

David Lindberg
Chief Executive



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Retail Banking
250 Bishopsgate
London
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Rt Hon. Mel Stride MP
Chair of the Treasury Committee
House of Commons
Committee Office
London
SW1A 0AA

Dear Mel,

Thank you for your letter to Alison Rose about our branch network.

Branches remain a core part of our service. This year we are investing over £20m into our network, including at two new sites, whilst improving the design and technology of a further 90. Our new sites offer a One Bank service, bringing together all our expertise to support retail and business customers. They will offer a range of services beyond traditional counter transactions, such as pop-up spaces for local businesses, entrepreneurs, and charities, as well as events and learning zones for community events on financial capability or how to start a business.

At the onset of the pandemic and as national lockdowns were imposed, it became clear that we needed to work hard to maintain access to our services in the new circumstances. Whilst we kept 95% of our branches open throughout the pandemic, coming into a branch was not an option for our elderly and vulnerable customers, as many of them were forced to shield. This meant we had to innovate at pace, introducing new services and products.

Our Companion Card helped those shielding by allowing friends, family, and carers to pay for shopping, and our industry-first, fee-free cash delivery service, has now delivered £8.5m direct to customers' doors. We also launched a dedicated over 60s and vulnerable customer line, with shorter waiting times; and developments to our mobile app now mean retail and business customers can deposit cheques without having to visit a branch.

As well as this, our network of Community Bankers are on hand to provide tailored support for vulnerable customers who require extra help or have more complex banking needs. They also deliver free digital events and lessons on fraud and scams and financial capability. Our Customer Protection Managers also support customers most at risk of financial harm. For customers with a disability or vulnerability, getting the right support is important and our Banking My Way service allows customers to tell us about any challenges they face and importantly what we can do to tailor the support they receive.

Keeping our customers and their money safe is our top priority. We understand that fear of fraud and scams is one of the biggest barriers to customers adopting digital banking, that's why we wrote to over 170,000 elderly customers earlier this year reassuring them of the features we have in place to keep their money safe and secure and how to access services digitally. Last year we also launched VoiceID, a biometric system that lets customers access telephone banking using their voice as

security, and we're also introducing facial biometric technology to allow customers to authenticate large payments.

Our Video Banking service now means customers can speak to us, face to face, from the comfort of their own homes. This service is available 24/7 and we're conducting over 10,000 video appointments each week, compared to 100 a week in January 2020.

Customers also have access to any of the 11,500 Post Offices across the UK, where they can check their balance, deposit cash and cheques, and withdraw cash. Business customers can also deposit cash using a barcoded paying in slip or chip and PIN debit card, and withdraw cash using a debit card. For large frequent deposits, business customers can use our cash courier service.

We are also playing a leading role in the industry's efforts to maintain access to cash and services through the Community Access to Cash Pilots. We're sponsoring three locations, including Rochford and Cambuslang where Post Office Banking Hubs are being trialled. As a founding member of the Cash Action Group, independently chaired by Natalie Ceeney, we're developing industry-wide proposals for how access to cash can be protected and sustainable in the long term. This group brings together the UK's major banks, Age UK, Toynbee Hall, as well as the Post Office and LINK.

NatWest Group also has the largest ATM network of any high street bank in the UK, and we are committed to not removing an ATM if there is not another free to use access point within 1km. Last year we made an additional pledge with LINK to guarantee critical ATMs in 'cold spot' locations should they be switched to pay to use or closed.

As with many industries however most of our customers are shifting to mobile and online banking because it's faster and easier for people to manage their financial lives. We must respond to that change and invest in a range of services to give customers what they want and expect. We now have 9.5 million active digital users and 8 million active users of our mobile app. 60% of our retail customers now exclusively use digital channels and 67% of commercial banking sales are now completed digitally. Between January 2018 and February 2020 (not including branch usage during the national lockdowns) counter transactions reduced 53% for Royal Bank of Scotland branches and 30% for NatWest.

We will continue to review our network and full-service offering to allow customers to bank with us wherever and whenever they want.

Please find below more detailed answers to the individual questions you raised in your letter.

1. Current number of branches

NatWest Group currently has a total of 833 branches across our NatWest, Royal Bank of Scotland and Ulster Bank brands.

Branches are just one of the ways in which customers can bank with us. We have 16,000 physical points of presence across branches, Post Office, ATMS and mobile branches.

2. Number of branches that are last branch in town

There are currently 46 NatWest Group branches that are in communities where the nearest alternative branch is 1.5 miles or more away. Of these, 20 branches are in communities where the nearest alternative branch is 3 miles or more away.

3. Number of mobile branches

Our mobile banking fleet has been in service since 1946, and currently visits nearly 600 communities every week. Our service is flexible to meet the demands of our customers and their communities,

and some routes have arrangements with communities to stop for a short period to meet a specific demand. Most of the stops we make are in areas where we have not previously had a branch or have not had one for more than 20 years.

We continue to invest in our fleet, with the majority fitted with 3/4G customer WiFi. We've also improved the accessibility of the fleet, with many vans having a disability tail lift and or shallower steps to help ambulant disabled customers, as well as pull out desks for wheelchair users. Our fleet is also fitted with hearing loops and MyHailo – a service which allows vulnerable customers to alert staff of their arrival.

4. Plans to maintain those branch numbers for the next three years

Branches are and will continue to be an important part of our service for customers. We have a responsibility to serve the needs of all our customers in the best way we can. Like many industries though, we are seeing a dramatic shift in customer behaviour and it's important we respond to the changes in demand and invest in the services customers need and want.

We have seen the pandemic accelerate trends that were already there. Three years ago, we didn't have video banking, but as I said above, we're now conducting over 10,000 video appointments each week, compared to 100 a week in January 2020. We also offer a 24/7 'right here, right now' video proposition for customers who need immediate help from an expert.

The challenge is to get the balance right between ranges of services we offer. We now provide our customers with more ways to bank than ever before, whether that's in branch, online, through our app, video banking, at the Post Office, on our mobile branch, webchat, through social media, ATMs, telephone banking, relationship managers and more.

We will therefore continue to review our network alongside customer demand and our other services to ensure we are supporting customers.

5. Factors considered when deciding to close a branch

Where we do have to make the difficult decision to close a branch, every decision is based on a broad range of factors, including:

- how customers prefer to bank with us
- how often customers use the branch
- the types of transactions made in branch
- the impact on customers who currently use the branch
- services that can be done at local Post Offices
- proximity of alternative services such as the mobile bank and ATMs
- how close the nearest Group branch is

6. Consultation process you go through when closing a branch

Before a final decision is made, we engage with the Financial Conduct Authority and Lending Standards Board. We provide them with a clear summary of our analysis of the needs of customers currently using the branch, impact on those customers and alternatives that are in place.

We rightly speak to our colleagues first before any public announcement. This gives them time to absorb the news, ask questions and allows us to prepare them to have good conversations with customers.

Customer communications begin a minimum of twelve weeks before the closure is implemented. We also begin our proactive outreach to customers and communities, working with them, and seeking feedback. For example, in response, we may look to introduce a mobile branch stop or run digital workshops.

7. Support you provide to customers when you close a branch within a community

Each branch builds its own specific local engagement plan, representative of its own community and customers. They will always proactively contact vulnerable and regular branch users and meet with the local Post Office. They will also speak to local groups and organisations relevant to local communities, such as Age UK, church groups and resident associations. Our business banking teams also proactively contact their customers to advise them of the closure, what this means for them and the alternative ways to bank that will be in place.

All customers are written to at least twelve weeks before the closure advising them of our decision and outlining the range of local services available to them, including the nearest branch, Post Office and free-to-use ATMs. We also explain how to access video banking, digital and mobile and provide details of our telephone banking service. Each customer is given a named contact should they wish to discuss the decision or talk through the range of services.

From the announcement until after the closure date, we continue to monitor customer behaviour and feedback. For example, we have previously extended opening hours in nearby branches or introduced improved automation to support customers.

A detailed impact assessment is also produced highlighting the range of services available and is displayed in branch and on our websites.

Colleagues are always available to support customers from announcement until after the closure, either in person, on the phone or video.

I hope this response is helpful and if I can be of any further assistance, please do not hesitate to contact me.

Yours sincerely



David Lindberg
CEO, Retail Banking