

## **FSU opening remarks to the Northern Ireland Assembly Committee for Finance by John O Connell, General Secretary, Financial Services Union**

Thank you for the invitation to speak to the committee today.

The Financial Services Union (FSU) is the leading trade union in the banking sector in Northern Ireland and the Republic of Ireland. We represent members, your constituents in securing better pay and conditions in their workplace. Our purpose is to support, enable and empower members to achieve their career ambitions while leading the development of a sustainable, ethical financial services sector. We have a vision of a union that is at the heart of the financial services community, A union that is progressive and recognized for supporting, representing and enabling members while protecting the interests of consumers.

The last time we presented to the committee, Ulster Bank had announced it was exiting the retail banking market in the Republic of Ireland. As we mentioned at the Committee this announcement had the potential to have a direct impact on over 500 jobs in Northern Ireland whose role was to support Ulster Bank operations in the Republic of Ireland. I would like to thank members of this Committee and others across the political parties in Northern Ireland for their support in enabling us to save over 150 roles in Northern Ireland by working with NatWest to offer new roles to those staff impacted by the decision who wished to remain working in Ulster Bank.

Without your support this would have been much more difficult to achieve.

Today I would like to focus on the future role of retail banking, how changes made without proper consultation and agreement can have a detrimental effect on communities, staff and business and how a stakeholder approach to managing change can lead to better outcomes for all in a constantly changing environment.

The FSU called for a banking forum to be established in Northern Ireland back in 2020. We congratulated the former Minister for Finance Conor Murphy, MLA for agreeing at the FSU Triennial conference in Belfast in 2021 to create a round table discussion forum on the future of banking.

The first meeting involving all relevant stakeholders was a success with issues like access to cash, branch closures, banking hubs and financial literacy on the agenda. It resulted in a paper being submitted to the Treasury in London with clear recommendations to support the sector, its staff and customers.

The fall of the Executive shortly after meant no further round table discussions occurred but we are delighted that after our meeting earlier this year with the current Finance Minister, Caoimhe Archibald MLA, a resumption of the banking forum is to take place this November. This is an important and welcome announcement and gives us all a stage to set out our ideas and agree together what the future of retail banking should look like.

The issues we raised back in our last meeting with this committee are still as relevant today.

Despite the call by our Union, supported by politicians from all political parties and communities and businesses from across Northern Ireland, Banks are still closing branches and leaving communities bereft of local banking services.

Both Danske Bank and Ulster Bank have closed branches this year despite knowing that these closures will have a detrimental effect on vulnerable people and small business, in particular.

Post Offices are also closing leaving communities bereft of any financial supports.

The new hot topic is replacing branches with banking hubs. To be clear a banking hub is no replacement for a full working bank branch. Having an individual sitting with a laptop one day a week offering minimum banking services is not what is required for businesses or communities. Hubs can, like the Post Office complement the offering of banks but cannot replace them.

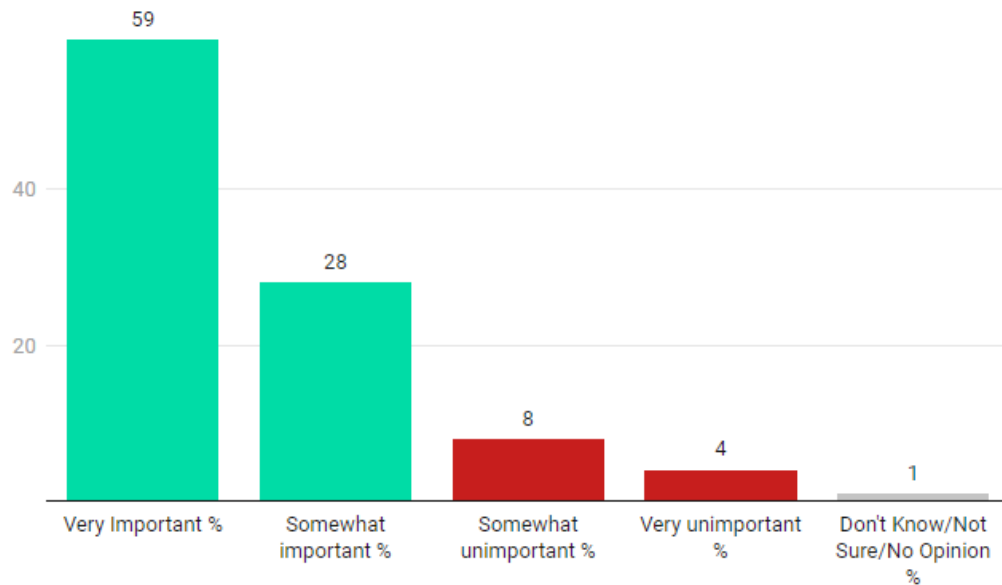
We understand that LINK is to also address the Committee. LINK is a bank funded initiative and should have clear criteria to operate with including that it is not a solution to closing more branches.

We would ask that LINK who have the responsibility to state whether a hub is required in a particular location are as part of their remit required to talk to local people and business to ascertain their views and prior to a decision.

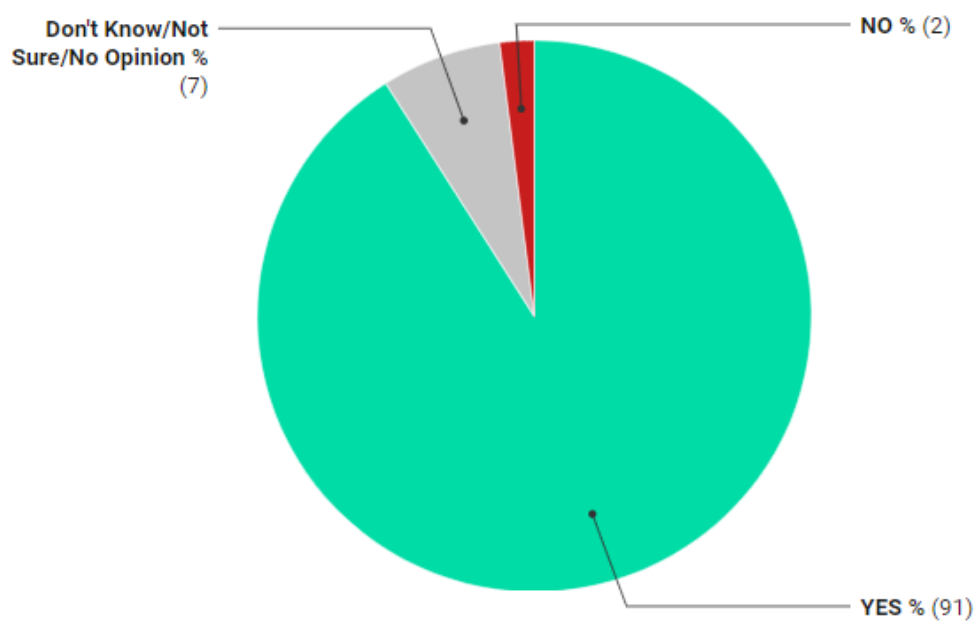
We would also ask for full transparency including that LINK publish their findings and present their findings to local Councils and on a regular basis are called in by this committee to explain their recommendations. It is in everyone's interests that we have a process that is fully transparent and inclusive.

Prior to the holding of the FSU Triennial conference in May in Belfast this year we partnered with the polling company Ireland Thinks and commissioned research into the views of people in Northern Ireland on several topics in relation to retail banking. We asked 3 questions.

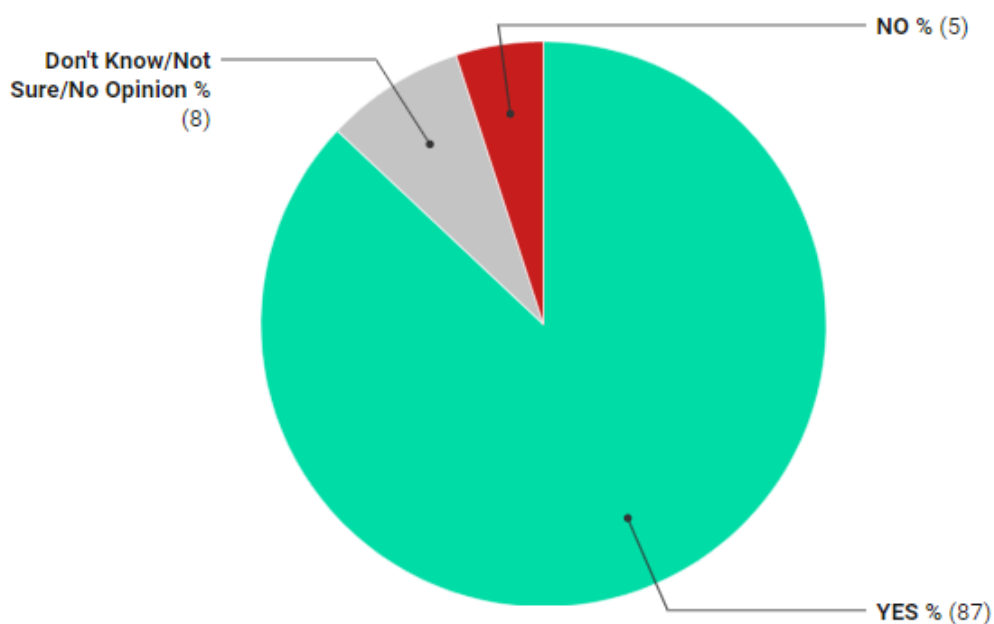
**Q1 “How important is it to have a local bank branch with face-to-face customer service to your local area?”**



**Q2 “As a consumer do you believe that you should have a choice of banking channel that you use?”**



**Q3 “Would you support a commitment from Banks to maintain current bank branch levels for a period of five years?”**



Retail Banking in Northern Ireland is evolving and changes to the structure and purpose of retail banking are taking place. It is our view, and this view is validated by the research that these changes are being implemented by the banks for the banks. The interests of consumers and staff come a distant second in banks priorities as profits trump all other interests.

The Financial Services Union want to see a thriving banking sector. We want to see a sector that is profitable and sustainable. We want to see a sector that rewards its well-educated staff, and we want to see a retail banking sector that is based in the community, looks out for business, advises and supports vulnerable people and offers a banking channel that people want to use. This is also what our members and the research tell us.

It is important to acknowledge that banks are starting to invest in some branches, but it is vital that they invest in all branches without exception.

A blended model of banking that has the user of the services at the core of its business plan, that is a model of banking that rewards its staff, that is a good place to work and is a model of banking that people can trust. As part of this blended model of banking the FSU would contend that Banking hubs are complementary to the existing banking structure and not a replacement for community bank branches.

We would ask for your support in calling for a moratorium on branch closures for the next five years. This will protect existing services and give us time to manage the

change that is coming with a focus on what's best for people, our communities and business. Nationwide (UK) and Commonwealth (Aus) banks have made commitments to maintain branch networks at current levels.

I would like to talk a little about access to cash and financial literacy. The new access to cash legislation is to be welcomed. It is something that was raised and discussed at the last banking roundtable meeting and something the FSU raised in subsequent discussions with the Financial Conduct Authority. Northern Ireland has a particular reliance as an economy on access to cash and we would like to see ATM's which have been removed over the last five years replaced and those areas of business which have gone cashless be required to accept cash as payment.

We would also like to see a financial literacy program funded and rolled out in communities across Northern Ireland. There is a large amount of people who are vulnerable to financial exclusion, who have no access to advice and support and who are open to financial manipulation and worse. It is our duty and the societal duty of the banks and legislators to protect, support and educate people on how best to manage their finances.

As mentioned earlier we are delighted the new Minister for Finance has reconvened the banking roundtable and we look forward to discussing these and other issues with all relevant stakeholders. A thriving banking sector which is inclusive and transparent is good for employers, employees, communities and business. That is an achievable aim if we all work together.

So members of the Committee, in summary, we ask for your support for,

- No branch closures for 5 years
- Government support for financial literacy education for consumers
- Transparency by LINK on the rollout of hubs
- A commitment to communities of access to banking services.

Thank you again for the invitation to speak to you today and I look forward to answering any questions you may have.

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