EBA BSG 2025 050 rev. 1

18 December 2025

BSG Own Initiative Paper on Access to Banking Services

Overview

Access to physical banking services in the European Union (EU) is a cornerstone of financial inclusion and social cohesion. In recent years, however, this access has come under increasing pressure due to a confluence of structural, economic, and technological developments. These include the **rapid digitalisation of financial services, the closure of physical bank branches, the consolidation of banking institutions, and a growing exposure to cybersecurity and geopolitical risks**. The resulting landscape is one in which vulnerable populations – the elderly, rural communities, persons with disabilities, migrants, and those in precarious financial conditions – may be disproportionately affected.

Consequently, the EU's legal framework ensuring access to banking services is dense. Several binding legal instruments ('hard laws') directly regulate access to banking services. In addition, there are a series of non-binding but orienting stakeholders' practices instruments ('soft laws'), which also play a big part in ensuring access to banking services. Finally, the legislative framework governing access to banking services comprehends several measures aimed to protect consumers when accessing financial services.

However, despite the overarching common regulatory framework and the single market for financial services, access to banking services across the EU differs significantly from country to country. The percentage of 'total financial exclusion' (the unbanked population) varies from next to zero to around 30% depending on the single country[i]. Furthermore, financial inclusion meaning that individuals and businesses have access to banking services that meet their needs, a fair and true view of the phenomenon should include the so-called underbanked population (i.e. those who have a limited access to banking services compared to their needs), whose numbers, only seldom investigated, are probably higher than the unbanked.

Financial inclusion and access to banking services is therefore increasingly becoming an issue of public policy in several Member States, with initiatives tailored to local needs, that, while helping financial inclusion in each single country, could broaden the differences in the regulatory framework across the EU.

Nevertheless, the combination of national laws and EU-wide regulation could offer best practices that could foster initiatives by the EBA, in playing a central role in safeguarding an even financial inclusion across the EU through its regulatory, supervisory and consumer-protection mandates, contributing to 'ensuring that citizens have access to financial and banking services'[ii].

The BSG believes that access to banking services throughout the EU, as a cornerstone of financial inclusion, is in the interest of all EBA's stakeholder and is then committed to make a special effort to provide advice to the EBA on this critical issue.

This paper provides an analysis of the current situation concerning access to banking services in the EU, with a focus on availability of branches and services, highlighting the relevant legal framework, identifying key trends and challenges, and offering recommendations (also based on existing policies and examples throughout the EU as presented by BSG members) for ensuring equitable and resilient financial inclusion across the Union.

Legal framework

I. The EU's 'hard law' governing access to banking services

There are several pieces of EU legislation that directly regulate access to banking services across EU Member States. We can distinguish between measures to ensure access to banking services from a "technical availability" perspective which is becoming more and more important as digitalization progresses (A), and a "de facto availability" perspective. (B).

A) Technical availability

1) The Digital Operational Resilience Act

The 2022 Regulation on Digital Operational Resilience for the Financial Sector (Digital Operational Resilience Act, DORA) (EU) 2022/2554) aims to ensure that the EU can withstand and recover from all types of Information and Communication Technology-related disruptions and threats.

DORA establishes a comprehensive framework for managing digital risks in financial entities, including banks, investment firms, insurance companies, and even critical third-party ICT service providers (like cloud computing firms and data analytics providers).

By safeguarding the integrity, security, and availability of digital banking services and ensuring the continuity of those platforms, DORA ensures the physical access of consumers to banking.

The extensive Level 2 and Level 3 mandates under DORA ensure the effective enforcement of the framework.

2) The Critical Entities Resilience Directive

The Directive on the resilience of critical entities (Critical Entities Resilience Directive, CER) (Directive (EU) 2022/2557) aims to ensure that critical entities - organizations and operators that provide essential services - are better protected against a wide range of disruptions, whether natural or man-made.

While encompassing a wide range of sectors, the CER Directive explicitly includes banking within its scope.

By identifying credit institutions as 'critical entities' (Article 6 and Annex III), the CER Directive obliges them to carry out risk assessments and implement resilience measures to ensure the continuity of banking services within the EU.

3) Cyber Resilience Act

The Regulation on horizontal cybersecurity requirements for products with digital elements (Cyber Resilience Act) (Regulation (EU) 2024/2847) also participates in the EU framework on technical availability. It provides horizontal cybersecurity rules for all digital products.

The CRA mandates that digital products meet essential cybersecurity requirements, including secure design, vulnerability handling, and transparency, before being placed on the EU market.

B) *De facto* availability

The Payment Accounts Directive (1) serves as a core instrument to ensure that all categories of consumers can access banking services. The Consumer Credit Directive (2) and accessibility measures like the European Accessibility Act (3) also play a key role in shaping a broad and inclusive concept of access to banking services. The Commission proposal on legal tender of cash and banknotes, of June 2023 (4), seeks to address access to cash, a significant part of the inclusion issue.

1) The Payment Accounts Directive and related legal instruments

The Directive on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features (Payment Accounts Directive, PAD) (Directive 2014/92/EU) is the cornerstone of the EU legislation governing access to basic banking services. Adopted in 2014, it includes comprehensive provisions designed to ensure that EU citizens have access to basic services. It also requires the European Commission and the European Banking Authority (EBA) to regularly review specific aspects to confirm that access to banking services continues to meet high standards within the European Union.

One of its key provisions concern the Right of access to a payment account with basic features, according to which "*Member States shall ensure that payment accounts with basic features are offered to consumers by all credit institutions or a sufficient number of credit institutions to guarantee access thereto for all consumers in their territory*" (Article 16 2)). The legislation includes robust anti-discrimination safeguards, requiring that access to basic bank accounts be granted even to consumers without a fixed address and to asylum seekers (Article 16 3)).

The Directive goes on to define the characteristics of a basic payment account (Article 17) and states that this service should be provided free of charge or for a reasonable amount (Article 18).

The PAD also contains provisions related to account switching, enabling the switching of accounts between banks for consumers easier (Article 9 and following) and provisions that aim to provide consumers a better understanding of the cost of the services linked to a payment account so as to allow them to make better choices. As they go beyond the question of access to banking we will not develop on those here. The Commission regularly publishes implementation reports in which it evaluates the state of play of implementation of the PAD. In its 2023 implementation report, the Commission notes that "*The PAD has …o ensured that consumers have access to PABFs [the payment accounts with basic features] which are offered by all or many credit institutions in each Member State. The percentage of EU consumers who have a payment account is generally (very) high and has risen further since the entry into force of the PAD. PABFs have been taken up to a considerable extent in some Member States.*" In light of these findings, the Commission decided not to present any legislative proposal together with this report.

2) The Consumer Credit Directive and revisions

The 2008 on credit agreements for consumers (Consumer Credit Directive, CCD) (Directive 2008/48/EC) regulates access to credit services, includes provisions aimed at ensuring transparency and fairness, particularly with regard to the information that must be provided to the debtor in credit agreements.

The 2008 Directive was revised by the 2023 Directive on credit agreements for consumers (CCD2) (Directive (EU) 2023/2225). Article 6 CCD2 provides for robust anti-discrimination safeguards by providing that "*Member States shall ensure that the conditions to be fulfilled for being granted a credit do not discriminate against consumers legally resident in the Union on ground of their nationality or place of residence or on any ground as referred to in Article 21 of the Charter of Fundamental Rights of the European Union*".

CCD2 also strengthens transparency and information requirements and extends the scope of application (for example by being applicable to Buy-Now-Pay-Later schemes and by covering consumer credit agreements from €0 up to €100,000, whereas the previous CCD covered only loans between €200 and €75,000).

Additionally, CDD2 harmonizes and strengthens creditworthiness assessment requirements (Chapter IV on the Assessment of creditworthiness and database access). We will see in the third section that creditworthiness assessments are part of the other policy objectives that have to be balanced out with access to banking services.

3) The European Accessibility Act

The Directive on the accessibility requirements for products and services (European Accessibility Act, EAA) (Directive (EU) 2019/882) was adopted in 2019. The EAA includes provisions aimed at ensuring that people with disabilities have access to a wide range of products, including banking services and products.

It is also useful to note that disability is understood in a broad manner, as Article 3 EAA states that" 'persons with disabilities' means persons who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others".

With the EAA coming into force in June 2025, financial institutions and other entities subject to the Directive must ensure that a variety of products and services - including devices like ATMs, as well as websites, applications, and other offerings - comply with its requirements.

The EAA provisions contribute to ensuring that banking services are accessible to all.

4) European Commission proposal on legal tender of euro coins and banknotes

On 28th June 2023, the EC presented a proposal regarding the legal tender of euro, in the form of coins and banknotes (https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13429-Clarifying-the-legal-tender-status-of-euro-banknotes-and-coins_en).

The proposal which is currently being discussed at EU level addresses the issue of access to cash, along with its acceptance. It states that "*In relation to access to cash, there is scope for policy choice in relation to the nature and form of action to be taken, and these aspects* *are therefore analysed in boxes throughout the impact assessment. In order for cash to be used as an effective means of payment, access to various cash services should be ensured, in particular cash withdrawals and cash deposits on payment accounts of credit institutions. These services enable cash to circulate between different actors in society."*

While it is important that this issue is identified and some considerations are made, the Proposal fails to indicate concrete measures to effectively guarantee access to cash in the EU.

II. The EU's 'soft law' impacting access to banking services

Several EU non-binding legal instruments also have an impact on access to banking services' framework and contribute to strong consumer protection across the EU.

As mentioned above (I.A), the European Commission's reports on the implementation of the PAD frequently assess the implementation across Member States and a potential need for revision. So far, the Commission has not published a legislative proposal on a PAD revision.

III. Other measures impacting access to finance

While ensuring optimal access to banking services is essential there are other regulatory objectives that influence the extent to which the right to access can be fulfilled. There is a need to carefully strike a balance between ensuring access to banking services and upholding frameworks aimed at preventing money laundering (A), over-indebtedness (B), and fraud (C), which are all key EU policies.

A) Anti-Money Laundering frameworks

AML frameworks, and most recently the 2024 AML legislative package, provide strong Consumer Due Diligence (CDD) requirements, both in terms of customer onboarding and Know-Your-Customer processes. These obligations require financial institutions to verify the identity of their customers and assess the risk of money laundering or terrorist financing before being able to provide access to a bank account.

De-risking practices, where financial institutions may seek to reduce or avoid potential risks and AML related fines could lead to uncertainties by limiting services as a response to the heavy regulatory obligations placed upon them.

B) Prevention of over-indebtedness

The 2023 Commission Study on European consumers' over-indebtedness and its implications highlights the importance of the issue across Member States, and the critical importance of addressing it within the EU

To prevent over-indebtedness, financial institutions must ensure that customers undergo and meet creditworthiness assessments.

These obligations already exist under EU law and are further specified in the new CCD2, especially through its Chapter IV on the assessment of creditworthiness and database access. In particular, Article 18 on the Obligation to assess the creditworthiness of the consumer provides that "Member States shall require that, before concluding a credit agreement, the creditor carry out a thorough assessment of the consumer's creditworthiness".

The 2024/2025 EBA Consumer Trends Report (CTR) identifies Indebtedness as one of the biggest issues faced by consumers.

Good creditworthiness practices are essential tools to assess consumers' ability to repay credit, and to prevent irresponsible lending practices and over-indebtedness.

The 2020 EBA Guidelines on loan origination set out a robust framework of rules covering internal governance for credit granting, monitoring, and loan origination procedures. They emphasise strong credit risk governance and culture, including strict requirements on credit appetite, credit risk management, and credit policies within financial institutions. The guidelines also specify the information and documentation that borrowers must provide before a loan is granted, as well as the standards for conducting creditworthiness assessments.

Creditworthiness frameworks are also in place to help banks manage and balance their risk exposure, as foreseen by EU prudential regulations.

Indeed, Article 74 of the Regulation on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation, CRR) (Regulation (EU) 575/2013) requires institutions to have sound internal governance arrangements, including effective processes for identifying, managing, monitoring, and reporting risk. Further, Article 74 of the Directive on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Capital Requirements Directive, CRD V) (Directive (EU) 2019/878) requires institutions to have credit-granting criteria that are well-documented and proportionate to the risk. Article 87 CRD V also obliges institutions to have sound and effective credit-granting criteria and ensure ongoing monitoring of exposures.

C) Anti-fraud measures

The Directive on payment services in the internal market (Payment Services Directive, PSD2) (Directive (EU) 2015/2366) revised the EU framework on payment services, including fraud. It contains Strong Customer Authentication (SCA) rules, requiring financial institutions to apply two-factor authentication for electronic payments and account access to reduce fraud risks.

The need for effective and coherent anti-fraud frameworks has become even more pressing due to the growing number of fraud cases, driven in part by the digitalisation of services. In this regard, the 2024/2025 EBA Consumer Trends Report (CTR) recognizes fraud as one of the biggest issues in EU markets.

The proposal on payment services in the internal market (Payment Services Regulation) (2023/0210(COD)), which is under debate with the co-legislators, is expected to include new measures that aim to provide safeguards against fraud attempts.

Anti-fraud requirements and objectives should also be considered when drafting access to banking frameworks.

D) Sanctions screening

The financial sanction frameworks imposed by the United Nations and the European Union must also be considered as a regulatory objective that needs to be balanced with access to banking services.

Indeed, sanctions adopted by the UN Security Council (and subsequently transposed into the EU framework), as well as those imposed directly by the Council of the EU, target specific countries, sectors, or individuals and restrict their access to banking products.

Current key trends and challenges

- **Digitalization**

Digitalization is one of the most transformative forces in Europe's economy. It affects the way in which products are produced, services are offered and consumer behaviour. It also affects the variety of services offered by the financial sector. It affects banking, payments, insurance, investment, and regulatory supervision.

The increased digitalisation has had many effects.

For example, the adoption and usage of Internet banking is constantly growing, even if the penetration' differs significantly from region to region, ranging from more than 90% in northern European regions to less than 15% in some Bulgarian and Romanian regions. In 2024, 93% of EU residents used the Internet in the last three months, with 94% of households having Internet access, and 72% of individuals buying goods or services online[iii].

In addition, it has enabled so-called neobanks or on-line only service providers to develop their digital first and customer convenience-oriented services, thereby challenging the service offering of more traditional banks.

There are evidences of a sustained momentum: for example, Italian panels show that in 2024, 74% of active customers used mobile banking and 65% used at least one digital channel, both up +8 p.p. year-on-year. Moreover, teens remain a strategic on-ramp: today 90% of allowances are still paid in cash, and bank choice often mirrors parents (69% use the same bank). Youth accounts and wallets with parent-approved limits and instant digital allowances can shift routine transfers online and build early habits without losing oversight[iv]. Yet innovation from data sharing unleashes its full potential when anchored in transparent consent: around half of Italian consumers prefer manual or no automatic sharing by default, but clear economic convenience (45%) and personalised services (15%) are the top levers that convert "no" into "yes"[v].

In summary, digitalization related to access to banking services offers opportunities and challenges.

Opportunities are:

- Greater financial inclusion – Digital channels can reach unbanked or underbanked groups and rural populations (where 4/5 G connectivity is ensured).
- Better availability of services – less dependence on banking hours.
- Greater competition – clients can choose among a much wider range of banking service offers from different players (not limited to banks having branches close to them).
- Efficiency & cost savings – Automation and AI reduce operational costs and improve risk management and economies of scale.

- Personalization and Data-Driven Services – Tailoring financial products—i.e. loans, savings plans, and investment advice—based on customers' financial data and individual needs.
- Access to additional services, such as liquidity management tools, spending tracking and monitoring, savings plans, loyalty programs, and personal finance education, etc.
- Innovation ecosystems – Regulatory sandboxes and FinTech hubs across the EU foster startups.

The main challenges are:

- Cybersecurity & resilience – Increasing risks from cyberattacks and systemic disruptions.
- Digital divide – Challenges related to equal access to digital services, special groups.
- Market concentration of IT providers in certain services – Dependence on a few global cloud providers and potential dominance of Big Techs.
- Regulatory fragmentation – Different speeds of implementation among Member States.
- Access to personal contact in case of issues (only chat bots or Q&A available).
- Consumer protection – Risks of fraud, misuse of data, and financial exclusion.

- **Closure of physical bank branches**

One of the most visible trends impacting access to banking services is the widespread closure of bank branches, especially in rural and economically weaker regions.

Between 2008 and 2024, the EU saw a steady decline in physical bank branches. By 2024 the total head fallen to 106,571 representing a reduction of over 52% since the 225,397 of the 2008 peak[vi].

The country-by-country picture of bank branch closures shows extremes like Latvia with roughly 90% fewer bank offices than in 2008 on one side, and on the other Ireland with branch numbers roughly stable over the period[vii]. But in general, and in all major economies the decline has been significant: Spain has had the largest absolute contractions with more than 28K closures, followed by Germany with over 20K, Italy with around 15K and France with more than 6K[viii].

As a result, the number of inhabitants per single branch has increased everywhere, but with big differences among countries: Bulgaria is at one extreme, where each branch welcomes an average of 1,266 citizens, while at the other is Latvia, where a branch provides services to an average of 28,969 inhabitants. The average number of inhabitants per bank branch in the EU-27 is 3,455[ix].

There are no statistics and data about the average distance that inhabitants have to cover to reach the nearest branch, but arguably this is becoming a serious problem for an increasing number of citizens and businesses across the EU.

For example, a study carried by the Romanian Central Bank measured the distance to the nearest ATM. Specifically, 25 percent of Romanians live at a distance of maximum 1 km to the nearest ATM, with more than 50 percent of the population within 2 km to the closest ATM. However, a fourth of the population lives in areas 5 km or further from an ATM, of which 10 percent have to travel more than 8.5 km. Approximately 1 percent live at a distance exceeding 15.8 km. Distances were calculated on a straight-line basis, underestimating in some cases the actual number of kilometres that need to be travelled according to the existing road infrastructure.

The closing of bank branches and the related investments in digitalisation bring a shift in the roles and competences of banks' employees. Almost all major banks across Europe in the transition towards automation and digital-first models are streamlining operations by targeting senior positions back office functions an infrastructure-heavy roles. The number of employees in EU credit institutions has fallen from almost 2.8 million in 2008 to just under 1.9 million in 2024 (-31%)[x].

Empirical studies to date provide evidence of the negative consequences of branch closures, including a decline in corporate lending—particularly through reduced credit availability to small, collateral-poor, and higher-risk firms—as well as a decrease in new business formation, lower small business employment growth and entry, and higher business exit rates[xi]. While evidence concerning the effects on individual customers is still limited, the closure of bank branches, together with the reduction of employees dedicated to customer-facing roles, may nevertheless have a significant impact on access to financial services. To assess the extent of this impact, it is therefore important to consider the degree to which online banking services can substitute for physical access. The level of digitalization of both consumers and banks may significantly mitigate the effects of branch closures and increased distance, potentially even neutralizing them entirely[xii]. And, as the data previously mentioned suggest, European countries feature a high degree of heterogeneity in terms of digitalization and penetration of internet banking.

For a more comprehensive analysis of the effects of this phenomenon, it is important to consider also the type and quality of services provided by the branches that are being closed. In some cases, the functions of multiple branches are consolidated into a single central branch staffed with employees possessing higher levels of expertise, particularly in relation to complex and high-value services such as loans and wealth management. Furthermore, a significant number of banks employ staff who operate off-site and are dedicated to serving the needs not only of high-net-worth individuals and large corporate clients, but also of retail customers and small and medium-sized enterprises (SMEs). In Italy, for example, SMEs show strong readiness for key steps online—notably e-signing banking documents (73%) and bank communications (77%) already handled digitally—while loan stages show rising demand for fully digital options. At the same time, only 53% of SMEs report access to sector-savvy staff inside their bank, underscoring the value of hybrid models that pair efficient digital journeys with targeted human expertise[xiii].These factors suggest that the impact of branch closures on access to advanced financial services may be mitigated, even as the availability of basic, face-to-face services is reduced.

A key aspect that shall be taken into account is that most often closures of bank branches occur in areas with declining population and economic activities, such as rural and mountain areas, where reduction in bank branches is accompanied by reduction in the offer of other basic services (e.g., in Italy, in more than 90% of the towns without a bank branch, there is neither a pharmacy). The phenomenon of the reduction of bank branches could therefore be studied and addressed also in the context of regulation and policies targeted at enhancing population and economic activities of those areas.

- **Consolidation and mergers**

The recent wave of consolidation and mergers in the EU banking sector has reduced the number of independent financial institutions. This process risks diminishing the diversity of service offerings ("banking biodiversity"), which has historically ensured a degree of local responsiveness and tailored financial services, especially through cooperative and community-based banks. On the other hand, It has to be noted that, in past years, excessive fragmentation was considered by supervisors a weakness of banking systems and that consolidation in the European banking sector is encouraged as a mean to reach economies of scale and competitiveness vis-à-vis large players from other geographies.

The downward trend in the number of EU-27 credit institutions marked a decline that brought the total number from 9,044 in 2001 to 4,927 in 2023 (-45%)[xiv] and to 4,752 as of June 2025[xv] with a decrease from the 9,260 of 1998 of 48.6%[xvi]

Consequently, concentration has increased. According to the ECB's structural financial indicators the EU average of top five banks asset share rose to 67.4% as of 2024. The data demonstrate a considerable disparity across countries, with some highly concentrated systems (Greece at 95%) and others far more fragmented (Luxembourg at 32.3%).

Among the largest economies, in Spain the top 5 banks hold 69.48% of assets, in Italy 48.7%, 45.3% in France, and only 33.39% in Germany. However, even in Germany, as in Italy and Spain, the concentration has significantly increased through the years.

Another method for measuring the level of concentration in an economic sector is the Herfindahl-Hirschman Index (HHI)[xvii], also used by the ECB, which highlights similar dynamics with a general increase in the degree of concentration of the banking sector at the European level. However, the trends across different countries are quite varied, but as far as the main economies are concerned, there is a significant increase in concentration (with the exception of France), particularly in Italy, where it increased by 277% from 2000 to 2023, in Spain by 137%, and in Germany by 114%.

- **Banking business models and diversity**

Access to banking services is heavily influenced by the prevailing business models within a given national ecosystem. The reduction in the number and diversity of banking actors – especially cooperative, regional, and ethical banks – leads to a narrowing of the banking offer and weakens local accountability. On the other hand, the efficiency gains in the banking sector can lead to economies of scale that could enable banks to provide more financing and to a larger set of customers, from individuals and SMEs to large projects. With the efficiency gains achieved by digitalisation, a broader set of customers could become profitable for banks, which could lead to a better availability of banking services.

The vast majority of local banks in the EU is cooperative banks. Their number is still significant, but varies a lot across different countries. According to the *EACB 'Key Statistics'* as of December 2023, Germany had 697 coop institutions (31.9% of the total number of credit institutions), Italy 222 (10.2%), France 86 (3.9%) but with the highest market share (over 59% of both credit and deposits), Spain 60 (2.7%). These data show that the cooperative networks in the EU have different structures, due to national's legislative interventions that in some countries have led to a homogenisation of the local cooperative systems to more 'capitalistic' business models.

Preserving "banking biodiversity" is essential. It encourages competition, and differing risk appetites. Moreover, maintaining a diverse set of banking business models helps ensure that multiple segments of the population—including low-income households, SMEs, and niche markets—retain access to tailored financial services. There is evidence of the positive impact of cooperative banks on local economic development and their commitment to the provision of financial services in regions subject to unfavourable demographic and economic stress[xviii]. Policymakers should therefore support frameworks that protect the plurality of institutions, including credit unions, mutual banks, and other non-mainstream actors, enforcing in the meantime business models diversity.

- **Cybersecurity and war-related risks**

European banks are among the most exposed sectors to cyber-attacks given their role in payments and data.

The *European Union Agency for Cybersecurity* (ENISA)'s 2024 *Threat Landscape for the Finance Sector* reported 488 major incidents, over half involving banks. DDoS, phishing, ransomware and credential theft have dominated the attacks, addressed mainly towards the vulnerable population, generating direct losses plus indirect costs (recovery, regulatory fines, reputational damages) that are probably worth billions of euros.

Exposure is amplified by systemic ICT concentration and geopolitical conflict. Key drivers of exposures are digitalization and open banking (that widen the attack's surface) and the Cloud and ICT concentration that poses heavy reliance on a few providers generating the possibility of systemic risks.

Lower digital skills may be linked to a higher risk of fraud, although this is based only on anecdotal evidence.

The July 2025 blackout affecting parts of Spain and Portugal – reportedly caused by a complex cyberattack – has underscored the increasing vulnerability of financial infrastructure to cyber threats.

On the other hand, physical banking services may also be vulnerable to security and cyber risks. Without sufficient digital infrastructure branch services cannot operate either, and cash availability also has to be physically serviced.

As geopolitical tensions and hybrid warfare scenarios intensify globally, the need to safeguard access to digital and physical banking becomes more urgent. Financial institutions must therefore not only ensure digital resilience but also maintain alternative access channels for service continuity.

Measuring access to banking services

Access to banking services is the ability of individuals or enterprises to obtain banking services (mainly including saving accounts, payment services, credit facilities). Those who involuntarily have no or only limited access to banking services are referred to as the unbanked or underbanked, respectively.

Measuring the unbanked and the underbanked is maybe the first basic challenge relating to access to banking services.

Currently, a measurement of the unbanked worldwide is developed through the *Global Findex Database* by the World Bank, which is released every four years on a surveys basis.

The *European Savings and Retail Banking Group* (ESBG) conducted an analysis of the Index, according to which 3.6% of Europe's population remained financially excluded. The percentage translated to some 13 million adult citizens being unbanked in 2021. Looking at some European countries in detail, Romania suffered the highest no-account rate at 30.9% while neighbour Bulgaria faced the second highest financial exclusion rate at 16%. Following them were Hungary (11.8%), Croatia (8.2%) and Portugal (7.4%). Best-in-class countries included Denmark, with hardly any unbanked people reported, followed by Germany (0.02% unbanked), Austria (0.05%), the Netherlands and Sweden (0.3%). Even if the 2025 Index update shows that ownership of financial accounts increased globally by 5% in the last four years, the number of unbanked adults in Europe is still significant, especially considering the uneven distribution across the EU, which is still there.

Nevertheless, examining access to banking services from a financial inclusion perspective is not simply a yes or no issue. In fostering a stable and including EU financial market the lack of access to banking services for some individuals and businesses - that could drive them to unregulated financial activities bypassing official oversight and potentially creating new risks - is potentially leading to financial instability and increase macro prudential risks within the banking sector.

Underbanking, which is less about total exclusion and more about partial access (people may have accounts or cards, but various social economic, demographic, geographic, and trust-related barriers prevent meaningful engagement with the banking system), is then a critical issue.

However, underbanking is trickier to measure than unbanking, as it requires looking at both access and usage of banking services: it is usually measured through indicators of partial or limited engagement with the formal financial system.

An example of measuring underbaking comes from the *Federal Deposit Insurance Corporation* (FDIC) of the United States that asks households about their banking status and use of alternative financial services (AFS) like payday loans, cheque, cashing services in money orders. A household is categorised as underbanked if it has a bank account but uses these non-bank products and services to meet her financial needs.

Digitalization as possible means to improve access to banking services is working well for the unbanked population, but it could not necessarily be a solution for the underbanked. The highly standardised services offered in the digital world could not match the needs for more tailored services that if unfulfilled generate situations of under banking.

Country level examples

In the EU, several Member States have taken proactive steps to address access to banking services challenges, underlying the importance of tailoring policy solution to local contexts while preserving essential services.

In this chapter, examples are provided for several countries, and for each of them basic data on access to banking services and the availability of branches across the territory are also presented.

It is important to note that the following figures and examples reflect the availability of public data and expertise of the BSG members, and therefore cannot offer a full view of all Member States' experiences.

Nevertheless, data and examples come from all the major EU's economies (Germany, France, Italy and Spain) and from six other countries from all European regions: Finland (Northern), Ireland (North Western), the Netherlands (Western), Austria (Central), Romania (Eastern), Portugal (South Western).

It is also worth pointing out that comparisons among countries are often not possible in the absence of homogeneous information, and that the development of concrete and standardized metrics for the availability of banking services is a need the EBA could contribute to satisfy.

- **Austria**

Compared to other member states, the Austrian banking sector is characterised by a large number of small institutions and a relatively high density of bank branches. The number of credit institutions and bank branches have both declined significantly since the financial crisis of 2007–2009 as a result of restructuring and sectoral consolidation. The number of credit institutions in Austria declined by more than 47% and stood at 458 at the end of 2024. At the same date, there were ca. 3,500 bank branches, equivalent to 34.4 bank branches per 100,000 inhabitants, on average (EU: 23.3).[1] Over the course of twelve years, Austrian banks have systematically scaled back their branch networks, from a high point of ca. 5,100 at the end of 2012 to ca. 3,500 today. Some 1,600 bank branches, nearly one in three, were closed leaving many communities, especially in suburban and rural areas, without a local banking presence.[2]

[1] Oesterreichische Nationalbank (OeNB), Fakten zu Österreich und seinen Banken, July 2025 (https://www.oenb.at/Publikationen/Finanzmarkt/Fakten-zu-Oesterreich-und-seinen-Banken.html)

[2] Momentum Institut, Banken: 62 Prozent höhere Gebühren – 30 Prozent weniger Filialen, 11 July 2025 (https://www.momentum-institut.at/news/banken-62-prozent-hohere-gebuehren-30-prozent-weniger-filialen/)

The scale and pace of branch closures have drawn criticism from civil-society organisations[3] and the media[4].

The supply of cash to businesses and the general public is recognised by the Austrian central bank (OeNB) as one of its key tasks. Besides, the availability of cash access points is also considered critical to ensuring that consumers are free to choose among different payment methods. In a 2020 study[5], OeNB staff examined the overall availability and geographic distribution of cash machines across the national territory. The study found that Austria had one the highest number of ATMs per capita in the EU (based on year-end 2019 data) but noted that averages across the country may hide regional differences in access to cash, in particular in rural areas. It suggested that this could be of particular relevance for Austria where a large share of the population lives either in relatively small villages or in larger cities. About 25% of Austrians live in municipalities with less than 3,000 inhabitants, while some 21% of the population reside in Vienna. The study concluded that travel distances to ATMs in Austria were, on average, *"reasonable across the country and its population"* but went on to identify a number of areas – typically smaller municipalities with an average population of ca. 840 inhabitants – where residents have to travel longer distances to reach an ATM.

In February 2025, the OeNB, in cooperation with the Austrian Local Government Association (Österreichischer Gemeindebund), announced a programme to install up to 120 cash machines in rural areas to ensure continued access to cash and compensate for the effects of branch closures. The programme is open to municipalities with a minimum of 500 inhabitants which do not have a bank branch, and where the average distance to the closest cash machine is at least 2 km. The first of these ATMs became operational in July 2025. Whereas the OeNB's initiative has been widely welcomed it has also been criticised for making use of public funds to indirectly subsidise banks' retrenchment of branch networks, which is seen as part of a broader trend of essential services being withdrawn from rural areas.[6]

- **Finland**

The Finnish Financial Supervisory Authority (Fin-FSA) assesses the availability of basic banking services in an [annual survey and an assessment](). According to the most recent survey, the majority of bank customers use digital services in their banking. Based on the survey, 86 % of banks' customers over the age of 15 have an agreement in place to use online or mobile banking services, out of which 87.5 % had used those services within the 3 last months. According to Statistics Finland, the use of digital services significantly decreases only after the age of 75, and also for this group the use of online services continues significantly increase. Out of those in the age group of 75-89 years, over 60 % had used online or mobile banking within the last 3 months.

[3] e.g. Austrian Chamber of Labour (Arbeiterkammer, AK), AK Bankenmonitor: Banken kassieren bei Spesen kräftig ab, 05 June 2025 (https://www.arbeiterkammer.at/bankenmonitor)

[4] e.g. Kronenzeitung, Filialsterben hält an: 200 Bankfilialen weniger als noch vor 20 Jahren, 21 August 2025 (https://www.krone.at/3874142); Kleine Zeitung, Zahl der Bankfilialen in 20 Jahren um 30 Prozent geschrumpft, 11 July 2025 (https://www.kleinezeitung.at/wirtschaft/19890842/zahl-der-bankfilialen-in-20-jahren-um-30-prozent-geschrumpft)

[5] Stix, H., A Spatial Analysis of Access to ATMs in Austria, in: Oesterreichische Nationalbank (OeNB), Monetary Policy & The Economy Q3/20, November 2020 (https://www.oenb.at/en/Publications/Economics/Monetary-Policy-and-the-Economy/2020/monetary-policy-and-the-economy-q3-20.html)

[6] Momentum Institut, ibid.

Finland had 698 bank offices at the end of 2024 against a population of 5.63 Mn and an area of 338 455 km^2.

According to the study, banks offer a variety of support and advisory services to those customers for whom using digital services is challenging or impossible. For instance, banks offer the following services:

- Personal contact, whom the customer can call directly
- A separate phone number for senior citizens and those needing additional support
- SMS services from which a customer can follow their account information without going to a bank branch or an ATM
- Digital guidance is available at bank branches
- Bank's web sites provide guidance to the use of digital services and also on how to use banking services without a smartphone or a computer

The FIN-FSA concludes that it is important for banks to acknowledge the different needs to customers, to actively provide support in using digital services, and to advise customers to prepare themselves to the effects of aging in their use of bank services. The FIN-FSA advises banks to consider the pricing of non-digital services. The FIN-FSA considers it to be positive that some banks provide basic non-digital banking services at the same cost as digital services when a customer is unable to use digital services due to a disability or a similar reason, and encourages customers to compare banks in order to find a bank that best suits their needs.

- **France**

As of January 2023, the French banking industry counted 326 banks. According to the Financial Stability Board, four French banks are among the eight Euro area Global Systemically Important Banks (G-SIBs). Financial activities accounted for 3.2% of total value added in France in 2023, of which approximately 60% for the banking industry. The banking industry employed 355,100 people at the end of 2023 – accounting for more than 20% of the sector's workforce in the euro area – and recruited 44,500 people in 2023. Their network of bank branches providing access to banking services and cash is among the densest in Europe (almost one out of three bank branches in the eurozone is in France)[7].

Furthermore, French banks' investments, innovation, and leading role in the fintech ecosystem make them the natural leaders of the digital financial movement in France. 94% of French people consult their bank's website or use their banking app, according to the study FBF/IFOP conducted in 2023[8].

The Banque de France oversees implementation of the basic account right, financial education, and assistance to financially vulnerable groups, and conducts economic and statistical services. The focus is particularly on financial literacy, and in 2016 France launched the national financial education strategy (EDUFI), with the Banque de France as the

[7] EBF – Banking in Europe: Facts and Figures 2024
[8] EBF – Banking in Europe: Facts and Figures 2024

operator. It focuses on youth, entrepreneurs, and vulnerable individuals, offering budgeting courses and educational outreach.

- **Germany**

Germany's banking system comprises three pillars — private commercial banks, public-sector banks, and cooperative banks — distinguished by the legal form and ownership structure. The private-owned commercial banks represent the largest segment by assets, accounting for around 40% of total assets in the banking system. An important feature of the private banks is that they compete keenly not only with banks in other sectors of the industry, but also among themselves. Private banks play a key role in the German export economy. Through their subsidiaries and branches abroad, private banks maintain almost three quarters of the German banking industry's foreign network. The public banking sector comprises savings banks (Sparkassen), Landesbanken, and DekaBank, which acts as the central asset manager of the Savings Banks Finance Group, representing just over a quarter of total banks' assets. There are currently around 360 savings banks. They are normally organised as public law corporations with local governments as their guarantors/owners. Their business is limited to the area controlled by their local government owners. Other than this regional focus, their business does not differ in any way from that of the private commercial banks. As a result of the so-called regional principle, savings banks do not compete with one another. Landesbanken were originally designed to act as central banks for the savings banks. In recent years, however, they have been increasingly involved in wholesale funding, investment banking, and international business activities, thus directly competing with commercial banks. The six Landesbanken at present are owned by the federal states and the regional associations of the savings banks. The cooperative sector consists of nearly 700 cooperative banks (Volks- und Raiffeisenbanken) and one central cooperative bank (DZ Bank AG). It accounts for slightly more than 50% of all institutions by number and around 12% of total bank assets. The cooperative banks are owned by their members, who are usually their depositors and borrowers as well. By virtue of their legal form, cooperative banks have a mandate to support their members, who represent about half of their customers. But cooperative banks also provide banking services to the general public. Like the savings banks, cooperative banks have a regional focus and are subject to the regional principle. The number of banks in Germany has dropped sharply in recent years, and by more than 50% since 2001. Consolidation to achieve economies of scale has taken place largely within the existing pillars. In most cases in the savings bank and cooperative sectors (contrary to mergers in the private sector), consolidation has been the result of stress rather than proactive business considerations[9].

In Germany government policies regulatory frameworks and key inclusion mechanisms include in the first place the right to a basic bank account, which, since its implementation around 2018, led to a notable uptake in opening of banking accounts. The law also fosters transparency in fees, easier account switching, and certification of comparison websites.

[9] EBF – Banking in Europe: Facts and Figures 2024

Nevertheless, advocacy groups report obstacles in practice: vulnerable groups (especially over indebted individuals, the homeless, or refugees, still face refusals or are not informed of their rights unless they specifically request the basic banking account ('Basiskonto').

Recently, the Bundesbank has released a report on access to cash[10]. The Banks' experts believe that access to cash in Germany is good overall despite the reduction in cash infrastructure and even if more people report increased difficulty in accessing cash (those finding it 'quite difficult' or 'very difficult' rose from 6% in 2021 to 15% in 2023). The Bundesbank remains committed to preserving cash accessibility for consumers choice.

Another pillar in the German strategy for access to banking services are financial literacy efforts. According to a 2024 OECD report[11], Germany enjoys relatively high financial literacy levels compared to international peers, but significant gaps remain in certain groups (less educated, unemployed). The report proposes a National Financial Literacy Strategy, calling for coordinated federal and state level governance, and broader stakeholder engagement to strengthen financial resilience and well-being.

- **Ireland**

In the 18 month period January 2022 to June 2023, 1,167,219 banking accounts were closed, putting pressure on customers to find alternative providers with only 3 pillar banks remaining (of the 5 Pillar Banks, 2 - Ulster Bank and KBC Bank Ireland – closed in 2024). This added to the problem for Irish customers who had already experienced 176 bank branch closures in 5 years.

In January 2024, Finance Minister Michael McGrath (now Commissioner McGrath), announced Government approval of a revision of the Finance Act to review the payments and services provisions provided through the banking and other related providers.

While there is a push towards digital banking, the importance of maintaining physical access points, particularly in rural areas and for vulnerable populations, is recognised. Banks are also required to provide basic bank accounts and comply with consumer protection rules.

In June 2025, Revised Finance Bill becomes law providing for:

- banking sector to ensure services maintaining continued provision of sufficient and effective acces to cash infrastructure for individuals and SME's;
- minimum percentage of the population of any region must be within a radius of no less that 5 kilometers and no more than 10 kilometers;
- minimum number ot ATM's available per 100,000 people in the region concerned.

[10] Bundesbank Monthly Report March 2025

[11] OECD Strengthening Financial Literacy in Germany

- **Italy**

Although the number of bank branches in Italy remains higher than European average (33 branches for 100.000 inhabitants vs 30 for the Euro area as of 2024), Italian data show a continuous decrease in the number of bank branches and employees: in October 2024 bank branches dropped below 20K, roughly the number of 1992, and more than 14K down from the peak of over 34K in 2008 (as of June 2025 there are 19,395 branches) and in the last 20 years 75 thousand employees have ben laid off.

Since 2022 a strong data monitoring and analysis on the closure of bank branches has been established with the *Observatory on Banking Desertification of Fiba Foundation*, updated every quarter and always visible on-line[12].

According to the Observatory, the number of municipalities without a bank branch on their territory has continued to rise. In 2025, an additional 101 municipalities lost access to physical banking services, bringing the total to 3,381. This figure corresponds to 42.8% of all Italian municipalities (7.8% in terms of population). The phenomenon no longer concerns only small or rural areas: for the first time, municipalities with over 20,000 inhabitants have been left without any bank branch, while others with populations of up to 35,000 are served by only a single branch.

At the end of 2024, more than 4.6 million residents were living in municipalities without a single bank branch—an increase of 6.5% compared to 2023. An additional 6.3 million people (+4.5% year-on-year) live in municipalities with only one bank branch. In total, nearly 11 million people—half a million more than in 2023—either have no access to physical bank branches or are at serious risk of losing it.

However, it has to be noted that the abovementioned figures refer only to bank branches not including banking services offered by 'Bancoposta' in Post offices. In Italy there are around 12,700 post offices spread over the country, including a large share of minor centres not served by banks. According to a study by the Bank of Italy[13] in 2022 39,9% of municipalities were without a bank branch (28,4% in 2015); including post offices the percentage was 2,7% (0,2% of the population).

The impact of the closure of bank branches on the productive sector also is significant. The data of the Observatory show that by the end of 2024, approximately 283,000 businesses were located in municipalities without branches, almost 19,000 more than in 2023.

It is important to emphasise that the data highlighted did not affect all categories of banks uniformly local and cooperative banks in particular have played a stronger role in maintaining their territorial presence.

The Observatory also addresses what can be called the 'false myth of digitalisation', namely the idea that where there are no bank branches people can easily compensate by using internet banking, and that the closure of bank branches is due to the massive use of digital banking. This is contradicted by Italian regional data, which show that the share of the

[12] Osservatorio sulla desertificazione bancaria – FIRST CISL

[13] Banca d'Italia, 'Economia delle regioni italiane. Dinamiche recenti e aspetti strutturali', November 2023, pp. 54-55

population using internet banking is lower precisely in areas with fewer branches, and vice versa.

Evidence on the impact of the reduction of bank branches on access to services have been specifically addressed in a recent paper published by the Bank of Italy [xix], which concluded that, thanks to the expansion of postal services and the availability of digital channels, the reduction in bank branches was not associated to worsened access of households to financial services[14].

At the beginning of 2024 the *National Council for Economic and Labour* established the working group 'Desertification of the network of services in local areas for households and businesses, starting from bank branches, processes of inclusion and resilience of the productive fabric and enhancement of human capital in inner areas and small municipalities' with the aim of putting forward concrete solutions and legislative initiatives. The multi-stakeholder working group, has, among other activities, commissioned a sample survey conducted by a polling agency on essential services and banking: only 9.3% of the sample consider banking branches non-essential, while 73.4% consider having a negative impact from a banking branch closure; 97.9% (almost everybody) would take out a mortgage only in a banking branch and 56.8% consider switching to digital banking of some difficulties.

Another research focusing on a representative panel sample of Italian adults, detects the relationship between individual financial well-being and bank debranching at the provincial level in Italy in 2020 – 2023. The findings display individuals living in local context characterised by higher bank debranching experienced lower financial well-being. However, this relationship is moderated by individual digital skills[15]. Digital capabilities are rising across the population. Recent evidence from the Fintech & Insurtech Observatory at Politecnico di Milano shows that 29% of Italians no longer visit a bank branch (75% among those aged 18–24 and 15% among those aged 55–74). Moreover, if their reference branch were to close, a further 24% would not seek another branch, opting instead to interact with their bank exclusively through remote channels.

An important pillar in the Italian strategy for access to banking services are financial literacy efforts, which consist in a wide range of initiatives as part of a national effort involving public and private institutions: the Bank of Italy, other Authorities (as Consob, the financial market

[14]'La riduzione degli sportelli bancari e l'aumento del ricorso ai canali digitali: evidenze sull'accesso delle famiglie ai servizi finanziari' by Gioia M. Mariani, Andrea Orame, Ilaria Supino, in Banca d'Italia, 'Note-di-stabilita-finanziaria-e-vigilanza-n-47', November 2025: '*Between 2006 and 2016, the share of households with at least one deposit with an intermediary increased, thanks to the expansion of postal services, which more than offset the reduced use of bank deposits. Since 2016, the share of households with a bank deposit has also started to rise again. This trend has been supported by greater use of digital channels. Use of these channels is more limited among older households, where the head of household is over 65 years old*'.

[15] Baiardi, Bongini, Cucinelli, Rinaldi, Financial well-being bank debranching and digital skills: insights from Italian provinces– Ricerca Dimetech Lab del Dipartimento di Scienze economiche e aziendali dell'Università di Parma - *ottobre 2024*

authority), the banking industry (as the dedicated Foundation – Feduf - promoted by the Italian Banking Association – ABI, and initiatives by banks), schools, and universities.

Many of these initiatives are coordinated by the National Committee for Financial Education, which has been established by law in 2017.

Activities target a wide range of groups: students, young adults, adults, vulnerable individuals, migrants, micro-entrepreneurs, and retirees.

In any case, in Italy there is a rising attention on the closure of bank branches and its effects on the citizens and businesses, that have led to the development of various proposals, that include:
-) Regional observatories on banking activities with representatives of Authorities, Political and financial institutions, Consumers and Employees' representatives: Tuscany has been the first region to establish a regional observatory and others are on the way;
-) Banks' sustainability rankings based on the bank branches network and/or on certified digital education programmes for customers;
-) Possibility that the POS terminals can be used also as ATMs;
-) Opportunity to strengthen internet connection especially in inner and rural areas;
-) Review of the legislation on municipal treasuries to make it easier for banks to hold them so to maintain a bank branch on peripheral territories: a legislative initiative is on the way.

- **the Netherlands**

The Dutch banking sector is relatively large in size, almost 3 times the size of the Dutch economy (GDP), totalling €2,700 billion in assets. It's also concentrated with the six largest Dutch banks accounting for about 85% of total assets of the sector. It's employing 118,000 people worldwide of which 67,883 in the Netherlands itself. The ownership structure of the three major banks is diverse. The largest bank is publicly listed, the second largest has a cooperative structure and the third largest is partly state-owned.
In the Netherlands about three million households have a mortgage at a bank with a total value of €566 billion euro's which is 69% of total mortgages in the Netherlands.
Consumers in the Netherlands have access to efficient and innovative payment systems with banks offering payment packages at relatively low cost which are on average 30% lower than the European average. Cash payments are still going down, and are only 20% of total payments in the Netherlands. Furthermore, Dutch Parliament agreed to introduce a € 3,000, - cash payments limit to reduce the risk of money laundering[16].

The "Action Plan for Intensifying Accessible Banking in 2025 and Beyondundefined" focuses on improving the accessibility of banking and payment services and was developed in collaboration with banks, interest groups, Geldmaat, Digital Society Alliance, the Dutch Banking Association, and the Dutch Payments Association.

Banks and Geldmaat commit to secure and accessible basic banking services and easy contact with banks. They aim to make banking as easy as possible and offer various ways to use their banking services. They are available for both customers and their helpers, all the time. Each bank and Geldmaat has its own approach, according to its brand values.

[16] EBF – Banking in Europe: Facts and Figures 2024

There is no single solution for customers who find banking difficult, partly because it involves more than just banking. Everything in society is becoming increasingly digital. That is why the banks and Geldmaat jointly collaborate with social organizations. Banks and Geldmaat will work together with interest groups for vulnerable people until at least 2030. More social organizations will join this collaboration. Together, they look at what really helps people, they organize banking courses, and make sure people know the phone numbers they can call for help. The action plan also aims for helpers to find other helpers nearby. This ensures that people can be helped effectively.

- **Portugal**

In Portugal, consolidation and cost reduction rationale have also promoted branches and ATM closures. This movement has been ongoing in the past 10-15 years.
Nevertheless, a regular report produced by Banco de Portugal – the Assessment of coverage of ATMs and bank branches[17] – concludes that the distance necessary to travel is "acceptable" in almost all territory. Consumers in some areas have stated their discontentment over the lack of access to banking services and ATMs. This is more evident in non-urban areas.
In order to address these issues, Banco de Portugal promoted initiatives that allow provision of banking services under distinct conditions:

- Banks have been allowed, since 2021, to promote mobile bank services (as in Spain), promoting access to remote locations where there are no branches and ATMs. The rationale for this solution is to set up specific timings on a regular basis where a mobile branch would be stationed in identified locations.
- In parallel, in the same document, Banco de Portugal allowed the use of shared branches, with a view to reduce fixed costs for the banks that choose such a setting.
- However, there is no public awareness of any such practices taking place yet.
- Regarding access to cash, there is a national provision under law[18] that prohibits charging of fees on ATM cash withdrawals using debit cards. While this provision aims at ensuring access, this is undermined by the continuous trend of decrease of ATMs and bank branches.

- **Romania**

In Romania, the distribution of counties by number of bank units per 100,000 inhabitants, GDP/capita and employment rate shows that the more developed the economic activity, the more widespread the bank network. As a rule, the literature points out that cash is more readily used within poorer communities. The distribution in Romania in terms of the number of ATMs/100,000 inhabitants reveals the opposite, in the sense that access to cash is better across wealthier communities. The use of cash followed an upward trend over the past 10 years (an average annual growth rate of currency in circulation of 11 percent in the period from September 2015 to September 2024, to lei 120.3 billion, the equivalent of EUR 24.2 billion), more visibly during the pandemic, as well as at the onset of the conflict in

[17] https://www.bportugal.pt/sites/default/files/anexos/pdf-boletim/avaliacao_da_cobertura_da_rede_de_caixas_automaticos_e_agencias_bancarias_2022.pdf (only in Portuguese)
[18] Decreto-Lei n.º 3/2010, de 5 de janeiro (only in Portuguese)

Ukraine. Therefore, the use of cash in Romania remains essential, especially given the limited access to financial services in certain geographical areas and the low degree of financial education and digital skills. In rural areas and in less developed regions, access to ATMs is lower, which underlines the importance of financial infrastructure and the need to expand access, chiefly from a digital perspective, in order to ensure financial inclusion, particularly in isolated or deprived communities.

The Financial Stability Report issued by the National Bank of Romania in the December 2024, shows that there were 4,286 bank units in Romania in April 2024, on a steady decline over the past decade amid the ongoing digitalisation of banking services. For instance, in September 2019 there were 4,818 units and in September 2014 there were 6,055 bank units. Moreover, the number of bank employees also dropped significantly. While 57,985 persons were active in the banking sector in September 2014, that number had diminished to 51,492 in April 2024.

The analysis of the geospatial distribution of the ATM and bank unit network across Romania underlines the importance of a balanced coverage between urban and rural areas to ensure financial inclusion at a regional level. Identifying the regions with limited access to cash, particularly in rural or isolated areas, provides an opportunity for implementing corrective measures to support local economic development and to reduce inequalities. A strategic distribution of the bank infrastructure can facilitate the access of households and firms to essential financial services, contributing to their more effective integration in the economic system.

- **Spain**

Spain's banking system is highly concentrated. An example of this concentration can be observed in the map produced by the Spanish Financial Users Association (ASUFIN)[19], which details how 109 entities were reduced to 8 between 1990 and 2022, with the largest number of mergers occurring in the last ten years of that period.

At the same time, the banking sector saw a significant reduction in offices, employees, and ATMs. Key figures from 2008 to 2021 include:

– Branches: The number of branches fell from 45,662 to 20,904, a 54% reduction.
– Employees: The workforce was reduced by 40%, from 270,855 to 164,000, that means a total of 106,855 layoffs.
– ATMs: The number of ATMs dropped from 61,714 to 48,081, a 22% reduction.[20]

This situation is even worse now according to 2024 data: 17.379 branches (62% reduction) and 43.172 ATMs (30% reduction). Besides, the personal attention provided by the employees was deteriorated by prioritizing telephone service (mostly with robots) and online

[19] ASUFIN – The Spanish Financial Users Association – Map of Bank concentration in Spain from 1990 to 2022 – from 109 to 8 financial Institutions - Caixabank (29), Banco Sabadell (13), BBVA (18), Banco Santander (14), Ibercaja (4), Unicaja Banco (15), Abanca (10), Kutxabank (6). - https://www.asufin.com/wp-content/uploads/2022/09/concentracion-bancaria.pdf

[20] Data compiled by ASUFIN from the Bank of Spain and the National Institute of Statistics. For more information, see the latest monitoring report from the Bank of Spain published in 2025 with data of 2024. https://www.bde.es/f/webbe/SES/Secciones/Publicaciones/PublicacionesSeriadas/DocumentosOcasionales/25/Fich/do2502.pdf

banking, as well as reducing in-person service to very short hours or by appointment. This panorama generated deficiencies in access to financial services as well as customer service, which resulted in consumer discontent.

Thanks to the 'I'm old, but not idiot' movement, in February 2022, the Minister of Economic Affairs convened the Bank of Spain, the banking associations (AEB, CECA and UNACC) as well as civil society (ASUFIN and the senior citizens' platform) to discuss improvement measures for financial inclusion in Spain, focused on rural inclusion and personalizes care for the elderly.

The *Financial Inclusion Observatory*[21] was created to follow the commitments taken. The roadmap – prepared by the 3 banking associations in coordination with the Ministry of Economic Affairs- was clear: the financial institutions would implement measures to ensure in-person access to banking services in all Spanish municipalities, giving priority to those that had no in-person access point or only one. The measures outlined in the roadmap should allow 100% coverage of the territory by offering a physical access point to banking services even in towns that have never had one. Financial institutions began to implement measures such as opening bank branches and/or ATMs, launching or increasing the number of mobile offices (also known as office buses), hiring financial agents, as well as introducing lesser-known methods among the Spanish population such as cash-in-shop or cash back. An interesting measure was the development of a framework agreement with the Post to use of the state network of their 2,389 offices to facilitate access to cash or basic banking services as well as their 6,000 postmen that can bring cash to the user's home.

The results of the implemented measures according to 2022[22] and 2024 [23] annual reports are relevant. In 2021, 3,230 municipalities (657,557 inhabitants) had no financial service at all. This number has been reduced to 2,341 municipalities (335,508 inhabitants) in 2024, which means that 322,049 inhabitants of 889 municipalities have access to at least one of the solutions proposed.

On the elderly side, the 3 associations launched a "*Decalogue for personalized attention to the elderly*" [24] proposing simple measures, such as the telephone service through personal contact -not a machine- or the extension of the in-person service hours for elderly, that were very much appreciated and welcome by elderly.

However, problems in access to banking services still persist. Most Spanish banks have changed the way their branches operate worsening financial inclusion for the elderly. One example is that they are eliminating the cashier service so that the client must operate

[21] Financial Inclusion Observatory created by AEB, CECA and UNACC https://observatorioinclusionfinanciera.es/

[22] Report on financial inclusion by AEB, CECA and UNACC (2022) https://observatorioinclusionfinanciera.es/wp-content/uploads/2023/06/Informe-anual-de-inclusion-financiera.pdf

[23] Report on financial inclusion by AEB, CECA and UNACC (2024) - https://observatorioinclusionfinanciera.es/wp-content/uploads/2025/07/Informe-sobre-la-inclusion-financiera-en-Espana_2024_def.pdf

[24] Decalogue for personalized attention to the elderly (2022) - https://observatorioinclusionfinanciera.es/wp-content/uploads/2022/11/NdP-MEDIDAS-ATENCION.pdf

himself in the ATM or the elimination of ATMs where the client can update his saving passbook, which is very useful for elderly people. Regarding rural inclusion, ASUFIN's data indicates that the government's alternative measures for people in unpopulated areas—like services from Correos (Spain's national postal service) or financial services through local shops—are not fully developed.

Also, the right of users to pay in cash deserves a mention. In Spain, regulations already exist that guarantee the right of Spaniards to make cash payments, subject to the limitations imposed by anti-money laundering regulations. Indeed, the only limitation on cash payments is the 1,000-euro limit established by the government in Law 11/2021[25] on measures to prevent and combat tax fraud. Besides, in the latest amendment to the Consumer and User Law[26], an infraction was included to sanction those businesses that did not accept cash payments. However, more and more restaurants and businesses have implemented payment apps that impede this right, as consumer associations such as ASUFIN have denounced.

Looking ahead, ASUFIN and the Ombudsman affirmed that the services provided by financial institutions should be considered universal by law, like Post Office services, to ensure that they reach all citizens, regardless of where they live. In this context, it is worth remembering that there are sound studies, such as "*Banking as a service of general economic interest: from regulation to mandatory provision of services*" [27]

[25] Ley 11/2021, de 9 de julio, de medidas de prevención y lucha contra el fraude fiscal, de transposición de la Directiva (UE) 2016/1164, del Consejo, de 12 de julio de 2016, por la que se establecen normas contra las prácticas de elusión fiscal que inciden directamente en el funcionamiento del mercado interior, de modificación de diversas normas tributarias y en materia de regulación del juego. https://www.boe.es/diario_boe/txt.php?id=BOE-A-2021-11473

[26] Ley General para la Defensa de los Consumidores y Usuarios y otras leyes complementarias. BOE. https://www.boe.es/buscar/act.php?id=BOE-A-2007-20555

[27] Banking as a service of general economic interest: from regulation to mandatory provision of services, by Dr. Javier Esteban Ríos, Assistant Professor, University of Zaragoza https://rdsfin.com/wp-content/uploads/2022/09/NUMERO-3-pags-209-228.pdf

Conclusions and Policy recommendations

Given the legal framework and the current key trends and challenges concerning the access to banking services in the EU, we are facing a quite complex scenario.

On the one hand, digitalisation offers opportunities for easier access to banking services—at least those related to payments and basic accounts, bringing advantages as observed by the EBA in its consumer protection and financial innovation work.

On the other hand, making full use of the opportunities and advantages offered by digitalisation requires a level of digital and financial literacy that is not always present across the different European regions. At the same time, the ongoing concentration of the system and the constant drive for efficiency has led to the closure of bank branches, particularly in less developed areas where digital accessibility and financial literacy may be also lower.

Worldwide and in the EU, there is a wide range of approaches and experiences in addressing access to banking services that can be held as best practices.

In the EU, at the regulatory level, noteworthy examples can be observed within the European Union, particularly in Ireland, Spain, and Portugal. Beyond regulation, several jurisdictions have relied on existing infrastructures such as postal networks, a practice adopted in Spain. In other cases, central banks have played a direct role in providing basic infrastructures, such as ATMs, as demonstrated in Austria.

Oversight mechanisms represent another crucial dimension and are increasingly common across Europe, with relevant cases in France, Germany, Romania, and Finland. Complementary to institutional initiatives, policy-driven or associative efforts also play a significant role. Regional observatories in Italy are a case in point, while in the Netherlands and Spain, banking associations and consumer organisations have jointly advanced initiatives to safeguard access.

Digital and financial education likewise emerges as a central pillar, with an increasing degree of awareness and policy attention across European countries.

Finally, a fundamental condition for effective policymaking is the structured and recurring measurement of the phenomenon, carried out on a consistent and time-bound basis. Such measurement should encompass not only the unbanked population, but also the underbanked, in order to capture the full spectrum of financial exclusion.

The BSG believes that the following should be the main objectives to pursue to facilitate access to banking services:

1. Coordinating European and national policies: ensuring consistency between EU regulations (e.g. European Accessibility Act, Critical Entities Resilience Directive, DORA) and national strategies, so that efficiency does not prevail over inclusion

(while preserving economic sustainability, as also required by banking regulations with ultimate view at financial stability).

2. Ensuring that a human operator could be approached by those using digital/phone services, in case consumers needed, within a reasonable period of waiting time.

3. Supporting banking biodiversity: recognising the role of local, cooperative, and mutual banks as key players in safeguarding communities and fostering financial inclusion.

4. Promoting inclusive innovation: encouraging simple, accessible digital solutions compatible with different levels of financial and digital literacy.

5. Strengthening digital and financial education: targeted programmes at both national and European level to enhance people's ability—particularly in less developed areas—to use digital services in an informed way.

Regarding the possible objective of ensuring minimum physical access to basic banking services by setting minimum standards for the presence of branches, ATMs, or alternative outlets (e.g. postal counters, local cooperatives) even in remote territories, there is not full agreement within the BSG, as some members believe that regulating the number of branches and ATMs disregarding market dynamics is likely to be quite complex, as competition and economic sustainability must also be taken into account.

In any case, any initiative should be taken at the relevant level (EU, Member State, regions) based on the area where problems are identified, in light of the principle of subsidiarity stated by European Treaties.

Consequently, the BSG expresses the following policy recommendations, being perfectly aware of the general constraint that the EBA cannot go beyond the mandates set out in the Regulation (EU) 1093/2010 and the scope of action set by the subsequent legislative texts on EU prudential supervisory framework for credit institutions:

1. Embed access to financial services mandates in digital frameworks: EBA guidelines and/or technical standards should explicitly address all the challenges identified above affecting especially vulnerable groups.

2. Data transparency and monitoring: EBA should produce inclusion statistics—e.g., account access by region, age, or income—to identify underserved segments. Taking in consideration the fact that some of such metrics are already published by the World Bank and that they are reproduced by the EBA in its annual Retail Risk Indicators, to avoid any duplications, the BSG strongly recommends that the EBA establishes a dedicated working group on inclusion statistics also assessing the added value that the requested additional reporting will yield.

3. Supervision with a focus on inclusion: Encourage national authorities to assess whether banks' digitalization paths are inclusive.

4. Financial literacy and outreach: EBA, in collaboration with the Commission, should promote literacy campaigns, especially around open banking and digital services, and best practices. Despite the noteworthy various factsheets published by the EBA alone or by the Joint Committee of the ESAs, the BSG believes that additional educational work should be done, also following the upcoming finalisation of the PSD3, in the light of the need of financial education being designed carefully to meet the interest and requirements of the general public, with an outreach as inclusive as possible.

5. Inclusive innovation incentives: Support fintech models targeting underserved groups; the creation of innovation sandboxes with inclusion criteria is of the most importance, and even if the EBA is not in a position to create such sandboxes, in coordinating, together with ESAs, national sandboxes, the EBA could foster inclusion.

6. Metrics regarding access: EBA could contribute for the development of concrete metrics for the availability of banking services, ensuring countrywide measures to guarantee access to banking services and cash for all EU citizens. Such metrics should be suitable to identifying actual needs, also taking into account the time horizon of possible interventions and the development of digital capabilities of population.

Access to banking services is more than a technical or market issue – it is a matter of equity, democracy, and social stability. As the EU navigates its digital transition, it must ensure that no one is left behind. Through integrated legal frameworks, forward-looking policy, and a commitment to financial inclusion, it is possible to build a banking system that is both resilient and accessible for all.

References

[i] WSBI ESBG https://www.wsbi-esbg.org/number-of-unbanked-adult-eu-citizens-more-than-halved-in-the-last-four-years/

[ii] EBA https://www.eba.europa.eu/publications-and-media/publications/annual-report-2024

[iii] Eurostat htpps://ec.europa.eu/eurostat/statistic-explained

[iv] Fintech & Insurtech Observatory data. Politecnico di Milano, School of Management

[v] Fintech & Insurtech Observatory data. Politecnico di Milano, School of Management

[vi] ECB htpps://data.ecb.europa.eu/data/datasets/SSI.A.D0.122C.N40.1.A1.Z0Z.Z

[vii] ECB Data Portal https://data.ecb.europa.eu/

[viii] EBF https://www.ebf.eu/wp-content/uploads/2025/05/EBF-Banking-in-Europe-Facts-Figures-2024-2023-banking-statistics-December-2024.pdf

[ix] EBF https://www.ebf.eu/wp-content/uploads/2025/05/EBF-Banking-in-Europe-Facts-Figures-2024-2023-banking-statistics-December-2024.pdf

[x] ECB htpps://data.ecb.europa.eu/data/datasets/SSI.A.D0.122C.N30.1.A1.Z0Z.Z

[xi] SUERF : 'What happens when banks no longer have branches?' (For the he corresponding academic paper: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4930927) and T&F journal: 'Out of sight, out of mind! Bank branch closures and new firm creation in Italy'

[xii] See Carbó-Valverde, S., Cuadros-Solas, P. J., Rodríguez-Fernández, F., & Sánchez-Béjar, J. J. (2024). Digital innovation and de-branching in the banking industry: Customer perception and satisfaction. *Global Policy*, *15*, 8-20 and Keil, J., & Ongena, S. (2024). The demise of branch banking–Technology, consolidation, bank fragility. *Journal of Banking & Finance*, *158*, 107038.

[xiii] Fintech & Insurtech Observatory data. Politecnico di Milano, School of Management

[xiv] EBF https://www.ebf.eu/wp-content/uploads/2025/05/EBF-Banking-in-Europe-Facts-Figures-2024-2023-banking-statistics-December-2024.pdf

[xv] Statista https://www.statista.com/statistics/940867/number-of-banks-in-europe-by-country

[xvi] Fiba Foundation https://www.firtcisl.it/wp-content/uploads/2025/03/FirstCisl_202503_Report_desertificazione_bancatria_marzo2025.pdf

[xvii] The Herfindahl-Hirschmann Index (HHI) is a measure of the level and trend of concentration in a particular market. The HHI is calculated by squaring each entity's market share (relative to the total market), and summing the values attained. A higher index represents a more concentrated, or less competitive lending market. A decrease indicates the opposite

[xviii] see among others Coccorese, P., & Shaffer, S. (2021). Cooperative banks and local economic growth. Regional Studies, 55(2), 307-321. and Alonso, S. L. N., Jorge-Vázquez, J., Sastre-Hernández, B., &

Ziçbicki, B. (2023). Do credit unions contribute to financial inclusion and local economic development? Empirical evidence from Poland. Economics & Sociology, 16(4), 110-129.

[xix] Banca d'Italia, Note di stabilità finanziaria e vigilanza (2025) https://www.bancaditalia.it/pubblicazioni/note-stabilita/2025-0047/Note-di-stabilita-finanziaria-e-vigilanza-n-47.pdf