

The Co-operative Bank (B) – £15m Award

Public Commitments Update – Q2 2023

Key Achievements to Date

- Made continued improvements to the onboarding journey, utilising the digital onboarding journey delivered as part of CIF and making improvements to questions asked and information collected. This has made the onboarding journeys more effective and further accelerated the application process. As shown by an increase of 2.1% in Q2 of new business account applications resulting in a new business account being opened.
- Made continued improvements to the SME mobile app which was delivered as part of CIF. This included additional payment functionality, cosmetic changes, and enhanced fraud controls to protect customers which has seen mobile users base increase by 1% in Q2 2023. The improvements in the functionality of the mobile App has resulted in a greater than 40% uplift year on year of customer payments. Also further improved our digital functionality by expanding the range of accountancy software providers who can connect into the online banking channel via Open Banking.

OUR AMBITION FOR OUR CUSTOMERS AND THE MARKET

We commit to growing our SME customer base by more than 50% and growing our market share to 2.6% of UK SMEs by 2025. We will do this by having an attractive proportion for a broad range of SME customers from Sole Traders, microenterprises, and start-ups to well established SME businesses. As such, we will grow our market share of SMEs with employees or multiple officials to 8% by 2025.

This commitment is not on track. In Q2 2023, our SME customer volumes continued to remain stable, with estimated market share of 1.8% of UK SMEs and 5.0% of UK SMEs with employees or multiple officials. Whilst this represents robust performance in a challenging market environment, we are yet to see material growth of our SME account volumes as originally planned. We will continue to invest in the development and promotion of our SME proposition over the long term to drive the growth of our SME franchise and increase our impact on the SME market.