



**Oireachtas Committee on Finance, Public Expenditure and Reform, and Taoiseach**

***Opening Statement***

***Gavin Kelly, Interim Group CEO***

**14 September 2022**

Thank you Chairman and members of the Committee for the invitation to attend today. I'm joined by my colleagues Susan Russell, Director, Retail Ireland, and Aoife Leonard, Interim Director, Distribution, Digital, Strategy and Operations.

Over the past decade the way in which consumers and businesses bank has been changing rapidly. As a full-service retail bank, Bank of Ireland has been responding to this change in a range of ways. Today, we serve our customers through a mix of branch, digital and telephone banking services, along with a network of mobile advisors who can meet customers at a time and place that suits them. I'll briefly set out further information in respect of these services, and we will then be happy to take your questions.

**Branch Banking**

Bank of Ireland has an extensive nationwide network of 169 branches in Ireland. We recognise the importance of cash services to customers and communities in all parts of Ireland, and we offer cash services at all of our branches. Over 2022 and 2023, we will invest €13 million in upgrades and improvements to this network.

Of course, in common with banks in many other markets, we have also seen a considerable change in branch usage. Between 2017 and 2022 in-branch transactions have declined by approximately 54%. As a result of changing customer preferences, last year we made the first significant change to our branch network in almost a decade with the closure of 88 branches. As we discussed with the Committee in March 2021, that decision was not taken lightly but reflected that we had reached a tipping point in customer preference between online and offline banking.

However, whilst making these changes we also agreed a new partnership with An Post. This partnership maintained – and significantly expanded – access to local services including cash services. Our customers can now access a range of banking services, including cash lodgement and withdrawal and cheque lodgement, at more than 900 post office locations across Ireland. Over 90% of our branch transactions can be handled through the post office network and this partnership has resulted in over 830,000 Bank of Ireland transactions at post offices since September 2021.

**Digital Banking**

In terms of digital banking, Bank of Ireland's mobile banking app remains by far the most popular way for customers to manage their banking, with 1.4 million customers now using the app. We have seen a 36% growth in mobile traffic over the last 12 months. We have also seen a significant increase in contactless payments, with transaction volumes up 125% over the last three years. In the first six months of 2019 our customers tapped more than 70 million times spending more than €890 million. In the first six months of this year this had grown to more than 161 million taps spending more than €2.6 billion.

Customers can also access many different products online, with over 30 personal products available digitally, spanning all popular product types including accounts, cards, mortgages, and



insurance. 94% of all applications for everyday banking products are now received digitally. We continue to improve our digital offering to support customers opening accounts or to apply for loans as quickly and efficiently as possible. For example, as Ireland's largest lender to the agri sector, today c.80% of our agri loans (under 120k) are applied for online or over the phone with approvals made in c.70% of cases within 48 hours.

### **Telephone Banking**

Our contact centres are central to our customer service operations as they are the hub for all telephone banking services, and we employ 950 contact centre staff across our network. In August calls to our main banking lines were answered, on average, in less than 1 minute. We always strive to serve customers as quickly as possible and we continually invest in our systems, processes and people to ensure we can do this.

### **Mobile Advisors**

We have also seen customer preferences change with more requests to meet customers at their home or business. This is why we developed our network of over 630 mobile advisors – across mortgages and business banking – who are available to meet business and personal customers at locations that suit their needs. This also includes our *Bank at Work* team which provides a range of services in workplaces across the country.

### **Vulnerable Customers**

There will, of course, always be some customers who need additional support. Our Vulnerable Customer Unit is a centre of expertise within the Bank and provides support to customers and their families who find themselves in vulnerable circumstances or situations including age-related or cognitive impairment, financial abuse, addiction, or illness. In 2021 this unit supported c.6,000 customers across a range of issues.

### **A period of unprecedented change**

We have previously discussed with the Committee the unprecedented change which is underway in Irish banking at present. In response, we have scaled-up to support customers switching banks with an additional 655 resources across our Opening and Operations Teams, Contact Centre Teams, and Mobile Support Teams. This has helped Bank of Ireland open the same number of personal current accounts in first six months of 2022 as it did for the whole of 2021.

We are also strongly supporting Ukrainians who need banking services, including providing guidance on transferring assets and assisting in the account opening process. We have hired more than 30 people, over half of whom are themselves displaced from Ukraine due to the Russian invasion, to support Ukrainian refugees to open accounts. Bank of Ireland has opened over 4,000 accounts to date for displaced Ukrainians.

### **Conclusion**

We will continue to offer a range of ways to bank through branch, digital and contact centres, and through the post office network. We will also continue to invest in our services and innovate to keep pace with changing customer preferences. As a full-service retail bank, with a 239 year heritage, we are committed to serving the needs of our customers and the Irish economy for the long term.

**Ends/**