

Barclays UK



Our performance in the UK



With 30,000 colleagues and 24 million customers and clients, Barclays UK strives to help people move forward by providing personalised and perfect experiences, delivered by passionate colleagues. In 2017, we have made significant progress in establishing the ring-fenced bank, protecting our customers and clients and transforming our business through digitisation and automation.

Ashok Vaswani

Overview of products, services and clients

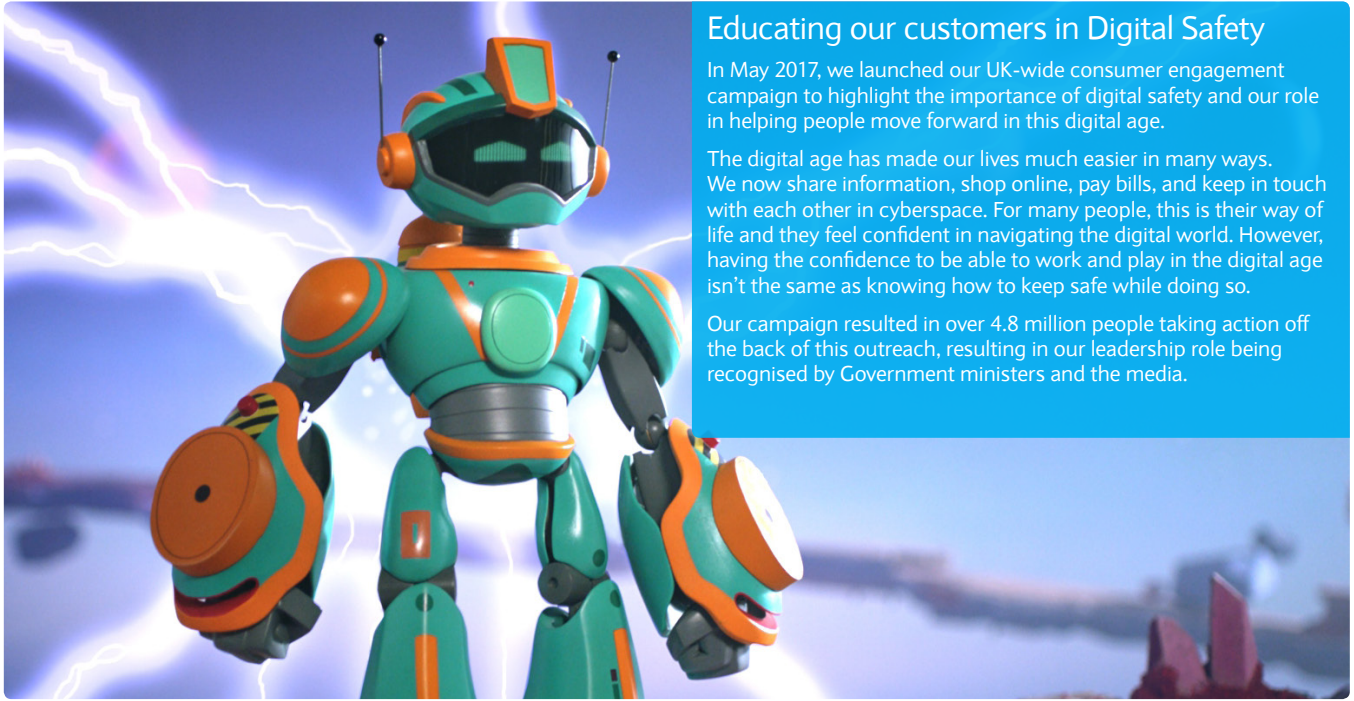
Our future ring-fenced bank, Barclays UK, is a personal and business banking franchise, built around our customers' needs with innovation at its core. Our Personal and Premier Banking financial solutions help customers move forward by putting them at the heart of everything we do, connecting the different aspects of their lives to their financial lives, at a time that suits them. Barclaycard Consumer UK is a leading credit card provider, offering flexible borrowing and payment solutions, while delivering a market-leading customer experience. Wealth, Entrepreneurs & Business Banking serves a spectrum of clients, from those who manage their own investments to small and medium-sized enterprises (SMEs) who need specialist advice, products and services.

Market and environment in which the division operates

Against the background of a prolonged uncertain political and economic climate in the UK, we continue to deliver solid financial performance and provide innovative solutions for our customers and clients. The operating environment continues to be challenging including rapidly changing customer behaviours; increasing expectations of society and regulators; and significant technological disruption amid the threat of dis-aggregation from competitors and new entrants. However, we have a leading brand, a solid customer base and we remain well positioned in the current environment.

Barclays UK operational model





Educating our customers in Digital Safety

In May 2017, we launched our UK-wide consumer engagement campaign to highlight the importance of digital safety and our role in helping people move forward in this digital age.

The digital age has made our lives much easier in many ways. We now share information, shop online, pay bills, and keep in touch with each other in cyberspace. For many people, this is their way of life and they feel confident in navigating the digital world. However, having the confidence to be able to work and play in the digital age isn't the same as knowing how to keep safe while doing so.

Our campaign resulted in over 4.8 million people taking action off the back of this outreach, resulting in our leadership role being recognised by Government ministers and the media.

We are committed to ensuring continued growth of Barclays UK, and are cognisant of the rapid pace of technological change in today's environment.

Risks to the operating model

We continue to monitor leading indicators to identify trends in UK economic performance – in particular, trends caused by low interest rates, Brexit uncertainty, as well from the impact of the increase in zero hour contracts. We aim to remain conservative and well positioned post-Brexit with stable trends in impairments supported by our strong risk management framework and oversight.

We are committed to ensuring continued growth of Barclays UK, and are cognisant of the rapid pace of technological change in today's environment. In order to continue to provide exciting and relevant solutions for our customers and remain competitive against new entrants, we are investing significantly in new technology, while simplifying and automating our existing platforms. Unrelenting growth and sophistication in organised crime remains a concern. In order to reduce the risk of cyber threat and protect our customers and clients, we continue to invest heavily in cyber risk, improving detection and response capability and implementing new resilience standards and testing approaches.

Innovation at our core

Half a century after launching the world's first Automated Teller Machine – the ATM, we developed new 'contactless cash' withdrawal options in 2017, fit for the digital age. In addition, we extended our cheque imaging pilot programme to other banks, allowing more than 243,000 customers the ability to pay in cheques instantly from wherever they are, 24 hours a day. We also achieved an industry first with Insurance Instant Price – our first mobile insurance proposition, allowing instant price quotes from our providers to approximately 1 million customers.

Key highlights this year in delivering our strategy

This year we have built the Barclays UK ring-fenced bank and a diverse, highly-experienced board has been appointed by the Barclays UK Chairman. We have also migrated over 600,000 customers onto new sort codes with minimal customer impact.

Alongside this, we have made good progress building meaningful relationships with our 24 million customers and significantly reducing the number of customer complaints – one of our key objectives for 2017 – by developing our colleagues and tackling the root causes. Interactive tools are now available to enable colleagues to more effectively own, manage and collaborate in the timely resolution of complaints. Reducing customer complaints further will continue to remain one of our top priorities for 2018.

Over 10 million customers are now actively engaged with our digital services, including our award-winning Barclays Mobile Banking mobile app.

Delivering on shared growth

Our signature citizenship programme, LifeSkills, aims to inspire young people to develop the skills they need for a better future. In less than five years, it has reached over 5.5 million young people and more than 16,000 colleagues are now registered as LifeSkills volunteers.

We expect 2018 to be a pivotal year for the financial services industry with the introduction of PSD2 and Open Banking but we believe Barclays UK has a significant opportunity to thrive in this environment. I am positive we will continue our lead in innovation in an Open Banking environment, as a new ring-fenced bank.

Ashok Vaswani
CEO, Barclays UK

Personal Banking

Our performance in Personal Banking

Our Personal and Premier Banking team develop transparent and innovative solutions for our customers. We help customers move forward by putting them at the heart of everything we do, connecting the different aspects of their lives to their financial lives, at a time that suits them. This ranges from opening their first bank account to completing a mortgage on their dream home.

We launched a new online Track Savings Goals tool available through Barclays Finance Manager, which aims to support customers in setting and reaching their targets.

Our Mortgages business has continued to focus on enhancing the customer experience this year, and has won eight awards^a in 2017. We've also continued to enhance our CloudIt offering, including allowing customers to access their mortgage statements online.

Helping our customers and colleagues

Barclays has made significant progress to enhance accessibility this year. Our high visibility and tactile debit cards aren't just useful for the visually impaired - many people struggle to read the numbers on their card - so we've offered a high contrast design option. We also launched a new larger audio PINEntry device to facilitate easier access to online banking for customers with dexterity and sight difficulties, enabling them to continue to do their banking independently. We have supported customers in vulnerable circumstances by automating complex processes such as registering a power of attorney.

As well as delivering for our customers and clients, we need to ensure we deliver for our colleagues too. Our focus on investment in training, development and coaching as well as creating new ways to engage and support our colleagues continues. Our colleagues' needs are changing just as those of our customers are, and empowerment, dynamic and flexible working as well as improved technology have been a strong focus as we develop a world-class team who put the customer at the centre of everything they do.

This year we created a single Product and Propositions team, bringing together our core product capabilities in Current Accounts, FX and Insurance, Consumer Lending, Mortgages and Savings with our newer Information Business and Mobile Payments products, as well as with the Community and Premier segments they serve. Through doing this, we are now able to more fully anticipate and deliver responses to our customers' needs and understand what they want in the moment they need it.

Moving Barclays UK forward

2017 has seen a continued focus on rewarding customer loyalty and creating advocates for every interaction. Over 930,000 customers now benefit from Blue Rewards, including Cashback. We landed our first 10% Cashback retail offers and have helped our customers earn over £5 million in savings since Cashback was launched.

Technology and data are such fundamental parts of how we serve customers and clients that it is vital that we all become more digitally savvy and help our customers to do the same. We started several years ago with the nationwide force of Digital Eagles, offering our customers and clients the help and resources to improve their digital skills; and continued this year with our Digital Safety campaign which aims to heighten awareness and educate our customers to be digitally safe.

Leveraging our data to benefit our customers and clients is a fundamental pillar of our strategy. We launched Local Insights, providing consumers, businesses and MPs key insights about their local area. We celebrated 1 year of our Barclays Identity Service, which allows consumers to access government services such as tax self-assessment online in a simplified, secure manner.

“Barclays has always believed in me. The real support has come from my points of contact at the bank. It's these relationships that not only keep me banking with Barclays, but encourage me, without a shadow of a doubt, to recommend Barclays.”

Kieran Miles, Premier Customer

Notes:

^a Best Lender for first-time buyers with family support (Moneywise); Best Lender for Large loans (Moneywise); Best Online Lender (What Mortgage); Best Help to Buy Mortgage Lender- Equity Loan (What Mortgage); Best Intermediary Lender (Mortgage Finance Gazette); Best Overall Lender (Mortgage Finance Gazette); Best National Bank (Mortgage Finance Gazette); Best Large Loans Mortgage Lender (Your Mortgage)



Our performance in Barclaycard Consumer UK

Barclaycard Consumer UK is a leading credit card provider, providing flexible borrowing and payment solutions to around 10 million customers in the UK. We help people move forward, by enabling them to borrow and pay in a way that suits them. We are a responsible lender, providing credit based on credit history, ability to afford credit and our risk appetite, while delivering a market-leading customer experience.

We are continuously looking for ways to improve the customer experience we deliver

Throughout 2017 we focused on reducing customer complaints, maintained a stable Relationship NPS and reached new records on several transaction NPS, including Customer Service. We are pleased to have won a number of awards, acknowledging the market-leading service we offer our customers. We were recognised at the Top 50 Companies for Customer Service Awards, with two awards, Best Extra-Large Centre and Best Social Media Team.

We support consumers by providing free credit scores, and personalised hints and tips on how to become fraud smart. Fraud-related activity is increasing and our research tells us that customers are increasingly concerned about how to protect themselves, and look to us to help provide support and information. We developed a digital interactive Fraud Fighter Tool to help customers understand where they are vulnerable and what they could do to better protect themselves, by giving them personalised fraud prevention tips.

We also launched the Barclaycard Start Today campaign, to encourage people to start something new that they always wanted to do. So whether it is signing up to those pottery lessons or buying a bike, Barclaycard is there for our customers to help them move forward.

Barclaycard Consumer UK offers a suite of products to our customers. Our Barclaycard Initial credit card is aimed at customers who are looking for a first credit card, or have a limited credit history, and helps them to build a credit profile. Our Barclaycard Platinum card offers promotional savings on balance transfers and purchases for borrowers with good credit history. Alternatively, shoppers can earn reward points everywhere they shop with our Barclaycard Freedom Rewards credit card.

The UK credit market continues to experience considerable change, driven by new competitors, new technologies, economic and regulatory pressures, and changing consumer expectations and behaviour. We are responding by developing new products and services for our consumers. For example, this year we have further diversified our offers to new and existing customers with the launch of our Barclaycard Platinum travel card, which has no non-sterling transaction fees on foreign spend and ATM withdrawals.

This year also saw the integration of Barclaycard Consumer UK with our retail bank to build and grow more sustainable income while reducing complaints and creating better customer experience.

The integration of Barclaycard Consumer UK into Barclays UK has progressed with focus on enhancing the customer experience, as well as leveraging resources, technology and digital capabilities.



Our performance in Wealth, Entrepreneurs & Business Banking

Within Wealth, Entrepreneurs & Business Banking, Wealth & Investments serves a spectrum of clients, from those who manage their own investments and require an execution service, to those who require a dedicated and holistic service through our Wealth Management services.

Business Banking offers specialist advice, products and services to over 1 million business clients across the UK, helping them to run and grow their business, from start-ups through to mid-sized businesses.

Wealth & Investments Overview

Wealth & Investments is formed of two businesses; Wealth Management and Smart Investor, both of which are supported by our in-house investment and asset management capabilities. Clients of our Wealth Management business benefit from holistic advice in Banking, Credit, Wealth Planning, and Investments through their dedicated Wealth Manager and access to specialists across Wealth & Investments and the wider Barclays UK division. Despite significant investment in regulations required, Wealth Management has achieved a strong performance, and achieved year on year growth in client acquisitions.

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Smart Investor provides clients access to a wide range of investment products, educational resources to help build their confidence in investing, and tools to assist in planning for their future. The focus of the business this year has been launching Smart Investor and migrating over 225,000 existing Stockbrokers clients onto the new platform. This allows our clients to leave the day-to-day management of their investments to our experts, thereby taking the complexity out of investing.

This year, we launched the Multi-Impact Growth Fund, the first impact-investing vehicle of its kind from a major UK bank, offering mainstream investors the opportunity to generate long-term capital growth while making a positive contribution to society.

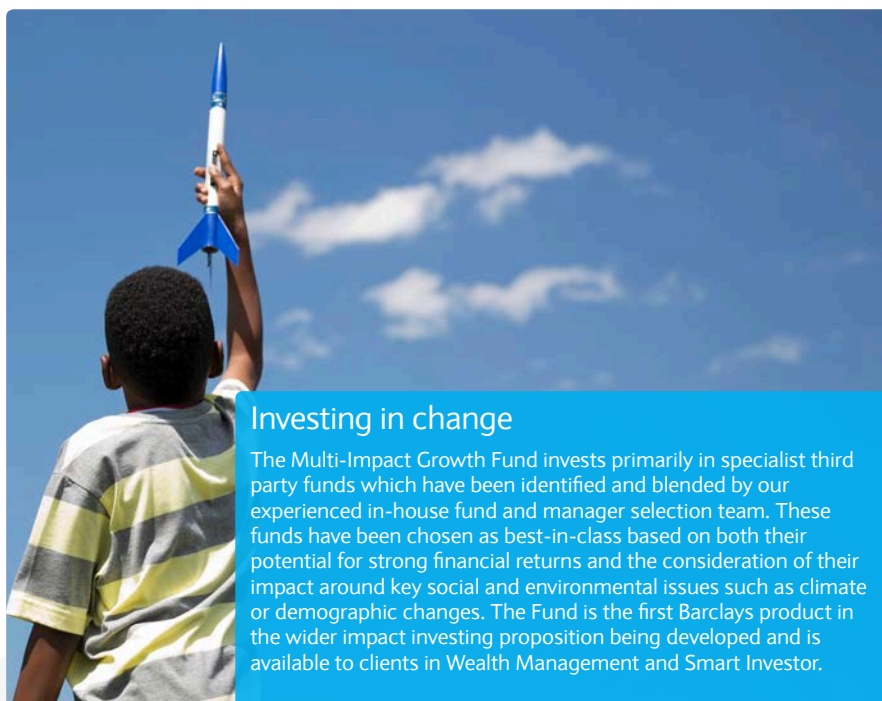
Business Banking Overview

Our Business Banking unit provides coverage for clients across the UK at every stage of their business cycle in every industry, delivering distribution models which match clients' needs and sophistication.

This year, we launched our SmartBusiness Dashboard and App and now have over 12,000 clients benefiting from this unique client experience. With all their key business data in one handy place, our business clients are now spending more time within SmartBusiness and reaping the benefits.

The roll-out of Direct, our unique telephony relationship model for small business and start-up customers, has vastly increased the number of conversations and in-depth client reviews we are able to have, which directly benefits over 900,000 customers already on this new, interactive model.

In 2017, we supported more clients, reduced account opening times, lent more money and generated more income than in 2016 through targeting sustainable, long term growth. Our aim in 2018 is to empower our colleagues through continuing to invest in technology and services.



Investing in change

The Multi-Impact Growth Fund invests primarily in specialist third party funds which have been identified and blended by our experienced in-house fund and manager selection team. These funds have been chosen as best-in-class based on both their potential for strong financial returns and the consideration of their impact around key social and environmental issues such as climate or demographic changes. The Fund is the first Barclays product in the wider impact investing proposition being developed and is available to clients in Wealth Management and Smart Investor.