

10 April 2024



Fresh thinking needed to combat branch closure trend

- Nearly 6000 bank branches across the UK have closed since 2015
- New research explores Millennial and Gen Z attitudes to bank branches
- Welfare support, café and parcel drop-off among the most wished for services which could be provided within a branch
- 60% of people agree providers should do more to make branches appeal across the generation divide
- Newcastle Building Society shares research findings as it announces plan to open new branch in community building alongside gym and café

New research into attitudes on bank and building society branches across the generation divide has suggested how a fresh approach could combat the trend of bank branch closures and create a sustainable future for financial services on the high street.

Closures have a negative impact on local communities, including those in rural locations, older generations, those who may need more support to manage their finances, as well as small businesses who rely on maintaining access to cash. Making bank branches work is crucial to the future health of UK high streets and local economies.

In the survey, which was carried out by [Newcastle Building Society](#), 60% of people agreed that branches need to do more to appeal to people of all ages.

More than half (56%) of Gen Z (aged 16-26) said branches should provide welfare support and advice alongside financial services, with 40% keen to see branches offer foodbank services for the community.

Millennials (aged 27-42) expressed concern that branches weren't fit for younger generations, with 60% saying financial services providers need to do more to encourage younger Gen Z people (aged 11-18) to use them. Perhaps surprisingly, many Millennials showed their support for branches with around half saying they like to visit their local bank or building society branch

as they prefer being able to speak to someone face-to-face, rather than managing all of their finances online.

Easy access to financial services was confirmed as top priority for the Baby Boom Generation, with 41% saying that they wanted their branch to be conveniently located and 52% appreciating being able to speak to a friendly and knowledgeable person there.

Newcastle Building Society says the findings highlight the need for fresh thinking on branches, as the wave of further closures in UK towns continues to cut High Streets adrift from face-to-face financial services.

The North-East based building society is bucking the trend of branch closures with plans to open an innovative new community partnership branch in North Shields, in partnership with a local charity.

In a UK-first, the new branch will be located inside the YMCA North Tyneside community building in the town, with financial services and advice sharing space with a popular café, gym, meeting rooms and the charity's supported accommodation provision. The charity also operates a popular day nursery in the building next door.

The Society's new North Shields branch is just one part of its investment in face-to-face services which includes the creation of a new flagship community branch in Newcastle city centre, and a new branch in Tynemouth library to be delivered in partnership with North Tyneside Council.

Andrew Haigh, chief executive officer at Newcastle Building Society, said: "The YMCA North Tyneside is a hive of activity attracting generations of local people, including those grabbing a coffee at its café or working out at its gym. Our new branch will play a key role in helping busy local people to maintain access to financial services conveniently and to have face-to-face conversations about their money with a friendly face in branch.

"Customers tell us time and again that they are worried about the number of bank branch closures and the removal of highly valued local services. Banks regularly cite the cost of running a branch network and their dwindling usage. We reject this premise, especially when we know the risks of financial exclusion that come from withdrawal of essential services from our High Streets.

"Many of the proposed alternatives to bank branches focus simply on processing transactions and fail to value human interaction. We believe people deserve a choice – the convenience of

digital as well as the reassurance and accessibility that comes from being able to pop into a local branch and have a conversation with someone they know and trust.

“Our blueprint for future branches takes a more creative approach, looking at new ways, new partnerships and new locations where we can continue to offer the level of service, reassurance and convenience that’s only available at a local branch.

“By investing in new branches in Newcastle and North Tyneside, we’re building on the success of our partnership branches, sharing space and costs in places where communities gather and putting the interests of the customer first.”

Despite the national trend of bank branch closures, Newcastle Building Society has continued to invest in its branch network by improving and increasing its number of branches across North East, Cumbria and North Yorkshire. Over recent years, the Society has opened branches in several new locations by working with community organisations and restoring access to financial services in places where banks have left town.

The Society currently has 31 branches across the North East, North Yorkshire and Cumbria, as well as a dedicated financial advice location in Pickering. Community branches in Yarm, Hawes, Knaresborough, and Wooler each share space with other services including libraries, tourist information and even community policing

Work on the new North Shields branch is already underway and is expected to be ready for customers this summer.

ENDS

Research conducted by Opinion Matters for Newcastle Building Society among 2,445 nationally-representative UK adults from 22.11.2023 – 27.11.2023. Opinion Matters abides by and employs members of the Market Research Society which is based on the ESOMAR principles.

Generation	Age range	Sample size
The Silent Generation	78+	46
Baby Boomers	59 – 77	591
Gen X	43 – 58	687
Millennials	27 – 42	745

Gen Z	16 – 26	376
Gen Alpha	1 – 10	Null

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About Newcastle Building Society

Newcastle Building Society is the biggest building society in the North East, with a network of 31 branches and assets of more than £5.3bn. We've been here for our members for over 160 years.

As a leading local employer, we're committed to growing our region's talent and being a great place to work where people can realise their potential. We hold Platinum IIP and won the Excellence and Positive Impact Award at the 2022 CIPD North East of England HR&D Awards. We have been named Regional Building Society of the Year for seven consecutive years from 2017 – 2023 by What Mortgage? and also won Best Overall Personal Finance Brand at the Personal Finance Awards 2023/24. In 2024 Newcastle Building Society became the first UK business to receive international accreditation for mutual value measurement, recognising our ongoing commitment to creating value for its members and communities.

We help people to own their home, to save and to plan their finances through our range of products and services. We believe in the role of the high street at the heart of our communities and, as our branch network grows, we are increasingly proactive in making financial information and financial advice accessible across our regions.

Our Financial Advice is provided through our Newcastle Financial Advisers Limited subsidiary. Face-to-face financial advice is available at each of the Society's 31 branches plus a financial advice-only location in Pickering, North Yorkshire. For the third year running, Newcastle Financial Advisers has been awarded Top Rated Firm status by VouchedFor - the UK's leading review site for Financial Advisers.

We're dedicated to helping our communities make positive changes; since 1995 the financial support through grants and donations from the Newcastle Building Society Community Fund at the Community Foundation to benefit local causes has surpassed £2.5m. Our total community contributions in 2022, made up of grants, match funding, and our ongoing partnership donations, was more than £544,000.

Newcastle Building Society is committed to creating a culture of belonging, where people can bring their whole self to work and be respected and valued for who they are. Our colleague-run networks include the Race Network, LGBTQ+ Network the Disability and Awareness Network, Women in Leadership Network, Menopause Network and Parent and Carers Network, all of which help steer Diversity, Equity and Inclusion policy within the organisation.

www.newcastle.co.uk

Newcastle Building Society Principal Office: 1 Cobalt Park Way, Cobalt Business Park, NE28 9EJ.

Newcastle Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Newcastle Building Society is entered in the Financial Services Register under number 156058. You can check this on the Financial Services Register or by contacting the Financial Conduct Authority on 0800 111 6768.