









Economy, Jobs and Fair Work Committee

Impact of bank closures inquiry

Summary of survey responses



Over 730 people completed our online questionnaire on the impact of bank closures. Responses came from many areas of Scotland, both rural and urban. As is shown below the vast majority of respondents were aged 45 or over.

Clearly, there will be a high degree of self-selection in this instance; i.e. most respondents are likely to feel strongly about the issue and will take the time and effort to complete the survey. It is not therefore claimed that the views expressed here are representative of the Scottish population as a whole.

			Response Percent	Response Total
1	Under 16		0.14%	1
2	16-24		2.32%	17
3	25-34		6.81%	50
4	35-44		15.80%	116
5	45-54		24.52%	180
6	55-64		28.88%	212
7	65-74		17.71%	130
8	75+		3.81%	28
			answered	734

Business customers

Almost a quarter of respondents have a business bank account as well as a personal account.

Do you have a business bank account?			Response Percent	Response Total
1	Yes		23.71%	174
2	No		76.29%	560
			answered	734

Over 90% of business respondents have seen the closure of at least one bank branch in their local area over the past ten years. A number of respondents provided examples of three or even four branches closing within one town over the period.

Has one or more local bank branches closed in your area over the past ten years?				
			Response Percent	Response Total
1	Yes (please specify which bank(s))		90.29%	158
2	No		5.14%	9
3	Not sure		4.57%	8

Impact of branch closures

Over 50% of business respondents now have to travel an additional 15 minutes to 1 hour to access banking services. 11% of respondents now need to travel an additional 1 to 2 hours to access their nearest branch.










Other common impacts relate to problems lodging daily takings or accessing change/floats. Furthermore, 40% of respondents agreed that closures have limited their access to business support and advice. In the comments box accompanying this question a number of respondents also mentioned the impact on footfall on their high streets.

How has the closure (s) impacted your business (please tick all that apply)?				
			Response Percent	Response Total
1	Little or no impact		7.83%	13
2	Nowhere to lodge daily takings		46.39%	77
3	Negative impact on customers		27.71%	46
4	No facility to access change (till float)		32.53%	54
5	No access to ATM		25.90%	43
6	Added difficulty in paying bills/invoices		33.13%	55
7	I now need to travel up to an additional 15 mins to access banking facilities		15.66%	26
8	I now need to travel an additional 15 mins - 1 hour to access banking facilities		53.01%	88
9	I now need to travel an additional 1-2 hours to access banking facilities		10.84%	18
10	Limits access to business support and advice		40.36%	67
11	I now need to use the Post Office for banking		31.33%	52
12	Increased use of digital banking (online, mobile app, telephone, etc.)		36.14%	60
13	Other		25.90%	43

How has the closure (s) impacted your business (please tick all that apply)?		
	Response Percent	Response Total
	answered	166

What can help?

The Committee is interested in hearing what can be done to ameliorate any negative impacts of bank closures. 37% of respondents felt that regular access to a mobile banking van would be useful. The next most popular option was “other”, with many respondents expressing their favoured option which is to reopen branches or keep threatened branches open.




If your business has been negatively impacted, what could be done to help?		
	Response Percent	Response Total
1	Regular access to a mobile banking van	 37.24% 54
2	Increased Post Office banking services	 31.03% 45
3	Community banking	 22.07% 32
4	Access to a credit union	 4.14% 6
5	Training on digital banking	 3.45% 5
6	Better wifi and/or internet connectivity	 30.34% 44
7	Improved access to digital banking facilities	 11.03% 16
8	Unsure	 9.66% 14
9	Other	 35.17% 51
	answered	145

Issues with online banking

Respondents were asked if they had any issues accessing digital banking. Around 80% said they did have issues, with poor connectivity – slow internet speed and limited bandwidth - most commonly cited. Others stressed that their businesses are still very much cash-based, and they require somewhere to bank takings at the end of the day/week or cash cheques. A number of respondents were not confident in the security of online platforms, or simply did not want to use digital banking.



Business support and advice from banks

The Committee heard evidence that banks can provide useful support and advice to small businesses (see [Official Report, 30th January](#)). 42% of business respondents to this current questionnaire had received support from their local bank branch in the past. The advice received mainly related to loans and overdrafts, start-up guidance, business plans and cash flow issues. It was generally felt that the service provided by local bank workers was better than the support given by call centre staff.

Have you ever received business advice and support from your local bank?			Response Percent	Response Total
1	Yes (please describe below)		42.53%	74
2	No		47.13%	82
3	Can't remember		10.34%	18
			answered	174



Further closures

Just over 45% of business respondents were aware of further branch closure plans in their local areas. A number of people stated that there were no branches left to close and others were concerned that the “last bank in town” was about to go.

Are you aware of any plans to close further branches in your area?			Response Percent	Response Total
1	Yes (please add details below)		45.98%	80
2	No		54.02%	94
			answered	174

Personal banking customers

The Committee received 734 responses from personal banking customers (including those with both business and personal accounts). Of these respondents, 86% said at least one local bank branch had closed over the past ten years. A number of respondents highlighted multiple closures by many of the major banks, and others mentioned existing banks reducing their opening hours.

Has a local bank branch closed in your home area over the past ten years?			Response Percent	Response Total
1	Yes		85.79%	628
2	No		8.06%	59

Has a local bank branch closed in your home area over the past ten years?				
			Response Percent	Response Total
3	Unsure		6.28%	46
			answered	732




Impact of previous closures

15% of respondents reported little or no impact caused by previous branch closures. However, the remaining responses highlighted problems access cash withdrawal facilities, issues with cheques and the increasing use of online banking. Of the 734 personal account customers, 384 (57%) reported having to travel at least an additional 15 minutes to access banking facilities. Some respondents felt that queues at remaining banks have become much larger, with parking and other transport issues also presenting problems.

As a personal banking customer, how have previous closures impacted on you?				
			Response Percent	Response Total
1	There has been little or no impact		14.67%	99
2	Nowhere to lodge cheques		41.63%	281
3	Restricted access to ATM or any other cash withdrawal facilities		36.74%	248
4	I now need to travel up to an additional 15 mins to access banking facilities		16.30%	110
5	I now need to travel an additional 15-30 mins to access banking facilities		42.67%	288
6	I now need to travel an additional 1-2 hours to access banking facilities		14.22%	96
7	I don't have access to transport to travel to alternative banking facilities		7.56%	51
8	Increased use of digital banking (online, mobile app, telephone, etc.)		31.11%	210
9	I struggle to use digital banking due to lack of internet, mobile app, etc.		15.11%	102
10	I now need to use the Post Office for banking		18.52%	125
11	Increased charges for transaction		5.48%	37
12	Other		19.85%	134
			answered	675

Further bank closures

46% of respondents reported further planned branch closures in their local areas; although, similar to the business respondents above, a number of people mentioned that there are no branches left to close.

Are there local bank branch closures planned in your area?			Response Percent	Response Total
1	Yes		45.63%	334
2	No		18.03%	132
3	Unsure		36.34%	266
			answered	732




Anticipated impact of future closures

Many respondents still require cash and cheque services, so most will consider traveling to their nearest remaining branch. Participants mentioned the likely increased travel times and parking/public transport issues that this will cause. This was a particular concern for some elderly customers and those with disabilities (increased queueing times was also a worry). There was also some concern about the potential loss of ATMs and the impact this could have on local shops and other small businesses that depend on cash transactions (tradespeople, hairdressers, bars, cafes, etc).

A number of respondents felt they had already made changes to their banking behaviours over the past few years, due to previous closures, and are now prepared for future closures. Others found online banking much more convenient than traditional branch banking, so the prospect of future closures were not likely to impact them.

Impact on local economy

Almost 80% of respondents felt that bank closures have had, or will continue to have, an impact on local economies.

Have closures of local banks had, or will future closures have, an impact on the wider local economy in your area?			Response Percent	Response Total
1	Yes		77.93%	572
2	No		4.36%	32
3	Unsure		17.71%	130
			answered	734

For the 572 respondents answering “yes”, the most significant impacts have been on the physical state of the high street, as previous bank premises remain empty. This results in a less attractive high street. A high number believed that there has been reduced footfall as a result and a negative impact on a town’s sense of community. Over half of those answering “yes” felt that businesses are facing higher costs as a result of bank closures.

If "yes" what have these been?				
			Response Percent	Response Total
1	Reduced footfall		54.95%	311
2	Negative impact on tourism		36.93%	209
3	Empty and/or deteriorating High street buildings		82.16%	465
4	Negative impact on sense of community		77.92%	441
5	Higher costs for businesses		54.06%	306
6	Less attractive high street		64.49%	365
7	Other		22.61%	128
			answered	566

The Committee is keen to understand what can be done to mitigate any negative impacts caused by previous and future bank closures. Short of keeping threatened branches open or reopening closed ones (the preferred options of many respondents), the next most popular option is keeping some sort of banking facility in each town, either on reduced opening hours or through sharing premises with other banks/businesses/services. A handful of respondents mentioned more support for credit unions and post offices, as alternatives to traditional banking.

Respondents generally felt that the government(s) and parliament(s) should put pressure on banks to retain their presence in Scotland’s towns. There was also a strong feeling that banks are neglecting their social responsibilities by continuing down this line.