



Key Developments in Account Migration

The Central Bank continues to collect and monitor data on account migration activity, publishing monthly updates exhibiting the data and latest analysis. This Statistical Release presents insights on activity that has been undertaken to date, focusing on the recent developments:

- As at end-April 2023¹, 33,095 current accounts in Ulster Bank and KBC Bank were deemed by banks as the customer's 'primary' account. The true figure is likely to be even lower as the definition of a 'primary' account² is backward looking based on the customer's past activity. Accounts will continue to be designated as 'primary' until the necessary amount of time has passed since their previous transactions.
- Of the total number of current accounts that were open in Ulster Bank and KBC Bank at the beginning of 2022, just over 92 per cent were either closed or inactive as at end-April 2023.
- A total of 104,758 current and deposit accounts were closed in the two exiting banks in the four weeks to end-April³. This represented an increase of 21 per cent when compared with corresponding four week period to end-March. This brings the total number of accounts closed since the beginning of 2022 at these two banks to 1,090,781.
- A total of 44,172 accounts were opened in the four weeks to end-April in the main remaining banks, a decrease of 11 per cent when compared with the corresponding period to end-March. More recent account opening figures are likely less related to migrating accounts, as the trend in account openings over the past two months is largely in line with 'business as usual' openings observed in the market between 2019 and 2021.
- In total, 1,200,810 current and deposit accounts were opened across the three remaining retail banks since the beginning 2022.

Table 1: Summary of Account Migration Activity, as at end-April 2023

	Accounts Closed since January 2022	Accounts that Remain Open	Accounts Opened since January 2022
Total Accounts	1,090,781	142,533	1,200,810
Deposit Accounts	518,754	32,885	399,162
Current Accounts	572,027	109,648	801,648
<i>of which designated as Primary</i>	-	33,095	-

¹ 'End-April' in this release refers to dates up to and including 28/04/2023.

² 'Primary accounts' are those that show evidence of being the customer's main bank account. Such evidence may include a considerable number of customer-initiated transactions and payments received in recent months. This is a designation made by the reporting institutions, according to their own definitions.

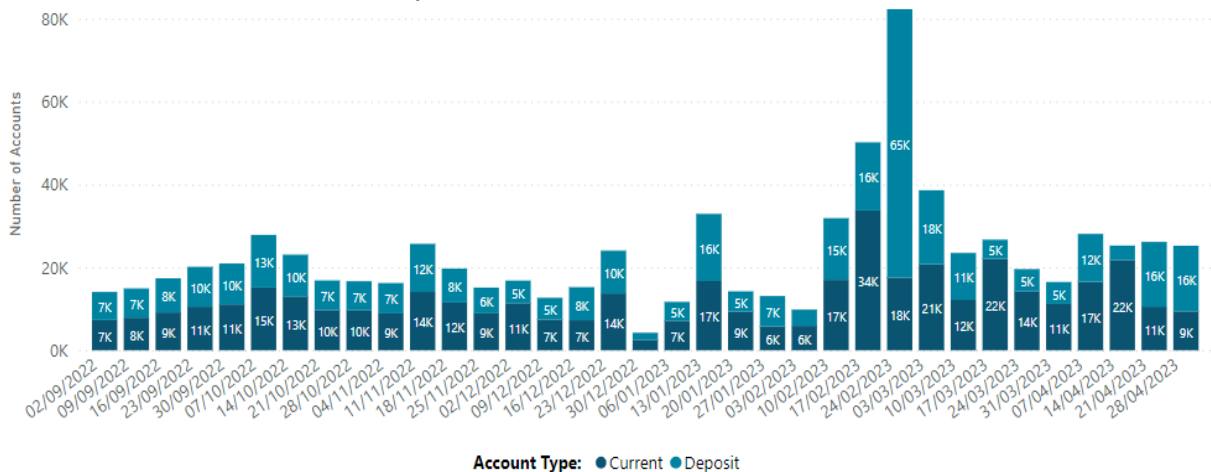
³ Account closures initiated by the exiting banks without the involvement of customers are included in the account closure data.

Account Closure Activity

The latest data shows a significant increase in the number of bank initiated closures along with continued customer wind-down activity at both Ulster Bank and KBC Bank. This is also evidenced in other data sources available to the Central Bank.

- In total, 104,758 current and deposit accounts were closed in Ulster Bank and KBC Bank in the four weeks to end-April 2023, an increase of 21 per cent compared to the four weeks to end-March (Chart 1). Account closures have been relatively stable at around 24,000 accounts per week over the past two months.
- In total, 1,090,781 current and deposit accounts were closed since the beginning of 2022. Of these, 94 per cent were accounts held by private households. SME (including sole traders) & Other customers accounted for the remaining 6 per cent; which is broadly in line with the population make up prior to the beginning of closure activity.
- Household deposits held in the two exiting banks continues to decline. Total Irish resident household deposit balances in Ulster Bank and KBC Bank equated to €776 million at end-March 2023, falling by an average of €1.1bn per month over the first quarter of 2023. There has been a reduction of 95 per cent (or €14.4bn) in household deposits since the beginning of 2022.

Chart 1: Number of Accounts Closed by Week⁴

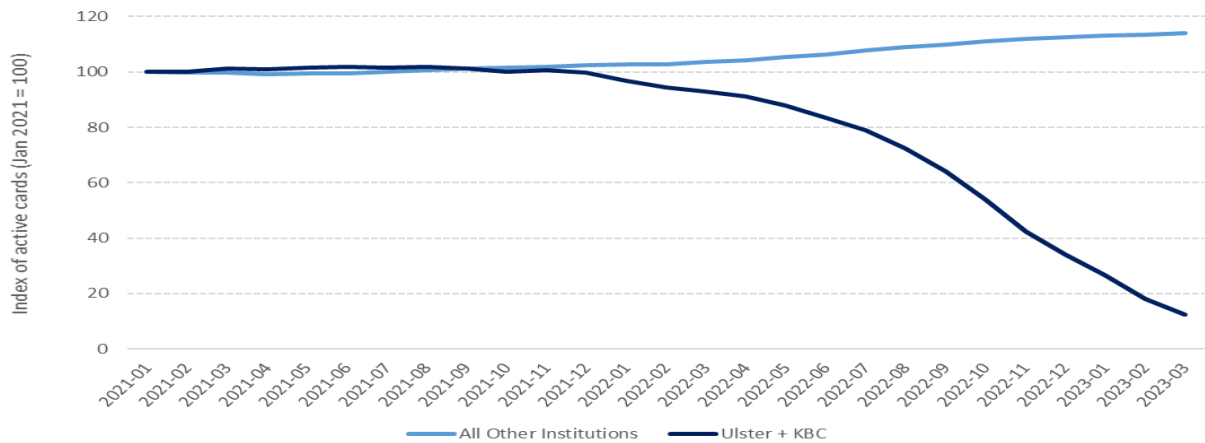


Source: Account Migration Statistics, Central Bank of Ireland.

⁴ The large increase in new deposit account closures in the week to February 24th is caused by the scheduled transfer of deposit accounts from KBC Bank to Bank of Ireland.

- The Credit and Debit Card Statistics provide an additional source of evidence demonstrating the significant decline in overall activity. This data shows that the number of active debit and credit cards in issue by the Ulster Bank and KBC Bank has continued its steady decline; as at end-March 2023 the number of active cards in issue by the two exiting banks was 88 per cent lower than at end-January 2021 (Chart 2).

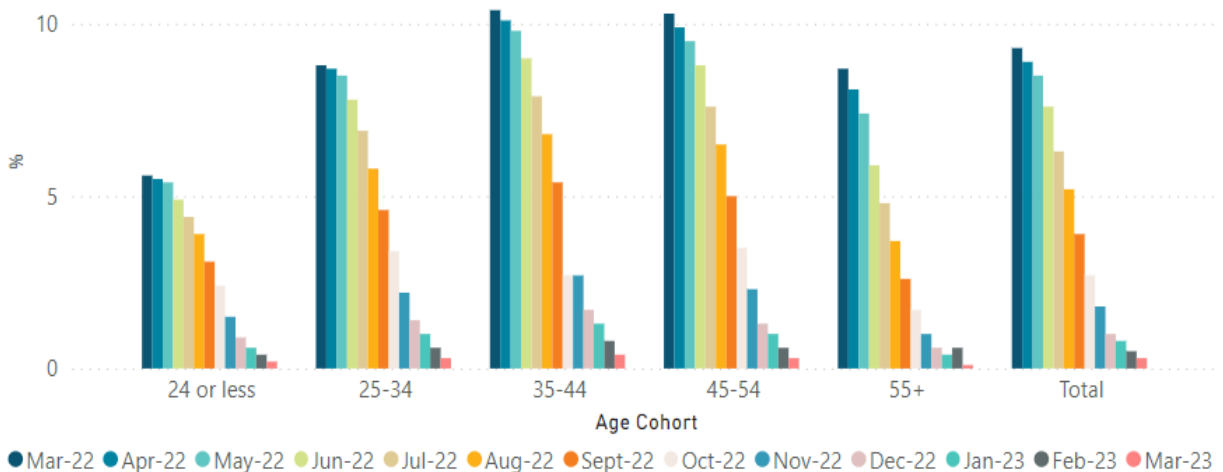
Chart 2: Change in the number of Active Credit and Debit Cards since January 2021



Source: Credit and Debit Card Statistics, Central Bank of Ireland.

- Data from the Department of Social Protection (DSP) show that the share of DSP recipient bank accounts that are in Ulster Bank or KBC Bank fell further in the first quarter of 2023, following its sharp decline over the final quarter of 2022. As at end-March 2023, the share of DSP recipient bank accounts that are in either of the exiting banks stood at 0.3 per cent, down from 9.3 per cent of all DSP customer nominated bank accounts at end-March 2022 (Chart 3).

Chart 3: Share of DSP Recipient Accounts held in Ulster Bank or KBC Bank by Age Cohort



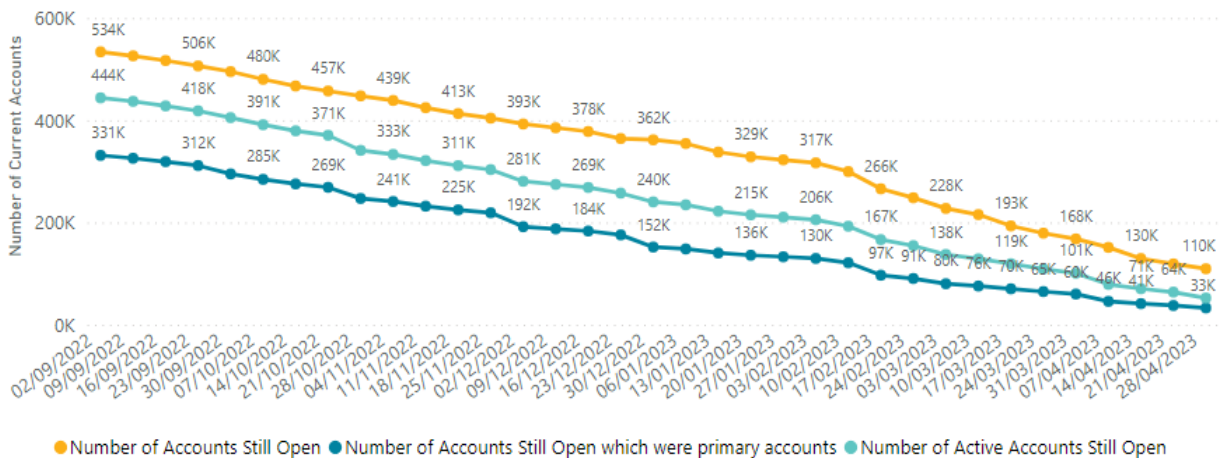
Source: Department of Social Protection.

Accounts Remaining

The increasing number of bank initiated closures along with continued migration by customers has led to a significantly reduced number of ‘primary’ customer accounts that remain open in the two exiting banks⁵.

- As at end-April, 33,095 accounts were deemed by the banks to be the customer’s ‘primary’ account⁶. The true figure is likely to be even lower as the definition of ‘primary’ account here is backward looking based on the customer’s past activity. Accounts will continue to be designated as ‘primary’ until the necessary amount of time has passed since their previous transactions.
- Additional information, using a shorter reference period for measuring activity levels, showed that a significant proportion of current accounts defined as primary exhibited relatively low levels of very recent customer reliance.
- In total, just over 92 per cent of all current accounts that were open at the beginning of 2022 in Ulster Bank and KBC Bank were either closed or inactive as at end-April 2023.

Chart 4: Number of Current Accounts Still Open by Activity Level



Source: Account Migration Statistics, Central Bank of Ireland.

⁵ ‘Active’ and ‘primary’ accounts are accounts that have shown signs of customer-initiated activity in recent months. The types of activities that are relevant here are transactions such as deposits, withdrawals, payments or transfers, which occur during a specific time period, set by the reporting institutions according to their own internal definitions.

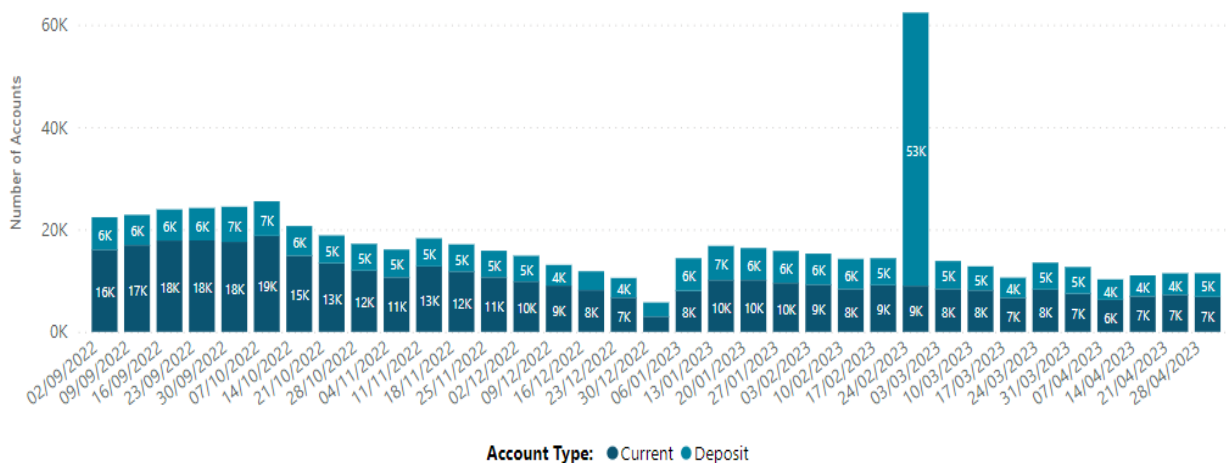
⁶ As the definition for ‘active’ and ‘primary’ accounts is backward looking, and relates to past customer activity, the number of accounts outstanding that are designated as ‘active’ and ‘primary’ is likely to be overstated. If a customer stops using an account for instance, that account will not be designated ‘inactive’ until the necessary amount of time has passed according to the definition used.

Account Openings

A sizeable amount of current and deposit account opening activity has been recorded since the beginning of 2022. The data below details the activity across the three remaining large retail banks.

- The pace at which new accounts were opened slowed marginally compared to the previous month. In total, 44,172 accounts were opened in the four weeks to end-April, equating to a decline of 11 per cent compared with the corresponding period to end-March (Chart 5).
- In total, 1,200,810 accounts were opened since the beginning of 2022. The majority of these were current accounts (801,648). While other factors may also be contributing to this uplift relative to previous years⁷, it is likely that migration activity by customers of the exiting banks accounts for a sizeable portion of the overall increase.
- Analysing the most recent data shows that the latest account opening figures are likely less related to migrating accounts, as the trend in account openings over the past two months is largely in line with ‘business as usual’ openings observed in the market between 2019 and 2021.
- Additional data collected within the Central Bank indicates that Credit Unions, that are authorised to provide current account services, have issued circa 77,000 new cards between the beginning of 2022 and April 2023.

Chart 5: Number of Accounts Opened by Week⁸



Source: Account Migration Statistics, Central Bank of Ireland.

⁷ Demographic factors, including the inward migration of a significant number of Ukrainian refugees, are also likely to have contributed to increased bank account openings in 2022.

⁸ The large increase in new deposit account openings in the week to February 24th is caused by the scheduled transfer of deposit accounts from KBC Bank to Bank of Ireland.

Additional Switching Data

As well as data relating to the number of account openings and closures, the Central Bank has collected various data on aspects of the account closing and opening processes.

- The number of accounts migrated using the switching code⁹ was small relative to total accounts closed and opened. The exiting banks reported 22,715 accounts closed in accordance with the code since the beginning of 2022.
- Of the total number of new accounts opened, 60 per cent were opened online, while the remainder were opened in a branch. The average waiting time for a branch appointment was 4 working days at end-April. This has fallen from an average of nearly 10 days in early August 2022.

⁹ Central Bank of Ireland - [Code of Conduct on the Switching of Payment Accounts with Payment Service Providers](#).

Explanatory Notes

Please note the following definitions used within this release and the data collection generally:

Private Households are defined as individuals or groups of individuals acting as (i) consumers; (ii) producers of goods and non-financial services exclusively for their own final consumption. Sole traders are not to be included within this category.

SME including sole traders: The SME classification is based on the European Commission Recommendation 2003/361/EC10: Small enterprises are those employing fewer than 50 persons, and having an annual turnover or annual balance sheet less than or equal to €10 million. Medium-sized enterprises employ fewer than 250 persons and have an annual turnover of greater than €10 million and less than or equal to €50 million, or an annual balance sheet greater than €10 million and less than or equal to €43 million. If there are any instances where borderline cases exist using these definitions of small and medium-sized enterprises, the employee number threshold is to take precedence.

Other customer type: This category should contain all other counterparties than those included in the above. The total of these three categories therefore should encompass the entire universe of bank accounts.

Active accounts are accounts that have shown signs of customer-initiated activity in recent months. The types of activities that are relevant here are transactions such as deposits, withdrawals, payments or transfers, which occur during a specific time period, set by the reporting institutions according to their own internal definitions.

Primary accounts are those that show evidence of being the customer's main bank account. Such evidence may include a considerable number of customer-initiated transactions and payments received in recent months. This is a designation made by the reporting institutions, according to their own definitions.