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We used to be told the local shop was dead, is it true for the local bank?

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A few years ago I remember reading the local supermarket/corner store was in real trouble. With the birth of internet shopping we would all be zapping away ordering our groceries online and getting them delivered with little need for the corner store. We might do a big shop once a month and the supermarkets were all building big new out of town superstores to handle this. Big was beautiful for supermarket shopping.

But things have changed, A quarter of UK supermarkets granted planning permission during the past five years have either been cancelled or mothballed with plans for 97 new stores being abandoned or have stalled out of the 400 supermarkets approved by local authorities since 2009.

Morrisons started the year with 12 'M Locals' – smaller local stores, but by the end of the year it will have 100 and by 2015 it is targeting circa 300. This is already well behind Tesco and Sainsbury's. Tesco has more than 1,930 Tesco convenience stores in the UK while Sainsbury's has 541 Sainsbury's Locals.

We read continuously in the press about banks closing branches down as we all move to more and more digital banking, of course with the odd exception such as Virgin and especially Metro Bank who are fast opening branches. The Campaign for Community Banking Services predicts the UK's 9,500-strong branch network will plummet to 7,000 by the end of 2018. Whether their harsh predictions are true what can be said is that so far:

- HSBC is down from 1,668 to 1,170 so closed 49 to date
- Barclays is down from 2,129 to 1,515 so closed 614 to date

And the trend overall is certainly in one direction.

So with new research just out from the Payments Council that has found that one in five of UK adults don't want to bank online; they found 20 per cent of people (approximately 8 million adults) who have a bank account and internet access expressed no interest in online banking on their main account. This was particularly pronounced amongst older groups – only one in six over 65s who were not using internet banking said they would be interested in doing so. The most common reasons for lack of interest are a preference for doing banking face-to-face (30 per cent), finding their current banking method convenient (27 per cent) and security concerns (26 per cent).

Back to grocery shopping, and data from the Association of Convenience Stores [ACS] show that a quarter of over 65's visit their local food shop every day, while 59pc of all shoppers visit convenience stores more than once a week.

Could this bode well for Tesco as it moves more into banking with the ability to bank in your Tesco Local it would appear so except this seems not to be the strategy with Benny Higgins, CEO of Tesco Bank stating that branches are a thing of the past and that customers will be able to pay in cheques and cash at 300 Tesco stores, but otherwise they will be using a newly designed app and the web to move their money around.

Could after all it be said that the Post Office is in fact ahead of the game, in that years ago it created your local Post Office as part of your local store. In fact this has now gone even further with in many local Post Offices the whole secure counter area being removed and the Post Office being moved up to the front of the store where the checkout till is located, not more secure glass area with extended opening hours to match those of the grocery store.

Or is it that the 'Big Branch' model traditional banks have been offering is wrong, perhaps what is required is more of a 'local branch' just like the supermarkets have discovered shoppers do not always want 'big is beautiful' there is a significant proportion of current UK Bank account holders who just want a small, simple local branch to visit.