

Community Cash Advisory Panel

4th Opinion

June 2024

Commentary

At the May meeting, given the FCA's ongoing consideration of the regulatory framework which will impact the criteria affecting the cash services that the Panel consider, we discussed the non-cash services that hubs might provide, and which fall beyond that regulation.

The Panel noted the services on CAUK's website now available at bank hub counters, along with feedback that there has been some customer dissatisfaction about wasted journeys from those expecting hubs to provide all that their bank did.

The Panel also noted the recent work by UK Finance on behalf of its members who are LINK Participating Network Members, committing to an expanded list of services being available from all community bankers in all hubs by the end of 2024 as follows:

- Notification of bereavement;
- Fraud support;
- Identification services;
- Power of Attorney;
- Money / Debt advice; and
- Registering a complaint

The Panel understand this will require all community bankers to be able to access customer accounts, so needing all banks to overcome the current need for customers to bring their own smart phone/tablet to a bank hub, with the obvious barriers that creates.

The Panel discussed the services that customers are seeking from hubs, collated from panel member visits and feedback from hub users, and based on that agreed a framework for assessing priority. **The Panel concluded the highest priority group to be vulnerable customers with no digital or telephone banking alternative, and for whom being unable to complete a transaction or meet a need that day could cause harm or detriment.** Broadly, the Panel concluded, such customers need accurate, real-time information on their account balance, control over scheduled deductions, and printed information they can take away and consider – for whatever reasons they may not have the ability to process information or make decisions on the spot and/or without support. This would give vulnerable customers the best chance to manage tight budgets and avoid potentially costly financing or additional charges from any source.

The Panel recognised public perception may well be that hubs are a simple shared alternative to branches, and that this may drive requests for other services, such as credit card payment. But where a viable digital or telephone alternative is possible, or where hub staff could help support customers in connecting with those services for

their own bank by digital means or telephone in the hub, actually providing those services in the hub was considered to be of lesser importance. It also seemed from some requests that customers might not have realised that some services have not been widely available at many branches of their bank for some time.

From this, the following **priority non-cash services** were identified:

- **Account opening** – The Panel believes a customer needs to be able to open an account in person when they want to do so, on any given day with any bank, and with the bank of their choosing within a week. This would mean community bankers being able to verify ID and open new accounts.
- **Getting a printed mini statement** – This allows customers on tight budgets to see their cash balance at a point in time, along with their most recent transactions and to know whether regular transactions such as direct debits have been actioned. It also allows customers who may not be able to process information on a screen, to take away a record and reach decisions about their finances in a less stressful environment and/or with support.
- **Changing a recurring variable payment or standing order** – Being able to make such changes would allow vulnerable customers to maintain control of their finances, and potentially avoid charges if payments scheduled are unaffordable.

Also of note:

- it was the Panel's view that all hubs should be built with the capability to accommodate ATMs that could both dispense and receive cash deposits in the future, even if not recommended to be opened with that facility right now, and with an eye to providing safe nighttime deposit for businesses. The pattern of free to use ATMs in an area can be anticipated to change over time, and whilst duplication of an ATM might be counterproductive at present, designing and planning-in the potential to accommodate one could help 'future proof' bank hubs in regard to cash services.
- Foreign Exchange was not considered to be a priority service as there are alternative providers (Post Office or a customer's own bank by post/delivery) or facilities at airports/ports, and the principal customers for these services are not vulnerable. The exception for this was in Northern Ireland where customers, especially those close to the border, may have a higher demand for Euro exchange.
- The Panel discussed that the importance of capturing the full potential for hub staff and community bankers to help customers should not be underestimated – showing a customer how to connect to their bank to fulfil a service need by digital means or telephone was an important 'teachable moment' and an opportunity to take a step forwards, in helping build digital and financial skills to support broader inclusion over time.

Opinions

1. In regard to the application of the Criteria

The Panel is satisfied from the assurances it has received that LINK has applied the Criteria correctly.

2. In regard to whether LINK's instructions for hub or deposit solutions have been followed

The Panel received an update from CAUK and noted the progress in bank hubs in planning and the 50th hub being opened, along with the pilots for automated deposit machines and progress with Enhanced Post Offices.

Joanna Wallace
CCAP Chair
June 2024