



Full Report

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An Insight into Credit Union Membership

Produced by
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Research produced by:



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Report cover photograph kindly provided by London Community Credit Union.

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We would also like to thank London Community Credit Union for kindly providing the cover photograph.

Finally, we would like to thank every one of the 14,399 members of these credit unions across the UK who completed one of our surveys as without their time and insight this report would not be possible.

Executive Summary

Barclays has been funding and operating a four year programme that: provides tailored capacity building support to selected participating credit unions; and helps them implement financial guidance and support for their membership. The aims of the programme are to encourage collaboration, identification and sharing of best practice, and the development and enhancement of key skills and operational practices to promote growth and improvements across the credit union sector. This in turn should allow credit unions to better meet the financial needs of their members and support more financially excluded and underserved households in managing their money, accessing and using appropriate financial services.

The programme has two parallel but interconnected strands:

- Financial capability interventions: sessions to improve the financial capability of the Directors/ staff and members of the participating credit unions; and
- Capacity building interventions: training and support to improve the overall operational and financial performance and sustainability of the participating credit unions

The theory of change underpinning the programme is that the financial capability interventions should improve the ability of members to manage their finances which in turn should reduce arrears on loans and so on. Similarly, improving the operational efficiency of credit unions should help them provide greater support to members thereby improving their financial management skills.

FIC is undertaking ongoing evaluation of the programme to measure the impact of the financial capability and capacity building interventions by analysing the performance of credit unions and members at different stages of their participation. We will produce a formal report at the end of the programme. However, in the process of gathering the data and undertaking member surveys, we have amassed a huge amount of information that might be very useful and of interest to the credit union movement and others who are interested in promoting community lenders.

The analysis in this report is the largest ever insight into the use, attitudes, and financial capability of existing credit union members. The comparative analysis in this report is based on analysis of almost 12,500¹ completed surveys amongst the 29 credit unions from across the UK that have participated on the first three years of the programme. This equates to consultation with 11.5% of the potential 110,000 credit union members. As ever, we are conscious that those who respond to surveys are by definition self-selecting and that this can affect results. But, notwithstanding the limitations of survey based research, the sheer scale of this analysis should help to:

- Understand the profile, attitudes and financial behaviours and circumstances of credit union membership in order to shape service delivery, improve customer service and develop financial products to better meet their needs and expectations.
- Benchmark performance and satisfaction indicators – for both individual credit union to measure themselves against their own development and wider sector.
- Demonstrate impact and show if credit unions are meeting members’ expectations and needs.

¹ To date, we have actually received 14,931 responses once the post intervention surveys from year one credit unions are included. This equates to a response rate of 13.5% of adult members within the participating credit unions.

Key findings

Use of products and services (page 17)

- Over the previous two years, 79% of credit union members had used their savings account with 24% stating that they had used a current account facility. Just over one in ten (11%) had used 'other' credit union product or service (outside of these core products).
- In terms of lending, 49% of respondents had taken out a loan from their credit union in the previous two years. To put this in context, according to the FCA, 46% of adults hold a loan product on which they revolve a balance.
- Of the 70% of respondents that had applied for a loan at some time previously, 59% had been accepted, 11% had been turned down. Another way of looking at this is that of those who did apply for a loan, 84% were accepted, while 16% were turned down. Although not directly comparable, according to the FCA, 12% of those with some form of credit had been turned down for a loan in the past two years.
- Around 1,300 of people who took part in the survey were turned down for a loan. If this refusal rate was representative of the credit union population as a whole, this would suggest that over 180,000 credit union customers have been turned down for a credit union loan (although, of course, we cannot guarantee that credit unions participating in this programme have exactly the same profile of credit unions generally but it does give an idea of the numbers involved).

Views on credit union services and customer service (page 19)

- Amongst existing members, there was overwhelming approval for the services that the credit union offer with 88% of respondents thought that their credit union provided good (38%) or very good (50%) value services. Just 1% said their credit union provided poor or very poor value services – a net positive score of 87%. Similarly, 85% of total respondents thought that their credit union's customer service was good or very good. Only 3% said the customer service was poor or very poor – a net positive score of 82%. These are clearly very impressive results.
- We also asked members about their experience if they had applied for a loan and how well they understood the application process. Of those who had applied for a loan, 83% of respondents said they found the application process good or very good. Only 4% said the process was poor or very poor, while 12% said it was fair. This equates to a net positive score of 79%.
- In terms of overall satisfaction levels, 81% said they were extremely satisfied or very satisfied with their credit union. Just 6% were slightly satisfied or not at all satisfied. This gives a net positive score of 75%.
- When asked if they would recommend their credit union to a friend, 84% of respondents said they would be likely or very likely to recommend with only 10% said they would be unlikely or very unlikely to recommend their credit union. This gives a net positive score of 75%.
- **Again, we are conscious of issues relating to self-selection but** to put these results in context, an EPSI survey gave UK banks a customer satisfaction score of 72%, while Which? found that banks average overall customer satisfaction score was 68% and the average product satisfaction score was 66%. These results are not directly comparable due to differing methodologies but do give an indication of how highly members regard the credit unions.

Self-reported financial behaviours (page 24)

- Our study also explored the financial behaviours of credit union member. First we asked respondents whether they knew how much they had in their credit union savings account with 31% saying that they always knew exactly how much they had in their account. A further 49% said they usually had a rough idea; one in seven (14%) said they usually had no idea how much they had in their savings account. We also asked respondents whether they knew how much they had in their main bank account. 58% said they knew exactly how much they had in their account with a further 38% saying they had a reasonable idea. Only 3% said they had no idea of how much they had in their account. This suggests very strongly that these credit union members are very diligent at keeping track of their finances. Without having access to members' bank accounts to check, it is difficult to say whether so many do indeed know exactly how much they have in their account. But, by way of comparison, a survey by the Money Advice Service (MAS) found that 59% of working age consumers knew to within £50 how much they had in their bank account.
- We asked respondents about how they used their savings account. The single biggest answer (37%) given was 'I'm saving for the future'. However, it is clear that a significant number of these credit union members use their account to save up for something specific rather than a general ambition to save for the future. 31% said they were saving up for a specific event (such as a holiday) with a further 11% saving up for a specific thing (such as a TV).
- Next we asked whether respondents prepare and stick to a budget. Preparing a budget (and sticking to it) is an indication of financial capability. 11% said they strongly agreed with the statement with 37% saying they agreed (a total of 48% saying they agreed/ strongly agreed). 17% said they disagreed/ strongly disagreed. 35% said they neither agreed/ disagreed. As ever, care must be taken with self-reported responses. People don't always do what they say. Human nature being what it is means that some people will choose the response that makes them feel good about themselves (or makes them look good to others – even though the responses are confidential). It is sensible to mentally discount positive responses and knock a few points off the scores for strongly agree/ agree. This means that it is probably reasonable to assume that well under half are preparing and sticking to a budget.

Self-reported financial capability levels (page 28)

- The responses to questions relating to financial capability were considerably more positive. Nearly two-thirds (64%) said they agreed/ strongly agreed with the statement 'I feel I have my finances under control'. There is a significant difference in the numbers who say they feel they have their finances under control and those who say they prepare and stick to a budget. Of course, it is possible to have your finances under control without making a budget – if you have not been hit by any major financial shocks. But, this does suggest a degree of cognitive dissonance.
- We also asked respondents how much they agreed/ disagreed with the statement: 'I am confident in dealing with money matters'. 69% said that they agreed (51%) or strongly agreed (18%). 22% said they neither agreed nor disagreed. Only 9% said they disagreed (6%) or strongly disagreed (3%). On the face of it, this is very positive and suggests that a good majority of respondents feel confident in dealing with money matters.
- To put this in context, 37% of consumers who were surveyed as part of the FCA's Financial Lives Survey (p14) rated themselves as having a high level of confidence in managing their money, with a

further 39% rating themselves as having a moderate level. Whereas, a Money Advice Survey found that 58% of working age households said they were confident in managing money, and 41% said they were confident in making a financial product/ service decision .

- It is important to note that the various surveys are not directly comparable. But, it seems safe to say that respondents from participating credit unions in this survey are not short of confidence compared to the general population. Whether this confidence is justified is another matter.
- We also asked whether respondents would be confident enough to help family and friends with money issues. The responses were again positive – but not as positive as for the questions above. A combined 54% either strongly agreed (11%) or agreed (43%) that they were confident enough to help family and friends with money issues. 16% strongly disagreed (4%) or disagreed (12%), with 30% neither agreeing or disagreeing.

Financial knowledge (page 30)

- It is important that consumers know about their credit rating so that if they do have a poor credit score they can work to repair it. More than one in four (26%) respondents in this survey had never checked their credit score. 23% said they knew they had a good/ very good credit score. One in four (25%) said they had a poor/ very poor credit score with a further 22% saying they had an average credit score. It is worth participating credit unions considering these findings further as this could be focus for financial capability interventions. Under one in four respondents say they have a good/ very good credit score. Nearly half of respondents say they have an average/ poor/very poor credit score and with one in four never having checked their score, this suggests interventions to raise awareness and help members repair their score would be worthwhile.
- A big majority of respondents (69%) answered correctly when asked ‘what does APR stand for?’ But it is worth pointing out that 31% either got the answer wrong or didn’t know the answer.
- It is important that if things go wrong, consumers are able to exercise their right to complain and, if necessary, get redress. But for that to happen, consumers have to know what their rights are and who they can take complaints to. 63% of respondents knew that FOS is the organisation to complain to; this left 37% who didn’t know or got the wrong answer.
- Self-reported answers can be a useful gauge of financial capability. But the best test are direct factual questions which test consumers’ knowledge and capability. It is important that when consumers are considering borrowing money, they can ‘look through’ the advertised deals to work out how much borrowing actually costs. To test members’ ability to do this we asked them to work out which one of four deals would cost them the most in interest payments. Interestingly, only 42% got the right answer when we tested them. This should be a cause for concern. Of course, we cannot make a direct comparison with the general population as we have not surveyed them. But, for context, 64% of consumers tested by the Money Advice Service correctly calculated the balance on their savings account after interest had been added, 60% were able to understand the effect of inflation on buying power.
- Respondents were also asked what they thought was the most important thing to consider when taking out a loan. The most popular answer (38%) was the interest rate. Technically speaking the ‘correct’ answer is the total amount to be paid back (chosen by 31% of respondents). It is important that borrowers understand that the total cost of a loan can include not just the interest charged but fees and other costs (the APR incorporates all costs). 27% chose the ‘amount I will pay back each month/ week’. This is not a ‘wrong’ answer per se. It may well be that for many people, the most important thing is to understand the regular commitment as this can provide a sense of control.

Conclusions

There are a number of standout points from this very large scale survey of credit union members.

- The most obvious is the high regard in which participating credit unions are held by their members – a very large majority were satisfied with their credit union, the services provided and customer service, and would recommend the credit union to a friend. This should provide a strong platform for these credit unions to build on in their local community.
- There have been concerns raised that credit unions are not generating sufficient revenue from loans to ensure the sector is sustainable in the long term. But, for those credit unions participating in this programme, a majority of members who responded had taken out a loan from their credit union rather than just opened a savings account. This suggests that, if there is a challenge in generating sufficient revenue to make credit unions sustainable, it may be more to do with the *value* rather than *number* of loans made, creating economies of scale, and improving efficiency. In other words, the issue may be more to do with the nature of credit union loans - relatively small scale with diseconomies of scale creating comparatively high unit costs. This has implications for wider credit union sector and points to need to continue to diversify the membership base and improve marketing and targeting of larger value loans (such as car loans, holiday loans).
- The research shows that 11% of respondents had been turned down for a loan. If that proportion is representative of the wider credit union population, this would suggest that over 180,000 members have been refused a loan. This could, of course, be an underestimate. Presumably many people who are still members and refused a loan might not have been willing to participate in the research, or have stopped being a member if refused a loan. So, the numbers refused a loan across the sector may be bigger than we have estimated. It would be interesting to know what happens to people who are declined a credit union loan and do they receive support such as helping them to restore or repair their financial position?
- A large majority of respondents reported very positive financial behaviours – keeping track of finances, knowing how much they have in their savings and bank accounts, and making a budget and sticking to it. Looking at financial capability measures, again credit union members who took part in this survey do seem to score well compared to the general population saying they feel they have their finances under control and are confident in dealing with money matters. We can't reiterate enough that care must be taken with self-reported data, but looking at comparative data on the general population these results are encouraging and can be built on.
- But, analysis of the questions on actual financial knowledge (not just self-reported answers), paints a much more mixed picture. A large proportion either got the wrong answer, or didn't know the answer to the questions which directly tested financial knowledge. A particular concern is those who were not able to choose the best deal on a loan, or were unsure about what to consider when taking out a loan. This should be an area of focus for financial capability interventions.
- Nevertheless, the analysis in this report suggests that credit unions in this programme should in theory be able to thrive. They are held in high regard by their members, customer service generates high levels of satisfaction, and large numbers of loans are being made. Credit union members seem to score well in terms of self-reported financial behaviour and capability scores compared to the wider population – so that does not seem to present a barrier to success.
- Similarly, these results would suggest that the wider credit union sector has many positive attributes which should allow it to thrive. But, and it is a big but, it is clear the impact of credit unions (particularly in England and Wales) in meeting the needs of consumers and local communities has so far been marginal to say the least.

Introduction

This report provides the largest ever insight into the use, attitudes, knowledge and financial capability of existing credit union members with nearly 12,500 completed surveys from 29 diverse credit unions from across the UK – equating to consultation with 11.5% of the potential 110,000 adult credit union members².

This report consultation exercise is being undertaken as part of the Financial Inclusion Centre’s longitudinal evaluation of the current four year Barclays Credit Union Programme that is providing tailored capacity building support and helping credit unions implement financial guidance and support for their membership. It involves two parallel, interconnected strands of interventions:

- Financial capability: sessions to improve the financial capability of the Directors/ staff and members of the participating credit unions; and
- Capacity building: training and support to improve the overall operational and financial performance of the participating credit unions.

These are interconnected because if the theory of change which underpins the programme holds true, improvements in financial capability amongst the members of a credit union should contribute to an improvement in the financial performance of the credit union. For example, members should be able to plan and manage their finances better which should help reduce or limit arrears. Similarly, improvements in the operational and financial efficiency of the credit union should contribute to enhanced levels of financial capability amongst members. The Directors and staff have also been taking part in the capacity building and financial capability sessions too. The theory of change holds that better trained and informed key personnel should be better placed to address key challenges within the business as well as providing more targeted information and support to members to help them manage their finances.

Our evaluation framework is designed to measure the impact of the financial capability and capacity building interventions by analysing the performance of credit unions and members at different stages of their participation.

We are evaluating the effectiveness of the programme in each of the individual years – year one tested by analysing results from surveys applied at beginning of year one and in year two (one year post delivery of intervention); year two tested at beginning of year two and in year three; and so on. But, the amount of data we had gathered over the three years was so comprehensive that we thought it deserved to be published as a stand-alone report. With over 14,000 responses (to date) from participating credit union members, this provides the most significant insight into the credit union membership available at the moment and should therefore prove extremely valuable for both individual credit unions but also the wider audience around financial exclusion and social alternatives.

² To date, we have actually received 14,931 responses once the post intervention surveys from year one credit unions are included. This equates to a response rate of 13.5% of adult members within the participating credit unions.

Its wealth of information and insight should provide help to:

- Understand the profile, attitudes and financial behaviours and circumstances of membership in order to shape service delivery, improve customer service and develop financial products to better meet their needs and expectations.
- Demonstrate impact and show whether credit unions are meeting the expectations and needs of members.
- Benchmark performance and satisfaction indicators – for both individual credit union to measure themselves against their own development and wider sector.

Barclays Credit Union Programme

The overall aims of the programme are to encourage collaboration, identification and sharing of best practice, and the development and enhancement of key skills and operational practices to promote growth and improvements across the credit union sector. This in turn will allow credit unions to better meet the financial needs of their members and support more financially excluded and underserved households to manage their money and access and use appropriate financial services.

The programme funds a team of advisors to provide training and capacity building for the credit union and implement financial guidance and support for members.

This is a single, integrated programme but it has two complementary, supporting strands designed to address supply side and demand side issues we have identified which inhibit the ability of credit unions to better meet the needs and improve the financial well-being of targeted households. The main supply and demand side issues addressed by the project are:

- Supply side: improving organisational and operational capacity of credit unions so they can provide access to fair, affordable credit and promote increased levels of savings to greater numbers of excluded and underserved households; and
- Demand side: improving financial capability and financial resilience amongst target households by implementing effective financial guidance/ money management within the service delivery of participating credit union members.

Programme partners

The programme brings together a number of partner organisations responsible for delivering the various aspects of the programme:



Barclays are kindly providing the funding as well as facilitating local/national staff participation and undertaking the programme management.



Toynbee Hall are delivering the financial capability training and support with the participating credit unions.



ACE Credit Union Services are jointly delivering the capacity building training and support with the participating credit unions.



UKCreditUnionsLtd are jointly delivering the capacity building training and support with the participating credit unions.



The Financial Inclusion Centre are developing and undertaking the independent evaluation of the programme.

In addition, two independent experts, John Rhodes (financial capability) and Niamh Goggins (capacity building) were selected to join the Programme Steering Group and provide additional insight and advice throughout the programme.

Participating Credit Unions

Each year the programme invites applications from credit unions operating in the UK, regardless of size, location or affiliation. The following 29 credit unions were selected and have participated on the programme.

Year 1:

Bradford District Credit Union
City of Plymouth Credit Union
Citysave Credit Union
Gloucestershire Credit Union
Hoot Credit Union

London Community Credit Union
Unify Credit Union
West Lothian Credit Union
Whitehaven Egremont & District Credit Union

Year 2:

Lincolnshire Credit Union
Pioneer Credit Union
Salford Credit Union
Tees Credit Union
Warrington Credit Union

Blackburn Seafield & District Credit Union
Grampian Credit Union
Hull and East Yorkshire Credit Union
Kernow Credit Union
Manx Credit Union

Year 3:

Advance Credit Union
Derbyshire Community Bank
Eden & S Lakeland Credit Union
Falkirk & District Credit Union
First Choice Credit Union

Hannahstown Credit Union
Lewisham Plus Credit Union
Moneywise Credit Union
Prince Bishops Community Bank
Suffolk Credit Union

Appendix 1 provides further details of each participating credit union.



Interactive map of credit unions participating on the Barclays Credit Union Programme - <http://bit.ly/CreditUnionMapping>

Methodology

As one of the partners on the Barclays Credit Union Capacity Building Programme, the Financial Inclusion Centre has had a role in designing and developing the programme, as well as an ongoing role in improving the programme, designing criteria for selecting credit unions for the programme, and overseeing the selection of qualifying credit unions. But, our primary role has been developing and implementing a broad evaluation framework throughout the lifetime of the Barclays Credit Union Programme to assess its effectiveness and measure its impact.

This involves a combination of quantitative and qualitative research techniques which is being conducted at various points, both before and after the programme:

- Pre- intervention – prior to commencement of programme activities
 - Intervention conclusion – immediately following the conclusion of the programme.
 - Post intervention – one year following the completion of the programme to examine any lasting effect.
-
- **Data analysis - financial/operational indicators**

This is based on analysing participating credit unions financial data / performance ratios pre and post intervention. Financial data is being captured from financial reports and regulatory returns submitted to the Bank of England. Where available, we have captured data three years in the run up to programme commencement to provide us with an indication of the trend in financial performance (of course not all participating credit unions have been going long enough to have three years of data before starting the programme so we have gone back as far as we can).

The performance of individual credit union participating on the programme is being compared to their programme peer group and also against the entire credit union sector using national data. The indicators we are tracking and analysing include: membership levels, asset growth, levels of member deposits, numbers and values of loans, number of loan applications and declines, share to loan ratio, capital ratios, liquidity ratios, reserves, arrears data, income and operating expenditure and surplus/loss.

- **Structured survey – key staff and Directors**

The purpose here is to assess staff and Directors' understanding of corporate governance, legal and regulatory, and financial management issues and measure any changes resulting from participation in the programme.

Again, this is being done using a survey based on the topics of the training/support material and conducted pre and post intervention to identify changes in capability/knowledge.

- **In-depth interviews – lead credit union representative**

Throughout the programme, a series of interviews is being conducted with the lead representative from each credit union at both pre and post intervention to help identify:

- aspirations and expectations for the programme;
- attitudes towards the programme during delivery;
- Identification of key outcomes;
- barriers preventing effective delivery; and
- suggestions for improving the programme.

- **Structured survey - financial capability participants**

In order to assess changes in staff, Directors and operational volunteer knowledge and confidence in relation to financial capability, a pre and post intervention survey is being conducted with all participants attending training sessions delivered by Toynbee Hall associates.

- **Membership Survey**

A key part of the evaluation research is a comprehensive questionnaire that is undertaken with the adult membership of each participating credit union at pre-intervention and then again one year following the end of the programme.

The structured survey has 27 standard questions that are designed to assess:

- i. the overall usage and satisfaction levels amongst the existing membership towards their credit union's service delivery and product value; and
- ii. financial attitudes, behaviours and capability knowledge of the members of participating credit unions. Each credit union was able to include additional questions based on their own requirements.

Appendix 2 shows the Membership Survey.

Within each credit union, the survey was distributed through a combination of channels to maximise the number of completed:

- electronically to all adult members that had correct email contact details with subsequent reminder
- conducted in person by staff/volunteer within branches/collection points and,
- in a limited number of cases (CitySave Credit Union and Suffolk Credit Union) sent by post to members.

To maximise engagement, a prize draw with a £50 shopping voucher was offered as an incentive for each credit union's membership survey.

Each participating credit union is given the results relating to its own performance so they can compare against their peer group.

Key findings

Member relationship and attitudes towards credit unions

In the first set of survey questions, respondents were asked about their relationship with and attitudes towards their credit union.

Products and services

Credit union members were asked about the different products and services that they had accessed including: savings accounts, current accounts, loans and other services (such as, prepayment cards and specific savings products such as Christmas savings accounts). Chart 1 shows the proportion of respondents who had used the different products and services in the two years prior to when the survey was conducted.

Across the three years, 79% of respondents had used their savings account in the previous two years. The figures were higher for the year one and two credit union groups – where over 80% had used their savings account in the previous two years compared to 72% in the year three cohort.

Overall, 24% of respondents stated they had used a current account with their credit union. But this conceals quite a range within the years. 26% in year one, 40% in year two and just 10% in year three said they had used their current account in the previous two years.

Chart 1: Products and services used in the past two years



Overall, 49% had taken out a loan from their credit union in the previous two years. Again, there was some variation across the cohorts – year one (47%), year two (40%) and year three (56%). Interestingly, according to the FCA, 46% of adults hold a loan product on which they revolve a balance³. The capacity to advance sufficient number and volume of loans to generate revenue is critical to the sustainability of credit unions.

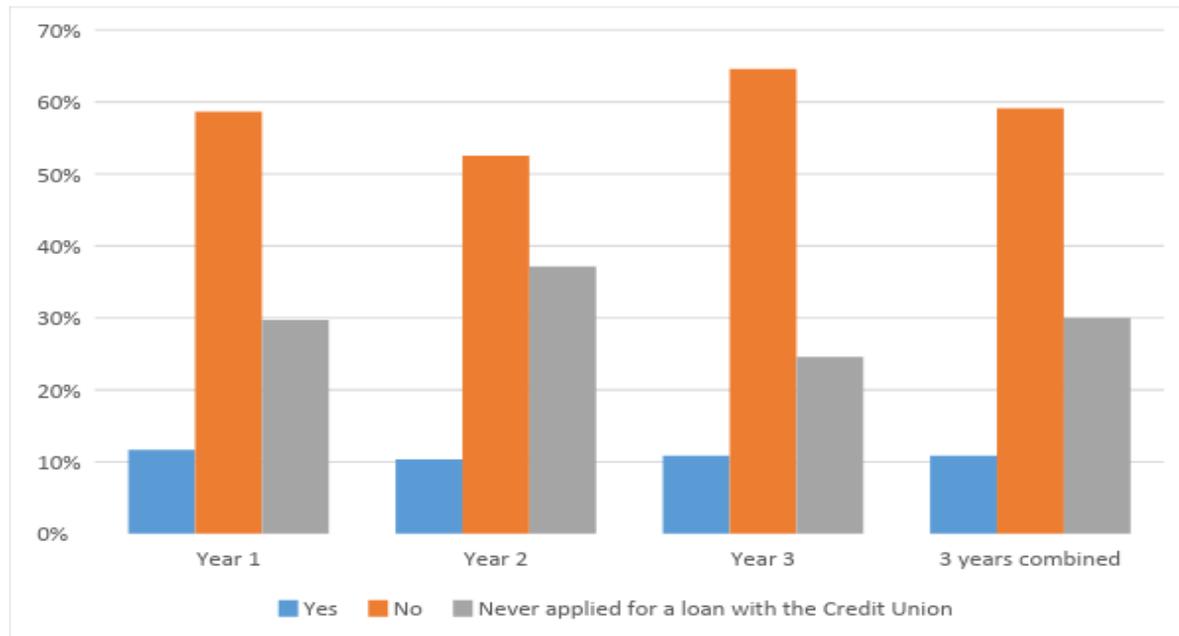
Just over one in ten (11%) had used an ‘other’ credit union product or service (outside of the core savings, loan, and current account products).

Declined loans

When members were asked if they had ever been turned down for a loan by their credit union, 30% of combined respondents had never applied for a loan. Of the total respondents, 59% had not been turned down and 11% had been turned down. This means that 84% of those that did apply for a loan were not turned down, while 16% were turned down. Although not directly comparable, according to the FCA, 12% of those with some form of credit had been declined a loan in the past two years⁴.

It should be noted that around 1,300 surveyed members were turned down for a loan. If this refusal rate was representative of the credit union sector as a whole, this would suggest that over 180,000⁵ members have been turned down for a loan (of course, credit unions participating in this programme will not have the exact same profile of credit unions generally but it does provide an indication).

Chart 2: Have you ever been turned down for a loan?



³ 78% actually have some form of credit or loan but 29% are what the FCA calls ‘transactors’ – those who pay off their balances in full every month or most months.

⁴Financial Conduct Authority (2017) - Financial Lives Survey, page 145

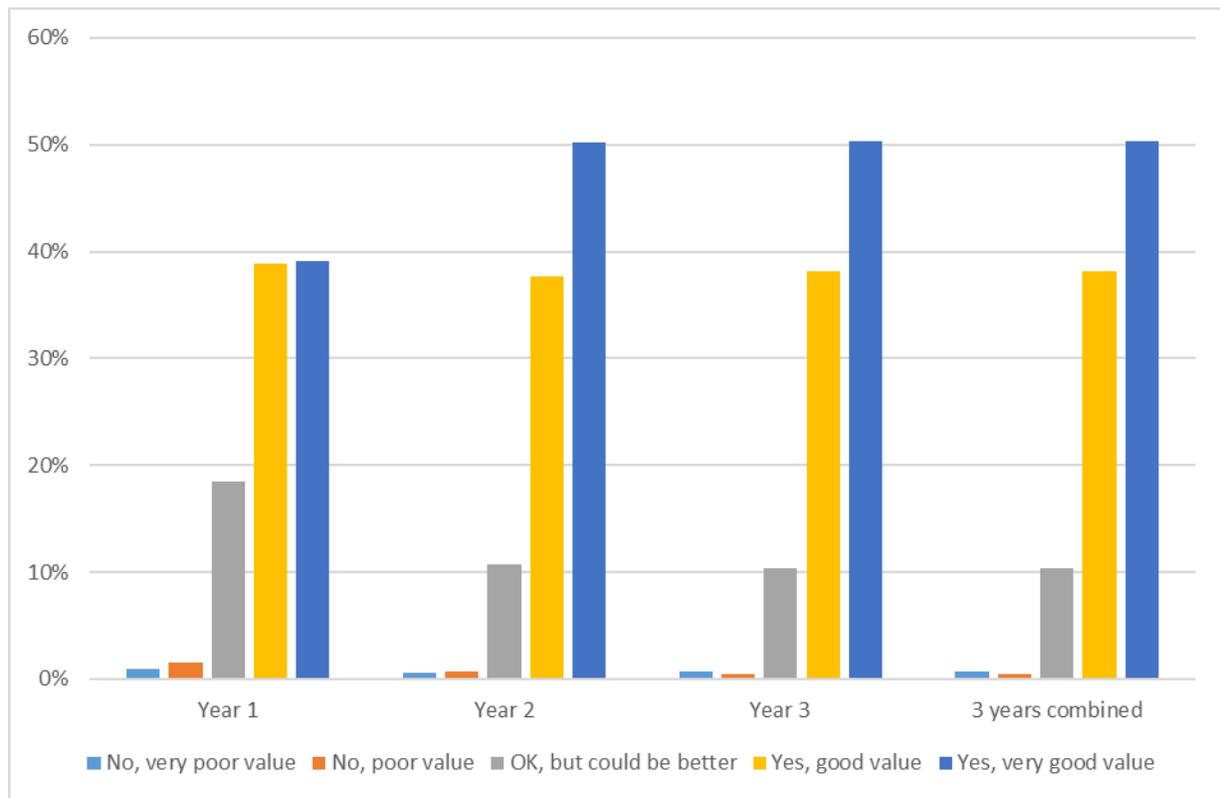
⁵ According to the Bank of England Credit Union Statistics published in July 2017, there were 1.65m adult credit union members. 11% of that figure is 181,680

Credit Union service

When asked about the level of service provided by their credit union – whether their credit union provided good value services and whether it provided good value customer service, the response from credit union members was overwhelmingly favourable and provide a huge vote of confidence from those using credit union services.

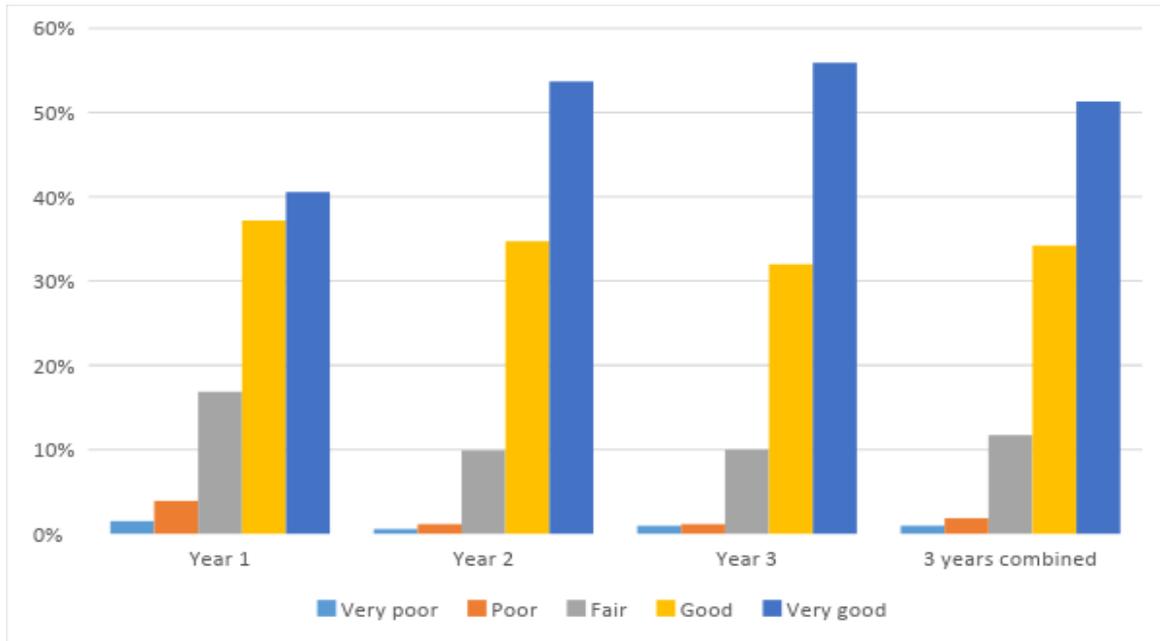
Overall, 88% thought that their credit union provided good (38%) or very good (50%) value services. Similarly, 85% of total respondents thought that their credit union’s customer service was good (34%) or very good (51%).

Chart 3: Would you say your credit union provides good value services?



On both counts, year one credit unions scored less well than year two and three credit unions. But, even then nearly 80% of year one credit union members said that their credit union provided very good or good value services overall and very good or good customer service.

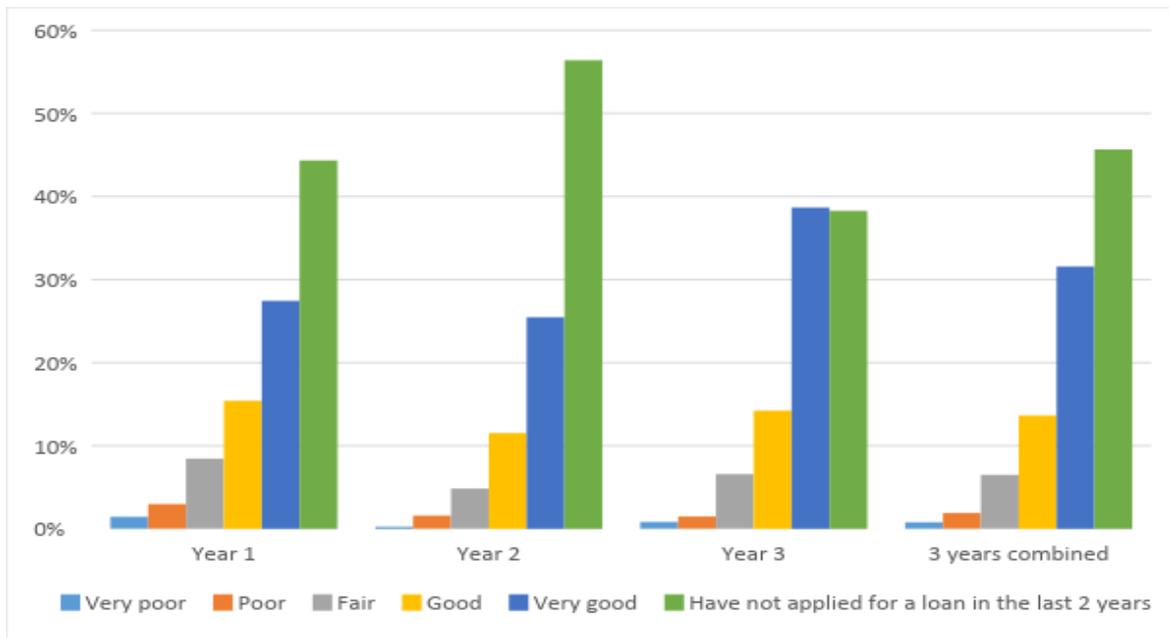
Chart 4: What do you think of your credit union’s customer service?



Experience when applying for a loan

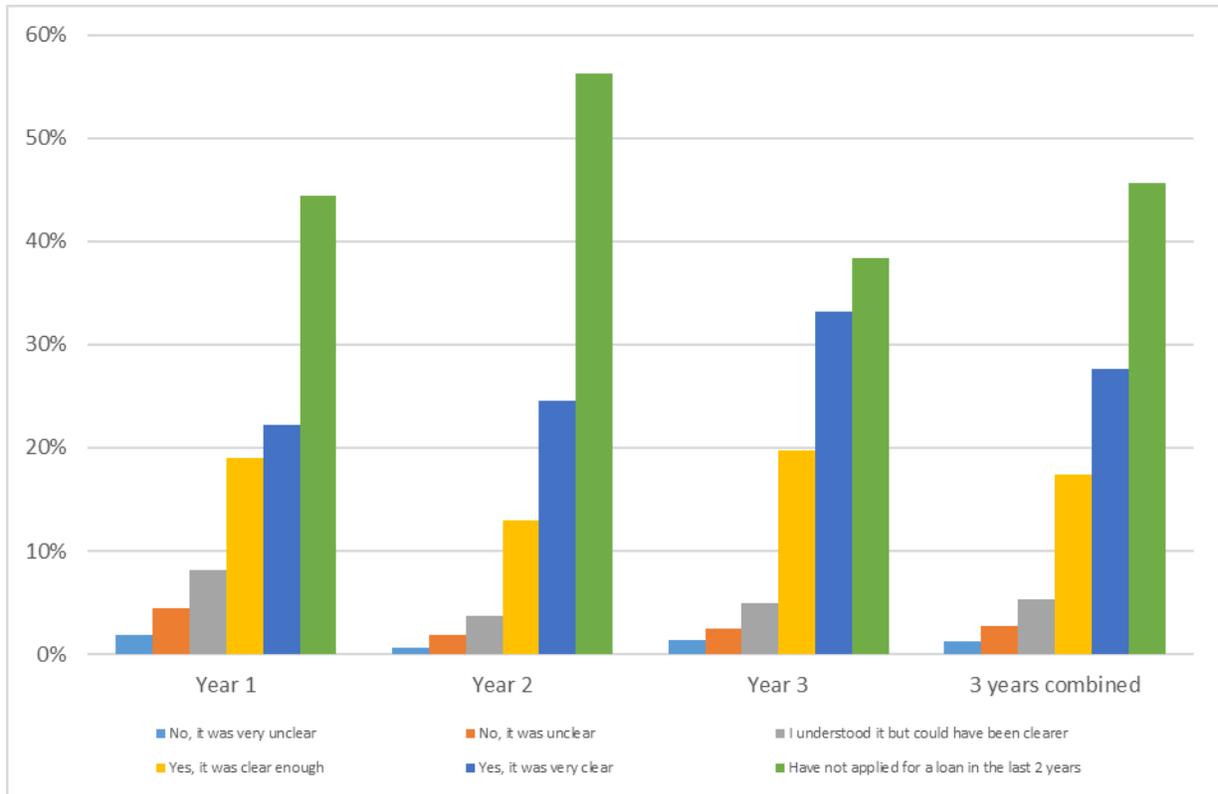
Members were also asked about their experience if they had applied for a loan and how well they understood the application process. Again, as Charts 5 and 6 show clearly, the results were very positive. Excluding those who had not applied for a loan in the last two years, 83% of respondents said they found the application process good or very good. Only 4% said the process was poor or very poor, while 12% said it was fair. Overall, this equates to a net positive score of 79%.

Chart 5: If you applied for a loan in the past 2 years, how did you find the application process?



Similarly, adjusting for those who had not applied for a loan, 83% of respondents said the loan application process was clear or very clear. Only 2% said it was very unclear, with a further 5% saying it was unclear and 10% said they understood the application process but it could have been better.

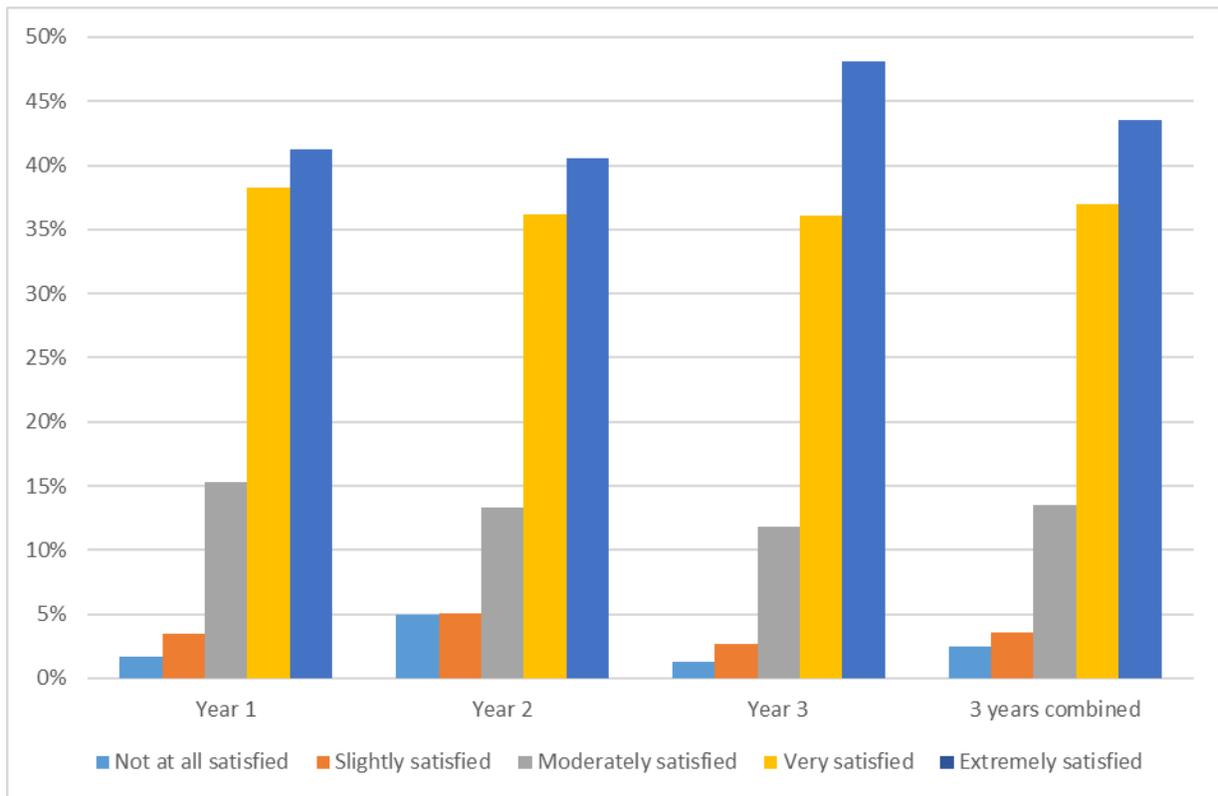
Chart 6: If you applied for a loan in the past 2 years, did you understand the application process?



Overall credit union satisfaction

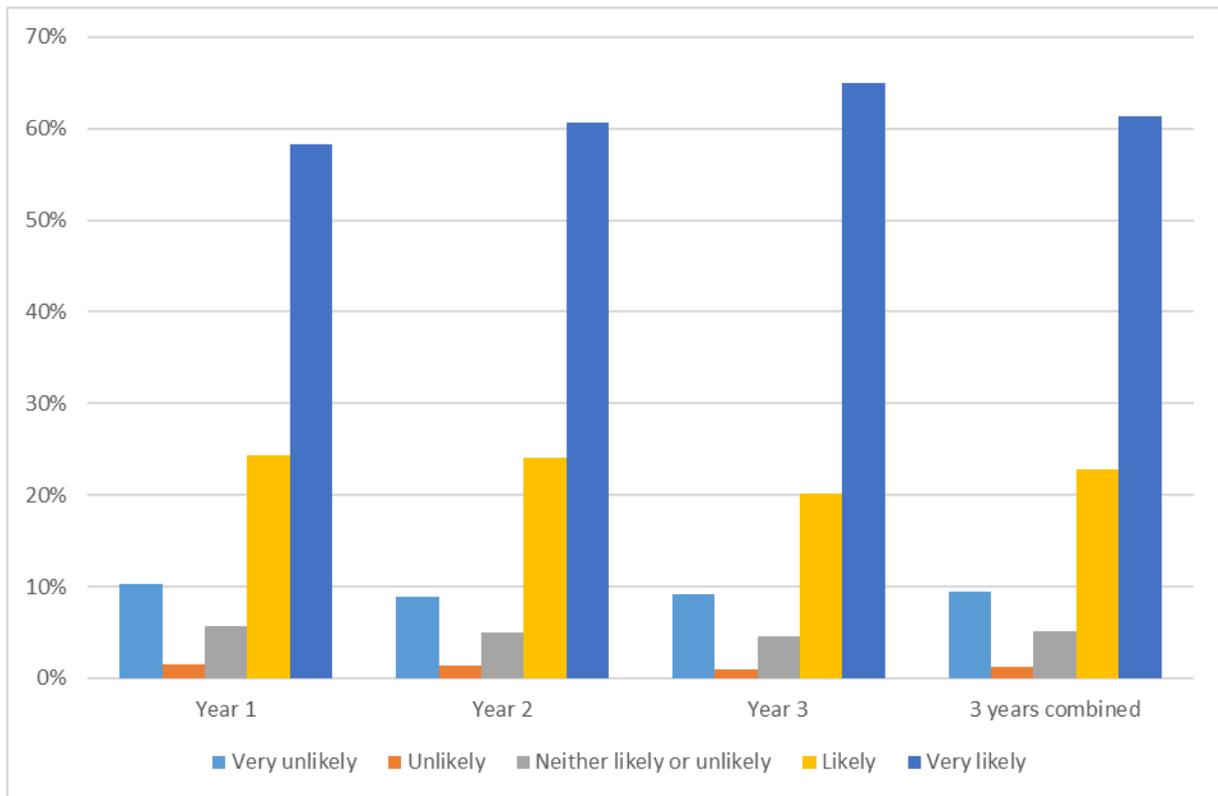
Finally, respondents were asked about their overall satisfaction with their credit union and whether they would recommend it to a friend. As Chart 7 shows, 81% said they were extremely satisfied or very satisfied with 14% stating they were moderately satisfied. Only 4% were slightly satisfied, with 2% saying they were not at all satisfied. Overall, this provides a net positive score of 75%.

Chart 7: Overall, how satisfied are you with your credit union?



Across all credit unions, 84% of respondents said they would be likely or very likely to recommend their credit union to a friend, 10% said they would be unlikely or very unlikely to recommend their credit union. Overall, this gives a net positive score of 75%.

Chart 8: How likely would you be to recommend your credit union to a friend?



Overall, the credit unions taking part in the programme are extremely well regarded by the members who responded to our surveys. In summary, 88% of respondents thought their credit union provided good or very good value services, 85% thought they provided good or very good customer service, 81% said they were extremely or very satisfied, while 85% said they would be likely or very likely to recommend their credit union to a friend.

By way of comparison, an EPSI survey gave UK banks a customer satisfaction score of 72.3⁶ and Which? conducts a regular survey on consumer satisfaction with bank accounts, which showed the average overall customer satisfaction score was 68%, while the average product satisfaction score was 66%⁷. While these results are not directly comparable due to differing methodologies, they do provide an indication of how highly the participating credit unions are regarded by their memberships

⁶ EPSI Rating – Banking UK, EPSI Banking Study 2017, October 2017. To calculate the EPSI rating, respondents are asked to rate banks on a scale of 1 to 10 – 1 means very unsatisfied, 10 means very satisfied. This is then converted into an index score

⁷ For details see: <https://www.which.co.uk/money/banking/bank-accounts/guides/best-and-worst-banks>

Knowledge and attitudes to finances

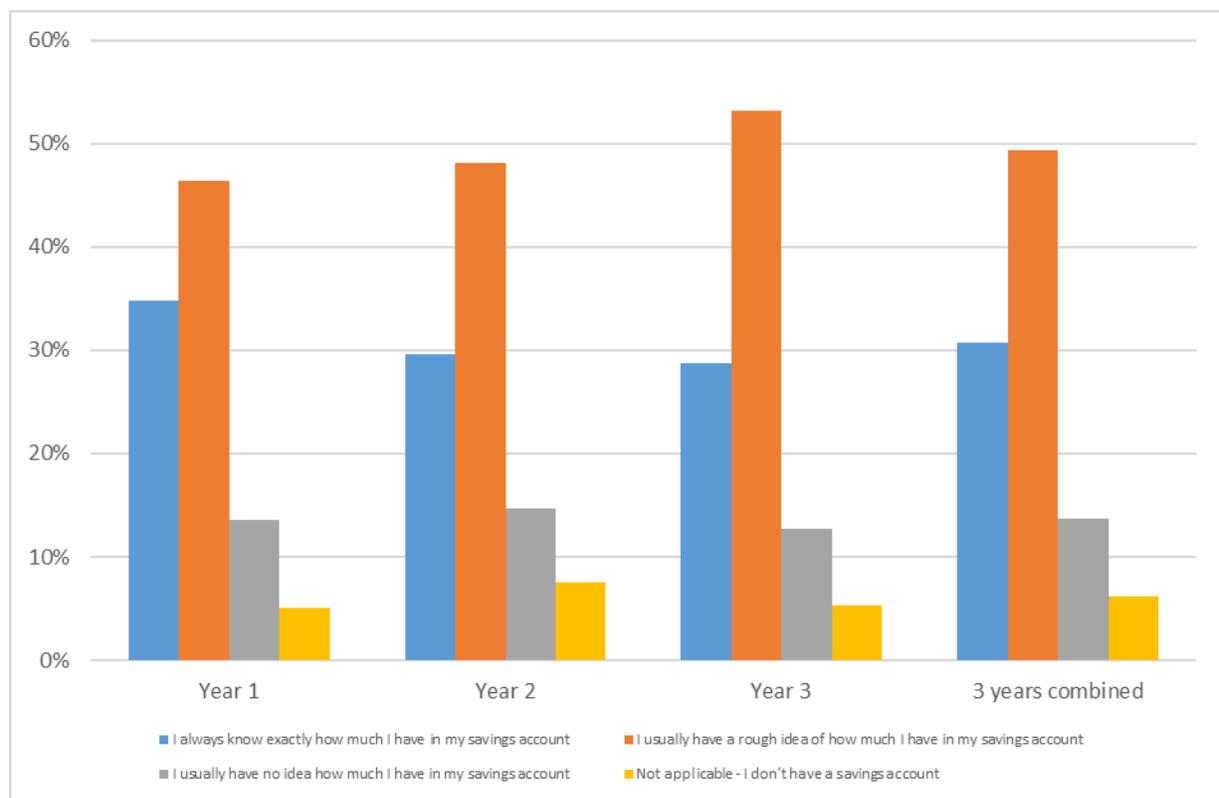
In the second set of survey questions, we asked respondents about their knowledge of and attitudes to finances, and self-reported financial behaviours.

Self-reported financial behaviours

Savings and bank accounts

First, we asked respondents whether they knew how much they had in their credit union savings account with 31% stating that they always knew exactly how much they had in their account; a further 49% saying they usually had a rough idea and one in seven (14%) responding that they usually had no idea how much they had in their savings account.

Chart 9: Do you know how much you have in your savings account?

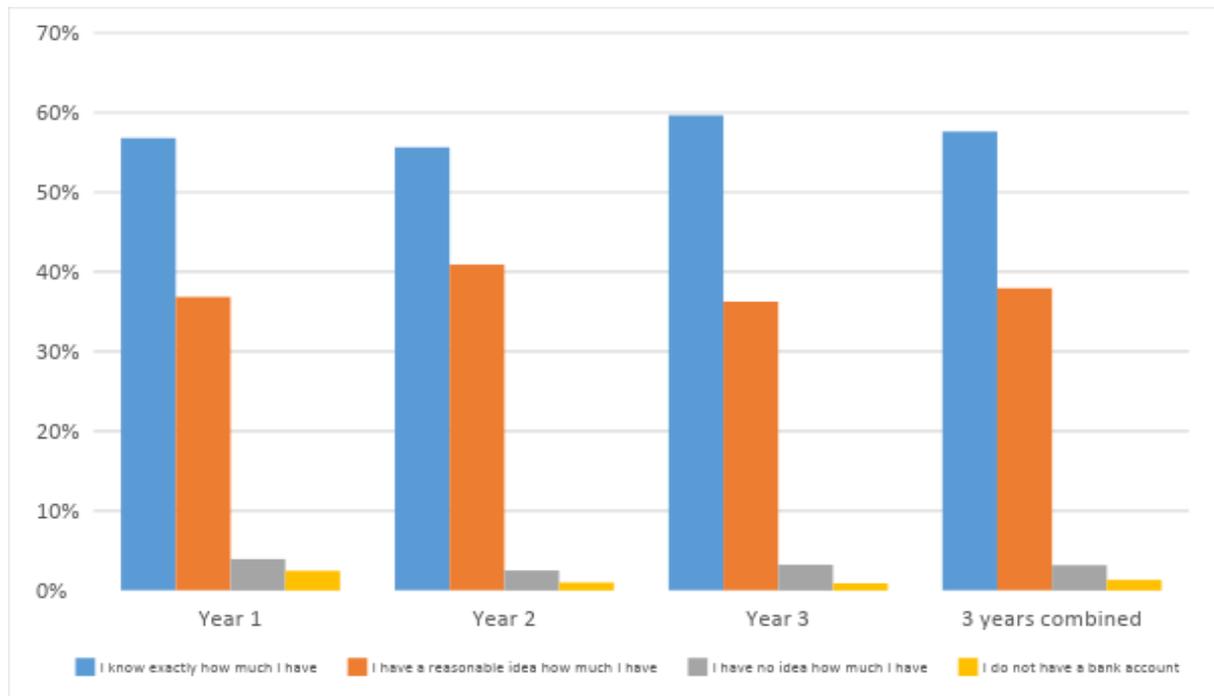


Respondents were also asked whether they knew how much they had in their main bank account with 58% saying they knew exactly how much they had in their account with a further 38% saying they had a reasonable idea. Only 3% said they had no idea of how much they had in their account.

This suggests very strongly that these credit union members are very diligent at keeping track of their finances. Without having access to members' bank accounts to check, it is difficult to say whether so many do indeed know exactly how much they have in their account.

By way of comparison, a survey by the Money Advice Service (MAS) found that 59% of working age consumers knew to within £50 how much they had in their bank account⁸.

Chart 10: Do you know how much you have in your main bank account?

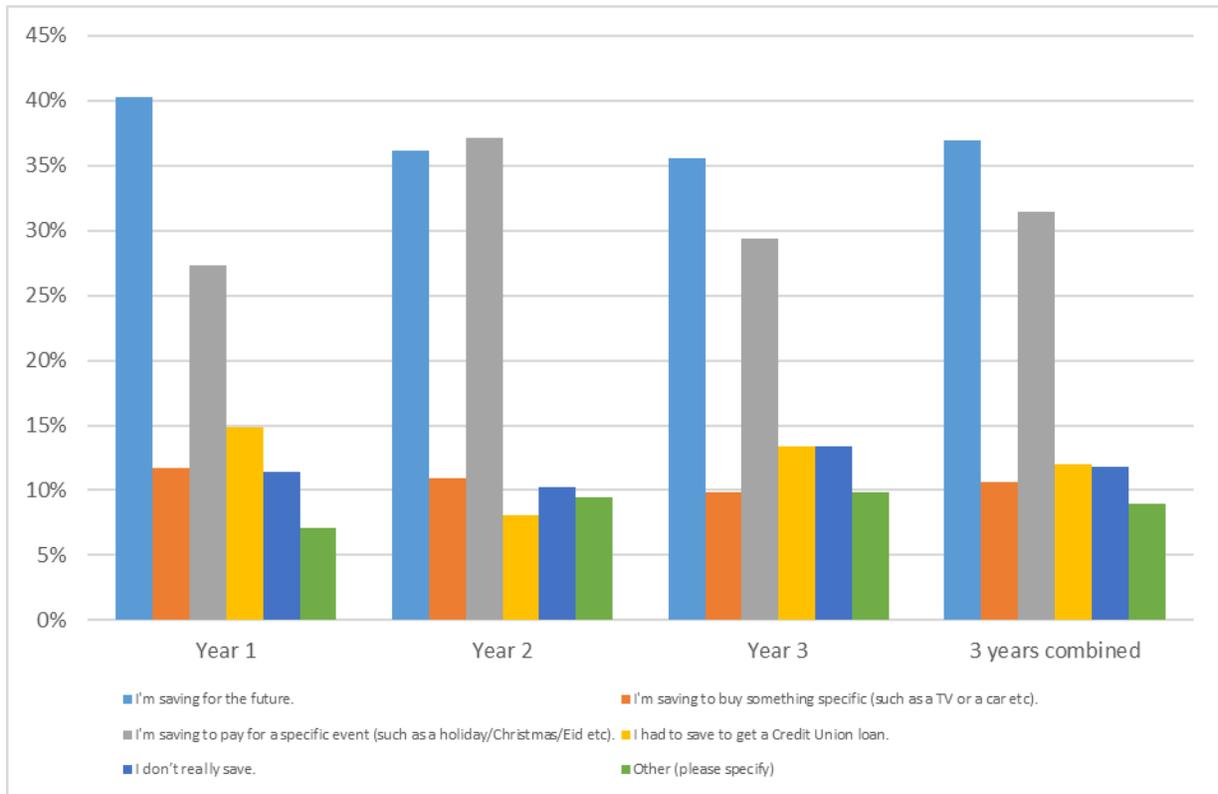


We asked respondents about how they used their savings account⁹. The single biggest answer (37%) given was ‘I’m saving for the future’. However, it is clear that a significant number of these credit union members use their account to save up for something specific rather than a general ambition to save for the future. Moreover, 31% said they were saving up for a specific event (such as a holiday) with a further 11% saving up for a specific thing (such as a TV).

⁸ The Money Advice Service, Financial Capability in the UK, 2015, Table 17

⁹ Note the percentages in this question will add up to more than 100% as respondents could chose more than one option

Chart 11: How do you use your savings account?



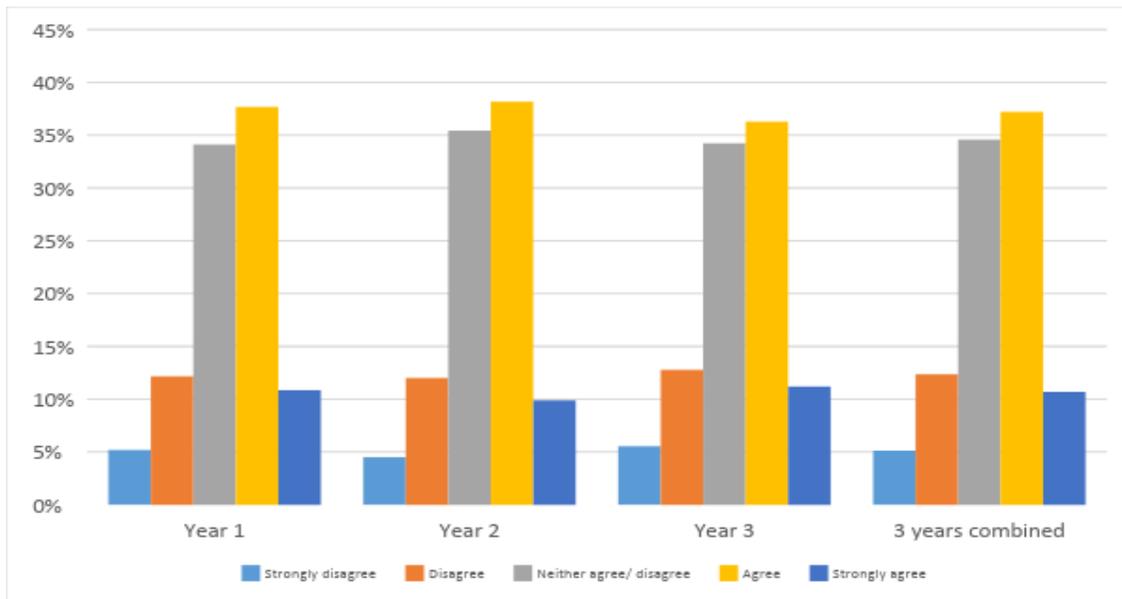
Financial planning

Next respondents were asked about preparing and sticking to a financial budget, providing an indication of member’s financial capability. As Chart 12 shows, 11% said they strongly agreed with the statement with 37% saying they agreed (a total of 48% saying they agreed or strongly agreed) compared to 17% said they disagreed or strongly disagreed.

As ever, care must be taken with self-reported responses. People don’t always do what they say and human nature being what it is means that some people will choose the response that makes them feel good about themselves (or makes them look good to others – even though the responses are confidential). Therefore, without access to actual data on respondents’ financial behaviours to verify answers, it is not possible to say with precision how many of them may have been overstating their diligence in preparing and sticking to a budget.

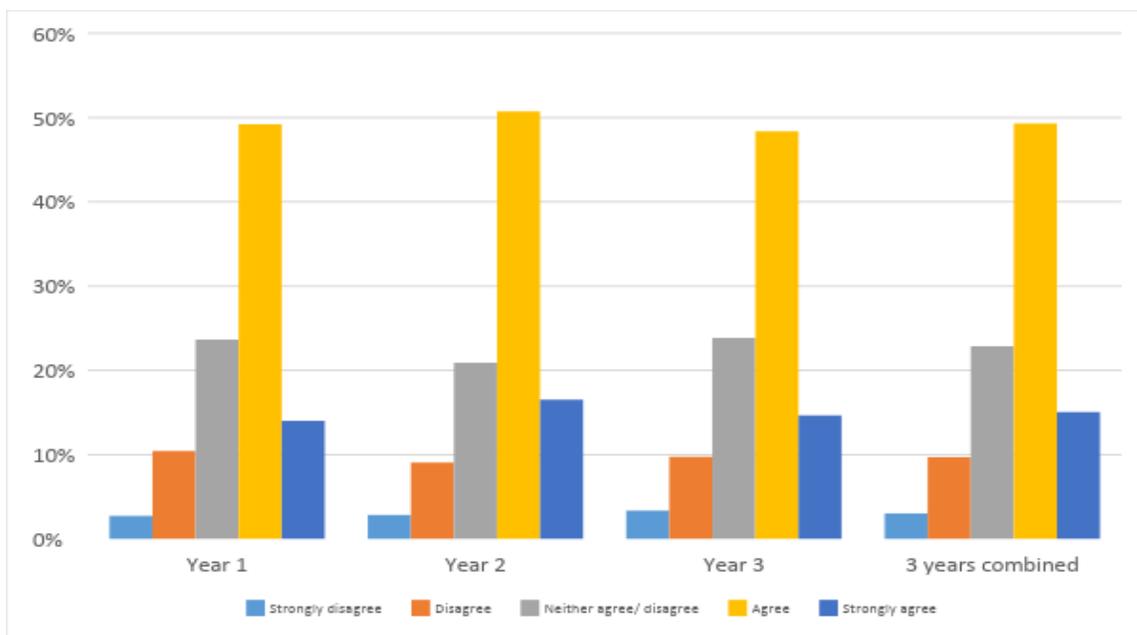
But, it is always sensible to discount positive responses and mentally knock a few points off the scores for strongly agree/ agree. This means that it is probably reasonable to assume that well under half are preparing and sticking to a budget.

Chart 12: I prepare a budget and stick to it



The responses to the next question were considerably more positive. Nearly two-thirds (64%) said they agreed or strongly agreed with the statement ‘I feel I have my finances under control’. This is an interesting finding as there is a significant difference in the numbers who say they feel they have their finances under control and those who say they prepare and stick to a budget. Of course, it is possible to have your finances under control without making a budget – if you have not been hit by any major financial shocks. But, it must be reasonable to assume that making a budget which includes saving up to provide a cushion would help consumers keep their finances under control.

Chart 13: I feel I have my finances under control



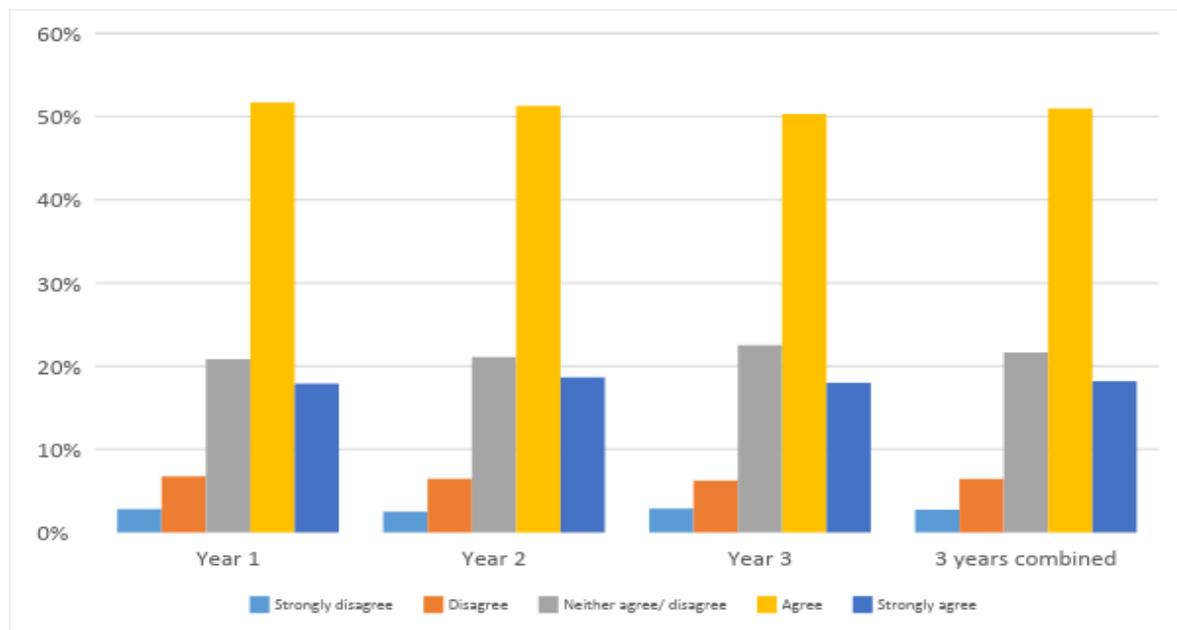
Self-reported financial capability

Confidence in dealing with money and making decisions

This next set of questions relates to how confident members feel when dealing with money, making decisions and talking about money.

First, members were asked how much they agreed or disagreed with the statement: 'I am confident in dealing with money matters'. Chart 14 shows that 69% said that they agreed (51%) or strongly agreed (18%), while only 9% said they disagreed (6%) or strongly disagreed (3%). On the face of it, this is very positive and suggests that a majority of respondents feel confident in dealing with money matters. But, as we show elsewhere, this confidence might not translate into making effective choices.

Chart 14: I am confident in dealing with money matters?



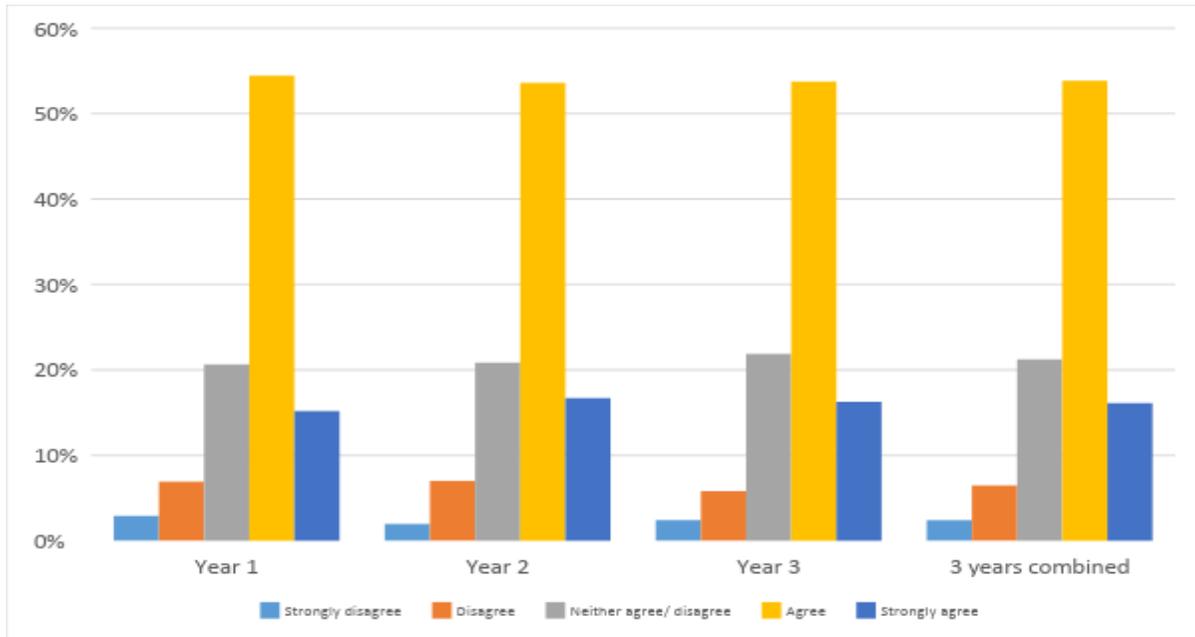
Next we asked about how confident respondents were in making decisions about financial products and services. As the chart below shows, again there was a very positive response. 70% said they strongly agreed (16%) or agreed (16%) that they were confident. Only 8% strongly disagreed (2%) or disagreed (6%) with the statement that they were confident on this factor.

In comparison, 24% of consumers who were surveyed as part of the FCA's Financial Lives Survey (page 14) said they had little or no confidence in managing their money. Whereas, a Money Advice Survey found that 58% of working age households said they were confident in managing money¹⁰, and 41% said they were confident in making a financial product/ service decision¹¹. It is important to note that the various surveys are not directly comparable. But, it seems safe to say that respondents from participating credit unions are not short of confidence compared to the general population.

¹⁰ The Money Advice Service, Financial Capability in the UK, 2015, Table 8, p26

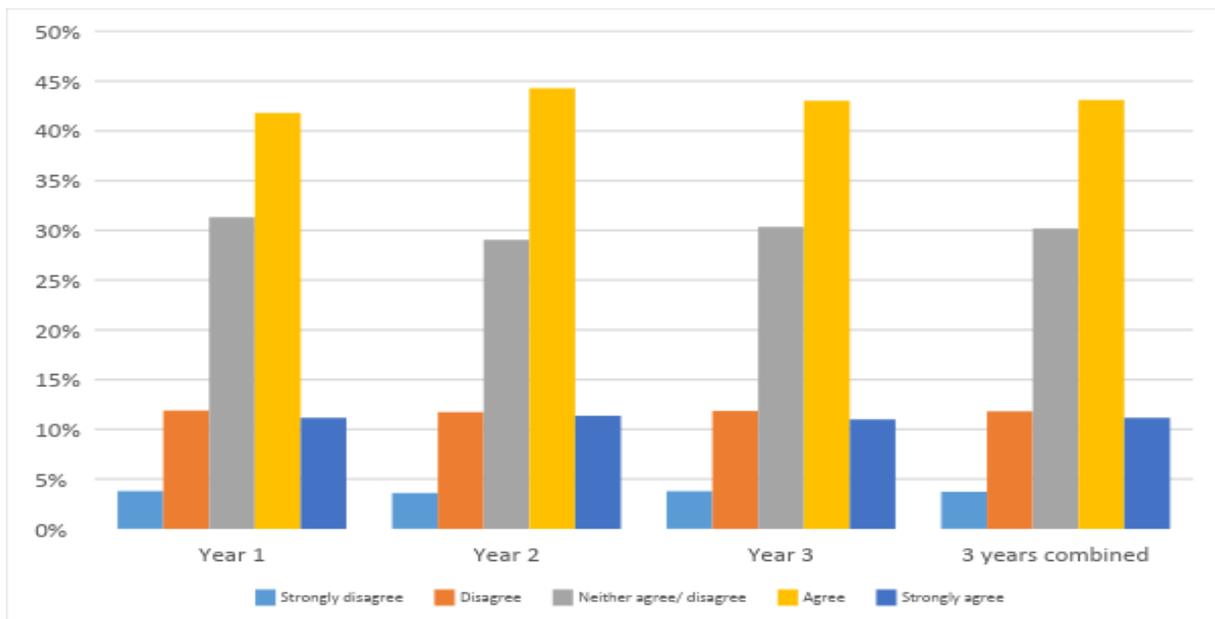
¹¹ The Money Advice Service, Financial Capability in the UK, 2015, Table 18, p51

Chart 15: I feel confident in making decisions about financial products and services?



We also asked whether respondents would be confident enough to help family and friends with money issues. The responses were again positive – but not as positive as for the questions above. A combined 54% either strongly agreed (11%) or agreed (43%) that they were confident enough to help family and friends with money issues. Furthermore, 16% strongly disagreed (4%) or disagreed (12%), with 30% neither agreeing nor disagreeing.

Chart 16: I feel confident enough to help my family and friends with money issues



Financial knowledge

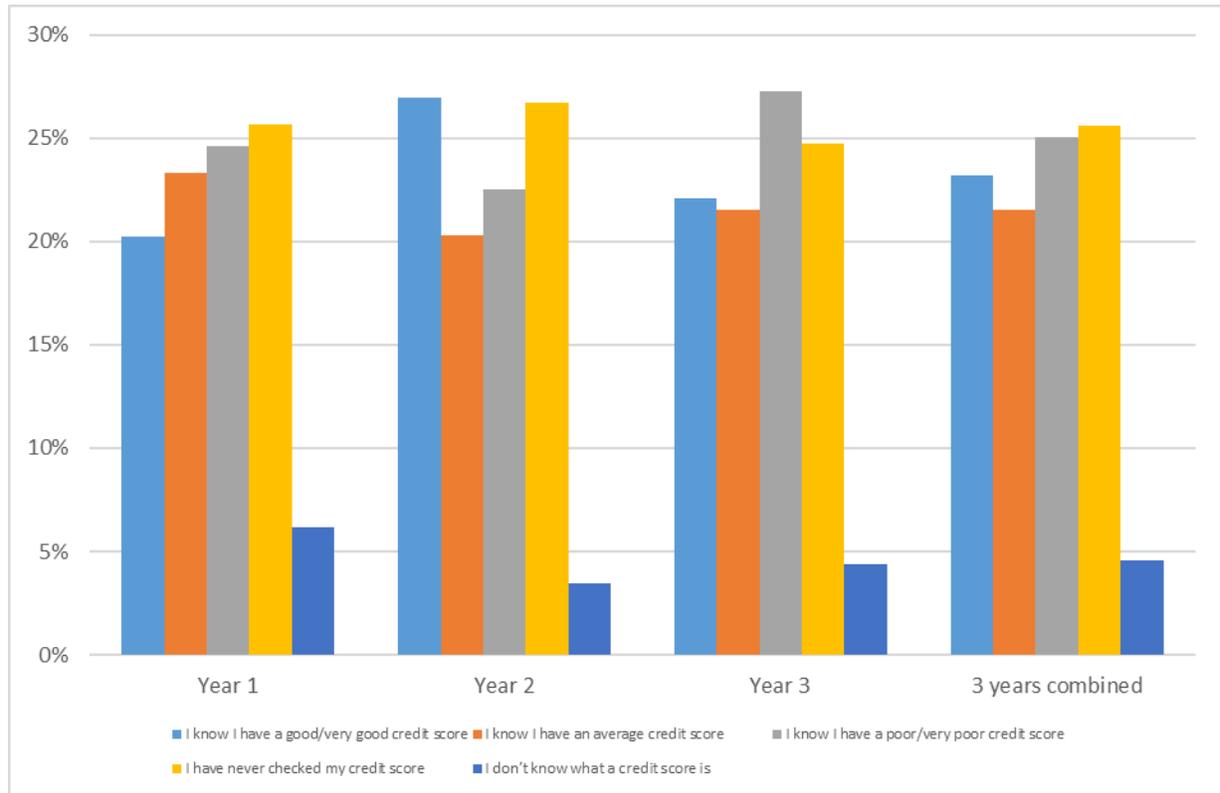
Credit scores

Credit scoring is very important in the modern financial world – a good credit score can help consumers get a good deal in the market, a poor credit score can cause consumers to be financial excluded or face discriminatory pricing. It is therefore important that consumers know about their credit rating so that if they do have a poor credit score they can work to repair it.

More than one in four (26%) respondents in this survey had never checked their credit score. Furthermore, 23% said they knew they had a good/ very good credit score, one in four (25%) said they had a poor/ very poor credit score and a further 22% saying they had an average credit score.

It is worth participating credit unions considering these findings further as this could be focus for financial capability interventions. Less than one in four respondents says they have a good or very good credit score. Nearly half of respondents says they have an average, poor or very poor credit score and with one in four never having checked their score, this suggests interventions to raise awareness and help members repair their score would be worthwhile.

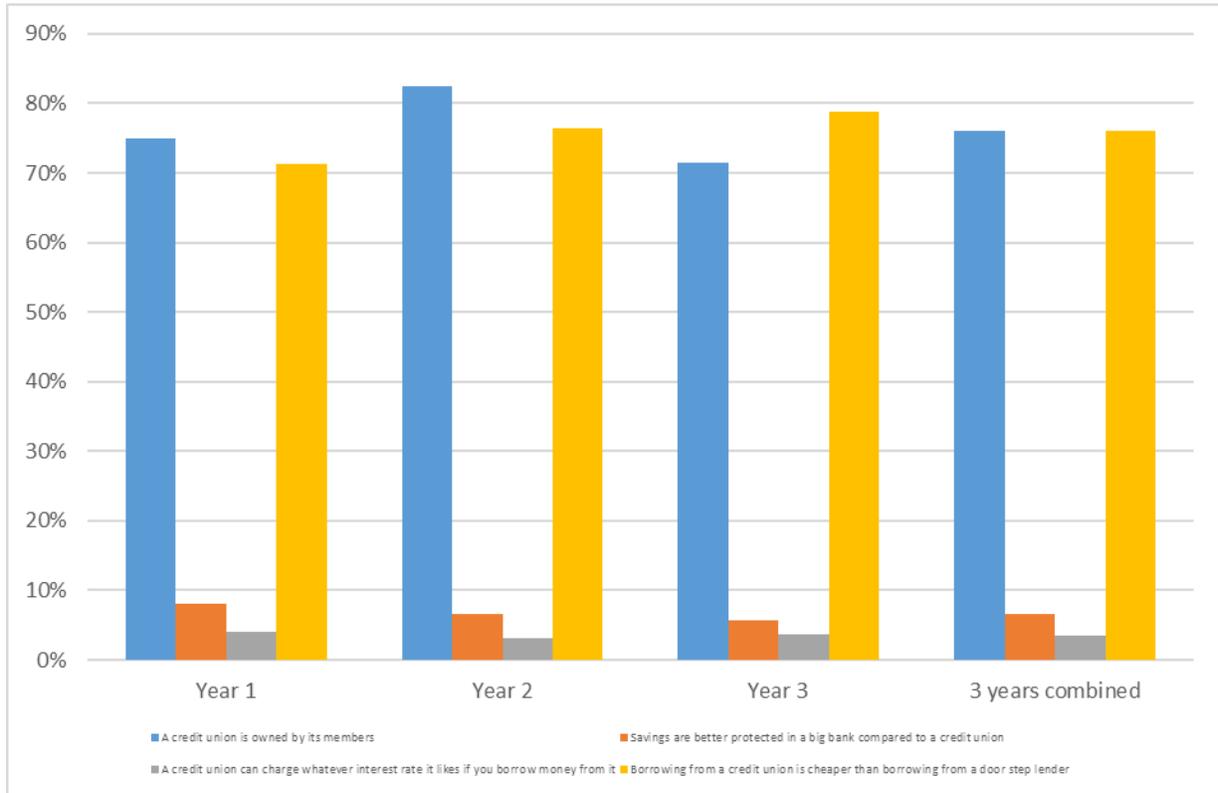
Chart 17: How much do you know about your credit score?



Knowledge of credit unions

A big majority of respondents (76%) knew that a credit union is owned by its members. Similarly, 76% agreed that borrowing from a credit union is cheaper than borrowing from a doorstep lender. But it is interesting that nearly one in four members didn't know about two of the key features that define credit unions.

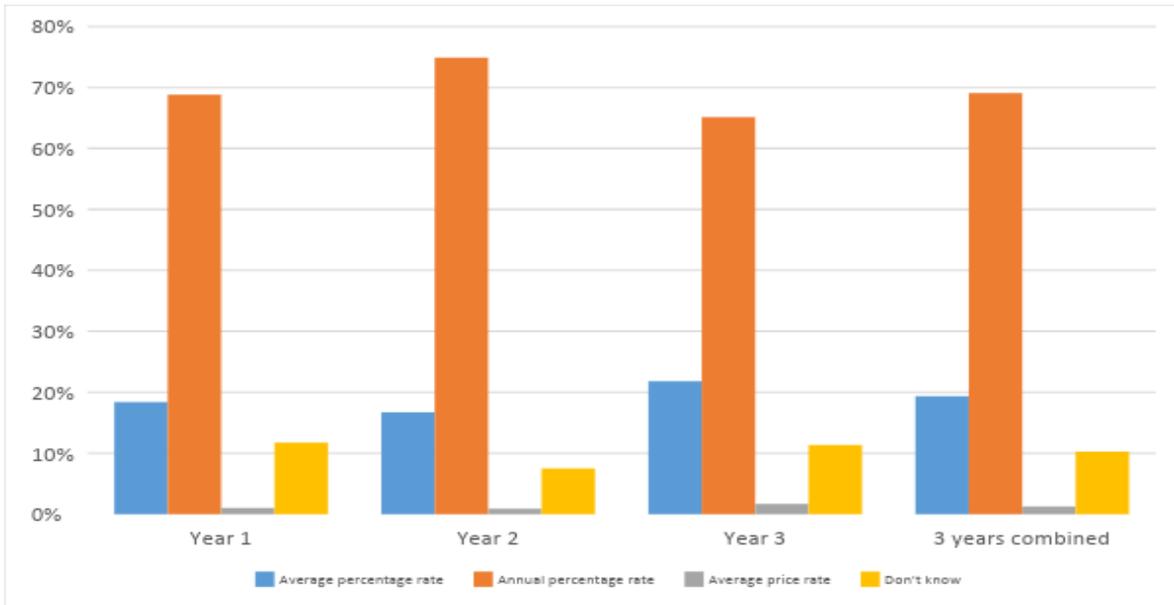
Chart 18: How much do you know about credit unions?



APR

Again, a big majority of respondents (69%) answered correctly when asked 'what does APR stand for?' But it is worth pointing out that 31% either got the answer wrong or didn't know the answer.

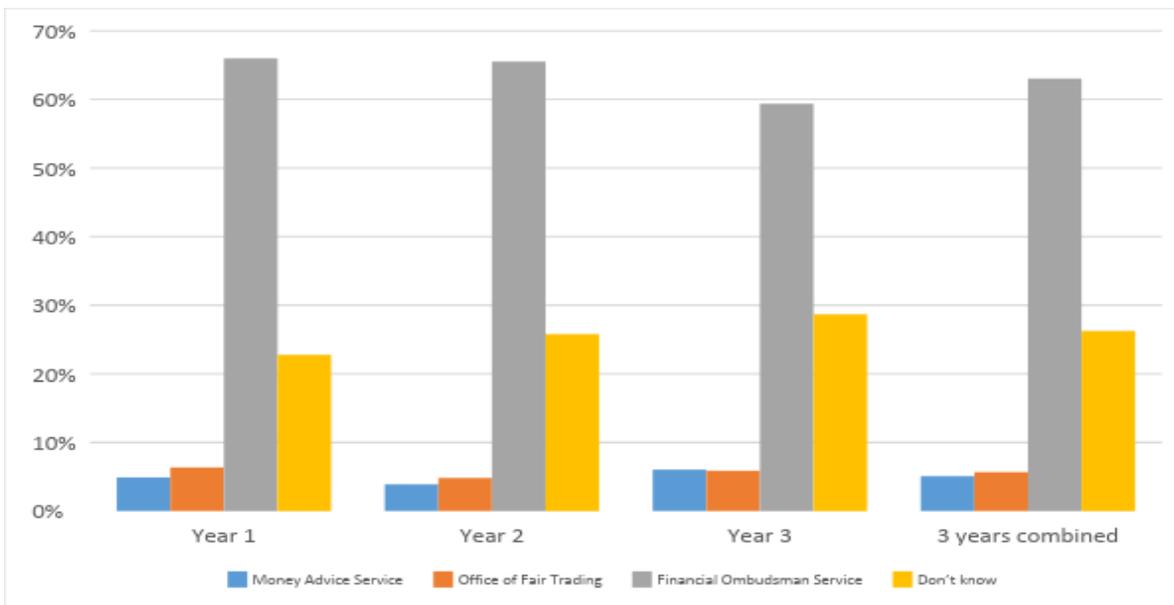
Chart 19: What does 'APR' stand for?



Consumer rights

It is important that if things go wrong, consumers are able to exercise their right to complain and, if necessary, get redress. But for that to happen, consumers have to know what their rights are and who they can take complaints to. In the UK, consumers can go to the Financial Ombudsman Service (FOS) if they are unhappy with the way a financial institution has dealt with their complaint. Of those responding, 63% of members knew that FOS is the organisation to complain to, leaving 37% who didn't know or got the wrong answer.

Chart 20: If you're unhappy about the way you are treated by your credit union, which organisation should you complain to?

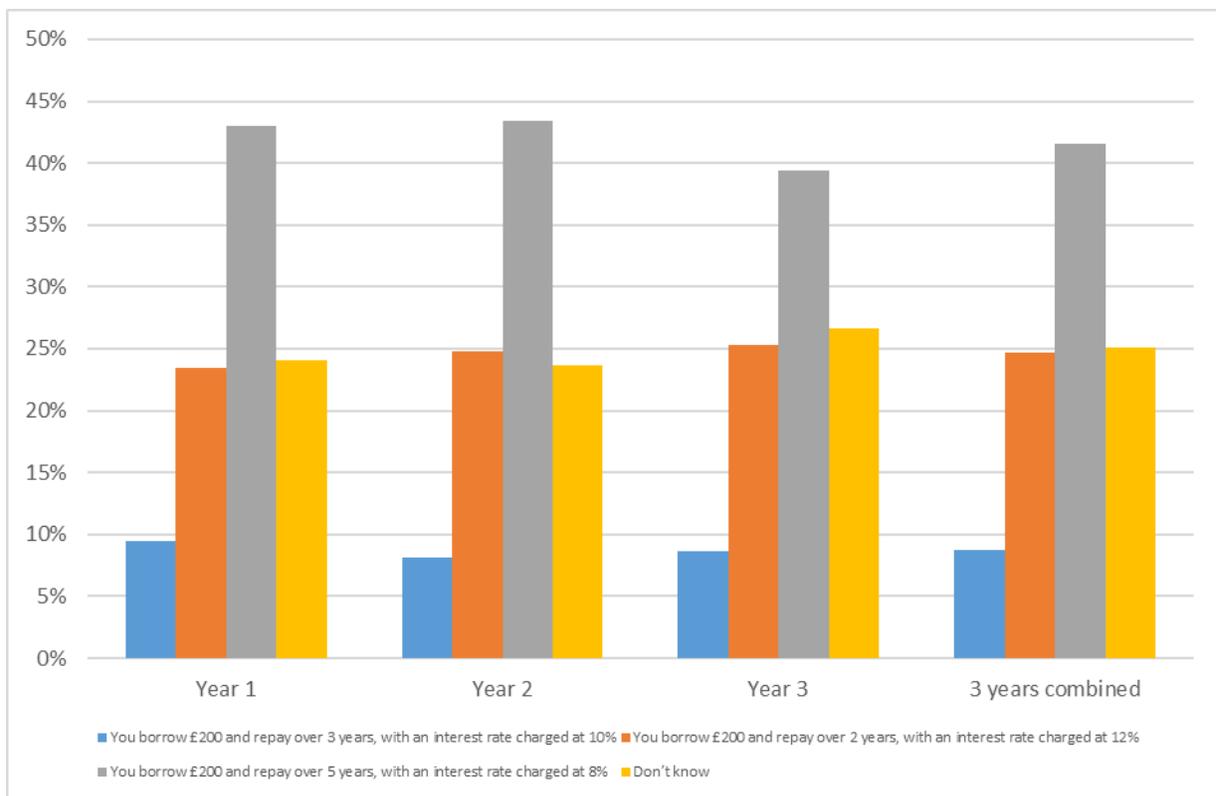


Working out the best deal

Self-reported¹² answers can be a useful gauge of financial capability. But the best test is direct factual questions which test consumers' knowledge and capability. It is important that when consumers are considering borrowing money, they can 'look through' the advertised deals to work out how much borrowing actually costs. To test members' ability to do this we asked them to work out which one of four deals would cost them the most in interest payments.

Interestingly, only 42% got the right answer when we tested them. This should be a cause for concern. Of course, we cannot make a direct comparison with the general population as we have not surveyed them. But, for context, 64% of consumers tested by the Money Advice Service correctly calculated the balance on their savings account after interest had been added, 60% were able to understand the effect of inflation on buying power¹³.

Chart 21: If you borrowed £200, which deal would cost you the most in interest payments?



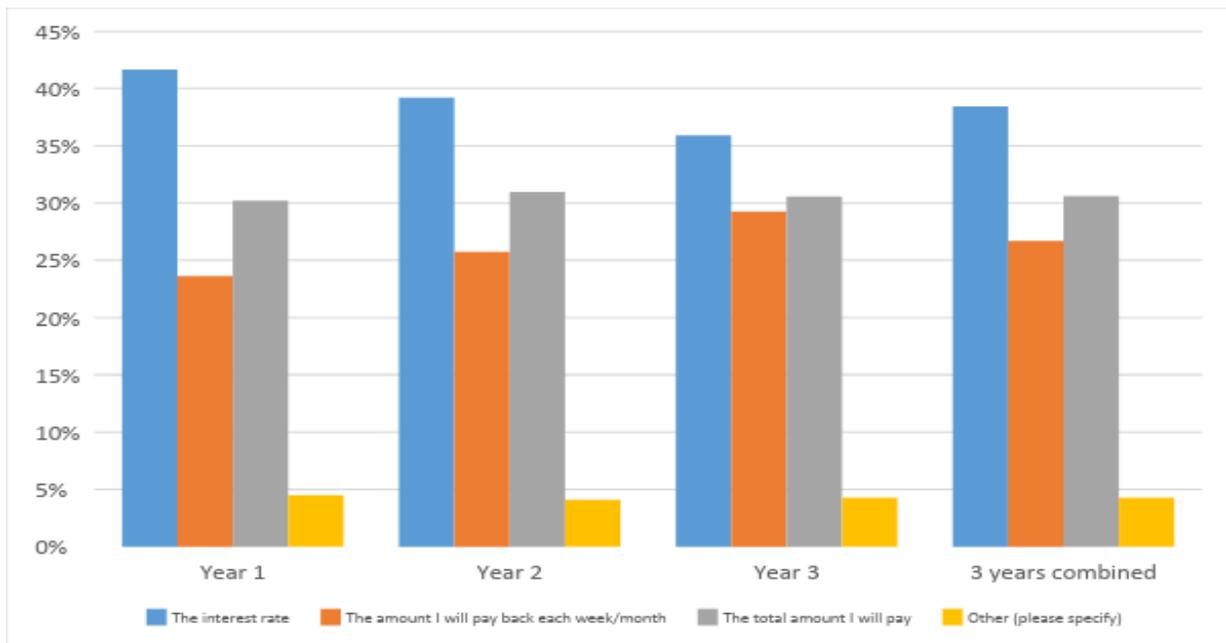
¹² Where consumers state how confident they feel, what their intentions are etc

¹³ The Money Advice Service, Financial Capability in the UK, 2015, Table 5

We also asked respondents what they thought was the most important thing to consider when taking out a loan. Of the four options we gave them, the most popular answer (38%) was the interest rate.

Technically speaking the ‘correct’ answer is the total amount to be paid back (chosen by 31% of respondents). It is important that borrowers understand that the total cost of a loan can include not just the interest charged but fees and other costs (the APR incorporates all costs). Finally, 27% chose the ‘amount I will pay back each month/ week’. While this is not a ‘wrong’ answer *per se*, it may well be that for many people, the most important thing is to understand the weekly/ monthly commitment thus providing a sense of control.

Chart 22: When thinking about taking out a loan, what is the most important thing to consider?



Conclusion

There are a number of standout points from this large scale survey of credit union members. The most obvious is the high regard in which participating credit unions are held by their members – a very large majority were satisfied with their credit union, the services provided and customer service, and would recommend the credit union to a friend. This should provide a strong platform for these credit unions to build on in their local community with the support of the programme.

If these participating credit unions are representative of the wider credit union movement, then this would also suggest that these community-based financial cooperatives are extremely popular with their memberships. The question is whether credit unions can turn what appears to be a well of good will into wider appreciation and sustainable growth.

A majority of respondents in the survey had taken out a loan from their credit union rather than just opened a savings account. This translates into significant *numbers* of loans having been made. This suggests that if there is a challenge in generating sufficient revenue to make credit unions sustainable, it may be more to do with the value of loans, creating economies of scale, and improving efficiency to reduce unit costs, not so much getting members to take out loans *per se*. It would also point to the need to focus on broadening the appeal of credit union and diversifying the membership base to increase the number of higher income households that might require larger value loans (such as car loans, holiday loans).

Of the respondents, 11% had been turned down for a loan. If that proportion is representative of the wider credit union population, this would suggest that approximately 180,000 members have been refused a loan. This could, of course, be an underestimate. Presumably many people who are still members and refused a loan might not have been willing to participate in the research, or have stopped being a member if refused a loan. So, the numbers refused a loan across the sector may be bigger than we have estimated. It would be interesting to know what happens to people who are turned down for a credit union loan. Is there a strategy for supporting this group of clearly financially excluded people; do they receive support (for example, helping them to restore or repair their financial position)?

A large majority of respondents reported very positive financial behaviours – keeping track of finances, knowing how much they have in their savings and bank accounts, and making a budget and sticking to it. Moreover, looking at financial capability measures, again credit union members who took part in this survey do seem to score well compared to the general population - saying they feel they have their finances under control and are confident in dealing with money matters. We can't reiterate enough that care must be taken with self-reported data, but looking at comparative data on the general population these results are encouraging and can be built on.

But, analysis of the questions on actual financial knowledge (rather than self-reported answers), paints a much more mixed picture. A large proportion of respondents either got the wrong answer, or didn't know the answer, to the questions which directly tested financial knowledge. A particular concern is the number of respondents who were not able to choose the best deal on a loan, or were unsure about what to consider when taking out a loan. This should be an area of focus for financial capability and awareness raising interventions.

Nevertheless, this analysis suggests that credit unions in this programme should in theory be able to thrive. They are held in high regard by their members, customer service generates high levels of satisfaction, and large *numbers* of loans are being made. Credit union members seem to score well in terms of self-reported financial behaviour and capability scores compared to the wider population – so that does not seem to present a barrier to success.

Similarly, if these credit unions are representative, these results would suggest that the wider credit union sector has many positive attributes which should allow it to thrive. But, and it is a big but, it is clear the impact of credit unions (particularly in England and Wales) in meeting the needs of consumers and local communities has so far been marginal to say the least.

We hope the findings from this large scale analysis is helpful to credit unions in the wider sector, policymakers, and other civil society organisations which have an interest in promoting a thriving community based lending sector.

Appendix

Appendix 1 – Summary of participating Credit Unions

Year 1 Credit Unions:



Bradford and District Credit Union

Ground floor, City Hall, Centenary Square, Bradford, BD1, 1HY
Region: Yorkshire and the Humber
Website: www.bdcu.co.uk
Membership size: 6,000



City of Plymouth Credit Union

14 Cumberland Street, Devonport, Plymouth PL1 4DX
Region: South West
Website: www.cpcu.co.uk
Membership size: 2,850



CitySave Credit Union

16 Waterloo Street, Birmingham, B2 5UG
Region: West Midlands
Website: www.citysave.org.uk
Membership size: 8,500



Gloucestershire Credit Union

Gloucester Library, Brunswick Road, Gloucester, GL1 1HT
Region: South West
Website: www.gloscreditunion.org.uk
Membership size: 600



Hoot Credit Union

53-55 Victoria Square, Bolton BL1 1RZ
Region: North West
Website: www.wisewithmoney.org.uk
Membership size: 3,250



London Community Credit Union

473 Bethnal Green Road, London, E2 9QH

Region: London

Website: www.londoncu.com

Membership size: 12,000



Unify Credit Union

21 Compton Street, Wigan, WN1 1BN

Region: North West

Website: www.unifycu.org

Membership size: 8,500



West Lothian Credit Union

57a The Centre, Livingston, EH54 6NB

Region: Scotland

Website: www.westlothiancreditunion.co.uk

Membership size: 2,840



WHITEHAVEN, EGREMONT & DISTRICT

CREDIT UNION

Whitehaven Egremont & District Credit Union

24 James Street, Whitehaven, Cumbria, CA28 7HZ

Region: North West

Website: www.wedcu.co.uk

Membership size: 3,060

Year 2 Credit Unions:



Blackburn Seafield & District Credit Union
10 Sycamore Walk, Blackburn, West Lothian, EH47 7LS
Region: Scotland
Website: www.bsdcreditunion.co.uk
Membership size: 1,575



Hull and East Yorkshire Credit Union
38 Brook Street, Hull, HU2 8LA
Region: Yorkshire and the Humber
Website: www.hullandeycu.co.uk
Membership size: 12,250



Grampian Credit Union
224 Holburn Street, Aberdeen, AB10 6DB
Region: Scotland
Website: www.grampiancreditunion.co.uk
Membership size: 4,585



Kernow Credit Union
The Chambers, Penryn Street, Redruth, TR15 2SP
Region: South West
Website: www.kernowcreditunion.co.uk
Membership size: 1,760



Lincolnshire Credit Union
City Hall, Beaumont Fee, Lincoln, LN1 1DD
Region: East Midlands
Website: www.lincupcu.org
Membership size: 2,780



Manx Credit Union
Nadine House, 13 North Quay, Douglas, IM1 4LE
Region: Isle of Man
Website: www.mcu.im
Membership size: 0 (new credit union)



Pioneer Credit Union

18 Brentnall St, Middlesbrough TS1 5AP

Region: North East

Website: www.pioneercu.org.uk

Membership size: 1,900

Salford Credit Union

Brotherton House, 1 Loganberry Ave, Salford M6 5UX

Region: North West

Website: www.salfordcreditunion.com

Membership size: 3,465

Tees Credit Union

38/40 Dovecot Street, Stockton on Tees, TS18 1LN

Region: North East

Website: www.teescreditunion.co.uk

Membership size: 1,200

Warrington Credit Union

St Margarets Community Centre, Lindley Avenue, WA4 1QB

Region: North West

Website: www.warringtoncreditunions.co.uk

Membership size: 605

Year 3 Credit Unions:



Advance Credit Union

200 Sutton New Road, Birmingham B23 6QU

Region: West Midlands

Website: www.advancecu.org.uk

Membership size: 4,046



Derbyshire Community Bank (Erwash Credit Union)

38 Cornmarket, Derby, Derbyshire DE1 2DG

Region: East Midlands

Website: www.dcbank.org.uk

Membership size: 2,885



Eden & South Lakeland Credit Union

34 Devonshire Arcade, Penrith CA11 7SX

Region: North West

Website: www.edensouthlakeland.com

Membership size: 531



Falkirk & District Credit Union

4 Station Road, Grangemouth, Scotland, FK3 8DG

Region: Scotland

Website: www.falkirkcreditunion.co.uk

Membership size: 2,201



First Choice Credit Union

Credit Union House, 10 Manchester Road, Rossendale, BB4 5ST

Region: North West

Website: www.firstchoicecu.net

Membership size: 1,300



Hannahstown Credit Union

299 Glen Road, Belfast Northern Ireland. BT11 8AZ

Region: Northern Ireland

Website: www.hannahstowncu.co.uk

Membership size: 3,226



Lewisham Plus Credit Union

262 Kirkdale, Sydenham, London SE26 4RS

Region: London

Website: www.lewishampluscu.co.uk

Membership size: 10,095



Moneywise Credit Union

187-189 Shields Road, Newcastle upon Tyne NE6 1DP

Region: North East

Website: www.moneywise.org.uk

Membership size: 5,778



Prince Bishops Community Bank (Credit Union)

57-61 Lenin Terrace, Stanley DH9 6LW

Region: North East

Website: www.princebishopscommunitybank.org.uk

Membership size: 2,064



Suffolk Credit Union

Endeavour House 8 Russell Road IPSWICH IP1 2BX

Region: East of England

Website: www.suffolkcreditunion.org.uk

Membership size: 541

Appendix 2 – Membership Survey

MEMBER SURVEY 2017

The credit union is always looking for ways to improve our services and better support our members. We are therefore undertaking this survey to help measure the progress that is made.

It should only take a few minutes to complete.

Every member who completes the survey will be entered into a prize draw to win a £50 shopping voucher. You MUST provide your member number or name/contact details to be eligible for entry below:



Member number:

Or

Name: Contact number:

Please note all your answers will be treated as completely confidential and any personal details will only be used to notify the winner of the prize draw and NOT to identify you to your answers.

QUESTIONS ABOUT YOUR CREDIT UNION MEMBERSHIP

1. What is your gender (Please tick one answer)

<input type="checkbox"/>	Male	<input type="checkbox"/>	Female
--------------------------	------	--------------------------	--------

2. What is your age? (Please tick one answer)

<input type="checkbox"/>	18 to 24	<input type="checkbox"/>	55 to 64
<input type="checkbox"/>	25 to 34	<input type="checkbox"/>	65 to 74
<input type="checkbox"/>	35 to 44	<input type="checkbox"/>	75 or older
<input type="checkbox"/>	45 to 54	<input type="checkbox"/>	

3. How many years have you been a member of the credit union?

<input type="text"/>	years
----------------------	-------

4. In the last 2 years, which of the following credit union services have you used? (Please tick all answers that apply)

<input type="checkbox"/>	Savings account	<input type="checkbox"/>	Current account
<input type="checkbox"/>	A loan	<input type="checkbox"/>	Other (please say):

5. Have you ever been turned down for a loan from the credit union?

<input type="checkbox"/>	Yes	<input type="checkbox"/>	Never applied for a loan with the CU
<input type="checkbox"/>	No	<input type="checkbox"/>	

YOUR VIEWS ON YOUR CREDIT UNION

6. Would you say your credit union provides good value products? (Please circle one answer)

1	2	3	4	5
No, very poor value	No, poor value	OK, but could be better	Yes, good value	Yes, very good value

7. What do you think of your credit union's customer service? (Please circle one answer)

1	2	3	4	5
Very poor	Poor	Fair	Good	Very good

8. If you applied for a loan in the last 2 years, how did you find the application process? (Please circle one answer)

1	2	3	4	5
Very poor	Poor	Fair	Good	Very Good

9. If you applied for a loan in the last 2 years, did you understand how the decision about your loan was made? (Please circle one answer)

1	2	3	4	5
No, it was very unclear	No, it was unclear	I understood it but could have been clearer	Yes, it was clear enough	Yes, it was very clear

10. Overall, how satisfied are you with the credit union?

1	2	3	4	5
Not at all satisfied	Slightly satisfied	Moderately satisfied	Very satisfied	Extremely satisfied

11. How likely is it that you would recommend the Credit Union to a friend or family member?

1	2	3	4	5
Very unlikely	Unlikely	Neither likely or unlikely	Likely	Very likely

FINANCIAL ATTITUDES AND KNOWLEDGE

12. If you have a credit union savings account, do you know how much is in it? (Please tick one answer)

<input type="checkbox"/>	I always know exactly how much I have in my savings account	<input type="checkbox"/>	I usually have no idea how much I have in my savings account
<input type="checkbox"/>	I usually have a rough idea of how much I have in my savings account	<input type="checkbox"/>	Not applicable - I don't have a savings account

13. How do you use your saving account? (Please tick all the answers that apply)

<input type="checkbox"/>	I'm saving for the future.	<input type="checkbox"/>	I'm saving to buy something specific such as a TV or a car etc.
<input type="checkbox"/>	I had to save to get a CU loan.	<input type="checkbox"/>	I don't really save.
<input type="checkbox"/>	I'm saving to pay for an event such as holiday/Christmas/Eid etc.	<input type="checkbox"/>	Other (please specify):

14. How would you best describe your attitude to saving? (Please tick one answer)

<input type="checkbox"/>	I try to save some money each week/month	<input type="checkbox"/>	I save the odd amount as and when I can
<input type="checkbox"/>	I save weekly/monthly as a priority	<input type="checkbox"/>	I don't really think about saving
<input type="checkbox"/>	I never have enough money left over to save	<input type="checkbox"/>	

15. When you're thinking about buying something more expensive than normal (for example, a TV, paying for a holiday) how do you usually pay for it? (Please tick one answer)

<input type="checkbox"/>	I usually save up for it	<input type="checkbox"/>	I often borrow the money for it
<input type="checkbox"/>	I try to make sure I have enough money in my bank / savings account	<input type="checkbox"/>	Other (please specify):

16. Do you know how much money you have in your main bank account (this could be your with bank, building society, Post Office or credit union)

<input type="checkbox"/>	I know exactly how much I have	<input type="checkbox"/>	I have no idea how much I have
<input type="checkbox"/>	I have a reasonable idea how much I have	<input type="checkbox"/>	I do not have a bank account

17. How much do you know about your credit score? (please tick one answers)

<input type="checkbox"/>	I know I have a good/very good credit score	<input type="checkbox"/>	I have never checked my credit score
<input type="checkbox"/>	I know I have an average credit score	<input type="checkbox"/>	I don't know what a credit score is
<input type="checkbox"/>	I know I have a poor/very poor credit score	<input type="checkbox"/>	

18. What do you know about Credit Unions? (Please tick all the statements you think are correct)

<input type="checkbox"/>	A credit union is owned by its members	<input type="checkbox"/>	Savings are better protected in a big bank compared to a credit union
<input type="checkbox"/>	A credit union can charge whatever interest rate it likes if you borrow money from it	<input type="checkbox"/>	Borrowing from a credit union is cheaper than borrowing from a door step lender

19. If you look at advertisements for loans, you will see the term APR used. What does APR stand for? (Please tick the correct answer)

<input type="checkbox"/>	Average percentage rate	<input type="checkbox"/>	Average price rate
<input type="checkbox"/>	Annual percentage rate	<input type="checkbox"/>	Don't know

20. When you are deciding which loan to take from which lender, what do you consider the most important? (Please tick one answer)

<input type="checkbox"/>	The interest rate	<input type="checkbox"/>	The total amount I will pay
<input type="checkbox"/>	The amount I will pay back each week/month	<input type="checkbox"/>	Other (please specify):

21. If you borrowed £200, which deal would cost you the most in interest payments? (Please tick the correct answer)

<input type="checkbox"/>	You borrow £200 and repay over 3 years, with an interest rate charged at 10%	<input type="checkbox"/>	You borrow £200 and repay over 2 years, with an interest rate charged at 12%
<input type="checkbox"/>	You borrow £200 and repay over 5 years, with an interest rate charged at 8%	<input type="checkbox"/>	Don't know

22. If you're unhappy about the way you are treated by your credit union, which organisation should you complain to? (Please tick the correct answer)

<input type="checkbox"/>	Money Advice Service	<input type="checkbox"/>	Office of Fair Trading
<input type="checkbox"/>	Financial Ombudsman Service	<input type="checkbox"/>	Don't know

How much do you agree with the following statements? (Please circle one answer)

23. I prepare a weekly or monthly budget and stick to it

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1 Strongly disagree	2 Disagree	3 Neither agree/ disagree	4 Agree	5 Strongly agree

24. I am confident when dealing with money matters

1	2	3	4	5
Strongly disagree	Disagree	Neither agree/ disagree	Agree	Strongly agree

25. I feel confident in making decisions about financial products and services

1	2	3	4	5
Strongly disagree	Disagree	Neither agree/ disagree	Agree	Strongly agree

26. I feel I have my finances under control

1	2	3	4	5
Strongly disagree	Disagree	Neither agree/ disagree	Agree	Strongly agree

27. I feel confident enough to help my family and friends with money issues

1	2	3	4	5
Strongly disagree	Disagree	Neither agree/ disagree	Agree	Strongly agree

END OF SURVEY – THANK YOU VERY MUCH FOR YOUR HELP

Appendix 3 – Data tables

The following tables provide the underlying data for the charts in the report including numbers who responded and skipped the question.

1. In the last 2 years, which of the following credit union services have you used?				
	Year 1	Year 2	Year 3	Combined
Savings account	83%	83%	73%	79%
Current account	26%	40%	10%	24%
A loan	47%	11%	56%	39%
Other	11%	7%	13%	11%
Answered	3,100	3,979	5,273	12,352
Skipped	0	0	0	0

2. Have you ever been turned down for a loan from the credit union?				
	Year 1	Year 2	Year 3	Combined
Yes	12%	10%	11%	11%
No	59%	53%	65%	59%
Never applied for a loan with the Credit Union	30%	37%	25%	30%
answered question	3,100	3,979	5,101	12,180
skipped question	0	0	162	0

3. Would you say your credit union provides good value services?				
	Year 1	Year 2	Year 3	Combined
No, very poor value	1%	1%	1%	1%
No, poor value	2%	1%	0%	0%
OK, but could be better	18%	11%	10%	10%
Yes, good value	39%	38%	38%	38%
Yes, very good value	39%	50%	50%	50%
Answered	3,100	3,927	5,155	12,182
Skipped	0	52	118	170

4. What do you think of your credit union's customer service?				
	Year 1	Year 2	Year 3	Combined
Very poor	1%	1%	1%	1%
Poor	4%	1%	1%	2%
Fair	17%	10%	10%	12%
Good	37%	35%	32%	34%
Very good	41%	54%	56%	51%
Answered	3,068	3,927	5,155	12,150
Skipped	32	52	118	202

5. If you applied for a loan in the last 2 years, how did you find the application process?				
	Year 1	Year 2	Year 3	Combined
Very poor	1%	0%	1%	1%
Poor	3%	2%	1%	2%
Fair	8%	5%	7%	6%
Good	15%	12%	14%	14%
Very good	27%	25%	39%	32%
Have not applied for a loan in the last 2 years	44%	56%	38%	46%
Answered	3,068	3,927	5,155	12,150
Skipped	32	52	118	202
Excluding those who did not apply for a loan in last two years				
	Year 1	Year 2	Year 3	Combined
Very poor	3%	0%	1%	1%
Poor	5%	4%	2%	3%
Fair	15%	11%	11%	12%
Good	28%	26%	23%	25%
Very good	49%	58%	63%	58%

6. If you applied for a loan in the last 2 years, did you understand how the decision about the loan was made?				
	Year 1	Year 2	Year 3	Combined
No, it was very unclear	2%	1%	1%	1%
No, it was unclear	4%	2%	2%	3%
I understood it but could have been clearer	8%	4%	5%	5%
Yes, it was clear enough	19%	13%	20%	17%
Yes, it was very clear	22%	25%	33%	28%
Have not applied for a loan in the last 2 years	44%	56%	38%	46%
Answered	3,068	3,927	5,155	12,150
Skipped	32	52	118	202
Excluding those who did not apply for a loan in last two years				
	Year 1	Year 2	Year 3	Combined
No, it was very unclear	3%	1%	2%	2%
No, it was unclear	8%	4%	4%	5%
I understood it but could have been clearer	15%	9%	8%	10%
Yes, it was clear enough	34%	30%	32%	32%
Yes, it was very clear	40%	56%	54%	51%

7. Overall, how satisfied are you with the credit union?				
	Year 1	Year 2	Year 3	Combined
Extremely satisfied	41%	41%	48%	44%
Very satisfied	38%	36%	36%	37%
Moderately satisfied	15%	13%	12%	14%
Slightly satisfied	3%	5%	3%	4%
Not at all satisfied	2%	5%	1%	2%
Answered question	5,539 ¹⁴	3,927	5,155	14,621
Skipped question	111	52	118	281

8. How likely is it that you would recommend the Credit Union to a friend or family member?				
	Year 1	Year 2	Year 3	Combined
Very unlikely	10%	9%	9%	10%
Unlikely	1%	1%	1%	1%
Neither likely or unlikely	6%	5%	5%	5%
Likely	24%	24%	20%	23%
Very likely	58%	61%	65%	61%
Answered question	5,516	3927	5155	14598
Skipped question	103	52	118	273

9. If you have a credit union savings account, do you know how much is in it?				
	Year 1	Year 2	Year 3	Combined
I always know exactly how much I have in my savings account	35%	30%	29%	31%
I usually have a rough idea of how much I have in my savings account	46%	48%	53%	49%
I usually have no idea how much I have in my savings account	14%	15%	13%	14%
Not applicable - I don't have a savings account	5%	7%	5%	6%
Answered	2915	3783	4788	11486
Skipped	185	196	485	866

10. How do you use your saving account?				
	Year 1	Year 2	Year 3	Combined
I'm saving for the future.	40%	36%	36%	37%
I'm saving to buy something specific (such as a TV).	12%	11%	10%	11%
I'm saving for a specific event (such as a holiday).	27%	37%	29%	31%
I had to save to get a Credit Union loan.	15%	8%	13%	12%
I don't really save.	11%	10%	13%	12%
Other (please specify)	7%	9%	10%	9%
Answered	2947	3783	4788	11518
Skipped	153	196	485	834

¹⁴ Note that, for questions 7 and 8, in the year one results we used the post intervention data as this question wasn't asked at the pre intervention stage.

11. How would you best describe your attitude to saving?				
	Year 1	Year 2	Year 3	Combined
I save the odd amount as and when I can	18%	18%	23%	20%
I try to save some money regularly each week/month	42%	44%	38%	41%
I save weekly/monthly as a priority	27%	27%	22%	25%
I don't really think about saving	5%	5%	7%	6%
I never have enough money left over to save	8%	6%	9%	8%
Answered	2915	3783	4788	11486
Skipped	185	196	485	866

12. When you're thinking about buying something more expensive than normal - how do you usually pay for it?				
	Year 1	Year 2	Year 3	Combined
I usually save up for it	41%	41%	40%	40%
I try to make sure I have enough money in my bank / savings account	33%	36%	33%	34%
I often borrow the money for it	21%	18%	22%	21%
Other (please specify)	5%	5%	5%	5%
Answered	2915	3783	4788	11486
Skipped	185	196	485	866

13. Do you know how much money you have in your main bank account?				
	Year 1	Year 2	Year 3	3 years combined
I know exactly how much I have	57%	56%	60%	58%
I have a reasonable idea how much I have	37%	41%	36%	38%
I have no idea how much I have	4%	3%	3%	3%
I do not have a bank account	2%	1%	1%	1%
Answered	2915	3783	4788	11486
Skipped	185	196	485	866

14. I prepare a weekly or monthly budget and stick to it				
	Year 1	Year 2	Year 3	Combined
Strongly disagree	5%	5%	6%	5%
Disagree	12%	12%	13%	12%
Neither agree/ disagree	34%	35%	34%	35%
Agree	38%	38%	36%	37%
Strongly agree	11%	10%	11%	11%
Answered	2872	3390	4676	10938
Skipped	228	240	597	1065

15. I am confident when dealing with money matters				
	Year 1	Year 2	Year 3	Combined
Strongly disagree	3%	3%	3%	3%
Disagree	7%	6%	6%	6%
Neither agree/ disagree	21%	21%	23%	22%
Agree	52%	51%	50%	51%
Strongly agree	18%	19%	18%	18%
Answered	2872	3390	4676	10938
Skipped	228	240	597	1065

16. I feel confident in making decisions about financial products and services				
	Year 1	Year 2	Year 3	Combined
Strongly disagree	3%	2%	2%	2%
Disagree	7%	7%	6%	6%
Neither agree/ disagree	21%	21%	22%	21%
Agree	54%	54%	54%	54%
Strongly agree	15%	17%	16%	16%
Answered	2872	3390	4676	10938
Skipped	228	240	597	1065

17. I feel I have my finances under control				
	Year 1	Year 2	Year 3	Combined
Strongly disagree	3%	3%	3%	3%
Disagree	10%	9%	10%	10%
Neither agree/ disagree	24%	21%	24%	23%
Agree	49%	51%	48%	49%
Strongly agree	14%	17%	15%	15%
Answered	2865	3390	4662	10917
Skipped	235	240	611	1086

18. I feel confident enough to help my family and friends with money issues				
	Year 1	Year 2	Year 3	Combined
Strongly disagree	4%	4%	4%	4%
Disagree	12%	12%	12%	12%
Neither agree/ disagree	31%	29%	30%	30%
Agree	42%	44%	43%	43%
Strongly agree	11%	11%	11%	11%
Answered	2872	3390	4676	10938
Skipped	228	240	597	1065

19. How much do you know about your credit score?				
	Year 1	Year 2	Year 3	Combined
I know I have a good/very good credit score	20%	27%	22%	23%
I know I have an average credit score	23%	20%	22%	22%
I know I have a poor/very poor credit score	25%	23%	27%	25%
I have never checked my credit score	26%	27%	25%	26%
I don't know what a credit score is	6%	3%	4%	5%
Answered	2915	3783	4788	11486
Skipped	185	196	485	866

20. What do you know about Credit Unions?				
	Year 1	Year 2	Year 3	Combined
A credit union is owned by its members	75%	82%	71%	76%
Savings are better protected in a big bank compared to a credit union	8%	7%	6%	7%
A credit union can charge whatever interest rate it likes if you borrow money from it	4%	3%	4%	4%
Borrowing from a credit union is cheaper than borrowing from a door step lender	71%	76%	79%	76%
Answered	2922	3750	4750	11422
Skipped	178	229	523	930

21. If you look at advertisements for loans, you will see the term APR. What does APR stand for?				
	Year 1	Year 2	Year 3	Combined
Average percentage rate	18%	17%	22%	19%
Annual percentage rate	69%	75%	65%	69%
Average price rate	1%	1%	2%	1%
Don't know	12%	8%	11%	10%
Answered	2915	3446	4788	11149
Skipped	185	184	485	854

22. If you're unhappy about the way you are treated by your credit union, which organisation should you complain to?				
	Year 1	Year 2	Year 3	Combined
Money Advice Service	5%	4%	6%	5%
Office of Fair Trading	6%	5%	6%	6%
Financial Ombudsman Service	66%	66%	59%	63%
Don't know	23%	26%	29%	26%
Answered	2915	3446	4788	11149
Skipped	185	184	485	854

23. If you borrowed £200, which deal would cost you the most in interest payments?				
	Year 1	Year 2	Year 3	Combined
You borrow £200 and repay over 3 years, with an interest rate charged at 10%	9%	8%	9%	9%
You borrow £200 and repay over 2 years, with an interest rate charged at 12%	23%	25%	25%	25%
You borrow £200 and repay over 5 years, with an interest rate charged at 8%	43%	43%	39%	42%
Don't know	24%	24%	27%	25%
Answered	2915	3446	4788	11149
Skipped	185	184	485	854

24. When you are deciding which loan to take from which lender, what do you consider the most important?				
	Year 1	Year 2	Year 3	Combined
The interest rate	42%	39%	36%	38%
The amount I will pay back each week/month	24%	26%	29%	27%
The total amount I will pay	30%	31%	31%	31%
Other (please specify)	4%	4%	4%	4%
Answered	2915	3446	4788	11149
Skipped	185	184	485	854