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THE CO-OPERATIVE BANK ACHIEVES CUSTOMER GROWTH TARGETS AND LAUNCHES VALUE ADD SERVICES FOR SME CUSTOMERS

- Investment totaling £33m has been used to develop an SME mobile banking app, deliver new onboarding functionality and enhanced authentication tools.
- The Bank has also launched new value add options for customers such as its Business Concierge service and a preferred Business Insurance provider.

Two years on from its successful £15m award of funding from the Capability and Innovation Fund, The Co-operative Bank has delivered on its commitments to launch value added services such as a preferred Business Insurance provider and a mobile banking app for its SME customers. The Bank is also attracting a higher volume of new customers as the number of business accounts opened was 62% more in 2020 compared with 2019. To date, the bank has also doubled its target of acquiring customers through the Business Banking Switch scheme (achieved 12% against a target of 6%).

With an additional £18m investment from The Co-operative Bank to transform its SME online banking services, enhancements have been made to products and services that have improved the customer banking experience, this includes a new onboarding process for sole traders and single director limited companies and a more innovative approach to authentication with the use of a [soft token app](#) developed in partnership with HID Global.

Key to the delivery of the technological improvements made by the Bank are its collaboration with eight fintechs and specialist partners that have aided the building of its new digital infrastructure. The relationship with fellow Manchester based fintech, BankiFi has been especially valuable as the Bank has worked with BankiFi to deliver two important projects. The

main focus of the work between the Bank and BankiFi was the creation of The Co-operative Bank's new [SME mobile app](#) which offers customers a more agile way to bank and supports SMEs who want a more accessible banking service. The app launched on April 13 2021 and has already been downloaded by 14% of its customers. The second project is a new and innovative app based payment solution that will help customers to manage their invoices, receive payments and keep their cash flow moving.

Commenting on the success of the Co-operative Bank's transformation plan, Director of SME Banking Catherine Douglas said:

"Two years ago we set about transforming our SME Banking Business with ambitious targets for customer growth and committed to a significant investment in our digital capabilities. We're seeing the successes of that programme as the number of accounts we opened during 2020 was 62% higher when compared with accounts opened in 2019. Our longstanding customers are telling us that the addition of a mobile banking app and improved digital banking experience are really making a difference to how they bank with us day to day.

"We know that the majority of our customers banked with us as we had strong environmental credentials and shared a lot of the same values and ethics that underpin how we do business, but now we are also offering them products and value added services with improved digital functionality that really support their business needs.

"The growth in our customer base in the last year especially has shown that the work we've done has genuinely established us as a challenger to the larger SME banking providers and that we are the digital and ESG-led bank of choice for those looking for an alternative to the other UK high street banks."

Mark Hartley, Founder and CEO of BankiFi said: "As entrepreneurs we lived and experienced how (too) much time is spent on admin tasks, invoicing, chasing payments while still not having an accurate overview of where the business stands. This new Co-operative Bank SME mobile app offers convenience and overview in one single place. We were enthusiastic to work with The Co-operative Bank because of its DNA which is rooted in society and supporting SMEs which are the backbone of UK industry, they are the best launching partner we could have wished for, and as we add functionality, the Bank's business customers will benefit too."

Working in partnership with innovative fintech businesses such as BankiFi has enabled the Bank to deliver enhancement to its products and services at pace for customers and this collaborative and co-operative way of working has been pivotal in this process. The success of this approach to working was a key driver to The Co-operative Bank being a signatory of [‘The Fintech Pledge’](#) and why it will continue to look for other opportunities to work with innovative partners in the future.

As well as forming new connections in the fintech world the Bank launched two of its new propositions by working with established brands Assurant and AXA Insurance. The bank’s [Business Concierge](#) in partnership with Assurant offers a market leading package of services such as HR and legal support for businesses, and the Bank also recommends [AXA Business Insurance](#) as its preferred provider to customers as it offers cover that can be tailored to meet specific business needs.

Whilst the Bank has had success in working collaboratively with others, it has also invested and grown its internal talent and resource that supports its transformation programme, including significant focus on its dedicated Relationship Management team. The demand from new customers meant the Bank went above and beyond its 2020 recruitment target (achieving 114% of recruitment) and has increased its SME banking support teams by recruiting based mostly around its North West heartland.

As a participant in the Business Banking Switch scheme the Bank has grown its customer base with more than 8,000 former NatWest customers joining the Bank since the start of the scheme, with this number set to grow further as the switching deadline approaches at the end of June 2021. This is ahead of the Bank’s original expectations and shows that the Bank’s unique brand and strong proposition is attractive and stands out to UK SMEs looking for an ethical banking alternative.

Catherine Douglas continues:

“We are committed to continually listening to the feedback from the businesses that bank with us and although we’ve made such significant progress so far, this is still the beginning of what we know we can offer our customers, especially with the continued influence of the innovative fintechs and other specialist partners we are working with.

”We want to continue to grow and especially attract more charity and community led organisations as well as truly establishing ourselves as the bank of choice for co-operative

businesses. We are continuing to challenge ourselves to have stronger and bolder ESG commitments that stand us apart as the 'go to' ethical bank for UK SMEs.”

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About The Co-operative Bank

The Co-operative Bank plc provides a full range of banking products and services to retail and SME (Small and Medium Sized Enterprises) customers and is committed to values and ethics in line with the principles of the co-operative movement.

The Co-operative Bank is the only high street bank with a customer-led ethical policy which gives customers a say in how their money is used. Launched in 1992, the Policy has been updated on five occasions, with new commitments added in January 2015 to cover how the Bank operates its business, products and services, workplace and culture, relationships with suppliers and other stakeholders and campaigning.