



37 Years
MIAMI TODAY

**Online banking, already gaining,
Accelerates with Covid-19**



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Luis de la Aguilera, CEO

With the closing of bank lobbies across the county, customers accustomed to going to their local branches have had to lean more heavily on online banking. Mark Del Pezzo, a chartered financial analyst and instructor at FIU’s Department of Finance, said that those who weren’t previously all that enthusiastic about online and remote banking have become more amenable to it because of the virus. He said the virus accelerated a shift to online banking that was already visible. Mr. Del Pezzo predicts that the pandemic will lead to fewer bank employees and fewer buildings. He is also foreseeing some more consolidations in banking. “Bottom line, I’m pretty positive on some of the banks. If they can make it through this and consolidate and take out and consolidate and take out some of their competitors at cheap prices,” he said, “they’ll probably be in pretty good shape with less payroll costs coming out the other end of this.” A story on business website Quartz noted that between 2010 and 2019, full-service US bank branches decreased from 95,000 to just over 83,000. The story states that if historic patterns hold, a Wells Fargo bank in the City of Miami has a 2.2% chance of closing by mid-2020 and a 3.6% chance of closing by mid-2025. “Branch closures could speed up if the coronavirus pandemic causes bank failures, or if lenders endure losses that force them to cut costs,” the story reads. “The virus could have longer-term implications if government-sanctioned lockdowns to contain the outbreak spur consumers to change their behavior. Some late adopters of digital banking may discover they prefer interacting with their bank on their phones and computers.” Quartz says the county had about 601 bank branches in 2019. Between 2010 and 2019, counties with over 200 banks saw a decrease of more than 10% in branches. Luis de la Aguilera, president and CEO of US Century Bank, said that his bank had several years ago developed a pandemic plan and has a pandemic plan and has a pandemic task force. He said 75% of the staff had been working remotely, but they are starting to phase their employees into the branches. The branches remained open, offering drive-thru and banking depository service. US Century has now opened five branches and will open six more next week, he said. To provide adequate safety, the banks will be installing tempered glass barriers, applying floor decals to indicate social distancing and placing limits on capacity. However, Mr. de la Aguilera acknowledge that moving forward, consumers will have a greater demand for digital channels for their banking. He said US Century offers online banking for those on the business side as well for consumers to do their mobile banking. While he also foresees a shift to more online services and said that future branches could shrink in size, the believes people still want that traditional experience from their banks. He described it as finding the balance between “bricks and clicks.” “The consumer, I believe, wants to see their physical branch. They may not necessarily need to go inside it, but they like to know it’s in the neighborhood,” he said. “But I still believe that from a community bank’s perspective, one of the great things that we do is we know our clients really, really well.”