Call for evidence

Access to Banking Services Review

HM Treasury

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About this consultation

The Access to Banking Services Review, chaired by Richard Lloyd, was commissioned by HM Treasury to consider whether declining access to in-person banking services is causing consumer detriment, and the scale of any detriment, including to any specific groups of customers. This call for evidence is part of the input into the Review, which will report in autumn 2026.

Key points and recommendations

- **Age UK is very concerned about the significant reduction in banking services** that's occurred over recent years, which has led to significant detriment among older people, especially those who are digitally excluded or who are on low incomes and therefore rely more heavily on in-person services.
- **We firmly believe that legislation should be passed to put the provision of physical banking services on a statutory footing.** This should cover specified essential services, and should mimic the access to cash regime as being framed around distance and proportion of the population with access.
- **Key non-cash services that need protecting include receiving printed statements, opening accounts, dealing with bereavement, setting up third party access, and protection from scams.** There are several other services that people also rely on, these are explained more fully later in this response.
- **The time to act is now** – such legislation would effectively support what the banks are doing voluntarily already, but would put it on a firm footing over the coming years, during which we may see a change in commercial direction.
- **We continue to support Banking Hubs**, which provide a good solution for many people. Cash Access UK and the banks should ensure that Hubs fully replicate services that can be provided in a full-service bank branch.
- To protect services in the round, **other delivery vehicles may well be a part of the mix**, for example Post Offices, pop-up banks, and telephone banking services – however these will never be fully geared up to offer the full range of services in a secure and appropriate environment, meaning **Hubs are likely to be the centrepiece of future banking provision**.
- **Older people are heavy users of physical banking services and cash, and this increases with age.** Our research shows this increase is statistically significant compared to younger age groups. Other characteristics associated with greater use of in-person services include gender (women), living alone, and living on a low income.
- **Access to banking is important for people to manage their money, purchase essential goods and services, and socialise.** The main risk of further reductions in service provision is that those left behind will find it harder to live independently, get out and about and take a full part in their local community.
- **It is foolhardy to expect many physical service users to convert to online banking.** Notwithstanding the difficulty of teaching people the right skills, a fear of

scams and lack of redress when they do occur dissuades people from going online. 75% of over 50s worry about scams sometimes or often.[i]

- This pattern is not solely down to age. **People of all ages living on low incomes are less likely to bank online and rely on in-person services for budgeting and other reasons.** This issue will never completely disappear, making it imperative to protect in-person services.

About Age UK

Age UK believes every older person should be included and valued. We're working locally, nationally and internationally to change the way we age. Together with our partners, we're changing the day-to-day experience of getting older through essential services and local support. In the UK, the charity helps more than seven million older people each year by providing advice and support, including through our national advice line and our friendship services. It also researches and campaigns on the issues that matter most to older people, aiming to put older people at the heart of public policy and shift the way ageing is treated and represented.

Introduction

Age UK welcomes the opportunity to contribute to the Access to Banking Services Review.

We recognise that the way people access banking services is changing rapidly. Many consumers value the convenience and flexibility offered by online and mobile banking and are happy to conduct most of their financial affairs digitally. However, it is vital that changes in banking provision do not leave behind those who are unable, unwilling, or insufficiently supported to use digital services.

A significant minority of older people still rely on branches or a Post Office to manage their money. Our research, conducted in 2022, found that 27% of the over 65s still banked mainly in person, rising to 58% of the 85+ age group. The demise of banking services has significantly affected these people's ability to manage their money, which can have knock-on implications for their ability to get out and about, socialise and play an active role in their community.

In comparison, 58% of over 65s banked mainly online, i.e. over the internet or an app. While even among older people most are still able to use the internet, this only heightens our concern that those who do not are more likely to be left behind – with less demand on in-person services, it becomes more difficult to provide them and the commercial case becomes harder to make.

This issue will not be going away. Although numbers wanting to mainly bank in-person will shrink, we believe there will always be a significant minority who will need these services – being able to manage your money is essential if people are to take a full part in society and avoid financial hardship.

One person who contacted Age UK seeking help for their mother asked us:

> *"My elderly mother is worried as her bank has closed the local branch. She is not in good health and rarely leaves the house. She informs me she has a savings account and a current account with them. She wants to transfer the savings to her current account so she can access her monies when she needs to use her debit card from the current account. Mum is hard of hearing and avoids the telephone. Mum has no knowledge of the internet and therefore no online bank account access. My question is please – what can I do to help her?"*

All this and more is documented in our policy report, '"You can't bank on it anymore": the impact of the rise of online banking on older people', available on our website.[ii]

As the UK's population ages, ensuring continued access to banking services will become increasingly important. While many older people bank online successfully, others face barriers including disability, poor health, cognitive impairment, low confidence, a lack of digital skills, poor connectivity, or concerns about fraud and scams. These barriers cannot simply be overcome through encouragement to bank online. Millions of people are being left behind by the direction the banking industry has taken over the last few decades.

At the same time, we believe the debate is often framed too narrowly. Access to banking is not a simple binary choice between face-to-face banking and digital banking. In reality, consumers use a range of channels and often move between them depending on their circumstances and needs.

Different channels work for different people at different times. For example, a person may primarily bank online but still need face-to-face support following a bereavement. Someone who cannot use online banking may rely on telephone banking for routine transactions but need branch support to resolve a complex problem. A customer may use a local Post Office for cash deposits but require specialist advice from their bank for a mortgage or a vulnerable-customer issue.

The question for policymakers is therefore not whether digital services should replace face-to-face banking, but how to ensure that consumers continue to have access to the right mix of channels and services when they need them.

Consultation questions

1) Customer Needs and Use of In-Person Banking Services

1.17 What specific in-person services remain essential?

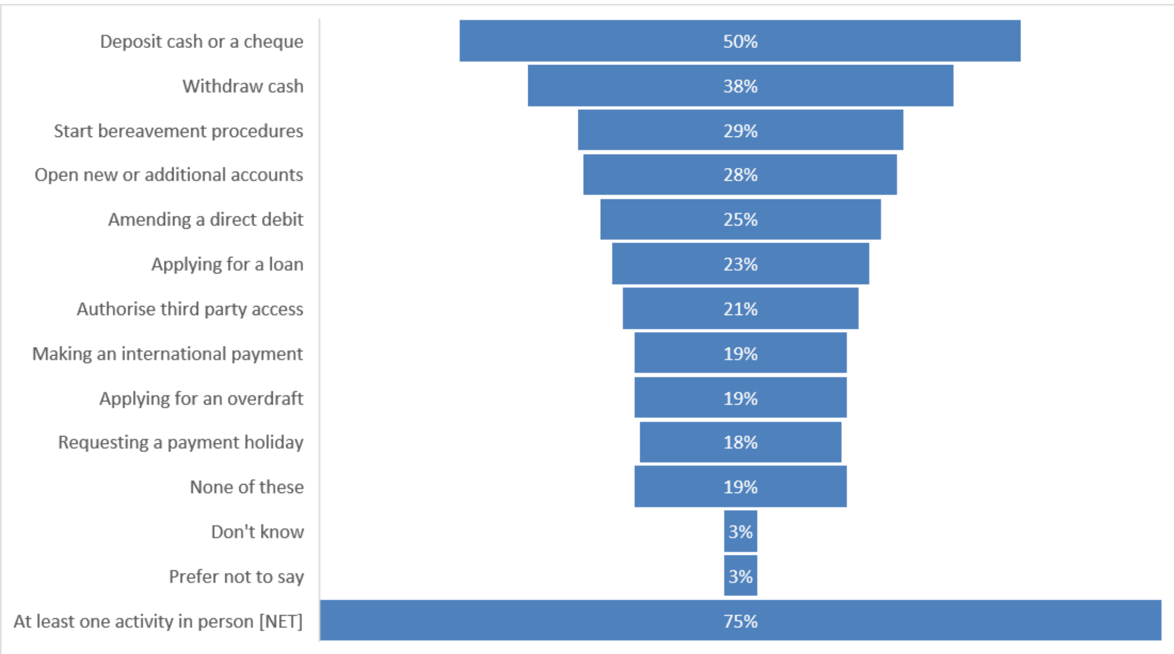
1.18 Are there any services for which digital alternatives are insufficient? What are they?

1.19 What are the benefits of being able to access banking services in-person?

1.20 Are there any differences between personal and business in-person banking service needs?

Many older people continue to use branches and physical banking services, in spite of the industry's efforts to close branches and reduce the infrastructure. The recent research by WPI Economics found that 81% of people have accessed in-person banking services in the last two years, and 48% do so monthly.[iii]

Our research with the 65+ age group (mentioned above) asked about different services that people would prefer to do in person, shown in the chart below. 75% of people want to do at least one service in person, while only 19% don't require this form of banking.



Depositing cash was by some distance the most-required service, while other key services we asked about include starting bereavement procedures, opening accounts, and amending direct debits.

We also draw the Review's attention to the work of the Community Cash Advisory Panel. This panel was set up to evaluate the criteria used by LINK to assess and open new

Banking Hubs as well as the process which LINK followed. Age UK was a member. The Panel's 4th opinion was published in June 2024.

This opinion highlights certain services which the Panel believed were of great importance to banking customers, and which should be able to be carried out in a Banking Hub. Firstly, the opinion recognises that the banks had already agreed to provide the following services in a Hub:

- Notification of bereavement
- Fraud support
- Identification services
- Power of Attorney
- Money / Debt advice
- Registering a complaint

Secondly, the Panel identified three priority non-cash services, which should also be delivered within a Hub.

- Account opening
- Getting a printed mini-statement
- Changing a recurring variable payment or Standing Order

The Review could also gather specific evidence on what services different groups of vulnerable customers rely on. For example, one group with an urgent need for banking is people fleeing domestic violence – this is not reflected in the above list but we believe would be an important addition. Similarly, some ethnic minority groups may have a greater need for certain in-person banking services.

We also note the importance of banking services for small businesses, and believe protecting their ability to bank is also extremely important – the alternative is that businesses are forced to stop accepting cash, having a knock-on impact on the community.

Age UK believes the delivery of these services should be put on a statutory footing. The delivery model itself matters less, whether through branches, a Banking Hub, a Post Office or something else, but it is clear that there is a significant demand for such services and the Government needs to act now to protect them.

We recommend the Review, and ultimately the Government, takes this opportunity to pass legislation to mimic the access to cash regime. We suggest a starting point is that key services are available to 95% of the population within three miles in rural areas and one mile in urban areas.

This distance could be altered depending on the evidence gathered, such as transport links (poor public transport makes it difficult to travel to a bank in some parts of the country, even if it might technically be within a certain distance), but this type of regime should be the basis for banking services as well as cash.

There should also be minimum standards for the provision of services. Privacy and security are paramount, and only a place that can deliver on this should be allowed to operate. The standards should also take account of

- Local demographics, including age
- Levels of digital exclusion
- Disability prevalence
- Rurality
- Transport connectivity
- Access to cash

Age UK has long supported Banking Hubs (and we have been involved with their establishment through the Cash Action Group) and we continue to do so, however **Hubs should deliver a service that exactly replicates what can be delivered in a branch.** The banks must invest in their back-office systems and anything else necessary to make this a reality as soon as possible.

There is also a strong case for looking at other channels, in particular telephony. We believe this is often neglected, and although our research found that only 7% of over 65s use it as the main way they bank, it's highly likely that it's used as a back-up option, and perhaps an alternative to travelling to a branch, by many others, especially those who have limited mobility.

2) Groups Requiring In-Person Access

There is clear evidence that older people are strong users of banking services. Our research found four demographic factors that led to a statistically significant likelihood of being more reliant on in-person banking services:

1) Age – the older someone is, the more likely they are to bank in-person
2) Gender – women are more likely than men to use such services
3) Living alone
4) Living on a low income

We would primarily like to draw the Review's attention to an important point – options. Much of the rhetoric from the regulator, Government and industry has been about in-person services only needing to exist to service the needs of people who are totally reliant on them. This is an unhelpful way to frame the debate, as many others who may typically bank online have an occasional need to visit a branch, Hub, or Post Office. Having the choice to bank in-person is very important to a great many people (as noted above, the WPI Economics evidence shows 48% of people have banked in-person within the last two years). Also, 82% say it's "important" for them to be able to access at least one in-person service in future, while 76% believe there should always be a choice between in-person and digital banking – it is for more complex issues where this will be most required.

We agree that Post Offices could play a role in future service delivery, as they are conveniently located and have a brand trusted by older people. However, the current services delivered by Post Offices revolve around cash access and deposits, and there is a big leap necessary for a standard Post Office to offer other services. Much in-person banking necessitates a secure and private space, which would require significant upgrades to the Post Office network to deliver. While there is potential for Post Offices to play a role in some areas, we believe it most likely that future in-person service delivery will be centred around Banking Hubs.

It is imperative that the Review does not buy the conventional argument that we can simply get everyone online, which is deeply flawed. Some people, including segments of industry, often argue that pushing people towards online options by removing face-to-face services, coupled with a degree of inclusive design to enable more people to use online solutions, will solve all problems. This could not be further from the truth, both for people who are totally reliant on physical services and those who need them from time to time as an option.

Age UK analysis of the ELSA dataset shows that 30% of older people in England have *not* managed their finances online during the last three months.

There is a significant and clear gap in this 'online-first' approach, and unmet need. In-person services are essential, and we reiterate that this is a once-in-a-lifetime opportunity to put them on a statutory footing.

Some argue that the best solution is to upskill older people so they can use online banking. While some will be able to given the right training, equipment and time, there are many more who would struggle or never be able to do this. Notwithstanding the difficulty of teaching people the right skills, a fear of scams and lack of redress when they do occur dissuades people from going online. 75% of over 50s worry about scams sometimes or often.[iv]

This pattern is not solely down to age. People of all ages living on low incomes are less likely to bank online and rely on in-person services for budgeting and other reasons. This issue will never completely disappear, making it imperative to protect in-person services.

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[i] https://www.ageuk.org.uk/siteassets/documents/reports-and-publications/reports-and-briefings/safe-at-home/scams-prevention-and-support-programme-report---empowering-older-people-in-a-fraud-epidemic.pdf

[ii] https://www.ageuk.org.uk/siteassets/documents/reports-and-publications/reports-and-briefings/money-matters/the-impact-of-the-rise-of-online-banking-on-older-people-may-2023.pdf

[iii] https://corporate.postoffice.co.uk/media/n4yomw4v/wpi_postoffice_delivery-in-partnership_june-2026.pdf

[iv] https://www.ageuk.org.uk/siteassets/documents/reports-and-publications/reports-and-briefings/safe-at-home/scams-prevention-and-support-programme-report---empowering-older-people-in-a-fraud-epidemic.pdf