

GM-1414-2024: Finance Committee request for information

- *Members discussed the update provided on the Minister's engagement with UK Financial Services Bodies and Banks [GM-1303-2024] and would request the following information;*
 - *Detail on the basis for the Minister's disappointment in relation to banking hubs, as referenced in the update;*
 - *If any review has been carried out on the impact of banking hubs; and*
 - *If there have been any identified outcomes of the one banking hub opened to date.*

Detail on the basis for the Minister's disappointment in relation to banking hubs

- At the banking roundtable held by the Minister of Finance on 1 May with senior representatives of high street banks and building societies here, LINK, Cash Access UK and UK Finance, the Minister discussed banking hubs, and expressed disappointment that only one local hub had opened to date locally.
- The Minister asked what action was being taken to expediate further roll-out here especially for those villages and towns left without a bank, given the Minister's deep concerns about the wider societal impacts that branch closures have on local communities, including our most vulnerable in society such as the elderly and those on low incomes.
- The sector provided an update on further plans for four new banking hubs to open in Comber; Newcastle; Portrush; and Warrenpoint.
- The latest position provided to officials from Cash Access UK is that all these locations are on track to be open by early 2025, as follows:
 - work at Portrush is set to commence in the Summer, opening in the autumn;
 - for Newcastle, work will commence on site in summer before opening in late autumn;
 - it is expected that work will start on site for the Warrenpoint hub in July before opening in the autumn; and
 - the hub in Comber will not open until early 2025 as the current landlord/tenant is in the selected premises until the end of October. It is expected that a temporary hub will be opened in the meantime.

If any review has been carried out on the impact of banking hubs

- Cash Access UK, the body who own banking hubs, published an evaluation of the original banking hub concept in December 2021, following research at pilot hubs in Cambuslang, South Lanarkshire and Rochford, Essex.
- Satisfaction levels exceeded 90%, with the evaluation finding that the pilot hubs became an 'anchor unit' in the town centres, encouraging people to stay and spend time and money.
- The evaluation concluded that the hubs offered a private and safe space, enabling people to transact discreetly; and allowed some people to deposit cash more often, which had stopped them going overdrawn.
- The hubs also brought social benefits and encouraged the elderly to shop independently, increasing their sense of independence and reducing isolation.
- These findings encouraged the UK's major banks to set up Cash Access UK to deliver banking hubs across England, Wales, Scotland and here locally.
- Cash Access UK has since published its first Annual Review¹, on 12 June 2024, on the impact of banking hubs, with 27 permanent hubs and seven temporary hubs now opened across the Britain and the North.
- The review indicated that over 90% of respondents found that the banking hubs were extremely important to the community, with more than 8 out of 10 customers stating that they would be likely to recommend banking hubs to others.

If there have been any identified outcomes of the one banking hub opened to date

- The one banking hub here in Kilkeel opened its doors on 24 November 2023. It is operated by the Post Office which has a counter to access cash services Monday to Friday, and where a community banker from the following banks is available at Kilkeel to undertake *transactions* or to discuss more complicated banking enquiries (*interactions*):
 - Monday – Barclays;
 - Tuesday – Ulster Bank;
 - Wednesday – Santander;
 - Thursday – Bank of Ireland; and
 - Friday – Danske Bank.

¹ [Cash Access UK - We've published our first ever annual review](#)

- DoF officials have engaged with Cash Access UK who have indicated that in the first quarter of 2024 the Kilkeel hub had:
 - 4,300 counter *transactions* and *interactions* with community bankers – 72% personal customers' over the counter *transactions*; 11% business customers' over the counter *transactions*; and 17% of visits were community banker *interactions (enquiries)*;
 - a total cash value of more than £1.1m *transactions* were made over the counter;
 - processed an average of 50 *transactions* per day. The highest daily footfall at Kilkeel was during December, with a daily average of 59; and
 - depositing cash is the most popular *transaction* at Kilkeel (36%), with an average of 15 deposits per day since opening; and 30% depositing a cheque.