



## APPG on Challenger Banks and Building Societies

### Call for Evidence

#### **All Party Parliamentary Group on Challenger Banks and Building Societies Inquiry into access to banking services**

##### **Introduction**

The overarching issues that the APPG is seeking to understand are as follows:

- Branch closures taking place in communities across the country restricting access to financial services;
- The Post Office being left as the only financial institution in many communities, noting that it was unable to fulfil every function of the departing banks;
- Many older and rural constituents were being impacted hard by the withdrawal of bank services; and,
- FinTech – its possible role in solving the Access crisis in facing UK Financial Services.

However, the APPG is keen to take evidence on the underlying causes of these headline topics. Therefore, we will be seeking evidence in the following areas:

##### **Branch networks**

The APPG is interested in how institutions are reshaping their networks. We are seeking to understand:

- Do institutions or consumers need a branch network in the 21<sup>st</sup> century;
- Is it really the case that branch closures are restricting access to financial services;
- The key drivers for branch closures;
- The underlying economics of branch networks;
- Why some institutions are seemingly bucking the trend;
- The likely future of the branch;
- Can face to face services be provided in another way;
- How this relates to access to cash, both as a means of payment and as a reservoir of wealth;
- How consumer behaviour is altered due to the sparsity of branches and whether this influences the way that consumers use financial services;
- The risks to consumers generated by declining networks;
- Do branch closures represent an off-balance sheet transfer of cost;
- The environmental consequences of changes to branch networks and the carbon footprint of consumers;
- Consumers views of dwindling branch networks; and,
- What effect changes to branch networks might have on institutions' access to capital.

##### **Alternative institutions and providers**

Where branches have closed, the APPG is seeking evidence in relation to:

- Alternative providers of services once catered for in branches;
- Whether these providers are offering like for like services;
- How consumers utilise these alternative providers' services;
- Whether disproportionate burdens are being placed on alternative providers;
- Whether there are unintended consequences for consumers and the wider environment; and,
- Whether the presence of alternative providers will lead to greater competition.



### **Effect on different types of consumer**

- How network changes affect vulnerable consumers;
- How consumers view banking services;
- Whether there are any groups of consumers or businesses that are more impacted than others;
- Whether network changes affect travel patterns;
- Whether central and local government is sufficiently aware of how changes will impact residents in a particular geographic area;
- Are there any effects in the regions and nations of the UK that should be taken into account; and,
- Are the regulators and authorities doing enough to respond to the challenges of branch closures.

### **Technology and its role in allowing access to services**

- How can technology fill the gap left by branches;
- What innovations and providers exist at present;
- Are there innovations in the pipeline that will make a difference;
- What are the likely costs to consumers and businesses compared to the traditional branch banking business model;
- How robust are the new innovators, will the technology prove a robust replacement; and,
- Will technology providers use branch closures as a spring board to challenge the dominance of the existing players and to drive greater competition.

### **Timelines**

We will aim to publish our preliminary findings on access in the provision of financial services within a month of the hearing in early to mid-December. However considering the depth and complexity of the issues and the anticipated quantity of written evidence the substantive report is scheduled for January 2019

Other timelines are as follows:

#### **Time and venue of first oral evidence session**

10:00 – 12:30 Thursday, 15<sup>th</sup> November, Meeting Room O, Portcullis House, Palace of Westminster

#### **Written evidence timelines**

To be considered written evidence will need to be received by Secretariat by **5pm on the 14<sup>th</sup> December 2018.**

#### **Format of submissions**

The APPG welcomes written submissions. These should ideally be in word format and less than 2MB in size. Otherwise, they should be in accordance with the guidelines issued by select committees which can be viewed here: <https://www.parliament.uk/get-involved/have-your-say/take-part-in-committee-inquiries/commons-witness-guide/>

**APPG Secretariat  
9<sup>th</sup> November 2018**