



IS THE UK REALLY READY TO GO DIGITAL?

A fresh look at digital exclusion



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Foreword

ARE WE REALLY READY FOR A SOCIETY WHERE OUR ACCESS TO KEY GOODS AND SERVICES IS EXCLUSIVELY DIGITAL?

Our previous work on Access to Cash revealed that digital exclusion persists. This report delves into today's various forms of digital exclusion and their implications — from skills to access to necessary tech. Our findings suggest that not only are we not ready to lead fully digital lives, but also that we probably never will be.

Digital exclusion is still a big problem. Today, it affects nearly one-in-four (24%) UK adults — the equivalent of more than 16 million people. Furthermore, it is not limited to just older adults — with 18–24 year-olds (42%), Black (31%) and Asian (36%) households and low income households (44% among those with a household income of less than £10,000) also more likely to experience some form of digital exclusion. This exclusion is having real consequences on peoples' lives that extends far beyond banking and finance.

Obviously, getting the right support and training to these groups must continue to be a priority and there is much good work that can be done. We've seen through the Digital Pilots overseen by the LINK Consumer Council, providing community-

led support via local hubs, that there are effective local ways to support individuals facing digital exclusion to improve their skills. However, scaling this support across the UK requires a coordinated effort from industry, the voluntary sector, and government.

Although, even with the best support, we should now recognise and acknowledge that some forms of digital exclusion will never disappear. Technological advancements will always leave some groups struggling with affordability. Similarly, as we are all getting older there is no guarantee that today's digital skills will remain sufficient tomorrow.

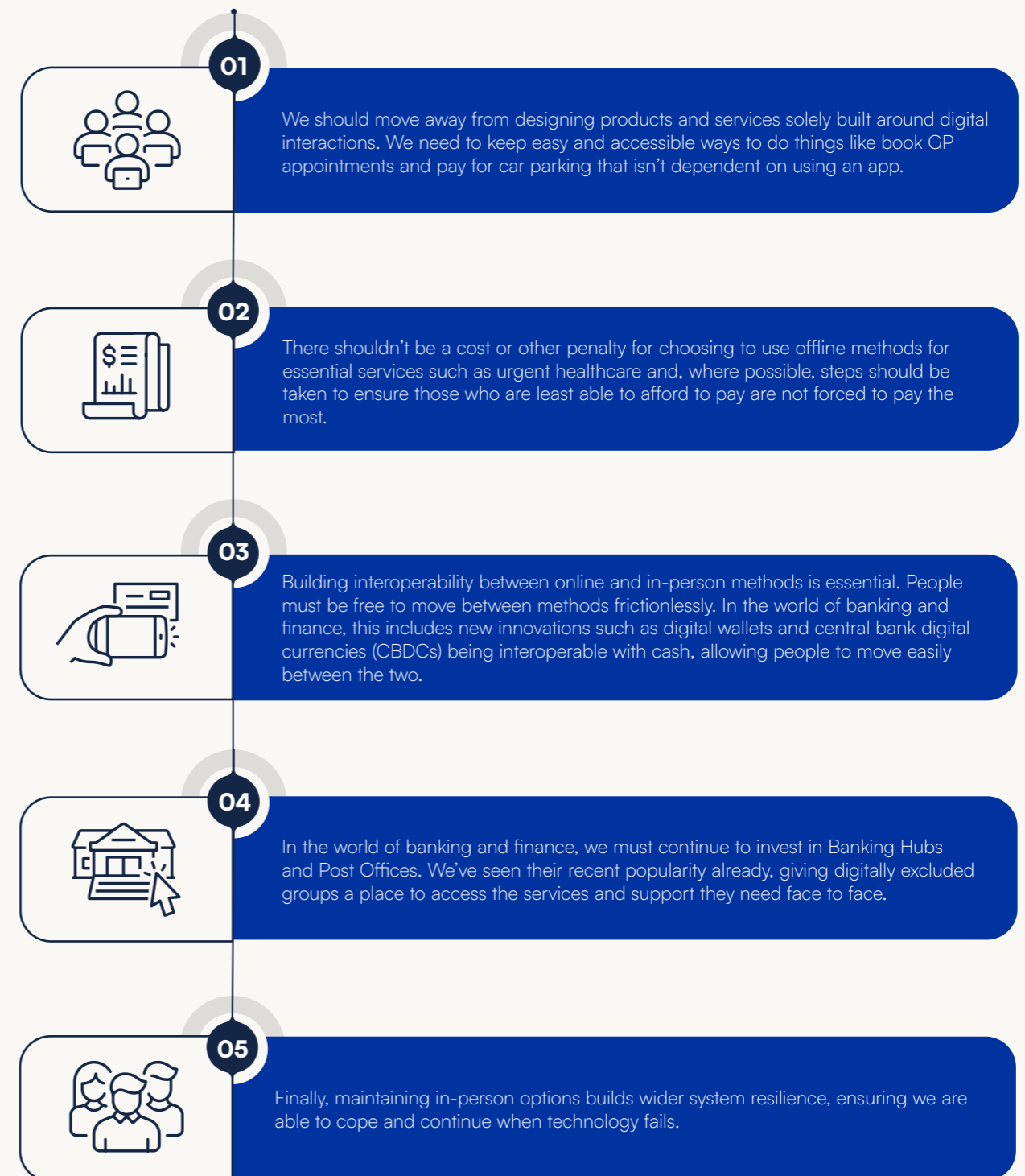
Finally, our research demonstrates that many people simply prefer having the choice of accessing goods and services through non-digital means. Maintaining in-person options is necessary not only to keep this choice, but also a crucial lifeline in ensuring our systems remain resilient and operational when technology fails — with the recent case of CrowdStrike being a very good example of that.

The fact is, we're not ready to go fully digital yet and may never be.



ADRIAN ROBERTS
Deputy CEO at LINK

Recommendations



Executive Summary

AS MANY AS **24%** OF UK ADULTS CLASSIFY THEMSELVES AS **DIGITALLY EXCLUDED** IN SOME CAPACITY



NEARLY THREE IN-FIVE 18-24 YEAR-OLDS **EXPECT TO BECOME DIGITALLY EXCLUDED** AT SOME POINT IN THE FUTURE



24%
Age 18 - 24

30%
Age 75+

18-24 YEAR-OLDS AND THOSE AGED 75+ ARE THE MOST LIKELY TO SELF-REPORT AS BEING DIGITALLY EXCLUDED



THERE IS STILL A ROLE FOR BANKING IN-PERSON, PARTICULARLY FOR BIG FINANCIAL COMMITMENTS

TWO-FIFTHS (41%) OF THOSE AGED OVER 75 FAVOUR OR ONLY USE AN OFFLINE APPROACH TO UNDERTAKE EVERYDAY TASKS



INDUSTRY, THE PUBLIC SECTOR AND THE VOLUNTARY SECTOR ALL HAVE A KEY ROLE IN PROVIDING THE RIGHT TARGETED AND LOCAL SUPPORT TO THOSE MOST IN NEED.



SECTION 1: Quantifying Digital Exclusion across the UK

In June 2023 the House of Lords Communications and Digital Committee published their detailed report on digital exclusion¹. The report states that digital exclusion is a moving target, and that the Government should not assume that digital exclusion will be solved as older generations leave the workforce.


Indeed, digital exclusion has often been referred to as the generational digital divide - the gap between young people who are digitally literate and older generations who are far less literate. While the nature of

digital exclusion certainly differs between the generations, our own research suggests that this latter description is far too simplistic. Within this section of the report we explore digital exclusion through the eyes of UK citizens, identifying key excluded groups and the drivers of that exclusion.

In order to define digital exclusion, for the purposes of our research, we adopted the key issues and barriers set out within Ofcom's 2022 Digital Exclusion Review. These were as follows:


TECHNOLOGY & HARDWARE EXCLUSION

- Not having a reliable internet connection
- Not having access to / having trouble affording broadband or internet enabled devices


SKILLS EXCLUSION

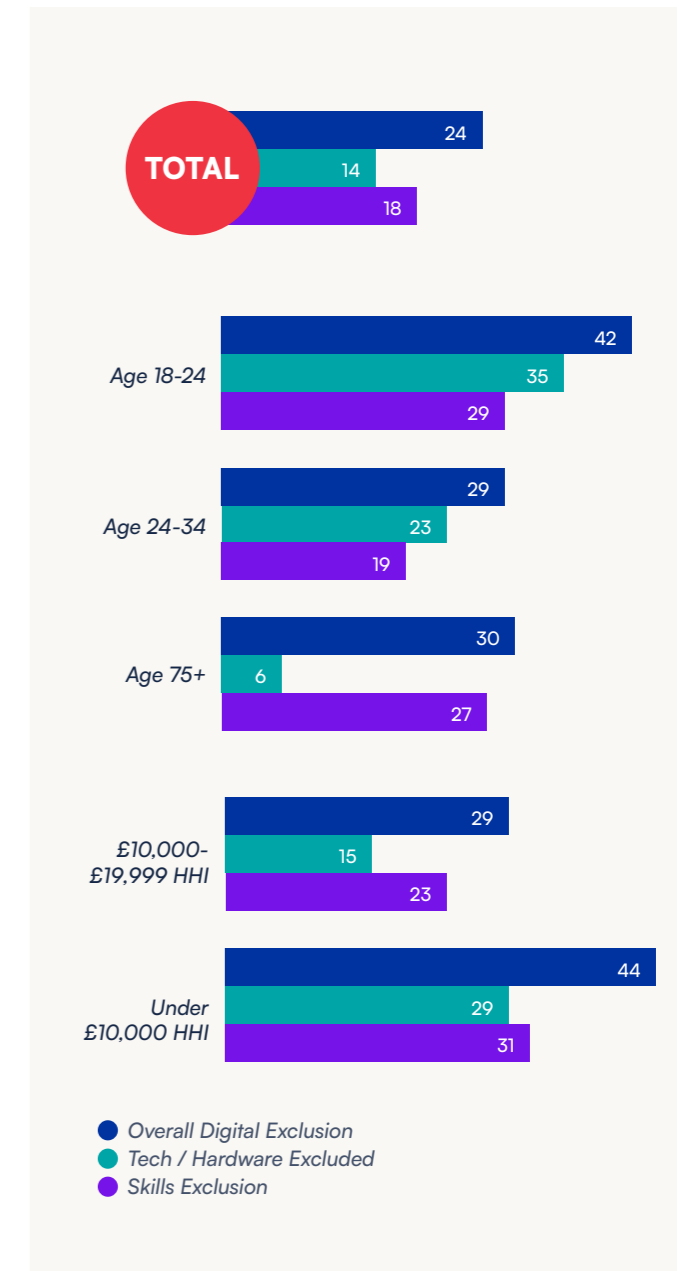
- Lacking the confidence or a well-rounded skillset in being able to safely navigate the online environment

As many as 24% of UK adults classify themselves as digitally excluded in some capacity

Based on this above definition, nearly one-in-four UK adults self-report as being digitally excluded in some form. As our data shows, while there is an increase in exclusion amongst the oldest age group in our study — those aged 75+ — exclusion is also high amongst those aged 18-24.

While at first glance this may appear counter-intuitive, deeper exploration shows that it is in the access to reliable broadband and internet enabled devices that drives much of this perceived exclusion. With our data showing a clear correlation between household income and digital exclusion — tech and hardware exclusion in particular — there is clearly an affordability issue, likely exacerbated by the ongoing cost of living crisis that needs to be addressed. Research from Ofcom², published in September 2023, shows an increase in the number of people giving up their devices to save money, with two million households struggling to afford internet bills.

Fig 1. Self-reported digital exclusion and key excluded groups

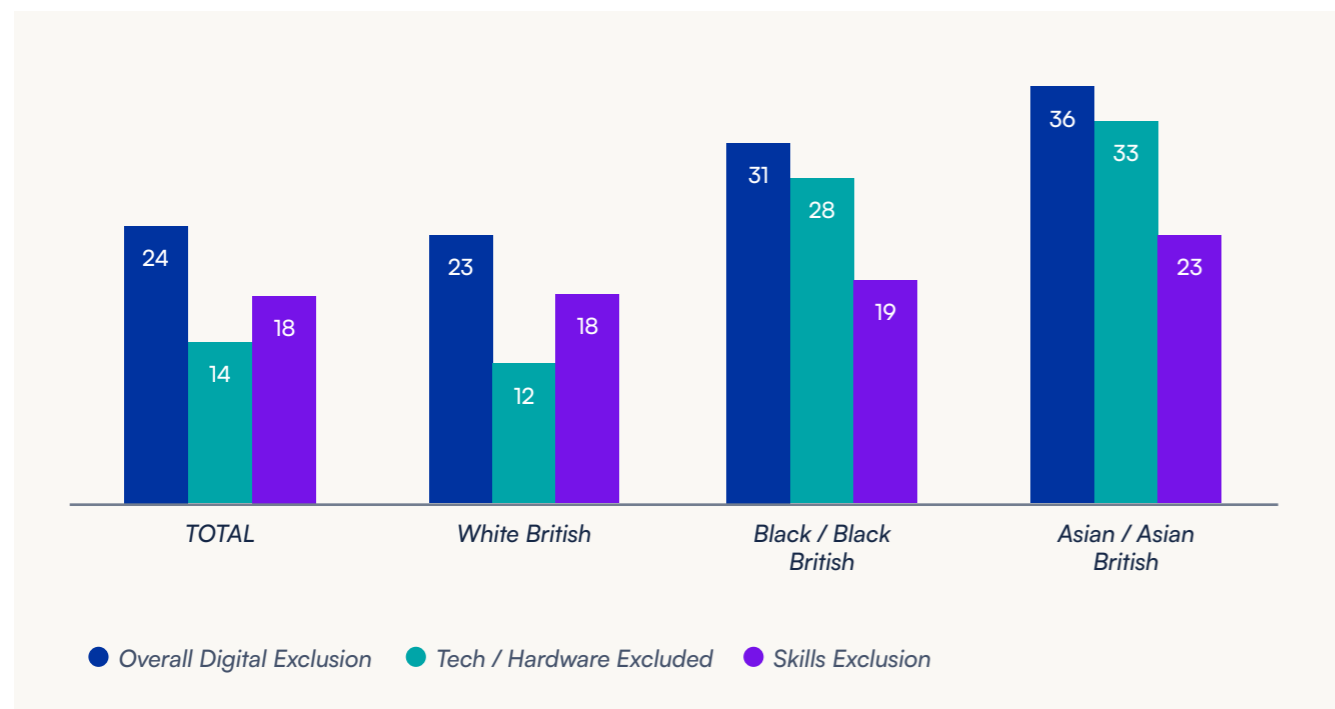


¹ Digital Exclusion, House of Lords Communications and Digital Committee, June 2023
² Adults' Media Use & Attitudes Report 2024, Ofcom, April 2024

Exclusion is higher among the Black/Black British and Asian/Asian British population

Away from age and income, we also see a spike in self-reported digital exclusion among the UK Black and Asian population. These findings mirror those published by Ofcom in 2023³, which found that limited users of the internet are 1.5 times more likely to be from Black, Asian and minority ethnic groups. This is particularly concentrated around technology and hardware exclusion, with both Black and Asian respondents more than twice as likely as White British adults to classify themselves as facing this form of exclusion.

Fig 2. Self-reported digital exclusion by ethnicity

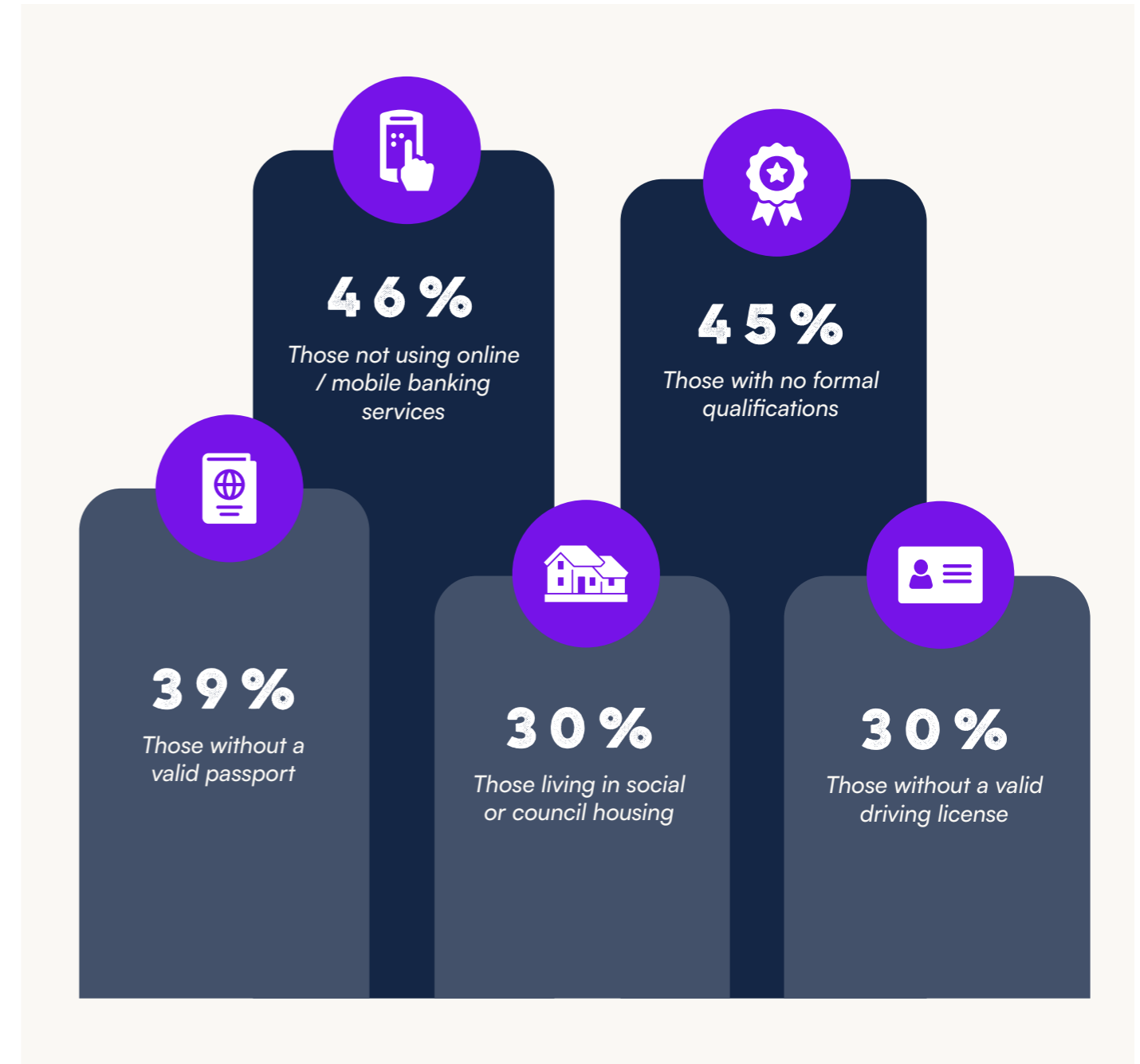


Digital exclusion forms part of a wider web of social exclusion

With our lives increasingly being lived online — either wholly or in part — digital exclusion can, in a very real sense, prevent people from contributing towards and benefiting from the opportunities that society has to offer in addition to limiting their access to key goods and services. With the link between digital exclusion and income already self-evident, digital exclusion is a key aspect of how wider social exclusion self-perpetuates.

That being said, targeted interventions that look to address digital exclusion can be effective in breaking that cycle. Our research shows that the following groups are more likely than average to experience digital exclusion:

Fig 3. Groups more likely to experience digital exclusion



³ Adults' Media Use & Attitudes Report 2024, Ofcom, April 2024

SECTION 2:

Decoding Technology & Hardware Exclusion

In April 2024 Ofcom published its latest “Connected Nations” data⁴, detailing fixed broadband availability and mobile coverage across the UK. The data published tells us that:

97% of households can receive superfast broadband coverage

80% of households can receive gigabit capable broadband

93% of households should be able to access good outdoor 4G coverage from at least one mobile operator

This data, though, really only tells us part of the story.

Internet availability and access to reliable internet in the home are not the same thing

While our research shows that nearly all homes in the UK have access to the internet — with only 1% saying there is no internet connection in the house at all — the proportion of households having a broadband connection stands at 93%. This is 4% lower than the 97% Ofcom say should be able to access it.

Similarly, only 52% of households state that they have access to mobile data (3G/4G/5G) in their home — with this lower proportion likely caused by a combination of device ownership, mobile operator and the impact of the house / environment on the strength of signal.

In short, just because households can access the internet doesn't mean that they necessarily have that access.

Fig 4. Types of internet connections available within households — by age

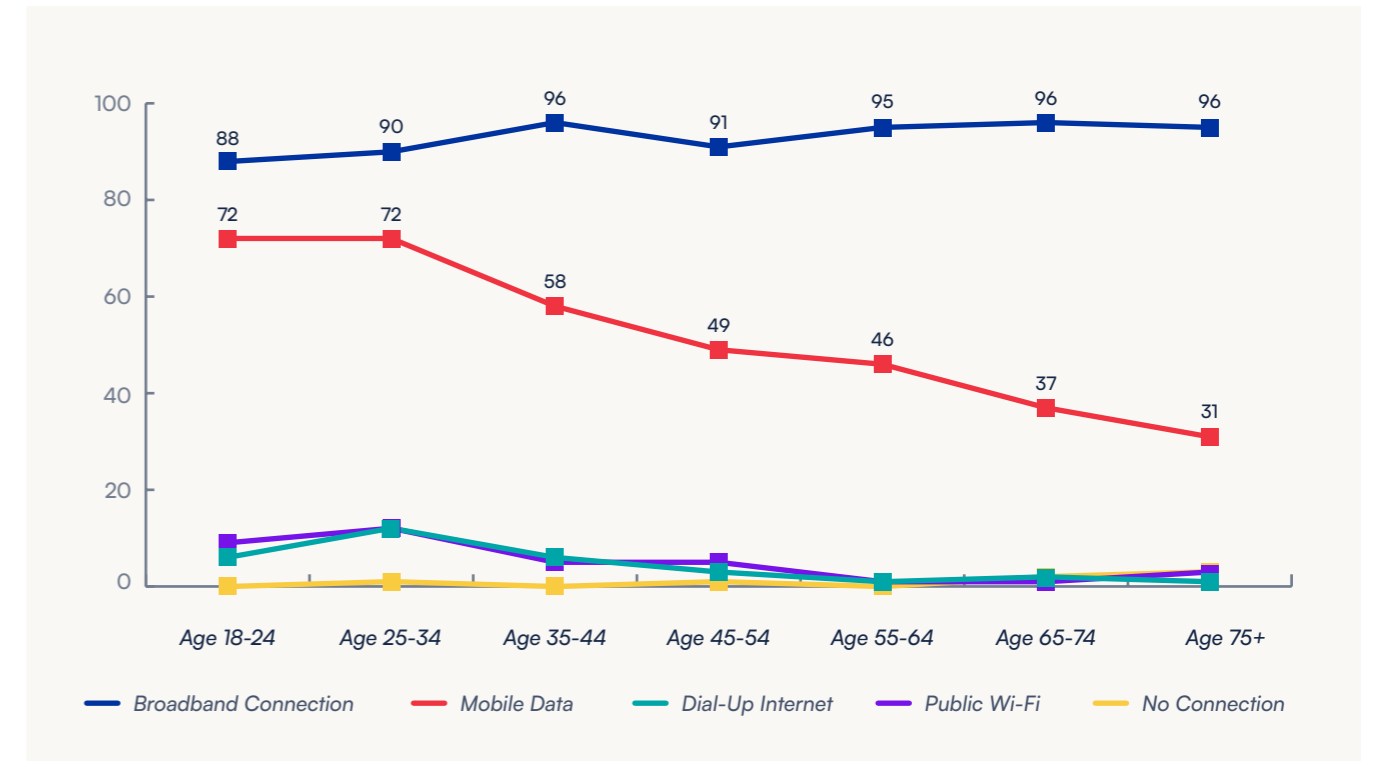
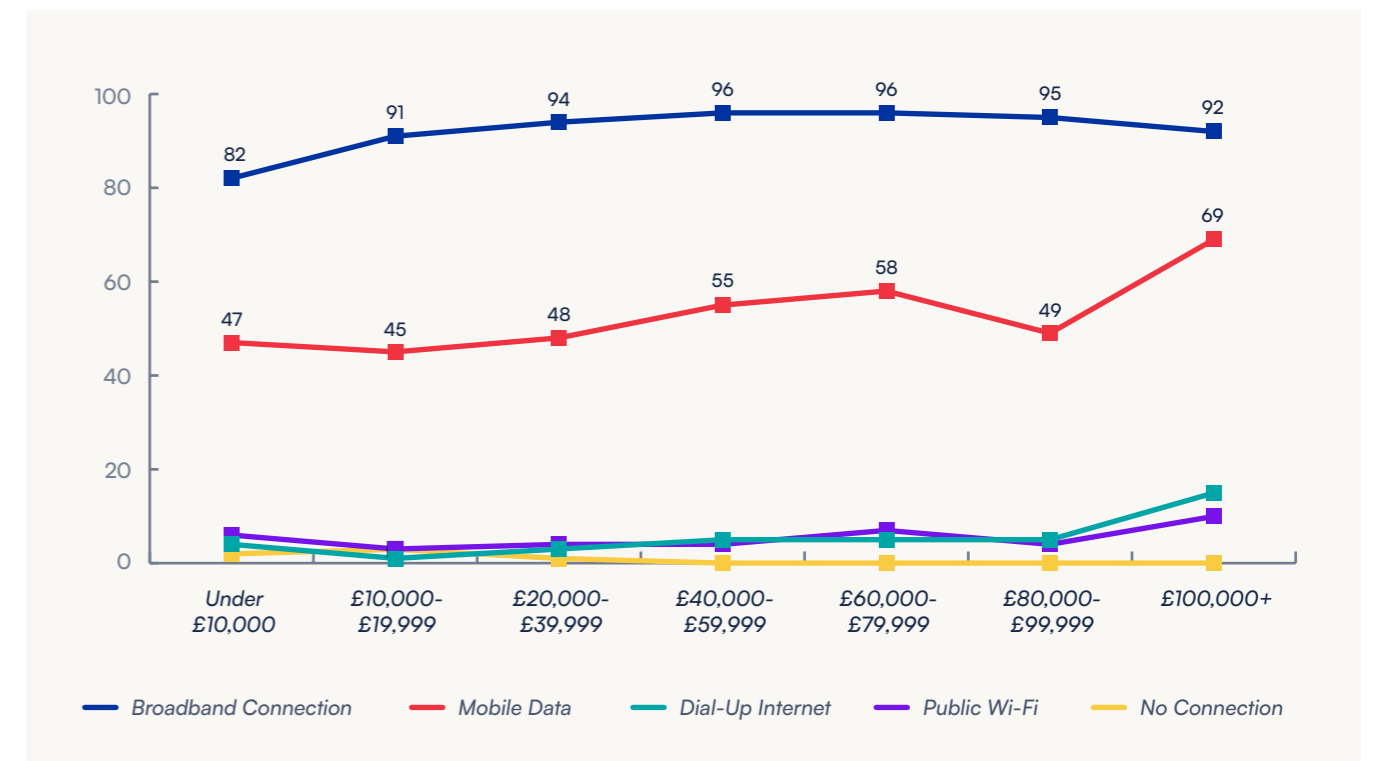


Fig 5. Types of internet connections available within households — by household income



⁴ Connected Nations Update Spring 2024, Ofcom, April 2024

And as we saw in the previous section, there are differences between age groups and household income. Likely as a result of affordability, we see younger generations are less likely to have access to a broadband connection at home — falling to 88% among those aged 18-24. Conversely, this age group is significantly more likely than other ages (72%) to have access to mobile data in the home, no doubt a result of higher smartphone penetration among younger generations.

Similarly, the UK's lowest income households are significantly less likely to have access to

home broadband (82% among those with a household income of under £10,000). Unlike the younger demographic, however, they are also less likely to have access to mobile data in the home.

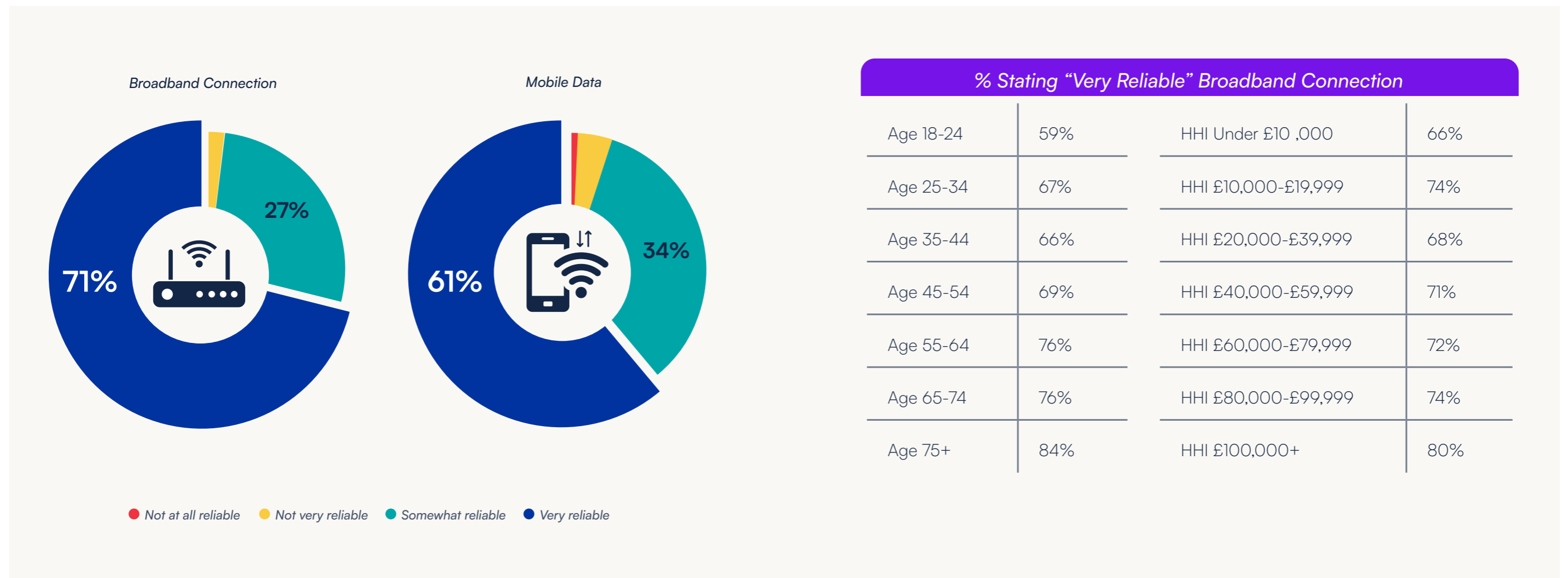
However, not all internet connections are created equal. Only 71% of households with a broadband connection in their home rate that connection as 'very reliable', while as few as three-in-five (61%) of those with a mobile data connection at home say the same.

Again, we see younger generations and lower income households significantly less likely to view their broadband connection as very reliable. While this may, in part, be down to affordability, for younger people specifically it is also likely a reflection of the higher demands they place on their home broadband through higher levels of gaming and entertainment streaming, for example.

It is in this interpretation of the research findings that we can start to think of digital exclusion as the moving target referenced in the House of Lords Communications and

Digital Committee report. For large parts of the UK population, digital exclusion is about more than just having broadband (or other internet access) at home. Is that access able to cope with the increasingly digital nature of the way younger people are living their lives, while remaining affordable? Our findings suggest that, for many, this is not the case.

Fig 6. Reliability of internet connection by type



Internet-enabled device ownership does not preclude digital hardware exclusion

Given the well understood nature of device penetration at a household level, it is little surprise to see that less than one percent of our research sample do not own an internet-enabled device. That said, ownership of devices is not necessarily even across different demographic groups — with ownership of a smartphone or laptop generally decreasing with age. Similarly, we see lower income households significantly less likely to own a laptop, desktop computer or tablet.

These findings are not just interesting anomalies, but have a very real-life impact.

There are many online tasks that are ill-suited to being attempted on a smartphone. Creating a CV, filling in a job application, applying for complex financial products and even using many government / public sector websites can be challenging and cumbersome without a laptop or desktop computer. Similarly, the digital skillset required to operate a smartphone (by their nature intuitive and user friendly) is very different to the skillset required to operate a variety of different software packages and programmes on a laptop or desktop computer. A lack of access to such hardware and software at home can have a very real impact with regards to having the confidence and skills required to thrive both in educational settings and in the workplace.

Fig 7. Device ownership by age and gender

	Smartphone	Laptop	Desktop Computer	Tablet	Smart Device
TOTAL	94%	75%	35%	62%	40%
Age 18-24	94%	81%	37%	57%	39%
Age 25-34	98%	84%	43%	61%	45%
Age 35-44	98%	80%	34%	64%	48%
Age 45-54	96%	73%	32%	61%	43%
Age 55-64	96%	72%	30%	64%	36%
Age 65-74	89%	72%	36%	63%	35%
Age 75+	81%	65%	46%	66%	27%
HHI Under £10 ,000	92%	62%	15%	46%	23%
HHI £10,000-£19,999	93%	68%	29%	51%	27%
HHI £20,000-£39,999	92%	72%	33%	61%	34%
HHI £40,000-£59,999	96%	80%	36%	70%	45%
HHI £60,000-£79,999	98%	82%	41%	73%	51%
HHI £80,000-£99,999	97%	92%	41%	64%	50%
HHI £100,000+	99%	91%	57%	68%	68%



As with the perceived reliability of internet connection, exclusion is about more than just having access to a tool. That tool also has to perform reliably. And, again, our survey data shows that these same younger age groups and lower income households struggle in that respect. Whether this is because these

groups are buying lower-end devices, are continuing to use older devices for longer or are simply making their devices work harder, as few as 69% of 18-24 year old smartphone users say that their device is very reliable with regards to performance in getting them online.

Fig 8. Reliability of device by type

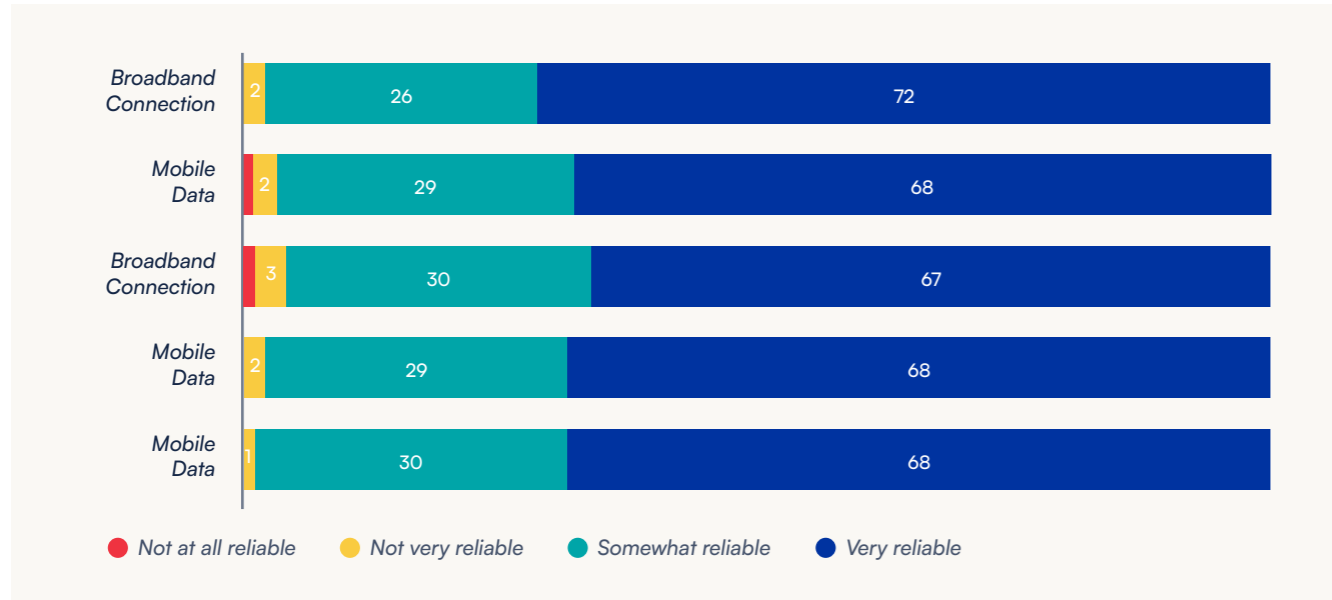
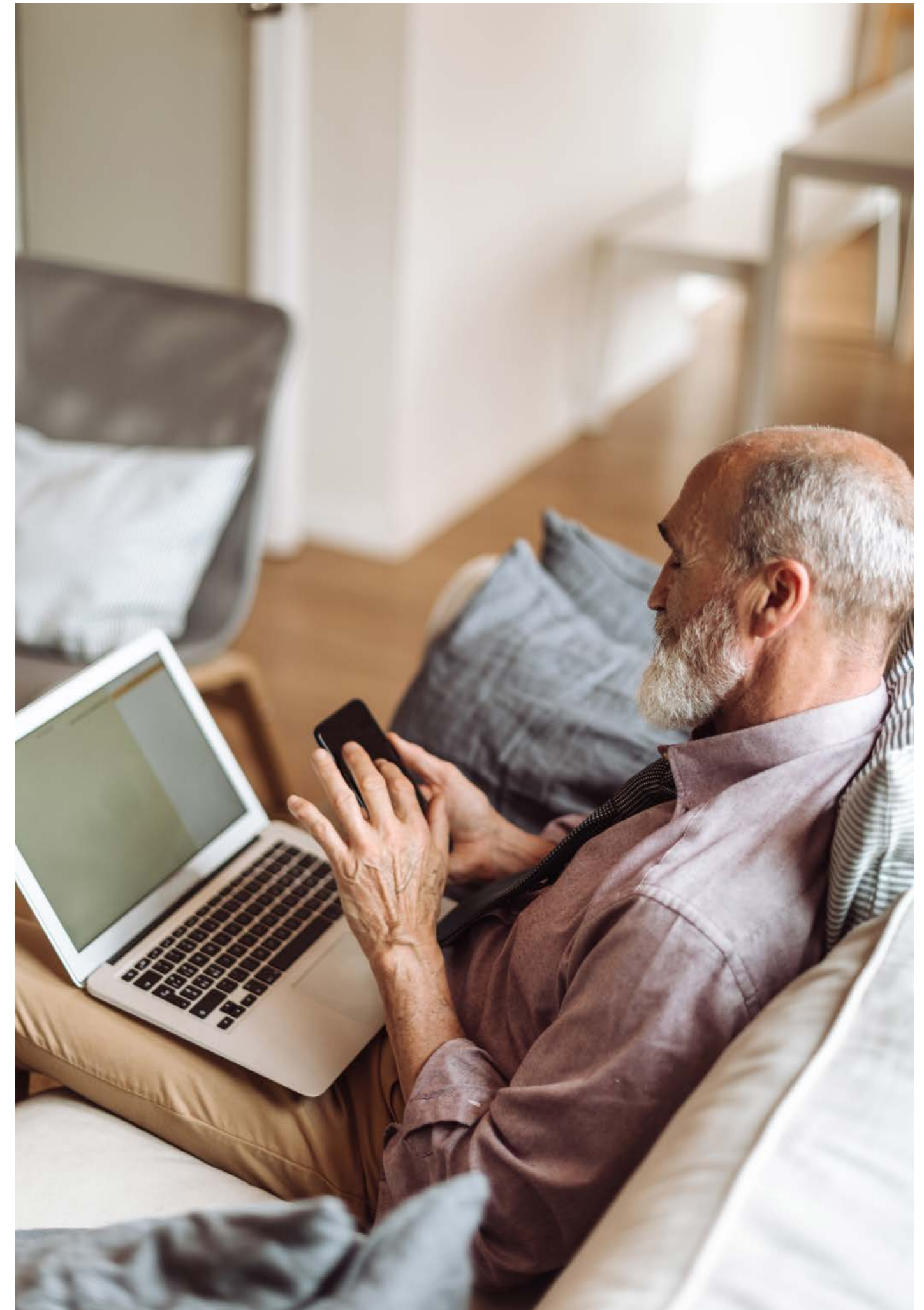
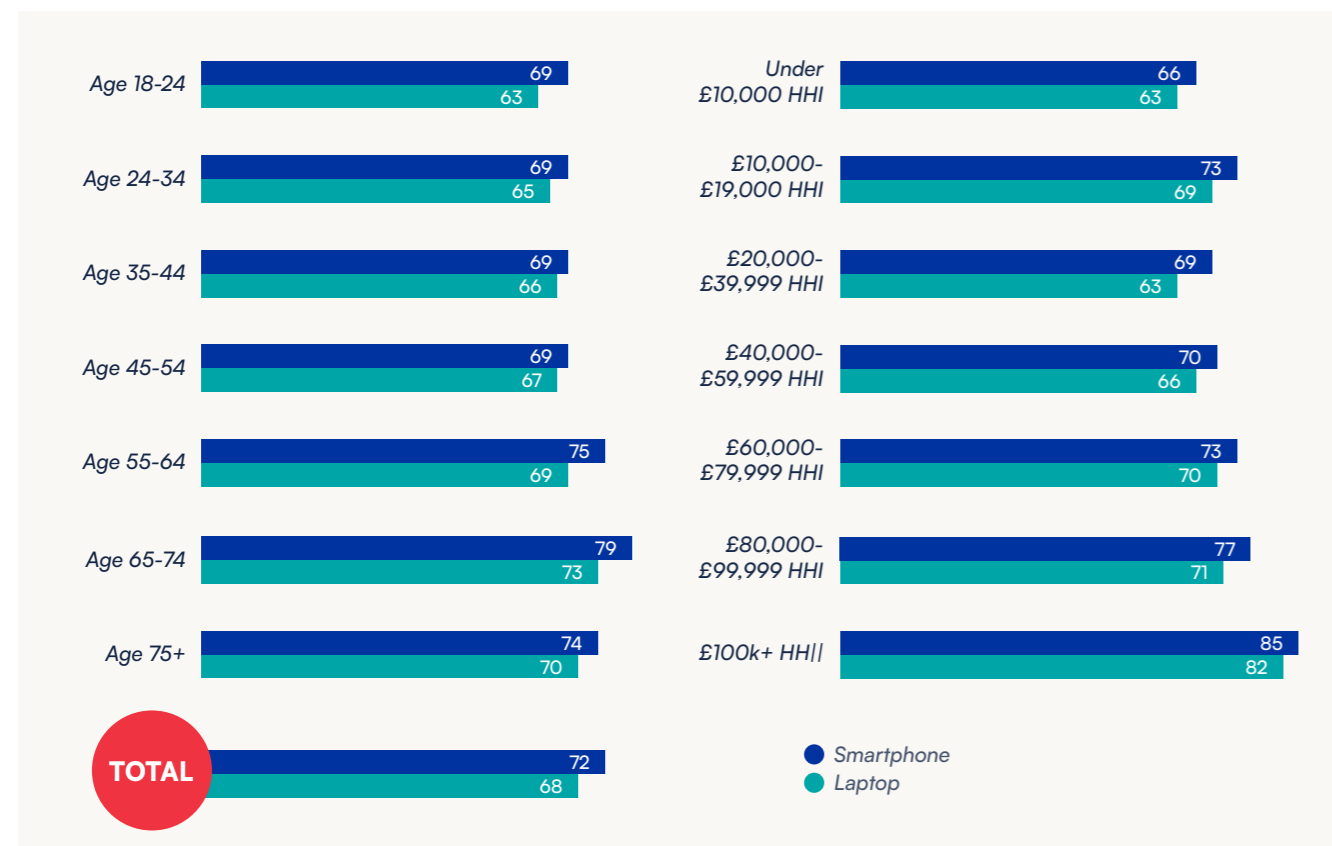


Fig 9. % stating devices are “very reliable” by age and household income



SECTION 3: Decoding Skills & Confidence Digital Exclusion

The continuing need to prioritise the oldest in our society

Our research findings demonstrate how the oldest in our society — those aged 75+ — continue to experience digital skills and confidence exclusion at the fundamental level. As many as around one-in-six people aged 75+ rate their own digital skills as no better than beginner, more than double the UK average. As few as 18% rate their skills as either advanced or expert, less than half the UK average (40%).

This self-identified skills gap is born out when we asked our respondents to assess their digital skills against the Department for Education National Standards for Essential Digital Skills⁵ entry level statements. Across

the whole of the UK only around half of adults felt certain that they definitely had the required skills to satisfy each criteria, with the exception of identifying and solving technical problems, where this fell to one-in-three. While this is fairly unchanged amongst those aged 65-74, we see a significant decline in people certain that they possess the necessary skills among the oldest cohort.

All of this manifests in this oldest demographic as being far less likely to adopt a “digital first” approach to how they access day-to-day tasks and services. Only 9% of those aged 75+ state that they always use a digital approach, whenever possible — far lower than the 27% UK average. Conversely, 41% of this same age group either tend to favour an offline approach or always use an offline approach whenever possible.

Fig 10. Self-defined digital skills by age group

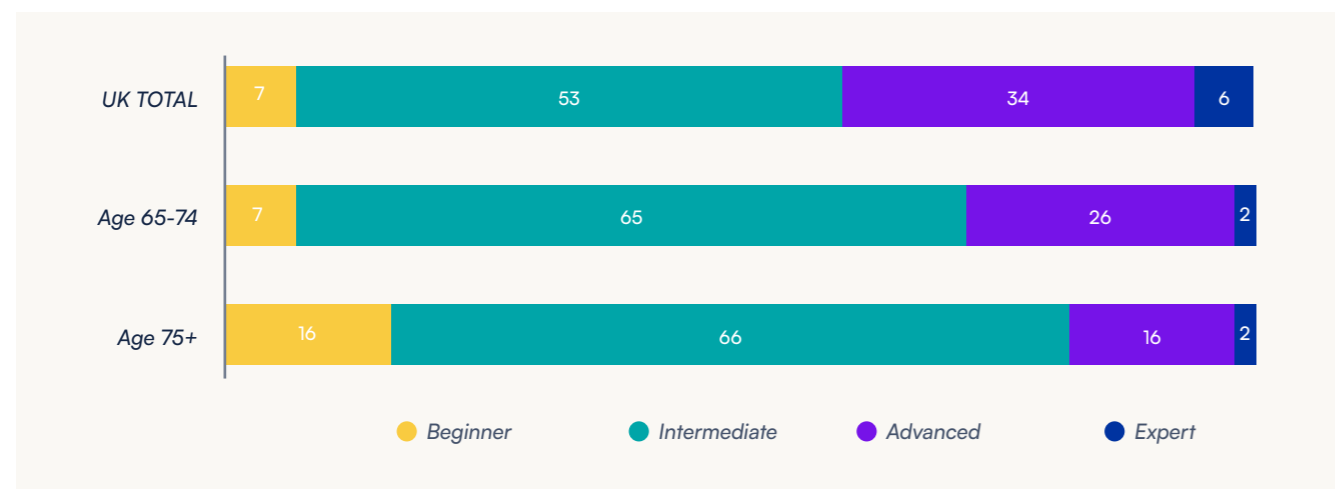


Fig 11. % of people that “definitely have the required skillset” by age

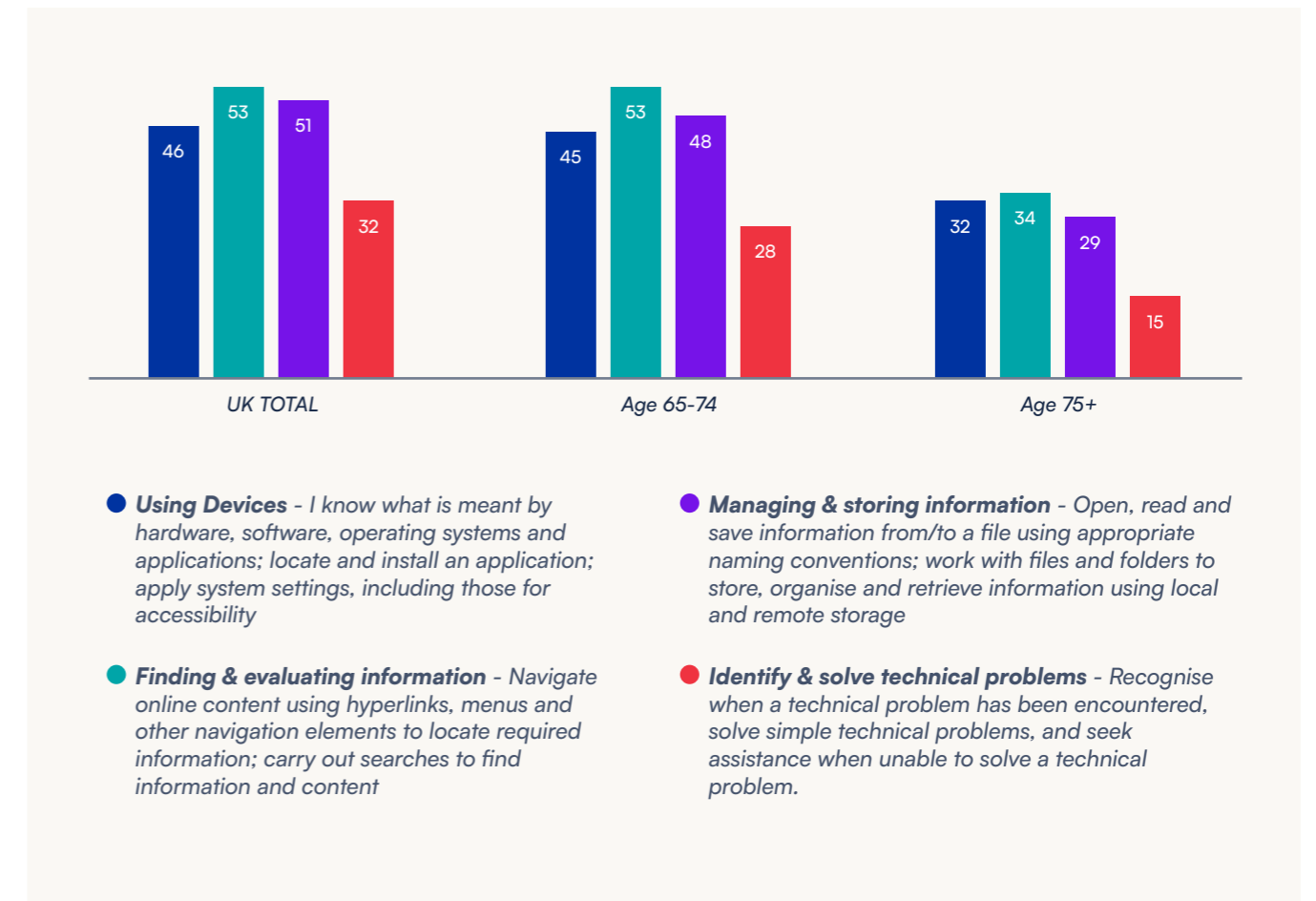
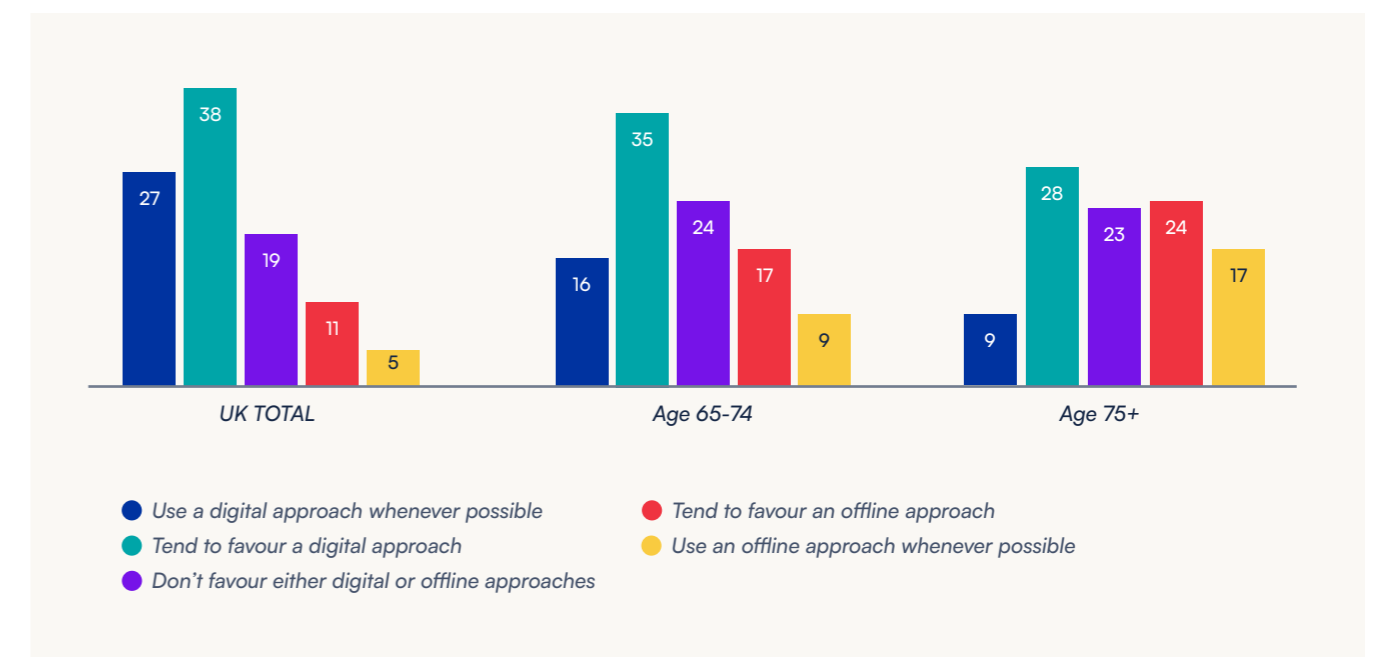


Fig 12. Response to more day-to-day tasks and services being digitised



⁵ Department for Education, April 2019

While it can be easy to fall into the trap of stereotyping, it is evident that this same over-75 group are keeping up with the rest of the UK in certain areas. This age group are typically as (or more) confident than the UK average in undertaking many household admin and day-to-day finance tasks online — though many would still prefer to do them in-person.

That said, there are many activities that those aged 75+ are far less confident in undertaking digitally — including paying or accessing support for goods and services,

applying for a mortgage, streaming content, booking and downloading travel documents and paying for car parking.

Given their lower levels of confidence and digital skills it is little wonder that this lack of confidence among over 75s stems from a natural preference for an in-person approach (58% compared to 37% across the UK), not feeling comfortable doing things alone online (31% compared with 19% across the UK) and a lack of understanding of how to undertake certain tasks (30% compared to 20% across the UK).

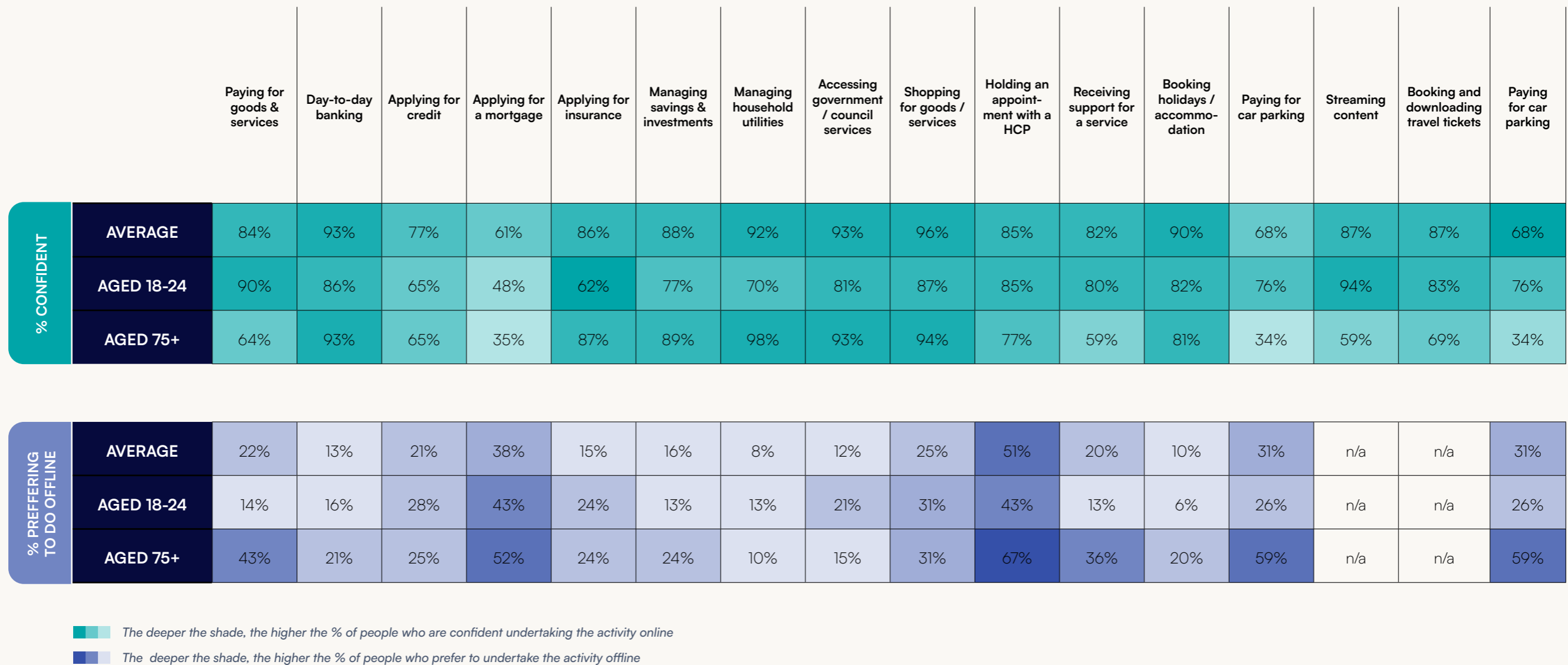
However, and beyond these immediate skills gaps, our research highlights that as many as 41% of those aged 75+ are worried that their current levels of digital skills will not be sufficient within the next five years.

Given the rate of advancement in both hardware and software over the last decade — particularly in relation to the advent of AI-based tools and services — these concerns are justified. Having the necessary skills to engage digitally with goods and services today does not mean those same

skills will be sufficient in the future. This can potentially create an additional disadvantage for older generations who are less used to and exposed to online and technological developments.

As such, it is vital that we continue to provide support to older generations — both those living predominantly offline, but also those we would not necessarily consider digitally excluded currently.

Fig 13. How the oldest and youngest age groups view undertaking activities online



RHONDDA DIGIDOL

Supporting more of Wales's second highest offline community to get online

Over the last year, Rhondda Digidol, a community-led digital inclusion project in Wales operated by People and Work, has successfully tackled digital exclusion and improved digital skills. The project, overseen by the LINK Consumer Council, reached 150 residents, from those in their teens to residents in care homes, aiming to support individuals in improving their digital opportunities for friendship, shopping, work, money management, health, education, and communication.

So, why was Rhondda chosen as the area for such a project? While the number of adults classified as non-internet users has been in decline across the UK, the latest ONS data from 2021 identified that 15% of adults in Rhondda are still non-internet users, the second highest level in Wales. This correlates with high levels of social deprivation found in the area, with those most vulnerable to deprivation also being more likely to lack digital confidence.

The project utilised a combination outreach approach in order to provide the support required to improve people's digital skills. This included delivering one-to-one training sessions with individuals, whole day events as one stop shops to get people online and the provision of free SIM cards with access to data and the loan of laptops or tablets.

“The borrowed tablet has changed my situation a lot. I no longer have to walk one and a half hours to attend the library to job search every day.” Rhondda Digidol participant

This support was provided in-person by trainers from within the Rhondda community, a strength that participants valued as they felt it made the experience less intimidating and easier to relate to. For participants, this was a key factor in the project's success, breaking down barriers and creating a safe environment to develop their digital skills.

“I am very grateful for the support and always know I can get the help that I need no matter how complex or simple the problem. Everything is always explained in simple terms so we understand, and it's not just done for us.” Rhondda Digidol participant

As part of the initiative, Rhondda Digidol offered specific support to residents in care homes. This group were most interested to learn how to access puzzles or games, stream TV shows or listen to the radio. This provided an opportunity to reminisce past experiences via showing content online.

“Every week I visit a care home with the residents suffering from Dementia or Alzheimer's. There are a few ladies I see there regularly and using our tablets to interact with them has been an amazing experience. One of the ladies is Barry Manilow's number one fan, and when I put live performances on the tablet for her, she just lights up. Using the tablets to bring back memories and start conversations really shows their true colours. The singing, the laughter, the stories, and the cheekiness of some is incredible to see, this pilot has allowed that to happen.”
Rhondda Digidol trainer

Finally, nearly two-thirds of those who engaged with the project were aged under 66. Developing digital skills to improve employment prospects was a central ambition of the project. Through partnering with the Job Centre, the team were able to provide targeted training with individuals to support them in creating a digital CV and sending it via email.

Into its second year now, the feedback from participants has been hugely positive. We'd like to thank our People and Work team for their ongoing support to this initiative. When asked what outcomes they'd achieved, the most commonly given response was being able to complete key life activities online, demonstrating just how dependent our lives are on being digitally able today.



A new wave of digital skills anxiety for the youngest generation

Taking on the responsibilities of adulthood in a digital world is a daunting prospect for many young people aged 18-24 today. In terms of their current skillset, our research found that those aged 18-24 were less confident in undertaking a number of activities online than the average adult. For some essential life skills, such as managing household utilities, the confidence gap is as great as 22%. Of the 16 different activities we assessed online confidence in (refer to figure 12), those aged 18-24 were less confident in 12 of those, and only more confident in three areas (paying for goods, paying for parking and streaming content).

Where confidence in completing tasks online is lowest, those aged 18-24 are therefore

more likely to prefer the option of completing a task in-person too. This is true, in particular, for applying for credit, applying for a mortgage, applying for insurance, managing household utilities and accessing government services.

While some of this anxiety may be related to a lack of familiarity, having to complete a task online initially can be a more uncertain experience than when done in-person with the guidance of another person. When we asked 18-24 year olds why they were less confident undertaking tasks online, they were more likely to cite reasons related to this uncertainty. It is telling that this age group are more than twice as likely to welcome education and guidance in relation to online banking and financial management than the UK average (28% amongst 18-24 year olds compared to the UK average of 13%).

Nearly all of those aged 18-24 would have been born since the turn of the Millennium, regarded to be a generation of digital natives who have only ever known and lived through the online age. However, it shouldn't be assumed that simply because digital devices have always been in their lives that this age group are necessarily bigger fans of technology, despite Ofcom's research from last year suggesting they spend the longest amount of time online. In fact, our research revealed that nearly a quarter (22%) of 18-24 year olds describe themselves as being a "technophobe", a significantly higher proportion than those aged over 65 (13%).

Looking to the future, those aged 18-24 are far more sceptical than older generations that they will be able to keep pace with the rate of progress in digital technology. For a sizeable minority, their fears of soon becoming digitally excluded are immediate — 11% of those aged 18-24 anticipate they will become

digitally excluded within the next year, compared to only 4% of people on average. Indeed, only two-in-five (41%) of those who are aged 18-24 never anticipate being digitally excluded, a sometimes significantly lower share than other working age groups.

Ultimately, it is revealing that, in the age of AI, the youngest generation foresees another frontier of digital exclusion presenting itself. Even for a generation of "digital natives", being brought up with and surrounded by the technology of today is not always sufficient to feel confident in where you might fit into the world of the future.

Fig 14. % stating reasons why they are not confident undertaking tasks online

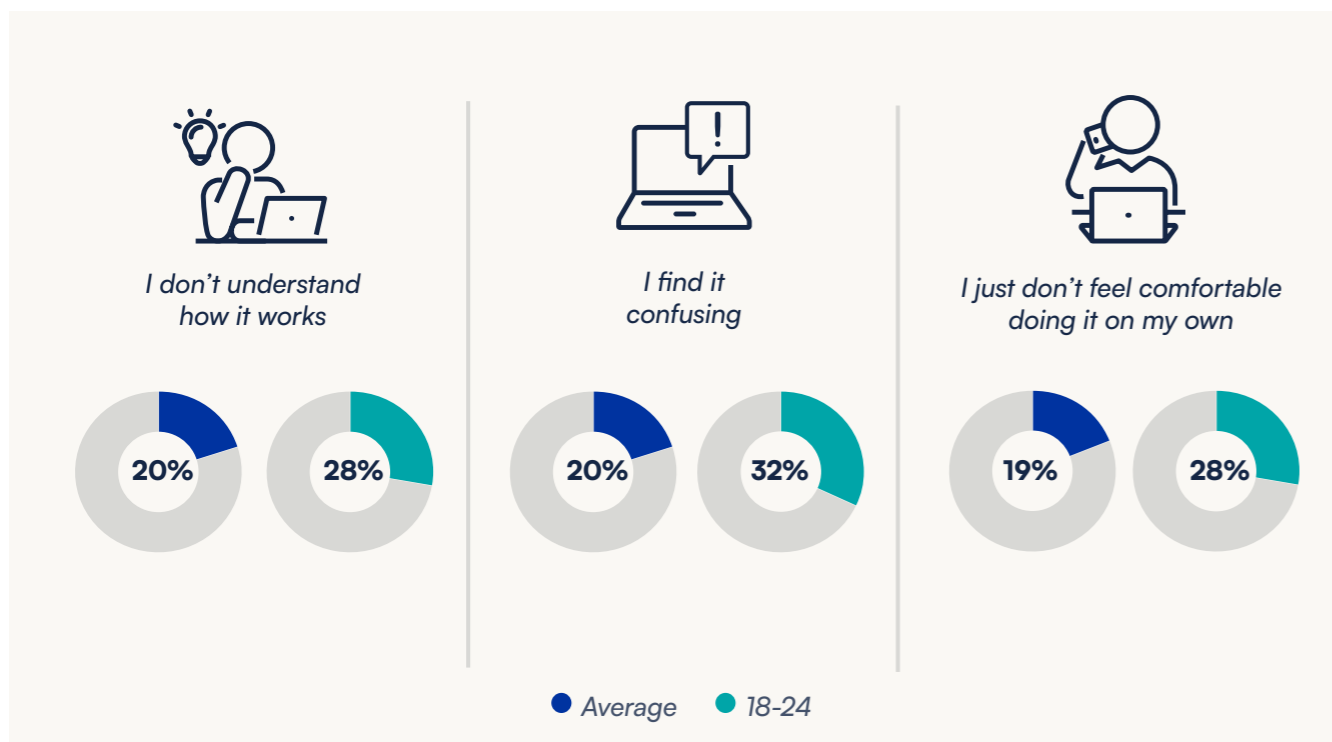
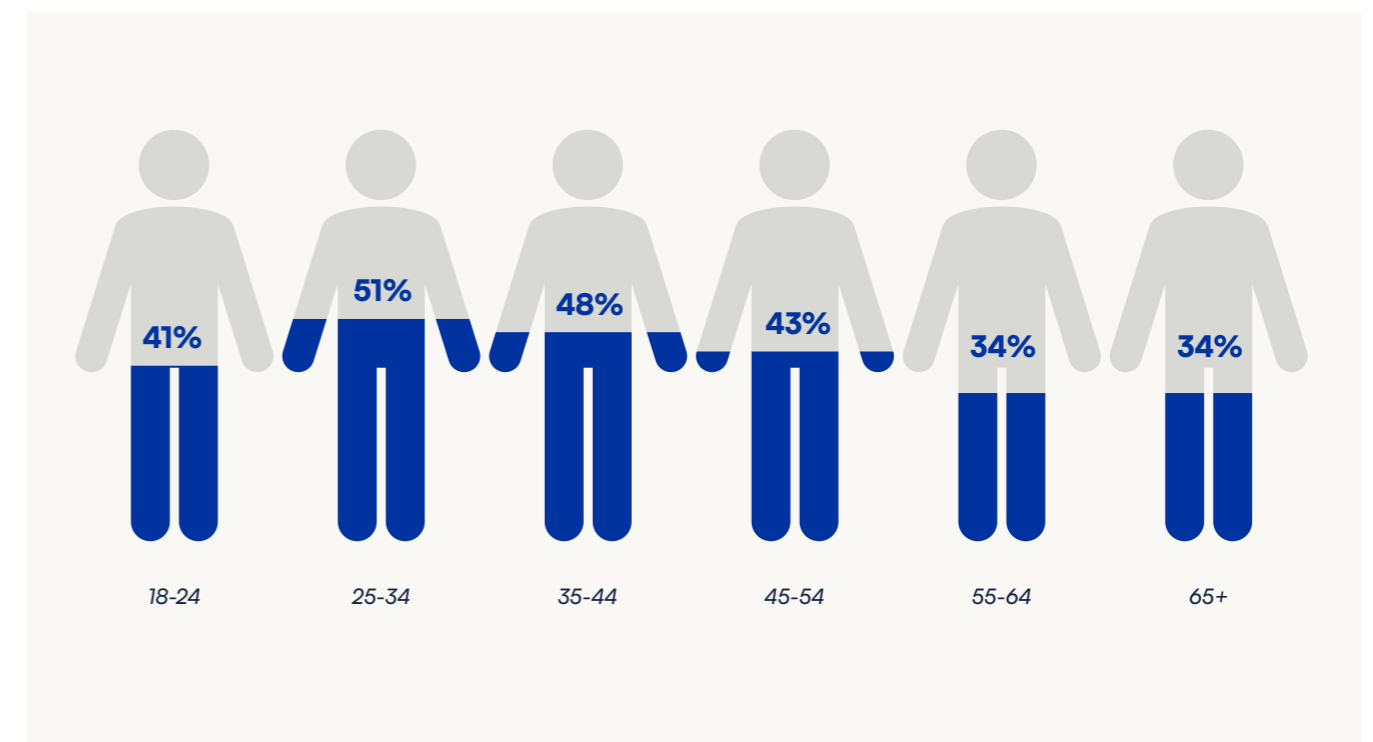


Fig 15. % stating they never expect to be digitally excluded by age



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SECTION 4: A Deeper Dive on Digital Finance

While we may feel that online banking has become ubiquitous amongst the general public, our research shows that one-in-ten of us still rely on banking in-person, either at a high street bank, the Post Office or at a Cash Access UK banking hub.

As we have seen previously through our work on Access to Cash, there are certain segments of our society more likely to still rely on in-person banking options — including older people, those with poorer digital skills and those in lower socio-economic groups.

Fig 16. Groups more likely to only use in-person banking options



Our data shows a clear spike in the proportion relying on in-person banking options among those aged 75+. These findings again support those of AgeUK's research⁷ from earlier this year, that also identified the oldest of old as those most likely to be excluded online. Being able to

bank is a key tenet to remaining financially independent. As such, we support the recommendations from AgeUK's work for accelerating the roll-out of Banking Hubs by Cash Access UK to enable face-to-face banking services.



Despite older age being a factor here, this oldest age cohort are by no means the most likely to be relying on in-person banking options. Instead, in-person banking is more likely to be the preferred option for some of the most financially vulnerable groups in society, including those who are either out of employment, in low income households or without a formal educational qualification.

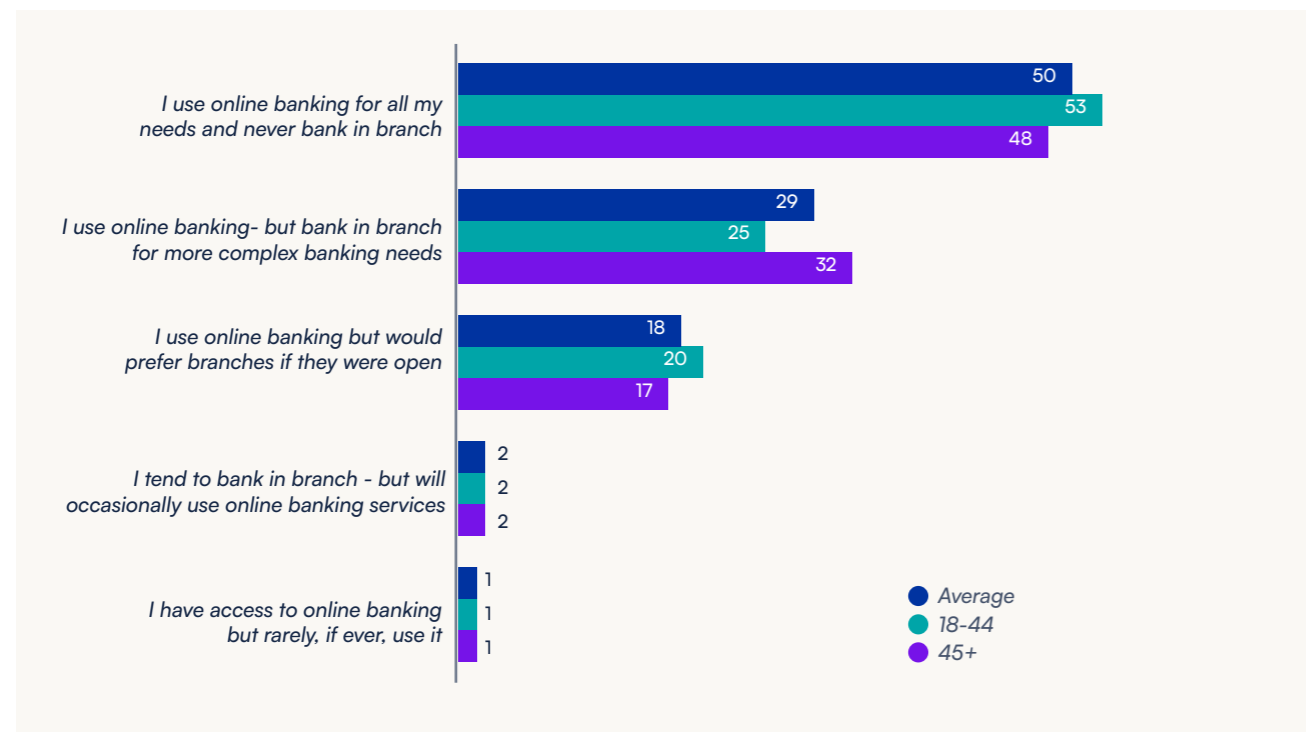
This finding is not new. In fact, these same groups were identified by the Social Market Foundation's research⁸ back in early 2016, almost a decade ago. Since then, we've had a global pandemic that necessitated more of our services to move online. Recognising the importance of continuing to maintain in-person banking options remains a critical issue, not only for those digitally excluded, but also those more likely to face social and economic exclusion.

A sizeable minority are more likely to feel that you have to bank online today

When looking at attitudes to online banking, half (50%) of UK adults feel confident enough to say that they actively choose to do all their banking tasks online. However, nearly one-fifth (18%) of people, while doing all their banking online, would prefer to bank in-person were that to be an option.

This suggests that there is a sizeable minority feeling limited in their banking options today, as though obliged to use a digital-only approach to banking, as opposed to a digital-first option — and our research shows that this perception is more common across those identifying as digitally excluded (33%) and those who are Asian/Asian British (28%). However, and of particular note, we see similar levels of these “forced” users of digital banking across all age groups, as opposed to a concentration among older people.

Fig 17. Difference in banking habits by age



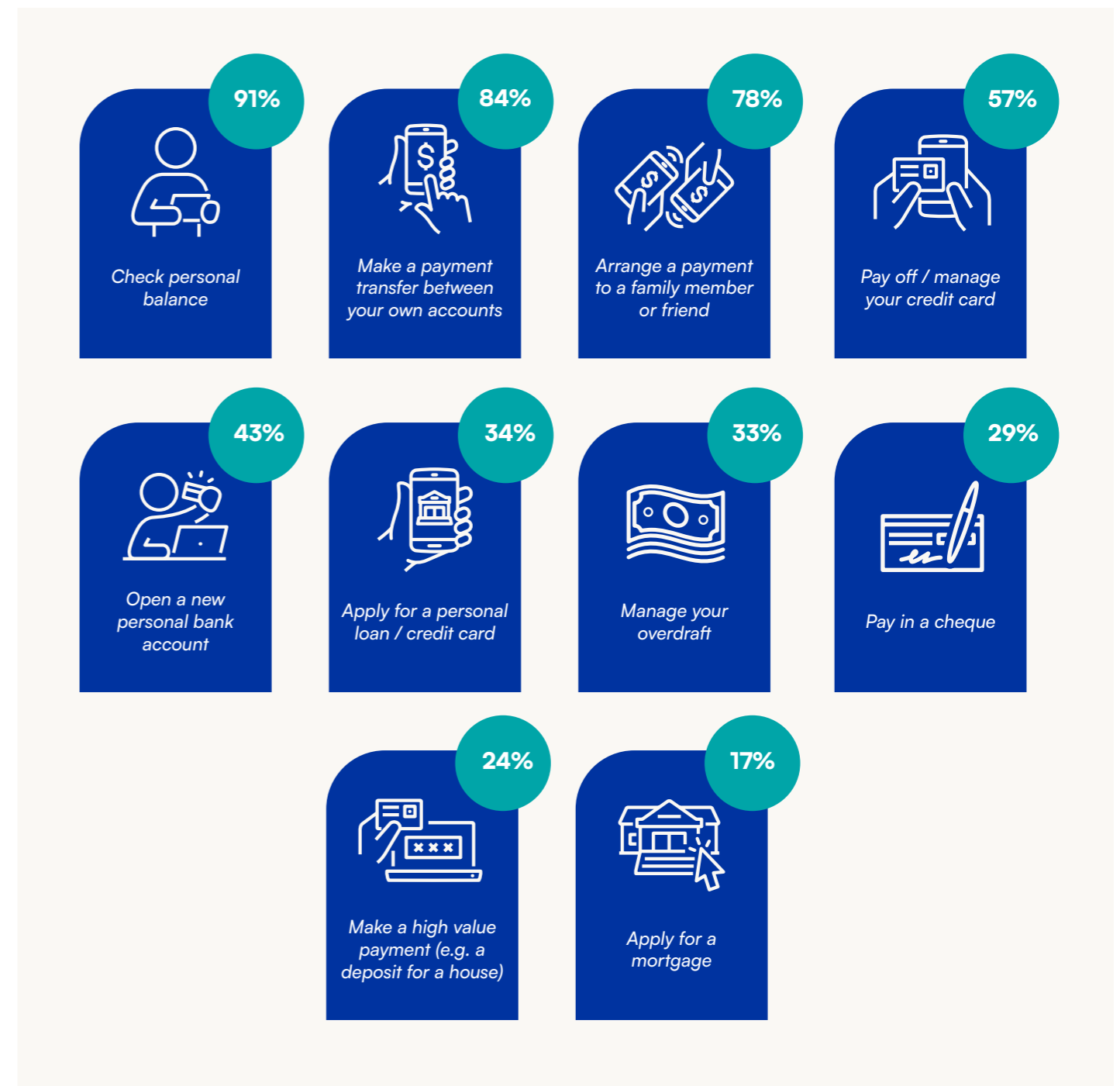
⁸ Social Market Foundation, Balancing Bricks & Clicks, January 2016

For big financial decisions, the preference is still for an in-person banking experience

Not all financial tasks are as easy or straightforward as the next. Most people see the convenience of online banking for everyday tasks — such as checking your

balance (91% undertake online), transferring money between accounts (84% undertake online) or paying a friend or family member (78% undertake online). However, for bigger financial commitments, even those who use online banking are much more likely to want to complete these tasks in-person.

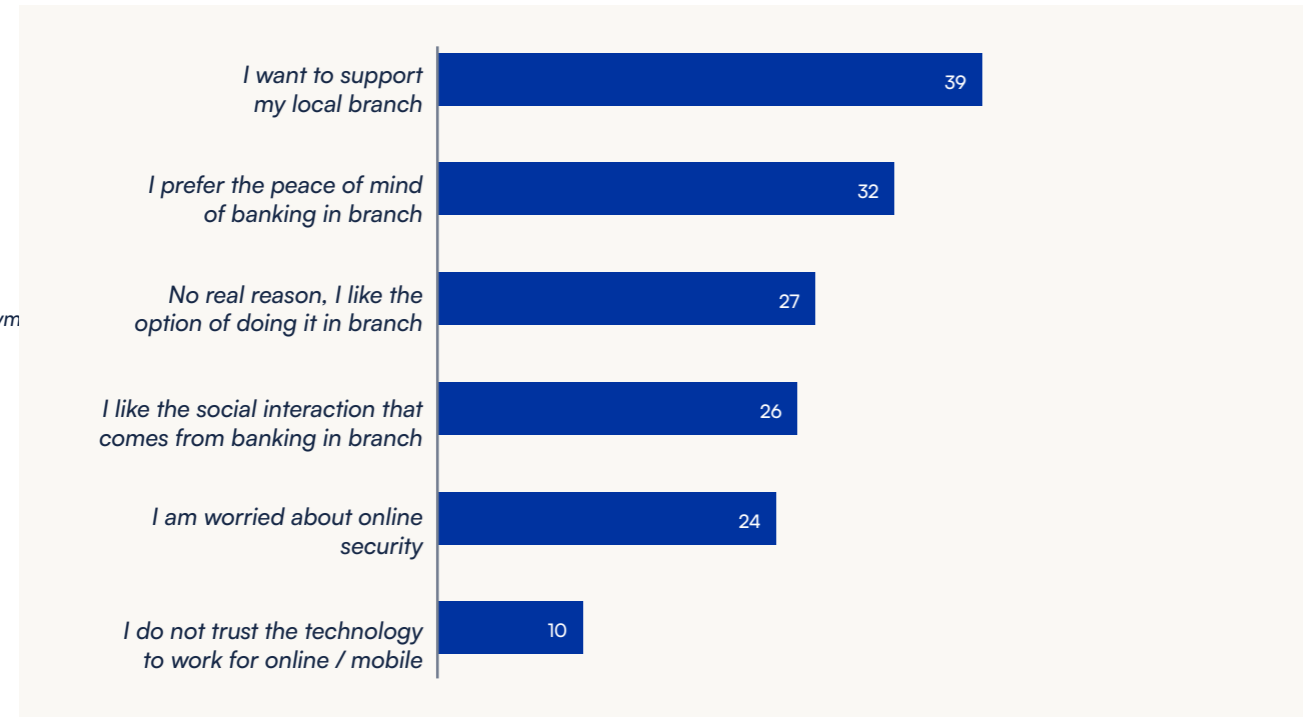
Fig 18. % saying they would typically undertake the following tasks online



Our ongoing attachment to the bank branch as a staple of the high street

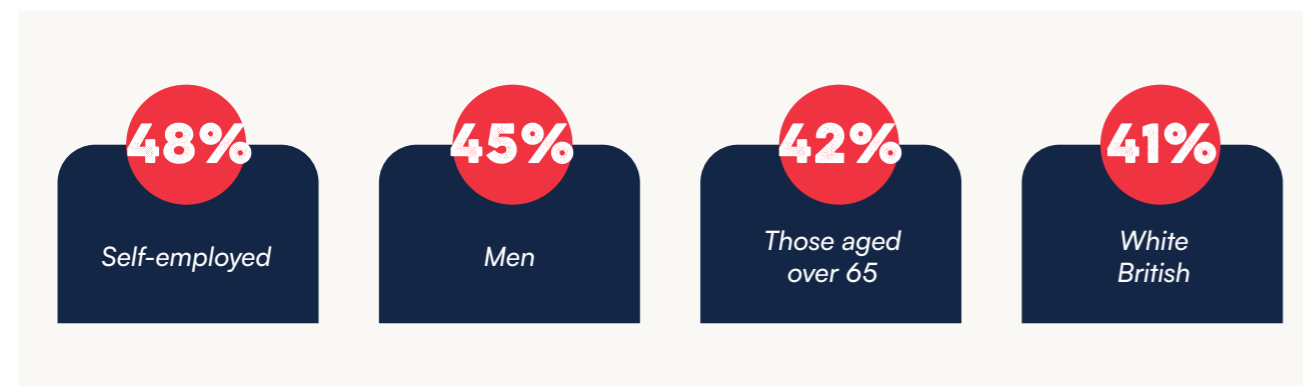
For those that still use bank branches at least some of the time, we wanted to understand more about what motivates them to do so. Top of the list, selected by nearly two-fifths of people (39%), came wanting to support the existence of a local branch bank.

Fig 19. Reasons for using a bank branch for some of banking needs



This idea of wanting to retain the presence of a local branch is also seen by over a quarter (27%) saying that having the choice to bank in-person matters. Notably, there is little difference between the digitally included and the digitally excluded in wanting to support a local branch.

Fig 20. Groups more likely to say they “want to support my local branch”



The role of the branch bank for the self-employed and SMEs

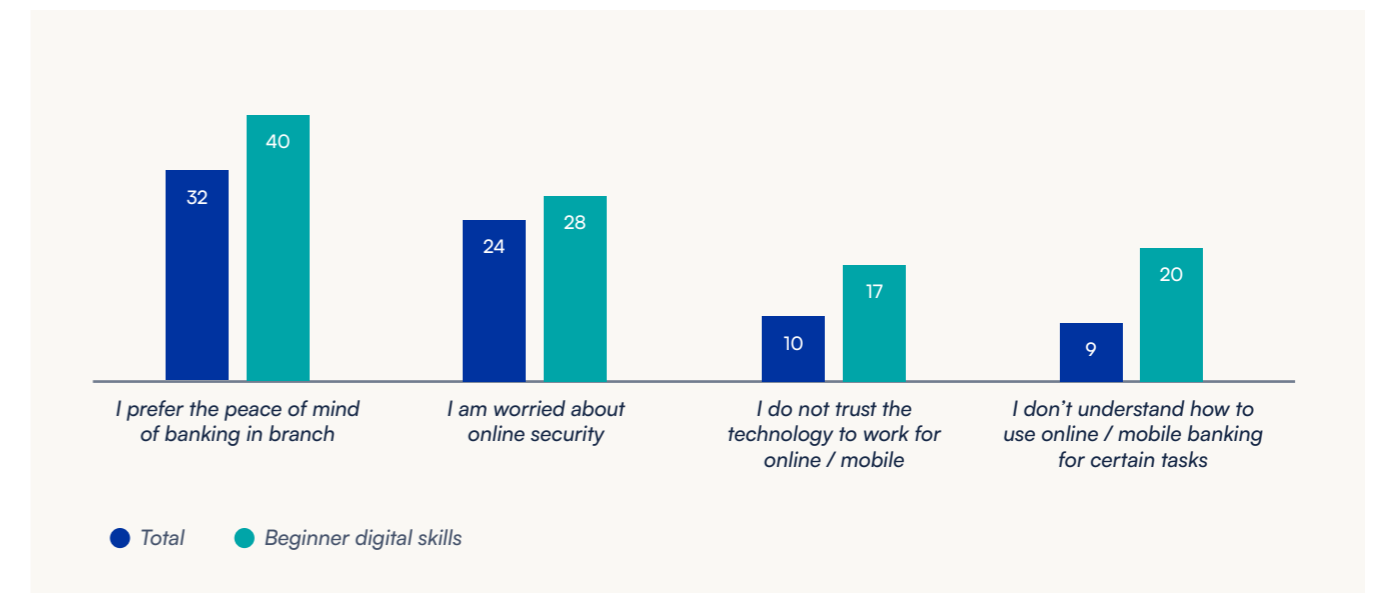
Furthermore, the over-indexing of self-employed people to want to support a local branch (48% compared to an average of 39%) is illustrative of the ongoing importance of the services that branch banks offer to many SMEs across the UK — including cash deposits. With approximately 4.4 million workers in the UK identifying as self-employed, and a total of 16.7 million people estimated to work in an SME sized business, ensuring they continue to have access to services for all their banking needs remains vital.

A recent study⁹ commissioned by the Financial Conduct Authority (FCA) suggests that SMEs use regular banking services approximately twice as often as consumers. Moreover, it found that if in-person banking services were removed then 90% of SMEs would continue to access cash services in-person at an alternative location.

Basic digital skills leads to more acute concerns around online banking security

However, where digital skills does impact on a preference to bank in branch is in relation to security related issues. Those who rate their digital skills as beginner are more likely to cite concerns around fraud / risks of online banking as a motivator to manage their money in-person than the UK average. Closing this confidence and knowledge gap will be essential if the expectation is that more people will be expected to complete more complex financial transactions online.

Fig 21. Reasons why people prefer to manage their money in-person rather than online



⁹ Costs to Consumers and SMEs of a loss of access to in-person cash and banking services, London Economics, February 2024

Banking Hubs offer hope and helpline for those communities most in ongoing need for accessing in-person banking services

Over the last year, 41 operational Banking Hubs have been opened across the UK by Cash Access UK from Cornwall to Scotland. At LINK, we continue to support communities across the UK in accessing cash and vital in-person banking services. When a bank decides to close a branch, LINK's Community Banking Hub process assesses the impact that it will have on a community's access to cash, considering whether a new service is subsequently required.

For many small businesses in town centres across the UK, continuing to have access to in-person banking facilities is critical to their business operations.

In assessing how viable an area is for opening a Banking Hub, LINK considers

the following factors in determining what is available to the local community:

- Proximity to the nearest bank
- The community's financial vulnerability
- Local digital skill level
- Consideration of elderly population

Two of these criteria directly link to the findings from our report, that both local digital skill level and needs of the elderly population are critical factors in maintaining access to in-person banking services. With a further 147 Banking Hubs currently being recommended across the UK, we'll continue to support this work to make sure everyone can remain financially connected.

“

On a street like this where we have so many small independent shops, without being able to access cash, people are just going to go to the bigger firms to do their shopping. This way, people can support their local independents!” Alice Hildred, owner of The Bishy Weigh in York

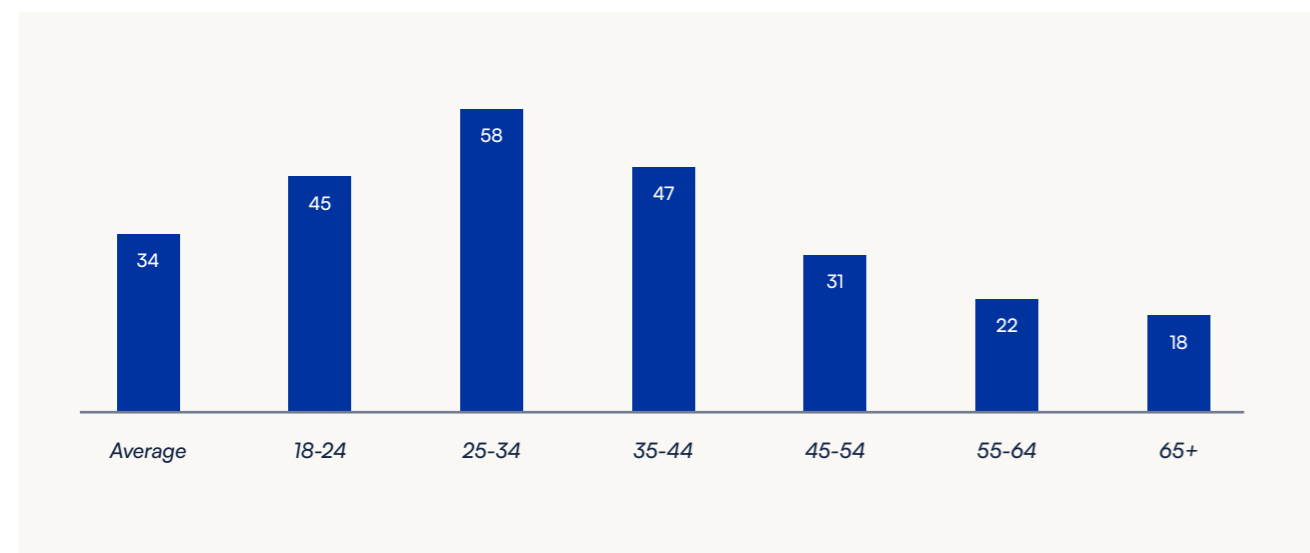


SECTION 5: Steps to Address Digital Skills Gaps

So, given the landscape of digital confidence we see today — what are the solutions the public would welcome to futureproof their digital skills going forward?

When asked how confident people are about learning a new digital skill, only a third (34%) of respondents said they felt “very confident” in their abilities, with significant variation by age.

Fig 22. % stating they are “very confident” in learning new digital skills



Of particular concern will be the lower confidence amongst those aged 45-64. Over recent years, there has been a significant rise in the number of people leaving the workforce, with ONS research¹⁰ suggesting that people feeling they lack the right skills to get a new job more likely to impact those aged 50-64. For the UK’s wider productivity goals, keeping people in work for longer will be crucial. However, motivating older members of the workforce to stay up-to-date

with new digital skills may be challenging, with our research showing that a quarter (25%) of those aged 45-64 say they “do not wish to engage digitally any more than they already do”.

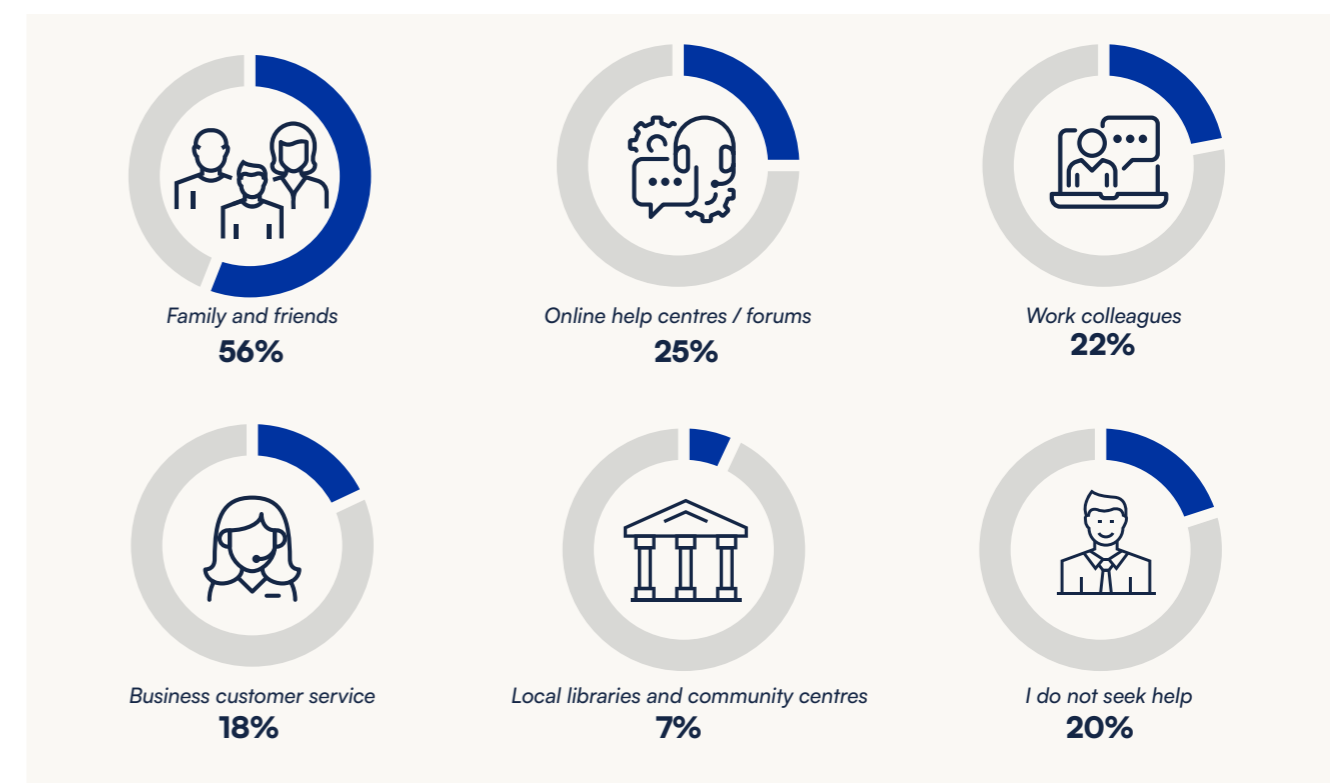
As the rate of technological innovation continues at pace, we must not become complacent in assuming people will find it easy to keep up with developments. It is vital that we consider now what support

is required to continuously develop and strengthen people’s digital skills. As our research has demonstrated, the risks of losing confidence in our digital abilities are sizeable, particularly as more and more of our everyday experiences are being completed online.

Currently, when seeking help with online activities, most of us are still turning to informal support from our friends and family for advice. Concerningly, while we see a

spike in the proportion of people not seeking help at all for online activities is higher among those rating their digital skills as expert (35% vs. 20% overall), we also see spikes in some of the most excluded social groups that display the highest levels of digital exclusion — including those with a household income of under £10,000 (35%), the unemployed (37%) and those not holding a valid UK passport (34%).

Fig 23. % stating they use this source of information for help with online activity

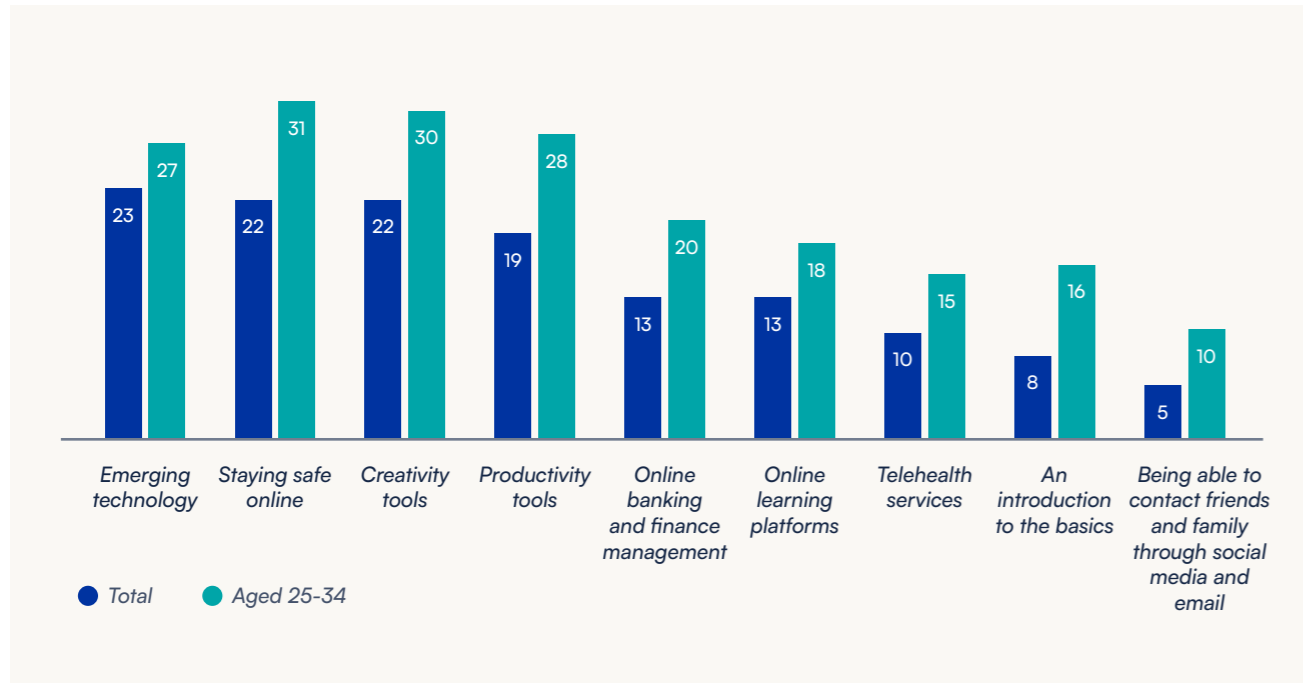


Nonetheless, the vast majority of us recognise how important it is to improve our digital skills for the future— with just 2% of respondents saying it is not important. However, what specific digital skills people want to improve upon is hugely varied, with no one single area an outright priority for the UK public. That said, topping the list is emerging technologies, suggesting a recognition of the potential of AI to change how we use the internet.

When looking at openness to learning new skills by age, it is not the youngest cohort, but those near the start of their working careers aged 25-34 who are significantly more likely to see the value in receiving more guidance. This may imply a greater appreciation and lived experience of how important a skill being digitally connected is for their future employability prospects.

¹⁰ Over 50s Lifestyle Study Wave 2, ONS, September 2022

Fig 24. % stating digital topics they would most like to receive guidance on:



Finally, when looking to the future, the general public are broadly supportive of initiatives to help further address digital exclusion, seeing the private sector, public sector and voluntary sector as all having a role to play. We are pleased to see the recognition of the importance of community-

led interventions, as from our support of the Rhondda Digidol project, we've seen firsthand just how effective and versatile these local-led initiatives can be in helping people tackle digital exclusion.

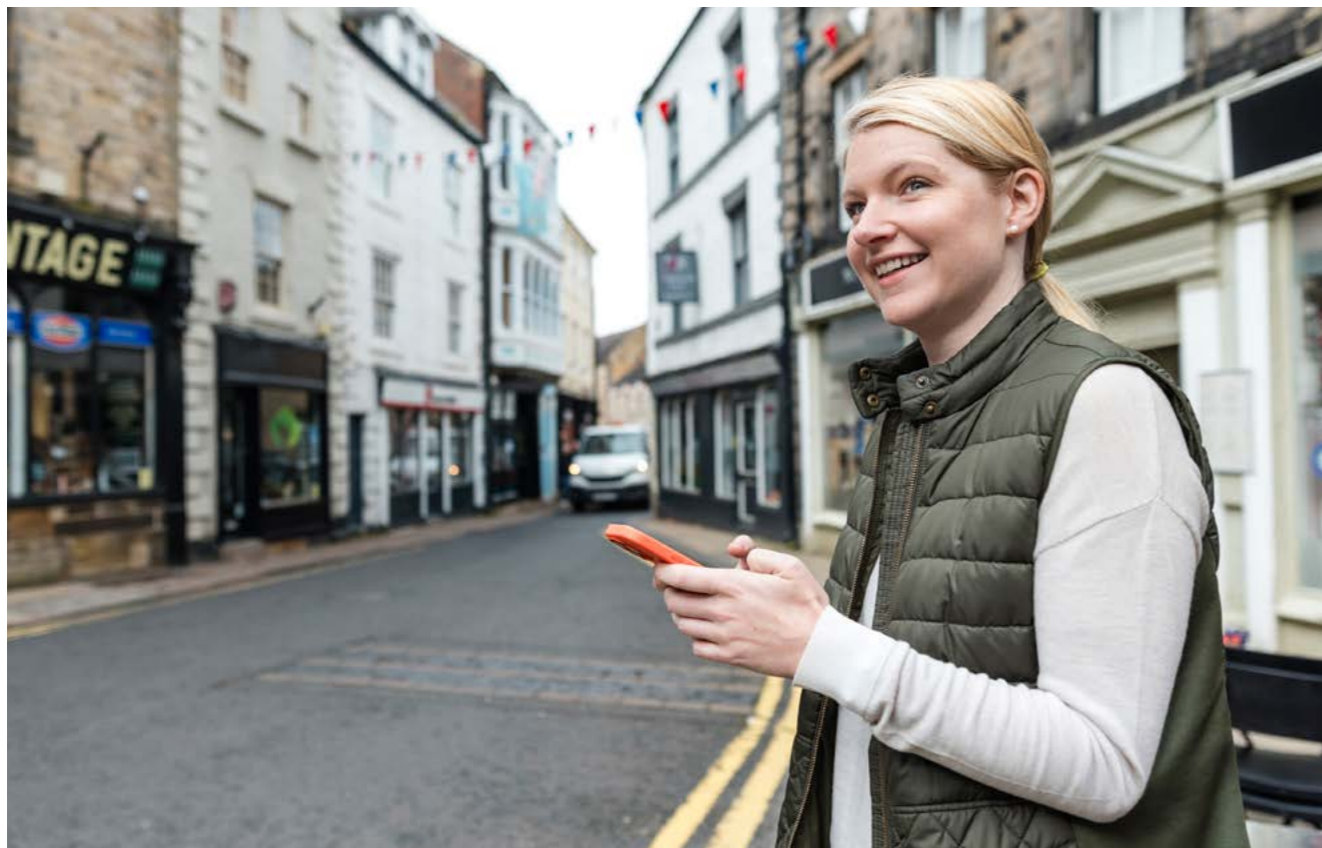


Fig 25. Top 10 Ranked Initiatives for Addressing Digital Exclusion





Conclusion

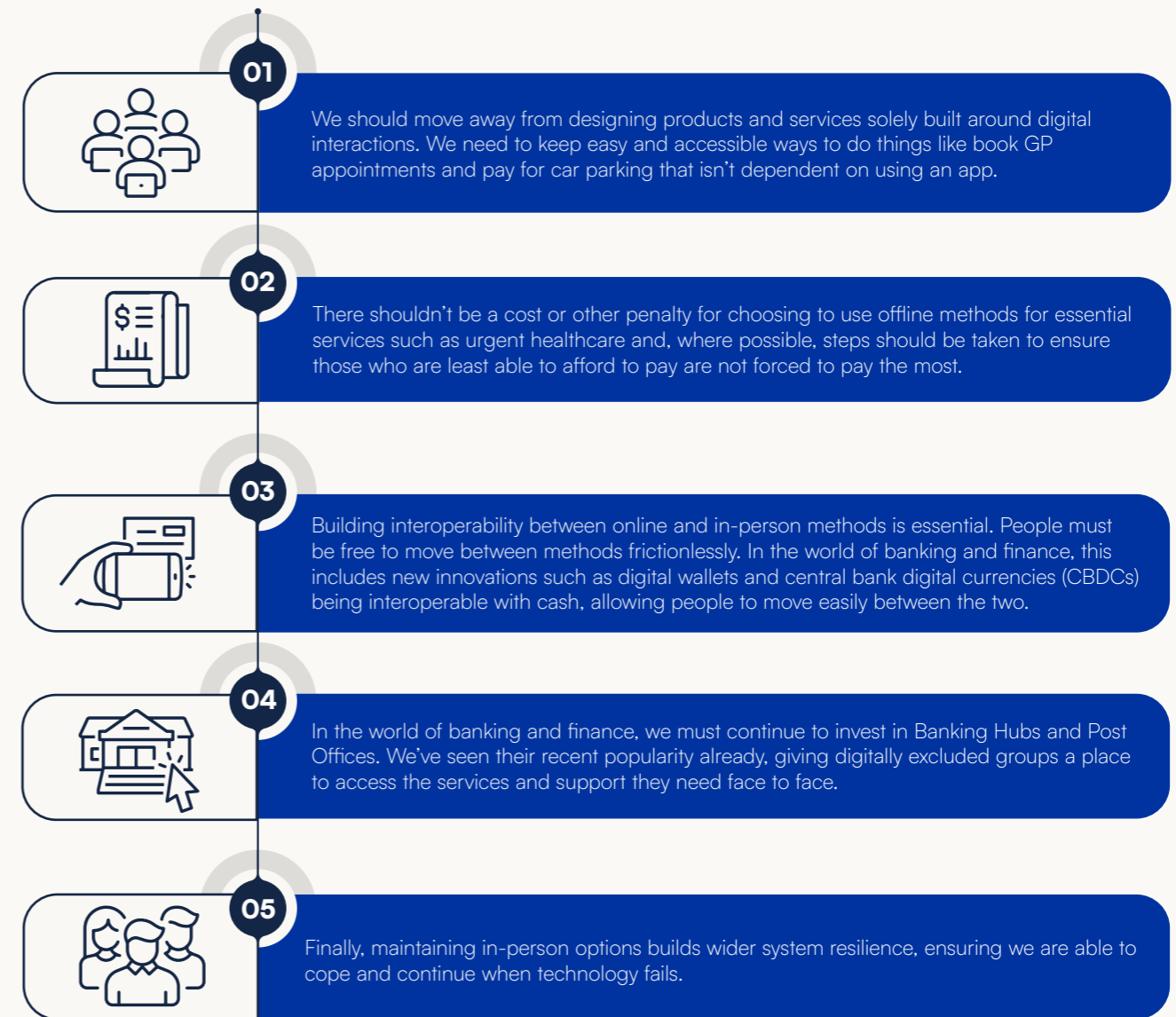
Digital inclusion matters. It affects our career progression, our social interactions and mental wellbeing, our productivity and the country's overall economic prosperity.

Yet despite the great work being done to address it, digital exclusion continues to exist today. We can see how it is possible to make a demonstrable difference in filling in some of the blanks, through targeted interventions like our Digital Pilots and this type of work must be prioritised, made scalable and continue. However, given the relentless speed of technological development, it is likely digital exclusion will always exist in some guise and we have to accept that.

People will always grow older, while the speed and nature of technological innovations shows few signs of slowing. Experience has shown us that there is no guarantee that having the right skills today will mean having the right skills tomorrow. Similarly, affordability will always be a prohibitive barrier for some excluded groups — including those on the lowest incomes, from an ethnic minority and among young adults.

There is no single solution to addressing digital exclusion. But what is certain is that we must not unwittingly slide into a future in which large portions of society become disenfranchised with an online world. The reality is, we are not ready to be fully digital today, and probably never will be.

As a result, we believe that the following should be prioritised:



Methodology & Recognition

This report is based on LINK proprietary research conducted between 30th July and 5th August 2024. The research was conducted on a nationally representative survey of 2,000 UK respondents aged over 18. Given the nature of the subject matter, we used a mixed methodology approach to sampling, with recruitment and surveying conducted via both telephone and online approaches. This was to ensuring there was not a pro-digital bias within our sample.

LINK would like to thank both the participants and trainers of the Rhondda Digidol project for their contribution to this report, in particular Emma Preece for her evaluation report that the case study included was based upon.

