

Branch Banking - UK - 2022

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This report looks at the following areas:

- The current size of the branch network in the UK across banks and building societies
- Branch usage, the purpose of visits and barriers to using branches
- The impact of the rising cost of living on expectations from bank branches
- Consumer satisfaction levels with branch banking
- Travel time and method for branch visits
- Factors that would drive the use of bank branches
- Consumer attitudes towards branch banking

Despite the popularity of online and mobile banking, younger demographics are the most likely to have visited a branch in the last year at 73% of 16–24 year olds, while 28% have visited in the last month. There is a degree of reassurance that comes from the presence of a physical branch that particularly appeals to less financially experienced consumers.

The rising cost of living, high inflation rates and soaring energy bills will have an impact on branch banking. There could be pressure for banks to postpone planned closures, with Nationwide having already put back closures until 2024 at the earliest to offer continued support during the cost-of-living crisis. Meanwhile, 47% of people are keen for their bank branch to offer guidance on the rising cost of living.

Continued closures pose a threat to the market. Although satisfaction levels remain high, this will be tested and there will be a tipping point if consumers are left with further to travel for cash and more complex banking needs. This will also place additional pressure on digital channels, with 24/7 rapid-response service being needed to counter the declining number of branches.

There are opportunities to reduce waiting times in-branch by focusing on wider availability of self-service machines to cater for basic cash banking, which is the most common reason for branch visits. This will free up counter staff to deal



“Branches still have a role to play for many consumers. Satisfaction levels remain high despite widespread branch closures in recent years. This will be tested as customers seek further support through the cost-of-living crisis, with less financially experienced younger consumers particularly seeking guidance.”

– **Adrian Reynolds, Senior Finance Analyst – Financial Services**

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with more complex and tailored customer issues. Banks must offer more bookable appointments through online banking and apps to help customers plan their visit and reduce friction in the process.

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