

Lloyds and Halifax customers blocked from cashing cheques at Post Office

BANKING

Lloyds has scrapped the option for customers to deposit cheques at the Post Office despite hundreds of bank branch closures.

The banking group, which includes Halifax and Bank of Scotland and serves 28 million customers, said it removed the option last month. However, customers will still be able to withdraw and deposit cash at Post Office branches and banking hubs.

The bank renewed its commitment to the banking framework in December, which was introduced to safeguard customers' access to cash. The framework comprises 30 members.

The decision to stop customers cashing in cheques at Post Office counters comes despite the lender announcing 95 more bank branch closures, in addition to 49 already earmarked to shut this year. Lloyds Banking Group has closed 1,470 sites in the past decade, according to consumer group Which?.

A Lloyds spokesman said that customers could use the bank's mobile app to scan cheques and added that "very few people choose to deposit cheques at the Post Office".

However, campaigners warned the change could isolate elderly customers and those in rural areas. Cheryl

Cottle-Hunkin, a councillor for Devon, said: "People are feeling really anxious as a lot of them are not able to use technology. They're travelling very long distances to find a branch."

Under the latest round of closures, 53 Lloyds, 31 Halifax and 11 Bank of Scotland sites will shut between May this year and March 2027.

This is in addition to an ongoing closure programme that will shut 49 sites by October.

Ms Cottle-Hunkin added: "Decisions are often made by people living in urban areas – they don't realise the impact on rural communities.

"We haven't even got public transport in many areas. This will hit vulnerable people the hardest."

Andrew Hagger, of comparison website MoneyComms, warned that small businesses still received cheques and would now face long journeys to deposit them.

He said: "It's a double whammy for customers, with all the [branch] closures. For a small business, this is just not practical. When closing down branches, safety nets should be in place."

The Financial Conduct Authority states that banks must assess customer impact when closing branches and provide reasonable alternatives for cash access.

More than 6,300 branches have closed in the past decade. Currently, 40 out of the UK's 650 constituencies do not have any branches, while 88 are down to their last one, according to data from consumer group Which?.

Banking hubs, run by the Post Office and funded by high street banks, were designed to act as a safety net for isolated customers to access cash.

There are 250 hubs across the UK, with plans to expand to 350 by the end of the current Parliament. However, the national rollout of hubs has been hit by delays and critics have described their facilities as "inadequate".

Zachariah Sharif

SHRINKING NETWORK

1,470

Branches closed by Lloyds Banking Group, which includes Halifax and Bank of Scotland, in the past decade