



Mr Stride, Chair of the Treasury Committee

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Dear Mr Stride, Chair of the Treasury Committee

Thank you for your letter of 15 July about bank and building society branch closures. As well as answering your specific questions, I wanted to explain Nationwide Building Society's wider approach to branches and how this differs from others.

Nationwide is not a bank, but rather a building society owned and run for the benefit of our 16 million members – who are also our owners. As such, we have a different point of view from many of our competitors when it comes to branches. At Nationwide, we do not believe that the future of serving members is a binary choice between face to face or online. Additionally, we believe that our members continue to value the human touch – even in a digital age. Our approach has therefore been to transform how we serve members with the aim that we can keep branches in our communities in the long-term.

To demonstrate this commitment, we made a very clear promise that *"if we currently have a branch in your town or city, we'll still be there until at least January 2023"*. We made this promise in February 2019 and renewed it in November 2020. As a part of this, we've always been clear that there will be times when we need to close a branch, but that we won't leave a town or city unserved by Nationwide.

The results of this approach are evident; between 2015 and the end of 2020 Nationwide closed just 5% of its branch network. In the same period the number of branches across the sector reduced by 32%. This is a very dramatic difference. We've also continued to invest, spending over £225 million to upgrade more than 240 branches since 2017.

At the same time, as I hope you can appreciate, we have to respond to the profound changes in how consumers want to access financial services. Increasingly our members are choosing to interact with us in ways which are not just face to face in a branch. The use of telephone banking, virtual appointments, digital messages, online and mobile app services have grown significantly in recent years.

Given these changes, we must consider what's best for our membership in totality. For example, for branches requiring significant investment, and where there are newer branches nearby, we must consider whether it's best to keep them open or to close a branch in an area which is well-served and use that money to enhance and retain branches elsewhere, where there is lower provision.

Finally, to keep our presence on the high street, we're innovating to allow us to support more of our members in the ways they want, whilst keeping a physical presence in members' local community. In these pilot branches we'll remain open as normal at the busiest times of week. When we know our branches are quieter, our doors will shut but our colleagues will be supporting more of our members via phone and digital. We think this is a more mutually supportive way to help all our members, while providing a long-term role for the branch. We increasingly think of our branches as 'services centres on the high street' that are equipped to serve our members on the phones or through the internet – as well as those who are passing and choose to drop in.

I hope this sets out our different approach to branches and the crucial role they play. I have answered your specific questions in the appendix.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Joe", with a horizontal line underneath.

Joe Garner  
Chief Executive

## Appendix: Response to questions

### **1) Your current number of branches.**

At 19 July, Nationwide has 643 branches – 556 in England, 45 in Scotland, 29 in Wales and 13 in Northern Ireland.

### **2) Your number of branches are the “last branch in town”.**

At 19 July, Nationwide has 30 “last branch in town” branches

### **3) Your number of mobile branches.**

Nationwide does not have any mobile branches.

### **4) What plans you have to maintain those branch numbers for the next three years**

We have announced 14 closures which will be taking place {} this year.

Nationwide remains committed to its branch network and our branch pledge is in place until at least January 2023. Over the next three years we will continue to review our estate to ensure that it is fit for purpose and aligned to our members’ changing needs and usage.

### **5) The factors you consider when deciding to close a branch.**

When making the decision to close a branch Nationwide considers a range of factors. We thoroughly review every closure in terms of the number of impacted members, how many members have visited over the past five years prior to Covid, vulnerability, proximity to both the nearest branch, other branches in the nearby vicinity and what’s the best use of the Society’s money for all members. We also scrutinise it against our Branch Promise.

### **6) The consultation process you go through when you close a branch.**

Nationwide takes its communication with its members about a closure as well as the regulatory guidance about branch changes very seriously. Nationwide is a signatory to the Access to Banking Standards and also adheres to the FCA Branch and ATM closures or conversions Finalised Guidance.

In line with current guidance, Nationwide writes to members who interacted with the closing branch three times in 12 months. This is above the minimum requirement of industry guidance of three times in six months. As we only offer personal banking, we do not have the challenge of communicating to businesses. We also write to all local stakeholders, such as MPs, local councillors and the Parish Council.

We also provide members with a clear impact assessment which is available in branch and online. The impact assessment provides members and stakeholders with further detail about why we are closing the branch as well as information they need, such as where their closest branch is, the location and distance to the nearest Post Office and the telephone number for the local branch if they want to speak to a dedicated team member about the closure.

### **7) The support you provide to customers when you close a branch within a community.**

When we close a branch, we want to make sure that all members are fully supported. We have found that the best way to provide this support is by taking a local approach. We connect members with our experienced local branch teams who have in-depth local knowledge and an understanding of what type of questions members will ask and support they might require. In all communications, we provide our members with a specific local telephone number for the branch team and a direct email address to communicate with the Regional Director. We also host ‘Tea and Tech’ events to help members explore online services.

We are also especially mindful of our vulnerable members when we close a branch. Around two to six weeks after we announce we are going to close a branch, colleagues will proactively call these members who regularly use the branch to discuss the change and how we can best support them. Although not always possible, our aim is to contact every member on the vulnerable calls list. In addition, to ensure that we can fully support vulnerable members, we will be contacting these members at one, three and six months after we close a branch. This will enable us to tailor our support to their needs.

It is also worth noting that because the number of closures in our case is thankfully low, we are able to ensure each one receives focus and attention from the local management.