

Module 2: Banking and Finance Essentials | Unit 3: Retail banking

LISTENING TRANSCRIPT

Peter Sinclair:

Well, I'm not sure that retail banking is declining. I think in many countries the size of bank deposits, that's the liabilities that the retail banks have, has been growing faster than national income - it's been rising. People are increasingly moving away from currency towards things like bank deposits, that's a slow gradual trend and it's a trend evident in most places, especially the more developing poorer countries, emerging economies and so on.

So I think retail banking has always been regarded as important, but perhaps a little boring for some people. So the real action seems to be more in the big-scale operations with large companies, in huge deals and other kinds of activity which are thought to be more sophisticated and perhaps more rewarding than retail banking. More sophisticated yes, more specialized yes, but not more lucrative, and often more dangerous.

Retail banking I think is not in decline; although people have been predicting that it might be at some point, there's no evidence that it is.