

What is a building society?

Building societies are customer-owned financial institutions based across the UK in local communities.

They help people to **save** to become more financially resilient and achieve their dreams, and **lend**, so their customers can buy their own home.

But there's so much more to them than that...

They work for people, not shareholders

With a different model to banks, their culture is focused on customers and communities and this influences their day to day decisions.

In 2021

building society savers received
£615 million MORE
in interest than they would have got at big banks

What is a credit union?

Credit unions, also customer-owned, are savings and loan cooperatives based across the UK. Their members have a common bond. This typically means they are either based in their local community or their members work in the same sector, e.g. the police. They promote regular saving, offer modest personal loans and several BSA member credit unions also provide mortgages. Their members are at the heart of their business.

What is the BSA?

The BSA is the trade association for all 43 UK building societies and seven of the larger credit unions all of which are mutuals, meaning they are owned by their members, who are their customers.

Working with key stakeholders the BSA conducts research, convenes working groups, stimulates conversations and ideas to help with some of society's biggest issues, such as our ageing population, championing financial resilience, diversity and inclusion in the workplace, green finance, housing and the cost of living.

Mutuals at the heart of a thriving UK financial services sector

Building societies and credit unions are integral to a diverse and thriving UK financial services sector, adding competition and supporting financial resilience.

Women in Finance

The BSA and 22 of our members are Charter signatories (June 2022)

39%

of BSA member NEDs are **female** but there is much more to do to achieve a fully diverse and inclusive sector



A strong and simple framework

Brexit has provided the UK with an opportunity now we have freedom from the EU's single market.

We need:

- modernised legislation that is relevant in the 21st century
- strong, simple and proportionate regulation

With these changes building societies and credit unions will be better placed to serve their members.



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For People Not Shareholders

 **Building Societies
Association**

Our sector's role in society

BSA members help millions of people in the UK to achieve their financial goals. Particularly those who want to...

- **Borrow** to buy or build a home of their own
- **Save** for a rainy day or to achieve a dream

There are almost 1,350 building society branches across the UK, many of which double up as valuable local community hubs, or share premises with other local services. **The sector has set an aspiration of 1 million workplace savers by 2025.**



Building societies are more likely to provide a mortgage for people with complex needs, such as self builders and older borrowers.



Over the past three years building societies helped almost 300,000 first-time buyers to buy a home

Case Study Financial Education

"We created Money Minds lessons to inspire children and young people to learn about money.

"Student feedback has been excellent with 97% saying they learnt something new and now feel more confident in the subject taught."

Alasdair Lenman,
Interim Chief Executive,
Yorkshire Building Society



Community engagement

Building societies are built around and invested in their communities. A number of ways they show this is through...

- **Financial education**
Whether offered in local schools or in-branch, financial education is commonplace across building societies geared to help the next generation be more financially resilient.

The BSA recently teamed up with The Money Charity to develop resources to be used across the sector. The workbooks cover topics such as *better budgeting, borrowing and debt, money safety and saving for success.*

- **Branch sharing**
Building society branches are much more than a place to do business. They often act as important local community hubs.

Newcastle Building Society is opening new branches in local community centres to provide their services to rural towns which have lost their banking services.

Our sector's role in business and the economy

When it comes to business and the economy, building societies...

- Are helping over 3.6 million families and individuals to buy their own home, with mortgages totalling £357 billion
- Help almost 23 million build their financial resilience, securely holding £333 billion in savings
- Employ around 51,500 full and part time staff
- Have almost 26 million customers (members)
- Have total assets of over £481 billion

Building society headquarters

Building societies are all headquartered outside of London all over the UK and are connected with their local communities.



Customer service

Building societies consistently score better than banks in customer service surveys. BSA analysis on YouGov data (Jan 2022) shows:



Innovation and development

Our sector is steeped in almost 250 years of history, but we're still at the forefront of innovation



Savings innovations

- Workplace savings
- Prize-linked savings
- Charitable savings



Mortgage innovations

- First Homes
- Shared Ownership
- Green mortgages



Intergenerational innovations

- Family offset
- Guarantor mortgages
- Retirement mortgages



Technology innovation

- Open Banking
- Mobile apps & chatbots
- Cloud based services

Case Study Green mortgages



"We provide mortgages to people who want to build or renovate to a high level of energy efficiency. Our renovation and retrofit mortgages incentivise borrowers to improve the environmental performance of their home, helping to combat the climate crisis.

"In 2021, 78% of our loans benefited from or were eligible for an interest rate reduction of up to 1.5% following achievement of an improved energy rating."

Gareth Griffiths, CEO, Ecology Building Society