

## **Nationwide Building Society – Public Commitments**

### **£50 Million Grant**

As the world's largest building society, Nationwide is uniquely positioned in the UK banking market. We have a rich history of delivering better service, innovation, and long-term value, coupled with the organisational resources and capabilities to compete at scale, nationally and across all channels.

We are already laying the foundations to launch our business current account early in 2020. The Capability and Innovation Fund (CIF) gives us an unprecedented opportunity to turbocharge our business banking proposition and inject sorely needed competition into this market.

We will use the CIF grant, matched by £50m of our own funding, to change the face of SME banking in the UK for good. We will provide millions of UK SMEs with access to better choices, forcing the whole market to compete harder and driving better customer outcomes. Through the following commitments, we set out our plans to bring the fairness and value of mutuality to the SME banking market.

### **WE WILL BRING THE MARKET LEADING STANDARDS OF SERVICE WE'RE RENOWNED FOR TO SMEs**

We will:

- Make opening an account simple. The vast majority of SMEs will be able to open and use an account within minutes, through a seamless, digital onboarding journey.
- Provide a range of options to remove real and perceived barriers to switching by June 2020, including use of the CASS, Open Banking-powered switching support, dedicated personal switching assistance and closed account histories.
- Deliver excellent service. We are the only personal banking provider at scale to achieve a CMA overall service quality rating over 70%. We plan to replicate this in business banking, which equates to a top three position.
- Combine the human touch of our national network of c.650 branches and UK-only call centres with the convenience of digital channels including on-demand and bookable video assistance.
- Help solve problems SMEs actually face, with digital tools that use the latest technology, frequent releases of new features and a best-in-class customer experience.

### **WE WILL BRING THE FAIR, TRANSPARENT PRICING AND GREAT LONG-TERM VALUE SMALL BUSINESSES DESERVE**

We will:

- Provide price transparency through an innovative Open Banking-powered price comparison tool so customers know upfront how much it will cost them to bank with both us and our competitors.
- Only charge for borrowing customers actually use. We will not charge annual, arrangement or early repayment fees on our lending products.
- Keep account fees simple and easy to understand.

### **WE WILL EXCEL AT MEETING SMES' EVERYDAY BANKING NEEDS**

We will provide a comprehensive range of SME banking products. Our customers will:

- Be able to make informed borrowing choices based on clearly presented options, including price quotes and eligibility indicators, all without leaving a footprint on their credit records.
- Have access to flexible borrowing via our unsecured business loans, supported by rapid lending decisions and quick payments, launched by the end of 2020.
- Benefit from increased control over their day-to-day spending. By June 2021, we will launch our business credit card with a full suite of controls that can be independently set for multiple users.
- Maximise the value of surplus cash in their business with our highly convenient integrated business savings products, launched by June 2020.
- Be able to have their say and influence how we build our proposition through a dedicated customer panel, Business Connect.

## WE WILL DELIVER SIMPLE SOLUTIONS TO REAL FINANCIAL PROBLEMS

Working with innovative partners, we aim to:

- Offer easy solutions for SMEs to accept card and contactless payments directly from customers, available from March 2020.
- Take the pain out of accounting by linking our current account with all mainstream cloud accounting packages by March 2020.
- Help SMEs become Making Tax Digital compliant by providing a seamless link to our recommended UK SME accounting platform from the start of the 2020/21 tax year.
- Enable SMEs to send and receive foreign currency payments at low cost, through a market-leading international payments service by June 2020.
- Ease cashflow management woes with real-time cashflow insights and smart nudges powered by integrated machine learning from July 2020.
- Provide in-app invoicing capability from July 2020 that makes it easier for SMEs to get paid and reconcile payments.
- Support SMEs in finding the finance they require where we are unable to meet their needs, with proactive referrals to designated alternative lending platforms by the end of 2020.

## WE WILL MAXIMISE THE UNIQUE OPPORTUNITY PROVIDED BY THE CIF TO TRANSFORM THE SME BANKING MARKET

We will:

- Match every pound we receive from the CIF over our five-year business planning cycle.
- Attract an estimated 340,000 SME current account customers by March 2024, including the switching of 125,000 business current accounts to Nationwide.
- Originate an estimated 165,000 business savings accounts, 67,000 business credit cards and 17,000 business loans by March 2024.
- Drive awareness of the compelling nature of our proposition through an extensive and sustained marketing campaign including the planned engagement of around a million existing Nationwide members who also own their own business.
- Train our c.7,000 branch colleagues, by the end of Q1 2020, across our national network of c.650 branches to enable them to provide great service to our SME customers.
- Create c.200 additional jobs in the UK to support SME banking by the end of our business planning cycle, to ensure we have the service capacity and product quality to match our ambitious growth plans.
- Support UK Fintech SMEs in bringing innovation to the market and scaling their businesses. We will conduct an annual SME Hackathon from 2020, using our own money to invest in new value-adding products and services for our SME customers, ensuring that we continue to enhance our proposition.

## WE WILL REPORT TRANSPARENTLY ON THE DELIVERY OF OUR CIF COMMITMENTS

We will:

- Provide timely, accurate and transparent progress reporting to the BCR every quarter until our commitments are delivered, through robust processes that have been independently assured by both internal and external experts.
- Provide public updates every quarter on our progress.
- Ensure we adhere to both the letter and spirit of the terms and conditions of the CIF at all times.