The Financial Ombudsman Service response to the HM Treasury Call for Evidence for the Access to Banking Review

July 2026

About us

The Financial Ombudsman Service (Financial Ombudsman) was set up by Parliament under the Financial Services and Markets Act 2000 to resolve individual complaints between financial businesses and their customers fairly and reasonably, quickly and with minimal formality.

Introduction

The Financial Ombudsman welcomes the opportunity to respond to HM Treasury's Call for Evidence for the Independent Review into Access to Banking Services. While remote services work well for many, our casework highlights the continued importance of in-person banking for consumers, small and medium businesses and micro-enterprises.

Rather than responding to every question in turn, our response focuses on the elements of the Call for Evidence relevant to our organisation, alongside insights from the complaints that are eligible to come to our service and our ability to resolve them efficiently and effectively.

We welcome the opportunity to engage further on this subject and are happy to discuss the review and its potential recommendations, as well as other areas of shared interest.

Our response

The Financial Ombudsman Service recognises HM Treasury's review to consider whether declining access to in-person banking services is causing consumer detriment. Our response is based on insights from the complaints brought to us which are about, or refer to, a lack of access to in-person banking services.

We have focused on three key areas:

1. The role of face-to-face support in meeting financial objectives and preventing harm
2. Our role in considering complaints about access to in-person banking
3. The types of issues and complaints that arise

The role of face-to-face support in meeting financial objectives and preventing harm

In-person banking can play an important role in building trust and understanding between consumers and firms. For many consumers, in-person services provide confidence, clarity and reassurance when dealing with important financial matters, particularly where help is needed to understand options, complete processes or resolve issues that may feel difficult to manage through digital or remote channels alone.

Our insights suggest those needing complex or sensitive account support are likely to be more affected by a lack of in-person banking, including individuals who lack digital skills, those with power of attorney or those experiencing bereavement and/or financial difficulty. In these situations, face-to-face interactions can be more than simply a preference, for example, where a customer is going through a bereavement process, or where complex, lengthy documentation is required and certain groups, such as consumers who are neurodivergent, might need additional face-to-face support.

There are also groups who rely far more heavily on face-to-face interaction than others, including those for whom body language and lip reading is essential for communication. Less availability of branch support can make these issues harder to deal with and result in a lack of support for consumers, with certain groups being disproportionately affected.

Face-to-face interactions also support staff to identify early signs of vulnerability, financial difficulty or potential risk – insights which may be less visible through digital or remote channels. For consumers at risk of fraud and scams, although there is now scope to invoke the Banking Protocol and carry out a home visit, there are many cases where a face-to-face, private interaction in branch may be considered essential – particularly where elderly consumers, undue influence and/or domestic and economic abuse is involved. In these situations, human interaction and discretion can be critical and branches can provide a safe space. Therefore, the ability to respond to consumers in a more flexible and tailored way can in some circumstances be critical in preventing harm and supporting good outcomes.

Our role in considering complaints about access to in-person banking

Over the past few years, consumers have made complaints to our service which are about, or refer to, reduced access to in-person banking services. These complaints range from consumers who have a preference or desire for in person banking services, including when resolving account issues or making more complex or high-risk transactions, to those who have a need due to certain vulnerabilities or protected characteristics.

Many of the complaints we see that relate to reduced in-person services are about the access to cash withdrawal. This includes complaints from consumers who, due to ATM withdrawal limits, are required to visit a branch to access cash, but face inconvenience where local branch closures mean they need to travel further. We also see complaints from customers who are unhappy that only certain banking services can be carried out in branch face-to-face – such as removing a security block, verifying identification or depositing cash – or that access is limited to specific branches that have customer advisers, which may not be their local branch.

We would not generally consider it unreasonable for a bank to make a commercial decision to close a branch. However, the FCA has set out expectations for firms when implementing branch or ATM closures, including considering the likely impact on customers, communicating changes clearly and in good time, and taking appropriate steps to ensure customers can continue to have appropriate access to banking and cash services, particularly where vulnerabilities or accessibility needs may be affected. In considering individual complaints, our role is to look at whether, in the particular circumstances of the case, the firm acted fairly, provided appropriate support and communication, and took account of the customer's needs.

Where a firm has taken reasonable steps to support affected consumers, this can help mitigate harm and support good consumer outcomes. We are aware that, for some consumers, a lack of in-person services can have a material impact. When resolving such cases, we would consider whether a firm has met its obligations. If not and this has caused harm, particularly to a consumer in vulnerable circumstances, we would consider whether the firm should compensate the consumer for any distress or inconvenience they have experienced as a result.

Our experience indicates that in-person services remain especially important for consumers in vulnerable circumstances, those who are digitally excluded or less confident using technology, older consumers and some small businesses – particularly those operating cash-based models.

The types of issues and complaints that arise

We have seen cases where in-person support enables reasonable adjustments for consumers with disabilities or additional needs, such as visual impairment or communication barriers. In these cases, in-person support may be relied on to manage finances as other ways of banking, including online and phone channels, can cause difficulties.

The continued importance of in-person services, as identified by consumers with disabilities, is supported by the FCA's guidance for fair treatment of vulnerable customers. This sets out that some characteristics of vulnerability may lead to difficulties for consumers in using a particular communication channel, and difficulties with access can lead to disengagement, exclusion, mistrust or risk of scams.

In a 2023 investigation, Which? found that more than half of disabled bank customers struggled to access vital banking services. As seen in our casework, there is a risk of harm where there is a need for effective, accessible in-person support and reasonable adjustments are not made. The removal of in-person support can have a disproportionate effect on consumers in vulnerable circumstances and there can be an additional financial and emotional burden created where in-person access is reduced, including where individuals are required to travel further to the nearest branch.

Other groups who we have seen to rely on in-person banking services include those who do not have standard documentation, including asylum seekers, or need assistance completing processes, such as those whose first language is not English. Evidence shows some groups – particularly older or disabled people – face barriers using online banking or authentication tools. Age UK found in 2023 that four in 10 older people with a bank account in Britain – equivalent to over 4 million people – are not managing their money online and could be at high risk of financial exclusion. The FCA also found in 2024 that adults most likely to regularly use a branch in the 12 months to May 2024 included the digitally excluded (37%), those with a household income of less than £15,000 a year (31%), those aged 75+ (30%).

In recent years, we have seen a small number of complaints about lack of access to in-person banking from micro-enterprises and small businesses. This includes complaints about branch closures and problems with banking hubs. Evidence from the Federation of Small Businesses shows many small businesses still deposit and withdraw cash regularly, which is one of the main reasons why small businesses require physical access to bank branches. We have also seen complaints from small businesses who are unable to deposit cheques at the Post Office but have no branch in their local area.

We have also seen cases where limited alternative provisions can cause issues for consumers, small and medium businesses and micro-enterprises, where account access issues need resolving. In situations involving frozen accounts, disputed transactions or service failures, customers may need to rely on visiting their local branch to resolve an issue or verify themselves in-person to make a time-sensitive payment.

We have seen situations where some banks insist on customers carrying out certain transactions in-person, which may be incompatible with the reduction in available branches. We also receive complaints about consumers having to attend branches when they do not want to, are unable to or would find it difficult to. Situations like this can be particularly difficult for certain groups of individuals, such as consumers with limited mobility, especially when the availability of in-person services in their local area is limited.

Conclusion

As set out above, we recognise the important role that in-person banking continues to play for many consumers, small and medium businesses and micro-enterprises. While telephone and digital channels (including increasingly AI customer service agents) can provide convenient and effective services for many, the insights from our casework show that reduced access to in-person services can create difficulties where consumers need tailored support, reasonable adjustments, help with complex or sensitive issues, or an effective route to resolve urgent account issues – with certain groups reporting being disproportionately affected by reduced access.

We will continue to monitor complaint trends in this area and share relevant insights, including where we see evidence of increased consumer detriment or changes in complaint volumes or themes.