



WHAT HAPPENS WHEN A TOWN BECOMES UNBANKED?

BANK CLOSURES AND ACCESS TO FINANCE IN CAMBUSLANG

**Submission by Cambuslang Community Council
to the Scottish Affairs Committee Inquiry on Access
to Financial Services**

March 2019



CAMBUSLANG
Community Council

Acknowledgements

This submission has been prepared by Cambuslang Community Council, coordinated by John Bachtler, Michelle Farmer and Clare Williamson, with support from David Porter and Mark Lauterburg. It draws on an online survey on access to finance in Cambuslang conducted specifically for this purpose in early March 2019. The submission also uses evidence from the Cambuslang Business Survey conducted in 2017. Cambuslang Community Council are very grateful to all the residents and businesses in Cambuslang who contributed evidence through the surveys for this submission.

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Cambuslang Community Council, March 2019

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EXECUTIVE SUMMARY

1. In 2016-17, three bank branches in Cambuslang – Clydesdale, RBS and TSB – closed within 18 months with little notice. This left a town of 25,000 people, the fourth largest in South Lanarkshire, unbanked.
2. The banks did not consult with community organisations such as Cambuslang Community Council, and they failed to assess the potential effects on the commercial viability of the town.
3. Survey research conducted by Cambuslang Community Council has found that branch closure has had overwhelmingly negative effects on local residents. Getting access to cash has become difficult. Neither the local Post Office nor other bank branches are an adequate alternative. The closures have been a cause of substantial financial hardship for a significant minority of residents.
4. The closures have also been damaging for businesses. Most businesses have experienced financial difficulties, and they have had major problems with alternative banking facilities. The majority have experienced a loss of trade since the branches were closed, and significant numbers of residents admit that they are shopping a lot less on Cambuslang Main Street. The commercial viability of the town centre has suffered.
5. Most local residents and business owners have not found the banks to be helpful in dealing with the closures.
6. Based on the survey research, the conclusions of this submission are as follows.
 - (a) People want to conduct banking business face-to-face at a local branch.
 - (b) The transition away from bank branches must take account of the needs of people and businesses, especially in communities like Cambuslang with major social deprivation.
 - (c) The impact of bank closures on the commercial viability of town centres has been underappreciated and downplayed by the banking sector.
 - (d) Access to banking protocols should oblige banks to assess and report the commercial impact of branch closures before a decision to close a branch is made.
 - (e) The banking sector cannot be allowed to leave towns unbanked.
 - (f) The Post Office is not able to provide the banking services that customers want or need.
 - (g) It seems clear that neither the banks nor government are serious about managing the consequences of branch closure. This has negative implications for policy objectives on social inclusion and town centre regeneration. A coherent policy approach is overdue.

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WHAT HAPPENS WHEN A TOWN BECOMES UNBANKED? BANK CLOSURES AND ACCESS TO FINANCE IN CAMBUSLANG

1. INTRODUCTION

The Scottish Affairs Committee Inquiry into Access to Financial Services is addressing six questions:

- a) What challenges are there to accessing financial services in Scotland?
- b) What impact have recent bank branch closures, and the changes in ATM funding, had on access to financial services in Scotland?

How practical are alternative methods of accessing financial services, such as online banking or mobile branch banking?

- c) What impact has reductions to the interchange fee had in Scotland?
- d) How effective is the Financial Inclusion Programme, at ensuring access to cash is available in more remote areas?
- e) How effective have financial services regulators been, in ensuring continued access to financial services in Scotland?

This submission from Cambuslang Community Council responds to the first three of these questions (a)-(c) and also has relevance to (f). The submission is based on the knowledge of members of the Community Council, in particular work done with local residents and businesses over the 2018-19 period in developing a 'Cambuslang Future' action plan to regenerate the town centre of Cambuslang. The submission also draws on an online survey on access to finance in Cambuslang conducted specifically for the purpose of responding to the Inquiry; the survey was undertaken over a one-week period, 16-22 March 2019, and yielded 420 responses from local residents. The same questions were asked separately of local businesses, and 85 businesses in Cambuslang responded to the survey.

Box 1: Cambuslang access to finance survey questionnaire (March 2019)¹

1. How much of an impact have the branch closures affected you personally?
2. How difficult is it for you to get access to the cash you need regularly?
3. How easy or difficult is it for you to use the Cambuslang Post Office or bank branches outside Cambuslang for your personal banking needs?
4. To what extent are you able to use other methods to access to banking facilities for your personal needs (online banking, telephone banking, mobile banking)?
5. How helpful has your bank been in supporting you to deal with the impact of the branch closures?
6. Has the closure of the bank branches caused you any financial hardship?
7. Have the branch closures led you to shop elsewhere?

¹ Questions 1-6 were also asked of the business owners, but making reference to 'business banking needs'. Question 7 for businesses was replaced with: "have you noticed a drop in trade since the branches closed?" All questions had pre-coded responses, with additional space provided for comments. The survey was made available via Survey Monkey.

Additionally, this submission uses evidence from an earlier consultation exercise – the Cambuslang Business Survey published in 2017 which provided some insight to business concerns during the period when bank branches were being closed.²

Lastly, the submission draws on material published by Clydesdale, RBS and TSB in their closure reviews conducted in 2016 and 2017.



The following submission is structured in five further sections. It first describes the process of branch closure in Cambuslang and the limitations of the impact assessment exercises conducted by the banks. It then reports on the findings of the survey, distinguishing between responses from local residents and those from the business sector. The final section draws together the main conclusions in the context of the wider debate on the effects of branch closures and sets out recommendations.

² The Cambuslang Business Survey is available here: <http://www.cambuslangcommunitycouncil.com/wp-content/uploads/2014/05/Cambuslang-Business-Survey-final.pdf>

2. THE BANK CLOSURE PROCESS IN CAMBUSLANG, 2016-19

In August 2016, RBS closed their branch in Cambuslang. Less than a year later, both Clydesdale and TSB closed their branches in June 2017. The residents and businesses of Cambuslang went from having three fully functioning branches, in two cases with ATMs, to having no branches in the space of 11 months. The number of ATMs fell from four to two. A town of 25,000 people – the fourth largest town in South Lanarkshire – became unbanked in June 2017.

In each case, the justifications of the banks for closing the branches were essentially the same: a fall in the number of bank transactions or customers using the branches; and an increase in the use of mobile and online banking. Each of the banks had slightly different strategies of contacting local politicians and specific groups (see Table 1).

All three banks undertook a ‘closure impact assessment’ but in no case did this lead to a reappraisal of the closure decision, despite concerns at the closure being expressed by elected members and customers, the reservations expressed by customers about their accounts being transferred to other branches, the stated inconvenience of banking elsewhere, the perceived limitations of the local Post Office in providing banking services, and concerns about the future employment and wellbeing of branch staff. Clydesdale and RBS stated that they were helping customers deal with the change, in Clydesdale’s case including taking some customers to the nearest alternative branch and introducing them to the staff there.

The banks also provided advice on the nearest alternative branches, although in the case of RBS two of the three alternative branches listed (in Burnside and Blantyre) have also closed in the meantime.

Table 1: Closure consultation by the banks in Cambuslang

Individuals/organisations contacted	Clydesdale	RBS	TSB
MP	X	X	X
MSPs	X	X	X
SLC Local Councillors	X		X
Glasgow Chamber of Commerce	X		X
Local Federation of Small Businesses		X	X
Local Citizens Advice Bureau	X	X	X
Local Age UK	X	X	
Cambuslang Post Office		X	
Newspapers		X	

Source: Clydesdale, RBS and TSB closure reviews.

Under the BBA Access to Banking Protocol at the time of the closures, the banks were meant to undertake a process of pre-closure assessment, community engagement and impact assessment (see Box 2). However, while the banks notified their customers and some local stakeholders, the banks failed to do two things in Cambuslang:

- they did not consult with Cambuslang Community Council or other community organisations; and
- they did not carry out the required impact assessment of the potential **effects of the closure on the community**, and specifically the impact on the commercial viability of the Main Street.

The limitations of the closure assessment reviews are evident in the statement by Clydesdale Bank in its impact assessment:

*"Considerable thought and consideration went into the decision to close Cambuslang and subsequent local engagement has **identified no additional impacts** [emphasis added] beyond those considered during the decision making process."*

Box 2: Access to Banking Protocol on branch closures (2016)³

Community engagement and impact assessment

After a bank has decided to close a branch and having first advised impacted branch staff, the bank will engage with other key local stakeholders (these may include the local authority, local business associations and local advice agencies). The purpose of the engagement will be to develop a further understanding of:

- the potential impact of the closure on the community
- the potential impact on branch users; and
- the availability of alternative ways to bank for branch users.

Issues considered during this engagement will include:

- the number of personal and small business branch users affected
- the age profile of branch users (i.e. both older and younger users)
- the number of vulnerable and other branch users who are more dependent on their branch than others (e.g. because they are disabled, older, digitally excluded and/ or lower income customers); and
- an analysis of potential future service users.

Source: British Bankers Association <https://bit.ly/2YocNQ7>

Following the closure announcements, Cambuslang Community Council approached the senior management of Clydesdale, RBS and TSB to express concerns about the consequences for residents and businesses of the town being unbanked, to discuss potential alternative service provision in the town and to identify tangible financial and in kind support for the community. This process is ongoing, with the active support of the local MP (Ged Killen) and MSP (Clare Haughey). However, progress to date has been mixed:

- Clydesdale displayed the most positive response, arranging for a series of meetings between the Area Director and CCC members, and have said that they are open to discussing some local funding for community support.
- RBS also had a positive response initially, arranging for two meetings with Area-level personnel, but staff changes have led to a lack of response for some eight months.
- TSB has completely refused to engage, suggesting only that CCC could nominate its regeneration work as a 'charitable cause' for the Rutherglen TSB branch.

None of the banks has agreed to provide additional cash withdrawal facilities, and none would consider mobile banking – which is said to be a facility for 'remote' locations. They have also refused to accept that Cambuslang is an area is more cash-reliant than others, maintaining that the issue is one of 'lack of education' with respect to IT use and familiarity with online banking.

³ British Bankers Association, Access to Banking Protocol, <https://bit.ly/2YocNQ7>

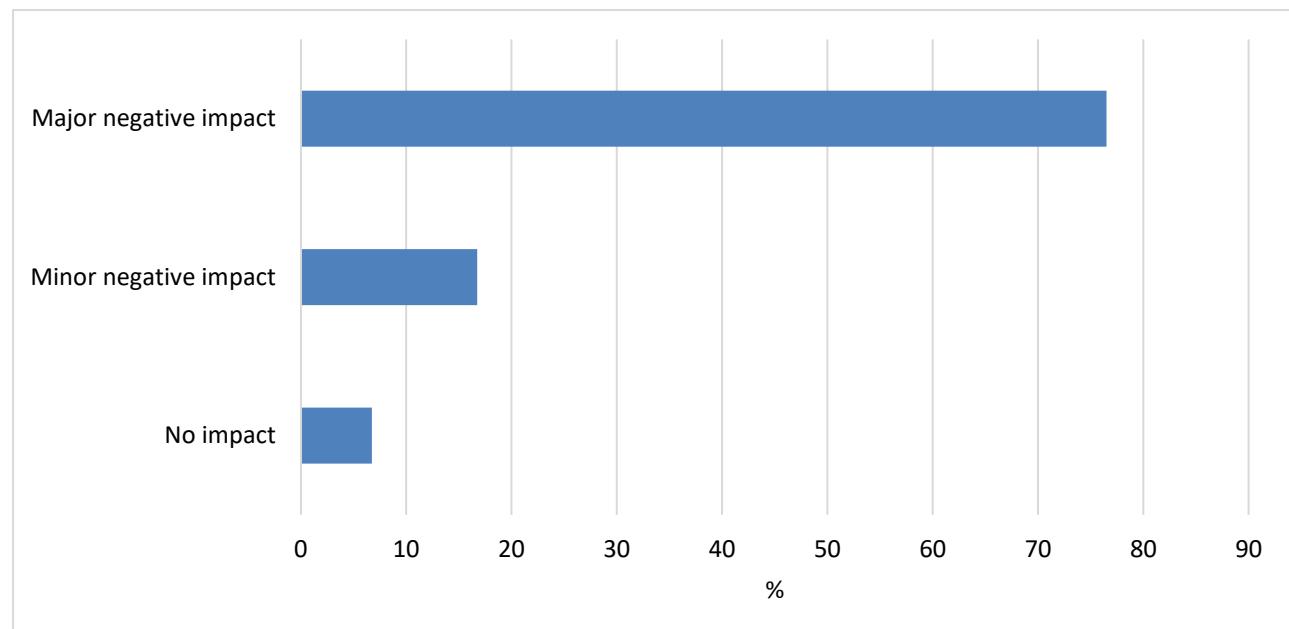
3. THE IMPACT OF BRANCH CLOSURES IN CAMBUSLANG ON LOCAL RESIDENTS

As noted above, the survey was divided into two parts. This section reports the views of local residents on how the branch closures have affected them personally with regard to their personal banking needs. It first reviews the overall impact, and then discusses the effects on getting access to cash, the experiences with using other places – Cambuslang Post Office and branches in other towns – and the impact on shopping patterns.

3.1 Impact of closures

The closure of the bank branches has had an overwhelmingly negative effect on local residents, most of it perceived to be major (see Figure 1). More than three-quarters of respondents consider that the closures have had a major negative impact on them. A further 17 percent also consider the impact to be negative but the effect is minor. Only six percent of survey respondents do not consider that they have been affected.

Figure 1: How much of an impact has the closure of bank branches had on you personally?



Underlying the statistics, **there are many personal stories of severe difficulty being experienced by local residents**, articulated in comments to the above survey question (see Box 3). Negative impacts are associated with the challenges of time and disruption to personal and working lives of having to travel to alternative branches where there is limited parking, or where customers have to wait in long queues. This is particularly problematic for elderly and disabled people, those relying on public transport or those with caring responsibilities. There is also the feeling of insecurity of travelling with cash that needs to be banked.

Box 3: The impact of branch closures – the voices of local residents

"My husband runs a carpet fitting business and I work full time. It's hard enough to find time to get to the bank without having to travel. I also feel less safe having to travel with sometimes significant sums of money to bank. I also now have to take my elderly parents to the bank as it's simply too far for them to travel alone. It means more car use, more cost (as well as extra fuel, there are parking charges in Rutherglen)."

"I teach yoga classes locally, everyone pays in cash. I have to go to Rutherglen with bad parking and big queues in the bank, or travel into Glasgow city centre. I also work full time so trying to find time to do this is difficult."

"Travelling to Rutherglen or Shettleston neither of which have a car park to do my banking. Parking is horrendous and having to carry large sums of money a distance."

"Got to go to Rutherglen on the bus and I have difficulty walking."

"I look after my mum every day and it is not convenient to go to Rutherglen and leave her to do my banking."

"Most inconvenient to have to travel now to access banking facilities. Generic ATMs make it impossible to get mini-statements to check account details. Paying money into accounts or transferring money to other accounts is now a nightmare."

"I have mobility issues and can only travel short distances on my own. Since the banks in Cambuslang have closed I cannot go to the nearest bank without someone with me. As all my family work it is not always possible for them to be with me and I have to wait....."

"My elderly parents can't get to a bank and they don't know anything about online."

"I have POA for elderly father and take care of his business. Not having a local bank makes this impossible and stressful. Being his carer and working full time also trying to do his banking is almost impossible without stressing myself out."

"I am disabled & have mental health problems. So this has had huge effect on myself. I take panic attacks etc, so can't go to another branch."

"This makes banking for my blind mother harder and has meant she needed assistance to get elsewhere when she could visit a branch in Cambuslang independently."

"Now have to travel to Rutherglen as the banks in Blantyre and Burnside were also closed. It's like a day trip as there is usually a huge queue in the bank when you get there, so you have to stand for ages waiting to be served."

"I have elderly relatives who were able to go to local banks independently; now there isn't any and they have to take a taxi or wait till I finish work to take them as the bus & train are not suitable for them."

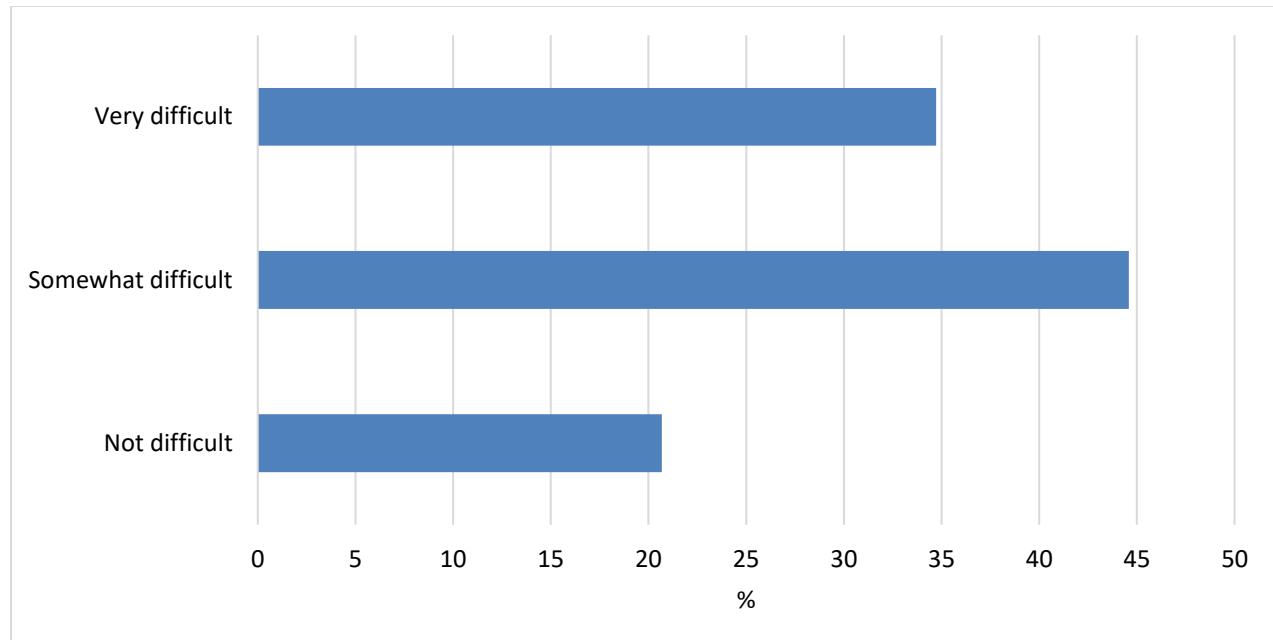
"I am disabled and in a lot of pain. Now I have to travel further to a bank. It puts me off saving up with the bank because of having to go to a bank. So for now I am keeping my money at home."

"My mother is elderly and does not do online banking. She no longer drives and now has to rely on family providing lifts or public transport to take her to Rutherglen to do her banking. She is the primary care for my disabled housebound father. Now what was a quick 15mins to the Main Street to do her banking is at least an hour-long trip when dependent on public transport."

3.2 Access to cash

For the majority of local residents (65%), **getting access to cash has become difficult** (see Figure 2). In many cases, this may be a relatively minor difficulty, but for a sizable minority of local people (35%), access to cash is a ‘major difficulty’.

Figure 2: How difficult is it for you to get access to the cash that you need regularly?



From the comments made to this question, the main problem is that there are only two ATMs left in Cambuslang Main Street, and one or both is periodically out of order or empty. As one respondent commented:

“the cash withdrawal machines are notoriously unreliable in Cambuslang and it causes a lot of problems”.

Also, one of the ATMs charges for withdrawals, which discourages use. The nearest alternative is a supermarket (Morrisons) on the edge of the town centre, but its location at the bottom of a hill is problematic for residents who are unable to walk that far. Further, there are concerns about security when withdrawing money; as one respondent noted:

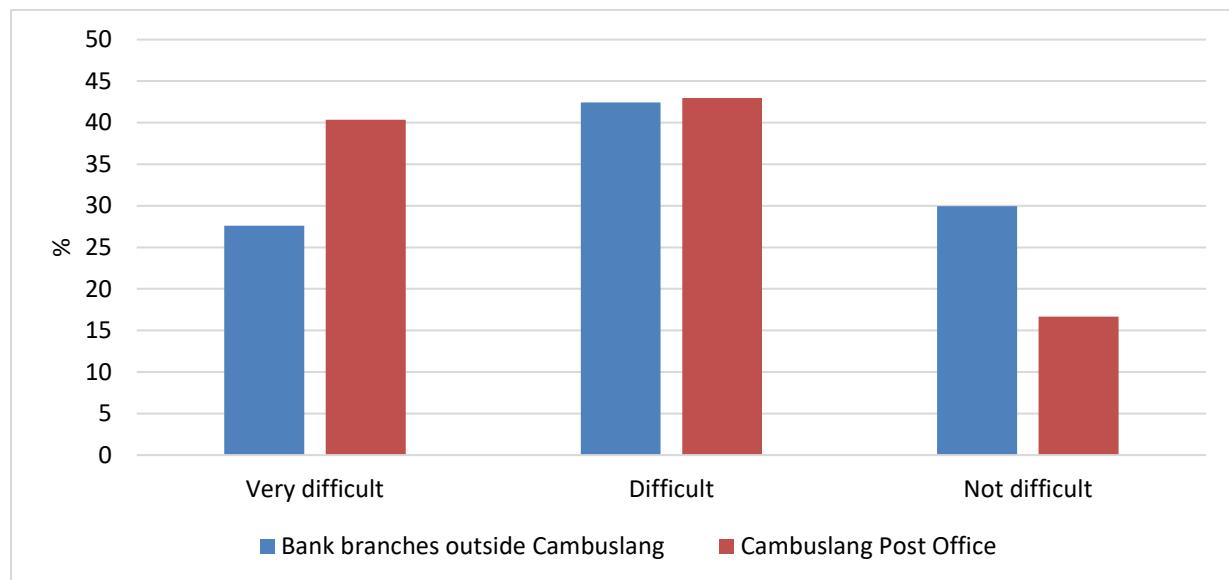
“there have been times when no hole-in-the-wall have worked...and I have had to go Morrisons. Not great when dark, walking and alone.”

3.3 Alternative options for banking services

In their closure reviews, all three banks highlighted that banking services would continue to be available at the Cambuslang Post Office and alternative branches in neighbouring towns. The survey asked local residents to assess how easy or difficult it is to use these other options.

The results show that **neither the Post Office nor other bank branches are an adequate alternative to bank branches on Cambuslang Main Street** (see Figure 3). Only 30% of respondents experienced no difficulty in using the Post Office, and only 17% had no difficulty in using bank branches outside Cambuslang; in each case, a sizeable proportion of local residents found the alternatives ‘very difficult’. This applies in particular to the use of branches outside Cambuslang, where 40% of local residents find this ‘very difficult’

Figure 3: How easy or difficult is it for you to the Cambuslang Post Office or bank branches outside Cambuslang for your personal banking needs?



As noted in response to previous questions, the Cambuslang Post Office (which itself was recently closed as a free-standing branch, downgraded and relocated to a grocery store), is considered a poor substitute. It does not offer the full range of banking services, its location means that it lacks privacy and there is no parking close by, which is problematic for several sections of society.

“It is not appropriate to transact bank type business at the very small Cambuslang Post Office, there is complete lack of privacy. This Post Office used to be about 4 times larger when it was a freestanding unit a year or two ago - it was formerly spacious with 4 teller units - not two in the current small post office within a general store. How sad indeed. I have to try and find time to travel outwith Cambuslang to visit a bank - this is wasted time and resources.”

“With my bank the post office will only accept deposits with a bank book, highly inconvenient in this day and age. It takes five days for the money to be made available to me.”

“Post office has no parking facilities. As above for banking, having to go to Rutherglen.”

“As the only times I can go to post office is my lunch break, queues are really big which I don’t have time to wait in.”

“Post office always very busy. Can take money out but can’t pay money in without slips etc. Can’t travel to other branches are too far away and I’m disabled.”

The use of branches outside Cambuslang is difficult for accessibility reasons, especially because of the time and distance involved, particularly for those relying on public transport or who find it otherwise difficult to get to Rutherglen or Shettleston. For those travelling by car, parking problems are often cited as problematic. Long queues in Rutherglen branches are repeatedly mentioned by respondents, a perceived consequence of the rationalisation of branches elsewhere and increased demand for service without commensurate increase in tellers. The time taken in travelling to other branches and queueing are especially challenging for shift workers and those whose only opportunity to use the branches is in their lunch hour.

"As I get paid by cheque have to travel to a bank elsewhere to deposit it. Inconvenient when working full time."

"I am disabled - parking in Rutherglen is not good."

"I have two young kids and have to bus to get to my nearest bank."

"It is a 2 bus journey, to get to a branch."

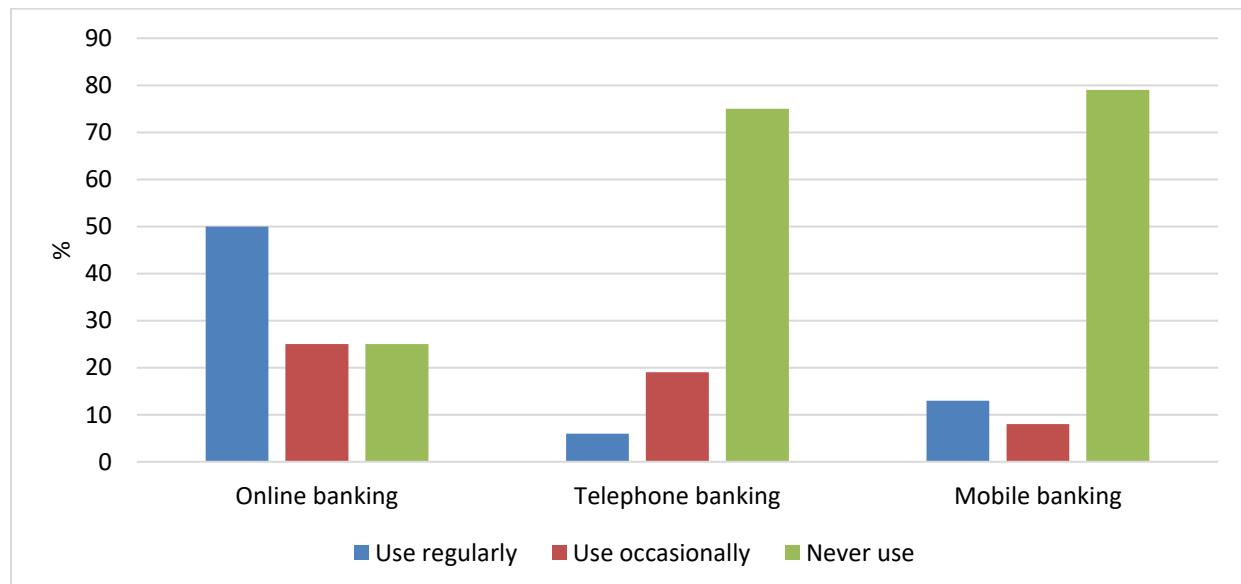
"Have to pay to park in Rutherglen and walk a long way to bank. I am able to walk however if I am using bank it is generally when I have a lot of cash or a large value cheque on me and do not feel comfortable walking far carrying this much money."

"I have to travel to East Kilbride to get bank access as the one in Rutherglen has no parking facilities."

"Difficult to fit in an extra journey to bank when you work all day."

Local residents are significant users of online banking (see Figure 4): 75% make use of online banking regularly or occasionally. However, it should be noted that a significant minority (25%) never use online banking. Telephone banking and mobile options are used to only a limited extent; between 75% and 80% of local residents never use these methods.

Figure 4: Local resident use of alternative banking methods



3.4 Financial hardship

The closure of bank branches is a substantial cause of financial hardship for local residents. 31% of respondents reported that they have experienced negative financial consequences from the closures. The main reason is the additional cost of travel to branches outside Cambuslang – in bus/train fares, taxi fares, parking charges and in fuel. This is particularly difficult for benefit claimants, required to have a bank account under Universal Credit, and need to travel outside of Cambuslang to get access to their benefits.

Local residents have also experienced problems with delayed payments, late access to cash and greater difficulties with financial management, in some cases incurring extra bank charges, as indicated by the following illustrative comments.

"I've been late with payments as I wasn't well enough to get the bus to East Kilbride."

"I now have to spend money and time going to a bank in a nearby town, I do not have spare money or time."

"I couldn't get to a bank to deposit a cheque before Xmas so it took almost 2 weeks for the cheque to clear due to the holidays - money I really needed."

"Struggle to keep on top of balances and access money."

"Can't pay money into account so gone overdrawn."

"I have missed bill payments as a result of not being able to get to the bank on time. This was due to having to travel outwith Cambuslang."

"I work in Cambuslang as well as live, and don't always have time in my break to get as far as Rutherglen to sort out money and accounts, resulting in extra fees."

"There are times I've had to borrow money because I can't get to a cash machine or cash machine isn't working."

"It's difficult to obtain cash quickly to pay bills."

"An increase in charges when I have been unable to pay money into my account before 3pm."

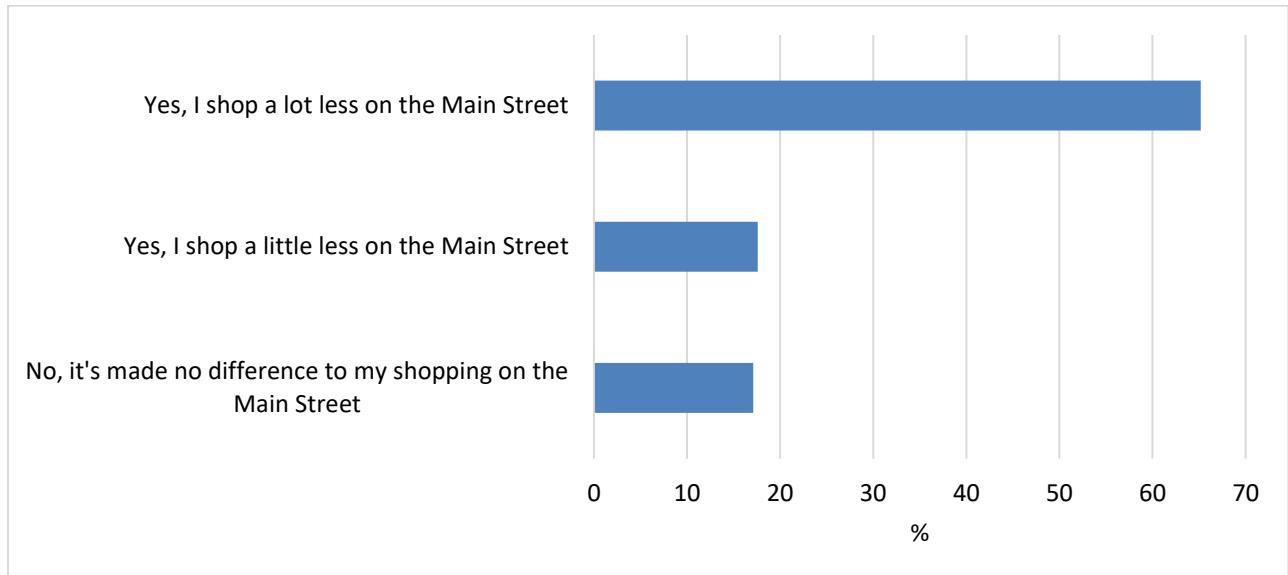
"I'm on benefits and buses to Rutherglen works out too expensive."

"When I need cash in my account quickly I can't do it as in post office. It takes 3 days to clear account even cash."

3.5 Impact of closure on shopping patterns

Apart from the personal impacts of the branch closures noted above, **the closures have had a huge impact on local shopping.** 83% of respondents said that the branch closures had led them to shop elsewhere other than on Cambuslang Main Street (see Figure 5). More than two-thirds said that they "shop a lot less" on the Main Street.

Figure 5: Have the branch closures led you to shop elsewhere [other than on Cambuslang Main Street]?



Respondents said that they now are more likely to shop in places where they use banking services, either in supermarkets or in other centres, predominantly Rutherglen, East Kilbride, Hamilton or Glasgow city centre. The following comments are indicative of many replies:

"To be honest I used the Main Street shops whenever I went to the bank. As they are no longer there I have no reason to go to the Main St so get everything at the supermarket."

"If the machines do not have money in them and the Post Office is busy which it always is I have to then get a bus into Rutherglen to go to bank there and end up doing shopping in Rutherglen instead sadly from my own local shops which is also then having an impact on them!"

"The bank was the main reason for me to be in the Main Street, so no longer popping into the local shops."

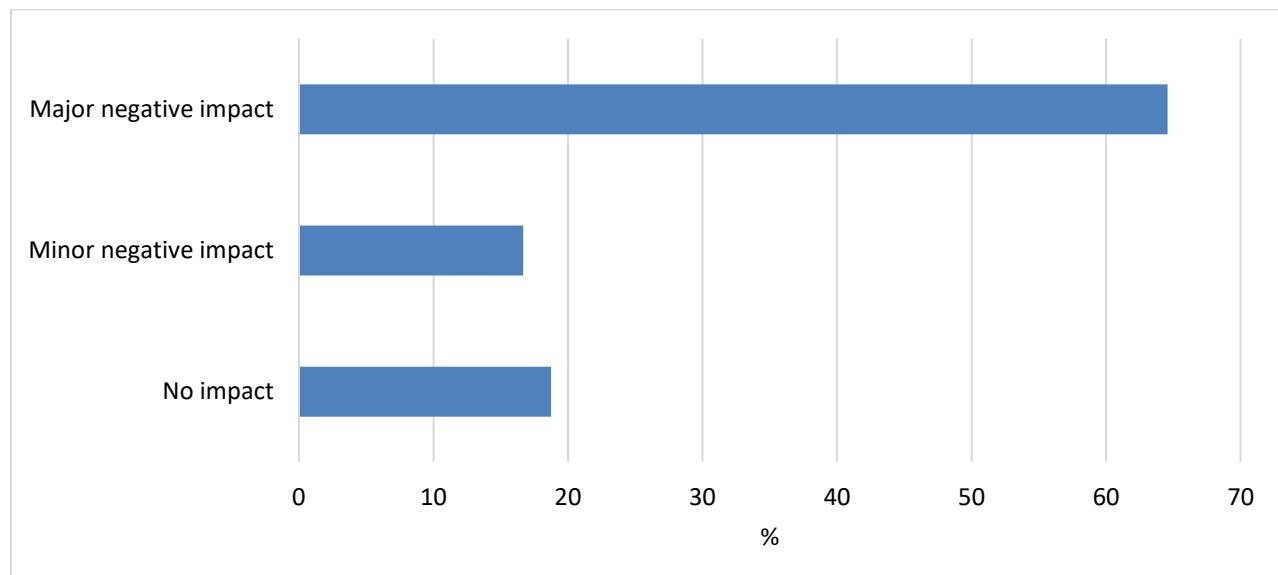
4. THE IMPACT OF BRANCH CLOSURES IN CAMBUSLANG ON LOCAL BUSINESSES

The second part of the survey comprised questions asked of local businesses reliant on business in Cambuslang town centre. This section first reviews the overall impact of branch closures on businesses and then discusses the scope for business owners to use alternative sources of banking services and lastly the impact on trade since the branch closures took place.

4.1 Impact of branch closures on businesses

The branch closures have had a huge impact on business owners in Cambuslang. 96% of business owners said that the impact had been negative, with over three-quarters considering that is had a ‘major impact’ (see Figure 6).

Figure 6: How much have the branch closures affected you personally?



The reasons are much the same as those reported by local residents above: the time and inconvenience of having to travel elsewhere to get the full range of banking services, especially during the business day. One business owner reported having to spend up to 2.5 hours travelling to and from a city centre branch where there is adequate parking close to the branch, and queueing to make banking transactions. The issue of personal security when travelling and walking with large amounts of cash that needs to be banked is a particular concern.

Other difficulties reported are the problems of obtaining cash (especially change) locally – given that many shops in Cambuslang have cash transactions. More than three-quarters of business owners have had problems in getting access to cash; 51% reported having ‘major difficulty’

The following quote is indicative of many business owner views:

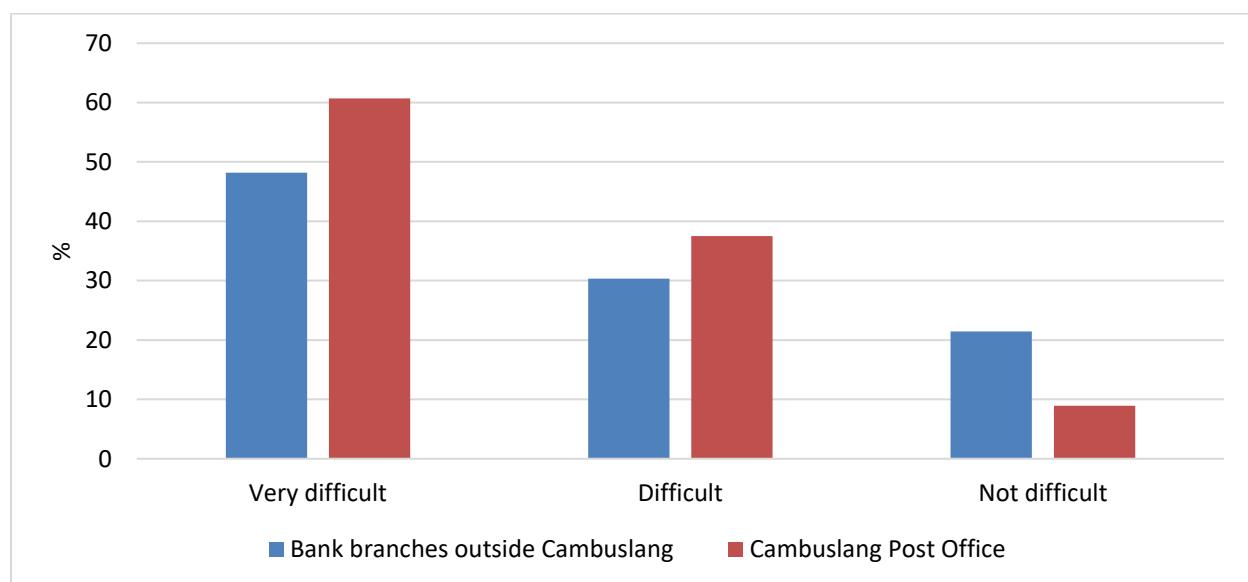
"The lack of banks in Cambuslang has created major problems with regards to banking takings at the end of an evening and having to travel to do weekly banking. It is dangerous when closing shop each night to have to carry the takings out with you as well as having to store it in one's own property until you have the time to take it to the nearest bank."

The negative impact is underlined by responses to the question whether business owners had experienced financial hardship as a result of the branch closures. 55% of business owners have suffered financial penalties in some form. In most cases, this takes the form of additional travel time and costs, and parking charges, as for local residents. There are also financial losses due to time spent away from the business. For the many independent shops in Cambuslang, there are costs in paying for staff to cover for the absence of the owner going to the bank during the working day.

4.2 Alternative options for banking services

Business owners experience very significant problems with using alternative banking facilities – the Cambuslang Post Office and bank branches outside Cambuslang (see Figure 7). 78% of business owners have had difficulty using the Post Office (almost half found it ‘very difficult’) and 92% have experienced difficulty in using bank branches (56% found it ‘very difficult’).

Figure 7: How easy or difficult is it for you to use the Cambuslang Post Office or bank branches outside Cambuslang for your business banking needs?



The comments made by business owners demonstrate how much the options of the Cambuslang Post Office and bank branches elsewhere are inadequate. The time taken out of the business day represents an additional cost, and there are real concerns about personal security in transporting cash and the lack of privacy in business transactions (at the Post Office).

"I have to take time away from my business to travel to Rutherglen, park the car and normally wait in large queues to be served. The post office is at the very end of the main street. There is no privacy and a lot of loitering etc outside of the shop."

"I have to finish work early to be able to get to bank on time."

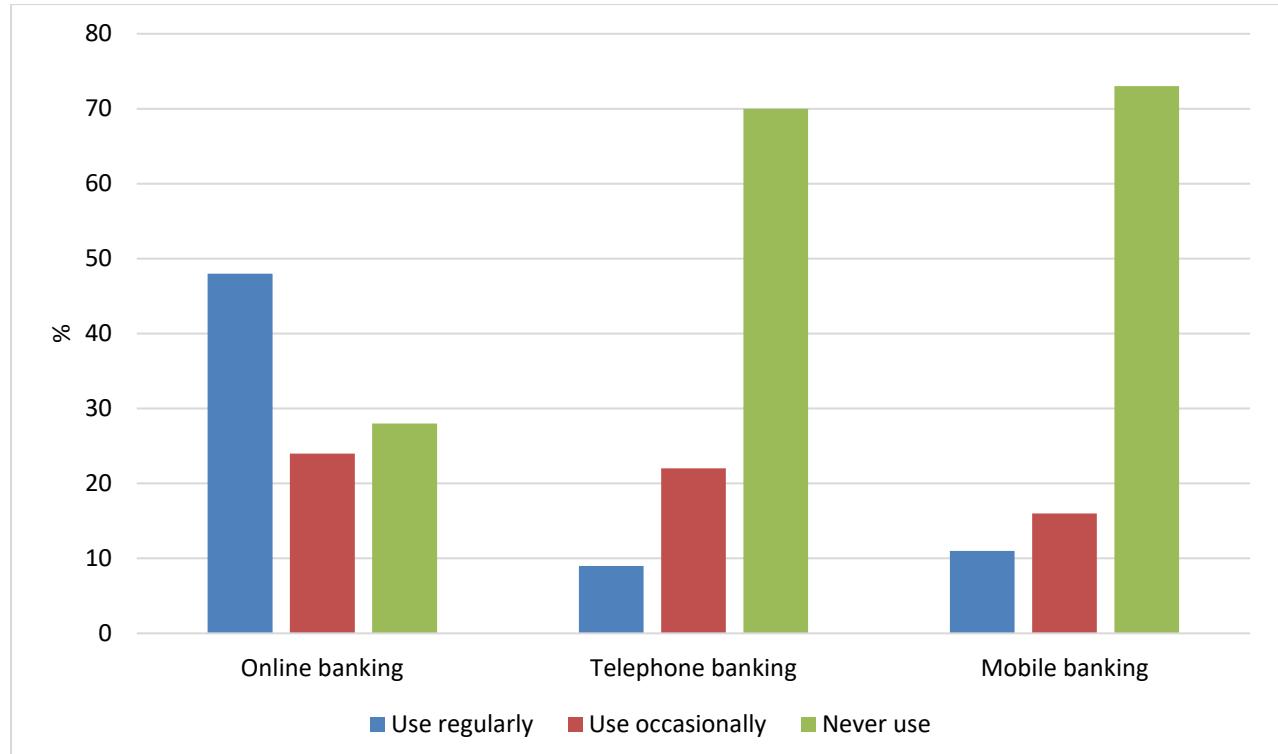
"The post office has no privacy - it is an open area just inside the grocer's shop and everyone in the shop can see your transactions not ideal when you are transporting large sums of cash weekly or monthly, and the parking in Rutherglen is non-existent for non-residents."

"Finding time to go outside the area when running a business isn't easy!"

"Post office is not an appropriate place to do business banking. Other branches are too far away and take too much time out of a working day to get to. Then there is little or no convenient parking in Rutherglen."

Like local residents, business owners are significant users of online banking (see Figure 8): 72% make use of online banking regularly or occasionally. However, again it should be noted that a significant minority (28%) never use online banking. As with local residents, telephone banking and mobile options are used to only a limited extent; over 70% of business owners never use these methods.

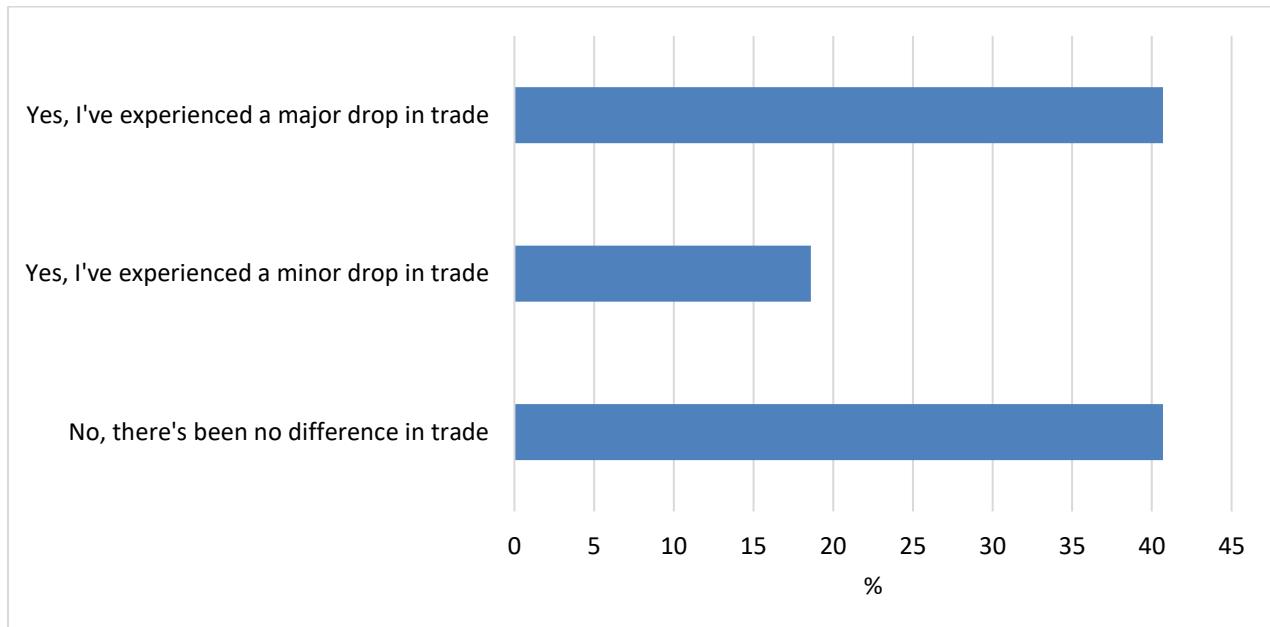
Figure 8: Business owner use of alternative banking methods (%)



4.3 Impact on trade

The diversion of shopping away from the Main Street reported by local residents is evident in a drop in trade (see Figure 9). **Almost 60% of business owners have experienced a loss of trade since the branches closed.** 41% of businesses reported a ‘major drop in trade’. Business owners have seen fewer people shopping on the Main Street. They are aware, from conversations with their clientele, that customers are going to other towns to both bank and shop.

Figure 9: Have you noticed an impact on trade since the branches were closed?



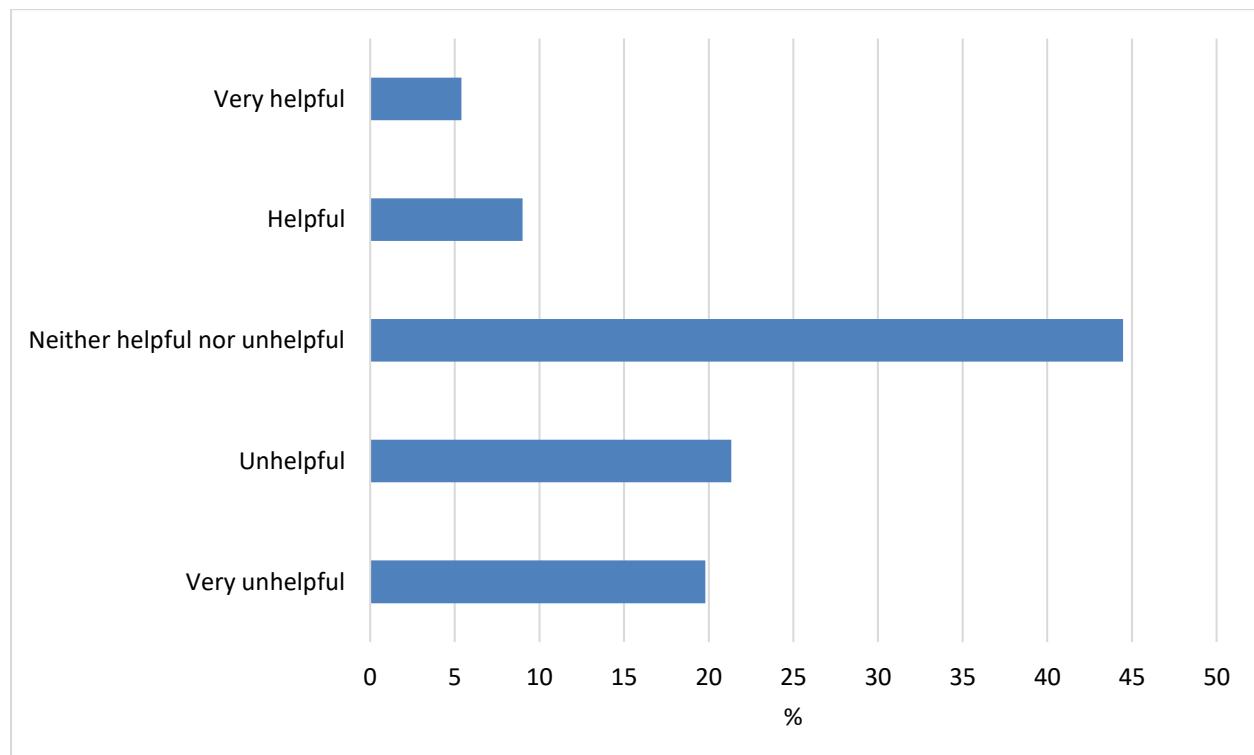
5. SUPPORT PROVIDED BY THE BANKS IN DEALING WITH CLOSURE

The final set of questions in the survey concerned the support provided by the banks to local residents and business owners in dealing with the bank closures. As noted in Section 2, the closure reviews undertaken by the banks emphasised the support they were providing to their personal and business customers in explaining the implications of the closures and assisting them in making a transition to alternative methods for accessing banking services.

The commitment of the banks to transitional support is, however, not reflected in the survey findings: **most local residents and business owners have not found the banks to be helpful in dealing with the closures.**

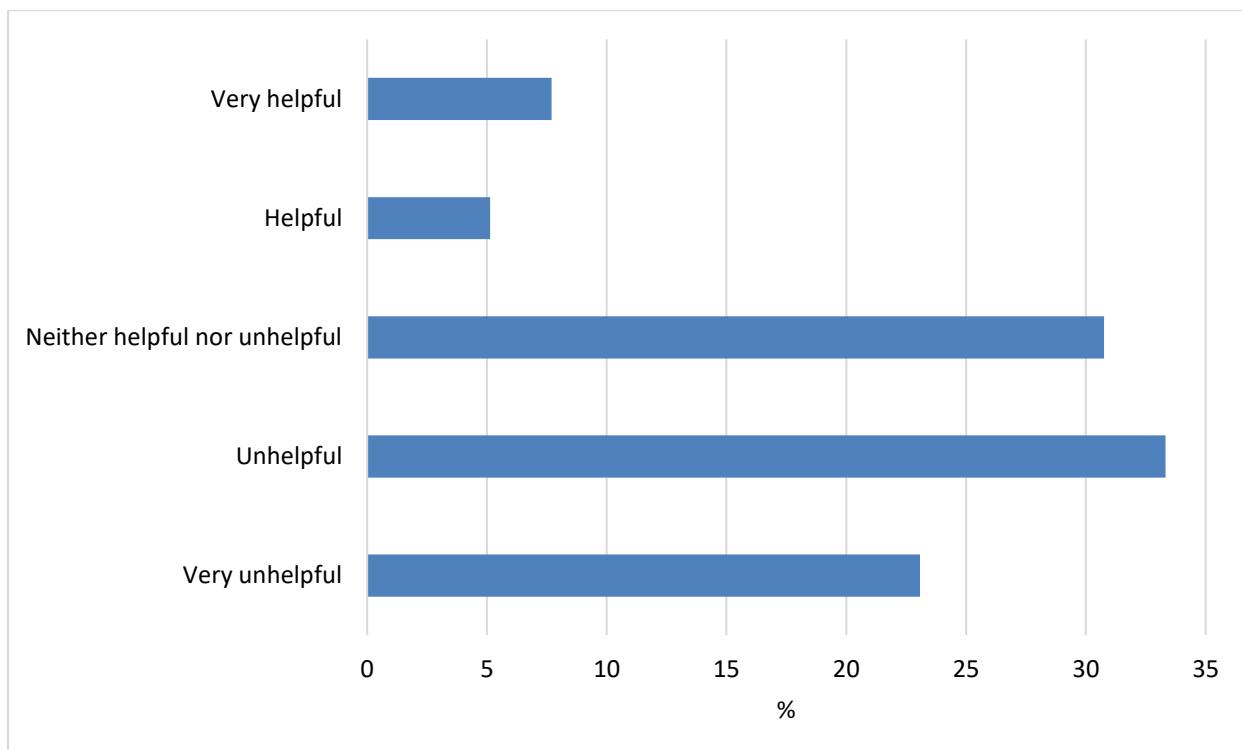
Among local residents, only 14% of respondents rated the support provided by the banks to be ‘helpful’ or ‘very helpful’ (see Figure 10). Over 40% of local residents found the banks to be unhelpful, with 20% of respondents deeming the banks to be ‘very unhelpful’.

Figure 10: How helpful was your bank in dealing with the impact of branch closures (local residents)?



Business owners are still more critical. Only 13% found the banks to be ‘helpful’ or ‘very helpful’. 55% considered the banks to have been unhelpful, and 23% found them to be ‘very unhelpful’ (see Figure 11).

Figure 11: How helpful was your bank in dealing with the impact of branch closures (business owners)?



6. CONCLUSIONS AND RECOMMENDATIONS

The surveys on which this report are substantially based show that **the closure of all three bank branches in Cambuslang by the Clydesdale, RBS and TSB has been intensely damaging for the town.**

Local residents and business owners have been negatively affected, in many case significantly so. For a substantial minority, the closures have caused financial hardship. Access to cash is a real problem. The alternative options promoted by the banks – use of the Cambuslang Post Office or bank branches in other towns – are inadequate. Travel costs and time, a lack of parking at alternative branches, and long queues are common experiences. The closures have had a major impact on the commercial viability of Cambuslang Main Street. Large numbers of local residents now shop less in the town centre, significantly less in some cases; and the majority of businesses report a drop in trade since the closures took place.

Combining the findings of the survey research carried out by Cambuslang Community Council with other relevant research, we have drawn the following conclusions and recommendations.

- 1. People want to conduct banking business face-to-face at a local branch.** Contrary to the claims of the Clydesdale, RBS and TSB, there remains a substantial demand from people and businesses in Cambuslang to have a local branch. While many local residents and businesses use online banking, this only deals with a proportion of local banking needs. The desire for local branch banking applies across the board but especially among the elderly and the disabled, benefits claimants, those with caring responsibilities, those on low incomes and the digitally excluded.

Our survey research supports the findings of work undertaken by 'Move Your Money' which stated that:

"All the available evidence suggests that not only is there clear and consistent demand for branches declared by the British public, but also that this preference is also borne out by people's actual behaviour too."

- 2. The transition away from bank branches needs to take account of the needs of people and businesses.** While there has been a significant take-up of online and mobile banking, and a reduction in the usage of bank branches, these shifts are taking place at different speeds in communities and across socio-economic groups. The evidence from Cambuslang – which has sizeable areas in the bottom 15% of the Scottish Index of Multiple Deprivation – shows how the closure of all three bank branches has contributed to social exclusion. None of the alternatives proclaimed by the banks when they closed their branches – the services of alternative branches, use of the local Post Office, online banking and telephone banking – has proved to be an acceptable substitute. Over time, the use of online and telephone banking may well become universal, but in communities like Cambuslang this is still a distant prospect, and banks needs to respect their obligations to those who are less mobile or comfortable with IT.

As the former Campaign for Community Banking Services noted:⁴

"There are certain sections of the UK population who rely on brick-and-mortar branches to do their banking. These include the elderly and the deprived. Without access to physical branches, such people will have no opportunity to change their accounts, no matter how seamless or intuitive banks make their websites. This is why the disappearance of branches from high streets and rural areas is a bad thing, since without them many people won't be able to exercise choice."

3. **The impact of bank closures on the commercial viability of town centres has been underappreciated and downplayed.** This is evident from the review of the Access to Banking Protocol conducted by Russell Griggs which considered that there was:⁵

"a mixed picture and feedback from small businesses in communities where branches had closed so the evidence is not clear as while in general there does appear to be some fall of in sales in communities that lose all of their branches it is not clear if that continues as some stated that while business had dropped for a while it had come back again once the community 'got over' the closure."

In fact, the evidence is very clear. In Cambuslang, local people are now shopping elsewhere to a significantly greater extent, and many businesses have reported a drop in trade over the past two years. This echoes the recent review of branch closures by the House of Commons noted which reported that branch closures not only reduce access to finance but damage the sustainability of communities (see Box 3).⁶

Box 3: The impact of branch closures on local communities

Access to Financial Services: The economic cost and inconvenience to small businesses, the elderly, the disabled and others of having to use alternative banking locations/facilities; and The social cost of excluding low-income consumers from mainstream financial services: exacerbated by the absence of a community based banking presence.

Sustainability of Communities: Bank branch closures contribute to commercial decline of communities as better off consumers change their purchasing habits along with the need to travel further afield for banking services, businesses close, re-generation is rendered more unlikely and start-up finance for local business becomes more difficult to obtain.

The Environment: Action taken by consumers to overcome the problems caused directly and indirectly by bank branch closures contribute to environmental damage, for example, through increasing motor vehicle use.

Source: House of Commons Briefing Paper (see footnote 6).

⁴ <https://www.choose.co.uk/news/ccbs-banks-branches-closures-competition-cma-community.html>

⁵ *Access to Banking Protocol – One Year On Review*, by Professor Russell Griggs, November 2016, British Bankers' Association, London.

⁶ *Bank branch closures*, House of Commons Briefing Paper, No.385, 19 October 2018. Box 3 is evidence submitted by the former Campaign for Community Banking Services.

4. **Access to Banking protocols need to contain an obligation for banks to assess, and report publicly, the commercial impact of branch closure on the local business community before the decision to close a branch is taken.** The experience of Cambuslang is that all three banks went through an essentially tokenistic exercise in undertaking an ‘impact assessment’ and that it focused exclusively on the effects on their customers and not on the effects on the wider community. This needs to change: the fragility of town centres in Scotland requires banks to recognise how branch closures will affect footfall and trade for other businesses.

In this context, it is deeply unsatisfactory that the successor to the Access to Banking Protocol – the ‘Access to Banking Standard’⁷ – has gone backwards. The commitment to assessing the impact on the community has disappeared, and the Standard refers only to impacts on customers.
5. **The banking sector cannot be allowed to leave towns unbanked.** The government needs to set statutory obligations for minimum levels of banking service provision covering both the facility for face-to-face local branch banking services, and the availability of free-to-use ATMs. The banking sector needs to ensure that ‘no community is left behind’ with respect to banking services, through either
 - a shared or neutral branch service, where the branches of more than one bank are being downgraded or closed;
 - a mobile branch service, or pop-up branch in vacant premises, to ensure a banking service at least one day a week.
6. **The Post Office is not able to provide the banking services that customers want and need.** The experience of Cambuslang illustrates that there is major dissatisfaction on the part of residents and businesses with the banking facilities available in the local Post Office. Located in a grocer’s shop, the Post Office does not provide privacy for customers and can only deliver a limited range of banking services. Given that the Post Office is also cutting branches nationwide, there is real concern as to whether even the current limited service will survive in the longer term.
7. Finally, it seems clear that **neither the banks nor government are serious about managing and ameliorating the consequences of bank branch closure.** The experience in Cambuslang is that the negative effects are falling mostly on those least able to deal with the consequences – the elderly, the disabled, those on low incomes and the digitally excluded. The fact that the banking sector was able to weaken the obligations under its former Access to Banking Protocol in the new Access to Banking Standard – which itself is only a voluntary code – and to do so with government acceptance, makes a mockery of government claims to be concerned with the social consequences of branch closure, as well as policies to promote social inclusion. Further, the ‘hands off’ approach of government, through a claimed respect for the commercial decisions of the banks, is also having damaging economic effects on the viability of town centres and runs completely counter to government policies to ‘make town centres more attractive to business’. A coherent government policy on bank closures is long overdue.

⁷ https://www.lendingstandardsboard.org.uk/wp-content/uploads/2017/07/Access_to_Banking_Standard.pdf