

Mortgage customers

We've had a good response to our offer to put in place a payment holiday of up to three months for our personal mortgage customers if their household income has been affected. In just over a week, more than 70,000 homeowners have successfully applied for one. This means they will temporarily stop paying all or part of their monthly mortgage payment, which will be added onto their mortgage balance and repaid over the course of the remaining mortgage term. We are also waiving any missed payment fees for mortgage customers for three months.

Additionally, for anyone in the process of trying to buy a new home who has an existing mortgage offer with us, we have granted them an additional three months to complete their home purchase at the agreed rate.

Finally, the recent Bank of England base rate reductions totalling 0.65% will be passed on in full to mortgage customers of Lloyds Bank, Halifax and Bank of Scotland, helping to reduce their monthly household outgoings.

Banking customers

To help our customers manage their finances during this challenging period, we've announced that from 6 April our personal banking customers will be able to access a £300 overdraft, interest-free. The majority of customers who use overdrafts do not go over that limit, and thanks to the changes we have already announced, those who do will pay less interest than they used to.

As with mortgages, we are also offering our customers with personal loans a payment holiday. More than 30,000 customers have already taken up this offer. Similarly, there will be no missed payment fees for customers with loans, as well as credit cards and motor finance, for three months.

We would urge any customer who is worried about their financial situation to contact us. We are doing our utmost to answer all of these queries swiftly, though we ask that customers bear with us as our telephone lines are facing significantly higher demand resulting in delays. We are regularly updating the information we have online for those customers who can find answers that way.

Branches / access to cash

Given the Government's guidance on social distancing, we have seen a marked decrease in the number of customers using our branches and ATMs in recent days. Our aim is to keep as many branches open as possible, while ensuring we abide by public health guidelines. To achieve this we have altered our shift pattern, so that only one shift operates in each branch. This means that our weekday opening hours are now 10am to 2pm and we have stopped weekend openings. As you might imagine, our staffing situation changes daily as our

colleagues try to balance their desire to keep serving customers with changes in their personal circumstances. In some cases due to local issues branches have had to close suddenly, either for staffing reasons or to be cleaned. We recognise our duty to keep services going and are making every effort to keep as many open as possible.

Through our commercial relationship with the Post Office, customers can also pay in or withdraw money from their local post office. We are talking regularly to the Post Office to establish how their network is affected by COVID-19.

In order to reduce the risk of spreading the virus, we have made the difficult decision to suspend our Bank of Scotland and Lloyds Bank mobile branches, which visit over two hundred rural communities each week. We are contacting regular users of our mobile branches to offer support during this pause in service.

The supply of cash continues to operate as normal. LINK, which manages the largest network of cash machines, has said that ATM and cash use has fallen by around 50% in recent days. Nevertheless the industry is taking steps to make alternative forms of payment more available. So, for example, from 1 April, the contactless payment limit for all customers will increase from £30 to £45. Customers using mobile devices (such as Apple Pay) can make secure contactless payments above this limit at many retailers.

Business customers

We have created a £2bn package of support to help small business through this uncertain period which includes the waiving of our standard arrangement fees for new overdrafts, overdraft limit increases and new or increased invoice discounting and finance facilities for businesses that are particularly affected. This is part of an £18 billion commitment made by the Group to support businesses during 2020. We are keeping our support under constant review as we learn more about what our customers are going through, and we are contacting many of our clients in the most affected sectors to offer capital repayment holidays and overdraft extensions to support their working capital needs.

Our focus over the past week has been specifically on helping the Government to develop and launch the Coronavirus Business Interruption Loan (CBIL) scheme for smaller businesses. It is now available to businesses with turnover up to £45m, for loans up to £5m, which will be fee free and have 12 months interest free. We recognise that the unavoidable gap between its

announcement and the confirmation of the final details meant many customers were initially left frustrated when we were unable to answer their specific questions, but we are doing our best now to make up for lost time. We have already seen in excess of 15,000 views of our application site, 5,000 application forms downloaded, and more than 1,600 applications received. We have now also changed our approach so that lending of amounts less than £250,000 under the CBIL scheme does not require business owners to put up any personal guarantees as security.

The CBIL scheme is designed to be a valuable back-stop for those viable UK businesses affected by coronavirus that cannot currently access normal bank lending. Under the terms of the scheme, where we can offer finance on normal commercial terms, we will continue to do so – and at lower rates than previously was the case because of the recently announced Bank of England rate reduction and its Term Funding Scheme for SMEs. If we are not able to extend finance under our normal criteria, then the business' eligibility will be considered under the CIBL scheme.

Our staff

Our regulator has issued clear guidance around the critical role that financial services plays in ensuring that the economy continues to function. While many of our colleagues can work from home during this period, there are roles – including branch colleagues, call centre staff who for example process loan requests or mortgage holiday requests, and IT infrastructure maintenance – where this is not currently possible. We understand that we are asking a lot of these colleagues, and we do not take their contribution for granted.

That is why we are taking steps to reduce the risks for them, including through appropriate social distancing and enhanced cleaning procedures at our sites.

We are also urgently seeking ways to allow many of these critical activities to be conducted remotely, and in a way that safeguards our customers' data.

Furthermore, we are reviewing all our activities with a view to halting temporarily all those that aren't directly focused on supporting the economy through the crisis.

We have committed to stand by our colleagues regardless of the impact of the crisis on their ability to work. We are cooperating closely with our recognised unions to make sure that we have in place all possible steps to protect our customers and our staff