

INTRODUCTION

Unite the Union represents Finance Sector employees from banks and insurance companies which operate within the United Kingdom.

Two-thirds of the UK's bank branches have closed in the past 30 years and of these around 3,300 have closed since 2015. Wales has been particularly badly hit as a result of these closures. This has had a negative impact on Unite members who not only work in the Finance Sector, but also those who live and work in the local communities.

CURRENT POSITION IN WALES REGARDING ACCESS TO BANKING SERVICES AND IMPACT ON COMMUNITIES

A Move your Money report entitled 'Abandoned Communities: The Crisis of UK Bank Branch Closures and their Impact on Local Economies' (July 2016) found that: "More than 600 branch closures have occurred in the last year alone."

Wales has faced particular challenges, having been hardest hit by bank branch closures. Data from the Office for National Statistics show that in Wales in 2010 there were 715 bank branches. However, by 2018 this had reduced by 63 per cent to 450.

Unite has noted that banks claim to have identified a range of factors to justify branch closures. This includes:

- a drop in footfall, as a result of customers turning to banking online.
- digital banking has become more popular including use of internet and mobile phones

The finance sector has not addressed the issues for those without access to technology such as broadband, being able to use such forms of banking.

Branch Closures in Wales

In March 2019, a Which? Report found a reduction of 235 Bank Branches in Wales between 2016 and 2018.

Unite members have been particularly hard hit by the branch closure programs. As the number of branch closures increase, there are limited or no opportunities for redeployment for the workforce, especially outside of the main towns and cities across Wales.

The impact of these closures, along with the introduction of new technology and movement of jobs by some of the large banks outside of Wales (and outside of the UK in some cases), and the concerns regarding the uncertainty around Brexit, has also led to redundancies.

What is different in Wales to the rest of the UK is the commitment of the Welsh Building Societies to maintain, and in some cases increase, their high street presence. Both Principality Building Society and Monmouthshire Building Society have confirmed to Unite that there has been a significant spike in business since the high street banks have withdrawn from some of the smaller towns in Wales, and they have no intention of following the same path of closures. This absolutely flies in the face the Banks rationale for the raft of closures over the last few years.

Unite has recognised an urgent need for acknowledgement from the banking sector that greater transparency around branch closure plans.

Mobile Branches

Some of the major banks have pursued a strategy of mobile banking. Unite is clear that these mobile branches do not serve the communities well. These mobile services are in no way equipped to conduct the same banking functions as a local branch. Unite believes this approach can also the staff at significant risk of assault and robbery. Strict timetables have to be adhered to - the mobile banks will not stay to serve customers beyond their scheduled times. Staff have reported customer anger and frustration aimed at staff when faced with mobile banking trucks following the closure of their local branch.

Digital Solutions

Where closures have occurred, customers are advised that digital banking offers the solution to banking services.

Recently many major banks have been hit by IT failures which have impacted millions of customers. In Wales, the delay in the roll-out of a Wi-Fi service means that approximately 15% of the rural population has no adequate broadband service, and may not even be able to access on-line banking.

On top of this, no website can provide some of the most vulnerable and socially excluded in our society with personal advice and support they need. The relationships between staff and customers are key to some of the most vulnerable and socially excluded in our society.

Cash Point Networks

In February 2019 Which? called for greater consumer access to cash directly as a result of their concerns about IT failures, closures of bank branches and cash machines. The report identified that there had been a cash point decline in Wales of 3.3% between 2017 and 2018.

Unite the Union has consistently challenged the social purpose of our financial services industry and the responsibilities of the industry to function in the public interest of communities.

Banking Alternatives

The banking sector has for some time argued that the Post Office offers a viable banking alternative when a local branch has been selected for closure. Unite strongly disagrees that the Post Office network has the capacity or the expertise to give customers the service and support they understandably expect from their bank.

The Post Office network can only conduct basic banking such as balance enquiries, cash withdrawals and business deposits for bank customers.

Unite also notes that the Post Office network has also closed local branches.

In August 2018, a House of Commons Briefing Paper on Post Office Closures also identified a decline of the number of post offices in Wales by 25 (-2.7%) to 906. This is the highest decline of anywhere in the UK during the 2017-18 period.

The Access to Banking Standard

When a bank announces a branch closure the company is required to follow 'The Access to Banking Standard.'

The Standard is now supervised by the independent Lending Standards Board (LSB.)

Unite the Union has argued that this standard falls well short. In reality this agreement does not give consumers or staff any meaningful consultation in order to ascertain the actual impact of the closure. The provision of an Impact Assessment does not in the words of Which?"protect or represent the interests of the community when it comes to branch closures.."

An improved Standard could protect future jobs and services within the finance sector across Wales.

Banking Hubs

Unite notes that by March 2019 some of the largest banks finally conceded that the public mood is not in favour of the closure programs. Royal Bank of Scotland, Lloyds Banking Group and Barclays are looking to pilot joint 'banking hubs'. Unite is in no doubt that customers of banks need access to their money and communities need local bank branches.

The industry in Wales must halt their branch closure programmes and focus on serving their loyal and valued customers and small businesses.

Conclusion

The Unite finance sector will continue to campaign against the closure of vital bank branches across Wales. It is vital that the sector is forced to recognise its corporate social responsibilities to its customers, its staff and also to the local communities within which they gain their profits.

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