

## Barclays Submission – Inquiry on the impact of bank closures

### Introduction

Barclays is a transatlantic consumer and wholesale bank with global reach, offering products and services across personal, corporate and investment banking, credit cards and wealth management, with a strong presence in our two home markets of the UK and the US. With over 325 years of history and expertise in banking, Barclays operates in over 40 countries and employs approximately 85,000 people. Barclays moves, lends, invests and protects money for customers and clients worldwide.

Barclays welcomes the opportunity to input into the Economy, Jobs and Fair Work Committee’s inquiry on the impact of bank branch closures. As branch closures become more frequent, we recognise that we must work hard to mitigate the negative impacts of closures for local communities, to ensure that everyone feels comfortable when using the local banking provision available to them.

### Barclays approach to branch closures

The rapid growth of digital is changing customer behaviour and expectations, meaning the way that businesses deliver their services is changing too. The digital revolution has led to an adjustment in customers’ banking expectations, and Barclays has responded by creating leading digital banking products and services – ready to support our customers wherever they are, whenever they’d like.

In addition to creating leading digital banking products, we remain committed to maintaining a strong branch networking presence throughout the UK. At the end of 2017 Barclays counted the largest branch network in the UK (by brand) on the high street, with 1,208 branches in total, and despite our reducing branch presence, branches remain a core part of our offering. We have invested over £750m since 2008 to refurbish our stores with the technology needed to help customers complete their day to day transactions, and are confident that this investment has helped to free up colleagues for more in-depth conversations with customers.

However, with customers visiting our branches less and less each year, we must constantly assess how and why our branches are used and make decisions about a branch’s future on that basis. Where we do take the difficult decision to close a branch, we work closely with the local community to understand their needs and provide appropriate alternative solutions. All closures also adhere to the new Access to Banking Standard, which ensures all branch closures are conducted with a suitable level of transparency and engagement with the community.

### Access to Banking Standard

The Access to Banking Standard was introduced in May 2017 (prior to this it was known as the Access to Banking Protocol) and Barclays is a full signatory to the Standard, which covers the following:

- How and when we communicate our decision to close a branch to our customers along with the reasons behind this decision.
- How we engage with the local community to gather their response to our decision and any concerns they may have about the closure.
- How we share the outputs of the post announcement community engagement along with details of how we are helping mitigate any potential impact the closure may have on the community.
- How we will still be available to customers and the community after the closure to offer support, and how they can contact us.

- How we proactively help those customers who may be vulnerable and therefore may require additional help or assistance.

### **Barclays in the Community (Flex)**

As well as ensuring that when a closure takes place it happens smoothly and considerately – we are also working to provide suitable banking provision in the community following the closure of a local branch. Research has highlighted that there are three main areas of customer concern surrounding a branch closure:

1. Disruption to routine: A branch closure forces changes in routine and often longer travel times, however most customers choose to continue to bank with us.
2. Basic tasks: The perception is that regular transactions will take longer to complete as they no longer take place in a familiar environment.
3. Loss of relationship: The perceived lack of face to face interaction leads customers to believe that they will find it harder to build a trusting professional relationship with their bank.

In order to manage these concerns, upon closing a branch we work hard to support local customers during the transition, and emphasise the alternatives available to them. This includes the promotion of:

- The Post Office: A service which provides local access to cash and the ability to deposit cash and cheques.
- Remote ATMs: Providing local access to cash.
- SkyBranch (Telephone banking): A telephony service which enables access to routine transactions at home or on the move.
- Video Banking: Providing access to routine transactions at home or on the move – face to face.
- Barclays Mobile Banking and Digital: A service which provides access to routine transactions at home or on the move.

To bring such solutions to life in the community Barclays hosts local ‘Tea and Teach’ sessions to support customers to better understand and feel comfortable with the alternative options available to them. We also utilise our expert, 18,000 Digital Eagles to provide tailored support to individuals and businesses, to help them to better navigate and make use of banking online.

If further support is required, we activate a ‘pop-up’ presence of support for at least one day per week for c.3 months in a new venue, to help customers’ transition to their preferred way of banking. Moreover, we provide access to a range of technologies such as deposit-enabled kit, community WiFi, merchant “point of sale” terminals and contactless wearables.

### **Post Office Partnership**

One core part of the Barclays flex proposition includes robust promotion of the Post Office as a long-standing, local alternative to bank branches. Amidst branch closures, the Economic Secretary to the Treasury has encouraged all banks to pursue ambitious programmes to promote the Post Office, and to demonstrate our support for this effort we’ve recently signed up to a five-point plan, co-created by UK Finance, to do just that.

The five-point plan will increase awareness of the banking services available at the Post Office, including paying in and withdrawing cash, and highlight that bank and building society customers can access 11,500 Post Office branches across the UK (1,396 in Scotland). The plan will also deliver a series of coordinated activities, including targeted media campaigns, local community events and enhanced support for vulnerable customers. In rural and urban areas, the plan aims to:

- Raise awareness of banking services available at the Post Office via regional and targeted localised media campaigns. These will be timed to coincide with in-branch campaigns across the Post Office network.
- Support specific communities, including those impacted by bank branch closures, through information leaflets, joint Post Office and bank outreach to communities, and improved collaboration between Post Office and banks during any bank branch closures.
- Promote the Post Office as an integral channel for day-to-day banking activity, with clear and prominent information for customers in banks' literature, on websites and in their telephony channels.
- Provide enhanced support for vulnerable consumers to be developed based on Citizens' Advice best practice guidelines.
- Carry out ongoing monitoring of awareness and confidence in the Post Office's counter service.

While many Barclays customers are already aware of the banking provisions provided at the Post Office, we're confident that this plan will drive greater awareness of this offering amongst the population at large.

### **Barclays in Scotland**

Despite the fact that Scotland is a site of strategic importance for Barclays, with a significant Corporate and Investment Banking, Wealth Management, Stockbrokers and broader Operational presence in the country, historically Barclays has had a very small high street presence in Scotland. While this increased with the acquisition of the Woolwich in 2000, we continue to represent only a small part of the retail bank branch network in Scotland.

#### Closures:

Since 2010 we have closed 12 branches (four of which were two into one consolidations into new sites in Glasgow and Edinburgh) and have opened five branches during the same period (two new sites in Glasgow and Edinburgh). Our estate size at the end of 2017 was 16 branches. Furthermore, we will have refurbished in c80% of our estate between 2010 and the end of 2018. Despite the relatively small number of branches, we remain present in many of the major shopping and commercial centres in Scotland, providing accessibility for a broad range of the population.

#### Business support:

Our community of Scottish business managers are committed to supporting the business community to thrive, and rather than being physically limited to a branch, our business managers are free to visit businesses based on their needs and convenience. By way of example, we have:

- Grown our Business Bank team from 14 to 21 colleagues in two years, now covering all cities in Scotland.
- Doubled the number of SMEs we serve, and the amount we lend to Scottish SMEs over the two-year period.
- Sponsored Entrepreneur of the Year in Scotland.

Additionally, we have invested in the creation of an [EagleLab](#) in Edinburgh, which we hope will play a pivotal role in fostering innovation and economic growth within the local community.

### **Conclusion**

Barclays recognises that bank branches play a vital role in supporting customers with their banking locally. As we undertake branch closures to reflect decreasing footfall, we are working hard to provide suitable alternatives which support both individuals and businesses to feel comfortable and confident to continue banking with Barclays.

We hope this has been helpful, and are happy to discuss further if more detail is required.