

Eastern
Savings & Loans



SOCIAL IMPACT

REPORT 2024



In this report

A brief introduction

03

The purpose of this report

An introduction to our Social Impact Report

04

Our story and objectives

A look at the history of the credit union and our objectives

05

The area we cover

A look at the area we cover and a look at the IMD index of places in our area

06

Encouraging a savings habit

A look at how we want to encourage members to save, including Payroll

08

Access to affordable credit

Information on how we provide access to affordable credit

10

Working with partners

A breakdown of the schemes we have with our partners

12

Financial Wellbeing

A look at our Financial Wellbeing Portal, how we support and signpost members

13

Looking ahead

A look to the future of the credit union

"If I'd done nothing else in my life other than be involved in the foundation of the credit union movement in my part of the world, I would be quite happy, because there is no organisation that does more for ordinary people than the credit union movement."

John Hume, MEP and Nobel Peace Prize Winner speaking at ABCUL AGM 2001

The purpose of this report

An Introduction

Our mission is to be an ethical alternative to high-cost and illegal lenders, to encourage saving and to promote financial inclusion. We work to benefit our members, helping to provide communities with affordable loans and savings products, to those who might otherwise choose a high-cost lender, or only want to borrow a small amount. We have developed products to appeal to everyone in the community

The aim of this report is to show the social impact the credit union has for the communities in our common bond, and to provide existing and potential stakeholders, and partners, with a view of the benefits of our credit union, the services and also support we provide. We are a profit-sharing co-operative with an ethical purpose. We look to redistribute a portion of profits made back to our members in the form of a dividend and to improve and enhance the services we offer.



This report will show how we help our members to

- Save money
- Access credit when they need it
- Avoid high cost and illegal lenders
- Reduce their reliance on borrowing
- Improve their credit history

During the covid pandemic it was vital we continued to support our members. During this time we made some improvements:

- Supported members with loan repayment holidays for as long as they were required, with no negative impact on their credit files.
- Improved our digital signing offering, to ensure members could continue business with us with minimal delays.
- Dropped the need to provide bank statements by offering access to Open Banking.
- Improved our telephone service, at a time when companies were reducing theirs.
- Removed financial penalties for withdrawing early from our Additional Savings Accounts, to provide easy access to cash.

The current cost of living crisis is having many of the same impacts on our member's that occurred during Covid. The changes brought in during Covid have remained since. During the current cost of living crisis we have:

- Reduced the smallest loan offered to £50
- Improved signposting for members to access additional support
- Considered smaller loans with the same or lower repayments
- increased and improved communications, to members to make the most of their money
- Increased partnership working for increased brand awareness with the aim to help more people

Since 2001

£11 Million Lent

Since 2001

16,500 Loans Issued

Since 2001

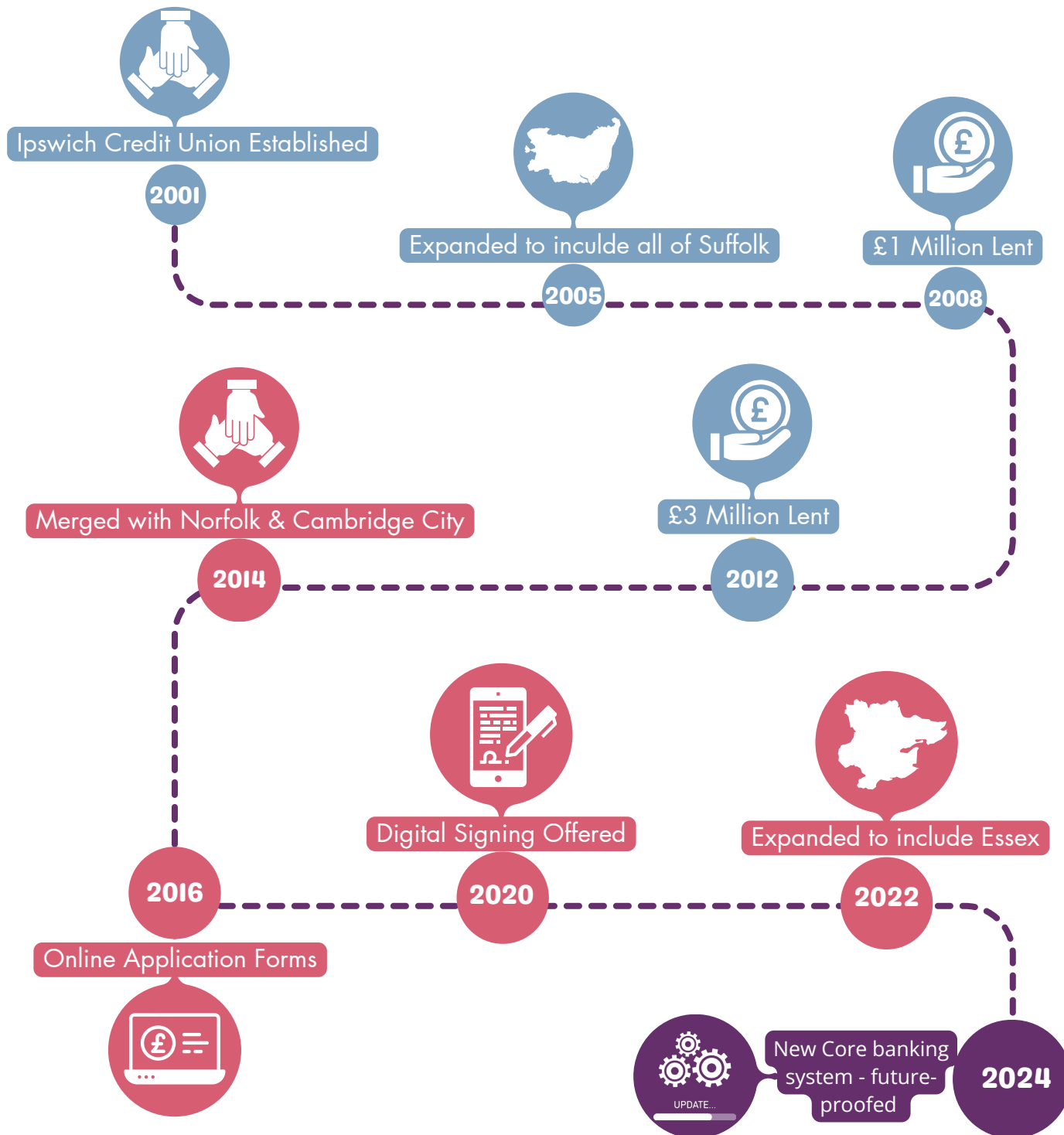
£5.8 Million Potential Interest Saved

Facts and figures from this point on are between October 2020 to March 2024 unless otherwise stated.

Our story & Objectives

The objectives of the Credit Union are:

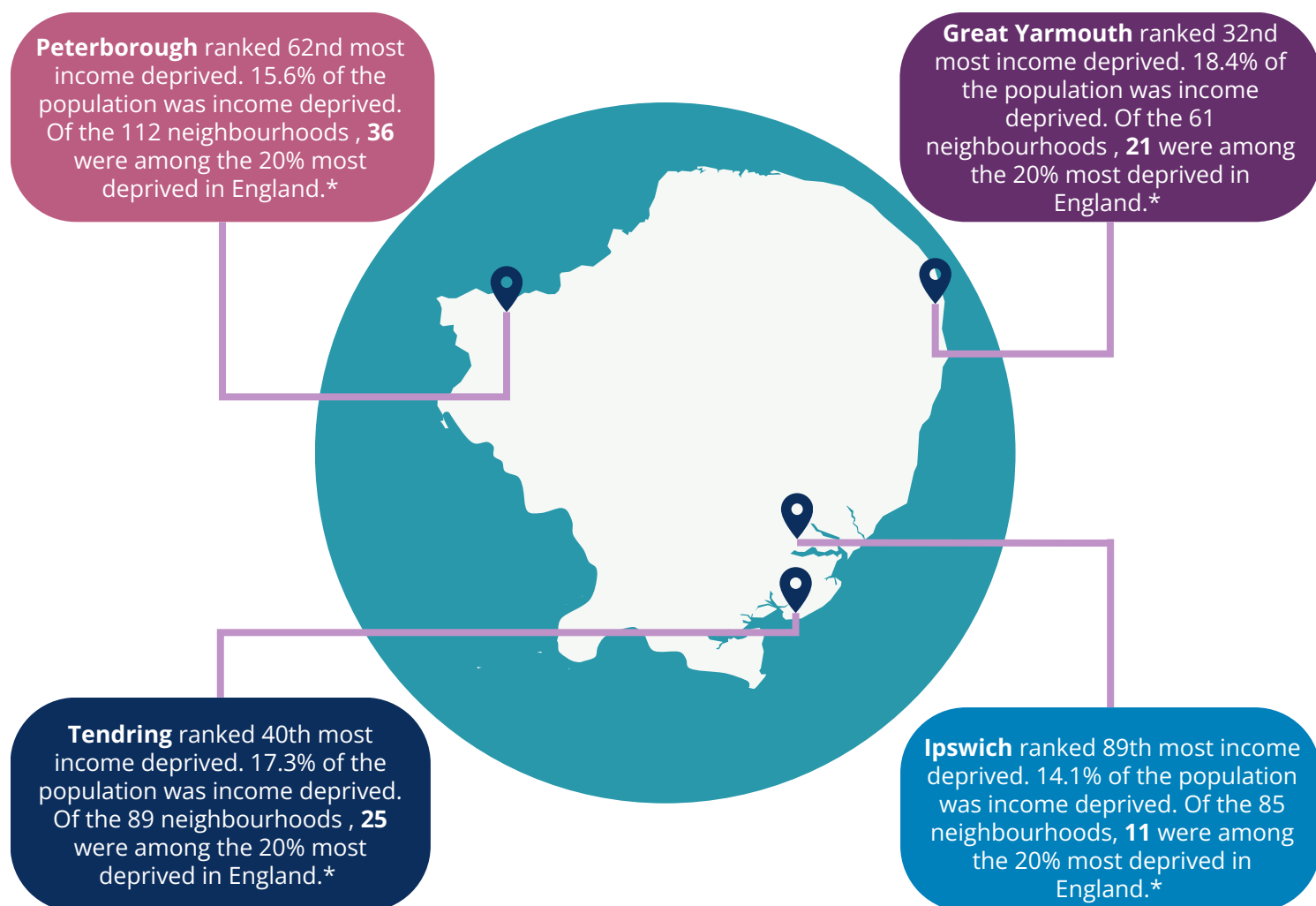
- The promotion of thrift among its Members by the accumulation of their savings;
- The creation of sources of credit for the benefit of its Members at a fair and reasonable rate of interest;
- The use and control of Members' savings for their mutual benefit; and
- The training and education of Members in the wise use of money and in the management of their financial affairs



The Area We Cover

Our Common Bond

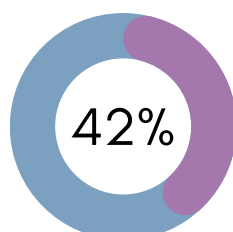
We cover a large rural area, the counties of Norfolk, Suffolk, Cambridgeshire and North and Central Essex, which brings its own challenges in how we communicate and attract potential new members. The area we cover includes some of the most deprived places in the country. The work of the credit union plays a vital role in these areas. Below we highlight four areas, one in each county and how the demographic of those areas compares within England against all 316 local authority areas.



In these areas.....



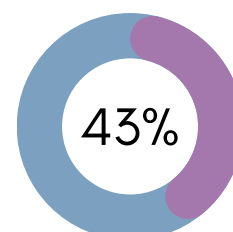
Amount lent



% of number of loans issued



Amount saved



% of our members in these areas

Encouraging a Savings Habit

Building financial resilience

A key aim of our cooperative is to support our members to improve their financial wellbeing. Members' savings are protected by the Financial Services Compensation Scheme.

Encouraging members to start a savings habit can help them become more resilient to financial shocks and reliance on credit. Money worries can often cause anxiety and sleep issues. A recent report (1) found that sleep could be boosted by saving small amounts.

Research shows that nine million people across the UK have no savings and another five million have less than £100 (2).

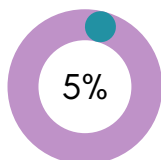
We encourage all our members to save when they can, to form a savings habit by saving as little as £1 a week. This soon adds up, giving motivation to continue to save, and start setting goals for the future. We have seen an increase in the number of members saving for the first time and will continue to work to increase this further.

We offer the facility to save as you borrow on all our loans. We have many success stories where members have borrowed from us multiple times and are now regular savers without the need for credit.

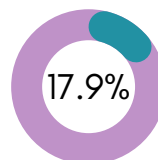
Adults
£1.35 Million Saved

54% of Members
Savings more than £25

28%
Borrowers Saving



Increase in Members
with £25.00 - £99.99 saved



Increase in Members
with £100.00 - £249.99 saved

Community Groups
£38k Deposited

Accounts in the community

19 Community groups in our common bond hold accounts with the credit union. Our account provides facilities to these groups which need a place to receive general funds and grants for making payments out.

There are 3 corporate depositors who hold funds with us.

Money held by members in adult, corporate and community deposit accounts is then lent out to members who require a loan. Without savings there would be no lending.

Corporate Accounts
£35k Deposited

359
New Long-term
Savers

£210,000
New Long-term
Savings

£9,141
Paid In Dividends
To Members

"It is so helpful and easy for me to use and I get a great deal of benefit by for example saving up for Christmas"

Payroll Savings & Loans

Deductions direct from Pay

We offer a payroll deduction scheme, giving employees the ability to save directly from their salary. They choose how much to deduct from their paycheck and always have access to their savings. They can make loan repayments directly too. As with all our products, employees can also "Save as You Borrow" which allows them to borrow money while putting a portion of the repayments into savings, helping increase their financial resilience. Our payroll partners include large cooperatives, local and district councils, and small private companies; all of their staff can benefit from Credit Union membership.

9 Employers so far

Over £70,000 deposited

Employees who save regularly are better able to cope with any financial shocks or unbudgeted expenses.

YouGov found that 55% of adults felt that their health has worsened because of the cost of living crisis with one in five stating it was having an impact on their work.

Research indicates 8 in 10 UK employees take their money worries to work, affecting their performance (1)

94% of UK employees admit to worrying about money and, of these, 77% say that money worries impact them at work. (2)

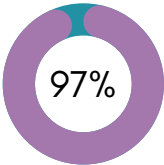
Ease of Access

75% of withdrawals online

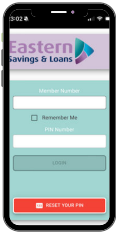
We continue to strive to make Credit Union services as accessible as possible through online banking, online joining, loan forms, and digital signing. We are aware not all our members can access services during working hours and have seen positive results from having a 24/7 digital presence and being able to communicate with us via email at a time that suits them. 37% of users of our website are online out of office hours.

We changed our technology in January 2024, to improve our online offering. This resulted in a reduction in calls to the office for withdrawals as the online system is easier to use. We also offer support online for access via our helpful team in the office. For those members who would rather not or are unable to reach us online, forms are provided by post, and withdrawals via telephone.

£67 Average transfer value*



% Members who found it simple and straight forward to apply for a loan



"I like the fact that I can move and use small amounts of money and that Credit Union can help ordinary people in tough times"

Source: (1) <https://maps.org.uk/en/work-with-us/financial-wellbeing-in-the-workplace>
(2) <https://www.closebrothersam.com/media/1969/the-financial-wellbeing-index.pdf>
Source: *Since 24th January 2024 when we launched our new system
Source: #Members survey since January 2023

Access to affordable credit

Helping members access credit

Individuals with low incomes or poor credit histories frequently face significant barriers to obtaining affordable credit. For these groups, the cost of credit can be very high, with borrowing rates ranging from 99% APR to 450% APR, leading to staggering interest payments. Additionally, the recent decline of traditional door-to-door lenders and other short-term lending options has further narrowed their choices.

Our primary focus has been to offer small loans to members who may otherwise resort to high-cost lenders. However, we have also created products designed to attract a broader audience within the community. Even individuals with strong incomes and solid credit histories may encounter limited borrowing options, as many banks and larger lenders frequently overlook loan applications for amounts under £1,000.

When we consider loan applications we focus on:

- Affordability
- Creditworthiness
- History with the credit union

Affordability assessments are performed to confirm that, after accounting for household expenses, routine expenditures, and payments to current creditors, the member possesses sufficient disposable income to repay the loan.

To evaluate creditworthiness, we conduct a credit check to understand a member's credit behaviour over time, including both past and recent activities. This assessment helps us gauge the potential risk associated with lending to the member. Although we consider the member's credit score, we are aware it may not always accurately represent their most recent credit history.

As an illustration, we initiated a pilot program in 2021 aimed at offering loans to members classified with "poor" credit scores, a demographic often overlooked by traditional lenders or forced to resort to high-interest borrowing. The national default rate for loans issued to individuals with poor credit scores stands at 67%. Remarkably, **97% of participants** in our pilot successfully repaid their loans and continue to be valued members of our community. Consequently, we decided to make this pilot program a permanent arrangement.

Since October 2020 we have lent just over 5,300 loans totalling £2.76 million. These loans ranged from £100 to £4,000. Members saved a potential £1.7 million in interest compared to high cost lenders.

Our
loans have
no early
repayment
charges

40%
No. of loans £300 or
less

£537
Average loan size

£ 1.7 Million
Saved in Interest

Child Benefit Savings and Loans Plan

Helping members spread costs and save at the same time

Our Child Benefit Savings and Loans Plan is one of our most popular products. This loan helps give affordable borrowing options for people looking for £300-£500 and can offer real savings via lower repayments compared to national short-term small lenders, or credit or store cards. Members spread the cost of items such as school uniforms and have the ability to save whilst repaying the loan. For many members, this can be the first time they have managed to save.

Throughout the years of providing this product, we have seen that members have successfully broken the cycle of debt by consistently saving a portion or all of their Child Benefit. When unexpected expenses arise, they find themselves with savings readily available or only require a minimal loan to supplement their savings. Additionally, many members choose to save a small amount each week and withdraw funds as needed.

871
Child Benefit loans

£75,000 lent to
member with a score
below 520

"I have had 3 loans now from Eastern saving and loans, they have been a godsend".

Bespoke, Signposting Post Loan Support

As a responsible lender, we cannot offer loans to all applicants. When a member is refused a loan, they receive a clear explanation along with bespoke guidance and resources aimed at enhancing their credit profile or overall financial health. This may include details on gambling assistance, budgeting strategies, or advice on improving their credit file.

Supporting our members is fundamental to the ethos of our Credit Union. If a member encounters difficulties while repaying a loan, they can reach out to us for assistance. We are committed to collaborating with them to explore potential solutions. This may involve options such as pausing interest accrual, adjusting repayment amounts to fit their revised budget, or offering payment holidays. These practices reflect our cooperative values, and we do not impose late payment fees on any of our loans.

"I find they have always tried to help me when i needed them"



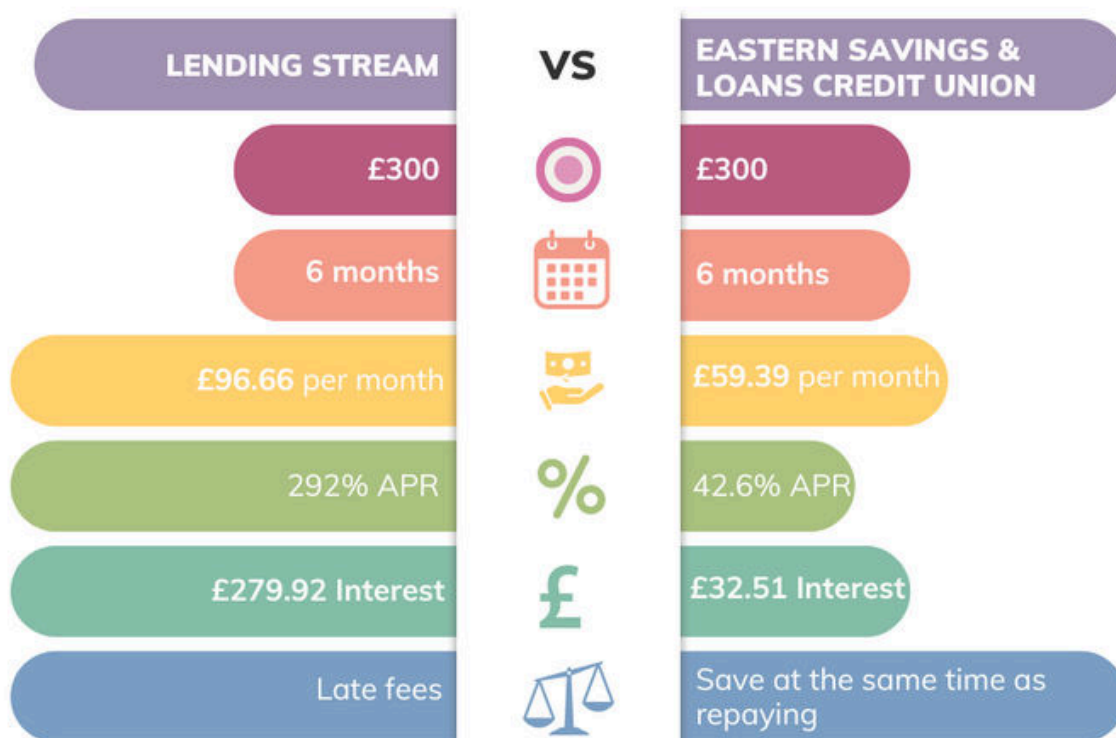
Not all lenders report to Credit Reference Agencies.

A loan with us paid on time can boost a member's credit score, and start the journey to improving their credit file.

Loan Comparison

The below chart shows the associated costs of borrowing £300 over 6 months from Eastern Savings & Loans, against borrowing from the national short-term lender, Lending Stream.*

A member could save up to **£247.41** in interest by borrowing from us.



Working with partners

Partnership working

As the local community is at the heart of everything we do, we work with a wide range of organisations across the four counties: local authorities, third-sector organisations, and local employers. Partnerships enable us to reach more people and allow us to offer products and services we are unable to offer ourselves.

Rent & Deposit Loans & Grants

Homelessness Prevention

Working with **Broadland District Council**, who fund two schemes aimed at helping avoid and reduce homelessness. The scheme enables applicants referred by the council to apply for a loan for rent and deposit in the private sector at a **reduced rate of interest**. We have lent **£38,500** to help prevent homelessness since October 2020. A second scheme provides grants for the same purpose where applicants have very limited disposable income.

29 Members

Heating Oil Loans

Support to our rural communities

Warmer Homes, an initiative set up by **councils in Suffolk** and overseen by **East Suffolk Council**, provides a fund to allow the residents of Suffolk to apply for a small **interest free loan** for filling a heating oil tank. The cold weather can be unpredictable and a tank may need to be filled at short notice. The scheme allows members to utilise the scheme twice, with the intention of saving alongside, so when they need that 3rd tank of oil, they have the money for it in savings. **£38,500** has been lent in the period.

32 Tanks of Oil

Carbon reduction and energy efficiency

Reducing carbon emissions and fuel bills

Working separately with **Broadland District Council** and **Warmer Homes**, funds have been provided for **interest-free loans**, to enable residents of Suffolk and Broadland to install carbon reduction and energy efficiency measures to their homes. **£53,437** has been lent to members in Suffolk and **£45,000** has been lent to members in Broadland.

25 Homes

£2,690 saved

Incentivising Saving

A bonus just for saving

In partnership with **Hopestead**, tenants of Flagship housing could receive a £100 bonus, just for saving at least £10 for 12 months. Bonus milestones are at 3, 6 and 12 months and paid shortly after each milestone is met.

34 New Start Ups

Funding Support for Business

Growing Business in Norfolk and Suffolk

Working with **MENTA**, to provide grants for new small businesses. **£42,250** granted to new start ups in Norfolk and Suffolk.

Anti Poverty

Partnership working

Anti Poverty
Working

Suffolk County Council

Anti Poverty Strategy

The aims of the funding, kindly provided by Suffolk County Council, were to increase brand awareness of ESCLU and our services, to improve financial wellbeing through a digital marketing campaign. The campaign not only increased membership of the Credit Union, it also helped people start to save and access our affordable loans where appropriate. A key part of this campaign was to raise awareness of our free Financial Wellbeing Portal and the range of supportive content available to assist in the journey to improved financial wellbeing.

The 8-month campaign resulted in an increase of **33%** of new members joining in Suffolk compared to the previous year. These members have collectively saved over **£5,500** during the campaign, improving their financial resilience. Many members started to save while repaying a loan, reducing their reliance on credit in the future, and improving their ability to absorb future financial shocks.

The members who accessed our small £300 loans from ESCLU due to the digital campaign rather than high-cost lenders, saved £247.30 on a comparative loan from a national lender. This totalled **a saving to the community of at least £11,941** as a direct result of the funding.

We saw over **6,000 new users** from Suffolk accessing our Financial Wellbeing Portal, as a result of the campaign. The increased use of our Financial Wellbeing Portal content and brand awareness will provide long-term benefits for the residents of Suffolk. While many of these new users only want information to help them improve their financial situation at the moment, hopefully, they will become members in the future and our cooperative local credit union can continue to grow and support more people in the future.



"Reliability and security. It's great to be able to take out small loans which you know you can afford. Any queries I have ever had, have always been dealt with quickly and successfully."

Financial Wellbeing

Providing supportive content

We launched our Financial Wellbeing Portal in January 2020, and we continue to build, improve and expand the library of supportive and helpful content.

One of our primary aims is to support and improve the financial wellbeing of not just our members, but all those living, working, studying or volunteering within our common bond. Our Financial Wellbeing Portal is available to anyone on our website.

The portal contains a range of topics, including helpful blog posts, budgeting support, links to a benefits calculator and trusted signposting to money advice partners and debt advice organisations. We continue to add an increasing number of local supportive organisations, to ensure we provide relevant local support to the residents across all of East Anglia.

The supportive items above are not only on the Financial Wellbeing Portal. We also provide relevant information in bespoke communications to members, as well as linking and sharing content across our social channels.

Our goal is to provide a hub of trusted financial information, advice and links to other organisations to help everyone make the most of their money.

Do more with less

Budgeting

Savings Ideas

Credit File & Debts

Social Channels

Social media platforms like Instagram and Twitter can be a place of connection, education, and entertainment. In the UK, 60% of Millennials and 57% of Gen Z believe they can access valuable financial advice online, with 44% of Gen Z specifically citing social media as a source for such guidance*. However, relying on unregulated influencers instead of seeking professional advice may jeopardise their financial health.

To help support our communities, we ensure that the content we share across our channels directs users to reliable financial support, effective budgeting strategies, and resources that promote financial and overall well-being. We collaborate with public health bodies, libraries, and local organisations to draw attention to other initiatives and the support they offer, while also promoting our Financial Wellbeing Portal.



MoneySavingExpert.com



SUFFOLK
LIBRARIES

TURN2US
FIGHTING UK POVERTY

Looking ahead

Growth and development



This report looks back on the impact our work has had in the community over the last few years. We are proud of what we have achieved, but we still want to and strive to do even more. The four items listed below are just some of the ways we will look to provide more services to our members and expand our reach.



More Members

We would like to reach and assist more people in reaching their financial goals



Improve services

We are looking to bring in real time banking so members can request money outside of working hours



Attracting more payroll partners

We aim to increase the number of employers we work with to support their employees improve their financial health.



Working with more partners

Working with new and existing partners to reach more people with our services and build collaborative projects in our communities

“Saving money and the fact it is a community entity helping people”

Contact Us



Thank you for taking the time to read this report. If you would like to discuss anything contained in this report with us, or would like to find out more information, please contact us using the details below.



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