

銀行關閉分行及增加收費 對弱勢社群的影響



Impact of Branch Closures and Fee Increases of Banks on Disadvantaged Consumers



消費者委員會
CONSUMER COUNCIL

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報告摘要

引言

1. 近年，香港銀行分行的數目大幅減少。根據消費者委員會(本會)去年就23間本地零售銀行服務的調查，銀行分行數目由2001年的1,463間，逐步減少至2006年5月的1,209間，共減少254間，減幅達17%。但同期銀行增加了ATM櫃員機及網上銀行服務，以2007年3月計，香港兩個自動櫃員機網絡共有達2,400部自動櫃員機。

2. 本會於2006年7月3日出席立法會財經事務委員會會議，指出有需要在社區層面就消費者使用銀行服務的經驗及期望作更深入的研究。本會跟進研究以低住戶入息水平為選區準則，探討銀行關閉分行和增加收費對深水 𣳚B觀塘及天水圍的長者、低收入及傷殘人士的影響。共舉行了5次聚焦小組討論，及3次實地視察上述地區銀行分行的分佈情況，日期由2006年10月9日至16日。

研究課題

3. 研究涵蓋下列範疇：

- 消費者對銀行關閉分行的意見
 - 是否有選擇
 - 使用上的方便程度
 - 獲取服務的容易程度

- 使用其他替代銀行分行服務的情況
- 轉換銀行面對的障礙
- 消費者對銀行收費及服務的意見
 - 經濟負擔能力
 - 透明度
 - 資訊的傳達
- 探討如何可以讓消費者較容易取得銀行服務，及減輕貧窮人士使用銀行服務的經濟負擔
- 探討政府和銀行界可以採取何種措施，幫助解決消費者使用銀行服務面對的困難

研究結果

4. 很多參與聚焦小組討論的人士表示，銀行地區分行仍然是他們可以便利地處理個人財務的主要途徑，是否容易獲得分行服務，對較為貧窮的人士至為關鍵。大部份回應者均期望，銀行作為社會企業公民，會履行社會責任及關顧公眾的需要。對於銀行關閉分行，他們頗有微言，主要關於使用者的經濟負擔能力、能否容易取得服務、服務質素和使用方便程度。以下歸納了回應者對銀行服務轉變的意見。

獲取銀行分行服務

- 回應者指，在他們居住的地區及慣常辦理財務的地方，都出現銀行分行減少的情況；本地主要銀行在貧窮地區關閉分行的情況有出現。
- 部份回應者甚至表示，銀行關閉分行下，他們在社區內實際上得不到持有戶口的銀行服務。以藍田為例，住在該區的居民以前只需步行 5-10

分鐘(以一般人步程計),便可到達就近的銀行分行,但現時他們從所居住的屋邨到特定的分行,平均要步行 30-45 分鐘(以一般人步程計)或乘坐交通工具才可到達。

- 在研究的屋邨中,多數只有1至兩間或甚至沒有銀行分行。相對香港其他地區,4個相連的大型屋邨人口超過45,000人(觀塘-「四順」),但在區內只有1間銀行分行,而在人均收入較高的灣仔區,則每1,400人便有1間銀行分行。

使用自動櫃員機

- 基於多個原因,使用自動櫃員機、網上銀行服務,或往連鎖式零售店舖提取現金,替代傳統銀行分行服務並不普及,主因之一是不知道有關設施的使用程序,及服務涉及使用成本等問題。
- 現時,銀通¹及 ATM²網絡並未聯網(除透過 Visa/Plus 或 MasterCard/Cirrus 網絡外)。當區內只有其中1個網絡時,不屬該網絡提款卡的消費者,要取得銀行服務,唯有轉用屬該區網絡的銀行,或長途跋涉往其他地區。
- 使用自動櫃員機涉及費用³。雖然費用可能都在一般人負擔能力範圍內,但對貧窮的人士而言,則可能已屬昂貴;至於長者方面,遺失提款卡或忘記私人密碼的風險亦可以很高。
- 有很多長者並不知道現時超級市場有提取現金的服務。不過,有些消費者可能會認為這類交易方式增加負擔。

¹ 銀聯通寶有限公司。

² ATM - 匯豐集團(匯豐/恒生銀行)自動櫃員機網絡。

³ 本會於2006年5月就23間本地零售銀行服務進行的調查顯示,共有21間提供自動櫃員機服務,其中6間免收費用,1間收取年費30元,其餘14間收取年費50元。

使用銀行服務涉及費用

- 對於很多長者、傷殘及低收入人士來說，要長途跋涉前往銀行提取款項可能會有困難。居住在本會所研究地區的消費者指，銀行關閉地區分行後，他們在社區內實際上得不到他們持有戶口的銀行的服務，因此很多居民都需要到遠離居所的分行繼續使用銀行服務。如上文提及，有些須乘坐交通工具，否則便要步行超過 30-45 分鐘才可到達他們慣用的銀行，當中涉及不少交通費和時間。
- 低收入地區的銀行分行減少，銀行轉用其他替代設施(例如：安裝自動櫃員機)，令極需要銀行服務的社群須付出更多(使用自動櫃員機涉及費用)，才可以獲取他們所需的基本銀行服務。

轉換銀行手續繁複

- 回應者關注在銀行關閉分行後要轉換銀行時所面對的障礙。例如：轉換新銀行戶口時需提交的證明文件數目及種類繁多，以證明領取社會保障津貼的資格；要通知社會福利署轉換銀行戶口，他們擔心轉接需時銜接不及會影響收到社會保障津貼的時間；因轉換戶口導致延誤，影響以自動轉帳繳付公共服務賬單；開立新自動轉帳戶口的行政費用；以及不熟悉轉換銀行的手續等。

銀行服務收費

- 在「銀根緊絀」下，銀行服務收費特別構成關注。很多回應者都覺得，他們除照付外並沒有選擇的餘地，因差不多所有銀行也收費(除一些只使用自動櫃員機的儲蓄戶口外)。
- 現時，有部份銀行提供豁免收費措施，值得歡迎。但很多回應者並不知道有這些豁免收費措施。

銀行服務質素

- 有些回應者表示：「銀行職員服務水平較以前優勝」；但亦有回應者認為：「整體銀行服務質素倒退，因銀行服務收費增加而分行數目？減」。綜觀而言，持第二種意見的佔多數，回應者普遍覺得銀行未有維持足夠人手資源，以應付因鄰近分行關閉後而增加的客戶數目。
- 有回應者指，部份銀行的分行設施不能充分照顧傷殘人士的需要。例如：近年，有些銀行把較多消費者使用的普通櫃位服務，由原來的地下位置遷往二樓或地庫，將方便的地下位置轉為處理尊貴銀行客戶服務。有些銀行分行仍未設置適合肢體殘障人士進出及使用的銀行設施。有一名回應者表示：「銀行分行沒有提供適合傷殘人士使用的設施，我要在銀行分行的門口，大聲呼喚銀行職員出來幫忙。此外，分行的櫃位太高，我需要大聲說話，才可令銀行職員聽得到。」

建議

5. 基於上述研究結果，本會提出一系列的建議，供各持分者包括銀行、政府和監管機構考慮，讓消費者較容易獲取銀行分行服務、減低轉換銀行的障礙、促進自動櫃員機及其他自動化銀行設施的使用、確保銀行收費公平和合理，及增加銀行豁免收費措施的透明度。本會的建議如下：

銀行

關閉分行

- 在關閉分行時，預先通知受影響的客戶就近的銀行分行及自動櫃員機的位置。

- 就沒有設置銀行分行或自動櫃員機的低收入地區，或居住了較多長者的地區，研究設立流動銀行的可行性。

使用自動櫃員機

- 透過舉辦持續的社區推廣活動，指導消費者(不限於長者)如何使用自動櫃員機及其他替代服務設施⁴。
- 積極開展地區工作，與社會服務機構、志願團體和自助組織合作向有特別需要的人士，提供有關使用自動櫃員機的講座及示範。
- 採用生物科技識別身份方式（例如：瞳孔或指紋確認），替代以私人密碼使用自動櫃員機。
- 把兩個自動櫃員機網絡聯網，可能會涉及技術上的問題，銀行界亦指出網絡合併後自動櫃員機可能會減少，以避免重疊，但本會認為仍值得認真探討其可行性。一些國家的自動櫃員機網絡已有聯網。以澳洲為例，持有扣賬卡或信用卡的消費者，可以使用任何在境內的自動櫃員機設施或支賬系統⁵。
- 銀通及 ATM 網絡應令消費者可便利使用，而弱勢社群使用自動櫃員機服務的收費應予豁免。

使用銀行服務的費用

- 研究有何途徑可讓消費者在沒有附加條件下提取小額現金。例如讓消費者在連鎖零售商舖付款處毋須同時購物即可提取現金。

⁴ 銀行公會已於 2007 年 3 月 11 日舉辦了「活用銀行自動櫃員機」教育活動。

⁵ 澳洲銀行公會及澳洲 Payments Clearing Association 2006 年 10 月 13 日的聯合新聞公告。

轉換銀行手續

- 當銀行關閉分行時，按客戶要求提供協助辦理轉換銀行的手續。銀行界宜研究如何可以減省手續，例如提供一站式服務，方便消費者轉換銀行戶口，特別是對領取綜合社會保障援助計劃及傷殘津貼的人士。
- 提供銀行增值設施(例如：增設自動打簿機)，吸引消費者轉換銀行。對於部份經濟能力有限的人士而言，使用打簿機查閱銀行戶口結餘非常重要。然而，某些地區僅有的一間銀行分行未有提供該項設施。

銀行服務收費

- 增加銀行豁免收費措施的透明度，例如：在銀行分行內張貼告示通知客戶有關措施。將有關資料知會老人院舍或中心、自助組織或傷殘人士的社會服務中心。
- 豁免低下階層人士因補發新卡或其他服務項目(例如：櫃位服務費)而須繳付的收費。
- 擴闊豁免收費戶口的範圍，考慮提供若干次免費的櫃位服務。
- 統一申請豁免收費的文件。
- 自動豁免合資格人士(即領取綜援及社會保障津貼的人士)的銀行服務收費。

銀行服務質素

- 在分行維持足夠人手資源，以應付因鄰近分行關閉後而增加的客戶數目。
- 提供適合傷殘人士使用的銀行分行環境。
- 把設置在地下客戶較常用的普通櫃位移至較不利便的上層或地庫時，宜考慮行動不方便的長者及傷殘人士的需要(除非分行內設有電動樓梯或其他方便進出的設施)。
- 採取措施縮短長者及傷殘人士輪候銀行櫃位服務的時間。

政府

- 作出特別安排，吸引銀行到只有少數甚至沒有分行設置的公共屋邨開設分行；以及繼續研究透過郵局提供小額提款的可行性。
- 繼續關注市民能否獲取基本銀行服務，及監察在低收入地區對銀行分行服務的需要，保障弱勢社群獲得基本銀行服務。
- 研究是否有需要仿效其他國家為消費者引入基本銀行戶口。在法國、加拿大和美國等地，法例列明消費者獲得基本銀行服務的權利。
- 與銀行界研究如何簡化客戶轉換銀行的手續，令領取社會保障津貼人士的銀行戶口具可攜性。
- 縮減領取社會保障津貼人士從不同銀行收到津貼的時間差距，令他們的銀行選擇以至到就近分行的決定不會受到不必要的限制。據本會瞭解，社會福利署最近已作出安排，讓領取社會保障津貼人士即使選擇不同

銀行而亦可同日收到津貼。不過，本會從某些銀行及社會保障辦事處得到的資料顯示，至3月尾計，收到津貼的時間差距問題可能仍然存在。

消費者

- 合併不同的銀行戶口，以免支付不必要的銀行服務收費。
- 當慣用的銀行分行關閉時，視乎需要轉用就近的其他銀行。
- 儘可能主動向銀行職員查詢如何使用自動櫃員機，及其他自動化銀行設施。
- 使用易辦事(EPS)設於零售店舖及便利店的提取現金服務。
- 選擇最適合個人需要的銀行戶口(例如：利用自動櫃員機運作而不設戶口結餘下限的銀行戶口)，消費者可向銀行多作查詢及比較。
- 傷殘人士可轉用家居銀行服務，例如透過電話、電郵及網上理財取得銀行服務，減少因交通或進出樓宇遇到的不便。

銀行公會回應

6. 消委會集中研究3個地區內特定顧客取得銀行分行服務的情況。香港銀行公會(銀行公會)認為必須強調，以人口及面積計算，香港是世界上擁有最高密度的銀行分行和自動櫃員機的主要城市之一，透過包括互聯網在內的不同渠道提供24小時銀行及金融服務。除了銀行分行和自動櫃員機外，顧客亦可在特定的零售商店購物時透過EPS提款。

7. 銀行公會亦指出，銀行在利率方面(存款和借貸)的劇烈競爭及在產品/服務方面推陳出新，顧客都普遍得益。從這角度來看，銀行公會相信在討論銀行關閉分行的問題時，應同時考慮整體消費者的利益。

8. 銀行公會的詳細意見及就消委會建議作出的回應，見研究報告第VI部份。

消費者委員會

2007年3月29日

CONSUMER COUNCIL

Impact of Branch Closures and Fee Increases of Banks on Disadvantaged Consumers

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CONSUMER COUNCIL

Impact of Branch Closures and Fee Increases of Banks on Disadvantaged Consumers

I. EXECUTIVE SUMMARY

Introduction

1. In recent years there has been a substantial reduction in the number of manned bank branches in Hong Kong. According to a survey of 23 retail banks conducted by the Consumer Council (CC) in 2006, the number of branches had shrunk from about 1,463 bank branches in 2001 to 1,209 in May 2006, an overall reduction of 254 branches; or 17%. Nonetheless, against this background of fewer bank branches has emerged growth in the number of ATMs, and online banking transactions. As at March 2007, there are a total of 2,400 ATMs between the two ATM networks in Hong Kong.

2. Representatives of CC attended a meeting of the Legislative Council's (LegCo) Panel on Financial Affairs on 3 July 2006. During the meeting, CC's representatives expressed the need for a more detailed study to gauge consumers' experiences and expectations of banking services at a district level. This subsequent study focuses on the impact of branch closures and fee increases of banks on disadvantaged consumers in Sham Shui Po, Kwun Tong and Tin Shui Wai. The districts were selected on the criteria of low household income level. Five focus groups and three field visits were conducted between 9 October and 16 October 2006, to look into the accessibility of banking services to senior citizens, low-income groups and disabled persons in these three districts.

Issues Studied

3. This study covers the following issues:
- Consumers' views on branch closures in relation to:
 - availability of choice
 - convenience of using bank services
 - access to banking services
 - use of alternative service delivery channels
 - barriers to switching between different banks

- Consumers' views on bank fees and the use of banking services in relation to:
 - affordability
 - transparency
 - communication
- What can be done to make banks more accessible and to minimize the cost of banking to the poor?
- What measures can the Government and the banking sector undertake in order to alleviate the problems that have arisen?

Findings of Study

4. For many respondents, a bank branch remains the basic means through which they are comfortably able to manage their money. Access to bank branch serves a critical need in the daily life of disadvantaged consumers in the community. A majority of the respondents believed that banks, as corporate citizens, should act upon their social obligations and have regard to the needs of the community. Respondents of this study found bank branch closure disappointing and their concern centred around affordability, access, service quality and convenience. A summary of consumers' comments on the changing banking environment is as follows:

Branch closures – access to services

- Respondents noted a reduction in branch services where they live and where they bank; and that major banks had shut down branches in underprivileged areas.
- Some respondents have experienced a reduction of branch services to the extent that they are now virtually without access to their bank branches in their community compared to before. As an example, people living 5-10 minutes (walking distance for an average person) from the nearest branch in the past, now have to take 30-45 minutes (for an average person) to walk or take transportation to a specific bank branch from their housing estates; as in the case of Lam Tin.
- It was generally the case that either no branch or only one branch (but no more than 2 branches) was available in the housing estates studied. As a comparison between different areas in Hong Kong, four large scale housing estates only have one bank branch despite a population of more than 45,000 (in the case of Kwun

Tong – Four ‘Shun’), whereas there is roughly one bank per 1,400 persons in an affluent area such as Wanchai.

Use of ATMs

- The use of ATMs, on-line banking services, or the withdrawal of cash from chain store retailers, have not been widely used as alternatives due to a variety of reasons. The primary reasons being the lack of knowledge on the relevant procedures for using the machines, and implications of using the services, such as the costs involved.
- JETCO¹ and ATM² are not interconnected at present (except via Visa/Plus or MasterCard/Cirrus network). Therefore, where only one ATM service is available nearby, those consumers who are not able to use it have no choice but to either switch banks, or travel a considerable distance from home in order to have access.
- The use of ATMs incurs a cost³. While this might seem affordable, it can be prohibitive for less privileged customers, and for the elderly, the risk of losing a card or forgetting a PIN number can be high.
- Many elderly consumers were not aware that cash withdrawals at supermarket chains were currently available. In any event, these types of transactions could be a burden for some consumers.

Cost of banking

- Many elderly, disabled and low-income people cannot afford to travel a long way to have access to their money. Some people living in the studied areas are virtually without access to their bank branches in their community. As a result, many have had to use a branch that is far away from their home. As noted above, some need to rely on transportation, or else walk for 30-45 minutes or more, to reach a branch of their bank, which involved substantial transport and time costs.
- The decline in number of bank branches and the rise of alternative services (e.g. the use of ATMs) in low-income areas mean that those communities most in need of manned service pay more for basic banking services, because the use of ATMs incurs a cost.

¹ JETCO refers to Joint Electronic Teller Services Limited.

² ATM refers to automatic teller machines under the HSBC Group (HSBC and HSB).

³ From CC's survey of 23 banks in May 2006, of 21 banks that provided ATM service, 6 provided it for free, 1 charged an annual fee of \$30 while the remaining 14 all charged \$50 for it.

Complex switching procedures

- Respondents were concerned with the barriers to switching to another bank after their branch closes. For example, complications involved in changing from one bank to another due to the number and nature of identification documents needed to confirm benefit recipient status; having to notify the Social Welfare Department and the time taken to effect the change which might create gaps impacting on the benefit payments; the time delay in switching banks and adverse effect on automatic payment of utility bills; the administrative charge for setting up a new auto-payment account; and the general lack of knowledge on the procedures involved.

Bank fees

- Bank fees and charges were regarded as particular concerns because “money is tight”. Many respondents felt that they did not have any choice but to pay, as almost all banks imposed fees and charges, waiver accounts exempted.
- Although fee waivers are available from some banks, which were appreciated, many respondents were not aware which fee waivers were currently available to them.

Quality of banking service

- Some respondents commented that “service quality of banking staff is better than before”, but others felt “banking services in general are going backwards in view of the increasing bank fees and the sharp reduction in bank branches.” Broadly, the latter view prevailed when considering quality of service; one reason being that remaining branches to which respondents had to turn were not felt to be adequately resourced to cope with increased numbers of customers.
- Some bank branches were not considered to be adequately set up for disabled persons. For example, some banks had recently moved frequently used counter services to upper floors or basements, whereas privilege banking services were moved to the more easily accessible ground floor location. Some bank branches have not yet provided access for physically disabled persons. One respondent noted that “I’ve had to shout out for help outside a bank branch because the branch has no access facility for the disabled, in addition the branch counter is too high and I have to speak very loudly to get myself heard.”

Recommendations

5. In light of the above findings, CC proposes a list of recommendations to be considered by the various stakeholders, including banks, the Government and regulatory authorities, to improve access to bank branches; reduce barriers to switching banks; facilitate the use of ATMs and other automatic banking facilities; ensure fair and reasonable bank charges; and increase the transparency of fee waiver policies. A summary of CC's recommendations is as follows:

What the banking sector can do

Branch closures

- In the event of branch closure, inform customers of the location of the nearest branch, and nearby ATM machines where customers can obtain service.
- Explore the feasibility of introducing mobile branches in those underprivileged areas that do not have a bank branch or an ATM or in communities with a high proportion of aged population.

Use of ATMs

- Through continuous industry-and community-wide campaigns to provide instruction for consumers, not limited to the elderly, on how to use ATMs, and other alternative services⁴.
- Proactively outreach to the community through working with social services organizations, volunteers groups and self-help organizations to reach out to people with special needs, for the provision of talks and instruction sessions on the use of ATMs.
- Use biometrics technology (such as finger print or retina) as an alternative to PIN for accessing ATM services.
- While there may be technical difficulties involved and concern that combination of the two ATM networks may lead to streamlining to minimize overlap, the banking sector should seriously consider interconnecting the two ATM networks to enhance accessibility. Interconnection between networks is currently available in

⁴ HKAB has launched an educational campaign on the use of ATMs on 11th March 2007.

some countries. In Australia, for example, every holder of a debit or credit card can access any of the ATM facilities or EFTPOS terminals in that country⁵.

- JETCO and ATM should provide convenient access to consumers, and the service should be provided cost free to disadvantaged consumers.

Cost of banking

- Explore avenues for micro-payment to consumers with no strings attached, for example, consumers may obtain cash from a retail check out point without having to buy something at the same time.

Complex switching procedures

- Assist customers in their requests to switch to other banks in the event of branch closures. In this regard, the banking sector should discuss how best to streamline procedures for switching between banks by offering a one stop service that will facilitate the switching of accounts for their customers; particularly for Comprehensive Social Security Assistance Scheme and Disability Allowance recipients.
- Provide value-added banking facilities (e.g., passbook checking machine) to create incentive for bank switching (checking bank balance is crucial for those with limited means, yet in some districts, the only bank branch available does not have such a service).

Bank fees

- Improve the transparency of bank fee waiver policy by posting information and brochures in every branch. Make such information available to elderly homes/centres and self-help groups/social services centres for disabled persons.
- In relation to underprivileged consumers, introduce a waiver on the application of penalties associated with the issue of a replacement card and other fees such as counter service fees.
- Expand the scope of fee-free account by making free limited number of transactions made at branch counters.

⁵ Joint Media Release of the Australian Bankers' Association and Australian Payments Clearing Association released on 13 October 2006.

- Standardize the documentation requirements for granting a fee waiver.
- Provide automatic fee waiver to qualified consumers, i.e. Comprehensive Social Security Assistance Scheme and Social Security Allowance Scheme recipients.

Quality of banking service

- Maintain an appropriate level of resources in branches where nearby branches have been closed, in order to cope with increased customer numbers.
- Provide a user-friendly environment in bank branches for the physically disabled.
- Take into account the needs of the less mobile elderly and disabled persons in the relocation of frequently used branch counter services from the ground floor to less accessible upper floors or basements, unless escalator or other access facilities is available.
- Make arrangement to shorten the waiting time for branch counter services for the elderly and disabled persons.

What the Government can do

- Make special provisions in order to attract banks to open up branches in public housing estates where there are few or no bank branches; to continue to explore whether post offices can provide micro-payments.
- Maintain a concern with accessibility of basic banking services to all in the community and monitor branch access in underprivileged areas to ensure fair access for disadvantaged consumers.
- Study the need for introducing a standard basic bank account to consumers, similar to that available in other countries. For example, in France, Canada and the US, the right to access a basic banking service has been enshrined in law.
- Engage with the banking sector to ensure the streamlining of procedures to facilitate 'portability' of bank accounts for welfare benefit recipients.
- Explore the means to minimize the time difference for consumers in receiving benefit payments from different banks, so that benefit recipients' choice of banks, and therefore access to the closest possible branch, will not be unduly limited. CC understands that the Social Welfare Department has lately initiated arrangement for benefit recipients to receive social security benefits on the same pay date, irrespective of the recipients' choice of banks. However, the latest feedback CC collected from some banks and social security field units as at end of

March is that there may still a difference in the time benefit payment recipients get paid from different banks.

What consumers can do

- Consolidate bank accounts to avoid unnecessary bank service charges.
- Switch to another bank in a convenient location when a branch closure arises.
- Seek help from bank staff to learn to use ATMs or other automatic banking facilities where practicable.
- Utilize EPS cashback service available at retail outlets such as convenience stores in obtaining cash.
- Select the most suitable bank account to cater for one's own circumstances (e.g. an account operated by ATMs with no minimum account balance requirement) by asking for and comparing information available.
- Bank from home (via telephone, email and internet) to reduce the impact of transport and building access barriers for customers with disabilities.

Response from HKAB

6. In view of the focus of CC's study being banking services delivered through bank branches in three specific locations to selected customer segments, the Hong Kong Association of Banks (HKAB) considers it important to highlight that Hong Kong is one of the top cities in the world with the highest concentration of bank branches and ATMs per population and land area, and offers round-the-clock banking and financial services through a combination of channels including the internet. Apart from ATMs and bank branches, customers making purchases at selected retail outlets can withdraw cash using EPS facilities.

7. HKAB also points out that consumers in general have benefited from intensive competition in interest rates (both deposit and borrowing) and innovation in banking products/services. From this perspective, HKAB believes it is important to bear in mind the interests of the general body of consumers in addressing the issue of bank branch closure.

8. Details of HKAB's feedback and comments on CC's recommendations are set out in section VI of CC's full report.

II. INTRODUCTION

Background

9. The Consumer Council (CC) attended a meeting of the Legislative Council's (LegCo) Panel on Financial Affairs on 3 July 2006. During the meeting, CC expressed concern over the impact of branch closures and fee increases on disadvantaged consumers. CC subsequently conducted a detailed study to gauge those consumers' experiences and expectation of banking services at a district level.

Objective of Study

10. The objective of the study was to gain a better understanding of those consumers' perception as to what had happened to date and their expectation on banking services in the future, with regard to branch closures and fee increases.

11. In this study, CC explored

- consumers' views on branch closures in relation to:
 - availability of choice
 - convenience of using bank services
 - access to banking services
 - use of alternative service delivery channels
 - barriers to switching between different banks
- consumers' views on bank fees and the use of banking services in relation to:
 - affordability
 - transparency
 - communication
- what can be done to make banks more accessible and to minimize the cost of banking to the poor?
- what measures can the Government and the banking sector undertake in order to alleviate the problems that have arisen?

Methodology

12. Study undertaken comprised five focus groups and three field visits, to look into the accessibility of banking services to specific segments of the population, i.e. senior citizens, low-income groups and disabled persons. The study was conducted between 9 October and 13 October 2006, in the areas of Sham Shui Po, Kwun Tong and Tin Shui Wai, to understand the concerned parties' special needs and particular circumstances in their respective communities and districts.

13. Respondents were identified by the Hong Kong Council of Social Service (HKCSS) and its member social services organizations. The districts selected were based on the criteria of low household income level. Sham Shui Po and Kwun Tong can be categorized as poorer districts in Hong Kong (see Annex 1), given that more than a quarter of the households there have income levels of less than or equal to half of the median domestic household income in Hong Kong (see below table).

	No. of low-income households (% share to total households in district)	No. of people aged = 65 (% share to total population in district)
Sham Shui Po	33,309 (28.9%)	60,100 (16.1%)
Kwun Tong	47,657 (27.2%)	90,800 (15.5%)
Tuen Mun (Tin Shui Wai**)	32,581 (22.3%)	34,900 (7.0%)
Total:	441,460	815,700

Note: * Low-income households are defined as the income level of the household being less than or equal to half of the median domestic household income by the same household size.
** Breakdown figures for Tin Shui Wai were not available.

Source: Population statistics were obtained from the Census and Statistics Department. Income statistics were extracted from "2003 Statistics on Low-income Households in Hong Kong" (香港低收入住戶統計概覽 2003) published by HKCSS.

14. Moreover, Sham Shui Po and Kwun Tong were among the districts in Hong Kong with the highest concentration of elderly population.

III. THE OVERALL SITUATION

Reduction in bank branches

15. In recent years there has been a substantial reduction in the number of manned bank branches in Hong Kong. According to a survey of 23 retail banks conducted by CC in 2006, the number of branches had shrunk from about 1,463 bank branches in 2001 to 1,209 in May 2006, an overall reduction of 254 branches; or 17%. Nonetheless, against this background of fewer bank branches has emerged growth in the number of ATMs, and online banking transactions. As at March 2007, there are a total of 2,400 ATMs between the two ATM networks in Hong Kong.

16. Banks with a higher number of branch closures between 2001 and 2006 were The Hongkong and Shanghai Banking Corporation (HSBC) (the number of branches had reduced by 86, or 41%), Bank of China (Hong Kong) (72 branches, 20%), The Bank of East Asia (47 branches, 35%), DBS Bank (Hong Kong) (41 branches, 39%), and Hang Seng Bank (22 branches, 21%) (For details, see Annex 2). Some of the branch closures were due to consolidation and mergers between banks, while others substitutions by new banking centers in other areas. However, the closure of bank branches is not synonymous with retreating from underprivileged areas. For example, Bank of China (Hong Kong) and Chong Hing Bank are found to be the only banks operating in some low-income areas; Bank of China (Hong Kong), The Bank of East Asia and Chong Hing Bank have comparatively more branches in some remote public housing estates than others. The elderly and disabled consumers living in these areas have access to branch services.

17. In the context of branch closures, accessible and convenient banking services have understandably become a key concern in the community.

New and higher bank fees and charges

18. The survey by CC found new and increasing fees and charges for banking services:

- With regard to fees in general, banks originally charged fees on accounts that were both inactive and had a low balance. The trend nowadays is that they also charge separately for a low balance account (i.e. banks now not only charge fees when a bank account has been inactive and has a low balance, but they will also impose separate charge if the account is with a low-balance only). Whereas only

2 banks charged the low balance account service fees in 2001, by May 2006 the number had risen to 18. By November 2006, 2 more banks had started charging low-balance account service fees, (i.e. 20 banks in total charging fees) with only 3 surveyed banks not charging any such fees.

- With regard to inactive account service charges, in 2001, 74% (14 out of 19 banks) surveyed imposed a charge but the number rose to 91% (21 out of 23) in 2006, with charges ranging from \$50 to \$300 every 6 months, increased by 20% to 100%.
- In 2001, no bank charged service fees on low-balance current accounts; but in 2006, 4 banks were found to charge fees ranging from \$10 to \$50 per month.
- Account opening deposits were once only optional, but have now become a requirement.
- With regard to interest rate policy for low balance account, 18 of the 23 banks surveyed had reduced the rate of interest payments on low balances, ranging in reduction from 0.05% to 3.1%. Eight of the banks surveyed require account holders to have at least \$5,000 in their accounts to get any interest at all. For example, one bank paid no interest for an account balance of less than \$5,000 but offered interest in the range of 3.0% to 3.05% for account balances over that amount.

(Further details can be found in issue No. 356 of CC's Choice magazine.)

19. In effect, the above account-keeping fees will mostly be paid by those with limited means, since customers with a high value relationship with a bank will not have to pay the fees. In some instances, customers with a particularly high bank balance will not only qualify for an exemption, but also a personal account manager. This is in contrast to low-income or disadvantaged customers (who mainly fall within the category of low balance account holders) and who pay an average of \$50 in fees per month.

20. The feedback from the banking sector on this is that the setting of fees and charges is a commercial decision. Under the free market principle, banks deliver their services to customers through channels they consider most appropriate, having regard to the technological advancement and the needs of their customers. Different banks have different strategies in delivering their services to customers.

21. The Hong Kong Association of Banks (HKAB) points out that Hong Kong is one of the top cities in the world with the highest concentration of bank branches and ATMs per population and land area, and offers round-the-clock banking and financial services through a combination of channels including the internet. Apart from ATMs and bank branches, customers making purchases at selected retail outlets can withdraw cash using EPS facilities. Consumers in general have benefited from intensive competition in interest rates (both deposit and borrowing) and innovation in banking products/services. From this perspective, HKAB believes it is important to bear in mind the interests of the general body of consumers in addressing the issue of bank branch closure.

IV. FINDINGS

A. The overall impact of branch closures in underprivileged areas

22. This section reports on CC's observations on the results of field visits to selected underprivileged areas and information obtained from respondents. Included in the section are statistics obtained from the relevant parties, e.g. housing estate population figures have been obtained from the Housing Authority's website, bank branches and ATM locations were obtained from individual bank website as in October 2006, for purpose of supplementing data collected in the field visits.

23. From the 3 field visits conducted, CC observed that consumers' access to banking services in these areas was as follows:

Overall observation

- **There are few bank branches to serve low-income areas.** It was generally the case that either no branch or only one branch (but no more than 2 branches) was available in the housing estates studied. As a comparison between different areas in Hong Kong, four large scale housing estates only have one bank branch despite a population of more than 45,000 (in the case of Kwun Tong – Four 'Shun'), whereas, there is roughly one bank per 1,400 persons in an affluent area such as Wanchai.
- **Losing access to their branch.** Some respondents have experienced a reduction of branch services to the extent that they are now virtually without access to their bank branches in their community compared to before. As an example, people living 5-10 minutes (walking distance for an average person) from the nearest branch in the past, now have to take 30-45 minutes (for an average person) to walk or take transportation to a specific bank branch from their housing estates; as in the case of Lam Tin.
- **The existence of a bank branch in the vicinity is not necessarily a viable option for some consumers.** Whilst some districts may still have one or two bank branches in an area, there are those who, not being account-holders of those banks, for one reason or another are not able to switch to the remaining bank(s) after their branch closes (the reasons are given in Section B below).

Residents do not necessarily view the existence of a competing bank in the area as providing an equivalent service to compensate for a branch closure.

- **Inconvenient banking services.** In a housing estate (with a 'senior citizens' housing block) that has a population of over 16,000 (in the case of Sham Shui Po – Fu Cheong Estate), there is no branch counter service but only JETCO availability. Consequently, if people living in the estate want to access branch counter service, which the elderly much prefer, they have to walk for 20-30 minutes to another area.
- **Incompatible ATM network impedes access.** As JETCO and ATM are not interconnected at present (except via Visa/Plus or MasterCard/Cirrus network), people living in an estate where only one ATM service is available nearby (in the case of Sham Shui Po – Fu Cheong Estate, and Lam Tin), have no choice but to either switch banks, or travel a considerable distance from home in order to have access.
- **The elderly, low-income and disabled persons encounter the greatest difficulties.** For most housing estates under study, the nearest bank branch or ATM was at least 10-20 minutes walking distance away. The walks were generally not easy ones for the elderly and the physically disabled as they passed through busy traffic roads, ramps, and/or foot-bridges. In some cases, customers required transportation, or else a 30-minute or longer walk to reach their bank branch.
- **Increased workload at remaining branches serving a larger neighborhood.** The remaining branches in the nearby districts take up the increased workload for the wider area with longer queues etc as a result.
- **Lack of disability facilities** – there are still some bank branches that have not yet provided access for people with physical disability.
- **Potential market for certain banks.** It was observed that some banks' names frequently appeared in the districts under study; giving an impression that their commitment to provide branch service in underprivileged areas was greater.

24. A summary of the availability of banking service by district can be found in the Annex
3.

B. Consumers' views on the changes that have taken place

25. This section reports on the views expressed by members of the focus groups conducted, with a view to ascertaining respondents' comments towards the changes that took place in banking service in the past years. Issues discussed included: the usage pattern of a bank branch service, accessibility to a bank branch, implications of bank branch closure, the practicality of switching between banks, the use of ATMs and other automatic banking facilities, and concerns with the imposition of low-balance account service fees and other fees.

1) Use of bank branch services

- Due to inconvenience, a majority of the respondents said that they visit a bank branch only one or two times per month.
- A common practice of the elderly persons and the disabled is to withdraw a large sum of money to avoid what is for them long queues at bank branches. Generally, the disabled group go to a bank branch once every two months or 2-3 times a year.
- A number of respondents, particularly those on Comprehensive Social Security Assistance (CSSA) Scheme, also said that they preferred to withdraw their scheme allowance from the bank accounts immediately upon receipt, and hold on to large amounts of cash for weeks.
- There was general agreement that saving money is important – but a number of respondents had increased the size of their cash withdrawals as a result of their bank's long waiting time and inconvenience, following bank branch closure. Most thought it would be more time saving to withdraw large amounts of cash but at the same time were concerned about the security of keeping large amount of cash at home and that they could “become the prime targets for thieves...”
- Some respondents were extremely concerned with the long waiting time. In general, the waiting time for most of the respondents was about 20 to 30 minutes; but a few (the respondents from Sham Shui Po and Tin Shui Wai) said that they would take more than 2 hours to access their money (because they would queue up long before a bank branch opens to ensure that they could retrieve money as early as possible).

Summary of perceived problems on use of bank branch services

- **Reduced access** – branch closures changed consumers' usage pattern of bank branch services.
- **Security concern** – this is a genuine security concern for these groups, who are the more vulnerable in society, to withdraw large sums of money and exposing themselves to personal risks.
- **Savings averse** – some consumers withdraw more money than needed at the time, to avoid long queues. This runs counter with their desire to save money and earn interest where possible.
- **Health hazard** – long waiting times, and long trips to access banking services are not working to the health benefits of elderly and physically disabled persons.

2) Access to bank branch services

- The great majority of the respondents found access to their branch difficult and preferred to have banking facilities in close proximity to where they live.
- Difficulties were exacerbated among the elderly, people with disabilities, and women caring for young children who had to travel far-away from their home to access a branch in another district. Having to use transport, with resulting costs, aggravated the situation.
- It was also brought to attention through the focus groups that some banks had recently moved frequently used counter services to upper floors or basements, whereas privilege banking services were moved to the more easily accessible ground floor location. This had made access inconvenient for the elderly and physically disabled persons. Some respondents were of the view that "Banks are discriminating against poorer people."
- Some respondents' comments highlighted the general sentiment that they would be better served if they had more money in the bank. For example, "Banks are not interested in people who do not have much money. Banks are only interested in dealing with rich people."

- Some respondents felt they were being ‘treated as second-class customers’. A key message was that they felt they should be able to access their own money in their account to see how it was going, with a satisfactory level of convenience.
- Disabled respondents considered that the present installation of branch counters in terms of convenience and access was inadequate. A physically disabled respondent stated, “I’ve had to shout out for help outside a bank branch because the branch has no access facility for the disabled. In addition, the branch counter is too high and I have to speak very loudly to get myself heard.”
- Some elderly and disabled respondents wanted the banks to distribute waiting tickets instead of using a queuing system as this would save them the fatigue of waiting in a queue. Others lamented the loss of special counters to serve needy people, saying, “These were good efforts made by some banks in the old days to help people in need, and we want these measures to come back.”
- Quality of banking service received a mixed response. Some respondents commented that “service quality of banking staff is better than before”, but others felt “banking services in general are going backwards in view of the increasing bank fees and the sharp reduction in bank branches”. Broadly, the latter view prevailed when considering quality of service.

Summary of perceived problems in regard to accessing bank branch services

- **Discrimination** – respondents’ perception of being treated as second-class citizen is growing.
- **Service not meeting needs** – consumers with special needs are not able to access service in a manner that adequately meets their needs.
- **Equitable access** – promoting equitable access for the disadvantaged consumers, for the elderly and for people with disabilities need to be addressed.

3) Closure of bank branches

- The majority of respondents felt that there had been impact in their districts. There was a strong and consistent feeling that: “Banks are closing their branches in areas where they live” and a sense that “Banks don’t care about underprivileged areas”.
- There was a strong feeling that choice is lacking, with many respondents unsure about what they could do or where they could go for advice when their branch is closed. The common reply from respondents was that they would rather go to a branch in a far-away area than switching to another bank. However, some low-income respondents opted to switch banks to save transportation costs.
- Low-income respondents expressed greater concern over the expenses associated with traveling to a bank branch. The cost of transportation for a low-income family tends to be more serious, as they have less spare cash available. A typical comment was that “\$10 transportation fee may not seem much to many people, but I would rather save that amount for necessities such as food.”
- In light of the present shortage of bank branch services in their districts, some respondents made the following remarks:

“Instead of having a physical branch fixed in a location, banks should consider operating some ‘mobile branches’ in those areas without a branch.”

“The relevant government departments should take account of the needs for a banking facility when planning public housing estates.”

Summary of perceived problems with bank branch closures

- **Access concern** – the closure of bank branches has been of particular concern to those living in low income areas.
- **Affordability** – closures incur additional costs in travel for those least able to afford them.

- **Choice is lacking** – associated costs for accessing banks render it almost impossible for some groups to make effective competitive choices of banking services.

4) Switching between banks

- Few respondents had any interest in switching banks even if their local branch was closed. Typically, responses were directed at the following considerations:

Habitation: “Always banked there... don’t want to change...”

Reputation: “Have confidence in that bank...”

Value-added services: “I’ve not switched to the remaining bank in my district because it does not have passbook update machine or safety box facilities.”

Inflexibility: “Can’t change to other banks as I need to maintain this designated bank account to settle my children’s school fees, etc...” (Some schools require students to pay fees through designated banks.)

Early payment: “Benefit payments come out earlier from that bank...” For example, those customers with The HongKong and Shanghai Banking Corporation⁶ or Hang Seng Bank accounts receive benefit payments one day earlier than through other banks.

- One of the main hurdles as perceived by many respondents was: “The switching will affect my existing auto-payments, for example household bills... cancellation and making re-arrangement can be troublesome and costly.” For example, some banks charge \$20 to set up each auto-payment account.
- Importantly, changing bank accounts for the receipt of social welfare benefit payments was also a major issue for benefit recipients. The whole process of changing to another bank was considered neither easy nor convenient. Typical

⁶ HSBC stated that “[u]nder existing procedures, HSBC will disburse to other banks the social welfare payments credited to HSBC from the Government on the day it receives the payments, and the recipient banks will also receive the payments on the same day when HSBC effects the transfers. The time when the social welfare payment recipients will receive their payments via other banks will depend on the time taken by other banks to process and credit the relevant amounts to the individual customers’ accounts.

comments were: “So many procedures need to be gone through ‘in person’ and different documentation is required by different banks to effect an account change.”

- Most respondents who were benefit recipients perceived the above inconvenience issue as the most important factor affecting their decision in regard to switching banks.
- Some respondents offered the following suggestions to ease concerns over switching banks:

“The option of having benefit payments credited to an ‘Octopus’ card, as an alternative to bank account.”

“Schools should consider other payment channels, for example, utilizing convenience stores for receipt of school fees, lunch fees, etc.”

Summary of perceived problems with switching between banks

- **Barriers to switch** – both cost and administrative barriers accounted for the major difficulties facing consumers in switching to another bank after their branch closes.
- **Lack of standardization in documentation requirements** – difficulties in providing standard documentary evidence to change bank account which can be insuperable for recipients of benefit payments.

5) Use of Automatic Teller Machines (ATMs) and other automatic banking facilities

- All respondents confessed to being very conservative regarding the use of ATM facilities and not confident in using the services. ATMs were not considered very ‘user-friendly’ in many respondents’ minds.
- Elderly persons saw automatic banking facilities as over-complicated and largely irrelevant to themselves. They considered that counter services are more relevant to their needs.

- Many of the elderly respondents expressed very negative attitudes towards ATM generally with comments such as:

“Too old to learn new things”

“Can’t clearly see the ATM screen or the key pads”

“ATM cards or passwords could be easily stolen”

“Will forget password”

“Illiteracy”

“Use of ATM costs money”

Many felt embarrassed for being slow in using the facility and had fear of being mugged at the machine; particularly if there were many people queuing behind.

Some told stories of getting frustrated when using ATMs that made them reluctant to use them: such as, not being able to follow steps of using ATM. A visually impaired respondent noted that “if some changes occurred in the ATM screen that I’m not aware of (for instance, the message on the screen that states there is a ‘lack of \$100 notes’), I may press the wrong key and my ATM card would then be locked up in the ATM machine. To get back my card, I need to access bank counter service which again costs money and time.”

A respondent on wheelchair commented that “I can barely see the ATM screen – it is too high. Banks have not done enough to improve access and use of ATM for disabled persons.”

A low-income respondent noted that “I have used ATM but felt very unsafe.... concerned about security as many ATMs are located at street level where many people are passing by. I can’t take the chance of being robbed....”

A frequent comment is: “Don’t know how to use it”. Some respondents were of the view that banks have a responsibility to teach their customers safe and effective use of ATMs. Bank should make ATM more user friendly – simple and

easy to use, with larger font size, and a choice of alternative access methods, such as using finger prints. They also thought that branch staff should be specifically trained to demonstrate to customers how to use an ATM.

- No respondents were prepared to use on-line banking services for reasons that they “hadn’t used the technology before”, and that they “don’t trust technology”.
- Nevertheless, although respondents were against using automatic banking facilities, they were fond of passbook checking machines so they could check welfare payments. But not every bank in Hong Kong has installed passbook checking machines.
- Withdrawal of cash from chain store retailers had not been widely used as alternative to ATMs because many elderly consumers were not aware of it. In any event, the use of an EPS card would be necessary and many elderly consumers do not have EPS and the relevant fee could be a burden for some consumers.

Summary of perceived problems with automated banking facilities

- **Branch service irreplaceable** – not all consumers can manage or want to use automatic banking facilities; for most respondents branch counter service is the only means to access their money.
- **ATMs are not user-friendly** – the ‘one size fits all’ design was not considered able to satisfy the needs of all users.
- **Inadequate training on use of ATM** – some consumers are unable to cope with the advancement in technology and require special training by bank staff.

6) Imposition of low-balance account service fee and other fees

- The elderly and low-income respondents paid great attention to the expenses associated with maintaining a bank account.
- A housewife respondent stated that: “I’ve closed my personal banking account as I’m afraid that my money will soon be eaten up by bank fees. I now share a bank

account with my husband to avoid paying low-balance account service fee.”

- Some respondents claimed that banks have deducted money from their accounts without advance notification. They would like banks to inform them on any fees/charges or deduction from their accounts.
- Many respondents seemed uninformed about banks’ policies on fee waivers with regard to low-balance accounts. They considered it desirable for more active disclosure on the policies.
- Respondents’ comments on fee waivers were:

“Don’t know banks offer fee waiver.”

“Different banks have different fee waiver policies. It’s so confusing.” For example, some banks offer to waive fees to Comprehensive Social Security Assistance Scheme recipients but others do not.

“Information is not clear. Don’t know what documentation is needed to be qualified.”

“Don’t notice any information posted in the branch to inform customers about its fee waiver policy... bank has not actively made this policy known.”

“It came as a surprise that some unknown charges had been deducted from my bank account for sometime. It was only after I sought clarification from my bank that it provided an explanation and waived such charges.”

- The confusion regarding fee waivers pointed to a transparency problem in regard to bank policy. All respondents were of the view that information about a bank’s fee waiver policy should be given out and be presented prominently in each branch office. Most respondents wanted the banks to provide automatic fee waivers to qualified customers, instead of waiting for them to apply and supply the various types of documentation.
- Documentation requirements – some banks required official letters from the Social Welfare Department plus other identification documents, for the grant of a fee

waiver. This administrative burden could prove insurmountable for the elderly and disabled persons.

- The increase in the account opening balance was a cause for concern. A few respondents had the experience of not being able to open a bank account due to insufficient money.

Summary of perceived problems with account service fees

- **Lack of transparency** – many respondents were not aware of banks' fee waiver policies.
- **Access to affordable banking service** – the cost of banking falls disproportionately on different groups in the community, most heavily on low-income and the more vulnerable customers who are least able to afford or avoid the costs.
- **Lack of standardization on documentation requirements** and procedures for some respondents to receive a fee waiver.

V. CONCLUSIONS AND RECOMMENDATIONS

26. Access to banking services is a basic need in modern society. But for many in the surveyed districts that access is not easy for a variety of reasons.

27. CC's study shows that:

- Some consumers might not be able to afford frequent visits to a bank because of transport costs; or they might not be able to access branch counter services for physical and environmental reasons.
- Some consumers do not have adequate knowledge and familiarity with electronic forms of banking; and they might not be aware of what help is available to them, that can assist with access to the services. Some consumers are not aware of the fee waiver options open to them; or there are difficulties in availing themselves of the waivers.
- To the respondents in the studied districts, there is reduced quality of service at the remaining branches after branch closures in an area because the branches have to take up an increased customer base, resulting in longer queues and increased workload for staff to attend to customers' queries.
- The expansion of low balance and inactive account service fees means that there is an extra cost burden on some consumers. Unfortunately, they are those who have little choice but to pay the fee yet are least likely to be able to afford them.
- Both transport cost and administrative barriers render it difficult for consumers to switch to the use of the remaining bank branches in their district after a branch closes.

28. CC is proposing the following recommendations to be considered by the various stakeholders, including banks, the Government and regulatory authorities, for the purpose of

- improving access to bank branches;
- reducing barriers to switching banks;
- facilitating the use of ATMs and other automatic banking facilities;

- ensuring fair and reasonable bank charges; and
- increasing the transparency of fee waiver policies.

Recommendation (1): Improving access to bank branches

29. Even though electronic banking services are increasingly available and are being utilized more, bank branches are still a primary means for many in obtaining banking services. Many consumers want to consult bank staff, discuss banking products, sort out problems or errors, and ensure benefit payments are properly processed.

30. CC understands that the banking sector is exploring alternative measures to cater for consumers' need in using bank branch service for withdrawals of cash. For example, exploring 'the feasibility of enabling cash withdrawals on a limited scope basis, independent of any purchase of goods, at selected chain retailers with EPS payment facilities⁷.' CC encourages such measures but considers that with the continued expansion of ATMs and electronic banking services as replacements for branch banking services, the availability of cash withdrawals from ATMs and selected retailers should not incur an added consumer expense.

31. Notwithstanding the measures aimed at promoting the use of electronic banking services, CC believes that other actions should also be considered to address the issue of reduced over-the-counter access.

- **Provide incentives for branch openings** – In areas where there are few or no bank branches, the Government should consider making special provisions to attract banks to open branches in these areas (e.g. the Housing Authority could reduce rents to attract banks to open branches in public housing estates). Moreover, it should continue to explore whether post offices can provide micro-payments.
- **Introduce mobile branches** – Banks could be encouraged to study the feasibility of operating mobile branches in underprivileged areas without a bank branch or an ATM, or in communities with a high proportion of aged population. CC notes that HSBC, Bank of Scotland and some other banks do operate mobile branches in the remote rural areas in the UK. Similar models could be studied for

⁷ HKAB's press release dated 23 June 2006.

development in Hong Kong.

- **Maintain a concern over accessibility of basic banking services to all in the community and monitor branch access in underprivileged areas** – Given that the situation with regard to branch closures and expansion of fees is still constantly changing, and that there are some existing and proposed relief measures offered by banks, the issue of financial exclusion from banking services is still evolving. CC considers the issue should be closely monitored by the Government and regulatory authorities to ensure that policies are developed to provide fair access for disadvantaged consumers.
- **Maintain an appropriate level of branch service after branch closure** – Banks should commit themselves to maintaining appropriate level of resources in those branches where nearby branches have been closed, in order to cope with increased customer numbers. It follows that some action would be necessary to increase staffing levels at remaining branches to ensure that the difficulties that arise as a result of branch closures are not exacerbated by lengthy queues and non availability of staff to provide assistance.
- **Provide user-friendly environments to the physically disabled** – Banks should pay more attention to the refurbishment of their branch design to improve access to persons with physical disability (e.g. having a ramp for the use of wheel-chair users).
- **Improve convenience in access** – Banks should take into account the needs of the less mobile elderly and disabled persons in the relocation of the frequently used branch counter services from the ground floor to less accessible upper floors or basements, unless provided with escalator or other access facilities.
- **Shorten waiting time** – CC calls on banks to make arrangement to shorten waiting times, for example, by providing special counters for needy people. Distributing waiting tickets to customers could also assist in alleviating the physical discomfort that some elderly and disabled persons might endure if they had to stand waiting in a queue for branch counter service.
- **Inform customers of the location of the nearest branch**, and nearby ATM machines where customers can obtain service, in the event of branch closure.

- **Explore avenues for micro-payment to consumers with no strings attached** – For example, enable consumers to obtain cash from a retail check out point without having to buy something at the same time.

Recommendation (2): Reducing barriers to switching banks

32. A majority of respondents said that they were very reluctant to change banks, and there was little interest in switching to another bank in the event of branch closure. Reasons being:

- The complicated processes involved in meeting different identification requirements from banks to confirm benefit recipient status, can be challenging for the elderly and physically disabled persons.
- Fees for setting up new auto-payments to pay utility bills are a financial disincentive.
- Some banks are preferred because of their service, e.g. benefit payments via HSBC or Hang Seng Bank are made one day earlier than through other banks. Since low-income households generally have little or no savings, receiving funds a day earlier can be important.
- Having to notify the Social Welfare Department and the time taken to effect the change which might create gaps impacting on the benefit payments.
- Time delay in switching banks and adverse effect on automatic payment of utility bills.

33. CC suggests that a number of actions can be taken by various stakeholders to help reduce the barriers for consumers to switch banks in circumstances of branch closure.

- **Streamline benefit payment procedures to facilitate ‘portability’ of bank accounts** – The Government has in effect mandated that benefit recipients must have a bank account, since benefit payments need to be paid into a bank account. CC considers that as the Government makes its social benefit payments electronically into bank accounts, it is in a position to engage with the banking sector to provide the necessary support for those consumers who require

assistance, and streamline procedures that facilitate “portability” of bank accounts. The Social Welfare Department could consider introducing a user-friendly way of helping welfare benefit recipients to complete the bank account switching process. For example, by accepting account change request via fax or other means, or through banks or social workers on behalf of welfare benefit recipients, with suitable safeguards introduced in the latter case.

- **Assistance in switching banks** – Where a bank closes a branch and does not provide an alternative branch service in a nearby area, it should assist customers in their requests to switch to other banks in the same area where the branch is to be closed. In this regard, the banking sector should discuss how best to streamline procedures for switching between banks by offering a one stop service that will facilitate the switching of accounts for their customers, particularly for Comprehensive Social Security Assistance Scheme and Disability Allowance recipients.
- **Minimize the time difference for receipt of benefit payments** – Some respondents remarked that benefit payments via some banks come out later than other banks, which effectively delays the availability of funds. Accordingly, choice of bank is largely dependent for some consumers on whether a bank makes more prompt payments than other banks. CC suggests that the Government explores the means to minimize the time difference for consumers in receiving benefit payments from different banks, so that benefit recipients’ choice of banks, and therefore access to the closest possible branch, will not be unduly limited. CC understands that the Social Welfare Department has lately initiated arrangement for benefit recipients to receive social security benefits on the same pay date, irrespective of the recipients’ choice of banks. However, the feedback CC collected from some banks and social security field units as at end of March is that there may still a difference in the time benefit payment recipients get paid from different banks.
- **Provide value-added banking facilities to attract bank switching** – Some respondents do not switch banks because branches in their respective areas did not have a passbook checking machine. As noted in the findings section, this facility was widely used by respondents, especially those with limited means, who need to check the receipt of benefit payments or account balance from time to time. CC encourages banks to extend the availability of these services.

Recommendation (3): Facilitating the use of ATMs and other automatic banking facilities

34. CC considers that the prevailing view of bank management that branch banking will be replaced by electronic delivery is an over simplification of the situation. As our study shows, the change from personal to electronic service delivery leaves behind those consumers who do not feel comfortable with or cannot use the new technology.

35. CC believes that the extent to which ATMs and on-line banking services will replace bank branches lies in the extent to which the services are easy to use and the level of confidence consumers have in terms of security. CC suggests a number of ways by which consumers can be helped to overcome concerns about using the new delivery channels.

- **Provide instruction for consumers on how to use ATMs** – CC welcomes banking sector initiatives in introducing a simplified version of ATMs for the use of elderly persons and in launching a publicity campaign on 11th March 2007. However, the initiatives need to be accompanied by continuous industry-and community-wide consumer education campaigns. CC would like to see banks developing effective and innovative ways of helping consumers in need of special assistance, not limited to the elderly, to understand how to safely and effectively use ATMs and other alternative services. For example, banks should make their guides on using ATMs' available in large print, braille and tape.
- **Proactively outreach to the community** – It is essential for banks to work with other organizations, notably with social services organizations, volunteers groups and self-help organizations, to reach out to people with special needs. For example, banks could consider forming partnerships with groups who work with disadvantaged people. An alternative will be to provide talks and demonstrations on using ATMs to communities with a high proportion of people with special needs.
- **Use of biometrics technology as an alternative to PIN for accessing ATM services** – CC reiterates its previous suggestion that banks should look into the feasibility of using other methods of personal identification e.g., retina or finger print identification to facilitate use of ATM banking by senior citizens.
- **Interconnect the two ATM networks** – CC calls on the banking sector to seriously consider the feasibility of interconnecting the two existing ATM networks,

i.e. HSBC's Group ATM and JETCO networks, to allow consumers seamless access to an ATM service. This is particularly important given that some areas could possibly only have one ATM network available and users of the alternative network are not able to use it for banking transactions. Interconnection between networks is currently available in some countries. In Australia, for example, every holder of a debit or credit card can access any of the ATM facilities or EFTPOS terminals in that country⁸.

There has been concern raised that interconnection will affect market competition. CC is of the view that if the concern is about competition for demand for ATM services, the grouping together of banks into two networks (JETCO and ATM) has already diminished competition because there is a duopoly; and at present there is no vigorous competition between the two networks for consumers to use their networks (i.e. consumers are attracted to switch banks on the basis of what the banks offer in terms of interest rates and other features that are individual attributes of the banks, and not collective attributes derived from which network they belong to).

For example, one would assume that optimal competition for customers to use a bank's ATM facilities over another banks' facilities would be arrived at by having every bank offer their own ATMs and have competitive benefits to attract customers to their own ATMs rather than other banks' ATMs, i.e. different competitive transaction fees. However, in practice this has not happened because of the economies of scale of building a network of many banks' ATMs. If the networks are joined, it follows that there would be greater economies of scale in processing all the transactions in one body, rather than two. It also means that banks do not have to compete on network construction, which would only add to their overall costs that would be passed on to consumers.

However, instead of optimizing the economies of scale in network economics, Hong Kong has two networks. The question to consider is whether this has arisen because of the competing options that each network offers. So, the banks should explain what sort of competition is offered by JETCO and ATM to attract consumers to their respective networks; and how competition is not diminished by

⁸ Joint Media Release of the Australian Bankers' Association and Australian Payments Clearing Association released on 13 October 2006.

having all of Hong Kong's banks belong to only two networks. In other words, if banks argue for maximum competition, they should be able to explain how only two networks offer consumers maximum competitive options.

Having said that, it follows that as is the case in Australia, and other advanced economies that have universal ATM networks, there should be competitive safeguards in place to protect consumer interests, while maintaining the benefits of economies of scale. Those safeguards are found in general competition laws; the introduction of which is something currently being debated in Hong Kong, and which CC strongly advocates.

HKAB points out that competition between the two networks has resulted in no transaction charge being levied on consumers. Linking up the two to form one single network would probably result in introduction of transaction fee and streamlining to minimize overlap.

- **Cost free ATM service** – JETCO and ATM should provide convenient access to consumers, and the service should be provided cost free to disadvantaged consumers.
- **Make banking facilities accessible to the disabled persons** – Banks should ensure that ATMs and other 'hands on' facilities are properly accessible by people with disabilities. For example, the use of large print screens, wheel chair compatible heights and heightened security and privacy protection measures at ATMs points.

Recommendation (4): Ensuring fair and reasonable bank charges

36. A key component of improving access to basic banking services is ensuring that such services are affordable. However, access to banking services is threatened when a variety of service fees start increasing upwards; as is currently the case. In the past, banks only charged fees on low balance accounts if they were also inactive for a set period of time. However, more and more banks are now separately charging fees based on low account balances regardless of the level of activity. The future scenario seems to be that many low-income people who are less able to easily absorb the increased costs will be locked into having to pay the fees because by definition, they are unlikely to have high bank balances.

37. CC is concerned that an average \$50 per month fee (and in some cases \$100-\$200) charged when an account balance falls below \$3,000-\$5,000, is harsh to low-income groups. To many low-income people, saving \$5,000 is not easy. The rationale for these punishing fees is also questionable given that many banks have already adopted a zero interest rate policy on low-balance accounts.

38. CC notes that some banks offer categories of 'fee-free' accounts, but respondents have expressed concerns that many of the fee-free accounts require account holders to conduct their transactions through electronic service channels such as ATMs. This has raised concerns about whether the accounts meet the needs of some low-income individuals; particularly the elderly or people with disabilities for whom such technology may pose a difficulty.

39. Given the importance of ensuring that all people can obtain affordable basic banking services, CC suggests a number of ways to lessen the financial burden for consumers:

- **Expand the scope of fee-free account** – While some current fee-free accounts offer exemptions from low-balance charges, their usage is generally limited to certain conditions, e.g. free use of ATMs to conduct cash withdrawal or transfer transactions. However, other features are not provided for or are insufficient to meet target consumers' needs. CC calls on banks to consider introducing a wider scope to the fee-free accounts. For example, by including a limited number of free withdrawals or transfers made at branch counters. At the very least, consumers would then be able to plan withdrawals to minimize their exposure to fees.
- **Introduce standard basic bank account** – As mentioned above, some banks offer customers free ATM access to their banking accounts, to minimize over-the-counter access. But these accounts do not provide the same level of service as is available to mainstream customers. CC does not view them as providing an equivalent service to that available to other customers. There is also no guarantee that banks will continue to offer such fee-free accounts or fee waivers.

The Government should study whether there is a need to standardize universal access to basic banking services by requiring the introduction of 'standard basic account' to consumers. This standard basic account could differ from the

fee-free accounts already offered by some banks in the way that the basket of services should include a certain number of non-electronic transactions, such as in-branch transactions. This will provide account holders with some flexibility in choosing how to conduct their banking transactions.

In other jurisdictions (e.g. France, Canada and the US), the right to access to basic banking services has been enshrined in law.

Recommendation (5): Increasing the transparency of banks' fee waiver policies

40. At the moment, many banks waive the low-balance account service fee if bank account holders are elderly and belong to disadvantaged groups, including minors, and recipients of social welfare allowances.

41. However, although fee waivers are made available, CC's study shows that many respondents are not aware of bank fee waiver policy or are confused when banks charge fees against their accounts, even though their understanding is that they qualify for fee waivers. Respondents were of the view that banks have not done enough to publicize such policy.

42. Another concern is that some banks require customers to apply and supply various types of documentation, for grant of fee waiver. This can prove an insurmountable obstacle for some elderly and disabled persons.

43. While CC undertakes its own education initiatives, it believes that it is the ultimate responsibility of banks to create a marketplace of well-informed consumers. In view of the fact that substantial money is spent by the banking sector on 'image' advertising, it seems reasonable that market participants should spend some of their advertising budget on information that consumers greatly wish for. Banks should therefore promote fee waiver policies more actively to ensure that consumers are aware of such policy, and to be truly responsive to the needs of vulnerable and low-income customers. CC suggests the following:

- **Improve the transparency of bank fee waiver policy** – A simple brochure or poster placed in every bank branch to inform consumers of the fee waiver policy would go a long way to dispelling confusion amongst the public. Equally useful is to make such information available to elderly homes/centres and self-help groups/social services centres for disabled persons.

- **Standardize documentation requirements for fee waiver** – Banks should commit to improving access to fee waivers for disadvantaged individuals, including standardizing documentation that may be accepted so that welfare benefit recipients will be clear as to what sort of documentation they have to produce to verify their benefit recipient status.
- **Give out fee waiver automatically** – CC considers a better approach would be for banks to give out fee waivers automatically to qualified consumers, i.e. to Comprehensive Social Security Assistance Scheme and Social Security Allowance Scheme recipients, as well as to those customers who have reached 60 years old, instead of requiring them to apply for it at the time they come to qualify.
- **Expand eligibility for fee waiver** – Banks' current fee waiver policies could be expanded to meet the needs of the 'working poor'. CC calls on banks to consider introducing a wider eligibility criteria for fee waivers, to include low-income earners. In addition, those consumers eligible for a fee waiver for low-balance account service fee should also be exempted from the application of penalty fees (e.g. fee for the issue of a replacement card), or at least only charged penalties at a concessionary rate.

VI. RESPONSES FROM HKAB and HKMA

44. Prior to the release of this report, a tripartite meeting was held on 9 February 2007 among the Hong Kong Association of Banks (HKAB), the Hong Kong Monetary Authority (HKMA) and the Consumer Council (CC), for exchanging views on CC's draft executive summary of this report. Following the meeting, CC received written comments from HKAB and HKMA in response to the recommendations made in the executive summary.

45. This subsequent section is a recap of the comments provided by HKAB and HKMA (in consultation with the relevant bureaux and departments).

HKAB

46. Being among the top cities in the world with the highest concentration of bank branches and ATMs per population and land area, Hong Kong offers round-the-clock banking and financial services through a combination of channels including the internet. In addition to ATMs and bank branches, customers can also withdraw cash using EPS facilities when purchasing daily necessities at a large number of retail outlets well spread throughout Hong Kong. HKAB considers it important to highlight this background in CC's report to provide the necessary context for the readers in view of the focus of CC's study being banking services delivered through bank branches in three specific locations to selected customer segments.

47. HKAB also points out that consumers in general have benefited from intensive competition in interest rates (both deposit and borrowing) and innovation in banking products/services. From this perspective, HKAB believes it is important to bear in mind the interests of the general body of consumers in addressing the issue of bank branch closure.

48. A summary of HKAB's feedback to CC's recommendations is as follows:

Introduce mobile branches

- On the suggestion of mobile branch services delivered through, for example, a van, HKAB would encourage members to investigate its viability with due consideration to be given to a number of factors including security (not only for the banking staff but also for the customers), licensing requirements and overall technical feasibility such as network connection.

Provide instruction on use of ATMs

- One of the reasons for the perceived impact of branch closure has been the relatively slow adoption of ATM services by certain customer segments due potentially to limited prior understanding of and experience with this channel. To address this issue, HKAB will be running a community-wide campaign to step up teaching customers how to use ATMs to withdraw cash and enquire account balances among other functionalities step-by-step.
- Furthermore, to encourage the less experienced users to change their perception of ATMs being complicated and not easy to use, the banking sector has plans to roll out more user friendly ATM with bigger font size screens and simpler steps commencing the second quarter of this year.

Use biometrics technology as alternative to PIN for accessing ATM

- HKAB conducted a preliminary study on the subject last year. The key findings of its research, as collaborated by a major ATM manufacturer, can be summarized as follows:
 - The use of biometrics (such as finger print, face, iris, voice etc) is still in its infancy as regards its application to ATM services, as reflected in the lack of adaptation in the U.S. and U.K.
 - Privacy issues, concern for customers' safety, longer processing time affecting service standard (compared with the use of PIN) and the impact of aging on the effectiveness of the biometrics (e.g. iris recognition) are considered some of the key challenges that need to be addressed.
- HKAB will keep this issue under review, notwithstanding its current community-wide programmes to promote and provide training on the use of PIN-based ATMs for customers.

Interconnect the two ATM networks

- Regarding the suggestion of a combined ATM network, the issue is less straightforward than just technical connectivity. Currently, the two networks in

Hong Kong with over 2,400 ATMs combined are reasonably well spread throughout the territory and, unlike most other markets, no transaction charge is levied on consumers. This has been made possible due to competition between the two networks. Linking up the two to form one single network in the view of reducing cross-network charge and providing greater convenience may therefore run the contrary risk of potential introduction of transaction fee and even streamlining of the network to reduce overlap. Cross-network charge is common in other international markets as banks recover the cost of running the ATM service. In Australia, for example, customers pay fees for using other banks' ATMs.

Explore avenues for micro-payments

- Currently, customers may withdraw cash up to HKD500 through the cashback service provided by EPSCO at designated retail outlets regardless of the amount of their purchase. This service has been available at two supermarket chains since 1996 and EPSCO has immediate plans to expand the service across a wider network and to raise its awareness by the public. HKAB supports this initiative as it provides an additional channel free of charge for customers to withdraw cash at nearby retail shops which they are already visiting often to purchase daily necessities.

Streamline procedures for account switching between banks

- From the point of customer service, banks would like to keep the procedures and documentation requirements as simple as possible for potential customers applying for a new account but banks are required to know the identities of their customers (Know-Your-Customer Requirements) in compliance with the legislation intended to keep Hong Kong clean of money laundering.

Assist customers to switch to other banks

- Banks offer different types of accounts with applicable features. Customer services staff of banks are there to help individual customers who need information or have questions such as the sort of documentation acceptable to the bank for account opening purposes.

Provide fee waiver

- HKAB conducted a survey last year. The survey showed that a number of banks granted fee waivers to certain customer groups including senior citizens and recipients of Government Disability Allowance, Comprehensive Social Security Assistance and Old Age Allowance. Encouraged by this finding, HKAB issued a circular to all its member banks on 19 January 2007 recommending them to have appropriate exemption policies or guidelines in place if they have not already done so.

Standardize documentation requirement for grant of fee waiver

- Rather than standardizing documentation regarding fee waivers across banks, HKAB believes it would be more practicable for individual customers to enquire about any fee waivers from their bank any time given that:
 - Fees and charges are subject to review by individual banks.
 - The Code of Banking Practice requires the terms and conditions be written in plain language as far as practicable to facilitate understanding by customers. It also requires banks to answer any queries from existing or prospective customers relating to their terms and conditions.
 - The absence of any documents issued by the Government to identify a particular social welfare recipient makes it difficult for banks to grant an automatic fee waiver and monitor the status of the individual's eligibility.

Reach out to people with special need for provision of talks in the use of ATMs

- HKAB would be pleased to organize a briefing for representatives of social welfare service agencies to explain the principles of fee arrangements by banks and the upcoming ATM education campaign.

Provide a user-friendly environment in bank branches for the disabled

- It should be noted that under the Code of Banking Practice, banks are expected to comply with the relevant ordinances for the promotion of equal opportunity and to

provide suitable training to front-line staff to provide help to customers with any disability or special needs.

HKMA/The Administration

Open branches in public housing estates

- The Housing Authority (HA) is well aware of public concerns on the accessibility to banking services in certain public housing estates (PHEs). In order to attract banks to provide services to PHE tenants, HA has already taken this into consideration in conducting rental assessment for bank premises. Flexibility is also adopted in site identification and allocation of bank branch/ATM premises in PHEs.
- Hongkong Post would consider related proposals from the banking sector.

Monitor branch access in underprivileged areas

- The Administration receives from time to time requests for enhancement of banking services in a particular district from the public. The Administration will convey such requests to HKAB for its further dissemination to its members.

Introduce standard basic bank account

- The Administration observes that banks in general have a policy to waive the charges on the accounts maintained by underprivileged customers. It therefore does not consider that the public have difficulty in obtaining basic banking services. The Administration will nonetheless continue to monitor the situation and follow up with the banking sector where necessary.

Facilitate portability of bank accounts for welfare benefit payments

- HKMA will raise this issue with the Code of Banking Practice Committee and see what can be done to streamline the switching process of bank accounts.
- Comprehensive Social Security Assistance (CSSA) / Social Security Allowance (SSA) recipients or the guardians/appointees should report promptly to the

concerned Social Security Field Unit (SSFU) of the Social Welfare Department (SWD) whenever there are changes in the information that has already been provided to the Department. If a recipient needs to switch bank account for collecting CSSA/SSA payment, he/she is required to sign a paper to authorize SWD to credit payment to his/her new bank account. To ensure accuracy of the bank account number, the responsible caseworker of SSFU will verify the information of the new payment account and explain to the recipient the new payment arrangement (such as the next pay date). The caseworker will also assist the recipient in completing the necessary paper work (signing of form/declaration) for switching the payment account.

- CSSA/SSA recipients will only need to visit the SSFU once if he/she has brought along all the supporting documents to the SSFU simply for making a request for changing a new bank account. For special cases, home visits would be arranged where recipients were having physical difficulties to report changes in person at SSFU.

Explore means to minimize the time difference for consumers in receiving benefit payments from different banks

- To tie in with the “5-day clearing week” of the banking sector, starting from November 2006 the Social Welfare Department has arranged for CSSA/SSA recipients to receive social security benefits on the same pay date, irrespective of the recipients’ choice of banks.

Consider asking the banking sector to make service commitments through their licensing obligations

- Whether and in what manner a bank takes up social responsibility and addresses the needs of disadvantaged consumers should be a voluntary decision. It is not appropriate for the Administration or the bank regulator to interfere with such decisions. That said, the Government encourages banks to have regard to the needs of the community in providing banking services. It will encourage banks to be transparent about the initiatives they have undertaken to assist disadvantaged consumers in obtaining banking services.

VII. LOOKING TO THE FUTURE

49. CC believes that there are a number of viable measures that can and should be introduced to improve the welfare of consumers, particularly the elderly, disabled and low income consumers of banking services. While CC considers the above recommendations should be a priority for the banking sector and the Government, there is also a constant need to monitor the situation into the future. The banking sector is evolving towards greater economic efficiency with an increasing reliance on information technology and machine based service delivery systems. CC welcomes initiatives that lower costs and provide more efficient services to consumers. However, there is a danger that the evolution achieved will have adverse consequences on disadvantaged groups in society who have difficulty coping with the changes. .

50. CC is aware that HKAB has recently proposed a number of measures, as well as those mentioned in Part VI of this report, for its members to follow which will go some way towards addressing the issues identified in this report. CC welcomes these initiatives.

51. Nevertheless, CC calls on the Government to maintain a concern over accessibility of basic banking services to all in the community and monitor the situation of branch closures in underprivileged areas to ensure fair access for disadvantaged consumers. If closures are unavoidable, the Government should ensure that the banking sector explores viable options for access to low cost and easy to use banking services, to minimize the impact of branch closure in those areas.

52. In this regard, CC suggests the Government considers asking the banking sector to make service commitments, through their licensing obligations, to disadvantaged consumers in the Hong Kong society, by requiring banks to report publicly on initiatives they have undertaken to facilitate access to banking services for disadvantaged consumers. For instance, banks should provide examples of activities they undertake to educate vulnerable groups in the community on the use of ATMs, the availability of fee-free accounts and account transfer procedures.

53. Consumers also need to adapt, and take advantage of competitive choices where available, and take the initiative to accept education and information services that are made available to assist in switching to other banks, to seek help from bank staff to learn to use ATMs or other automatic banking facilities, and utilize EPS cashback service available at retail outlets such as convenience stores in obtaining cash, where practicable.

54. Consumers in general are also advised to take sensible steps in averting unnecessary banking service charges. For example, consumers who maintain a number of bank accounts, should consolidate their accounts in such a way so as to avoid paying low balance account service fees while maintaining the needed accounts to serve their need.

55. Consumers should also select the most suitable bank account to cater for their own circumstances (e.g. an account operated by ATMs with no minimum account balance requirement) by asking for and comparing information available, and to consider banking from home (via telephone, email and internet) to reduce the impact of transport, and building access barriers in the case of customers with disabilities.

Annex 1: Number of Bank Branches, Population and Household Income by District

附件 1：按分區劃分的本地銀行分行數目、人口及住戶入息

District 分區	No. of local branches* (As of 23 May 2006) 本地銀行分行數目* (截至 23/5/2006)	2005 Population 2005 人口數目		Median monthly household income (HK\$) 住戶每月入息中位數 (港元)
		Overall 合計	Age ³ 65 (% share) 年齡 ³ 65 (所佔%)	
Central & Western 中西區	136	247,600	28,400 (11.5%)	24,900
Wanchai 灣仔	109	150,500	23,700 (15.7%)	25,000
Eastern 東區	125	585,900	78,800 (13.5%)	20,000
Southern 南區	30	270,700	36,800 (13.6%)	19,000
Mong Kok 旺角	57	302,000	42,400	15,000
Yau Tsim 油尖	105		(14.0%)	
Sham Shui Po 深水	78	372,100	60,100 (16.1%)	12,200
Kowloon City 九龍城	81	370,900	51,300 (13.8%)	18,500
Wong Tai Sin 黃大仙	50	431,300	67,100 (15.5%)	13,700
Kwun Tong 觀塘	84	585,700	90,800 (15.5%)	13,000
Kwai Tsing 葵青	46	511,700	60,500 (11.8%)	14,000
Tsuen Wan 荃灣	52	277,400	37,800 (13.6%)	19,000
Tuen Mun 屯門	39	495,400	34,900 (7.0%)	14,200
Yuen Long 元朗	40	550,200	40,500 (7.4%)	13,000
North 北區	32	289,800	30,000 (10.4%)	15,000
Tai Po 大埔	31	298,000	29,200 (9.8%)	15,500
Sha Tin 沙田	67	617,000	62,400 (10.1%)	18,000
Sai Kung 西貢	28	403,900	28,900 (7.2%)	20,000
Islands 離島	19	130,200	12,000 (9.2%)	15,000
Overall 合計	1,209	6,890,300	815,700 (11.8%)	15,800

Note:* Local branch is defined in section 2 of the Banking Ordinance (BO). In essence, it means a place of business in Hong Kong, at which a bank carries on banking business; or any other business whereby it may incur financial exposure mentioned in section 81(2) of the BO. Banking business is defined in section 2 of the BO as “the business of either or both of the following - (a) receiving from the general public money on current, deposit, savings or other similar account repayable on demand or...; (b) paying or collecting cheques drawn by or paid in by customers”. The definition of local branch does not include the “principal place of business in Hong Kong” of a licensed bank.

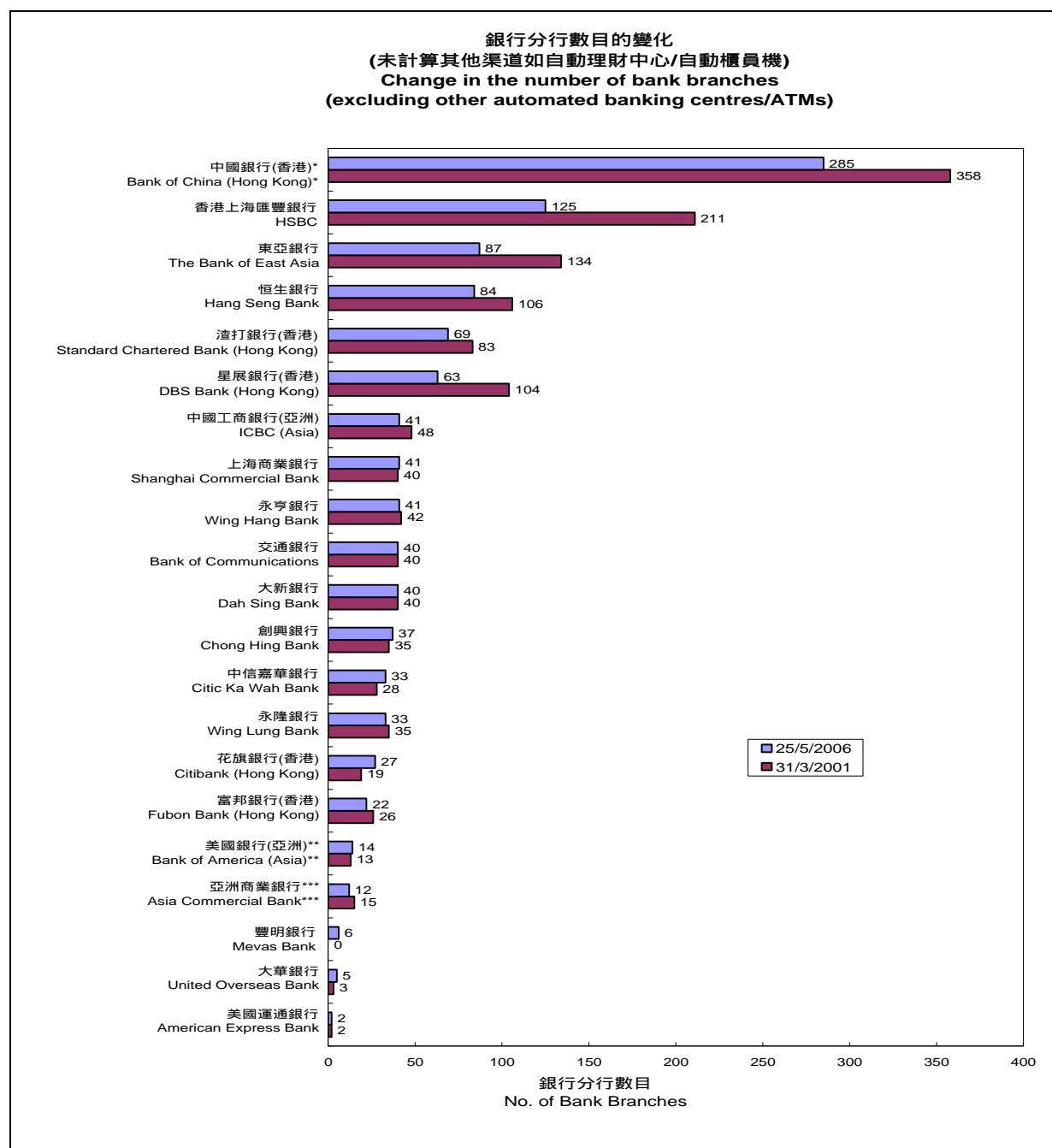
Source: Branch figures are provided by the Hong Kong Monetary Authority; Population statistics are obtained from the Census & Statistics Department.

註：*根據銀行業條例第 2 條，“本地分行”(local branch)的定義 - 就任何認可機構而言，如該機構是一間銀行，並且是在香港成立為法團的，指該機構在香港經營以下業務的營業地點—(A) 銀行業務；或(B) 會使該機構招致第 81(2)條所述的財務風險的任何其他業務。“銀行業務”(banking business) 指以下業務的一種或兩種 (a) 以來往、存款、儲蓄或其他相類的帳戶從公眾人士收取款項；(b) 支付或收取客戶所發出或存入的支票。“本地分行”不包括該機構在香港的主要營業地點。

資料來源：分行數目由金管局提供；人口分區統計數字由統計處提供。

Annex 2 : Number of Bank Branches in Hong Kong

附件 2：本地銀行分行數目



Note : * Figures included branches of Bank of China (Hong Kong), Nanyang Commercial Bank and Chiyu Banking Corporation.

** Bank of America (Asia) has adopted the new name "China Construction Bank (Asia)".

*** Asia Commercial Bank has been renamed to "Public Bank (Hong Kong)" on 30 June 2006.

Source : Data supplied by individual banks.

註： * 數目包括中國銀行(香港)、南洋商業銀行及集友銀行的分行。

** 美國銀行(亞洲)易名為「中國建設銀行(亞洲)」。

*** 亞洲商業銀行由 2006 年 6 月 30 日起易名為「大眾銀行(香港)」。

資料： 由個別銀行提供。

Annex3 : Availability of Banking Service by Selected District

附件 3 : 在選定地區的銀行服務情況

(As in October 2006)
(至 2006 年 10 月止)

District 地區	Population 人口	Existing level of banking services 銀行服務現況		Loss of bank branches over the past few years 過去幾年內關閉的 銀行分行數目 [b]	Estimated time taken from the estate(s) to the nearest bank branch / ATM by an average person 估計由屋 往最近銀行分行 / 自動櫃員機的時間 (以一般人步程計)	Remark 備註
		# of Banks 銀行數目	# of ATMs 提款機數目 [a]			
Sham Shui Po 深水						
i) So Uk Estate 蘇屋 h	15,200	0	0	0	/ Area without bank branch/ATMs (h內沒有銀行分行提款機)	10-20 min walk to 'outside' branches along the Castle Peak Road, via busy traffic road. (步行往青山道各銀行分行， 途經繁忙馬路， 約需 10-20 分鐘。)
ii) Fu Cheong Estate 富昌 h (*with 1 senior citizens housing block 屋 h內有一幢長者屋)	16,300	0	1 JETCO (銀通)	0	5 min walk (步行 5 分鐘)	20-30 min walk to the bank branches / ATM in Lai Chi Kok Road. (步行往荔枝角道的銀行分行 / ATM 約需 20-30 分鐘。)
Tin Shui Wai 天水圍						
i) Tin Shui Wai North 天水圍北 -Tin Yan Estate 天恩 h -Tin Heng Estate 天恆 h -Tin Yuet Estate 天悅 h -Tin Chak Estate 天澤 h -Tin Yat Estate 天逸 h -Tin Fu Court 天富苑 -Grandeur Terrace 俊宏軒	72,000 -	2 DSB, CHB-newly opened (大新及 創興-新開設)	5 3JETCO & 2ATM (3 銀通及 2ATM)	2 banks : DBS & BEA closed their branches. (2 間銀行：星展及 東亞分行關閉) [c]	15-20 min walk (步行 15-20 分鐘)	To other bank branches in a far-away area, Kingswood Ginza, 45-55 min walk / 15-20 min by transport. (往較遠的嘉湖銀座 有其他銀行分行， 步行約需 45 至 55 分鐘 / 乘車 15-20 分鐘。)

District 地區	Population 人口	Existing level of banking services 銀行服務現況		Loss of bank branches over the past few years 過去幾年內關閉的 銀行分行數目 [b]	Estimated time taken from the estate(s) to the nearest bank branch / ATM by an average person 估計由屋 往最就近銀行分行 / 自動櫃員機的時間 (以一般人步程計)	Remark 備註
		# of Banks 銀行數目	# of ATMs 提款機數目 [a]			
Kwun Tong 觀塘						
i) Four “Shun” 四“順” -Shun Tin Estate 順天 h -Shun Lee Estate 順利 h -Shun On Estate 順安 h -Shun Chi Court 順緻苑	44,983 - }	1 CHB (創興)	2 JETCO & ATM (銀通及 ATM)	1 bank : HSBC closed its branch 2-3 years ago. (1 間銀行： 匯豐分行於2-3年前 關閉) [d]	10-15 min walk, via up/down ramp & road crossing (步行 10 -15 分鐘， 須上/落斜路及橫過馬路)	To a major bank branch in Kwun Tong, 20 min by transport (往觀塘區某主要銀行的 分行，乘車需 20 分鐘。)

ii) Tsui Ping 翠屏 -Tsui Ping (South) Estate 翠屏(南) h -Tsui Ping (North) Estate 翠屏(北) h	14,468 - }	1 BoCHK (中銀香港)	2 JETCO & ATM (銀通及 ATM)	-	10 min walk (步行 10 分鐘)	To a major bank branch in Kwun Tong, 30 min walk / 15-20 min by transport (往觀塘區某主要銀行的 分行，步行需 30 分鐘 / 乘車 15-20 分鐘。)

iii) Yau Tong 油塘 -Lei Yue Mun Estate 鯉魚門 h -Ko Yee Estate 高怡 h -Ko Cheung Court 高翔苑 -Yau Tong Estate 油塘 h -Ko Chun Court 高俊苑 -Yau Mei Court 油美苑	32,394 - }	2 CHB, BoCHK (創興及 中銀香港)	4 2JETCO & 2ATM (2 銀通及 2ATM)	-	10-15 min walk, via foot-bridges (步行 10-15 分鐘， 須經過天橋)	To a major bank branch in Kwun Tong, 45 min walk / 15 min by transport (往觀塘區某主要銀行的 分行，步行需 45 分鐘 / 乘車 15 分鐘。)

District 地區	Population 人口	Existing level of banking services 銀行服務現況		Loss of bank branches over the past few years 過去幾年內關閉的 銀行分行數目 [b]	Estimated time taken from the estate(s) to the nearest bank branch / ATM by an average person 估計由屋 往最近銀行分行 / 自動櫃員機的時間 (以一般人步程計)	Remark 備註
		# of Bank 銀行數目	# of ATMs 提款機數目 [a]			
Kwun Tong 觀塘						
iv) Lam Tin 藍田						
-Kwong Tin Estate 廣田 h -Kai Tin Estate 啟田 h -Ping Tin Estate 平田 h -Tak Tin Estate 德田 h (*senior citizens housing block 屋苑內有長者屋) -Hing Tin Estate 興田 h -Hong Nga Court 康雅苑 -Hong Ying Court 康盈苑 -Hong Pak Court 康柏苑 -Hong Shui Court 康瑞苑 -Hong Tin Court 康田苑 -Hong Wah Court 康華苑	{ 32,754 -	6 2 CHB, 2 BoCHK, DBS & BANKCOMM (2 創興、 2 中銀香港、 星展及交通)	7 6 JETCO & 1ATM (6 銀通 及 1ATM)	2 banks: HSBC & HSB closed their branches. (2 間銀行：匯豐及 恒生分行關閉) [e]	5-10 min walk (步行 5-10 分鐘)	To a major bank branch in Kwun Tong, 30-45 min walk / 15-20 min by transport. (往觀塘區某主要銀行的 分行，需步行 30-45 分鐘 / 乘車 15-20 分鐘。)

Note: BoCHK – Bank of China (Hong Kong) ; CHB – Chong Hing Bank ; DBS – DBS Bank (Hong Kong) ; DSB – Dah Sing Bank ; HSB – Hang Seng Bank ; HSBC – The Hongkong and Shanghai Banking Corporation ; BANKCOMM – Bank of Communications (Hong Kong) ; BEA – The Bank of East Asia. JETCO – Joint Electronic Teller Services Limited ; ATM – HSBC Group's ATMs (HSBC & HSB).

[a] In terms of location e.g. "2 ATM" means ATM(s) available at 2 locations.

[b] Information is provided by respondents and verified by individual banks.

[c] The former Chung Fu Shopping Centre BEA Branch was relocated to Tin Shui Wai Branch in Kingswood Ginza in March 2006.

[d] HSBC opened an EasiService Banking Centre in Shun Lee Estate in 2003.

[e] HSBC opened an EasiService Banking Centre in Kai Tin Estate in 2005/06.

- data not available.

註: 中銀香港 – 中國銀行(香港); 創興 – 創興銀行; 星展 – 星展銀行(香港); 大新 – 大新銀行; 恒生 – 恒生銀行; 匯豐 – 香港上海匯豐銀行; 交通 – 交通銀行(香港); 東亞 – 東亞銀行
銀通 – 銀聯通寶有限公司; ATM – 匯豐集團自動櫃員機 (匯豐及恒生)。

[a] 指有設置提款機的地點，例如「2 ATM」指有兩個地點設有 1 部或多部 ATM。

[b] 資料由回應者提供及經個別銀行核實。

[c] 東亞銀行位於頌富商場之分行在 2006 年 3 月搬遷至天水圍嘉湖銀座。

[d] 匯豐於 2003 年在順利 h 開設理財中心。

[e] 匯豐於 2005/06 年在啟田 開設理財中心。

- 資料不詳。

Source: Housing estate population statistics – Housing Authority's website; Banking facilities – Individual banks' websites, field observation & focus groups.

資料來源: 各屋 h 及屋苑的人口統計數字摘自香港房屋委員會網址; 銀行設施摘自個別銀行網址、實地視察及聚焦小組。

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