

# **Dorset Citizens Advice Research and Campaigns**

## **Bank closures report October 2020**

### **1 Introduction**

1.1 This report outlines the outcome of a short piece of research undertaken by the Dorset County Research and Campaigns Group during December and January 2019/2020 to ascertain the impact on local people of the closure of bank branches in their communities.

### **2 Background**

2.1 During 2019 the County Group was involved in gathering information for national Citizens Advice about how banks deal with bank accounts for homeless people. In doing this the group became aware of how many bank closures there had been in the area over the last few years. For example three banks had recently been closed in Sherborne and Wareham now has only one bank. [Appendix 1](#) gives an estimate of the number of bank branches that have closed in Dorset since January 2015.

2.2 The group had also been involved with researching digital disadvantage in rural communities and felt that these closures were likely to have had a detrimental impact on local people who had no access to the internet.

2.3 It was therefore decided that the issue of bank closures should be looked at further to see whether or not it ought to be the subject of a local campaign.

### **3 Methodology**

3.1 In order to focus the work it was decided to run a survey in towns where banks had recently closed. Bridport, Sherborne, Dorchester and Wareham & Swanage in the Purbecks were chosen. Very limited surveys were also undertaken in West Howe and Kinson.

3.2 A survey form was designed that asked respondents whether local bank closures had impacted on their ability to manage their finances. It also asked how long it took to get to the nearest bank branch, what services they used at their bank branch, whether they used internet banking, how important they felt having a local branch was and whether they used the post office for banking services. There was also an opportunity for comments. A copy of the survey form is attached as [Appendix 2](#).

3.3 The form was then distributed. Advisers in the relevant offices were told about the forms and asked to draw them to the attention of their clients. Some offices decided to give every client a form while in others the forms were

left in the reception area for clients to pick up.

3.4 The survey forms were made available during December 2019 and January 2020. They were then collected and the results collated by the Purbeck office.

## **4 Survey results**

4.1 A total of 112 forms were returned across the chosen localities. Not every respondent answered every question. [Appendix 3](#) gives the numbers of respondents from different local offices and [Appendix 4](#) gives a graphical representation of some of the responses.

4.2 Of the 111 clients who answered the question about whether bank closures had impacted on their ability to manage their finances 41(37%) said yes and 70(63%) said no. Two people had moved their bank as a result of bank closures and one person commented that bank closures lead to job losses.

4.3 Out of 108 people who responded to the question about internet banking 84(78%) said they were able to access their bank electronically and 24(22%) said they couldn't.

4.4 Despite these figures indicating that the impact of bank closures had not perhaps been as detrimental as we might have expected, of the 98 people who answered the question, 82(84%) felt that having a local branch was important. 16(16%) felt that it wasn't.

4.5 Respondents were asked about travel times to their nearest local bank branch. This varied across the localities but the maximum time given was 120 minutes by two respondents, one in Bridport and one in Dorchester and a respondent in Purbeck answered 90/150 minutes. As might be expected the journey times for people in more rural areas were longer than those living nearer to the conurbation, with both Bridport and Purbeck having average journey times of 29 minutes. A summary breakdown of the time taken at each locality is given at [Appendix 5](#).

4.6 The survey asked respondents to say what services they used at their local bank branch. The number of respondents who answered is set out below:

Paying in money – 63  
Taking out money – 42  
Paying bills – 17  
Statements – 9  
Help and advice – 27.

While exact percentages cannot be given because not all respondents answered, these figures suggest that apart from perhaps paying in money local bank services are not greatly used in practice.

4.7 The survey also asked whether or not the respondents used banking services at their local post office. Of the 110 people who responded 40 (36%) said yes and 70 (64%) said no.

## **5 Analysis**

5.1 While this was a very limited survey the results tend to suggest that while local people think it is important to have a local bank branch, in reality they are not particularly well used. Significantly over three quarters of respondents said that they banked electronically. This number is likely to increase over time as using the internet becomes more routine for more people. However using the internet can be problematic. There were four comments about how internet banking is not always reliable and depends on having a good WiFi connection. Two people commented that the loss of bank branches and the emphasis on internet banking is unfair on older people. In contrast one person commented that help with internet banking would be beneficial as they had a problem with deafness when visiting their branch.

5.2 It is perhaps worth saying with respect to the comment above about WiFi that banks tend to promote banking apps as a way of doing online banking and claim that they are more secure than using a computer to log in to their website. Furthermore, when banking away from home, phones can be used with a data connection which circumvents the need to use insecure public WiFi.

5.3 This is not to say that losing a bank branch is not an inconvenience for some people, particularly those who have to travel for a good distance to access one. However it is the case that all post offices now offer certain basic banking services, i.e. - cash withdrawals, balance enquiries, payments in and cheque deposits. The Post Office website gives full details of the personal and business banking that can be done in a post office by customers of each bank.

[<https://www.postoffice.co.uk/everydaybanking>]

For a very few banks not all basic services are available but it is because the bank is restricting them, not the Post Office. For example, Barclays restricted cash withdrawals for a short while before being forced to backtrack by public pressure.

5.4 The survey indicates that less than half of the respondents use their local post office for banking services. This could be for a number of reasons for example that they have access to a bank or that they use on-line banking. Three people commented that the post office is slow and one said that it didn't offer all banking services. However it could be that many people do not know that the post office can offer certain bank services, though as outlined above not currently the full range. Although provided at a few post offices a key service that is not available at most post offices is the provision of a cash machine.

5.5 We can note that the Post Office are introducing three new services (Payout NOW, Fast PACE and Cash Direct). These are aimed at helping vulnerable people who may not be able to leave their homes, more easily and safely reimburse carers or helpers for costs incurred on their behalf, for example, with shopping or picking up prescriptions.

[<https://www.postoffice.co.uk/coronavirus-help-support/access-to-cash>]

## **6 Conclusions**

6.1 It is extremely unlikely that banks will re-open in towns where branches have been closed. Banks will continue to push for customers to use on-line banking as a convenient and easy way for customers to manage their finances.

6.2 An alternative way of doing banking for those people for whom bank closures present difficulties might be to use the local post office. Although the survey did not specifically ask whether respondents knew that banking services were available at the post office it is noticeable that well over half did not use them for this purpose. However if the post office was better used to access banking services this could provide an argument for maintaining post offices in places where they might currently be under threat.

6.3 Rather than focus on campaigning against bank closures a more effective way for Citizens Advice to help people manage their banking might be to encourage post offices to develop, publicise and actively promote their banking services. This would need to be done in close consultation with Post Office services as potentially they might need more resources to take on more banking work, for example more staff or increased opening hours. It is also crucially important to establish just what individual banks would be willing to enable post offices to do on their behalf.

6.4 One respondent commented that the loss of a bank led to a lack of money dispensers. An issue that would need to be considered is access to 24 hour cash machines as these are available in only a few post offices and smaller towns may not have supermarkets or other outlets where cash can be obtained. As we move towards more of a cashless society this may not be a huge issue in the future but it needs to be thought through. As post offices can provide cash over the counter the issue would potentially be more a problem about 24 hour access to cash. There are currently only thirteen 24 hour cash machines in Dorset Post Offices. See [Appendix 6](#).

6.5 It should also be noted that 27 people in the survey said that it was important to have a bank for help and advice. One person said they needed the bank because of learning difficulties. It is doubtful that individual banks would allow another organisation to advise their customers about banking matters, even if the staff were trained and accredited.

6.6 Another issue would be whether and how customers could open a bank

account at a post office. It is possible to do it for some banks on the phone and by post (for those who do not have on-line access) with verification of identity done at a post office, with the bank paying the PO for this service. However further work is needed as to how widespread this service is.

6.8 Finally, National Citizens Advice describe the Post Office service as being at a 'tipping point'. Post offices are often the heart of the community:

"As 1 in 3 bank branches have closed, shops are struggling to stay open and bus services in many rural areas are patchy, it's post offices that stop people from being cut off. They're a lifeline, allowing people to access face-to-face banking services, withdraw benefits, pay bills, post parcels and access a range of central and local government services."

However since 2013 temporary closures of post offices have more than doubled. Citizens Advice is urging the Government to invest now in the Autumn Spending Review to let the post office network thrive, not lead it into a managed decline.

[\[https://wearecitizensadvice.org.uk/post-offices-are-at-a-tipping-point-will-they-decline-or-thrive-e60ab10165b2\]](https://wearecitizensadvice.org.uk/post-offices-are-at-a-tipping-point-will-they-decline-or-thrive-e60ab10165b2)

## **7 Future work**

7.1 As an outcome of this research the County Research and Campaign Group will focus on how to develop the idea of promoting existing banking services at post offices and encouraging the public to use them more, at the same time as looking at the feasibility of whether post offices could undertake a wider range of banking services than they currently offer. This could involve a further survey to understand what additional banking services customers would like to see offered at the post office.

7.2 Discussions will need to take place with both the Post Office service and banks to ascertain how feasible the proposals are. We have not yet had any discussions with the Post Office service so do not know how much post offices wish or are able to promote their banking services and whether or not there is potential for a wider range of services to be offered. However, In the Autumn Budget 2017 the Government asked the Post Office to raise public awareness of the banking services available at the Post Office following concerns raised from the House of Lords Select Committee on Financial Exclusion that public awareness was low.

7.3 As a first step it may be necessary to do some background research on the way that the banks currently fund post offices to undertake banking work and what the view is within the banking community about post offices offering a wider range of services. Individual banks are likely to differ in their approach

to this. If these discussions are fruitful the next step would be to agree how best to publicise these services, both by post offices and Citizens Advice.

7.4 An alternative approach would be to focus a campaign on a more specific aspect of the survey findings. The survey found that the main reasons people use the banks is for paying in money and for withdrawals. More than half want to pay in and more than a third want to withdraw money. The report notes that cash machines, which can do both these functions (though not with coins) are in short supply in post offices, leading to a long wait. It may be that a more effective campaign would be to focus on this particular issue and press for more cash machine availability in post offices. However, since Covid the use of cash is often discouraged in everyday transactions.

7.5 Whichever approach is agreed by the County Research and Campaigns Group a project plan will need to be developed, as soon as resources allow.

## **Appendix 1**

On-line research on Bank Closures in Dorset

Our best estimate of the number of bank branches in Dorset that will have closed between January 2015 and December 2020 inclusive is 56.

We calculated this figure using the tool from the Which webpage Bank branch closures: is your local bank closing? The page includes a map of the UK, with annotated dots showing where bank branches had closed since January 2015, giving their names and year of closure. There were 51 dots showing in Dorset. Although the webpage was dated August 2020, the labelling for the map isn't clear as to what date the closures extended to. The text of the article gives January 2019 but the title of the map gives August 2019. We assumed that the latter was the correct date.

We looked at individual bank websites to try to find disclosures about the additional number of Dorset branches that would have closed between August 2019 and December 2020. Of those that did disclose where branches were closing, only Barclays included information about closures in 2019 and none of these had been in Dorset. Four banks (including Barclays) disclosed details of branches closing in Dorset during 2020, and this came to 5 branches in total.

We therefore concluded that at least 56 bank branches had closed between January 2015 and December 2020 in Dorset.

## Appendix 2

### *The survey form*

#### LOCAL BANK BRANCH CLOSURES QUESTIONNAIRE

We're collecting evidence about the impact of bank branch closures on our clients. We also want to find out whether post offices can help provide banking services to local communities. Currently, you can access everyday banking services at post offices such as cash withdrawal/deposit, cheque deposit and balance enquiry. We would be grateful if you could help us with this research by answering our questions:

<b>How long is your journey time to travel to visit the nearest branch of your bank? Is this via public transport or car?</b>	
<b>Have local bank closures impacted on your ability to manage your finances? If so how?</b>	
<b>Are you able to access your bank account electronically and does this meet your needs?</b>	
<b>What service(s) do you use when you go into the nearest branch of your bank?</b>	
<b>How important do you feel having a local branch of your bank is?</b>	
<b>Do you use the banking services at the local Post Office? If so: How useful are they? Are there any other services you feel they should offer?</b>	
<b>Do you have any other comments about the closure of local bank branches?</b>	



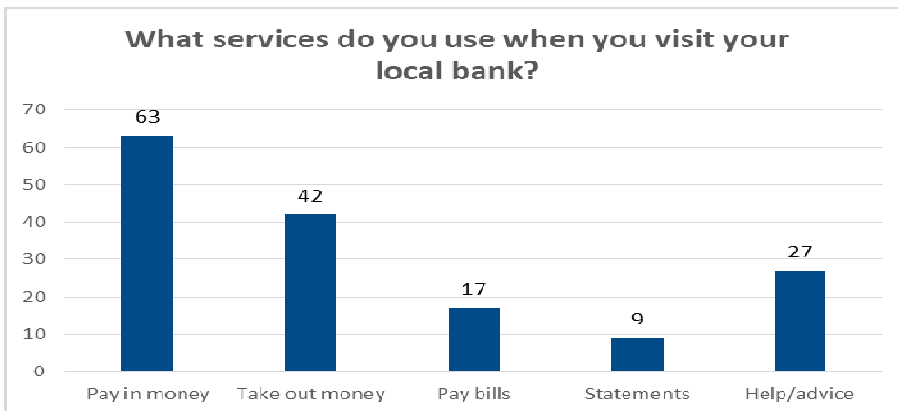
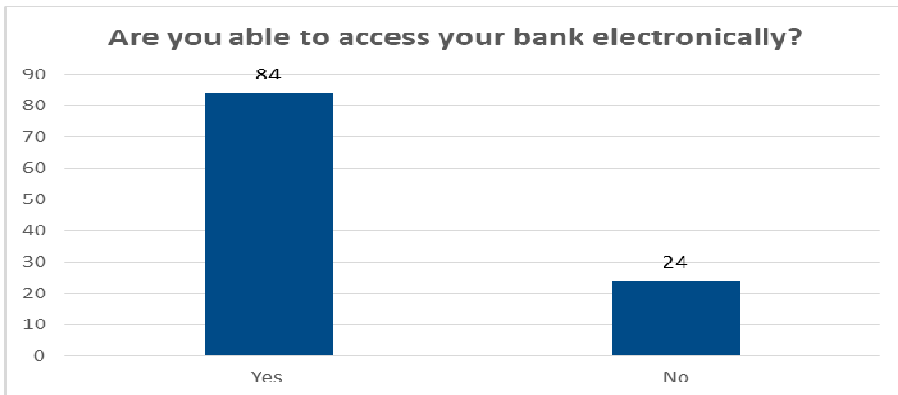
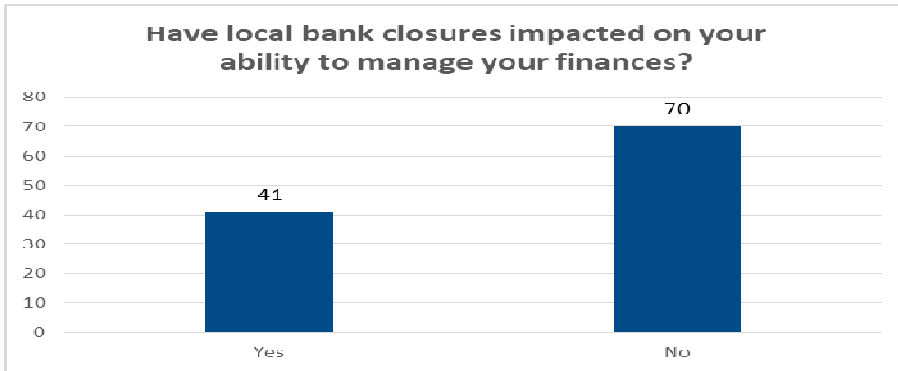
### **Appendix 3**

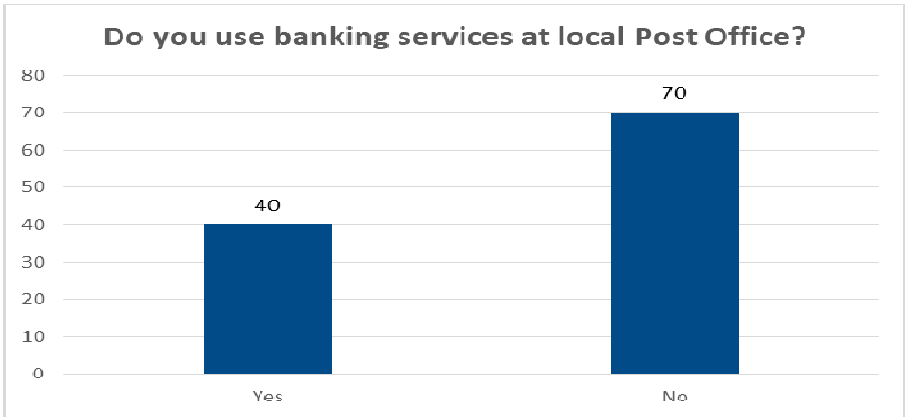
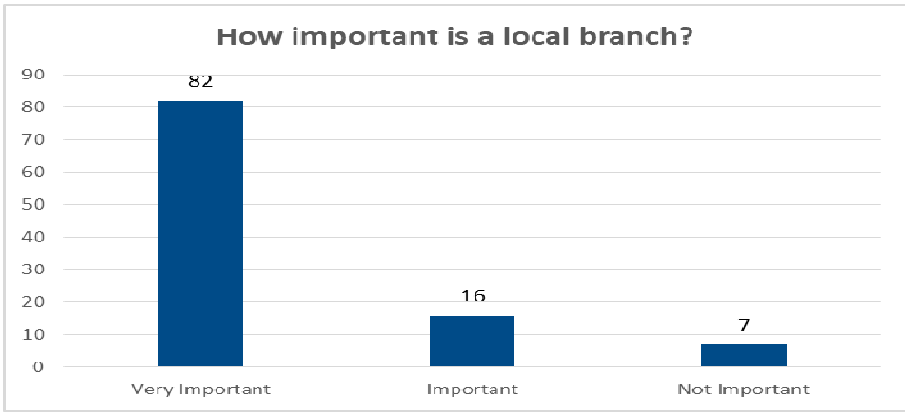
Numbers of completed survey forms from different local offices showing geographical spread

Purbeck Citizens Advice local office - 44  
Bridport Citizens Advice LO - 19  
Dorchester & Sherborne LO - 39  
Citizens Advice outreach at West Howe - 6  
Citizens Advice outreach at Kinson - 4

## Appendix 4

### Survey results graphs (summary)





## Appendix 5

Travel times to local banks by respondents from different local offices:

### **Bridport**

Furthest - 120 minutes  
Nearest - 5 minutes  
Average time - 29 minutes

### **Dorchester and Sherborne**

Furthest - 120 minutes  
Nearest - 5 minutes  
Average time - 21 minutes

### **Purbeck**

Furthest - 90-150 (120 used in calculation of average)  
Nearest - 5 minutes  
Average time - 29 minutes

### **Kinson**

Furthest - 30 minutes  
Nearest - 5 minutes  
Average - 15 minutes

### **West Howe**

Furthest - 30 minutes  
Nearest - 5 -15 minutes (10 used in calculation of average)  
Average - 16 minutes

## Appendix 6

### ATMs at Post Offices

Banking services are available in all Post Offices but 24hr ATMs are sited at only 13 Post Offices in Dorset. That is: 10 in Bournemouth Poole area and one at Swanage, Littlemoor and Dorchester. The ATMs are owned and operated by Bank of Ireland. (Information from Post Office website)

A web search finds that the Bank of Ireland is selling off 700 of its ATMs and one website warned in February this year that 1 in 5 will go from Post Offices (not verified):

Headline:

*'One in five Post Office ATMs to be removed*

*Bank of Ireland blames age of Post Office ATMs, declining volumes and interchange fee cuts for the move.'*

<https://www.betterretailing.com/symbol-group-wholesale/exclusive-one-in-five-post-office-atms-to-be-removed/> Published: 20th February 2020