

SOCIETY matters



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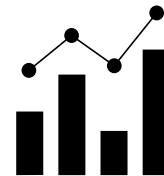
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Hello and welcome to the autumn edition of
Society Matters



And just like that summer is over, children are back at school, Party conference season is upon us and Strictly has begun! I won't cause controversy by mentioning the C word just yet but BSA planning for 2025 is well underway. It promises to be a celebratory year for the sector, where we reach a huge milestone – the 250th anniversary of the formation of the first known building society. We want to use this important anniversary as an opportunity to look to the next 250 years, drawing on the collective history and experience in the sector to better support members and communities.

Our work towards the future is also driving increased collaboration with other mutual and co-operative trade associations, together we are offering our support to the new Government in creating the environment in which cooperatives and mutuals can thrive, to help them achieve their manifesto commitment to doubling the size of the mutual and co-operative economy. Something we believe will help to bring sustainable growth to the UK.

But I'm getting ahead of myself, our focus right now, and for this edition of Society Matters, is UK Savings Week, the BSA-led campaign to help people build financial resilience and make the most of their money. The campaign was launched by the BSA and its members in 2022 and this year we saw a record number of organisation get involved, organisations that understand the importance of supporting good savings habits across the UK.

In this edition we hear from a number of BSA members: Yorkshire Building Society and their focus on engaging with Gen Z; Bath Building Society and their partnership with WiseUp which is helping to build financial resilience and inclusion through education; Principality Building Society outlining their new partnership with OneBanx demonstrating their commitment to remaining on the high street whilst providing the digital access that members need and want; and finally,



Katie Wise
Channels and Publications Manager, BSA

Monmouthshire Building Society and their work with Digital Communities Wales to help close the digital inclusion gap. These partnerships demonstrate how building societies are determined to help current and future members, whatever their particular needs and circumstance.

We also explore the underlying need for campaigns such as UK Savings Week - National Numeracy provides insight into the importance of numeracy for financial inclusion and the Financial Inclusion Commission shares their vision for all UK consumers to have access to a current account, affordable credit and good quality money advice, something many of us take for granted. Fair4All Finance outline their segmentation research into financial vulnerability, highlighting the dramatic increase in the number of people facing financial hardship. And finally, NEST focus on workplace savings and how they can support financial and mental wellbeing and the importance of an opt-out approach to increase participation.

I hope you find it interesting, and enjoyable!

Katie

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How can we guarantee access to essential financial products for all?



By **ROBIN FIETH**,
BSA Chief Executive

Manchester, New Hampshire, like Manchester, England was a mill town. It was also home to the United States's first credit union. The St Mary's Bank Credit Union was founded in 1908 to improve the economic stability and independence of the town's French-speaking mill workers by giving them "a safe and welcoming place to save and borrow money." Now a wonderful small museum, a group of us were privileged to visit during the BSA's latest US study tour in July. Among the displays was a memory of one of the founders' four year old daughter – of children who worked at the mills coming to the house to deposit five or ten cents a week in the tin box her mother kept locked in a special drawer. Just over a century ago, child labourers learning the same lessons that Birmingham industrial workers learnt in a pub in 1775 about the importance of saving even small amounts of money to build their own financial resilience and security.

And that is still a lesson that every generation needs to learn. We may be moving on from tin boxes, piggy banks and pass books to virtual wallets and accounts, but the principle remains that good savings habits established early are known to last a lifetime. Repeated

research has shown even a modest level of financial resilience (a nest egg, a rainy day fund, that savings pot for the new car, holiday or wedding) contributes positively to broader well-being. Money worries are a huge source of stress for so many – leading to sleepless nights, inability to focus on other things, poor performance at work, absenteeism.

So much of this was behind our thinking in starting UK Savings Week in 2022, and remains our focus for the third UK Savings Week in September 2024.

Two simple messages:

1. If you do not have any savings, then now would be a great time to start. As our credit union members often say, even £1 a week can build into a useful sum quite quickly.
2. If you do have savings, are there opportunities to manage them better, especially now that interest rates have risen to a more meaningful level?

UK Savings Week has always struck me as a natural initiative for building societies and credit unions, playing on our collective founding purpose of improving the lot of our members. But it is arguably far more than that too. It is a matter of real public interest – about improving the lot of all members of society, reducing dependence on the state, ultimately contributing to UK economic growth through that greater productivity that comes with improved personal wellbeing.

As our new Government starts out on its avowed journey of a decade of change for the UK, with both economic growth and financial inclusion high on its lists of priorities, this year's UK Savings Week seems to me to have added impetus and importance. Personally, I am still haunted by the estimates published by various bodies during the Covid pandemic that around a quarter of households entered lockdown with less than £100 in savings. Tackling this issue alone could make such a huge positive difference across the length and breadth of the UK. If we could also address some of the root causes of broader financial exclusion, we really could be building a societal legacy for future generations.

At this point, it would be customary in business strategy to produce a three-point proposal for debate. To be radical, I only have two points. Neither are new (before you accuse me of being a stuck record), but both I think are worth restating in this new political environment. So here goes:

1

Something I have been banging on about for quite a few years now. The Government should introduce a requirement for all employers (starting with those with over 250 employees) to implement workplace savings on an auto-enrolment basis.

The idea of a sidecar to auto-enrolment pensions makes complete sense, but with two caveats. Firstly, because we are talking about household financial resilience, these workplace savings should be held in instant access cash accounts. Savers should be able to choose where their cash is held (all deposit takers should be eligible to receive workplace savings). A platform should handle the allocation. Secondly, there should be no tax incentive for workplace savings – a quid pro quo for employees having instant access to their money, without penalty.



2

A more recent theme. We need to have a serious industry wide debate (including government and regulators) about how to guarantee access to the range of essential financial products for everyone, particularly those on the margins.

Anti-money laundering requirements and conduct regulation both exist for very good reasons, but it feels to me that enforcement of both have, sadly, resulted in too many people struggling to open bank accounts, purchase appropriate insurance products, take out affordable loans and get access to financial advice – not because they have done anything wrong, but because firms’ conduct risk appetites have reduced. Each well-targeted fine or enforcement action has unfortunate unintended consequences, and too often for the very people the action is seeking to protect.



Both of these proposals also feel to me to be deeply mutual themes. As we have stated so often, the very origins of the building society sector came about from ordinary working people setting out on a financial journey of self-help. Saving money to buy land to build homes. Much of the rest of the financial mutual sector has similar roots, whether it be to pay for medical care, support periods of unemployment, or pay for proper funerals. Our founding purpose as a broad financial mutual sector was about individual and household financial resilience and inclusion.

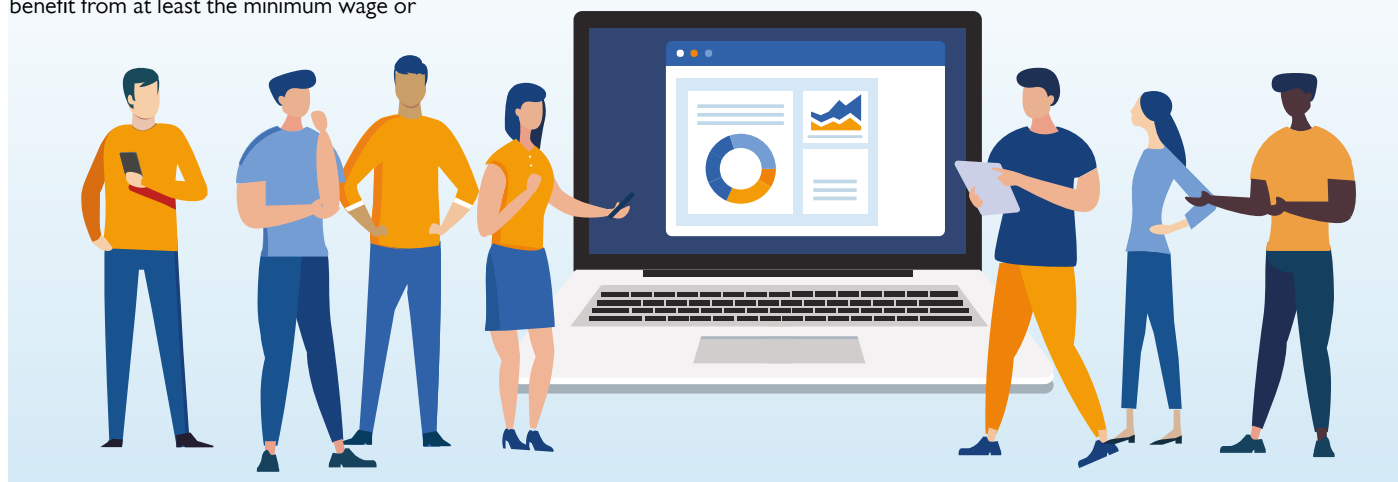
Today’s workers, in Birmingham, England or Manchester, New Hampshire may no longer work in mills and factories. They may benefit from at least the minimum wage or

the benefits system. They may have access to health care. Indeed, they may be in well-paid jobs (the lack of household savings runs across all income categories). Or they may be new arrivals in the UK, self-employed or gig workers, stuck in the informal economy. Where do we draw the line on financial inclusion? Are we comfortable that we are clear about who we want to exclude (fraudsters, money launderers, drugs dealers, terrorists etc)? And are we satisfied that our current legal and regulatory frameworks achieve those ends, and don’t rather end up allowing the criminals to flourish and the innocent to suffer exclusion? Reactions on a (virtual) postcard please.



Next steps:

Follow Robin on LinkedIn
<https://www.linkedin.com/in/robin-fieth-b6635313/>



A popular, powerful and inclusive way to increase workplace saving



The recent period of historically high inflation has brought a focus on the real impacts a lack of financial resilience can have on people who are vulnerable to financial shocks and who lack financial security. Up to one in seven (13%) people have no savings at all¹, making it difficult to manage unexpected costs, and making households vulnerable in a financial emergency.

By **EMMA STOCKDALE**,
Workplace Savings
Research Lead,
Nest Insight



Over the past five years, Nest Insight has been exploring the ways workplace saving can support financial and mental wellbeing, by providing a pot of savings available at any time in an emergency – or for any reason at all.

Almost two thirds (64%) of people with no savings said they could save £10 a *month*², and yet participation in workplace saving schemes persist below 10%, and often closer to 1 or 2% uptake when offered on an ‘opt-in’ basis, even when accompanied with extensive and consistent employee engagement.

Contextual and behavioural barriers like a lack of confidence or simply never getting round to it can result in low sign up, despite a strong desire to save.

Taking an opt-out approach to workplace saving can be a game changer in increasing participation. Employees automatically start saving unless they choose not to. If they want to start saving, they don’t need to do anything. Only people who don’t want to save need to take action – a simple one-step email or check box to opt out.

was switched to opt-out, this became 48% participation.

Evidence also suggests that rates of saving are higher for those who were automatically signed up to save if they didn’t opt out, than for the comparison group who have to sign up themselves.

Could building societies and credit unions make the UK a nation of savers?

The Money and Pensions Service’s UK Strategy for Financial Wellbeing sets a goal of 2 million more working-age ‘struggling’ and ‘squeezed’ people saving regularly by 2030. The results of our trials show that using an opt-out mechanism could play a central role in supporting employees to build a financial buffer.

There has been considerable policy and industry interest in the opt-out research trials as the new government develops its thinking on financial security. We would like to see emergency savings provision considered as part of an integrated lifelong financial security strategy, and for any evolution of pensions auto enrolment policy to incorporate workplace accessible savings tools. The learnings from our trials provide valuable evidence to support the design of workplace interventions, with building societies and credit unions a key part of that given their experience and prevalence in supporting employees through payroll saving.

“Now I have savings, I’ve never had savings before, that’s a nice feeling, my financial situation is improving... I thought it was a good idea. I never would have sorted it out myself. I didn’t have to do anything, that all came through the post and in emails – it was all done for me.”

How can we bridge the gap between the numbers of people who say they would like to start saving, and those who actually do?

Many people like the idea of saving through their workplace. In one study, we found that despite almost half (46%) of eligible employees thinking they would benefit from a workplace saving product, only 1% get around to signing up in the first couple of years.

An opt-out approach supports more people to build financial resilience

Nest Insight has run three opt-out pilots, with promising results across models and employers. In all three, the implementation of an opt-out approach increases participation dramatically. For one employer using a credit union, the sign-up rate was about 1% after 4 months but when the mechanism

Next steps:

Nest Insight is a public-benefit research and innovation centre. For more information visit www.nestinsight.org.uk or contact insight@nestcorporation.org.uk

This research pilot was supported by the BlackRock Foundation, the Money and Pensions Service (MaPS).

¹ & ². The Building Societies Association (2022) survey based on a YouGov survey of 2,000 employees. Reported in Boosting financial resilience and wellbeing through workplace saving. <https://www.bsa.org.uk/information/publications/research-and-reports/boosting-financial-resilience-and-wellbeing-through>



By: CHRIS IRWIN,
Director of Savings at
Yorkshire Building Society



Focusing on a new audience

Financial shocks can come from anywhere, at any time and affect any of us at any age. From a global pandemic to rising utility costs, events large and small can turn our finances upside down. The Covid-19 pandemic quickly followed by a cost-of-living crisis has been testing for all of us. But for those without good financial resilience, these challenges have been even tougher to navigate and to recover from.

At Yorkshire Building Society, we believe improving financial wellbeing is in everyone's interests. It sits at the heart of our purpose. Since our foundation 160 years ago, we've focused on helping people to save and to achieve the security of a home of their own. Helping young people to strengthen their finances is a key part of our ambition. It's also why supporting and championing campaigns like UK Savings Week mean so much to us.

The challenges facing Generation Z

As we embarked on this year's campaign, we wanted to understand better the challenges of - perhaps an unfamiliar audience to us as a building society - Generation Z - when it comes to their finances and savings and how we, our peers, and policymakers can help to improve their financial wellbeing.

We completed a comprehensive research study that considers financial resilience across several factors - how well people across different generations can handle financial shocks, how they approach financial pressures, how they manage their finances, and their ability to save. It specifically focuses on 16-27-year-olds, members of Generation Z - those born between 1997 and 2012.





Using national economic data and polling of 1,000 16–27-year-olds and 2,000 UK adults we have been able to shine a light on how young adults have been impacted by recent economic turmoil and an apparent lack of robust or consistent financial education.

Generation Z is the first generation where most members should have experienced at least some financial education during their school years, however, provision of this across the UK is inconsistent. Although financial education has been on the secondary school curriculum since 2014, over 80% of secondary schools in England are [academies](#)¹, and do not have to follow the curriculum. Primary school curriculums in Wales, Scotland and Northern Ireland do include financial education or financial capability.

The results of the research show the stark reality of just how many of our young people are struggling simply to pay their bills and to build the financial safety net that we all need in a crisis. Despite a willingness to learn and save, many are unable to do so because they struggle to meet their outgoings. Many young people also said they lack confidence to make important financial decisions, and only two-fifths said they had received any formal financial education at school – this is despite it being on the secondary school national curriculum for ten years.

Delivering financial education consistently in schools could help more people enjoy the benefits reported in the research – including more optimism and better understanding of topics like debt, budgeting, tax and mortgages.

The report makes several recommendations, which we intend to take forward with peers,

stakeholders, and policy makers:

- Improving financial education in schools
- Targeting financial information at Gen Z more effectively
- Developing financial products that reflect the challenges facing Gen Z

Bristol University Study on savings and wellbeing

This research followed the Bristol University Study we sponsored as part of UK Savings Week. This in-depth study spanned over 10 years of insight and demonstrates the positive impact even a small amount of savings can have on people's life satisfaction.

We know saving isn't easy for everyone and that some people find it challenging to meet the costs of day-to-day life. But as Bristol University found in the report, building a safety net - no matter how small - really does pay off in peace of mind and providing security.

For me, one of the most powerful findings of the study is understanding how impactful getting into a regular saving habit can be.

Regular savers tend to feel more optimistic, are more satisfied with life, and sleep better.

What was also significant is that 82% of regular savers go on to become homeowners compared to just 15% of non-savers.

As one of the UK's largest building societies it's no surprise that we're committed to

helping people realise their homeownership ambitions, but we want to continue to find ways to innovate and support aspiring homeowners and movers through products like our comprehensive £5k deposit mortgage and First Home Saver Account, or our other regular saving accounts which help people achieve these life goals.

We've used the findings from both of these reports as valuable input to help us shape our activity for UK Savings Week this year. We know that it is important to start to build financial resilience, and healthy savings habits, as early as possible, which is why a significant amount of our activity throughout the week is specifically targeted at a younger audience. Ultimately, ensuring our younger generations feel supported to enter adulthood with a good understanding of their finances will really help make us all healthier, happier, and as prepared as we can be for whatever life brings.

Supporting initiatives like UK Savings Week give us a platform to talk to customers about their savings and ensuring they make the most of what they have, be that supporting someone on the onset of a new saving journey or helping a more established saver ensure they are choosing the right home for their money and making it work as hard as they do.

Next steps:

You can read more about both of these reports on our website:

<https://www.ybs.co.uk/w/saving-genz-report>
<https://www.ybs.co.uk/w/saving-small-amount-can-help-financial-and-mental-wellbeing>

¹<https://explore-education-statistics.service.gov.uk/find-statistics/school-pupils-and-their-characteristics>



By: DAVID JONES,
Digital Learning and
Development Specialist,
Monmouthshire Building Society



Embracing partnerships to help close the digital inclusion gap

It's an exciting time for the Society, as we're on a journey to enhance our product offering in the digital space and look towards modernisation. We've been around for over 150 years and our aim has always been to put our members first. Our new strategy is to continue this, but with the changes around us in technology, we're embracing digital services.

Digital inclusion

We're modernising in every part of the Society. Whether it's about how members sign up for services in branch or the systems we're using in head office.

One of our biggest challenges is taking our members on this journey. Many of our members like to bank in traditional ways, they love to bring in their passbook and see a friendly face in the branch. That's one of the reasons we chose to partner with Digital Communities Wales.

Digital Communities Wales's aim is to close the digital inclusion gap across Wales, specifically focusing on marginalised areas, for example older people, people with disabilities, people from ethnic backgrounds, who may not have access to technology. In Wales, this also includes rural areas, where people may not even have data connections at all.

As a regional building society, many of our members will fall into one of these categories and we need to do everything we can to stop them falling behind. Knowing all of this, we felt that it was a great partnership fit.

The Digital Communities Wales (DCW) Charter

The DCW Charter exists to support and champion organisations working in Wales who are willing to promote basic digital skills and help people online. The Society has signed up to six pledges to show our commitment to helping digitally excluded people enjoy the benefits of being online.

We wanted this to underpin some cultural shifts that we're looking to make, which

aligns with the new strategy we launched this year. Our aim is to prioritise digital but also continue to put our members first.

Looking after your digital health

The fantastic thing about Digital Communities Wales is they really underpinned our own internal ambitions, to build strong communities through improving individuals digital health.

Everybody's got their own personal digital life, and we need people to have awareness of their own digital health. With essential services moving online, people have that missing link with how to do it and safely. No one wants to be unsafe with money but there are people out there who will try and take advantage.

Broadening our digital offering

Our MBS app will be in the market soon. It's member focused, allowing our members to interact when they want to, and how they want to.

We're also hoping to launch our own live chat service later this year for those who want to be able to speak to us in their own time, when it suits them.

It's ever evolving, but we don't want to take away the ability to come in and have a cuppa either. We're committed to staying on the high street and we're here when our members want to come in for a chat with our customer consultants. Those same customer consultants will be there to help and support those members, even help them download that app and show them how to use it.

Getting people in the right space means that our colleagues will provide a more quality member experience and help fulfil our purpose of helping members, colleagues, and communities to thrive.

Next steps:

Find out more about Digital Communities Wales - <https://www.digitalcommunities.gov.wales/>



Building a financially resilient and inclusive society through education

Emma Davis
Chief Customer Officer,
Bath Building Society



Bath Building Society has partnered with WizeUp for over five years, delivering financial education workshops to eight local schools and sixth forms, with over 2,500 students benefiting from the programme each year.



The Society works with WizeUp and the individual schools to tailor content to individual needs with topics including borrowing, saving and budgeting as the students prepare for life beyond school, be that going to University or working life. The financial education programme has also covered separate sessions for parents designed to help them navigate University finance and provide guidance for students preparing to leave home for the first time.

During UK Savings Week Bath Building Society and WizeUp hosted a session with local

special needs education provider, Threeways School, involving more practical sessions including 'how to open a savings account' with branch colleagues.

The Society is passionate about supporting the financial resilience of our Members and the local community - delivering financial education to our young people is a key part of this. With the cost-of-living crisis, it has never been more important to help young people gain a better understanding of how to manage their money and avoid debt, while also improving life skills and employability. WizeUp has an excellent reputation in delivering these

specialist workshops and our partner schools feed back the positive impact the sessions have on the financial literacy of students. Schools need more support to deliver financial education which isn't currently adequately provided through the national curriculum and we are looking to build on our strong education links in the coming year to involve colleagues in the WizeUp sessions – to share our own experience and expertise.



Michael Flack
CEO, WizeUp
Financial Education



In recent years, society has faced numerous financial challenges, underscoring the need for financial resilience—the ability to withstand and recover from financial shocks. At WizeUp Financial Education, we believe



that financial literacy is crucial in building this resilience and reducing financial vulnerability. Since inception in September 2011, WizeUp has been dedicated to equipping young people with essential financial skills for adult life. Our programmes, delivered over six-hour sessions, cover vital topics such as budgeting, saving, investing, tax, pensions, cryptocurrency, student finance, flat sharing, credit cards and ratings. We are committed to financial inclusion, ensuring that every student, regardless of background, has access to quality

financial education. While digital resources are valuable, the impact of face-to-face learning with a knowledgeable instructor is unparalleled and remains one of our unique selling points.

This academic year, we've expanded our programs to support SEND & PRU students, furthering our commitment to inclusivity, whilst we have targeted our work toward young people aged 16-18, an age group that often gets forgotten due to the added focus of trying to educate those at primary age.

Since September 2020, we've reached almost 80,000 students, with more than 112,000 student hours delivered since September 2022 alone. Our efforts have

led to a 92% increase in financial confidence among surveyed students, many of whom now feel more secure about their financial futures.

Our success is made possible by the support of Building Societies that include; Bath, Buckinghamshire, Chorley, Darlington, Earl Shilton, Hinckley & Rugby, Mansfield, Market Harborough, Newbury, Penrith, Saffron and Vernon. We're proud to be making our programmes more inclusive, with those regional partners having the programme we deliver named after them, meaning communities can see that their building societies, in collaboration with WizeUp, have their children's education at heart.

Next steps:

Find out more about Bath Building Society's community work: <https://www.bathbuildingsociety.co.uk/your-society/our-community/our-impact/>
To get involved with WizeUp visit: <https://wizeupfinancialeducation.co.uk/>

The importance of numeracy for financial inclusion

By SAM SIMS,
CEO, National
Numeracy



Numeracy is an essential everyday skill, not least for financial literacy. However, many adults struggle with numbers and this can hold them back from some of life's opportunities. Businesses can play their part by investing in numeracy to help their staff, communities and customers.

"I've always hated maths," "I'll never be able to understand numbers," and "I just don't have a 'maths brain'" are all throwaway phrases we hear time and again, but which underline a serious issue – we are facing a numeracy crisis in the UK.

Almost half the working age population (49%) of the UK has the expected numeracy level of a primary school child and poor numeracy is estimated to cost the UK economy around £25bn a year.

With the cost-of-living crisis, millions of people, particularly the disadvantaged, are at significant risk from unemployment, debt, fraud and poor health because of low numeracy.

Numeracy is an essential skill

At National Numeracy we recognise the importance of everyday numeracy. While we may not use algebra or trigonometry regularly, we do budget for the weekly shop, help children with homework, open bills and payslips, follow recipes and much more. Numeracy is the strongest predictor of financial literacy, and numeracy level has a strong and positive link to improved financial behaviour, for example, frequency and value of savings (<https://www.fincap.org.uk/en/insights/numeracy-and-financial-capability-exploring-the-links>).

The power of partners

Our charity focuses support on disadvantaged individuals and communities most in-need, where we can have the greatest impact. We use the UK Numeracy Index to help with this – a model which predicts and ranks areas of the UK by numeracy skills and confidence.

This support is made possible by our incredible partners, who play a crucial role in tackling low number confidence and skills in the UK via national campaigns, programmes in communities and schools, staff engagement, research and more.

Our annual campaigns, National Numeracy Day and Number Confidence Week, are supported by our partners and celebrity ambassadors and see thousands of individuals, organisations and schools get involved by taking part in numerous activities and engaging with various resources, all aimed at promoting the importance of everyday numeracy.

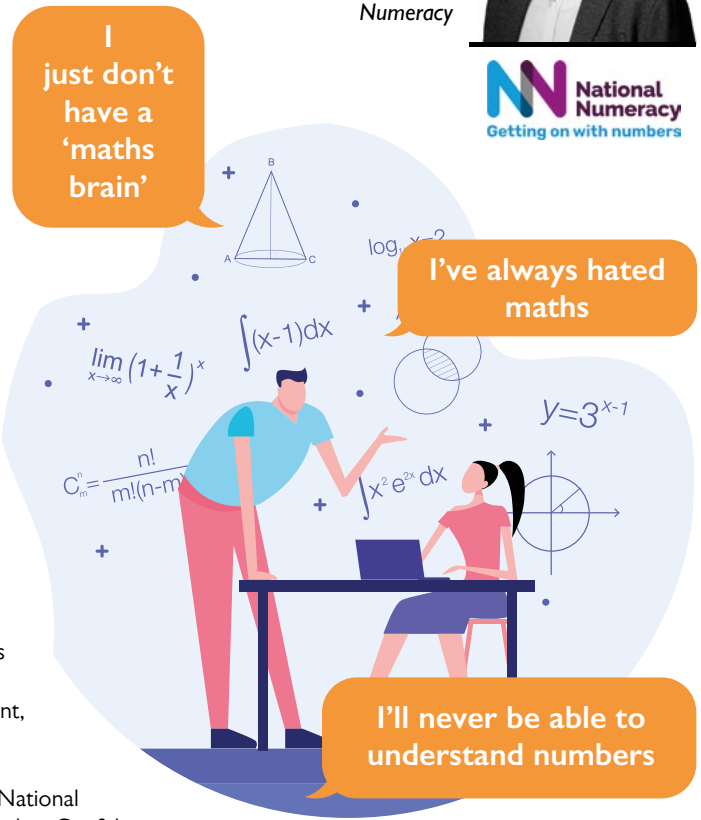
Meanwhile, over 500,000 people have signed up to the National Numeracy Challenge, our free online tool which uses everyday maths questions to help improve number skills and confidence.

Businesses can invest in numeracy

There are a variety of ways businesses can invest in numeracy to help their staff, many of whom may lack confidence with numbers or feel embarrassed to ask for help.

Improving numeracy can help people get into or on at work and National Numeracy offers training courses and workshops designed to improve people's number confidence.

Later this year on the 12th November, National Numeracy and the BSA are teaming up for a lunchtime webinar focused on the UK



Numeracy Index as well as numeracy as the foundation for financial education.

Numeracy is inextricably linked to financial literacy, both essential everyday skills. It is National Numeracy's aim to help everyone in the UK to improve their number skills and confidence in order to be able to get on at work, home and school.

Next steps:

National Numeracy's Partnerships Team is dedicated to creating purposeful relationships that meet shared goals, tailored to an organisation's strategic priorities, Environmental, Social and Governance (ESG) targets and Corporate Social Responsibility (CSR) aims. Partners can expect bespoke support, unique opportunities and high impact.

If you are interested in partnering with National Numeracy, contact the Partnerships team at: partnerships@nationalnumeracy.org.uk
Find out more at: www.nationalnumeracy.org.uk

Cash is still king and reigning on the high street

As the world dives headfirst into digital, Principality Building Society is here to remind everyone that cash isn't going anywhere.



By VICKY WALES,
Chief Customer Officer at
Principality Building Society



In a landscape where bank branches are vanishing from high streets faster than you can say 'contactless,' we're doubling down on our commitment to keeping cash accessible and ensuring that no one gets left behind.

The great cash divide

There's no denying it: in an increasingly digital world, the importance of cash remains as crucial as ever. For individuals and businesses across the UK, access to cash is one of the most enduring pillars of a functioning financial system, particularly for those who rely on it the most.

As we continue to move towards a more digital economy, it's vital that we recognise the value cash brings, especially for vulnerable groups and small businesses. For many, cash isn't just a method of payment - it's a way to manage budgets, stay connected to the local economy, and often, a lifeline in times of uncertainty.

A recent report from Which? found that more than 6,000 bank branches have closed over the last 9 years, often leaving communities, families and small businesses at a loss for what was once agreed to be a vital service.

At Principality, our own research has shown that a large proportion of our members, particularly in rural and semi-rural areas, rely heavily on cash for day-to-day transactions. While millions have embraced digital banking, a substantial number of people continue to depend on the personal service and security that only physical banking can provide.

This year, the Financial Conduct Authority (FCA) introduced new regulations to protect access to cash. These rules require banks and building societies to assess the impact of any changes to local services on cash availability and to act where necessary. At Principality, we're not just prepared for these changes - we're already leading the way.

Cash vs. innovation? Think again? They're a perfect match

We believe that innovation and access to cash can go hand in hand. While many of our competitors are withdrawing from the high street, we've made a commitment to stay and serve our communities. Through our partnership with OneBanx, we're not just safeguarding access to cash; we're reimagining it.

- 83% of Principality Building Society members surveyed believe that branches enable financial providers to be part of their communities
- More than 70% said a branch presence was a key factor when deciding which financial provider to choose
- Principality has the largest high street brand presence of any bank or building society in Wales, with 53 branches and 14 agencies across Welsh high streets and the border.

OneBanx has established a network of community-based banking hubs across the UK, strategically located in accessible places like post offices and community centres. These hubs offer essential services such as cash deposits, withdrawals, and balance checks.

At Principality, we're proud to have implemented two of these OneBanx terminals within our own branch network, with plans to introduce more in the near future. These hubs ensure that even in areas where traditional banking services have dwindled, our members can still access the cash they need to manage their day-to-day lives.

Our commitment to maintaining access to cash is about more than just providing a service - it's about enabling our members to achieve their hopes and aspirations.

As the financial sector continues to evolve, it's easy to think that cash and innovation are at odds - but at Principality, we see them as the perfect match. By combining the reliability of cash with innovative solutions, we're enhancing financial resilience and ensuring our communities remain vibrant and inclusive.

Ensuring access to cash isn't just about meeting regulatory requirements - it's about fulfilling our responsibility to the communities we serve. At Principality Building Society, we're proud to lead the way in preserving cash access, keeping it at the heart of our communities for everyone who needs it, right now when it matters most.

Next steps:

For more information about Principality Building Society, see: www.principality.co.uk



Championing financial inclusion to improve the nation's financial wellbeing



By **JOHNNY TIMPSON**,
Author: Financial Inclusion Commission

Personally and on behalf of my Financial Inclusion Commission (FIC) colleagues, I welcome the opportunity to share our financial inclusion, vulnerability, and resilience thinking with financial services colleagues working in the building society and financial mutual sector. All the more so as our new Government in its January 2024 “Plan for Financial Services” committed to tackling financial exclusion. Equally importantly, addressing financial inclusion and resilience needs are the very reasons why the UK’s mutual building and friendly societies were established and continue to play a key role in improving the financial wellbeing of the nation.

FIC was set up to improve the nation’s financial wellbeing by championing financial inclusion as a public policy priority. Our vision is for ALL UK consumers to have access to a current account, affordable credit, appropriate insurance, and good quality money advice. We want consumers and your members to be empowered to save for rainy days and retirement; to build resilience against financial shocks; and to receive financial education in school and throughout life. Not having access to basic financial services not only decreases the financial resilience of those affected, but also exacerbates the pernicious ‘poverty premiums’ people have to pay to access banking, credit and insurance products that most of us take for granted.

This is self-defeating and hugely costly to the country. Closing our UK financial inclusion

gap would unlock inclusive economic growth, improve resilience and prevent financial distress. With circa 23% and increasing of GP time spent dealing with health issues caused/ compounded by a financial issue, it would also reduce costs to our NHS and social services. But with our research informing us that 22% of UK adults are increasing borrowing due to cost-of-living challenges, 18% have no savings, 15% require debt advice, and 5% lack a current account, this requires a cross-cutting strategy, led by government, to unlock collaboration across the four nations and between industry, policy makers, charities, and the public sector.

In our view, a national financial inclusion strategy should prioritise –

- **Improved access to essential and affordable financial services**, in addition to inclusive digital services including bank accounts, cash and face to face banking services for those who need them.
- **Building resilience to income and expenditure shocks** with households saving for a rainy day and having access to pension sidecar workplace saving schemes together with appropriate insurance covers with this requiring social tariff solutions to address the UK’s growing ‘poverty premium’; an issue that is resulting in poorer households most in need of cover having to pay significantly more for it.

- **Affordable and well-regulated credit provision**, reducing the number of people in unaffordable debt or turning to illegal money lenders.
- **A rethink of the advice guidance boundary and scope** to enable the provision of accessible, trusted “help” and “support”, particularly in branch and banking hub settings. In addition, smart data and secure data sharing together with appropriate signposting to support consumers who are vulnerable, at risk of scams, and/or face barriers to accessing products and services.
- **Supporting vulnerable customers** and those facing cost of living challenges access the financial help, information, tools, welfare benefits, grants and social tariff schemes that they are entitled to.
- And in our ageing UK that increasingly needs to work and care, **promotion of long term savings to meet retirement and later life care needs.**

Next steps:

To find out more about the Financial Inclusion Commission, please see www.financialinclusioncommission.org.uk and follow us on LinkedIn and X.

*Please note that the consumer need stats quoted are sourced from Financial Inclusion Commission field research undertaken around the UK in the spring of 2024.

Mutual strength: how building societies, credit unions, and CDFIs are shaping a resilient financial future



By **DIANA KAMIL**,
Head of Engagement,
Fair4All Finance

fair4all
finance

The number of people experiencing financially vulnerable circumstances is growing in the UK, with millions of people struggling to juggle their finances amid rising living costs and an aftershock of inflation.

At Fair4All Finance, we remain deeply concerned about the growing number of individuals who are finding themselves locked out of mainstream financial services, unable to access the credit and with no savings to allow them build a secure financial future.

We also know that the mutual sector can help pave the way towards a more financially inclusive society, in the same way that they have done for generations. Building societies, credit unions and Community Development Finance Institutions (CDFIs) are increasingly central to helping people navigate the journey towards financial resilience.

Evidence from our segmentation research highlights the urgency of the situation: nearly half (44%) of UK adults are now living in financially vulnerable circumstances. This represents a dramatic increase in the number of people facing financial hardship, driven by factors such as unstable incomes, insufficient savings, and the impact of life events like job losses or relationship breakdowns.

Beyond the numbers

These statistics are more than just numbers: they reflect the lived experiences of millions of people who are struggling to navigate a financial system that often feels stacked against them. For those caught in a precarious financial situation, the consequences can do untold damage to individuals and families caught in a cycle of debt and financial insecurity which can be difficult to break.

In today's challenging social landscape, where financial vulnerability is increasingly prevalent, building societies and credit unions play a central role in offering solutions. Community-focused financial institutions are well-positioned to offer much-needed support to people who may be underserved by mainstream banking, providing a stable foundation for them to take control of their finances and foster long-term resilience.

Collective impact

For building societies, which have a long history of serving as community anchors, there is a growing opportunity to collaborate with credit unions and CDFIs. By working together, mutually owned institutions can amplify their collective impact. In the current economic climate, where financial vulnerability is on the rise, such partnerships are increasingly vital.

The social impact of building societies, credit unions and CDFIs extends far beyond individual financial well-being. Whether saving or borrowing, members can rest assured that their funds are being put to work in the local economy—helping to strengthen communities and drive inclusive economic growth.

The deepening crisis of financial vulnerability calls for a rethink of how we support communities. We encourage all building



societies to consider how you can build on your current approach to helping customers manage financially vulnerable circumstances.

Our segmentation is designed specifically to help understand the diverse needs of this growing cohort and shape proposition designs to deliver good customer outcomes. We'd love to work with more building societies to ensure that well designed and delivered products are getting into the hands of the people who need it most

As a nation, we all stand to benefit from strengthening the resilience of local communities. We firmly believe the combined efforts of building societies, credit unions and CDFIs have the power to bring about a fairer and more resilient financial future for everyone.

Next steps:

Visit <https://fair4allfinance.org.uk/segmentation/> to access our segment information

Contact Diana@fair4allfinance.org.uk if you'd like to know more about using our segments to drive change in financial resilience.





By: ALASTAIR MCGEORGE,
Financial Services Director,
Deloitte LLP



Building a more resilient future: how building societies can empower customers

Challenges regarding financial resilience can impact anyone, regardless of age, income, level of wealth, or background. These risks are compounded when there is a lack of inclusion in products and services, and when members have low financial literacy. Building societies, founded on principles of mutuality and community, have a crucial role in promoting financial inclusion and education.

Financial Resilience

Many individuals and families are just one unexpected event away from financial hardship. [54%](#)¹ of respondents in a Deloitte survey were £50-300 per month worse off in the current economic climate, and 66% ran out of money between salary payments more than once in a 12-month period. Job insecurity, rising interest rates, continued cost of living pressure, and unexpected life events can quickly erode financial stability.

Things to consider:

- Offering accessible savings products with low barriers to entry encourages a culture of saving and provides a financial buffer during uncertain times.
- Capitalise on underwriting experience, diligence, and lending skillsets to ensure lending remains sustainable when resilience is challenged. Thereby supporting access to home ownership amongst those underserved who, whilst creditworthy, may have circumstances deemed too complex by other lenders and are otherwise overlooked.
- Utilising data to understand behaviours across the product lifecycle, to identify and support members where resilience looks to be decreasing.

Financial Inclusion and Education

With [1 in 6 people lacking savings](#)², a high number of UK adults (12.8 million) [having low confidence in their ability to manage money](#)³, and [1 in 5 people from minority ethnic groups experience discrimination and barriers to accessing financial services](#)⁴, it's clear that accessible and affordable financial products and services are essential. By designing products and services that cater

to the needs of the most vulnerable, you can ensure everyone has equitable access, fostering a more inclusive and equitable financial landscape.

Financial literacy and appropriate access to tools and guides are paramount to long-term resilience for your members. For example, research shows [women are almost twice as likely to feel less confident in managing their finances than men](#)³.

Strategies to improve financial literacy and access to services can empower members to make better financial decisions.

Things to consider:

- Member engagement should be needs-based to maximise inclusion, with consistent services and functionality across all channels. For example, customers in collections can sometimes favour the anonymity of an online journey/chat, however such channels can have limited functionality meaning members cannot get the right outcome or stop engaging altogether. Consider supporting a true omni-channel experience that operates with parity, ensures you cater to diverse needs and support equitable access to financial services.
- Offering materials and support in multiple languages can bridge gaps in understanding, promoting inclusivity and catering to diverse communities. Also consider simplifying financial language and avoiding jargon.
- Recognise and remove biases in your product criteria, lenders are wellpositioned to increase their customer base, community loyalty and trust whilst supporting those who are disproportionately impacted.



- Consider extending support to third parties. There are currently 10 million unpaid carers in the UK with [61% uncertain about what practical support is available to them](#)⁵. Someone with low financial literacy can be a carer and hold a Power of Attorney for a relative with significant wealth.

In summary, there are several ways to go deeper and further on the support you can provide to members. The heartland customer base of building societies uniquely positions you to understand the lived experiences, needs and aspirations of members and their community which you can then use to design products and services to be drivers for change.

Next steps:

To discuss further please get in touch with Alastair amcgeorge@Deloitte.co.uk

1. <https://www.deloitte.com/uk/en/Industries/financial-services/research/growth-through-financial-inclusion.html>
 2. <https://www.money.co.uk/savings-accounts/savings-statistics>
 3. <https://www.fca.org.uk/publication/financial-lives/financial-lives-survey-2022-key-findings.pdf>
 4. <https://fair4allfinance.org.uk/levelling-the-playing-field-ethnicity-report/>
 5. https://www.carersuk.org/media/xgwj0gn/soc23-health-report_web.pdf

The Building Societies Trust: A call to action

The Building Societies Trust was established in 1987 following the sale of a property owned by the Building Societies Association.

We are a small charitable trust, which makes grants to charities that our Board of Trustees think fit with our aims and objectives.

How we can help in your communities

It has been incredibly rewarding to see the Trust's funding used to support many necessary and incredibly valuable community initiatives over the years.

In recent times, applications for funding have tended to come from a core group of very worthy charities. While we love supporting them, we are also keen to make sure that other people are aware of us, and to encourage applications from as wide a range of charities and for as wide a range of purposes as we can.

I and my fellow Trustees would love to hear from you or charities that you already work with to ensure that the circa £120,000 of grant awards that we make each year continue to be made to charities that support our aims.

Who can apply?

We welcome applications from charities that work with people on money management, housing, home ownership and building society related matters. That could be by providing educational facilities for that, providing information and advice on such matters, doing research and publishing the results of it.

Your firm might have an existing charity partner, or you might know of or be involved with a charity that could benefit from grant

funding, whether for a specific project or an ongoing programme of work. If so, we would be delighted to hear from you.

Our individual awards are typically in the range of £5,000 to £30,000, although we will consider applications for any amount up to £50,000. Applications are considered in February each year. In the past, we have also awarded a grant over a rolling three year period.

Who we've helped already

One of the most rewarding things about being Chair of the Trust's Board is seeing and hearing from the charities we support about how the awards we have made have been used. Some of the individual and life changing stories we have heard can be heart breaking yet so uplifting at the same time.

We have made awards to charities that help homeless young people get out of the cycle of homelessness by providing supported accommodation, financial education and budgeting support. We have supported charities that work with young people,

teachers and businesses to help them build successful and sustainable futures, and that provide a range of employability and financial education programmes.

Others that have benefited from our funding strive to help people grow in confidence and move towards leading independent, self-fulfilling lives by providing education, guidance and personal rehabilitation. Many provide a range of programmes including financial management and education.

We've supported charities that operate locally as well as charities with a national reach.

I and my fellow trustees would love to hear from you if you know of a charity that fits with our aims and objectives and could benefit from our help.

If you'd like any more information, please just contact the Secretary to the Trust, elaine.morton@bsa.org.uk

We really would be delighted to hear from you.



By LUKE MARCH,
Chair, Building
Societies Trust





Dates for your diary

The BSA delivers a range of knowledge sharing and educational events that increase awareness of business issues and provide the tools and skills that industry professionals need to develop their roles.

View the latest listings and register at www.bsa.org.uk/events

Risk, Regulatory, Audit and Accounting Seminar

15 October 2024 | Birmingham

This year's annual update will return as an in-person event held in Birmingham. The full-day event will include the latest updates and key topics with sessions being led by a range of BSA Associates and other experts, including the PRA. It is primarily designed for building society delegates (finance, risk and regulatory staff and non-executives) but some content will also be relevant to credit unions.

Cost: £395 (VAT exempt) - BSA members & associates
£495 (VAT exempt) - Non-members
www.bsa.org.uk/audit2024

Risk Appetite training for Credit Unions

24 October 2024 | Online

The BSA have developed a brand new course aimed at senior managers and Board members of credit unions. With increasing regulatory focus on the safety and soundness of Credit Unions, it is crucial that you understand the regulator's risk appetite expectations, particularly as they change as your credit union grows.

This online course will first consider why risk appetite is important and then explore the regulator's role in supervising credit unions before detailing the PRA's appetite expectations. We will also consider potential cliff effects and how you might apply risk appetite and risk tolerance to your credit union.

Cost: £225 (VAT exempt) - BSA members & associates
£295 (VAT exempt) - Non-members
www.bsa.org.uk/CU-risk

Promoting your event via the BSA website

As well as advertising BSA events, BSA Associate members are able to advertise up to 5 of their own events per year free of charge, with registration and hosting managed independently of the BSA.

Visit: www.bsa.org.uk/AssociateAdvertising for more information.

An Introduction to Treasury Management

29 October 2024 | London

This course will introduce participants to treasury management. It provides an overview of treasury operations within financial services, more specifically within building societies and within the regulatory environment. The course assumes no Treasury or balance sheet management experience and is aimed at those who would like to understand where Treasury fits into the business, de-bunk the jargon and understand the external forces at work.

Cost: £490 (VAT exempt) - BSA members & associates
£695 (VAT exempt) - Non-members
www.bsa.org.uk/intro-oc

Treasury Risk and Balance Sheet Management

6 November 2024 | London

This course provides participants with an overview of the financial and balance sheet risks a building society faces as a consequence of being a mortgage lender. We'll consider all key risks including liquidity, interest rate risk, credit risk and operational risks, and the regulation and governance that goes with it. We'll also examine the role of board governance and the relevant committees, especially the Asset and Liabilities Committee.

The course is either a follow-on from the introductory course, or for those who already have some treasury/balance sheet management understanding and want a deeper understanding of the balance sheet impacts of the risks.

Cost: £490 (VAT exempt) - BSA members & associates
£695 (VAT exempt) - Non-members
www.bsa.org.uk/risk-Nov

Advanced Treasury Risk and Balance Sheet Management

7 November 2024 | London

This course takes a deep dive into liquidity risk and interest rate risk using practical workshop sessions. We will also analyse the output from management information and see how to read and understand key reports. It's aimed at those who want a hands-on, in-depth day analysing balance sheets and discussing the nuances of liquidity and interest rate risk. Those attending would benefit from already having attended the treasury risk course before-hand.

Cost: £490 (VAT exempt) - BSA members & associates
£695 (VAT exempt) - Non-members
www.bsa.org.uk/advancedrisk-Nov

Collections and Recoveries Training

19 - 21 November 2024 | Online

The BSA, in partnership with Arum, have developed a brand new series of Collections and Recoveries Training Courses for all BSA Members and other financial institutions. Aimed at collections and recoveries professionals with an emphasis on mortgage specific training skills the 3-day online courses are a comprehensive, interactive, and accredited set of modules covering all aspects of dealing with customers within the regulated arena of mortgage products and services. Each day ends with a knowledge test which attendees must pass to receive Arum Certified Status.

Cost: £1500 (VAT exempt) - BSA members & associates
£1850 (VAT exempt) - Non-members
www.bsa.org.uk/collections-Nov

Treasury Management Training for Credit Unions

28 November 2024 | London

This brand new course is designed specifically for Credit Unions with the aim of introducing participants to the role of Treasury, providing an introduction to financial markets, yield curves and how the Bank of England manages interest rates.

The course will be of interest to non-executive directors of credit unions as well as employees within senior management, risk management or finance roles, or for those wanting to broaden their knowledge of the business and wish to understand more about this interesting area. No previous Treasury knowledge is required.

Cost: £490 (VAT exempt) - BSA members & associates
£695 (VAT exempt) - Non-members
www.bsa.org.uk/CU-treasury

Annual Non-Executive Director Networking Seminar

3 December 2024 | London

This year's in-person event is based around the theme of "Making Mutuality Work" and has been designed to be interactive and to offer plenty of networking opportunities.

The event will launch with a networking dinner hosted by the BSA on the evening of 2nd December (limited places available) and will close with networking drinks after the seminar on the 3rd December, which is an ideal opportunity for you to catch up and discuss the day with your colleagues.

Cost: £395 (VAT exempt) - BSA members only
www.bsa.org.uk/NEDs2024

Building Societies Annual Conference 2025

7 & 8 May 2025 | Birmingham

After a successful event in Manchester, the 2025 Conference will be heading to Birmingham to celebrate the 250th anniversary of the first ever Building Society. The conference is the leading event in the sector bringing together over 1000 attendees. It has been running successfully for over 30 years and attracts high profile speakers from finance, business, politics and the media. Join us to celebrate this landmark anniversary!

www.bsaconference.org