

Banks are closing smaller branches and centralising operations in larger towns and cities across Wales. For example I live in Rhayader, where there is now no bank operating. To some extent I can use the Post Office, as long as that remains in situ, to access some banking services or cash. Otherwise I have a 22 mile round trip by car or bus. I will use half a gallon of petrol in the car, the bus is free to pensioners but runs at 2 hour intervals. If I cannot get everything I need done within 20 minutes the bus journey will take 3 hours. I can do a great deal of my bank procedures via internet banking, but I have that ability and that resource, many people of my age do not.

I can now use contactless card dealings for small purchases, which has reduced my need for cash, but cash is an alternative that I always need to have available. As, previously, the owner of a small business that involved a great deal of cash handling I was penalised once my bank closed and I had to pay the Post Office for cash for our float and for cash deposits, it also made what had been a simple process, involved. Depositing cheque payments become involved and are at higher risk once they have to be posted.

It is not clear what the consultation means by a "community bank". There have been suggestions that, on a UK basis, the Royal Bank of Scotland, which is still owned by the state following the banking collapse of 2007/8, should be used as a community bank. I would certainly be more in favour of that than of re-floating it as it once had been.

There is a vibrant and inclusive network of Credit Unions operating throughout Wales. These community banks do an invaluable job in providing financial training, savings encouragement and small loans to their members. They are, however, dependent upon voluntary input from community members, and lack presence on the town and village streets where they operate. The Welsh Government could provide support to these local banks by providing support for paid workers and permanent premises, advertising, etc. and assisting them to increase their cash handling facilities. This would be far preferable to stressing the existing network by superimposing a community bank that made their operation less viable. The most important element of credit unions is that they operate within a geographic area, and their operation is based on local knowledge and interaction. A community bank structure that supported the existing credit unions would need to understand and work with the local nature of credit unions. Another element of credit union operation is that they are non-profit making, that element is one that must also apply to any form of community bank, which, if credit unions work as part of a new structure might involve a change in the way their services are charged for. There is an opportunity that is being created by the retreat of profit making banks that can be supported by the Welsh Government in being innovative and creative in looking at this sector.