Vol_withdrawal_business	Your best estimate of the total volume, in pounds (i.e. the total value, or the sum of all the transaction amounts), of in-branch business cash withdrawals in the quarterly reporting period to which the data relates.	numeric	<p>Note that this is the total pound value of withdrawals from accounts, not the total amount of transactions. This figure should include withdrawals made from accounts that thereafter closed during the quarter.</p> <p>Please do <b>not</b> include the currency symbol (all values should be in pounds) or any thousands separators (commas). Use a dot as a decimal separator if the number includes pence (but this is unnecessary).</p>
Vol_deposit_consumer	Your best estimate of the total volume, in pounds (i.e. the total value, or the sum of all the transaction amounts), of in-branch personal cash deposits in the quarterly reporting period to which the data relates.	numeric	<p>Note that this is the total pound value of deposits into accounts, not the total amount of transactions. This figure should include deposits made into accounts that thereafter closed during the quarter.</p> <p>Please do <b>not</b> include the currency symbol (all values should be in pounds) or any thousands separators (commas). Use a dot as a decimal separator if the number includes pence (but this is unnecessary).</p>

Vol_deposit_business	Your best estimate of the total volume, in pounds (i.e. the total value, or the sum of all the transaction amounts), of in-branch business cash deposits in the quarterly reporting period to which the data relates.	numeric	Note that this is the total pound value of deposits into accounts, not the total amount of transactions. This figure should include deposits made into accounts that thereafter closed during the quarter.  Please do <b>not</b> include the currency symbol (all values should be in pounds) or any thousands separators (commas). Use a dot as a decimal separator if the number includes pence (but this is unnecessary).
Withdrawal_txns_consumer	Your best estimate of the total number of in-branch personal withdrawal transactions in the quarterly reporting period to which the data relates. This is inclusive of internal ATM transactions.	numeric	
Withdrawal_txns_business	Your best estimate of the total number of in-branch business withdrawal transactions in the quarterly reporting period to which the data relates. This is inclusive of internal ATM transactions.	numeric	
Deposit_txns_consumer	Your best estimate of the total number of in-branch personal deposit transactions in the quarterly reporting period to which the data	numeric	



	relates. This is inclusive of internal ATM transactions.		
Deposit_txns_business	Your best estimate of the total number of in-branch business deposit transactions in the quarterly reporting period to which the data relates. This is inclusive of internal ATM transactions.	numeric	
Balance_enqs_consumer	Your best estimate of the total number of in-branch personal balance enquiries in the quarterly reporting period to which the data relates. This is inclusive of internal ATM transactions.	numeric	
Balance_enqs_business	Your best estimate of the total number of in-branch business balance enquiries in the quarterly reporting period to which the data relates. This is inclusive of internal ATM transactions.	numeric	
No_registered_personal_customers	Your best estimate of the total number of personal customers registered/domiciled at this branch as at the end of the	numeric	

	quarterly reporting period to which the data relates. This should be inclusive of youth and graduate accounts.		
Defn_regular_personal_customer	Your definition of a regular personal customer.	any	Free format Regular customers may differ from registered customers as those registered at one branch may regularly use another branch – e.g. a city centre branch may have a much greater number of regular customers than registered customers as those registered at other branches use a city centre branch because their workplace is nearby.
No_regular_personal_customers	The number of personal customers regularly using this branch based on the above definition of regular personal customer. This should be inclusive of youth and graduate accounts.	numeric	
No_online_customers	The number of regular personal customers (as per the above definition) who access accounts online at least once a month. This should be inclusive of youth and graduate accounts.	numeric	
No_mobile_banking_customers	The number of regular personal customers (as per	numeric	

	the above definition) who access accounts via mobile banking at least once a month. This should be inclusive of youth and graduate accounts.		
No_phone_banking_customers	The number of regular personal customers (as per the above definition) who access accounts via telephone banking at least once a month. This should be inclusive of youth and graduate accounts.	numeric	
Defn_regular_SME_customer	Your definition of a regular SME customer.	any	Free format
No_regular_SME_customers	The number of SME customers regularly using this branch based on the above definition of regular SME customer.	numeric	
No_SME_deposit_customers	Your best estimate of the total number of regular SME customers using this branch for cash deposits as at the end of the quarterly reporting period to which the data relates, based on the above definition of regular	numeric	

	SME customer.		
No_SME_withdrawal_customers	Your best estimate of the total number of regular SME customers using this branch for cash withdrawals as at the end of the quarterly reporting period to which the data relates, based on the above definition of regular SME customer.	numeric	
No_registered_SME_customers	Your best estimate of the total number of SME customers registered/domiciled at this branch as at the end of the quarterly reporting period to which the data relates.	numeric	
OTHER_USAGE	Any other usage information (covering cash access services) and relating to the quarterly reporting period to which the data relates.	any	Free format
<b>H: Customers in vulnerable circumstances</b>			
No_vulnerable_customers	The number of regular personal customers (as per the above definition) identified as vulnerable.	numeric	Regular customers may differ from registered customers as those registered at one branch may regularly use another branch – e.g. a city centre branch may have a much greater number of regular customers than registered customers as those

			registered at other branches use a city centre branch because their workplace is nearby. Where relevant, these fields should be inclusive of youth and graduate accounts.
No_passbook_non_chip_customers	The number of regular personal customers (as per the above definition) who use accounts such as passbook or use non 'chip and pin' enabled cards.	numeric	
No_basic_accounts	The number of regular personal customers (as per the above definition) who use basic bank accounts at this branch.	numeric	
OTHER_VULNERABLE	Any other information on particular aspects of the vulnerable population identified.	any	Free format
<b>I: Support strategy for vulnerable customers</b>			
Support_strategy	Please provide the name of the document(s) which outline the support strategy (covering cash access), as it relates to branch closures, specifically for vulnerable customers and customers who use passbook and/or	any	Free format  The documents referred to in this response should be provided to your firm supervisor, with branchclosuredata@fca.org.uk copied in, alongside the return of this report.

	non 'chip and pin' enabled cards.		
<b>J: Removal of Saturday hours</b>			
Saturday_closure	This branch is planned to have Saturday hours removed.	TRUE/FALSE/missing	
Saturday_closure_residual	Specify any residual services (covering cash access services) planned if removing Saturday hours (with details).	any	Free format
<b>K: Proposed closure</b>			
Proposed_closure	This branch is proposed to be permanently closed.	TRUE/FALSE/missing	<p>Note that if:</p> <ul style="list-style-type: none"> <li>no proposed closures are planned (i.e. all branches are input as FALSE in this field), or</li> <li>the proposed closure template is being completed and returned in a Branch Data and Closures Report covering a later quarterly reporting period that is being submitted during the same window for submitting data,</li> </ul> <p>then the proposed closure template should not be completed or returned.</p>

<b>Proposed closures</b>			
<b>Data reporting field identifier</b>	<b>Data reporting field definition</b>	<b>Type</b>	<b>Notes</b>
<b>A: Identifying information</b>			
FRN	Your firm's Financial Services Register reference number (FRN); see <a href="https://register.fca.org.uk/s/">https://register.fca.org.uk/s/</a>	6- or 7-digit number	
BUID	A unique ID used by your organisation to identify branches.	any	<p>The values must be unique for a given FRN (i.e. for a given firm) and there must be no missing IDs. If any branch unique IDs (BUIDs) are missing or non-unique, all values will be replaced by a range from 1 to the total number of branches.</p> <p>If you are adding new branches, these should have new unique IDs. There should be no repeating IDs unless these are referring to a mobile 'branch'.</p> <p>If you wish to update BUIDs for existing records, please keep the original BUID column and include a new column, e.g. BUID_New, for unique branch IDs.</p>

MUID	A unique ID used by your organisation to identify mobile stops/branches.	any	<p>This column also distinguishes mobile stops from physical branches. Please keep this column empty for non-mobile branches.</p> <p>Note that by a ‘mobile branch’ we mean a collection of mobile stops (if more than one); i.e. a single van (=‘branch’) can be stopping at different locations on its route.</p> <p>Ideally, a stop will be defined by a unique location, but we understand that this will not always be possible.</p> <p>If you are adding new mobile stops, these should have new unique IDs (within a given BUID).</p> <p>If you wish to update MUIDs for existing records, please keep the original MUID column and include a new column, e.g. MUID_new, for unique mobile stop IDs.</p> <p><b>In all cases, please keep this column empty for non-mobile branches.</b></p>
Branch_name	Branch name	text	
Brand	Brand or trading name (if different from the firm name).	text	Please provide this information if branches belonging to multiple brands are included in the same



			file.
Sortcode	Branch sortcode <b>with no hyphens.</b>	6-digit code	
<b>B: Location information</b>			
Postcode	Postcode	text	<p>Preferred format: &lt;outcode&gt;&lt;single space&gt;&lt;incode&gt;, where:</p> <ul style="list-style-type: none"> <li>the outcode contains 2, 3, or 4 alphanumeric characters and is of the form AN, ANN, AAN, ANA, AANN, or AANA, with A denoting a letter and N denoting a digit, and</li> <li>the incode is 1 digit and two letters (NAA).</li> </ul> <p>For example, "E20 1JN".</p> <p>If possible, please ensure any terminated postcodes are replaced with their correct live versions</p>
Address	Branch address, excluding postcode.	text	<p>Please include building name/number(s), where applicable. Please avoid abbreviations as far as possible.</p> <p>For example, "Financial Conduct Authority, 12 Endeavour Square, London".</p>

			For mobile stops, please include the nearest available address where possible.  A single line address is preferred, but it is acceptable to include separate columns for Address_1, Address_2, etc
Easting	Branch location: British National Grid (BNG) coordinates (OSGB 1936 / EPSG: 27700), easting and northing.	numeric	Note that BNG is used for all of the UK, including Northern Ireland. Various databases for Northern Ireland will commonly use versions of the Irish National Grid instead (typically either IRENET95, EPSG: 2157 or TM75, EPSG: 29903).
Northing		numeric	
Latitude	Branch location: World Geodetic System 1984 (WGS) coordinates (WGS 84, EPSG: 4326), latitude and longitude.	numeric	Note that these are reprojected BNG coordinates.
Longitude		numeric	
<b>C: Proposed closure details</b>			
Branch_closure_date	Intended date of branch closure in DD/MM/YYYY format.	date	If you do not have an intended date of closure (for instance, because the branch is remaining open until the opening of a Banking Hub, and the opening date of the Banking Hub is unknown), leave this field empty.

Branch_closure_am_date	Date of intended public announcement in DD/MM/YYYY format.	date	If this is unknown, leave this field empty.
ATMs_remaining	IDs of all ATMs which will remain open after the branch closure, if any.	text	Enter 'none' if all ATMs at this branch will close. Enter 'unknown' if the IDs are unknown. Leave empty only if there are no ATMs at this branch.
Previous_hopper	This branch was submitted as proposed to be closed in a previous hopper, but the closure has not yet been publicly announced.	TRUE/FALSE/missing	
<b>D: Communication around closures</b>			
Less_than_12_weeks	Less than 12 weeks' notice will be provided for this closure.	TRUE/FALSE/missing	
Local_stakeholders	Please provide the name of the document(s) which list the specific names of the local stakeholders who are to be engaged post-announcement.	any	Free format Within these documents, where an organisation is referred to, include the local contact details. These documents should be provided to your firm supervisor, with branchclosuredata@fca.org.uk copied in, alongside the return of this request.

Engagement_strategy	Please provide the name of the document(s) which outline the engagement strategy (covering cash access services) with customers up to and post-closure (in addition to letters).	any	Free format These documents should be provided to your firm supervisor, with branchclosuredata@fca.org.uk copied in, alongside the return of this request.
<b>E: Timing of provision of alternative access point</b>			
Provision_gap	Will there be a timing gap between the closure of the branch and the availability of any residual services (covering cash access services)?	TRUE/FALSE/missing	
Provision_gap_time	If TRUE is entered in the Provision_gap field, the length of time in weeks of the provision gap. Otherwise, this field should be left empty.	numeric	
Provision_gap_details	If TRUE is entered in the Provision_gap field, please provide any other details of the timing gap and the availability of any residual services (covering cash access services). Otherwise, this field should be left empty.	any	Free format
<b>F: Details of available Post Offices</b>			

<p>Nearest_PO_postcode</p>	<p>Postcode of nearest Post Office.</p>	<p>text</p>	<p>Preferred format: &lt;outcode&gt;&lt;single space&gt;&lt;incode&gt;, where:</p> <ul style="list-style-type: none"> <li>• the outcode contains 2, 3, or 4 alphanumeric characters and is of the form AN, ANN, AAN, ANA, AANN, or AANA, with A denoting a letter and N denoting a digit, and</li> <li>• the incode is 1 digit and two letters (NAA).</li> </ul> <p>For example, "E20 1JN".</p> <p>If possible, please ensure any terminated postcodes are replaced with their correct live versions</p>
<p>Nearest_PO_address</p>	<p>Address of nearest Post Office, excluding postcode.</p>	<p>text</p>	<p>Please include building name/number(s), where applicable. Please avoid abbreviations as far as possible.</p> <p>For example, "Financial Conduct Authority, 12 Endeavour Square, London".</p> <p>For mobile stops, please include the nearest available address where possible.</p> <p>A single line address is preferred, but it is acceptable to include</p>

			separate columns for Address_1, Address_2, etc.
PO_enhanced	The nearest Post Office is an enhanced Post Office.	TRUE/FALSE/missing	
PO_outreach	The nearest Post Office is an outreach Post Office.	TRUE/FALSE/missing	
Nearest_PO_driving_time	Driving time <b>in minutes</b> to the nearest Post Office from the branch.	numeric	
Nearest_PO_public_transport_time	Travel time on public transport <b>in minutes</b> to the nearest Post Office from the branch.	numeric	
OH_PO_Mon	<b>Current</b> opening hours of nearest Post Office.	text	<p>Here, 'current' should be taken to mean typical in the most recent period. Generally, these will be the opening hours at the end of the reporting period (that is, the last week of the quarter).</p> <p>However, please do <b>not</b> report any very short-term temporary changes, e.g. when a Post Office happened to be closed on a particular day during the last week of the quarter, but such a change was a one-off.</p> <p>For the purposes of this definition, 'short-term' should be taken to mean a period of time less than 2</p>
OH_PO_Tue			
OH_PO_Wed			
OH_PO_Thu			
OH_PO_Fri			
OH_PO_Sat			
OH_PO_Sun			

			<p>weeks. Changes 'until further notice' are, generally, not short term.</p> <p>Examples:</p> <ul style="list-style-type: none"><li>• '09:00-16:00' denotes a Post Office open from 9am to 4pm without a break.</li><li>• '08:45-12:30; 13:30-15:00' denotes a Post Office open from 8:45am to 12:30pm, closing (e.g. for lunch) from 12:30pm to 1:30pm, and then open from 1:30pm to 3pm.</li></ul> <p>If a Post Office is closed on a given day, this should be recorded using a single keyword 'closed'. Note that this is not the same as an empty cell, which indicates that the opening hours for this branch are unknown.</p> <p>Please adhere to the formatting guidelines as far as possible:</p> <ul style="list-style-type: none"><li>• A single time should be recorded as HH:MM, where HH is a zero-padded hour between 00 and 23 (24-hour clock) and MM is a zero-padded minute between 00 and 59. (This is</li></ul>
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			<p>the reduced precision extended ISO 8601 format without seconds and with the qualifier 'T' omitted as there is no risk of ambiguity.)</p> <ul style="list-style-type: none"> <li>• A range should be recorded as &lt;from&gt;-&lt;to&gt; (separated by a single dash), with both from and to in the HH:MM format, and the from time earlier than the to time.</li> <li>• Multiple ranges should be separated by a semicolon.</li> </ul>
PO_capacity	Does the Post Office identified have sufficient capacity to take on new customers diverted from the closing branch?	TRUE/FALSE/missing	
PO_suitability	Highlight any capacity or suitability issues (covering cash access services) with identified Post Offices (including access for those with mobility issues).	any	Free format
OTHER_POs	The addresses and postcodes of up to two additional nearest Post Offices.	any	Only complete if they are deemed to be likely alternatives, otherwise leave blank.
<b>G: Impact of Post Office deflection on SMEs</b>			



SME_PO_deflection	Number of SMEs registered at the closing branch that will be able to conduct all their cash transactions at the nearest Post Office.	numeric	
SME_other_deflection	Number of SMEs registered at the closing branch that would need to migrate to another branch, or cash delivery (or collection).	numeric	
SME_residual	Please provide the name of the document(s) which specify the SME specific residual service planned (with details).	any	Free format These documents should be provided with the return of this request.
SME_costs	Will the cost to SMEs in this population of depositing and/or withdrawing cash change following the closure?	TRUE/FALSE/missing	
SME_contact_strategy	Please provide the name of the document(s) which outline the contact strategy for this SME population.	any	Free format These documents should be provided with the return of this request.
SME_excess_deposits	Your best estimate of the number of SME deposits that exceeded your Post Office deposit limit in the current year to date (to the end of last month).	numeric	

<b>H: Details of remaining branches and deflection analysis</b>			
Nearest_branch_postcode	Postcode of nearest branch <b>of your brand</b> .	text	<p>Preferred format: &lt;outcode&gt;&lt;single space&gt;&lt;incode&gt;, where:</p> <ul style="list-style-type: none"> <li>the outcode contains 2, 3, or 4 alphanumeric characters and is of the form AN, ANN, AAN, ANA, AANN, or AANA, with A denoting a letter and N denoting a digit, and</li> <li>the incode is 1 digit and two letters (NAA).</li> </ul> <p>For example, “E20 1JN”.</p> <p>If possible, please ensure any terminated postcodes are replaced with their correct live versions</p>
Nearest_branch_address	Address of nearest branch <b>of your brand</b> , excluding postcode.	text	<p>Please include building name/number(s), where applicable. Please avoid abbreviations as far as possible.</p> <p>For example, “Financial Conduct Authority, 12 Endeavour Square, London”.</p> <p>For mobile stops, please include the nearest available address where possible.</p>

			A single line address is preferred, but it is acceptable to include separate columns for Address_1, Address_2, etc.
Nearest_branch_driving_time	Driving time <b>in minutes</b> to the nearest branch <b>of your brand</b> .	Numeric	
Nearest_branch_public_transport_time	Travel time on public transport <b>in minutes</b> to the nearest branch <b>of your brand</b> .	Numeric	
OH_nearest_branch_Mon	<b>Current</b> opening hours of the nearest branch <b>of your brand</b> .	text	<p>Here, ‘current’ should be taken to mean typical in the most recent period. Generally, these will be the opening hours at the end of the reporting period (that is, the last week of the quarter).</p> <p>However, please do <b>not</b> report any very short-term temporary changes, e.g. when a branch happened to be closed on a particular day during the last week of the quarter, but such a change was a one-off.</p> <p>For the purposes of this definition, ‘short-term’ should be taken to mean a period of time less than 2 weeks. Changes ‘until further notice’ are, generally, not short term.</p>
OH_nearest_branch_Tue			
OH_nearest_branch_Wed			
OH_nearest_branch_Thu			
OH_nearest_branch_Fri			
OH_nearest_branch_Sat			
OH_nearest_branch_Sun			

			<p>Examples:</p> <ul style="list-style-type: none"> <li>• ‘09:00-16:00’ denotes a branch open from 9am to 4pm without a break.</li> <li>• ‘08:45-12:30; 13:30-15:00’ denotes a branch open from 8:45am to 12:30pm, closing (e.g. for lunch) from 12:30pm to 1:30pm, and then open from 1:30pm to 3pm.</li> </ul> <p>If a branch is closed on a given day, this should be recorded using a single keyword ‘closed’. Note that this is not the same as an empty cell, which indicates that ‘the opening hours for this branch are unknown.</p> <p>Please adhere to the formatting guidelines as far as possible:</p> <ul style="list-style-type: none"> <li>• A single time should be recorded as HH:MM where HH is a zero-padded hour between 00 and 23 (24-hour clock) and MM is a zero-padded minute between 00 and 59. (This is the reduced precision extended ISO 8601 format without seconds and with</li> </ul>
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			<p>the qualifier ‘T’ omitted as there’s no risk of ambiguity.)</p> <ul style="list-style-type: none"> <li>• A range should be recorded as &lt;from&gt;-&lt;to&gt; (separated by a single dash), with both from and to in the HH:MM format, and from time earlier than to time.</li> <li>• Multiple ranges should be separated by a semicolon.</li> </ul>
OH_deflection	A period of operating hours for the nearest alternative branch will reach 95-100% or over 100% of capacity following the proposed closure as a result of diversion of customers from the closed branch.	TRUE/FALSE/missing	
Services_deflection	Highlight any services (covering cash access services) available at the closing branch and not at this branch.	Any	Free format
Suitability_deflection	Highlight any capacity or suitability issues (covering cash access services) with the identified nearest branch (including access for those with mobility issues).	Any	Free format
<b>I: Details of remaining building societies and ATMs</b>			

Nearest_BS_postcode	Postcode of nearest building society.	text	<p>Preferred format: &lt;outcode&gt;&lt;single space&gt;&lt;incode&gt;, where:</p> <ul style="list-style-type: none"> <li>• the outcode contains 2, 3, or 4 alphanumeric characters and is of the form AN, ANN, AAN, ANA, AANN, or AANA, with A denoting a letter and N denoting a digit, and</li> <li>• the incode is 1 digit and two letters (NAA).</li> </ul> <p>For example, "E20 1JN".</p> <p>If possible, please ensure any terminated postcodes are replaced with their correct live versions</p>
Nearest_BS_address	Address of nearest building society, excluding postcode.	text	<p>Please include building name/number(s), where applicable. Please avoid abbreviations as far as possible.</p> <p>For example, "Financial Conduct Authority, 12 Endeavour Square, London".</p> <p>For mobile stops, please include the nearest available address where possible.</p> <p>A single line address is preferred, but it is acceptable to include</p>

			separate columns for Address_1, Address_2, etc.
Nearest_BS_distance	Distance to the nearest building society from the branch <b>in miles</b> .	numeric	
Nearest_FTU_ATM_postcode	Postcode of nearest <b>free-to-use</b> ATM.	text	<p>Preferred format:          &lt;outcode&gt;&lt;single space&gt;&lt;incode&gt;, where:</p> <ul style="list-style-type: none"> <li>the outcode contains 2, 3, or 4 alphanumeric characters and is of the form AN, ANN, AAN, ANA, AANN, or AANA, with A denoting a letter and N denoting a digit, and</li> <li>the incode is 1 digit and two letters (NAA).</li> </ul> <p>For example, "E20 1JN".</p> <p>If possible, please ensure any terminated postcodes are replaced with their correct live versions</p>

Nearest_FTU_ATM_address	Address of nearest <b>free-to-use</b> ATM, excluding postcode.	text	<p>Please include building name/number(s), where applicable. Please avoid abbreviations as much as possible.</p> <p>For example, "Financial Conduct Authority, 12 Endeavour Square, London".</p> <p>For mobile stops, please include the nearest available address where possible.</p> <p>A single line address is preferred, but it is acceptable to include separate columns for Address_1, Address_2, etc.</p>
Nearest_ATM_distance	Distance to the nearest <b>free-to-use</b> ATM from the branch <b>in miles</b> .	numeric	Free format. Only complete if they are deemed to be likely alternatives, otherwise leave blank.
OTHER_ATMs	The addresses and postcodes of up to two additional nearest ATMs.	any	



## Annex D

### Access to Cash sourcebook (ATCS)

In this Annex, all the text is new and not underlined.

## 1 Introduction

### 1.1 Purpose

- 1.1.1 G (1) This sourcebook sets out *rules* and *guidance* in the service of the *FCA's* purpose under Part 8B of the *Act* of seeking to ensure reasonable provision of *cash access services* in the *UK* or a part of the *UK*.
- (2) The purpose in (1) includes seeking to ensure reasonable provision of *cash access services* which are free of charge in relation to *relevant personal current accounts*.

### 1.2 Application

#### Who?

- 1.2.1 R This sourcebook applies to:
- (1) a *designated firm*; and
- (2) a *designated coordination body*.

#### What?

- 1.2.2 G (1) This sourcebook applies as described in its *rules*.
- (2) The *rules* in this sourcebook are made under the *FCA's* powers in section 131V (as well as section 137T, as applied by section 131V, and section 138D) of the *Act*. *GEN 2.2.17R* is accordingly not applicable.

#### Where?

- 1.2.3 R Where *rules* in this sourcebook require a *designated person* to do or refrain from doing anything, the *designated person* is required to do or refrain from doing that thing in relation to:
- (1) the *UK*, if it is designated by the Treasury pursuant to section 131R of the *Act* in relation to the whole of the *UK*; or
- (2) the part of the *UK* in relation to which it is designated by the Treasury pursuant to section 131R of the *Act*.
- 1.2.4 G *ATCS 1.2.3R* applies to the entire sourcebook. This means that where a *designated firm* is designated in relation to only part of the *UK*, it will not,

for example, be required by any *rules* in the sourcebook to:

- (1) make any notifications in relation to areas outside that part;
- (2) undertake *cash access assessments* for areas outside that part;
- (3) provide additional *cash access services* outside that part; or
- (4) publish any information for areas outside that part.

- 1.2.5 R Where *rules* in this sourcebook require a *designated person* to give notification of a matter to another *designated person*, the notification must be given to a *designated person* who is designated by the Treasury pursuant to section 131R of the *Act* in relation to the part of the *UK* to which the matter relates.
- 1.2.6 G The effect of ATCS 1.2.5R is that where, for example, a *designated firm* is required to give notification under ATCS 2.1.1R of a *relevant closure* of one of its *cash access facilities* in *Great Britain* to another *designated person*, it must give that notification to a *designated person* who is designated in relation to the *UK* or *Great Britain*.
- 1.2.7 R Where *rules* in this sourcebook permit a *designated coordination body* to take an action required by the *rules* for its *participating designated firms*, the body may only take such action if it relates to a part of the *UK* in relation to which it is designated by the Treasury pursuant to section 131R of the *Act*.

### 1.3 Interpretation

- 1.3.1 G References to ‘businesses’ in this sourcebook should be interpreted broadly, to include, for example, charity shops.

### 1.4 Data protection

- 1.4.1 R Where any *rules* in this sourcebook impose requirements on a *designated person* to publish information, the *designated person* must first redact all personal data contained therein.
- 1.4.2 G
- (1) *Designated persons* should comply with all applicable *data protection legislation*.
  - (2) *Designated persons* should refer to *data protection legislation* to establish what constitutes ‘personal data’.

### 1.5 Publication of information

- 1.5.1 G This sourcebook contains various *rules* requiring *designated persons* to publish information in an easily accessible place on their websites. The *FCA* would view the information as ‘easily accessible’ if the information, or a link to the webpage(s) on which the information is published, is prominently displayed:

- (1) in the case of a *designated firm*, on its (or the relevant brand's) homepages for *relevant current accounts*; and
- (2) in the case of a *designated coordination body*, on a homepage dealing with its role in relation to access to *cash*.

## 1.6 Actions for damages

- 1.6.1 R A contravention of the *rules* in this sourcebook does not give rise to a right of action by a *private person* under section 138D of the *Act* (and each of those *rules* is specified under section 138D(3) of the *Act* as a provision giving rise to no such right of action).

## 1.7 Regular reporting

- 1.7.1 G See *SUP 16.32* for *rules* and *guidance* on regular data reporting by *designated firms* on access to *cash*.

## 1.8 Other applicable requirements

- 1.8.1 G When undertaking activities in connection with this sourcebook, a *designated person* should continue to follow any other legal or regulatory requirements as applicable, including equality and anti-discrimination law, consumer protection law, competition law and other *Handbook* provisions.

## 2 Notification of closures

### 2.1 Closures of facilities of designated firms

- 2.1.1 R When a *cash access facility* of a *designated firm* is the subject of a *relevant closure*, the *designated firm* must give notification in writing to:
- (1) the *FCA*;
  - (2) any *designated coordination body*; and
  - (3) any *non-participating designated firm*.
- 2.1.2 R Notification under *ATCS 2.1.1R* must:
- (1) in the case of a planned *relevant closure*, be given as soon as reasonably practicable once the *designated firm* has made its decision;
  - (2) in the case of an unplanned *relevant closure*, be given as soon as reasonably practicable once the *designated firm* is satisfied that it will happen; and
  - (3) give details of the *relevant closure*, including:
    - (a) the address or location of the *cash access facility*;

- (b) details of the *specified cash access services* that will be lost if it is a full closure, or how they will be impacted if it is not;
  - (c) details of any *specified cash access facility features* that will be lost if it is a full closure, or how they will be impacted if it is not; and
  - (d) the expected date of the *relevant closure*, if known.
- 2.1.3 G ATCS 2.1.2R(2) acknowledges that there may be circumstances where events outside a *designated firm's* control lead to a *relevant closure*, such as a decision by a landlord not to renew a lease or the site suffering physical damage.
- 2.1.4 R Where a *designated firm* has given notification under ATCS 2.1.1R but decides or is satisfied at any time thereafter that the *relevant closure* will no longer happen, it must promptly give notification of the change in writing to the *persons* set out in ATCS 2.1.1R.
- 2.2 Closures of facilities of persons other than designated firms**
- 2.2.1 R When a *designated person* becomes aware of a *relevant closure* of a *cash access facility* of a *person* other than a *designated firm* as a result of information that is publicly available, it must give notification in writing to:
  - (1) the *FCA*;
  - (2) any *designated coordination body*; and
  - (3) any *non-participating designated firm*.
- 2.2.2 R Notification under ATCS 2.2.1R must:
  - (1) be given as soon as reasonably practicable after the *designated person* becomes aware of the *relevant closure* as a result of publicly available information; and
  - (2) contain at least the following information, insofar as the *designated person* is aware of it:
    - (a) the address or location of the *cash access facility*;
    - (b) the name of the *person* who operates or operated it; and
    - (c) the expected date of the *relevant closure* or, if it has already taken place, the approximate date on which it took place.
- 2.2.3 R ATCS 2.2.1R does not apply where another *designated person* has already provided the required notification under it in respect of the same *cash access facility*.

- 2.2.4 R Where notification has been given under ATCS 2.2.1R and a *designated person* undertaking a *cash access* assessment as a result is satisfied at any time on the basis of publicly available information that the *relevant closure* will no longer happen, it must promptly give notification of the change in writing to the *persons* set out in ATCS 2.2.1R.

### 2.3 Guidance relating to both types of closure

- 2.3.1 G (1) The *Glossary* definition of *relevant closure* excludes events relating to a *cashback facility* or a *cash* delivery or collection service. A retail store where *cash access services* are provided by or under arrangements with the Post Office would not be regarded as a *cashback facility*.
- (2) The definition of *relevant closure* also excludes events insofar as they relate to *cash access services* which are not provided free of charge in relation to *relevant personal current accounts*. The effect is that:
- (a) if *cash access services* provided at a *cash access facility* in relation to *relevant personal current accounts* are subject to a charge, and other *cash access services* in relation to *relevant personal current accounts* are provided free of charge or *cash access services* are also provided for businesses, the facility is not excluded; and
- (b) if the only *cash access services* provided at a *cash access facility* relate to *relevant personal current accounts* and these services are all subject to a charge, the facility is excluded.
- (3) By way of example, the full closure of an automatic teller machine which charges for use would be a *relevant closure* if businesses can use it to withdraw *cash*.
- (4) ATCS 2.1.1R applies to *cash access facilities* of *designated firms* so it does not apply where, for example, the *relevant closure* is a full closure of a Post Office branch. This would fall within scope of ATCS 2.2.1R.
- 2.3.2 G (1) A *relevant closure* includes a reduction in *cash access services* provided at a *cash access facility*, or a change in the nature of such provision, where the reduction or change is material. Materiality relates to the nature and extent of the reduction or change rather than involving an assessment at this stage of the impact on users of *cash access services*. For example, a nominal reduction in opening hours from 40 to 39 hours a week should not be treated as material.
- (2) Reductions or changes which should be regarded as material include:
- (a) conversion of a free-to-use *cash access service* provided in

relation to *relevant personal current accounts* to pay-to-use;

- (b) removal of a counter or a significant reduction in opening hours;
- (c) removal of the functionality for a reasonable mix of both coins and banknotes to be deposited or withdrawn;
- (d) loss of an *assisted cash access service*; or
- (e) withdrawal of a *cash access service* by a *designated firm* from a *cash access facility* through which it provides *cash access services* alongside other providers.

(3) The list in (2) is not exhaustive.

### 3 Cash access requests

#### 3.1 Raising public awareness

Publication of information

- 3.1.1 R A *designated firm* must publish information about *cash access requests* in writing in an easily accessible place on its website.
- 3.1.2 R The information required to be published under ATCS 3.1.1R must include the following details:
  - (1) a description of what a *cash access request* is;
  - (2) the circumstances in which a *cash access assessment* must be undertaken under ATCS 4.1.1R(3), including the exceptions set out in ATCS 4.1;
  - (3) whether the *designated firm* undertakes *cash access assessments* itself under ATCS 4.1.1R(3) or a *designated coordination body* undertakes them for it; and
  - (4) how a *cash access request* can be submitted to the *designated firm* or *designated coordination body* (as appropriate).
- 3.1.3 R (1) Where a *designated coordination body* undertakes *cash access assessments* under ATCS 4.1.1R(3), it must publish information about *cash access requests* in writing in an easily accessible place on its website.
  - (2) The information required to be published by a *designated coordination body* under (1) must include the details in ATCS 3.1.2R(1) and ATCS 3.1.2R(2), together with details of how a *cash access request* can be submitted to it.
- 3.1.4 G See ATCS 4.2 for *rules and guidance* on the role of a *designated*

*coordination body* in undertaking *cash access assessments*.

- 3.1.5 R The methods for submitting a *cash access request* must:
- (1) be sufficiently diverse and straightforward to accommodate the various communications needs of *persons* who may make *cash access requests*; and
  - (2) enable the *cash access requester* to indicate clearly which *specified cash access services* and which (if any) *specified cash access facility features* the *cash access request* relates to.
- 3.1.6 G (1) A *cash access request* must be made in writing. See *GEN 2.2.14R* and *GEN 2.2.15G* on use of the expression ‘in writing’.
- (2) The methods for submitting a *cash access request* should take account of people who may have difficulty dealing with online submissions.

#### Requiring specification

- 3.1.7 R A *designated person* who undertakes *cash access assessments* under *ATCS 4.1.1R(3)* must ask a *cash access requester* to indicate which of the *specified cash access services* and which (if any) of the *specified cash access facility features* their *cash access request* relates to.
- 3.1.8 R A *designated person* must:
- (1) allow the *cash access requester* to provide more information (if they wish) about the *specified cash access services* and any *specified cash access facility features* they have indicated;
  - (2) not seek any additional information from the *cash access requester* unless it would be relevant for the purpose of undertaking the *cash access assessment*;
  - (3) set out in plain language the types of *specified cash access service* and *specified cash access facility feature*, as well as any request for additional information; and
  - (4) ensure any form it uses is easy to navigate.
- 3.1.9 G The *Glossary* definition of *specified cash access service* is broken down by four types of service. It may not be immediately obvious to a *cash access requester* which type or types is/are their area of concern. The *designated person* referred to in *ATCS 3.1.7R* should give the *cash access requester* the opportunity to provide sufficient information about the *relevant current accounts* their concern relates to so that the *designated person* can establish what type or types of *specified cash access service* the *cash access request* relates to.

### 3.2 Notification of information

Persons to be notified

- 3.2.1 R A *designated firm* must notify the following in writing of the information set out in ATCS 3.1.2R:
- (1) Members of Parliament, Members of the Senedd, Members of the Scottish Parliament and Members of the Northern Ireland Assembly; and
  - (2) *local authorities*.

Role of designated coordination body

- 3.2.2 R (1) Where a *designated coordination body* undertakes *cash access assessments* under ATCS 4.1.1R(3), that body may make the notifications required under ATCS 3.2.1R for its *participating designated firms*, subject to the modification that the information to be notified is that set out in ATCS 3.1.3R(2).
- (2) Compliance by the *designated coordination body* with the requirements of ATCS 3.2.1R, as modified by (1), will be treated as compliance by its *participating designated firms* with ATCS 3.2.1R.

### 3.3 Action on receipt of cash access request

Acknowledging receipt

- 3.3.1 R A *designated person* who undertakes *cash access assessments* under ATCS 4.1.1R(3) must promptly acknowledge receipt of a *cash access request* it receives, and at the same time provide the *cash access requester* with the following information:
- (1) confirmation of whether or not the *cash access request* has triggered the requirement to undertake a *cash access assessment*;
  - (2) if it has not triggered the requirement, an explanation of why not;
  - (3) if it has triggered the requirement:
    - (a) confirmation that it will be undertaking a *cash access assessment*;
    - (b) an estimated timeframe for completion;
    - (c) how the *cash access requester* can find out the outcome; and
    - (d) how the *cash access requester* can ask for a review in accordance with ATCS 9; and
  - (4) contact details for any other *designated person* who will be



undertaking a *cash access assessment* as a result of the *cash access request*.

#### Communications procedures

- 3.3.2 R *Designated persons* who undertake *cash access assessments* under ATCS 4.1.1R(3) must establish, implement and maintain effective and transparent procedures for the handling of communications received from a *cash access requester*.
- 3.3.3 G The procedures referred to in ATCS 3.3.2R should:
- (1) recognise that communications can be sent by the *cash access requester* by any reasonable means; and
  - (2) ensure that the *designated person* responds to any such communications promptly.
- 3.3.4 G (1) A *cash access request* must reference an address, street or retail area. This ensures that *cash access requests* are directed at local community issues, and that a *designated person* undertaking a *cash access assessment* as a result can identify the local area they need to consider in the assessment. Where the *cash access request* has sought to reference an address, street or retail area but further clarification is needed, this should be sought from the *cash access requester*. This should be done prior to any notification under ATCS 3.3.6R.
- (2) A *cash access request* may be withdrawn. See ATCS 4.1.16R and ATCS 4.1.17G for further details.
- 3.3.5 R Where a *designated firm* receives a *cash access request* which should have been submitted to a *designated coordination body* in accordance with ATCS 3.1.2R, it must promptly provide the *cash access requester* with contact details for the *designated coordination body*.

#### Notification of receipt of cash access requests

- 3.3.6 R When a *designated person* who undertakes *cash access assessments* under ATCS 4.1.1R(3) receives a *cash access request*, it must promptly give a copy to:
- (1) any *designated coordination body*; and
  - (2) any *non-participating designated firm*.
- 3.3.7 G (1) ATCS 3.3.6R does not apply to receipt of a *cash access request* by a *designated firm* who does not undertake *cash access assessments* under ATCS 4.1.1R(3). In those circumstances, the *designated firm* must comply with ATCS 3.3.5R.

- (2) Where all *designated firms* participate in the *cash access coordination arrangements* of one *designated coordination body* which undertakes *cash access assessments* under ATCS 4.1.1R(3) for them, there is no one to notify under ATCS 3.3.6R.
- 3.3.8 G The impact of the time it takes to obtain clarification from the *cash access requester* in the circumstances set out in ATCS 3.3.4G will be taken into account in considering the timing of any notification under ATCS 3.3.6R.
- 3.3.9 R Where notification has been given by a *designated person* under ATCS 3.3.6R and the *cash access requester* withdraws their *cash access request* in accordance with ATCS 4.1.16R at any time before the *cash access assessment* is completed, the *designated person* must promptly give notification of the withdrawal in writing to any *persons* set out in ATCS 3.3.6R.

## 4 Cash access assessments

### 4.1 When a cash access assessment must be undertaken

#### General rule

- 4.1.1 R Subject to ATCS 4.2, each *designated firm* is responsible for undertaking a *cash access assessment* in the following circumstances:
- (1) when a notification under ATCS 2.1.1R (concerning closures of *designated firms*) is received by a *designated coordination body* in whose *cash access coordination arrangements* the *designated firm* participates, or is given or received by it as a *non-participating designated firm*;
  - (2) when a notification under ATCS 2.2.1R (concerning closures of *persons* other than *designated firms*):
    - (a) is received by a *designated coordination body* in whose *cash access coordination arrangements* the *designated firm* participates, or is given or received by it as a *non-participating designated firm*; or
    - (b) (where there is no one else to notify under ATCS 2.2.1R) is given by a *designated person* to the FCA;
  - (3) in relation to *cash access requests*:
    - (a) when a notification under ATCS 3.3.6R is received by a *designated coordination body* in whose *cash access coordination arrangements* the *designated firm* participates, or is given or received by it as a *non-participating designated firm*; or
    - (b) (where there is no one to notify under ATCS 3.3.6R) when a

*designated person receives the cash access request.*

- 4.1.2 G ATCS 4.2 explains when a *designated coordination body* may undertake a *cash access assessment* for a *designated firm*, and contains *rules* and *guidance* about the *designated coordination body's* role when it does.
- 4.1.3 R The *cash access assessment* must be undertaken in accordance with ATCS 5.
- 4.1.4 R ATCS 4.1.1R is subject to the exceptions set out in ATCS 4.1.7R to ATCS 4.1.16R.
- 4.1.5 G (1) The exceptions in ATCS 4.1.7R, ATCS 4.1.9R and ATCS 4.1.10R apply to the requirement to undertake a *cash access assessment* following a *relevant closure*.
- (2) The exceptions in ATCS 4.1.11R, ATCS 4.1.13R and ATCS 4.1.16R apply to the requirement to undertake a *cash access assessment* following a *cash access request*.

#### Timing

- 4.1.6 R Where the requirement for a *cash access assessment* is triggered under ATCS 4.1.1R, it must be completed:
- (1) as soon as reasonably practicable; and
- (2) save in exceptional circumstances for reasons beyond the control of the *designated person* undertaking it, within 8 weeks of the notification or other circumstances described in ATCS 4.1.1R as triggering the requirement.

#### Exception: ATMs at same site

- 4.1.7 R ATCS 4.1.1R(1) and ATCS 4.1.1R(2) do not apply where the *relevant closure* relates to one or more automatic teller machines located at the same site provided:
- (1) one or more automatic teller machines will remain at the site after the *relevant closure*; and
- (2) *specified cash access services* of the type provided through the machine(s) subject to the *relevant closure* will continue to be provided through the remaining machine(s) (individually or collectively).
- 4.1.8 G There is no requirement in ATCS 4.1.7R that the *specified cash access services* at the remaining machine(s) must be provided by the same provider(s) who provided them through the machine(s) which is/are the subject of the *relevant closure*. The focus is on the availability of the type of *specified cash access service*, not on the identity of the provider.

Exception: change in circumstances

- 4.1.9 R A *cash access assessment* does not have to be undertaken under ATCS 4.1.1R(1) (or completed, if already begun) where the *designated firm* whose *cash access facility* was the subject of the *relevant closure* gives any notification required by ATCS 2.1.4R.
- 4.1.10 R A *cash access assessment* does not have to be undertaken under ATCS 4.1.1R(2) (or completed, if already begun) where any notification required by ATCS 2.2.4R is given with respect to the *cash access facility* that was the subject of the *relevant closure*.

Exception: earlier cash access assessment covering same ground

- 4.1.11 R ATCS 4.1.1R(3) does not apply to the extent that a *cash access assessment* is already being undertaken, or has been completed within one year prior to receipt of the *cash access request*, which covers:
- (1) the same or substantially the same local area as the one to which the *cash access request* relates; and
  - (2) the *specified cash access services* and *specified cash access facility features* covered by the *cash access request*.
- 4.1.12 G
- (1) See ATCS 5.3.2R and ATCS 5.3.3G on how to establish the local area.
  - (2) See ATCS 5.3.7R on how to establish which *specified cash access services* and *specified cash access facility features* a *cash access request* is treated as covering.
  - (3) The effect of ATCS 4.1.11R is that where some, but not all, of the same *specified cash access services* and *specified cash access facility features* covered by the *cash access request* are being or were assessed in the earlier *cash access assessment*, a new *cash access assessment* will need to be undertaken in respect of those that are/were not covered.

Exception: insufficient interest

- 4.1.13 R ATCS 4.1.1R(3) does not apply where the *cash access requester* has insufficient interest in whether there is reasonable provision of *cash access services* in the local area to which the *cash access request* relates.
- 4.1.14 R *Cash access requesters* with sufficient interest under ATCS 4.1.13R include:
- (1) the *FCA*;
  - (2) the *persons* referred to in ATCS 5.3.2R;

- (3) *persons* who regularly visit the local area; and
  - (4) authorities, organisations, groups and other *persons* who represent those in (2) and reasonably seek to advance their interests, or otherwise have a legitimate interest in the outcome of the *cash access assessment*.
- 4.1.15 G (1) Examples of *cash access requesters* who should be regarded as falling within ATCS 4.1.14R(4) include:
- (a) local community groups;
  - (b) groups or charities who help *cash* users in vulnerable circumstances in the local area, such as local carers or mental health support groups or charities;
  - (c) the Member of Parliament and any Member of the Senedd, Scottish Parliament or Northern Ireland Assembly for the relevant local area; and
  - (d) the relevant *local authority*.
- (2) See ATCS 5.3.2R and ATCS 5.3.3G on how to establish the local area.

Exception: cash access request withdrawn

- 4.1.16 R A *cash access assessment* does not have to be undertaken under ATCS 4.1.1R(3) (or completed, if already begun) where, prior to its completion, the *cash access requester* clearly indicates in writing to the *designated person* to whom they submitted the *cash access request* in accordance with ATCS 3.1.2R(4) or ATCS 3.1.3R(2) that they are withdrawing it.
- 4.1.17 G There may be cases where a *cash access requester* is not fully aware of all the *cash access services* available to them in an area. If the relevant *designated person* engages with them to explain what is available, this may in some cases lead to the *cash access request* being withdrawn.

## 4.2 Role of designated coordination body

- 4.2.1 R A *designated coordination body* may undertake a *cash access assessment* required by ATCS 4.1.1R for its *participating designated firms*.
- 4.2.2 R Where a *designated coordination body* undertakes a *cash access assessment* for its *participating designated firms*:
- (1) it must comply with relevant requirements in ATCS 4.1, ATCS 5, ATCS 6, ATCS 7, ATCS 8.1.12R and ATCS 9; and
  - (2) compliance by the *designated coordination body* with the requirements of the *rules* in ATCS 4.1 and ATCS 5 will also be treated as compliance by its *participating designated firms* with

those *rules*.

- 4.2.3 G Part 8B of the *Act* envisages that *designated firms* may want to use *cash access coordination arrangements* (subject to compliance with any applicable legal or regulatory requirements, including competition law).
- 4.2.4 G The effect of *ATCS 4.2.1R* and *ATCS 4.2.2R* is that:
- (1) where the requirements in *ATCS 4.1* and *ATCS 5* are met by the *designated coordination body*, they will also be treated as met by its *participating designated firms*, so they do not have to meet these requirements separately; and
  - (2) where any requirements in *ATCS 4.1* and *ATCS 5* are not met by the *designated coordination body*, they must still be met by its *participating designated firms*.

Notification of cessation of participation

- 4.2.5 R (1) A *designated firm* must give the *FCA* notification in writing as soon as reasonably practicable in advance of it ceasing for any reason to be a *participating designated firm*.
- (2) The notification in (1) must include details of when cessation of its participation in the *cash access coordination arrangements* is due to take place and the reason for the cessation.

## 5 Process for cash access assessments

### 5.1 Interpretation

- 5.1.1 R In this chapter, references to:
- (1) ‘local area’ means the relevant area established in accordance with *ATCS 5.3.1R* and *ATCS 5.3.2R*;
  - (2) ‘relevant distance’ means the distance set out in *ATCS 5.3.5R* or *ATCS 5.3.8R* (as appropriate);
  - (3) ‘urban’ means:
    - (a) for England and Wales, an area where the majority of the population live in a settlement of 10,000 people or more;
    - (b) for Scotland, an area where the majority of the population live in a settlement of 3,000 people or more, or where the majority of the population live in a settlement of fewer than 3,000 people but are less than a 30-minute drive from a settlement of 10,000 people or more; and
    - (c) for Northern Ireland, an area where the majority of the population live in a settlement of 5,000 people or more;

- (4) 'rural' means:
- (a) for England and Wales, an area where the majority of the population live in a settlement of fewer than 10,000 people;
  - (b) for Scotland, an area where the majority of the population live in a settlement of fewer than 3,000 people, with a drive time of 30 minutes or more to a settlement of 10,000 people or more; and
  - (c) for Northern Ireland, an area where the majority of the population live in a settlement of fewer than 5,000 people.

## 5.2 Overview

### The three steps

- 5.2.1 R The *cash access assessment* must be a reasonable assessment of the following:
- (1) step 1: whether there is, or would be after a *relevant closure*, a local deficiency in provision of *cash access services*;
  - (2) step 2: if there is or would be such a deficiency, whether its impacts are or would be significant; and
  - (3) step 3: if there is or would be such a deficiency with significant impacts, what additional *cash access services* it would be reasonable to provide.
- 5.2.2 G ATCS 5.3 to ATCS 5.5 contain detailed *rules* and *guidance* about the steps referred to in ATCS 5.2.1R.
- 5.2.3 R The extent and scope of the *cash access assessment* and the work the *designated person* must do to undertake it are dependent upon, and proportionate to, the circumstances of each case.

### General qualifications

- 5.2.4 R ATCS 5.2.5R contains restrictions on what can be taken into account in a *cash access assessment* when considering:
- (1) what *cash access services* are or will be available following a *relevant closure*, where the requirement for the *cash access assessment* was triggered under ATCS 4.1.1R(1) (concerning closures of *designated firms*) or ATCS 4.1.1R(2) (concerning closures of *persons* other than *designated firms*); and
  - (2) what *cash access services* are available, where the requirement for the *cash access assessment* was triggered under ATCS 4.1.1R(3) (concerning *cash access requests*).

- 5.2.5 R The restrictions referred to in ATCS 5.2.4R are as follows:
- (1) no account is to be taken of the availability of *cash access services* at a *cash access facility* in respect of which a full closure is expected;
  - (2) account may only be taken of the availability of *cash access services* at a *cash access facility* where there is expected to be a material reduction in provision of *cash access services*, or a material change in the nature of such provision, on the basis of the *cash access services* the facility will provide after such reduction or change has taken place;
  - (3) no account is to be taken of the availability of *cash withdrawal services* of the type falling within paragraph 2(e) of Schedule 1 to the *Payment Services Regulations* (cashback with a purchase);
  - (4) no account is to be taken of the availability of any *cash access service* in relation to *relevant personal current accounts* if it is subject to a charge; and
  - (5) where more than one *cash access assessment* is being undertaken as a result of the same trigger event under ATCS 4.1.1R, no account is to be taken in any of those *cash access assessments* of the availability of additional *cash access services* that might be provided as a consequence of any of the other *cash access assessments* being undertaken.
- 5.2.6 R Where any *rules* or *guidance* in ATCS 5 refer to distance to, proximity of, or travel to a *cash access facility*, or where the context otherwise so requires, a *cash access facility* does not include a *cash* delivery or collection service.
- 5.2.7 G ATCS 5.2.6R applies where *rules* and *guidance* in ATCS 5 are only relevant to *cash access facilities* which users of *cash access services* can visit, as opposed to, for example, a service which delivers *cash* to or collects *cash* from people's homes.
- 5.2.8 G In considering the availability of *cash access services* (as described in ATCS 5.2.4R(1) or ATCS 5.2.4R(2)), significant weight should be given to whether it can be demonstrated that *cash access services* provided at any *cash access facility* under consideration are provided with consistency during stated opening hours. See ATCS 8.1.6G for guidance in this context on cashback without a purchase.

#### Sources of information

- 5.2.9 R (1) A *cash access assessment* must be based on sufficient information of which the *designated person* undertaking it is aware at the time it is undertaken, and obtained where appropriate from other sources, to enable it to be a reasonable assessment.



- (2) The *designated person* undertaking a *cash access assessment* must consider:
- (a) the types of information to use;
  - (b) the content and level of detail of the information to use; and
  - (c) whether and to what extent to obtain information from other sources.
- 5.2.10 G (1) Other sources from whom *designated persons* should consider obtaining relevant information include those that might help them to understand the demographic characteristics of the local area and the need for *cash access services*, as well the range of local matters that could impact this understanding such as transportation issues and planned housing developments. Examples of such sources could be:
- (a) local community groups;
  - (b) *local authority* departments with responsibility for planning or for cohorts who may be particularly reliant on *cash*;
  - (c) *consumer* groups;
  - (d) the local office of *persons* listed in ATCS 3.2.1R(1);
  - (e) groups or charities who help local *cash* users in vulnerable circumstances, such as local carers or mental health support groups or charities;
  - (f) staff of *designated firms*; and
  - (g) *customers* of *designated firms* (for example, through surveys).
- (2) The list of possible sources of information in (1) is not exhaustive.

### 5.3 Step 1: Identifying local deficiencies

What is the local area?

- 5.3.1 R (1) In order to identify whether there is a local deficiency under ATCS 5.2.1R(1) a *cash access assessment* must establish the local area according to the methodology referred to in ATCS 5.3.2R.
- (2) The methodology must be used consistently by a *designated person* for its *cash access assessments*.
- (3) Where a *cash access request* is submitted by the *FCA*, the *FCA* may specify the local area for the purposes of the *cash access assessment*.
- 5.3.2 R (1) The *cash access assessment* must use an appropriate methodology

which enables it to draw a boundary for a local area that takes in the addresses of the *persons* who could be affected if there was a deficiency in the *specified cash access services* being assessed.

- (2) Where a *cash access assessment* is triggered under ATCS 4.1.1R(1) (concerning closures of *designated firms*) or ATCS 4.1.1R(2) (concerning closures of *persons* other than *designated firms*), the *persons* referred to in (1) are the people or businesses in the area surrounding the *cash access facility* which is the subject of the *relevant closure* who have the potential to be more than nominally affected by the *relevant closure*.
- (3) Where a *cash access assessment* is triggered under ATCS 4.1.1R(3) (concerning *cash access requests*), the *persons* referred to in (1) are the people or businesses in the area surrounding the address, street or retail area referenced in the *cash access request* who would have the potential to be more than nominally affected if:
  - (a) there was a *relevant closure* of a hypothetical *cash access facility* at the address, street or retail area referenced in the *cash access request*; and
  - (b) the *specified cash access services* being assessed were provided through it.

- 5.3.3 G (1) ATCS 5.3.2R involves the need to establish who could be affected. The work undertaken to do this should be reasonable and proportionate, bearing in mind that this is not the *cash access assessment* itself. It involves looking at the potential for effects rather than reaching a conclusion on whether there are actual effects. It should not involve the need to establish whether any *persons* actually use *cash*, nor to undertake any of the detailed steps in ATCS 5.2.1R. The purpose is to establish the grouping of residents and businesses (by reference to an area) that those steps should be directed at.
- (2) In determining the people who could be affected under ATCS 5.3.2R, one consideration may be where people in the relevant surrounding area who might use *cash* are likely to use it regularly, such as retail areas, and the presence (or otherwise) of *cash access facilities* there. For example, if a *relevant closure* takes place in a village, residents of a nearby town may not be regarded as people who could be affected if it is reasonable to expect that they do not make regular use of the relevant *cash access facility* in the village because of the presence of *cash access facilities* in the town.
  - (3) ATCS 5.3.2R(3) involves the application of a hypothetical test of who could be affected if a *relevant closure* was to take place. The methodology for determining the *persons* referred to in ATCS 5.3.2R(2) and ATCS 5.3.2R(3) should accordingly be consistent.

- (4) If the methodology adopts a radius measurement extending from the relevant reference point that is the same for every *cash access assessment*, that is unlikely to be regarded as an appropriate methodology as it would not take account of the potential for differing local circumstances, such as differences in geography.
- (5) Where the requirement for a *cash access assessment* is triggered under ATCS 4.1.1R(1) (concerning closures of *designated firms*) or ATCS 4.1.1R(2) (concerning closures of *persons* other than *designated firms*), the local area is unlikely to be appropriately drawn if it does not at least include the addresses of any *persons* who, as a result of the *relevant closure*, are or would no longer be within the relevant distance of one or more *cash access facilities* which, between them, provide the *specified cash access services* and *specified cash access facility features* being assessed at step 1.

Closures: scope

- 5.3.4 R Where the requirement for a *cash access assessment* is triggered under ATCS 4.1.1R(1) (concerning closures of *designated firms*) or ATCS 4.1.1R(2) (concerning closures of *persons* other than *designated firms*):
- (1) an assessment must be made of whether there is or would be, after the *relevant closure*, a local deficiency in provision of each *specified cash access service* that is or was (as the case may be) subject to closure, reduction or change at the *cash access facility* as a result of the *relevant closure*, taking into account any *specified cash access facility feature* provided at the facility in relation to the service;
  - (2) where a *designated firm* undertakes a *cash access assessment*, it does not have to assess a *specified cash access service* that relates to *relevant personal current accounts* if it does not provide any such accounts, and it does not have to assess a *specified cash access service* that relates to businesses if it does not provide any *relevant current accounts* for businesses;
  - (3) where a *designated coordination body* undertakes a *cash access assessment* for its *participating designated firms*, the body does not have to assess a *specified cash access service* that relates to *relevant personal current accounts* if none of those *firms* provide any such accounts, and it does not have to assess a *specified cash access service* that relates to businesses if none of those *firms* provide any *relevant current accounts* for businesses;
  - (4) an assessment may cover more *specified cash access services* or *specified cash access facility features* than those referred to (1); and
  - (5) ATCS 5.3.5R applies.

Closures: application of relevant distance

- 5.3.5 R If at least 95% of people living in the local area have access to one or more *cash access facilities* within:
- (1) one mile of where they live, if the local area is predominantly urban; or
  - (2) three miles of where they live, if the local area is predominantly rural,
- through which:
- (3) a *specified cash access service* is provided which is of a type that is or was subject to closure, reduction or change as a result of the *relevant closure*, along with any *specified cash access facility feature* that must be assessed in relation to the service,

the *cash access assessment* may find that there is or would be no local deficiency in provision of that *specified cash access service* after the *relevant closure*, subject to ATCS 5.3.9R.

- 5.3.6 R Where more *specified cash access services* or *specified cash access facility features* are assessed than those referred to in ATCS 5.3.4R(1), ATCS 5.3.5R applies as if ATCS 5.3.5R(3) refers to:
- (1) each *specified cash access service* being assessed; and
  - (2) each *specified cash access facility feature* being assessed in relation to the service.

Cash access requests: scope

- 5.3.7 R Where the requirement for a *cash access assessment* is triggered under ATCS 4.1.1R(3) (concerning *cash access requests*):
- (1) an assessment must be made of whether there is a local deficiency in provision of each *specified cash access service* indicated in the *cash access request*, taking into account any *specified cash access facility feature* indicated in relation to the service;
  - (2) where a *designated firm* undertakes a *cash access assessment*, it does not have to assess a *specified cash access service* that relates to *relevant personal current accounts* if it does not provide any such accounts, and it does not have to assess a *specified cash access service* that relates to businesses if it does not provide any *relevant current accounts* for businesses;
  - (3) where a *designated coordination body* undertakes a *cash access assessment* for its *participating designated firms*, the body does not have to assess a *specified cash access service* that relates to *relevant personal current accounts* if none of those *firms* provide any such accounts, and it does not have to assess a *specified cash access*

*service* that relates to businesses if none of those *firms* provide any *relevant current accounts* for businesses;

- (4) an assessment may cover more *specified cash access services* or *specified cash access facility features* than those referred to in (1); and
- (5) *ATCS 5.3.8R* applies.

Cash access requests: application of relevant distance

5.3.8 R If at least 95% of people living in the local area have access to one or more *cash access facilities* within:

- (1) one mile of where they live, if the local area is predominantly urban; or
- (2) three miles of where they live, if the local area is predominantly rural,

through which:

- (3) a *specified cash access service* being assessed is provided, along with any *specified cash access facility feature* being assessed in relation to the service,

the *cash access assessment* may find that there is no local deficiency in provision of that *specified cash access service*, subject to *ATCS 5.3.9R*.

Step 1 qualifications

5.3.9 R *ATCS 5.3.5R* and *ATCS 5.3.8R* cannot be relied on where:

- (1) the time or cost of travelling for those living in the local area to any *cash access facility* that would otherwise be relied on to meet the requirements in those *rules* is such that it would not be reasonable to regard the relevant distance as an appropriate determining measure; or
- (2) the *cash access facility* or *cash access facilities* which would otherwise be relied on to meet the requirements in those *rules* do not, or would not after a *relevant closure*, have sufficient capacity between them to accommodate users of the relevant *cash access service* from the local area.

5.3.10 R (1) For the purposes of establishing whether there are *cash access facilities* that meet the requirements in *ATCS 5.3.5R* or *ATCS 5.3.8R*, account may only be taken of the availability of a *specified cash access service* provided at a branch of a *bank* or *building society* within the relevant distance if one of the conditions in *ATCS 5.3.11R* or *ATCS 5.3.12R* is satisfied.

- (2) The qualification in (1) does not apply to a *cash withdrawal service* provided through an automatic teller machine at the branch.
- 5.3.11 R The first condition referred to in ATCS 5.3.10R(1) is that the same type of *specified cash access service* is available to *customers* of another *relevant current account provider* besides the *bank* or *building society* referred to in that *rule* at another *cash access facility* within the relevant distance.
- 5.3.12 R The second condition referred to in ATCS 5.3.10R(1) is that:
- (1) the requirement for the *cash access assessment* was triggered under ATCS 4.1.1R(1) (concerning closures of *designated firms*) or ATCS 4.1.1R(2) (concerning closures of *persons* other than *designated firms*); and
- (2) the *cash access facility* which is the subject of the *relevant closure* is another branch of the *bank* or *building society* referred to in that *rule*.

## Guidance

- 5.3.13 G (1) The *cash access assessment* begins by considering whether there is a local deficiency in provision of *cash access services* by reference to what is available within the relevant distance. Exclusions from consideration of what *cash access services* are available for the purposes of ATCS 5.3.5R or ATCS 5.3.8R are set out in ATCS 5.2.5R and ATCS 5.3.10R. The effect of ATCS 5.2.5R(1) is that where a *cash access assessment* is undertaken as a result of an expected full closure of a *cash access facility*, that facility must be ignored for the purposes of establishing what *cash access services* are available under ATCS 5.3.5R. Where the assessment results from a material reduction or change in provision of *cash access services* expected at a *cash access facility*, the effect of ATCS 5.2.5R(2) is that the facility can be taken into account, but only to the extent of the *cash access services* it will provide after the reduction/change takes place.
- (2) See ATCS 4.1.12G(3) on the impact of ATCS 4.1.11R on the *specified cash access services* and *specified cash access facility features* that must be assessed in accordance with ATCS 5.3.7R(1). *Designated persons* may want to bear this in mind when considering the scope of *cash access assessments*. Unless assessments are undertaken on a holistic basis (i.e. by assessing all *specified cash access services* and *specified cash access facility features*), they could in theory have to act on multiple *cash access requests* indicating different issues in respect of the same or substantially the same local area within a 12-month period.
- (3) There is no requirement in ATCS 5.3.5R(3) that the *specified cash access service* at a *cash access facility* within the relevant distance must be provided by the same provider that provided it at the *cash access facility* which is the subject of the *relevant closure*. The focus

is on the availability of the type of *specified cash access service*, not on the identity of the provider.

- (4) Reliance on *ATCS 5.3.5R* or *ATCS 5.3.8R* is not dependent on all the *specified cash access services* under assessment being provided at the same *cash access facility*. They may be provided through a combination of two or more *cash access facilities*.
- (5) *ATCS 5.3.9R(1)* is most likely to apply in rural areas – for example, where:
  - (a) geographical barriers mean that it takes substantially longer for people living in the local area to travel to the relevant *cash access facility* or *cash access facilities* than it does to travel to their nearest retail areas; or
  - (b) limited transport networks mean that it costs people living in the local area substantially more to travel to the relevant *cash access facility* or *cash access facilities* than it does to travel to their nearest retail areas.
- (6) An example of where *ATCS 5.3.9R(2)* may apply is if a *cash access facility* subject to a full closure has several service counters, and the only other *cash access facility* within the relevant distance with equivalent *specified cash access services* and *specified cash access facility features* has one counter. If this means the other *cash access facility* would be unable to accommodate the additional demand from users of *cash access services* in the local area following the *relevant closure*, *ATCS 5.3.5R* cannot be relied on.
- (7) The effect of *ATCS 5.3.10R* is that if the only *cash access facility* within the relevant distance is a branch of a *bank* or *building society*, and the condition in *ATCS 5.3.12R* is not met, the only *specified cash access services* provided at the branch that can be taken into account for the purposes of *ATCS 5.3.5R* or *ATCS 5.3.8R* are *cash withdrawal services* provided through an automatic teller machine. If *cash withdrawal services* are being assessed, it may be possible to find there is no local deficiency in them, subject to any *specified cash access facility features* that also need to be assessed and the qualifications in *ATCS 5.3.9R*. But if any *cash deposit services* are being assessed in this scenario, these will have to proceed to step 2.

#### Background to relevant distances

- 5.3.14 G
- (1) Under section 131U(5) of the *Act*, a local deficiency in the provision of *cash access services* is: ‘a circumstance which limits the ability of persons in any locality in a part of the United Kingdom to (a) withdraw cash from a relevant current account, or (b) place cash on a relevant current account’.
  - (2) Under section 131U(6) of the *Act*, in determining whether there are

local deficiencies, the *FCA* must have regard to the Treasury's Cash Access Policy Statement published under section 131P(6) of the *Act* which is currently in effect, as well as such other matters as the *FCA* considers appropriate.

- (3) The relevant distances are taken from the Treasury's Cash Access Policy Statement published on 18 August 2023. These distances are measured in a straight line.
- (4) The distances in the Cash Access Policy Statement do not include distances for business premises from *cash access facilities*. However, the statement says: 'the distance relative to the residential population is considered to be a suitable proxy'. No separate distances are given in this chapter relative to business premises.

Going to step 2

- 5.3.15 R If *ATCS* 5.3.5R or *ATCS* 5.3.8R cannot be relied on, it must be found that there is, or would be after a *relevant closure*, a local deficiency in provision of the relevant *specified cash access service*.

#### 5.4 Step 2: Assessing significance of impacts of local deficiency

Scope

- 5.4.1 R (1) Under *ATCS* 5.2.1R(2), an assessment must be made of the significance of the impacts of the local deficiency found in the provision of any of the *specified cash access services* that were assessed at step 1.
- (2) The assessment must consider the significance of the impacts on users of *cash access services* in general in the local area, not just *customers of designated firms*.

Factors

- 5.4.2 R Subject to *ATCS* 5.4.1R, the factors a *cash access assessment* must have regard to when considering whether the impacts of a local deficiency are or would be significant include the following:
- (1) the number of *persons* in the local area likely to be affected, including:
    - (a) the number of holders of *relevant personal current accounts* likely to be affected; and
    - (b) the number of businesses which accept *cash* payments likely to be affected;
  - (2) the likely impact on those in the local area likely to be affected, bearing in mind in particular:



- (a) their characteristics;
- (b) the impact on those in vulnerable circumstances;
- (c) the extent of the need for *assisted cash access services*;
- (d) the extent of the need for businesses which accept *cash* payments to use *cash access services* for both coins and banknotes;
- (e) the extent to which those likely to be affected may be outside the relevant distance when considering proximity to the nearest suitable *cash access facilities* with (between them) sufficient capacity to accommodate users of *cash access services* from the local area;
- (f) whether the additional travel time for those likely to be affected to get to the *cash access facilities* referred to in (e) over and above the travel time to their nearest retail areas is unreasonable;
- (g) whether those likely to be affected have to incur unreasonable costs in travelling to the *cash access facilities* referred to in (e) over and above the costs of travel to their nearest retail areas; and
- (h) the impact of any predictable fluctuations in demand for *cash access services*.

(3) The list of factors in (1) and (2) is not exhaustive.

#### Guidance on factors

- 5.4.3 G
- (1) An assessment under *ATCS 5.2.1R(2)* is only required where it has been identified that there is or would be a local deficiency under *ATCS 5.2.1R(1)*.
  - (2) Subject to *ATCS 5.4.1R*, an assessment will need to be made of the degree to which users of *cash access services* in the local area (both people and businesses) are impacted.
  - (3) *ATCS 5.2.5R* excludes consideration of the availability of certain *cash access services* at step 2.
  - (4) The degree to which the nearest suitable *cash access facilities* with (between them) sufficient capacity may be outside the relevant distance is a factor. For example, if they are only just outside the relevant distance, that may indicate (leaving aside other factors) that the deficiency does not or would not have significant impacts. This factor should involve looking at issues such as:

- (a) the *cash access services* available at, the features of and the capacity of the nearest *cash access facilities*;
  - (b) the distance to the nearest *cash access facilities* needed to reasonably meet the cumulative demand of users of *cash access services* from the local area; and
  - (c) how far outside the relevant distance these *cash access facilities* might be – in particular, the furthest such facility.
- (5) Opening hours may be relevant to a *cash access facility*'s capacity. For example, the facility may be open for so few hours each week that this leads to unacceptable delays in service or queues.
- (6) The other factors set out in ATCS 5.4.2R also involve the question of degree. For example, where a substantial number of people in the local area are likely to be affected, that would suggest significant impacts.
- (7) In having regard to the number of businesses likely to be affected and the impacts on them, consideration should in particular be given to types of businesses that might be expected to be heavily dependent on *cash*.
- (8) The impact on those with characteristics of vulnerability is a factor. This should involve identifying when users of *cash access services* with characteristics of vulnerability, including those who may have particular difficulties with accessing *cash access services* due to disabilities, are or would be significantly impacted. *Designated persons* should refer to FG21/1 (Guidance for firms on the fair treatment of vulnerable customers) for more information on our approach to characteristics of vulnerability.
- (9) An example of predictable fluctuations in demand for *cash access services* and their impact is where a local area receives a significant influx of visitors during the holiday season or on market days, which puts pressure on the *cash access facilities* in the area.
- (10) Regard should be had to any concerns raised by local community representatives and organisations about the adequacy of *cash access facilities*.

## 5.5 Step 3: Assessing reasonable additional provision

### Identifying additional cash access services

- 5.5.1 R The assessment under ATCS 5.2.1R(3) must identify the additional *cash access services* that would:
- (1) address the significant impacts of any local deficiency identified by the assessment under ATCS 5.2.1R(2); and

- (2) be reasonable to provide.

5.5.2 R The identification in accordance with ATCS 5.5.1R must:

- (1) detail which of the *specified cash access services* are to be provided;
- (2) state that any additional *cash access services* in relation to *relevant personal current accounts* are to be provided free of charge;
- (3) specify whether each *specified cash access service* should allow for a reasonable mix of both coins and banknotes to be deposited or withdrawn (as appropriate);
- (4) identify whether any *assisted cash access services* should be provided and, if so, the type of assistance;
- (5) specify the area within which any *cash access facilities* that will provide the additional *cash access services* should be located;
- (6) specify the capacity needs and opening hours of any *cash access facilities* which will provide the additional *cash access services*; and
- (7) specify whether the additional *cash access services* are to be provided on a permanent or trial basis and, if the latter, the trial period.

Guidance on identification and reasonableness

- 5.5.3 G
- (1) ATCS 5.5.1R does not require the *cash access assessment* to identify the *cash access facilities* from which the additional *cash access services* are to be provided. The *rules* are accordingly channel-neutral in this respect, subject to the matters set out in ATCS 5.5.2R.
  - (2) The definition of *assisted cash access service* is channel-neutral in terms of how the assistance should be provided, so this could involve the physical presence of the appropriately trained individual or the provision of assistance by them via, for example, video link. The exact nature of any assistance needed in the circumstances must be identified in accordance with ATCS 5.5.2R(4).
  - (3) In delivering any additional *cash access services*, *designated firms* should be mindful of the duty to make reasonable adjustments for people with disabilities under the Equality Act 2010 in *Great Britain* and the need to comply with equivalent legislation in Northern Ireland. While *cash access assessments* are not expected to make judgments about compliance with such legislation, they should explain their findings on the impact on those who have particular difficulties with accessing *cash access services* due to disabilities. Those findings may assist *designated firms* in ensuring they meet any obligations under the relevant legislation.

- (4) *ATCS 5.2.5R* excludes consideration of the availability of certain *cash access services* at step 3.
- 5.5.4 G (1) The question of reasonableness in terms of the identification required under *ATCS 5.5.1R* and *ATCS 5.5.2R* is likely to depend on matters specific to the local area, which could include:
- (a) whether any *cash access services* have been provided in the local area in the past and, if so, their nature and extent;
  - (b) the reasons, if known, for any *relevant closures* in the local area in the past; and
  - (c) the likely cost of additional provision of a particular service.
- (2) The list of matters in (1) is not exhaustive.
- 5.5.5 G Given the number of different solutions available, it should only be concluded at step 3 in very exceptional cases that it is not reasonable for any additional *cash access services* to be provided.

#### Trials

- 5.5.6 G It may be appropriate in some cases for additional *cash access services* to be provided for a trial period. In such cases, *ATCS 6.1.2R(10)*, *ATCS 6.1.5R*, *ATCS 6.1.6G*, and *ATCS 8.1.12R* to *ATCS 8.1.15G* apply.

## 6 Publication of outcome of cash access assessments

### 6.1 Action on completion

- 6.1.1 R As soon as reasonably practicable after completion of a *cash access assessment*, the *designated person* who undertook it must publish in writing the information set out in *ATCS 6.1.2R* in an easily accessible place on its website.

#### Information to be published

- 6.1.2 R The information that must be published under *ATCS 6.1.1R* is as follows:
- (1) the date of the *cash access assessment*;
  - (2) why it was undertaken;
  - (3) where the requirement for the *cash access assessment* was triggered by a *relevant closure* which has not happened yet, when the *relevant closure* is expected to take place (if known);
  - (4) a summary of the criteria and rationales used to undertake the assessments required by *ATCS 5.2.1R*;
  - (5) the local area established in accordance with *ATCS 5.3.1R* and *ATCS*

- 5.3.2R, and the methodology used to establish it;
- (6) the outcomes of the assessments required by *ATCS 5.2.1R* with respect to the provision of additional *cash withdrawal services* and *cash deposit services* for:
    - (a) people living in the local area; and
    - (b) businesses in the local area;
  - (7) a summary of the outcome of the matters set out in *ATCS 5.5.2R(3)* to *ATCS 5.5.2R(6)*;
  - (8) a statement that any additional *cash access services* in relation to *relevant personal current accounts* are to be provided free of charge;
  - (9) whether any additional *cash access services* are to be provided on a permanent or trial basis;
  - (10) where any additional *cash access services* are to be provided on a trial basis:
    - (a) a summary of the reasons for considering that a trial is appropriate;
    - (b) the criteria for determining whether the trial is successful; and
    - (c) the trial period;
  - (11) details of who can request a review under *ATCS 9* and how one can be requested;
  - (12) who must provide or procure the provision of any additional *cash access services* in accordance with *ATCS 8.1.1R(1)* or *ATCS 8.1.1R(2)*; and
  - (13) the relevant timescale in *ATCS 8* for delivery of any additional *cash access services*.
- 6.1.3 G (1) The requirement in *ATCS 6.1.1R* can be met by publishing the *cash access assessment* itself if it clearly sets out all the information set out in *ATCS 6.1.2R*.
- (2) See *ATCS 9.2.3R* for the requirement to update the information published under *ATCS 6.1.1R* following completion of a review under *ATCS 9*.
- 6.1.4 R Where notification has been given under *ATCS 2.1.4R* or *ATCS 2.2.4R* that a *relevant closure* is no longer happening, the information published under *ATCS 6.1.1R* must be updated to explain that any additional *cash access services* no longer have to be provided as a result of *ATCS 8.1.1R*.

## Trials

- 6.1.5 R (1) Where a *cash access assessment* is updated in accordance with ATCS 8.1.12R following completion of a trial period, the *designated person* updating it must, as soon as reasonably practicable, update the information published under ATCS 6.1.1R as appropriate.
- (2) The updated information under (1) must include the following:
- (a) the date on which the *cash access assessment* was updated;
  - (b) how the information in ATCS 6.1.2R has been updated in light of the trial; and
  - (c) a summary of the reasons for updating the information in this way.
- 6.1.6 G See ATCS 9.2.3R for the requirement to update the information published under ATCS 6.1.5R following completion of a review under ATCS 9.

**7 Policies and procedures****7.1 Maintaining effective policies and procedures**

- 7.1.1 R A *designated person* who undertakes *cash access assessments* must:
- (1) establish, implement and maintain clear and effective policies and procedures:
    - (a) to enable it to undertake *cash access assessments* in accordance with ATCS 4 and ATCS 5, and reviews under ATCS 9;
    - (b) setting out the principal factors and criteria it will take into account in undertaking them;
  - (2) set out the policies and procedures in writing;
  - (3) have the policies and procedures approved by its board of directors, committee of management or other governing body, or those *persons* who effectively direct the business; and
  - (4) publish the policies and procedures in writing in an easily accessible place on its website and keep the published information up to date.

**7.2 Keeping under review**

- 7.2.1 R A *designated person* who undertakes *cash access assessments* must:
- (1) assess and periodically review:
    - (a) the effectiveness of the policies and procedures referred to in

*ATCS 7.1.1R*, taking into account in particular its own experience and feedback from users of *cash access services* and other stakeholders; and

- (b) its compliance with the policies and procedures, and with its obligations under *ATCS*;
  - (2) in the light of (1), take appropriate measures to address any deficiencies in the policies and procedures, or in its compliance with its obligations; and
  - (3) establish, implement and maintain robust governance arrangements and internal control mechanisms designed to ensure compliance with *ATCS 7*.
- 7.2.2 R Where a *designated person* proposes to update the policies and procedures referred to in *ATCS 7.1.1R*, it must submit a report to the *FCA* containing a description of any substantial changes.

## 8 Implementation

### 8.1 Additional cash access services

#### Provision

- 8.1.1 R
- (1) Where a *cash access assessment* compliant with *ATCS 5* is undertaken by a *designated coordination body*, each of its *participating designated firms* must provide or procure the provision of the additional *cash access services*:
    - (a) that are identified in the *cash access assessment* under *ATCS 5.5.1R*; and
    - (b) in the manner set out under *ATCS 5.5.2R*.
  - (2) Where a *cash access assessment* compliant with *ATCS 5* is undertaken by a *designated firm*, it must provide or procure the provision of the additional *cash access services*:
    - (a) that are identified in the *cash access assessment* under *ATCS 5.5.1R*; and
    - (b) in the manner set out under *ATCS 5.5.2R*.
  - (3) The additional *cash access services* that a *designated firm* must provide under (1) or (2) relate to the *relevant current accounts* it provides to its *customers*.
  - (4) Any additional *cash access services* that relate to *relevant personal current accounts* must be provided free of charge.
  - (5) A balance enquiry service must be available alongside any

additional *cash withdrawal service*.

- 8.1.2 G (1) A *designated firm* has to provide or procure the provision of the additional *cash access services* for its own *customers*.
- (2) A *designated firm* is not required to alter its practices, policies or procedures with respect to the offering or opening of *relevant current accounts*. If, for example, it does not offer *relevant current accounts* to businesses, it does not have to start doing so.
- (3) A *designated firm* may be able to establish that it is already meeting the requirements in ATCS 8.1.1R through an existing *cash access facility*, such as one of its branches.
- (4) It may be economic and efficient for *designated firms* to deliver the additional *cash access services* through shared facilities, such as a banking hub or a shared automatic teller machine, rather than through individual facilities (subject to compliance with any applicable legal or regulatory requirements, including competition law).
- (5) This sourcebook does not prescribe the arrangements for enhancing or installing the *cash access facilities* through which the additional *cash access services* are to be provided. But *designated firms* will need to ensure that these are in place so that they are in a position to comply with ATCS 8.1.1R.
- (6) *Designated firms* should also consider any other applicable law. This includes, but is not limited to, equalities legislation such as the Equality Act 2010 or equivalent legislation in Northern Ireland. See ATCS 5.5.3G(3) on the duty to make reasonable adjustments.
- (7) ATCS 8.1.1R does not preclude the provision of other services at the *cash access facilities* that will be used to deliver the additional *cash access services*.
- (8) The *rules* are neutral as to the legal model for the provision of the additional *cash access services*. So, they may be provided directly by a *designated firm*, or through its agent, or procured through a third party who provides a service as *principal*.

#### Consistency of service

- 8.1.3 R When a *designated firm* is deciding on the type of *cash access facility* to be used to deliver the additional *cash access services* that it is required to provide or procure under ATCS 8.1.1R, it must take reasonable account of whether the facility will provide consistency in delivery of the *cash access services* during its stated opening hours.
- 8.1.4 G Where a *designated firm* proposes to procure the additional *cash access services* through an agent or third party acting as *principal*, it may want to consider entering into appropriate arrangements with regard to consistency



of service in order to evidence compliance with ATCS 8.1.3R.

#### Use of cashback

- 8.1.5 R A *cash withdrawal service* of the type falling within paragraph 2(e) of Schedule 1 to the *Payment Services Regulations* (cashback with a purchase) must not be relied on to deliver any of the additional *cash access services* under ATCS 8.1.1R.
- 8.1.6 G (1) A *cashback facility* providing a *cash withdrawal service* of the type falling within paragraph 3 of Schedule 1 to the *Payment Services Regulations* (cashback without a purchase) can be a useful source of *cash*. However, it will not enable compliance with ATCS 8.1.1R(5) if a balance enquiry service is not also available.
- (2) Consistency of service may be an issue for cashback without a purchase if, for example, provision is up to the discretion of the retailer. It may also be dependent on the availability of *cash* in the retailer's till, which in turn may be reliant on other business of the retailer and subject to particular stress if the service is relied on as the sole *cash withdrawal service* in an area.
- (3) Cashback without a purchase should therefore generally be regarded as contributing a *cash withdrawal service* which is supplementary to other additional *cash withdrawal services*, unless it can be demonstrated that it will provide consistency of service during stated opening hours.

#### Timing

- 8.1.7 R Where the requirement for a *cash access assessment* was triggered under ATCS 4.1.1R(1) (concerning closures of *designated firms*) as a result of a *relevant closure* that was planned, the *designated firm* must not implement the *relevant closure* until the following conditions are satisfied:
- (1) a *cash access assessment* has been completed by the *designated firm*, or by a *designated coordination body* where ATCS 4.2.1R is relied on, in accordance with ATCS 5;
- (2) the information in respect of the relevant *cash access assessment* has been published under ATCS 6.1.1R;
- (3) any review under ATCS 9 in respect of the relevant *cash access assessment* has been completed and any requirements in ATCS 9.2.3R satisfied; and
- (4) the requirements in ATCS 8.1.1R(1) are being met by each *participating designated firm* or the requirements in ATCS 8.1.1R(2) are being met by the *designated firm* (as appropriate) in respect of the relevant *cash access assessment*.

- 8.1.8 R Where the requirement for a *cash access assessment* was triggered under ATCS 4.1.1R(1) (concerning closures of *designated firms*) or ATCS 4.1.1R(2) (concerning closures of *persons* other than *designated firms*), the requirements of ATCS 8.1.1R must be met by each *designated firm* without unreasonable delay, and in any event:
- (1) within 3 *months* of the later of:
    - (a) publication of the information under ATCS 6.1.1R in respect of the relevant *cash access assessment*; or
    - (b) completion of any review under ATCS 9 in respect of the relevant *cash access assessment* and satisfaction of any requirements in ATCS 9.2.3R;
  - (2) if later, by the time the *relevant closure* takes place.
- 8.1.9 R Where the requirement for a *cash access assessment* was triggered under ATCS 4.1.1R(3) (concerning *cash access requests*), the requirements of ATCS 8.1.1R must be met by each *designated firm* without unreasonable delay, and in any event within 3 *months* of the later of:
- (1) publication of the information under ATCS 6.1.1R in respect of the relevant *cash access assessment*; or
  - (2) completion of any review under ATCS 9 in respect of the relevant *cash access assessment* and satisfaction of any requirements in ATCS 9.2.3R.
- 8.1.10 G The review process in ATCS 9 will be taken into account in considering what constitutes a reasonable delay under ATCS 8.1.8R and ATCS 8.1.9R.
- Closures: change of circumstances
- 8.1.11 R The requirements in ATCS 8.1.1R do not have to be met:
- (1) in the case of a *cash access assessment* triggered under ATCS 4.1.1R(1) (concerning closures of *designated firms*), where any notification has been given under ATCS 2.1.4R that the *relevant closure* will no longer happen; or
  - (2) in the case of a *cash access assessment* triggered under ATCS 4.1.1R(2) (concerning closures of *persons* other than *designated firms*), where any notification has been given under ATCS 2.2.4R that the *relevant closure* will no longer happen.
- Trials
- 8.1.12 R Where additional *cash access services* are provided for a trial period in accordance with a *cash access assessment*, the *designated person* who undertook it must, as soon as reasonably practicable following completion

of the trial period, update it in a manner that is compliant with ATCS 5.

- 8.1.13 R Where a *cash access assessment* is updated under ATCS 8.1.12R:
- (1) ATCS 8.1.1R applies as if references to a *cash access assessment* are to the updated *cash access assessment*;
  - (2) the requirements of ATCS 8.1.1R must be met by each *designated firm* without unreasonable delay and in any event within 3 months of the later of:
    - (a) publication of the updated information under ATCS 6.1.5R in respect of the relevant *cash access assessment*; or
    - (b) completion of any review under ATCS 9 in respect of the updated *cash access assessment* and satisfaction of any requirements in ATCS 9.2.3R.
- 8.1.14 R Where additional *cash access services* are provided for a trial period in accordance with a *cash access assessment*, the requirements of ATCS 8.1.1R must continue to be met by each *designated firm* with respect to the *cash access services* being trialled until:
- (1) the *designated person* who undertook the *cash access assessment* has complied with ATCS 8.1.12R and ATCS 6.1.5R following completion of the trial; and
  - (2) the requirements of ATCS 8.1.1R are being met in respect of any additional *cash access services* identified in the updated *cash access assessment* under ATCS 5.5.1R, whether they are the same *cash access services* as those being trialled or different.
- 8.1.15 G
- (1) The effect of ATCS 8.1.14R is that if, following completion of a trial, an updated *cash access assessment* compliant with ATCS 5.5.1R, the trialled *cash access services* may cease to be provided at the time indicated in ATCS 8.1.14R(1) without being replaced.
  - (2) ATCS 5.5.5G states that it should only be concluded in very exceptional cases where a *cash access assessment* has reached step 3 that it is not reasonable for any additional *cash access services* to be provided.

## 8.2 Publication of information about additional cash access facilities

- 8.2.1 R Each *designated firm* required to provide or procure the provision of additional *cash access services* under ATCS 8.1.1R must, as soon as reasonably practicable, publish in writing the information set out in ATCS 8.2.2R in an easily accessible place on its website.

Information to be published

- 8.2.2 R The information referred to in *ATCS 8.2.1R* comprises the following details about any existing or new *cash access facility* that will be used to provide the additional *cash access services*:
- (1) the address or location of any existing *cash access facility*, and the expected address or location of any new *cash access facility*;
  - (2) opening hours;
  - (3) accessibility information, including availability of wheelchair access, hearing loop and audio assistance;
  - (4) details of which *specified cash access services* will be available;
  - (5) whether each *specified cash access service* will allow for a reasonable mix of both coins and banknotes to be deposited or withdrawn (as appropriate);
  - (6) what (if any) *assisted cash access services* will be available;
  - (7) whether a balance enquiry service will be available;
  - (8) the expected date from which the additional *cash access services* will be provided; and
  - (9) whether the additional *cash access services* are to be provided on a permanent or trial basis and, if the latter, details of the trial period.
- 8.2.3 R *Designated firms* must keep the information they publish under *ATCS 8.2.1R* up to date.
- 8.2.4 G
- (1) A *designated firm* may not be in a position to give a definitive date under *ATCS 8.2.2R(8)*. For example, it may still be negotiating a lease of premises. In such circumstances, the *designated firm* should provide its best estimate of the date or range of dates, explaining why it is unable at that point to be more definitive.
  - (2) Examples of where the published information should be updated are where there has been a review under *ATCS 9*, or where no additional *cash access services* will be provided as a result of *ATCS 8.1.11R*.

### 8.3 Notification and signage where facility of designated firm closing

#### Notification

- 8.3.1 R
- (1) Where the requirement for a *cash access assessment* was triggered under *ATCS 4.1.1R(1)* (concerning closures of *designated firms*), the *designated firm* whose *cash access facility* is the subject of the *relevant closure* must notify the following in writing of the information set out in *ATCS 8.3.2R*:

- (a) the Member of Parliament and any Member of the Senedd, Scottish Parliament or Northern Ireland Assembly for the local area; and
  - (b) the *local authorities* for the local area.
- (2) The notification in (1) must take place as soon as reasonably practicable after a *cash access assessment* has been completed by the *designated firm*, or by a *designated coordination body* where ATCS 4.2.1R is relied on.
- 8.3.2 R The information that must be notified under ATCS 8.3.1R is as follows:
- (1) the reason why a *cash access assessment* was undertaken;
  - (2) its outcome in terms of the provision of additional *cash access services*; and
  - (3) any information required to be published under ATCS 8.2.1R.
- 8.3.3 R If any of the information notified under ATCS 8.3.1R changes as a result of ATCS 9, ATCS 8.1.11R or otherwise, the *designated firm* must, as soon as reasonably practicable, notify the relevant Member of Parliament, any relevant Member of the Senedd, Scottish Parliament or Northern Ireland Assembly, and the relevant *local authorities* of the change.

#### Role of designated coordination body

- 8.3.4 R
- (1) A *designated coordination body* may make any notifications required under ATCS 8.3.1R or ATCS 8.3.3R for its *participating designated firms*.
  - (2) Compliance by the *designated coordination body* with the notification requirements in ATCS 8.3.1R and ATCS 8.3.3R will also be treated as compliance by the *participating designated firms* with those *rules*.

#### Signage

- 8.3.5 R
- (1) Where the requirement for a *cash access assessment* was triggered under ATCS 4.1.1R(1) (concerning closures of *designated firms*), the *designated firm* whose *cash access facility* is the subject of the *relevant closure* must deploy accessible signage at that facility:
    - (a) setting out any information required to be published under ATCS 8.2.1R; and
    - (b) signposting where to find information published under ATCS 10 about the availability of *cash access services* with respect to its *relevant current accounts*.

- (2) The signage must be deployed according to the timeframe set out in ATCS 8.3.1R(2) and remain in place at least until the *relevant closure* takes place.

8.3.6 R A *designated firm* must keep the information in the signage deployed under ATCS 8.3.5R up to date.

#### 8.4 Power of direction

- 8.4.1 G (1) If the *FCA* is not satisfied that *designated persons* have complied with their obligations in this sourcebook, it may exercise its power to direct them under section 131W of the *Act* or take other appropriate measures for the purpose referred to in ATCS 1.1.1G.
- (2) By way of example, where the *FCA* considers that a *cash access assessment* has not been conducted in accordance with ATCS 5, the power of direction may be used to direct:
- (a) a *designated person* to undertake a new *cash access assessment*; or
- (b) *designated firms* to provide or procure the provision of additional *cash access services* of the type and in the manner described in the direction.

#### 8.5 Relationship with the Principles for Businesses

- 8.5.1 G *Designated firms* are reminded that the following will continue to apply to their relationships with their *customers*, as appropriate, including throughout the process of planning or dealing with any *relevant closures* of their *cash access facilities* and in the delivery of any *cash access services*:
- (1) *Principle 12* (Consumer Duty) and *PRIN 2A* (The Consumer Duty); or
- (2) *Principle 6* (Customers' interests) and *Principle 7* (Communications with clients), where *Principle 12* and *PRIN 2A* do not apply (for example, because of the type of *customer*).
- 8.5.2 G (1) FG22/6 (Branch and ATM closures or conversions), as updated on 11 October 2022, contains guidance on *Principle 6* and *Principle 7* in the context of full or partial closures of branches or automatic teller machines, and conversions of such machines from free-to-use to pay-to-use. *PRIN 2A.1.17G* explains the relevance of such guidance to consideration of *firms'* obligations under *Principle 12* and *PRIN 2A*.
- (2) Some notification or publication requirements in this sourcebook may overlap to an extent with expectations in FG22/6. Such requirements are independent of FG22/6, but where appropriate *designated firms* may be able to comply with a requirement in this

sourcebook and meet a potentially overlapping expectation in FG22/6 in the same communication.

- 8.5.3 G (1) FG21/1 (Guidance for firms on the fair treatment of vulnerable customers) is relevant to *designated firms*' relationships with their *customers*, including in the delivery of *cash access services* to them.
- (2) For *customers* with protected characteristics such as physical or mental health disabilities, *designated firms* should also be mindful of their duty to make reasonable adjustments for people with disabilities under the Equality Act 2010. In Northern Ireland, where the Equality Act 2010 is not enacted but other anti-discrimination legislation applies, *designated firms* should ensure that they comply with any applicable legislation.
- (3) *Principle 12* and *PRIN 2A* support existing legal requirements, such as those in the Equality Act 2010 and anti-discrimination legislation in Northern Ireland, by requiring *firms* to monitor whether any group of *retail customers* is experiencing different outcomes than other *customers* and take appropriate action where they do. As set out in FG22/5 (Final non-Handbook Guidance for firms on the Consumer Duty), *firms* should be able to identify when *customers* with characteristics of vulnerability or *customers* who share specific protected characteristics, under the Equality Act 2010 or equivalent legislation, receive systematically poorer outcomes. This may indicate that the *firm* is not meeting the Consumer Duty for those groups or is breaching its responsibilities under legislation.

## 9 Cash access requests: reviews

### 9.1 Reviews

- 9.1.1 R A *designated person* must carry out a review of whether a *cash access assessment* it has undertaken should be revised where a request is made in the circumstances set out in ATCS 9.1.2R.
- 9.1.2 R The circumstances referred to in ATCS 9.1.1R are where a request is made to review the outcome of a *cash access assessment*:
- (1) by a *person* with sufficient interest in whether there is reasonable provision of *cash access services* in the local area which is the subject of the *cash access assessment*;
  - (2) in writing;
  - (3) within 21 *days* of the publication of information required by ATCS 6.1.1R or ATCS 6.1.5R; and
  - (4) which refers to information that:
    - (a) the *designated person* was not aware of when it undertook or (in the case of ATCS 6.1.5R) updated the *cash access*

*assessment*, and which could have an impact on its outcome;  
or

- (b) highlights factual inaccuracies in the original or updated *cash access assessment* which could have an impact on its outcome.

9.1.3 G *ATCS 4.1.13R to ATCS 4.1.15G* apply for the purpose of establishing whether a *person* has sufficient interest under *ATCS 9.1.2R(1)*.

9.1.4 R The *designated person* must:

- (1) undertake the review required by *ATCS 9.1.1R* reasonably, diligently and fairly;
- (2) obtain any additional information necessary to complete the review;
- (3) complete it within 8 weeks of receipt of the request to review;
- (4) record in writing the reason for undertaking the review and its conclusion, together with its rationale for reaching that conclusion; and
- (5) where appropriate, produce a revised *cash access assessment*.

## 9.2 Action after review

9.2.1 R Following completion of its review, the *designated person* must confirm its conclusion promptly in writing to the *person* who requested the review, setting out its rationale.

9.2.2 G The requirement in *ATCS 9.2.1R* can be met by giving the *person* who requested the review a copy of the record referred to in *ATCS 9.1.4R(4)*.

9.2.3 R Where the review results in a revised *cash access assessment*, the *designated person* must, as soon as reasonably practicable, update the information published under *ATCS 6.1.1R* or *ATCS 6.1.5R* to explain:

- (1) that the *cash access assessment* has been reviewed;
- (2) why it has been reviewed; and
- (3) any resulting changes to the published information.

9.2.4 R Where the review results in a revised *cash access assessment* compliant with *ATCS 5*, *ATCS 8.1.1R* applies as if references to a *cash access assessment* are to the revised *cash access assessment*.

## 9.3 Closures: change of circumstances

9.3.1 R (1) A review does not have to be undertaken under *ATCS 9.1.1* (or completed, if already begun) where *ATCS 8.1.11R* applies because a



*relevant closure* is no longer happening.

- (2) Where (1) applies, the *designated person* who would otherwise undertake or complete the review must promptly give notification in writing of the following to the *person* who requested it:
  - (a) the change in circumstances; and
  - (b) that the review no longer has to be undertaken (or completed, if already begun).

## 10 Raising awareness of cash access services

### 10.1 Publication of information

- 10.1.1 R (1) A *designated firm* must publish information about the availability of *cash access services* with respect to its *relevant current accounts*.
- 10.1.1 R (2) The information referred to in (1) must be:
  - (a) published in writing in an easily accessible place on the *designated firm's* website; and
  - (b) reviewed regularly and kept up to date.
- 10.1.2 G The requirements in ATCS 10.1.1R(2)(a):
  - (1) may be met through publication of an appropriate online locator tool; and
  - (2) do not preclude additional forms of publication.

#### Exclusions

- 10.1.3 R The following information is excluded from ATCS 10.1.1R:
  - (1) information that is not reasonably accessible to or obtainable by the *designated firm*; and
  - (2) information about *cash withdrawal services* of the type falling within paragraph 2(e) of Schedule 1 to the *Payment Services Regulations* (cashback with a purchase).

### 10.2 Categories of information

- 10.2.1 G Subject to ATCS 10.1.3R, the information that should be published under ATCS 10.1.1R(1) includes details of the following for each *cash access facility* where any *cash access services* are provided, insofar as relevant to the particular type of facility:
  - (1) the type of *cash access facility*;

- (2) its address or location;
- (3) which of the *specified cash access services* are available;
- (4) opening hours;
- (5) accessibility information, including availability of wheelchair access, hearing loop and audio assistance;
- (6) what (if any) *assisted cash access services* are available;
- (7) whether each *cash access service* allows for a reasonable mix of both coins and banknotes to be deposited or withdrawn (as appropriate);
- (8) whether a balance enquiry service is available;
- (9) whether personal identification number (PIN) management services are available; and
- (10) whether any *cash access services* provided in relation to *relevant personal current accounts* are provided free of charge and, if not, what the charges are.

10.2.2 G The details in ATCS 10.2.1G are not intended to be exhaustive. Additional details should be published where these would be helpful to *customers*.

### 10.3 Role of designated coordination body

10.3.1 R A *designated coordination body* may publish the information referred to in ATCS 10.1.1R on its website for its *participating designated firms*.

10.3.2 R Where a *designated coordination body* publishes the information referred to in ATCS 10.1.1R(1), it must:

- (1) publish it in writing in an easily accessible place on its website; and
- (2) review it regularly and keep it up to date.

10.3.3 R Compliance by the *designated coordination body* with ATCS 10.3.2R will be treated as compliance by the *participating designated firm* with ATCS 10.1.1R.

10.3.4 R Where a *participating designated firm* relies on ATCS 10.3.1R, it must

- (1) publish in writing in an easily accessible place on its website, details of how the information published by the *designated coordination body* under ATCS 10.3.2R can be accessed; and
- (2) provide sufficient information to the *designated coordination body* to enable it to meet the requirement in ATCS 10.3.2R(2) to keep the published information up to date.

## TP 1 Transitional Provisions

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: date in force	Handbook provision coming into force
1.1	ATCS 4.1.6R	R	ATCS 4.1.6R applies as if the reference to 8 weeks in ATCS 4.1.6R(2) was a reference to 12 weeks.	[from the date the sourcebook comes into force to the date 3 months later]	[the date the sourcebook comes into force]
1.2	ATCS 4.1.6R	G	The effect of TP 1.1 is that for the first 3 months after ATCS 4.1.6R comes into force, the deadline for completion of a <i>cash access assessment</i> is within 12 weeks (rather than 8 weeks) of the occurrence of the triggering event (subject to the exceptional circumstances described).	[from the date the sourcebook comes into force to the date 3 months later]	[date the sourcebook comes into force]

## Sch 1 Record-keeping requirements

### Notes:

- 1 The aim of the *guidance* in the following table is to give the reader a quick overall view of the relevant record-keeping requirements.
- 2 It is not a complete statement of those requirements and should not be relied on as if it were.

Handbook reference	Subject of record	When record must be made	Contents of record	Retention period
ATCS 9.1.4R(4)	Review required by ATCS 9.1.1R	Completion of review	Reason for undertaking review, conclusion and rationale for	Not specified

			conclusion	
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## Sch 2 Notification and reporting requirements

### Notes:

- 1 The aim of the *guidance* in the following table is to give the reader a quick overall view of the relevant notification and reporting requirements.
- 2 It is not a complete statement of those requirements and should not be relied on as if it were.
- 3 The relevant *Handbook* references should be consulted to see who is subject to each notification or reporting requirement, and who the notification or report must be made to.

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
ATCS 2.1.1R and ATCS 2.1.2R	<i>Relevant closure of designated firm's cash access facility</i>	Details of <i>relevant closure</i> including those set out in ATCS 2.1.2R(3)	<i>Designated firm</i> decision, or being satisfied a <i>relevant closure</i> will happen	As soon as reasonably practicable
ATCS 2.1.4R	Where notification given under ATCS 2.1.1R but <i>relevant closure</i> will no longer happen	<i>Relevant closure</i> will no longer happen	<i>Designated firm</i> whose <i>cash access facility</i> was the subject of the <i>relevant closure</i> decides or is satisfied that <i>relevant closure</i> will no longer happen	Promptly
ATCS 2.2.1R, ATCS 2.2.2R and ATCS 2.2.3R	<i>Relevant closure of cash access facility of person other than designated firm</i>	Information set out in ATCS 2.2.2R(2)	<i>Designated person</i> aware of <i>relevant closure</i> as a result of publicly available information	As soon as reasonably practicable
ATCS 2.2.4R	Where notification given under ATCS 2.2.1R but <i>relevant closure</i> will no longer happen	<i>Relevant closure</i> will no longer happen	<i>Designated person</i> undertaking <i>cash access assessment</i> satisfied on the basis of publicly available information that	Promptly

			<i>relevant closure</i> will no longer happen	
ATCS 3.2.1R	The matters set out in ATCS 3.1.2R	Information set out in ATCS 3.1.2R	Not specified	Not specified
ATCS 3.3.6R	Receipt of <i>cash access request</i> by <i>designated person</i> who undertakes <i>cash access assessments</i> under ATCS 4.1.1R(3)	Copy of <i>cash access request</i>	Receipt of <i>cash access request</i>	Promptly
ATCS 3.3.9R	Withdrawal of <i>cash access request</i>	<i>Cash access request</i> has been withdrawn	Clear indication in writing by <i>cash access requester</i> to relevant <i>designated person</i>	Promptly
ATCS 4.2.5R	Ceasing to be <i>participating designated firm</i>	Cessation of participation, including when due to take place and reason for it	<i>Participating designated firm</i> aware of cessation of participation	As soon as reasonably practicable in advance
ATCS 7.2.2R	Substantial changes to policies and procures in ATCS 7.1.1R	Description of substantial changes	<i>Designated person</i> proposes to update policies and procedures	When the update is proposed
ATCS 8.3.1R	Information from <i>designated firm</i> whose <i>cash access facility</i> is the subject of the <i>relevant closure</i>	Reason why <i>cash access assessment</i> undertaken, outcome regarding additional <i>cash access services</i> , and information set out in ATCS 8.2.2R	Completion of relevant <i>cash access assessment</i>	As soon as reasonably practicable
ATCS 8.3.3R	Changes to information notified under ATCS 8.3.1R	Changes to the information	Changes to the information	As soon as reasonably practicable
ATCS 9.3.1R(2)	Effect of ATCS 9.3.1R(1)	Change in circumstances and review no longer has to be undertaken (or completed, if	When ATCS 8.1.11R applies	Promptly

		already begun)		
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### Sch 3 Fees and other required payments

Not used

### Sch 4 Rights of action for damages

- 4.1 The table below sets out the *rules* in *ATCS* contravention of which by an *authorised person* may be actionable under section 138D of the *Act* (Actions for damages) by a *person* who suffers loss as a result of the contravention.
- 4.2 If a ‘Yes’ appears in the column headed ‘For private person?’, the *rule* may be actionable by a *private person* under section 138D (or, in certain circumstances, their fiduciary or representative; see article 6(2) and 3(c) of the Financial Services and Markets Act 2000 (Rights of Action) Regulations 2001 (SI 2001/2256)). A ‘Yes’ in the column headed ‘Removed’ indicates that the *FCA* has removed the right of action under section 138D(3) of the *Act*. If so, a reference to the *rule* in which it is removed is also given.
- 4.3 The column headed ‘For other person?’ indicates whether the *rule* may be actionable by a *person* other than a *private person* (or their fiduciary or representative) under article 6(2) and (3) of those regulations. If so, an indication of the type of *person* by whom the *rule* may be actionable is given.

Rule	Right of action under section 138D		
	For private person?	Removed?	For other person?
All rules in <i>ATCS</i>	No	Yes <i>ATCS</i> 1.6.1R	No

### Sch 5 Rules that can be waived

- 5.1 As a result of section 138A of the *Act* (Modification or waiver of rules) the *FCA* has power to waive all its *rules*, other than *rules* made under section 64A (Rules of conduct), section 137O (Threshold condition code), section 247 (Trust scheme rules), section 248 (Scheme particulars rules), section 261I (Contractual scheme rules) or section 261J (Contractual scheme particulars rules) of the *Act*.

## Appendix 2

# Data collection from Post Office and LINK

1. The tables in this annex outline the data items we propose to gather from the Post Office and ATM network (LINK). This data will be used to support our supervisory efforts, as outlined in chapter 9 of the consultation paper. As with the branch monitoring and proposed closures data we propose to require designated firms to report to us, we will be requesting this information is submitted as an XML file.

## Post Office

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2. This table contains the data we propose to gather from the Post Office.

### Notes:

- By ATM IDs we mean the IDs used by the LINK Scheme Ltd. ATM ID formats vary. The most common case is an 8-symbol ID containing both letters and numbers (can also be prepended by a 6-digit firm ID).
- Please endeavour to submit as much information as you can. It is important that you list all branches, but excluding branches that have already been permanently closed. If a permanent closure of a branch has been announced or decided upon, but has not yet eventuated, the branch should still be included even if it is temporarily closed.
- The submission should contain one row per branch. The first row should include column names (single row) as per the Template tab. Should you need to include custom header names which require notes, please provide such notes separately (for example, by including an explanation in an email).
- In all cases empty (missing) cells should only be used to indicate unknown, unavailable, or not applicable. In particular, known values in Boolean columns should only be either TRUE or FALSE; similarly, zeroes in numeric columns should only denote known zero values, etc.
- Please let us know of any data quality concerns or where data has not been cleaned/checked, etc.

Data reporting field identifier	Data reporting field definition	Type	Notes
<b>A: Identifying information</b>			
6-FAD	The 6-digit unique branch identifier for this branch, without the postcode appended.	6-digit code	
Branch_name	Branch name.	text	
Leasehold	This branch is a leasehold which is due to expire <b>within the next 12 months</b> .	TRUE/ FALSE/ missing	
<b>B: Location information</b>			
Postcode	Postcode.	text	Preferred format: <outcode><single space><incode>, where: <ul style="list-style-type: none"> <li>the outcode contains 2, 3, or 4 alphanumeric characters and is of the form AN, ANN, AAN, ANA, AANN, or AANA, with A denoting a letter and N denoting a digit, and</li> <li>the incode is 1 digit and two letters (NAA).</li> </ul> For example, "E20 1JN". If possible, please ensure any terminated postcodes are replaced with their correct live versions.
Address	Branch address, excluding postcode.	text	Please include building name/number(s), where applicable. Please avoid abbreviations as much as possible. For example, "Financial Conduct Authority, 12 Endeavour Square, London". A single line address is preferred, but it is acceptable to include separate columns for Address_1, Address_2, etc.
Easting	Branch location: British National Grid (BNG) coordinates (OSGB 1936 / EPSG: 27700), easting and northing.	numeric	Note that BNG is used for all of the UK, including Northern Ireland. Various databases for Northern Ireland will commonly use versions of the Irish National Grid instead (typically either IRENET95, EPSG: 2157 or TM75, EPSG: 29903).
Northing		numeric	
Latitude	Branch location: World Geodetic System 1984 (WGS) coordinates (WGS 84, EPSG: 4326), latitude and longitude.	numeric	
Longitude		numeric	



Data reporting field identifier	Data reporting field definition	Type	Notes
<b>C: Opening hours</b>			
Trading_status	This should be input as Open or Temp Closed depending on status of the branch.	text	
Trading_sub_status	This should be input as Open, Short term temp closed or Long term temp closed depending on the status of the branch.	text	
Closed_duration	The length of time the branch has been closed in months.	numeric	
Approx_closed_date	The date that this branch was closed on if labelled Temp Closed in column 'Trading_status'.	date	The date should be in DD-MM-YYYY format.
Temp_closed_days	How many days has this branch been closed for in the quarterly period the data relates to?	numeric	Please approximate if precise count is not available. Enter 0 if no such closures; leave empty if unknown.
Temp_closed_reason	Reason(s) for temporary closure(s), e.g., 'maintenance'.	text	If more than one reason, please enter a semicolon-separated list (preferably in order of importance).  If one of the reasons is clearly more important, you do not need to list all of them. For example, if a branch has been closed for 5 days due to maintenance and for 1 day due to, say, weather conditions, please include maintenance as the main reason.

Data reporting field identifier	Data reporting field definition	Type	Notes
OH_Mon OH_Tue OH_Wed OH_Thu OH_Fri OH_Sat OH_Sun	<b>Current</b> branch opening hours.	text	<p>Here 'current' should be taken to mean typical in the most recent period. Generally, these will be the opening hours at the end of the reporting period.</p> <p>However, please do not report any very short-term temporary changes, e.g., when a branch happened to be closed on a particular day during the last week of the quarter, but such a change was a one-off.</p> <p>For the purposes of this definition, 'short-term' should be taken to mean a period of time less than 2 weeks. Changes 'until further notice' are generally not short-term.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>'09:00-16:00' denotes a branch open from 9am to 4pm without a break,</li> <li>'08:45-12:30; 13:30-15:00' denotes a branch open from 8:45am to 12:30pm, closing (e.g., for lunch) from 12:30pm to 1:30pm, and then open from 1:30pm to 3pm.</li> </ul> <p>If a branch is closed on a given day, this should be recorded using a single keyword 'closed'. Note that this is not the same as an empty cell, which indicates that the opening hours for this branch are unknown (i.e., you do not know the opening hours for this branch).</p> <p>Please adhere to the formatting guidelines as much as possible:</p> <ul style="list-style-type: none"> <li>A single time should be recorded as HH:MM where HH is a zero-padded hour between 00 and 23 (24-hour clock) and MM is a zero-padded minute between 00 and 59. (This is the reduced precision extended ISO 8601 format without seconds and with the qualifier 'T' omitted as there's no risk of ambiguity.)</li> <li>A range should be recorded as &lt;from&gt;-&lt;to&gt; (separated by a single dash), with both from and to in the HH:MM format, and from time earlier than to time. Multiple ranges should be separated by a semicolon.</li> </ul>
OH_Reduced	These opening hours have been reduced relative to pre-Covid-19 levels, i.e., relative to February 2020.	TRUE/ FALSE/ missing	(This should be TRUE if any opening hours have been reduced.)

Data reporting field identifier	Data reporting field definition	Type	Notes
OTHER_HOURS	Any other information on opening hours, if applicable. Free format.	any	
<b>D: Branch characteristics and internal facilities</b>			
Branch_type	The type of contract that this branch is under.	text	It would be helpful if this field could include proposed banking hubs in addition to the currently open banking hubs which are already provided and labelled as such in this field. If the facilities for proposed banking hubs are currently unknown, these fields would be left empty.
Capacity_RAG_rating	Red/Amber/Green rating of capacity to take on new customers.	text	Based on internally developed models or definitions of capacity .
Counter_f2f	This branch has assisted services, i.e. either a counter or face-to-face services or both.	TRUE/ FALSE/ missing	
Counter_all	Please provide an estimate of the total number of counters within the branch which serve either personal and/or SME customers.	numeric	A counter is classified as a staffed unit which provides cash deposit facilities for customers.  Please include any counter which is staffed. Do not include counters which are never staffed or which do not allow for cash deposit and withdrawal.
Counter_personal	Please provide an estimate of the total number of counters within the branch which serve personal customers.	numeric	A counter is classified as a staffed unit which provides cash deposit facilities for customers.  Please include any counters which serve personal customers.
Counter_sme	Please provide an estimate of the total number of counters within the branch which serve SME customers.	numeric	A counter is classified as a staffed unit which provides cash deposit facilities for customers.  Please include any counters which serve SME customers.

Data reporting field identifier	Data reporting field definition	Type	Notes
Consumer_deposits	This branch has <b>internal free-to-use facilities</b> for <b>personal</b> banking customers to make cash deposits.	TRUE/ FALSE/ missing	<p><b>Any</b> facilities qualify, including counter-based, 'Smart ATMs' with deposit function, etc.</p> <ul style="list-style-type: none"> <li>Please note that: <ul style="list-style-type: none"> <li>a branch will be considered 'business only' if it has no free-to-use internal facilities for cash deposits or withdrawals available to personal banking customers.</li> <li>a branch will be considered 'cashless' if all 4 statements regarding business and consumer deposits and withdrawals are false (i.e., there are no free-to-use internal facilities for cash deposits or withdrawals available to either business or personal banking customers).</li> </ul> </li> </ul> <p>If a branch does not deal with current accounts and has no ATMs or other such facilities for cash withdrawals or deposits, but still deals with <b>savings accounts</b> (so that customers can, at least in principle, withdraw cash from or deposit it into their savings accounts), <b>please answer TRUE to the relevant question(s) and make a note in OTHER_TYPE = "Savings only"</b>.</p>
Business_deposits	This branch has <b>internal free-to-use facilities</b> for <b>business</b> banking customers to make cash deposits.	TRUE/ FALSE/ missing	<p><b>Any</b> facilities qualify, including counter-based, 'Smart ATMs' with deposit function, etc.</p>
Consumer_withdrawals	This branch has <b>internal free-to-use facilities for personal</b> banking customers to make cash withdrawals.	TRUE/ FALSE/ missing	<p><b>Any</b> facilities qualify, including counter-based, ATMs, etc.</p>
Business_withdrawals	This branch has <b>internal free-to-use facilities for business</b> banking customers to make cash withdrawals.	TRUE/ FALSE/ missing	<p><b>Any</b> facilities qualify, including counter-based, ATMs, etc.</p>

Data reporting field identifier	Data reporting field definition	Type	Notes
Business_balance_enquiries	This branch offers balance enquiry services for business accounts.	TRUE/ FALSE/ missing	
Int_FTU_ATM_IDs	IDs of all internal free-to-use ATMs	text	<p>A semicolon-separated list (if more than one).</p> <p>Enter 'none' if no internal FTU ATMs present.</p> <p>Leave empty only if unknown (alternatively, indicate this by a single keyword 'unknown').</p> <p>In the unlikely event these IDs are unknown to you, please provide information about the number of such ATMs - enter an integer (0,1,2,...).</p>
Int_PTU_ATM_IDs	IDs of all internal pay-to-use ATMs	text	<p>A semicolon-separated list (if more than one).</p> <p>Enter 'none' if no internal PTU ATMs present.</p> <p>Leave empty only if unknown (alternatively, indicate this by a single keyword 'unknown').</p> <p>In the unlikely event these IDs are unknown to you, please provide information about the number of such ATMs - enter an integer (0,1,2,...).</p>

#### E: Branch accessibility

Wheelchair	This branch is wheelchair accessible.	TRUE/ FALSE/ missing	
Stepfree	This branch has step-free access.	TRUE/ FALSE/ missing	
Hearing	This branch has hearing/induction loop available.	TRUE/ FALSE/ missing	
Visual_impairment	This branch has a speaking ATM or counter service available.	TRUE/ FALSE/ missing	
OTHER_ACCESS	Any other branch accessibility information, if applicable.	any	Free format.

Data reporting field identifier	Data reporting field definition	Type	Notes
<b>F: External facilities</b>			
Ext_deposit	This branch has external machines or safes that allow customers to deposit cash into their accounts.	TRUE/ FALSE/ missing	Examples may include, but are not limited to: envelope deposit machines, smart deposit machines, ATMs that accept cash deposits. This should be TRUE if any such machines are available.
Ext_FTU_ATM_IDs	IDs of all external free-to-use ATMs.	text	A semicolon-separated list (if more than one).  Enter 'none' if no external FTU ATMs present.  Leave empty only if unknown (alternatively, indicate this by a single keyword 'unknown').  In the unlikely event these IDs are unknown to you, please provide information about the number of such ATMs - enter an integer (0,1,2,...).
Ext_PTU_ATM_IDs	IDs of all external pay-to-use ATMs	text	A semicolon-separated list (if more than one).  Enter 'none' if no external PTU ATMs present.  Leave empty only if unknown (alternatively, indicate this by a single keyword 'unknown').  In the unlikely event these IDs are unknown to you, please provide information about the number of such ATMs - enter an integer (0,1,2,...).
Ext_24_7	The external facilities at this branch are accessible 24/7.	TRUE/ FALSE/ missing	
OTHER_EXTERNAL	Any other external facilities (covering cash access services), if applicable, or any additional notes.	any	Free format.

Data reporting field identifier	Data reporting field definition	Type	Notes
<b>G: Usage levels</b>			
Footfall_total	Your best estimate of the number of customers served at this branch in the quarterly period the data relates to for any service, including both banking and non-banking visits.	numeric	The total footfall would include all customers who made use of any internal facilities regardless of the service. This does not include personal customers who only used external facilities (e.g., external ATMs). This is the sum of every visit by customers.
Footfall_banking_consumer	Your best estimate of the number of customers served at this branch in the quarterly period the data relates to for banking services <b>only</b> .	numeric	The total footfall would include all <b>personal customers</b> who made use of any internal facilities regardless of the service. This does not include personal customers who only used external facilities (e.g., external ATMs). This is the sum of every visit by customers.
Footfall_banking_business	Your best estimate of the number of customers served at this branch in the quarterly period the data relates to for banking services <b>only</b> .	numeric	The total footfall would include all <b>business customers</b> who made use of any internal facilities regardless of the service. This does not include personal customers who only used external facilities (e.g., external ATMs). This is the sum of every visit by customers.
Vol_withdrawal_consumer	Your best estimate of the total volume, in pounds (i.e., the total value, or the sum of all the transaction amounts), of in-branch personal cash withdrawals in the quarterly period the data relates to.	numeric	Note that this is the total pound value of withdrawals from accounts, not the total amount of transactions. This figure should include withdrawals made from accounts that thereafter closed during the quarter.  Please do <b>not</b> include the currency symbol (all values should be in pounds) or any thousands' separators (commas). Use dot as a decimal separator if the number includes pence (but this is unnecessary).
Vol_withdrawal_business	Your best estimate of the total volume, in pounds (i.e., the total value, or the sum of all the transaction amounts), of in-branch business cash withdrawals in the quarterly period the data relates to.	numeric	Note that this is the total pound value of withdrawals from accounts, not the total amount of transactions. This figure should include withdrawals made from accounts that thereafter closed during the quarter.  Please do <b>not</b> include the currency symbol (all values should be in pounds) or any thousands' separators (commas). Use dot as a decimal separator if the number includes pence (but this is unnecessary).

Data reporting field identifier	Data reporting field definition	Type	Notes
Vol_deposit_consumer	Your best estimate of the total volume, in pounds (i.e., the total value, or the sum of all the transaction amounts), of in-branch personal cash deposits in the quarterly period the data relates to.	numeric	Note that this is the total pound value of deposits into accounts, not the total amount of transactions. This figure should include deposits made into accounts that thereafter closed during the quarter.  Please do <b>not</b> include the currency symbol (all values should be in pounds) or any thousands' separators (commas). Use dot as a decimal separator if the number includes pence (but this is unnecessary).
Vol_deposit_business	Your best estimate of the total volume, in pounds (i.e., the total value, or the sum of all the transaction amounts), of in-branch business cash deposits in the quarterly period the data relates to.	numeric	Note that this is the total pound value of deposits into accounts, not the total amount of transactions. This figure should include deposits made into accounts that thereafter closed during the quarter.  Please do <b>not</b> include the currency symbol (all values should be in pounds) or any thousands' separators (commas). Use dot as a decimal separator if the number includes pence (but this is unnecessary).
Withdrawal_txns_consumer	Your best estimate of the total number of in-branch personal withdrawal transactions in the quarterly period the data relates to. This is inclusive of internal ATM transactions.	numeric	
Withdrawal_txns_business	Your best estimate of the total number of in-branch business withdrawal transactions in the quarterly period the data relates to. This is inclusive of internal ATM transactions.	numeric	
Deposit_txns_consumer	Your best estimate of the total number of in-branch personal deposit transactions in the quarterly period the data relates to. This is inclusive of internal ATM transactions.	numeric	



Data reporting field identifier	Data reporting field definition	Type	Notes
Deposit_txns_business	Your best estimate of the total number of in-branch business deposit transactions in the quarterly period the data relates to. This is inclusive of internal ATM transactions.	numeric	
Balance_enqs_consumer	Your best estimate of the total number of in-branch personal balance enquiries in the quarterly period the data relates to. This is inclusive of internal ATM transactions.	numeric	
Balance_enqs_business	Your best estimate of the total number of in-branch business balance enquiries in the quarterly period the data relates to. This is inclusive of internal ATM transactions.	numeric	
Defn_regular_personal_customer	Your definition of a regular personal customer.	any	Free format.  Regular customers may differ from registered customers as those registered at one branch may regularly use another branch e.g. a city centre branch may have a much greater number of regular customers than registered customers as those registered at other branches use a city centre branch because their workplace is nearby.
No_regular_personal_customers	The number of personal customers regularly using this branch based on above definition of regular personal customer.	numeric	
Defn_regular_SME_customer	Your definition of a regular SME customer.	any	Free format.

Data reporting field identifier	Data reporting field definition	Type	Notes
No_regular_SME_customers	The number of SME customers regularly using this branch based on the above definition of regular SME customer.	numeric	
No_SME_deposit_customers	Your best estimate of the total number of regular SME customers using this branch for cash deposits as at the end of the quarterly period the data relates to, based on the above definition of regular customer.	numeric	
No_SME_withdrawal_customers	Your best estimate of the total number of regular SME customers using this branch for cash withdrawals as at the end of the quarterly period the data relates to, based on the above definition of regular customer.	numeric	
SME_limits	Your best estimate of the number of regular SME customers (as defined above) who came within 5% of deposit or withdrawal limits in the in the quarterly period the data relates to.	numeric	In cases where there are separate daily limits, biannual and annual limits, please sum the number of SME customers that were within 5% of daily limits, those that were within 5% of biannual limits, and those that were within 5% of annual limits.
Consumer_limits	Your best estimate of the number of regular personal customers (as defined above) who came within 5% of deposit or withdrawal limits in the quarterly period the data relates to.	numeric	In cases where there are separate daily limits, biannual and annual limits, please sum the number of personal customers that were within 5% of daily limits, those that were within 5% of biannual limits, and those that were within 5% of annual limits.

## ATM network (LINK)

3. This table contains the data we propose to gather from the main UK ATM network (LINK).

### Notes:

- By ATM IDs we mean the IDs used by the LINK Scheme Ltd. ATM ID formats vary. The most common case is an 8-symbol ID containing both letters and numbers (can also be prepended by a 6-digit firm ID).
- Please endeavour to submit as much information as you can. It is important that you list all ATMs, but excluding ATMs that have already been permanently closed. If a permanent closure of an ATM has been announced or decided upon, but has not yet eventuated, the ATM should still be included.
- The submission should contain one row per ATM. The first row should include column names (single row) as per the Template tab. Should you need to include custom header names which require notes, please provide such notes separately (for example, by including an explanation in an email).
- In all cases empty (missing) cells should only be used to indicate unknown, unavailable, or not applicable. In particular, known values in Boolean columns should only be either TRUE or FALSE; similarly, zeroes in numeric columns should only denote known zero values, etc.
- Please let us know of any data quality concerns or where data has not been cleaned/checked, etc.

Data reporting field identifier	Data reporting field definition	Type	Notes
<b>A: Identifying information</b>			
UniqueID	Unique ATM ID.	6-digit code	
ATM Operator Name	ATM Operator Name.	text	
<b>B: Location information</b>			
Location	Type of business in which ATM is located. For instance bank, convenience store, supermarket etc.	text	Based on internal definitions. Where this does not fall into a common grouping flag as other
Premises	Name of the business in which the ATM is located.	text	

Data reporting field identifier	Data reporting field definition	Type	Notes
Postcode	Postcode.	text	Preferred format: <outcode><single space><incode>, where: <ul style="list-style-type: none"> <li>the outcode contains 2, 3, or 4 alphanumeric characters and is of the form AN, ANN, AAN, ANA, AANN, or AANA, with A denoting a letter and N denoting a digit, and</li> <li>the incode is 1 digit and two letters (NAA).</li> </ul> For example, "E20 1JN". If possible, please ensure any terminated postcodes are replaced with their correct live versions.
Address	ATM address, excluding postcode.	text	Please include building name/number(s), where applicable. Please avoid abbreviations as much as possible. For example, "Financial Conduct Authority, 12 Endeavour Square, London". A single line address is preferred, but it is acceptable to include separate columns for Address_1, Address_2, etc.
External	This ATM is external.	TRUE/ FALSE/ missing	Missing/empty values indicate unknown. FALSE indicates an internal ATM.
Branch	This ATM is at a branch.	TRUE/ FALSE/ missing	Missing/empty values indicate unknown. FALSE indicates a remote ATM.
Rural	This ATM is in a rural area.	TRUE/ FALSE/ missing	Missing/empty values indicate unknown. FALSE indicates the ATM is in an urban area.
Easting	Branch location: British National Grid (BNG) coordinates (OSGB 1936 / EPSG: 27700), easting and northing.	numeric	Note that BNG is used for all of the UK, including Northern Ireland. Various databases for Northern Ireland will commonly use versions of the Irish National Grid instead (typically either IRENET95, EPSG: 2157 or TM75, EPSG: 29903).
Northing		numeric	
Latitude	ATM location: World Geodetic System 1984 (WGS) coordinates (WGS 84, EPSG: 4326), latitude and longitude.	numeric	Note that these are reprojected BNG coordinates.
Longitude		numeric	

Data reporting field identifier	Data reporting field definition	Type	Notes
<b>C: Deprivation</b>			
Highly_deprived_area	Is this ATM located in a highly deprived area	TRUE/ FALSE/ missing	Highly deprived area based on internal firm definitions Missing/empty values indicate unknown. FALSE indicates not a deprived area. TRUE indicates is a deprived area
Financial_inclusion	This ATM is identified as serving one of the areas falling under LINK's financial inclusion programme	TRUE/ FALSE/ missing	Missing/empty values indicate unknown. FALSE indicates the ATM does not serve one of the areas falling under LINK's financial inclusion programme.
<b>D: Protected ATMs</b>			
Protected_ATM	This ATM is a protected ATM.	TRUE/ FALSE/ missing	FALSE indicates the ATM is not protected. Missing/empty values indicate unknown.
Date_ATM_became_protected	The date this ATM became protected in DD-MM-YYYY format.	date	
<b>E: Charges</b>			
PTU	This ATM is PTU.	TRUE/ FALSE/ missing	
ATM Charge (£0.00) per Withdrawal	If the ATM is PTU, the cost per withdrawal at this ATM without the £ symbol, rounded to two decimal places.	numeric	
Date of PTU/FTU conversion date	If applicable, the date of PTU/FTU conversion in DD-MM-YYYY format. If not applicable, please leave empty.	date	
<b>F: Accessibility</b>			
Speaking_ATM	This ATM is a speaking ATM.	TRUE/ FALSE/ missing	

Data reporting field identifier	Data reporting field definition	Type	Notes
<b>G: Usage levels</b>			
Vol_withdrawal_consumer	Your best estimate of the total volume, in pounds (i.e., the total value, or the sum of all the transaction amounts), of personal cash withdrawals in the quarterly period the data relates to.	numeric	Note that this is the total pound value, not the total amount of transactions. Please do <b>not</b> include the currency symbol (all values should be in pounds) or any thousands' separators (commas). Use dot as a decimal separator if the number includes pence (but this is unnecessary).
Vol_withdrawal_business	Your best estimate of the total volume, in pounds (i.e., the total value, or the sum of all the transaction amounts), of business cash withdrawals in the quarterly period the data relates to.	numeric	Note that this is the total pound value, not the total amount of transactions. Please do <b>not</b> include the currency symbol (all values should be in pounds) or any thousands' separators (commas). Use dot as a decimal separator if the number includes pence (but this is unnecessary).
Vol_deposit_consumer	Your best estimate of the total volume, in pounds (i.e., the total value, or the sum of all the transaction amounts), of personal cash deposits in the quarterly period the data relates to.	numeric	Note that this is the total pound value, not the total amount of transactions. Please do <b>not</b> include the currency symbol (all values should be in pounds) or any thousands' separators (commas). Use dot as a decimal separator if the number includes pence (but this is unnecessary).
Vol_deposit_business	Your best estimate of the total volume, in pounds (i.e., the total value, or the sum of all the transaction amounts), of business cash deposits in the quarterly period the data relates to.	numeric	Note that this is the total pound value, not the total amount of transactions. Please do <b>not</b> include the currency symbol (all values should be in pounds) or any thousands' separators (commas). Use dot as a decimal separator if the number includes pence (but this is unnecessary).

Data reporting field identifier	Data reporting field definition	Type	Notes
Withdrawal_txns_consumer	Your best estimate of the total number of personal withdrawal transactions in the quarterly period the data relates to.	numeric	
Withdrawal_txns_business	Your best estimate of the total number of business withdrawal transactions in the quarterly period the data relates to.	numeric	
Deposit_txns_consumer	Your best estimate of the total number of personal deposit transactions in the quarterly period the data relates to.	numeric	
Deposit_txns_business	Your best estimate of the total number of business deposit transactions in the quarterly period the data relates to.	numeric	
Balance_enqs_consumer	Your best estimate of the total number of personal balance enquiries in the quarterly period the data relates to.	numeric	
Balance_enqs_business	Your best estimate of the total number of business balance enquiries in the quarterly period the data relates to.	numeric	

