

Cash vs Digital

A VocaLink Perspective

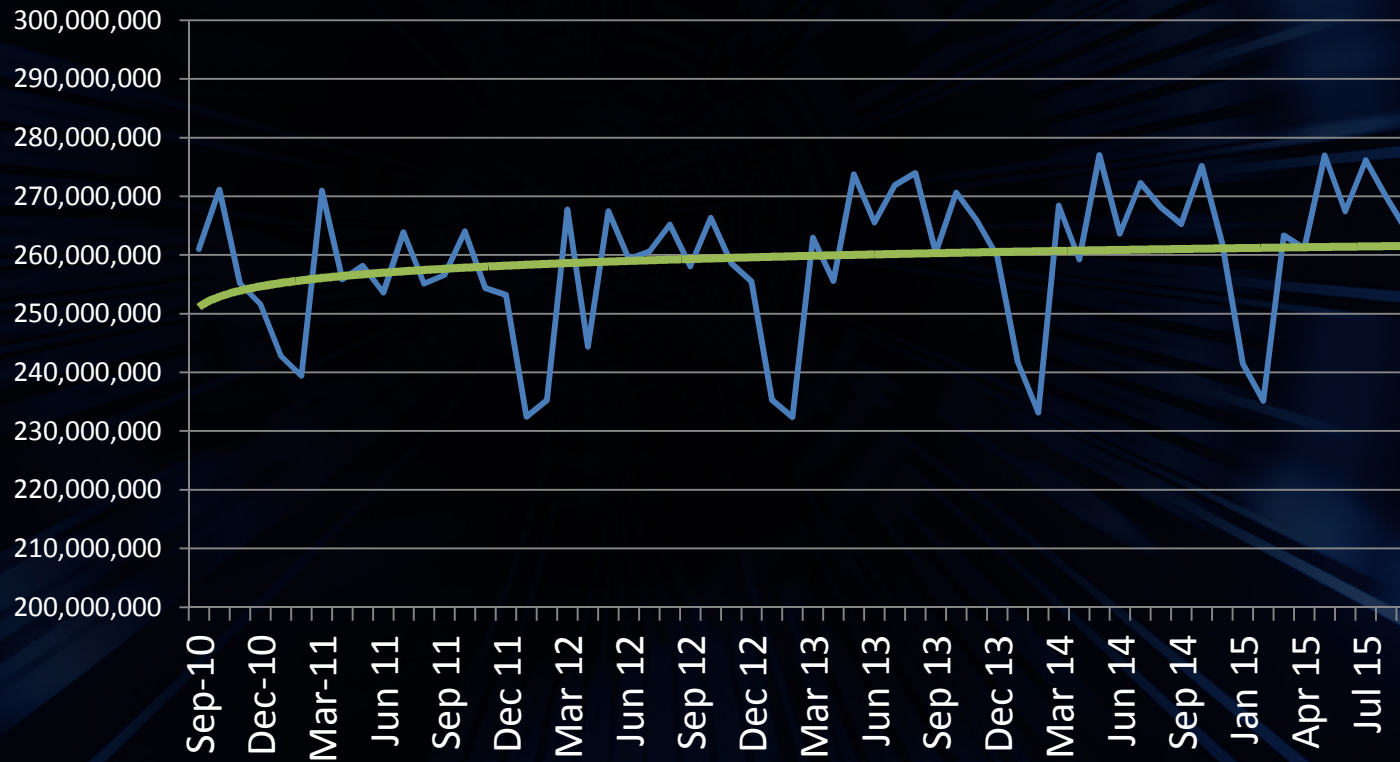
Sara Parker, Product Director
LINK ATM Services



VocaLink Statistics

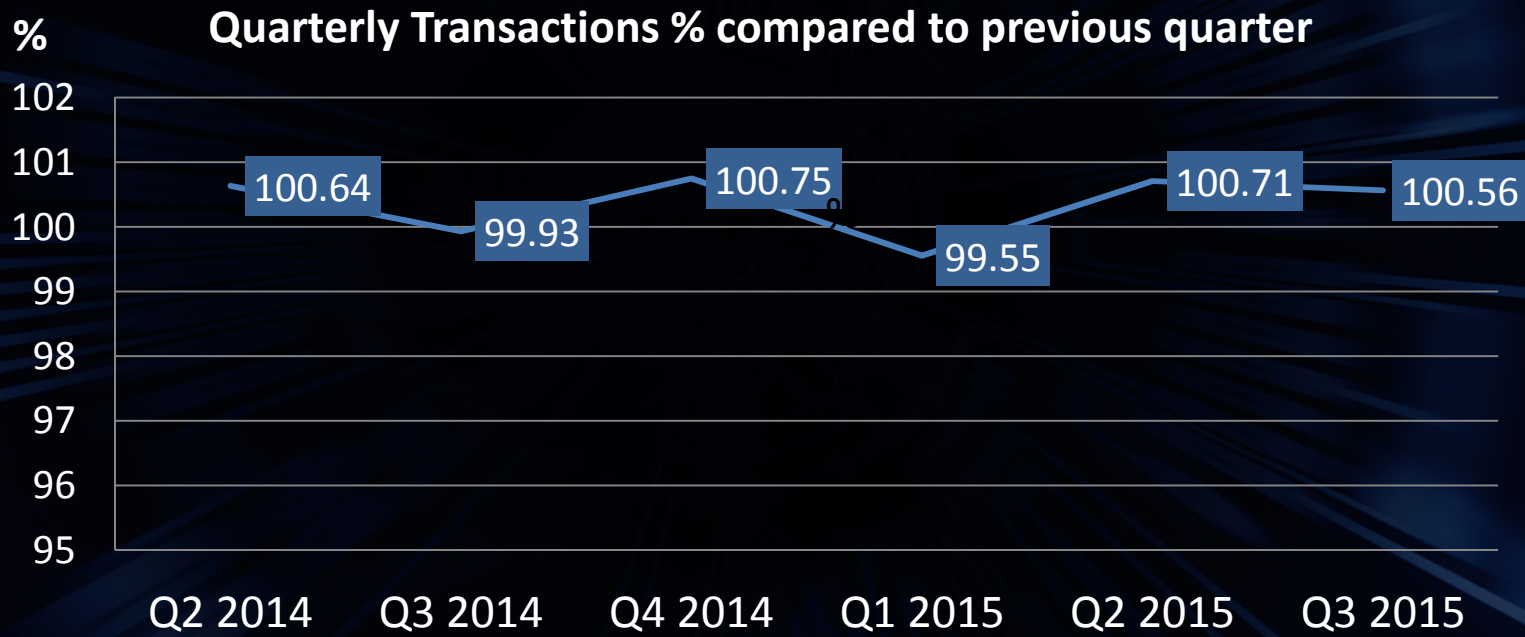
- Number of ATMs increased by over 7,000 (11.5%) in last 5 years – Now over 70,000 ATMs

LINK Transactions Switched - 5 year view



VocaLink Statistics

- Transaction Volumes over last 6 quarters has been flat



VocaLink Statistics

- October 2015 – Busiest month ever on the LINK Network
- 2014 - 18bn cash payments
- 2014 – Over £125bn dispensed on LINK

281m

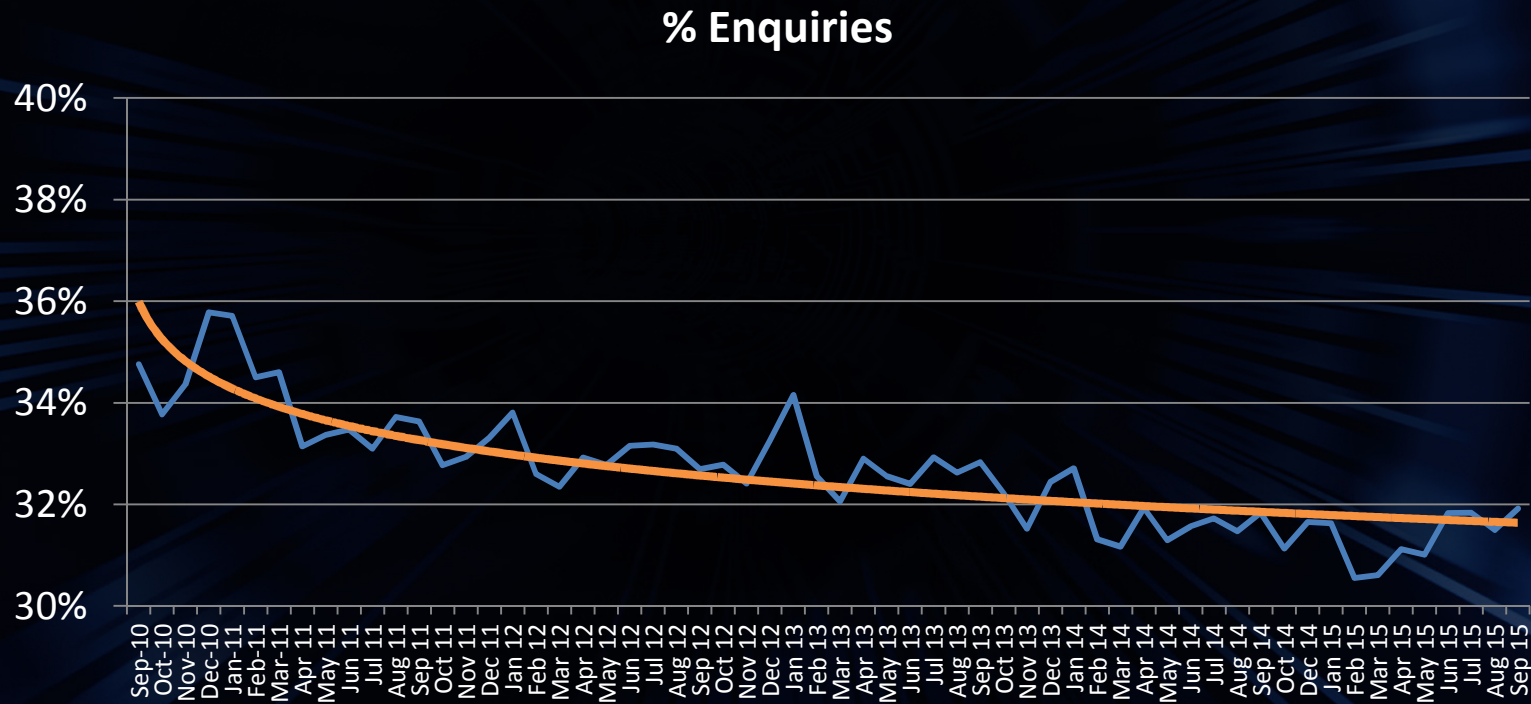
Transactions on LINK network – Oct 2015

70,000

ATMs on LINK network – July 2015

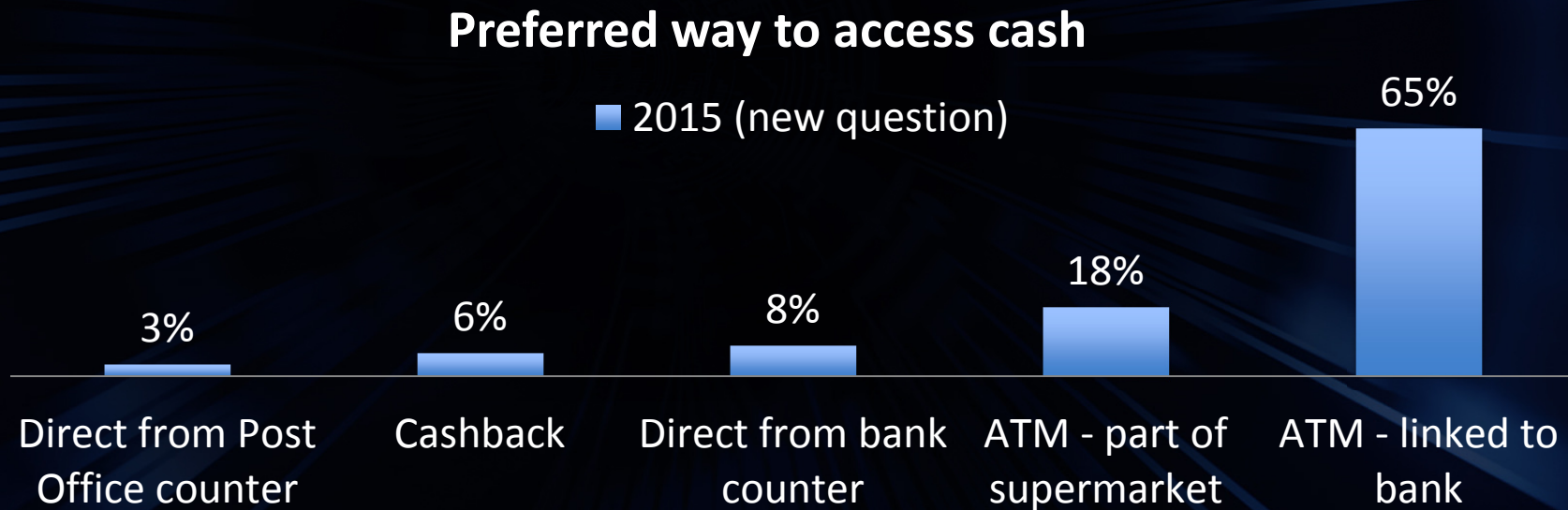
VocaLink Statistics

- Ratio of Balance Enquiries to Cash reducing – digital impact, Mobile Banking



Consumer Insights

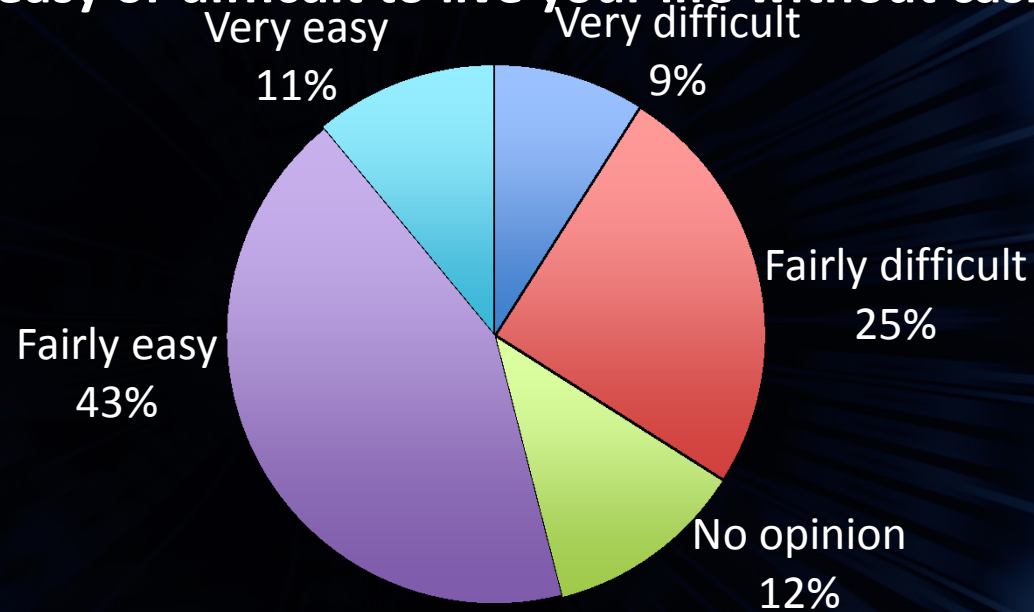
- Respondents were asked what is their preferred way to access cash:



Consumer Insights

- We asked respondents 'How easy or difficult to live your life without cash':

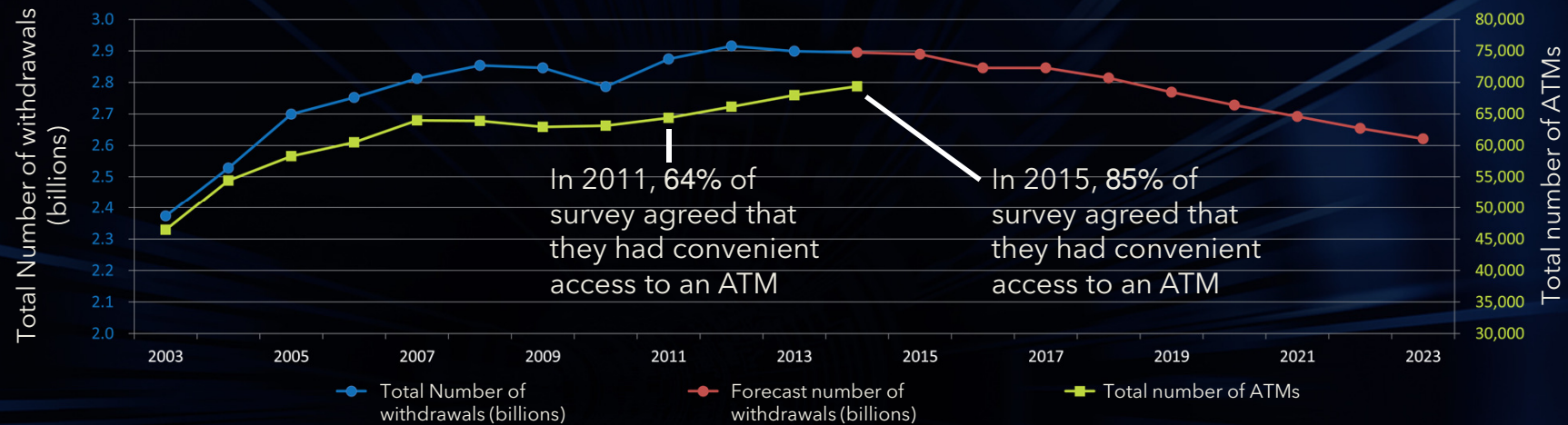
How easy or difficult to live your life without cash?



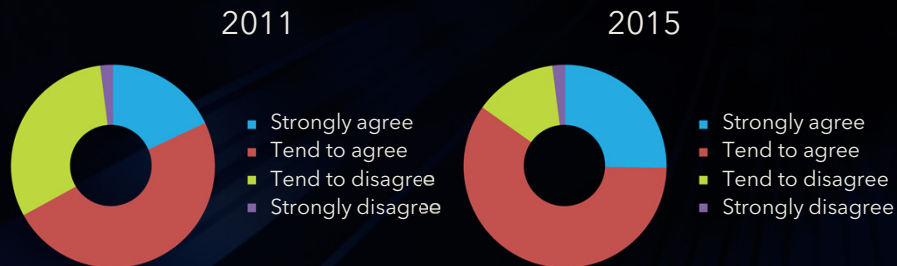
Respondents stating "Very easy"	Overall average	11%
	Under 45s	14%
	45+	8%

Respondents stating "Fairly easy"	£40k+ pa	51%
	under £20k p.a.	35%

Our research shows the ATM is increasingly convenient

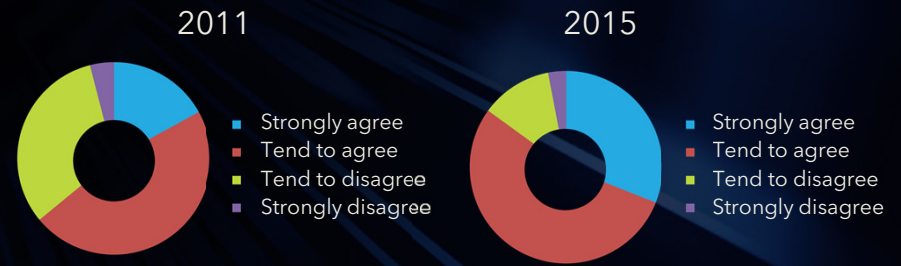


"I think an ATM is a very convenient way to do things"



From 2011 to 2015 those agreeing increased from 67% to 84%

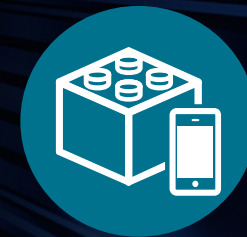
"I have an ATM that is convenient for me to use"



From 2011 to 2015 those agreeing increased from 64% to 85%

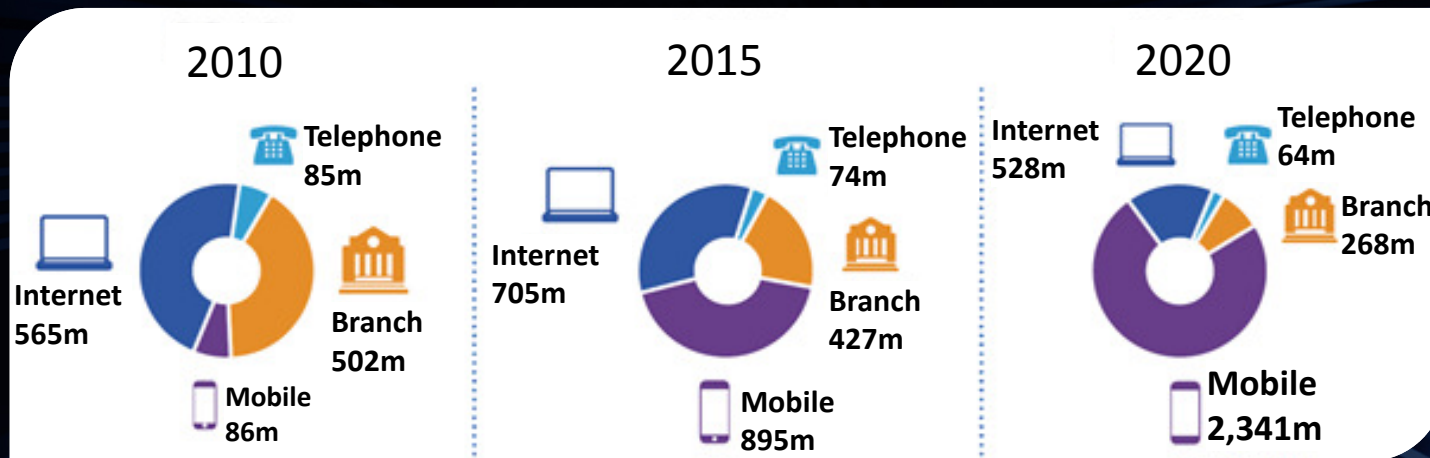
So what's next

- Increasingly digital
- New channels and technology
- Increasing user demand



So what's next

- By 2020 almost 90% of Customer to Bank interaction will be done via internet or mobile
- Importantly this interaction is currently done **directly** between the Bank and Customer, allowing for cross selling of products and services



So what's next...for Cash

- Polymer notes
- Universal Deposit
- Branch Transformation



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