

BANKING ON BIRMINGHAM

A SELF-GUIDED WALK ON BANKING HISTORY IN BIRMINGHAM

1.2 MILES | 45 MINUTES | BIRMINGHAM CITY CENTRE



Bank of England Archive: 15A13/12/1/5

Introduction

Birmingham is famous as the 'workshop of the world', one of the centres of the industrial revolution in Britain. But did you know it also has strong links to Britain's financial history?

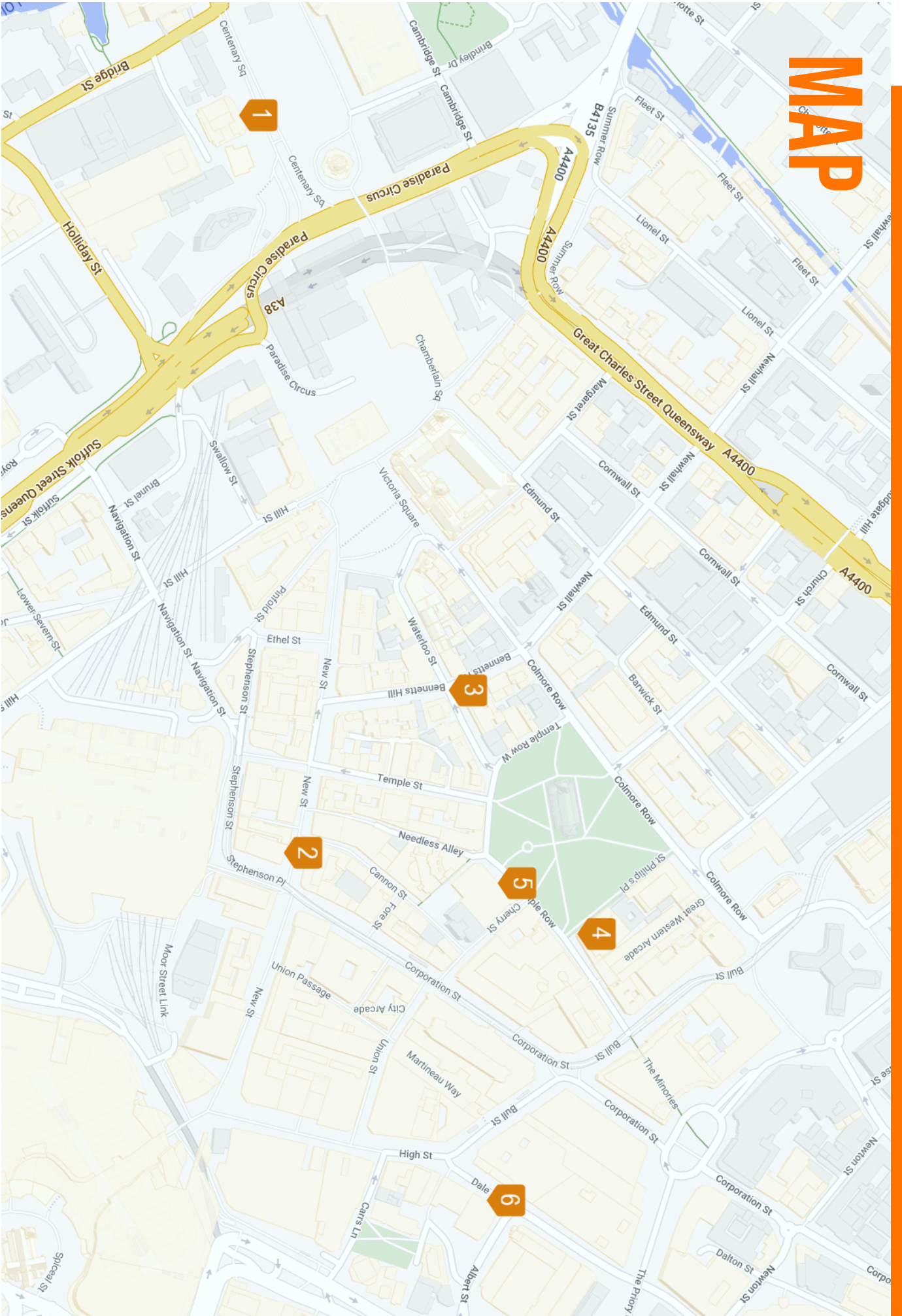
As the home of two of the UK's 'Big Four' banks – Lloyds Bank and HSBC – Birmingham has been producing powerhouses of the banking world for centuries. In addition, Birmingham was the location of one of Bank of England's regional branches, a topic we'll explore further throughout our tour.

Join us for a Bank of England Museum walking tour as we reveal Birmingham's banking past.

This walking tour covers roughly 1.2 miles within the city centre. It should take about 45 minutes to complete. Follow along using the map on the next page, or open the route on Google Maps, linked to on our website.

We know the history is interesting, but please always be aware of your surroundings and cross the road only when safe to do so.

MAP



STOP 1: RE-BUILDING BIRMINGHAM

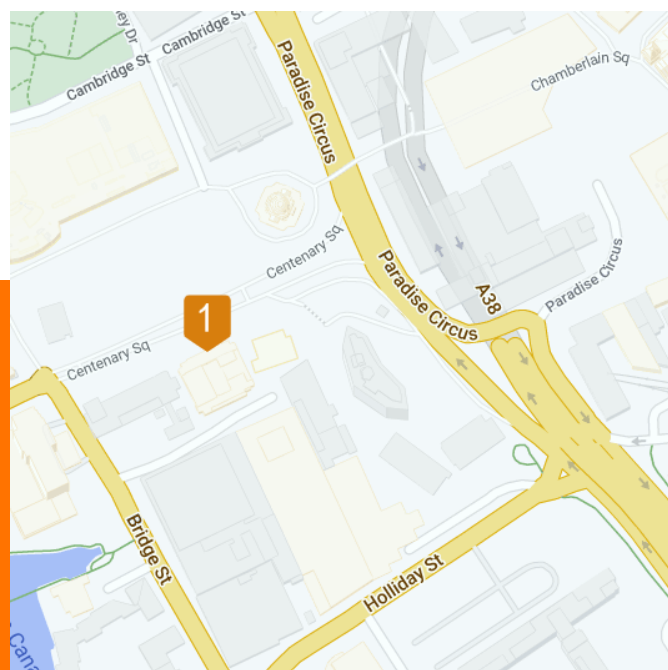
301 BROAD ST

We begin our walking tour outside the Birmingham Municipal Bank (BMB), which played an important role in the development of Birmingham following the First World War. This Grade II listed neo-classical building was completed in 1933 and was purpose built as the headquarters of the BMB. If you've watched BBC's *Line of Duty* or the film *Hustle*, you'll have had a glimpse inside!

The BMB was founded in 1916 as the Birmingham Corporation Savings Bank, as part of a 1916 Act of Parliament to raise funds following the First World War. As a municipal savings bank, its sole function was receiving deposits and paying interest on those deposits, rather than lending money through loans or mortgages. Savings banks were initially set up to help low-income workers save money and have access to banking services.

The BMB was the first municipal savings bank in Birmingham, which was unusual for a city so large and industrial. Municipal savings banks like BMB were vital for supporting the community, and reinvested profits into things like affordable housing. It was created as part of Birmingham City Council with these aims in mind.

The BMB was very successful and became the second largest local savings bank in Britain. By 1950 it had over 50 branches in the area. Its success led to campaigns by other cities to create their own municipal banks.



In 1976, the decision was made for the BMB to switch from a municipal bank model to a trustee savings bank model, though the council initially reserved the right to appoint the Trustees. Just a few years later, it became part of the bank TSB of the Midlands, which later became part of Lloyds Bank.

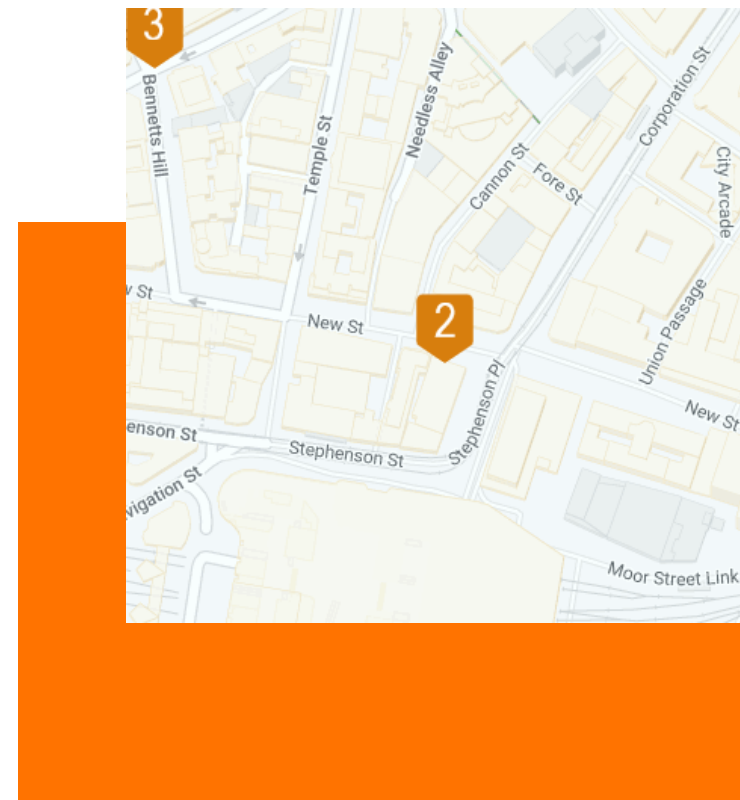
The building in front of you is currently owned by the University of Birmingham. Known as The Exchange, it's now a collaborative community space in the heart of the city. If you look directly to the left, you'll see HSBC's UK headquarters. The headquarters moved from London to Birmingham in 2018 as part of a largescale investment in the Midlands.

STOP 2: A BANK OF ENGLAND PROTÉGÉ 128 NEW STREET

128 New Street is a Grade II listed building built in 1867-9 by the architect Edward Holmes. It was the head office of the Birmingham and Midland Bank, which later became HSBC UK.

The Birmingham and Midland Bank began in 1836. It was founded by Charles Geach, who began his banking career as a clerk at the Bank of England. Geach played a large role in setting up the Birmingham Branch of the Bank of England in 1827. Later, through his strong links with the business community, Geach worked with local businessmen to create the Birmingham and Midland Bank.

A strong customer base quickly followed, financing local merchants who were driving the region's technological and economic boom. As the bank expanded it needed more space, leading to the construction of this head office.



Its first London office was opened near the Bank of England on Threadneedle Street in 1891, which became its headquarters in 1898. In 1992, Midland Bank became part of HSBC Group in one of the largest bank mergers of its time. It retained the name Midland Bank until 1999 when HSBC renamed it to fit in with branding.

In 2018, 120 years after relocating its headquarters to London, HSBC UK moved its headquarters back to Birmingham, in the building we saw at our last stop.

STOP 3: BRANCHES AND BENNETTS HILL

8 BENNETTS HILL AND 33 BENNETTS HILL

In the 1800s, Bennetts Hill was a thriving banking hub. A lot of the banks that flourished in Birmingham had offices in this area, some of which you can still see today.

At 8 Bennetts Hill you can see a Grade II listed bank built in 1870 as the National Provincial Bank of England. Across the street, at 33 Bennetts Hill, you can see a neo-classical building which was finished in 1831. Originally this is where the Birmingham Banking Company and later Midland Bank were based. On both buildings, you can still read the names of the banks. Today, both buildings have been repurposed as pubs or restaurants.

Bennetts Hill was also where the regional branch of the Bank of England was based between 1838 and 1890. In this case, the building has since been demolished, but an image of it can be seen on the next page.

In 1825, there was a financial crisis. People began to panic about the safety of their money and withdrew it from their accounts. To try and prevent this from happening in the future, the Bank of England opened up 11 new regional branches in three years, with more to follow. They were a way to keep an eye on the banking situation in local areas to try and prevent banks from collapsing.



When choosing the locations for each branch, the Bank of England selected industrial cities surrounded by agricultural regions, a fitting description of Birmingham in the early 1800s. The Bank of England first opened a branch in Birmingham on 1 January 1827 on Union Street in a building which has since been demolished.

Regional branches provided banking services, such as savings and deposits, to local customers. But, the Bank also saw these branches as a 'bankers' bank' providing services to other banks in the local area. One of the main goals was printing and distributing Bank of England banknotes in that region. This was partly done to encourage country banks to stop issuing their own banknotes, in favour of using standardised Bank of England notes.

Each branch had an Agent and a Sub-Agent, who were appointed by the Bank. They would have been men of private means with influence and knowledge of the local business community and would liaise with local industry and commerce on the Bank's behalf. From the 1900s on, Agents and Sub-Agents were instead drawn from Bank staff.

STOP 3: BRANCHES AND BENNETTS HILL

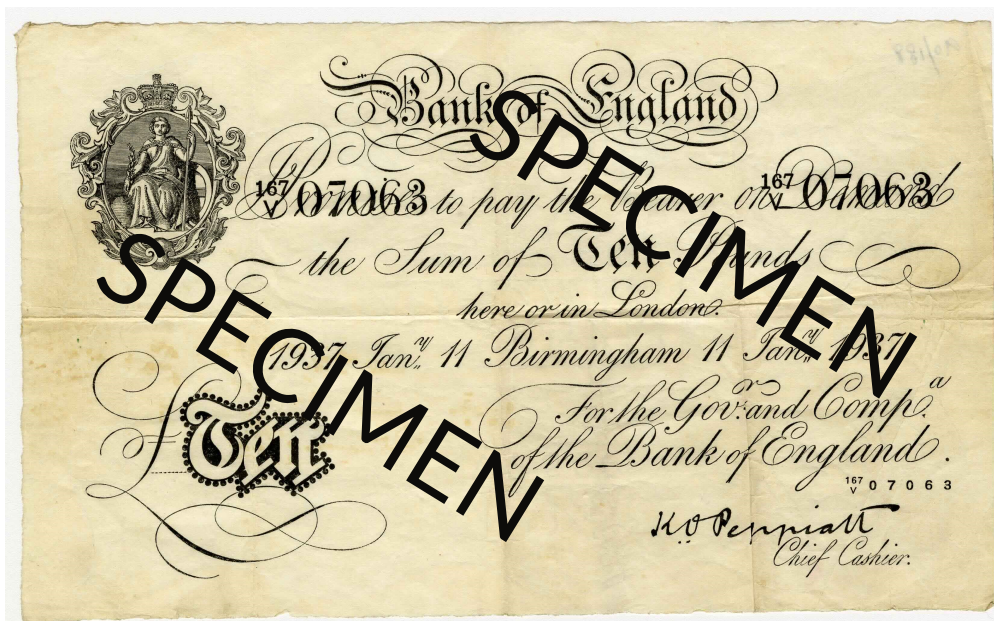
8 BENNETTS HILL AND 33 BENNETTS HILL

Right: The Bank of England branch on Bennetts Hill, occupied from 1838 to 1890.

Below: An example of a banknote issued by the Birmingham branch. As it was a locally issued banknote, it says Birmingham on it rather than London.



Bank of England Archive: 15A13/12/1/1



Bank of England Museum: 1990/188

STOP 5: MODERNISATION AND STORAGE SOLUTIONS

55 TEMPLE ROW

This building was where the Birmingham branch of the Bank of England was based from 1970-1997. It was a modern office building and solved the need for more storage space, but many staff members found themselves missing the lofty ceilings and Victorian grandeur of the old building

The new building enabled areas of the branch to modernise, and the old adding machines were switched out for computers. However, as is usually the case, some things were still done the old fashioned way. At this branch, staff were trained with dexterity tests like the one pictured below to check that they could work with banknotes quickly and accurately. For the test, you had to use tweezers to place a peg in one of the slots, followed by a washer and then a bead. Speed and accuracy were the name of the game.

Bank of England Museum: 2001/004A



In the autumn of 1997, the Bank of England closed the Birmingham Branch along with branches at Manchester, Leeds, Bristol, and Newcastle. As individuals no longer held private accounts at the Bank of England, there was no longer a need for local branches to provide banking services. Further, Leeds was established as a cash centre to help distribute banknotes around the country, so cash didn't need to be stored locally at each branch.

Despite closing the regional branches, the Bank of England still relied on expert local knowledge. In each city an Agent and a small team, known as an Agency, were left in place to maintain local business contacts. The Agencies remain to this day the Bank of England's 'eyes, ears and voice' in their regions. They collect information about trends and new developments which affects policies, and they help to explain policy decisions to businesses, industry and labour groups.

STOP 6: FROM IRON-MAKING TO BANKING

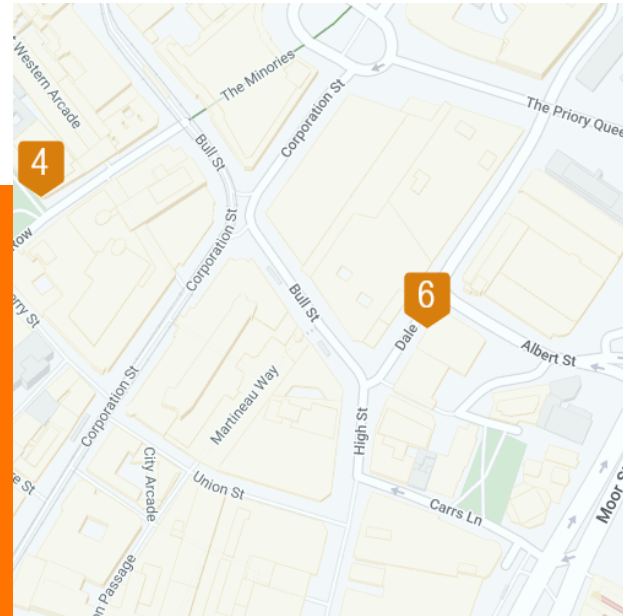
7 DALE END

Our final stop is where banking history began in Birmingham – the site of the first bank in the city. Look for the Blue Plaque which commemorates the founding of Lloyds Banking Group.

Lloyds Banking Group began business as Taylor & Lloyds on this site in June 1765. It was the first bank in Birmingham, founded by successful businessmen John Taylor, Sampson Lloyd and their sons. John Taylor was a manufacturer famous for ornate buttons and Sampson Lloyd was a Quaker, who had inherited his family's iron business. Initial customers reflected thriving industries in Birmingham like iron founders, button makers, and gun makers.

The bank ended its association with the Taylor family in 1852, becoming Lloyds & Company. In 1865 it transitioned from a private bank to a joint-stock company called Lloyds Banking Company Limited. This was a successful move and over the next 50 years they grew, taking over 200 other banks.

In 1918, a successful merger secured Lloyds a position as one of the 'Big Four' banks, a phrase which is used to refer to the four largest banking groups in England and Wales. Along with HSBC, this means that two of the 'Big Four' banks were founded in Birmingham.



Thank you for joining us on a deep dive into Birmingham's lesser-known histories. Now that we've strolled through the heady days of Birmingham's banking past, we hope you'll agree it makes sense that banks found such success here. With Birmingham home to so many trades and industries it's no surprise that some of Britain's famous banks today started life here, supporting the work of local people and businesses.

Keep in touch!

Follow the Bank of England Museum on social media at: [@boemuseum](#)

Follow the Bank of England West Midlands at: [@BoEWestMids](#)

Learn more about our museum and events, including online events, at our website:

www.bankofengland.co.uk/museum/whats-on