

## UK Banks Undergo Key Changes in August 2025: Branch Closures, Fee Increases, and Digital Shifts

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Several major UK banks are implementing changes this August, including branch closures, service fee adjustments, and a transition toward digital services. Financial commentator Caroline Butler highlighted these developments in a recent video shared on TikTok,

emphasising their potential impact on customers across the country. Here's a rundown of Butler's insights.

### **Santander: More Closures and Reduced In-Branch Services**

Santander will continue its downsizing strategy by closing 14 additional branches in August, part of a broader plan to shutter 95 locations nationwide. This round of closures affects branches in Gravesend (Kent), Allerton (West Yorkshire), Camberley (Surrey), Orpington (London Borough of Bromley), and Rotherham (South Yorkshire), according to *Express*.

In addition to closures, five branches will switch to a counter-free format, meaning customers will need to rely on Automated Teller Machines (ATMs) or local Post Office branches for routine banking needs. These developments may create limited access for customers who prefer or rely on in-person banking, particularly the elderly or those in rural areas.

### **NatWest: Business Banking Fees on the Rise**

NatWest is set to increase various business banking charges beginning in August. Cash handling fees will rise from £0.70 to £0.95 per £100 handled. The cost of cheque processing will also increase from £0.70 to £0.75, while the fee for each BACS (Bankers' Automated Clearing Services) transaction will go from £0.18 to £0.21.

Although the fee increases may appear incremental, Butler cautioned they could significantly affect businesses with high transaction volumes. In a statement, a NatWest spokesperson explained: "It's been seven years since day-to-day banking charges have changed for our business customers. The cost of providing services has gone up, so we've had to review our charges."

### **First Direct: Transition to Digital and Lower Savings Rate**

First Direct is moving away from paper-based communication by ending paper statements for savings account holders. Customers will need to access their account information digitally via the bank's app or website. The change is part of a broader shift toward streamlined, app-based services.

Additionally, the bank will reduce its savings interest rate from 4.25% to 4.00%, effective August 7. While the move aligns with market conditions, Butler described it as "further bad

news for savers,” as it will lower returns at a time when many are seeking ways to grow their savings amid persistent inflation.

Despite the rate cut, First Direct emphasised its commitment to innovation and service improvement, stating: “It can always be improved, always be quicker, and always make your life easier. Recently, we’ve put that theory into practice and rolled out a few new ideas.”