



Help! The last bank in town has shut

There has been a raft of bank closures across the UK in recent years, leaving many people without ready access to cash. We look at why banks are closing and how it is affecting local communities

BY STEPHEN LITTLE

Located just outside Eastbourne, Polegate has always been a popular place to live among pensioners.

New housing developments are also helping to attract young professionals and families to the area and there are plans to build more.

However, despite having a population of more than 8,000 and growing, Polegate no longer has any banks after Lloyds closed its branch there three years ago.

This leaves residents wanting to visit a bank with no other option than to travel to Eastbourne or Hailsham – both more than three miles away.

Lesley Stracey, who runs the local newsagent, says the closure of the banks has had a devastating impact on the town.

She says: “It has killed the whole high street, and everyone is struggling. People just go to bigger towns now, where there is a bank, and do all their shopping there. We have to travel to Hailsham with the

takings, which is quite dangerous. If the banks close there, we’ll have to go to Eastbourne, which would be crazy.”

Figures from the Office for National Statistics show nearly 6,000 local bank branches have closed since 2010 – a fall of nearly a third.

Until recently, Polegate had three banks but now they are all gone. HSBC closed in 2012, Barclays in 2015, while Lloyds shut its doors for the last time in 2016.

These bank closures mean the town is left with just two cash machines. Those who don’t want to travel outside Polegate have to use the Post Office or go online. Public transport and petrol are a further cost if people have to go to banks at Hailsham or Eastbourne, while traffic and parking can also be a problem.

Polegate high street – a tale of bank closures



 **HSBC**
HSBC Bank
Closed: 2012
Now: tanning salon

 **BARCLAYS**
Barclays Bank
Closed: 2015
Now: legal services company

“Now there isn’t a bank in Polegate, I go into town for my papers but that’s about it”

For many pensioners in the town, the closure of the banks has left them with an uphill battle to access the services and cash they rely on.

Angela Turner, 73, has lived in Polegate for more than 40 years. She says that she has no other option but to make the journey to Eastbourne or Hailsham as she does not feel online banking is secure enough.

Angela says: “I don’t trust online banking, not when you hear about all the [scam] stories.

“When I used to visit the bank in Polegate, I would do my shopping. Now there isn’t one, I go into town for my papers but that’s about all I do here.

“I still use cash, but the machines run out sometimes – especially at the weekend.”

It seems as if hardly a week goes by without one of the big banks announcing further branch closures.

Santander, Barclays, HSBC, Lloyds and RBS are all shutting branches, blaming rising costs as well as the shift to online.

A spokesperson for Lloyds Bank says: “We made the difficult decision

to close our branch in Polegate due to the changing ways customers choose to bank with us, which resulted in the branch being used less often. Customers can access their banking locally by visiting the nearby Post Office.”

Like millions of other people, Polegate resident Emma Mintrim banks online. The 35-year-old secretary says she can’t remember the last time she went into a branch.

She says: “If I can avoid going into a branch, I will – especially as you can now pay a cheque in on your phone.

“I do everything online now. You can move money that way and pay bills. For my generation, it is great but it can be more difficult for older people.”

Why are branches closing?

One of the main criticisms of bank closures is that they can lead to customers being financially excluded.

When banks close, elderly and disabled customers often struggle to access vital financial services, with those in rural areas the worst affected.

Already this year Santander has announced it is closing 140 branches – nearly a fifth of its network.

Last year, Royal Bank of Scotland said it was axing 216 branches, leaving just 54 branches in England and Wales.

In 2014, Lloyds Banking Group announced it was shutting 400 branches and added a further 49 to the list of closures last year. Barclays Bank closed 54 banks in 2017, while HSBC shut 222 branches the previous year.

The official line from banks to justify these closures is that with the increase in online banking fewer customers are now using services in branches.

A spokesperson for Barclays says: “With customers visiting our branches less and less each year, we must constantly assess how and why our branches are used and make decisions based on that insight.”

However, critics argue that the true motive for banks is to cut costs. Branches are expensive to run, so removing the costs of employing staff and running the premises can save a substantial amount of money.

David Clarke, head of policy at campaign group Positive Money, says that, despite what the banks

LLOYDS BANK



Lloyds Bank Closed: 2016 Now: building contractors



“Cash machines close at an alarming rate”

The limited provision of cash machines is becoming a serious problem too, especially in rural communities.

Free-to-use cash machines are closing at a rate of 250 a month because operators are removing unprofitable ones.

This has left towns and villages without access to banking services, hitting elderly and disabled people particularly hard.

There is some hope, though, as from the end of April companies operating free-to-use ATMs will receive up to £2.75 per cash withdrawal for cash machines in remote areas to stop further closures.

The extra financial support will be paid for by Britain's banks and is being introduced by Link, the UK's largest cash machine network. Around 1,000 cash machines will initially be eligible for the

support, with the number likely to increase, says Link.

Currently, Link pays the operators of free-to-use cash machines a 30p subsidy for each withdrawal.

There are around 50,000 ATMs in the UK. However,

as only 2% of cash machines will be eligible for this premium, thousands more could still be under threat.

Cash machine closures also hit small businesses as the subsequent rise in contactless payments forces them to absorb the cost of card charges or pass them on to customers.

Positive Money's David Clarke warns that when bank branches shut, they are taking their cash machines with them, hitting customers with a double whammy.

He says: “The rate of cash machines closing is alarming and risks leaving whole communities without access to money.

“It is happening because banks have lobbied for a reduction in the amount they pay to maintain in the ATM network. This trend is likely to continue unless the government steps in to protect the public's access to cash.”

say, there is still a strong demand for branches across all age groups.

He says: “The banks want to close branches as they see them as an unnecessary expense.

“Branch closures are disastrous for local communities and economies, and risk harming financial inclusion as they undermine access to customer services. This is happening not because of lack of demand from consumers but because banks are acting in their own interest.”

He thinks it is time the government stepped in to stop the rapid rate of branch closures.

Mr Clarke says: “There is no regulatory intervention that prevents a bank from closing a branch, even when it is the last one in town.

“As the majority owner, the government could use its power to ensure that RBS continues to provide branches to its customers. By selling RBS back to the private sector, it has missed a huge opportunity to reform our broken banking system.”

William Millis, who runs an antique shop in Polegate, agrees that it is time the government intervened.

He says: “The government needs to bring in legislation to stop all bank branches closing in a town so there is at least one bank left. Banks are the lifeblood of a town. If an independent bank opened up in Polegate, it would be hugely popular.”

What can I do if my bank shuts?

Banks often justify branch closures by pointing toward partnerships with the 11,000 Post Offices across the UK.

While this provides people with the opportunity to do their day-to-day banking, post offices only offer basic banking services, such as cash withdrawals, business deposits and balance enquiries.

For people who lack mobility or access to transport services, their only option is to go online.

According to research and statistics company Statista, the percentage of people who use online banking in the UK has doubled to 69% over the past 10 years.

However, many people do not have the option of going online or are worried by security issues.

“People are being forced to go online or to rely on others to do their banking for them”

Lucy Malenczuk, Age UK's senior policy manager, says: “We think the branch network is being run down prematurely, and people are being effectively forced to go online or to rely on other people to do their banking for them.

“We want banks to realise it is just not realistic to expect everyone to suddenly go online. It can be expensive and the interfaces can be difficult to use, especially with some age-related conditions. Banking online is also not an option for many people who are worried about security.”

Mobile banks provide another solution, but these make infrequent visits and are of limited use for businesses which need them on a daily basis.

When banks close, people become more reliant on cash machines. However, they are often unreliable and can run out of money, and some older customers can find them difficult to use.

If your bank branch closes, you can switch your account although this might depend on whether there is another bank in your area. **mw**