

Economy Infrastructure and Skills Committee  
National Assembly for Wales



Comisiynydd y  
Gymraeg  
Welsh Language  
Commissioner

16/05/2019

## Access to Banking

Thank you for the opportunity to respond to your consultation. Our response will focus on how the opportunities that are available for customers to engage with their banks through the medium of Welsh have on the whole, declined over recent years.

With this in mind, I feel that there is a strong argument for creating a community bank for Wales that offers a comprehensive Welsh language service, that this is one option that should be considered in detail. A community bank of this kind could meet the needs and expectations of Welsh speakers across Wales and contribute the prosperity of the language.

Over the years, many have argued that there is a clear link between economic development and the prosperity of the Welsh language. See for example the 'Report of Welsh Language Task and Finish Group on the Welsh Language and Economic Development'<sup>1</sup> and the report by the Working Group on the Welsh Language and Local Government: Language, Work and Bilingual Services<sup>2</sup>. Both reports argue that a number of economic factors such as employment opportunities are likely to affect the sustainability of Welsh speaking communities particularly for young people. With this in mind, local bank branches provide a vital source of employment that contributes to the vitality of the economy and the vitality of the language.

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<sup>1</sup> [Report of Welsh Language Task and Finish Group on the Welsh Language and Economic Development](#)

<sup>2</sup> [Language, Work and Bilingual Services](#)

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## **1. The current position regarding access to banking services in Wales, to include issues relating to financial inclusion and digital inclusion.**

In 2015, in response to a rise in the numbers of complaints about the banks, the Welsh Language Commissioner conducted a 'Statutory review of the Welsh language services of high street banks in Wales'<sup>3</sup>. The report noted the significant changes that were happening in the banking sector, especially with the four main banks. It noted that:

- that banks are closing branches as a result of a drop in demand
- use of customer support telephone lines has declined
- the availability and use of banking on line had increased

The report notes that the major banks had historically offered a number of Welsh language services over the counter and over the phone. These services are now not so readily available. Unfortunately, the Welsh language has not been comprehensively included in transferring banking services on-line.

Rural communities, particularly in the west and north of Wales include a higher percentage of Welsh speakers. These areas also include a higher percentage of older people. It appears from the complaints that we receive that many within this group of older customers do not favour or have difficulty in dealing with banks on line. Therefore, as branches close we see a disproportionate effect on Welsh speakers.

My officers have been working with the main banks and those that are new to the market for the last four years in order to respond to the recommendations made in the report in 2015. Although we have seen progress with some aspects, unfortunately a number of problems persist around financial inclusion and digital inclusion.

- By now, many banks are using digital scanning technology to process cheques. Rather than cashing a cheque at a local branch, customers are able to digitally scan the cheque themselves by using their bank's app. The banks have not developed the technology to recognise cheques that are written in Welsh. Welsh language cheques are received when dealing directly with a branch.
- The absence of any Banking App available in the Welsh language currently is a cause for complaints from members of the public who speak Welsh, this particularly true amongst younger Welsh speakers.

## **2. The variety of ways in which branch closures and access to free ATMs can affect local communities (for instance the impacts from a business, tourism, social, demographic and regeneration perspective).**

Following the closure of bank branches, some banks have tried to fill the gap with the provision of customer services through the post office and through mobile banking vehicles. Although these services do go some way towards alleviating the difficulties

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<sup>3</sup> [Statutory review of the Welsh language services of high street banks in Wales](#)

around financial inclusion, we continue to receive complaints that the availability does not meet the needs of customers or that services are inconsistent.

Some community groups that operate through the medium of Welsh report that they are having difficulties in maintaining their bank accounts. Examples include the changing of trustee names on bank mandate and registering their constitutional papers in Welsh. The lack of local branches seems to exacerbate these problems. Some also note the unwillingness of some banks to provide current accounts for charities and community groups.

In several areas where banks have closed, the community are dependent on cash point machines that are operated by private companies such as NoteMachine and CashZone. As opposed to the machines operated by most banks and building societies that provide the choice of using Welsh, these machines do not currently offer this choice. These companies also sometimes charge a fee for withdrawing cash. A recent article by Which: '1,250 free ATMs started charging fees in just one month'<sup>4</sup> notes that around 1,750 of the 52,000 cash point machines in the UK have changed to charge fees in 2019, with a further 5,000 scheduled to start charging fees in the next few months.

In 2015 the Citizens Advice Bureau published a report that aimed to understand the use and non-use of Welsh language services: 'English by default'<sup>5</sup>. The report considered the services that are available from the banks and building societies, along with gas and electricity suppliers, telephone, television and broadband providers. One of the conclusions was that lack of access, visibility and availability of provision of Welsh language services was a barrier for customers that speak Welsh and that quality and consistency was also a cause for concern.

The inconsistency of services is a problem that appears regularly in the complaints that my office receives. We hear of cases where members of staff are not aware of the commitments made by the organisation to deliver services in Welsh. These needless mistakes not only disappoint the customer but also undermine the commitments made by the bank.

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<sup>4</sup> [Which? '1,250 free ATMs started charging fees in just one month'](#)

<sup>5</sup> [Citizens Advice Bureau 'English by default: understanding the use and Non-use of Welsh language services'](#)

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**3. To understand the potential process, benefits and challenges involved with establishing a community bank with multiple branches in Wales.**

My officers contributed to the investigation that was held by the Competition and Markets Authority into the retail banking sector in the UK in 2016<sup>6</sup>. The report notes that the banks that operate across England and Wales treat both regions the same in terms of services. The situation is different in Scotland where banks have been established in Scotland for customers in Scotland.

In the absence of any organisation that provides current accounts to customers through the medium of Welsh. I feel that establishing a community bank for Wales that has numerous branches across the country has the potential to offer a comprehensive bilingual service. This could address the deficiencies in services for groups of individuals who either don't want to or have difficulty in engaging with banking online and serve to support the vitality of our Welsh speaking communities.

Should you like to discuss any points that I have raised in more detail along with how to plan the delivery of bilingual services for a community bank, I would be more than happy to do so.

Yours sincerely

A handwritten signature in black ink that reads "Aled Roberts". The signature is written in a cursive, slightly slanted style.

**Aled Roberts**  
Welsh Language Commissioner

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<sup>6</sup> [CMA Retail banking market investigation](#)