



STOCKPORT
METROPOLITAN BOROUGH COUNCIL

Town Hall, Stockport, SK1 3XE
Switchboard: 0161 - 480 4949

17th October 2018

Rt Hon Philip Hammond MP
Chancellor of the Exchequer
C/O House of Commons
London
SWA OAA

Dear Mr Hammond,

RE: Closure of RBS Branches in Stockport

We write to urgently bring to your attention the further withdrawal of RBS banking services across our Borough and to highlight the real concerns residents are raising. Earlier this year, RBS announced closures which included five branches in Stockport communities. With the most recent announcement Stockport is to lose a further three branches, bringing the total to eight and meaning Royal Bank of Scotland's total withdrawal from Stockport Borough.

The closures affect: Bramhall, Cheadle, Cheadle Hulme, Heaton Chapel, Stockport Town Centre, Marple, Hazel Grove and Romiley.

We believe this level of closures across Stockport goes too far, leaving no RBS branch in the Borough and representing a far higher number of closures than the average across the 671 Local Authority areas. The problem is particularly acute in Romiley and Cheadle Hulme where this is the only remaining banking facility in these communities and these closures will break RBS's previous commitment to "never close the last bank in town". Romiley residents would have to make a six mile round trip to their nearest bank – Barclays - in Marple or travel four and a half miles into Stockport Town Centre. For Cheadle Hulme residents it will be two miles or a four mile round trip. The argument that there is a Post Office in Romiley is simply not sustainable or practical – Romiley has a sizeable and thriving district centre with many independent businesses, and queues and waiting times at the Post Office are already very long.

Stockport Council has already made representations to the Chief Executive of RBS and this letter follows on from our previous correspondence to the Chair of the Treasury Select Committee (subsequent to a Motion on this topic passed at our 28th June Council Meeting). The reply we received from RBS was, to say the least, disappointing, stating that they "won't be revisiting the decision", citing the distances to NatWest branches and noting the use of post offices.

Since that time the issues raised previously have been seriously compounded by the further decision to close Romiley RBS as well as the rest of the branches in Stockport Borough at Marple and Hazel Grove. For Stockport residents and businesses who are RBS account holders there will be no home branch within the Borough or within easy reach. These decisions will significantly inconvenience local residents and small businesses who continue to prefer to conduct their banking through a high street branch.

Certain groups, including older people and those with fewer resources will be especially inconvenienced, particularly where these closures represent the last branch local to them. It is our view that these facilities, particularly in relation to these groups, cannot be fully replaced by automated and digital services. This will therefore affect the sustainability of local communities and leave particular communities and sections of the population underserved. Alternative facilities available through Post Offices, while welcome, do not offer the same standard and range. It is also worth noting that Post Offices branches are themselves not invulnerable to closure and further reliance upon these renders each community more vulnerable to the total loss of important services long-term.

We note that RBS is signed up to the Access to Banking Protocol and are therefore particularly disappointed at the decision to withdraw its branches from Stockport Borough. We further note a lack of engagement with our concerns on behalf of RBS and that, as far as we are aware, no impact assessment for the Romiley branch closure has been published since the announcement in early September nor for the Cheadle Hulme branch closure announced 5 months ago.

Noting that RBS is majority-owned by the taxpayer and that many jobs will be lost in addition to the reduction in service should the proposed closures go ahead, we request that you appeal to the Chief Executive of the Royal Bank of Scotland on our behalf to reconsider these plans with reference to the impacts this will have upon those who rely on these services. We also request that you investigate the planned closures and their effects as a matter of urgency, and notify the Chief Executive of the Royal Bank of Scotland of this action. In that correspondence, we request that you note that it is the collective view of all local Members of Parliament and all political Groups on Stockport Council that these decisions should be reconsidered, with particular reference to the planned closures of Romiley and Cheadle Hulme branches.

Reflective of the content of the aforementioned Council Motion, we would like to request a 12 month reprieve in these cases. This would allow local Ward Members and other representatives the opportunity to make the case for a permanent RBS banking facility to remain as a minimum, and is an approach we consider to be a constructive way forward.

We thank you for considering the above points and look forward to your future correspondence.

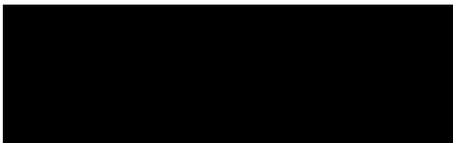
Yours sincerely,

Cllr Alex Ganotis
Leader, Stockport Council,
Leader of Stockport Labour Group

Cllr Mark Hunter
Leader, Stockport Liberal Democrat Group

Cllr Syd Lloyd
Leader, Stockport Conservative Group and Councillor for Bredbury Green and Romiley

Cllr Adrian Nottingham
Leader, Stockport Independent Ratepayers.



Mary Robinson MP
Cheadle Constituency



Andrew Gwynne MP
Denton and Reddish Constituency



Ann Coffey MP
Stockport Constituency



William Wragg





HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Councillor Alex Ganotis
Leader, Stockport Council
Town Hall
Stockport
SK1 3XE

12th November 2018

Dear Cllr Ganotis,

Thank you for your and your co-signatories letter of 17 October to the Chancellor of the Exchequer about RBS bank branch closures in Stockport. I am replying as the minister responsible for this policy area.

I am sorry to hear of your residents' disappointment at the planned closure of the RBS branches in Stockport, particularly the Romiley and Cheadle Hulme branches.

As with other banking service providers, RBS will need to balance customer interests, market competition, and other commercial factors when considering its strategy. Decisions on opening and closing branches are taken by the management team of each bank on a commercial basis. I hope you can appreciate that it would therefore be inappropriate for the Government to intervene in these decisions. This policy applies equally to the closure of RBS branches as it does to any other bank. Although RBS is currently 62.4% state-owned, Government's stake is managed at arms-length and on a commercial basis by UK Government Investments (UKGI). UKGI's role is to manage the investment and not to manage the bank; the bank retains its own independent board and management team for strategic and operational decision-making.

However, the Government does believe that banks should act in the best interests of their customers and is committed to increasing competition to deliver better financial products and services for all bank customers. Government continues to engage actively with the banking industry and consumer groups on these issues on an ongoing basis.

As you mention in your letter, in May 2017, the major high street banks signed up to the Access to Banking Standard. The Standard commits banks to ensure customers are well informed about branch closures, the bank's reasons for closure and options for continued access to banking services. These options should include specialist assistance for customers who need more help. The operation of the Standard is monitored and enforced by the independent Lending Standards Board (LSB). You may find it helpful to read the LSB's recent report on firms' compliance with the Standard, which includes recommendations to improve the process. You can find the report on their website at: www.lendingstandardsboard.org.uk/access-to-banking-standard-summary-report/.

You were also concerned that RBS had not followed the correct Standard procedure for the closure of the Romiley and Cheadle Hulme branches by not publishing an Impact

Assessment. I can assure you that RBS have published an Impact Assessment for both branches and can be found on RBS's website at:
personal.rbs.co.uk/personal/ways-to-bank-EW/branch-closures-EW.html.

In addition, the Post Office has an agreement with the banks that allows more banking customers to access a wider range of services at the Post Office than ever before. This arrangement allows individual and small business customers to withdraw money, deposit cash and cheques and check balances at 11,500 Post Office branches in the UK. While the range of services offered by the Post Office may be more limited than that offered in a traditional bank branch, the services provided through the Post Office's extensive network ensures that essential banking facilities remain available in as many communities as possible. The Post Office estimates that 99% of personal and 95% of small business customers can carry out their day to day banking at a Post Office as a result of the new agreement. In response to my request, UK Finance and the Post Office have launched a 5-point action plan to raise awareness of the important banking services offered by the Post Office.

You raise concerns that the Post Office is not equipped to take on the extra demand as a result of bank branch closures. The Government protects the Post Office branch network by setting minimum access criteria and protects services by setting minimum services to be provided at Post Offices across the UK. The overall number of Post Offices is now at its most stable in decades at over 11,500 branches. Approximately 93% of the national population lives within one mile of their nearest Post Office and almost 99% of the rural population lives within 3 miles. The network's stability is a result of Government investment of close to £2 billion since 2010 and a further £370 million of funding allocated from April 2018 to March 2021. £210 million of this funding is capital investment to modernise the Post Office and £160 million is to protect 'last shop in the village' community branches and ensure everyone continues to have access to their local branch. Both the Access to Banking Standard and the Post Office Banking Framework Agreement have Government's full support, and banks are aware that Government expects their involvement to be genuine and unqualified.

Should the residents of Stockport decide to switch banks, the Government has made it easier to do so than ever before using the Current Account Switch Service (CASS). The switch service is free to use, comes with a guarantee to protect customers from financial loss if something goes wrong, and redirects any payments mistakenly sent to the old account, providing further assurance for customers. This means that customers are more able than ever to hold their banks to account by voting with their feet, and that banks are incentivised to work hard to retain their existing customers and attract new ones. More information about CASS is available at: www.currentaccountswitch.co.uk

The Government cannot reverse the changes in the market and in customer behaviour; nor can it determine firms' commercial strategies in response to those changes. However, Government continues to take positive action to maintain access to vital banking services and ensure banks support communities across the UK when their local branches close.

Thank you for taking the time to make me aware of these concerns.

with very best regards

John

JOHN GLEN