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## **M&S's move into banking won't help customers - says finance expert**

Marks & Spencer will offer current accounts from this autumn - with its flagship Marble Arch store launching the brand's first bank next month.

The new banks will mirror shopping hours - meaning seven-day-a week banking - and M&S expects the move to create 500 UK jobs when it is rolled out across 50 branches throughout the country.

M&S chief executive Marc Bolland said: "This bank will be built on M&S values, putting the customer at the heart of the proposition and delivering the exceptional service that sets us apart from the competition."

The retail giant already offers credit cards, loans and savings under M&S Money, which is a joint venture with HSBC.

HSBC described it as the most "significant innovation" in UK retail banking since it launched First Direct more than 22 years ago.

M&S's first foray in the current account market comes at a time when mainstream banks are facing a tough battle to win back customer confidence.

David Black, a banking specialist at financial research firm Defaqto, explained that it "provides another option" for consumers as Tesco also looks to expand its financial products.

"It's pretty good news, particularly to have 50 planned banks open on Sundays," he said.

However, Jonathan Davis, managing director of Jonathan Davis Wealth Management, explained that although he is a massive supporter of increased competition in the banking sector this might not provide it.

"This will not bring more competition as the company is, in effect, merely selling HSBC products," he said.

"From an M&S point of view, it's a good move and a natural extension of their services and brand.

"It's also good for HSBC as they need more exposure to potential customers, but I see little benefit from a customer's point of view."

But Davis explained that, in an era where banking is in long-term decline and banks are seeking new ways to sell their products, this could be a shrewd move.

He said: “Banking is now multi channel - branches, online, retail store. HSBC need new outlets and this is a natural fit with good quality customers on offer.”

David Hollingworth, associated director of mortgage brokers London and Country, said he thought the move would be a “positive thing” for mainstream customers.

However, with M&S also revealing plans to offer mortgages in the future, Hollingworth said those who have shut out of the mortgage market as lenders tighten borrowing criteria are unlikely to see a breakthrough.

“I can’t see any reason why M&S would choose to launch into the mortgage market with anything but a mainstream prime product,” he said.

“I can’t see any reason why they would be looking to fulfil a niche.”