

# Society matters

## The future is mutual if we want it to be



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Hello and welcome to the Summer edition of

# Society matters

**Hello and welcome to the summer edition of Society Matters. It feels as though we're flying through the 250th anniversary year of the building society sector, but there is still plenty to look forward to in the coming months!**

We recently hosted the first of our anniversary UK-wide parliamentary receptions. The reception in Holyrood was a chance to bring together MSPs, building societies, credit unions, debt charities and supporters to celebrate the enduring relevance of the mutual model, and the contribution they make to communities throughout Scotland.

As the temperature outside rises, tennis balls are struck, and strawberries eaten, there is no winding down for summer in the sector, with much going on in the mortgages and savings space. The FCA has recently published its Mortgage Rule Review discussion paper – a welcome opportunity to reimagine how we support aspiring homeowners across the UK. As we consider our response over the summer, front and centre will be the need to ensure regulation reflects modern lives, diverse income patterns, and the realities of a changing housing landscape.

On the savings side, Cash ISAs has been a big area of focus for the BSA and building societies in recent months, and plans are well underway for UK Savings Week 2025.

But first, a focus on the next few pages. We're lucky enough to feature articles from several of the brilliantly inspiring speakers from the Building Societies Conference.

First up is a welcome from the BSA's new Chair, Julie-Ann Haines (CEO of Principality Building Society). Julie-Ann outlines her plans for her two-year tenure, to support the growth of the sector. Fascinating insight into the renaissance of customer experience is provided by Steven Van Belleghem, one of the world's leading thinkers in his field.



**Katie Wise**  
Channels and Publications Manager, BSA

This year's conference had a global feel, which is reflected here as Rodney E. Hood, Acting Comptroller of the Currency, US, highlights the importance of fostering financial inclusion at an international level; and Nina Schindler, CEO of the European Association of Co-operative Banks, champions the co-operative cause and calls on regulators and policymakers to build a regulatory framework to support a diverse banking sector. Barbara Casu, Professor of Banking & Finance, also makes the case for banking diversity, highlighting the impact on financial resilience and the economy.

In addition, we have articles from Lauren Peel of Inclusive Outcomes about the importance of engaging forgotten savers, and a focus on the challenge of mortgage reform to support homeownership featuring views from the FCA, Yorkshire Building Society and Coventry Building Society.

Plus, thoughts and insights from conference panellists on the hot topics of Open Banking and digital transformation.

And finally, we hear about a recently launched vulnerable customer disclosure information service from Mortgage Broker Tools, and the BSA's Laura Magezi outlines how lenders can better support consumer understanding on climate risk.

**Much to enjoy!**  
**Katie**





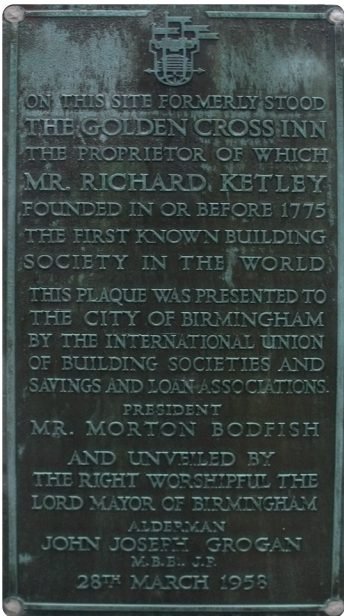
opinion



**By Robin Fieth,**  
BSA Chief Executive

# The future is mutual if we want it to be

**The Golden Cross Inn was at the heart of the Building Societies 250th Anniversary Conference in Birmingham in May. Many of our speakers referred back to the founding of the first known building society in the original Golden Cross Inn in 1775.**



A re-incarnated Golden Cross serving the excellent co-operatively brewed Ketley's Golden Cross Celebration Ale formed one of the focal points of our exhibition hall. All we need now for the circle to complete is for a building society to open up a branch in one of the UK's brilliant community-owned pubs...

Our annual conference has been growing steadily in recent years as members, associates, exhibitors and friends of the sector have found increasing value in coming together over a couple of days to spend time together in person, to gain fresh ideas and inspiration. And with over 1,300 delegates, exhibitors and speakers this year, there was a real buzz from the moment registration opened until the end of the conference dinner. With so many people, including many guests from around the world, it was wonderful to feel that we had still retained that sense of being one big family.

And family is so important. Family was the inspiration behind that first building society. Ordinary working men in the early days of the industrial revolution setting out to buy land and build decent homes for themselves and their families. When we speak about using our past as inspiration for our futures, what more inspiration do we need? The need for decent affordable housing for ordinary working people and their families remains as relevant today as it was back in 1775.

The difference, perhaps, is that the founders of our movement were probably not thinking too much about the legacy they were creating for us. They simply wanted to escape appalling housing conditions and rogue, rip-off landlords.

We have both the opportunity and the responsibility to take a much longer term view. We can think about the mutual legacy we want to leave for future generations. For me that has always been the crux of stewardship responsibility – not just to pass on the organisation at the end of our tenure in a better state than we inherited it, but to pass it on fit for the future.

That represents a sizeable challenge in such a rapidly changing and worryingly unstable world. We need constantly to innovate, to re-invest in the business, to engage with current and future groups of members, to meet their needs and help fulfil their dreams of home ownership. We need constantly to seek inspiration, insight, fresh ideas and experiences from around the world.

The key message that I wanted to leave delegates with was simple and challenging in equal measure. The future is mutual if we want it to be. But only if we want it to be and do everything in our individual and collective power to achieve that outcome.

If we continue to focus on meeting the needs of society, we will continue to flourish.

If we continue to focus on our members as individuals, we will find the ways to navigate the rapidly evolving AI and technology revolution.

If we continue to focus on developing our understanding of excellence in mutual governance, we will deal successfully with all the uproar going on around us.

**Next steps:**  
Follow Robin on LinkedIn: [www.linkedin.com/in/robin-fieth-b6635313](https://www.linkedin.com/in/robin-fieth-b6635313)



opinion



# A unique opportunity to unlock the full potential of mutuals

**Julie-Ann Haines, Chief Executive of Principality Building Society, has been appointed as the new Chair of the Building Societies Association (BSA). Here she shares her ambitions for the role, and the impact she hopes to achieve during her tenure as Chair.**

It is a real privilege to be elected as the BSA Chair, particularly at such an exciting time for our sector. Not only are we celebrating the 250th anniversary of building societies, but we now have a firm commitment from the UK Government to double the size of the mutual and co-operative sector.

This public recognition of mutuals, and the tangible benefits we bring to consumers, presents us with a great opportunity to place BSA members at the heart of a growing, inclusive and thriving economy across England, Wales, Scotland and Northern Ireland.

We are already punching well above our weight. Mutuals and co-operatives account for just 0.2% of the business sector, yet we deliver the equivalent of 1.5% of total GVA. That's remarkable, but there's still much more for us to do.

To double the size of the sector, and truly unlock mutuals full potential, our industry must continue to demonstrate how mutuals can drive economic growth and deliver greater benefits to consumers and communities across the UK.

This is a moment we must seize with both hands. Through regular

engagement with local and national governments, regulators and key decision makers, I want to ensure that our voices are heard and that mutuals have a permanent seat at the table. Imagine a future where different ownership models are considered, monitored and reported on as standard... well, that's the goal.

This is not however the job for one person or one organisation – the BSA team can't do this alone. It is the joint responsibility of our members to build on the solid foundations of the last 250 years to shape the future we want. We must continue, as we have since 1775, to recognise and respond to changes in the world around us. Whether that's the cost-of-living crisis, spiralling house prices or proposals to change Cash ISAs, we must always be mindful of the impact they have on our members and communities. Building societies and credit unions must continue to develop practical and workable solutions, whether that's new products, services, processes or channels, in our plans to meet evolving needs and take advantage of the opportunities that lie ahead.

I'm also passionate about ensuring our sector reflects the communities we serve. As our local environments become more multicultural, our thinking, strategies and actions must evolve too. During my term as BSA Chair, I want to engage with more diverse voices from within building societies and credit unions. The goal is to make our sector more



representative of the communities we want to serve, and ensure that the BSA's priorities support meaningful social improvement for our communities today, and tomorrow.

We have our wonderful heritage to build on. The vision that inspired Richard Ketley when he founded the first building society in a Birmingham pub remains our guiding light today: customer-owned organisations, set up by communities, to support the people in those communities.

I am mindful of the great responsibility that comes with leading the BSA, and the purpose that both underpins it, and unites us all.

I can only succeed with the continued support of our members, and of course the dedication of the wonderful BSA team who may be small in number, but are mighty in their impact.

**Thank you to all for the support shown so far.**



special

# The customer experience renaissance

**Steven is widely regarded as one of the world's leading thinkers in the field of customer experience. Following his inspiring keynote speech at the Building Societies Annual Conference, we had the opportunity to delve deeper into the ideas he shared with us.**



By Steven Van Belleghem

**You speak about the need for organisations to harness AI to improve the customer experience, but how can financial service providers stay connected to their customers when they have fewer human interactions?**

That's where my 99%-1% rule comes in.

In 99% of interactions, customers want speed, ease, and convenience – and that's where AI shines. It's about solving simple questions, automating processes, and removing friction. But in that remaining 1% – when emotions run high, when decisions involve a lot of money, or when life gets complex – people want a real human. Not just someone to “do the job,” but someone to listen, empathise, and advise.

The role of humans in financial services is not disappearing – it's evolving. AI will take care of the operations, which frees up humans to focus on what they're best at: emotional intelligence, connectivity, and trust-building. Fewer human interactions doesn't mean weaker relationships – it means the human moments that remain will be more meaningful than ever.



**Is the expectation of hyperpersonalisation inevitable in all transactions and what are the risks of not implementing strategies that can truly serve the individual?**

Absolutely. But it's more than just personalised emails or relevant offers – we're entering the era of the AI-powered personal adviser.

Imagine a digital financial coach that knows you, remembers you, works only for you, and is available 24/7. That's the new standard. And if you don't meet it, you risk feeling outdated. You risk becoming irrelevant.

This new wave of personalisation isn't about marketing – it's about helping people make better decisions in a trusted and highly contextual way. If you're not building towards that today, you'll be invisible tomorrow.

**With the shift away from Google as a search engine towards ChatGPT (or alternatives), how can brands ensure they do not disappear from view?**

In the world of Large Language Models, brands don't compete for clicks – they compete to be the best answer.

That means content must evolve. It's no longer about SEO tricks, it's about being truly useful, trusted, and contextually relevant. Companies should start investing in what I call “AI-readable content” – answers that these models can pick up, trust, and present to users at exactly the right moment.

This is part of the broader Customer Experience Renaissance: companies must stop thinking inside-out, and start building value from the customer's perspective – even if that means showing up in a chatbot response rather than a traditional ad.

**Is it worth investing in people when AI will soon be able to serve all of the customer's needs?**

Yes – more than ever. But not the same way as before.

We don't need more humans for operational tasks. We need people who can connect, inspire, show passion, and help navigate ethical questions. When everything else is automated, human interaction becomes the most valuable asset – because it's rare.

This is the paradox of AI: the more digital our world becomes, the more human skills stand out. And that's what companies should be investing in today.

**What should companies do now to lay the groundwork for the next ten years?**

The next decade will be shaped by three things: extreme convenience, unexpected delight, and deep trust.

AI will help us remove all friction – but that's not enough. The companies that win will be the ones that go beyond convenience and use AI to create magical, personal moments. At the same time, trust will be the foundation of every interaction. Data ethics, transparency, and security will move from IT topics to boardroom priorities.

It's not about building the future in one big leap – it's about experimenting today with how AI can serve your customers better, and using those learnings to scale over time.

**Next steps**  
<https://www.stevenvanbelleghem.com>

## Fostering financial inclusion across the Atlantic

**Two hundred and fifty years ago, the world's first known building society was founded in Birmingham, England. In 1775, an innkeeper named Richard Ketley brought together neighbors and friends who trusted each other to pool their funds and lend money to their fellow members seeking houses.**

Across the globe in January 1831, 45 men in the Philadelphia area launched the Oxford Provident Building Association, the first savings and loan association in the United States. The financial institution was modeled closely after its counterparts in the Midlands of England.

An American scholar later wrote that the "building society movement was the first effort to help people not in the upper classes become homeowners." The effort started in the middle class, then spread to the working class, to both men and women.

Today, we recognize this as "financial inclusion." It is an area of my personal focus as the Acting Comptroller at the U.S. Federal Office of the Comptroller of the Currency (OCC). We regulate more than 1,000 national banks and federal savings associations and supervise and license the federal branches and agencies of foreign banks. Together, these institutions represent more than \$16 trillion in assets, or two-thirds of all U.S. banking assets, and a variety of business models. Each institution has an opportunity to advance financial inclusion and bring unbanked and underbanked individuals into the banking mainstream.

Financial inclusion is the civil rights issue of our time. Without access to fair and affordable financial services, citizens remain vulnerable to predatory lenders, to economic shocks, and to exclusion from opportunity.

I view financial inclusion as more than just a regulatory objective, but as a cornerstone of economic empowerment. Individuals and communities should have the financial tools and resources necessary to build wealth, invest in education, start businesses, and importantly, achieve homeownership. Homeownership is not merely about possessing property; it is about establishing roots, fostering community, attaining financial stability, and creating opportunities for generational wealth.

Recognizing these challenges, the OCC launched Project REACH—or the Roundtable for Economic Access and Change—in July 2020. This initiative convenes leaders from banking, business, technology, and community organizations to identify and reduce barriers that prevent underserved communities from fully participating in our economy. Through collaborative efforts, Project REACH aims to dismantle systemic barriers and promote innovative solutions that advance financial inclusion such as:

- Extending consumer loans to customers with thin- and nonexistent credit files by using transaction data rather than credit scores to open the financial system to consumers who were previously credit invisible.
- Expanding down payment assistance programs, special-purpose credit programs, and innovative mortgage products tailored to help first-time homebuyers.
- Enhancing counseling so that prospective homeowners can successfully navigate the home buying process.

As we acknowledge the 250th anniversary of the world's first building society, it is worth emphasizing that banks, building societies, and co-operative financial institutions share a common calling: to expand economic opportunity, foster trust, and build stronger, more inclusive communities. Working toward this objective, we can ensure that the values which shaped our founding—collaboration, mutual benefit, and a spirit of service—remain vibrant and effective long into the future.

### Next Steps

<https://www.occ.treas.gov/topics/consumers-and-communities/project-reach/project-reach.html>



by **Rodney E. Hood**,  
Acting Comptroller  
of the Currency

## European co-operatives growth and coordination

By **Nina Schindler**,  
CEO of the EACB



In the current economic and geopolitical environment, volatility seems to have become the only constant. Even as international alliances undergo deep transformations and the digital and climate transitions reshape the soil under our financial systems, co-operative and mutual banks remain deep roots of trust, economic resilience and inclusive growth.

Two hundred and fifty years after the foundation of the first building society in Birmingham, the co-operative values of democracy, solidarity and self-help continue to resonate. The 2nd EACB Global Co-operative Banking Forum held as part of the Building Societies Annual 2025 Conference was a chance to pay homage to this legacy, but also to build on it with shared insights and reflections on the sector's future.

With historic ties to regions and communities, co-operatives are attuned to the real economy in a way that few competitors can match. Often the sole providers in the most remote areas, co-operative and mutual banks serve as catalysts for financial literacy, economic inclusion, local investment and support for households and small and medium enterprises (SMEs) in navigating the green and digital transitions. Over time, this proximity has enabled mutual institutions to take on well-calibrated risks on a long-term horizon for member-value. Particularly in times of crises, economies

with strong co-operative sectors consistently prove more inclusive and resilient.

It is a fact that the mutual and co-operative models are thriving across the globe. In Europe alone, co-operative banks hold over 20% of the market, up to 60% in countries like France. But they stand out far beyond Europe, as shown by the EACB's expanding global footprint which with the joining of Brazil's Sicredi now spans from Europe to the Asia-Pacific to the Americas. They also thrive in scale. The recent acquisitions in the UK by Nationwide and Coventry Building Society of Virgin Money and the Co-operative Bank respectively reinforce the role of mutual lenders as drivers of growth.

Despite differences in regulatory environments, the discussions in the Forum churned out common challenges: increasing regulatory complexity, transformative digitalisation and fierce competition. The sector shall endeavour to remain cutting-edge while preserving its foundational co-operative identity and participatory governance.

At the same time, innovation must be met by a conducive regulatory framework.

That's why I reiterate: diversity is not a luxury, it is a necessity.

As Europe mobilises large-scale

investment to meet digital, green and sovereignty goals, the importance of a diverse banking sector takes on renewed relevance. We need to be capable of supporting both global ambitions and locally oriented economic activity. A simple, proportionate EU regulatory framework that is fit for purpose and conducive to innovation will allow institutions across business models and sizes, including co-operative banks, to thrive. There is evident room for simplification. Seizing this moment demands not only governance reform but also a shift in mindset among policymakers. While financial stability shall remain a guiding principle, it must be seen in a broader balance with competitiveness and long-term growth.

In this light, the UK government's commitment to doubling its mutual and co-operative sector sends a powerful message. It acknowledges not only past contributions but also the essential role these institutions will continue playing in building regional cohesion and inclusive economic prosperity.

The EACB remains fully committed to championing the co-operative cause and advancing a diverse, resilient banking sector that serves members and communities for generations. I call on regulators and policymakers to join forces with industry and stakeholders to build a regulatory environment that supports the co-operative ethos and its enduring mission.

### Next Steps

2nd EACB Global Co-operative Banking Forum Attracts Audience of Global Mutuals and Co-operative Bankers in Birmingham – EACB Press releases: <https://www.eacb.coop/en/news/eacb-press-releases/2nd-eacb-global-cooperative-banking-forum-in-birmingham.html>

EACB – European Association of Co-operative Banks: <https://www.eacb.coop/en/home.html>



special

# The role of mortgage reform in improving access, affordability, and financial resilience across the housing journey

**As the UK housing market evolves, the path to homeownership is changing for first-time buyers, older borrowers, and lenders.**

Recent regulatory developments have provided a welcome opportunity for the industry to help shape the UK mortgage market for the next decade and beyond, for all types of borrowers. It's crucial that regulatory change takes place alongside the Government's promised long-term housing strategy, to create an environment where homes are more affordable, more available and more appropriate to the needs of those who will live in them.

The Building Societies Conference in May offered a timely opportunity to discuss the future of mortgage lending and the regulatory developments that will help shape that future. We asked if the regulatory pendulum has swung too far towards caution, prioritising detailed rules at the expense of access to the benefits of homeownership for many creditworthy families. Continuing the conversation from the Conference session, this article delves deeper into insights shared by the session speakers.



special

## View from the regulator



**Emad Aladhal,**  
Financial Conduct Authority



Speaking at the Building Societies Annual Conference in May, I was encouraged by the strong sense of purpose in the room to support communities.

Together we've built a safer and more resilient mortgage market, with 99% of consumers keeping track with their mortgages in a higher interest environment. But the needs of consumers are changing. We too need to change to support a market that serves everyone.

Home ownership is an increasingly challenging aspiration for many. More consumers are borrowing into later life and needing to access housing wealth to provide for retirement. We have a collective set of challenges to make sure the sector is ready to support people at different stages in their lives.

That's why we launched our Mortgage Rule Review. Our recent statement on flexibility in our existing interest rate stress test has already prompted firms to act, helping more borrowers access mortgages. We've welcomed the thoughtful engagement with our consultation on proposals to make it easier, faster and cheaper for borrowers to make changes to their mortgage.

Consumer needs are changing, the speed of innovation means the market is also changing, and in turn how we support consumers is evolving. We have just opened a discussion on how we can evolve our mortgage rules to help more people access sustainable home ownership and create a market that's fit for the future.

We see this as a collective effort and any changes to rules will only be one part of the story. The discussion is open until 19 September. We will be engaging with stakeholders to hear their views and welcome feedback on how we can balance our rules to promote innovation, with strong consumer protection. By working together, we can make meaningful change to support consumers and help drive growth.

## The lender's perspective



**Ben Merritt,**  
Yorkshire Building Society



The question we are asking is 'what next for first-time buyers?'. Aspiring homeowners are the driving force in the housing market, powering entire chains, yet have had it particularly tough amidst spiralling house prices and living costs far outstripping earnings growth.

The removal of Help to Buy and now Stamp Duty incentives is pushing homeownership even further out of reach for many. We continue to call on government to replace such support for this vital borrower group.

The building society sector has shown true innovation with recent low-deposit product offerings, but we recognise that deposit is just one of the challenges, and affordability remains a key issue for many.

We have urged a regulatory rethink, so welcome the FCA's recent clarification around stress-testing, and the publication of the Mortgage Rule review containing further points for potential reform. Already, we and other lenders are making changes to how we assess borrowers' affordability, to lend them more.

The regulators' recent announcement to review the loan-to-income flow limit – something we have long campaigned for – is further good news. We are taking advantage of the option to disapply the existing 15% limit pending the outcome of the review, which means we will be able to help potentially thousands more first-time buyers, starting right away by offering new product solutions.

Longer term, the industry must build on this positive momentum by coming together to innovate and being brave enough to replace established principles with new ones more suited to today's mortgage and housing market – featuring greater self-employment, multigenerational living, longer life expectancy and different working habits.

To support the entire homeownership journey, we need to look at everything – from holistic solutions to the housing shortage, to regulation – through a fresh lens.

## The lender's perspective



**Sarah Brown,**  
Coventry Building Society



The FCA's consultation on mortgage flexibility marks a positive step forward for borrowers and lenders. Proposals to remove the advice trigger for execution-only remortgages, streamlining affordability checks for remortgage and term reduction requests and recent reminders around stress rate flexibility offer a valuable opportunity for lenders to rethink how they can better support members and customers into homeownership.

At Coventry Building Society, our members are at the heart of everything we do. It's in everyone's best interest to offer mortgages that are affordable both now and in the long term. We welcome the FCA's proposals and believe they create opportunities for lenders to be more flexible and supportive, while keeping good customer outcomes front and centre.

While these measures are helpful, the FCA's discussion paper on broader mortgage market reform will provide a timely opportunity to consider what further changes could be made to ensure we are collectively building a fairer, more accessible and resilient market for the future.

Of course, regulation and lender flexibility are only part of the puzzle. As highlighted in our panel discussion at the Building Societies Conference, increasing the supply of homes that meet the needs of today's market is essential. Without addressing the challenge with housing supply, there's a real risk that easing mortgage affordability criteria and advice requirements could prove inflationary, driving up house prices further in an already stretched market. To achieve the desired outcomes for consumers and the wider economy, it's vital that regulatory reforms are delivered in tandem with meaningful action to boost housing supply, creating a market that's both accessible and sustainable in the long term.

Meaningful progress will depend on continued collaboration between regulators, lenders, government and the wider industry. The FCA's proposals represent a positive start, and an important opportunity to reflect on how we can collectively shape a mortgage market that better meets the needs of today's and tomorrow's borrowers.

### Next steps

FCA's Discussion Paper:  
<https://www.fca.org.uk/publications/discussion-papers/dp25-2-mortgage-rule-review-future-mortgage-market>



# Challengers, consolidation, and the case for banking diversity

**Business diversity can strengthen financial resilience and help to create a more sustainable economy. Resilience requires a deeper understanding of how institutional structures and business strategies shape the financial system.**

The UK retail banking sector has long been dominated by the “Big Four” (HSBC, Barclays, Lloyds, and NatWest) despite ongoing efforts by policymakers to foster greater competition. Over the past decade, more than 40 new banks have been authorised to operate in the UK by Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA). Yet, despite the number of new entrants, the Big Four continue to hold a dominant share of the market. This persistence highlights a core challenge: while entry barriers may be falling, competition remains constrained by customer inertia and market structure.

Bank customers are notoriously sticky. Many customers have opened a digital bank account, but evidence shows that few are willing to shift their entire financial lives to a challenger bank. In a market where basic banking services are generally reliable, switching costs, real or perceived, remain high. In addition, customers might be worrying about the profitability of newer institutions. Several smaller lenders have recently exited the market due to weak performance.

This has created opportunities for incumbent banks and building societies. The acquisition of Virgin Money by Nationwide in 2024 is emblematic of this trend, creating the UK’s second-largest provider of mortgages and savings accounts and reflecting growing pressures for consolidation driven by regulatory costs, the need for digital investment, and profitability concerns.

As the experience of challenger banks shows, scaling alternative models remains difficult without supportive regulatory and financial infrastructure. Against this backdrop, the UK government’s recent

renewed commitment to the mutual and co-operative sector reflects a broader belief that diverse ownership and governance models can strengthen financial resilience and contribute to a more sustainable economy.

Our recent research, published in the *Journal of Financial Stability*, shows the importance of business model diversity. We find that different banking models carry distinct risk profiles, with market-oriented institutions contributing disproportionately to systemic risk during periods of financial stress. Our results underscore the need for a more nuanced approach to regulation, one that moves beyond one-size-fits-all frameworks and recognises the different dynamics of retail, mutual, investment, and digital-first institutions.

In today’s environment of overlapping crises, from geopolitical shocks to climate and technological disruptions, resilience cannot rely on capital and liquidity buffers alone. It requires a deeper understanding of how institutional structures and business strategies shape the financial system. A diverse ecosystem of banking models offers a buffer against herd behaviour, regulatory blind spots, and systemic concentration.

To build a more competitive, resilient, and inclusive banking sector that support both innovation and stability, and fosters the country’s economic growth, policymakers must look beyond balance sheets, and instead monitor the strategic evolution of bank business models.

**Next Steps**  
Journal of Financial Stability.  
[doi.org/10.1016/j.jfs.2025.101403](https://doi.org/10.1016/j.jfs.2025.101403)



**Barbara Casu,**  
Professor of Banking & Finance, Bayes Business School, City St George’s, University of London

# Our mutual mission – building financial resilience for all

**Inclusive Outcomes is a consultancy helping firms to define, design and deliver good outcomes for customers in vulnerable circumstances.**

If your washing machine broke today – what would you do? If your kids were changing schools and needed new uniforms? Or your MOT failed and you needed to pay for repairs?

For many of us – we’d use our savings. But 1 in 10 UK adults have no savings at all.

As we mark the 250th anniversary of building societies in 2025, what if we could create a world where every person had at least £250 in savings? An emergency buffer for the unexpected shocks that come up, or for the treats and moments of joy that make life worth living.

**Understanding “who”, and then designing for that**  
When you see “1 in 10 with no savings”, who do you think of? A top line statistic like that doesn’t tell the story of who is impacted. The FCA Financial Lives data highlights which groups are more likely to have no savings – the digitally excluded, those with low capability, on low incomes and with both physical and mental health conditions. And, people from minority ethnic groups. Are you engaging with these groups today? Or are they left behind?

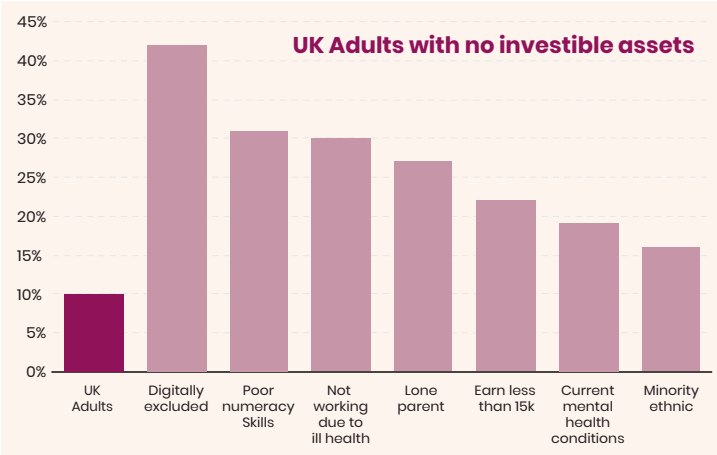
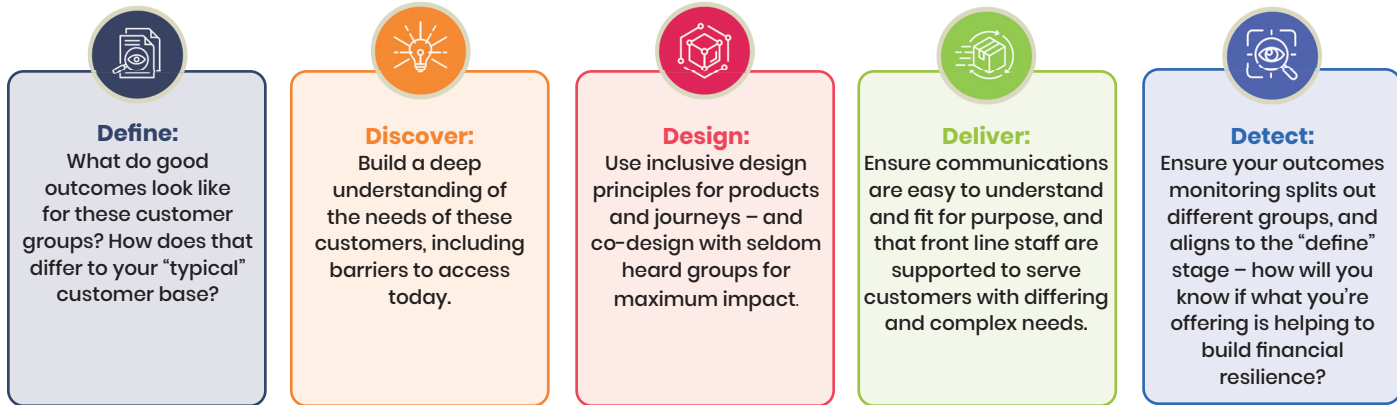


Figure 1: FCA Financial Lives 2024 Data. Source: FCA Financial Lives 2024

**Delivering good outcomes for all**  
The Consumer Duty, and updated insights on treatment of Customers in Vulnerable Circumstances, creates an opportunity to focus our efforts on designing and delivering good outcomes for more customers. What does this look like in practice?



**250 years of mutual support—and what’s next?**  
This year’s 250th anniversary is more than a milestone—it’s a call to action. What if we could get everyone with no savings to £250? How can we think outside the box to do that, always with a deep understanding of customer needs?

Building societies were created to support people who might otherwise be left behind. We all know that the first building society was established when a group of working people pooled their money to help themselves, and each other. You continue to do this today, but let’s consider how this can be done for even more people.

As we look ahead, building societies must continue to innovate, advocate for fairer financial systems, and ensure that no one is left behind. People with no savings aren’t just statistics for us to discuss—they’re people in our communities, in our friendship groups, in our society. By engaging in a way that is designed with them, and works for them, we’re not just helping individuals, we’re strengthening communities and building a more resilient financial future for everyone.

**Next steps** Visit: <https://inclusiveoutcomes.co.uk>



**By Lauren Peel,**  
Senior Partner at Inclusive Outcomes



special

# Bridging tradition and innovation

**Open Banking has been a perennial topic of conversation for the building society sector since it was first launched in 2018.**

There are now 11.7 million active users of open banking-enabled products (payments and account information) in the UK, and over 22.1 million open banking payments made monthly.

With the UK's Data (Use and Access) Bill now having received Royal Assent, the legal framework for Smart Data schemes and Open Finance is in place, accelerating the shift toward broader data portability across sectors.



By Robert Thickett  
Digital Policy Manager,  
Building Society Association

The second discussion at the Building Societies Conference this year focused on Open Banking's relevance to building societies and what the future could look like in terms of Open Finance, with Nationwide, Open Banking Expo, Startup Coalition and the Customer Owned Banking Association (COBA).

Panellists chatted through the challenges and opportunities it posed for building societies and the wider UK financial services sector, with COBA comparing Australia's experiences of applying open data standards under its Consumer Data Right (CDR).

**We asked some of the participants in the discussion to share their views:**

**Looking at Open Banking over the last 7 years, what are the examples that stand out in terms of how open banking has been used?**

**Ellie Duncan, head of content Open Banking Expo said:**  
*"Lenders are increasingly using Open Banking data, which is real time and comprehensive, to assess a borrower's affordability and creditworthiness. In doing so, they are often able to lend to individuals who are 'credit invisible' or who have previously not been able to secure mainstream credit, thereby improving access to credit among potentially underserved consumers in the UK. Elsewhere, Open Banking-driven tools and solutions are being used by utility and telecoms providers to automate eligibility assessments for social tariff discounts, thereby helping potentially vulnerable customers more quickly."*

**What do you see as the benefits of Open Finance for the mutual sector?**

**Isabel Pitt, Deputy Payments Director at Nationwide, said:**  
*"Open Finance has huge potential to change the financial services industry for the better, as long as we ensure that the right consumer protections, education to make the right choices and a sustainable commercial model are in place. As building societies, we're uniquely placed in the sector to take advantage of this and return even greater value to our members: in 2024/5 Nationwide was able to return a record £2.8 billion in value to our members in better rates and incentives, and the ongoing development of Open Finance will open new opportunities for us to expand on this."*

**In terms of driving up adoption of Open Finance, what should the Australian Government be considering – more regulation, consumer education or more of a commercial market that works for banks and fintechs?**

**Michael Lawrence, Chief Executive Officer Customer Owned Banking Association said:**  
*"Customer-owned banks in Australia have always supported the intent of the Australian Consumer Data Right (CDR) to increase competition and to deliver better outcomes for customers. However, the implementation has been a costly exercise for the sector and has diverted resources from other business priorities, with low consumer uptake and little return on investment to date. As acknowledged by the Government, the current implementation has made it more difficult for smaller banks to compete and has led to worse outcomes for customers. Comparatively, the benefits of Open Banking in the UK have been limited to payments, current accounts and credit applications, with a clear focus on building a sustainable foundation before expanding. This may prove a valuable lesson for Australia to learn as a second mover."*



special

# Enhancing climate risk awareness in mortgage portfolios

**The Building Societies Association (BSA) is working in partnership with the UK Centre for Greening Finance and Investment to strengthen climate risk awareness in mortgage portfolios.**



By Laura Magezi,  
Mortgage Policy Manager,  
Building Societies Association

The partnership aims to increase understanding of the issues facing building societies when it comes to incorporating climate information into risk modelling and management. The project will develop communication and decision-support tools for both lenders and consumers, providing clear, actionable insights. In turn, unlocking opportunities for the UK to lead in greening finance.

As climate change and the drive to decarbonise homes climbs higher on the political agenda, it's clear that a significant communication gap remains, particularly around the roles that consumers and brokers can play in driving the agenda forward.

At the 2025 Building Societies Annual Conference, a session focused on how lenders can better support consumer understanding on climate risk highlighted several barriers that prevent them from taking action. For some, the challenge is simply the lack of awareness. For others, climate change is viewed as a distant concern, or a low personal priority.

Even for those who are conscious of climate change and wish to make improvements, a lack of clear, accessible information often stalls their ability to act. Without this, the complexity and cost of retrofitting can feel overwhelming, especially when undertaken without proper guidance, which can lead to higher expenses and less effective outcomes.

Financial concerns remain a key barrier. While schemes such as the Boiler Upgrade Scheme provide some level of support, many homeowners still rely heavily on personal savings or external financing to fund adaptation measures.



Building societies are actively developing innovative solutions to tackle these challenges. This includes offering interest free loans to help consumers decarbonise their homes and Green Mortgage Products that reward those purchasing or remortgaging energy efficient properties. For example, Nationwide Building Society offers interest free loans, Yorkshire Building Society is helping consumers better understand their retrofit journey through partnerships such as with SNUGG, to deliver personalised home energy improvement plan, and Leeds Building Society uses enhanced affordability.

Skipton and Cambridge Building Societies have undertaken retrofit projects of their own to better understand the process and enable them to support their members in the journey.

However, building societies cannot do this alone, more needs to be done to move the dial. The compounding effects of a climate change and the growing frequency of extreme weather events poses an increasing threat to homes. It is essential that government plays a stronger role to address the growing need for property-level climate resilience and support national efforts to adapt homes.

A government led public education campaign is urgently needed to raise awareness and close the gap between scientific climate forecasts and the day-to-day realities homeowners face. Demystifying the retrofit journey and providing sources of trusted information will be key to building consumer confidence, particularly for those who are navigating complex financial decisions. Emphasising the benefits of climate adaptation and resilience, such as improved comfort, better health and long-term financial savings can help increase engagement.

Additionally, a clear government strategy is needed to enable businesses to invest in the skills, training and infrastructure required to scale retrofitting nationally.

Tackling climate change offers an opportunity to drive industry growth, deliver savings for homeowners and meet Net Zero targets. Bridging the financial gap for consumers will be crucial and government support for lenders to enable continued innovation through green initiatives and targeted incentives will be essential in achieving this at scale.

**Next steps**  
Find out more about the **UK CGFI Leeds Innovation Hub:**  
<https://www.cgfi.ac.uk/2025/02/uk-cgfi-leeds-innovation-hub-celebrates-climate-research-impact-in-the-finance-industry-one-year-on-and-beyond>



Insight

# Vulnerable customer disclosure database for brokers helps to provide clearer, more accessible information

Mortgage Broker Tools (MBT) has recently launched a vulnerable customer disclosure information service, giving brokers an up-to-date, searchable database outlining how to declare a customer as vulnerable to each lender. With research led by Newcastle Building Society revealing that 89% of brokers had encountered a vulnerable client in the last year, the need for clarity on disclosure processes was indisputable.

We delve into the details with Michelle Ash, National Account Manager for Newcastle for Intermediaries and Tanya Toumadj, MD at Mortgage Broker Tools (MBT)

As part of the FCA vulnerability review, the regulator found that many firms had taken positive action and made good progress in supporting customers in vulnerable circumstances. How does the new MBT Vulnerability offering support brokers & building societies?

If you could give some advice to building societies on engaging with MBT and the new Vulnerability offering to brokers, what would it be?

If you could use three words to sum up the new MBT system supporting Vulnerability, what would they be?

Newcastle for Intermediaries and The Mortgage Lender have been working together with lenders to compile their route of disclosure for vulnerability, feeding into Mortgage Broker Tools and supporting the development of their database. The new service aims to help both brokers and lenders, playing an important role to ultimately support customers.



By Michelle Ash  
National Account Manager,  
Newcastle for Intermediaries





By Tanya Toumadj  
Digital Policy Managing Director,  
Mortgage Broker Tools



**Michelle, Newcastle for Intermediaries**  
Brokers have a lot to consider and check when making their recommendations, by MBT introducing a single place where a broker can easily understand a multitude of lender disclosure routes will save time and support their customers in having the support they need.

**Tanya, MBT**  
MBT's new Vulnerability feature gives brokers free, easy access to a clear, up-to-date database of each lender's disclosure route. With 58% of brokers unsure how to disclose vulnerability, MBT directly solves this challenge by simplifying a previously fragmented process.

Our tech works continuously in the background to pick up any changes in lender policy, ensuring the platform always reflects the most current information — giving both brokers and building societies confidence in accuracy and compliance.

By creating a single, reliable source of truth, we're reducing uncertainty at a critical stage in the advice journey, while helping lenders ensure their vulnerability support is understood and accessible in real time. It's a practical step toward more consistent outcomes for customers across the market.

**Michelle, Newcastle for Intermediaries**  
Firstly, adding their disclosure route to the system and secondly, lots of lenders are developing or redesigning their dedicated pages to support brokers, ensuring any new URL's are given to the MBT team.

**Tanya, MBT**  
The first and most important step is to make sure your disclosure route is included on the platform — whether that's a webpage, document, or a direct process. We also recommend joining our update distribution list to be kept in the loop as we evolve the tool.

In addition, it's valuable to see this as part of a wider, ongoing dialogue. Ensuring clear disclosure routes is just part of the wider solution and conversation — and we encourage all lenders to be part of the wider discussion

**Michelle, Newcastle for intermediaries**  
I would sum up the new MTB system as innovative, beneficial and practical, it's a great starting point to understand how to disclose a vulnerability and to work with lenders on the support your client's needs.

**Tanya, MBT**  
It's **accessible** because it's free to use and open to all brokers, regardless of firm size or resource. With vulnerability affecting a wide range of clients, it's crucial that every adviser — not just those at larger networks — can access the right information to support their customers properly.

It's **intuitive** in its layout and functionality — brokers can easily search and understand each lender's disclosure route without training or guidance.

And it's **innovative** in how it stays constantly up to date, using MBT's smart technology to automatically reflect any changes in lender policy or links in real time.



Insight

# Digital transformation

An 18th century pub stood at the centre this year's Building Societies Conference, the pub replicating the Golden Cross Inn where the landlord Richard Ketley set up the first building society in 1775.

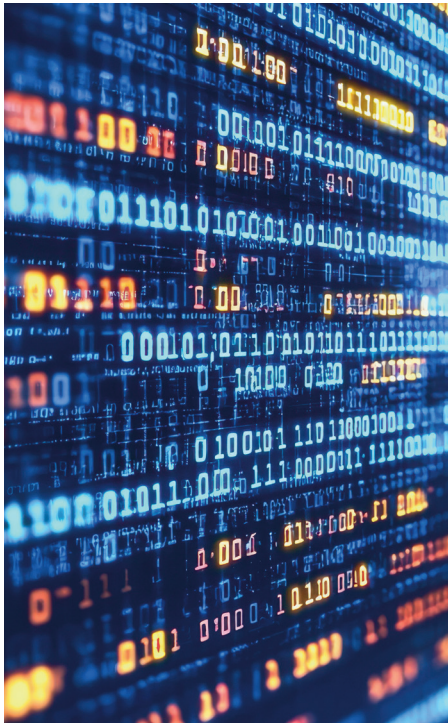
But while this celebrated the sector's past and the support it has provided for countless generations, the rest of the conference had its sights firmly set on the future.

Over the last decade, digital transformation has become a perennial topic of conversation at the Building Societies Annual Conferences, and 2025 was no different.

Most of the Conference exhibitors were either fintech or service providers offering technology.

AI and system transformation was also a key topic of discussion in the main auditorium and break-out sessions. A good example of this was Conference sponsor's Tata Consulting Services' (TCS) two-part session on modernising legacy platforms and the effect new tech can have on customers and colleagues.

Building societies Cumberland, Mansfield, Nottingham and Coventry all talked through their experiences of modernising their systems, including their motivation and lessons learned from the ongoing process.



We asked three of the speakers to share their thoughts on digital transformation:

**Arindam Chaudhuri**  
Director – Digital Mortgage Products and Solutions, UK and Europe, Tata Consultancy Services

**For building societies modernising their systems, what are the key elements for a successful transition?**

Modernising legacy systems is essential for building societies to drive sustainable growth, enhance operational resilience, and deliver member-centric services. Successful transitions go beyond technology – it requires strategic alignment, strong governance, and a structured, people-led approach. Key enablers include scalable cloud-native architecture, disciplined data migration, agile and phased implementation, and robust change management. Equally important are experienced delivery partners, intuitive user experiences, and robust post-implementation support. By aligning modernisation with mutual values and long-term objectives, building societies can future-proof their operations and remain relevant in an increasingly digital financial ecosystem.

**Iain Lister**  
IT and Change Executive, Mansfield Building Society

**What is the big shift in moving from a long-standing legacy system to a modern platform?**

The big shift in modern platforms is that they can better support how members interact and engage. It's not just about upgrading technology—it's about improving the overall experience. By simplifying processes and making services more accessible, building societies can better support members throughout their journey. This transformation helps societies stay relevant, responsive, and aligned with the evolving needs of their communities—while staying true to their mutual values.



**Sandeep Mishra**  
Building Society Segment Head, UK, Tata Consultancy Services

**Building societies are central parts of their communities – how can technology help how they engage with their members?**

Technology is transforming how building societies engage with their members, acting as an enabler rather than a replacement for human connection. By equipping employees with digital tools—like live chat, paperless workflows, and omnichannel engagement—societies can serve borrowers more effectively. In a price-sensitive mortgage market, personalized offerings and continuous engagement foster retention. Unlike banks, building societies differentiate through mutual values, maintaining a personal touch and tailored support throughout the borrower journey. AI accelerates mortgage processing and underwriting, while employee empowerment through training ensures technology enhances service delivery without overwhelming staff.

# 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](http://www.bsa.org.uk/events)

## Conversations with Vulnerable People

17 & 18 September 2025 | Online

This online facilitated course is designed to provide training for employees in front and second line roles who need to be able to recognise and respond to vulnerabilities.

Being able to recognise vulnerabilities and to respond to individual situations is becoming even more important as the rapidly rising cost of living creates new vulnerabilities for our customers such as debt or lower financial resilience while making other situations such as illness, abuse or de-stabilising life events more difficult to manage.

The course will be delivered online over two half-days and will be led by an expert Samaritans facilitator using a variety of tools to encourage interaction and group learning.

**Cost: £395\*** BSA members only  
[www.bsa.org.uk/vpeopleSept](http://www.bsa.org.uk/vpeopleSept)

## Annual Meet-up for Mortgage Professionals

25 September 2025 | London

Featuring expert industry speakers this popular full-day event provides attendees with an update on matters affecting the sector and features networking opportunities throughout.

This year we will cover the crucial topic of the future of the mortgage market, the FCA has now published its wide-ranging discussion paper. This provides the potential for changes and opportunities to create an inclusive market fit for the future. We will also consider the future of mortgage advice, innovation in the market and how technology can support mutual lenders to achieve even more.

As ever the event will also provide insights into mortgage market activity and the future outlook which will help to inform lending plans and strategies for the future.

**Cost: £395\*** BSA members & associates  
**£495\*** Non-members  
[www.bsa.org.uk/meetup2025](http://www.bsa.org.uk/meetup2025)

## Risk, Regulatory, Audit and Accounting Seminar

14 October 2025 | 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.

The overall theme will be supporting sustainable growth of the mutuals sector, including an economic update, audit reform, a new era for regulatory reporting and of course – the evolution of risk management following the removal of the sourcebook SS20/15.

The event 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\*** BSA members & associates  
**£495\*** non-members  
[www.bsa.org.uk/audit2025](http://www.bsa.org.uk/audit2025)

## An Introduction to Treasury Management

21 October 2025 | 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\*** BSA members & associates  
**£695\*** Non-members  
[www.bsa.org.uk/TreasuryOctober](http://www.bsa.org.uk/TreasuryOctober)

## Secretaries Seminar

6 November 2025 | London

The role of a society secretary can be very broad. Beyond the core duties of preparing for board meetings and AGM and minute taking, secretaries are increasingly involved in corporate governance matters, recruitment of directors, regulatory issues and initiatives for increasing member engagement.

This full-day seminar, run jointly by the BSA and Addleshaw Goddard LLP, will cover both core duties and broader responsibilities and developments. It will be an ideal opportunity for society secretaries and Chief Executives to catch up on the current issues and to liaise with their peers.

**Cost: £395\*** BSA members only  
[www.bsa.org.uk/secretaries](http://www.bsa.org.uk/secretaries)

## Treasury Risk and Balance Sheet Management

19 November 2025 | 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\*** BSA members & associates  
**£695\*** Non-members  
[www.bsa.org.uk/RiskNov25](http://www.bsa.org.uk/RiskNov25)

## Treasury Management Training for Credit Unions

27 November 2025 | London

The objective of the course is to introduce 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\*** Credit Unions  
**£695\*** Non-Credit Union organisations  
[www.bsa.org.uk/CU-TreasuryNov](http://www.bsa.org.uk/CU-TreasuryNov)

## Annual Non-Executive Director Networking Seminar

2 December 2025 | London

This year's event is loosely based around the theme of "Culture and Modern Mutual" and is designed to be as interactive as possible and to offer plenty of networking opportunities.

The full-day event will include topical interactive sessions and will close with networking drinks, which is an ideal opportunity for you to catch up and discuss the day with your colleagues.

**Cost: £395\*** BSA members only  
[www.bsa.org.uk/NEDs2025](http://www.bsa.org.uk/NEDs2025)

## Building Societies Annual Conference 2026

28 & 29 April 2026 | Edinburgh

After a successful 2025 event in Birmingham celebrating the 250th anniversary of the first ever building society, the 2026 Conference will be heading to Edinburgh.

The Conference is the leading event in the sector bringing together over 1,000 attendees. Delegates include chairs, chief executives and directors from BSA member organisations and executives from organisations that work with the mutual sector including retail banks, insurance firms, professional advisers and suppliers, along with regulators and the media. The event has been running successfully for over 30 years and attracts high profile speakers from finance, business, politics and the media.

[www.bsaconference.org](http://www.bsaconference.org)



## Promoting your event via the BSA website

As well as advertising BSA events, BSA Associate members and non-member organisations are able to advertise events on the BSA website, with registration and hosting managed independently of the BSA.

Visit [www.bsa.org.uk/event-promotion](http://www.bsa.org.uk/event-promotion) for more information.

\* VAT Exempt