

# Becoming an Associate of the Building Societies Association



As a relatively small mutual organisation we joined the BSA as an Associate because we felt there was likely to be a synergy of views with the Association's membership. This has most certainly proved to be the case. Most especially, our involvement has been more than justified by the valuable help and support on regulatory matters - as a small organisation we have only limited resources to deal with these and the information and interpretation provided by the BSA undoubtedly helps to keep us on track.

Airdrie Savings Bank

### What is the BSA?

The BSA is the representative body for all building societies in the UK. Building societies have over 23 million investing members and 2.9 million borrowing members, operate over 2,000 branches, employ over 51,500 staff, and have over £395 billion of assets. They are an important component of the economy.

The Association has two major functions. It promotes the interests of societies to the Financial Services Authority and other regulators, the Government, Parliament, the Bank of England, the media, other opinion formers and the general public. Secondly, it provides information to societies to help them run their businesses; it makes little sense for each building society to undertake the same research on, for example, the implications of a new piece of regulation.

### Building Societies

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| <p>Building societies have total assets of over <b>£395</b> billion.</p> | <p>Building societies account for <b>37%</b> of the cash-ISA market.</p> |
| <p>Net savings inflows in 2008 were <b>£9.9</b> billion.</p>             | <p>Gross mortgage lending in 2008 was <b>£39</b> billion.</p>            |

### What issues does the BSA deal with?

The BSA currently has a number of key policy areas on which it represents building societies and provides them with information

- The promotion of societies' mutual status, and associated corporate governance issues
- Consumer issues, including the FSA's Treating Customers Fairly initiative, the various reviews of the Banking Code, unfair contracts terms regulations, unfair commercial practices regulations, the role of the Financial Ombudsman Service, financial inclusion, financial capability, corporate social responsibility and lost accounts
- Financial crime prevention, including anti-money laundering and anti-fraud activity, and physical security issues relating to staff and branches
- Prudential and financial regulation, including capital adequacy and Basel II, the FSA Handbook, accounting standards, regulatory and statistical reporting and the issues arising from the Northern Rock affair.
- Savings policy, including ISAs, the Child Trust Fund, the Saving Gateway, and stakeholder products
- Mortgage policy, including measures to promote home ownership, address affordability issues, equity release products, and mortgage payment protection insurance.

In addition the Association organises a wide range of seminars each year that cover these and other policy areas.

We believe mutuality has a significant role to play in the mainstream of the modern financial services industry. However financial mutuals must be run to the highest standards of corporate governance and be accountable to all relevant stakeholders. We see the BSA as a highly effective organisation in this area.

The net result of the BSA's work is both a stronger, better run, mutual sector - and one that is better understood by all parties. This is why we have joined as associate members - and why we have actively supported some of the BSA initiatives.

NFU Mutual Insurance

## Why become an Associate?

The BSA believes that much of the material that it produces for its members will be of interest and use to professional firms which advise societies, to organisations that supply services to building societies and seek a greater understanding of the issues affecting them, and to institutions with a similar constitution to that of building societies, such as mutually owned insurance companies, banks and friendly societies.

## Who are the current Associates?

The BSA's current Associates include mutual insurance companies, a savings bank, representatives of the co-operative sector, audit and accounting firms, firms of solicitors, and suppliers of various business services to building societies.

## What are the benefits of Associateship?

### INFORMATION, HELP AND GUIDANCE

Associates receive all the BSA's **CIRCULARS**, providing information on developments in the policy areas mentioned, are able to attend most of the BSA's **SEMINARS**, as well as its Annual Conference, Annual Lecture and Annual Lunch, at members' prices. Associates also receive a copy of the BSA's monthly **NEWSLETTER**, *Newsbite*, and quarterly **MAGAZINE** *Society Matters*. All such material is distributed electronically, and the quarterly magazine is also distributed in paper format.

Associates are able to access **MEMBERS-ONLY RESOURCES ON THE BSA WEBSITE**, which are organised by policy area for easy search and selection. The members-only section, updated daily, contains unique website-only content, such as policy briefs that summarise developments on policy work, and a complete archive of circulars that can be searched by subject, author or date.

Associates also receive **RESEARCH REPORTS** and have access to the electronic **MANUALS** produced by the Association on subjects such as Treating Customers Fairly and financial crime. A copy of the latest **BUILDING SOCIETIES YEARBOOK**, a 300+ page annual publication, is also sent to Associates; among a wide range of other matters the yearbook features a profile of each of the BSA's Associates.

Associates are able to contact the Association's staff for help and guidance on any issue of concern on which the staff are competent, and also **MAKE USE OF THE BSA'S LIBRARY**.

### PUBLICITY

A link to each Associate's company website is placed on the BSA's website. We also tell our members, and others, that a new Associate has joined by putting an item in our monthly newsletter and the quarterly magazine.

### NETWORKING

We also seek to give Associates networking opportunities; first refusal on sponsorships, for example, if these become available; occasional invitations to BSA Chairman's lunches, and the opportunity to run joint seminars with the BSA. Attendance at the BSA's events also provides significant networking opportunities. Of course, becoming and remaining an Associate gives a firm indication to building societies that your organisation is interested in the sector and wishes to work with it.

### ADDITIONAL BENEFITS OF ASSOCIATE MEMBERSHIP

Associates are able to hire meeting rooms at the BSA's offices at members' rates. Advance notice is normally necessary.

Members of the BSA Secretariat may also be available to speak at appropriate events, such as a management or board awayday, organised by the Associate.

We are delighted to be working in partnership with 18 Building Societies on the Child Trust Fund, so we became an Associate member to join together in discussion with fellow mutual organisations.

Amongst the benefits has been the heightened ability to communicate with all Societies and to be sent the excellent technical advisory despatches from the BSA.

The Children's Mutual

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### What's left out of the Associateship package?

Associates are excluded only from the corporate governance of the BSA and do not have a vote at the AGM, for example, and cannot be represented on the Association's Council. Accordingly they cannot influence the policy position taken by the Association on any issue and, of course, are not bound by any policy initiatives taken by the Association. Having said this, input on various technical issues of interest to an Associate is welcome.

In the very unlikely event of the Association winding up, Associates would not be entitled to any share of any surplus that might exist, nor would they be liable to contribute to any deficit.

### How much does it all cost?

Associates pay an annual fee of £6,000 plus VAT. There is a one-off joining fee of £1,250 plus VAT. Associates joining part way through a calendar year pay a proportionate amount for their first period of associateship. (For example, an Associate joining on 1 August would pay five-twelfths of the annual fee for the first year, plus the joining fee, and then pay the full annual fee from the following 1 January.)

### What next?

If you believe that your organisation would benefit from becoming an Associate of the Association, please contact:

**Keeley Baker**, PA to Adrian Coles, Director-General, on 020 7520 5902, or keeley.baker@bsa.org.uk, who will be happy to discuss this with you.



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