

IN-PERSON ACCESS TO BANKING
SERVICES IN SPAIN: 2023 MONITORING
REPORT

2023

BANCO DE **ESPAÑA**
Eurosistema

Documentos Ocasionales
N.º 2320

Banco de España

IN-PERSON ACCESS TO BANKING SERVICES IN SPAIN: 2023 MONITORING REPORT

Banco de España (*)

(*) María Alonso, Laura Crespo, Eduardo Gutiérrez-Chacón, Arancha Gutiérrez, Enrique Moral-Benito, Auxiliadora Moreno, Diana Posada, Patrocinio Tello and Carlos Trucharte contributed to the preparation of this occasional paper.

Documentos Ocasionales. N.º 2320

December 2023

<https://doi.org/10.53479/35912>

The Occasional Paper Series seeks to disseminate work conducted at the Banco de España, in the performance of its functions, that may be of general interest.

The opinions and analyses in the Occasional Paper Series are the responsibility of the authors and, therefore, do not necessarily coincide with those of the Banco de España or the Eurosystem.

The Banco de España disseminates its main reports and most of its publications via the Internet on its website at: <http://www.bde.es>.

Reproduction for educational and non-commercial purposes is permitted provided that the source is acknowledged.

© BANCO DE ESPAÑA, Madrid, 2023

ISSN: 1696-2230 (on-line edition)

Abstract

This paper presents an analysis of recent developments in the accessibility of banking services in Spain, from the perspective of both supply (the in-person access points available) and demand (customer use and assessment).

According to the results obtained, the following main conclusions can be drawn:

- i) The reduction in the number of bank branches between 2021 and 2022 was offset by the establishment of mobile branches in smaller municipalities and financial agents in larger municipalities.
- ii) Between 2021 and 2022, the number of municipalities without any in-person points of access to banking services was reduced by 167 (2.1% of municipalities and 0.13% of the population).
- iii) The percentage of municipalities without any in-person point of access to banking services decreased to a greater extent than in the case of other services, both those provided privately (shops and bars) and those with a certain component of public provision (health care and pharmacies).
- iv) According to the latest edition of the [Study on Cash Use Habits \(EHUE\)](#), referring to 2023, the use by customers of alternative channels to bank branches (financial agents, mobile branches, cashback and Correos Cash) is very limited, both in the case of the elderly and in the case of the population residing in municipalities without a stable branch.
- v) Customers surveyed in the EHUE perceive an appreciable increase in 2022 in the distance to the closest point of access to regular cash in municipalities without a stable bank branch.

This apparent discrepancy between the behaviour of accessibility measures on the supply side – i)-iii) – and on the demand side – iv)-v) – could be explained by the fact that the greater availability of access points is a result of the implementation of new alternative channels, in a context in which customers still mostly use bank branches.

These results highlight the importance of accompanying the deployment of alternative channels with actions to promote and facilitate their use by customers, as well as the need to assess the effectiveness of the different alternatives available.

Keywords: accessibility, banking services, cash, rural areas.

JEL classification: R51, I31, J11, E41.

Resumen

Este documento presenta un análisis de la evolución reciente de la accesibilidad presencial a los servicios bancarios en España, tanto desde la perspectiva de la oferta —los puntos de acceso presencial disponibles— como desde la perspectiva de la demanda —el uso y valoración por parte de la clientela—.

De acuerdo con los resultados obtenidos, las principales conclusiones que se pueden extraer son las siguientes:

- i) La reducción en el número de oficinas bancarias entre 2021 y 2022 se habría visto compensada por la implantación de canales alternativos, sobre todo de oficinas móviles en los municipios más pequeños y de agentes financieros en los municipios más grandes.
- ii) Entre 2021 y 2022 se redujo el número de municipios sin ningún punto de acceso presencial a los servicios bancarios en 167 —un 2,1 % de los municipios y un 0,13 % de la población—.
- iii) El porcentaje de municipios sin ningún punto de acceso presencial a los servicios bancarios se redujo en mayor medida que en el caso de otros servicios, tanto de provisión privada (comercios y bares) como con un cierto componente de provisión pública (atención sanitaria y farmacias).
- iv) De acuerdo con la última edición del [Estudio sobre Hábitos en el Uso del Efectivo \(EHUE\)](#), cuyo trabajo de campo tuvo lugar entre marzo y mayo de 2023, la utilización por parte de la clientela de los canales alternativos a las oficinas bancarias (agentes financieros, ofibuses, *cashback* y Correos Cash) es aún minoritaria, tanto en el caso de las personas mayores como en el de la población residente en municipios sin oficina estable.
- v) Los encuestados en el EHUE perciben que a lo largo de 2022 se habría producido un incremento apreciable de la distancia hasta el punto de acceso al efectivo habitual más cercano en los municipios sin oficina estable.

Esta aparente discrepancia entre la evolución de las medidas de accesibilidad por el lado de la oferta —dinámicas i)-iii)— y por el lado de la demanda —dinámicas iv)-v)— podría deberse, al menos en parte, a que la mayor disponibilidad reciente de puntos de acceso se explica por la implantación de nuevos canales alternativos, en un contexto en el que la clientela aún utiliza mayoritariamente las oficinas bancarias.

Estos resultados inciden, por tanto, en la importancia de acompañar el despliegue de los canales alternativos con actuaciones que promuevan y faciliten su uso por parte de la clientela, así como en la necesidad de valorar la efectividad de las diferentes alternativas disponibles.

Palabras clave: accesibilidad, servicios bancarios, efectivo, zonas rurales.

Códigos JEL: R51, I31, J11, E41.

Contents

Abstract	5
Resumen	6
1 Introduction	8
2 Banco de España financial inclusion initiatives	9
3 Access to banking services in Spain in 2021	11
4 In-person access to banking services in Spain during 2022	14
4.1 Developments in in-person access to banking services	14
4.2 Customer use of and satisfaction with the channels for accessing banking services	19
5 Final considerations and work schedule	22

1 Introduction

Difficulties in accessing banking services by certain groups of the population have been gaining prominence in the public debate since the beginning of 2022.¹ In particular, concerns have been raised about these accessibility difficulties in rural areas and for people who lack the digital skills needed to access online banking services.

Against this background, in February 2022 the main credit institution associations in Spain – the Spanish Banking Association, the Spanish Confederation of Savings Banks and the National Union of Credit Cooperatives – signed the [update to the “Strategic Protocol to Reinforce the Social and Sustainable Commitment of the Banking Sector”](#) (hereafter, the Protocol) in the presence of the First Deputy Prime Minister and Minister for Economic Affairs and Digital Transformation and the Governor of the Banco de España. In that Protocol, the above-mentioned associations, on behalf of their member institutions, undertook to adopt a number of concrete measures to meet the banking service accessibility needs of the population living in rural areas and of elderly people, people with disabilities and people at risk of financial exclusion in general. Subsequently, the so-called [“Roadmap to Reinforce Financial Inclusion in Rural Areas”](#) was signed in October 2022, with an update to principle number 5 of the Protocol on measures to promote financial inclusion in rural municipalities according to their size.²

Meanwhile, the Banco de España undertook to monitor this issue based on the available information. The publication of this report attests to the fulfilment of this commitment. After this first introductory section, the report is structured around four sections. Section 2 reviews the various initiatives relating to financial inclusion, in the broad sense of the term, launched by the Banco de España over the last few years. Section 3 provides an analysis of in-person access to banking services in Spain in 2021 (before the Protocol was updated), based on papers published by the Banco de España in recent months. Section 4 examines developments in the available indicators of bank service accessibility from the update of the Protocol to end-2022 or early 2023, depending on the source of information considered. The last section provides some final considerations and outlines the work agenda of the Banco de España in terms of the future monitoring of access to banking services by the most vulnerable groups.

¹ A notable example is the campaign “I’m old, not stupid”, launched in January 2022, which calls for actions to make it easier for older people to access banking services.

² This update to the Protocol included a series of measures, such as the commitment to deploy ATMs, mobile branches and financial agents in municipalities with more than 500 inhabitants with no points of access to banking services. A series of measures were also included for municipalities with fewer than 500 inhabitants, such as the implementation of the Correos Cash service, by establishing a framework Protocol and having institutions subsequently adhere to it through agreements with Correos.

2 Banco de España financial inclusion initiatives

This section summarises the different actions relating to financial inclusion, in the broad sense of the term, on which the Banco de España has been working in recent years. Of note, specifically, are the initiatives on financial education and compilation of statistics.

Insofar as financial education makes it easier to access banking services, it may be considered one of the fundamental axes of financial inclusion. The Banco de España has launched several initiatives in this field. In particular, since 2008 it promotes, along with the National Securities Market Commission and the Ministry of Economy, Commerce and Business, the Financial Education Plan, which is aimed at all population groups and is considered the national financial education strategy under the “Finance for All” brand. Two of this strategy’s actions stand out:

- The **Financial Education Programme for Schools**. This programme was launched in 2012 in schools throughout Spain and is aimed at secondary, upper secondary and vocational training students.³ Under this programme, participating schools are provided with teaching materials on personal finance that teachers can share with their students. A remarkable feature of this programme, in which the Banco de España has been closely involved, is the evaluation of both its design and its short and long-term results. In particular, as documented in **Bover, Hospido and Villanueva (2018)**, students participating in the programme scored better on subsequent exams and, in addition, became more involved in household financial issues, showing more patience in hypothetical savings decisions.
- The **2022-2025 Financial Education Plan** includes among its lines of action various educational initiatives to promote financial inclusion.⁴ Of note among these initiatives is the development of specific programmes to reduce the digital divide and to provide tools to vulnerable groups – such as the elderly, the population living in rural areas, or the lowest income groups – to help them manage their personal finances. This plan also includes **numerous outreach activities** in which the Banco de España participates, most notably **Financial Education Day**, which is held annually. Likewise, the Banco de España’s **Bank Customer Portal** contributes to financial inclusion by publishing information on topics of interest, such as digitalisation and fraud prevention, access to financial services for people with disabilities, access to codes of good practice for distressed mortgage debtors, or basic payment accounts.

In addition, in the area of statistics production and maintenance, there are four major sources of information, prepared by the Banco de España, which are particularly relevant for identifying and monitoring the risk of financial exclusion:

³ The Ministry of Education and Vocational Training also collaborated in this programme.

⁴ These initiatives are carried out both by the promoters of the Financial Education Plan (the Banco de España, the National Securities Market Commission and the Ministry of Economy, Commerce and Business) and by its extensive **network of partners**.

- The **National Survey on Cash Use (ENE, by its Spanish initials)** provides data on access to cash and other means of payment, among other aspects, from the standpoint of both the general public and retailers and the hospitality sector during the period 2005-2020. In 2022 it was superseded by the **Study on Cash Use Habits (EHUE, by its Spanish initials)**. This new study adapts the questionnaire to incorporate additional relevant variables relating to cash and provides specific information on areas that are particularly vulnerable to financial exclusion, such as municipalities without a stable bank branch presence. Section 4.2 of this paper uses the most up-to-date information from the EHUE, referring to the 2023 edition, to analyse customer use of and satisfaction with the different means of access to banking services.
- Since 2002, the **Spanish Survey of Household Finances (EFF, by its Spanish initials)** collects detailed information on the use of certain alternative means of payment to cash – such as debit and credit cards – and of online banking. Although the main purpose of the EFF is to provide an overview of the financial situation of Spanish households, the information on the use of different means of payment and online banking is a very useful complement to the information contained in the ENE and the EHUE, especially in the case of the most vulnerable groups living in urban environments, by level of education, income and age.
- The **Survey of Financial Competences (ECF, by its Spanish initials)** is used to measure the level of financial knowledge of the Spanish adult population. The results of its recently published second edition, which refers to 2021, point to a certain improvement in the level of financial competences of the Spanish population between 2016 and 2021, although there is still ample room for improvement and to converge with the levels of financial competences of other European countries. In this **second edition**, whose results are representative both at national and regional level, the ECF also collects information on the accessibility of banking services for the population. In particular, it includes questions about how individuals prefer to interact with banks and how they actually do so, how they use mobile and web applications and the means they use to obtain information when purchasing a product.
- The **registry of branches of supervised entities**, compiled by the Banco de España based on the information sent by the institutions pursuant to **Circular 1/2009**, provides information on the number of bank branches in Spain at municipal level. In addition, as provided for by the rules on the **recirculation of euro banknotes and coins**, the Banco de España requests information on the location of ATMs, as well as on alternative means for the provision of banking services by credit institutions that have signed up to the ordinary cash service.⁵ Section 4.1 of this paper uses the most up-to-date information from these two databases to analyse how in-person banking service access points have changed between 2021 and 2022.

⁵ The Banco de España also keeps a register of financial agents with information on their geographical scope of action (see https://app.bde.es/age_www/age_wwwias/xml/Arranque.html).

3 Access to banking services in Spain in 2021

Recent work carried out by the Banco de España based on the various available data sources makes it possible to analyse the degree of access to banking services in Spain in 2021, before the Protocol was updated in early 2022. This analysis focuses on the number of in-person access points to various services (with special emphasis on banking services), the use of payment means and online banking by households according to their socio-economic characteristics, and the different initiatives undertaken at national and international level to facilitate access to banking services by the most vulnerable groups.

The main conclusions of this diagnostic exercise, collected in several papers recently published by the Banco de España, are set out below:

- **Spain has a much higher percentage of uninhabited territory and a much higher dispersion of the population than any other neighbouring European country.** In particular, in 2021 only 18.7% of the one-square-kilometre cells in Spain were inhabited, the lowest percentage in the euro area and far removed from those seen in countries such as France (58.7%), Italy (49.6%), Germany (59.9%) and Portugal (45.2%) (for more details on the spatial distribution of the population, see [Banco de España \(2021\)](#) and [Gutiérrez, Moral-Benito, Oto-Peralías and Ramos \(2023\)](#)).
- **The high dispersion of the population in Spain is a challenge for the provision of in-person services, since it makes it difficult to take advantage of the economies of scale inherent to in-person services in any field** (see [Alloza, González-Díez, Moral-Benito and Tello-Casas \(2021\)](#)). In any event, in a setting where the population is very dispersed across the territory, in 2021 the number of bank branches and ATMs per thousand population in Spain was higher than in other European countries. In particular, in Spain there were 0.41 bank branches and 1.01 ATMs per thousand population, more than the 0.33 branches and 0.81 ATMs per thousand population observed in the euro area (for more details, see [Alonso, Gutiérrez, Moral-Benito, Posada, Tello-Casas and Trucharte \(2022\)](#)). Among the euro area countries, Spain was second only to France in terms of number of branches and third only to Austria and Portugal in terms of ATMs per thousand population.⁶
- **Certain groups are identified as vulnerable in terms of their access to cash.** These groups are characterised by having an advanced age and low digital skills, as well as residing in isolated municipalities (especially in the interior of mainland Spain) where the nearest cash access point is more than 5 km away (see [Posada \(2021\)](#)). As noted in [Alonso, Gutiérrez, Moral-Benito, Posada, Tello-Casas and](#)

⁶ It should be noted that, from an international perspective, Spain's relative position remains largely unchanged when these indicators are updated with information for 2022.

Trucharte (2022), in this group of municipalities, coverage of in-person access to banking services is relatively similar to that of access to other privately-provided services (such as bars or retailers) but lower than in the case of certain quasi-public services (such as health care or pharmacies).

— Regarding the difficulties of older people and other vulnerable groups in accessing banking services remotely, Crespo, El Amrani, Gento and Villanueva (2023) draw the following conclusions, based on evidence from the EFF:

- **Ownership and use of debit or credit cards has become widespread between 2002 and 2020**, with a particularly strong increase among those groups of households that used cards least in 2002, i.e. less educated, lower income and older households.
- **However, significant differences in bank card ownership by different population groups remained at the end of the period considered.** For example, in 2020 around 20% of households with a lower educational level either did not have a card or, if they did, did not use it, while approximately 33% of households whose reference person was older than 74 did not have a card.
- **Moreover, usage of online banking in 2020 was particularly low among elderly people.** In particular, less than 20% of households whose household reference person was over 74 years old reported using online banking that year. In this regard, looking at each cohort of households since 2002, no significant increase in the use of online banking is seen among the older cohorts, highlighting the difficulties the digitalisation process entails for older people.

— Lastly, as noted by Alonso, Gutiérrez, Moral-Benito, Posada and Tello-Casas (2023), a review of the actions carried out at national and international level to improve in-person access to banking services by the most vulnerable groups draws three main conclusions:

- **The use of shared branch and ATM networks is a widespread practice in some European countries**, as it allows for economies of scale in the provision of these services.
- **Regulations requiring minimum levels of cash access points are only in force in the case of Sweden**, where the use of cash is so marginal that its potential disappearance could jeopardise the viability of the cash infrastructure.
- **The use of pilot programmes to evaluate the various alternatives for improving accessibility to banking services has proved to be a key lever for change.** In particular, the lessons that can be learned from these pilot

programmes are essential for choosing the best solutions and adapting them to the needs of each vulnerable group, based on their age and place of residence.

4 In-person access to banking services in Spain during 2022

The updated Protocol includes a series of measures aimed chiefly at encouraging credit institutions to improve their services to the over 65s and to people with disabilities, and increasing the availability of in-person access points to banking services in all Spanish municipalities.⁷

In recent months, banking associations have published various reports pointing to some progress in the implementation of the agreed measures. For example, these reports point to an extension of opening hours for certain groups (see [here](#) and [here](#)) and to a reduction in the number of municipalities without any access points to banking services (see [here](#), [here](#) and [here](#)), resulting, primarily, from the introduction of alternative channels, since the number of existing bank branches has continued to decline throughout 2022.

In any event, sufficient information is not yet available to accurately assess customers' use of and satisfaction with the measures adopted,⁸ or to rigorously quantify the effective capacity of these measures to reduce the risk of financial exclusion faced by certain population groups. Against this background, and given that the necessary information in terms of its time horizon, granularity and level of harmonisation is not yet available, this section describes the main conclusions in the area of accessibility to banking services drawn from the most recent update to two sources of information developed by the Banco de España:

- On the supply side,⁹ the information, updated at the end of 2022, from the databases described above on bank branches and other alternative channels for accessing banking services at municipal level (Section 4.1).
- On the demand side, the 2023 edition of the EHUE,¹⁰ with information on the assessment by different population groups of how banking services are used and accessed through the various channels (section 4.2).

4.1 Developments in in-person access to banking services

Over the course of 2022 the number of in-person points of access to banking services has decreased slightly in Spain as a whole, as the reduction in the number of bank branches

⁷ For more details, see the update to the “Strategic Protocol to Reinforce the Social and Sustainable Commitment of the Banking Sector”, signed in February 2022, and the “Roadmap to Reinforce Financial Inclusion in Rural Areas”, signed in October 2022.

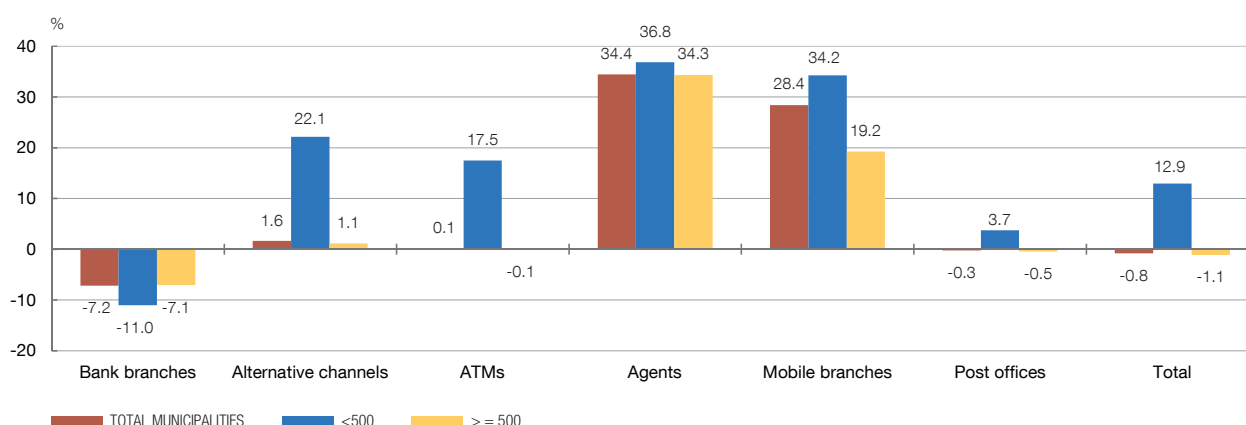
⁸ Banking associations have published the results of a survey where older customers report a high level of satisfaction with the measures implemented. However, the size and composition of the sample used could affect the representativeness of the results obtained.

⁹ Please note that the sources of information available to the Banco de España on the supply side are not exactly the same as those available to banking associations for preparing their monitoring reports. Specifically, for the number of branches, the Banco de España report uses data from the registry of branches of supervised entities (credit institutions), while the associations use the data directly reported to them by their members. With regard to alternative channels, this report uses information from banks that have signed up to the ordinary cash service, while associations use the data directly reported to them by their members. In relation to ATMs, this report exploits information on ATMs in branches, off-site ATMs and independent ATMs, for both 2021 and 2022, while associations only have information on the municipalities that had independent ATMs in 2022, but not on the number of independent ATMs.

¹⁰ Fieldwork for the 2023 EHUE took place between March and May 2023.

Chart 1

CHANGE IN POINTS OF ACCESS TO BANKING SERVICES IN 2021 AND 2022



SOURCE: Banco de España.

NOTE: Because mobile branches and financial agents can provide services in several municipalities, the total refers to all the places where they provide a service.

has only been partially offset by the introduction of alternative channels such as ATMs, financial agents, mobile branches and post offices.¹¹ However, this overall trend masks a significant degree of heterogeneity based on municipality size. Thus, between 2021 and 2022 the number of in-person access points increased in smaller municipalities (with fewer than 500 inhabitants),¹² but declined in larger ones (with more than 500 inhabitants) (see Chart 1). A detailed analysis of these developments is presented below.

The number of bank branches in Spain decreased by 7.2% between 2021 and 2022, from 19,014 operational branches at 31 December 2021 to 17,648 at end-2022. Meanwhile, the number of points of access to banking services through alternative channels increased by 1.6% in the same period, from 49,869 to 50,672. In this regard, financial agents and mobile branches seem to have grown the most between 2021 and 2022. Specifically, the number of access points provided through financial agents increased by 34.4%, from 1,710 in 2021 to 2,299 in 2022, while those provided through mobile branches increased by 28.4%, from 613 to 787.¹³ In any event, when both bank branches and alternative channels

¹¹ As a result of the lack of information for 2021 on cashback points and the use of Correos Cash, we are unable to analyse the changes in the level of implementation and availability of these services between 2021 and 2022. However, according to the information available, cashback is currently offered in some 30,000 establishments in Spain, virtually all of which are located in large municipalities. For their part, rural postal workers have the capacity to reach the entire national territory, although the implementation of this service is still at an early stage.

¹² The threshold of 500 inhabitants is considered because the measures set out in the "Roadmap to reinforce financial inclusion in rural areas" differ depending on whether they are for large municipalities (over 500 inhabitants) or small ones (under 500 inhabitants), which are more vulnerable to the risk of financial exclusion and are predominantly rural.

¹³ Because mobile branches and financial agents can provide services in several municipalities, the total refers to all the places where they provide a service. For example, the same mobile branch is counted as two access points if it offers the service in two different municipalities. It should also be noted that only financial agents providing cash management services are considered in this analysis.

are taken into account, the total number of in-person banking service access points fell by 0.8% between 2021 and 2022.

The number of bank branches in municipalities with fewer than 500 inhabitants decreased by 11%, from 426 in 2021 to 379 in 2022. However, the number of in-person access points through alternative channels grew significantly, from 1,109 in 2021 to 1,354 in 2022 (22.1% more). Thus, despite the drop in the number of bank branches, the total number of banking service access points in smaller municipalities increased by 12.9% over the course of 2022. This was mainly due to increases in the number of mobile branches – from 374 to 502 (34.2%) –, financial agents – from 95 to 130 (36.8%) – and ATMs – from 424 to 498 (17.5%). In municipalities with more than 500 inhabitants, the decline in the number of bank branches between 2021 and 2022 (-7.1%) was less pronounced than in the case of smaller municipalities, while the increase in alternative channels (1.1%) was more modest. Thus, in large municipalities, the total number of points of access to banking services fell by 1.1% between 2021 and 2022.

As a result of these dynamics, between 2021 and 2022 the number of municipalities without any in-person point of access to banking services decreased by 167 (equivalent to 2.1% of all Spanish municipalities and 0.13% of the population). This decrease was the result of the deployment, over the course of 2022, of at least one in-person point of access to banking services in 223 municipalities that did not have one in 2021, and the closure of the last in-person access point in 56 municipalities that did have one in 2021 (see Chart 2).

By size, of the 223 municipalities that gained access to in-person banking services in 2022, 179 have fewer than 500 inhabitants. As regards the type of in-person access point most used among municipalities that gained coverage between 2021 and 2022, around 60% of small municipalities did so thanks to mobile branches, and around 66% of large municipalities increased their access through ATMs or financial agents.

Of the 56 municipalities that lost, over the course of 2022, the only in-person banking service access point they had in 2021 (0.69% of the municipalities and 0.05% of the total population), 45 had fewer than 500 inhabitants. The loss of coverage in these municipalities was due to the closure of bank branches in 46% of the cases.¹⁴

Having analysed the changes in in-person access to banking services between 2021 and 2022, it is worth asking how these dynamics compare with those for other types of services. In this respect, between 2021 and 2022 the total number of bank branches decreased more than the number of in-person points of access to other types of services (retailers, bars, post offices, health care and pharmacies).¹⁵ Although the differences are less pronounced, when alternative channels are taken into account, the total number of in-

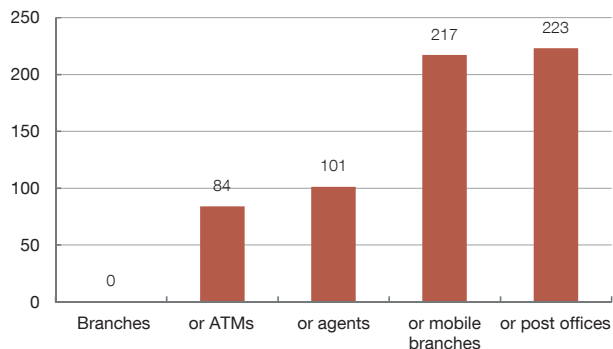
¹⁴ 128 municipalities (34 small and 94 large) lost access to a bank branch between 2021 and 2022. Of these, 90 already had an alternative access point in 2021, 12 had a new alternative access point installed over the course of 2022 and the remaining 26 were left with no in-person banking service access point.

¹⁵ For more details on the information used, see [Alonso, Gutiérrez, Moral-Benito, Posada, Tello-Casas and Trucharte \(2022\)](#).

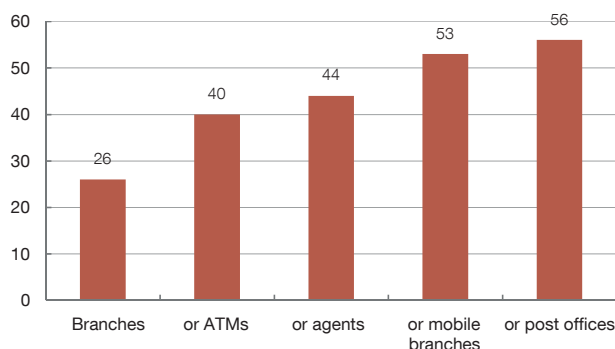
Chart 2

CHANGE IN LOCAL ACCESS TO BANKING SERVICES BETWEEN 2021 AND 2022

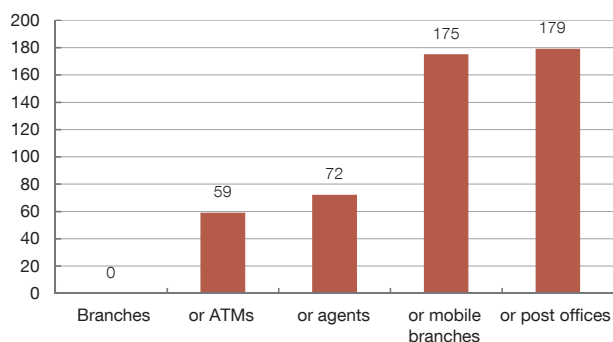
1 MUNICIPALITIES GAINING COVERAGE IN BANKING SERVICES



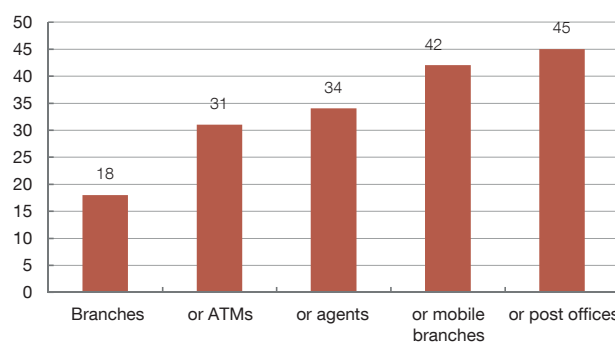
2 MUNICIPALITIES LOSING COVERAGE IN BANKING SERVICES



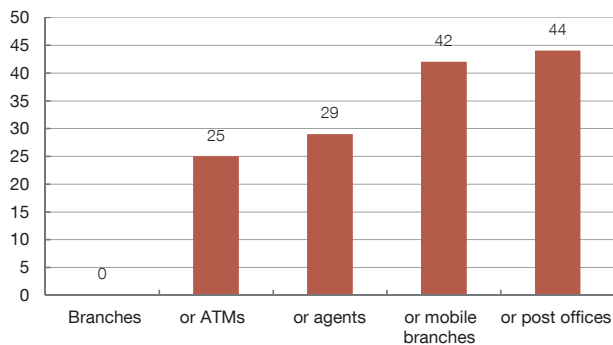
3 MUNICIPALITIES WITH FEWER THAN 500 INHABITANTS GAINING COVERAGE IN BANKING SERVICES



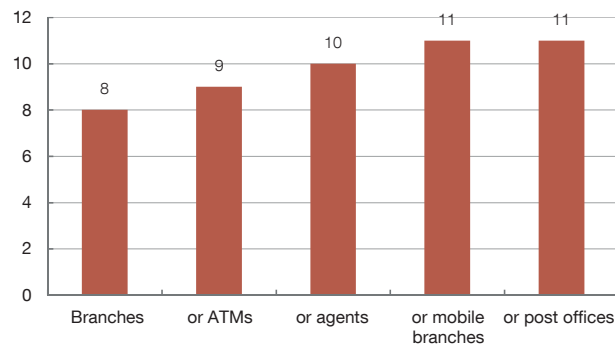
4 MUNICIPALITIES WITH FEWER THAN 500 INHABITANTS LOSING COVERAGE IN BANKING SERVICES



5 MUNICIPALITIES WITH MORE THAN 500 INHABITANTS GAINING COVERAGE IN BANKING SERVICES



6 MUNICIPALITIES WITH MORE THAN 500 INHABITANTS LOSING COVERAGE IN BANKING SERVICES



SOURCE: Banco de España.

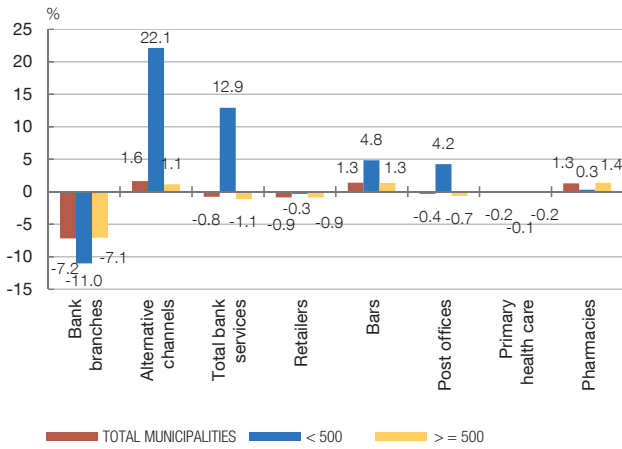
person points of access to banking services also declined more than for the other services analysed (see Chart 3.1).

Nonetheless, coverage of banking services improved more than coverage of other services, as the percentage of municipalities with no in-person access to banking services

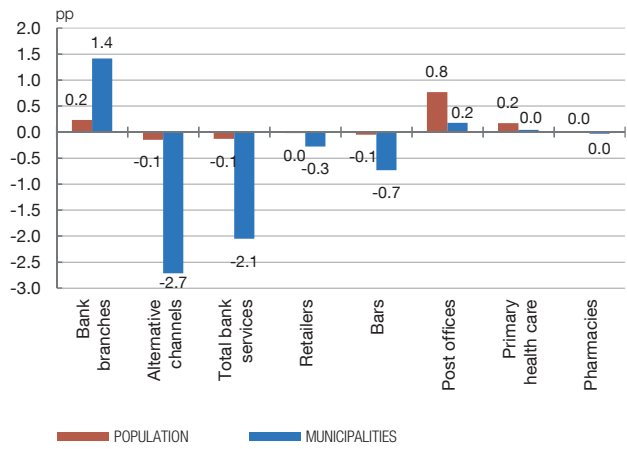
Chart 3

CHANGE IN POINTS OF ACCESS TO DIFFERENT SERVICES BETWEEN 2021 AND 2022

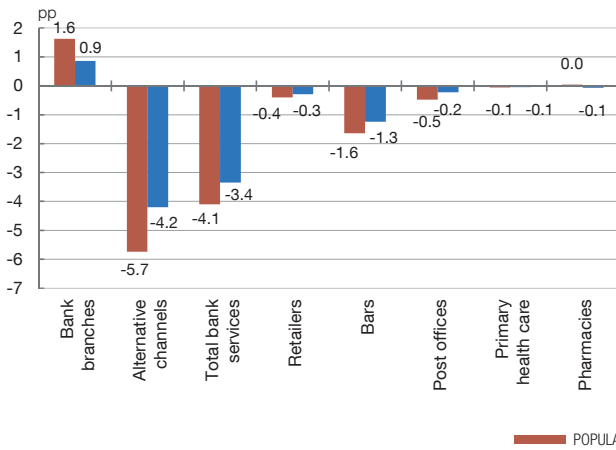
1 CHANGE IN NUMBER OF ACCESS POINTS



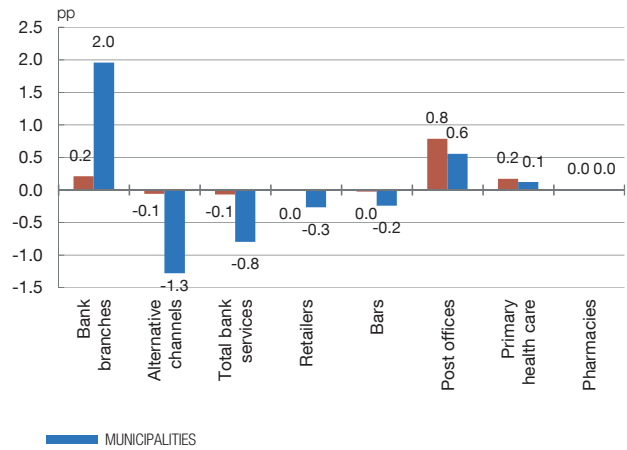
2 CHANGE IN SHARE OF THE POPULATION AND MUNICIPALITIES WITH NO LOCAL ACCESS TO SERVICES



3 CHANGE IN THE SHARE OF THE POPULATION AND MUNICIPALITIES WITH NO LOCAL ACCESS TO SERVICES. MUNICIPALITIES WITH FEWER THAN 500 INHABITANTS



4 CHANGE IN THE SHARE OF THE POPULATION AND MUNICIPALITIES WITH NO LOCAL ACCESS TO SERVICES. MUNICIPALITIES WITH MORE THAN 500 INHABITANTS



SOURCES: Banco de España, Correos, Ministerio de Inclusión, Seguridad Social y Migraciones, and Ministerio de Sanidad.

declined more than the percentage of municipalities with no in-person access to any other type of service (see Chart 3.2).

This difference in how the number of access points and the percentage of municipalities with no in-person access have evolved appears to reflect efforts to provide coverage in municipalities without it (which were more focused in the case of banking services) and to ensure that municipalities with only one access point did not lose it. In fact, the differences in terms of population percentages are less pronounced than in terms of percentages of municipalities. This suggests that it is mainly in the smaller municipalities where the discrepancy lies between the change in the number of access points (banking service access points decreased more) and coverage at the municipal level (which increased

more in the case of banking). Indeed, the share of municipalities with no in-person access to banking services between 2021 and 2022 fell particularly sharply in the case of municipalities with fewer than 500 inhabitants, compared with other municipalities and with the decline recorded for the other services considered (see Charts 3.3 and 3.4).

4.2 Customer use of and satisfaction with the channels for accessing banking services

The EHUE provides information on the use, access and acceptance of cash, as well as on the users' assessment of the means of access to banking services. It is based on some 1,350 interviews with a representative sample of the population and about 250 interviews with a representative sample of municipalities with no stable bank branch presence, which represent rural areas that are particularly vulnerable to the risk of financial exclusion.¹⁶ The latest edition of the EHUE, whose interviews were conducted between March and May 2023, included specific questions on the use of channels for accessing banking services other than bank branches, with the aim of assessing their usefulness and the degree of customer satisfaction.

According to the results of the EHUE, most customers regularly use ATMs (76.4%), bank branches (62.2%) and online banking (50.6%) to carry out their banking operations (see Chart 4.1).¹⁷ By contrast, telephone banking and, above all, alternative channels (financial agents, mobile branches, cashback and Correos Cash),¹⁸ with usage rates of around 8% and 1%, respectively, are not widely used.

The figures on the frequency of use of the different channels of access to banking services are very similar for municipalities with no stable branch presence and point to alternative channels being seldom used (see Chart 4.1).¹⁹ This suggests that, in general, residents in these municipalities go to other municipalities with branches to carry out their banking operations. Indeed, according to the results of the EHUE, in 2023, 59% of the population living in municipalities that had no stable branch presence travelled to nearby municipalities that did to access banking services.

Regarding the means most used by the over 65s, the use of bank branches and resorting to family members to perform banking operations is more common in this group

¹⁶ For more details on the methodology of the EHUE and its coverage, see <https://www.bde.es/wbe/en/areas-actuacion/billetes-monedas/estudios-publicaciones-relacionadas-efectivo/estudio-sobre-habitos-uso-efectivo/>.

¹⁷ In particular, the EHUE includes a question in which the respondents are asked to point out the three channels they have used the most for banking operations in the last year, ranking them from most to least used. The figures in Chart 4.1 relate to the three channels, i.e. they encompass all the people who have reported each channel as one of the three they most commonly use. Accordingly, the percentages do not have to add up to 100%, since they refer to the three most used channels, rather than to only one.

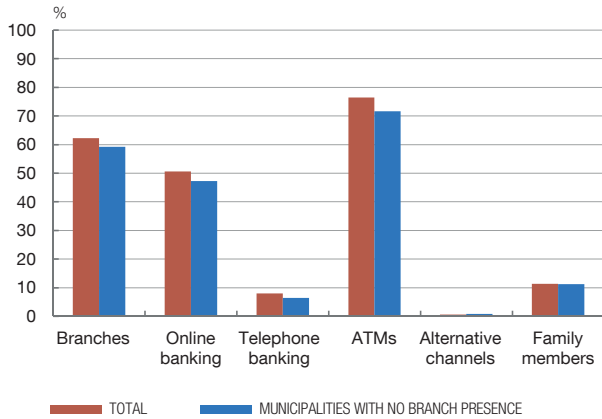
¹⁸ In line with the wording of the questions in the EHUE, this section analyses ATMs as a category separate from all the other alternative channels.

¹⁹ Two caveats are worth mentioning when interpreting the figure on the use of alternative means in municipalities with no stable branch presence. First, respondents may sometimes not be able to distinguish well between financial agents and branches, as in recent years bank branches have started to be managed by agents. Second, the fact that some of the alternative channels are more present in some regions than in others might not be correctly captured in the EHUE. This is because its sample design guarantees representativeness at national level and by population group, but not at regional level.

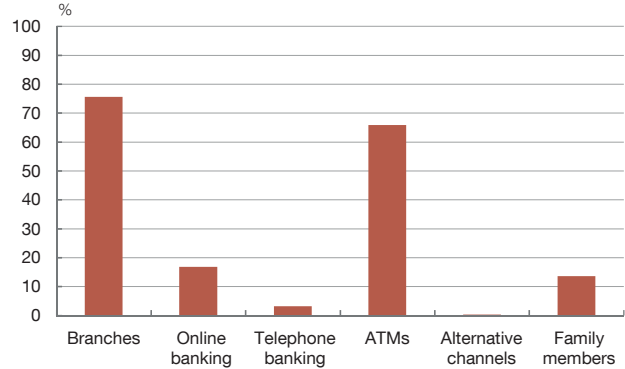
Chart 4

CONSUMER PERCEPTION BASED ON THE STUDY ON CASH USE HABITS

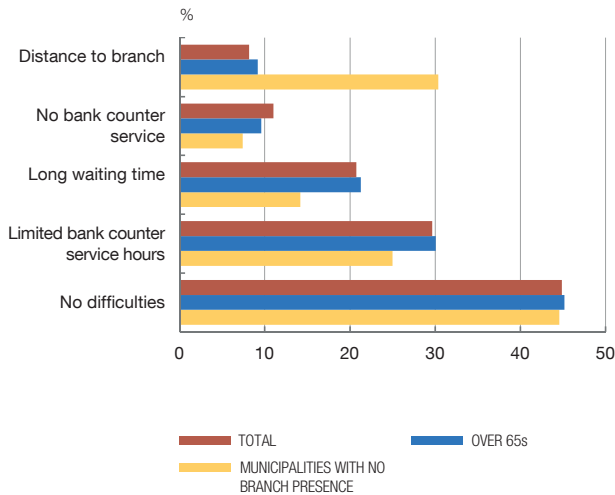
1 MOST USED CHANNELS FOR BANKING OPERATIONS



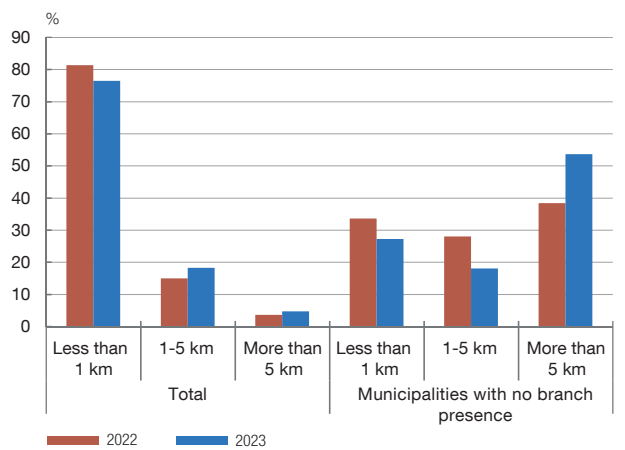
2 CHANNELS USED FOR BANKING OPERATIONS BY PEOPLE AGED OVER 65



3 MAIN DIFFICULTIES WITH CASH SERVICE AT BANK BRANCHES



4 DISTANCE TO CASH WITHDRAWAL POINT



SOURCE: Banco de España.

than in the general public, whereas the other alternatives are less used (see Chart 4.2). This lesser use is particularly true for online banking, in line with the results obtained by Crespo, El Amrani, Gento and Villanueva (2023) drawing on the EFF. Also, the use of the other alternative channels by the older population is still negligible (less than 1%) and it would therefore be advisable to analyse in depth whether these alternative channels actually have the capacity to mitigate the potential financial exclusion risk faced by this group.²⁰

Most customers are satisfied with the cash withdrawal service provided through ATMs and at bank counters (73% and 75%, respectively). However, 21% of bank branch

²⁰ Note that the small sample size does not advise analysing other sub-sets combining several characteristics, such as the older population in municipalities with no stable branch presence.

users reported difficulties in withdrawing or depositing cash owing to lengthy waiting times, while nearly 30% faced difficulties as a result of limited bank counter service hours. In this respect, the inclusion of an ad hoc question in the 2023 EHUE shows that 9% of customers have observed an extension of bank counter service hours in their usual branch in the last year, compared with 63% who have not. The fact that such a small share of customers perceive an extension in opening hours could be due, at least in part, to the fact that, even if opening hours are extended, customers tend to continue to go to the branches during the usual opening hours in place before they were extended. The assessment of all these aspects by the older population is practically the same as that of the general public (see Chart 4.3).

Lastly, the distance to the nearest branch, which is not a significant limitation for the population as a whole, does represent a significant difficulty in accessing cash in the case of 30% of residents in municipalities without a bank branch. In this regard, the distance to the point of access to cash commonly used by customers seems to have increased between March-May 2022 and March-May 2023, when comparing the answers to this question in the last two editions of the EHUE (see Chart 4.4). In particular, the percentage of people whose usual cash access point is less than 1 km away decreased from 81.3% to 76.5% for the general public, and from 33.6% to 27.2% in the case of municipalities without a stable branch presence. Meanwhile, the percentage of people resident in municipalities with no stable branch presence and whose usual access point is more than 5 km away increased from 38.4% in 2022 to 53.6% in 2023.²¹

Thus, customers generally appear to have perceived some deterioration in the accessibility of banking services over the course of 2022 in municipalities with no stable branch presence despite the increase in the number of cash withdrawal points in those municipalities (see Section 4.1). This apparent discrepancy between the changes in accessibility on the supply side and on the demand side may at least partly owe to the fact that the greater recent availability of access points is due to the deployment of new alternative channels (see Chart 1), in a setting in which customers still primarily use bank branches (see Chart 4.1).²² These results highlight the need to address not only supply-side information, but also demand-side information to analyse the effectiveness of the different alternatives available in the design of action plans on accessibility to banking services.

²¹ Note that the increase observed between 2022 and 2023 in the distance to the usual access point could be explained, at least in part, by changes in the perception of distance by the population and by the sample variability between the different waves of the EHUE.

²² Indeed, as described above, in 2023, 59% of the population living in municipalities with no stable branch presence travelled to nearby municipalities that did have a stable branch presence to access banking services.

5 Final considerations and work schedule

According to the results presented in this paper, the main aspects characterising the changes in accessibility to banking services in Spain over the course of 2022 are as follows:

- i) As regards the number of in-person banking service access points, the decline in the number of bank branches between 2021 and 2022 was partially offset by the deployment of alternative channels (particularly mobile branches in smaller municipalities and financial agents in larger ones).
- ii) Between 2021 and 2022, the number of municipalities with no in-person access point to banking services decreased by 167 (2.1% of municipalities and 0.13% of the population), as a result of coverage having been gained in 223 municipalities and lost in 56.
- iii) The share of municipalities with no in-person points of access to banking services decreased to a greater extent than for other services, including privately provided services (shops and bars) and quasi-public services (health care and pharmacies).
- iv) As regards customers' use and assessment of the various means of access in 2023, according to the latest edition of the EHUE, alternative channels to bank branches (financial agents, mobile branches, cashback and Correos Cash) are still not widely used, neither by the elderly nor by the population residing in municipalities with no stable branch presence.
- v) According to the EHUE, respondents perceive that, over 2022, there was a noticeable increase in the distance to the nearest usual cash access point in municipalities without a stable branch presence.

This apparent discrepancy between the changes in accessibility measures on the supply side – points (i) to (iii) – and on the demand side – points (iv) and (v) – may at least partly owe to the fact that the greater recent availability of access points is due to the deployment of new alternative channels, in a setting in which customers still primarily use bank branches. These results therefore highlight the importance of accompanying the deployment of alternative channels with actions to promote and facilitate their use by customers, and the need to assess the effectiveness of the different alternatives available and analyse the factors behind their scant use to date.

Against this backdrop, the Banco de España's work schedule for the coming quarters focuses on two key dimensions to deepen the analysis and monitoring of the possible risk of financial exclusion affecting certain population groups:

- **Increasing the available granular information.** In this area, from 2024 onwards, the sample size of the EHUE will be extended to facilitate the analysis

and monitoring of accessibility to banking services by the population groups most exposed to the risk of financial exclusion. In addition, from end-2024, the 2022 edition of the EFF will be available in which new questions were included whose analysis will allow assessing, among other issues, households' trust in banks, the way in which households prefer to interact with banks, the difficulties in using online banking and the assessment of the different services that banks provide.

- **Pressing forward with a rigorous policy assessment based on empirical evidence.** In this area, the Banco de España is promoting, with some interested entities, the implementation of pilot programmes to evaluate the effectiveness of the various measures that could be deployed to try to foster accessibility to banking services. In particular, these programmes aim to identify the alternatives that are most effective in mitigating certain groups' risk of financial exclusion on the basis of an analysis and a rigorous assessment of the different options available.

BANCO DE ESPAÑA PUBLICATIONS

OCCASIONAL PAPERS

- 2130 PABLO HERNÁNDEZ DE COS: Testimony before the Congress of Deputies Budget Committee on 25 October 2021 and before the Senate Budget Committee on 30 November 2021 in relation to the Draft State Budget for 2022. (There is a Spanish version of this edition with the same number).
- 2131 LAURA AURIA, MARKUS BINGMER, CARLOS MATEO CAICEDO GRACIANO, CLÉMENCE CHARAVEL, SERGIO GAVILÁ, ALESSANDRA IANNAMORELLI, AVIRAM LEVY, ALFREDO MALDONADO, FLORIAN RESCH, ANNA MARIA ROSSI and STEPHAN SAUER: Overview of central banks' in-house credit assessment systems in the euro area.
- 2132 JORGE E. GALÁN: CREWS: a CAMELS-based early warning system of systemic risk in the banking sector.
- 2133 ALEJANDRO FERNÁNDEZ CERREZO and JOSÉ MANUEL MONTERO: A sectoral analysis of the future challenges facing the Spanish economy. (There is a Spanish version of this edition with the same number).
- 2201 MANUEL A. PÉREZ ÁLVAREZ: New allocation of special drawing rights. (There is a Spanish version of this edition with the same number).
- 2202 PILUCA ALVARGONZÁLEZ, MARINA GÓMEZ, CARMEN MARTÍNEZ-CARRASCAL, MYROSLAV PIDKUYKO and ERNESTO VILLANUEVA: Analysis of labor flows and consumption in Spain during COVID-19.
- 2203 MATÍAS LAMAS and SARA ROMANIEGA: Designing a price index for the Spanish commercial real estate market. (There is a Spanish version of this edition with the same number).
- 2204 ÁNGEL IVÁN MORENO BERNAL and TERESA CAMINERO GARCÍA: Analysis of ESG disclosures in Pillar 3 reports. A text mining approach.
- 2205 OLYMPIA BOVER, LAURA CRESPO and SANDRA GARCÍA-URIBE: Household indebtedness according to the Spanish Survey of Household Finances and the Central Credit Register: a comparative analysis. (There is a Spanish version of this edition with the same number).
- 2206 EDUARDO GUTIÉRREZ, ENRIQUE MORAL-BENITO and ROBERTO RAMOS: Population dynamics during the COVID-19 pandemic. (There is a Spanish version of this edition with the same number).
- 2207 JULIO GÁLVEZ: Measuring the equity risk premium with dividend discount models.
- 2208 PILAR CUADRADO, MARIO IZQUIERDO, JOSÉ MANUEL MONTERO, ENRIQUE MORAL-BENITO and JAVIER QUINTANA: The potential growth of the Spanish economy after the pandemic. (There is a Spanish version of this edition with the same number).
- 2209 PANA ALVES, SERGIO MAYORDOMO and MANUEL RUIZ-GARCÍA: Corporate financing in fixed-income markets: the contribution of monetary policy to lowering the size barrier. (There is a Spanish version of this edition with the same number).
- 2210 PABLO BURRIEL, IVÁN KATARYNIUK and JAVIER J. PÉREZ: Computing the EU's SURE interest savings using an extended debt sustainability assessment tool.
- 2211 LAURA ÁLVAREZ, ALBERTO FUERTES, LUIS MOLINA and EMILIO MUÑOZ DE LA PEÑA: Fund raising in the international capital markets in 2021. (There is a Spanish version of this edition with the same number).
- 2212 CARLOS SANZ: El peso del sector público en la economía: resumen de la literatura y aplicación al caso español.
- 2213 LEONOR DORMIDO, ISABEL GARRIDO, PILAR L'HOTELLERIE-FALLOIS and JAVIER SANTILLÁN: Climate change and sustainable growth: international initiatives and European policies. (There is a Spanish version of this edition with the same number).
- 2214 CARMEN SÁNCHEZ and JARA QUINTANERO: Las empresas *fintech*: panorama, retos e iniciativas.
- 2215 MARÍA ALONSO, EDUARDO GUTIÉRREZ, ENRIQUE MORAL-BENITO, DIANA POSADA, PATROCINIO TELLO-CASAS and CARLOS TRUCHARTE: In-person access to banking services in Spain: a comparison with other countries and other types of services. (There is a Spanish version of this edition with the same number).
- 2216 BEATRIZ GONZÁLEZ, ENRIQUE MORAL-BENITO and ISABEL SOLER: Schumpeter Meets Goldilocks: the Scarring Effects of Firm Destruction.
- 2217 MARIO ALLOZA, JÚLIA BRUNET, VICTOR FORTE-CAMPOS, ENRIQUE MORAL-BENITO and JAVIER J. PÉREZ: Government spending in Spain from a European perspective. (There is a Spanish version of this edition with the same number).
- 2218 PABLO AGUILAR, BEATRIZ GONZÁLEZ and SAMUEL HURTADO: Carbon tax sectoral (CATS) model: a sectoral model for energy transition stress test scenarios.
- 2219 ALEJANDRO MUÑOZ-JULVE and ROBERTO RAMOS: Estimation of the impact of changes in the period used to calculate the regulatory base on new retirement pension amounts. (There is a Spanish version of this edition with the same number).

- 2220 LUIS ÁNGEL MAZA: An estimation of the carbon footprint in Spanish credit institutions' business lending portfolio. (There is a Spanish version of this edition with the same number).
- 2221 SUSANA MORENO SÁNCHEZ: The EU-UK relationship: regulatory divergence and the level playing field.
- 2222 ANDRÉS ALONSO-ROBISCO and JOSÉ MANUEL CARBÓ: Inteligencia artificial y finanzas: una alianza estratégica.
- 2223 LUIS FERNÁNDEZ LAFUERZA, MATÍAS LAMAS, JAVIER MENCÍA, IRENE PABLOS and RAQUEL VEGAS: Analysis of the usability of capital buffers during the crisis precipitated by COVID-19. (There is a Spanish version of this edition with the same number).
- 2224 SONSOLES GALLEGO, ISABEL GARRIDO and IGNACIO HERNANDO: IMF precautionary facilities and their use in Latin America. (There is a Spanish version of this edition with the same number).
- 2301 LAURA HOSPIDO, CARLOS SANZ and ERNESTO VILLANUEVA: Air pollution: a review of its economic effects and policies to mitigate them.
- 2302 IRENE MONASTEROLO, MARÍA J. NIETO and EDO SCHETS: The good, the bad and the hot house world: conceptual underpinnings of the NGFS scenarios and suggestions for improvement.
- 2303 ADRIÁN LÓPEZ GONZÁLEZ: Inteligencia artificial aplicada al control de calidad en la producción de billetes.
- 2304 BELÉN AROCA MOYA: Conceptos, fundamentos y herramientas de neurociencia, y su aplicación al billete.
- 2305 MARÍA ALONSO, EDUARDO GUTIÉRREZ, ENRIQUE MORAL-BENITO, DIANA POSADA and PATROCINIO TELLO-CASAS: Un repaso de las diversas iniciativas desplegadas a nivel nacional e internacional para hacer frente a los riesgos de exclusión financiera.
- 2306 JOSÉ LUIS ROMERO UGARTE, ABEL SÁNCHEZ MARTÍN and CARLOS MARTÍN RODRÍGUEZ: Alternatives to the evolution of wholesale banking operations in the Eurosystem. (There is a Spanish version of this edition with the same number).
- 2307 HENRIQUE S. BASSO, OURANIA DIMAKOU and MYROSLAV PIDKUYKO: How inflation varies across Spanish households.
- 2308 LAURA CRESPO, NAJIBA EL AMRANI, CARLOS GENTO and ERNESTO VILLANUEVA: Heterogeneidad en el uso de los medios de pago y la banca *online*: un análisis a partir de la Encuesta Financiera de las Familias (2002-2020).
- 2309 HENRIQUE S. BASSO, OURANIA DIMAKOU and MYROSLAV PIDKUYKO: How consumption carbon emission intensity varies across Spanish households.
- 2310 IVÁN AUCIELLO-ESTÉVEZ, JOSEP PIJOAN-MAS, PAU ROLDAN-BLANCO and FEDERICO TAGLIATI: Dual labor markets in Spain: a firm-side perspective.
- 2311 CARLOS PÉREZ MONTES, JORGE E. GALÁN, MARÍA BRU, JULIO GÁLVEZ, ALBERTO GARCÍA, CARLOS GONZÁLEZ, SAMUEL HURTADO, NADIA LAVÍN, EDUARDO PÉREZ ASENJO and IRENE ROIBÁS: Systemic analysis framework for the impact of economic and financial risks (There is a Spanish version of this edition with the same number).
- 2312 SERGIO MAYORDOMO and IRENE ROIBÁS: The pass-through of market interest rates to bank interest rates. (There is a Spanish version of this edition with the same number).
- 2313 CARLOS PÉREZ MONTES, ALEJANDRO FERRER, LAURA ÁLVAREZ ROMÁN, HENRIQUE BASSO, BEATRIZ GONZÁLEZ LÓPEZ, GABRIEL JIMÉNEZ, PEDRO JAVIER MARTÍNEZ-VALERO, SERGIO MAYORDOMO, ÁLVARO MENÉNDEZ PUJADAS, LOLA MORALES, MYROSLAV PIDKUYKO and ÁNGEL VALENTÍN: Individual and sectoral analysis framework for the impact of economic and financial risks. (There is a Spanish version of this edition with the same number).
- 2314 PANA ALVES, CARMEN BROTO, MARÍA GIL and MATÍAS LAMAS: Indicadores de riesgos y vulnerabilidades en el mercado de la vivienda en España.
- 2215 ANDRÉS AZQUETA-GAVALDÓN, MARINA DIAKONOVA, CORINNA GHIRELLI and JAVIER J. PÉREZ: Sources of economic policy uncertainty in the euro area: a ready-to-use database.
- 2316 FERNANDO GARCÍA MARTÍNEZ and MATÍAS PACCE: The Spanish electricity sector in the face of rising gas prices and the Government measures rolled out in response. (There is a Spanish version of this edition with the same number).
- 2317 ROBERTO BLANCO and SERGIO MAYORDOMO: Evidence on the impact of the public guarantee and direct aid schemes on spanish firms during the covid-19 crisis. (There is a Spanish version of this edition with the same number).
- 2318 ISABEL GARRIDO and IRUNE SOLERA: Has the 2021 general SDR allocation been useful? For what and for whom?
- 2319 ROBERTO BLANCO, ELENA FERNÁNDEZ, MIGUEL GARCÍA-POSADA and SERGIO MAYORDOMO: An estimation of the default probabilities of Spanish non-financial corporations and their application to evaluate public policies.
- 2320 BANCO DE ESPAÑA: In-person access to banking services in Spain: 2023 Monitoring Report. (There is a Spanish version of this edition with the same number).