



# THE SUNDAY TIMES

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## MONEY

# Banking al desko. Welcome to the branch where you do it all yourself

Technology is replacing that friendly face over the counter. *David Byers and George Nixon report on the future of banks*

**B**anks have shut five branches every two working days since 2015. TSB has plans to close another 70, leaving it with only 220 next year down from 536 in 2019.

There is no doubt that the way we bank is changing forever, and that the traditional branch is dead. Campaigners say that the closures have left people in some remote areas with little access to vital services. Others argue that what is happening is a great digital revolution. This week, Money learnt the truth from industry insiders about what happens next.

### The DIY branch

In a world where we are used to stellar online service around the clock from companies such as Amazon, banks have found that they need to adapt. Customers need branches to be open more than 9 to 5 on weekdays.

One bank is said to be about to launch what Auriga, an Italian technology company, calls "NextGenBranches" – fully functioning 24/7 outlets run entirely by computers with no staff needed. Three NextGenBranches are being run by Banca Carige in Liguria, northwest Italy, and more are planned for Milan and Turin next month.

Banca Carige's NextGenBranches are stuffed with machines and have large "Bank4Me" desks in a private offices. They look like swish workstations with lots of equipment. You can open an account, apply for a credit card or loan and get mortgage advice via a video call with a real person.

There are tablets where you can leave an electronic signature if required, printers, scanners for copying documents, cheque scanners, QR code readers and card readers.

While most of the Bank4Me desks have been installed in existing bank branches, they could be put in post offices or supermarkets to provide unstaffed banking outposts. Staff can help customers use the desks via video link and follow what they are typing to help them with forms.

### Super ATMs

One of the problems with unstaffed branches is how you prioritise which customer to see next. This is solved by super ATMs.

They act as the first point of contact when you enter a branch and can perform up to 200 different functions, allow-

ing you to top up credit on a phone, make a donation to charity and even, as in Italy, book a Covid vaccination. The idea is that the bank becomes more than a place to sort out your finances, but a one-stop shop for other admin.

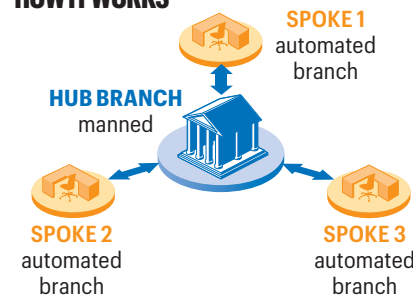
If you need something more in-depth than the ATM at the entrance, you head to a touch-screen receptionist instead. It asks you what kind of service you need and gives you a number in a queue. If your inquiry is simple, banks say the computer will put you in line to see an assisted service machine, which in Italy has the ability to allow you to pay tax or parking fines, as well as perform some straightforward bank functions.

If your inquiry is more complex, you'll be put in the queue for a Bank4Me machine, a "fully automated service capable of delivering any service that a regular branch can deliver," according to Mark Aldred from Auriga.

### Hub and spokes

To make DIY outposts work, banks will need to rethink their business model. For this they have drawn inspiration from the hub and spoke model used by many retailers. If you think of a bike wheel with its central hub, this is the main staffed bank branch. It then has a series of smaller DIY branches operating at the end of the spokes. These spoke outposts can be managed and kept running by staff

### HOW IT WORKS



at the central hub, who can dial into video calls with customers where necessary, and popping over to fix things when the computer says no.

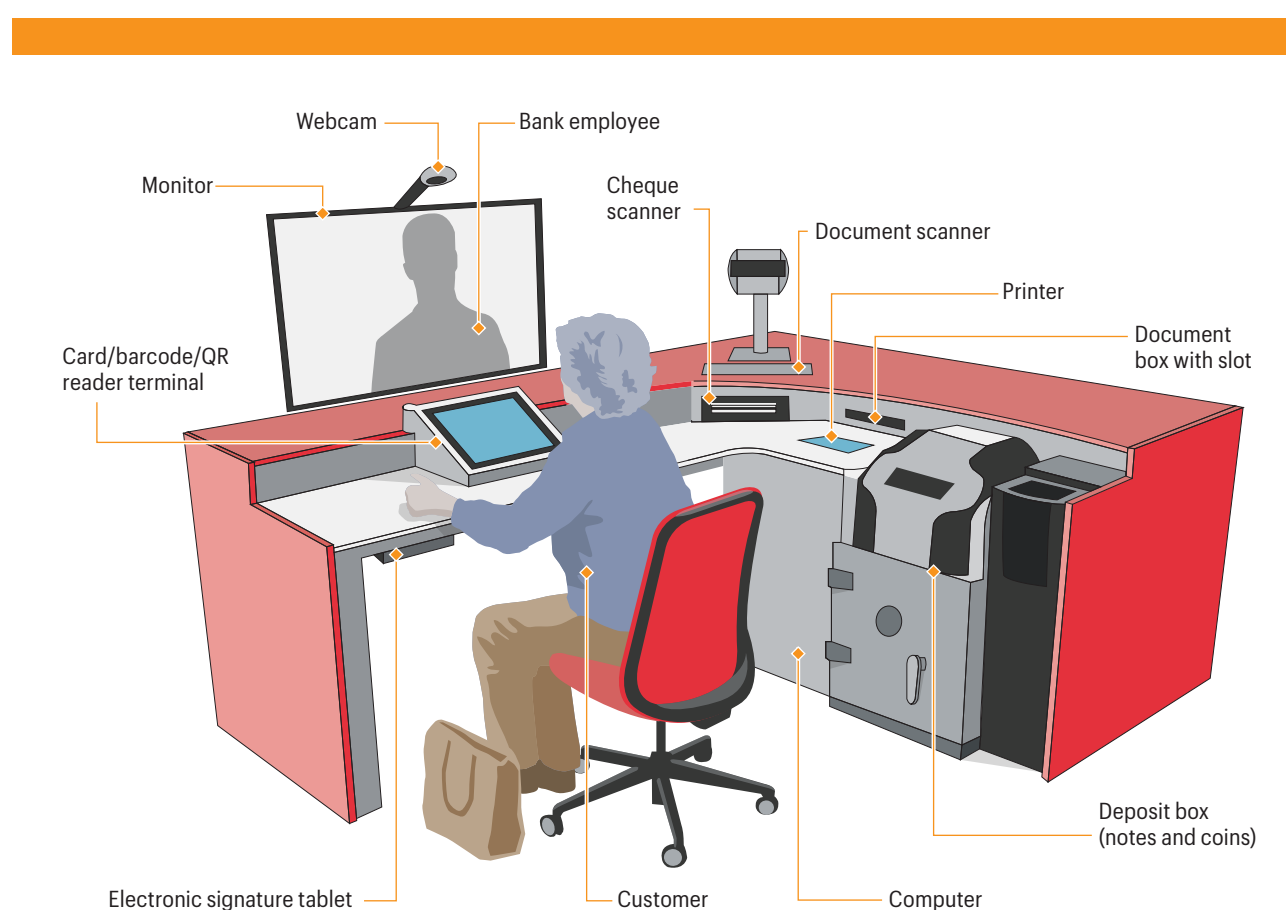
This is how retailers such as Argos work in the UK, with goods from the central hub sent to smaller stores at Sainsbury's branches.

### Card-free kiosks

Who needs their own branch if someone else will run one for you?

OneBanks, a financial technology company, has developed a pop-up banking kiosk with a cash machine that can set up shop anywhere at short notice. It is usually manned by one staff member.

The machines can handle basic banking functions, allowing you to pay in or withdraw cash, as well as pay bills. Those



Two trials have been running in Cambslang, South Lanarkshire and Rochford, Essex, as part of the Community Access to Cash Pilots, an independent initiative supported by leading banks. It was organised by Natalie Ceoney, a civil servant who ran a study into cash use.

The hubs, open on weekdays, provide a private space where you can talk to someone from your bank and deposit cash and cheques. Initial feedback has been positive and more hubs are expected to be announced on December 15.

Related plans to prevent banks from leaving communities without access to cash machines or bank could mean that any bank wanting to close the last branch in a town would have to replace it with a shared hub or post office offering basic banking services.

### £1 million business cash tills

One of the most common arguments for protecting bank branches is that small businesses need them for paying in takings. Banks have an answer to this in the form of machines that let you pay in hundreds of thousands of pounds at a time in notes and coins.

Representatives of Consillion, an Australian cash machine developer, say their machines have the biggest capacity to accept cash in the world. Pat Phelan from the firm said it has supplied 600 to Royal Bank of Scotland, 450 to HSBC and 10 to Barclays.

### Fraud catchers

If you're going to insist that customers do more themselves, you also need to do more to protect them from scams.

Fraudsters are building increasingly sophisticated malware to hack into people's phones and creating websites that look identical to real bank sites or apps, laying them on top of the real website or app. This allows scammers to steal a customer's identity.

OneSpan, a technology company, says it detects fraudsters' attempts to hack into systems and disables their banking apps when scammers try to put overlays on top of them. It is used by HSBC and 60 banks globally.

Benoit Grange, chief technology evangelist, from OneSpan, said Android phones are particularly vulnerable to this kind of fraud: "This is the consequence of the digital revolution. Fraudsters create ever more sophisticated overlays and we have to be one step ahead of them all the time."

Banks also need to protect their ATMs from criminal attempts to steal customers' details. GMV, a security company, makes software called Checker that stops criminals from hacking into ATMs.

The British security company Bloc-Box creates black box devices that are put into cash machines to block criminals trying to take over the software.

# 59%

Decrease in TSB branches from 2019 to 2022

# 4,300

Bank and building society branches closed since 2015

who are happy using phone technology won't even need to bring along a bank card, just their mobile through which you can allow OneBanks to access your bank account, whoever it is with. All you need to sign up for OneBanks is a QR code and then you go through security checks when you log in to your own bank through the app.

There are three kiosks in Co-op branches in Kilwinning in North Ayrshire, Denny near Falkirk and Lochgelly in Fife (none of which have any normal bank branches) and 150 more are planned by 2025. "There used to be three banks in Denny, but the last one closed three years ago. The local hairdresser used to have to go to Stirling to go to the bank, but now she can go into a mini-branch to do what she needs to do," said Andrew Garfield from OneBanks, which is in talks with Morrisons to put kiosks in its shops.

### Shared hubs

Resurrecting an old idea, high street banks have agreed to share customer service branches, which will be based in post offices and staffed by representatives of a different bank each day.

For years banks said that this was not possible, largely because they were worried about their customers wandering off and joining a rival. But as they have come under pressure to supply services to communities where they have closed branches, it has come into favour as an idea.



This banking desk could replace staff



OneBanks lets you access any bank