

Industry Protocol

Branch Closure Protocol

The banking industry is committed to making sure that our personal and small business customers have access to banking products and services to facilitate them completing their transactions in a timely, efficient and cost-effective way. Banks offer many options for their customers to manage their money and day-to-day banking to meet their needs.

Retail banking has undergone significant changes over the past decade and continues to be driven by customer preferences, innovation in technology, and commercial developments.

Digital is widely recognised as a revolution in the way that customers want to bank and is fundamentally changing how banks interact with their customers. However, branch and other face-to-face retail banking service remain an important part of retail banking.

Banks are committed to maintaining face-to-face retail banking services through an existing outlet, such as a branch or kiosk; agency arrangement with local business and Australia Post, such as in-store facilities; franchising arrangements; or mobile banking arrangements.

The Transaction Services and Branch Closure Protocol (the Protocol) provides a guideline of the minimum standards of service delivery in the event of closing branches in the applicable classes.

Application

Under the ABS Australian Statistical Geography Standard, there are six classes:

1. Major cities
2. Inner regional
3. Outer regional
4. Remote
5. Very remote
6. Migratory

This Protocol applies to the closure of branches in the Inner regional, Outer regional, Remote, Very remote and Migratory classes only if there is not another branch of the same brand within 20 kilometres by road.

While this Protocol does not relate to other face-to-face retail banking services, where such a service is being closed in these areas, the bank will consider what community engagement and communication processes are needed to make sure their customers and stakeholders are well informed.

Often these other face-to-face retail banking services can be closed due to factors beyond the control of the bank. In these instances, banks will work with their partners to make sure that where such a service is being closed in these areas, that disruption for their customers is minimised.

Level of services available after branch closes

Where it is commercially viable to do so, a bank closing a branch will ensure that ongoing face-to-face access is locally available to its services, which provide cash deposit and cash withdrawal facilities for personal and small business customers.

Where it is not commercially viable to maintain branch services and access to local face-to-face banking services is no longer available, the bank will undertake to identify other retail banking service options prior to branch closure and commence consultation with the community.

Process

1.No access to alternative banking services

If a bank closes a branch and does not provide access to a local ongoing face-to-face retail banking service which offer cash deposit and withdrawal facilities, the bank will:

- a) give customers and relevant organisations, including local government and community organisations, 24 weeks' written notice of their intention to close a branch;
- b) waive any fees and charges associated with transferring accounts to other financial institutions that offer alternative banking services at the same locality;
- c) provide customers with information about accessing its services and offer customers education, training and assistance to help them adjust to changes in the way they access their alternative banking products and services; and
- d) actively engage with customers and the community and formally respond to queries and concerns about the closure of the branch.

2.Access to alternative banking services

If a bank closes a branch and provides access to alternative local face-to-face retail banking services which provide cash deposit and withdrawal facilities, the bank will:

- a) give customers and relevant organisations, including local government and community organisations,
12 weeks' written notice of their intention to close a branch;
- b) provide customers with information about accessing its services and offer customers education, training and assistance to help them adjust to changes in the way they access their alternative banking products and services; and
- c) actively engage with customers and the community and formally respond to queries and concerns about the closure of the branch.

Exemption

Subsection 1(a) and 2 (a) do not apply in the event that a branch must close due to major structural defects or property damages and these circumstances pose a risk to bank customers, staff and the community.

In these circumstances, the bank will need to inform customers and comply with subsections 1 (b) – (d) or 2 (b) – (c).

Review

The Australian Banking Association will conduct a review of this Protocol together with the regular review of the Code of Banking Practice. This will involve consultation with member banks and other stakeholders.