

# Society matters

## Innovation with purpose: Strengthening customer relationships

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# Welcome to the Spring edition of Society matters

Spring has brought with it some welcome warmer weather and at the BSA, we've been busy preparing for the upcoming Building Societies Conference, the sector's flagship event which is taking place in Edinburgh at the end of April. We have unfortunately also seen a return to global uncertainty with the war in the Middle East and while we hope to see a resolution soon, there is understandable concern for UK consumers about the impact on energy and mortgage costs.

The BSA has been firmly focused on the future with work continuing apace on our strategy and the implementation of technology to better support and champion our building society and credit union members. Fitting then, that technology and innovation are the focus of this edition of Society Matters. We explore both within the sector and wider where the opportunities and risks might lie, and how organisations can implement technology that enhances the member experience, now and in the future.

2026 has also seen the launch of the BSA's first-time buyer (FTB) campaign, encouraging aspiring FTBs to 'Think Again', as many could be closer to owning their own home than they think. Our research shows that when shown options available to them from building societies that require no or low deposits, two-thirds of aspiring homeowners said they would be able to buy a home sooner than they thought.

The building society sector has long championed FTBs and it continues to lead the way with flexible, responsible, people-focused mortgage innovation reflecting the realities facing modern first-time buyers. We will continue to work collaboratively with government, regulators, intermediaries and consumers to raise awareness about the flexible innovation happening within the building society sector.

But first, to the next few pages: Sarah Harrison, BSA Chief Executive, explains how collaboration within the mutual sector can help support sustainable growth, in turn, supporting more customers build their financial resilience and buy their own homes.



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

Colin Payne, Head of Innovation at the Financial Conduct Authority, talks through the strategic opportunity he sees for the sector.

Nationwide Building Society explains the steps it's taken to speed up the homebuying process and Marie Harris, Chair of the Open Property Data Association explains how Smart Data could transform homebuying – welcome changes which will bring huge benefits to the industry as a whole. On the other side of the balance sheet, Stoa and Yorkshire Building Society share how they are both innovating to engage and support savers.

PwC outlines the importance of designing AI guardrails from day one to ensure smarter governance; and the opportunities agentic AI presents for lending, to unlock speed, scale and better decisions, is explored by Publicis Sapient.

Welcome insights on raising capital the mutual way from Ecology Building Society, and how trust in financial services is really gained, and how it can be built upon, from Nottingham Building Society. And from Deloitte, a deep dive into how building societies can navigate the UK Government's Fraud Strategy.

Finally, a focus on climate change and retrofit – the BSA's Laura Magezi outlines the urgent need to understand and communicate climate related risks and Newbury Building Society shares how consumers are benefiting from its customer-led retrofit project.

**Much to learn from and hopefully inspire – enjoy!**



## opinion



**By Sarah Harrison,**  
Chief Executive,  
Building Societies  
Association

# Building a mutual future through collaboration

As I travel around the UK, listening to and speaking with colleagues from building societies and credit unions, it's exciting to learn how technology is making a difference to their customers, and how building societies and credit unions are using it to fulfil their purpose – helping people to save and buy their homes. It is also clear that there are challenges of the adoption of technology – ambition is not a precursor to success and progress can be uneven with some organisations solving similar challenges in isolation.

While collaboration can bring its own challenges, I am gaining a clearer picture of where the opportunities might lie within the sector – shared learning, joint procurement, common approaches to fraud, financial crime and security – and where it could go further.

Customer-owned building societies and credit unions have strong links to their communities and a long history of supporting homeownership and building financial resilience. 251 years ago, bold innovation saw the establishment of the very first building society and it continues to be a key differentiator in the sector, from customer-driven mortgage products to



supporting communities by providing access to cash to customers and small businesses. It is also how we can deliver value in a world of evolving customer expectations, rising fixed costs and regulatory demands.

The Government's commitment to double the mutual and co-operative sector is an opportunity to build on that innovation and grasp the potential for mutual collaboration to help drive the growth of the sector.

Digital-first journeys are now expected, fraud is becoming more sophisticated, and regulatory expectations (for example on operational resilience) are rising. The cost of modernising legacy platforms is significant. But this sector has a natural advantage – a shared purpose, similar product sets, and a long tradition of co-operation. Could the next wave of innovation be achieved not by every organisation building everything itself, but by collaborating where differentiation is low and member benefit is high?

Collaboration should not eliminate competition and distinctiveness, a balance of competing on member experience and relationships and collaborating on the shared plumbing that underpins our sector's resilience and efficiency is needed to achieve the best of both worlds, for businesses and consumers. Areas such as identity; fraud and financial crime with common controls, shared intelligence and joint testing; collective procurement and vendor management, particularly when modernising legacy platforms, to improve terms and reduce risk; reusable components that members

can adopt to speed up delivery, for example of account openings, onboarding and affordability and AML checks. And even shared learning on AI and automation with use cases on governance and fairness testing.

Collaboration is by no means the simple answer, with 42 building society boards, around 26 million members and significant variation in size, this is not a case of one size fits all. It's also essential that collaboration improves resilience and consumer outcomes and does not create concentration risk. The principles of any such collaboration must include transparent governance; clear member benefit cases; privacy and security by design; proportionate assurance; and shared incident learning.

UK regulators and government increasingly value sectors that demonstrate robust operational resilience and responsible adoption of emerging technology, especially where it supports financial inclusion, homeownership and responsible lending – areas that our sector excels in.

Mutual institutions have long innovated and collaborated to better serve members and today, shared technology is the modern expression of that co-operative spirit. Let's work together to build on the positive difference mutuals bring to their customers and communities.

### Next steps:

You can follow Sarah on LinkedIn: <https://www.linkedin.com/in/sarah-harrison-78487b18/>



## special

# Supporting innovation in the mutual sector: From responsibility to leadership

**Colin Payne, Head of Innovation at the Financial Conduct Authority (FCA), talks through the strategic opportunity it sees for the sector, especially if its leaders are willing to translate mutual values into modern capability.**



By Colin Payne  
Head of  
Innovation,  
Financial  
Conduct Authority  
(FCA)

At the beginning of the year, I gave a speech at a building society and credit union event about how the FCA is looking to support innovation within the mutual sector.

I also used it to set out the opportunity I see for the mutual sector when it comes to embracing digital transformation that leverages the key strategic assets of the sector.

Mutuals occupy a unique place in our financial system. Rarely the loudest or fastest, they are often the most trusted.

Today, with consumers facing intense cost pressures and technology evolving relentlessly, that trust is a strategic asset and a leadership choice.

The question is whether the sector is prepared to shift from innovating carefully to innovating confidently—from responsibility to leadership.

Technology capability and consumer expectations are moving faster than legacy processes. In this environment, the default narrative is that innovation comes from outside. But for mutuals, the suggestion that your role is merely to catch up is damaging. Mutuals are uniquely placed to shape the next era precisely because your model is different.

You were designed to endure, for community stewardship rather than extraction and for members, not shareholders.

There is also a strategic context to the approach you take on innovation. In some markets, innovation means moving fast and breaking things, often leaving consumers to carry the cost. Mutuals were built on a different logic, you were built to remember and that Institutional memory is a design input, not an obstacle. The real challenge is to innovate in a way that makes caution an advantage.

At the FCA, we intend to be increasingly tech positive. This means recognising technology is inseparable from financial services and creating safe ways to test and learn before risks crystallise. While regulatory initiatives like the Mutual Societies Development Unit create an enabling environment, the future will not be delivered by regulators. It will be built by leaders.

If mutuals simply adopt the same technologies and data strategies as shareholder-driven firms, technology will eventually erase your difference. This would be a strategic error. The real opportunity is digital distinction. Advantage comes from operationalising your core assets: long-term relationships and deep trust.

There are three arenas for this. First, use data as a trust engine to anticipate needs and intervene earlier. Second, use automation and AI to augment relationships, removing administrative burdens without replacing human accountability. Third, view modern infrastructure, such as tokenisation, as “plumbing” to reduce the cost-to-serve for your members and improve resilience.

#### Execution requires four moves:

- Treat innovation as a portfolio of experiments rather than one big bet
- Build member-centred design into governance
- Partner deliberately without outsourcing accountability
- And invest in human capability, because you are playing a long game, so you can invest in capability that compounds

The biggest risk to the mutual sector is waiting for permission or until innovation feels comfortable. If you follow default market patterns, technology will flatten the sector into sameness. You must move from asking “Is this allowed?” to “What problem could we solve first if we were bold enough to lead?” Move from asking what everyone else is building to asking what only a mutual can build.

Mutuals are often the most trusted institutions in their communities. In a trust-scarce world, that is a growth engine. But the engine will not run on heritage alone. It requires leaders who translate mutual values into modern capability.

Don't just defend what makes you special—operationalise it. Don't just talk about trust—design with it. If you do, the next chapter of UK financial services will see mutuals not as cautious followers, but as confident leaders.

#### Next steps:

Find out more about the Mutual Societies Development Unit [www.fca.org.uk/firms/mutual-societies-development-unit](http://www.fca.org.uk/firms/mutual-societies-development-unit)



## special



# Nationwide leads the way in speeding up the homebuying process

**Nationwide has taken a major step towards modernising and streamlining the homebuying journey, by becoming the first UK lender to allow mortgage deeds to be signed digitally without the need for a physical witness.**

The move is part of a wider industry push – one that Nationwide is helping to lead – to simplify what has long been a slow, paper heavy and often stressful experience for homebuyers. It also reflects growing expectations from consumers, who increasingly want processes that match the speed and convenience they experience in other areas of their lives. As the housing market evolves, these expectations are only set to grow, placing even greater importance on modern, reliable and secure digital solutions.

By reducing unnecessary admin and embracing more efficient digital tools, Nationwide aims to remove some of the uncertainty and frustration that can build during a property transaction.

#### A first for UK mortgage lending: digitally signed, witness free mortgage deeds

Traditionally, a mortgage deed, which is a legal document binding the mortgage to the property, has required a physical signature and a witness. This has often meant delays, added postage time and the inconvenience of coordinating in person signing.

Nationwide is now removing those barriers. Through the introduction of

Qualified Electronic Signatures (QES), customers purchasing a home or remortgaging will be able to sign their deed electronically, provided their conveyancer uses QES enabled systems.

This innovation was made possible through our collaboration with HM Land Registry, Your Conveyancer and technology provider Veyco. It follows HM Land Registry's decision in August 2025 to begin accepting QES as part of the mortgage application process – a move that opened the door for lenders to adopt secure digital signing.

#### Why Qualified Electronic Signatures matter

A QES is not just an electronic scribble – it is a highly secure, identity-verified form of e-signature that carries the same legal standing as a handwritten signature. Importantly, it offers even stronger consumer protection by proving exactly who signed the deed and safeguarding against tampering.

For those buying a home or remortgaging, the biggest benefit is speed. Digital signing removes the delays associated with exchanging paper documents and enables contract exchange to happen far more quickly. This is especially valuable in a market where timing is often critical, and any delays can jeopardise a chain.

#### The first case and what it means for homebuyers

Your Conveyancer was the first to submit a mortgage deed to Nationwide using a QES, facilitated by its integration with Veyco's technology. It was used

on a remortgage application and enabled the mortgage deed to be sent for registration much more quickly, avoiding the time-consuming exchange of paper documents and the need for a wet-ink signature.

This early success demonstrates the potential of digitalisation to remove friction from the mortgage process – something that we at Nationwide have long advocated for.

#### A digital future for homebuying

Nationwide's adoption of digital mortgage deeds is more than a tech enhancement; it marks another significant step towards modernising the entire UK homebuying system. By embracing secure digital tools and collaborating with government and the wider industry, we are helping move the process toward greater certainty, transparency and efficiency.

For homebuyers, that means less paperwork, fewer delays and a smoother journey to getting those keys to their new property.

#### Next steps:

Visit <https://www.nationwide.co.uk/media/news/nationwide-becomes-first-lender-to-allow-mortgage-deeds-to-be-signed-digitally>



By Henry Jordan  
Nationwide's  
Group Director of  
Mortgages





special

# Why saving should feel like winning again



By Mike Saraswat,  
Co-Founder and  
CEO of Stoa

Stoa



For years, we have treated saving as something worthy but dull.

You do the sensible thing, put money aside, and in return you get a number on a statement and not much feeling at all. At the other extreme, investing is often positioned as the only path to progress, even though many people quite reasonably do not want to expose all of their spare cash to market risk.

That leaves millions of people in the middle.

Today, over £600bn of UK consumer cash sits in low-interest current accounts. In the SME economy, the figure exceeds £250bn. This is not irrational behaviour. It is a signal. People are choosing safety, liquidity and certainty.

What is missing is not awareness. It is not discipline. It is better options.

The system has effectively created a binary choice: leave money idle, or take on risk. For a large part of the population, neither feels quite right. That is not a failure of individuals. It is a gap in product design.

Saving should feel like winning because progress drives behaviour, and behaviour is what ultimately determines financial outcomes.

At Stoa, we believe saving should feel more tangible, more visible and more rewarding. Stoa wants to help energise your cash savings into new possibilities and power your lifestyle.

This is not about replacing cash or pushing people into investments. It is about making cash more useful.

That is why we think there is room for a third destination.

The first is the current account, where money is easy to access but easy to ignore. The second is traditional savings, which can still feel passive even when rates improve. The third is purposeful, low-risk cash that is connected to outcomes and gives people a sense of progress.

This is where our product innovation comes in. Stoa Pots allow people to allocate cash towards specific goals and unlock real, usable value. Saving Score helps people understand their behaviour in a simple, practical way. And Stoa Agent connects across accounts, identifies surplus cash, and helps turn fragmented balances into meaningful action.

For younger members, that could mean building a clearer path towards a first-home deposit. Instead of money sitting across multiple accounts, it is identified, organised and directed towards something that matters.

For older members, it is about freedom. Making existing cash work harder, without needing to take on risks they do not want or fully trust.

We are not bad with money. More often, we are short of compelling options.

This is where building societies and mutuals have a real opportunity. They already have trust, long-term relationships and a community mandate. If they can combine that with better, more engaging saving experiences, they can move from simply holding deposits to actively helping members make progress.

And that matters. Because when people feel progress, they engage more. When they engage more, they save with intent. And when that happens within trusted institutions, the benefits extend beyond the individual.

Stronger members. More first homes. Healthier local economies.

Saving should still be safe. But it should also feel like winning.

**Next steps:** Visit [www.stoa.money](http://www.stoa.money)

*Mike Saraswat is Co-Founder and CEO of Stoa, a fintech platform reimagining cash savings through behaviour-led products that turn idle money into tangible, everyday value.*

special



By Janice Barber,  
Senior Manager,  
Digital Channels

YORKSHIRE  
BUILDING  
SOCIETY

## Designing payments for how customers really save

**As building societies continue to modernise their digital channels, fast and flexible payments have become a critical enabler of better savings experiences. At Yorkshire Building Society, our focus has been on making it easier for members to move money into savings at the moments that matter – quickly, securely and with minimal effort – in a way that aligns with an app first, on the go lifestyle.**

That focus led us to introduce PayIT as our instant bank transfer capability within the mobile app, alongside one off transfers and our Monthly Auto Saver. While the technology underpinning this capability is Open Banking, the customer proposition is intentionally simple: a fast and easy way to add money to savings.

### Why we chose PayIT

Our decision was grounded in ease of use and alignment with industry standard approaches to faster, account to account payments. Customers increasingly expect payments to be immediate and intuitive, particularly on mobile. Traditional funding routes can feel slow or disconnected from the moment a customer decides to save, creating unnecessary friction.

PayIT enables members to add money directly from another UK bank in just a few taps, using familiar authentication journeys. There are no new credentials to enter. From a customer perspective, it feels like a natural extension of everyday mobile banking – simple, fast and secure.

From an organisational standpoint, it also provided a proven, scalable way

to support instant payments that aligns with how the wider industry is evolving.

### Supporting different saving behaviours

Customers do not all save in the same way, and our mobile app is designed to reflect that reality. Instant one off transfers allow members to move money when it suits them, for example after payday, when receiving a lump sum, or when they notice spare funds at the end of the month.

For customers who prefer a more structured approach, the Monthly Auto Saver makes regular saving effortless. Once set up, deposits happen automatically, reducing reliance on memory or manual action while still giving customers full visibility and control through the app.

Together, these capabilities help customers stay engaged with their savings in a way that fits around real life rather than forcing rigid behaviour.

### Building capability alongside customer value

Introducing PayIT was about organisational learning as well as customer experience. Delivering modern payment services required teams to work with API based

integrations, real time flows and new operational patterns.

This has supported upskilling across product, technology and operational teams, strengthening confidence in modern integration approaches and accelerating our ability to deliver change. It has also reinforced the importance of close collaboration between business and technology when implementing customer facing services at pace.

### A partnership approach

A key success factor has been working closely with PayIT as a delivery partner rather than treating the capability as an off the shelf solution. Ongoing collaboration around customer journeys, resilience and rollout has enabled us to move quickly while maintaining the standards expected of a mutual organisation.

### Looking ahead

As customer expectations continue to evolve, instant and intuitive payments will play an increasingly central role in savings journeys. Our experience shows that when payments are easy, saving becomes easier too.

By prioritising simplicity for members, industry standard capabilities and learning for colleagues, modern payment services become more than a feature – they become a foundation for delivering better value in a mobile first world.

### Next steps:

Find out more about Payit: [www.payitbynatwest.com](http://www.payitbynatwest.com)



special

## From AI experimentation to production: Smarter governance, faster innovation



Artificial intelligence (AI) is moving from experimentation to full-scale implementation across the financial services industry. Firms are increasingly adopting AI – from fraud detection, customer-facing chatbots to AI-enabled voice assistants.

This momentum creates both immense opportunity and significant pressure. In PwC's latest Annual Global CEO Survey<sup>1</sup>, 42% of CEOs said the pace of transformation was their biggest concern. Reinforcing these stakes, PwC's AI performance study<sup>2</sup> shows that 20% of companies capture 74% of AI-driven returns. The study reveals a key differentiator: AI leaders are 1.6 times as likely to have a Responsible AI framework guiding their entire strategy, including use case selection, design, deployment, and ongoing monitoring. As firms transition AI from isolated pilots to core production systems, a critical question then emerges: is governance keeping pace?

In the UK, the answer cannot be to wait for a standalone AI rulebook. The regulatory approach remains principles-based and outcomes-focused, with the Government and regulators leveraging existing frameworks rather than introducing a single AI regime for financial services. This means existing requirements take on even greater importance, as they are the primary framework for governing AI. Consumer Duty, the Senior Managers Regime, operational resilience expectations and model risk management all have a direct bearing on how firms design, deploy and oversee AI. Regulators want firms to innovate, but to do so responsibly, and initiatives such as the FCA's AI Lab and AI Live Testing<sup>3</sup> reflect that approach.

The risk of weak governance is not theoretical. An AI system that determines a customer's affordability may systematically disadvantage some groups of customers. A chatbot that gives inaccurate information about fees or product features could



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lead to poor customer outcomes. As firms rely more heavily on AI in production, these risks become harder to contain if ownership, controls and monitoring are unclear. But the opposite extreme is just as problematic: over-governance can stifle innovation, blur accountability, and result in controls that are complex on paper but ineffective in practice.

AI risks are amplified by its rapid evolution and the variety of architectures in which it is deployed. Agentic AI represents a significant leap beyond traditional AI. As PwC and Microsoft's recent playbook<sup>4</sup> notes, these systems can reason, act and manage multi-step processes with minimal human intervention. This creates the need to shift from static governance to an AI-enabled approach to governing AI: applying 'policy-as-a-code', integrating AI guardrails at runtime. Agentic AI can behave in unexpected ways, meaning firms need robust real-time controls and human oversight to ensure actions remain aligned to business goals and customer outcomes.

The answer is not to slow innovation or wait for new regulations. It is to govern AI more effectively, starting now.

For most firms, including building societies, this requires a proactive approach and designing AI guardrails from day one. But it's important to leverage what you already have, and to apply a proportionate approach.

If you're getting started on this journey, here are a few foundational considerations for your success:

- Do you have an AI policy and clear understanding of where you're already operating AI?
- Do you have the right capabilities to manage AI risks?
- Have you defined appropriate ownership and accountability?
- Have you thought about how you can apply your governance framework into your technology stack?
- What is your approach to testing and validating for accuracy, bias and reliability?

With this foundation in place, firms can strengthen controls around higher-impact use cases. That means testing for accuracy, bias and reliability; setting clear approval and escalation thresholds; and ensuring appropriate oversight of third-party tools. It also means monitoring how systems perform in practice, not just at the point of deployment. As AI becomes more autonomous, firms need to know when performance drifts, when outcomes move outside tolerance, and when human intervention is required.

Good governance is not a brake on innovation. It is what gives firms the confidence to scale AI safely. For building societies, it can support more trusted adoption, better member outcomes and more resilient growth.



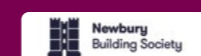
special

## Powering positive change: a customer-led retrofit project

When Dave and Jenny Sykes moved their mortgage to Newbury Building Society, they never expected it would lead to free solar panels.



By Sammie Boon,  
Senior Marketing  
Business Partner



An environmentally conscious couple, they had been discussing how they could improve their home's efficiency for some time. When they received an email from Newbury offering them a free energy assessment, the decision was a 'no-brainer'.

*"Many people don't think retrofitting is worthwhile because of the upfront cost, but we feel differently. We want to reduce our carbon footprint, and believe individual actions add up. Having the support of Newbury Building Society and Severn Wye made the decision easy,"* they explained.

The Sykes' were part of a pilot group of customers who had assessments, which included a new Energy Performance Certificate (EPC) and a report detailing recommended improvements, costings, and potential savings. The assessments were delivered by Severn Wye Energy Agency<sup>1</sup>, a sustainability charity who support homeowners and landlords to make their properties warmer and more efficient, as well as offering advice and community-based support for households experiencing fuel poverty.

*"Energy efficiency has become a significant factor for homeowners and lenders in recent years, but many still aren't sure how to go about retrofitting. There's also a real lack of confidence any changes they make are going to be worthwhile. As part of our Green Ambition strategy, we wanted to help a customer make some significant retrofit improvements, following them on their journey and understanding how we might help others in the future,"* explained Philippa Cardno, Newbury's Chief Executive.

Keen to understand retrofit challenges posing customers more deeply, Newbury offered a grant to the couple to bring some of the report's recommendations to life. With

ongoing support from Severn Wye, they decided on solar panels, as well as a battery to store surplus electricity and eventually, export it back to the grid. Installation took a week and was less disruptive than expected, though searching for suitable installers and assessing quotes was trickier than they originally imagined. This was where Severn Wye's expertise proved crucial. *"Working with Neil, our energy assessor, was invaluable," explained Jenny. "There was so much new technology and jargon, and we didn't know what was good or not."*

Their experience is not unusual. While many UK homeowners want to retrofit, common barriers include upfront costs, finding contractors, and disruption at home<sup>2</sup>. The Sykes' advice? Detailed research, clear criteria for improvements, and asking as many questions as possible.

*"By sharing a customer's experience from survey through to final installation, and the difference impartial expertise and support makes, we hope to give more people the confidence to consider making retrofit improvements to their home,"* said Allison Cawley, Severn Wye's Director of Energy Services.

Since February, the panels have generated over 750 kilowatt-hours (kWh) of electricity – around triple the average monthly electricity use<sup>3</sup> for UK households. The EPC rating has also improved from C to A, well above the national average of a D. Together, these results demonstrate how collaboration between lenders, sustainability experts, and customers can give homeowners the confidence to retrofit and accelerate the reduction of residential emissions.

**Next steps:** Find out more about Newbury's Green approach: [www.newbury.co.uk/our-green-approach/](http://www.newbury.co.uk/our-green-approach/)

<sup>1</sup><https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-global-ceo-survey.html>

<sup>2</sup><https://www.pwc.com/gx/en/issues/technology/ai-performance.html>

<sup>3</sup><https://www.pwc.co.uk/industries/financial-services/understanding-regulatory-developments/building-trust-in-ai-uks-assurance-roadmap-and-ai-verify.html>

<sup>4</sup><https://www.pwc.com/gx/en/services/alliances/microsoft/agentic-ai-financial-services.html>

<sup>1</sup><https://severnweyenergy.org.uk/>

<sup>2</sup>Citizen's Advice, June 2025 – <https://www.citizensadvice.org.uk/policy/publications/consumer-attitudes-to-retrofit-examining-the-barriers-and-motivators-for/>

<sup>3</sup><https://www.ofoenergy.com/guides/energy-guides/how-much-electricity-does-a-home-use>



## special



By Grace Ge,  
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## The challenge today — a structural dilemma

Lending remains at the heart of building societies, yet processes are still characterised as fragmented and manual. While some have embarked digitisation to unlock early wins, for many organisations, the end-to-end process remains disconnected across origination, underwriting, fulfilment, and monitoring.

This creates a structural dilemma. Customers increasingly expect fast, transparent decisions, yet lending remains constrained by risks, regulation, lengthy processes and legacy systems.

We are already seeing this gap play out. Publicis Sapient recently supported a specialist lender to transform its lending journeys, enabling instant Decision-in-Principle (DIP) for smaller, less complex cases and significantly reducing upfront cycle times. This reflects a broader industry shift — instant or near-instant indicative decisioning is becoming the norm in simpler and standardised lending. Institutions that cannot match this speed risk losing customers before applications reach underwriting.

### Next steps:

Find out more at:  
[go.publicissapient.com/agent-ai-financial-services](https://go.publicissapient.com/agent-ai-financial-services)

# Agentic AI in Lending: Unlocking Speed, Scale, and Better Decisions

## The value at stake

The prize is not just operational efficiency — **it is speed-to-cash and improved conversion.**

- **Cycle time improvement:** Faster eligibility checks, underwriting, and fulfilment can reduce time to offer by **30–70%**, and time to cash by **20–60%**.
- **Conversion uplift:** Providing faster, clearer decisions earlier in the journey can increase conversion rates by **5–20%**, particularly in high-volume lending segments.
- **Cost-to-serve reduction:** Automation of eligibility check, document processing, KYC/KYB, workflow coordination can reduce manual effort by **25–50%**.

The impact can be even more transformative when processes are redesigned end-to-end. In another engagement, Publicis Sapient helped a lender streamline its origination through to underwriting and completion, delivering a 5x uplift in underwriting efficiency and 2x improvement in lending support team's productivity.

Importantly, value is not evenly distributed. The largest gains are in high-volume, standardised lending, such as residential, buy-to-let, or small and simple commercial mortgages, where automation enables scale.

## The agentic AI solution

Agentic AI represents a shift from isolated automation to **orchestrated, end-to-end intelligence:**

- **At origination:** AI agents support eligibility checks, affordability assessment, and indicative decisioning — enabling near-instant "soft approvals" for standard cases.
- **In underwriting:** Automated credit decisioning for simple cases, automated document ingestion, financial analysis, and credit memo generation, valuation support (e.g. AVMs, data aggregation).
- **In fulfilment and completion:** Workflow orchestration ensures seamless progression across KYC/KYB/CDD, legal, and disbursement steps, reducing delays and handoffs.
- **In-life servicing and monitoring:** AI agents support servicing requests, with continuous covenant monitoring, financial analysis, and early warning signals.

## Critical enablers — what it takes to get right

Realising this opportunity requires more than deploying AI models. Three enablers are critical:

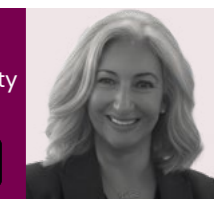
- **Move beyond POCs to scaled capabilities:** Many institutions are held back at the pilot stage, where value remains limited. The focus must shift to end-to-end transformation and enterprise-wide scaling.
- **AI governance and control redesign:** Agentic AI introduces new risks, requiring redesign of the current control and governance framework, with embedded controls, continuous monitoring, and evolving human oversight with clear guardrails.
- **Reimagine business processes and operating model, not just use cases:** Organisations must redesign workflows and roles, enabling effective agent-agent and agent-human interactions while maintaining control and maximising outcomes.

In summary, agentic AI enables building societies to move from fragmented, manual lending processes to a more responsive, efficient, and customer-centric model. The real opportunity lies in scaling AI safely and security to realise value and deliver sustained competitive advantage.

## special

# How Smart Data could transform homebuying

By Maria Harris,  
Chair, Open Property  
Data Association



The UK government's latest research into Smart Data use cases lands at a pivotal moment for the mortgage and property sectors. The report quantifies what many of us working on digitisation have long believed: open, standardised, sharable data is not a "nice to have", it is a national economic opportunity hiding in plain sight. And nowhere is that opportunity clearer than in homebuying.

## Headline findings: A £14 Billion case for digital property data

The Smart Data analysis identifies five use cases across the economy, but the standout performer is Digital Information for Homebuying, projected to deliver:

- **£14.1 billion in net social value** between 2028 and 2043
- **£2.06 billion in annual GDP uplift** by 2043

The modelling shows that when property data is standardised, digitised, and shared securely through a trust framework, the entire value chain benefits: lenders, brokers, conveyancers, surveyors, estate agents, and most importantly, consumers.

The report also highlights the broader potential of Smart Data schemes across sectors, estimating **£71.2 billion in net social value** when scaled, with homebuying clearly the single largest contributor.

## Why homebuying tops the list

The reason is simple: property transactions fail because information fails. Missing documents, inconsistent data, incompatible formats, and siloed systems create friction at every stage. Smart Data directly addresses this by enabling:

- Standardised digital property packs
- Automated data retrieval for lenders and brokers
- Reduced duplication across the mortgage journey
- Fewer transaction failures and faster completions

This aligns perfectly with OPDA's vision: a property market where data flows seamlessly, securely, and with full consumer consent.

## What it means for mortgage lending

For building societies and lenders, the implications are transformational:

### 1. Faster, more accurate underwriting

Smart Data allows lenders to access verified property information including title, tenure, EPC, local authority data, flood risk, and planning constraints directly from trusted sources enabling:

- Reduced manual checks
- More consistent valuations
- Lower operational costs
- Better risk modelling

**Smart Data is not just a regulatory initiative; it is doing the right thing for society and underpins the UK's growth strategy.**

### 2. Lower fall through rates

With upfront, verified data, lenders make earlier, more robust lending decisions. Reducing the 1 in 3 transactions that currently collapse, saving time and cost for both lenders and borrowers.

### 3. A more competitive, consumer centric market

Smart Data enables new services - automated mortgage switching, personalised product recommendations, and real time property logbooks - mirroring the innovation seen in Open Banking.

### 4. A foundation for green lending

The report also models Smart Data for green home upgrades, showing positive returns and clear benefits for energy efficiency linked mortgage products.

## The report findings are clear: Benefits require infrastructure

The research emphasises that the

costs for data holders and public bodies are more than offset with an almost **1:10 Benefit/Cost ratio** with benefits distributed widely across the economy.

Smart Data in homebuying will be implemented through:

- Common, open data standards
- Interoperable digital infrastructure
- Clear governance and liability frameworks
- Investment in digitising legacy records
- Cross sector collaboration

This is the work OPDA and our stakeholders are delivering.

## A call to action for building societies

Building societies and their software providers need to shape their part in this future. Designing new customer journeys that align with the mutual model and that reflect the public good nature of Smart Data are imperative to its success.

The message from the report is unambiguous: Smart Data is not just a regulatory initiative; it is doing the right thing for society and underpins the UK's growth strategy.

## Next steps:

Read the report Smart Data Economic Analysis then come and join the Smart Property Data Trust Framework sandbox where the standards and models are being created and tested <https://openpropdata.org.uk/smart-property-data-trust-framework/>



## insight

# Trust isn't a strapline. It's a verdict.

In financial services, we often talk about trust as if we can market our way into it. We can't.



## Trust is built – or broken – through experience

Not through what we say, but through what people actually go through when they deal with us: as customers, as brokers, as partners, and as colleagues trying to do the right thing in the moments that matter.

And here's the uncomfortable truth: the industry's language hasn't kept pace with how trust is really earned. We still talk about "community" like it's a postcode. It isn't.

## Community is every relationship built on trust

Wherever and however it's formed. That means branches, yes. But it also means brokers, digital journeys, and the everyday interactions that determine whether people feel seen, supported and respected.

At Nottingham Building Society, we've tried to make this practical.

We anchor our customer and broker experience around three principles: Warmest Welcome, Super Simplicity and Fearless Flexibility. These aren't claims. They're standards – the bar we hold ourselves to – because trust isn't built by pretending you're finished. It's built by being honest about where you are and disciplined about where you're going.

## Warmest Welcome is where trust begins

And it's why we've made choices others might step away from.

Keeping branches isn't always the easiest or cheapest decision. But it is

a trust decision. For many members, access to people they know still matters. It provides reassurance in a world that can feel increasingly remote.

But this isn't about "branches versus digital". It's about delivering warmth in every channel – face-to-face, online, or broker-led – because a welcome isn't a building. It's a feeling.

## Super Simplicity is about respect

Customers don't judge us on how clever our products are. They judge us on how easy we make it to get help, get clarity, and get things done.

Simplicity isn't dumbing down. It's removing friction. It's designing journeys that respect people's time, their headspace, and the reality of their lives.

## Fearless Flexibility is where trust becomes inclusive

Progress shouldn't mean leaving people behind. Passbooks are a good example. Many members still value them because they're familiar and trusted. Keeping them isn't nostalgia. It's respect.

At the same time, we're bridging into the future, enabling members to view balances digitally over time. Not as a replacement, but as a transition. Because real inclusion means meeting people where they are, not forcing them to catch up.

## Trust also lives behind the scenes

Warmth and simplicity matter, but confidence depends on safety and reliability. That's why we invest heavily in operational resilience. The work most people never see, but everyone depends on.

## And if we're serious about community, we have to include brokers

Brokers build trust through experience too. Through clarity, consistency, and confidence that we'll work to find a responsible way forward for their clients.

That's why we're investing in better insight and the responsible use of technology. Not to replace judgement, but to support it. To better understand real lives that don't fit neat templates, and to find solutions rather than default to no.

Nottingham Building Society is 176 years old. That doesn't feel like history – it feels like responsibility.

Trust isn't something you say. It's something people decide.

Trust isn't something you can claim. It's something people feel.

And the only question that matters is whether the experiences we create, day after day, are worthy of it.

## Next Steps:

Follow Nottingham Building Society on LinkedIn : <https://www.linkedin.com/company/nottingham-building-society/>



By Sally Gaudion,  
Chief  
Customer  
Officer

Nottingham  
Building Society

Trust isn't something you say. It's something people decide.



## insight



By Nigel Turner,  
Finance Director,  
Ecology Building  
Society

Ecology Building  
Society

# Raising capital the mutual way

## Ecology Building Society Capital Issuance

As a relatively youthful building society, founded in 1981, we were faced with the challenge that our retained earnings and organic profitability were not sufficient to support future growth and deliver our IT and digital transformation, which was essential for an improved member experience. The implementation of Basel 3.1 and the SDDT regime has increased the value of CET1 capital and the efficient use of capital is more important than ever for building societies to invest and grow.

Ecology had already issued £3m of Core Capital Deferred Shares (CCDS) in 2020 so we were well versed in their effectiveness. They are perpetual instruments that sit at the higher end of the junior capital hierarchy and form part of CET1. Distributions to the holders of CCDS are subject to Board approval and the Society's distribution policy, which is an important consideration for recovery and solvent exit planning. Ecology partnered with Allia C&C to raise additional CCDS and by February 2026, the total issuance reached £10m.

One of the first considerations was whether to list the instruments, having not listed in 2020. There are extra layers of complexity in listing but we wanted to open up to as wide a pool of investors as possible and Allia understood liquidity was important for our target audience. As such, being on a recognised exchange with established custodians and clearing houses was a significant factor. Given the size of our issuance, we used the Small Companies Regime to become the first building society to list on The International Stock Exchange (TISE) in 2025.

Upon listing and completing the relevant application process, we then prepared the required documents, such as an Investor Memorandum (IM), financial statements and forecasts. The IM clearly articulated Ecology's purpose and strategy, what the funding was going to be used for, a detailed deep-dive into the risk taxonomy, and a thorough review of our risks and mitigants to them.

We then prepared a presentation for our investor roadshows across the country. This was an opportunity to convey our vision and USP to investors and extoll the benefits of mutuality. We found attendees were interested in the digital transformation journey we were embarking upon and intrigued by the longer-term nature of decision-making that building societies can focus on. The Building Societies Association is a great ally in this area and its work

to promote and inform the sector was evident among the investor base.

It is advisable to be fleet of foot with the pricing of any instruments and to have some contingency in reserve as the market is so dependent on geo-political events; we were affected by the Trump presidential result! Early engagement with the PRA was essential. They assisted with our PIN process, we liaised with their capital SMEs and kept them abreast of our IM, changes to T&Cs and distribution policy so they could assess the impact on our recovery and solvent exit planning.

Downstream requirements are heavier, as we are required to prepare an ESG, investor updates, market abuse and insider dealing policies, distribution papers to Board and clearing houses but as the timing is just after the annual reporting season, it is not excessively onerous.

Overall, it's been a positive experience in raising the extra capital and the advantages for the Society in investing and being able to serve members better are certainly worth it.

## Next steps:

Find out more: <https://www.ecology.co.uk/hub/ccds-total-capital-raised-reaches-10m>

# Communicating climate risk

As the impacts of climate change become increasingly evident, the need to understand and communicate climate-related risks has never been more urgent. Rising temperatures and more frequent flooding are no longer distant possibilities; they are becoming part of our everyday reality.

Despite this, public awareness of what these changes mean for people and their homes remains limited. A changing climate is placing a growing number of properties at risk of flooding and overheating. In addition to creating uncomfortable living conditions, these risks bring tangible financial pressures, including higher insurance premiums, increased repair costs, and rising energy bills. Over time, these factors could also affect the resale values of homes.

However, research from by the UK Centre of Greening Finance and Investment (CGFI) found that consumer awareness gaps are significant, with some perceiving their homes as not at risk. Among those who were aware, significant key barriers prevent action. The most common challenges include uncertainty about what steps to take (59%), the lack of trusted advice (52%), and affordability concerns (51%). In total, 83% of respondents identified at least one of these as a barrier, underlining that clarity and financial support are critical to enabling change.

Positively, benefits of taking adaptation measures are widely recognised. Improvement such as greater comfort, improved safety and lower energy bills resonate strongly with consumers, suggesting these co-benefits can act as powerful motivators for action.

At the BSA, we recognise our role in helping unlock this action. In partnership with the CGFI, we have been working to enhance climate risk awareness within mortgage portfolios. Drawing on these insights, we have developed practical communication tools to help lenders support their customers in understanding climate-related risks.

These tools translate physical climate risks, such as flooding and overheating into information that is clear, relatable, and actionable for consumers, lenders and brokers.



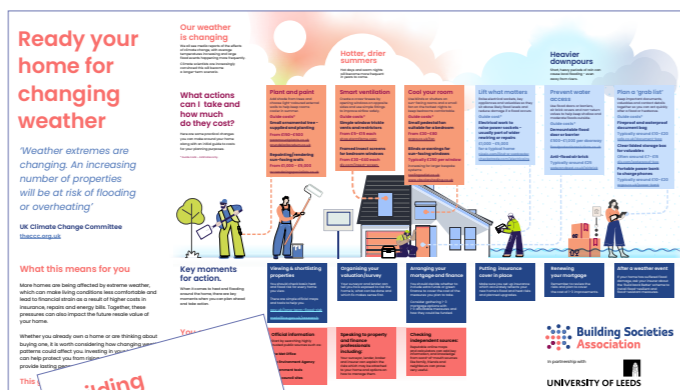
By Laura Magezi,  
Mortgage & Housing  
Policy Manager,  
Building Societies  
Association

They include a consumer-facing infographic designed to raise consumers awareness and encourage action, outlining a range of adaptation measures. These measures vary in cost to reflect different financial circumstances and address affordability barriers. This infographic is accompanied by a lender toolkit, enabling lenders and brokers to tailor their communications effectively.

While these tools are an important step forward, building societies cannot drive change alone. Addressing the

compounding effects of a climate change requires coordinated action. We welcome the government's commitment to invest in home upgrades, particularly the introduction of low- and zero-interest consumer loans to help overcome affordability challenges. We also welcome the government's plan to establish the Warm Homes Agency (WHA) to simplify and streamline the consumer experience whilst providing a trusted source of advice and support. Together, increased financial support and improved public understanding will support the large-scale adaptation needed across UK's housing stock and ensure homes are resilient in a changing climate.

**Next Steps:**  
Find the Lender Guide and Infographic on the BSA members' website: [www.bsa.org.uk/members/communications/a-lender-s-guide-to-weather-risk-communication](http://www.bsa.org.uk/members/communications/a-lender-s-guide-to-weather-risk-communication)



# Navigating the UK Government's Fraud Strategy: A call to action for building societies

The fraud landscape is evolving at an unprecedented pace, demanding a robust and unified response. The UK Government's Fraud Strategy 2026 – 2029 (the "Strategy") confirms fraud as the most prevalent offence in England and Wales, costing £14.4 billion between 2023 and 2024. For building societies, this signifies increased expectations around fraud prevention, detection, and response across the customer lifecycle including payment journeys, and the use of technology. It demands a deeper engagement in national efforts to disrupt, safeguard, and respond to fraud through a coordinated, system-wide approach.

## What's changing?

The Strategy builds upon previous efforts, aiming for a more proactive, technology-driven, and collaborative approach. This reflects the escalating scale, sophistication, and economic impact of fraud. The Strategy aims to tackle fraud at its source, strengthen organisational resilience, improve outcomes for victims, and promote broader participation from all financial institutions and the wider ecosystem. The Strategy introduces the Online Crime Centre (OCC), designed to foster cross-sector intelligence-sharing to disrupt organised fraud networks. All organisations are expected to share real-time intelligence, participate in shared fraud databases, and adhere to new reporting standards via the Report Fraud system, which will require investment in secure data capabilities and robust internal processes.

## What does this mean for building societies?

The financial services industry continues to compete with evolving fraud risks, such as account takeover, SIM swap, and authorised push payment (APP) fraud, driven by the pace of digitalisation and sophistication of fraud tactics such as AI-generated deepfakes. For building societies, a particular concern lies around account opening fraud, as it impacts property transactions and mortgages. This type of fraud, often linked to identity theft, poses a substantial threat. With the Strategy focusing on strengthening defences through data sharing, analysis, and technology, building societies should consider multi-layered fraud technology, regularly and proactively testing its efficacy against evolving threats, where investing in gaps identified may be required.

Furthermore, it is crucial for building societies to have a robust and regularly updated fraud risk assessment in place, which underpins their defence strategy and informs their investment decisions.

While the common presence of legacy systems can present a structural challenge for building societies to match the pace of technological investment seen in larger financial institutions and PSPs, it is crucial to acknowledge that many building societies are actively engaged in their own transformation journeys. These ongoing initiatives, focused on digitalising and introducing new products or services, provide the opportunity to introduce, uplift, and embed robust fraud controls at source. Failure to integrate such controls within modernisation efforts could otherwise lead to increased exposure to fraud losses, perpetuate the risks associated with legacy systems in an increasingly real-time world, and heightened regulatory oversight.

## Are you ready?

Building societies should proactively assess their current capabilities against the evolving threat landscape and the new strategic expectations. Some of the key questions that Chief Risk Officers (CROs), Chief Operating Officers (COOs), Chief Compliance Officers (CCOs), and other leaders should consider include:

- Are you prioritising upgrades to fraud detection, enhancing identity verification processes, and strengthening cybersecurity?
- Are you developing secure and efficient mechanisms for real-time intelligence sharing and compliance?



By Daniel Apple  
Partner



By Stephanie Kattah  
Manager



- Are you reviewing and updating customer due diligence, AML controls, and fraud prevention policies and standards to align with the Strategy's requirements?
- Are you actively engaging with regulators, law enforcement, industry bodies, and the wider ecosystem by participating in joint prevention initiatives?
- Are you leveraging the "safeguard" pillar through awareness campaigns to build resilience and trust?
- Are you putting fraud risk at the forefront of your business decisions, ensuring teams have an early role in shaping and designing new products and customer journeys?

The transition will require effort, resource, and investment; however, it presents an opportunity to adapt effectively. By embracing the move to digital, building societies can reinforce your reputation for trust, meeting growing digital customer needs, and deliver enhanced value and convenience to your customers. This will position building societies as resilient and customer-focused institutions in an increasingly sophisticated fraud landscape. Being ready means proactively shaping a safer environment for all members and customers, by adapting to implement the Strategy to disrupt, safeguard, and respond to fraud.

## Next steps:

If you'd like to discuss any of the topics covered in this article, please get in touch with Daniel Apple ([dapple@deloitte.co.uk](mailto:dapple@deloitte.co.uk)) or Stephanie Kattah ([stephaniekattah@deloitte.co.uk](mailto:stephaniekattah@deloitte.co.uk)).



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