

Article

Impact of COVID-19 on UK Banks; How Banks Reshape Consumer Banking Behaviour during Pandemic

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Abstract: Due to COVID-19 and prolonged lockdown, banks in the UK have reported impact on their operational activities and financial aspects. To deal with the impact of the COVID-19 pandemic, banks have adopted different strategies that reshape consumer banking behaviour during the COVID-19 pandemic. This study evaluates the impact of COVID-19 on three banks in the UK, including HSBC, Royal Bank of Scotland, and Barclays Bank. A mixed research approach was adopted where a closed-ended survey with 30 employees (10 employees from each bank) were chosen to participate in the survey. Interviews are conducted with three managers of the banks. The study findings show that banks adopted social distancing to ensure that their brand operations were not affected. The banks did not consider shutting down the branches for cutting the cost. However, there has been a shift from a manual to a digital process for client queries to improve efficiency. The banks also created the brand image of operating during the pandemic.

Keywords: COVID-19; banking sector; consumer behaviour; financial impact; brand operations



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1. Introduction

COVID-19 has created critical instability and high volatility in global capital markets. The financial sector is one of the most affected sectors where the pandemic has caused bank valuations to drop in most countries [1]. However, the full impact of the pandemic on the banking sector is yet to be determined, and it is assumed that the negative impact of the pandemic will last a little longer. It is reported that the valuation and profitability of banks are the areas that are very much impacted. Due to a decline in the economic activity, where banks have experienced a significant drop in their valuation and profitability, they have also faced issues in continuing their operations. In this regard, it is found that banks have been struggling with continuing their businesses when there is a significant decline in economic activity and prolonged lockdown [2]. In the UK, the banking sector has also experienced similar issues that have slowed down business activities and changed the way banks previously operated. Due to a decline in economic fallout, banks in the UK struggled while managing the leading priorities that require decisive steps to relocate and recalibrate for the future. In this regard, banks, particularly in the UK, have been working to keep their distribution channels open, abiding by the social distancing guidelines and supervisory and compliance functions that were not meant for remote work. Banks are also endeavoring to manage revenue while meeting customer expectations [3].

Banks made other significant changes to ensure that the lockdown has the minimum effect on business continuity. In this respect, different UK banks have adopted strategies that are likely to reshape consumer behaviour in the banking sector [4]. It includes changes in working and visiting hours such as an adjustment in hours, visiting allowed only with an appointment, automatic routine task, automate the back-office, shifting employees from non-critical to essential tasks and temporarily stopping some portfolio products, relaxation

for customers on loan repayment, different marketing and branding strategies during the pandemic, and digital processes for banking services during the lockdown [5]. This paper will identify the impact of COVID-19 on the banking sector in the UK, specifically Barclays PLC, Royal Bank of Scotland, and HSBC. It also aims to investigate the strategies that the United Kingdom's banks have used to reshape consumer behaviour amid COVID-19, during the COVID-19 pandemic in order to continue providing their services to customers.

To reach the study's aims, we adopted a mixed-methods approach: a closed-ended survey with 30 employees from three UK banks (10 employees from each bank) were chosen to participate in the survey. Interviews are conducted with three managers, one from each bank. Participants were selected based on convenience sampling.

Our paper proceeds as follows: in Section 2, we present a review of the literature investigating research about the impacts of COVID-19 on the Banking Sector. In Section 3 it describes the methodology and reports details on the data collection process. Section 4 discusses the results emerging from the survey and interviews. In Section 5, we discuss the results, acknowledge the limitations, and provide suggestions for future research.

2. Literature Review

This section of the paper provides a critical review of the range of existing literature on the impacts of COVID-19 on the banking sector in the different strategies adopted by the banking institutions.

2.1. Impacts of COVID-19 on the Banking Sector

The global banking sector is one of the sectors that was hit hardest by the COVID-19 pandemic [6]. However, impacts of COVID-19 cannot be examined without considering different factors contributing to the increased adverse impact of COVID-19 on the financial service sectors such as banks, including micro and macro environmental factors affecting deposits and lending and supply cash within the countries. Amongst all the factors affecting the banking sector, Demircuc-Kunt, et al. (2020) [7] have stressed the regulatory pressure on global banks. According to their study, the regulatory changes occurring in the financial service sector during COVID influenced the countercyclical lending role of banking institutions because the crisis in the other sectors of the global economies increase the vulnerabilities and pressures for the banking sector which is expected to facilitate balancing the crisis faced by individuals and businesses due to their liquidity problems. Awad et al. (2020) [8] did substantiate the critical role of regulatory changes in influencing the strategies of the banking organizations during the pandemic. Specifically in terms of restructuring the loans of corporations and households. Many banks in compliance with the various regulatory mechanisms update for arrangements such as the credit guarantee scheme and blanket guarantees for liabilities to assist the distress borrowers [8]. Both of the research studies discussed above have mutually agreed that these were the pressures for borrowers' assistance, liquidity support and monetary easing that reshaped the policies and practices of these institutions.

COVID-19's effect on the banking sector includes the intensifying use of digital channels and payments, the change of consumer behaviour, the relaxation of several regulatory and supervisory provisions, and new challenges regarding operational resilience and the increase of non-performing loans [9,10]. The impact of COVID-19 on business and consumer behaviour change is a topic of great importance for companies and the financial industry around the world to take short-term actions and, even more importantly, to reconsider their strategy in the medium and long term. In this context, Gebiski's (2021) [11] study showed that the COVID-19 crisis has also changed consumer behaviour in retail banking in Romania. More precisely, retail consumers have been obliged to use more digital payments to cash detriment and digital channels to the traditional channels detriment to fully adopt and embrace the new channels and technologies [12,13]. However, during the pandemic and prolonged lockdown, different banks have modified their operational availability to comply with the social distancing guidelines [14]. Similarly, relocated employees or back-office

automatic solutions are adopted to have only necessary employees in the branch. Some banks have also offered relaxation to their customers on their loan repayment, considering the economic fallout and its impact on the ability of the consumers to repay.

The emergent literature on the impact of COVID-19 on banks includes the Buehler et al.'s (2020) [15] study. Regarding the retail consumers, the authors underline that banks should encourage remote services by launching “positive and safety-oriented messaging” to reduce the reliance on physical locations. From this perspective, banks should consider all consumer segments, among which the older part of the population that are particularly exposed to COVID-19 and more reticent to embrace digital services. In the context of drop-in-branch visits, banks should simplify their online interfaces and provide clients with educational materials on how to use the non-branch channels [16]. For example, webinars and customized teach-ins are among the measures adopted by Singapore's DBS bank following the coronavirus outbreak to train their customers to use digital channels [17,18].

Mateev et al. (2021) [19] discussed the examples from 225 banks in countries in the Middle East and North Africa (MENA) region. The crisis resulted in increased competition and requirements to hold higher capital ratios. They further explained that the increased credit risk and banking concentration directly affected the capital ratios of international banking institutions. The financial industry analysts have further indicated that the current crisis has increased electronic transactions of consumers related to physical visits [20]. Such electronic interactions have created cybersecurity risks in the presence of new blind spots for supplementary frauds and performance risks [20]. Besides the pressures creating challenges for the banking organization to comply in order to survive and thrive during pandemic, the academic literature has also highlighted the influence of opportunities such as digitalization in shaping the strategies of banking institutions during COVID-19. Similarly, Marcu (2021) [21] further emphasized the increased expectations to accelerate digitalization in the banking system during COVID-19. He stressed that the need for innovation and adoption of digital strategies to keep up with customer expectations and cost reductions initiatives simultaneously led to significant challenges for banking institutions during the coronavirus crisis.

2.2. Different Strategies Adopted across the Global Banking Institutions

A range of responses and strategies were initiated by the global banking institutions for reshaping consumer behaviours. These responses include increased capitalization, deployment of information technology development teams, automation of routine work, collaboration with global banks and a shift towards the FinTech trend. However, academic researchers have also highlighted that the choices of strategies differ from bank to bank according to their individual micro and macro environmental context and the ability to adapt to the situation [2,3,5,22]. Mateev et al. (2021) [19] have highlighted the initiatives of the banking institutions and mean adherence to increase capitalization levels in response to higher risk. The banking institutions in MENA regions attempted to control their ownership structures, regulatory and institutional environment, and bank-specific and macroeconomic characteristics to better place capital requirements. In addition, the financial industry experts such as PWC have also reported on the banking institutions' changing business directions, focusing upon business continuity planning and appropriate customer relationship management [23].

According to the PWC (2021) [20] report, international banking institutions have started deploying information technology development teams to automate routine work through intelligent automation tools. These global banks have also considered integrating services such as conversion of credit card balances to Home Equity, fee deferrals, waivers for homeowners to help them meet the challenges of liquidity to reshape consumer needs in a crisis. In a similar context, Bellens et al. (2020) [24] have added to the discussion that banking institutions are improving their internal operations by developing cross-functional teams, focusing on oversight and documentation requirements, and setting out controls for third-party support.

According to the World Bank analysis of the COVID-19 financial sector support measures, low-income countries have promoted digital channels in the payment sector, such as waiving charges and simplifying digital identification procedures [25,26]. Additionally, in another industry report, Deloitte (2020) [27] emphasized the changing landscape of global banking institutions concerning reshaped consumer behaviours. According to them, global banks prioritize their focus on the investments that can yield high returns, have operational resiliency and cost reduction initiatives for the institutions. The report has also emphasized the adoption of digital collections and remote operating models for reducing the stress-related international operations, mainly for the employees. In a similar context, Asif et al. (2020) [28] further developed the discussion by indicating that the global banking organizations are moving towards translating the business model with reduced physical patches by 25%, the transformation of call centers with 30% less customer-centric and value-added activities.

Carletti et al. (2020) [29] have also indicated the collaborative efforts initiated by the global banks integrated with the other banks and governments for ensuring economic safety, reducing financial risk, and adopting new responsibilities effectively. These researchers have indicated the rising trend of the financial organizations to shift to FinTech trends to meet the business operations for attracting valuable customers through the integration of state-of-the-art technologies. The new perspectives in the external and internal operations are helping FinTech organizations obtain higher returns on equity and support in overcoming the challenges of COVID-19 via the expectation of network effects [29].

3. Method

A research approach was considered to identify the impact of COVID-19 on three banks in the UK in reshaping consumer banking behaviour during the pandemic. Research approaches refer to the plans and the procedures consisting of detailed data collection, analysis, and interpretation [30]. There are two options available in the research approach, including qualitative and quantitative. However, for the current study, a mixed research approach is used. A mixed research approach allowed for qualitative and quantitative data collection and analysis. In this regard, features of both approaches were used to benefit the current study [31]. Hence, the qualitative research approach would allow qualitative data collection, including text in the form of an interview transcript.

On the other hand, quantitative data allowed the collection of numerical and quantifiable data collected in the form of survey responses. The data collected through quantitative and qualitative research approaches will likely benefit the study by providing in-depth insight into the problem. The data will also allow for understanding inconsistencies and differences between quantitative and qualitative results. As a result, the study will come up with concrete findings that apply to all banks in the UK and worldwide.

3.1. Data Collection and Instrument

The study collected both primary and secondary data to achieve the study's aim and purpose. The primary data are of significant importance in achieving the aim of the study, as they allow us to collect the first-hand data and analyze them to conclude findings [32]. To collect quantitative data, a closed-ended survey with the employees of three banks was carried out to identify the impact of COVID-19 on the banking operation and the actions and measures taken by the bank. A close-ended questionnaire with 15 questions under three different categories was designed concerning their business continuity plan for survival, changes in internal operations, and customer relationship management. To receive consistent responses on the closed-ended questionnaire, a Likert scale was used consisting of Strongly Agree = 0, Agree = 1, Neutral = 2, Disagree = 3, and Strongly Disagree = 4 [33].

To gather the qualitative data, semi-structured interviews were carried out with managers of the three banks. Open-ended questions were used to explore the underlying and core strategies taken by the banks in dealing with the issues and challenges created by COVID-19. In this regard, eight open-ended questions were created relating to the

business continuity plan, social distancing guidelines, internal changes made by the bank, the new strategy for the relief of customers, marketing and branding strategies, and digital processes to provide timely customer service to clients. On the LSI, the choice of open-ended questions as well as close ended questions in the semi-structured interviews was to ensure that both the interviewer and interviewee can share the detailed insights without any control and bias from either party. The choice of semi structured interviews was to ensure that the managers can share their experiences with the challenges they face in responding to the change in consumer behaviour and their experience with the development of the strategies in response [31].

3.2. Sampling and Sample Size

For primary data collection, respondents were chosen to participate in the survey based on convenience sampling [34]. Only employees who had worked in the bank for the previous two years and had served during COVID-19 and lockdown were included. In this regard, ten employees from each Bank were recruited to be part of the study. Hence, a total of 30 employees from the banks participated in the survey. For the interview, one manager was recruited from each bank. A total of three managers participated in the semi-structured interview. Only managers who had been working for the last five years in the bank were recruited for the study.

3.3. Data Analysis

The primary analysis data collected through 30 employees' surveys were analyzed through descriptive statistics. The study used Measures of Frequency and Measures of Central Tendency. The reason for selecting these measures is that they effectively determine the trend in the responses. However, dispersion and variations were impossible because the study did not have any hypothesis or variables. Therefore, the responses were coded and analyzed on Ms. Excel to analyze the quantitative data. The table produced from the responses presented the findings. Qualitative data and interview transcripts were analyzed using thematic analysis, where the main themes were extracted from the interview responses and the codes and sub-themes.

Through the application of a thematic analysis approach, the interview transcripts gathered from the managers of the three selected banks were read to identify the relevant codes. In the process of reading, the researcher continually highlighted the frequently uttered words and phrases to identify a set of codes. These codes were further synthesized into relevant categories according to the shared attributes. Lastly, the synthesized categories were combined to form appropriate themes. These themes were used for discussion this study [31,32].

Three themes were identified in the current study.

- Theme One: Business Continuity Plan for Survival;
- Theme Two: Internal Operational Changes;
- Theme Three: Customer Relationship Management.

4. Results

4.1. Survey Results

4.1.1. Theme One: Business Continuity Plan for Survival

The findings of the survey responses regarding a business continuity plan for survival in the three banks showed they had maintained branch distribution and client service operation without any disruption during the COVID-19 pandemic. The banks adopted social distancing guidelines throughout their branches and head offices to ensure continuity. However, as far as the closing of the branch is concerned, the survey responses show that no bank adopted a closure strategy to continue to survive during the pandemic. Similarly, there is a mixed response concerning only switching in-branch visits to appointments. Nevertheless, the banks adjusted branch hours and timing.

4.1.2. Theme Two: Internal Operational Changes

The survey responses have helped to gain insight into the change in the internal operation of the bank. As shown in Table 1 it was found that all three banks have used the IT development team to automate routine work. In contrast, there was a mixed response about banks developing, documenting, and communicating a plan to process the physical mail. The participants have disagreed that banks have shifted some employees from non-critical work to essential operations. It shows that banks have not adopted downsizing. However, there was agreement about the banks' focus on automating the back-office process. In response to the banks' strategy to stop the investment portfolio from lowering the cost of operation, the participants disagreed.

Table 1. Survey Findings.

Bank Adopted Maintained Branch Distribution and Client Service Operations without Interruption	Barclay's PLC (%)	Royal Bank of Scotland (%)	HSBC (%)
Strongly Agree	70	60	80
Agree	30	40	20
Neutral	0	0	0
Disagree	0	0	0
Strongly Disagree	0	0	0
Total	100	100	100
Bank was quick at responding to the social distancing guidelines	Barclay's PLC (%)	Royal Bank of Scotland (%)	HSBC (%)
Strongly Agree	90	100	70
Agree	10	0	30
Neutral	0	0	0
Disagree	0	0	0
Strongly Disagree	0	0	0
Total	100	100	100
Bank has closed some of the branch temporarily	Barclay's PLC (%)	Royal Bank of Scotland (%)	HSBC (%)
Strongly Agree	0	10	20
Agree	0	10	10
Neutral	30	50	60
Disagree	50	30	10
Strongly Disagree	20	0	0
Total	100	100	100
Bank used IT development teams to automate routine work	Barclay's PLC (%)	Royal Bank of Scotland (%)	HSBC (%)
Strongly Agree	50	30	30
Agree	50	50	70
Neutral	0	10	0
Disagree	0	0	0
Strongly Disagree	0	10	0
Total	100	100	100

Table 1. *Cont.*

Bank has shifted some employees from non-critical work to essential operations	Barclay's PLC (%)	Royal Bank of Scotland (%)	HSBC (%)
Strongly Agree	0	0	10
Agree	0	0	20
Neutral	20	30	40
Disagree	40	40	30
Strongly Disagree	40	30	0
Total	100	100	100
Bank has developed, documented, and communicated a plan to process physical mail	Barclay's PLC (%)	Royal Bank of Scotland (%)	HSBC (%)
Strongly Agree	0	0	0
Agree	20	30	40
Neutral	30	40	30
Disagree	30	10	20
Strongly Disagree	20	20	10
Total	100	100	100
Bank has adopted temporary customer relief with no credit impact for auto, mortgage, card, and small business loan clients	Barclay's PLC (%)	Royal Bank of Scotland (%)	HSBC (%)
Strongly Agree	20	10	10
Agree	10	20	10
Neutral	40	10	20
Disagree	20	40	0
Strongly Disagree	10	20	60
Total	100	100	100
Bank has introduced branding campaign to manage customer perception	Barclay's PLC (%)	Royal Bank of Scotland (%)	HSBC (%)
Strongly Agree	80	60	70
Agree	0	30	30
Neutral	10	10	0
Disagree	10	0	0
Strongly Disagree	0	0	0
Total	100	100	100
Bank has created a new brand image during COVID-19	Barclay's PLC (%)	Royal Bank of Scotland (%)	HSBC (%)
Strongly Agree	30	60	80
Agree	20	0	0
Neutral	10	10	10
Disagree	40	0	0
Strongly Disagree	0	30	10
Total	100	100	100

4.1.3. Theme Three: Customer Relationship Management

Given that the study aims to identify the strategies adopted by the banks that reshape consumer behaviour in banking, customer relationship management is of great significance.

The survey responses showed that none of the banks focused on offering customer relief on credit impact for loan clients. In addition, 60% of employees of HSBC, 60% of Royal Bank of Scotland, and 30% of Barclay’s Bank disagreed that banks have offered relief to customers to make a strong relationship with customers.

In responses to the statement about branding strategy and campaign during the pandemic, 80% of Barclay’s Bank, 90% of Royal Bank of Scotland, and 100% of HSBC banks’ employees have agreed that their banks have introduced a branding campaign to manage customer perception during the pandemic. Similarly, in response to new brand creation, 50% of Barclay’s Bank, 60% of Royal Bank of Scotland, and 80% of HSBC banks’ employees have confirmed that their banks have introduced branding campaigns to manage the customers’ perception during the pandemic.

On the other hand, in response to the statement about the bank being committed to the local community during the pandemic, there is no evidence that banks have been involved in any community work. Moreover, 70% of Barclay’s Bank, 40% of Royal Bank of Scotland, and 60% of HSBC’s employees strongly disagree, implying that banks are not committed to the community.

The banks’ customers are likely to start seeking financial relief. An obvious way the pandemic can impact financial systems is their enormous economic costs. To manage the coronavirus’s direct economic impact, banks need to have a plan in place to protect employees and customers from its spread. Many banks are already starting to encourage remote working of some employees. In response to the statement about adopting a digital process to deal with the customers’ requests, 100% of all the employees of three banks have confirmed that their banks have adopted a digital process for dealing with the customers’ requests.

4.2. Interviews’ Results

4.2.1. Theme One: Business Continuity Plan for Survival

The first theme identified from the interview transcript of the three bank managers is related to the strategies and measures taken for the business continuity survival. Under the theme, different sub-themes are identified as shown in Table 2.

Table 2. The three banks’ managers responses to the first theme.

The Strategy	HSBC	Royal Bank of Scotland	Barclay’s Bank
The banks have attempted to maintain the branch operation as part of the business continuity.	<i>“We ensured that branch services are available for walk-in clients without any disruption.”</i>	<i>“Due to lockdown, physical interaction was not allowed, but branch service was important for the bank, so we did not close our branch and made sure that clients can visit the branch but only for important things.”</i>	<i>“The real challenge was to continue the branch because due to lockdown, there was a restriction on the physical interaction.”</i>
Social distancing guidelines	<i>“To continue the branch operation, we had to adopt social distancing, and therefore the bank created social distancing policy and other SOP to be followed.”</i>	<i>“We adopted social distancing to continue the branch operations because without that, we could not have opened the branch.”</i>	<i>“We adopted strict social distancing and SOP and ensured that clients and employees in the branch wear a mask and maintain social distancing.”</i>

As in Table 2 the interviewee responses showed that the banks have attempted to maintain the branch operation as part of the business continuity according to the managers’ responses. The responses suggest that maintaining the branch operation was the main challenge, and therefore, banks focused on ensuring that the branch operations were continued without any disruption. Moreover, the banks adopted social distancing as the primary business continuity plan where SOPs were compiled and social distancing guidelines were followed.

4.2.2. Theme Two: Internal Operational Changes

Another theme identified from the interview transcript was the internal operational changes. In this regard, different sub-themes were extracted under the theme.

The first sub-theme identified is related to the banks’ new marketing and branding strategies to create a new brand image as shown in Table 3.

Table 3. The three banks’ managers’ responses to the second theme.

The Strategy	HSBC	Royal Bank of Scotland	Barclay’s Bank
New marketing and branding strategies to create a new brand image	<i>“Yes, we did try to inform our potential clients that our branches are open and that we are following SOPs and that we are responsible.”</i>	<i>“It was nothing new, but the bank ensured that the clients know that the branches of the bank are open and that they can still reach us via different means.”</i>	<i>“Yes, we had focused that the clients know that we are working normally following the social distancing. It was important during a pandemic.”</i>
Changing working and visiting hours.	<i>“Yes, we did make the changes in visiting hours. We shortened the duration of clients to visit the branch, but there was no change in the working hours.”</i>	<i>“No, there was no change in the visiting or working hours. Due to social distancing, we were already slow in entertaining clients so that we couldn’t reduce the visiting hours.”</i>	<i>“No, it was not needed because we had already managed the work. Everything was under control.”</i>

The responses in Table 3 can be summarized as follows: the banks adopted marketing campaigns to inform their clients that they generally function under strict social distancing guidelines. Another sub-theme identified was related to the changed working and visiting hours.

From the responses in Table 3, it is clear that the banks did not make significant changes in the working or visiting hours for the client.

4.2.3. Theme Three: Customer Relationship Management

As shown in Table 4, Another essential theme identified was related to customer relationship management. Under the theme, two sub-themes were identified, including relief of customers on their loan repayment and digital process for timely customer service to clients.

The first sub-theme identified was the relief of customers on their loan repayments.

Table 4. The three banks’ managers responses to the third theme.

The Strategy	HSBC	Royal Bank of Scotland	Barclay’s Bank
Relief of customers on their loan repayments	<i>“We have only given relief to clients who have contacted us and requested for an extension.”</i>	<i>“Not really. We have only allowed business clients with a reasonable reason for the delay in the loan repayment.”</i>	<i>“Yes, we have allowed some of the clients late repayment because we understand that this is the situation in which there is a decline in the economic activity.”</i>
Adopting a digital process for timely customer service	<i>“Yes, we tried that most of the clients’ requests are met on the digital system because it is convenient.”</i>	<i>“Yes, although we already had a digital system to manage the client’s request, during a pandemic, we mainly relied on the digital process.”</i>	<i>“We have forced our clients to use our website or app for submitting their queries. We have a digital process for processing such requests.”</i>

It can be summarized that banks have considered the request of late loan repayment. However, banks preferred to grant the sanction only for business clients or those who contacted and requested late repayment. Another sub-theme identified was adopting a digital process for timely customer service.

It can be summarized that banks in the UK have observed the impact of COVID-19, and therefore, they have taken necessary measures to cope with it. In this regard, they have adopted social distancing guidelines to ensure that branch operations are continued as before. Moreover, banks have also tried to create a new brand image of the bank, usually working in the pandemic. However, there is no significant change in the bank branches' working hours and visiting hours. The banks have also adopted customer relationship management strategies that have impacted the bank operations. For example, to manage the relationship with clients, banks have offered them relief and relaxation on their loan repayment, but the facility is not equally available for consumers. In addition, banks have also shifted their clients from physical to digital processes to submit their queries and process online.

5. Discussion

This section will analyze and discuss the results and findings presented in the previous section concerning the past literature. Due to COVID-19 and prolonged lockdown, the significant impact that the banks experienced was related to business continuity, as economic activity declined due to lockdown. Moreover, other challenges were related to the continuation of the branch operations, as due to lockdown, social interaction was not allowed, and banks were required to maintain social distancing. In such a situation, different banks around the world adopted different strategies. The survey findings with the employees of three banks in the UK and interviews with three managers in the respective banks about a business continuity plan for survival found that banks have maintained branch distribution and client service operation without any disruption during the COVID-19 pandemic. These findings are similar to the findings of [22] that also determined that many businesses have closed down; however, banks have adopted effective strategies that align with their business goals. As a result, they can continue their operation. On the other hand, Can et al., 2020 [35] found that banks in developing countries have experienced critical challenges regarding regular branch operation. It is because, in developing countries, banks have failed to open branches.

The banks have adopted social distancing guidelines throughout their branches and head offices to ensure continuity. In this regard, all three banks have adopted social distancing guidelines to ensure that branch operations are continued as before. These findings align with the findings of [36], that also found that the normalization of the business depends on the adoption of social distancing. They argued that social distancing and adoption of SOPs is the new normal. Businesses need to integrate these changes in the new business environment as part of their business operation. The findings have shown that COVID-19 impacted the banks' operations. Therefore, they are forced to adopt social distancing, ensuring that clients and employees wear masks and maintain the social distancing.

In this regard, the important findings are that no bank has considered the closure strategy of branches to continue their business during the pandemic. These findings are different from the findings of [37] that determined that several companies and businesses have considered closing down their business or even considered downsizing by sending their employees on leave for the sake of cutting the cost. Similarly, this study also found that banks have not made significant changes in their in-branch visit to appointments. Nevertheless, the banks have adjusted branch hours and timing. These findings can be linked with the findings of [38] that found that different companies adopt flexible working conditions to survive during the pandemic; however, it does not include reducing the working hours. In this regard, they argued that the companies are working remotely. However, in the case of banks, specifically branch operations, it is not possible to work remotely.

Different companies and businesses change their internal operations to survive in a crisis. In this regard, during the COVID-19 pandemic and lockdown, different businesses have changed how they work, such as working remotely or adapting to the digital working environment. In the case of the banking sector, COVID-19 impacted the operational

activities of banks, and as a result, different changes were observed in the banking sector. The survey and interview findings have helped gain insight into the change in the internal operation of the bank. Such as, an IT development team was created to automate routine work with the core aim of developing, documenting, and communicating. In this regard, it is found that banks have automated their back-office process so that the cost can be reduced and the efficiency of the banking process can be improved. These findings are similar to the findings of [6], which also determined that automating the back-office business operations can help reduce costs. Beck and Keil, 2021 [14] found that automating the routine work can also help enhance the banks' operational efficiency. Therefore, in the COVID-19 pandemic, different banks, mainly HSBC, Royal Bank of Scotland, and Barclay's banks, have reported adopting the IT team to automate their routine and back-office work. However, in this regard, essential findings are that banks have not involved layoffs in the banking sector. Banks have not downsized their employees to cut costs.

Banks in the UK have adopted a customer relationship management strategy to respond to the impact of COVID-19. In this way, it was found that banks have also adopted customer relationship management strategies that have impacted the bank operations, to manage the relationship with the clients, banks have offered them relief and relaxation in their loan repayment, but the facility is not equally available for consumers. In addition, banks have also shifted their clients from physical to digital processes to submit their queries and process online. Given that the study aims to identify the strategies adopted by the banks that reshape consumer behaviour in banking, customer relationship management is of great significance. However, there is a contradiction between the survey and interview findings, as managers have reported that there has been a relief. However, employees have refused such relief. It can be assumed managers could understand and explain their responses, whereas due to the closed-ended nature of the survey, employees could not explain their responses. These findings are similar to the findings of [2] found that those different banks have granted relief for their client during the financial crisis in loan repayment. Therefore, it is implied that the banks in the UK have allowed the relief for businesses clients to delay their repayment.

6. Conclusions and Recommendations

The worldwide spread of COVID-19 has been hampered. The COVID-19 pandemic has severely impacted every industry globally in recent months. As industries attempt to recover, there is a need for new strategic initiatives and higher preparation. Banks and the broader financial services sector face multiple challenges from the ongoing global impact of COVID-19. Banks must continue to leverage technology and build flexibility in their infrastructure to navigate these challenges. Banking services are classified under the essential services list. Banking and finance are under immense pressure to ensure business lockdown. The operational and technical challenges for both the customers and employees highlighted a deficiency and the general lack of agility in our bank systems when faced with an emergency. This paper aimed to demonstrate a close look at the COVID-19 pandemic on the banking system. From the survey and interview responses, it was found that all three banks, namely HSBC, Royal Bank of Scotland, and Barclays Bank, are impacted by the lockdown and increased physical restriction and briefly discuss that the banks are ready to assimilate the influence of COVID-19 on immediate learning from the current COVID-19 pandemic and add much-needed rigor towards digitizing and optimizing the banks' backend operations. As a result, to continue their operations and survive in the declining market, three banks have ensured that their branch operations are continued without interruption. Banking operations such as cash deposits, withdrawals, traditional teller services had to be executed by maintaining a safe distance of at least a meter. With some core banking functions, the online banks will focus on a complete transition by digitizing all their functions, processes, and systems.

It is recommended to carry out further research where the financial impact of COVID-19 can be evaluated on the banks' financial statements and the banks' strategies to cope with

the impact. For this purpose, they have adopted social distancing guidelines and integrated the SOPs into the branch operation principles. However, there is no evidence that the banks have closed their branches or stopped some investment portfolios to cut the operation cost. Similarly, banks have shifted from manual to digital processes for entertaining customers. The present research was mainly exploratory, investigating the strategies the United Kingdom's banks have used to reshape consumer behaviour during the COVID-19 pandemic to continue providing customer services. Unfortunately, our research sample was tiny; therefore, the study cannot be generalized.

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