



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Meeting of the Parliament

**Tuesday 18 September 2018**

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# Scottish Parliament

*Tuesday 18 September 2018*

*[The Presiding Officer opened the meeting at 14:00]*

## Time for Reflection

**The Presiding Officer (Ken Macintosh):** Good afternoon, everybody. The first item of business is time for reflection. Our time for reflection leader is Mrs Brenda Reid, who is a celebrant from the Humanist Society Scotland in Arbroath.

**Mrs Brenda Reid (Celebrant, Humanist Society Scotland, Arbroath):** Presiding Officer, members of Parliament, ladies and gentlemen, I thank you for inviting me to come and speak this afternoon.

On being asked to speak, I decided to look not at what I am, but at who I am. Who I am is reflected in the role that I am fulfilling at the time. I live in the heart of Angus, where I am known as Brenda, the lady who conducts funerals or officiates at weddings, but I am also known as Graham's wife, a mum, a nana, a neighbour or friend, and as someone you can call on in times of trouble.

I have the opportunity to be those things because I have what so many people in other countries crave these days: freedom of choice. On 21 November, it will be 100 years ago that women like me were given the opportunity to vote. We were given the right of freedom of choice, so how do we choose what we do? Do we criticise or condemn, or do we teach, encourage and lead by example?

We like to think that we are happy and that we work hard at achieving that happiness. We would like to lose weight, buy that bigger car, have a more expensive holiday or retire. We all say that some day, when we have more time, we will do that, but the time to be happy is now.

Alfred D Souza said:

"For a long time it had seemed to me that life was about to begin—real life. But there was always some obstacle in the way, something to be gotten through first ... Then life would begin. At last it dawned on me that these obstacles were my life."

When I left school, I became a nurse and then a midwife. Seven years ago, I trained as a celebrant with the Humanist Society Scotland. Little by little, I have knocked down the obstacles that I thought made me unhappy and have found a vocation that excites me. I love my life, and that makes me happy, whatever role I am undertaking.

So, choose to lead by example; build people up and do not knock them down; support others to have choices; treasure every moment that you have, and treasure it more because you have shared it with someone special. Remember that time waits for no one.

Our lives will always be filled with challenges, so it is best to admit that and to be happy, because happiness is a journey, not a destination.

Thank you for listening.

## Topical Question Time

14:03

### Migration Advisory Committee Report

#### 1. Gordon MacDonald (Edinburgh Pentlands)

**(SNP):** To ask the Scottish Government what its position is on the recent Migration Advisory Committee report and its implications for Scotland. (S5T-01225)

**The Minister for Europe, Migration and International Development (Ben Macpherson):** As this is my first time speaking as Minister for Europe, Migration and International Development, I draw members' attention to my voluntary entry in the register of members' interests. For transparency, I refer the chamber to the fact that my partner is employed by Christian Aid Scotland.

Before I answer Gordon MacDonald's question directly, it is important for me, as a new minister, to say that inward migration is crucial to Scotland's growth and prosperity. People who choose to make Scotland their home provide a vital contribution to our country's economy, they enhance our collective social and cultural wellbeing, and they help to make Scotland the open and forward-looking nation that it is today. Since the Brexit vote, the Scottish Government has been consistently clear that we unequivocally value and welcome the positive contribution that migrants make to our country. As a new minister, I want to make that affirmation absolutely clear.

The Migration Advisory Committee report that was published this morning will be deeply disappointing to businesses and employers across Scotland. Employers want a system that recognises the importance of European Economic Area citizens; that is simple and low cost; and which meets their sectors' needs. As the British Future report showed yesterday, people across Scotland also want a system that gives the Scottish Government more responsibility. Today's report acknowledges none of that.

The Scottish Government will continue to listen to business. We need to ensure that we will have enough healthcare professionals, teachers and other professionals working in Scotland, that we will have the workers for a thriving rural economy, and that our universities will be able to attract and retain talent from around the world.

The Migration Advisory Committee was not asked to consider those issues, and it did not fully consider the social and cultural benefits that come from being an open and connected European nation. The Government will therefore consider whether to commission further research and independent expert advice, where that is

necessary to ensure that Scotland's needs are taken into account.

**Gordon MacDonald:** Do the recommendations in the MAC report—for example, the idea that Scotland's demographic issues, including its ageing working-age population, can be solved by raising the retirement age—completely misunderstand much of the Scottish context? Surely there are simpler and more effective ways of tackling a shortfall of workers in our public services, such as attracting more migrants of working age to live here.

**Ben Macpherson:** Absolutely. Gordon MacDonald has raised important points about demographics that the MAC report did not consider appropriately or fully. According to official statistics, all of Scotland's population increase in the next 25 years is due to come from migration. However, the MAC report did little to consider Scotland's needs; instead, it suggested—remarkably—that increasing the pension age would be a preferable approach for managing demographic change. That is a completely unsustainable position that many people across Scotland will reject, as we in the Scottish Government do.

Yesterday's British Future report, which was based on ICM polling, showed that there is clear public support in Scotland for giving more powers to the Scottish Government, which is accountable to this Parliament, to develop a tailored approach to migration that would meet Scotland's distinct needs and which the Parliament would endorse.

**Gordon MacDonald:** The MAC report acknowledges that the devolution of immigration powers is ultimately a political choice. The Scottish Government's outward-looking, welcoming and positive approach to immigration could not be further removed from the right-wing rhetoric that emanates from the United Kingdom Government in the Brexit context. The poll in yesterday's *Herald* showed that two thirds of Scots want immigration powers to be devolved. Is it not high time that Westminster listened to that demand?

**Ben Macpherson:** Absolutely. It is important to reiterate that paragraph 7.72 of the MAC report acknowledges that devolution of immigration powers is ultimately a political choice. Gordon MacDonald is right to say that the Scottish Government's

"outward-looking, welcoming and positive approach to immigration could not be further removed from the right-wing rhetoric that emanates from the United Kingdom Government".

A year ago, the migration observatory at the University of Oxford published a report that specifically considered a regional migration system. It concluded that the arguments against a

regional visa system are not about practicalities, but about politics.

As has been mentioned, the British Future report that was published yesterday provided clear messages. First, it made it abundantly clear that people do not trust the UK Government to manage immigration. It said that only 15 per cent of the people whom ICM surveyed think that the UK Government has

“managed immigration into the UK competently and fairly.”

The report also said:

“The current immigration system does not command public trust and support.”

Secondly, and very importantly to us in this Parliament, people were also clear in the poll by ICM about the sort of change that they want to see. Sixty-four per cent of people in Scotland agreed with the proposal that the Governments in Scotland, Wales and Northern Ireland should have the power to decide how many visas are issued to people who want to work in those parts of the UK.

There is a clear, building and growing consensus that in order to meet Scotland's economic and demographic needs, we need more powers to come to this Parliament so that we can create tailored solutions. It is time for the UK Government to listen to the calls from business, universities and across civic society, and to listen to the people of Scotland, of whom two thirds believe that more powers should come to this Parliament, so that we can manage our migration system in a more humane and forward-looking manner.

**Pauline McNeill (Glasgow) (Lab):** Does the minister agree that we should end the discrimination against European Union workers that is mentioned in the report? The report's authors say that they “are not convinced” that a route should be created for low-skilled workers. The minister will be aware that tier 2 visas currently apply to a list of occupations in which there are shortages, including in cybersecurity, paediatrics and games design.

I agree that Scotland should have a say in an immigration policy that is fit for the whole UK, and I have argued that consistently, but I would like to know what list of occupations the Scottish Government has put forward for tier 2 visas, and precisely what dialogue ministers have had to make the case for Scotland's interests to be addressed in that list of occupations. Surely there must be a case for low-skilled workers to be on that list.

**Ben Macpherson:** I thank Pauline McNeill for that important question. There is an interesting balance between high-skilled and low-skilled workers. The way that the report prefers some

people over others is disappointing, and will be disappointing to industries across Scotland, including tourism and hospitality, agriculture and social care, which rely on low-skilled workers.

We welcome the fact that the report argues for a lifting of the cap for tier 2, but that will not be a substantial enough change to bring to the Scottish economy the number of workers that we need to fulfil the demands that exist in the public and private sectors.

With regard to the occupations list, there is reference to the matter in paragraph 7.73 of the report, in which there is acknowledgement that there is a difference between the shortage occupation list in Scotland and the other devolved areas and that of the UK. As minister, I have pressed the UK Government on that. I met Caroline Nokes, the Minister of State for Immigration, in the summer and pressed her on that point, and she gave me an undertaking that the UK Government would look at how there could be Scottish Government input and, potentially, wider input from Scottish civic society and business to that occupation list in order to make sure that it is fit for purpose.

I am pursuing a follow-up meeting with the secretary of state in order to continue to press the point. I will also meet the chairman of the MAC and will take up the matter with him, in due course.

**Neil Findlay (Lothian) (Lab):** I say to the minister that social care workers are not “low-skilled”, in my opinion.

Social attitudes to immigration in Scotland are very similar to those across the rest of the UK. Does the minister agree that putting limits on the number of people migrating to the UK is arbitrary, and that what we need is a fair, humane and non-discriminatory policy that meets the needs of the nations and regions of the UK in an inclusive way?

**Ben Macpherson:** I thank Neil Findlay, too, for that important question. I share much of the sentiment in it.

First, I absolutely value all skills in our economy. The point that I was making is that one of the problems with the MAC report is that it includes a hierarchy that stresses some skills more than others. I deeply value the commitment of social care workers in my constituency and throughout Scotland. That is also the view of other Scottish Government ministers. Our social care sector is highly regarded, and we want the people who work in it to stay and continue to contribute, and to take care of the people whom we know—our neighbours, friends and people in our communities.

Neil Findlay was absolutely right to bring up the wider point about the UK Government's arbitrary,

insensitive, unhelpful, inflexible and unworkable commitment to bringing migration down to the tens of thousands. He was right to point out the wrong-headedness of that approach, both logically and in principle. The fact that the report asks for a lifting of the cap for tier 2 suggests that there should be a shift in thinking on that point across the board. I share the sentiment in Neil Findlay's question on that point.

### **Ferguson Marine**

**2. Jamie Greene (West Scotland) (Con):** To ask the Scottish Government what its response is to reports that £45 million has been loaned to Ferguson Marine, and whether this is related to the provision of two new ferries being built under contract to Caledonian Maritime Assets Ltd. (S5T-01217)

**The Cabinet Secretary for Finance, Economy and Fair Work (Derek Mackay):** Scottish shipbuilding has a proud history and a bright future. That is why the Government will continue to support the industry to thrive and reach its full potential.

Earlier this year, I advised the Finance and Constitution Committee that ministers had approved commercial loan facilities of up to £45 million for Ferguson Marine. The loan facilities were reported to Audit Scotland, and the expenditure will be recorded in the Scottish Government's consolidated accounts. The delayed delivery of the two new CalMac Ferries vessels is disappointing, but the commercial loan facilities that have been provided to Ferguson Marine will support the delivery of those vessels and help the business to diversify.

**Jamie Greene:** Unfortunately, it took a number of freedom of information requests and press reports for the Government to come to the chamber and give Parliament more information about those loans. The opening line of the FOI response says:

"The Scottish Government does not hold detailed information on all public funding provided to private companies in Scotland."

I am sorry, but I find that absolutely incredible. Why does the Scottish Government not hold those details?

I will ask some specific questions to allow the cabinet secretary to clarify matters. What was the purpose of the £15 million loan? What due diligence was done on the firm before the loan was made? What analysis has been done of how the money has been spent?

The additional £30 million loan facility was explicitly not to go towards the CMAL ferries or to pay for budget overruns in those contracts;

instead, in contrast to what the cabinet secretary has just said, it was designed to win new business opportunities. Will the cabinet secretary clarify for the record that none of the money that has been loaned to Ferguson Marine has been or will be used on the existing troubled ferry contracts?

**Derek Mackay:** That is quite an incredible position for the Conservatives to hold. It is clear that they do not speak to each other. It is just not true to say that I have not informed Parliament of the loans. As I said in my initial answer, I have done so; in particular, I have informed the Finance and Constitution Committee. I did so on 24 April and on 27 June. I am under no obligation to present that information to Parliament, but I did so. In the spirit of transparency, I went beyond expectations to offer that information to the Finance and Constitution Committee, and that was the appropriate thing to do.

Most members of Parliament understand issues of commercial confidentiality; certainly, members of the Finance and Constitution Committee, including the responsible Conservative members of that committee, understand what commercial confidentiality is. There are some matters that stay private. We have, of course, again fulfilled our freedom of information obligations.

On support for Ferguson Marine, it is incredible that a member who seeks to be elected in the west of Scotland tries to undermine Ferguson Marine in the fashion that Jamie Greene has. The financial support for Ferguson Marine is, of course, to ensure the yard's viability and continued work and to ensure that it has working capital. Those were the specifics relating to the request. Of course we want the delivery of the new vessels as well, but it is good for a Government to engage in the fashion that we have to support Scottish shipbuilding.

I say again that, without any obligation to do so, I wrote to the Finance and Constitution Committee and informed it of the loans that the Scottish Government was providing.

**Jamie Greene:** This is not about whether the Government should or should not support the marine industry; this is about accountability, transparency from the Government and good governance. I have heard about none of that today from the cabinet secretary.

The project is already delayed by at least a year and is already tens of millions of pounds over budget. There is also talk of a dispute between the yard owners, the Government and CMAL over project management and where the liability for those financial overruns lies. Delays cost money. Will the cabinet secretary tell us—in simple terms—who will pick up the tab for the dispute? Is it Ferguson Marine or the Scottish taxpayer?



**Derek Mackay:** Let me be clear about the Government's investment in ferries. Since 2007, we have invested more than £1 billion in ferry services. We have deployed new ferries to the network, which has enhanced the CalMac fleet.

Do the Conservatives not even welcome the fact that the Scottish Government is supporting Scottish shipbuilding? What is so wrong with that position? We are delivering 400 jobs at Ferguson Marine, and there are new apprenticeships, too. Is that not to be welcomed by the Conservatives and others in the chamber?

Of course the delays are not welcome; they are unfortunate. However, the Government is committed to this investment for new vessels.

I say again that Jamie Greene may not be familiar with issues of commercial confidentiality. Of course due diligence has been conducted. That question was posed to me by the member who now seems more interested in other matters. Of course due diligence was undertaken in relation to the commercial loans. These are commercial loans, with commercial terms and bound by commercial confidentiality. Is the member seriously suggesting that we should not respect that and not respect the fact that, through our interventions, the Government has helped not only to save the yard but to deliver 400 jobs in that part of Scotland? The vessels will be delivered. We have provided support through the loans to address the working capital issue that Ferguson Marine raised.

I say again that the more responsible members of the Conservative Party who are on the Finance and Constitution Committee were alerted to the loans. What I did went over and above the transparency that is expected of me as a cabinet secretary. In fact, it was in order to be fully transparent that I offered that information about the loans to the committee, which respected that.

I am aware that a committee of which Jamie Greene is a member has been invited out to the yard to find out more about the vessels. I do not think that he has visited the yard yet, despite that offer having been made.

The Government will do the right thing by Scottish industry and jobs. If that means that a Scottish shipbuilder is building vessels for our CalMac fleet, surely that should be welcomed.

**Stuart McMillan (Greenock and Inverclyde) (SNP):** Does the cabinet secretary agree with me that it is the height of hypocrisy for a Conservative MSP, particularly one with a Port Glasgow connection, to come to the chamber and talk down shipbuilding in my constituency and talk down high-quality and skilled jobs, bearing in mind the devastation that his party brought to shipbuilding in 1979, when the Conservative Government shut

the yards, paid off thousands and devastated communities, including the cabinet secretary's and mine?

**Derek Mackay:** I agree with Stuart McMillan. It has been important not only for shipbuilding but for industry that this Government has taken bold decisions to support Scottish industry across Scotland. This issue is a good example of that. The Tories are not satisfied with devastating Scottish industry because, even now in opposition, they are undermining and attacking our efforts to support the Scottish economy. It is surprising for a member who proclaims to be for jobs in the west of Scotland, including Inverclyde, to try to undermine the Scottish Government's efforts in the chamber today.

**Colin Smyth (South Scotland) (Lab):** The cabinet secretary will be aware that the costs of completing the two ferries that Ferguson Marine is building to serve the Clyde and Hebrides network are rising, and that the company claims that that is due to insufficient design work by CMAL prior to it issuing the invitation to tender. Ferguson Marine has described the discussions with CMAL as frustrating. Does the cabinet secretary agree that it is time to get CMAL, the Government and Ferguson Marine around the table to resolve the issues and to get the ferries completed as soon as possible at a fair price that not only delivers for increasingly frustrated passengers but helps to secure the future of this important shipyard and its workforce?

**Derek Mackay:** I thank the member for the way in which he has raised that issue. That is a far more helpful contribution than that of the Tories, who are simply trying to undermine the loan support that we have given to the company.

Clearly, as finance secretary, I am interested in procurement right across the public sector, and I think that there is something to be said for ensuring that all parties continue to get round the table and talk, so that we make the necessary progress.

The question was, in essence, about the commercial loan that was offered. I think that I have been able to show that I absolutely have complied with the Parliament's expectation—and I have gone above and beyond that by offering the information to the Finance and Constitution Committee.

As to further work in relation to CMAL, which is the procuring authority, and Ferguson Marine, we can have further discussion in that regard.

**Edward Mountain (Highlands and Islands) (Con):** As a member of the Rural Economy and Connectivity Committee, I have heard how important new ferries are for Scotland. We have heard that we need a new ferry to be ordered

every year for the next 10 years. I do not dispute that; I am asking the cabinet secretary whether he thinks that due diligence has been correctly done in this case, given that the company to which the loan has been made has not submitted audited accounts since 2015. That raises the question of whether it is diligent to lend the company the money. Where is the due diligence?

**Derek Mackay:** For any loan offer, we would expect due diligence to be complied with. It has been. External consultants have worked in that regard, as well as finance officials. Members would expect me to appreciate and abide by commercial confidentiality—[*Interruption.*]

I can certainly reassure the Parliament that due diligence was carried out. This is a commercial loan, with commercial terms. The benefits to Scotland and Scottish shipbuilding are clear. I am surprised that the Conservatives are turning on the company involved, in the fashion in which they are—[*Interruption.*] The Tories seem quite agitated this afternoon—it is their question, I have to say.

The Conservatives might want to talk to their colleagues on the Finance and Constitution Committee about the information that has been mentioned. I pointed out to Mr Greene that he was invited to visit the yard; Edward Mountain would have been given the same invitation if he is a member of the same committee, as I think he is.

I have been happy to engage on questions and FOI requests, and if the Finance and Constitution Committee wants further information, I will engage positively with it. I remind members again that I volunteered information on the loan to the committee, although I was under no obligation to do so. I think that that was the responsible thing to do. I have not been dragged to the chamber; I have been quite forthcoming in presenting information. Of course, we will add the further information to which I referred in my initial answer.

**The Presiding Officer (Ken Macintosh):** We have just enough time for another supplementary question.

**Jackie Baillie (Dumbarton) (Lab):** Thank you, Presiding Officer.

I invite the cabinet secretary to continue to be forthcoming. Does he consider the problem to be CMAL, not Ferguson? When will he sort that out?

**Derek Mackay:** I am sure that Jackie Baillie well understands that it would not be appropriate for me to take sides in the chamber in any procurement issue or dispute. As I think that I said to her Labour colleague, if there is anything further that I can do in terms of procurement responsibility, I will engage in that. I will be genuinely happy to engage with Jackie Baillie on this and any other matter.

## Bank Closures

**The Presiding Officer (Ken Macintosh):** The next item of business is a debate on motion S5M-13912, in the name of Gordon Lindhurst, on bank closures' impact on local businesses, consumers and the Scottish economy.

14:28

**Gordon Lindhurst (Lothian) (Con):** Jesus cast the money-changers out of the temple, and in continental Europe from 1500, 5 per cent was generally considered to be the highest acceptable rate of interest—everything above that was usury, at least until the lenders of Geneva threatened to leave, along with their capital, when 6.6 per cent became permissible. Does that sound familiar? Dante wrote the moneylenders into his seventh circle of hell.

Presiding Officer, you would think that, by now, bankers might have reviewed their public relations strategy. However, I am afraid that our inquiry found little to help to repair their reputation. The rate and scale of bank closures have impacted on people, businesses and the economy. The number of banking premises in Scotland has fallen by a third since 2010. Between them, the big five have closed 479 branches. The Royal Bank of Scotland tops that table, with 235 closures. Figures for the United Kingdom show that branches have closed at the rate of 60 per month since 2015. Edinburgh is the worst-hit local authority area in the whole of the UK, having lost 50 branches.

Mark Twain may or may not have said:

"A banker is a man who lends you an umbrella when the weather is fair and takes it away from you when it is raining."

It seems as though an awful lot of umbrellas are being taken away from us. Reuters' analysis of official UK figures showed that 90 per cent of the 600 closures in 2015-16

"were in areas where the median household income is below the British average of 27,600 pounds"

—in other words, predominantly in poorer areas. Scotland's Towns Partnership told the committee:

"Whenever they decant, that quickly leaves a sense of decline and despair"

and a

"toxic legacy".—[*Official Report, Economy, Jobs and Fair Work Committee*, 24 April 2018; c 6.]

We do not have to venture far to find an empty former bank building. Number 30 London Road, which is a three-minute walk from here, was a branch of Lloyds TSB until 2011, since when it has lain empty—little more than a canvas for graffiti and a stark visual reminder of a vanished bank.

FSB Scotland told us that there are now 258 more empty units than there were two years ago—a blight on many a high street. Our inquiry found no evidence of the banks proactively engaging with communities on what to do with such buildings. Could this be an opportunity to provide for local needs, to bring generations together, to create co-working spaces and to cater for start-ups and social enterprises? We want the Scottish Government, councils and the banks to work together to find solutions.

It is not only bricks and mortar that are being abandoned. The consumer group Which? estimated that, in Scotland, there are 130 cash deserts—that is, areas with no access to banks or ATMs for miles. There are communities that feel forgotten, left behind and written off.

The Scottish Grocers Federation criticised what it sees as London-centric decision making. Pete Cheema said:

“I wonder sometimes whether the banks understand Scotland’s landscape.”—[*Official Report, Economy, Jobs and Fair Work Committee*, 24 April 2018; c 29.]

The banks themselves told us that they do not co-ordinate their closures to ensure adequate provision in communities. Some of our witnesses promoted the idea of working together to provide banking hubs, whereas others proposed alternative formats, more flexibility and diversification. A number of the banks seemed sympathetic to such suggestions. Currie community council encouraged them to show

“a bit of imagination ... and make branches far more multipurpose”.—[*Official Report, Economy, Jobs and Fair Work Committee*, 29 May 2018; c 16.]

Occasionally, creative solutions have been found elsewhere. Newcastle Building Society opened a branch in a library that would otherwise have closed. Some witnesses argued that banks should be subsidised to keep unprofitable rural branches going. Another proposed the model of Germany’s community bank—the Sparkasse—as an option.

There are many ideas, but the scale and speed of the closures demand urgency. We therefore invite the Scottish Government to call a summit with the high street banks to consider all possible solutions, including shared banking hubs, and to report back to us with their outcomes.

We accept that customer behaviour is changing, and the committee recognises that. Some 71 per cent of the population now banks online, 22 million of us now use mobile banking apps and seven out of 10 people see the bank as something to carry around in their pockets. According to UK Finance, in 2017, debit card payments overtook cash for the first time. Therefore, we might ask whether cash really is still king. If we compare London to rural

Scotland, we see that the difference is striking. In the former, cash makes up 55 per cent of retail sales, while in the latter the figure edges 80 per cent.

FSB Scotland contrasted the claims of a soon-to-be cashless society with what its members told it—namely, that cash was “absolutely central” to how they operate. Barry McCulloch said:

“We honestly find it difficult to digest the banks’ perspective”.—[*Official Report, Economy, Jobs and Fair Work Committee*, 24 April 2018; c 16.]

In plenty of places people are still dependent on cash there are plenty of people who cannot or will not join the digital revolution. Citizens Advice Scotland estimated that 20 per cent of consumers are not online. That is particularly the case in rural areas with poor broadband and mobile coverage. The same is true of older customers, disabled people, the vulnerable and those who live in our more deprived areas. A postmaster told us:

“Waking up in the morning with a sense of purpose, something to do, a place to go is really important for many elderly and lonely citizens.”

Age Scotland, Scottish Rural Action and Unite all made similar points.

Disability Equality Scotland was critical of mobile banking vans. In a survey of its members, 81 per cent said that they felt that those banks on wheels were not a suitable alternative to the high street branch. It is crucial that those communities continue to have access to bank accounts and financial services, including cash.

**Sandra White (Glasgow Kelvin) (SNP):** On the issue of people having access to financial services, the member mentioned post offices. Unfortunately—or perhaps fortunately—in many areas, the post office has become the local bank for socially vulnerable people. When the committee asks the Scottish Government to hold an inquiry into the issue, will it ask it to look at post offices? It seems that, although they are providing that service, they are not receiving the same remuneration that a bank would receive.

**Gordon Lindhurst:** The issue of post offices that Sandra White raises was looked at by the committee and is covered in the inquiry report. Banking service provision once banks leave an area is a live issue that we covered.

The committee believes that there must be universal banking provision where there is a need or a desire for such provision. We recommend that the UK Government’s newly established financial inclusion policy forum should address those issues and should consider how people can continue to access cash and other banking services in the wake of all the closures in Scotland.

The impact of closures looks certain to be compounded by reduced access to free ATMs, between 300 and 700 of which could close in Scotland. FSB Scotland pointed us to research that shows that a third of high street spend depends on the availability of an ATM. ATMs are a lifeline for many communities. We recommend to the UK Government that ATM provision be given independent oversight.

Adam Smith is meant to have said:

"All money is a matter of belief."

The veracity of that quote is questionable, unless you count a fridge magnet as reliable. The banks have certainly tested our belief in how seriously they take customer views. They told us that our behaviour and demand are driving branch closures, but it is apparent that they themselves are pushing the pace of change. We question how the banks can know what customers want without consulting them.

In our survey, 90 per cent of business respondents said that closures have had or will have an impact on productivity. Personal banking may be in decline, but that appears to be less true of commercial banking. The Scottish Grocers Federation said:

"Banks have not done full analyses, which is where they have failed."—[*Official Report, Economy, Jobs and Fair Work Committee*, 24 April 2018; c 4.]

FSB Scotland reported low awareness of and confidence in the access to banking standard and called it "a paper tiger". Citizens Advice Scotland said that it failed to find out about the effect on local people; others called it "a shambles", "a charade" and a "tick-box exercise". We found that the standard was failing to ensure consideration of all relevant impacts on the local economy and that it reflected the interests of the banks and not those of customers and businesses. Banks should be required to consult customers, businesses and the community before deciding to close a branch, and the standard ought to be replaced by a statutory model that includes a stipulation to consult. We invited the UK Government to consider those findings, as banking and financial services are reserved matters.

Our inquiry took evidence from banks, businesses, community groups, equality bodies, unions, the Post Office, Which? and Link. We organised focus groups with the good people of Mintlaw, Dalmellington and Leven. We issued a call for views and a survey to which more than 700 individuals and businesses responded. However, we cannot claim to have formed a full picture of the overall impact of bank closures, and a systematic study of not only Scotland but the UK would be timely.

A response from the UK Treasury, along with letters from the Scottish Government, the banks and others, arrived yesterday. Their tone and tenor are not terribly surprising. There is a good deal of agreement with much of what we found, but something of an absence of solid commitments.

I leave my committee colleagues, should they wish, to pick up details or other aspects of the report and the evidence that we considered.

Bill Gates said:

"Your most unhappy customers are your greatest source of learning."

On that basis, the wisdom of the banks must be beyond doubt.

I move,

That the Parliament notes the conclusions and recommendations contained in the Economy, Jobs and Fair Work Committee's 6th Report, 2018 (Session 5), *Bank closures: impact on local businesses, consumers and the Scottish economy* (SP Paper 368).

14:41

**The Minister for Public Finance and Digital Economy (Kate Forbes):** I thank Gordon Lindhurst for lodging today's motion on behalf of the Economy, Energy and Fair Work Committee. It is to the committee's credit that the report can be quoted alongside Mark Twain, Dante and Jesus.

The report is an impressive piece of work that highlights the issue of bank branch closures and provides a platform for consumers, businesses and communities to express their concerns and fears. The lengthy list of those who gave written and verbal evidence demonstrates the strength and scale of feeling across sectors in Scotland. Communities are now feeling the effects of the closures that were announced at the end of last year, and which have left many areas with significantly reduced branch coverage. The work provides another evidence base, along with reports by Highlands and Islands Enterprise, to back up the anecdotal strength of feeling.

The Royal Bank of Scotland closures that prompted the committee's interest in the issue were the latest in a series of closures; it is an issue that relates to all banks. Therefore, finding solutions and, as Gordon Lindhurst said, concrete and tangible actions to respond to the strength of feeling must be the responsibility of all banks. It is not just about resolving the challenges that we and communities around Scotland currently face: in the light of the additional announcements that have been made since December's announcement—albeit that they are not about branches in Scotland—it is likely that the issue will continue to be a challenge that banks must resolve.

The worst impacts are felt by rural communities, small businesses and the most vulnerable people in society, because going into a branch remains the only feasible way for many of them to conduct their banking. The key message is that although banking needs are changing and there are new ways to bank, customers still require choice, and those who do not want to or cannot manage digital options should not be left behind. Digital progress is a great opportunity to be more inclusive, but with the branch closures digital progress has been seen as being exclusive, which is not right.

As the committee makes clear, the UK Government retains legislative and regulatory responsibility for banking. I note the calls by the committee for the UK Government to act and respond in different ways. From the outset, the Scottish Government has said that it remains ready to work with UK ministers, banks and other stakeholders to support customers and communities through the closures.

My predecessor, Paul Wheelhouse, raised the issue of branch closures with the Economic Secretary to the Treasury within days of the announcement, and pressed the case for access to essential banking services to be maintained. We have publicly called on banks to consider the needs of Scotland's communities and, especially, the needs of the most vulnerable members of those communities, who still need choice.

I appreciate that banks must operate on a commercial basis and that they take decisions on provision of services to customers in that context. However, the banking system must meet the needs of all users. It cannot leave users behind—it has a duty of care to all users. Although some will want and choose to use digital options, many cannot. Those users cannot be left behind.

The committee has asked the UK Government to consider whether an independent impact assessment, including the impact on local economies, should be carried out before a decision is made. It has often been raised with me—as a constituency member and as a minister—that individuals who use banks do not feel that there has been sufficient consultation, information or opportunity to shape the decisions that banks have made.

The committee has asked the UK Government to replace the access to banking standard with a statutory model. I and the Scottish Government agree with the committee's call for review of the standard, because there needs to be a channel by which customers can shape and influence the banks' decisions on local provision of services.

**John Mason (Glasgow Shettleston) (SNP):** The banks have argued that they cannot consult before they close, which I struggle to understand.

Before schools or anything else close, there is consultation. Is the minister convinced by the banks' argument that they could not consult?

**Kate Forbes:** There is definitely scope for banks to engage more in advance of making a decision, rather than them merely informing those who use the bank after the decision has been made.

The standard that has been referred to is incorrectly perceived by many people to be a model of consultation of communities on bank branch closures, but it is just a set of guidelines on what information will be presented to customers in the event of a closure decision. There is currently no channel by which customers can influence the banks' decisions.

In my conversations with people who depend on face-to-face access, they do not demand no change or no progress; they say that bank users' needs must be recognised, which I, too, fundamentally believe. If people want to use digital services, that is fine, but for the others, there needs to be a means by which they are not left behind. That has to happen before a decision is made; they must not be informed after it.

The committee's suggestion about a forum on banking is very interesting. It has asked the Scottish Government to "call a summit". The issue involves all banks, so any solution must involve all banks: they all need to be round the table. Earlier this year, the Scottish Government convened a round-table discussion between the main Scottish banks on branch closures and provision of banking services. My commitment is to continue to engage with the banks on the issue and on the wider discussion on the role of banking and financial services in supporting Scotland's communities. There is a host of needs out there that must be recognised.

Scotland's rural communities are particularly affected by the recent closures. We have established a rural community liaison group that is made up of Scottish rural parliament representatives including Scottish Rural Action, the Scottish Council for Voluntary Organisations, the Scottish Consumer Council, the Development Trusts Association Scotland, HIE and rural academics. The group discussed its shared concerns about banking services at a meeting in August, and is considering solutions for rural communities.

Community groups have an important role to play in identifying solutions and in ensuring that future provision of banking services meets the needs of consumers and businesses across Scotland. I will continue to engage with those groups to understand and address their concerns.

In respect of town centres, members know from our constituencies that branches often have prominent places in high streets, and that their presence is seen by many people as a visible sign of the health of the local economy. We want our towns and town centres to be vibrant, creative, enterprising and accessible. We need to promote and support the regeneration of Scotland's towns and town centres, including our small towns in rural areas.

I want to touch specifically on digital before I close, because I am also the minister for the digital economy. Choice remains essential. I understand that customers choose to access banking services in different ways, but the problems in this matter have been the speed of change, and change that has left people behind.

There are exciting new ways to support businesses and retail customers with services. On Friday, I was talking to branch staff about ways that they can intervene on fraud and scams. However, not all customers can take advantage of such services. There is no point in pretending that everybody is digital; they are not, and there remain circumstances in which many customers need, or prefer, to access face-to-face services.

Advances in digital technology are changing the way we do many different things, but people cannot be left behind, and the pace of change needs to reflect customers' needs. I have seen many local examples of branch staff supporting customers to use new devices and apps to access services. There is a duty to educate customers to ensure that no one is left behind, but that has to happen before the branches are closed. That is the key message. It is not about standing in the way of change; it is about banks taking people with them, ensuring that there is choice, and not leaving the most vulnerable people to pick up the pieces and figure out how to catch up with everybody else.

The report talked about alternative providers and post offices. I welcome the work that the banks are already doing with the Post Office to expand the services that are available to their customers. In rural areas in particular, there is an opportunity for post offices to work with banks and to ensure that they remain open. Again, however, adaptations are needed. The banks need to ensure that people have the opportunity for private conversations, and they need to be accessible. Discussions about all that need to happen before bank branches are closed.

In summary, I say that the committee report is a good and fair contribution to the debate. It demonstrates the need of some customers for face-to-face services; there is an obligation on the banks to ensure that those customers are not left behind.

14:51

**Dean Lockhart (Mid Scotland and Fife) (Con):**

I thank colleagues on the committee for bringing the report to Parliament for debate. I also thank the convener for his opening remarks, and for the various quotations that helped to set the context for this afternoon's debate.

I also join other members in thanking the committee clerks and the Scottish Parliament information centre for all their hard work in preparing the report.

Today's debate is timely: this week marks the 10th anniversary of the financial crisis. The committee heard evidence that the structure of the banking sector, the regulatory regime, and the relationship between banks and their customers changed fundamentally following that crisis.

My contribution will cover two main areas: the impact of bank branch closures on individuals and businesses across Scotland, and the related issue of the declining coverage of ATM networks.

On bank branch closures, the committee heard evidence that technology and changing customer habits are having an impact on how banks and their customers interact. Martin Kearsley of the Post Office explained that banks are undergoing what he described as "a once-in-a-generation change". That is reflected in the way in which we all consume banking services in a different fashion these days.

The speed of change is reflected in the growth of online banking and cashless transactions, and in the on-going revolution in fintech. Cashless transactions now account for more than 50 per cent of all transactions, with the level of cash transactions in Scotland having declined by 11 per cent in the past year alone.

As we have heard, those trends have resulted in banks cutting back their branch networks in unprecedented numbers. To illustrate the scale of recent branch closures, the Federation of Small Businesses estimated that, in 2013, there were more than 1,100 bank branches in Scotland, but that figure will drop to between 700 and 750 by the end of this year.

It is important to acknowledge the changing nature of banking and the pressures that banks face, with interest rates being lower for longer, increasing regulatory compliance, and increasing costs of doing business. However, cost-reduction exercises that result in the closure of hundreds of bank branches across Scotland cannot and should not be the answer to those pressures. The reality is that we are not yet a cashless society, and the scale and speed of recent branch closures have had a negative impact on the people who rely most on cash. That is the evidence that the

committee heard from a range of stakeholders about the impact of branch closures.

Concern was expressed by many that closures are having an adverse impact on vulnerable and deprived communities. Age Scotland expressed concern that poor mobility and lack of public transport will make it difficult for older people to access branches that are more distant. For small retailers, the closure of a local bank branch can have a damaging impact on their business, because small retailers are primarily cash businesses.

According to the Scottish Grocers Federation, 76 per cent of its members' business is cash based. As a result, many small retailers rely on their local bank for their business needs and many face insurance requirements to deposit cash at the end of every business day. With no local bank, those retailers often have to travel two to three hours to get to their nearest branch, which has an impact on the productivity of their business and on how they manage their business.

The committee also heard evidence that bank branch closures have a disproportionate impact in rural areas, with people who live in rural areas having to travel for about 40 minutes, on average, to their bank, often using public transport, which itself is experiencing cutbacks. I am sure that members across Parliament will have heard those concerns being raised in their constituencies and regions. In my region—Mid Scotland and Fife—I have heard concerns from communities ranging across Bannockburn, Comrie, Dunblane, Leven, Anstruther and Alloa. Those areas have all experienced recent bank branch closures.

**Keith Brown (Clackmannanshire and Dunblane) (SNP):** Dunblane and Alloa are, of course, in my constituency, which has no Clydesdale Bank and no RBS branches left at all. I think that it is the only constituency in Scotland where that is the case. Will Dean Lockhart join me in saying that the remedy lies with the regulating authority—the UK Government—which also happens to be the biggest shareholder in RBS? Will he condemn the complete failure of the two local Tory members of Parliament to make any impact in terms of reversing the decisions?

**Dean Lockhart:** With regard to the UK Government's shareholding in RBS, RBS is an independent listed company, so it is legally not possible for the Government, under London Stock Exchange listing rules, to interfere with the independent board of RBS.

Although the evidence that the committee heard was largely negative about the impact of bank branch closures, some evidence highlighted that the closures have only a limited effect. Professor Griggs told the committee that

"there is no long-term empirical evidence to show that there is"—[*Official Report, Economy, Jobs and Fair Work Committee*, 12 June 2018; c 3.]

an adverse effect from bank branch closures. However, it has to be said that that was a minority view in the evidence that we received.

Taking into account all the evidence that was presented, the committee reached the following conclusions. First, that

"many people have experienced a negative impact from bank closures ... There is no doubt that the rate and scale of bank closures"

has adversely

"affected people and businesses in a number of ways."

However, the committee felt that it is

"not in a position to build any comprehensive picture of the overall impact across Scotland. From the evidence we heard, it is clear that there is an urgent need for a systematic study of ... the impact of bank closures on people and businesses in Scotland"

and, indeed, across the UK. Such a study would map out the current provision of banking services and, more important, what future provision would look like, so that there is universal banking provision in all areas of Scotland.

Those issues involve both reserved and devolved policy areas, so we call on the Scottish Government to work together with the UK Government to ensure that we have a better understanding of current and future banking needs in Scotland.

I will move on to ATM coverage, because customers are also having to deal with the threat of a declining ATM network in Scotland. The importance of local ATMs has only increased following the bank branch closures, because ATMs are now often the only means for people to access cash and banking services.

Given the importance of ATMs, there was real concern earlier this year when the UK's largest cashpoint network, Link, announced plans to change the fee structure under which ATM operators are paid. Given those concerns, I led a members' business debate in the chamber in May, and the Economy, Energy and Fair Work Committee here in Holyrood and the Scottish Affairs Committee at Westminster have heard evidence on the impact that changing fee structures would have on ATM provision.

It was therefore a positive development to hear Link's announcement in July that the planned third cut to the interchange fee, to 21.25p in January 2020, has been cancelled and the fourth reduction, which would have taken the fee down to 20p, is now on hold, pending a review. That is a good example of how here and in other places we can influence decision making with the regulator.

It is clear that any assessment of banking services, which the committee has called for, must look at the availability of bank branches and ATMs in the round, because they go hand in hand. Reflecting that, the committee's recommendation with respect to future ATM provision is clear. We recommended that the ATM network "should have independent oversight" and that provision

"should be included in any revised statutory arrangements put in place following revision of the Access to Banking Standard."

I emphasise that the committee will continue to monitor developments. Gordon Gekko—not Gordon Lindhurst—said that "Money ... never sleeps." The committee will remain wide awake on the issue and we look forward to receiving a positive response from all key stakeholders, including the Scottish Government and the UK Government, with respect to the recommendations that are set out in the report.

15:00

**Jackie Baillie (Dumbarton) (Lab):** I declare an interest: I bank with the Royal Bank of Scotland and I have done so for the past 40 years. Although my comments also relate to other banks, I will talk about my bank in particular, because I am disappointed. I am disappointed that, despite wave upon wave of branch closures, the withdrawal of support from many businesses and the real anger at the creation of cash deserts in many of our communities, the Royal Bank of Scotland carries on regardless. Although the Royal Bank of Scotland is not alone, the hollowness of its claim of being the last bank in town leaves a sour taste in the mouth.

The scale of the closures has been breathtaking. It is no wonder that RBS was reticent about sharing the numbers with the committee. The bank started the process with 334 branches, but it now has 99, which is a staggering 70 per cent reduction—the highest of all the banks. TSB has had the fewest closures, although it has still had a reduction of 18 per cent. RBS has gone from being the bank with the most branches to being in third place.

The reason why RBS and other banks are content to carry on and not adjust their behaviour in response to our concerns is, let us face it, because of the stickiness of their customers. We their customers do not like change, and we tend not to leave a bank, yet it is fair to say that not many of us are particularly happy. I wonder whether, if we started switching banks, as we are encouraged to do with other utilities, the banks would sit up and listen. I wonder whether there is a comparison site that we can use for banking products.

During the committee's inquiry, we were constantly told that customers are changing and their needs are changing. We heard that we live in a digital age and that people want online banking—we want speed and convenience and, apparently, we do not want to visit branches any more. The committee heard that that is not the case for the majority of older or vulnerable people. Well, clearly, I must be old, because I like visiting my bank branch. I am not alone, as the queues will testify, nor am I the youngest person there. There are people of all ages in my local branch, and I am joined in the queues by people from local businesses. I keep asking myself: if bank branches are so unpopular and outdated, why are there always queues when I happen to visit?

Pete Cheema of the Scottish Grocers Federation told the committee that commercial banking needs appear to have been completely ignored. Bank branches have closed due to an apparent decline in personal banking, but that is not the case with commercial banking, where demand has not reduced at all yet it seems that businesses' real need for cash is a secondary consideration.

Businesses told us that, although debit cards have for the first time overtaken cash, cash remains the second most frequent form of payment. Earlier, my colleague Colin Smyth, who is sitting next to me—he will hate the fact that I am repeating this—told me how he was caught in an embarrassing situation when he was treating some people to a cup of tea but there was no machine for his card. He needed cash, so they had a whip round to pay for it. He tells me that he intends to treat them all in future, and I am sure that they will hold him to that.

In the retail sector, 76 per cent of businesses use cash. FSB Scotland reports that cash remains the most popular payment method for its members. That means that businesses need a facility to deposit cash and get change. The consequence of branches closing has been that businesses need to travel further to bank; that takes more time and some even pay as much as £8,000 a year for a collection service. With less-frequent deposits and more money being retained in store, the risk increases, as do the insurance premiums.

Last night, I watched an advert from RBS. The strapline was, "One of the many ways you can bank with RBS." I commend it to members because they would see a mobile van, a cash machine outside a chippy, honest Angus with his sheep—I am not sure what he was supposed to symbolise—and dodgy Davie with a mobile face-recognition app. They would not see—I watched it twice to make sure—a branch. There was not one



anywhere. Branches are clearly so passé that they have been wiped out of adverts completely.

When the committee considered the matter, we were told about alternatives. Post offices were suggested, but we must not forget that there has been a programme of post office closures. There is also an upper limit on the value of individual transactions at post offices, which is not helpful to commercial customers. Then there are mobile branches, which are undoubtedly useful in remote and rural areas. However, some customers have raised concerns about disability access. For many, the main concern is frequency. Instead of a branch that they could call into at any time, they get a van that stops for an hour once a fortnight. In my area, it took RBS 18 months after closing the Alexandria branch to decide to provide us with a mobile van, for which I am grateful.

What about ATMs? The Alexandria branch that closed had an ATM. It has a history of breaking down and being out of action. We are told that the trend with branch closures will soon be the trend with ATMs as banks and other providers remove the machines from our communities. Link is reducing ATM charges, which might lead to a loss of machines. It told us that it is committed to maintaining free ATMs in rural and deprived areas, which is good. It also told us that it will maintain a free ATM in every community that has one by protecting the interchange rate for all existing free ATMs within 1km of another. That is quite far away. Particularly in a rural area, it might mean that some communities do not have an ATM at all.

Having illustrated the impact on personal customers, commercial businesses and our high streets, what can we do? I agree with the call for independent oversight of ATMs. We need to stop their withdrawal now before it becomes a trend in the way that bank branch closures have. It is also important to encourage the development of financial institutions such as credit unions, expand common bond areas and ensure an increased range of financial services. The Scottish Government can help by providing the infrastructure and development support so that we can grow that network. As members have heard, the committee recommended that the Scottish Government should convene a summit to consider the options to protect customers and our high streets. I hope that the minister responds positively to that proposal.

I turn to the access to banking code. It was set up as a voluntary code by the United Kingdom Government and industry and it has at least two major flaws. The first is that it applies to consultation after the bank has decided to close the branch, not before. There is little chance of meaningful community input; it is simply an exercise in telling us what the alternatives are. It

has not made a material difference to the outcome of any proposed branch closure. The second problem is that the code is voluntary. There is no requirement to consult and, for some banks, it appears to be a tick-box exercise.

People tell me that we cannot interfere in the decisions of banks because they are private companies. I did not hear anyone say that when we bailed out the banks with billions of pounds of taxpayers' money. Indeed, the last time that I looked, the taxpayer still owned the majority shareholding in the Royal Bank of Scotland. It is interesting that, although the banks are happy to accept interference and help from the taxpayer, they do not want to offer us anything in exchange.

Consultation should be up front and take place before the decision is made. That is exactly what Scottish Labour and the UK Labour Party believe that the access to banking code should ensure. The code should be given statutory underpinning. There should be mandatory consultations on bank branch closures before decisions are made. It is disappointing that the people who caused the crisis are not the ones who will suffer the consequences. Instead, ordinary people suffer the loss of bank branches from their high streets. I hope that the Scottish Government and the UK Government will act in the interests of our communities.

15:10

**Mike Rumbles (North East Scotland) (LD):**

Like Jackie Baillie, I was a customer of RBS but, unlike her, I am no longer one of its customers. I will perhaps explain why in my speech.

I thank the Economy, Energy and Fair Work Committee for producing the report. The remit of the inquiry was:

"To examine the impact of bank branch closures in Scotland on local businesses, consumers and the Scottish economy and to explore what steps can be taken to address any issues identified by the Committee."

That is a really important remit.

As we have heard, over the past few years, our banks have steadily withdrawn their presence from rural Scotland in particular. That must have had a major impact on the ability of our small businesses and individual customers to conduct their financial affairs.

The impact has come home to me as a resident of rural Aberdeenshire. Rather than use the anecdotal evidence of any of my constituents, because I would not want to name them, I will use my own experience as an example. Before September 2015, I used to travel 7 miles from my home in Kildrummy to Alford, the nearest village with a bank, to pay in our business takings. In

September 2015, RBS closed the branch and advised me that I could easily use either its Banchory branch, 26 miles away from my home, or its Westhill branch, 27 miles away. I declined to do that, but I know many people who moved their accounts. Can anyone imagine how those customers felt when, in September last year, RBS closed its Banchory branch and then, the following month, closed its Westhill branch?

Never mind; the nearest RBS branch was in Huntly, just 21 miles north of Alford. But what did RBS do just eight months later? You have guessed it, Presiding Officer: it closed down its Huntly branch, too. All those people had moved from all of those branches over those three years as RBS closed them down, but if anyone wanted to do face-to-face banking, they now had to visit the travelling bank—we have just heard about those—or, as I did, take the 66-mile round trip to Aberdeen. I have to ask whether it would have been more sensible to close all the branches at the same time. I know that we would not have liked it, but it might have been better than messing all those people about as they jumped from branch to branch over those three years.

Anecdotally, the difficulties faced by small businesses and individuals were obvious. However, we needed an evidence-based investigation into those difficulties, which is why I am pleased that the committee has taken up the challenge. I welcome its conclusions. It states that the most vulnerable to change are the ones who will be affected; that difficulties are being experienced by community groups and charities, with church groups being particularly badly affected as they take collections in cash; that cash is still essential for some businesses; and that the closures have impacted on productivity in a way that will impact on Scotland's economy as a whole.

We all know that the regulation of banks is a matter that is reserved to the UK Government and Parliament. Therefore, it did not surprise me to see that the committee's report did not contain many recommendations. Its main recommendation was to ask the UK Government to urgently carry out a study on the impact of bank closures across the UK. That is welcome, but it indicates to me something of a lost opportunity.

I was not privy to the discussions surrounding the committee's decision to proceed with the investigation in the way that it did—obviously, such discussions take place in private session—so I hope that members of the committee will forgive me if they have already examined the suggestion that I am about to make and decided that it was either too difficult or too impractical to proceed in that way. Considering that banking and financial services are reserved to the UK Parliament, would

this not have been an ideal opportunity for our two Parliaments—the one at Holyrood and the one at Westminster—to work together in an inquiry and produce a joint report? I would like to know whether the committee explored that opportunity. I am happy to listen to further contributions or to take an intervention.

**Gillian Martin (Aberdeenshire East) (SNP):** I am sure that the member will be aware that the House of Commons Scottish Affairs Committee did its own inquiry. It discussed some issues but did not take them forward, so there is an opportunity for us to fill in the gaps. Is the member aware that that happened?

**Mike Rumbles:** I am aware of that. However, it is important, on reserved matters such as regulation, which have such an impact on devolved matters, that we are a bit more—dare I say it—adventurous in working together. I do not know whether that issue was examined by the committee, but I like to think that it would have been. Surely it provides a lesson when we look to the future: we should examine whether the two Parliaments that represent the people of Scotland can work together. That would be ideal, because we are looking for practical recommendations.

I realise that I am running out of time. I do not at all want to be too harsh on the committee, because it has produced a good report. I see that the convener is smiling—I hope that I am not sounding too critical. However, there was a missed opportunity to break new ground, which we should be interested in doing. Let us be a little more adventurous, because we could address the issues that the committee has identified together and in practical ways.

15:16

**Keith Brown (Clackmannanshire and Dunblane) (SNP):** I welcome the publication of the committee's report into the closure programme, which identifies correctly the significant negative impact that the programme will have on communities, such as those in my constituency, that are facing bank closures. The closures, as I have mentioned, will make the Clackmannanshire and Dunblane constituency the only one in Scotland without an RBS or a Clydesdale branch. Many of my constituents will rightly ask why their Westminster parliamentary representatives failed to take any effective action to oppose the closures.

Various explanations to account for the closures have been offered by the banks. I am less concerned to recognise the pressures that the banks face than Dean Lockhart was; I am much more inclined to think about the pressures that my constituents face.

Since 2010, Clydesdale Bank and RBS have closed 53 per cent and 70 per cent of their branches respectively. It is fair to say that those closures have occurred without prior consultation with businesses or the communities that the branches were supposed to serve. On 1 December 2017, RBS announced its intention to close 62 branches across Scotland, which would lead to the loss of 158 jobs. The closures would result in the loss of the last branch in town for many communities—contrary to the commitment that was given by RBS in 2010.

The Tory UK Government is taking no interest and no position on the closures, despite its majority ownership of RBS with taxpayers' money. In my constituency, three branches of RBS—in Alloa, Bridge of Allan and Dunblane—were earmarked for closure. Instead of demanding action from the RBS-owning Tory Government, the two Tory MPs who currently represent those areas fell into line and backed the inaction and indifference of the UK Government, which has done absolutely nothing to delay or halt the closures, despite having a majority ownership of RBS. It is clear that little thought has been given to the impacts that the closures have on communities.

**Dean Lockhart:** I repeat the point that was made earlier: legally, the UK Government is not able to interfere with decisions of the RBS independent board. Does Keith Brown acknowledge that?

**Keith Brown:** As Jackie Baillie said, given the extent of reserved powers on regulation and banking that are held by the UK Government, and given the taxpayers' stakeholding in RBS, there is plenty of scope for the UK Government to take action. It has chosen to take no action at all. That some of Dean Lockhart's colleagues have asked the UK Government to take action proves that action is perfectly possible.

The committee's report rightly notes that the vulnerable in our communities stand to be most affected by bank branch closures. That is at a time when benefit reform is being imposed by the Tory UK Government and causing such damage to so many vulnerable people in the constituencies that we represent. The reforms are placing such emphasis on people's ability to manage their own finances effectively. I recently held a summit on the universal credit changes, and the two Tory MPs refused to attend and the Department for Work and Pensions did not even respond to the invitation to come along. The fact that people are being asked to take more responsibility for their money surely means that closing bank branches is particularly perverse and unwelcome.

The committee's report says:

"With the changes in banking provision, it is vital that people continue to have access to financial services, to financial support and to cash. It is those who have limited access to bank accounts and cards—"

they are called the unbanked—who most

"risk being excluded."

We as a Parliament must press the UK Government for action on that important finding.

Following my discussions with RBS about the impact of its closure programme in my constituency, I was assured that post offices offer many of the face-to-face services that banks offer and that communities that faced bank closures would therefore not lose services to the extent that was feared.

However, in Alloa, which is the main town in Clackmannanshire, the decision was taken to close the dedicated Crown post office. Reduced services were moved to a few counters in a local shop, and that post office is now extremely busy—long queues are common at peak times, and people and businesses lack privacy to discuss their financial matters, which should be private. As Jackie Baillie mentioned, there is a £2,000 deposit limit for walk-in transactions, so businesses that want to deposit more than that must prearrange a time to deposit cash. That is not exactly a flexible service that accounts for businesses' varied needs. It is unfair to suggest that post offices offer a comparable alternative to bank branches for personal or business customers.

Mike Rumbles said that we should be more adventurous. I will make a suggestion, although it might not be feasible. Public authorities such as councils could say that, because it is important to have a physical presence that provides banking services and to provide financial education, and because we should not ask people who are on universal credit to get two buses from Alloa to Stirling to pick up their payments, they will set up their own bank. Public authorities could put their moneys into a community bank whose services could be accessed through physical premises in constituencies and areas around Scotland, which would allow people to have a level of control.

If the banks want to create deserts—they have created one in Clackmannanshire and Dunblane—it is time for us to irrigate the system. I mention that as a suggestion for public authorities to look at.

In Dunblane, which is in my constituency, a community organisation approached RBS in the hope of using its branch premises, after they became vacant, for a social enterprise that focused on employability skills and training, including financial training. However, RBS's disappointing response was that it would put the

building on the open market before considering the community's request.

As has been the case across Scotland, the reaction in Clackmannanshire and Dunblane—including that among business owners, who rely on the convenience of local banking services—has been overwhelmingly negative. In February, I received a response from the Economic Secretary to the Treasury, John Glen, who said:

“the Government does believe that banks should act in the best interests of their customers”.

However, it is clear from the evidence that that is not happening.

I fully endorse the committee's call for the UK Government to carry out a further study of the impact of bank closures, with a view to identifying the statutory and regulatory changes that are required, to ensure that the wider impacts are fully considered and that actions are in the best interests of customers and communities.

15:23

**Edward Mountain (Highlands and Islands) (Con):** I thank the committee for its report on bank closures. I need not remind anyone that it was nearly a decade ago that retail banks committed themselves to restoring the consumer confidence that they had lost during the financial crash of 2008. Banks set out to rebuild that vital relationship with communities and local businesses. RBS—I admit that it is my bank—even boasted in an advert that it was “Here for you”, wherever “you” may live.

Back then, RBS had the most branches across Scotland—more than any other bank. How times have changed. Since 2010, RBS has closed 235 branches, which is a 70 per cent reduction. The bank that promised that it would not shut the last branch in town is doing just that. As the committee said,

“this was clearly a hollow promise.”

The Highlands and Islands region will be one of the hardest-hit areas, with about 52 bank closures. Branches, along with their ATMs, have already closed in Mallaig, Nairn, Aviemore, Grantown-on-Spey, Inverness, Tain and Wick. Three branches—in Beaulay, Kyle of Lochalsh and Tongue—are still threatened with closure but have a stay of execution pending an independent review by Johnston Carmichael.

We are told that, if the independent review advises that those branches should remain open, RBS will honour that recommendation. I welcome that, but a consultation should have happened long before RBS made its initial decision to close the branches. I therefore welcome the committee's conclusion that the access to banking standard is

failing in its current form and the recommendation that it be replaced with a statutory model that makes it a requirement for banks to consult before a decision is made to close a branch.

Although it is true that many more people use digital banking these days, having a branch on the local high street is more important than ever, especially in rural communities in the Highlands that remain unconnected to superfast broadband. Let us not forget that the Highlands were meant to have superfast broadband by the end of the current session of Parliament. Under this Government, Highlanders will have to wait until at least the end of 2021 for superfast broadband, and that target might slip further. For many, internet banking is still just a dream. Homes and businesses that are left in the digital slow lane cannot access digital banking.

Banks are keen to stress that, where digital banking is not available, mobile banking is the next best option, but is it? As the report highlights, many retail banks, such as TSB and Santander, do not have mobile vans, and those that do, such as RBS, are cutting the time that they spend at each location they visit. In May, stops in Kingussie were cut from 45 minutes to 20 minutes and stops in Boat of Garten were cut from 30 minutes to 15 minutes. Even more concerning is the fact that some of the vans are not accessible to people with reduced mobility. I therefore welcome the committee's recommendation that RBS must review disabled access to its vans as a matter of priority.

I also share the committee's concerns regarding the Post Office's ability to fill the gap left by banks. There is great potential when it comes to providing basic retail banking services in post offices, but that does not help businesses. Services such as cheque clearing are often processed more slowly and inter-account transfers and currency exchange are not always available. As the regional chair of the Federation of Small Businesses in the Highlands and Islands stated last year:

“Businesses need somewhere to bank cash but neither Post Offices nor mobile vans, the latter visiting once or twice a week, suffice.”

Businesses and customers need the reassurance of a local bank branch alongside a first-class digital service. There is no reason why they should not get the best of both worlds.

I accept that the way that we bank is changing, but, as the report states,

“the banks are also driving this pace of change.”

They do so, I believe, without comprehending the impact on their customers in remote rural areas. In those areas, they need to take their foot off the accelerator. Digital banking, mobile banking and

post office banking are not viable alternatives that work for all. There is still a need for bank branches on our local high streets. It is clear to me that, as the report states, not enough thought has been put into the decisions to close local branches. I call on RBS to review how it serves rural communities across the Highlands and across Scotland, because what it is doing at present does not serve those communities as it should.

**The Deputy Presiding Officer (Christine Grahame):** There is a little time in hand, so I can be a little elastic with the timings—not too elastic, just a little; not so that it snaps.

15:28

**Gillian Martin (Aberdeenshire East) (SNP):** I thank the committee for bringing this debate on its report to the chamber. The inquiry was held while I was a member of the committee and I enjoyed my two years of membership immensely. Before I talk about the report on bank closures—if I may be indulged, Presiding Officer—I put on record my thanks to the convener, Gordon Lindhurst, the deputy convener, John Mason, all the other committee members and the hard-working team of committee clerks led by Ali Walker.

During the inquiry into the closures of the last bank in towns, I went with the committee clerks to Mintlaw, which saw its only bank closed in 2017. There we met business owners and we were able to get a feeling for the disadvantage that they felt. As the committee heard time and again in evidence, the banking of cash is a major issue, particularly because business owners have to take a long time out of the business day to bank cash in other towns—time that they cannot really spare.

Post office provision still exists in Mintlaw but, as many other business owners from across Scotland who gave evidence to us said, there are two major issues with that. First, there is a lack of confidentiality and people feel a lack of security, particularly when they are carrying large amounts of cash. Secondly, the amount of cash that can be banked at any one time is limited. That has been mentioned. In Mintlaw, a cash machine was installed only after I and my colleague Councillor Jim Ingram intervened. If that had not happened, Mintlaw would have absolutely no access to cash at all.

In our outreach meeting, we heard from a farmer who made a very good point about the continued use of cheques at local marts. He said that he would get cheques for selling his livestock and that he could pay in a cheque worth thousands of pounds each time. I had similar conversations with constituents in Turrieff who have just lost their Royal Bank of Scotland. They ran charities and community groups, still received their

subscriptions or donations in cash and cheques, and struggled to get to a bank miles away from them. It should be remembered that a lot of those groups are staffed by volunteers who work during the day. Not having a bank branch on their doorstep is really problematic.

I am sure that other members will mention the effect of bank branch closures on the social inclusion of the elderly and those on low incomes, in particular. A person cannot internet bank if they do not own a computer. As we have heard, many elderly and disabled people find accessing mobile vans difficult.

Mintlaw was fortunate that the premises that the Clydesdale Bank vacated did not stay empty for long. However, that seems to be a rather unusual situation. The evidence on the impact of empty bank buildings on high streets was among the most compelling that we heard. Buildings could fall into disrepair, the removal of the bank would impact on the footfall of neighbouring shops, and if their buildings had been standing empty with no real prospect of a sale, the banks made little or no effort to offer the buildings to community groups or business start-ups. It was interesting to hear Keith Brown mention a particular example of that.

We were struck by the evidence that we heard about the consultation that banks did or did not do with customers and how subsequent closure decisions were communicated. In particular, I was confused about the value of an access to banking standard that does not compel banks to consult their customers ahead of making decisions on closures and that is supervised by the Lending Standards Board, which is made up of the banks themselves. In effect, that is self-policing or, in most cases, not policing at all. Although the standard asks banks to communicate with customers on closures, that request was often not followed. In Mintlaw, customers complained that they were told about the closure of their bank very close to the closure date or that they were not told at all.

Certainly, none of the customers to whom we spoke when gathering evidence was consulted beforehand on what they used the bank for and what impact its closure might have on their business or their community. Many of our witnesses mentioned that, contrary to the standard, they were made aware of alternative banking methods only after a branch was closed. That is simply unacceptable.

The Federation of Small Businesses colourfully described the banking standard as “a paper tiger”. From the evidence that I heard, I have to agree with it.

The committee was keen to go where the Scottish Affairs Committee at Westminster did not

go when it did its report. We asked that the access to banking standard be looked at again with a clear view to its becoming much more customer focused. One of our key recommendations is that the standard should be rewritten to include a consultation with all customers, businesses and the local community in assessing whether a branch should be closed.

We also asked questions about how banks' assessments of footfall were carried out. In counting footfall, some banks would count only transactions that were made by their own branch customers. I nip into Santander fairly regularly, but I cannot remember the last time that I visited my own branch, which is near my old work in George Street in Aberdeen. That is not exactly handy for me any more. By those rules, I would not be counted as using a branch.

Banks also said that they might look at regular use only. The definition of "regular" depends on the bank's own thoughts and motivations.

The committee's inquiry probably made very uncomfortable viewing for the banks but, with bank closures continuing apace—particularly in rural communities, as has been mentioned many times already—we made some very important recommendations and found some pretty compelling evidence that will, I hope, give the banks pause for thought and, most important, give rise to customers being at the centre of closure decisions.

15:34

**Stuart McMillan (Greenock and Inverclyde) (SNP):** I welcome the debate, and I thank colleagues across the Parliament who helped to produce this informative report.

Sometimes, the work of committees and the reports that they produce do not always obtain the coverage that they deserve. However, this report has been well received. It has a lot of information in it and is useful to the wider debate on banking in our high streets.

Page 8 of the report sets out the changing nature of banking. It is fair to say that traditional banking activities do not suit everyone. The use of online banking is increasing, and will not decrease in the years ahead.

Like other members who spoke before me, and no doubt those who will speak after me, I will focus on my constituency. Greenock and Inverclyde has lost banks in Port Glasgow, Gourrock and Greenock. In recent years, the Royal Bank of Scotland closed a branch in West Blackhall Street and moved the services to its Cathcart Street branch at the other end of the town centre.

I am, and have been for many years, an RBS customer. Although the bank's decision was disappointing, there was no real campaign against it because customers could see its logic. They were not losing a bank from the town centre—the Cathcart Street branch has been there for many years—so the closure was not a huge change or of huge detriment to the town centre, and no one contacted me to complain about it.

However, this summer I was informed that the RBS wants to close the Cathcart Street branch and move the facilities to its mortgage centre, which is less than one mile away. In a town centre, one mile might not seem a lot. Certainly, that might be a bit different for those in a rural area, and colleagues have touched on people having to go to a bank that is 20 or so miles away.

However, I genuinely disagree with that decision by RBS for a variety of reasons. First, RBS wants to move a bank from the town centre to a location on the outskirts that is between train stations. People will no longer be able to get off the train and go to their bank, only 100m away.

Secondly, although the distance to the new location is not that great, it means that customers will have to plan their visit in addition to any other activities. What do I mean by that? At the moment, folk can go into the Cathcart Street branch and spend money in other parts of the town centre—for example, in the cafe and other shops that are downstairs. Taking the branch out of the town centre takes away that economic opportunity.

Thirdly, I do not consider that consultation has been done. Politicians, including me, contacted RBS to ask a number of questions and raise issues about the closure. I was told that it had consulted but, as a customer, I was not consulted. The consultation involved someone in the Cathcart Street branch asking the folk who came in a couple of questions. I do not think that that is consultation or that it is good enough when it comes to removing that facility from the town centre.

Local politicians—Mike Russell MSP, Brendan O'Hara MP, Ronnie Cowan MP and I—sent a joint letter to the RBS to express our concerns and our anger at its decision. My colleagues who represent Argyll and Bute raised concerns because when they were informed last December that the Rothesay branch was to close, customers were told that they could use the Cathcart Street branch in Greenock town centre. The closure will take the nearest branch further away from Rothesay and the bank's customers; it will also make it more challenging for those customers who rely on public transport to get to Greenock. As I said, Greenock Central train station is across the road from the Cathcart Street branch, whereas the mortgage

centre is right in the middle between Greenock Central train station and Cartsdyke station.

I accept that the Cathcart Street branch is not perfect and that in future years the building costs may well be expensive, so I genuinely do not criticise the RBS for attempting to future proof its business through its customer offer.

Members from all parties have highlighted a wide variety of issues in the debate, including accessibility. The Age Scotland briefing makes various points, including that 67 per cent of people over 75 do not use the internet. My constituency has an aging population, and over the next five years the proportion of over-65s will increase to 25 per cent. Banks need to consider all their customers.

Dean Lockhart talked about devolved and reserved matters. He suggested that the Scottish Government and the UK Government should work together. I do not usually agree with Tories, but I agree with him on that point. The UK Government must use its influence, given its 70 per cent stake in RBS, to help our communities and constituents.

On page 26 of the report, the committee said;

"We ask the Scottish Government, local authorities and the banks to work together".

I agree with that recommendation, but I also agree with Mike Rumbles—I certainly will not make a habit of agreeing with him, so it is unfortunate that he is not in the chamber—that too many of the recommendations let the UK Government off the hook.

15:41

**Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con):** I thank the committee for its report.

From post office closures to bank branch closures, the demise of the town centre has had an impact on all members. The Royal Bank of Scotland's most recent round of closures was among the worst for my constituents. It has left towns and villages without a bank. On high streets where the bank once proudly sat, vacant and unsightly properties have been left behind. I should add that, in a welcome addition to the high street, Ettrick Forest Interiors has moved into the bank building in Selkirk. Perhaps there will be opportunities for other businesses; I hope that the Royal Bank of Scotland will work with local businesses to facilitate such opportunities.

The decision to close branches was not founded on solid and robust evidence. The Royal Bank of Scotland failed to carry out proper consultation before closing branches, which is an insult to customers, whose best interests were not taken into consideration from day 1. The access to

banking standard should require banks directly to consult customers as part of their impact studies.

Loyal customers who had banked with RBS for generations were left in the lurch, with no option other than to move bank or face an arduous journey to their nearest branch. In the digital era, the local branch might become redundant for people who know how to bank online and can do so with convenience and ease through their mobile phones, but the branch remains a necessity for people who lack digital skills.

RBS made the assumption that when it departed the high street the post office would automatically pick up the slack. It was expected that the post office would deliver the services that RBS used to deliver. However, the post office is not an alternative to a bank branch; it offers a simple cash deposit and withdrawal service. Nevertheless, it is becoming the place on which local businesses on the high street have to rely. RBS failed to realise that post offices cannot provide the full range of services that the bank provided, and, most worrying, took a gamble when it assumed that the post office would pick up the slack in the aftermath of bank closures.

**John Mason:** I take the member's point that the post office cannot provide all the services that the bank provided. When committee members went to Leven, people showed us the letter that they had had from the Royal Bank, which did not mention that any services were available in the post office. Was the member's experience different? Did the Royal Bank encourage people to use the post office?

**Rachael Hamilton:** I had a similar experience in my constituency. No direct link was made and businesses were not advised to go to the post office—they just presumed that that was what they would have to do. In some towns, there was uncertainty about the sustainability of the post office. The Royal Bank of Scotland presumed that post offices would provide the alternative service, but that was not the case. The bank had not done due diligence with the postmaster about the service that post offices provide.

As I said, in many rural and remote villages in my constituency there simply is not the luxury of having the post office to fall back on for banking when the last bank leaves town. It is unacceptable for RBS to assume that a post office will always be there in the event of a bank closure. We are learning that even the plan B options of ATMs and mobile banking vans are not providing the reliable services that customers expect.

As a direct result of the closures, parts of the area that I represent, such as Liddesdale, are almost an hour's round trip from the nearest RBS branch. I am glad that the committee's report

acknowledges that RBS promised that it would not shut the last bank branch in a town, but that that was completely ignored. RBS has failed to recognise that many people who live in such remote and rural areas are older and more vulnerable. They now face long journeys to their nearest branch, which is unacceptable. The committee found that, in Scotland, 67 per cent of people over the age of 75 do not use the internet. It is disgraceful that elderly constituents, who are often without access to a car or a bus service, are left with very little in the way of options other than the mobile banking vans.

On that note, although mobile banking could help to alleviate some of the issues, the services offered are often unreliable and irregular. Many of my constituents in places such as Hawick have complained about waiting in a queue to be served only to be told by the tellers that they have to move on quickly to the next stop and do not have time to deal with their inquiries.

The service is not working as perfectly as RBS expected. Let me give an example. A gentleman whom I met in Eyemouth, who is a wheelchair user, went to the mobile bank to do a simple transaction, and the teller came out and on to the pavement. As it sometimes does on the coast in Eyemouth, it was blowing a gale, which made that unsuitable—the gentleman was unable to hear and his transaction was not carried out in the dignified and respectful way that it would have been had it gone on inside and in comfort.

Even after my rant about RBS, I have to say that its community bankers have been rather helpful and are working with communities in libraries and leisure centres, carrying out home visits and helping people to grasp digital skills.

I do not know how much time I have, Presiding Officer. You said that there was a bit more time, and I have a few more points to make.

**The Deputy Presiding Officer:** Yes—and you also took an intervention, so please proceed.

**Rachael Hamilton:** Thank you.

Many members have talked about ATMs. From new figures issued last week by Link, which is the largest cash machine network in the UK, we learn that 250 ATMs are vanishing each month. Age Scotland has noted that the loss of free-to-use ATMs will result in older people having to make withdrawals from machines that charge, and being charged up to 30 per cent in fees.

I welcome the recommendations in the committee's report that call for the provision of ATMs to be overseen independently and for revised statutory arrangements to be put in place following the revision of the access to banking standard.

Rural Scotland has taken a massive blow with these closures. Many speakers today have echoed what I am saying. I am glad about the conclusion in the committee's report. It is right and proper that RBS should be held to account and that more should be done to avoid such closures happening again. A bank branch closure causes significant stress and inconvenience to many of our constituents. Loyal customers have been disregarded, towns have been left without banks and now ATMs are being removed. It is time that a proper study was carried out to highlight where RBS can help communities and mitigate further closures.

15:49

**Joan McAlpine (South Scotland) (SNP):** I thank all the members of the committee for producing such a comprehensive and timely report on a subject that is of great concern to my constituents across the South Scotland region. I especially welcome the committee's call for RBS branch closures to be put on hold or cancelled so that a proper study can look at the impact and scale of closures across Scotland. However, for many people in my constituency, it is too little, too late, because the branches have already closed.

Earlier this year, RBS—which, as others have said, is 60 per cent owned by taxpayers—announced plans to close 16 branches across the south of Scotland. Those plans came on top of the extensive closures that had previously been announced by RBS and the Bank of Scotland. Rather than closures in villages, which lost their banks a good few years ago, we are talking about closures in large market towns that serve large rural areas and support villages, hamlets and farms.

As other members have said, the branch closures are being compounded by the loss of ATMs from our high streets. Jackie Baillie talked about her loyalty to her bank. I, too, am an RBS customer and have been since I was a student, which was a long time ago. I have been struck by the complete contempt that RBS shows to its customers right across my constituency. As many other members have done, I contacted the chief executive of RBS, Ross McEwan, to raise the concerns of my constituents and explain the impact that the company's decision would have on many rural communities. My letter was responded to by corporate affairs at RBS, which offered an interview with someone much further down the chain of decision makers than Mr McEwan, who is clearly a very busy man.

However, then I got an email from Mr McEwan. Unfortunately, he completely ignored my letter on behalf of elderly and vulnerable constituents and small businesses in Langholm, Annan and



Lockerbie. Instead, he was writing to tell me about RBS's profits for the first half of this year. Apparently, the company did very well—it made £1.8 billion, despite receiving a fine of £1 billion from the US Department of Justice. It seems that it is easier for the American Government to hold RBS to account than it is for our Government to do so.

Mr McEwan was also very keen to tell me that, as a result of those healthy profits, RBS had made a very good start to the year, and he was pleased to announce his intention to declare a dividend of 2p per share, which he said was another significant moment in RBS's turnaround and a reflection of its progress. There was not a single word in that email about the loyal customers who have been deserted by RBS and Mr McEwan. To me, that is not progress. The communities that I raised with Mr McEwan—Langholm, Lockerbie and Annan—are important centres of population and economic activity that now do not have an RBS branch. The town of Langholm, for example, is now 30 miles from the nearest RBS branch in Dumfries.

In March this year, I held a day of action outside every branch that was threatened with closure, and we collected hundreds of local signatures. Some people we spoke to had been loyal to the bank for more than 50 years and felt completely let down. Many were elderly, and some did not or could not drive and had no access to broadband. Although access to broadband is improving, that does not mean to say that everyone will take it up. Many older people do not have computers and are not going to turn into silver surfers overnight—why should they?

Older people also expressed a preference for face-to-face branch banking because of problems with phone banking and a lack of trust in digital services. As someone who has been a victim of the latest British Airways hacking incident and has had their bank card completely compromised, I have quite a lot of sympathy for that point of view.

I congratulate the committee on its scrutiny of the question of consultation, or the lack of it, which other members have raised. There seems to be a lack of consultation when a branch is targeted for closure. The report questions how the banks can know what customers want without consulting them and says that

“Speaking to branch staff and assessing transaction numbers does not tell the whole story”.

That mirrors my constituents' experience. For example, in Langholm, RBS insisted:

“Only 20 customers are using the branch on a regular basis.”

However, local people told me that that was not true and that there were always queues in the

branch. Age UK points out that many of the numbers that are used by banks are very unreasonable. For example, a “regular customer” is considered to be someone who makes 24 visits to a branch in 26 weeks, which is almost one visit a week. Age UK points out that that threshold is unreasonably high.

I am pleased that the committee concluded that the

“Access to Banking Standard is failing to ensure that impact assessments properly reflect and take account of all relevant impacts on the local economy.”

I am also pleased that the committee said that the standard

“reflects the interests of the banks”

and not those of customers, and that

“banks should be required to consult customers, businesses and the local community”

in a meaningful way

“before deciding to close a branch”.

I know that the Scottish Government agrees with that particular finding of the committee. The assessment in the access to banking standard is perceived and presented as a consultation, yet it is nothing of the kind. The standard is whatever the banks want it to be, which reflects the contempt in which the banks—RBS, in particular—hold their customers.

15:55

**Colin Smyth (South Scotland) (Lab):** I thank the members of the Economy, Energy and Fair Work Committee for their report, which highlights a number of the negative impacts of bank closures on each and every community that we represent.

As we heard earlier, from 2010 to 2017, the number of bank branches in Scotland fell by a third, and that decline is continuing. There are 130 so-called cash deserts in Scotland, which are places that are not just without a bank within a reasonable distance but without access to a cash machine.

Jackie Baillie kindly told the story of when I recently found myself struggling to pay in a cafe because it had no card payment machine and there was no ATM or bank branch nearby. I was bailed out by a colleague. I would like to tell a similar story about Jackie Baillie, but I cannot remember the last time that she bought me a drink. *[Laughter.]*

**Jackie Baillie:** Outrageous.

**Colin Smyth:** On a serious note, the impact of bank and ATM closures is often felt most acutely in rural areas—such as the one in which I found myself—where alternatives are few and far

between, as well as in some of our most deprived communities. That point was made to the committee by Keith Dryburgh of Citizens Advice Scotland, who said:

“the most vulnerable to change are the ones who will be affected—those who are more likely to have problems accessing digital services, those who have poor broadband speeds and those in rural Scotland.”—[*Official Report, Economy, Jobs and Fair Work Committee*, 29 May 2018; c 4-5.]

The cumulative effect of closure after closure has left more and more of our towns and villages without a single bank branch. I will give members just one example—from several that I could choose—from my home region of Dumfries and Galloway. The town of Dalbeattie has a population of more than 4,000 people and, a decade ago, the town was served by three banks. The first to be axed was the Clydesdale Bank in 2007, which was followed by the Royal Bank of Scotland in 2014. Last year, the Bank of Scotland closed its doors for the final time in the town, leaving Dalbeattie with no bank.

Dalbeattie is not alone. From Whithorn in the west of the region to Lochmaben in the east, the local bank branch has become a distant memory. We are told by the banks that alternatives such as mobile banking are in place. However, in the case of Dalbeattie, that consists of one bank visiting for a couple of hours per week.

We are also told that the post office is an alternative, and that is certainly true for simple bank transactions. However, for many towns and villages that option no longer exists, and post office closures continue in many communities. It also seems the UK Government is doing its best to discourage the use of the post office, as the Department of Work and Pensions wrote last month to those in receipt of a pension to tell them that the DWP no longer wished to pay the pension into a Post Office card account.

Further, although carrying out banking transactions can be labour intensive and time consuming for post offices, the amounts that are paid for those transactions are very low. For example, banks charge business customers between £6 and £10 per £1,000 deposited, but only a tiny proportion of those charges filter down to the post office owner, who is paid either 24p or 37p per £1,000 deposited. They can be paid less than a tenner to transact £40,000, which is hardly an incentive for a post office to remain open to deliver services on behalf of banks.

Online banking can often be the only alternative for communities, and it is true that that is the choice of more and more people. However, as Age Scotland highlighted, 67 per cent of people over the age of 75 in Scotland do not use the internet. The Federation of Small Businesses

stated in its evidence to the committee that many bank closures have been

“in areas with lower than the average UK broadband speed”.—[*Official Report, Economy, Jobs and Fair Work Committee*, 24 April 2018; c 22.]

Which? noted that poor broadband is identified as a key reason for people's decisions not to use online banking services, pointing out that online banking is particularly inaccessible to those

“who are most financially excluded”.—[*Official Report, Economy, Jobs and Fair Work Committee*, 12 June 2018; c 10.]

In addition to the adverse impact on individual customers, the committee's report rightly highlighted the problems that branch closures have caused for many charities and small businesses. The committee found that cash is essential for some businesses and its report states that bank branch closures have impacted on productivity, which will impact on Scotland's economy. The risk that is posed to small businesses by the closures has been highlighted by the Federation of Small Businesses, whose research found that they have often created additional costs for business owners. It highlighted the importance of local bank branches for cash flow and the value of face-to-face interactions. In addition, research by the British Bankers Association found that 60 per cent of business customers believe that access to a local branch is important. Beyond the direct impact on businesses, the closure of banks and the resultant reduced footfall undermines our town centres, which are already plagued by empty buildings as more and more retailers close their doors.

The problems posed by the closures are undoubtedly heightened not just by poor digital connectivity but by inadequate physical connectivity. The committee's report notes research by Citizens Advice Scotland, which found that people who live in rural areas typically have to make a 40-minute round trip to their bank using buses—if they are lucky enough to still have a bus service. That was before the most recent set of closures took place. Indeed, Keith Dryburgh said to the committee that he expects that

“travel time will increase significantly as branch closures continue”.—[*Official Report, Economy, Jobs and Fair Work Committee*, 29 May 2018; c 5.]

There is widespread agreement that the current decimation of local bank branches cannot be allowed to continue unchallenged, which means that we need both the Scottish Government and the UK Government to intervene. I echo the committee's calls for

“the Scottish Government to call a summit with the High Street banks in Scotland to discuss these issues and possible solutions, including shared banking hubs.”

I raised the possibility of banking hubs in a recent letter to the chief executive of the Royal Bank of Scotland. Like Joan McAlpine, I did not get a reply from him, but one of his members of staff dismissed it as not a “sustainable solution”.

The truth is that it is not a case of banks not being able to do it. Our banks simply do not want a more collaborative, community-focused approach to banking. That is just not good enough. Where is the concern for community from our banks? Why have they learned nothing about social responsibility since their financial vandalism caused the economic tsunami a decade ago? In the absence of voluntary action from our banks, we need direct intervention.

The committee rightly highlights the serious shortcomings of the access to banking standard, stating that it is

“failing to ensure that impact assessments properly reflect and take account of all relevant impacts on the local economy”.

That is why we need mandatory consultation on bank branch closures before—not after—they close. If banks will not do that properly, we need legislation from the UK Government to ensure that they do. That is what a future Labour Government will deliver. The Scottish Government can also do more, such as redoubling efforts to grow credit unions in our communities to make them a viable alternative and delivering far more support for regenerating our increasingly neglected town centres to increase footfall.

Unless action is taken, it is only a matter of time before local bank branches disappear for good outwith only our very largest towns and cities. That cannot be allowed to happen.

16:02

**Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP):** I thank the committee for bringing such a comprehensive and helpful report to Parliament and for facilitating the debate. Members will be aware that the declines in the numbers of ATMs and bank branches cannot easily be separated, so I will speak about how both issues affect rural areas, such as my constituency.

As the report acknowledges, the decline in the number of ATMs has accelerated in recent years. That can be attributed, to some extent, to the decline in the use of cash, as members have noted. Indeed, some countries, such as Denmark and Norway, have already floated the idea of ceasing to circulate banknotes and coins altogether. However, I suggest that Scotland is a long way from that situation, and for as long as that is true, we will need ATMs. The committee evidently takes that view, too.

Perhaps not for the first time, my constituency can provide an extreme example to illustrate a wider point. Twelve hundred people live on the Isle of Barra. They have one bank—an RBS branch—with one ATM. As things stand, there is no other way for customers to withdraw cash outside working hours, yet last December, RBS announced plans to close both the branch and its ATM. It reassured customers that there was another branch that they could go to, some 27 miles away in Lochboisdale. What it failed to mention was that Lochboisdale is on another island, South Uist, and that, in any case, RBS is cutting the hours that that branch opens, too. My constituents in Barra would therefore face spending most of a day—if they picked the right day—travelling by ferry and bus just to get to the nearest bank or ATM and back. Although the picture regarding the ATM has changed several times, it now looks as though it has been reprieved, after much protest. Not so, however, the bank branch itself. Already 12,000 people—10 times the population of Barra—have signed a petition demanding that RBS reverses the decision about the branch closure, recognising that it is indeed perhaps the most extreme example of RBS’s callousness towards its rural customers.

The Barra branch was one of 10 proposed closures across Scotland that were eventually postponed until later this year, subject to a review by Johnston Carmichael. All that being said, however, it cannot have escaped the notice of any community in Scotland that is facing such closures that the cost to the UK taxpayer of bailing out RBS was £45.5 billion. Last week, RBS chairman Sir Howard Davies admitted that it was “unlikely” that the UK Government would ever be able to recoup that money. Despite that, RBS does not seem to see itself as having any responsibility to provide much of a service to taxpayers. Conservative members might wish to use some of their famed influence with the UK Government to remind it that it owns 62 per cent of RBS shares. RBS is still effectively owned by the Conservative Government.

It is difficult to square the situation with the reality that was outlined in the Federation of Small Businesses’ written evidence to the committee that within the next few weeks, RBS alone will have closed approximately 70 per cent of its Scottish branches since 2013. The FSB rightly points to the impact that that will have on cash-dependent small businesses around the country. The FSB also gave evidence indicating its fears that, if the payment that Link requires card providers to pay to cash machine operators declines, there will be even greater pressure to withdraw free ATMs in the future.

With regards to Barra, I have already submitted a response to RBS’s consultation on behalf of the

constituents who have contacted me on the issue. Unsurprisingly, nobody has come to me to make a case for the closure to go ahead, given the alternatives—or lack of them. Instead, I have heard consistently about how personal and business customers will be disadvantaged if they are left without any branch to go to. Many people have also mentioned the impact that a closure would have for the many tourists visiting the island. I am sure that that is true for other parts of Scotland.

The committee has provided a report that does not pull its punches on these questions. Concluding that it is the most vulnerable who will be affected most by the closures, the committee says:

“RBS previously said that they would not shut the last branch in town; however, this was clearly a hollow promise.”

Nowhere was that promise more obviously hollow than on the Isle of Barra. I call on RBS to step in to save that branch and the other branches elsewhere that will be much missed by the communities around them. I ask it to do so in its own interests and to repair the confidence of the community in RBS and its banking service.

16:08

**Brian Whittle (South Scotland) (Con):** I welcome the opportunity to speak in today's debate, and I thank the Economy, Energy and Fair Work Committee for bringing it to the chamber. The issue is being considered here and at Westminster because it affects so many of our constituents, as we have heard today.

In the region that I represent, we have had recent closures in Girvan, Cumnock and Mauchline. If someone happens to be a resident of Girvan, they have to make a round trip to either Ayr or Stranraer to do their banking. Those are significant journeys for someone who has a car, but if they have to use public transport, they become problematic.

Much like the experience in Barra, in Maybole the ATM was threatened with closure. However, we managed to get that decision reversed, so it is possible to win small victories as we go forward.

Death, taxes and change are three inevitabilities in life—interestingly enough, they are all things that we tend not to be too keen on. Change is something that we are nearly always wary of. However, like most things in life, the way that we do business continues to evolve. We know that there has been a 42 per cent decline in bank usage in Scotland since 2014. More and more customers are banking online via an app on their phones, negating the need for many over-the-counter services. Against that backdrop, change is

inevitable. We expect our banks to be commercial, yet we also ask that they deliver public services. Sometimes, those two things get in the way of each other. As I said, change is inevitable, but have the banks got these changes right? It is obvious from today's debate that they have a lot of work to do on that.

In delivering change, it is important that we do not leave any section of our society behind. That is where this debate has been focused. Some of the solutions are already out there. There has been mobile banking for 70 years or more, so it is not a new concept.

The issues that I have encountered with mobile banking in the rural areas that I represent have been around timings, routes and access. We can change those things. I did not realise until recently that mobile banking can come to your home if need be. How many customers—especially those with specific needs, such as those who are frail or those with disabilities that make attending a normal bank or mobile bank difficult—know that? We MSPs can help to get that message out, as can MPs.

There are techXperts, business growth enablers, relationship managers and community bankers out there who, if asked, are perfectly prepared to deliver guidance on online banking—I got a techXpert to deliver a session at an Age Scotland meeting in Girvan. Do they solve everybody's issues? Of course not, but they go some way to help some people.

While we are holding the banks to account, we could perhaps do a little bit more. We are quite rightly arguing the case for our constituents and opposing closures, but we also have a responsibility to help to deliver solutions and to ensure that those solutions reach those who need them. Take post office banking, for example: we know that the majority of personal transactions are cash transactions, which are suitable for the post office model if the right training and delivery mechanisms are adhered to for the service. Without doubt, there is a disparity in the delivery of that service that needs to be addressed.

Where there is a definite need to push back is on the decline in the number of ATMs. We need access to cash and there has been a worrying decline in the number of free cash machines. It has been mentioned already that 1,300 ATMs in the UK have gone in a year—76 of those were in supposedly “protected” areas. That trend cannot be allowed to continue. Link committed to maintaining the geographical spread of ATMs so that rural communities did not lose access to cash. However, as we have heard today, that commitment is contrary to what is happening on the ground and Link needs to be held to account.

It is clear that the future of banking is changing. Banks and Governments share a responsibility to make sure that change comes in a way and at a pace that leaves no one behind. As MSPs, we have an ability to impact on that. As it stands, too many of the most vulnerable in society are falling through the cracks as banks rush to make closures and perhaps do not put as much time and money as they should into supporting customers for whom a branch is not just a convenience but a necessity. When I attended a committee fact-finding meeting in Dalmellington, which is one of the affected towns in the region that I represent, it was obvious that there is real concern that communities are being left behind and disadvantaged in relation to what is seen as a public service.

Should we expect the banks to continue to deliver the same service in the same way in perpetuity, especially in the face of the speed of technological change? That would be ridiculous. However, have the banks delivered change without disadvantaging sections of the community? Again, today's debate has highlighted that they have fallen well short in that regard.

Rather than continually just railing against the banks and all those changes, it is important that we ensure that solutions are delivered to those who need them. There are closures that should be resisted; where closures are reluctantly needed, we must ensure that no one is left behind. We need to hold the banks to account to ensure that they deliver real solutions and we need to help to disseminate that information so that no one is disadvantaged.

**The Deputy Presiding Officer:** I call Fulton MacGregor, who will be followed by Colin Beattie. I point out to members that Mr Beattie will be the last speaker in the open debate, so you have had your warning. That is not to you, Mr MacGregor: you are not warned.

16:15

**Fulton MacGregor (Coatbridge and Chryston) (SNP):** Thank you, Presiding Officer. I am grateful for that. I am also grateful for the opportunity to speak in the debate as a former member of the committee. I thank the committee clerks and members for all their work during my short time on it.

The Royal Bank of Scotland branch in Stepps in my constituency is one of the 62 that have been closed. It very much fell into the "last bank in town" category, and was also the last bank in town for neighbouring villages. It was the only bank within a couple of miles for people who live in Chryston, Muirhead, Moodiesburn and Auchinloch.

I am pleased that the RBS Coatbridge branch has not been closed, but my constituents in the northern corridor area now face having to travel not only out of their villages or out of the boundaries of the constituency, but out of their local authority area, because the closest bank for thousands of people who live in the north part of my constituency is in Kirkintilloch. I am sorry to say that that is just another example of the Tory Government attacking old industrial communities, which is perhaps made more relevant this week, in which we remember the 59th anniversary of the Auchengeich mining disaster in the aforementioned Moodiesburn.

It is right that we focus on the real impact on real people. Bank closures have had a massive impact on high street and mobile businesses. Self-employed businesspeople who take in cash have to travel even further to bank their takings. During the committee's evidence sessions, it was suggested that as much as 80 per cent of retail transactions are conducted with cash. What is the solution for such business owners?

For personal banking, many people of my generation will rarely set foot inside a branch. That is the justification that RBS gives for making closure decisions. However, we should not focus on the people who do not use branches: many older people still do most of their banking in a branch. What about the lady from Chryston whose 100th birthday party I attended the other day, or the many other elderly residents in that part of the country?

Let us also not forget that fraudsters routinely target older more vulnerable people. Only last Saturday, Monklands police issued a serious warning that fraudsters were contacting mainly elderly folk across the area and trying to scam them. Removing people's ability to go into a branch and speak to someone at the counter may give fraudsters the opportunity to succeed.

As various members have mentioned, the Royal Bank of Scotland is majority owned by the state. It was taxpayers' money that bailed out the bank when it faced collapse, but now the state does nothing but stand by and watch as the bank closes branches all over Scotland and the rest of the UK. RBS gave a commitment that it would never remove the last bank in town, but that was completely disregarded in the latest round of closures.

Of course, the cash machines went, as well. Stepps is left with only one cash machine, which I noticed the other day was out of order, so for a period of time there was no cash machine in the area.

I welcome RBS's move to put in place a community banker to help to fill the gaps and meet

needs, and I have to say that I have been impressed with the service. The community banker for Stepps and the surrounding areas, Lynsey Haggarty, has reached out to me and others and has been extremely flexible and responsive to suggestions and the needs of the community. For example, she has been open to having surgeries in areas where there is unmet need.

However, had there been fuller consultation—or, as others have pointed out, any consultation—the idea of a community banking service could have been put to the community at an earlier stage for scrutiny and consideration. Perhaps the banks would have found that if people had had a say on that, they could have worked with the bank.

In addition, I have had various discussions with the RBS and the community in Stepps about the impact of the closure, and I was pleased when, in response to my query, the bank suggested that it is open to gifting the now-derelict building to the community for the good of the village. However, as Keith Brown mentioned, that will happen only once other options have been exhausted. The committee talked about that issue at great length; it would certainly be a positive step if banks were to do that.

The issue is mainly a reserved matter. If the Tory Government will not do its duty and use its majority shareholding to order the reversal of the closures, the very least that can be done is that the buildings be made available to communities. I ask the Tories in the chamber today what they are doing for their communities. Time after time, when the UK Government fails to act in the interests of the people of Scotland, Tory MPs and MSPs from Scottish constituencies and regions fail to act or to stand up for their constituents.

**Rachael Hamilton:** I do not know whether Fulton MacGregor realises it, but in Ettrick, Roxburgh and Berwickshire, I held a series of public meetings to engage with people who faced closure of their banks. As a constituency MSP, I reached out. Did he do the same?

**Fulton MacGregor:** As I already said, I engaged with the community in Stepps about the bank closure. I am glad to hear that Rachael Hamilton did likewise. I would be interested to hear how her party colleagues in London responded to that intervention.

Each passing day gives us a clearer picture. As has always been the case, the people of Scotland simply do not matter to the Conservative Party. The Tory parliamentarians who have been elected in Scotland stand by and let their masters in London ride roughshod over our towns and villages—despite what an individual Conservative MSP might have done.

Since the closures were first announced, Scottish Government ministers have made clear their willingness to work with their UK counterparts to do what is right. The UK Government has continually ignored that—as tends to be the case, these days, on a number of issues. On behalf of my constituents, I make a final plea to the UK Government and its party's representatives who are here to act now and to work with the Scottish Government to help the communities that have been devastated by the closures, and to prevent any further ones.

16:21

**Colin Beattie (Midlothian North and Musselburgh) (SNP):** As a member of the Economy, Energy and Fair Work Committee, I am pleased to speak in the debate.

Research by the Federation of Small Businesses shows that bank branches are closing at a faster rate in Scotland than in any other UK nation. As a result, one business in two has experienced a bank closure. Evidence that the committee took suggests that bank closures directly impact on the health of the local economy and the establishment and growth of local businesses.

Banks have not been particularly honest in their engagement on the subject. For example, RBS stated that it would never close the last bank in town, but that is exactly what it has done. Figures from 2016 suggest that that has happened 165 times in Scotland and the north of England. It has happened in communities including Kilmacolm, Gourrock, Prestonpans and, more locally, Newtongrange and Pathhead in my constituency.

Earlier this year, RBS closed its branch in Bonnyrigg in my constituency. The inconvenience to local businesses and personal customers, many of whom are vulnerable and elderly, was considerable. Bank closures continue the pernicious hollowing out of our communities, as libraries and other local facilities that formed the heart of communities are closed or run down. It is increasingly important to retain the bank branches, which are important to our communities' health and wealth. Branch closures are not just an inconvenience; they are an attack on the sustainability of our smaller towns and villages.

When the announcement about Bonnyrigg was made, I met representatives from RBS to express my concern and disappointment that the decision to close the branch had been taken with little real consultation. RBS took the view that more and more customers banking online and by phone, overall branch use having reduced by 44 per cent since 2012, and there being about 29 million log-ons to the mobile app every month, were

justification for saying that such a large branch network was hard to support. In the Bonnyrigg branch, transactions had dropped by 20 per cent since 2012, and 80 per cent of customers used alternative access to banking.

RBS assured me that it was contacting vulnerable customers and explaining their options to them. A fine story was told of how RBS was providing experts to train people to use online or other digital means of accessing their accounts. Business clients were also contacted to have explained to them the most appropriate ways for their business support to continue. By the time RBS had described to me the wonderful support and services that would be available to its customers after the branch closure, I wondered why any branches were being kept open, so perfect were the arrangements that were being put in place.

Unfortunately, the reality was that service and support would be significantly reduced, especially after the initial period following the closure. Customers were directed to the local post office, where long-term arrangements had been made to accommodate business and personal customers. However, a post office simply does not have the capacity or the will to replace a bank. To be frank, post offices and banks are different businesses. A post office can handle basic transactions in low volumes and within tight parameters.

Bonnyrigg is one of the largest towns in my constituency and contains a large number of small businesses whose turnover is mostly in cash. They need to be able to bank those takings, but without a local bank or adequate arrangements through the post office, the businessman needs to take time out of his day to travel to the nearest bank branch, or instead pay for the money to be uplifted.

I understand the pure business logic for why RBS decided to close the branch, given the reduction in customer footfall and the rise of electronic banking. However, I took the opportunity to point out that banks need to look at a much wider picture than that of short-term profit enhancement. They also have a social responsibility to the local community and to the development of the environment in which we live and work. Banks should be part of that. If they fail to be so, alternative structures will gradually come into being that will result in banks' isolation and exclusion from the communities in which they previously played such an important role. That cannot be conducive to the banks' long-term viability. Banks must be relevant or they will cease to be part of our communities and may well be overtaken and vanish.

RBS made much of arrangements with the local post office to allow personal customers to

withdraw and deposit cash, to deposit cheques and to allow business customers to register to obtain coinage and to deposit cash. However, earlier this month, only a few months after RBS closed its doors, it was announced that the Bonnyrigg post office would be closing at the end of the month. Although another location for the post office is being sought in the town, progress is slow. RBS, which has supposedly been putting in place alternative banking arrangements, has presented residents with considerable inconvenience because they will have to use branches that are located some distance away. For elderly and disabled people, that will prove to be difficult.

Although there has been scrutiny of the impact of bank closures on businesses and the wider community, the impact that closures have on the ATM network has received less attention. That is despite the fact that many ATMs in Scotland are located in or near bank branches and have been cited by banks as the replacement for lost branches. ATMs have the potential to offset some of the problems that are created by bank closures.

Access to banking and financial inclusion are two basic requirements of any functioning economy, and should be recognised by all who seek to sell products and services to small businesses. Typically, small-business banking services involve managing cash flow and checking account balances, but they might also include more complicated issues such as applications for business loans. Without a local branch to visit to discuss options, businesses are left with very few ways of accessing guidance and advice.

Finally, with services across Scotland being cut and town centres such as Bonnyrigg's losing out on vital bank and post office services, we must ask how people are supposed to go about their daily lives without access to money. Although I recognise that people have debit and credit cards, and can even use a contactless payment method if their purchase is under £30, many vulnerable people do not feel safe using those methods and prefer to have access to money in their purse or wallet. Local businesses rely on support from bank branches, so when a branch closes, the impact on those businesses could be detrimental to their future.

Banks need to revisit their assumptions and engage with that bigger picture, and the Scottish Government must have a role in that engagement.

**The Deputy Presiding Officer:** I can give all the closing speakers an extra minute. I know that they will have no difficulty using it.

16:27

**Lewis Macdonald (North East Scotland) (Lab):** Today's debate has reminded us, once again, of the gulf between what communities expect from their high street banks and what those banks think that they are obliged to deliver.

As has been said, banking is a public service that is provided by private businesses. However, of course, that does not tell the whole story. Rarely has any sector of private business owed its very survival to such a large scale of public intervention. Although closing local branches might represent a different scale of impact from the casino banking that brought the global economy so close to catastrophe a decade ago, the sweeping closures that we have seen in Scotland and across the UK in recent years suggest that bank executives still pay scant regard to the communities that provide their profits and whose need for financial services they are supposed to meet.

In my region, we have seen round after round of closures, most recently, but not exclusively, on the part of the Royal Bank of Scotland. The list of RBS closures reads like a travel guide to the north-east: Banff, Turriff, Huntly, Ellon and Montrose this year; Westhill, Banchory and Stonehaven last year; and, as Mike Rumbles reminded us, Alford and other places before that. In Aberdeen city, suburban communities such as Dyce and Bridge of Don have also lost their local branch and, of course, many local jobs have gone as a result.

Earlier this year, I joined members of the bank workers union, Unite, in a protest against the closure of the Bridge of Don branch, and the wider closure programme. Sadly, as we have heard, the best efforts of staff, trade unions, customers and parliamentary committees have so far failed to halt the industry's drive to withdraw from most of Scotland's high streets.

It is true, as the banking industry is keen to tell us, that not everyone values their local branch. Many customers choose to do their financial transactions online or through their mobile phone. Having those choices online is certainly beneficial from the point of view of the banks. However, the key word is "choices". Closing branches denies choice to customers who prefer to bank in person in their local community.

As we have heard, the customers who are least interested in online or mobile banking and who choose to use their local bank are often older people and more vulnerable people. In Scotland, 20 per cent of people are not online at home, and it is those people who have the most to lose from the closure programme. As Age Scotland has pointed out, it is often people who are socially isolated in other ways for whom doing business in

person at their local bank, post office or shop is important not only in itself but to keep them in touch with their local community. It gets them out of the house so that they can have the social engagement that is vital for their health and wellbeing.

We have heard a number of speeches about the importance of local bank facilities to local businesses. The ability to deposit takings and access cash is vital to the day-to-day running of many small firms. Some small businesses are very comfortable and happy to do much of their work online, but many are not and many do not have that choice given the nature of the business. What matters is that businesses should have a choice about where to do their banking and be able to do what suits them best.

Instead, the banks have taken a blanket approach. There is evidence in the committee's report—there has been some reference to this in the debate—that banks want to speed up the shift from face-to-face banking to online transactions. It is as if they want to make online transactions the standard or, indeed, the only way of accessing cash and services, rather than it being one of several options that are open to their customers. Too many rural areas in particular have had those choices taken away.

This debate is about access for individual customers, particularly older and more vulnerable people. It is about access for businesses, particularly local small firms that rely on cash transactions with local customers. It is also about the health and wellbeing of local communities.

There still seems to be little willingness on the part of the banking industry to accept collective responsibility for ensuring continued access to face-to-face banking for those who choose that service in local communities. That needs to change. Banks compete with each other, as well as with alternative providers of financial services. Therefore, it might seem counterintuitive for them to co-operate to provide all their customers with choice about how they access banking services, but that is what needs to happen.

Among several good recommendations that are made in the report, I highlight the one that calls on the Scottish Government to "call a summit" to get banks to work together to provide access to shared services through, for example, a shared banking hub in a community. I hope that ministers will agree to do that.

**John Mason:** I welcome the member's emphasis on the banks working together. Does he agree that the Link system, in which the banks work together and which allows a person to get their cash out of almost any machine, shows that the banks can work together if it suits them?



**Lewis Macdonald:** John Mason is absolutely right. The Link system is a critical way in which banks combine to provide a service. There is, of course, a commercial aspect to that system, and there has been serious concern about that in the recent past. However, the point about putting pressure on the Link system to maintain access to cash machines is one that can be replicated for banks and branches.

Why not have banks working together? If a community—whether it is Castlebay in Barra or Alford in Aberdeenshire—can have access to the services of several different banks through a hub that is operated by one of them, that is clearly a better solution for everyone than getting to a position in which bank after bank is closing. As Colin Smyth said, in a very short time a village or town can go from having three bank branches to having none. Action can be taken in that area.

We have heard about strengthening the access standards, which we support, and about improving the delivery of banking services by post offices, credit unions and mobile banking vans. That would be welcome in so far as it can be done. However, Scottish ministers can engage banks in the delivery of shared services without waiting for action elsewhere, and I hope that such engagement will now follow.

A year ago, Paul Wheelhouse reported to Parliament that there was “recognition” among members of the Government’s Financial Services Advisory Board

“that consideration of the impact of closures was now necessary”.—[*Written Answers*, 27 September 2017; S5W-11029.]

Banks need to act on that recognition. If they do not, the case for changing the law will only get stronger. If the only way to protect choice for customers is to put new legal obligations on banks in relation to public access in communities, that is what should happen.

As my colleagues said, a good start would be to require banks to consult communities and businesses before, rather than after, deciding whether to close a branch. That change should be required by law, which would build on the committee’s report.

16:35

**Jamie Halcro Johnston (Highlands and Islands) (Con):** I apologise to the minister and to my colleague Dean Lockhart for leaving the chamber briefly during their speeches.

I join previous speakers in expressing my gratitude to my fellow committee members, as well as the clerking team, for all their support during our inquiry. I thank the organisations that came to

the Parliament to give evidence and the organisations and individuals who submitted written evidence to support the committee’s work.

The speeches have told us much about the local impact of national decisions to close banks. The communities that are most affected by branch closures are often those in remote and rural areas, of which there are many in my region—the Highlands and Islands. It was significant that the committee looked not just at the most recent round of bank closures but at the longer-term decline in branch numbers and other services as a backdrop to the changes.

It was important that the inquiry provided a Scotland-wide picture and addressed how communities interact with banking services. The social impact of closures and the effects of financial exclusion among certain groups were—rightly—a major consideration of the committee’s work. Online and telephone banking has made banking more accessible for some, but it is equally true that the move away from face-to-face banking services has created barriers for others.

We explored the impact on business and the effect not only on different sectors and on businesses of different sizes but on businesses that are located in different geographical areas. Connectivity is still a challenge in many parts of my region, so many of the most obvious electronic solutions are untenable. I underline our significant conclusion that Highlands and Islands Enterprise and Scottish Enterprise, as well as the banks, need to work with businesses. Equally, we heard evidence from community and voluntary groups, such as Moray Coast U3A, in my region, which spoke of the challenges for voluntary organisations that do not have easy access to a local branch of regularly changing signatories on accounts and other administrative tasks.

As the inquiry progressed, we heard from a number of banks about the work that they are undertaking to create modern banking services. Much of that is praiseworthy—from facilities for paying in cheques electronically to cash uplift services, it is clear that a considerable amount has been done in recent years to improve access. However, it is worth noting that, despite those measures, the committee heard a range of concerns, which our report recognised. There is a clear trade-off—as electronic banking has become more accessible, footfall in branches has declined.

The report addressed a number of areas for development. We were candid about the need for additional information to build a comprehensive picture of the impact of closures across Scotland and the UK more widely. That should cover what provision can be made for access, and the role of Scotland’s two Governments in supporting solutions to the problems that we heard about.

Our remit did not include the perhaps difficult task of exploring the future of banking in this country. Technological progress has raised a number of concerns, and we have yet to hear serious discussion about, for example, the wider opportunities and problems that an increasingly cashless society creates.

There have been a number of positive and insightful contributions from around the chamber today. In speaking on the committee's behalf, our convener—my colleague—Gordon Lindhurst summarised our inquiry's findings well and set out a number of the recommendations that we made for steps forward. I hope that the minister welcomes those recommendations and that there will be an opportunity to make progress on them.

Dean Lockhart discussed the related issue of ATMs. The committee recognised that those devices, and particularly free-to-use ATMs, are an important means of accessing cash in many areas across Scotland and in my region—the Highlands and Islands. As a committee, we recognised the current controversy about charging by the Link network, and we heard some evidence on that. Members will know that similar issues were explored by the Scottish Affairs Committee at the UK Parliament through a dedicated ATM network inquiry earlier this year. We also considered the limitations of ATMs, which, as Link explained, are targeted at individuals rather than at businesses.

Edward Mountain rightly talked about the impact on our region, the Highlands and Islands, and highlighted that banks should have consulted before deciding on closures. Stuart McMillan and others mentioned that as well.

We also heard about the issues of accessibility for some of our disabled constituents. Rachael Hamilton spoke about the lack of consultation and commented further on ATM closures, which is a particularly pertinent issue in places such as the Borders. She also spoke about access via the mobile banking vans that have become such a common feature of many rural communities, and about their drawbacks.

The Post Office's capacity to provide a full alternative for face-to-face banking services was mentioned, which is something that the committee considered and heard a range of views on.

Brian Whittle spoke about the need to help those who are most affected by bank closures to access the new services that are available, which might help to mitigate some of the closures.

The minister talked about the strength of feeling and the impact on rural communities. As a Highland MSP, she will know as well as the rest of us who live in rural and remote communities how much of an effect there can be.

Jackie Baillie talked about her disappointment with her bank, and I am sure that she was echoing the opinions of hundreds of thousands of people across Scotland—and many of us—who have been left with a bank further away than they started with. We also learned that Colin Smyth does not buy a round, and that was later confirmed by him.

**Colin Smyth:** That is Jackie Baillie. *[Laughter.]*

**Jamie Halcro Johnston:** They can fight it out between themselves.

Mike Rumbles talked about his experiences, and Colin Smyth also highlighted the issues of both digital and physical connectivity and how important they are. Alasdair Allan talked about the difficulties with access to banking in island communities. Again, I am aware of that issue, which is extremely important.

Overall, the debate has been constructive and has highlighted a number of the issues that the committee raised in its report. I again thank my fellow committee members—those who are still on the committee and those who have moved on to other responsibilities—and the clerking team for its excellent work during the inquiry. I hope that the positives that have come up in the committee can be taken forward and acted on.

16:42

**Kate Forbes:** Again, I start by commending the committee's work on raising the issue of bank branch closures, which has been supported by many members in the chamber today. I welcome the constructive nature of the committee's report, which looks at the problem and at suggested solutions to it.

It is critical that we continue to speak up for our constituents and communities, who can feel powerless in the wake of bank closures. Although banking remains a reserved matter, the Scottish Government has a responsibility to ensure that the voices of customers, small businesses and communities are heard at the highest level. That is a responsibility that we have taken seriously over the past few months—in particular, in the wake of the especially damaging RBS branch closures.

I will pick up on a few of the themes that we have heard today. The first point is that it is vulnerable people who are hardest hit by branch closures. Gillian Martin talked about the human cost and the importance of social inclusion when it comes to looking at branch closures, and Jackie Baillie highlighted the loyalty of customers who are taken for granted by banks because we are not likely to switch banks.

Older and more vulnerable people are particularly hit by branch closures, but it is not only

those people who are affected. Also hit are the retail sector, which is still highly dependent on cash, and ordinary people, who suffer the loss and feel that banks are not accountable for the actions that they take.

Rachael Hamilton talked about the importance of banks ensuring that there are alternatives before they close branches, and she spoke about RBS having taken “a gamble” on post offices. She also highlighted the powerful story of a gentleman in Eyemouth who was caught out while waiting for a mobile branch in particularly awful weather. There is a question about the dignity of customers who are dependent on mobile branches and face-to-face contact.

Fulton MacGregor talked about the lady from Chryston who celebrated reaching 100 years; I saw the picture on Twitter. Such people feel that they are being left behind. When it comes to branch closures, it is important that we talk not only about profits, but about the social needs of customers who feel abandoned.

The second theme is rural areas. I can certainly empathise with what has been said on that because, as a Highlands MSP, I have seen branches being closed in Mallaig, Beaulay, Kyle and Aviemore in my constituency. In some cases—I refer to Beaulay, in particular—the bank was the last in town. That branch is one of the 10 branches that will potentially be reprieved, but that remains to be seen, after the outcome of the independent review.

There are significant distances to travel in rural areas. The average of 40 minutes of travel to a bank in rural areas was mentioned. However, that is an average. For some, the travel can take hours. As Alasdair Allan said, it can take an entire day to get to South Uist and back, depending on the ferries. If people take most of a day to get to their nearest branch, that has obvious implications for work and business, and for education and training opportunities.

The third theme is cash, which is still essential in many sectors and many parts of the country. Dean Lockhart emphasised the importance of the network of ATMs and cash in our society. The committee identified access to cash and the ability to deposit it as a key issue, especially for small businesses. It is clear that there will be a continual long-term need for access to cash and banking services in Scotland.

The Scottish Government has raised issues relating to ATM coverage with Link and the Payment Systems Regulator, and will continue to do so. As Link's changes to the network take effect, the impact on the network will become apparent. The PSR has announced that it will take regulatory action that requires Link to set out

explicitly how it will maintain the broad geographic spread of free-to-use ATMs across the UK. That is vital.

Keith Brown mentioned the promise that was made about RBS not leaving if it was the last bank in town: I highlighted in my constituency example that that has not happened. As Colin Smyth highlighted, there are cash deserts in which people have no cash access, and they are caught out. There was an amusing story about being caught out with only a card, but things can be far more serious when a person is trying to pay for more than just a coffee, or when businesses find themselves without cash and need it. As the FSB has highlighted, the situation is especially difficult in areas that have lower-than-average broadband speeds. If the choice is to pay by broadband a person who does not have access, or by cash, a greater number of people and businesses will end up becoming financially excluded.

Collaboration is key—in particular, that which was highlighted in the discussion between Lewis Macdonald and John Mason. There are other examples of banks working together. There is no reason, albeit that there are commercial sensitivities, why they cannot work together better on other initiatives, whether those are hub or open banking initiatives, or on ensuring that customers ultimately have access.

**Mike Rumbles:** I have a genuine question. I have heard from some banks that they cannot implement the hub idea because of regulatory restrictions. We know that the matter is reserved to the UK Government, but is that true? Could banks voluntarily engage in hubs in communities? I would genuinely like to know the answer to that question.

**Kate Forbes:** I will answer that question in the spirit in which it was asked. To make any of those collaboration initiatives work, regulators have to be involved. There needs to be a conversation between the banks and between the Government and the banks, and the regulator must be involved. Regulation also needs to be updated to recognise customers' changing needs.

There are models that work, including the Link system and open banking. When it comes to the hub system, the regulator will need to consider what does and does not work. However, that does not mean that we throw out the whole concept of banks sharing in an effort to meet customers' needs.

It is not just in rural areas that people have to travel further to a bank—Colin Beattie gave the example of Bonnyrigg. That is a big disadvantage, particularly when people are dependent on public transport.

There has been a lot of comment on what real consultation looks like, which is a question that Stuart McMillan asked. Joan McAlpine talked about it being “too little, too late” to have discussions once communities have taken the brunt of a closure. Communication from the banks must be effective not only with the communities but with their representatives, because they often have to answer, at surgeries, constituents’ deep concerns about the future of banking provision.

I think that there is consensus across the chamber about the need for face-to-face banking services, and for access to cash to remain in place. Customers deserve choice, so solutions for all customers are needed.

**The Presiding Officer (Ken Macintosh):** I ask John Mason to wind up on behalf of the committee.

16:51

**John Mason (Glasgow Shettleston) (SNP):** I assume that I have until 5 o’clock, Presiding Officer.

**The Presiding Officer:** Yes.

**John Mason:** I close the debate on behalf of the Economy, Energy and Fair Work Committee. I congratulate Colin Smyth and Brian Whittle, who both got that title right. I think that other people were perhaps confused by the fact that although the report is from the Economy, Jobs and Fair Work Committee, the committee now has a new name.

I thank everyone who has contributed to the debate—there have been 19 speeches from 18 speakers. It is encouraging that Parliament is as interested in looking at the topic of bank closures as the committee is.

I will touch on the key issues as I see them, and, I hope, as the committee sees them. If I have time, I will talk about individual contributions.

As others have said, online and phone banking are all very well, but cash is still needed. That point is stressed in paragraph 19 of the committee’s report. Banks are there to serve the public and not just to drive change. Banks are not an optional extra, like a sweetie shop or the bookies. They are a public service, as others have mentioned, including Brian Whittle. There is a tension because banks are private businesses but, as others have said, they would not exist if the public sector had not bailed them out.

A theme of the debate has been the lack of consultation with customers, which was mentioned by Kate Forbes, Edward Mountain, Gillian Martin and Stuart McMillan. Others mentioned that

theme, too, but I had stopped writing down their names by that point.

I remain unconvinced that consultation could not happen, and I think that that is true of the committee. Consultation before a final decision is taken happens in other sectors; it could happen here, because a public service is being provided, even though it is being run by the private sector.

When it comes to using post offices as an alternative, I am positive. Paragraphs 23 to 26 of the report look at that. I consider that post offices are one of the best options, given that we cannot recreate the bank network that we had in the past.

I was interested in the Post Office’s response, which accepts that awareness is lacking—only 40 per cent of the public realise that they can use it for banking services. I think that the committee did not realise how much could be done at a post office either. There definitely has to be an increase in awareness and I welcome the Post Office’s commitment to an awareness-raising campaign, which I think starts on 1 October.

I was in one of the groups that went out to visit Leven, along with Colin Beattie. We were shown a letter—I believe that it was from the Royal Bank of Scotland, which was closing its branch in that town. It suggested only other Royal Bank of Scotland branches as alternatives. Other members have mentioned how far away those branches are. As far as I could see, the post office was not mentioned in the letter. Something is clearly far wrong if we are hoping that post offices are the way forward and the banks will not even tell their own customers that using them is an option. The bank expects them to travel 20 miles, or for an hour—whatever it might be—to get to another branch of that bank.

I was encouraged by parts of the Post Office response, especially the comments on awareness raising. However, I was less happy about what the Post Office said about security in its letter to the committee convener—I am not sure whether all members have seen that. I, for one, am less comfortable using a post office to carry out banking services where I have to use a till in an open-plan supermarket. In some places there is still a separate area where people can do their post office and banking transactions—I was at one such post office in Portsmouth in the summer—and I think that a lot of people are comfortable with that set-up.

However, in its letter, the Post Office criticised the committee for even raising the issue. It said:

“Making this claim publicly is an open invitation to the criminal world and threatens the safety of our staff and customers”.

What a ridiculous response from what is meant to be a national organisation. There is real concern on the part of many people.

Local post office owners in my constituency have talked about the tensions that they experience with the Post Office as a whole. I think that Lewis Macdonald talked about the different rates that are paid and how little money makes its way to the postmaster or postmistress—if that is the correct term. Rachael Hamilton and Colin Smyth spent quite a lot of time talking about post offices, and I had a bit of an interchange with Rachael Hamilton on that.

The only bank that contacted me in the summer after the report was published was Lloyds Bank of Scotland. I met the bank, which stressed that businesses have the option of having their money collected by the bank's collection service. That is an option to which the committee did not give much consideration. However, some businesses do not think that it is an option.

The response from HM Treasury was also a mixture of positive and negative. On the positive side were the comments about the Payment Systems Regulator in relation to Link. As members said, some reductions in service and charges will not happen, which shows that the UK Government can have an impact on the banking sector.

More negative, on the access to banking standard, the Treasury said that the Government

“considers the scheme to be working effectively at present.”

I think that the committee was pretty well unanimous in saying that the access to banking standard is not working effectively and needs to be put on a statutory basis.

We are concerned about losing ATMs, as members said, but, on a more positive note, the Link system is an example of the banks working together, as I said in my intervention during Lewis Macdonald's speech. It shows that that can happen, so community hubs or joint branches are a possibility. It is very positive that we can all get money out of almost any machine.

In passing, I will mention my constituency. The RBS branch in Shettleston was very busy. I used it often, and there was often a queue—Jackie Baillie talked about the queues in her branch. However, RBS announced that the Shettleston branch would close. I was so incensed that I did something that I do not think that I have ever done before: I worked with the local Labour Party. Specifically, I worked with Margaret Curran and Frank McAveety on a joint campaign, which was led by a community council. We did not have a lot of success.

I do not have time to mention every member who spoke in the debate. The committee's convener, Gordon Lindhurst, made a lot of good

points. I have been wondering how to respond to his biblical reference to Jesus turning over the tables of the money-changers. Perhaps Gordon Lindhurst and I could go on a tour of Edinburgh tomorrow and turn over a few tables.

Kate Forbes made the interesting point that digital progress should make things more inclusive, and other members said that there should be more choice, rather than less. I agree with that.

Mike Rumbles suggested that a Scottish Parliament committee and a Westminster committee should do a joint inquiry. I am not sure whether that has happened. I am certainly open to the idea of it, although it has some practical problems and challenges. There is also the problem that we have would have to get the Westminster folk not to look down on us but to treat us as equals. Having been there, I have to say that I think that members of the UK Parliament have a lot more time on their hands than members of the Scottish Parliament have.

In conclusion, I am delighted that our inquiry has generated this level of interest. I again thank the witnesses, the speakers and everyone who has taken part. I think that I can say on behalf of the committee that we will not forget about this topic. We will be keeping an eye on how things develop, and we may be back to challenge the different players in due course.

## Business Motion

17:00

**The Presiding Officer (Ken Macintosh):** The next item of business is consideration of business motion S5M-13984, in the name of Graeme Dey, on behalf of the Parliamentary Bureau, setting out a revised business programme for Thursday.

*Motion moved,*

That the Parliament agrees to the following revision to the programme of business for Thursday 20 September 2018—

delete

2.30 pm                Scottish Government Debate: Violence Reduction in Scotland – progress and future priorities

and insert

2.30 pm                Ministerial Statement: NHS Tayside Board

*followed by*                Scottish Government Debate: Violence Reduction in Scotland – progress and future priorities—[*Graeme Dey.*]

*Motion agreed to.*

## Parliamentary Bureau Motion

17:01

**The Presiding Officer (Ken Macintosh):** The next item of business is consideration of motion S5M-13973, in the name of Graeme Dey, on behalf of the Parliamentary Bureau, on the approval of a Scottish statutory instrument.

*Motion moved,*

That the Parliament agrees that the Regulation of Social Housing (Influence of Local Authorities) (Scotland) Regulations 2018 [draft] be approved.—[*Graeme Dey.*]

## Decision Time

17:01

**The Presiding Officer (Ken Macintosh):** The first question is, that motion S5M-13912, in the name of Gordon Lindhurst, on “Bank closures: impact on local businesses, consumers and the Scottish economy”, be agreed to.

*Motion agreed to,*

That the Parliament notes the conclusions and recommendations contained in the Economy, Jobs and Fair Work Committee’s 6th Report, 2018 (Session 5), *Bank closures: impact on local businesses, consumers and the Scottish economy* (SP Paper 368).

**The Presiding Officer:** The final question is, that motion S5M-13973, in the name of Graeme Dey, on behalf of the Parliamentary Bureau, on the approval of a Scottish statutory instrument, be agreed to.

*Motion agreed to,*

That the Parliament agrees that the Regulation of Social Housing (Influence of Local Authorities) (Scotland) Regulations 2018 [draft] be approved.

## United Nations International Day of Peace 2018

**The Deputy Presiding Officer (Christine Grahame):** The final item of business is a members’ business debate on motion S5M-13646, in the name of Bill Kidd, on United Nations international day of peace 2018. The debate will be concluded without any question being put.

*Motion debated,*

That the Parliament recognises the UN International Day of Peace on 21 September 2018; highlights the work of the International Voluntary Service in promoting Peace Day 2018 in Scotland; acknowledges the UN understanding of peace to be structural, rather than just the absence of violence; notes that this understanding aligns with the UN Global Goals agenda, specifically Goal 16 of Peace, Justice and Strong Institutions, and further notes this year’s International Peace Day theme of “The Right to Peace”, which serves to celebrate the 70th anniversary of the Declaration of Human Rights.

17:02

**Bill Kidd (Glasgow Anniesland) (SNP):** First of all, I thank all my colleagues who have stayed in the chamber, particularly those who signed and supported the motion that I now bring to debate. The motion recognises international day of peace 2018, which is celebrated on 21 September every year. This year, it falls on Friday of this week.

I welcome to the chamber members of the International Voluntary Service, who are working to raise the profile of this day in Scotland. Such promotion contributed to the debate taking place. On top of that, I thank and welcome to the chamber members of organisations that are part of the cross-party group on nuclear disarmament.

As we recognise this auspicious day, I would like to use the debate to explain what international peace looks like in practice, and why, as politicians, we have the capacity, mechanisms and responsibility to promote the UN international day of peace.

What does international peace actually look like? Does it mean no wars and no conflict? Ideally, yes it does. However, peace is a more useful concept when we use it as a goal for something complex and difficult, but not impossible to achieve. In international relations, the most prominent understanding of peace, seminally proposed by Johan Galtung in 1969, explained that peace relies on our capacity to create peace or, alternatively, our capacity to stop violence. Terming peace in that way stops it being an unattainable thing and makes it a real and tangible goal, towards which we can make a solid contribution.

Peace is the absence of violence. These days, we are lucky enough to live in times of peace in Scotland, but the normal experience of Scottish people nowadays is very different from what people had to live through and die for during large parts of the 20th century. Most notable is the sacrifice that was made by so many during world war one and world war two. Global peace day is an opportunity to recognise the contribution of all those who fought to provide peace for their children and grandchildren. As a result of their heavy and moving sacrifice, we can live in peace today.

The creation of a peaceful society for us to live in also allows us to consider a second layer to peace—a type of peace that involves the reduction of structural violence, or social inequality as it is better known these days. The United Nations global goals are one of the biggest movements towards reducing social inequality on an international scale. The goals provide action points for countries to tackle worldwide issues such as hunger and poverty, and give direction on how to promote quality education, renewable energy, innovation, infrastructure, climate change action, justice and human rights.

That routes back to the key point about our ability to reduce inequality. Structural violence or inequality, which the global goals work against, happens when a person's wellbeing, whether mental or physical, is reduced below what it could and should reasonably be. Before the existence of institutions such as the United Nations, it would have been difficult to make an international effort to reduce hunger, but now we have a greater ability to do so.

I have a good example that explains the capacity to reduce violence or social inequality. If someone in the Victorian era had an illness such as cholera, they would have died from dehydration because, at the time, the medical profession did not know what cholera was or how to remedy it. Doctors did not have the knowledge or the ability to help such a person. However, if someone today were to lose their life to an easily preventable or remedied illness such as cholera, we could say that violence had been committed on that person.

If we have the capacity to reduce inequality, we must strive to find ways to do so. That could involve providing a fair distribution of medical supplies and access to doctors—the national health service is a fantastic example of that. If we have the ability to actively promote peace and the capacity to make a change, we have the responsibility to do so. As parliamentarians, we are privileged to be in a position to effect legislation that works towards peace. Whether by voting on the Climate Change (Emissions Reduction Targets) (Scotland) Bill to improve

climate justice or by voting to enact the Child Poverty (Scotland) Act 2017, we have the ability to be ambitious in promoting peace.

As I mentioned, the United Nations increases our ability to promote peace, as it provides the opportunity for collaboration. In 2001, the General Assembly of the United Nations voted to mark the international day of peace as a day of non-violence and ceasefire. Since coming into being, the day has allowed the delivery of aid to vulnerable groups in conflict zones. An incredible example of that is how the organisation Peace One Day has worked with UNICEF and the World Health Organization for the immunisation of 1.4 million children against polio in insecure southern and eastern regions of Afghanistan. Since 2007, the Taliban has put down arms recurrently as part of the global peace day ceasefire to allow safe passage for aid workers.

It is clear that, in many cases, we have the ability to make a difference. For me personally, that means working towards nuclear disarmament. I want weapons that indiscriminately kill hundreds of thousands of innocent people to be abolished.

I make a plea to people who are undecided about nuclear weapons: please use this peace day to look at the work of the International Campaign to Abolish Nuclear Weapons, Parliamentarians for Nuclear Non-proliferation and Disarmament or the Scottish Campaign for Nuclear Disarmament for further explanation of the humanitarian impact of such weapons. The atomic bombings of Hiroshima and Nagasaki had survivors, but they were not physically recognisable to their loved ones. That cannot be allowed to happen again.

As many members know, ICAN won the Nobel peace prize last year for its work in bringing about the United Nations' Treaty on the Prohibition of Nuclear Weapons. The next major step for nuclear disarmament will be the UN high-level conference, which I will attend. There, we will count out \$1 trillion, which is the amount of money that is wasted on nuclear weapons every year around the world.

Whether in this matter of importance or another, when members can promote peace, I implore them to do so. It can be complex or difficult, but it is not impossible.

17:10

**Linda Fabiani (East Kilbride) (SNP):** I thank Bill Kidd for his persistence in regularly bringing these issues to the Parliament. I want to contribute today mainly to celebrate the volunteers who, worldwide, do so much fantastic work in the name of peace. Bill Kidd gave an outline of some of that work.



Many people look at the UN's declarations and at the different UN days that are held and think that they are not important, but they are truly important. They bring many people together and put the issues at the forefront. The declarations, including the global goals and the declarations that Bill Kidd talked about, that are made by the UN—by nations coming together—tie together to create a big picture with citizens coming together to say, “This is not right—we have to work to make our world a better place”.

Fifty years after the Universal Declaration of Human Rights, the UN made its declaration on human rights defenders. That is another very important declaration. Human rights defenders are volunteers who go out to defend the human rights workers who ensure that structural peace is maintained.

I should probably declare an interest, in that I have been a member of Peace Brigades International for many years. At the moment, I am not able to help with its work to the degree that others can, but I hope that some day I might be able to help more. I thank the members who supported the motion that I lodged about Peace Brigades International, which does fantastic work in seven countries currently: Colombia, Guatemala, Honduras, Kenya, Indonesia, Mexico and Nepal. Those are countries that experience violent conflict and, as Bill Kidd outlined in his motion and as we know from the work that he does, conflict can be within as well as between nations, and it can be about internal oppression as well as external aggression. The philosophy of Peace Brigades International is that

“lasting transformation of conflicts cannot come from outside, but must be based on the capacity and desires of local people.”

The volunteers who promote peace—whether they are from the International Voluntary Service, of which there are many strands, or organisations that do very specific work, such as Peace Brigades International—show on the ground that there is a different way that can be useful. The work of trained volunteers for Peace Brigades International involves physical accompaniment, capacity development workshops, advocacy tours and raising concerns for human rights defenders, which is another way that people who work in the field come together. All those organisations that come together truly believe in peace and in promoting peace. The responsibility of those of us who are fortunate enough to live in a peaceful society is to try to spread peace to others.

I could go on about this for a long time, Presiding Officer, but I am looking at the clock. I thank the International Voluntary Service for promoting peace day 2018 here in Scotland, and I thank those who do more than just pay money to

Peace Brigades International and who go out to do the hard work on the ground. I urge those who do not know an awful lot about those organisations to look into them more deeply.

17:14

**Alexander Stewart (Mid Scotland and Fife) (Con):** I am delighted to take part today and I congratulate and commend Bill Kidd on securing the debate.

Each year, the international day of peace is observed around the world on 21 September, as we have heard. The UN General Assembly has declared that this day is devoted to strengthening the ideas of peace, within and among the nations and their peoples. Giving peace a chance—that is what we need to do.

Back in 2015, the United Nations member states adopted the ideas of 17 sustainable development goals, because they understood that it would not be possible to build a peaceful world without taking steps to achieve economic and social development for everyone to ensure that their rights were protected—that is vital. The goals cover a broad range of ideas including poverty, hunger, health, education, climate change, gender equality, water, energy, environment and social justice. Each and every one of them plays a part to ensure that we can achieve the goals that are set. The goals are the blueprint to achieve a better and more sustainable future for us all and a peaceful future. They address the global challenges that we all face, including those that are related to inequality, climate, the environment, justice and peace. We all have responsibility for them, and they should be achieved by 2030.

The theme for the international day of peace in 2018 is “The Right to Peace—the Universal Declaration of Human Rights at 70”. We thank all those who have played a part. We have heard about world war one, and we will also commemorate anniversaries including those for world war two. Individuals gave of their time, their talent and their lives to secure peace for all of us, and it is vital that we remember them.

The theme celebrates human rights. The idea that we should ensure human rights was a milestone. The Universal Declaration of Human Rights was drafted by representatives with different legal and cultural backgrounds from all regions of the world and was vital. Back on 10 December 1948, a common standard was achieved for peoples of all nations. The universal declaration is the most translated document in the world; it is available in more than 500 languages and is as relevant today as it was on the day that it was adopted.

The declaration states in article 3 that

"Everyone has the right to life, liberty and security of person".

Those elements build on the foundations of freedom, justice and peace around the world. All of us in society can play our part. It is important that we take these steps in our day-to-day lives. Each and every one of us in the chamber has an opportunity to do that. We can promote human rights. We can work with human rights. We can ensure human rights in our work, our home environments, our education in schools and colleges and even around the dinner table; if we talk about human rights, we can use the opportunities to ensure that human rights are everyone's rights. We have the responsibility to maintain them to help to keep peace.

A peaceful society is one in which there is justice and equality for everyone. To fulfil that end, the UN's prophecy is very true:

"Peace will enable a sustainable environment to take shape and a sustainable environment will ... help ... promote peace."

17:18

**Claudia Beamish (South Scotland) (Lab):** I congratulate Bill Kidd on his motion and thank him for the opportunity to debate such an important issue as peace in the lead-up to the international day on 21 September. I recognise the member's tireless efforts: his travels to significant meetings across the globe to represent Scotland in the peace movement and his other work, including in the cross-party group in the Scottish Parliament on nuclear disarmament.

This year, we celebrate the 70th anniversary of the Universal Declaration of Human Rights, a milestone document in the history of human rights, which—as Alexander Stewart said—states in article 3 that

"Everyone has the right to life, liberty and security",

building the foundation of justice, freedom and peace among peoples and nations. Yet, many times, these fundamental principles that recognise our dignity and inalienable basic rights as human beings are being breached, not only in war-torn countries, dictatorship nations and developing states, but here.

We all have the right to peace in our homes, our communities and our countries and between countries. Sometimes we see peace as the mere absence of conflict and believe that we have achieved it in all its forms and shapes. We forget that peace is hardly ever a permanent status of the human race, but rather a fragile condition that we must pursue and protect at all times. We must all consider recommitting to working to reduce what Bill Kidd highlighted as structural inequalities globally and here in Scotland. We can and must

continue to be leaders in climate change, for example, and on the other issues from right across Parliament, as well as the global sustainable development goals.

Even though we, in our free, democratic, reasonably prosperous and reasonably equal country are striving for peace, we still face major challenges when it comes to guaranteeing our citizens' safety, and that will always be the case as long as nuclear weapons are on our soil. While we still have weapons of mass destruction, as well as the requirement to transport them, I am not quite sure that we can describe our nation as peaceful.

I have not been involved in the peace movement as much as other members have been, but I have been involved for a long time now and I strongly believe that today, more than ever, we need to bring more young people into the dialogue and ensure they have the appropriate knowledge and adequate tools to influence change and achieve lasting results.

In July, I had the honour to speak at the peace campaigning academy organised by CND education. It was a three-day event at which young people learned more about nuclear weapons and, more important, they found out about lobbying activities so that they can lobby us as their parliamentarians, communication tactics and ways to engage more in legislative processes. It was incredible and inspiring to be part of the peace academy along with Bill Kidd and Ross Greer, who were also there to share their ideas, and to hear about so many people's commitment.

My thanks go to Quakers in Scotland for its briefing for tonight's debate, which also notes the value of peace education for young people. The active involvement of younger generations is fundamental to ensuring that we create and sustain a society that is aware of the social issues and challenges of its communities and has the knowledge and power to shape its future.

I conclude by quoting a wonderful sentence from Mr Masashi, a survivor of the 1945 Hiroshima bombings, who said:

"Humans cannot coexist with nuclear weapons. Let us work together for a world of peace."

17:23

**John Finnie (Highlands and Islands) (Green):** I join other members in congratulating Bill Kidd on bringing this debate to the chamber and thanking him for all the other work that he does. The UN international day of peace has a nice ring to it. I only wish that some people would show respect to the UN with regard to matters such as adhering to international law.

It is reassuring to hear my colleague Claudia Beamish talking about the peace academy and the work that went on with Ross Greer and Bill Kidd. The future lies in empowering young people and that way is to be commended.

The motion notes that the UN's understanding of peace is

"structural, rather than just the absence of violence"

and that is clearly the case.

I look at some of the terminology that is used on the issue and I note that the UN Security Council asked the then general secretary Boutros Boutros-Ghali in 1992 to examine ways of improving peacekeeping and peace enforcement. Those are key phrases. In the paper "Agenda for Change", he used the word "peace-building", which means post-conflict social and political reconstruction activities. Peace is often associated with the aftermath of great terror that has been visited, invariably on the most vulnerable in our communities. Peace-building is also about preventing a repetition of that, and that will be achieved by dialogue, not by a proliferation of weapons, whatever they might be.

Peace-building is distinguished from peacekeeping and peacemaking by its insistence on society-wide reconciliation. The role of truth and reconciliation work in relation to conflict is to be commended; we have seen that work happening in South Africa and in the Balkans and I hope that it will continue to be the case in the north of Ireland. It is about state building, and that is about valuing the citizen. The citizen can play a role in prevention. Talking has never harmed anyone and we cannot commend it enough.

A number of mentions have been made of Trident and wasted money. I think that all arms money is wasted money; it is wasted energy. There are opportunities for citizens to display their position on that by encouraging divestment.

On the particulars of the motion, I thank the International Voluntary Service for its outstanding work. I looked at some of its values on its website, which I will shamelessly plagiarise now. The first value that is mentioned is service, involving

"locally led action for social change".

I think that everyone in the chamber would commend that. As the IVS points out, that in turn supports behavioural change. If we are going to have sustainable peace, every effort must be made to reduce violence where it exists and to resolve conflict.

Respect is another value that is mentioned and I think that respect is key. It is about respecting and indeed valuing each other's differences. The IVS states:

"We celebrate differences in nationality, ethnicity, gender and background."

I think that the world is richer for all our differences, not weaker because of them.

Integrity is another of the IVS values, as is ambition. We all have ambitions—we have some very refined ambitions regarding nuances of policies here. However, surely the one thing that we can all throw our weight behind is an ambition to see a world where there is collaboration and innovation—two of the other values listed by the IVS—and, most important, where there is peace.

Mention has been made of water, food and education as part of the UN global goals agenda, and of human rights. Human rights bring with them responsibilities; we all have responsibilities and I think that there is a tendency in the so-called civilised west to think that a lot of these issues are for the third world or the developing world, call it what you will. The Scottish Greens have a mantra of people, planet and peace; we would see those as being the priorities—in common with a lot of the individual members in here, I think.

I thank Bill for bringing his motion to the chamber and I commend the motion.

**The Deputy Presiding Officer:** I gently remind members to use full names in the chamber, please.

17:27

**Ruth Maguire (Cunninghame South) (SNP):** On UN international day of peace 2018, we will devote ourselves to strengthening the ideals of peace within and among all nations and peoples. A peaceful society is one in which there is justice and equality for everyone.

I am very grateful to my colleague Bill Kidd for securing this important debate, which means that we can come together to observe, as many others will around the world, international day of peace. Bill Kidd has many years of service to the peace movement; I am hugely grateful for all his hard work and commitment to the cause.

The theme for 2018 is "The Right to Peace—The Universal Declaration of Human Rights at 70", celebrating of the 70th anniversary of the Universal Declaration of Human Rights, which is a milestone document in the history of human rights. Drafted by representatives from different legal and cultural backgrounds from all regions of the world, the declaration was adopted by the UN General Assembly in Paris on 10 December 1948 as a common standard of achievement for all peoples and all nations. The universal declaration is the most translated document in the world: it is available in more than 500 languages. It is as

relevant today as it was on the day on which it was adopted.

The universal declaration states, in article 3:

“Everyone has the right to life, liberty and security of person.”

Those elements build the foundation of freedom, justice and peace in the world, but the universal declaration does not include a separate article on the right to peace. That is why, this year, we are being asked to think about what “the right to peace” means. Those who wish to get involved in that global discussion can share their thoughts and ideas on social media using #peaceday and #standup4humanrights.

When I think about peace, I think about more than the absence of violence or war. I think, too, about a just and equal society in which everyone can achieve their full potential, in which no one is left behind and in which we help, nurture and protect those who need it.

Of course, as well as thinking and talking, we can all act. As individuals, we can seek peaceful resolution of conflict in our everyday lives when disagreements arise around us. Even taking small steps, we can be part of the solution. We can prevent an injustice in our groups of friends in school, college or the workplace. We can adopt a non-violent approach to solving and reporting potential crimes, including online bullying. We can speak up when others are at risk, and we can simply stand with others. Whether we choose to do that at the dinner table, in the street, at school, in a workplace, in the media, in a Parliament or at a nuclear submarine base, it all matters and it all helps. Human rights are everyone’s rights. On international peace day, let us remember that we can all act, and that each and every one of us can stand up for rights every day.

17:30

**Maurice Corry (West Scotland) (Con):** I welcome the United Nations international day of peace and I thank Bill Kidd for bringing this members’ business debate to the chamber. This Friday, nations around the world will mark their commitment to peace on a day that has been shared globally since 1981.

Peace should never be taken for granted, so having time to recognise its significance in our everyday lives must be appreciated. Peace is inherently linked to our rights as citizens and humans. Only by having those rights secured and protected can nations and individuals regain their dignity. Together, they act as the core foundation for a peaceful society, wherever we are.

I am sure that Parliament will join me in supporting the good work of the United Nations,

which is an organisation that has worked long and hard to prevent the onset of wars in some of the most dangerous environments. It serves to calm disputes, to restore peace when armed conflict arises and to promote lasting peace for countries that have emerged from the troubles of war. I pay tribute to the United Nations for its tireless efforts, which are evident in its many peacekeeping missions throughout the years. We can look back on its contribution to the restoration of stability in Sierra Leone, Namibia and Cambodia, among others.

**The Deputy Presiding Officer:** I am sorry to interrupt, Mr Corry. I can hear you, but I suspect that others cannot, because your microphone is pointing away from you.

**Maurice Corry:** I beg your pardon.

**The Deputy Presiding Officer:** Before you continue, I will just say that I hope that you will, if the official report staff did not hear you, be able to pass your material to them, rather than rehearse it.

**Maurice Corry:** I apologise. I will do that.

**The Deputy Presiding Officer:** Thank you.

**Maurice Corry:** As I said, I pay tribute to the United Nations for its tireless efforts, which are evident in its many peacekeeping missions throughout the years.

**John Finnie:** I fully agree with Maurice Corry’s point about respect for the United Nations. In his opinion, does that apply to resolutions that are passed that condemn countries or which ask countries to act in line with international law—for instance, Israel?

**Maurice Corry:** That depends on the circumstances, and every situation is different. There is no common plan for every one. We have to be very careful before making a judgment, in that case.

The UN believes that its successes help to foster a culture of peace that opens the door for vital development goals to be reached, including eradication of poverty and hunger, promotion of universal education and reduction of child mortality.

The international day of peace offers us time to reflect not only on how nations co-operate with each other, but on what more can be done actively to obtain freedom, opportunity and protection. From my experience in the armed forces, I have witnessed what life is like for people who do not live in countries that are free from war and injustice. Having had those military experiences, I can wholly appreciate the security that we enjoy within our borders, while favouring deterrence by the presence of UN forces, which has been of enormous benefit in the prevention of land conflict.

I believe that that is a necessity that we should appreciate in our goal of lasting security and the acceptance of every human right.

This year, the theme for peace day is “The Right to Peace—The Universal Declaration of Human Rights at 70”. The universal declaration is a monumental document that charts the necessity of human rights and sets a shared high standard for their protection.

Without freedom of expression, the right to partake in public affairs and the right to live in a free and just world, individuals cannot enjoy a lasting and genuine culture of peace within their nations. In the current international climate, human trafficking, murder and sexual violence are still major threats to our aim to have peaceful societies. Unthinkable and widespread atrocities in nations including Syria and Somalia lead to mass displacement and civil unrest. The theme for this week’s international day of peace asks us what the right to peace means to us. It surely means that further international co-operation and the support of the United Nations are needed to deal with the challenges that such nations face.

We can participate in peace day this Friday in a wealth of ways, whether through our schools, sports, the arts or the environment. I am pleased that the international day of peace will be highlighted in events throughout Scotland. The University of Dundee is offering a talk on the democracy and security of the Gambia, which is entering a new political era and seeks to strengthen its links with international partners. Allanton world peace sanctuary in Dumfriesshire provides the opportunity to plant peace poles, which are universally recognised as a symbol for peace. It is estimated that more than 200,000 peace poles have been planted around the world since the project began in Japan in 1976. In Glasgow, the public are invited to participate in one minute’s silence followed by meditation to acknowledge and celebrate peace day.

I hope that, with this year’s international day of peace, we recognise what has been done, and what can still be done, to further co-operation within and among nations.

**The Deputy Presiding Officer:** Two members still wish to speak in the debate. Therefore, I am minded to accept a motion without notice, under rule 8.14.3 of the standing orders, to extend the debate by up to 30 minutes.

*Motion moved,*

That, under Rule 8.14.3, the debate be extended by up to 30 minutes.—[*Bill Kidd*]

*Motion agreed to.*

17:36

**Rona Mackay (Strathkelvin and Bearsden) (SNP):** I, too, thank Bill Kidd for bringing the debate to the chamber and for his long-standing commitment to peace and to ridding the world of nuclear weapons.

The theme of this year’s international day of peace is “The Right to Peace—The Universal Declaration of Human Rights at 70”. That is entirely fitting, because everyone has a right to peace. It is a fundamental human right but, sadly, that right is being eroded throughout the world, as we witness horrific scenes of needless violence and wars taking place in far too many places. The heartbreaking scenes that we see daily on the news of children suffering as collateral damage or, in some cases, being specifically targeted, defy belief. How can humanity become so badly eroded in a person, or collectively in a regime, that that is thought to be acceptable? The world looks on helplessly as children suffer in Syria, the Yemen and places that have yet to make the headlines. How many more must die or be maimed before the regimes that are responsible stop the killing?

The Quakers’ briefing, for which I thank them, states their belief that Scotland can lead other countries in peace, and that peace is, far from being passive, an active thing that must be pursued, encouraged and performed continually to exist. There is a difference between merely keeping the peace and actively encouraging conflict resolution. The Quakers rightly say that, when the world appears to be so divided and is becoming less tolerant and compassionate, Scotland should make a commitment to learning about and modelling peace as a first step to becoming a world leader in the area.

There is nothing that I—and, I suspect, everyone in the chamber—would want more, but until the Westminster Government stops sending arms to regimes that use them to maim children and to cause widespread and horrific suffering, the killing will go on. Our nation—the nation of Scotland—cannot become a peacekeeper or actively encourage conflict resolution until it has control over its own independent defence industry. I say to the Westminster Government that it must not send arms to countries that kill children in my name, my family’s name or Scotland’s name.

My 98-year-old father-in-law, who is now sadly in his last months, fled for his life in a coal ship from Dunkirk. Like all veterans, he lost best friends and saw things that a 17-year-old should never have to see or do. Until recently, he said little about his traumatic experience during the second world war, but the family now knows that he believes that wars do not solve anything and that peaceful resolution must be sought at all costs. I agree with him, despite the achievements and

sacrifices that many people made in that war, which had a legitimate aim.

We can never stop countries engaging in civil war or stop a country committing violence against its people. However, I say again that we must not be enablers and that we must not use force on a quest for peace. We know from experience in Iraq and Afghanistan that it does not work. Neither should we forget that war has not broken out between European countries while they have been members of the European Union—but that is another debate entirely.

Of course, peace is not just about stopping war; it is about how we live our lives in common humanity, as Bill Kidd outlined and as many others have said.

António Guterres, the secretary-general of the United Nations, has asked us all to speak up for gender equality, to promote inclusive societies and to do our part at school, work and home while talking to friends and family to stand up for human rights and call out those who abuse them. Every step counts. Let us all act to promote and defend human rights for all, in the name of lasting peace for us and for future generations.

17:40

**Tom Arthur (Renfrewshire South) (SNP):** I thank my colleague Bill Kidd for the opportunity to speak in this debate. I admit that I had not intended to speak but his speech was so powerful, compelling and moving that I felt moved to respond and share some of my thoughts.

Before I do so, I welcome Ben Macpherson to his new role. I know that he is a champion campaigner for peace at home and internationally, and I have every confidence that he will excel in his new position. I very much look forward to his response to this debate.

Two days ago, I had the great pleasure of attending a service in Paisley abbey to commemorate the 100th anniversary of the founding of the Royal Air Force and to remember the sacrifice over the past century of airmen and women, particularly in the battle of Britain. Listening to the remarks during this debate, I reflected on that service and thought about two of the key lessons that we learn from the two global catastrophes of the first and second world wars, with particular regard to what they tell us about peace and how fragile it is.

It is well known to any high school student of history that the first world war can perhaps be characterised as having happened by accident or as the result of misunderstanding, misreading and people being compelled into taking action. Clearly, there were events that led up to it, but it was a

conflict that no one wanted or needed and which, until very shortly before it occurred, not many people saw coming. That speaks to the importance of communication, understanding, giving people the benefit of the doubt, a willingness to empathise with other people and understand their positions and situations and the need to take opportunities to steer off catastrophe long before it happens.

The lessons from how the second world war came about are somewhat different. They concern issues around the gradual erosion of what is fundamental to peace: civic society; an independent judiciary; free, open and transparent elections; a strong democracy; a free press; and the ability to criticise. Fundamentally, however, what is required in such societies is a willingness on our parts to engage and communicate with each other and a common set of understandings of what counts as truth and fact. The lessons that can be learned from the decay of Weimar into what emerged in Germany in the 1930s, and the consequent conflagration that engulfed Europe, are as valuable as ever.

We are in a global society, particularly in the west, that has seen the rise of fake news and of tribal and entrenched politics where the two sides cannot speak to each other and instead seek the easy media hit rather than searching for the truth, simplifying issues rather than admitting complexity. That is a danger, because it can result in the breakdown of civil society. The common thread throughout the debate has been that peace is not something that is natural; it is something that is hard won. It is something that must be built and rebuilt constantly. It is such a fragile entity.

As we mark the UN international day of peace 2018—as we look across the world and look at our democratic and civic institutions that are under threat from extremes on both sides of the political spectrum—it is imperative that we recommit ourselves to building peace not just in a global sense, but at home, with regard to how we conduct ourselves in our daily lives and in our attitudes towards each other. I hope that that is a message that will resonate from this chamber today.

17:45

**The Minister for Europe, Migration and International Development (Ben Macpherson):** It is a privilege to conclude this illuminating and important debate. As other members have done, I thank Bill Kidd for securing the debate. It is important for all of us to think about not just the day of peace, but the wider points that have been described and commented on by several members.

The subject of the motion is of interest to me not just in my capacity as Minister for Europe, Migration and International Development; it is close to me on a personal level. I declare an interest: as an idealistic 20-year-old who was disheartened by the Iraq war in 2003 but who was determined to do something in the cause of peace, I walked from Edinburgh to London to raise awareness of peace day that year. I then worked for Peace One Day, which Bill Kidd mentioned, in 2005.

I did that work because I believed then—as I believe now—that a more peaceful world is possible. By spreading awareness through debates such as this and through the activism that has been described by members across the chamber, we can promote a more peaceful world. Peace day gives us the chance to reflect and act on that sense of common purpose. In support of peace day, the former secretary-general of the United Nations, Kofi Annan, who sadly passed away this summer, said that any moment, whether it is a day or a week, when people can get the competence to pause, to think and to reflect on what they are doing to their own people and to the environment will be a great achievement

“and I will support it 100%”.

As Bill Kidd referenced, that sense of reflection can have significant practical implications, whether it is the International Voluntary Service raising awareness in Scotland, as I did through my walk to London and as others have done through their activism to create peace in our communities, or whether it is what Bill Kidd described as the real practical lifesaving implications of peace day. For example, the World Health Organization, UNICEF and the Afghan Ministry of Public Health immunised 1.4 million children against polio in 2007 and 1.6 million children against polio in 2008. That shows that the concepts of peace can have a real impact on saving lives and protecting communities.

It is clear from the debate that Scotland has a role to play as a nation that does its bit to promote peace overseas and endeavours to be a good global citizen. Our domestic policies should reflect the fair and sustainable approach that we aim to achieve in our international engagement.

One of the key contributions that Scotland can make to promoting peace is our commitment to all the UN goals, not just goal 16, as part of the structural peace-building that other members have mentioned. The global goals provide an integrated framework to achieve a better and more sustainable future for all, by addressing common challenges that relate to poverty, inequality, the climate, peace and justice.

The Scottish Government has made a dual commitment to the global goals, through our domestic work in Scotland and through our contribution to international development work. Our international development strategy outlines the approach that we will take between now and 2030 to help to reduce global poverty and promote sustainable development and human rights.

Partnership and collaboration will continue to be the foundation for our future development work. We will build on our existing bilateral partnerships with Malawi, Zambia, Rwanda and Pakistan, and work across borders in pursuit of those goals by addressing the shared challenges that our world faces. We also have our humanitarian emergency fund for moments of crisis.

We are conscious that, in order to act with credibility in other places, we must work to protect and promote human rights and to address poverty and inequalities here in Scotland. That is why our domestic policy has at its heart sustainable and inclusive economic growth and our commitment to a fairer Scotland.

Just as we are committed to achieving greater social justice, so we are committed to protecting human rights. The UN's 2030 agenda for sustainable development is grounded in the Universal Declaration of Human Rights, which was adopted 70 years ago.

We in Scotland are committed to giving further and better effect to the international human rights standards that the declaration encapsulates. That commitment to making rights real in people's everyday lives is reflected in the new national performance framework, which has an explicit human rights indicator. It is also demonstrated by the Scottish Government's work to fulfil our obligations across the seven core UN human rights treaties to which the UK is a party. That includes measures to tackle poverty and promote fair work; to eliminate racial discrimination; to promote gender equality and disabled people's rights; and to use the UN Convention on the Rights of the Child as a framework to embed children's rights in all decision making, which is particularly important in this year of young people.

As the programme for government demonstrates, equality is firmly embedded throughout all the Government's activities. That starts at the heart of Government, where we have one of the few gender-balanced Cabinets in the world.

All that matters when aspiring to the ideal of peace day. As other members have said, creating the structural conditions to support international peace at a domestic level supports global societies that are managing inequalities and conflict.

In our refreshed international framework, we have embedded a focus on tackling inequality. That approach means that all our international engagement is guided by our commitment to the universally recognised values that are enshrined in human rights treaties. Such work includes the support that we provide to refugees, asylum seekers and our communities through the pioneering and collaborative approach of our new Scots refugee assistance strategy.

Much can be said about peace day and Scotland's role in it. Scotland has a unique contribution to offer the world through our people's expertise in education, health improvement, climate change, renewable energy, human rights and research, along with our innovative partnership approach to international development, which will continue to evolve through our international development work. We already make a significant contribution by sharing our particular knowledge, skills and technical expertise globally, and we will continue to do so. By taking a fair, sustainable and inclusive approach, we demonstrate that we are a country that promotes human rights and democratic values and which supports the structures and global efforts to promote international peace.

In this time of flux and challenge, peace day on Friday and in the years ahead provides a chance to promote ceasefire and non-violence not just for 24 hours but in the wider context of social justice, the global goals and sustainable development. In that spirit, and in the words of Kofi Annan that I quoted, I support peace day 100 per cent and encourage all to mark it this Friday in what they do on social media, in their communities or in their everyday lives.

*Meeting closed at 17:53.*



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