



London Mutual
Credit Union

Our social impact 2020/2021

How we are living our credit union values by building vibrant, prosperous and empowered communities.



Economic impact

London Mutual is one of the UK's leading credit unions. We help to build community wealth by ensuring that everyone, regardless of their background or income, has the tools they need to make the most of money. That means making it simple for our members to build for the future by saving, as well as ensuring they can borrow at reasonable rates and on straightforward terms.

Festive Period 2020

The festive period is an expensive time for nearly everyone, and many of our members choose to borrow to spread the cost. The pandemic, of course, meant that for many members, Christmas was very different this year. Even so, we are proud to have provided an affordable and fair option, saving our members thousands of pounds in interests and fees.

In November and December 2020...



£1.23m

was lent to 1746 individuals who are unemployed, on low incomes or with poor credit.¹



£550

was the average estimated interest saved compared to a high-cost doorstep lender.²



London Mutual saved its low-income members almost

£1 million

in interest over the Christmas period.³



London Mutual issued

£1.09 million

in loans as an alternative to credit cards and overdrafts, to 526 employed members.⁴



We saved each member an estimated

£213.30

in interest, compared to borrowing the same amount on a credit card, and £487.26 compared to a typical arranged overdraft.⁵

¹based on totals for Growth, Booster and Payroll loans. ²based on £700 borrowed over 12 months. 42.6% APR with LMCU vs 299.3% with Provident. ³£0.91m, £550 multiplied over 1746 loans.

⁴based on Premier loans, product most comparable to credit cards and overdrafts. ⁵based on £2,089 borrowed over 18 months, at 13.68% (LMCU) vs 25.5% APR (Official UK credit card average) vs 39.9% APR arranged overdraft. ⁶based on £511.25 borrowed over 12 months. 42.6% APR with LMCU vs 299.3% with Provident. ⁷£1,007 figure multiplied over 102,673 loans. ⁸13.68% APR (LMCU) vs 25.5% APR (Official UK credit card average)

The Past 15 years

London Mutual will celebrate its 40th anniversary in 2022. Over that period, thousands of local people have built savings and taken the opportunity to borrow affordably, ensuring that millions of pounds have been retained and spent within our local community:

Over the past 15 years,



London Mutual members have accumulated

£27.7 million

of savings.



and our Junior Savers have accumulated

£1.3 million

of savings.

We have lent over

£128.7 million

via 153,689 loans. The average loan was £837.72.



£52.5m

was to unemployed members, those with poor credit, and those on low incomes.



£1,007

was the average estimated interest saved compared to a high-cost doorstep lender.⁶



In total, London Mutual saved the local community

£103.4 million

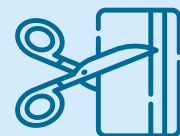
in interest compared to doorstep and payday lenders.⁷



London Mutual issued

£53.5 million

worth of loans to employed members as an alternative to credit cards and overdrafts.⁴



In total, LMCU saved these individuals

£5.4 million

compared to credit cards.⁸

Our members

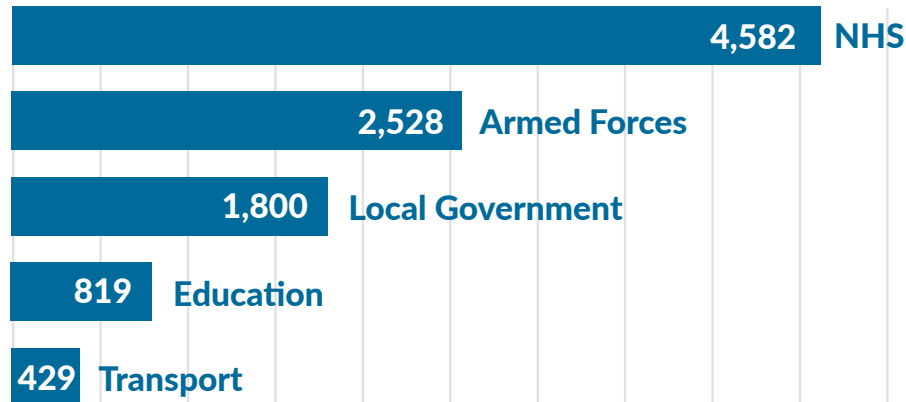


As of December 2020 we have...

34,222 members

Our members are as diverse as the community we serve, coming from all walks of life. We are proud to serve a significant portion of our members in occupations which have kept our city running over the past year, including those in the NHS, transport workers, carers and education staff.

Sectors our members are working in:



What our members say

In December 2020, we carried out a survey of our members, asking for their views on the service that we provide. It received over 2,000 responses. Overwhelmingly, respondents told us that they value being a member, and that saving and borrowing with us has made them better off:

89% of members agree:

“
Being a member of London Mutual has saved me money.
”

83% of members agree:

“
London Mutual cares about its members.
”

 **92%**

of members surveyed said they were extremely likely to recommend us to a friend

76% of members agree:

“
I have spent less time worrying about money since becoming a member
”

83% of members agree:

“
I feel financially better off since I became a member.
”

 **89%**

of members give us 4/5 or higher when asked to rate the quality of our services.



Over the years have struggled with credit due to being an overseas soldier. Since I was told and referred to London Mutual I have had nothing but clear, transparent and affordable banking.

- Sy

Felt like a well thought out consultation for credit as opposed to a knee jerk yes or no. Great rates.

- Alan

Ive been with then over 20 years and have been able to travel the world and realise some dreams I dont think I could have on my own. I'd advise anyone with a dream, ambition, to go see them. They can bring you a lot closer.

- Rose



37%

members say that 'Coronavirus has affected their personal finances negatively

Of the members who said that their personal finances had been affected negatively, 68% agreed that:

'Being a member of the credit union has made me better prepared to deal with financial shocks of the past year'



New initiatives in 2020



Keeping branches open throughout the pandemic

Over-the-counter banking services remain a lifeline for many of our members who find digital services harder to access. Throughout the pandemic, staff have worked hard to keep our branch network open and functioning as usual, with appropriate safety measures in place.



Launched email helpdesk for faster support

We are committed to using digital tools to make it easier and faster to do simple tasks yourself. But there will always be times when you need to speak to someone. That's why in the past year we've improved our email helpdesk to ensure you get the correct response faster, and in 2021, will be adding chat and other messaging channels too.



Preventing gambling-related harms

The pressures of lockdown have seen more people in our community suffering from personal and financial harms linked to online gambling. We are partnering with the charity Gamcare to improve the support that we offer to members who may be at risk, including providing information about sources of support, and offering a gambling block which prevents our debit cards from being used on online gaming and betting sites.



157 Payment holidays given in the past year

In these uncertain times, we know that your financial circumstances can change for reasons beyond your control. That's why we going the extra mile for members affected by coronavirus. Over the past year, we have offered £312,732 worth of repayment holidays to 157 members whose incomes have been affected, giving them time to get back on their feet.





Supported 450 Young people to save

Through our Junior and Young Saver accounts, and links with local schools, we have supported young people in our community to save an average of £82 each. We are committed to paying an annual dividend on these accounts as an incentive for young people to save, even in years where the credit union is unable to do so for its adult members.



Widening access to banking

Young adults who are leaving residential or foster care can sometimes lack conventional forms of ID or have complex address histories, making it hard to set up their first bank account. We have worked with Council staff to agree a template letter from a support worker. This letter can be used by the young people to set up an account with us, making it easy to receive an income, secure a property and easing the transition between care and independent adult life.

Living Wage Employer

We are proud to have been an accredited Living Wage Employer since 2014. The mark indicates that all our staff are paid a rate which reflects the true cost of living in London.



Fair Banking Mark

Our CUOK short-term loans have received the five-star Fair Banking Mark. This mark indicates that the product offers features which contribute to users overall financial well-being.



Armed Forces Covenant

We hold the bronze award in the Ministry of Defence's Defence Employer Recognition Scheme, reflecting our commitment to supporting the armed forces community.



Consumer Credit Awards 2020

London Mutual was proud to be a finalist in the categories of Best Credit Union (South) and Best Loan Provider (lending <£2.5k) in this year's Consumer Credit Awards.



If you would like to discuss any aspect of this report or ways that we can work together to continue improving the financial well-being of our communities, please get in touch:

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FCA Number: 213248. Society Number: 64C