

Keith Pond

RETAIL BANKING

FOURTH EDITION



Gosbrook

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Supplementary material and a Tutor Resource
are available from www.gosbrook.com/retailbanking4e
or <http://keithpond.co.uk/extras.html>

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Preface to the fourth edition

Retail banks have undergone considerable changes in the last thirty years – and their capacity to react to economic, environmental, political, social and technological pressures will guarantee further changes in the decades to come. This edition updates earlier versions of the book in its treatment of issues surrounding the industry. It also emphasizes the priorities of retail banks today, and their regulatory and practical environment.

The text itself is divided broadly into two parts, Chapters 1–6 covering banking concepts and the current banking environment, and Chapter 7–12, key retail banking operations.

In the first half of the book, we consider what banking actually is and what banks do. We discuss some key economic concepts that underpin much banking activity in both historical and modern-day contexts and we examine banking risks, along with some of the ways in which banks overcome or minimize the adverse impact of such risks. We go on to review the position of banks within the economy, and their regulation by national and international bodies, and look at a bank's profitability from the perspective of its annual accounts.

In the second half of the book, we cover the key banking transactions – from the different types of bank account and product offered, to the use of payment systems (a necessary adjunct to intermediation). The book goes on to introduce the topic of lending, whereby some key credit risk tools are reviewed and applied, and basic securities are considered as a vital 'secondary repayment method' in the event of credit default. The book ends with an overview of the recovery of money by means of court action and insolvency procedures.

Throughout the book, you should consider the content in relation to particular examples of practice in your own national and regulatory environment. Often the differences in law, history and geography result in different banking responses to familiar questions and challenges. This book cannot promise to be an exhaustive review of all such practice, but it employs specific examples to highlight generic principles and common responses to them.

While I have made every effort to ensure that the information contained in the text is accurate and up to date, errors may remain and I take full responsibility for them. Your feedback is welcomed.

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