

Anthony Browne
Chief Executive
British Bankers' Association
Pinnars Hall
105-108 Old Broad Street
London
EC2N 1EX

11 August 2015

Dear Anthony,

BRANCH CLOSURES

Branch closures continue to be a matter of concern for consumers and small businesses in affected communities.

We fully recognise that decisions to close branches are ultimately commercial, and that banks must be able to adjust their networks to reflect changes in customer behaviour and maintain profitability. However, it is important that closure decisions are made responsibly, and that efforts are made to provide adequate alternative banking arrangements reflecting local circumstances – including small business needs – before a branch closes.

In this light, we welcome the work that the BBA and the banks undertook with consumer and other representative groups to agree the *Access to Banking Protocol*. We regard it as an important means of building public confidence in the fairness of the banks' approach. We expect continued Parliamentary and media interest in the operation of the protocol and we are looking to the banks to ensure that the process that it sets out is followed through, including the preparation of meaningful local impact assessments. There is a commitment to a review of the operation of the protocol after one year, and we look forward to its conclusions. We would appreciate an update from the BBA on progress towards the appointment of a reviewer.

The availability of alternative locations where the banks' personal and business customers can access basic banking services is an important element in ensuring continued access to services. This is why the work the BBA and Post Office started last year to agree a standard set of services – to be made available to bank customers at Post Office counters across the country – remains vital.

It was agreed that the banks and Post Office would work towards agreement on 'heads of terms', including a new contractual framework, and the industry would report back on plans to give further publicity to the services that are already available. We appreciate that efforts continue to be made on this matter. However, we are concerned at the pace at which advances are being made, and keen to see concrete progress in relation to publicising the services that are already available.

While we understand that these are commercial negotiations that will need to be conducted thoroughly and without intervention from Government, we wish to make clear that completion of this work should be a priority. We would welcome an update from the sector, including a clear timeline for the conclusion of negotiations and the introduction of new arrangements.

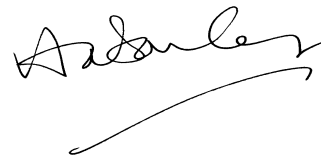
Finally, the previous Business Secretary and Economic Secretary asked the BBA for the industry's view on the viability of shared branch arrangements. We expect that that work is now well advanced and look forward to hearing its conclusions.

It would be helpful to have a response on the issues raised above before the end of September.

A copy of this letter has been sent to the chief executives of the banks who are signatories to the *Access to Banking Protocol*.

Handwritten signature of Harriett Baldwin in black ink.

HARRIETT BALDWIN

Handwritten signature of Anna Soubry in black ink.

ANNA SOUBRY