

Bank Branch Closure Briefing

September 2016

Age UK is concerned at the closure of nearly 10,000 bank branches in the last 25 years (over half of all branches across the UK), leaving hundreds of thousands of older people without convenient access to basic banking services. This rate has accelerated in the past year, with more than 600 bank branches closing across Britain in this period. As such, Age UK have prepared this briefing as a way of supporting MPs to respond to closures in your local area, as well as supporting services to become “Age Friendly”.

The importance of bank branches

Age UK is calling for all banks and building societies to work harder to respond to the needs of their older customers and our ageing society and to raise awareness among Parliamentarians of the risk that older people cannot access these essential services in the community. While a minority of older people are able to use internet banking, we know that around a quarter (26%) of people aged 65 to 74 and around three-fifths (61%) of people aged 75+ do not regularly use the internet. Many older people also have a strong preference for in-branch banking, with face-to-face services allowing the chance to talk to people – an important component of tackling loneliness in our communities. In-branch banking also offers peace of mind and the security of seeing bank transactions take place and receiving a paper record to prove it.

With shrinking bank networks there is a big question mark over how banks can continue to provide this sort of service. While we are aware of some good practice by banks, such as [Barclays 'Digital Eagles'](#) support for digital inclusion, Age UK remains concerned that not enough banks are considering the needs of current and future population of older people. We also know that use of technology is linked to education, skills and geographical location. It would have a particularly adverse impact on individuals and communities already isolated and disconnected from essential services and exacerbate the problems in deprived areas.

How to respond to news of a closure

As an MP, there are a few things you can do to encourage your local banks to act responsibly and follow the [BBA bank branch closure protocol](#):

- 1) Ask to see the branch closure impact statement (these are obligatory under the protocol).
- 2) Interrogate the statistics in the closure statement, especially the ‘regular customers’ stat, which we think is often reduced by a narrow definition of ‘regular’.
- 3) Find out specifically what the bank is doing for each of its stranded customers, in terms of helping them move to ‘suitable alternative services’.
- 4) Ask the bank to put in place a post-closure assessment – i.e. to find out in the months after a closure how their stranded customers have adapted and what lessons can be learned from the post-closure experience.

Potential alternatives after a closure

If it is not possible to persuade your local bank branch to remain open, you may be able to help ensure your constituents are able to access essential banking services in other ways:

- **Telebanking** – a ‘smart’ ATM with live on-screen access to customer service personnel
- **Enhanced use of the Post Office** – while the Post Office network provides a welcome alternative in many cases, with older people being a significant customer base, some post offices will need to be upgraded in terms of facilities and staff training for this solution to work properly and to provide outreach and remote services.
- **Joint bank branches** – with the network of separately branded bank branches decreasing in size, Age UK suggests the industry might look again at the concept of shared branches for smaller communities, suburbs and rural areas. These have the potential to provide bank-style service where footfall is too low to support individually branded branches. There may be a role for shared brand mobile branches, providing these have reliable telecommunications, are designed appropriately for all customers (including those with disabilities) and all weathers and are open for a sufficient amount of time at each location.
- **Mobile branches** – Mobile branches can provide a banking lifeline to customers living in rural areas. Customer Service Officers get to know their regular customers and are able to help vulnerable, elderly or mobility restricted customers where they are needed.

An example of a successful Mobile Branch Banking service is provided by RBS Group (22 mobile branch routes in Scotland, 14 in England and Wales and one in Northern Ireland) which covers over 11,000 miles and serves 600 communities each week, providing services including cash transactions, bill payments, account balances and cheque deposits. Over the past three years the RBS Group has expanded its fleet with 28 new vehicles which have features such as high visibility markings on steps and handrails and open plan designs.

- **Access to and support for online banking services**

The retail banks, led by the British Bankers Association, make much of the speedy development of mobile and online banking, and these services are a positive choice for many people. They have also been a significant driver in reducing the footfall in local branches, which is an important factor in the acceleration of the branch closure programme. However, both are predicated on the willingness of customers to embrace this technology, and the availability of high speed communications connections. Some businesses do recognise that customers want a choice of online and offline options but not all are sufficiently aware of the needs and preferences of a growing number of older consumers.

Older people have shown less appetite for mobile and internet banking and many also have poor access to telephonic or broadband connections. Banks planning local closures need to show that they have considered these issues in their impact assessments. A first principle for Age UK is that the needs of older bank customers can be adequately met by accessible systems and services, and that the appropriate support is provided to support customers to adjust to new circumstances with confidence. As a society, we are all being encouraged to take more control over our own lives and affairs, and make intelligent and informed choices between our options, and take it or leave it alternatives are simply not acceptable for core service providers to offer. Neither does it make good business sense given our ageing population.

How to ensure age friendly services

- **Customer service** – make sure that staff are trained to recognise the specific needs of older people, to listen to what customers say to them and to respond appropriately, especially with regard to cognitive decline, scams and financial abuse.

- **Physical design** – design branches to be easily accessible, arrange suitable alternative physical services in the absence of a branch and ensure all customers know about accessibility options. Good design enables diverse people of all ages to gain access.

Of all these factors, good customer service – including listening carefully, speaking clearly, better call handling systems and the ability to be sensitive to customer vulnerability is crucial.

Further information

Full details of Age UKs position can be found in our report *Age-friendly banking – what it is and how to do it* available to download here:

http://www.ageuk.org.uk/Documents/EN-GB/For-professionals/Policy/money-matters/report_age_friendly_banking.pdf?dtrk=true

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