

Banking Hub Community Guide



January 2022

We have put this guide together in response to requests from communities. We hope it will explain what the Banking Hub is (and isn't), and what you can expect to happen over the coming months.



To discuss the process or content of this document further, please contact Mark Essex.

mark.essex@ukfinance.org.uk

1. What is a Banking Hub?

The idea of shared spaces or branches serving the customers of multiple banks has been around for a long time, but it has never been run at scale. We have had two pilot Banking Hubs running throughout most of 2021, and the best way of discussing what a Hub is is to describe these two pilots.

In 2021, for two pilot locations, Cambuslang (Lanarkshire) and Rochford (Essex), we worked with the local community, all the major banks and the Post Office to establish a shared space. In both locations, we identified and took over a small, empty shop in the centre of town, and refitted it to create the feeling of privacy and security, in keeping with a bank branch, while still being welcoming and accessible.

The Post Office established and ran a dedicated banking counter in each Banking Hub, with different branding from their standard offering, and not taking post or parcels but simply supporting cash and banking transactions, to standards already agreed between them and the banks.

In each Hub we also created a private room with frosted glass panels for a trained banker to meet their customers (referred to here as “Hub Bankers” as each bank gives these team members different titles). We established who the five largest banks were in terms of market share within each location, and those banks all agreed to support the service for one day a week, taking turns to staff the private space. However, because the Post Office counter served virtually all banks, any customer could use the service when it was open. In Rochford we added an automated deposit machine (aimed at small businesses) which allowed the deposit of notes without needing to go to the counter. Both Hubs were open 9am to 5pm, Monday to Friday, and having taken customer soundings before opening the Banking Hubs, we made the services completely ‘drop-in’, available without appointments.

Having received excellent feedback from these pilots, we now have agreement from all of the major banks to roll out the concept where it is needed, particularly in areas which aren’t receiving the support they need from other services.

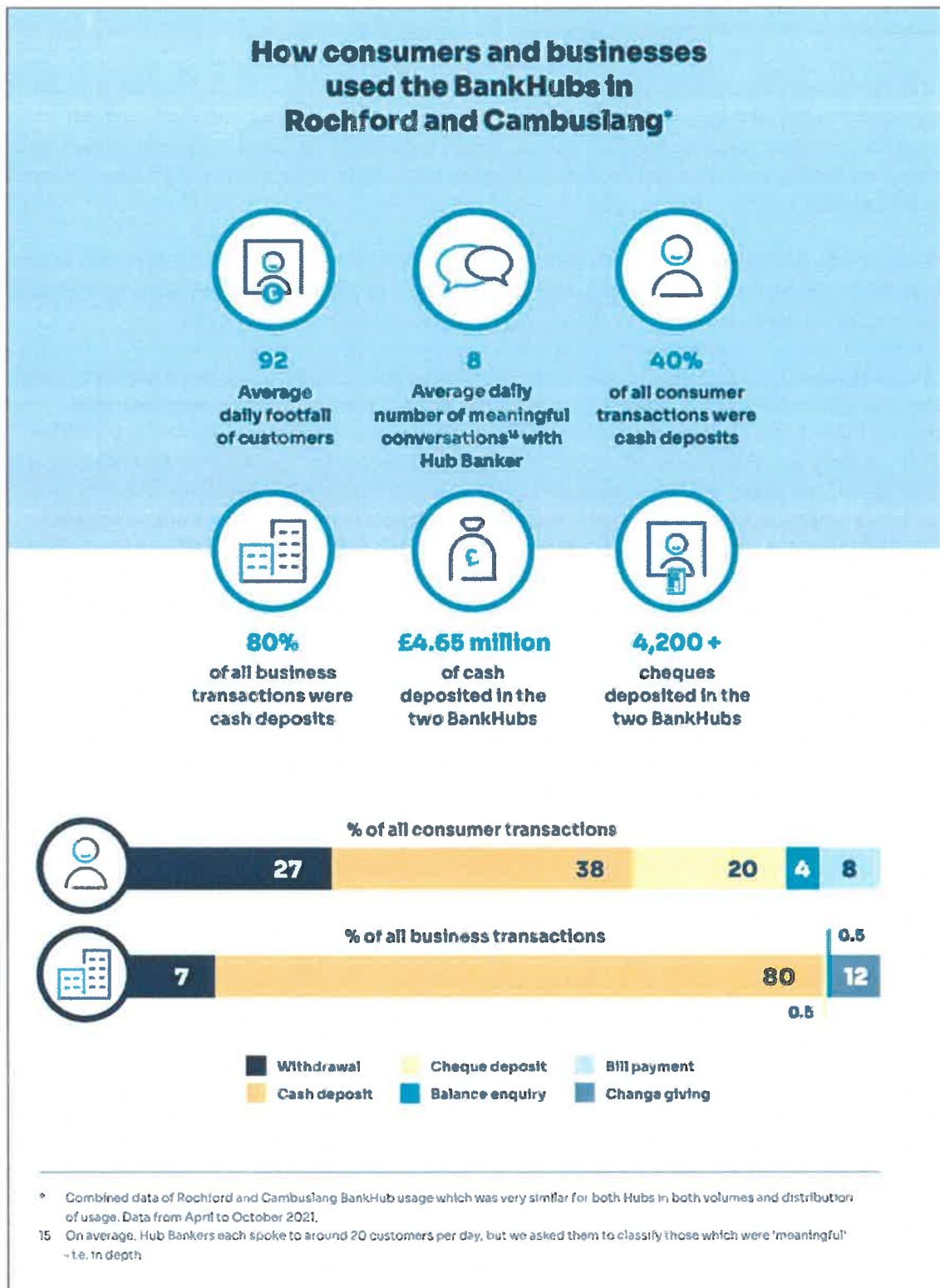
2. Who uses the Banking Hubs?

Our two pilot Hubs were used extensively by both small businesses and consumers. The counters were used for a wide range of transactions, and consistently in both locations, despite the big differences in community characteristics. Deposits dominated, representing almost 40% of all consumer transactions, and almost 80% of small business transactions. There were a significant number of cheque deposits in both locations, representing 19% of all consumer transactions.

The role of the Hub Bankers was also important in the two pilot sites. Before the Hubs opened, the communities told us that face-to-face support was likely to be important, with over 50% of customers saying that they would definitely or might use face-to-face support. In response, we established a service whereby one banker from each of the most-used banks came and offered drop-in support for one day a week. The Hub Bankers were consulted on a wide range of issues.

The main issues raised were around ongoing account management – everything from people not knowing how to make a transaction online, to being locked out of their account or not knowing how to deal with a particular concern. Asking for help to transfer money was a common theme, with many customers concerned about making a mistake and losing their money. A number of customers

(around 10 each month) asked for help to start using online banking or an app, with others (around one per day) already online banking users asking for help to do something online. The Hub Bankers themselves felt confident that they were not just supporting customers with their current needs but were also taking the opportunity to raise people's financial capability and to give people confidence to do more themselves.



3. What's the difference between a Banking Hub and a Post Office?

This is one of the questions we have been asked most often – by the media, local residents and stakeholders. One way of viewing the Banking Hubs is that we were simply replicating the services of any Post Office counter found in 11,500 locations across the UK, putting it in a new location, and adding the face-to-face services of a banker for those who needed it.

However, consumers told us that the privacy and secure environment offered by the Hub made a huge difference. For many, managing money is complex, serious and intimidating. And although Post Office counters can do a wide range of transactions, not all Post Offices have the space to create the environment that some customers need. One consumer summarised this in a way which spoke for many, telling us that they “find it really stressful paying in a small amount of money in a Post Office when I've got a queue behind me of people with parcels who are tutting at me for going so slowly”. Our surveys highlighted that the issues with the local Post Offices in both Cambuslang and Rochford related to the privacy of transactions, safety of the location and time taken to be served, and not the capability and friendliness of the staff. Creating a dedicated and private space for consumers to manage their financial transactions was well received.

What we also found in the pilots was that the Banking Hubs did not threaten the viability of local Post Offices. The local Post Offices saw virtually no change to their usage when the new Banking Hubs were introduced. Instead, the Banking Hubs served people who had largely been using other services.

4. What's the difference between a Banking Hub and a Bank Branch?

A bit like Post Offices, Bank Branches also come in all shapes and sizes. What we are trying to create in the Banking Hub is an environment which feels like a friendly, local but secure and private bank branch – but which works for customers of all banks.

Like many local bank branches, the Banking Hubs will not be able to do everything that a large, centre of town bank branch can. The counter service will cover most transactions that people want to make (see next section) and be open to the customers of all of the participating banks (which is the vast majority of UK banks). In addition, the banks who have the most local customers will also take days in the private space, offering conversations with customers of that bank, on a drop in or appointment basis. Each bank will offer the services that it wants to offer – based on what you tell us you need. That means that the 'Hub Bankers' should all be able to help with issues such as getting locked out of accounts, needing help with a transaction, getting stuck with a personal banking issue, or wanting help to get online. Most should be able to help with more complex issues such as setting up a power of attorney. But most banks will probably not offer specialist services such as mortgage advice. Each bank will develop its own services according to what its local customers need.

5. What services will the Banking Hub have?

The Hub will have a counter service which will serve the customers of virtually all banks, every day that the Hub is open. This counter service will just deal with financial issues, and both small businesses and consumers will be able to:

- Deposit cash
- Deposit cheques
- Pay bills
- Make withdrawals
- Check account balance
- Change Giving (registered business customers)

Although the counter service will cover the customers of virtually all banks, the thresholds on certain transactions (such as how much you can withdraw or deposit each day) may vary by bank, as each bank specifies its own limits.

The Hub Banker service will be provided by a range of banks based on the needs of your local community. Typically, each bank will be present one day a week. The services that they offer will differ – each bank will develop its own offer for your community. But all will cover basic banking advice and be able to either support customers directly with their banking query or refer them through to someone who can deal with someone more specialist.

The two pilot sites were open 9-5pm, Monday to Friday, as those were the hours that the two pilot communities needed the service. We will work with you and your community to understand what you need.

6. How will the community be involved?

We want to work in partnership with your community to establish the service. Although we know what a Banking Hub is, we want to make sure it is operating in a way which best serves your community. And you know your community better than we ever will.

What would help most is if you could identify 1-3 people who are willing to be the 'lead' for this project in the community. For the two pilots where we deployed the first Banking Hubs, the leads we worked with were all local or community councillors, but that doesn't have to be the case. What we really need are knowledge of the local community, a good local network (of businesses as well as consumers), willingness to go out and get views and feedback, and a bit of time to work with us to test ideas etc. A local business rep (such as from the Federation of Small Businesses) will be able to help represent the business community, and engaging those who support low income consumers (such as local debt charities or Citizens' Advice) will also add valuable insight.

7. Setting up your Banking Hub is likely to go as follows:

Month:	Objective:	What will happen:
1	Understand your community's needs	We will work with you to arrange (virtual or face to face) focus groups involving local small businesses or their reps, and key community leaders to understand your needs. We will prepare and issue a survey (which we'd like you to help promote) to get business and consumer feedback which can inform the services the Hub will provide.
2	Identify the location	We will work with you to identify a suitable location. We will then start the process of getting a lease agreed and the refurbishment specified
3-6	Develop the services	Once we know what you need, we will work with the banks to agree with them how they will staff your Hub. We will also work with the Post Office to agree who will run the counter, and what services they will operate. In parallel, we will be getting the required planning permission or other legal requirements to get the Hub set up. Some of the infrastructure can take some time – for example, Broadband cables can take up to 4 months to get installed by BT.
6-9	Open and promote your Hub	We aim to open each Hub within 9 months of announcing it – sooner if we can – the challenge is usually the building works. Once it's open, we will need your support in promoting it, and help people get the most of it.
6-12	Evaluate and improve	We want to keep the Hubs developing, so that they meet your needs not just now but into the future. So we will monitor what services are used, regularly get feedback from the community (working with you) and discuss what's working and what's not.

8. Where will my Banking Hub be located?

We need to find a site for the Banking Hub which works for the community and which is suitable space.

The ideal property specifications are as follows:

- Minimum 80 sqm (866 sq ft) floorspace in total (ideally closer to 90sqm / 1000 sq ft). This overall space will require c.60 sqm front of house and c30 sqm back of house.
- Minimum 7 metre wide facia.
- Ideally square or rectangular shaped floor, although L shape with back office around the corner may also work.
- Ceiling height of at least 2.75 metres, ideally with a false ceiling grid.

The characteristics of the site should include:

- Able to be secure (as it will contain cash)
- Accessible (no steps)
- Centrally located for both small businesses and residents
- Ground floor, with suitable professional neighbouring properties and first floor tenants where applicable. Preferably not private residential on first floor above.
- Ideally requires minimal refurbishment (a site which has previously been used for a banking service would be ideal, but is not essential)
- Nearby parking ideal
- Is affordable

We will work with you to identify a suitable site against this criteria.

9. Which banks' customers will it serve?

All of the major retail banks are signed up to this initiative. The counter service will support virtually all banks. The Hub Bankers will represent the banks who support the most consumers and small businesses locally (which we will find out through research in our first few months).

10. Will the Banking Hub be here permanently?

It is impossible to promise that anything is ever permanent, as needs change, and the High street changes. However, we will commit that the Banking Hub will be in place for at least 2 years from the point it opens. The best way of keeping the Banking Hub is for it to be well used!

11. Can I get some support and advice from communities who have done this before?

The pilot communities have found the Banking Hub experience to be very positive and have learned many valuable lessons along the way. Community representatives from the pilot locations are happy to share their experiences, along with practical advice on how they supported the process through gathering local insight, identifying properties, and promoted the Hub locally.

To take advantage of this support, please contact the Cambuslang community representatives via cambuslangcomco@aol.com