

## NEWSLETTER



### Post Offices

We've been talking to representatives of the UK Post Office and gleaned a little about where they are heading. In general post office services are being reduced. Rural post offices are unlikely to be replaced as postmasters retire and the plan seems to be to replace as many post office services as possible in the future with self-service kiosks. Post offices generally have to buy the Horizon software, pay for any refurbishments and pay for any mistakes. Money is made through fixed fees for each transaction and these are tiny amounts. The UK Post Office told us that it is very difficult indeed for post offices to cover their costs without selling other products such as stationary or groceries.

In Frome we believe that the new owners of the Rodden Road Spar have applied for a post office license but this can take months with a lot of paperwork and hurdles to jump through without any assurance that it will be granted. Frome will not be deemed eligible for a third post office. It seems that cost effectiveness is trumping support for the elderly and vulnerable, who really benefit from face-to-face services, particularly as banks are disappearing from the high street.

We've been engaging with the post office on Portway. With the demise of the banks and also the current closure of Rodden Road Post Office they are dealing with both an increase in customers in general and an increase in people from businesses and charities wanting to bank cash, do other banking tasks, and get change.

It is quite amazing to view the complexity and breadth of services and the wide range of needs they deal with. Post offices provide very valuable services to both the public and to businesses and it is impressive to watch!



### Who are we?

Welcome to our second newsletter. Prosper Frome is a community-led advocacy group set up to find solutions to the community finance gaps left by the loss of banks at the heart of our town. Since our last newsletter we have been busy researching, understanding needs, exploring options, and connecting with people.

Our website [www.prosperfrome.org](http://www.prosperfrome.org)

 [\\_prosperfrome](https://www.facebook.com/prosperfrome)

 [\\_prosperfrome@gmail.com](mailto:_prosperfrome@gmail.com)

### Latest on Banking Hubs



In an ideal world we would like a banking hub in Frome, where the banks and Post Office can come together to share a site. It would then be possible to wrap other community support services around that.

We have twice applied to LINK, who determine which towns qualify for a banking hub, and each time been told we do not qualify as a town. We have too many ATMS providing access to cash and while there is still Nationwide and TSB in the town it seems we will not be eligible.

### How is the loss of the banks beginning to impact our community?

We have been doing research both with businesses and individuals to understand how the banking crisis is affecting people. Businesses, and community groups report that they are:

- experiencing challenges finding time to be away from their business to go further afield to do their banking.
- banking less frequently which is creating cashflow issues and increasing security risks
- losing customers as people are shopping in the towns where they bank rather than in Frome,
- considering or implementing card-only sales because they find it hard to get coin change.
- Non profit organisation are finding it hard to even open a bank account and sometimes are being 'de-banked'

# NEWSLETTER

Our research with individuals, particularly those who are more vulnerable indicates:

- differing level of confidence and skills with IT and online banking and concern about being scammed or defrauded
- anxiety and concern about not being able to bank easily
- difficulties in getting to other towns to bank
- worries that cash won't be accepted in some shops or for activities
- not sure who to ask if they have a query about any banking-related issues.

## Could OneBanx be a solution ?



We held a community meeting on Oct 3rd to hear from Duncan Cockburn, CEO of OneBankx. The meeting was attended not only by local residents and business owners, but also by a number of town and county councillors. A message of support from our MP Sarah Dyke was read out by Councillor Adam Boyden. We discussed the impact the bank exodus is having on our communities and explained why we felt that OneBanx may have a solution that could work well here.

OneBanx has developed a kiosk which allows users to connect with any bank to undertake transactions including the banking and withdrawal of cash and change. Seven of these kiosks have been rolled out in small towns in Wales and the North East and are being taken up by local building societies who see this as an additional service for the own customers as well as offering a much needed interface to others when their own banks are no longer there. The kiosks can also be situated in shops or community premises such as libraries. Although the kiosks rely on internet skills, the elderly and vulnerable are helped to engage and undertake transactions either by building society staff or, in public spaces, by trained volunteers or paid staff. This is a solution that is working for small towns such as Morpeth and Cowbridge and could work here in Frome.

Duncan's talk was met very positively and the Q&A session focused on how OneBanx's solutions could cater to the needs of small businesses, charities, and non-profit organisations as well as to the general public. The event also attracted representatives from a number of neighbouring towns including Tisbury and Shaftesbury who are grappling with similar banking challenges.



## Money Matters Café, and roving support

In September we started a pilot 'Money Matters' Café at the Town Hall on Thursday afternoons, where people can go for help if they are worried about banking matters, budgeting, sorting out tariffs for utilities and things like that. We are also happy to help interpret correspondence, or discuss concerns and signpost to other services. No query is too small! This is in addition to the Citizens Advice Bureau (who are there on Mondays), the digital literacy drop-in at the Cheese and Grain and the Mendip Credit Union (the library on Saturday mornings) - we are engaging with these other agencies and planning some joint approaches.

Anne Hills, a town councillor and a volunteer with Prosper Frome, is giving short talks at the café on issues such as scamming, spotting loan sharks, understanding credit and so on. These are being recorded and can be found on our website and on our facebook page.

The Money Matters Café is a pilot and if it goes well, we are hoping to offer talks and support to existing groups such as at coffee mornings in sheltered accommodation or to clubs and groups. Let us know if you know of a group who might be interested.

We are also hoping to work with the Community Connectors at Frome Medical Practice to support them in signposting people needing help with banking and money matters.

# NEWSLETTER

## Industry insider view - Is cash about to become a thing of the past ?

by local resident Jeremy Smeddle who has had a long career in the global banking industry.

According to an old colleague of mine and Financial industry Expert Chris Skinner, in a recent blog "Nope it is not a thing of the past". After all, the war on cash is created by banks as cash is inefficient. It is paper-based, has to have huge logistics about its movements between corporations, institutions and banks, and is a pain compared to a quick digital swipe ... for the provider.

For the user, cash is pretty good. It is immediate, trusted and holds its value. More specifically, it is anonymous and can be passed between people with immediacy. That's why users – people – don't want to lose access to cash." I would add that there are no hidden fees or transaction costs for the merchant or the shopper with cash. People watching the pennies (a growing cohort), find it easier to manage their budget when it is physical rather than digital.

The decline in the use of cash has been meteoric according to the Payment System Regulator (PSR). The percentage of payments made using cash decreased from 55% in 2011 to 15% in 2021". UK Finance says "We expect usage to continue to fall, with cash forecast to account for only 6% of all payments made in the UK by 2031". However in 2023 cash payments increased for the first time in a decade last year, rising by 7% to reach 6.4bn payments, despite the fact that many businesses have gone card-only. "Growing fears about inflation and the rising cost of living have meant some people are making greater use of cash as a way of managing budgets," said a UK Finance spokesperson.

According to the PSR's annual report, the largest groups of people still using cash are the Elderly people and people living in deprived areas. Across the country, 26% of people report using cash at least as much as other payment methods. However, this rises to 37% of people living in deprived areas and 41% of people aged over 65.

Many users have been to shops that do not accept cash. 37% of people surveyed by the PSR said they'd visited a cashless store in the past month. However, this proportion has decreased from a peak of 44% in 2021, potentially due to stores relaxing the precautions they took due to the COVID-19 pandemic. Despite many people having encountered cashless stores, the Financial Conduct Authority (FCA) reports that 98% of small businesses have said that if a customer needed to pay in cash then they would not refuse them.

In our last Newsletter we mentioned that the Frome entertainment industry is a big cash user that breaks the industry mould, and does have large quantities of notes and coins to bank. In speaking to Victoria Park Community Café, they report that 25% of their sales are still in cash. Gateway which is part of Mencap report that all their participants pay in cash, but where to go to get coin change and to bank it? There are limits on the monthly amounts that can be banked through the Post Office and change has to be ordered in advance in many cases.

Is cash a thing of the past? NO. Its clear that people don't want to lose access to cash. But we have to consider the needs of merchants as well as buyers. The PSR are monitoring the distribution of cash access(through ATMs), but not the needs of the merchants. ATMs are only a one-way street for dispensing not banking



# NEWSLETTER



## Next Steps

Our next step is to dig a bit deeper into how the One Banx system works and how it could work in Frome. Prosper Frome has attracted a small team of local experts in the field of banking IT and so we can convince ourselves that this is as good as it looks.

We are also interested in exploring where such a kiosk could be placed, and the implications of it not being hosted by a building society. We are keen to forge partnership and collaborations. We feel that One Banx could be a pivotal solution in the journey towards a more inclusive and community-focused banking system for Frome and could be the solution to community focused banking.

if you would like to find out more and could offer some expertise, knowledge or energy, please get in touch



We are interested to know how businesses and charities and small organisations are affected by the bank exodus from Frome. Have you found work arounds or is this still a difficult issue for you? Please let us know...

## How can you help?

Are you a whizz at event planning and would like to help us with keeping organised?

Do you have space in Frome to host a One Banx kiosk and would be interested in supporting this initiative ?

Could you help us build a social media/ marketing profile? Talking finances needs a little visual imagination!!!.

Have you banking expertise or are well connected to financial institutions and can help assess the One Banx option

Would you like to help people with day-to-day challenges in money matters, maybe volunteer at our Money Matters Cafes, do some outreach or help us to support Mendip Credit Union?

Email us at  
[prosperfrome@gmail.com](mailto:prosperfrome@gmail.com)