

Response to Provisional Decision received from Forum of Private Business, 18 August 2025

Having read the provisional decision, I agree with a lot of the comments, but do think one area has not been addressed in enough detail and that is customer service.

Until quite recently the bound banks all had better access to their small and micro business customers, providing face-to-face tailored service via the large number of branches they had and the provision of business managers who were originally in every bank branch. Over the years this level of service for small and micro business customers was reduced as was the value the bound banks placed on these small and micro business customers.

Technology was supposed to enhance service not replace it and as the level of service provided through the bound banking sector reduced so the difference between them and the new emerging online banks also reduced. The pandemic was a tipping point when many of the small and micro business owners went to their bank for Cbils or bounce back loans, in doing this it became obvious to them that the big banks they were customers of didn't know who they were let alone what they did, and they had to go through long application processes and in some cases offer personal guarantees in order to get financial support.

As a result of their experiences during the pandemic many chose or now choose to move their banking to the new challenger banks, who in many cases now offer a better simpler service, so while the other issues you chose to address may be true, one of the main issues is that the bound banks have shot themselves in the foot, by reducing their level of tailored face to face service, (branches have closed but promised banking hubs have not appeared, many that have are in local libraries with a member of staff, a briefcase full of forms and a computer), poor sector support and closed branches, they have reduced the main point of difference between themselves and the challenger banks.

This certainly reflects the feedback I am receiving from the Forums 18,000 small business members and the 1.2 million microbusinesses represented by the micro business alliance.

I hope the feedback is useful.