

Pete Wishart MP
Chair, Scottish Affairs Committee
House of Commons
London
SW1A 0AA

25 January 2022

Dear Pete,

As part of the Scottish Affairs Committee's inquiry looking at Access to Cash in Scotland I wanted to provide you and the Committee members with some perspectives we have seen from the OneBanks pilots we have been operating in communities in Scotland over the last 12 months.

OneBanks provides shared bank branch services through a low-cost, pop-up kiosk which provides face-to-face banking services on behalf of multiple banks and financial services providers in financially-excluded communities. Our services use Open Banking to enable high street and digital challenger banks to sign up to a nationwide network of shared branches. This is important because it means communities across the country can have access to traditional banking services on their local high street, rather than having to travel miles to the nearest branch of their own bank. Our first pilot is operating in Denny near Falkirk, a community which has been without a bank for three years. We have followed our Denny pilot with a second in Kilwinning in North Ayrshire and a third in Lochgelly in Fife.

The importance of access to cash

OneBanks believes that it is possible to support those consumers who want convenient access to digital banking services but currently lack the skills and confidence to do so. This is particularly important in Scotland where recent research by Savanta Comres and data from our own pilots shows that there is strong customer demand for convenient free access to cash and face-to-face banking services. Almost 6 in 10 Scottish consumers believe cash remains the most secure way to pay and nearly a quarter of consumers in Scotland blame bank branch closures as the main reason they are unable to access their cash. The research also shows that consumers in Scotland tend to use cash the most in corner shops, hairdressers and pubs. A failure to protect cash access risks damaging local businesses and shops, just as they are coming through the economic challenges of the pandemic.

The shared branch solution

OneBanks solution, which is currently being used in Scotland, is intended to solve this problem.

OneBanks provides a kiosk to operate as a shared service on behalf of several banks wishing to offer physical face-to-face banking. This approach allows banks to share operating costs, maintaining the viability of face-to-face banking for the consumer. OneBanks is able to set up a kiosk even in places where there is no traditional banking - such as train stations, supermarkets or other shops - utilising its ability to scale its proposition quickly and as required by customers.

The OneBanks kiosk does not require a customer to have a smartphone to use these services, meaning they can turn up at a OneBanks kiosk and be guided through their bank sign-in processes by a member of staff on-site.



Learnings from our pilots in Denny, Kilwinning and Lochgelly.

As noted above, OneBanks is currently operating three pilots in Scotland in Denny, Kilwinning and Lochgelly. All the kiosks are in Co-op supermarkets. Providing convenience to consumers, our customers can combine their daily or weekly shop with access to banking services. So far, reception has been encouraging, particularly from sole traders and local businesses that particularly value being able to bank cash takings locally.

SMEs have been among the most enthusiastic repeat customers. To give one example, in Denny, which used to have five bank branches but for the last three years has had none, proprietors of businesses such as hairdressing salons, minicab operators and pubs have testified to the huge benefit to their businesses. Since the launch of the OneBanks pilot in the town's Co-op store they have been able to deposit cash takings locally - avoiding a roundtrip of some 15 miles to either Falkirk or Stirling, where their nearest conventional branches are located.

The pilots have also demonstrated their value in helping customers who lack the confidence to go on-line by themselves to access digital banking. We have seen 10% of users being helped by OneBanks staff to get online for the first time. A high proportion – 21% – of users are in the 70+ age group and are naturally the ones hardest hit by the closure of physical branches.

From these pilots we have identified three key observations which may be of interest to the Committee:

1. Importance of face-to-face interactions for digital conversion. 10% of our customers never had online banking before using OneBanks. Hiring locally has really helped with getting people to

move to online banking. We have provided a convenient solution which provides people with access to cash and therefore have provided a reason to make the transition.

2. Variable recurring payments (this is new technology we are waiting for the UK's payment authority and Payment Services Regulator to endorse) will significantly improve the withdrawal experience and enable people to transact seamlessly using a phone to authenticate and prepare for a society which is cardless, but not yet cashless.
3. People value privacy. We are using this finding to develop our kiosk designs further to provide more space for private conversations. They also provide space in which we could deploy virtual communications in the future to enable people to speak with their underlying bank

Looking to the future

We aim to drive the shared infrastructure model further and plan to partner with the leading UK banks to provide alternative ways for them to service their customers. Speaking with senior figures across the banking sector, regulators and policymakers, there is clearly interest in developing shared branch solutions that can be scaled up and rolled out across the United Kingdom, as identified by Natalie Ceeney's [Community Access to Cash Pilot's report published in December](#). We believe our innovative and secure shared banking technology platform can be a critical part of the solution to provide a much needed shared banking infrastructure. Customers still value personal contact as far as their money is concerned. It is vital that customers' views are heard and that they have a choice in how banking services are provided.

I hope you find the observations from our experience of addressing financial and digital exclusion across these Scottish communities useful to your ongoing inquiry. I would be happy to provide further information to assist with your work and if you feel it would be beneficial would be very happy to arrange a meeting or a visit to see one of our pilots in operation.

Yours sincerely,

Duncan Cockburn
Founder & CEO
OneBanks