



# What's the best way to get in touch with my bank?

With more than 2,000 branches closing over the past decade, has it become harder to access your bank, or do new contact methods compensate for the decline in face-to-face service?

**A** decade ago, if you wanted to pay in a cheque or withdraw some money, all it would take was a short walk to your local high street bank branch. But today, the same transaction at your nearest branch might require a 20-mile drive.

Given that the number of bank branches on our high streets has almost halved since the late 1980s, that's hardly surprising. Some 927 communities now rely on just one branch, while 1,200 have lost access to their banks altogether, according to the Campaign for Community Banking Services.

Since 2003 alone, 2,153 branches in Britain have closed, representing an 18% fall overall, as banks replace them with new banking methods, including more ATMs, telephone and online banking, and mobile apps.

The rapid rate of branch closure is a cause for concern for 57% of Which? members, according to our survey of 1,356 people in January 2014. However, with 89% of those we surveyed having access to online banking and 76% using telephone banking, it's perhaps no surprise that 42% believe that branch banking is becoming obsolete. But do the alternatives match up to a face-to-face visit?

We mystery-shopped the ways you can get in touch with your bank to see whether modern alternatives, such as live web chat, social media and online banking, make up for the loss of in-branch services.

## BANK BRANCH CLOSURES

It's no secret that the UK's bank branch network has shrunk over the past decade.

In part, banks and building societies have been cutting costs as a result of the financial crisis, or prioritising investment in technology to get people banking in other ways.

To better understand this shift in banking access, we surveyed 14 of the biggest current account providers to find out how many branches they'd closed or opened between 2003 and 2013. We also asked about their branch network plans for 2014 and beyond.

HSBC closed the largest percentage – almost 30% were shut between the start of 2003 and the end of 2013 – 458 branches in areas where customer use has fallen dramatically. And it has identified a further eight branches for closure this year.

Barclays shut 493 branches – 24% of its network. It put this down to 'low customer traffic' and branch mergers following its acquisition of The Woolwich in 2000.

Of the banks that are part-owned by the taxpayer since the government bailouts of 2008, the RBS Group closed 15% of NatWest

branches, and 7.4% of RBS branches, citing a 30% drop in branch transactions since 2010. Lloyds Banking Group, which includes Bank of Scotland, Halifax, Lloyds Bank and TSB, also cut its branch network by 13%.

These branch closures have hit elderly and less mobile people in remote areas the hardest, according to Derek French, director of the Campaign for Community Banking Services. He believes: 'Banks and government share a diminishing concern for consumers and communities over the loss of local bank branches, a loss which will accelerate with developments in technology.'

### NEW BRANCHES?

It's not all bad news, however. Some banks – mainly those that have acquired other banks – have actually opened new branches.

Abbey National, for example, was acquired by the Santander Group in 2004 and was rebranded as Santander in 2010. The bank's network grew by 27% between 2003 and 2013, partly due to its purchase of Alliance & Leicester and Bradford & Bingley in 2008. However, despite planning to open 10 new branches in 2014, Santander will also merge some of its branch network this year, resulting in fewer outlets overall.

The Co-operative Bank also expanded by 59% between 2003 and 2013, when it merged with Britannia in 2009, although the Co-op Bank's recent troubles mean it has committed to reducing its branch network by at least 15% by the end of 2014.

And there have even been some new entrants to the market. Metro Bank was only launched in 2010 and now has 24 branches in London and the south-east. It plans to open up to 200 branches by 2020.

### BEYOND THE BRANCHES

So how are banks that have closed large chunks of their branch networks now responding to their customers' needs?












RBS Group has committed £700m to refurbishing its 600 branches, as well as its IT and new technology capabilities over the next three years, as more than half of its 15 million customers have turned to mobile and online banking. From later this year, NatWest and RBS customers will also be able to make deposits and pay in cheques at the Post Office's 11,500 branches nationwide.

HSBC has also invested £500m in updating its existing branches, including the introduction of iPads for online banking, improved self-service machines and increasing the number of telephone handsets in branch, as well as installing talking ATMs for visually impaired customers.

Barclays has been one of the earliest adopters of new technology, rolling out 8,500 iPads across its 1,600 branches in November 2012 to improve customer experience. It told Which? it has built a 5,000-strong team of 'Digital Eagles' to help customers learn about online technology. It also trialled eight new branches in Asda superstores in February and March 2014. >

## Branch closures and openings since 2003

Bank branch numbers have been in decline since the late 1980s. Here's the picture of how branch networks for the 14 biggest high-street banks have changed between 2003 and 2013

Bank	Number of branches on 1/1/2003	Number of branches on 31/12/2013	Change in number of branches	% change in number of branches
 HSBC	1,589	1,131	-458	-29%
 BARCLAYS	2,070	1,577	-493	-24%
 Clydesdale Bank (a)	425	322	-103	-24%
 NatWest	1,643	1,398	-245	-15%
 LLOYDS BANKING GROUP (b)	3,343	2,896	-447	-13%
 RBS	650	602	-48	-7%
 Nationwide	681	665	-16	-2%
 TSB (c)	632	631	-1	0%
 Santander (d)	705	963	258	37%
 The co-operative bank	89	294	205	230%
 METRO BANK (e)	0	24	24	n/a

a Figures combined for both banks b Includes Bank of Scotland, Halifax, Lloyds Bank & TSB Bank c TSB Bank was divested from Lloyds Banking Group in 2013. TSB estimated figures for 2003 d Santander was Abbey National in 2003 e Launched in 2010. Percentages have been rounded up



# 2,153

The number of branches that have closed over the past 10 years

# 89%

How many members have access to online banking

# 42%

How many members believe branch banking is becoming obsolete

# 1,200

How many communities have lost all their banks

# 83%

The number of people aged 25-34 who prefer face-to-face banking

# 57%

How many members are concerned about the rate of branch closures

Banks have also been improving their payment technologies. Five have partnered with Zapp to offer a new 'one-touch' mobile payment service to 18 million bank customers across the UK. Meanwhile, eight banks, representing 90% of the market, are participating in a new scheme (Paym) run by the Payments Council that will allow you to transfer money to another person's bank account using your mobile phone, using the other person's mobile number.

## YOUR BANKING HABITS

More than half (51%) of the members in our survey told us they bank in branch, and 40% said they prefer to do their banking with a person. At first glance, it seems that online and telephone banking are filling the gap created by bank branch closures. However, some of the newer technologies haven't taken off just yet. More than half of members have no access to mobile banking, and 37% said they don't like dealing with a machine. Only 3% use mobile banking apps. But given the rapid rise of smartphones and tablets, we think that take-up of this new technology is only likely to increase.

## NEW WAYS TO GET IN TOUCH

Banks argue that a lack of customers is the main reason for branch closures, and it's fair to say we've never had a greater range of ways to bank. But are they really delivering what customers want?

To put this to the test, we asked the 14 biggest high street banks and building societies which methods of getting in touch they offered (see table, right). Newer technologies, such as live web chat, don't seem to have taken off fully yet (only three were using this). But we were surprised to find that some banks lack more obvious methods of contact – for example, three of them had no dedicated email address for enquiries, and another three gave no postal address. Then we tried each method ourselves with the six biggest banks (see right).

**More than half of members have no access to mobile banking, and 37% said they don't like dealing with a machine**

# Testing the banks

We tested the six biggest high street banks (Barclays, HSBC, Lloyds, NatWest, RBS and Santander) by contacting them once each via branch, phone, email, letter, live web chat and social media (Twitter). We asked each two very general questions that we felt would be easily answered using the six methods. We asked them:

- How to set up a current account
- What the best rate of interest was on their savings accounts.

Of course, these are relatively minor queries against the multitude of activities you can carry out, and don't necessarily reflect the full experience of getting in touch with your bank. But our snapshot research enabled us to monitor the quality of responses to two fairly simple queries.

We contacted each bank on a weekday between 8.30am and 2pm. We timed how long it took to answer, from the moment we started the activity (ie walked into a branch) until our query had been answered, and evaluated how helpful their responses were.



## In branch

We found a big difference in the time taken to answer our questions and the quality of service that we received.

Barclays was the quickest to answer (3min 43s). Lloyds (8min 42s) and RBS (8min 33s) took the longest. But the answers we received from each bank were generally more thorough than with any other contact method, providing us with extra information about account ranges and any benefits and drawbacks.

Lloyds, NatWest, RBS and Santander all offered to book an appointment to set up a current account. But, unhelpfully, the HSBC cashier just pointed us in the direction of the relevant literature without answering our questions directly.



## By phone

We found contacting the banks by phone usually took longer than going into a branch to get our questions answered.

The average response time for our questions to be answered was 7min 25s. However, unlike with the branches, we saved ourselves time by not having to get to the branch in the first place.

HSBC (5min 05s) and Barclays (5min 15s) were the quickest. Santander took (11min 50s) and Lloyds (9min) took the longest, and our experience proved frustrating – we had to prompt phone staff at both banks several times before we felt we had sufficient answers to our queries.



## Live web chat















Web chat allows you to converse through instant messaging. Only Barclays, NatWest and RBS offered this service.

We found the time it took to answer our questions in full varied greatly between banks (RBS 10min, NatWest 15min and Barclays 22min). Overall, it took longer to get answers via web chat than in branch or by phone because of how long it took for an adviser to become available and then type a response.

On the upside, we found questions were answered better than over the phone because the adviser had the information we required at their fingertips and could provide useful links to their products online.

## How can I get in touch with my bank?

The table below shows the different methods of getting in touch offered by the 14 banks and building societies we surveyed in January 2014

Bank	In branch	Phone	Live web chat	Email	Letter	Social media
 BANK OF SCOTLAND	✓	✓	✗	✗	✓	✓
 BARCLAYS	✓	✓	✓	✓	✓	✓
 Clydesdale Bank	✓	✓	✗	✓	✓	✗
 The co-operative bank	✓	✓	✗	✓	✗	✗
 HALIFAX	✓	✓	✗	✗	✓	✓
 HSBC	✓	✓	✗	✓	✓	✓
 LLOYDS BANK	✓	✓	✗	✗	✓	✓
 METRO BANK	✓	✓	✗	✓	✓	✓
 Nationwide <small>(post is free of charge)</small>	✓	✓	✗	✓	✗	✓
 NatWest	✓	✓	✓	✓	✓	✓
 RBS	✓	✓	✓	✓	✓	✓
 Santander	✓	✓	✗	✓	✓	✓
 TSB	✓	✓	✗	✓	✗	✓
 Yorkshire Bank	✓	✓	✗	✓	✓	✗



### Email

Of the six banks, only Lloyds didn't provide an email option – although we were unable to contact NatWest and RBS via webmail, as no actual email address was given.

We found the time taken to respond to our emails was really poor. Santander replied after two hours and four minutes. But the email simply advised us to visit our local branch, phone the bank or visit its website, and it provided the contact details for all three methods.

Barclays, meanwhile, took more than five days to respond, again with phone numbers and website links.

And, despite contacting HSBC on 17 January, we still hadn't received a reply when we went to press.



### Letter

Writing a letter to the banks took the longest time to get a response to our questions.

We sent our letters on 22 January and HSBC and Santander were the only banks that had responded to the questions by the time we went to press.

HSBC took two weeks to respond, but answered both of our questions and gave us information on its current and savings accounts. Santander took only a week to get back to us, but it didn't answer either of our queries. It simply advised us to visit our local branch or its website – of no use if the reason for writing was that we didn't have internet access or had difficulty getting to a branch.



### Social media

Social media channels, such as Twitter and Facebook, have become increasingly popular for getting in touch with your bank. With Twitter, you can send a message, either publicly from your account or as a private message (you should never give any personal/account details using this method).

Four banks responded to our questions posted on Twitter. HSBC was the quickest (5min) and Barclays the longest (20min). Santander took 9min and all three provided links to their websites, but didn't answer our specific questions. NatWest only answered one question.

Lloyds and RBS hadn't responded at the time of going to press.

## EXPERT VIEW

### Evolution in banking

Alex Wright | Which? Money expert



Technology has moved on apace in the past decade. Broadband coverage across the UK has

increased to 92.2%, from 71% in 2003, and the introduction of smartphones and tablets has irreversibly shifted our spending and shopping habits.

Logically, banks have sought to follow this trend, and provide technological solutions that allow customers to carry out much of their day-to-day banking. The number of people needing bank branches is likely to continue falling in the future.

However, new technology hasn't been without its problems. With increasing demand, banks' legacy IT systems have often struggled to cope with the volume of traffic. The recent spate of IT glitches, such as with RBS/ NatWest at the end of 2013 and with Lloyds Banking Group at the beginning of 2014, resulted in millions of people being unable to use their cards, access online banking and withdraw money.

### SERVICES FOR ALL

Despite the shortcomings of their back-office systems, however, banks are now committed to investing heavily in their digital platforms for the future. But people will only convert to the new services if they are easy to access, trustworthy, secure, and offer clear benefits in terms of speed and efficiency. It's vital that banks support their customers and help those who want, and are able, to make the transition.

Bank branches aren't going to be disappearing completely from our high streets for many years to come, if at all. But there are plenty of customers and businesses needing a local branch, who are finding their options limited. Barclays' trials with branches in supermarkets, Lloyds's planned 'mini-branches' and RBS's intention to make greater use of the Post Office network are encouraging steps to remedy this – we want to see all banks continue to find cost-effective ways to meet the needs of the customers who still like to use their local bank branch.