

# Better off together

Social Impact Report 2023



CELEBRATING  
**25 YEARS**  
of ethical and  
inclusive banking

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# Welcome

## Denis Lindsay



It is an honour and a privilege for me to welcome you to our latest social impact report, as the newly appointed Chair, in this our 25th Year Anniversary. This is because, borrowing the words of Martin Luther King Jr, but adapting them to our exacting circumstances “the ultimate measure of an organisation is not where it stands in moments of convenience and comfort, but where it stands at times of challenge and controversy”. The societal and economic challenges of 2023 was a measure for us against our vision to make the people and communities that we serve better off. Therefore, this report is to demonstrate the meaningful and positively impactful difference that the GWCU still makes to the people and the communities that we serve.

This past year has greatly tested our resilience as a social, not-for-profit, co-operative organisation. The cost-of-living crisis has continued to impact our membership, creating a greater demand for alternative financial services, aimed to support those most at risk of financial exclusion.

In response to the challenges, we launched several new initiatives to ensure our members needs did not go unmet. In 2023, we launched our first-ever bond offer with Ethex, opening investment opportunities for socially minded people across the country. The success of the offer highlighted the value of community finance during the difficult financial times.

2023 also saw the growth of Money@Work, the program that links with businesses across the South West to offer affordable loans and easy savings to employees through salary deduction.

We continued to prioritise the importance of saving, a practice that directly contributes to financial wellbeing. Equally, we continued to lend members’ savings directly to our borrowers, seamlessly linking communities and stimulating local economy.

You will read in this report that our product developments and innovations are designed to foster long-term resilience and growth.

On behalf of the Board of Directors, I extend my heartfelt gratitude to everyone who has supported our mission over the past 25 years. We could not have achieved anything without the dedication of every single staff member, alongside the unwavering commitment of our volunteers, that has been on this epic journey with us. This also includes the contributions of my fellow Directors, and all those Directors that have come before us, and the contributions of our Independent non-Directors.

We will, of course, be eternally grateful to all of our members and our investors, as none of this would be possible without them.

Looking ahead, we remain committed to growing our impact and supporting the wellbeing of our members and our wider communities.

Thank you for taking the time to read this report.

Sincerely,  
**Denis Lindsay**  
Chair of Great Western Credit Union

# Welcome

## James Berry



As we mark our 25th anniversary, I am filled with pride as I look back at how far our credit union has progressed and all that we have achieved together. I'm also immensely grateful for the dedication of our wonderful supporters, including our staff team, our volunteer board of directors, our investors and of course, our many thousands of members. This year, we celebrate the significant growth we have achieved, and the social impact we have delivered for people and communities across the South West.

In this year's Social Impact Report, we showcase insights that bring our growth story to life. Our growth over the last 25 years has largely been organic, through the dedication of so many and our commitment to developing the services that members value. We have also taken a strategic approach to mergers with other credit unions. Each merger has not only strengthened the combined financial position but has also expanded our social footprint, allowing us to widen our reach and support to more communities. They have also allowed us to manage the challenges of uncertain economic conditions – of which there have been many – while continuing to meet the changing needs of members by offering inclusive financial solutions.

Changing member needs for access and the broad geography we serve, along with the evolution of the digital landscape, have driven our evolution as a digital-first organisation. The transformative introduction of

our digital platform has allowed us to serve a much wider community, breaking down geographical barriers and ensuring that more individuals than ever have access to our services. Banking is more accessible for our members, while improved operational efficiency allows us to meet their diverse needs in an increasingly connected world.

Growth is not only measured by a continued increase in the number of members who work together through GWCU, but also by the scale of positive social impact that co-operation allows. Growth enables us to invest in our communities, build financial resilience, improve services and foster innovations. Our constant purpose is to create lasting social impact, expand financial inclusion and build economic empowerment.

As we look ahead to the next 25 years our focus will continue to be on sustainable practices, innovative solutions, and building a future where everyone can thrive. We remain committed to the delivery of social impact

and positive change, in a way that supports our members, our communities and our environment to thrive. We continue to make a positive difference in the lives of our members, and through them for the whole of the South West.

Thank you for being an essential part of the GWCU family. Together, we make the people and communities we serve better off.

Warm regards,

**James Berry**  
CEO, Great Western Credit Union

## Who we are

Great Western Credit Union (GWCU) is a mutual, financial co-operative, owned and operated by its members. Since 1999, we have provided ethical savings and fair loans to the people of Bristol, Bath, Gloucestershire, Wiltshire, Somerset and Dorset. We offer banking services in a way that is fair, inclusive and strengthens our local communities and economies.

Together, our savers and borrowers create a pool of money that enables us to benefit all in our communities. We actively support financial inclusion in areas that are traditionally underserved by the mainstream market, and badly served by others. Our members are our only shareholders, so any profit we make is reinvested into the business or shared with them as dividends.

Our vision is simple:  
**We make the people and communities we serve better off.**



# 25 years of ethical and inclusive banking

In the last 25 years, we have gone from an inner-city credit union, serving 16 members, to becoming the largest credit union in the South West. To appreciate the growth that Great Western Credit Union has achieved, let's start at the very beginning.

**1999**

Opened in Bristol, at the Easton Community Centre as Money-Go-Round, Bristol Inner City Credit Union.

**2006**

Merged with Bedminster and Knowle Credit Union and Malago Valley Credit Union to form Bristol Credit Union.

**2008**

Moved to Cheltenham Road for branch & HQ, officially opened by then DWP Minister, James Plunkett.

**2009**

Hit a milestone of 5,000 members.

**2012**

Began working with Bristol Pound, providing the digital Bristol Pound accounts in a regulated financial institution with backing from the Financial Services Compensation Scheme – a first for any local currency in the UK.

**2014**

Partnered with two local organisations to support them with their community projects. Our lending helped South Bristol Sports Centre to build six all-weather five-a-side football pitches, a vital community resource. We also helped Bristol Energy Cooperative to become one of the country's largest community energy generators.



Opening of our first branch



The Bristol Pound initiative

## How far we've come

**GREAT WESTERN CREDIT UNION**

**2023**

Launched the first ever Bond Offer on the Ethex platform with an initial target of raising £700k, including match-funding from Fair4All Finance. Closed the bond offer having exceeded the target with a closing raise of £1.9m.

**2019**

Merged with Wyvern Savings and Loans and became Great Western Credit Union.

**2018**

Supported Bristol City Council with the Vulnerable Persons Resettlement Scheme, which is part of the nationwide effort to help secure accommodation for refugees (many from Syria) and assist them in financial inclusion as well as broader integration.

Our wonderful team



# Our year in figures

At the end of 2023, GWCU had 19,088 members, of whom 6,591 were borrowers. 5,830 new loans were in made in 2023, averaging £1,562.



In the last 25 years, we have helped **30,790** members access affordable loans and opened **74,086** savings accounts.

# Measuring our social impact

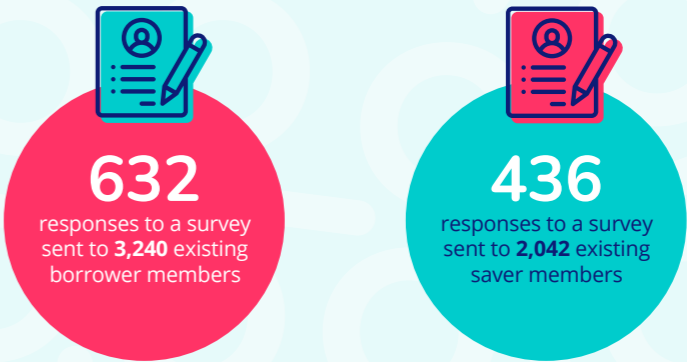
When measuring the social impact we have delivered across the region, we look at several outcomes, over the shorter term and also in the context of our long-term goals.

Our short-term goals focus on providing borrowers with alternatives to high-cost lending and access to credit when they need it. These short-term outcomes are what we hope to highlight in our yearly Social Impact Report.

However, this edition of the report aims to highlight the long-term effect of purpose-driven finance, specifically one that puts members ahead of profit. In this report, we feature these long-term goals, which include improving financial capability, helping build higher rates of saving, reducing the reliance on borrowing and potentially improving credit rating.

The aim of this report is to show the ways in which we are driving positive change for our community while also providing a comprehensive overview of the social value GWCU delivers to members, and the wider community across the region.

This report draws on customer data as well as survey data collected in January 2024\* from:



\*These are labelled as 2023 data since it reflects member experiences during that year. We also draw comparisons with the data from the 2022 report, which was based on a survey conducted in January 2023 (labelled as 2022 data).

# Our loan members

Through the survey responses from members who held a loan with us during 2023, we are better able to understand who is benefiting from borrowing through GWCU.



**15%**  
are from ethnic minority backgrounds.



**37%**  
are single parents.



**About 1 in 3**  
(30%) describe themselves as having a disability.



**68%**  
have kids under 18 living with them.



**About 30%**  
work full-time with a further 23% working part-time or self employed.



**23%**  
are unable to work due to illness or disability.



**72%**  
earn below the £24,000 a year living wage.



**Nearly two thirds**  
rent from the Local Authority or a housing association, almost one in four (24%) renting privately.



**7%**  
do not have either a current bank account or bank account with a debit card.

Our mission is to support individuals at risk of financial exclusion and those who would benefit from access to affordable credit. We are dedicated to serving our communities, a commitment that has grown even more crucial as our reach expands. We are mindful of the significant financial challenges many households face due to recent events such as rising living costs and inflation. We strive to meet the needs of all our members, regardless of where they live.

Based on the responses to our survey, GWCU borrowers are more likely on average to be from low-income households or to be from one or more of these groups who are financially struggling.

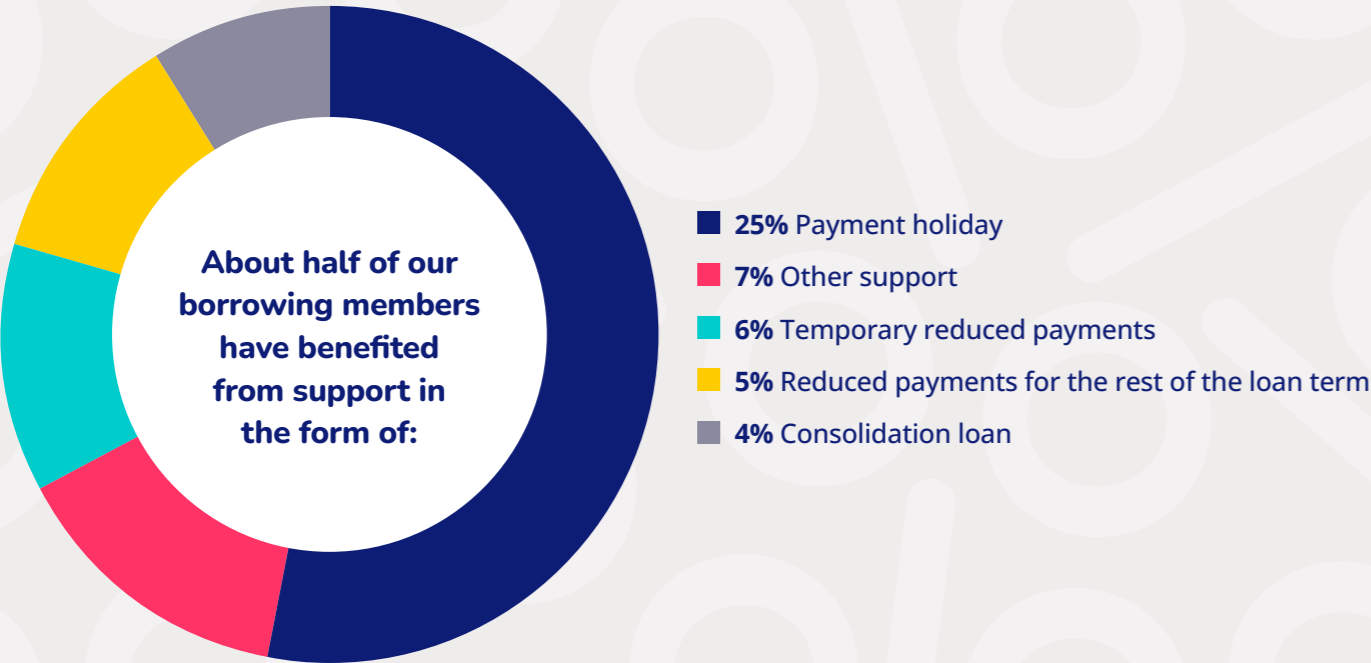
Research into UK financial wellbeing shows higher than average financial exclusion for certain groups, including those in households with higher poverty rates<sup>1</sup>. Rates of poverty are higher in households with children, those without employment, those with a disabled person, those in rented housing (either social or private), and those led by someone from an ethnic minority group. Further research showcases the effects of high inflation. Though the Consumer Price Index (CPI) was down to 4.6% (from 6.7% the previous year) at the end of 2023, households with lower-income benefited less from the drop, as they experience 'higher-than-average inflation'<sup>2</sup>. Additionally, social and private renters were more likely to report a hike in their housing costs.

Limited access to financial products is a crucial indicator of financial exclusion in 2022, around 7% of our borrowers still did not have either a current account or a basic bank account with a debit card, much higher than the UK as a whole<sup>3</sup>. Those who are unbanked have a more difficult time accessing funds, setting up direct debit payments and budgeting.



1 The Price We Pay: the social impact of the cost-of-living crisis  
2 Turning a corner? The Financial Wellbeing of UK Households in October 2023  
3 It's time for an Enlightenment on financial inclusion

A fluctuating and uncertain economy often has the greatest impact on our financially vulnerable members. At GWCU, we understand that members who borrow with us may not always be able to maintain their original loan contract, often struggling with decreased income (16%), inability to work due to sickness or disability (23%), mental health (33%), changes to family situations (14%), and many other life changing events. Our members are our main priority, which is highlighted in the support we have offered this year.



# Our saver members



More likely to be female (61%).

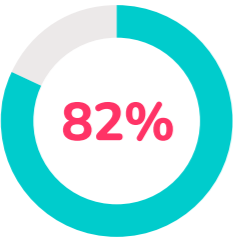
Around one in five (17%) is from a Black, Asian or ethnic minority background.

More than half are working full-time, part-time or are self employed. A further quarter (27%) of our savers are retired.

A majority (59%) of our savers are 55 and above.

Much more likely to own their own home – nearly half owned their own home (54%) compared with only 7% of borrowers.

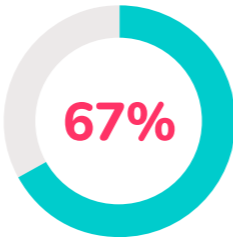
# How has GWCU supported savers?



The Credit Union makes it easy for me to start to save.

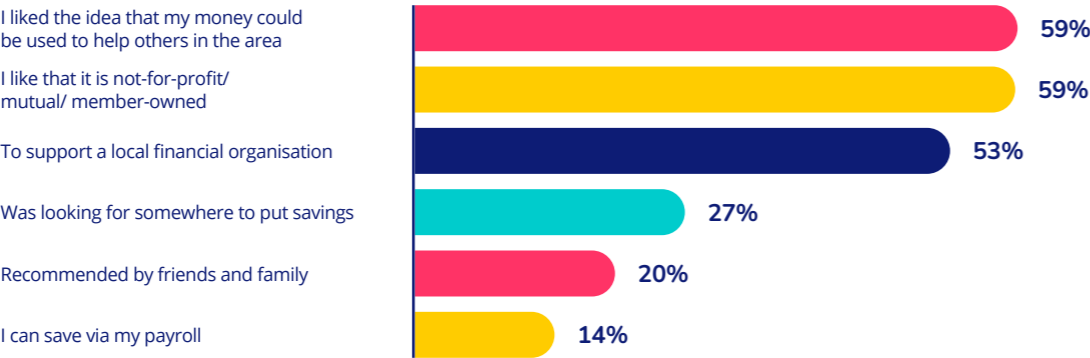


Saving is good for my financial wellbeing.



Saving has helped me budget/plan for the year.

## Why did you choose to open a savings account with the Credit Union?



It is evident that our members’ values align with our own vision and how we operate. As the key reason for choosing to put their money with us, savers are actively supporting and contributing to our mission to deliver ethical, accessible and purpose-driven finance to thousands across the South West.

The rise in cost of living has led to a greater reliance on savings. 2023 saw record breaking savings withdrawals, with nearly £4.6 billion drawn down across the UK<sup>4</sup>.

The significant reduction in savings deposits is mirrored at GWCU, with over half (52%) of our savers stating they have been negatively impacted by the general increases in living expenses and 35% of savers dipping into savings to manage the increases.

4 Money and Credit - May 2023

Despite the drop nationwide, we are consistently working to help our borrowers to become more financially stable, by encouraging them to build their own savings safety net. In 2023:

**1,746**  
(12%) of our savers had previously held a loan with us. Together, they have saved £2.7m.

**885**  
savers were living in the most deprived areas across our region and between them had £1.2m in savings.

**13%**  
of our borrower respondents had savings with us, with an additional 8% holding savings with another bank or building society.



# Helping our members financially

One of the main benefits we deliver for our borrowing members is to help them to avoid higher-cost borrowing, and the cycle of debt that it can cause. We know that many of our members have had to rely on high-cost credit at some point, or even continue to use it.

The table below demonstrates how much money borrowing from GWCU can save in comparison with other lenders<sup>5</sup>:

	Term	Loan	Interest	Weekly payment	Monthly payment	Saving with GWCU
LoanPig	12 months	£1,000	£1,000		£166.67	£794.45
Great Western Credit Union	12 months	£1,000	£205.55	£22.97	£100.47	
Quid Market	6 months	£500	£494.08		£165.68	£440.29
Great Western Credit Union	6 months	£500	£53.79	£21.08	£92.30	



We made **1,166** loans to people in the bottom 20% of areas by levels of deprivation.



These account for **1 out of 5** of our loans.



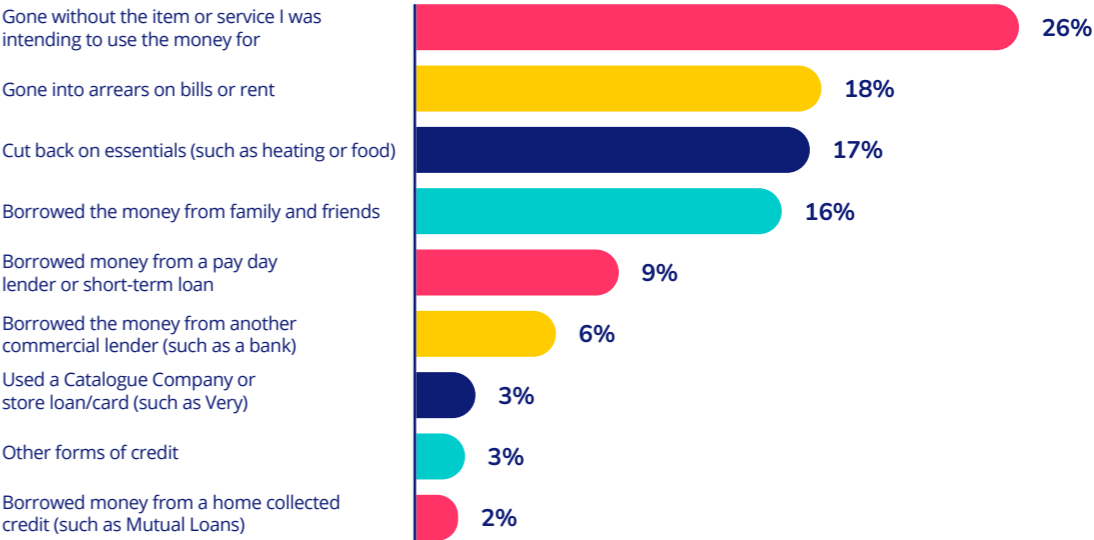
Assuming they had used a high-cost lender instead, we have saved these borrowers **£513,378** across the year.



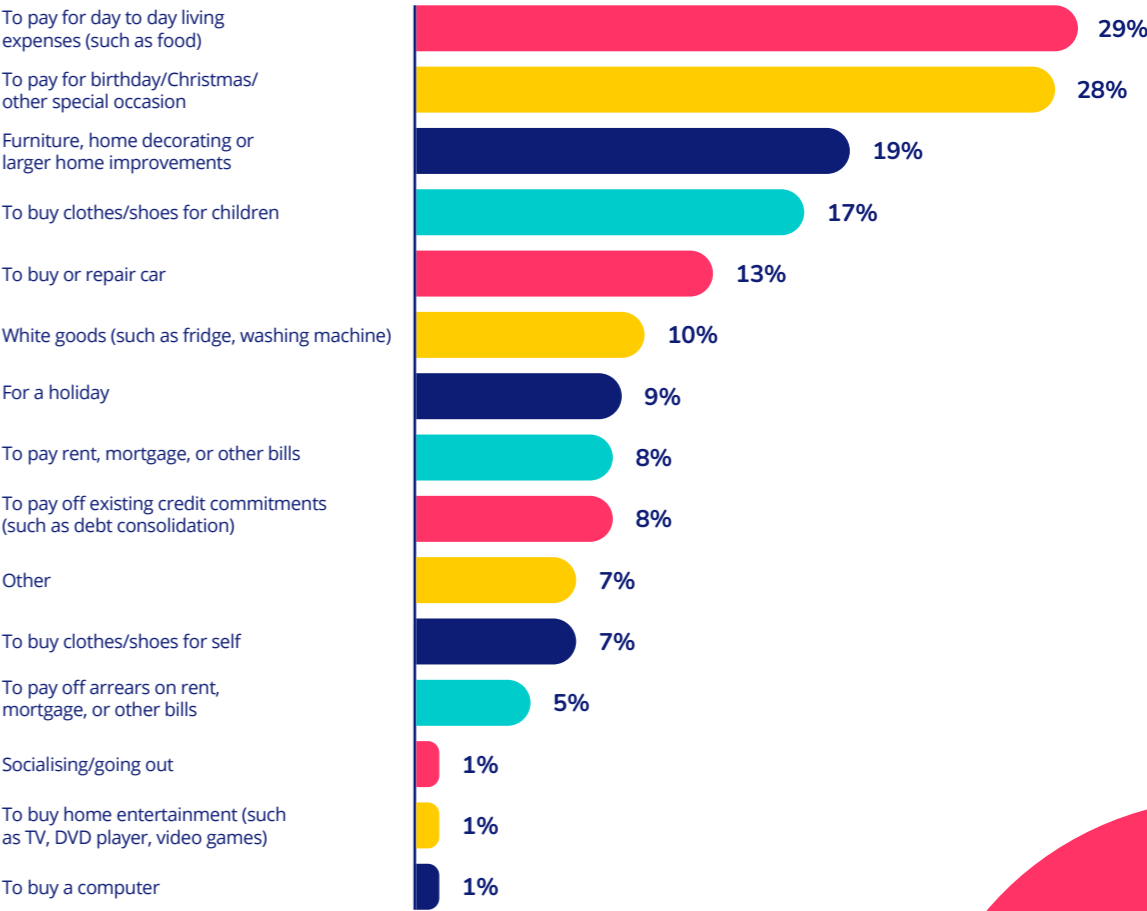
Across all our members in the South West, we are saving our members over **£3.5m in total** interest for loans issued in 2023.

<sup>5</sup> Costs as of May 2024

## What would you have done if you hadn't borrowed from the Credit Union?



## What did you use your last credit union loan for?



# Meeting our members' needs

## Housing impact in 2023

In 2023,



**359 loans to  
265 people**

at risk of  
homelessness



**Supported 143  
members**

part of the Vulnerable  
Person's Resettlement  
Scheme



**121  
homes**

for Ukraine members  
supported

## Money@Work

Our Money@Work scheme continues to grow significantly in scale and impact, helping employers across the region to improve the financial wellbeing of their people, through access to affordable loans and easy savings.

While we have been making employer partner loans since 2009, the Money@Work scheme has been developed as a standalone brand in the credit union, allowing employer partners and their people to find a corner within the credit union that is solely dedicated to serving their financial wellbeing. Since the official launch of Money@Work in 2019, we have lent over £3.3m to support employees access affordable credit and ethical savings options.

Money@Work uses salary deduction for loan repayments and savings deposits. This means that once an employee has applied for a savings account or loan with GWCU, the employer's Payroll Department automatically deducts the monthly savings or loan repayment amount from the employee's salary. Because the amount is taken automatically at source, it's a much more reliable way to save or repay a loan. For borrowers this means discounted loan interest rates for Money@Work employees, reflecting easier administration and lower non-payment rates for GWCU.

Research shows<sup>6</sup> that 73% of loan borrowers - including those borrowing through salary deduction - saved more regularly, 6% more than those with standard loans, highlighting the improvement in employee financial resilience.



"I've saved regularly through payroll for a while now, as well as paying back a loan. I don't miss the cash and it's reassuring knowing I've got an emergency pot to fall back on if I need it."

### A separate survey of Money@Work borrowers showed:

- 100% agreed that repaying their loan through salary deduction made the process easy.
- 100% would recommend the service to their colleagues.
- 46% of respondents said financial-related stress affected their performance at work, at least some of the time.
- 79% of respondents agreed that the Money@Work service helped them improve their financial wellbeing.

<sup>6</sup> Deduction lending. Does it add up for low income borrowers?

## Family Saver Pilot

In the last social impact report, we showcased the first phase of the Financial Resilience Project, conducted in partnership with University of Bristol.

The first phase of research saw 16 mothers interviewed, which uncovered the outsized responsibility mothers regularly carry to manage their household's finances, the gap in products and services especially designed to help them control this, and the lack of discussions around finances between mothers, mothers and their partners, and mothers and financial establishments. Following a series of workshops, the team agreed to focus on making saving easier. They then presented their final prototype, the Family Saver Pilot in March 2023.

The pilot was launched three months later for those on the existing Family Finance Plan, where 17 members enrolled, typically mothers in their 30s - 40s with anything between one and six children. Surveys at the beginning of the pilot showed that seven members had signed up as they had trust in GWCU and liked the ease of setting up savings, whilst believing that the access barrier would help them to save. Within seven months, all 17 members had continued to save, putting away on average £5 a week and £38.32 in total. Eight members had made one or more withdrawals, typically at the end of August and the start of September around when schools reopened, while the others kept all their savings<sup>7</sup>.



“Having a savings account with GWCU allowed me to put aside rainy day money and also money for Christmas presents for my family. Without these accounts, money would end up being spent unnecessarily and so I find this savings account a huge help.”

<sup>7</sup> Designing with Mothers for Mothers: The Family Saver Pilot

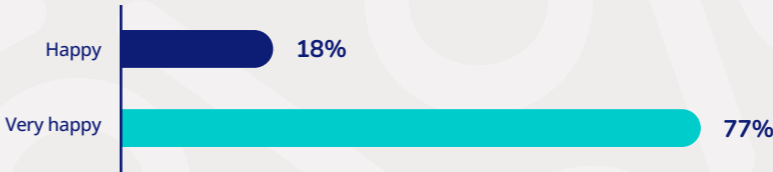
## Meet our members

### Member satisfaction

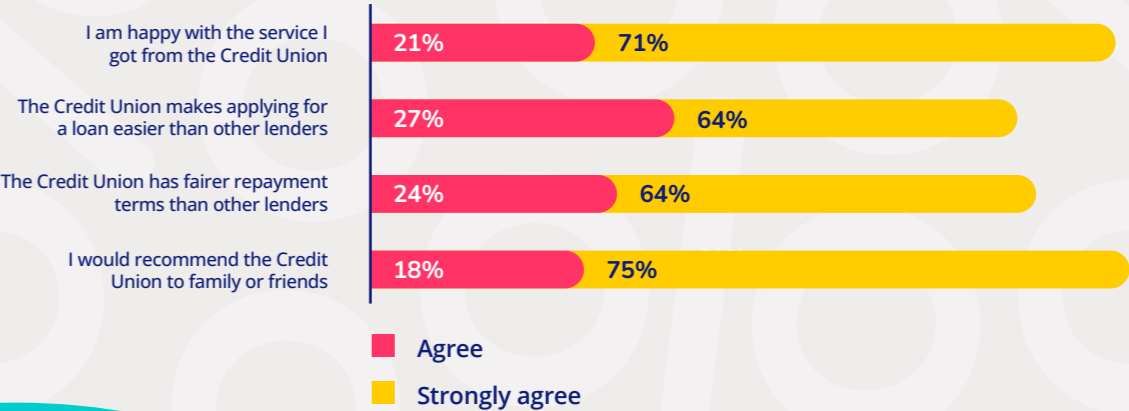
At Great Western Credit Union, we believe we should do more than just provide inclusive financial services, we believe it should be done in a way that works for our members.

Our digital platform has successfully allowed us to automate some decision making, increase efficiency in application processing and created an open line of communication for our members to reach our member services team. We are proud that 95% of our members are happy with our service and about the same would recommend us to their friends and family.

Overall, how happy are you with GWCU right now?



How strongly do you agree with the following statements?



## Case studies

Credit unions play a crucial role in supporting communities by providing accessible and inclusive financial services, particularly for those who may not find help elsewhere. They embody a mission of community support, ensuring that everyone, regardless of their financial situation, has access to the resources they need.

One member's story highlights this perfectly: "I joined the Credit Union because I believed in supporting equitable access to finance, especially for those in need. Over the years, my [financial] circumstances changed dramatically" particularly after his daughter was born with a disability.

"This put a huge pressure on finances. The Credit Union is an absolute lifeline, it's non-judgmental, it's helpful." He emphasises, "The credit union helped me keep my daughter alive. I am more than happy to stand behind that."

His experience led him to recommend credit unions to others across the country: "There are families struggling, and there should be an opportunity and a place for inclusive finance."

In memory of his daughter, he and his family are building a home that will offer affordable holidays to families in similar situations, possibly supported by the credit union network. This initiative reflects the impact of credit unions in fostering community wellbeing and supporting those in need.



**"For me, the credit union is ideal for setting aside money that I don't want easily accessible, like savings for holidays or home improvements."**



Reflecting on her experience with the credit union, one member shares: "The credit union was a lot smaller back then. I worked at Barton Hill Settlement, where we had a drop-in service for saving money.

You'd hand in cash and use little pass cards. That's how I first joined. I opened an account for myself and a 'Money Munchers' account for my young son.

Even with the cost-of-living crisis, I still save the same amount in my credit union account, which remains untouched despite spending cuts elsewhere. I like the simplicity of it. I've had a couple of times where, I've had to take money out of my savings - it's much easier than it was before, and I'm quite satisfied with that.






**"I first joined a credit union in Reading over 20 years ago, which eventually became a bigger credit union in Southeast England. We moved to Gloucestershire in late 2022, and I looked online and found GWCU. It was fairly easy to set up the account and transfer my balance from my previous credit union to GWCU.**

Even though I've only been a member for less than two years, I've appreciated the straightforward process. I value the hands-on approach of the credit union and the ease of accessing my savings now, which is much better than it was before. I started saving some money for rainy days and retirement. I have gone from not having any spare cash to having enough to help other people."

# GREAT WESTERN CREDIT / UNION

Registered office: 2 York Court, Upper York Street, Bristol BS2 8QF. Great Western Credit Union is registered in England and Wales no.597C. Great Western Credit Union is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Firm Reference Number 213583. We are members of the Financial Services Compensation Scheme, and we subscribe to the Financial Ombudsman Service.

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