

Specific Direction 8a extending the duration of Specific Direction 8: LINK

Specific Direction 8a:
Varying Specific Direction 8: LINK

December 2021

Specific Direction 8a: Varying Specific Direction 8: LINK

1 Recitals

Whereas:

- 1.1** In October 2018, the Payment Systems Regulator (the PSR) exercised its powers under section 54 of the Financial Services (Banking Reform) Act 2013 (the Act) to make a specific direction (*Specific Direction: Protected ATMs 2018: LINK*) requiring LINK to adopt appropriate policies and measures and reporting obligations regarding ATMs with 'protected' status (Specific Direction 8).
- 1.2** LINK is a network of card issuers and ATM providers that allows cardholders to use their cards to withdraw cash at any ATM connected to the LINK network where the ATM provider is not the same institution as the cardholder's issuing bank.
- 1.3** ATMs connected to the LINK network are operated by ATM providers. ATM providers may be card-issuing payment service providers, or independent ATM deployers.
- 1.4** The purpose of Specific Direction 8 is to support and underpin a commitment made by the operator of LINK to the PSR during discussions in early February 2018. The operator of LINK committed to monitor the impact of the LINK Board's decision to introduce a phased reduction in the LINK's scheme interchange fees.¹
- 1.5** Specific Direction 8 ensures that the operator of LINK can maintain the broad geographic coverage of the free-to-use (FTU) ATM network in the UK and meet service-user needs, and has the resources to do so, by:
 - a. requiring it to provide clarity on the scope of its commitment
 - b. requiring it to provide clarity on its procedures, processes, policies and measures
 - c. setting certain minimum requirements for it to comply with, and
 - d. requiring it to secure such expertise, resources, equipment and/or software that may be required from time to time to enable it to fulfil its commitment
- 1.6** The PSR has concluded it is necessary to vary Specific Direction 8 by extending the duration of Specific Direction 8 from 2 January 2022 to 31 March 2022.

¹ As set out in LINK's Final Decision and Impact Assessment (31 January 2018), Page 2, second paragraph, first bullet point and page 5, section entitled 'Reduction of Interchange'.

2 Powers exercised and purpose

- 2.1** The PSR makes this specific direction in accordance with section 54(2)(a) of the Act. In accordance with section 54(3)(c) of the Act, this specific direction applies to the operator of LINK.
- 2.2** The PSR has had regard in particular to the following provisions of the Act as appropriate:
- a. section 49 to 53 (General duties of the Regulator)
 - b. section 62(2)(a) (Duty to consider exercise of powers under the Competition Act 1998)
- 2.3** The purpose of this specific direction is to vary Specific Direction 8 to extend its duration.

Direction

Now the PSR gives the following specific direction to the operator of LINK:

3 Variation of Specific Direction 8

3.1 Specific Direction 8² is varied as follows.

3.2 In paragraph 12.2 of Specific Direction 8, replace “2 January 2022” with “31 March 2022”.

4 Application of Specific Direction 8a

4.1 This specific direction applies to the operator of LINK.

5 Commencement and duration

5.1 This specific direction comes into force on 2 January 2022.

5.2 It continues in force until 31 March 2022, unless it is varied earlier or revoked by the PSR.

6 Citation

6.1 This specific direction may be cited as *Specific Direction 8a: Varying Specific Direction 8: LINK*.

Made on 17 December 2021

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2 <https://www.psr.org.uk/media/xusglyto/psr-specific-direction-8-atms-october-2018.pdf>

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