



SPACE—INVADER



Lloyds Bank 399 Oxford Street

For Publication

Design Agency: SpacelInvader
Client: Lloyds Banking Group plc

DBA Design Effectiveness Awards entry - November 2022





Welcome to
Lloyds Bank
Oxford Street



On our journey
to plant more
hedgerows

We are helping
Woodland Trust's
MOREhedges schemes
plant trees and



Executive Summary

Following the devastation of both fire and flood in branch on Oxford Street, Lloyds Bank had the opportunity to radically re-imagine how they designed bank branches; embedding Sustainability and a focus on customer education, rather than transactions, at the core of both the customer experience strategy and the spatial design.

This remodel opportunity gave Lloyds Bank the chance to test and experiment with new concepts and formats to help solve three main business objectives:

1. Demand Reduction: reduce counter transactions to free up colleague time for meaningful conversations
2. Sustainability: showcase the Group's sustainability journey through physical/digital touchpoints and meaningful colleague conversations
3. Customer Education: increase customer satisfaction and understanding of the bank's resources in branch and on other channels

Within a year of opening, this bold new approach has already paid dividends; business performance for this branch has consistently outperformed network averages with significant shifts against all three key business metrics:

- [REDACTED CONFIDENTIAL DATA] transactions in this branch go through self service machines, freeing up colleague time for more in depth conversations and customer education
- [REDACTED CONFIDENTIAL DATA] customers strongly agreed / agree that the new design / features helped them understand the bank's commitments to sustainability
- Overall Customer Education is up [REDACTED CONFIDENTIAL DATA] relative to the rest of the network; with Digital Banking Support in this branch [REDACTED CONFIDENTIAL DATA] higher than the rest of branch network

The outcome of the success of this new branch format is that Lloyds Banking Group has now committed to spend [REDACTED CONFIDENTIAL DATA] over the next 4 years to modernize their 1000+ branch estate; across all three of their consumer brands Lloyds Bank, Halifax and Bank of Scotland. Lloyds Bank have proven that a sustainability first approach is good for business, good for the environment and scalable beyond this one branch.



Context and overview

Lloyds Bank is a customer facing financial service provider which supports customers financial wellbeing at all stages throughout life.

The work was a refurbishment of the client's existing branch, which was refitted following fire and flood damage that had closed the previous branch in early 2020. The scope of work and new branch's aim was to capitalise on its Oxford Street location which gives Lloyds the opportunity to engage with their customers from all over the country due to Oxford Street's unique market reach. The scope included a new brand interior design as well as new propositions and colleague choreography to enable the client to achieve their key business objectives and communicate brand ethos to new and existing customers.

The scheme is set in a notably brutalist, four-storey concrete building, originally commissioned by Lloyds Bank in 1967 from Sir John Burnet of Tait and Partners. The building is square in outline and faced in concrete panels. The context of this led the design look & feel whilst also incorporating a strong brand presence.

Against a backdrop of branch closures, Lloyds had the opportunity to radically rethink what an experience-

first branch could look like with less of a focus on serving transactions and reorientating their branch experience more towards education, with the view to improve customer experience.

What were the key business challenges?

1. Demand Reduction: reduce counter transactions to free up colleague time for meaningful conversations
2. Sustainability: showcase the Group's sustainability journey through physical/ digital touchpoints and meaningful colleague conversations
3. Customer Education: increase customer satisfaction and understanding of the banks resources in branch and on other channels

Feeding into this, the client's key business objectives were as follows:

Sustainability Journey

- Raise awareness of Lloyds Banking Group's aspirations for sustainability
- Increased digital engagement - communicate ethos through branch design and interactive





digital content, reducing paper wherever possible

- Partner/showcase Lloyds Bank's sustainable business customers on green journey
- Consider biophilia options
- Greener Home proposition to educate customers
- Show how branches have been made sustainable so far and how the Group are working hard to make them even better in the future
- Reassure customers that as a Group Lloyds only invest and support in other sustainable businesses
- Help their customers to become more sustainable

Business/Commercial Partnerships

- Showcase for Lloyds Banking Group's commercial/ business clients who they are helping on their journey to becoming more sustainable, with a proposition to include events opportunity

Self-service

- ATM / IDM's to promote self service migration ('hidden' counter located upstairs)
- Advice for simple needs: implementation of Knowledge Bar
- Increased customer NPS through immediate

resolution of more straight forward customer servicing needs

- Deeper customer engagement through service proposition identifies further customer needs providing the opportunity to further deepen customer relationships
- A more efficient branch - effective triaging means appointments are focused on more complex and commercially valuable customer conversations
- Increased colleague motivation through working on a differentiated proposition that increases customer service / satisfaction

Generate footfall: Events

- Events schedule aligned to customer needs including Home, Business, Wealth, Wellbeing & Sustainability / Greener Home

Spaces encompassed the 164 sq m ground floor space and the 274 sq m first floor, including external signage and manifestation, immersive entrance, a self service transaction zone, meeting rooms, tills, admin space, Knowledge Bar and events space. Lloyds Bank also asked for a British association in the FF&E approach, both to reflect its own heritage and to reduce transport miles to help meet carbon reduction targets.

Lloyds Banking Group are dedicated to making a

positive contribution to the communities in which they operate and having great social impact. Lloyds Bank have over 1,000 high street branches with award-winning banking services, and designing the space for 399, a branch situated on Europe's busiest shopping street, there was real opportunity for the branch to make a big impact and drive Lloyds Banking Group's sustainable business goals.

Previously the branch didn't have great presence on the high street, which was a somewhat missed opportunity considering its Oxford Street location. The single door placed to the left of the entry way didn't look like a main entrance and did nothing to draw people in. By replacing this with glazing and instead opening up a double door in the centre of the building frontage wrapped in an immersive digital archway, the brand presence was improved as well as improving circulation and reducing congestion in the entryway.

Lloyds Banking Group collaborated with a number of areas across the business as well as with us. They held a number of workshops to develop the customer journeys in their entirety (including physical, propositional, colleague training, messaging, transactional elements) to ensure they would achieve

the objectives required by their customers and align to Lloyds' business aims, with more of a view to increase engagement with the internal audience.

Aligning with Lloyds Banking Group's responsible approach to business and their modern British brand values, we designed a space with sustainability ingrained and strong links to the British landscape.

One of the main drivers for the project was sustainability. Our approach ranged from recommendations on net zero carbon in operation to low embodied carbon during the construction process, achieved through researching and recommending the most sustainable products we could specify. The result is a great synergy of our own journey and that of the client - with the final outcome now the most sustainable fit-out in the history of Lloyds Bank. Sustainability information is presented around the branch through interactive videos, static and rotating posters, along with internal and external living walls, creating an immersive experience for visitors.

In addition to these environmental factors, we were heavily inspired by remote areas of Britain to bring the great outdoors into one of the country's busiest streets. We focused on 5 different areas to cover a





large breadth of space across the country and gave each theme a name:

- Lakeside, inspired by England's largest national park
- Coastal, inspired by Cornish surf
- Peaks, inspired by the summits of Britain's 3 peaks across England Scotland and Wales
- Woodland, inspired by Britain's rich and diverse woodlands
- Cliffs, inspired by the White Cliffs of Dover

We assigned one of these themes to each of the 5 meeting rooms, also referencing these in our material selection throughout the whole space.

We opted for products to help promote a connection nature, for example Forbo Tessera Cloudscape, with its cloud formation inspired design. We loved the story behind the product with the sky above us being the only connection from today's crowded urban environment to areas of nature and this fit perfectly with the design concept and location of the scheme. Other ways we promoted this connection to nature include an immersive entryway, where we created an impactful tree canopy out of fret-cut acoustic discs and a stencilled lightbox, hand drawn based on British tree species, and supported by British landscape photography on a large digital screen and audio of birdsong.

Where appropriate, we look to adopt a hospitality-led look & feel in our schemes. We have seen this crossover with multiple sectors in recent years and find that our end users are increasingly looking for relaxed and high quality experiences. We were

influenced by this in our design process, creating areas with a level of service where customers can wait with a coffee, and a mixture of lounge settings. "The bank is looking different now, looking like a restaurant upstairs" - Customer comment

How did the design solution address the key business challenges?

Business Challenge: reduce counter transactions freeing up colleagues for meaningful conversations

- The customer journey through the space was mapped out and multiple space plan options explored to achieve optimal results. The space planning was built around this, with counters placed upstairs in a far less visible location and self-service ATMs placed at the forefront. Communication was key here with messaging throughout the space across signage, digital screens and printed media to assist on any other queries first and prevent customers going directly to the counter for queries that can be answered elsewhere. The more meaningful conversations which could then be had include sustainability - with the branch's colleagues, who have undergone specialist sustainability training, being able to engage in conversations with customers on Lloyds Banking Group's path towards a greener future and showcase their sustainability- focused products, such as our Greener Home proposition.

Business Challenge: showcase the Group's sustainability journey through physical / digital touchpoints and meaningful colleague conversations.

- Another of the key drivers for the space was to engage and educate customers on sustainability, whilst also efficiently functioning for their everyday banking requirements. The design of the space played an important role in delivering this mission, partly through the selection of key materials and providing annotation to effectively educating customers on their backstory and purpose.
- Using chairs upholstered with fabric made from upcycled marine plastics references the coast, linking back to the Britishness concept. FSC certified timbers reference woodlands and flooring in the first floor areas reference the weather and its range of conditions demonstrated through different shades, using Forbo Tessera Cloudscape to bring a biophilic element into the scheme and promote a connection to nature. This is also made up of 61% recycled content.
- The health and wellbeing of staff and visitors was also to be addressed with the potential for the first-floor space to be used after hours for activity classes and community events.

Business Challenge: increase customer satisfaction through solving more 'simple needs' customer queries

- The inclusion of the Knowledge Bar supports 'simple needs' customer queries. This was designed to facilitate more informal conversations and be flexible in its use. Due to the nature of this not being a booked appointment space, it needed to be flexible to accommodate waiting as well as conversations between colleagues and customers. Recorded results highlighted the waiting time in itself was a positive experience for customers.
- Survey results show that every customer that left the Knowledge bar with great engagement. The majority of customers said there was nothing that could be done to improve their experience, but verbatim suggests potential 'waiting time' for customers to be seen could be improved.

The sustainable commitment from Lloyds Bank was extremely thorough and achieved through close consultation at every stage, particularly with different teams including M&E and lighting. Collaboration with different teams within Lloyds Banking Group was also key, for example with their communications team whilst developing the signage and wayfinding, to ensure messaging was on brand and served the key business challenges. For example, to showcase the Group's sustainability journey we considered ways to demonstrate sustainability messaging, including the use of plaques to highlight product stories. These were placed in specifically selected areas where they would be most likely to be read such as waiting areas,

and related to the material they were placed on for a more immersive experience.

As well as a focus on energy and carbon in the refurbishment, we sought to implement sustainable practices from multiple angles. This included:

- Thermal modelling was undertaken to optimise the heating and cooling energy demand and an efficient heat pump system, with heat recovery, was then installed. As a result, the embedded carbon content of the refrigerant gas in the heating and cooling system was reduced by 33 tonnes, improving energy efficiency, whilst the reliance on natural gas has been removed completely.
- Lighting throughout the branch was fully upgraded to LED, resulting in expected savings of around 10,000 kWh per year - equivalent to the electricity required to power three average UK homes. These alterations saw the Energy Performance Certificate (EPC) rating for the branch improve from a D to a B, and helped the client move a step closer to achieving its 2030 Net Zero Carbon Operations pledge
- A new Building Management System (BMS) was installed to ensure that energy performance could be closely monitored and maintained over time
- Furniture throughout was selected for an optimum mix of functionality, aesthetic suitability and sustainable credentials
- Ultra-low flush toilets, which use around 80% less water than the previous toilets, were also installed
- Forest Stewardship Council (FSC) certified wood was used for the joinery items on the scheme
- A water refill area was added for customers' own water bottles to discourage use of single-use plastics when visiting the branch
- We used Camira 'Oceanic' upholstery fabric in multiple areas which is made from 100%, post-consumer, recycled polyester
- We specified the Plan Q Cero coffee table which has a top that looks like veined marble, but is in fact made of recycled textiles from spent army uniforms and, fittingly, bank suits, with each one unique and with legs in solid, FSC-certified timber

These measures not only align to the client's operational climate pledges, they also create an opportunity to engage with customers and demonstrate their commitment to a greener future.

The branch launched on 9/12/2021 and the design fees were [REDACTED CONFIDENTIAL DATA].

Results

The branch's refurbishment has been a success, with results performing well against original business objectives and intended outcomes.

Setting out to achieve these results was both for the benefit of the client's ambitions for this branch as well as acting as a trial branch to then be rolled out to other branches. The success of the scheme has led to the client now rolling out key elements from this branch both across the Lloyds Bank retail estate as well as developing similar propositions for the wider Lloyds Banking Group including Halifax and Bank of Scotland, reaching millions of customers across the UK and NI as part of a programme of works over the next 3 years to transform the Group's retail spaces. This is the biggest investment the Group has made in the retail estate in the past decade and this branch has become the model for how sustainability can be incorporated into their future estate design.

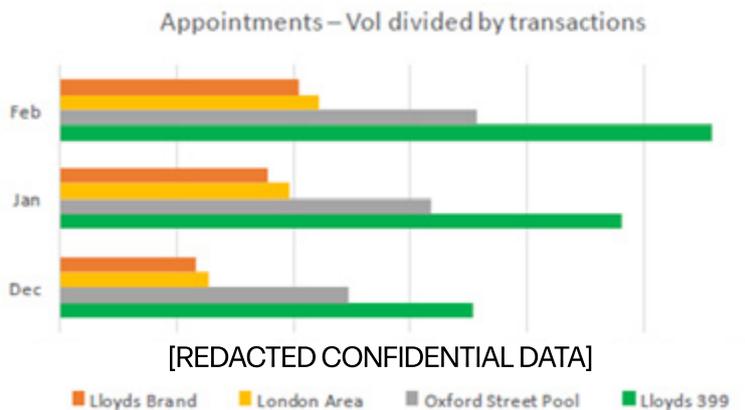
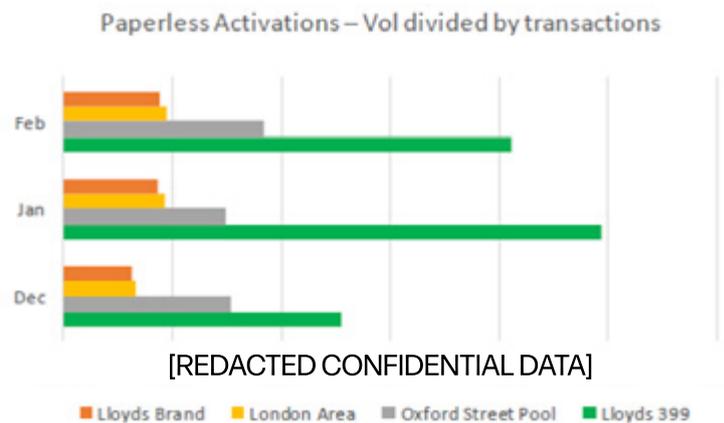
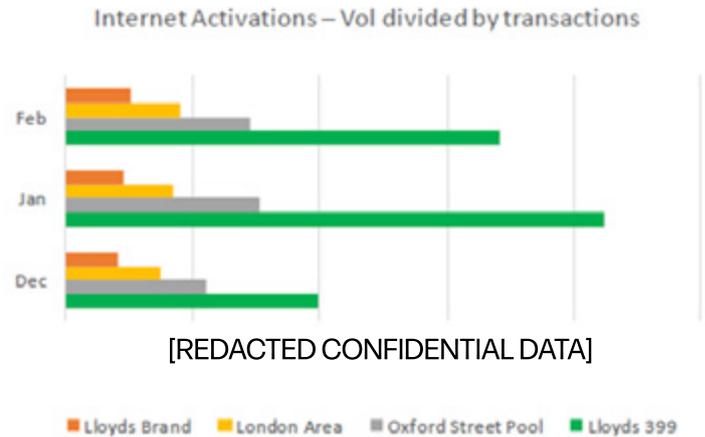
The branch has not leaked any refrigerant since reopening and therefore can report absolute zero carbon emissions for the branch this year (from scope 1 and 2, market based). This is a decreasing from the average 10tCO2/year that they have previously reported, which is equivalent as filling 49 double decker buses.

The following data was collected from the branch's opening in the first three months.

Customer Service Advisors customer facing time made up [REDACTED CONFIDENTIAL DATA]% of the time which is above the client's network average of [REDACTED CONFIDENTIAL DATA]%, allowing more focus on education. There is clear indication that format is working with transactions below average due to the counter position upstairs in less visible location.

Overall customer education is at [REDACTED CONFIDENTIAL DATA]%, significantly higher than the network at [REDACTED CONFIDENTIAL DATA]%. Digital Banking is the strongest metric within the education sector, showing clear evidence that colleagues are spending more time digitally educating customers. Time spent 'Ready to Serve' ([REDACTED CONFIDENTIAL DATA]% of the day) is really positive with reflection showing that colleagues are efficient, with resource and choreography more in line with network average at [REDACTED CONFIDENTIAL DATA]%. The branch outperforms the Lloyds Network on customer education (excl. digital banking) which is at [REDACTED CONFIDENTIAL DATA]% vs. [REDACTED CONFIDENTIAL DATA]% and digital banking support at [REDACTED CONFIDENTIAL DATA]% vs. [REDACTED CONFIDENTIAL DATA]%.

Transaction data shows Lloyds 399 outperforms Pool, Area and Brand across appointments, paperless and internet banking as demonstrated in the graphs shown.



The client has captured evidence which proves that the Knowledge Bar provides an improved, personalised customer experience, solving more 'simple needs' customer queries as outlined in the business challenges to be solved. This outperforms branches with no Knowledge Bar, outscoring other branches in five out of six of the areas assessed.



Colleagues felt the Knowledge Bar increased their confidence, helping them to have better quality conversations, and their time in motion data confirms they spend significantly more time educating customers than the network average.

The design of the space has contributed to this in the ways outlined below.

Arrival

- The positive arrival experience was achieved through signage and wayfinding - with the Knowledge Bar clearly signposted throughout the easy to navigate space, and through a warm and welcoming arrival experience. A positive first impression of the brand is created through this and the overall customer waiting experience both outweighing other branches.

Wait experience

- A variety of seating types enrich the waiting experience, considering all types of customers through comfortable lounge settings, high and low chairs and DDA accessible tables. Cleverly placed signage occupies customers during any busy periods, with displayed plaques promoting sustainable education and messaging on screen.

- Customers also appreciated the added functionality of being able to sit and have a drink as they wait. Surveyed colleagues noted that “customers much prefer waiting up here” and customers described the space as “really useful, a great asset to the branch. Love the layout, great to grab a drink”.

Help Provision

- Feedback suggests that the look and feel encourages a more relaxed environment and therefore more in- depth conversations take place. When surveyed, the top 3 words colleagues associated with the Knowledge Bar were relaxed, confident and calm. They described this as ‘opening a door’ to having more conversations, allowing customers to be more willing to open up. Colleagues mentioned “it’s one of my favourite places to help customers. It’s so calm” and customers outlined that it “facilitated an excellent conversation and helped me with internet banking on my phone”.

Onwards customer journey

- [REDACTED CONFIDENTIAL DATA] customers felt they left the Knowledge Bar with improved understanding of their digital / banking needs.

Colleagues feedback supported this, noting that “customers respond and feed back after being served in this area. The design is excellent”.

Overall impression

- [REDACTED CONFIDENTIAL DATA] customers felt the layout of the Knowledge Bar makes their interaction with a colleague more relaxed and informal and [REDACTED CONFIDENTIAL DATA] would recommend to friends and family. The open setting helps to facilitate this to provide customers with the time to gain the required knowledge without the formal setting of a meeting room, also offering spontaneity rather than having to book for a certain time. Customers said it is “really helpful and easy”.

Colleague feedback was gathered through detailed 1-2-1 interviews across a period of time from colleagues who operate from the Knowledge Bar.

Customer face to face feedback was gathered from customers post Knowledge Bar interactions by an independent observer.

It was important to record any potential influencing factors to these results and scrutinise all data to ensure the solution would still have a positive impact when rolling out to other branches.

Data is recorded through a three month period which may have an impact on the results, so this potential impact has been taken into account. Many of the criteria scored highly against competing branches so

the client is confident of the results and the positive outcome recorded. The client has a consistent approach to collecting data amongst branches and therefore the recorded data was comparable against other results, ensuring a strong business case to roll out elements from the scheme as intended.

Although it is placed in a high-profile area, the branch is not a flagship and therefore no special treatment was given in terms of marketing approach, and this was in line with other new branch openings. We worked with the client to ensure that everything implemented was scalable with the view to be applied to other branches across the country. This included the sustainable materials we selected - there are many innovative products in this space but to avoid implementing anything too bespoke or potentially unavailable in other locations we opted for solutions from suppliers who we were confident would be able to work on a larger rollout for consistency across branches.

While the client are sure of the zero carbon emissions this year, some of the historic data for gas emissions is estimated so the exact reduction recorded may not be completely accurate, though they are confident that there was a significant reduction.

Although space for events was built into the scheme, these have only more recently started to run after any recorded data so do not have any impact on the results.

