

**From:** Paul Leonard \_\_\_\_\_  
**Sent:** 25 May 2025 12:09  
**To:** Hall, Peter \_\_\_\_\_  
**Cc:** Eric Leenders \_\_\_\_\_  
**Subject:** Banking Inquiry - Follow up queries

Peter.

One of the queries raised in your email following the Banks' appearance at the Inquiry was how the FCA scrutinises bank branch closure activity.

Hopefully the detail below, which was collated by a UK Finance colleague, will address this. Please come back to me should you have any questions on this.

From an Access to Cash perspective the relevant requirements are set out in the [Access to Cash Sourcebook](#) and the following rules in particular:

- **ATCS 2.1 Closures of facilities of designated firms (which covers notification requirements of a planned closure)**
- **ATCS 4.1 When a cash access assessment must be undertaken**
- **ATCS 5.1 Interpretation (which specifies how an access to cash assessment needs to be undertaken in response to a branch closure.....I suspect this is the key chapter to focus on)**
- **ATCS 8.1 Required cash access services (which specifies the required industry response following local area assessment of the impact of a branch closure)**

More broadly, the FCA will also scrutinise branch closures with reference to the [Branch and ATMs closures or conversions Finalised Guidance](#) which needs to be read in conjunction with the Access to Cash Sourcebook.

We are following up with LINK in connection with another query relating to Lisnaskea. We will hopefully respond on this shortly.

You will recall that firms will be responding directly to you in relation to the other queries, hopefully by 31<sup>st</sup> May as agreed.

Paul.

**Paul Leonard**

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# Access to Cash sourcebook

## Access to Cash sourcebook

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# Chapter 1

## Introduction

1.1 Purpose

1.1.1

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- (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 *ATCS* 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 *required 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

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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.

## Chapter 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

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- (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 or a significant reduction in 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.



## Chapter 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

- 3.1.6

G

(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.

(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 4 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.

## Chapter 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*; and
- (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* in the case of 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 12 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 subject to the *relevant closure* will continue to be provided along with any *specified cash access facility feature* subject to the *relevant closure* through the remaining machine(s) (individually or collectively) 24 hours a *day*.

- 4.1.8 **G**
- (1) 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.
  - (2) Where an automatic teller machine is closed for repair, enhancement or replacement at the same location, the repaired, enhanced or replaced machine should be regarded as the same machine. As long as the work will not result in a material reduction or change in provision of *cash access services* provided through the machine and the closure does not last for 6 *months* or more, it is not a *relevant closure*.

### 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 1 year prior to receipt of the *cash access request* (including by way of update or revision under the *rules* in this sourcebook), 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 treating 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 for the purposes of ■ 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 wit**.....

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.



		<div>4.2</div> <div>Role of designated coordination body</div>
4.2.1	R	<p>A <i>designated coordination body</i> may undertake a <i>cash access assessment</i> required by ■ ATCS 4.1.1R for its <i>participating designated firms</i>.</p>
4.2.2	R	<p>Where a <i>designated coordination body</i> has agreed to undertake <i>cash access assessments</i> for its <i>participating designated firms</i> and the requirement for a <i>cash access assessment</i> is triggered under ■ ATCS 4.1.1R:</p> <div><div>(1)</div><div>the <i>designated coordination body</i> must comply with the relevant requirements in ■ ATCS 4.1, ■ ATCS 5 to ■ ATCS 7, ■ ATCS 8.1.12R and ■ ATCS 9; and</div></div> <div><div>(2)</div><div>compliance by the <i>designated coordination body</i> with the requirements of the <i>rules</i> in ■ ATCS 4.1 and ■ ATCS 5 will also be treated as compliance by its <i>participating designated firms</i> with those <i>rules</i>.</div></div>
4.2.3	G	<p>Part 8B of the <i>Act</i> envisages that <i>designated firms</i> may want to use <i>cash access coordination arrangements</i> (subject to compliance with any applicable legal or regulatory requirements, including competition law).</p>
4.2.4	G	<p>The effect of ■ ATCS 4.2.1R and ■ ATCS 4.2.2R is that:</p> <div><div>(1)</div><div>where the requirements in ■ ATCS 4.1 and ■ ATCS 5 are met by the <i>designated coordination body</i>, they will also be treated as met by its <i>participating designated firms</i>, so they do not have to meet these requirements separately; and</div></div> <div><div>(2)</div><div>where any requirements in ■ ATCS 4.1 and ■ ATCS 5 are not met by the <i>designated coordination body</i>, they must still be met by its <i>participating designated firms</i>.</div></div>
4.2.5	R	<div><div>Notification of cessation of participation</div><div></div><div>(1)</div><div>A <i>designated firm</i> must give the <i>FCA</i> notification in writing as soon as reasonably practicable in advance of it ceasing for any reason to be a <i>participating designated firm</i>.</div><div>(2)</div><div>The notification in (1) must include details of when cessation of its participation in the <i>cash access coordination arrangements</i> is due to take place and the reason for the cessation.</div></div>

## Chapter 5

# Process for cash access assessments

## 5.1 Interpretation

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; 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; 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

5

### The 3 steps

- 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.

- G** ■ ATCS 5.3 to ■ ATCS 5.5 contain detailed *rules* and *guidance* about the steps referred to in ■ ATCS 5.2.1R.

- 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

- 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*).
- 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 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*.

**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.

**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.

**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

- 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.

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?

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*.

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- (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

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- (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



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* subject to the closure, reduction or change;
- (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



5.3.5

**R**

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 5.3.5R applies.

**Closures: application of relevant distance**

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

- (1) 1 mile of where they live, if the local area is predominantly urban; or
- (2) 3 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* subject to the closure, reduction or change,

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) 1 mile of where they live, if the local area is predominantly urban; or
- (2) 3 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 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* and any *specified cash access facility feature* relating to the service 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.

**5.3.11** **R** The first condition referred to in ■ ATCS 5.3.10R is that the same type of *specified cash access service* and (where relevant) *specified cash access facility feature* are available to *customers* of another *relevant current account provider* besides the *bank or building society* referred to in that rule at a *cash access facility* within the relevant distance.

**5.3.12** **R** The second condition referred to in ■ ATCS 5.3.10R 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 a branch of the *bank or building society* referred to in ■ ATCS 5.3.10R.

### 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 ■ ATCS 5.3.5R or ■ ATCS 5.3.8R. 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.
- (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 (ie, 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 2 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) Opening hours may be relevant to consideration of a *cash access facility's* capacity under ■ ATCS 5.3.9R(2). For example, the facility may be open for so few hours each week that this leads to unacceptable delays in service or queues.
- (8) Predictable fluctuations in demand may also be relevant to consideration of capacity. For example, 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 facility*.
- (9) 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 it may be possible to take into account for the purposes of ■ ATCS 5.3.5R or ■ ATCS 5.3.8R are services which are also available to *customers* of at least one other *relevant current account provider*. An example of this is a *cash withdrawal service* provided through an automatic teller machine which is part of the LINK network. If *cash withdrawal services* are being assessed, it may be possible to find there is no local deficiency in them where there is such a machine, 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 and these are not also available to *customers* of another *relevant current account provider*, they will have to proceed to step 2.

### Background to relevant distances

5.3.14

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- (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 here 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

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- (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

- (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 Finalised Guidance (FG) 21/1 (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 *cash access services* to be provided in relation to *relevant personal current accounts* are to be 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 *cash access services* should be located;
- (6) specify the capacity needs and opening hours of any *cash access facilities* which will provide the *cash access services*; and
- (7) specify whether the *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 *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;
  - (c) the likely cost of additional provision of a particular service;
  - (d) whether any additional *cash access services* which would wholly or partly address the significant impacts of the local deficiency identified by the *cash access assessment* are due to be provided by anyone independently of the assessment and any other *cash access assessment* undertaken as a result of the same trigger event, and the timeline for such additional provision;
  - (e) in terms of the identification of the location of any *cash access facilities* under ■ ATCS 5.5.2R(5), proximity to areas where *cash* is most likely to be used, such as retail areas; and
  - (f) in terms of the identification of capacity needs and opening hours of any *cash access facilities* under ■ ATCS 5.5.2R(6), any predictable changes in demand for *cash access services*.
- (2) The list of matters in (1) is not exhaustive.

#### 5.5.5

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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

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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.



## Chapter 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;

- |       |   |  |
|-------|---|--|
|       |   | <p>(b) the criteria for determining whether the trial is successful; and</p> <p>(c) the trial period;</p> <p>(11) details of who can request a review under ■ ATCS 9 and how one can be requested;</p> <p>(12) who must provide or procure the provision of any <i>required cash access services</i> in accordance with ■ ATCS 8.1.1R(1) or ■ ATCS 8.1.1R(2); and</p> <p>the relevant timescale in ■ ATCS 8 for delivery of any <i>required cash access services</i>.</p>  |
| 6.1.3 | G | <p>(1) The requirement in ■ ATCS 6.1.1R can be met by publishing the <i>cash access assessment</i> itself if it clearly sets out all the information set out in ■ ATCS 6.1.2R.</p> <p>(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.</p> <p>(3) Identification under ■ ATCS 6.1.2R(12) of the <i>designated firms</i> with a delivery obligation under ■ ATCS 8.1.1R(1) or ■ ATCS 8.1.1R(2) involves identifying any <i>designated firms</i> who might meet the delivery obligation through an existing <i>cash access facility</i> as well as those who will not. See further ■ ATCS 8.1.2G(3).</p> |
| 6.1.4 | R | Where notification has been given under ■ ATCS 2.1.4R or ■ ATCS 2.2.4R that a <i>relevant closure</i> is no longer happening, the information published under ■ ATCS 6.1.1R must be updated to explain that any additional <i>cash access services</i> no longer have to be provided as a result of ■ ATCS 8.1.11R.  |
|       |   | <b>Trials</b>  |
| 6.1.5 | R | <p>(1) Where a <i>cash access assessment</i> is updated in accordance with ■ ATCS 8.1.12R following completion of a trial period, the <i>designated person</i> updating it must, as soon as reasonably practicable, update the information published under ■ ATCS 6.1.1R as appropriate.</p> <p>(2) The updated information under (1) must include the following:</p> <ul style="list-style-type: none"> <li>the date on which the <i>cash access assessment</i> was updated;</li> <li>(a) how the information in ■ ATCS 6.1.2R has been updated in light of the trial; and</li> <li>(c) a summary of the reasons for updating the information in this way.</li> </ul>                                   |
| 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.   |



# Chapter 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; and
  - (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.



## Chapter 8

# Implementation

## 8.1 Required 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 the *participating designated firms* for whom the body undertook the assessment must provide or procure the provision of the *required cash access services* in the manner set out under ■ ATCS 5.5.2R for at least 2 years.
- (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 *required cash access services* in the manner set out under ■ ATCS 5.5.2R for at least 2 years.
- (3) The *required 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 *required 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 *required cash access service* that is a *cash withdrawal service*.

#### 8.1.2

**G**

- (1) A *designated firm* has to provide or procure the provision of the *required 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. Alternatively, a *designated firm* may be able to meet these requirements by making modifications at an existing *cash access facility*.
- (4) It may be economic and efficient for *designated firms* to deliver the *required 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 any *cash access facilities* through which the *required cash access services* may be provided. But *designated firms* will need to ensure that any necessary arrangements 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 *required cash access services*.
- (8) The *rules* are neutral as to the legal model for the provision of the *required 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 *required cash access services*, 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 provide *required cash access services* through an agent or procure them through a 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 *required 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 *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*) or ■ ATCS 4.1.1R(2) (concerning closures of *persons* other than *designated firms*) as a result of a decision of a *designated firm* to close a *cash access facility* or to cease, reduce or change provision of a *cash access service* (including a service procured through a third party), the *designated firm* must not implement the closure, cessation, reduction or change 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 any *required cash access services* resulting from 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 (save in exceptional circumstances):

- (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; or
- (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 (save in exceptional circumstances) 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 *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 in light of the lessons learnt from the trial.
- 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 without unreasonable delay and in any event (save in exceptional circumstances) 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 *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 with respect to the *required cash access services* being trialled until:



## 8.1.15

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- (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;
- (2) any review under ■ ATCS 9 in respect of the updated *cash access assessment* has been completed and any requirements in ■ ATCS 9.2.3R satisfied; and
- (3) the requirements of ■ ATCS 8.1.1R are being met in respect of any *required cash access services* resulting from the updated *cash access assessment*, whether they are the same *cash access services* as those being trialled or different.

- (1) The effect of ■ ATCS 8.1.13R(1) is that the minimum period for provision under ■ ATCS 8.1.1R(1) or ■ ATCS 8.1.1R(2) will apply to the *required cash access services* resulting from the updated *cash access assessment*, even if some of them were provided as part of the trial.
- (2) The effect of ■ ATCS 8.1.14R is that if, following completion of a trial, an updated *cash access assessment* compliant with ■ ATCS 5 does not identify any additional *cash access services* under ■ ATCS 5.5.1R, the trialled *cash access services* may cease to be provided at the time indicated in ■ ATCS 8.1.14R(1) and ■ ATCS 8.1.14R(2) without being replaced, subject to any need to undertake a further *cash access assessment* and the consequent application of ■ ATCS 8.1.7R (see (4) and (5) below).
- (3) ■ 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.
- (4) Cessation, reduction or change in provision of trialled *cash access services* in the circumstances referred to in (2), or otherwise under ■ ATCS 8.1.14R, is not a *relevant closure* in relation to additional *cash access services* that were put in place for the trial, as long as the condition as to timing in paragraph (f) of the *Glossary* definition of *relevant closure* is met (ie, the cessation, reduction or change takes place within 2 years of the services being put in place).
- (5) Cessation, reduction or change in provision of trialled *cash access services* could however be a *relevant closure* if it relates to an existing *cash access service* relied on to meet the requirements of ■ ATCS 8.1.1R for the trial (see further ■ ATCS 8.1.2G(3)). If it would be a *relevant closure* and none of the exceptions in ■ ATCS 4.1 apply, a further *cash access assessment* would need to be undertaken and ■ ATCS 8.1.7R would apply.

## 8.2 Publication of information about cash access facilities

- 8.2.1** **R** Each *designated firm* required to provide or procure the provision of *required 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 *required 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 *required cash access services* will be provided (or, where applicable, that they are already being provided); and
  - (9) whether the *required 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, where no additional *cash access services* will be provided as a result of ■ ATCS 8.1.11R or where the *cash access assessment* has been updated under ■ ATCS 8.1.12R.

		<div>8.3</div> <div>Notification and signage where facility of designated firm closing</div>
		<div>Notification</div>
8.3.1	R	<div><div>(1) Where the requirement for a <i>cash access assessment</i> was triggered under ■ ATCS 4.1.1R(1) (concerning closures of <i>designated firms</i>), the <i>designated firm</i> whose <i>cash access facility</i> is the subject of the <i>relevant closure</i> must notify the following in writing of the information set out in ■ ATCS 8.3.2R:</div><div><div>(a) the Member of Parliament and any Member of the Senedd, Scottish Parliament or Northern Ireland Assembly for the local area; and</div><div>(B) the <i>local authorities</i> for the local area.</div></div><div>(2) The notification in (1) must take place as soon as reasonably practicable after a <i>cash access assessment</i> has been completed by the <i>designated firm</i>, or by a <i>designated coordination body</i> where ■ ATCS 4.2.1R is relied on.</div></div>
8.3.2	R	<div>The information that must be notified under ■ ATCS 8.3.1R is as follows:</div> <div><div>(1) the reason why a <i>cash access assessment</i> was undertaken;</div><div>(2) its outcome in terms of the provision of additional <i>cash access services</i>; and</div><div>(3) any information required to be published under ■ ATCS 8.2.1R.</div></div>

8.3.5

R

treated as compliance by the *participating designated firms* with those *rules*.

**Signage**

(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

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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

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- (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**.
- 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 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.





## Chapter 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*, including one that has been updated under ■ ATCS 8.1.1R:
- (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 28 *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 8.1.12R) 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 12 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).

## Chapter 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*.

(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.

Transitional Provisions

ATCS TP 1  
Transitional Provisions

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: date in force	(6) Handbook pro- vision coming into force
1.1	ATCS 2.1.1R and ATCS 2.2.1R	R	ATCS 2.1.1R and ATCS 2.2.1R do not apply to a <i>relevant closure</i> that was imple- mented prior to 18 September 2024	18 September 2024	18 September 2024



Access to Cash Sourcebook

Schedule 1  
Recordkeeping requirements

Sch 1.1 G

The aim of the *guidance* in the following table is to give the reader a quick overall view of the relevant record-keeping requirements.

Sch 1.2 G

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 un- dertaking re- view, conclusion and rationale for conclusion	Not specified



## Access to Cash Sourcebook

### Schedule 2 Notification and reporting requirements

#### Sch 2.1 G

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.

#### Sch 2.2 G

It is not a complete statement of those requirements and should not be relied on as if it were.

#### Sch 2.3 G

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 <i>relevant</i>	Promptly

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
ATCS 3.2.1R	The matters set out in ATCS 3.1.2R	Information set out in ATCS 3.1.2R	<i>closure</i> will no longer happen 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 procedures 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 already begun)	When ATCS 8.1.11R applies	Promptly

## Fees and other required payments

### Schedule 3

### Fees and other required payments

Sch 3  
Not used





Rights of action for damages

Schedule 4  
Rights of action for damages

**Sch 4.1 G**  
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.

**Sch 4.2 G**  
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.

**Sch 4.3 G**  
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 ATCS	No	Yes ATCS 1.6.1R	No



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## Rules that can be waived

### Schedule 5 Rules that can be waived

#### Sch 5.1 G

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*.



# Finalised Guidance

## Branch and ATM closures or conversions

FG 22/6

October 2022

### 1. Summary

- 1.1 This guidance was originally published on 14 September 2020 and took effect on 21 September 2020. We consulted on updates in June 2022. A summary of the responses is included at Annex 1. The guidance was updated with effect from 11 October 2022 and continues to have effect until varied or revoked.
- 1.2 A wide range of customers use bank branches and ATMs, including those in vulnerable circumstances. Data from the 2022 Financial Lives Survey (FLS) shows that around a fifth (21%) of adults with a day-to-day account regularly used a particular branch over the previous 12 months. Adults most likely to regularly use a branch include those with one or more characteristics of vulnerability, such as the digitally excluded (42%), those in poor health (27%) and those in financial difficulty (27%)<sup>1</sup>.
- 1.3 FLS also shows that 6% of UK adults used cash to pay for everything or most things over the previous 12 months. This figure is higher (9%) for adults with one or more characteristics of vulnerability, especially the digitally excluded (26%), those in poor health (15%) and those in financial difficulty (14%)<sup>2</sup>. This is broadly consistent with the findings of the [Access to Cash Review](#).

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<sup>1</sup> Financial Lives 2022 survey question RB133a. Unweighted base 7,298. For a glossary of terms, see [the latest FLS publication](#). We will be publishing detailed results from the 2022 survey in early 2023.

<sup>2</sup> Financial Lives 2022 survey question AT12. Unweighted base 19,145.

- 1.4 This guidance sets out our expectations when firms are considering a long-term closure of a branch or ATM or conversion of an ATM. This 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, ie a partial closure, or
  - conversion of a free-to-use ATM to pay-to-use
- 1.5 Firms should consider fully the range of services that they currently provide in branch. Paragraph 1.11 gives a non-exhaustive list of services that, if reduced or removed, could have a significant impact on customers.

## Who this guidance affects

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- 1.6 This guidance applies to regulated firms that operate (or have agents operate) branches, or ATMs (cash machine or cashpoint), and who are subject to Principles 6, 7, and 11 of our Principles for Businesses ('Principles')
- Principle 6 - 'A firm must pay due regard to the interests of its customers and treat them fairly'
  - Principle 7 - 'A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading'
  - Principle 11 - 'A firm must deal with its regulators in an open and cooperative way, and must disclose to the FCA appropriately anything relating to the firm of which that regulator would reasonably expect notice'
  - Our Consumer Duty (Principle 12) comes into force on 31 July 2023. Firms should refer to PRIN 2A.1.16 to PRIN 2A.1.18 which provides guidance on the relevance of guidance about Principles 6 and 7 issued before the Consumer Duty comes into force.
- 1.7 It applies when such a firm proposes or takes a decision to close such sites, fully or partially, or to convert a free-to-use ATM to pay-to-use, with some exceptions (see paragraphs 2.5-2.10).
- 1.8 A branch is the physical site where firms undertake regulated banking activities or provide regulated payment services for their customers, whether that is consumers or small and medium enterprises (SMEs), who attend in person (see paragraphs 1.12-1.13 for more detail on the definition of customers). This includes a bank or building society branch, or a credit union office, or a mobile branch.
- 1.9 Firms providing services to customers who attend in person through emerging models like banking hubs or in community venues should consider the preceding three paragraphs to determine whether the guidance applies to them with respect to a proposed closure of, or withdrawal from, the hub or venue.
- 1.10 We will take into account proportionality when considering how a credit union has followed this guidance. The implications are likely to vary according to the size and complexity of the credit union. This is in line with our general approach to applying the Principles to credit unions (see CREDS 10.1.3G)

## What this guidance relates to

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- 1.11 This guidance applies to services provided to customers for their everyday banking and cash access needs. These include withdrawals and deposits, as well as other relevant branch services which involve customers' attendance. As a non-exhaustive list, these services could include:
- cash withdrawals and deposits, including those made using a passbook
  - cheque deposits
  - making payments in-branch by cash or cheque, such as to pay down a regulated mortgage or regulated credit agreement and making payments by CHAPS or foreign currency
  - opening or closing an account
  - proving identity
  - dealing with issues related to Power of Attorney or bereavement
  - dealing with incidents of fraud and scams
  - providing support to customers in financial difficulty, or customers seeking guidance on money management
- 1.12 The term 'customer' is defined in our Handbook glossary. Where this guidance relates to regulated payment services, 'customer' means:
- consumer
  - a micro-enterprise (ie enterprises that employ fewer than 10 people and have a turnover or annual balance sheet of up to €2m), or
  - a charity with an annual income of less than £1m
- 1.13 Otherwise, references to 'customer' in this consultation mean a consumer or SME (ie enterprises with an annual turnover of up to £25m).
- 1.14 Paragraphs 2.18-2.47 of this guidance build on Principles 6 and 7, so apply only to services covered by these Principles. Firms should note that Principles 6 and 7 apply both to the carrying on of regulated activities and activities that are ancillary to the regulated activity of accepting deposits, credit-related regulated activity, regulated home finance activity and some other regulated activities. They also apply to activities connected to providing regulated payment services as well as the provision of the payment services.
- 1.15 We expect to challenge processes and may ask firms to delay their closure or conversion plans where we are not satisfied that they are complying with Principles 6 or 7. The guidance is potentially relevant to supervisory and enforcement action and we may take it into account when considering whether firms could reasonably have understood or predicted that the conduct in question fell below the standards required by Principle 6, Principle 7, or Principle 11.



## Summary of this guidance

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### Communication with the FCA

- 1.16 In line with Principle 11 (relations with regulators), where a firm is considering site closures or conversions, it should inform the FCA through its usual supervisory contact as early as possible. This should be in good time before the firm takes a decision and continue throughout the process. This will allow us to monitor whether firms are treating customers fairly and in future in line with the Consumer Duty.

### Assessing customer needs and providing alternatives

- 1.17 When a firm considers closing a branch fully or partially or converting an ATM, before it decides how to proceed, we expect it to analyse:
- the needs of customers currently using the sites (including the needs of relevant SMEs or micro-businesses and customers in vulnerable circumstances)
  - the likely impact of the closure or conversion, and alternatives that are or could reasonably be put in place to continue to meet those customers' needs.
- 1.18 This will help firms ensure they treat the customers of a closing branch or converted ATM fairly.
- 1.19 A firm's analysis should include usage trends and overall transaction volumes across a suitably representative time period and details of any commercial evaluation the firm has completed. We also expect firms to proactively identify and engage with relevant stakeholders besides customers that may have an interest in the closure or conversion.
- 1.20 We expect firms to provide us with a clear summary of the results of this detailed analysis covering customer usage, customer needs, expected impact, potential alternatives, commercial evaluation and stakeholder engagement plans. We may ask firms for further analysis if we are not satisfied.

### Implementation of a closure or conversion

- 1.21 Firms should avoid causing harm by making sure that any proposed alternative service is in place and accessible to customers before a branch closure.
- 1.22 In deciding when to implement a closure or conversion, firms should consider factors including how they will support customers to access alternative services, such as an alternative channel, and how much time this will take. If it is expected that customers may look to transfer accounts to other providers, the firm implementing the change should consider how long it might take a customer to change their provider and support them in doing so.
- 1.23 We expect firms to keep their analysis of customer impact and potential alternatives under review during the period between announcing and implementing the proposals and keep us informed of any changes to their plans.
- 1.24 Firms should ensure that they provide customers with clear and accessible information on the alternatives they can access.

### Communications with customers and other stakeholders

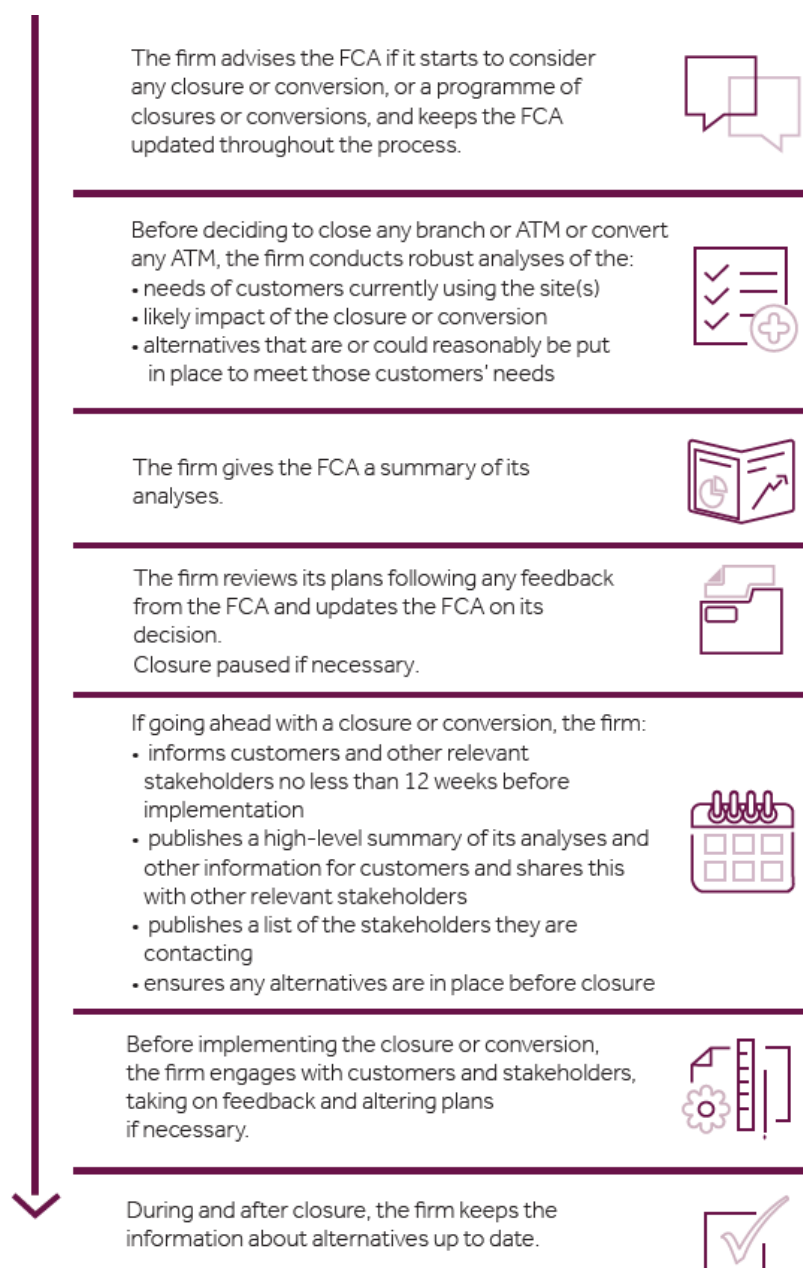
- 1.25 If a firm decides to progress with a closure or conversion, we expect it to communicate this clearly to its customers and other relevant stakeholders no less than 12 weeks before a proposed closure or conversion would be implemented. We expect it to tell its customers about alternative ways they can access services.
- 1.26 As well as writing directly to impacted customers, at the point the firm communicates its decision to progress with a closure or conversion it should publish a high-level summary of the analyses referred to in paragraph 1.19. This summary should be easy for customers to find and accessible (taking into account their likely communication needs). The firm should send this summary to the other stakeholders it has identified. We do not expect firms to publish information that is confidential. The firm should also publish a list of stakeholders (besides customers) that it is contacting about the plans.
- 1.27 The firm should communicate the above information clearly and early enough that customers have reasonable time to take action.

### The future of this guidance

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- 1.28 In July 2021, the Government consulted on legislating to protect access to cash in the long-term and, on 19 May 2022, it announced that the FCA will receive new powers to ensure the continued availability of withdrawal and deposit facilities in local communities across the UK. This guidance is not intended to overlap with, or to pre-empt any, decisions about those new powers.
- 1.29 We expect that this guidance will remain relevant in the future as it applies to a wider set of branch services than cash access. Its aims are also consistent with our Consumer Duty. However, we will review this guidance and revise it if appropriate in respect of our new access to cash powers or further developments in the evolution of retail banking services.

Figure 1: summary of this guidance



## 2. Guidance on closures and conversions

### Site closures and conversions

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- 2.1 This guidance applies to site closures which are long-term. In this guidance, a 'site closure' means:
- the full closure of a branch or all ATMs operated by a firm at a particular location, or a mobile bank facility no longer operating, or
  - a reduction in branch opening hours or days or reduction in branch services, where this would have a significant impact on customers, ie a partial closure. This also includes reducing the opening hours of internal extended hours ATMs
- 2.2 For example, the reduction of opening hours on a busy morning might result in a relatively small proportionate change in hours, but is likely to have a significant impact on customers' ability to access branch services. Reducing hours during a typically quieter time would likely have a less significant impact on customers.
- 2.3 'Long-term' means lasting six months or longer, so could include extended periods of closure which might otherwise be regarded as temporary if they last six months or more, such as closures due to long-term building works.
- 2.4 A 'conversion' means the conversion of a free-to-use ATM to a pay-to-use ATM.

### Instances where this guidance may not apply

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- 2.5 This guidance is intended to apply in full to instances where a firm's decision, within the scope of this guidance, could lead to a full or partial closure or a conversion.
- 2.6 We recognise that there may be exceptional circumstances where events outside a firm's control lead to a closure, such as an unexpected decision by a landlord not to renew a lease or the site suffers physical damage. It may not be reasonable in these cases to expect firms to take full account of this guidance. However, Principle 11 applies at all times and, even in such cases, we expect firms to be open and cooperative, and to inform us of issues as early as possible. We will expect firms to take account of the guidance to the extent it is reasonable to do so. This could involve, for example, providing a shorter notice period to customers if it is not possible to give 12 weeks' notice.
- 2.7 The guidance does not apply where a firm closes or converts its ATMs located within its own branch or a Post Office (ie not on an external wall) and the same services can be provided at the counter of that branch or Post Office.
- 2.8 Where a firm expects a closure to be temporary, this guidance does not apply unless the temporary closure is long-term (see paragraph 2.3). If a decision is made to make a temporary closure permanent, the guidance applies.

- 2.9 This guidance does not apply to the closure or conversion of a site that was explicitly established as a pilot, a temporary measure, or similar, and has not since become permanent.
- 2.10 The elements of this guidance on analysing customer needs, impact, usage trends, commercial evaluation and alternatives do not apply where the same firm can continue to meet the needs of its customers through the same type of site in a similar way. For example, if a branch is to be closed but the firm can continue to meet customer needs through a nearby branch. This exclusion is intended to capture instances such as the closure of one of several of a firm's branches in a small area, the relocation of a branch or ATM to a nearby site, or a minor change to the location or duration of a mobile branch stop. We expect firms to consider whether an alternative site is 'nearby' for these purposes before they notify us of their plans under Principle 11.

## Informing the FCA

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- 2.11 This section relates to Principle 11 ('A firm must deal with its regulators in an open and cooperative way, and must disclose to the FCA appropriately anything relating to the firm of which that regulator would reasonably expect notice').
- 2.12 We expect a firm to inform us of its plans and decisions throughout the process of closures or conversions being considered and implemented. This should include telling us as early as possible about any key proposals, decisions, changes to plans, or mitigations or alternative access arrangements it is putting in place.
- 2.13 Where a firm is considering site closures or conversions, it should tell us through its usual supervisory contact as early as possible. This should be in good time before a firm makes a decision about closures or conversions. This applies regardless of the scale of the proposed programme of closures or conversions. The loss of a single site can have a substantial impact on customers who use it, and we want to ensure we know about these potential impacts.
- 2.14 We expect to receive a clear summary of the results of a firm's detailed analysis of customer usage, needs, impact, potential alternatives and commercial evaluation set out in paragraphs 2.18-2.33, and to receive updates to this throughout the process if the analysis is developed further.
- 2.15 Where firms are participating in industry initiatives related to closures, such as voluntary standards or engagement with a co-ordinating body, we expect to be informed of firms' plans no later than those initiatives are told. We also expect to be kept informed of developments in industry initiatives that may result in a firm changing its plans, mitigations of potential issues from the closure, or the alternative access arrangements it is putting in place.
- 2.16 We will handle confidential information firms give us in line with the provisions of s348 and s349 of the Financial Services and Markets Act 2000. Any information we receive will help inform our conversations with firms as their plans progress.
- 2.17 Where we consider there may be a breach of the Principles, based on any information provided to us, we will act accordingly.

## Assessing customer needs and providing alternatives

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- 2.18 This section relates to Principle 6 ('A firm must pay due regard to the interests of its customers and treat them fairly').
- 2.19 The decision on whether to close or convert a site is for firms to take. But in considering or implementing this decision, firms must have due regard to the interests of their customers and treat them fairly. We also expect firms to consider how relevant SMEs or micro-businesses will be affected by their proposals, given the critical role of businesses in the cash cycle.
- 2.20 Firms should have carried out a robust analysis of the impact of a proposed closure or conversion on their customers, particularly in terms of lost access and potential harms to customers in vulnerable circumstances including relevant vulnerable SME customers or micro-businesses. They should have analysed the services that the firm's customers can access at alternative sites, and how these meet their needs and compare to the services currently used at the site proposed for closure. Firms should also have made an analysis of new alternative access arrangements that the firm could reasonably put in place. This section sets out what firms' analysis should include as a minimum.
- 2.21 Analysis could involve the firm reviewing the data it already holds, engaging with local groups, charities, and the local authority, as well as gathering data through a staff or customer survey.
- 2.22 Firms should take a proportionate approach to these analyses. A firm is likely to have less information on the needs of customers using their ATMs than its branch customers, and we will not expect firms to conduct the same level of analysis for these customers. Firms should consider relevant factors set out in this section and consider what is proportionate to analyse. We do not expect firms to provide analysis of customers who use their services extremely infrequently.
- 2.23 Firms should carry out these analyses before they finalise proposals and keep them updated throughout the process to take into account changes following, for example, feedback from customers or other stakeholders after the firm's decision is announced. Following these analyses, firms may decide not to go ahead with the proposals and keep the existing sites partially or fully open.

### **Customer impact assessment: analysing customer needs and the impact on customers.**

- 2.24 This analysis should include usage trends and overall transaction volumes at the site analysed across a suitably representative time period (taking account of seasonal and other variations).
- 2.25 It should consider the characteristics of the customer base that uses the site; for example, characteristics associated with vulnerability and known protected characteristics such as age. This should also include whether these customers are particularly reliant on services available, including where customers may rely on the support of branch staff to transact or of other services not available via other channels.

## **Analysis of alternative services**

- 2.26 When analysing existing alternative access provisions, the firm should consider the services its customers can access at alternative sites (whether operated by the same firm or other firms) or via alternative channels, and how those compare to the services currently used at the site proposed for closure. Firms should consider lessons learned from previous branch closures when conducting these analyses.
- 2.27 For example, if a firm considers that another existing facility (such as a different branch, the Post Office or a banking hub) provides an alternative to a bank branch, it should assess which services its customers currently use at the branch, and which they are not able to access at the other facility.
- 2.28 Where existing alternatives are not available, the firm should consider what alternative provision could reasonably be made available to address any loss of service. This could include, but is not limited to:
- sharing services with other providers
  - providing mobile banking hubs, community 'pop up' branches or cash delivery services
  - commissioning a free-to-use ATM
  - supporting customers to use digital and telephony channels where they are able. (Firms should not assume that all customers are capable of using a particular alternative channel).
  - developing other innovative solutions to address loss of service
- 2.29 We encourage firms to engage with industry initiatives designed to address gaps in access that their planned closures or conversions may create.
- 2.30 Firms should be able to demonstrate how the existing alternatives and the new alternatives they could reasonably put in place are appropriate.
- 2.31 When conducting the analysis of alternative services firms should:
- Assess how customers may continue to access the full range of banking services provided at the branch proposed for closure. For example, if removing a counter, firms should consider all the services that were accessed at the counter and whether these can be accessed through the alternative channel.
  - Consider whether accounts that are accessed at the branch have an ATM card or debit card that will allow the customer to access cash elsewhere, or whether the customer is reliant on a passbook-based account which requires them to engage with the account at the firm's own premises.
  - Consider the impact of closures and customer migration to remaining branches and other alternative channels. This includes identifying the size of the gap in provision if they close their current branch and evaluating the capacity of the remaining branch or alternative channel to support additional customer transactions, including at peak times. Note that firms who seek to rely on paragraph 2.10 should be satisfied that they can continue to meet the needs of their customers as set out in that paragraph.

- Assess the suitability and likely longevity of alternatives(s), including for customers in vulnerable circumstances. This should include consideration of the relevant characteristics of customers and of the area, such as the quality of internet or mobile signal, which may influence the range of alternative channels that can appropriately be offered to customers. The assessment of alternatives should take into account the location of the site and of available alternatives, their opening times, transport availability and the impact that vulnerabilities such as particular physical needs and disabilities may have on customers' ability to access them.
- Consider the appropriateness of proposed alternatives. For example, where face-to-face meetings are to be offered at alternative premises, firms should consider if the proposed premises offer the level of privacy required for particular conversations, such as those regarding a customer's personal and/or financial circumstances.
- If in-person branch services are to be replaced by digital or telephony, consider whether these channels will enable the range of customers using the branch to continue to use all the services they were provided in person. Where appropriate, firms might want to consider introducing additional remote servicing solutions such as video banking.
- Consider any likely additional risks or costs to customers of these alternatives.

#### 2.32 When implementing any changes to services firms should:

- Consider the need to avoid causing customers harm by making sure that any proposed alternative facility or channel can be put in place and made accessible to customers before a branch closes or an ATM is converted. Where the proposed alternative will not be immediately available, firms should consider putting interim arrangements in place to prevent a temporary loss of access for customers. Any such interim arrangements should be adequately resourced to meet demand.
- Where in-person services are to be replaced by digital or telephony, firms should also consider the support customers will need to transition to use that channel and how much time this will take.
- If it is expected that customers may look to transfer accounts to other providers, firms should consider how long it might take a customer to change their provider and support them in doing so. For example, where BCOBS 5.1.5R applies, firms are required to provide a prompt and efficient service to enable a [banking customer](#) to move to a [retail banking service](#) (including a [payment service](#)) provided by another [firm](#).
- Ensure that they provide customers with information on the alternatives they can access. This information should be kept up to date during the implementation period and for an appropriate period post closure, particularly when alternatives are provided on an interim basis.
- Consider how they will comply with the expectation under Principle 6 that they should have management information or measures in place to test whether they are consistently treating customers fairly and delivering the



consumer outcomes. Reference to our earlier guidance such as '[Treating customers fairly-guide to management information](#)' may be helpful.

- Firms should also be considering how they will comply with our Consumer Duty monitoring rules (2A.9.10).

### **Commercial evaluation**

- 2.33 Firms' analyses should also include a commercial evaluation which assesses the financial impacts on the firm of the planned closure or conversion and will show costs resulting from the decision, such as severance pay, the costs of exiting any lease, communication costs and the costs of new facilities to provide alternative access arrangements, as well as anticipated savings. This will enable us to understand the rationale for the closure or conversion, and the relative costs and benefits of the options available to firms to continue to meet their customers' needs.

### **Identifying relevant stakeholders**

- 2.34 Firms should identify and engage with other stakeholders besides customers who may have an interest in a planned closure or conversion. This should include, but not be limited to, groups that help customers in vulnerable circumstances, such as local carers or mental health support groups. Firms should consider contacting consumer groups, community groups, local councils, charities and local MPs about the closure or conversion.

## **Communicating with customers and other stakeholders**

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- 2.35 This section relates to Principle 6 ('A firm must pay due regard to the interests of its customers and treat them fairly') and Principle 7 ('A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading').
- 2.36 Firms must ensure that they pay due regard to the information needs of their customers, and provide information in a way that is clear, fair, and not misleading. For example, firms should ensure they provide information in a format that is accessible to those using assistive technology. Once a firm has completed its analysis, if it decides to then fully or partially close or convert a site, it should give customers and other relevant stakeholders information that enables them to understand:
- when the full or partial closure is planned to take place
  - a high-level summary of the firm's analyses of customer needs, the impact on customers, and potential alternatives, including the alternatives already available or that the firm proposes to make available. We do not expect firms to publish any confidential information, for example, its commercial evaluation, as part of applying this guidance
  - how the customer can continue to access banking and cash services after the closure or conversion (including through physical and telephone or digital channels), and what those alternatives offer in terms of service and functionality

- how the customer can engage with and access help from the firm during and after the closure or conversion, such as any training on using online banking or cash delivery services
- which stakeholders (besides customers) are being contacted about the plans
- how other relevant stakeholders can engage with the firm during and after the closure or conversion, eg to represent consumer interests.

2.37 The firm should provide this information as soon as possible after its decision, and no less than 12 weeks before any closure or conversion would be implemented. The following bullets explain how the information in 2.36 should be communicated to customers and other stakeholders.

- All of the information should be made available at the sites affected by the proposals, as well as through wider communication channels such as the firm's website. The firm should make the information easy for customers to find and keep it up to date.
- Other relevant stakeholders (besides customers) should be sent all the above information along with any subsequent updates.
- Firms should provide a written notification of the closure to customers who use a closing branch and will be impacted by its closure. Notification may be provided through usual communications channels, eg letter, email or in-app. It should include as a minimum: when the full or partial closure is planned to take place; how the customer can continue to access banking and cash services after the closure or conversion; and how the customer can access the remaining information at 2.36.

2.38 Firms should consider any feedback they receive from customers and other stakeholders following these communications regarding closure proposals, particularly where feedback relates to customer needs or the appropriateness of proposed alternative services.

2.39 Firms should consider how to communicate with customers in vulnerable circumstances. Local networks such as councils, charities, advice providers and housing associations may be particularly important in reaching vulnerable groups. Firms should pay particular attention to individual communications where customers are known to be in vulnerable circumstances. See paragraphs 2.41-2.47 for more information.

2.40 We recognise that firms are likely to have fewer routes to communicate with customers of ATMs than of branches. We expect those firms to take proportionate steps to communicate with customers. This could include, but is not limited to, providing appropriate information at the relevant ATM site, or informing LINK to enable it to update its customer-facing maps. Where a firm is closing a branch, and an external ATM or stand-alone ATM will also be affected, the firm should consider whether it is appropriate to engage with LINK about these changes; for example, if one of the locations is a protected site.

## Vulnerability

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- 2.41 Our Principles require all firms we regulate to treat their customers fairly, and we expect firms to exercise particular care with customers in vulnerable circumstances. Firms should refer to our Guidance for firms on the fair treatment of vulnerable customers (FG21/1).
- 2.42 Firms should be aware that groups of customers that share certain characteristics may have, or be more likely to have, characteristics of vulnerability. For example, older customers are more likely to be impacted by ill health, lower digital capability, and life events associated with old age.
- 2.43 Customers in vulnerable circumstances may be particularly at risk of harm from closures. For example, a person with a disability may struggle to travel further to an alternative site. Someone with low financial or digital capability may find it difficult to use online or telephone banking. Firms should also take into account that some services provided to customers in vulnerable situations are likely to be provided by face-to-face meetings in a branch. For example, proving identity, help with opening or closing an account, or dealing with issues involving Power of Attorney or bereavement.
- 2.44 We recognise however there is not a direct correlation between vulnerability and a need for branch or ATM access, and that for some customers in vulnerable circumstances alternative channels may be more appropriate.
- 2.45 FG21/1 explains that firms should take the needs of customers in vulnerable circumstances into account at all stages of their communications, product and service design cycles. This includes if they are closing a communication channel, branch, or reducing services from a particular channel. Firms should ensure that the method of engaging with customers in vulnerable circumstances is sensitive to the needs of the customer, and, where appropriate, their carer. Where a branch is identified for closure, the effective migration of services to a channel which customers will find accessible, should be part of the pre-closure planning. Firms should also consider whether they should pause the implementation of the closure or conversion until they have an appropriate solution in place.
- 2.46 Firms should take into account the communication needs of customers in vulnerable circumstances when designing their strategy. Firms should ensure all communications and information about products and services, including information regarding changes, are easy to understand for all groups of their customers. For example, firms should consider that outbound calls may not be suitable for those hard of hearing, while written information may not be accessible for others. Where calls are used it may be appropriate to follow up in writing where customers may struggle to remember information provided. Tailored contact strategies that allow for multiple follow-ups to remind customers of available support and where to get help may be suitable in some circumstances. Inclusive design or adequate analysis of customer needs should identify these issues.
- 2.47 FG21/1 also sets out our expectation that firms monitor the actions they are taking to ensure they treat vulnerable customers fairly and the outcomes vulnerable customers experience in comparison to other customers. This applies to all aspects of the customer relationship so includes monitoring the outcomes vulnerable customers

might experience following a full or partial closure of a branch, or a closure/conversion of an ATM.

## Other applicable requirements

- 2.48 Firms should continue to follow other applicable requirements where relevant, including the 2010 Equality Act, consumer protection and competition law, and our Handbook provisions. In Northern Ireland, where the Equality Act is not enacted but other anti-discrimination legislation applies, firms should ensure that they comply with any applicable legislation.

## 3. Cost Benefit Analysis

- 3.1 This cost benefit analysis (CBA) only covers the update to the guidance. Please refer to pages 12-13 of FG20/3: Branch and ATM closures or conversions for the original CBA.
- 3.2 There is no statutory requirement in the Financial Services and Markets Act 2000 for a CBA on guidance such as this. In line with our approach to analysing costs and benefits, we only produce a CBA for guidance where we identify an element of novelty which may be in effect prescriptive or prohibitive such that significant costs may be incurred. This is not the case for the proposed updates to the guidance.
- 3.3 Following the approach used when assessing impacts for FG20/3, we have described below the types of costs and benefits that we expect to arise to help firms, consumers, and other interested parties understand the potential impact of our proposals.
- 3.4 Any costs and benefits resulting from the proposed updates to this guidance will be highly dependent on the scale of any future plans for site closures or conversions by firms, and the specific actions that firms take as a result of the guidance, and so are not reasonably practicable to estimate.
- 3.5 The impacts of the proposed updates relative to the existing requirements covered in FG20/3 are likely to be relatively small. These impacts can be broadly summarised in two categories. Firstly, the proposed updates expand the scope of FG20/3 to apply in cases of partial closures where there would be a reduction in opening hours or services which would have a significant impact on customers. This means the same impacts arising from the existing guidance which previously only applied in the case of full closures, and were described in the CBA of FG20/3 (see pages 12-13), now apply to an additional set of cases. Secondly, the proposed updates include a small number of additional expectations which will apply in the event of full or partial closures.
- 3.6 We anticipate the following compliance costs as identified in the CBA for FG20/3 will now also be incurred by firms in relation to partial closures:
- familiarisation with the proposed guidance and 'gap analysis'
  - as part of developing any closure or conversion proposals, understanding the impact of closures or conversions on the firm's customers, and communicating a summary to the FCA
  - as part of developing any closure or conversion proposals, considering what alternative provision could reasonably be made available to the firm's customers, and communicating a summary to the FCA
  - ongoing engagement with the FCA throughout the process

- in the event of any closure or conversion plans being taken forward, providing information to customers, including the summaries of firms' analyses
  - in the event of the implementation of a closure or conversion, making any new alternative access arrangements that the firm could reasonably put in place to address any loss of service
- 3.7 A number of small additional costs relative to FG20/3 will apply in the case of both full and partial closures. These costs are additional to those that would have been already incurred by firms to comply with FG20/3. We anticipate that firms may incur the following additional costs as a result of the updates to the guidance:
- Undertaking additional assessment of the impact of closure:
    - identifying which stakeholders other than their existing personal and relevant business users may be affected by the closure
    - analysing usage trends across a suitably representative time period
    - a commercial evaluation which assesses the financial impact on the firm of the planned closure
  - Providing additional information to certain parties, including:
    - writing to impacted customers
    - providing relevant stakeholders other than their existing personal and business users with information about proposed closure or conversion, including providing contact details so that other stakeholders can engage with the firm and undertaking any follow-up engagement resulting from stakeholder contact
    - ensuring that this information is easy for customers is to find
    - publishing a list of stakeholders (besides customers) that have been contacted about the changes.
- 3.8 Firms planning closures would already carry out internal analysis in order to inform the commercial decision to close or reduce a service. This may reasonably be expected to include some analysis of usage trends and the commercial impact on the firm of the decision under consideration. We would not expect that including a commercial evaluation or presenting analysis of usage trends over a representative time period would result in a significant increase in the underlying analytical burden. The guidance stresses that assessment should be proportionate, acknowledging the level of feasible analysis would be lower where firms have less information (eg around users of ATMs relative to branch customers) and that analysis of extremely infrequent users would not be required
- 3.9 Firms that have been active participants in the market are likely to have a degree of understanding around the services provided by their competitors and the potential alternative services available to their customers. Assessing the potential response of their customers is likely to form part of the commercial decision to close or reduce services. There may be some small additional analytical time involved with identifying a set of stakeholders other than existing personal and relevant business consumers that could be affected. This could involve, for instance, time spent

consolidating knowledge from around the firm about the local community served by the branch and the type of contacts that may have an interest.

- 3.10 The additional costs of providing these stakeholders with relevant information are likely to be small as the type of information they would provide is the same that would have already been produced for other customers. There will be some costs associated with providing information to the stakeholders (other than existing personal and relevant business consumers) described above. These would need to be contacted directly, for instance, through a written letter or suitable electronic communication. The type of information that would need to be provided would be the same or similar to the information already produced for other stakeholders, for instance, information around the closure that was provided on the firm website. Therefore, there would not be a requirement to collate new information for this wider stakeholder group. Firms would simply need to ensure that the wider stakeholder group receive the relevant communication.
- 3.11 There may be some costs incurred due to follow-up contact from stakeholders other than existing personal and relevant business users who are provided with firm contact details. This could include time spent in meetings or written correspondence.
- 3.12 The informational provisions contained in this update to the guidance may involve a small amount of administrative time in ensuring that the information that is provided to customers and other stakeholders is easy to find, for instance, by ensuring it is published in an appropriate place on the firm website. The additional costs to firms due to the informational provision to contact impacted customers directly are likely to be small for most firms. Writing to impacted customers is established industry practice under the Access to Banking Standard overseen by the Lending Standards Board. While not all firms are signatories to the Access to Banking Standard a wider group of firms do benchmark communications to it. We expect that some firms will need to alter the content of their existing communications but expect this will have a minimal impact since all communications are tailored to the closing branch.
- 3.13 The following expected benefits identified in the CBA for FG20/3 will now also apply to partial closures:
- Greater information on proposed site closures, allowing customers the ability to make alternative arrangements in good time (such as switch provider), potentially reducing costs to customers from disruption.
  - Potential improved alternative services or knowledge of alternative services, depending on firms' implementation of the guidance. In turn, this could potentially lead to less financial exclusion or isolation among customers with characteristics of vulnerability that rely on local cash or branch services.
  - Potential retained access to existing services, if a firm decides, after following the guidance on partial closures, not to close the branch or ATM.
- 3.14 We expect other additional benefits relative to FG20/3 will apply in the case of both full and partial closures as a result of following our guidance:
- Increased clarity and accessibility of information on proposed closures, including information being made available to stakeholders other than existing personal and relevant business users.

# Annex 1: Summary of feedback received

## **GC22/2: Branch and ATM closures or conversions: Updated guidance for firms**

**Date of consultation: 14 June 2022 – 26 July 2022**

We received 28 responses to GC22/2, including from regulated firms, trade associations, consumer groups, charities and individuals. We would like to thank all respondents for their feedback. Respondents were broadly supportive of the proposed updates to our guidance, with most generally agreeing to the addition of partial closures within the scope of the guidance. Some respondents made suggestions and comments on other areas of the guidance. In this annex, we provide details of the key themes of the feedback and our responses.

The feedback is presented under each of the questions posed in GC22/2.

### **Q1: Do you agree that we should extend the definition of closures as proposed (to include partial closures caused by a long-term reduction in opening hours or services which would have a significant impact on customers)?**

Respondents largely supported our proposal to include partial closures within the scope of the guidance. Many noted that it is important to recognise that partial closures have the same potential as full closures to have a significant impact on customers. For example, one respondent noted that a long-term reduction in hours or services can have a negative impact on the financial wellbeing and inclusion of customers, given many people in the UK still have limited access or capacity to use online tools.

Some respondents asked for more clarity on the definition of partial closures and what is a 'significant impact' on customers. Some firms asked for a more detailed definition; for example, a specific threshold similar to the Access to Banking Standard, which applies where the opening hours are reduced by more than 30% over 1 year.

Some firms suggested that the definition should not apply to changes in how services are delivered if customers receive the same outcome. They asked us to remove the example of a counter removal as, in many cases, customers can access the same services they were previously accessing at the counter on another assisted smart device. Other respondents asked for the definition of partial closure to cover a wide



range of services and highlighted the impact of removal of services on SME ability to pay in/withdraw notes and coins.

**Our response –**

We have not changed our guidance to include a specific threshold beyond which impacts are significant. Firms should consider how changes will impact their customers given the extent of the closure in the context of local customer need. A significant reduction in one firm's opening hours may not be significant for another's. For example, reducing opening hours on a busy morning is likely to have a greater impact on customers' ability to access services than during a typically quieter time, although this might not always be the case given other local factors such as market days.

Some firms have been complying fully with our guidance when they consider any amount of reduced services or hours. It is of course open to firms to do this, but the guidance only applies where the changes would have a significant impact on customers.

When changing the channel through which services are delivered, it is important that firms consider if the alternative service provided is appropriate. For example, if a firm is considering removing a counter, it should consider all the services that were accessed at the counter and whether customers are able to access all of these via the alternative channel.

**Q2: Do you have any comments on the other proposed changes to our Guidance?**

**When will the guidance come into effect?**

Respondents asked how we extend this guidance to apply to plans for closures or conversions that are already underway. Other respondents asked if we would be able to retrospectively enforce the guidance, and whether we will review it again after the introduction of legislation to protect access to cash.

**Our response –**

We recognise it may not be reasonable to expect firms to take full account of the updates to this guidance where plans are so advanced that they have already been decided on. We expect the updated guidance to apply as soon as it is published. Where a firm has not yet taken a decision on the date the updated guidance takes effect, we expect it to apply in full. As was our approach with the original guidance, where decisions to close or convert have already been made, we expect firms to take account of the updated parts of the guidance to the extent it is reasonable to do so.

Firms are also reminded of the ongoing application of our Principles for Businesses to their business activities, including decisions to close branches in full or part or to convert ATMs. We will challenge firms where we do not believe that they are adhering to the Principles.

We will consider the role of this guidance again after the introduction of legislation to protect access to cash.

### **Application of the guidance**

A number of respondents raised that it would be disproportionate or difficult to comply with the guidance in some circumstances. For example, where an unplanned closure is the result of flooding or other damage, or where the branch or ATM had been established as a pilot.

One respondent suggested that the guidance should apply to any closures lasting 3 months or longer, as opposed to the proposed 6 months. Some respondents asked that we embed the concept of 'reasonableness' in this guidance, given that certain circumstances beyond a firm's control, such as operational delays, would unduly trigger the 6-month threshold.

Respondents broadly agreed with our proposal that firms should consider whether services provided through emerging models should come under the scope of the guidance. Some wanted us to clarify that firms operating banking hubs are regulated by the guidance. Others queried how the guidance applies if only one firm withdraws from the shared delivery model.

One respondent asked for more detail on the definition of a customer as it relates to branches, beyond the definition of a retail customer.

### **Our response –**

Paragraph 2.6 of the guidance already contains a statement saying that we expect firms to comply with the guidance to the extent it is reasonable to do so in exceptional circumstances where events outside a firm's control lead to a closure.

We recognise it will not be proportionate or practical for firms to take full account of this guidance in all cases. It applies when firms decide to partially or fully close a site, but not in the event of unplanned closures, pilot programmes or temporary closures, where we recognise some of the expectations to be disproportionate. For clarity, we have added another example of what might constitute an unplanned closure to the guidance.

In the case of pilot programmes, although the guidance does not apply, firms may still want to consider notifying customers of the closure. For example, the same group that they informed of the pilot or those they know regularly use the location.

We have decided that it is appropriate that the guidance applies to 'long-term' closures lasting 6 months or more. We do not consider it would be proportionate to require the in-depth analysis and planning firms are expected to do under the guidance in relation to a short-term closure. Even where the guidance does not apply, firms must still ensure they are treating customers fairly (Principle 6) and communicating with them in ways that are clear, fair and not misleading (Principle 7). They may find some aspects of the guidance helpful to achieving this.

Our guidance already defines a 'branch' widely as 'the physical site where firms undertake regulated banking activities or provide regulated payment services for their customers, whether consumers or small and medium enterprises (SMEs), who attend in person.' It applies to regulated firms who operate or have agents operate such sites. The market for shared banking service delivery models is rapidly developing. Since many of these business models, such as banking hubs, are relatively new concepts and there are a number of different models emerging we consider it appropriate at this point in time to flag the issue for firms to consider. We may say more on this in the future when the market is more developed.

We consider that our definition of customer is appropriate and enables us to advance our objectives in publishing this guidance. The details of who firms' customers are will also vary from branch to branch, so we don't feel it is appropriate to give a definition of a *branch customer*, although the guidance contains clarifications on our expectations regarding extremely infrequent customers of the branch.

## **Communicating with customers and other stakeholders**

Some respondents thought our expectations of firms' communications requirements are not proportionate in the case of, for example, a reduction in hours. Others queried how firms will ensure that customers read and understand the information communicated sufficiently.

Respondents also asked us to clarify whether we expect firms to consult with customers and stakeholders before making a decision to close a branch. One respondent said that it was important to inform colleagues before external stakeholders of the closure, and that consulting with stakeholders might mean colleagues do not hear of the closure directly from the firm. Others requested that firms consult trade unions before the closure, as well as local traders' associations and Business Improvement Districts. We received other suggestions of groups to be notified of the closure.

### **Our response –**

The guidance seeks to make sure that firms assess customer needs and consider the availability and provision of alternatives where closures or conversions are planned. If firms decide to go ahead with a closure or conversion after completing their initial analysis, we expect them to communicate information about the closure clearly and in good time to customers and other stakeholders.

It is important that firms give customers sufficient and timely notification of any closure or conversion proposals, to ensure that customers have enough time to digest the information, consider what it will mean for them and change provider if necessary. We therefore think it appropriate that firms consider this for all closures or conversions, given that both full and partial closures have the potential to impact customers significantly.

To ensure customers have good opportunity to read information about the closure we have amended 2.37 to clarify that clear communications to customers about closures should include direct written communications to customers who use the closing branch and will be impacted by its closure. Writing to impacted customers is consistent with established industry practice under the Access to Banking Standard overseen by the Lending Standards Board. Alongside this Guidance, the Consumer Duty (2A.5.3 R) will require firms to support retail customer understanding. We do not expect firms to formally consult their customers or staff as part of the analysis firms conduct before their announcement, although some firms may choose to do this. We have clarified the language used at paragraph 2.36 of the guidance to reflect this.

We have also amended the guidance to make clear that firms should consider any feedback they receive following this, particularly where it relates to customer need or the proposed alternative services.

We have also added suggestions of other local stakeholders that firms should consider notifying about the closure.

### **Assessing customer needs and providing alternatives**

Some firms noted that it would be useful to have a template suggesting which data firms should consider including in their analysis.

Respondents asked for further clarification as to why we want to see the commercial evaluations completed by firms before they decide to close or convert a site. Others asked for further engagement with us on the details of these to ensure our expectations are achievable.

Some respondents suggested improvements to how firms consider alternatives. One suggested firms' analysis should include information on how customers will access a wide range of services including seeking advice or other services. Others highlighted that where firms have removed services from a branch in the past, the analysis should consider the services customers need, not those currently offered. It was suggested that the analysis should distinguish between services used by consumers and SMEs. Some respondents want firms' analysis to consider the additional costs to customers of accessing alternative services. For example, extra time or money spent traveling to a new location.

Some respondents felt that the guidance should require firms to put alternative provision in place to replace services being lost, at the same time that a branch is being closed. They queried whether closures should go ahead if firms are not able to effectively migrate services to another accessible channel by the point in time a branch is closed.

### **Our response –**

We recognise that a template may help firms organise their analysis. We are aware many firms also submit information about their closure plans to LINK for them to conduct their community access to cash assessments. We have engaged with firms via the Cash Action Group to develop a template that firms may use on a voluntary basis to provide information to the FCA as well as LINK.

We have included the commercial evaluation as a requirement in the updated guidance as it is an important part of firms' own analysis. We want to see a summary as it helps us to understand the firm's rationale and context for the closure. We look at the evaluation to understand the costs and benefits of the options available to firms to continue to meet their customers' needs. This helps us to monitor and assess whether firms are sufficiently considering appropriate options and treating their customers fairly.

It is important for firms to think holistically about the services that customers may lose access to when branches close or service provision changes, identifying clearly which services are used by consumers and SMEs in their analysis. Firms should consider the services currently offered by the particular branch before changes or closure take place, and seek to provide, where reasonable, appropriate alternatives.

We also agree that when considering suitable alternatives firms should take into account the additional costs to customers of accessing the proposed alternatives. This was already reflected at paragraph 2.31 of the guidance.

The draft Guidance in GC22/2 set out our expectations that firms' pre-closure planning should include the effective migration of services and that firms should consider whether they should pause the implementation of a closure or conversion until they have an appropriate solution in place. We explained that we may ask firms to delay their closure or conversion plans where we are not satisfied that they are complying with Principles 6 and 7.

Following feedback, we have clarified our guidance so our expectations of firms are clearer.

With the cost-of-living crisis, it is more important than ever that firms support their customers and consider their needs. To ensure a smooth transition, branches shouldn't be fully or partially closed until reasonable, fit-for-purpose alternatives are in place. This will minimise gaps in services, especially for people in vulnerable circumstances who may rely on them.

## **Vulnerability**

Respondents asked for clarification that the data they collect on customers in vulnerable circumstances should remain within data privacy requirements. For example, whether firms should only collect protected characteristics data that is self-disclosed by a customer or that has a direct impact on how customers access the banking services offered. One respondent noted that customers 75+ should be considered particularly carefully in firms' closure analyses.

Other respondents asked us to reflect in the guidance that members already do account for customers in vulnerable circumstances.

### **Our Response –**

When dealing with customers' personal information, firms and staff must ensure that they comply with all applicable data protection requirements. Appendix 1 of FG21/1 discusses data protection considerations that firms should take into account when interpreting that guidance and is also relevant to this guidance.

We agree that people in the 75+ age category may be especially likely to display common characteristics of vulnerability due to health and life events associated with old age. However, it should not be assumed that all customers within an age category will display any characteristics of vulnerability. Firms should equally be aware that many younger customers may be in vulnerable circumstances that could be exacerbated by a branch closure.

We appreciate that branches are not the right solution for all customers and many firms do have in place many other accessible channels. This does not exempt firms from the expectation that they will undertake appropriate analysis and treat their customers fairly when they do close branches.

### **Examples of good practice**

Many respondents asked for more examples of good practice to be added to the guidance to aid their benchmarking of plans.

### **Our Response –**

We have added more throughout to aid firms in this, but stress these are not an exhaustive collection.

### **CBA feedback**

Respondents broadly agreed with the assessment made in our cost benefit analysis. Some asked for greater consideration of the costs to consumers and small business

of the closure; for example, the cost of traveling to alternative services. One respondent noted that although there might be additional costs associated with the updates in this guidance, this is outweighed by the detriment to customers that is avoided should their needs be properly considered and reasonable alternatives put in place.

### **Our Response -**

Respondents have not identified any specific further costs and benefits associated with the changes in guidance that we could qualitatively reflect in our CBA. As with our original CBA, quantification of costs and benefits is not possible since they will be highly dependent on the scale of any future plans for site closures or conversions by firms, and the specific actions that firms take as a result of the guidance.

In response to the feedback above, we made a number of changes to the drafting of the finalised guidance to give greater clarity and address issues raised.