



# Banking on Change?

Consumers' attitudes to accessing banking services and the role of community banking in the wake of bank branch closures

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**Please note an executive summary is available in larger print or other formats on request.**

# 1. Executive Summary

1.1 Access to affordable financial services is an issue in Northern Ireland (NI). Households in NI are less likely to have a current account (10%) than those in the rest of the UK (4%)<sup>1</sup>. With almost 30%<sup>2</sup> of bank branches having closed in NI since 2010, the risk of exclusion from mainstream financial services has increased for consumers who rely on physical access to banks.

1.2 Banking at the post office, or using a credit union can play an important role in filling the gap left by bank branch closures. For example, post offices offer most NI bank account consumers a range of 'over the counter' services, such as:

- Checking balances;
- Depositing cash and cheques; and
- Withdrawing cash.

1.3 Against this background, the Consumer Council commissioned the following research to explore:

- Consumers' current use of banking services;
- Their views on banking services through alternative means such as credit unions or post offices;
- Barriers preventing consumers from using alternatives to bank branches; and
- Consumers' preferences for banking services.

1.4 The key findings from the research were as follows:

- Many of those who do not have a personal current account (in other words, are 'unbanked') do not feel they need one;
- Disabled consumers appear to be highly impacted by bank branch closures;

- There is a lack of awareness of financial services offered by providers such as credit unions and post offices;
- Where consumers are aware of other ways to bank, there are concerns over privacy and security; and
- Despite the growth of online banking, there is still a strong preference among consumers for banks to offer a physical presence.

1.5 This report makes a number of recommendations. These are based on our research findings, and developments affecting the demand for current accounts (such as the implementation of Universal Credit in NI and the requirement for recipients to have access to an account). The recommendations cover:

- Implementing the British Bankers' Association's (BBA) bank branch closure protocol in NI;
- Further work to fully understand the impact of bank branch closures on disabled consumers;
- Promoting other banking services;
- Promoting the effective use of current accounts;
- Promoting digital inclusion to overcome financial inclusion; and
- Mapping financial exclusion to identify gaps in banking facilities in areas of greatest need.

1.6 The recommendations will form a programme of work for the Consumer Council to engage with stakeholders over the next 12 months to further promote financial inclusion in NI. We will report back through our annual plan our progress against these recommendations.

1. Family Resources Survey, NISRA, October 2015.  
2. Data published by banks, January 2016.

## 2. Introduction

2.1 The aim of this research was to gain a better understanding of how other solutions, such as post offices and credit unions, can provide access to banking facilities. This was in the light of increased bank branch closures. Our focus was on consumers at risk of financial exclusion.

### Financial exclusion

2.2 Financial exclusion can be defined as, "The inability, difficulty or reluctance of particular groups to access mainstream financial services<sup>3</sup>."

People who are financially excluded may be:

- Unable or unwilling to access mainstream financial services;
- Lack a bank account for wages or benefits to be paid into; and
- Miss out on discounts available for paying bills through direct debit.

They may also use high-interest credit, such as 'payday loans'.

2.3 Financial exclusion is a particular issue in NI. Households in NI are less likely to have a current account (10%) than those in the rest of the UK (4%)<sup>4</sup>. Furthermore, almost 30% of bank branches in NI have closed in recent years<sup>5</sup>. This risks the exclusion of those consumers who rely on visiting a branch for financial services and then 'opt-out' when their branch closes. This is because they may not, for example, be willing or able to use other forms of banking, such as online, or be aware of Post Office banking facilities or credit union services.

2.4 Community banking solutions offer an alternative means of accessing financial services in the wake of branch closures. Most banks now offer access to a range of banking services through Post Offices.

2.5 Furthermore, from different sources, we have found research that shows credit union membership is, proportionately, significantly higher in NI than in Great Britain (GB): The Family Resources Survey<sup>6</sup> shows that 10% of households in NI have savings with a credit union compared to 1% in GB. John Moores University<sup>7</sup> research indicates that 34% of adults in NI save with a credit union, compared to only 2% in GB. Therefore, credit unions may also be able to play an important role in filling any void left by bank branch closures.

### Bank branch closures

2.6 Banks make commercial decisions regarding the closure of branches. While Post Office Limited is fully owned by the UK Government, it trades as a commercial entity. Any suggestions to improve financial inclusion therefore must fit in with business strategies of the bodies concerned.

2.7 A bank branch closure protocol, instigated by the Department for Business, Innovation and Skills (BIS), was agreed by the industry through the BBA in March 2015<sup>8</sup>. However, not all banks operating in NI have signed up<sup>9</sup>.

### Basic bank accounts

2.8 HM Treasury (HMT) has worked with the BBA and individual banks to set out an agreement on basic bank accounts. From January 2016 these banks offer 'fee free' accounts to consumers<sup>10</sup> who are not eligible for other types of current account. Nine banks/banking groups have signed up and many of these operate in NI: Barclays, HSBC, Lloyds, Nationwide, Santander and the Royal Bank of Scotland (Ulster Bank). The other main banks operating in NI also offer a basic account, although they are not part of the agreement with HMT<sup>11</sup>.

3. Financial Exclusion, McKillop and Wilson, 2007.

4. Family Resources Survey NI, Table 4.1: Savings and Investments across the UK, October 2015 (data 2013-14) (A bank account with a payment facility, excluding POCA).

5. Of the 357 bank branches open in NI in 2010, 104 have since closed. Data provided by Banks. January 2016.

6. Family Resources Survey, NISRA, October 2015.

7. Towards Financial Inclusion, Liverpool John Moores University, Housing Rights Service, May 2013.

8. <https://www.bba.org.uk/policy/retail/financial-inclusion/access-to-banking/industry-protocol-on-branch-closures/>

9. Barclays, Co-op, Clydesdale, HSBC, Lloyds, Nationwide, RBS and Santander.

10. <https://www.gov.uk/government/news/new-basic-fee-free-bank-accounts-to-help-millions-manage-their-money>

11. Bank of Ireland and Danske Bank.

2.9 This basic bank account service is offered on the same terms as other personal current accounts the banks provide. It includes access to all the standard over-the-counter services at bank branches and post offices, and the ATM network. There is normally no cheque book available, but there is no charge if a direct debit or standing order fails. This product is available to people who are not eligible for any other type of current account.

## Digital exclusion

2.10 Increased use of online banking may have led to the closure of some branches. However, consumers who are unable or unwilling to use online banking (the 'digitally excluded') still rely on branch services. There are still barriers to online banking:

- Access to broadband (both affordability and connection); and
- A lack of skills and confidence in using the internet.

2.11 Digital exclusion is an important area, particularly for more vulnerable consumers, such as older people and those on low incomes. Ofcom research<sup>12</sup> shows that 14% of the adult population in the UK does not use the internet. It is notable that more than half of non-users are aged 65 and over (61%). Half of non-users are in lower socio economic groups (50%). Our Consumer Proficiency research<sup>13</sup> told us that 38% of NI consumers bank online. Younger people are more inclined to do this, with only 14% of people aged 65+ banking online. 22% of those in socio economic group DE bank online.

2.12 There is limited mobile phone network coverage in some rural areas, for example, the Glens of Antrim, Mayogall in Mid Ulster, and Derrygonnelly in Fermanagh<sup>14</sup>. This means that consumers may not be able to use online banking easily. They may have to travel a long way to visit a branch. Therefore, this report recommends further promotion of digital inclusion.

## Research objectives

2.13 The objectives of the research were to investigate the following:

- Usage:** Which types of organisations do consumers use to access banking services and cash? What type of accounts do consumers hold?
- Awareness:** Are consumers aware of bank closures? Are consumers aware of the banking facilities that are available at Post Offices?
- Habits:** How do consumers carry out their day-to-day banking, and why do they choose this method? This also includes an investigation of those who choose not to have a bank account.
- Barriers:** What barriers, if any, prevent people from making use of Post Offices or credit unions to carry out banking transactions?
- Wants:** What are consumers' preferred options when it comes to accessing banking services? Are there any gaps in the current services they receive?
- Proximity and Convenience:** Do consumers feel services are conveniently located to carry out banking transactions?

12. Adults' Media Use and Attitudes Report, Ofcom, 2015.

13. Consumer Proficiency Research, Consumer Council, June 2016

14. Ofcom provides a mobile coverage and fixed broadband checker by postcode - [www.ofcom.org.uk/check-coverage](http://www.ofcom.org.uk/check-coverage)

## 3. Methodology

3.1 The Consumer Council used both qualitative (focus groups and a literature review on financial exclusion) and quantitative approaches to this research.

### Focus groups

3.2 Four focus groups were held across NI in November 2014 to inform the quantitative element of the research. The guidance for questions used at the focus groups is at Appendix 1.

3.3 The focus groups were held in Ballyclare, Holywood, Rathfriland and Dungiven. The participants were from a mix of urban and rural areas, including communities where bank branches have closed in recent years but a credit union / post office remained. They also included a mix of consumers who were:

- Banked: those who currently have transactional bank accounts with a high-street bank or building society;
- Post Office Card Account (POCA)<sup>15</sup> only: those who rely solely on their POCA as a financial account. This is aimed at people without a bank account who receive social security benefits, tax credits, state pensions or a war pension.
- POCA and other: those with a POCA and some other form of bank account; and
- Unbanked: those with no transactional banking account, basic account or POCA.

### Quantitative survey

3.4 Ipsos Mori undertook an omnibus survey between 22 December 2014 until 30 January 2015. 1,018 adults were interviewed using Computer Assisted Personal Interviewing (CAPI). This is where the interviewer uses a computer to display questions and accept responses during a face-to-face interview. An analysis of the sample is at Appendix 2.

3.5 The sample was representative of NI population aged 18 and over, with quotas set by age, gender, socio economic class and region. We also ensured that the sample included a mix of the four types of consumer examined in the focus groups (ie banked, POCA only, POCA and other, and unbanked).

3.6 Additional information to inform the research was obtained from the Consumer Council's 'Consumer Outlook Index'<sup>16</sup>. This covered consumer satisfaction with their bank.

3.7 The questionnaire is at Appendix 3.

15. The Post Office Card Account is for receiving pensions, benefits and tax credit. You can also take cash out and check your balance. [www.postoffice.co.uk/post-office-card-account](http://www.postoffice.co.uk/post-office-card-account)

16. An omnibus survey to track consumer optimism about the local economy, and gather insight on other consumer issues, conducted every six months, November 2015.

## 4. Findings

4.1 A comprehensive set of data charts showing the key findings are available from the Consumer Council on request.

4.2 Our findings are set out below.

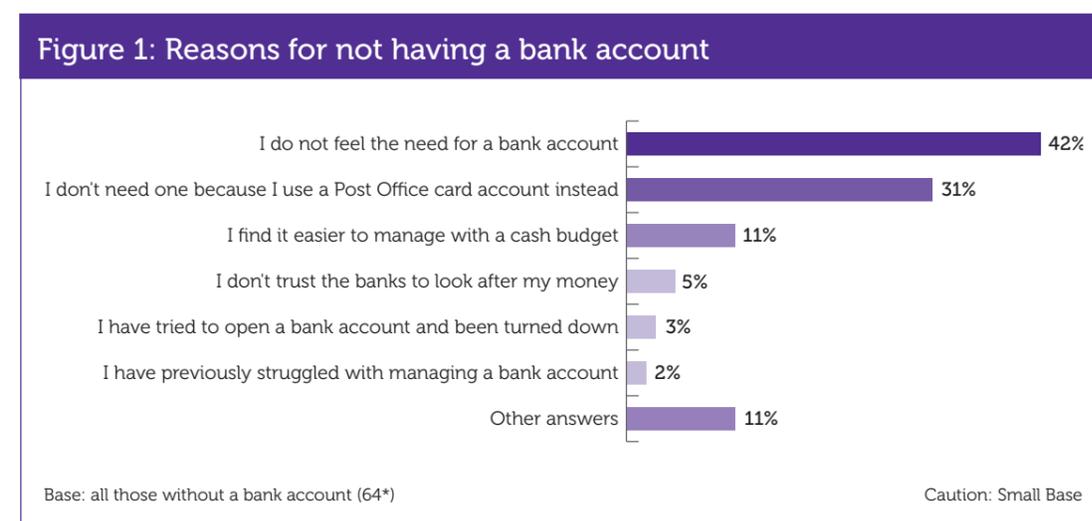
### Use of banking services

4.3 Our survey found 94% of respondents had a personal current account (PCA). The groups with lower levels of access to a bank account were:

- Disabled consumers (86%);
- Those aged 55 or over (91%); and,
- Those living in rented accommodation (89%).

4.4 The table below shows the reasons stated by respondents for not having a bank account.

4.5 The most common reason for not having a bank account is simply that those consumers do not feel the need to have one (over 40%).



4.6 Just over 30% of consumers without a bank account feel they do not need one as they have access to a POCA instead. POCA users tend to be of pensionable age or of working age collecting benefits.

4.7 Consumers on a low income<sup>17</sup> were more likely to report that they find it easier to manage their financial affairs with cash.

4.8 A bank account is often a stepping-stone to other important financial products and services, such as insurance and affordable credit<sup>18</sup>. While it is difficult to fully quantify the costs of being without a bank account, there is no doubt that consumers without access to an account face disadvantages. This includes potentially paying a 'poverty premium'<sup>19</sup> for example, missing out on savings with telephone and home energy suppliers if bills are not paid by direct debit. On top of this, NI consumers generally have less disposable income than those in GB – £404 per week compared to the UK average of £453<sup>20</sup>.

4.9 It will be difficult to encourage consumers who do not have a bank account to open one. 69% of respondents stated they do not want to open an account. However, this may change with the planned implementation of Universal Credit in NI in 2017<sup>21</sup>, which requires a bank account for the receipt of benefits. In this sense, more consumers will have no other option but to open and maintain an account.

4.10 Competition among banks in NI has undoubtedly improved since the Consumer Council's banking 'supercomplaint' with Which? in 2004<sup>22</sup>. At that time the 'Big Four' banks (Ulster Bank, Northern Bank (now Danske Bank), First Trust Bank and Bank of Ireland) dominated.

17. Low income defined as under £15,000 per year in our research.

18. Money Advice Service - How to choose the right bank account.

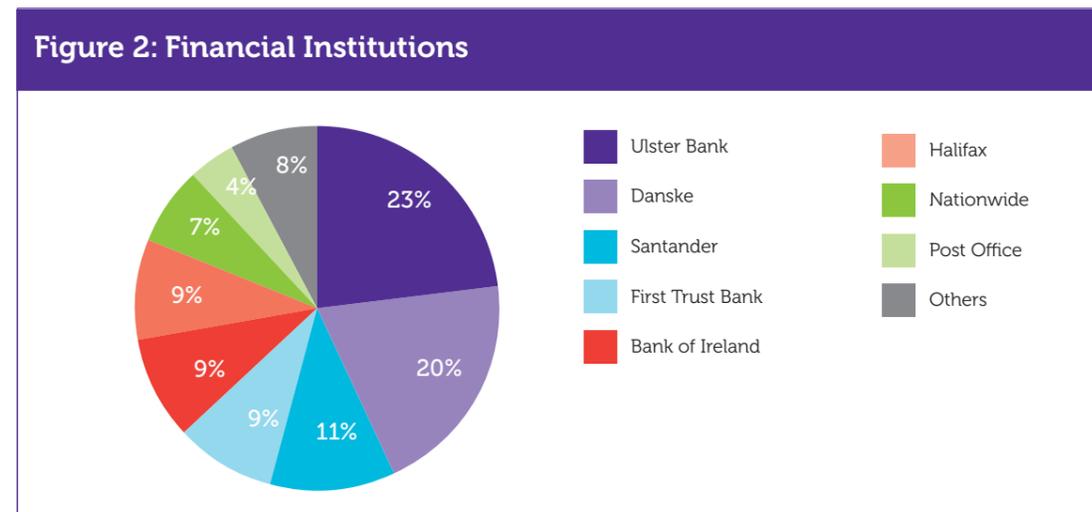
19. The Price of Being Poor, Consumer Council report, 2011.

20. NI Poverty Bulletin, NISRA, June 2015 (data from 2013-14).

21. Department for Communities, Welfare Changes Overview.

22. See <http://www.consumerCouncil.org.uk/news/big-four-banks-condemned-by-super-complaint/> for details, February 2005.

4.11 The chart below shows how consumers responded to the question about the identity of their main bank.



4.12 Over 60% of respondents to our survey still bank with these four banks. However, there are now several banks on our high streets that rival the size of the four banks that previously dominated NI's banking system. Santander has gained significant share in just a few years, and has now overtaken Bank of Ireland in terms of market share<sup>23</sup>.

4.13 Market share data from August 2015 supplied by the Competition and Markets Authority (CMA) validates our findings<sup>24</sup>:

Bank	Market Share (%)	Branches
Ulster Bank	20 - 29.99	65
Danske	10 - 19.99	46
Santander	10 - 19.99	29
First Trust	10 - 19.99	33
Bank of Ireland	5 - 9.99	37
Halifax	5 - 9.99	16
Nationwide	5 - 9.99	12
Barclays	0 - 4.99	9
HSBC	0 - 4.99	5
TSB	0 - 4.99	0

23. Retail Banking Market Investigation- Barriers to entry and expansion: branches - Competitions and Markets Authority, August 2015.

24. Branch numbers were confirmed and updated with the banks by the Consumer Council in January 2016.

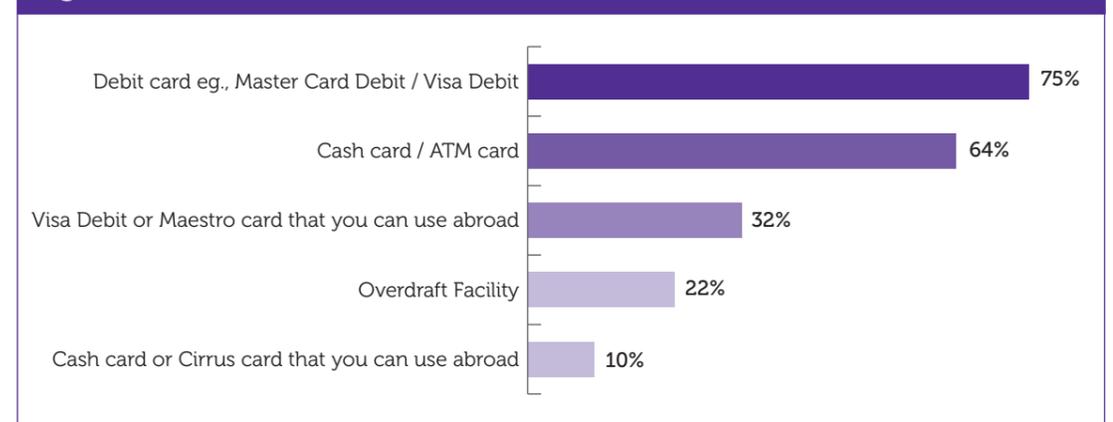
4.14 Our survey found no significant differences in the types of consumers who bank with each of the main financial institutions highlighted above. However, First Trust Bank and Post Offices (where consumers hold a POCA), generally have an older customer profile, while Halifax has a younger one.

4.15 One in five respondents had opened their first ever current account with their present main financial institution. This behaviour was echoed by the participants in our focus groups.

4.16 Three quarters of consumers (75%) have access to a debit card, and over a fifth of consumers have access to an overdraft facility (22%). Older consumers are less likely to have a debit card, with 64% of those aged 65 and over reporting that they had one. Only 13% of this age group had access to an overdraft facility, compared to an average of 22%.

*"I think you join a bank whenever you're young and just stay with it."*  
**Male, Rathfriland, 2014**

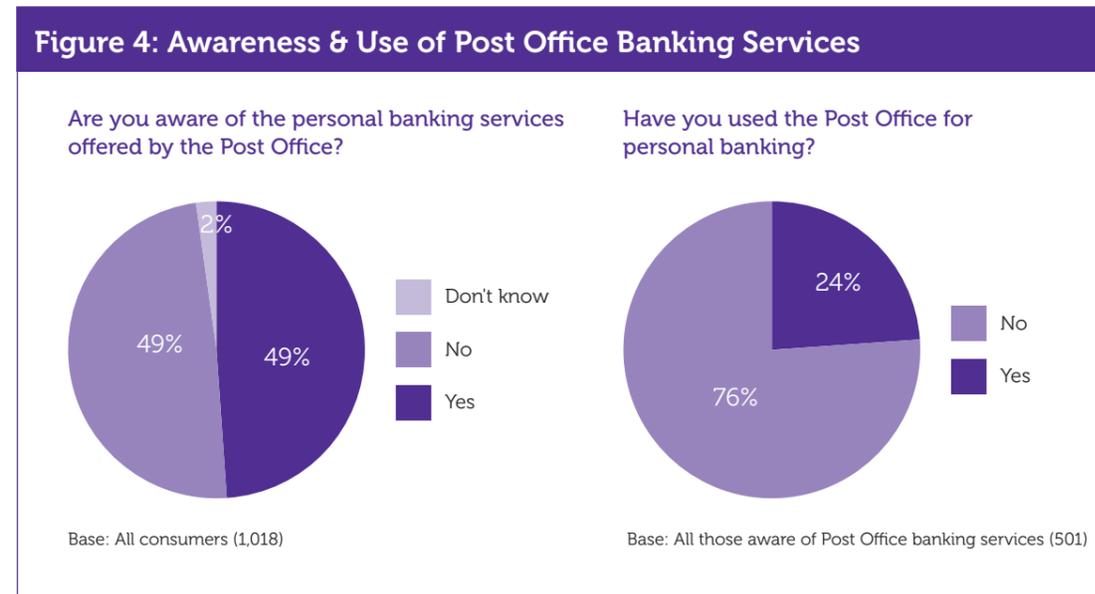
**Figure 3: Current account facilities**



4.17 For the 80% of respondents who had visited a bank branch in the last year, almost 70% reported that they could not have done what they needed through another channel (eg online or telephone banking).

## Use of Post Office services

4.18 Post Offices offer a range of free personal banking services to give consumers access to their bank account, benefits or pension payments. The services offered vary depending on which bank consumers use. However, most bank accounts have a facility for cash withdrawals at a Post Office or Post Office ATMs. Many also allow consumers to deposit cash or cheques.



4.19 Our research found that almost half of all respondents (49%) claim to be aware that post offices offer personal banking services. There was little difference in awareness between different groups, although older respondents have higher awareness levels of post office banking services. However, many participants in the focus groups expressed surprise that banking could be carried out at their Post Office.

4.20 Of those respondents that were aware that Post Offices offer banking services, only around one in four have actually used it for this purpose. Those more likely to have used Post Office banking services were:

- Aged 55 and over; or
- On a low income and/or not in employment.

4.21 These findings are in line with Post Offices' customer profile<sup>25</sup>, which shows that 25% of consumers visit a Post Office at least once a week, rising to 52% for disabled consumers and those aged 55 and over.

"They allow me to do my lodgements and stuff in the Post Office, so I don't have to go near the bank or anything."  
Female, Rathfriland, 2014

## Use of credit union services

4.22 Over the past few years credit unions have increasingly been recognised as important stakeholders in addressing financial exclusion. Credit unions differ from banks and other financial institutions in that members not only have money invested in the organisation, they also influence how it is run, with for example the power to elect the board of directors.

"I just use it for lifting my benefit and I think it's brilliant. Absolutely no problem with it at all. Staff are absolutely great."  
Male, Dungiven, 2014

4.23 Credit unions are not-for-profit financial institutions, which aim to provide savings accounts and credit at competitive rates for their members. In GB, credit unions have seen a range of financial support packages given to them to expand and improve their services, but despite much interest from the NI Assembly, there has yet to be a similar initiative here<sup>26</sup>. However, this is something that the Department for Communities is considering as it prepares for the implementation of Universal Credit<sup>27</sup>.

25. The Postal Consumer Perspective NI, Consumer Focus Post, 2012.

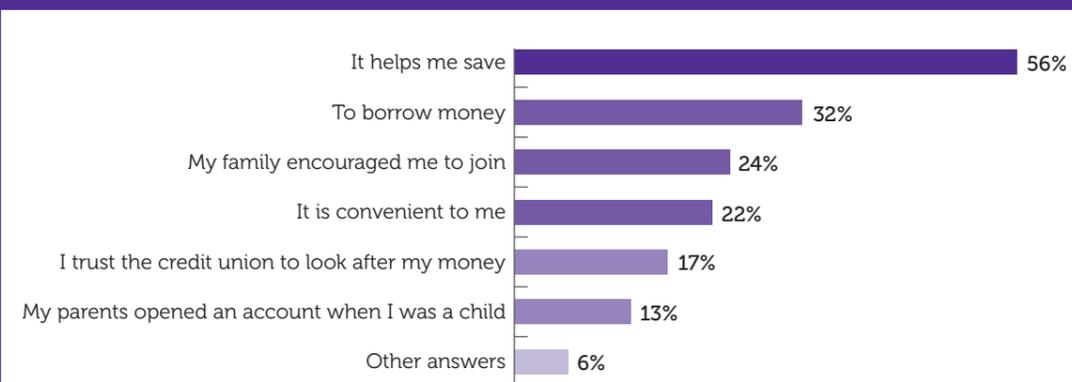
26. DWP Credit Union Expansion Project, 2013.

27. Welfare Reform Mitigating Working Group Report, January 2016.

4.24 Our research found that members of a credit union tend to be women, live in two adult households, are in employment, and are owner occupiers.

4.25 The most frequently cited reasons for using a credit union are to help save (56%) or borrow money (32%). Encouragement from family and convenience are also reported as reasons for credit union membership. Respondents aged 35-54, and those with a medium income (£15k to £25k per year), are more likely to use a credit union to borrow money (42%).

**Figure 5: Why consumers use a credit union**



4.26 Research commissioned by the Housing Rights Service<sup>28</sup> investigated the potential expansion of credit union financial services for low-income consumers in NI. The report acknowledged that there are challenges to expand services to a financially excluded and vulnerable market. It concluded that credit unions have the potential to be a major strategic partner with the NI Executive and other stakeholders in tackling financial exclusion. However, there will always be those that are outside the reach of credit unions for reasons such as having 'no fixed abode'.

28. Towards Financial Inclusion, Housing Rights Service, 2013.

## Awareness of branch closures

4.27 We found that over one in three respondents (39%) were aware of bank branch closures in their town or locality. Older respondents, and those in the greater Belfast area, were more likely to be aware of bank branch closures (46% and 50% respectively).

4.28 Disabled respondents (49%) were much more likely than average (40%) to say that bank branch closures had affected them personally.

4.29 Overall, 40% of those aware of a closure have been personally affected. The impact of bank branch closures has meant that consumers have had to adapt their banking behaviours and habits. This means travelling further to visit a branch, visiting their bank less often, or using internet and mobile banking.

4.30 Only 7% of those affected by bank branch closures switched banks. However, this figure should be treated with caution because of the small sample base (10 respondents out of 147 who stated that they had been affected by a bank branch closure).

4.31 During our focus groups we heard how the closures had affected some family members, if not the participants, directly.

"My mother in law's 84 and she wouldn't work a computer and she has to get two buses to go and do her banking."

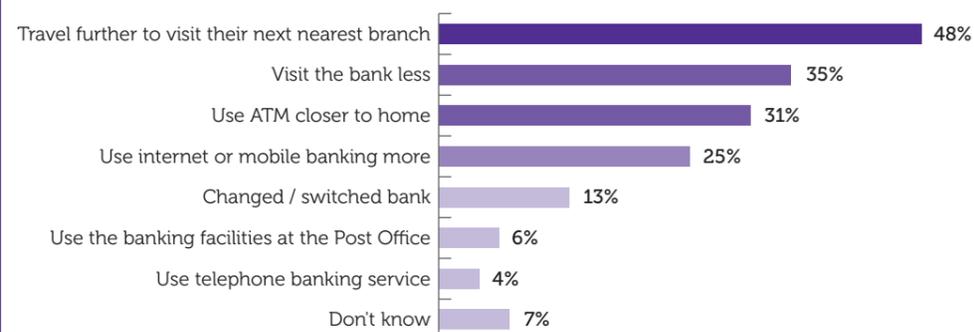
Female, Ballyclare, 2014

"See just having that personal touch to walk in and say look, can I open a direct debit and they do it for you, brilliant. We haven't got that now, so that's what we've lost."

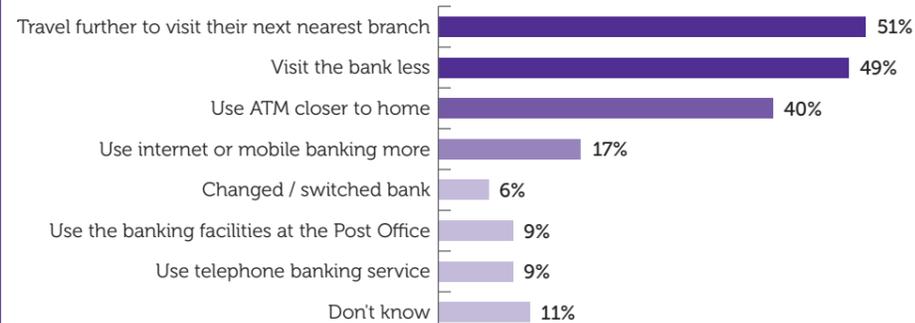
Male, Holywood, 2014

**Figure 6: Impact of branch closures**

What action have you taken as a result of the branch closure affecting you (all consumers)



What action have you taken as a result of the branch closure affecting you (consumers with a disability or long term illness)?



4.32 Our findings echo those of the CMA in July 2014<sup>29</sup>. The CMA's report on the personal current account market found that despite the growth in internet and mobile banking, customers continue to value having local branches<sup>30</sup>.

4.33 A potentially important finding was that disabled respondents reported being much more likely to report being affected 'a lot' by bank branch closures (31% compared to 18%). However, the figure should be treated with caution because of the small sample base.

4.34 Disabled respondents were also less likely than any other group of consumers to visit their bank branch (68% compared to 78%).

4.35 Given the significance of this finding, further investigation with a larger sample of disabled consumers and those with a long term illness might be worthwhile. This would explore the impact of bank branch closures on this group of consumers.

4.36 There has been a considerable amount of research in GB<sup>31</sup> on the impact of bank branch closures and potential solutions to retain access to physical services. This has been led primarily by the Campaign for Community Banking and a coalition of interested organisations. Together they provide the sole source of readily available data on bank branch closures, such as their 2015 report on branch network reduction<sup>32</sup>. The same level of analysis has not been carried out in NI, where the market has traditionally been dominated by different banks to those seen in GB (for example, Lloyds Bank and NatWest, who have limited or no presence in NI).

4.37 Banks consistently state that branch closures are as a result of changing consumer demand. Internet banking offers more choice in the way that we bank. However, participants in our focus groups felt that online banking compliments, rather than replaces, physical banking.

4.38 The BBA carried out research<sup>33</sup> in 2014 on changing banking habits. It found that despite a drop in usage, the branch remains integral to modern day banking.

29. Personal Current Accounts, Market Study Update, Competition and Markets Authority, July 2014.  
30. The Postal Consumer Perspective NI, Consumer Focus Post, 2012.

31. Campaign for Community Banking Services Pressure Group  
32. [www.communitybanking.org.uk/report-reduction-2015.htm](http://www.communitybanking.org.uk/report-reduction-2015.htm)  
33. The Way We Bank Now, BBA, June 2014.

4.39 A more recent report<sup>34</sup> from the BBA published June 2015 shows how quickly some of the new innovations in banking have changed the way that consumers interact with banks. For example:

- ‘Wearables’ – Nationwide Building Society has trialled a wrist band allowing customers to load money from their account and then pay by contactless reader.
- Barclays is piloting a cheque imaging service that allows a customer to take a photograph of a Barclay’s cheque and text it to Barclays for lodgement.

4.40 While technological progress is undoubtedly a positive force, offering greater choice for consumers, the Consumer Council has found through its Consumer Outlook survey<sup>35</sup> that branches remain important for certain activities:

- Taking out a mortgage;
- Assessing financial options; and
- Resolving a complaint.

These findings were echoed in our focus groups.

“I do mostly online banking, but whenever you need to go I’d rather go somewhere local.”

**Male, Ballyclare, 2014**

“I would be just all about location. I do most of mine online anyway, but just in case then I would rather there was one there.”

**Female, Ballyclare, 2014**

“Closing caused me a lot of problems, but then the internet came to my aid so now I don’t have to go to any bank as much.”

**Male, Rathfriland, 2014**

4.41 A protocol dealing with bank branch closures was agreed between the UK Government, Post Office Limited, and the major UK banks<sup>36</sup>. It came into effect from 1 May 2015. This aims to make offerings consistent across all post offices. The protocol commits the banks to:

- Work with local communities to establish the impact of the branch closure, prior to its closure;
- Find suitable alternative provision to suit individual communities; and
- Put satisfactory alternative banking services in place before a branch is closed. Options include free-to-use ATMs, the use of alternative nearby bank and post office branches, and mobile banking arrangements.

4.42 This protocol seeks to end the current inconsistent offering of banking services at post offices, with different banks offering different services. The protocol is still in its infancy. It remains to be seen whether it will be successful in improving the perspectives and experiences of consumers following branch closures. The protocol will be evaluated in 2016 – the Consumer Council is part of a working group set up to inform this review<sup>37</sup>. While the main UK banks have signed up to the agreement, other banks operating only in NI have not. However, these banks have their own processes in place, which the Consumer Council reviewed in 2013 when a large number of branches were closing.

4.43 The BBA established a Vulnerability Taskforce in 2015<sup>38</sup> to identify specific policies and practices that could be improved through a joint effort by the banking sector, regulators and other bodies. Their recent report<sup>39</sup> outlines high-level principles to improve outcomes for customers in vulnerable circumstances. A key aim is to offer supported services where bank closures may affect consumers’ access to banking. This is particularly relevant for consumers who may be unable to travel further to access another branch.

34. World of Change, BBA, June 2015.

35. Consumer Outlook Survey, Consumer Council, May 2015

36. Access to Banking Protocol, British Bankers’ Association, March 2015.

37. British Bankers Association announces independent review of bank branch closure protocol, May 2016.

38. A taskforce made up of the industry, charities and consumer groups to look at ways to improve the experience of consumers in vulnerable circumstances.

39. Improving Outcomes for Customers in Vulnerable Circumstances, BBA, February 2016.

## Banking habits

- 4.44 The availability of online banking services does not appear to be a significant factor in decision-making around opening a bank account. Over a third, (38%) stated that they would not be confident accessing a bank account online. This reticence to use online banking is greater in NI. Research by Ofcom<sup>40</sup> shows that consumers here are less likely to use the internet for banking than those in GB – 51% of consumers in NI choose to bank this way compared to 57% in GB.
- 4.45 Encouragingly, over half of consumers without a bank account suggested they would feel confident that they could access online banking. However, a lack of internet access and confidence in using online banking holds back others.
- 4.46 A convenient location and family connections are important reasons in explaining why consumers open an account with a particular bank.

“Like if you start from the start, ‘why did you go to that bank?’ You didn’t choose it yourself, it was your mother and father set you up.”

**Male, Dungiven, 2014**

“I drive – but it’s an inconvenience – there’s no such thing really as a local branch anymore.”

**Male, Holywood, 2014**

“I have threatened [to switch banks], but I haven’t actually moved just yet. Too much hassle. And I think that’s where they have got you.”

**Male, Lisburn, 2014**

4.47 New banks are becoming established in NI. They see value in physical facilities. For example, Virgin Money has a store in Belfast, and Marks and Spencer Bank is now operating in Lisburn and Belfast.

4.48 Perhaps not unexpectedly, we found that:

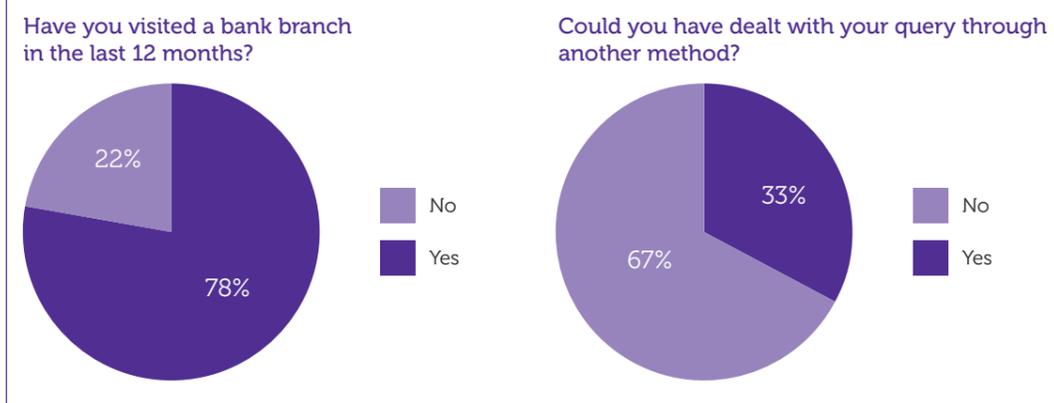
- Younger consumers are more likely to have an account with the bank they first signed up to (53% of 18-24 year olds, compared to 41% overall);
- Disabled consumers are more likely to cite having a convenient location as a factor in choosing an account (26% compared to 20%).

4.49 Current account switching numbers remain relatively low, even since the introduction of the ‘Switching Guarantee’ in 2013<sup>41</sup>. Customer inertia and a lack of clear difference between providers are frequently cited as the number one barrier to changing bank account<sup>42</sup>.

4.50 The Current Account Switch Service (CASS) was launched in September 2013. It is now managed and owned by Bacs, the company responsible for Direct Debit and Bacs Direct Credit in the UK. It makes switching current accounts simpler and quicker for customers. The new bank sets up the account and redirects all direct debits within seven days. Some 40 bank and building society brands participate, accounting for over 99% of the current account market. It is available to all individuals, as well as some small businesses and charities.

40. Ofcom Communications Market Report, 2014

41. Current Account Switch Guarantee, September 2013 ([www.paymentsuk.org.uk](http://www.paymentsuk.org.uk)).  
42. ‘Making Current Account Switching Easier’, FCA Report, March 2015.

**Figure 7: Contacting your bank**

- 4.51 We found that consumers aged 55 and over are visiting their branch often because they prefer to deal with queries in person and would not feel comfortable using internet banking (24% compared to an average of 16%).
- 4.52 Respondents in employment and/or a higher income bracket were more likely than average to visit a bank branch to deposit a cheque or cash (55% compared to an average 39%).

## Use of cash machines (ATMs)

- 4.53 ATMs are the most popular way for people to access their cash<sup>43</sup>. This, coupled with an industry initiative to increase the number of free-to-use ATMs in deprived areas, has seen the number of UK cash machines rise<sup>44</sup>.
- 4.54 LINK<sup>45</sup> is the body responsible for controlling the participation of banks and other organisations in the UK wide ATM network. It is LINK's network that connects the UK's ATMs and provides consumers with universal access to their cash. LINK is committed to improving access to cash and has operated a financial inclusion programme to achieve this since 2006. As a result, the number of free-to-use ATMs is at an all-time high of over 46,000 sites. Furthermore, 98% of all ATM cash withdrawals by UK cardholders in the UK are made free of charge.

- 4.55 The increase in free-to-use ATMs has undoubtedly been a positive development over the last decade. Research<sup>46</sup> has shown that there is still a small but strong cohort of consumers who are wary of using the 'hole in the wall'. They prefer to do even simple transactions, such as cash withdrawals via bank counter.

## Satisfaction with post office banking services

- 4.56 Almost three in four (72%) of those respondents using post office banking services do so to withdraw cash. Nearly two in five (38%) use those services to deposit cash, and around one in five (21%) use Post Offices to check their balance.
- 4.57 In terms of the reasons for using post office banking services, two in three respondents (65%) stated that it is convenient for them. Encouragingly, over four in five respondents (81%) rated the service they received at least '8 out of 10' (or higher), with over two in five (44%) giving a '10 out of 10' rating. There were few differences between various groups of respondents, although women were more likely than men to give a '10 out of 10 rating'.
- 4.58 The high overall level of satisfaction with post office banking services is reflected in the suggested areas for improvement. Over half of those who use Post Office banking services were unable to suggest any improvements. Of the small numbers of respondents who indicated an area for improvement, over one in five wanted shorter queues and around one in six would like more privacy.

"In a Post Office, because it's not designed specifically for privacy, you feel a little bit more vulnerable in walking up and making a lodgement or anything."

**Male, Rathfriland, 2014**

"Too many standing behind you know your business, that is fact."

**Male, Holywood, 2014**

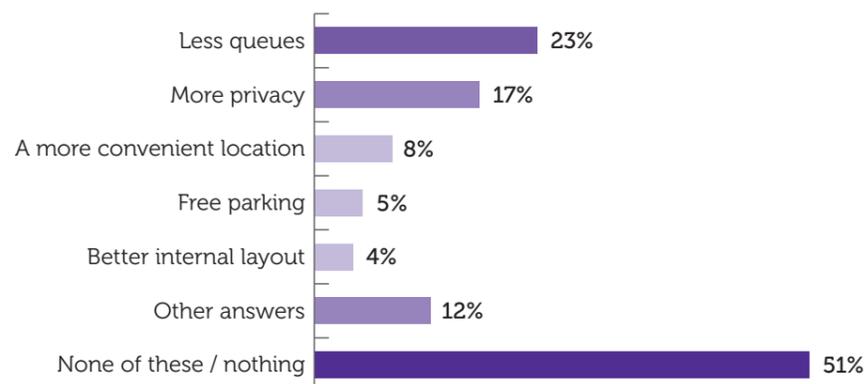
43. UK Cash and Cash Machines Summary, Payments UK, July 2016.

44. LINK in agreement with consumer groups like the Consumer Council, has identified a range of target areas where its members are looking for opportunities to install free to use cash machines.

45. [http://www.link.co.uk/SiteCollectionDocuments/Introduction\\_to\\_the\\_LINK\\_Scheme\\_Feb\\_2015.pdf](http://www.link.co.uk/SiteCollectionDocuments/Introduction_to_the_LINK_Scheme_Feb_2015.pdf)

46. Access to Cash, Citizens Advice, 2012.

**Figure 8: Is there anything that could be done to improve Post Office banking services?**

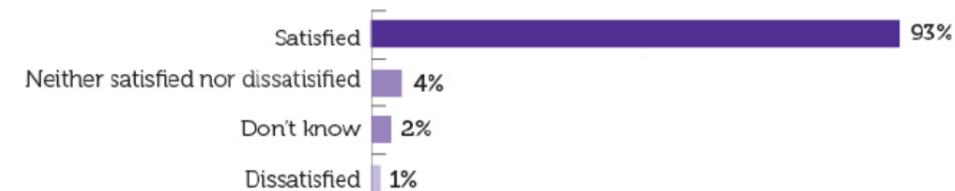


Base: Q52, Q53 all those who have used Post Office banking services (121)

- 4.59 The main reason respondents gave for not using Post Office banking services is a preference to use their own bank branch or to use online banking services. This obviously has implications in the light of bank branch closures. There was also some confusion regarding what banking services Post Offices offer.
- 4.60 Younger respondents, and those with a higher income, were more likely to indicate they would not use post office banking services as they use online banking services instead (22% and 25% respectively, compared to an average of 14%). There were also some variations between respondents in urban and rural areas. Those in the latter group indicated they are less likely to use Post Offices as they would use their bank branch instead.
- 4.61 The POCA is specifically for receiving pensions, benefits and tax credits. Around 30% of disabled consumers have a POCA, compared to 14% of the adult population overall. The POCA service was due to be withdrawn in March 2015. However, the UK Government signed a new deal with Post Office Limited in December 2014<sup>47</sup> to ensure that it remains available until at least November 2021.

47. [www.gov.uk/government/news/post-office-service-for-pensioners-and-benefit-claimants-to-be-safeguarded-with-new-government-contract](http://www.gov.uk/government/news/post-office-service-for-pensioners-and-benefit-claimants-to-be-safeguarded-with-new-government-contract)

**Figure 9: To what extent are you satisfied of dissatisfied with your Post Office Card Account?**



- 4.62 Of those respondents who had a POCA, a resounding nine out of ten expressed some level of satisfaction with their account. There were few differences among the different types of respondents expressing satisfaction with their POCA. However, consumers aged 55 and over were more likely to express some level of satisfaction.
- 4.63 The convenience of the local Post Office was cited by 85% of respondents as what they like most about their POCA. Less frequently mentioned benefits about POCAs included that it helps with budgeting (17%), no fees (14%), and that they do not have a bank account (9%).

## Barriers to use of credit union facilities

- 4.64 Within our research, there was a broad range of reasons offered by participants for not making use of credit union services. One focus group participant suggested that speaking to local people would not be ideal for privacy reasons.
- 4.65 The most frequently cited reason is that respondents did not know what the credit union does. Those least likely to know what the credit union does were younger respondents (aged 18-34) and those who are single.

## What consumers want from banking services

- 4.66 Those respondents who felt they could not deal with their query through another method were asked if there were any aspects of online or mobile banking they would not feel comfortable using. We found that:
- One in three (34%) would not feel comfortable applying for a financial product online; and,
  - Almost one in three (29%) reported that they would not be comfortable checking their balance online.
- 4.67 It is also worth noting that over one third of respondents (38%) could not articulate why they felt they would not feel comfortable using online banking. This general uneasiness was reflected in the focus groups, with some participants wary of using online banking for non specific reasons.
- 4.68 Around one in three (34%) of respondents indicated that they would find it helpful to be able to access credit union services in their local post office.

*"All local people run it, so they'd know your ins and outs, and what you're doing."*

**Male, Holywood, 2014**

*"I haven't got round to the internet banking yet. I'm afraid of it, that's just me and technology."*

**Female, Rathfriland, 2014**

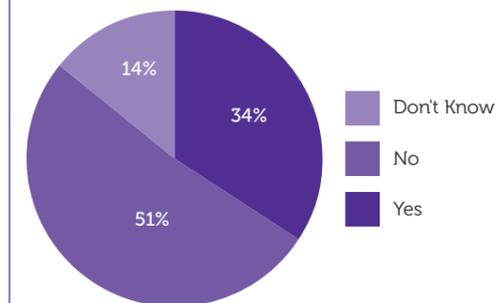
*"I guess I was very fearful of using a phone on the move like. I wouldn't be looking up internet banking then like."*

**Male, Dungiven, 2014**

- 4.69 Those most likely to find it helpful to access credit union services in their local post office were more likely than on average to have a higher income (over £25k per year), be in employment and already be a credit union member. Research in GB<sup>48</sup> showed that offering credit union services through post offices would significantly increase their potential to provide a long-term alternative to banks, especially for people on low incomes.
- 4.70 Other services credit union members would like to be able to access were: online banking (33%) and current accounts (26%). Credit union members who are more likely to want access to online banking services are younger (44% of those aged 35-54 compared to 33% overall).

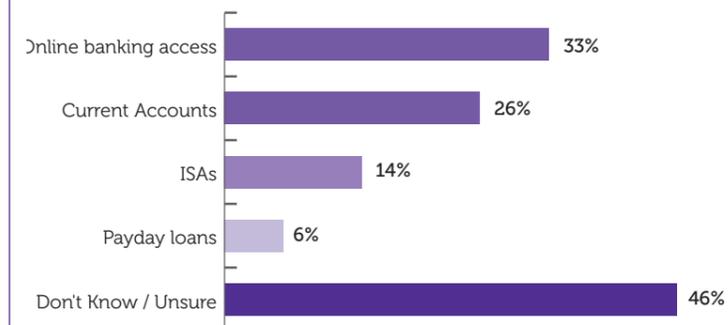
**Figure 10: Credit Union service**

Would you find it helpful to be able to access credit union services in the Post Office?



Base: Q67 all consumers (1,018)

Would you like to see your credit union offer any of these additional products?



Base: all members of a Credit Union (340)

48. Credit Where Credits Due, Consumer Focus, 2012

- 4.71 Despite a growth in online banking, it is worth noting that some of the newer 'challenger banks', such as Metro, TSB, Handelsbanken, and Virgin Money, are actively extending their branch network.<sup>49</sup> They have decided that it is not a case of deciding between investing in technology or branches, but investing in the overall service. A recent report by TSB<sup>50</sup> found that use of bank branches has grown in recent years, and that to be competitive new banks need to have a 'bricks and mortar' presence<sup>51</sup>. However, the fact that more than a quarter of the UK's bank branches have been refurbished in the past three years suggests a commitment to maintaining a physical outlet<sup>52</sup>.
- 4.72 There was a range of views on whether Post Offices should offer additional banking services. Those who would like to see Post Offices offer additional banking services are more likely than average to live outside the Greater Belfast area and be a member of a credit union.
- 4.73 In terms of potential additional features, 45% of respondents with a POCA indicated that they would not wish to have any additional features. However, three in ten respondents with a POCA would like to have a debit card or withdraw cash from ATMs. Around one in six would like to have access to a savings facility.
- 4.74 The research correlates with other recent research in GB<sup>53</sup> which has shown that older consumers (those aged 65 and over) tend to be the least interested in getting other things from their account.
- 4.75 The research also suggests that if those who have a POCA could no longer use this then 43% would use their bank account instead. However, around one in six would not know what their options would be, and one in seven would not know how they would cope.
- 4.76 A perceived lack of privacy, or feeling insecure carrying out banking tasks at Post Offices was a theme that arose during the focus groups. Post Office Limited is aware of these concerns, and has been attempting to address these areas. Almost £2 billion has been invested in the Network

Transformation Programme throughout the UK. This has resulted in post offices increasing their openings hours and often moving to brighter and more modern premises.

- 4.77 There were very few differences between various groups of respondents, although those with a higher income (over £25k per year) were more likely to indicate they would like more privacy when accessing Post Office banking services.
- 4.78 Of those who have not used post office banking services, just over one in four (28%) indicated they would consider doing so in future. However, almost half indicated they would not (46%). Those consumers who would not consider using Post Office banking services in future are more likely to be aged 55 and over, owner occupiers, or live in the Greater Belfast area.
- 4.79 This suggests that there are two distinct groups of older respondents, split evenly between those who use post offices and those that would not consider this as an option. While the reasons for this are difficult to pinpoint, it could be related to income, socio economic status, and home ownership. It could also be due to issues relating to digital exclusion, with a divide between those consumers who are comfortable with online banking and those who are not.
- 4.80 The Community Foundation of Northern Ireland, with support from the Abbey Affordable Credit Fund, carried out research<sup>54</sup> to identify and map financial exclusion. They related this to the existing provision of affordable credit through the credit union movement. This work provided evidence of how effective credit unions have been in offering affordable credit in areas where there is a high propensity for financial exclusion.
- 4.81 The Consumer Council's research found that nearly four in five (79%) of respondents know where their local credit union is located and one third are members of their local credit union. Those living in rural areas are more likely to know where their local credit union is located.

49. Balancing Bricks and Clicks, Social Market Foundation, January 2016.

50. Why Branches Matter in a Digital Age, TSB, June 2014.

51. The Bank Branches of the Future, <http://www.thisismoney.co.uk/money/saving/article-2709986/Barclays-opens-bank-future.html>, July 2014.

52. World of Change, BBA Report, June 2015.

53. Post Office Universal Credit Solutions: Research into Post Office Card Account, Citizens Advice, 2015.

54. Measuring and Mapping Financial Exclusion across Northern Ireland, The Community Foundation of Northern Ireland, 2008.

## 5. Conclusion

- 5.1 The market for banking services is a fast-changing environment. The rapid rate of bank branch closures, which has seen the loss of almost 30% of the NI branch network since 2010, has now slowed. Banks explain the rationale for closures largely due to the changing habits of customers.
- 5.2 However, new banks are becoming established in NI. They see value in physical facilities. There is a new Virgin Money store in Belfast and Marks and Spencer Bank is now operating in Lisburn and Belfast. The Social Market Foundation's 'Balancing Bricks and Clicks' report predicts that: "Some providers may focus on larger out of town branches. Others may establish presence in other community hubs, like supermarkets and Post Offices. Accessibility of expert guidance around major life events or when problems arise will be crucial..."<sup>55</sup>.
- 5.3 Our findings confirm that most consumers would not feel comfortable with a bank which did not have a high street presence. Despite the fact that a wider range of brands can be found online, the lack of a physical presence puts consumers off switching. This is no doubt recognised by the banks themselves who presumably view a branch closure as a last resort.
- 5.4 There is potential with post offices at the forefront, to offer greater consumer choice in banking services. This is likely to increase if plans to broaden the services of credit unions come to fruition.
- 5.5 Technological change continues to provide new opportunities for consumers to access and manage their finances. Those who cannot or do not wish to embrace it, face the dual risk of financial and digital exclusion.
- 5.6 Our research provides an insight of consumers' views on a range of issues thrown up by recent market changes. Some of our key findings are:
- Consumers without a bank account on the whole still do not see the benefits of becoming banked. The advent of Universal Credit in NI, with the requirement to have access to a bank account, may change this for those unbanked consumers who rely on welfare benefits.
  - Regardless of this 'push' factor for some consumers, there is merit in a coordinated action by all stakeholders in promoting the value of current accounts. Recent Government and industry action to ensure universal access to fee-free accounts should help this.
  - Awareness of Post Office banking solutions is patchy. More work could be done to raise awareness of the role of Post Offices in providing banking services for bank customers.
  - While many consumers would be willing to use Post Offices for banking services, there are concerns about the privacy and security they offer.
  - Bank branch closures appear to have had a big impact on disabled consumers. Further research is recommended and an action plan to address this.
- 5.7 We acknowledge that there is no 'one solution' to these multi-faceted issues. Our research highlights some possible ideas. The recommendations we set out in the next section provide an agenda for discussion with the industry and other stakeholders.

55. Social Market Foundation, Balancing Bricks and Clicks, January 2016.

## 6. Recommendations

6.1 The Consumer Council intends to use the findings of this research to inform the development of a programme of work with stakeholders to further promote the financial inclusion of vulnerable consumers. The key areas for action are as follows:

- a) **Implementing the bank branch closure protocol** – the Consumer Council will discuss with the British Bankers Association the outcome of its current review of the protocol. If it is found to be effective, we will then promote formal adoption of it by all banks operating in NI.
- b) **Helping vulnerable consumers** – our research found that disabled consumers in particular are highly impacted by branch closures. Given the relatively small sample size, this issue merits further research to confirm and understand the impact on this and other vulnerable groups of consumers. We will discuss with the banks and representative bodies to explore what research might be conducted and how the findings will be addressed. We will refer to the BBA's Vulnerability Task Force's report, which recommends that firms should offer specific support for consumers when a branch closes.
- c) **Promoting awareness of post office banking services** – Consumers express surprise when they discover that local Post Offices allow most bank customers to lodge and withdraw cash and cheques. We will discuss with the banks and Post Office Limited how they might improve communicating this service to their customers (eg via bank branches, at ATMs, by letter, and online). The Consumer Council will also seek to raise awareness of the role of Post Offices in providing access to banking services through its consumer engagement work.
- e) **Promoting awareness of credit union services** – our research found that younger people were less likely to know what a credit union does than older people. This would suggest that more could be done to target younger people with information about credit unions. Promotion could be done in partnership with organisations representing young people and the education sector. We will also keep in contact with the Department for Communities plan to pilot

the offering of current accounts by more credit unions and provide support to this as appropriate.

- f) **Digital inclusion** – access to, ability and confidence in using online banking are important in promoting greater financial inclusion. Our consumer proficiency work set out in our new Corporate Plan will prioritise working in partnership with key stakeholders to promote greater digital inclusion.
- g) **Helping the 'unbanked' become 'banked'** – the proportion of people without bank accounts in NI is higher than the rest of the UK. Our research uncovered an unwillingness from these consumers to open bank accounts. Therefore, further work might usefully be undertaken to promote the benefits of opening a current account and how to manage it effectively. Universal Credit, which requires recipients to have access to a current account, is due to be implemented in NI from 2017. We will discuss with the Department for Communities its plans to promote current accounts as part of its implementation and explore opportunities to support this work.
- h) **Mapping financial exclusion** – the Consumer Council will work with Land and Property Services to map all bank branches, ATMs, Post Offices and credit unions in NI. We will use this tool to pinpoint areas with a lack of services that present the greatest risk of financial exclusion. This will inform work with stakeholders to target and prioritise improvements in banking facilities in areas of greatest need.

## Appendix 1

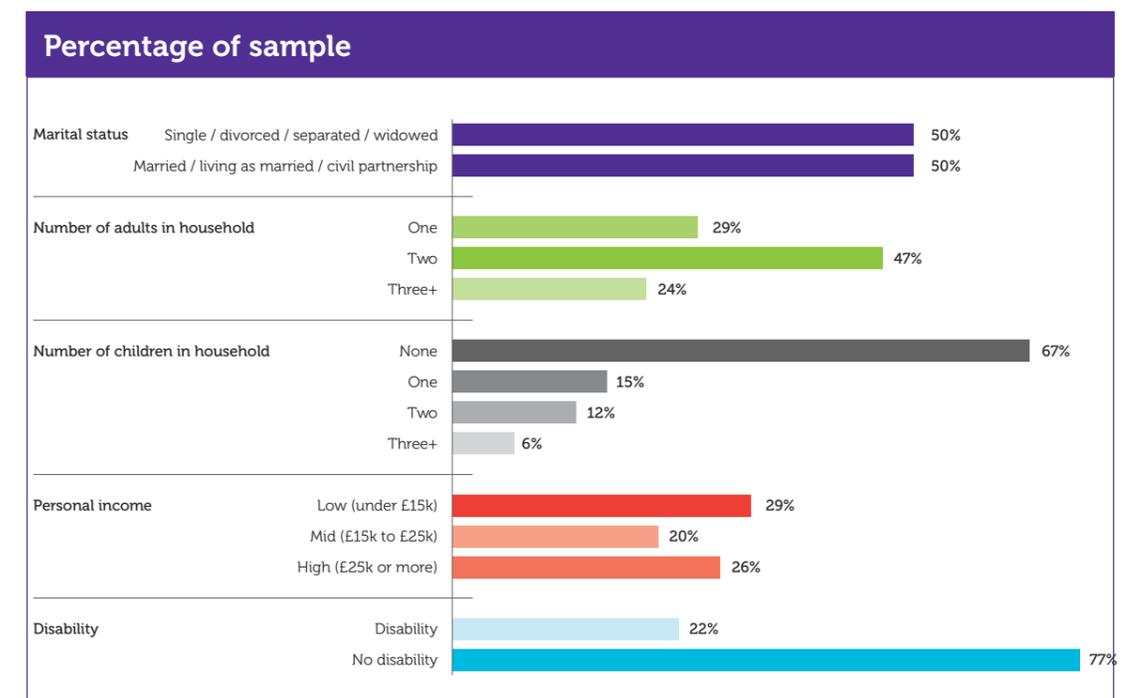
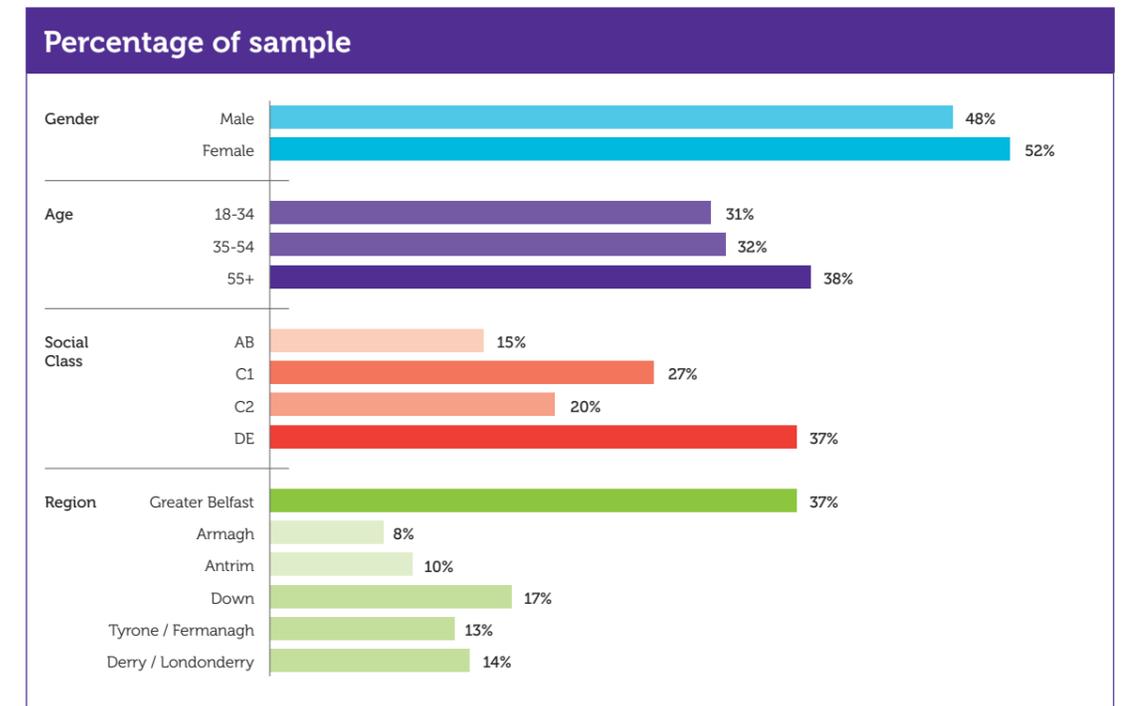
### Qualitative questions for focus groups

Prompt guide for the four focus groups on Financial Inclusion issues.

1. Has anyone been affected by their bank branch closing? If so:
2. Are you aware of the banking facilities provided at the Post Office?
3. For those that have used the PO for banking, how have you found the experience?
4. Does anyone use a Post Office card account to access their cash?
5. If there wasn't a branch in your area, which of these options would suit you best?
  - A cash machine: i.e. ATM which can accept deposits as well as give you cash
  - A self service branch: room with online banking facilities, ATMs and phones
  - The Post Office: offering cash withdrawal and deposit facilities
  - A neutral shared branch: this is something that currently exists in other countries (such as America), but is yet to take off here. It consists of a branch staffed with customer service agents, who can deal with transactions for customers of any bank.
  - Mobile bank (bank in a van)
6. What does good customer service look like to you, in terms of accessing your bank account?
7. Is there anything in particular about banking services that puts you off changing from what you know?
8. Would you be interested in seeing the Credit Union offer current accounts?
9. For those that don't use the credit union, what is it in particular that stops you?
10. How do you prefer to pay for things?
11. Are you familiar with online banking?
12. Does knowing the 'brand' of a particular bank matter to you?
13. Are people familiar with the concept of a 'packaged' bank account, whereby you pay a set monthly fee, anywhere from £2 – £20, for extra services?

## Appendix 2

### Analysis of quantitative survey sample



## Appendix 3

### Quantitative survey questions

#### Financial Inclusion

Q.1 Do you have a bank account with a bank / building society / post office / credit union? Please include any accounts that you hold jointly with another person

Yes	1	GO TO Q.7
No	2	CONTINUE

#### Showcard

Q.2 Which of the following describes why you don't have a bank account?

#### Multi-Code

I do not feel the need for a bank account	1
I have tried to open a bank account and been turned down	2
I have previously struggled with managing a bank account	3
There isn't a bank near me	4
The application process puts me off	5
I don't want to get into debt	6
I don't trust the banks to look after my money	7
I find it easier to manage with a cash budget	8
I don't need one because I use a Post office card account instead	9
Other	10
Don't know	0

Q.3 Is there anything that would encourage you to open a bank account?

#### Multi-Code

Having a bank nearby	1
Having a bank account without extra fees	2
Being able to access a small overdraft without charge	3
Being shown how to bank online	4
My credit union offering a current account	5
Easier ways to open a bank (for e.g., clearer ID requirements)	6
Other	7
No / none of these	8
Don't know	0

Q.4 Would you like to open a bank account in the future?

#### Single-Code

Yes	1	Continue
No	2	GO TO Q.17
Don't know	0	

Q.5 Do you think that you would be confident in accessing a bank account online?

#### Single-Code

Yes	1	GO TO Q.17
No	2	Continue
Don't know	0	

Q.6 Why not?

#### Multi-Code

I don't have internet access	1	GO TO Q.17
I don't trust that it is secure	2	
I wouldn't know how to bank online	3	
I like doing things face-to-face	4	
Other	7	
Don't know	0	

#### Showcard

Q.7 Which, if any, of these FACILITIES do you PERSONALLY have at present with your bank account?

#### Multi-Code

1	Cash card/ATM card	1	Continue
2	Debit card eg., Mastercard Debit/Visa Debit	2	
3	Cash card or Cirrus card that you can use abroad	3	
4	Visa Debit or Maestro card that you can use abroad	4	
5	Overdraft Facility	5	
6	None of these	6	
7	Don't know	7	

## Showcard

Q.8 With which one of these organisations do you hold your MAIN bank account?

Barclays	1	Continue
Bank of Ireland	2	
Bank of Scotland	3	
Credit Union	4	
Co-operative Bank	5	
Danske Bank	6	
First Direct	7	
First Trust Bank	8	
Halifax	9	
HSBC	10	
Intelligent Finance	11	
Lloyds TSB	12	
Nationwide	13	
NatWest	14	
Northern Bank	15	
Post Office	16	
Progressive	17	
Royal Bank of Scotland	18	
Santander	19	
Tesco Bank	20	
Ulster Bank	21	
Other (specify) _____	22	
Refused	99	GO TO Q.17
Don't know	00	

## Showcard

Q.9 Which one of the statements on this card best describes why you opened an account with this bank?

## Single-Code

My first ever current account	1
My family all use this bank	2
Location is convenient	3
It offers the best rates/deals	4
It is the only bank in my area	5
Other	6
Don't know	0

Q.10 Are you aware of any bank branch closures in your town?

Yes	1	CONTINUE
No	2	GO TO Q.13

Q.11 To what extent has the closure of the branch in your town affected you personally?

A lot	1	CONTINUE
A little	2	
Not at all	3	GO TO Q.13
Don't know	00	

Showcard

Q.12 What action have you taken as a result of the branch closure affecting you?

Multi-code

Changed / switched bank	1
Visit the bank less	2
Use internet or mobile banking more	3
Use ATM closer to home	4
Use telephone banking service	5
Travel further to visit their next nearest bank branch	6
Use the banking facilities at the Post Office	7
Don't know	00

Q.13 Have you visited a bank branch in the last twelve months?

Yes	1	CONTINUE
No	2	GO TO Q.17

Q.14 Could you have dealt with your query through another method, for e.g. online, mobile app, telephone call, twitter?

Yes	1	GO TO Q.17
No	2	CONTINUE

Q.15 Why not?

Multi-code

I wouldn't feel comfortable using online banking	1
It was too complicated to do over the phone	2
I like dealing with queries in person	3
It wasn't something I could do online / over the phone / by mobile app	4
I needed to lodge a cheque / cash	5
Other SPECIFY:	6
Don't know	00

Q.16 Which, if any, of these online banking services would you not feel comfortable using?

Check your balance	1
Pay a bill	2
Set up a direct debit or standing order	3
Move money between accounts	4
Resolve a query with a customer service agent	5
Apply for a product (such as a loan, mortgage, credit card)	6
Don't know	00

Ask All

Q.17 Are you aware of the personal banking services offered through the Post Office?

Yes	1	CONTINUE
No	2	GO TO Q.23
Don't know	0	

Q.18 Have you used the Post Office for personal banking?

Yes	1	CONTINUE
No	2	GO TO Q.23

Q.19 What do you use the Post Office banking service for?

Withdraw cash	1
Deposit cash	2
Check your balance	3
Other	4
None of these	00

Q.20 Why do you use Post Office banking services rather than a bank branch?

Withdraw cash	1
Deposit cash	2
Check your balance	3
Other	4
None of these	00

Q.20 Why do you use Post Office banking services rather than a bank branch?

There isn't a branch in my area	1
It was convenient for me	2
I like the service I get in my Post Office	3
Other	4
None of these	00

Showcard scale 1- 10

Q.21 On a scale of 1 to 10 (with 1 being poor and 10 being excellent) how would you rate Post Office banking services?

1 – 10

Showcard

Q.22 Is there anything that could be done to improve Post Office banking services?

Multi-code

Better internal layout	1	GO TO Q.25
less queues	2	
a more convenient location	3	
free parking	4	
more privacy	5	
Other	6	
None of these / Nothing	00	

Q.23 Would you consider using the Post Office banking services in future?

Yes	1	Go to Q.30
No	2	Continue
Maybe	3	

Showcard

Q.24 Why not?

Multi-code

Concerned about privacy	1
Use bank branch instead	2
Not sure what services the Post Office can do	3
The queues are too long	4
The location of the Post Office is not convenient	5
The staff are unhelpful	6
I don't need to use this service because I do my banking online instead	7
Other	8
None of these	00

Q.25 Would you like to see the Post Office offer additional products, such as a current account?

Yes	1	GO TO Q.26
No	2	
Maybe	3	
No opinion	4	

Q.26 Do you have a Post Office Card Account?

Yes	1	CONTINUE
No	2	GO TO Q.30

Q.26b To what extent are you satisfied with your Post Office Card Account?

Single-code

Very Satisfied	1	GO TO Q.27
Satisfied	2	
Neither satisfied or dissatisfied	3	GO TO Q.29
Dissatisfied	4	GO TO Q.28
Very dissatisfied	5	
Don't know	00	GO TO Q.29
Refused	-	

Showcard

Q.27 What do you like about the Post Office Card Account?

Multi-code

Convenient to go to post office	1	GO TO Q.29
Don't have a bank account	2	
Don't want a bank account	3	
Cannot be charged fees	4	
Allows me to budget	5	
Other	6	
None of these / Nothing	00	

Showcard

Q.28 Which of these extra features would you like to see added to the Post Office Card Account?

Multi-code

A debit card to use to make payments / get money from any ATM	1	CONTINUE
Ability to have wages / cheques paid in	2	
Ability to set-up direct debits and standing orders	3	
A small overdraft on request	4	
Online banking facilities	5	
Money advisers	6	
A savings facility	7	
Other	8	
None of these / Nothing	00	

Showcard

Q.29 If you could no longer use a POCA to access your benefits or pension, which of the following options would you use instead?

Multi-code

Use my bank account	1	CONTINUE
Open a bank account	2	
Get paid by cheque	3	
I don't know, I don't know what the other options are	4	
I don't know, I couldn't manage without my POCA	5	
Other	8	
None of these / Nothing	00	

Ask all

Q.30 Do you know where your local credit union is?

Yes	1	CONTINUE
No	2	
Maybe	3	

Q.31

Are you a member of a credit union?

Yes	1	CONTINUE
No	2	GO TO Q.34
Don't know	3	

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Q.32 Why do you use the Credit Union?

Multi-code

My family encouraged me to join	1	CONTINUE
My parents opened an account when I was a child	2	
It is convenient to me	3	
I trust the credit union to look after my money	4	
It helps me save	5	
To borrow money	6	
Other	7	
None of these / Nothing	00	

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Q.33 Would you like to see your credit union offer any of these additional products?

Multi-code

payday loans	1	GO TO Q.35
current accounts	2	
ISAs	3	
online banking access	4	
Don't know / unsure	0	

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Q.34 Why do you not use the Credit Union?

Multi-code

I don't know what the credit union does	1	CONTINUE
I don't trust the credit union to look after my money	2	
There isn't one close to me	3	
I don't know how to join a credit union	4	
The opening hours don't suit	5	
Lending rates are too high	6	
Other	7	
Don't know / None of these	00	

Ask all

Q.35 Would you find it helpful to be able to access credit union services in the post office?

Yes	1	CONTINUE
No	2	
Don't know	3	

Q.36 Would you consider opening a bank account with a bank which did not have a high-street presence, for example an online-only bank?

Yes	1	CONTINUE
No	2	
Don't know	3	

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Q.37

From the list provided can you rank the top three methods for banking you would be most comfortable with? By an example of what we mean by 'bank', we mean making a cash withdrawal, checking your balance and depositing a cheque / cash?

Through a 'mobile' bank branch in a van	1	CONTINUE
Using an ATM	2	
Using the Post Office	3	
Using shared banking facilities (this doesn't currently exist in the UK, but works in other parts of the world – it consists of a branch which serves multiple banks in one location)	4	
Using a different branch of your current bank	5	
Using the credit union	6	
Other	7	
Don't know / None of these	00	

## Appendix 4

### List of acronyms

ATM	Automatic Teller Machine
BBA	British Bankers Association
BIS	Department for Business, Innovation and Skills
CMA	Competition and Markets Authority
DSD	Department for Social Development
HMT	Her Majesty's Treasury
Ofcom	The Office of Communications
POCA	Post Office Card Account



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