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Economy
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An Roinn
Geilleagair

The Credit Union

(Modernisation and Reform)

PUBLIC CONSULTATION
RESPONSE ANALYSIS PAPER

May 2026



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Summary of Responses

A 12-week public consultation exercise was undertaken between 17 April 2025 and 10 July 2025. The consultation document was broken into the following broad topics:

- Improving Local Community Awareness and Accessibility
- Modernising Legislation and Expanding Financial Services
- Embracing Digital Innovation and Competitiveness
- Ensuring Sustainability, Values, and Member Trust

The consultation contained, in total, 133 questions, some of which were dependent on responses to previous questions. Some respondents chose to provide narrative or free text responses, rather than follow the question-and-answer format.

The consultation page on the Department's website had 817 views from 444 individual users.

Figures for downloads of documents associated with the consultation are as follows:

- Consultation document – 211 downloads by 149 users
- Consultation question booklet – 30 downloads by 24 users
- Equality Screening – 35 downloads by 30 users
- Regulatory Impact Assessment – 83 downloads by 68 users

112 responses to the consultation were received (97 via Citizen Space online, and 15 by email or hard copy). Those responses which were received, but which did not use the consultation response form or directly answer survey questions, were reviewed as part of the qualitative analysis of the relevant policy areas. All responses received were used in the analysis of the consultation and have informed the Department's response.

Respondents were also invited to provide additional information or clarification of responses they made to selected questions. Anonymised excerpts of those responses have been used within the Department's response.

As will be seen from Annex A, responses were received from a variety of stakeholders, including credit unions belonging to the Irish League of Credit Unions (ILCU) and Ulster Federation of Credit Unions (UFCU) and independent credit unions. Responses were also received from individuals, charities, representative bodies, district councils and political parties.

A broad overview of the responses received has been provided in this document, as well as analysis on common themes or proposals put forward. There is also high-level detail on the number of responses received for each question.

When considering the details provided, it should be noted that respondents such as umbrella organisations, representative groups and charities are often responding on behalf of large groups of members or stakeholders.

When reflecting the quantitative data for each question, these umbrella organisations have been recorded as providing one single response, but the Department is aware that these responses represent the view of many stakeholders. Therefore, a focus on quantitative data only can be misleading and should not be considered in isolation.

Statistical information relating to actual number of respondents is reflected accurately, but the primary purpose of this analysis is to summarise the qualitative responses to the consultation and identify the key themes emerging for consideration.

The provision of statistical information in this document is for the purpose of adding context to the responses. The narrative commentary is the broader reflection of responses received and should be considered as a primary reference material for readers. It should also be noted that, throughout this document, where percentages are used, these are subject to rounding.

The Department for the Economy is grateful to those who took the time to respond to the consultation.

Topic 1: Improving Local Community Awareness and Accessibility

Background

Credit unions have long played a vital role in local communities, offering financial services rooted in a community-first approach.

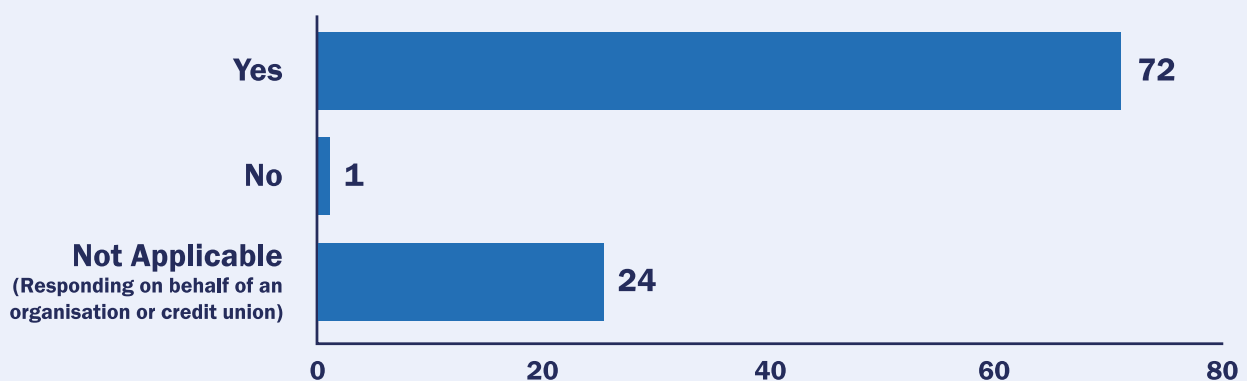
However, despite their positive local impact, public awareness and accessibility of credit unions can vary. Currently, many people either remain unaware of the benefits offered by credit unions or face barriers in accessing these services. This part of the consultation was a call for evidence to explore ways to increase visibility, accessibility, and local engagement, especially amongst younger people, older adults, and underrepresented groups. The Department aimed to gather views to inform how credit unions could become more inclusive, accessible, and responsive.

This topic consisted of 12 questions, which are analysed in the following pages.

Questions A1-A12

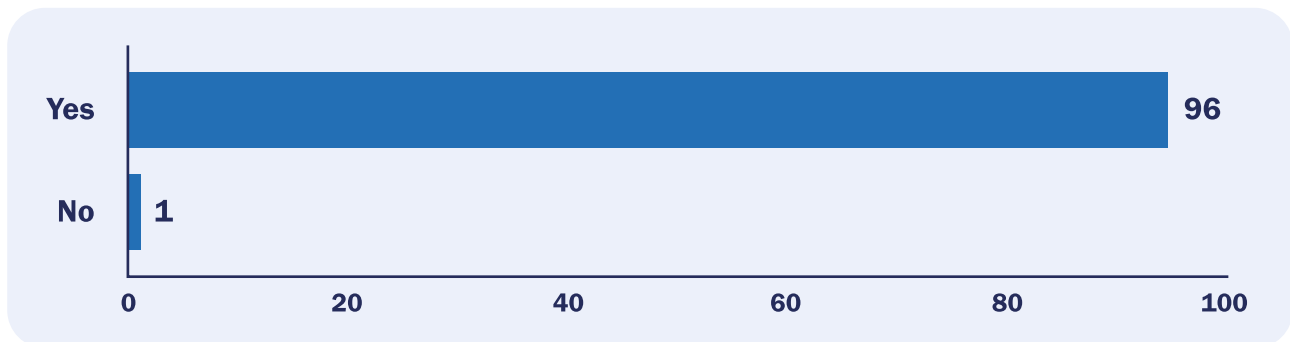
A1: Are you a member of a credit union?

There were 97 responses to this question. 74% of respondents (72) stated that they were members of a credit union, while this was not applicable to 25% of respondents (24) as they were responding on behalf of an organisation or credit union. Only 1% of respondents (1) stated that they were not a member of a credit union.



A2: Are you aware of the location of your local credit union?

There were 97 responses to this question. 99% of respondents (96) were aware of the location of their local credit union. While only 1% of respondents (1) were not aware.

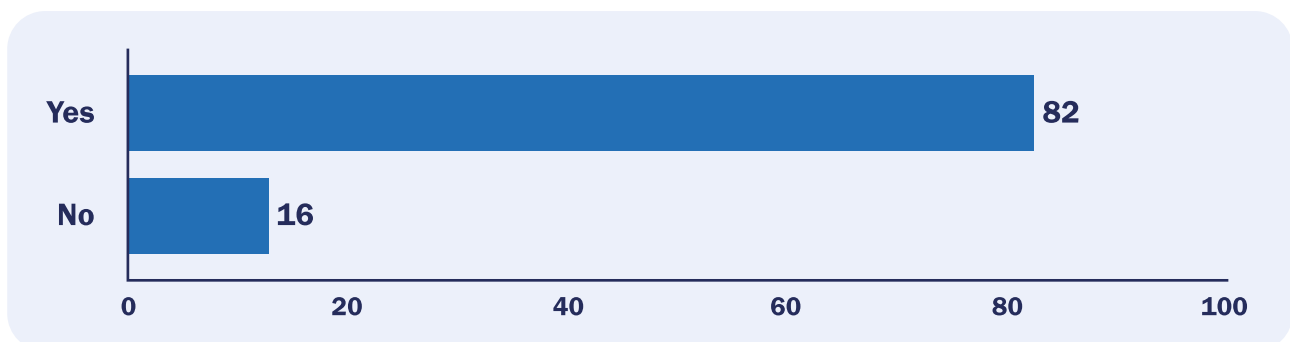


Of those that responded in writing and who were aware of the location of their local credit union, there is a belief that most communities across Northern Ireland (NI) are served by at least one credit union and that credit unions work hard with their trade bodies and other credit unions to ensure their presence is known and accessible to the local community.

The one respondent who was not aware stated that this question was not applicable from their organisational perspective; however, they were aware of credit unions within and around their council boundaries.

A3: Do you feel that credit unions are visible and accessible?

There were 98 responses to this question. 84% of respondents (82) felt that credit unions are currently visible and accessible. While 16% of respondents (16) felt that they are not.

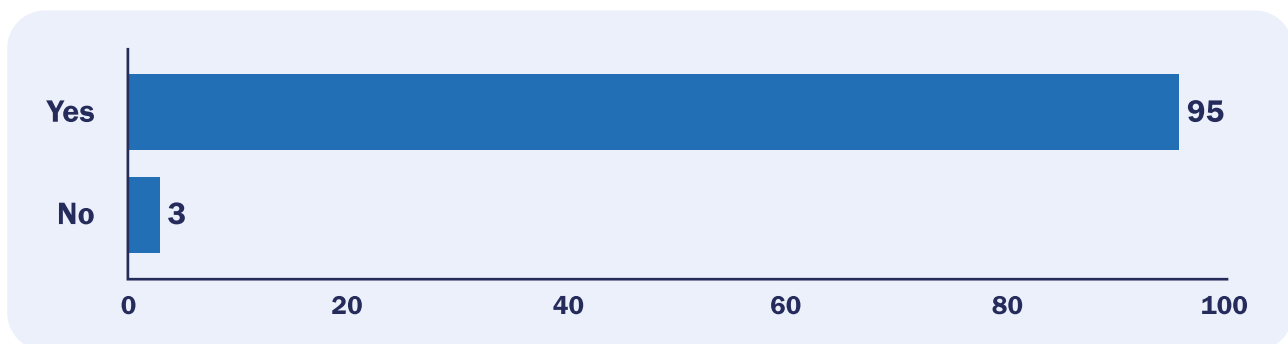


Of those that responded yes, there is a broad consensus that visibility and accessibility vary at local level. However, while many credit unions have prominent premises and signage, further work is needed in some areas to enhance digital presence and outreach, especially to younger demographics.

Of those that responded no, there is a belief that credit unions would be able to become more visible and accessible through support or grants for advertising and promotion. It was particularly highlighted that visibility and accessibility may be a greater issue within rural areas and that outreach efforts should be better resourced and targeted, especially towards young people, the elderly, and those without ready digital access.

A4: Are you aware of the financial services offered by credit unions?

There were 98 responses to this question. 97% of respondents (95) were aware of the financial services offered by credit unions. While 3% (3) were not aware.



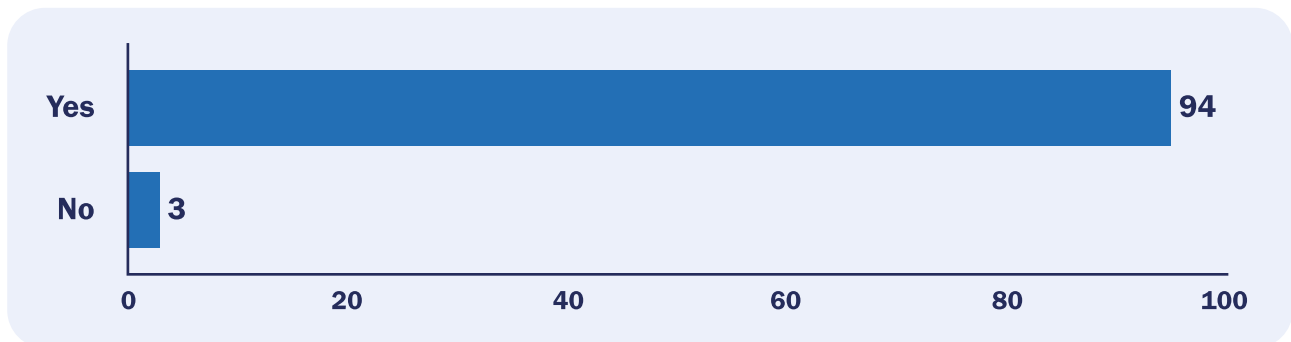
Of those that responded in writing, there is a broad awareness of basic savings and loan services. However, there is also a belief that there remains a gap in public understanding of the breadth of services credit unions can offer. It was suggested that a wider national awareness campaign, supported by the government and the credit union sector, would help address this. It was also noted that credit unions are well-regarded in rural areas, and that there is a high level of awareness in terms of what credit unions offer in relation to personal services.

However, in relation to commercial services, which include services for the Community and Voluntary Sector, there appears to be a degree of uncertainty in terms of what the full-service range is. This uncertainty is evident in both urban and rural settings.

A notable suggestion made by one respondent that chose no was that there may be scope to strengthen the connections and relationships between Credit Unions and councils regarding the support Credit Unions provide to Council residents through their financial services. It was noted that Councils have Strategic Community Planning Partnerships (multi-stakeholder forums) that drive forward Community Planning and this forum, along with the regional Community Planning Officers Network could provide a platform for further awareness raising about the unique work and offer of Credit Unions.

A5: Do you know how to join your local credit union?

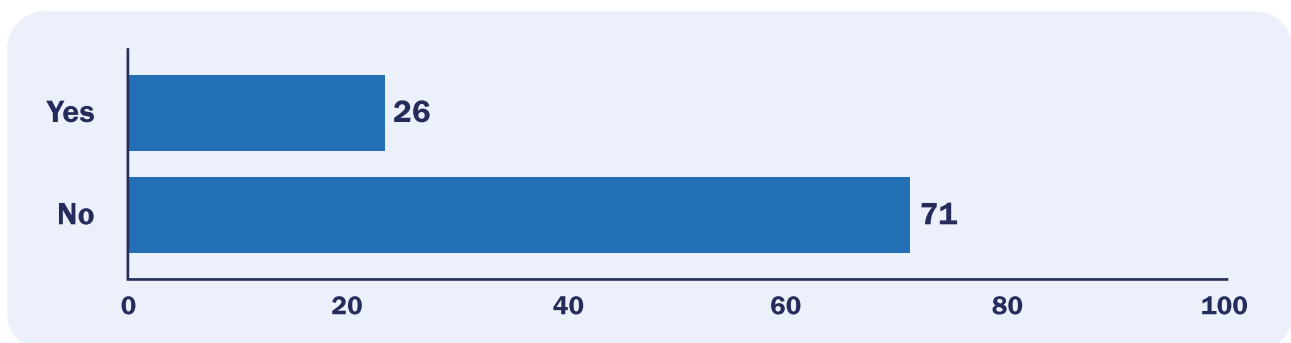
There were 97 responses to this question. 97% knew how to join their local credit union (94), while 3% did not (3).



Of those that answered yes, there is a belief that most credit unions have clear joining procedures, both in-person and increasingly online. Nonetheless, it was noted that a consistent, standardised, and modernised onboarding experience could help attract younger members.

A6: Have you ever experienced barriers to joining a credit union? If Yes, please explain.

There were 97 responses to this question. 27% of respondents (26) stated that they had experienced barriers to joining a credit union, while 73% of respondents (71) stated that they had never experienced any barriers.

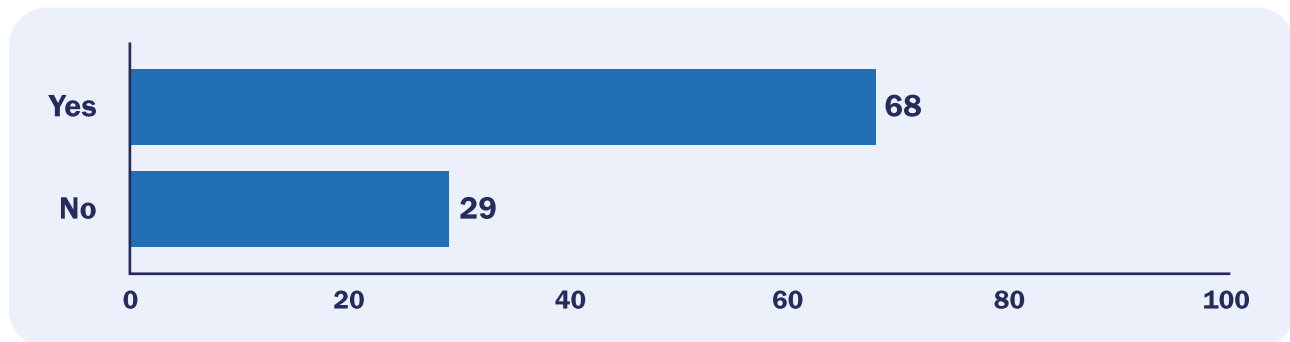


Respondents' most common reason for experiencing barriers to joining a credit union was not meeting common bond requirements and confusion about common bond eligibility. It was suggested that simplifying and expanding common bond rules could help address this and broaden access.

Whilst not personally experiencing barriers to joining a credit union, there is a belief amongst those that responded no, that expanding common bond rules could help eliminate barriers and confusion about common bond eligibility.

A7: Do you feel that credit unions currently offer the right services to meet you or your local community's needs?

There were 97 responses to this question. 70% of respondents (68) felt that credit unions currently offer the right services for their community's needs. While 30% of respondents (29) did not.



There is a broad consensus that Credit unions offer good products, including affordable credit and savings products tailored to their community's needs. However, there is also a belief that more flexibility in regulation would allow credit unions to respond better to evolving member needs, particularly in digital banking and community lending. There is also a belief that outdated legislation restricts credit unions' ability to offer modern digital and business lending solutions.

A8: What additional services do you feel that credit unions should provide?

There were 90 responses to this question which identified a wide range of additional services that credit unions should provide. These included services such as:

- digital payments that would significantly enhance value for members
- mortgages
- consistent business and community lending facilities
- small business lending
- payroll savings
- financial education should be supported and scaled
- current accounts with debit cards
- insurance products
- credit cards
- financial advice
- Individual Savings Account (ISAs)
- fixed rate savings accounts
- house deposits
- purchasing property or land
- community lending without such tight restrictions

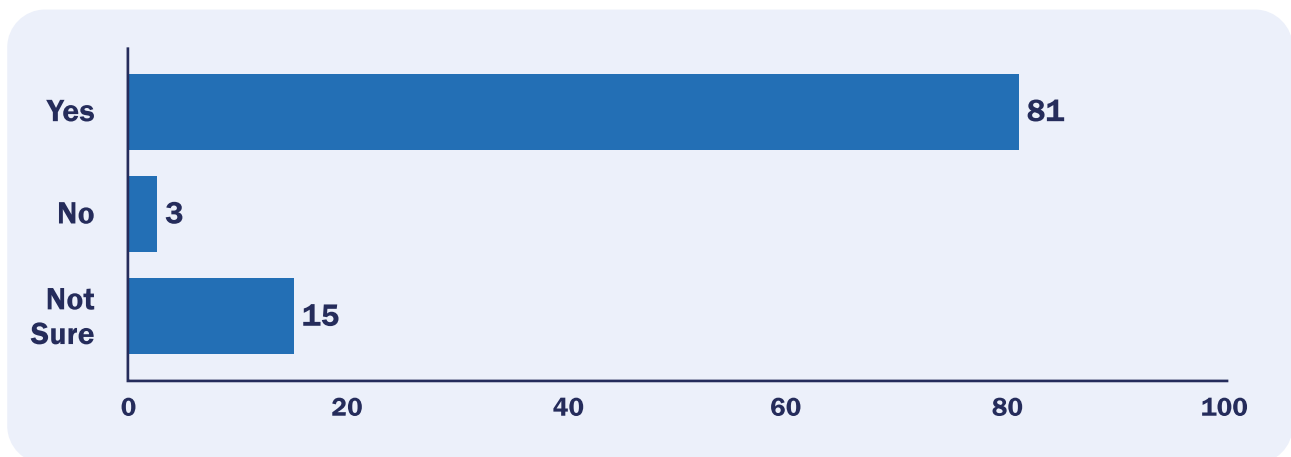
- collaborative lending solutions with local and national grant schemes
- bill-payment and budgeting accounts
- a government funded case worker for each individual credit union in NI so that there is someone to deal with all government bodies
- Automated Teller Machine (ATM)
- foreign exchange
- youth-focused saving schemes and junior accounts

Out of all the services mentioned above; mortgages, digital payments, insurance products, small business lending, current accounts, debit cards, payroll savings and financial advice were mentioned the most.

A minority of respondents did not want any additional services or were not aware of the current financial services that are provided by credit unions.

A9: Do you feel that a wider range of modern financial products would encourage you or others you know to consider joining or using credit unions more actively?

There were 99 responses to this question. 82% of respondents (81) felt that a wider range of modern financial products would encourage them and others they know to consider joining or using credit unions more actively. Whereas 3% of respondents (3) did not and 15% of respondents (15) were not sure.



The majority of those that responded yes believe that expanding the product suite would make credit unions more competitive and attractive, particularly to younger adults, those new to financial services, and those currently reliant on high-cost credit providers.

There was a correlation between those who answered no and those who did not want credit unions to offer any additional services.

A10: How do you feel credit unions could better serve local businesses or entrepreneurs?

There were 92 responses to this question.

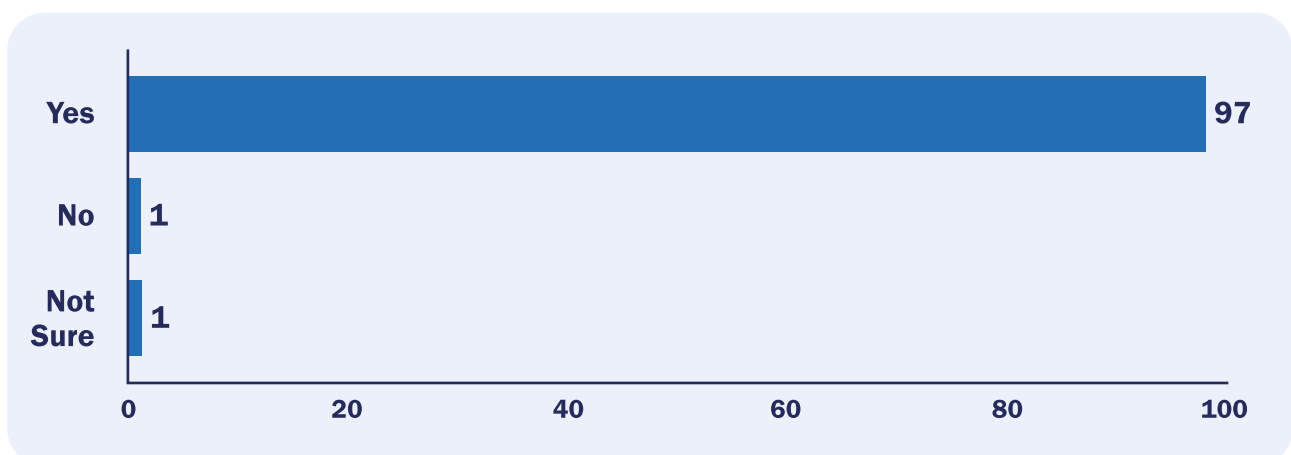
There is a broad consensus that allowing greater business lending and enabling partnerships with local enterprise agencies could make credit unions vital financial partners for small and medium sized enterprises (SMEs), social enterprises, and start-ups, and that this would enhance local economic resilience.

Respondents feel that many local businesses and entrepreneurs struggle to access finance from banks that do not understand small-scale or rural business needs. There is a belief that, with legislative reform, credit unions could provide affordable microloans, flexible working capital, and business guidance - fostering local economic growth whilst strengthening community ties.

Those not in favour of allowing greater business lending believe that credit unions should focus on individuals rather than businesses, that it is the wrong approach and that it changes the ethos of a credit union. There is a belief that this is a significant risk to members' shares and that staff would need to be trained in understanding business plans and projection figures. There is also a concern that smaller credit unions may not have the resources or facilities to provide such training.

A11: Do you feel that credit unions should consider providing greater financial education within schools and local community settings?

There were 99 responses to this question. 98% of respondents (97) felt that credit unions should consider providing greater financial education within schools and local community settings. While 1% of respondents (1) did not and 1% of respondents (1) were not sure.



There is broad consensus that financial education is core to the credit union mission and that, with support, credit unions can play a much greater role in schools, youth organisations and adult learning settings to improve financial capability and resilience.

There is a belief that this would support early financial literacy, reducing stigma around money conversations and that this would also help build confidence and financial capability among young people and underrepresented groups.

It was also noted that laying early financial literacy foundations would help future entrepreneurs to understand, access and manage finance. There is a belief that this is key to breaking down real barriers to business start-up and self-employment, particularly for those who may not come from business-minded backgrounds.

The Department has also been encouraged to consider the wide range of existing school and community based financial education projects and resources already available in NI and determine how credit unions can support these existing projects to scale up and extend reach, rather than duplicate existing work.

A12: How do you think credit unions could better reach groups such as younger people, older adults, or other underrepresented groups?

There were 90 responses to this question that provided a wide range of ways credit unions can reach groups such as younger people, older adults, or other underrepresented groups.

For younger people:

- Develop app-based accounts
- Financial literacy initiatives in schools
- Social media campaigns
- A national financial education program that would be rolled out to schools
- Credit union staff engagement with school and college economics studies
- More advertising in schools with the help of the education minister
- School savings clubs
- Providing student loans

For older adults:

- Maintain in-branch services
- Offer community events and information sessions
- Do not digitise
- Have parking right at the door

For underrepresented groups:

- Use inclusive marketing
- Bilingual materials
- Collaborate with community organisations and cultural groups.

For all:

- Community outreach
- Need to be more proactive in advertising services
- Offer initiatives, maybe more back on savings
- Diversified board members representing all sections of communities
- Sponsorship activity
- Work in partnership with councils, schools, youth organisations, and carers' networks or wider networks like Age Friendly or the Education Authority Youth Councils
- Work closely with Libraries NI to further promote their localised offer

The consensus from respondents is for credit unions to develop app-based accounts, financial literacy initiatives in schools, and social media campaigns for younger people and to maintain in-branch services and offer community events and information sessions for older adults.

There is also a belief that the use of inclusive marketing, bilingual materials, and collaborating with community organisations and cultural groups for underrepresented groups could assist credit unions to become more inclusive, resilient, and relevant to all parts of the community.

Topic 2: Modernising Legislation and Expanding Financial Services

Background

The legislation governing credit unions is four decades old. New legislation could enable credit unions to better support members, local businesses, fund local community projects, and invest more flexibly to enhance financial sustainability.

A key driver for change is expanding the range of financial services credit unions can provide. Under current legislation, credit unions cannot offer many of the products that are now standard in financial services, such as insurance or investment products. These reforms would not only strengthen credit unions' ability to support their members but also give the Department for the Economy (DfE) the flexibility to add further services through secondary legislation, ensuring the sector can adapt to changing conditions without the need for repeated legislative overhauls. Similarly, allowing credit unions to further invest in local infrastructure and social initiatives will enable them to play a more active role in regional economic growth and community development.

Governance and operational efficiency also require reform. Outdated administrative requirements create unnecessary burdens and inefficiencies. By modernising these processes, credit unions will be better equipped to engage with their members and operate more effectively. Updates to rules on landholding and business transfers will further streamline operations, ensuring that credit unions can grow sustainably and continue to serve their members in the most effective way possible.

Proposals

This part of the consultation sought views on proposed legislative, governance and operational changes that would ensure credit unions remain competitive, financially sustainable, and capable of offering modern, community-focused financial services while maintaining their core values and commitment to their members.

This section contained 83 questions which were split up into separate proposal areas. The following table provides a more comprehensive overview of the reforms the Department wished stakeholders to consider:

| Proposal Area | Details |
|--|---|
| Expansion of Services, Questions B1-B4 | <p>Credit unions currently face restrictions on the financial products they can offer. To better serve members and adapt to modern financial needs, the Department asked whether legislation should be amended to allow credit unions to provide a broader range of financial services, such as insurance distribution. In addition, the Department for the Economy (DfE) would be granted the authority to expand the list of permitted services through secondary legislation, ensuring that credit unions can evolve in response to changing demands.</p> |
| Corporate Membership Lending, Questions B5-B8 | <p>Credit unions play an important role in supporting businesses, charities, and local community organisations. However, existing rules limit loans to corporate members to just 10% of total outstanding loan balances. To enhance access to finance for these organisations, the Department asked if the lending cap should be raised to 25%, enabling credit unions to support larger and more impactful community projects.</p> |
| Collaborative Initiatives, Questions B9-B13 | <p>Increased collaboration between credit unions would improve access to services for members and strengthen the sector. The Department asked if credit unions should be permitted to refer members to other credit unions for services they do not currently provide. Additionally, loan participation would be permitted, allowing multiple credit unions to share lending responsibilities, which would expand lending capacity. The creation of Credit Union Service Organisations (CUSOs) would also be facilitated, and regulatory rules amended to allow direct investments in these entities, promoting operational efficiencies and shared services.</p> |
| Membership Eligibility, Questions B14-B17 | <p>Current membership rules require individuals to fall within a credit union's common bond. To make credit unions more accessible, the Department asked if membership eligibility should be expanded, for example a credit union with a geographical common bond could allow family members of existing credit union members to join, even if they do not live in the same household.</p> |

| Proposal Area | Details |
|--|--|
| <p>Insolvency Considerations, Questions B18-22</p> | <p>Credit unions occupy a special place in the financial sector, often providing ethical and local community-focused lending. However, current insolvency regulations do not fully reflect this position. Credit unions rely on member savings to fund lending activities, unlike other financial institutions who can access funding across a wider variety of areas. An Individual Voluntary Arrangement (IVA) often results in credit unions receiving significantly less than the original loan amount, which can impact their liquidity and financial health.</p> <p>Unlike banks or other commercial lenders, credit unions operate on a not-for-profit basis with a focus on social objectives, such as promoting financial inclusion and providing affordable credit. The financial impact of IVAs can undermine this mission, reducing their ability to support their members in need.</p> <p>The Department asked if credit unions should be granted exemptions or special considerations under IVAs and Debt Relief Orders (DROs), recognising their role in supporting financial inclusion and well-being.</p> |
| <p>Access to Financial Systems, Questions B23-B26</p> | <p>Financial stability is a critical consideration for credit unions and their members. To strengthen this, the Department asked if local credit unions should have access to the Bank of England's Sterling Monetary Framework (SMF). The framework aims to maintain monetary and financial stability in the UK through tools like setting the Bank Rate and Quantitative Easing. Additionally, the SMF includes various market operations to provide liquidity and manage financial shocks. The Bank also conducts market-wide operations applying strict risk management to protect public funds, ensure stable inflation and support overall financial stability. Access to the framework may provide credit unions with improved liquidity options and greater resilience during periods of economic uncertainty.</p> |
| <p>Interest-bearing Share Rate Adjustments, Questions B27-B31</p> | <p>Credit unions must be able to respond to changes in the wider financial environment. To future proof credit unions against an interest rate environment that goes negative, the Department asked if we should amend current credit union legislation to accommodate the creation of negative interest-bearing shares to allow credit unions to better manage wider negative economic fluctuations and protect members' savings.</p> |

| Proposal Area | Details |
|---|---|
| Investment Opportunities, Questions B32-B35 | The Department asked if credit unions should be empowered to invest more easily in social projects and community infrastructure, such as social housing. This would allow them to contribute to local community development whilst improving financial sustainability. |
| Financial Inclusion Recognition, Questions B36-B40 | Credit unions play a crucial role in promoting financial inclusion, particularly for those who struggle to access mainstream banking services. The Department asked if their role in combating financial exclusion should be formally recognised, so that they could be integrated into wider government strategies to support financial well-being. |
| Auditor Appointment Process, Questions B41-B42 | The Department asked if the process of appointing auditors under Articles 44- 47 of the 1985 Order should be simplified to reduce administrative burdens on credit unions and ensure compliance with wider regulatory obligations that seek to ensure regular auditor changes where appropriate. |
| Common Bond Collaboration, Questions B43-B47 | Under current regulations, credit unions operate within fixed common bond parameters. The Department asked if credit unions should be allowed to collaborate across these boundaries to improve member choice and ensure that services are accessible and promoted to a broader range of people. |
| Rates Relief, Questions B48-B50 | Credit unions are not-for-profit organisations that serve their communities. However, unlike similar local community-focused entities such as post offices, credit unions are not exempt from non-domestic rates. The Department asked if introducing a specific exemption for credit unions would help reduce operating costs and support long- term sustainability. |
| Interest Rate Cap Increase, Questions B51-53 | Credit unions are currently limited to charging a maximum interest rate of 1% per month on loans. The Department asked if this rate should be increased to a cap of 2%, as it would provide credit unions with greater flexibility in loan pricing, helping them remain competitive while continuing to offer affordable and ethical lending. |

| Proposal Area | Details |
|---|---|
| Deferred Shares Introduction, Questions B54-B58 | <p>To strengthen their financial base, the Department asked if credit unions should be permitted to issue deferred shares, including a new class for corporate members; this would enhance their ability to raise capital and support long-term growth. Deferred shares are not repayable except in special circumstances – the key feature of which is that principal can only be repaid to the shareholder if the credit union is wound up or dissolved and all creditors have been paid in full, or with the consent of the regulatory authority. Deferred shares would be transferable, but would not be withdrawable, and would not be covered by the Financial Services Compensation Scheme (FSCS).</p> |
| Dormant Accounts Management, Questions B59-B63 | <p>The Department asked if unclaimed funds in credit unions should be used for the benefit of the wider local community. A centralised system could be established to collect dormant funds, which could then be redirected to local social or charitable organisations, ensuring that these resources are put to good use.</p> |
| Criminal Records Disclosure, Question B64 | <p>The Department asked if credit unions should be included in the definition of non-profit organisations under relevant vetting legislation. This would mean that credit unions would be charged a lower rate for the purposes of vetting.</p> |
| Updating Article 32 – Holding of Land, Questions B65-B68 | <p>The Department asked if Article 32 of the 1985 Order should be amended to modernise and clarify the rules around credit unions owning, leasing, or managing land and property. This would ensure that credit unions can hold property – such as branch premises or land used for community benefit – in a way that reflects current legal and operational standards. It removes outdated restrictions and provides clearer legal certainty.</p> |
| Supporting Electronic Communication and Modern Meetings, Questions B69-B74 | <p>The Department asked if credit unions should be enabled to communicate with members electronically for key meetings like AGMs and simplify the required notice periods for holding meetings. This modernisation would make it easier for credit unions to engage with members, particularly younger and digitally active members. It supports hybrid or fully online AGMs and makes administrative processes more flexible and efficient.</p> |

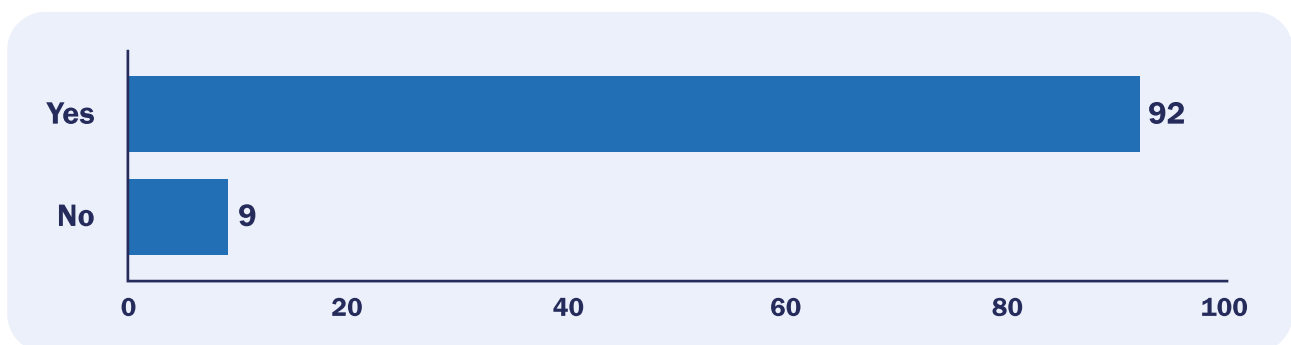
| Proposal Area | Details |
|--|--|
| Simplifying Transfers of Engagements Between Credit Unions, Questions B75-B79 | The Department asked if the process for one credit union transferring its business to another should be more efficient and cost-effective. Furthermore, clarifying that the transferring credit union's common bond is automatically included in the receiving credit union's bond. This change would help credit unions to merge or consolidate when appropriate, without unnecessary cost or legal uncertainty. It also ensures that existing members can continue their membership under the new credit union without disruption. |
| Increasing the Age Limit for Minor Accounts, Questions B80-B83 | The Department asked if the upper age limit for "minor accounts" should be raised from 16 to 18 years old. This aligns the rules with modern understandings of youth financial independence, allowing credit unions to support young savers for longer. It also better reflects other age-based thresholds in law, such as the legal age for contracts and full-time work. |

Questions

B1-B4 Expansion of Services

B1 Do you feel that credit unions should offer a wider range of financial services, such as insurance, mortgages, and investment products?

There were 101 responses to this question. 91% of respondents (92) felt that credit unions should offer a wider range of financial services, such as insurance, mortgages, and investment products. While 9% of respondents (9) disagreed.



Those in favour of expanding the services credit unions can offer feel that it will enhance financial inclusion and allow them to remain relevant and competitive, while still serving community needs.

There is a belief that the provision of a wider range of services locally would help residents access trusted, community-based options, especially for those underserved by traditional banks. However, emphasis was placed on the importance of provision within a well-regulated framework that safeguards members and the credit union sector.

Of those not in favour, there is a belief that this would take credit unions away from their core mission and values and that they would become more like banks.

B2 What additional financial services would you like to see credit unions provide?

There were 93 responses to this question that provided a wide range of financial services, such as:

- Payroll services
- Access to digital payment platforms
- Insurance services
- Mortgages
- Credit cards
- Small business current accounts & loans

- Investment in social housing
- ISA's
- Savings and investment accounts
- Central Credit Union Service Organisation (CUSO)
- Foreign exchange
- Benefits paid into account

A majority of respondents would like to see financial services such as payroll services, digital payments, insurance products and mortgages. However, whilst some respondents were in favour of additional services, they noted that this may put a burden on smaller, rural credit unions.

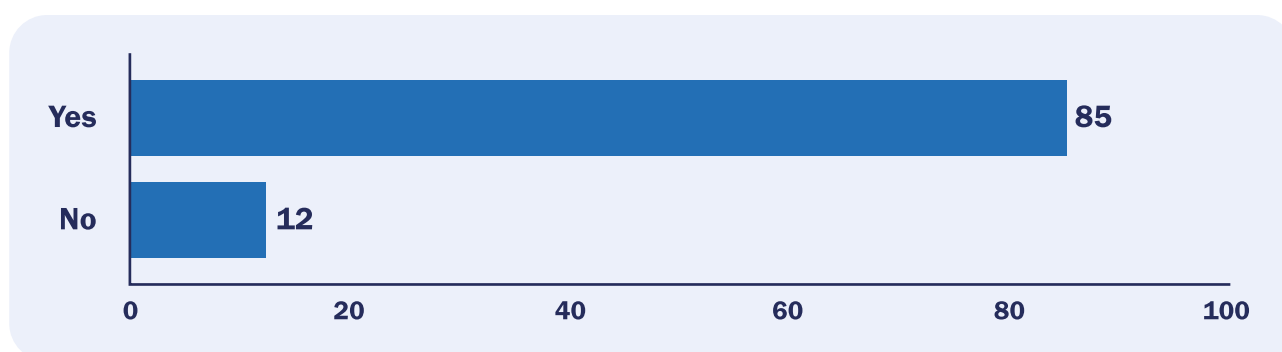
There is concern that if credit unions are to provide these products, then it would come at great expense to the credit union to achieve the level of skill and qualifications required by regulatory bodies such as the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). It was noted, that before this can happen, funding would need to be in place to obtain qualifications like an independent financial advisor in every credit union. There is a belief that whilst some credit unions may be able to do this, many smaller credit unions that are run by volunteers and opening only 1-2 hours per week would not be able to offer additional services.

It was suggested that the credit union sector would need to take consideration of this in planning for these changes so that it does not have an unintended consequence on volunteers running the credit unions.

Of those who were not in favour of any additional services, there is a belief that providing services such as insurance and mortgages would be the same as directing members to other investment companies and that this did not sit within the ethos of a credit union. There is also a belief that credit unions already provide the services needed in their local community.

B3 Would expanding the range of financial services on offer encourage you to consider joining a credit union or to use credit unions more frequently?

There were 97 responses to this question. 88% of respondents (85) would consider joining a credit union or use a credit union more frequently if they expanded their range of financial services. While 12% of respondents (12) did not.



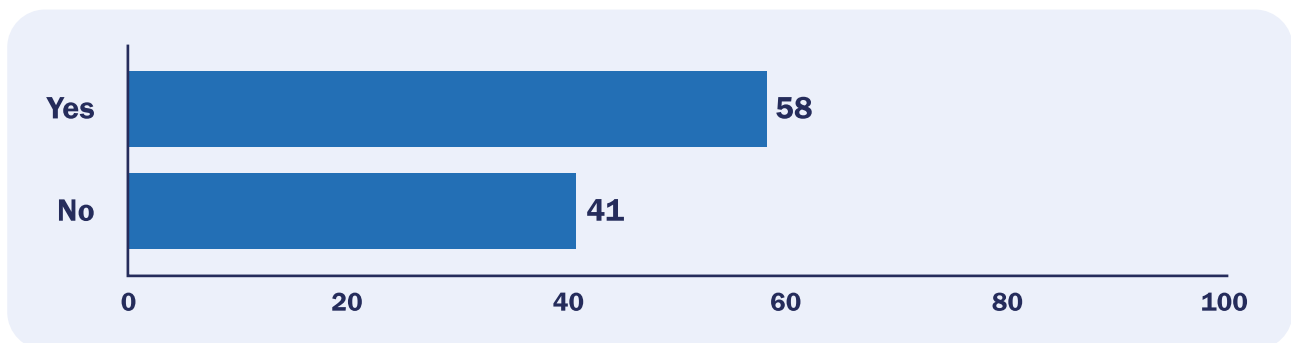
There is a broad consensus that credit unions are currently perceived as offering limited or basic services compared to high-street banks or digital financial providers.

The belief is that if credit unions were to offer a broader range of services - such as mobile banking apps, budgeting tools, competitive savings products, mortgages, or small business support, that they could become a more attractive and convenient option. Flexibility and digital access were noted as increasingly important, and that expanding services in a modern and user-friendly way could significantly improve their appeal and usage to new members and younger people.

There was a correlation between those that did not want credit unions to offer more financial services and those who would not be encouraged to join a credit union or use it more frequently if more financial services were available. These respondents feel that more financial services would make credit unions feel like banks and go against their ethos and that credit unions already provide the right services to their community.

B4 Do you have any concerns about credit unions offering a broader range of financial products? If Yes, please explain.

There were 99 responses to this question. 59% of respondents (58) had concerns about credit unions offering a broader range of financial products. Whereas 41% of respondents (41) had no concerns. Out of the 99 responses, 69 respondents provided additional comments.



Whilst a majority of respondents were in favour of credit unions expanding their financial services, there are concerns about how they would operate and how credit unions would manage extra processes. Respondents feel that any expansion must be accompanied by appropriate safeguards to protect members, maintain financial stability, and preserve the values of the credit union sector.

It was noted that offering more complex financial products, such as mortgages or insurance, requires enhanced staff training, systems, and oversight. There is a concern that smaller or less-resourced credit unions may find it difficult to build the necessary internal capacity without additional support.

It was also noted that a broader range of services will attract more stringent oversight from the PRA, FCA, and other regulators and that credit unions should be supported in adapting to these responsibilities. There is also a belief that the regulatory framework must be clear, consistent, and proportionate to ensure that reform does not create unintended burdens that could discourage smaller credit unions from modernising.

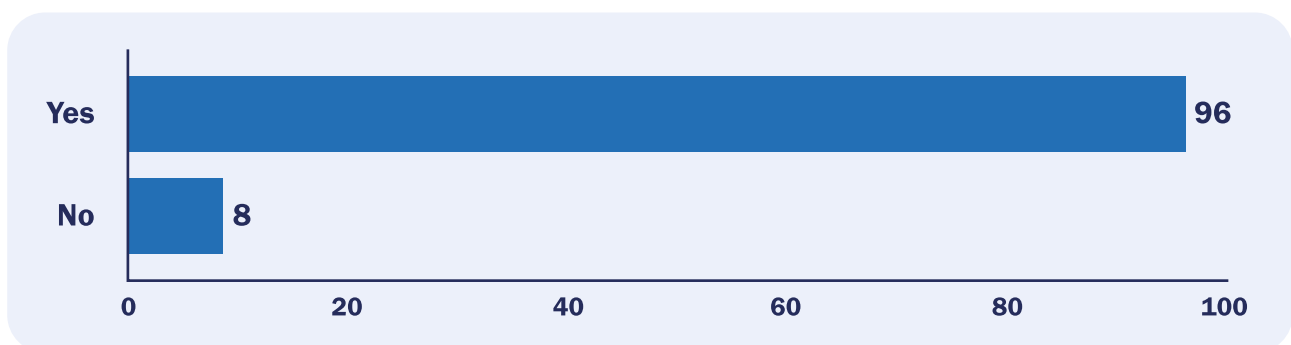
There is also a concern that expanding into more commercial products could dilute the core ethos of credit unions, particularly their focus on financial inclusion and community support. Respondents expressed the importance of any new services remaining member-driven and not profit-led, priced fairly and accessible and delivered in a way that does not exclude vulnerable members.

Amongst respondents that did not have any concerns, there is a belief additional profits should be reinvested in innovative services that generate greater return for credit union members. There is also a belief that expanding the financial services credit unions offer, could significantly increase their appeal to new members, especially younger people.

B5-B8 Corporate Membership Lending

B5: Do you feel that credit unions should be allowed to increase their lending to businesses, charities, and local community groups?

There were 104 responses to this question. 92% of respondents (96) felt that credit unions should be allowed to increase their lending to businesses, charities, and local community groups. Whereas 8% of respondents (8) felt they should not be allowed.



A majority of respondents feel that allowing responsible business lending would promote local economic development and job creation. There is a belief that credit unions are good at personal lending, but that the skills, experience and processes are not in place for business lending. It was suggested that there are opportunities for collaboration and loan sharing, especially for larger loans, while individual credit unions could manage loans up to a ceiling of £100,000 - £150,000.

Whilst the ability to increase lending to businesses was welcomed, it was noted that research shows that most SMEs and micro businesses prefer to borrow small amounts of money for a brief period that helps them get over temporary financial hurdles and that a flexible overdraft facility is often more useful to them than the ability to borrow a large loan.

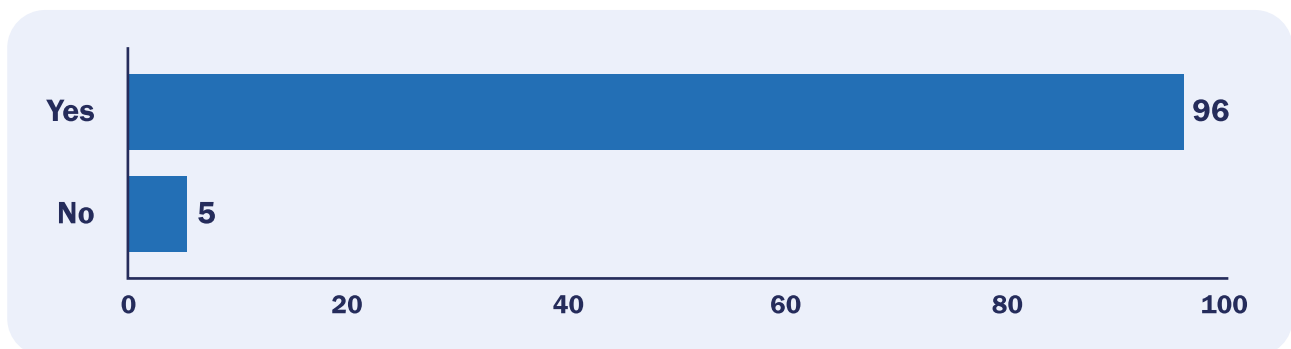
There is a belief that local entrepreneurs and voluntary groups often struggle to access ethical and affordable credit but that, with appropriate regulation, credit unions are well placed to meet this need responsibly.

It was also noted that this could ensure that local savings are invested in the local region rather than deposited in commercial banks who can invest that money anywhere and in any project they wish.

Respondents also noted that there may be skill gaps in this area and that the Department should provide support to address the gap.

B6: Do you feel that allowing credit unions to lend more to corporate members may benefit local businesses and local community organisations?

There were 101 responses to this question. 95% of respondents (96) felt that credit unions lending more to corporate members would benefit local businesses and local community organisations. Whereas 5% of respondents (5) did not.



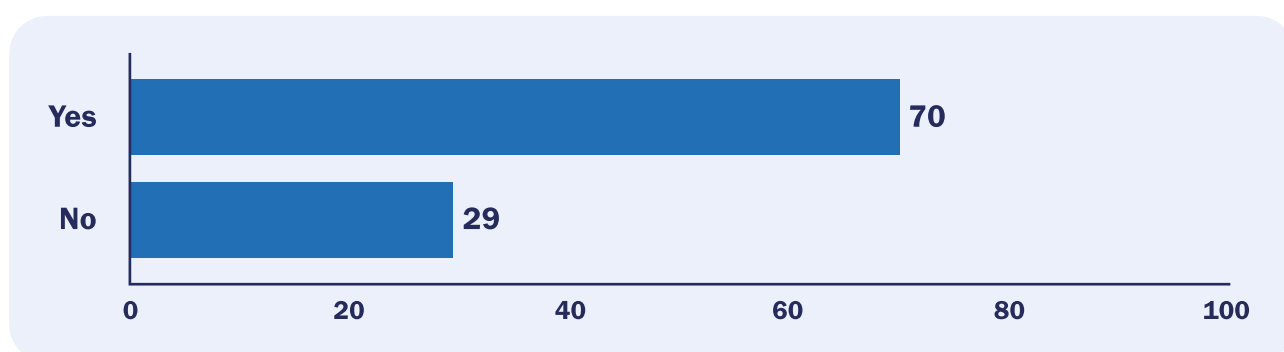
There is a consensus that access to ethical, affordable credit could support the sustainability of social enterprises, small businesses and community organisations. There is also broad support for an increase in corporate loans as a percentage of outstanding loans from 10% - 25%.

It was noted that raising the cap on corporate lending is essential in rural areas, where many small businesses and charities are excluded from traditional finance. There is a belief that these funds could transform local economies and enable community-led regeneration.

It was also suggested that credit unions should collaborate with their local enterprise agency to learn from them.

B7 Do you feel there are any risks or concerns with increasing credit union lending to corporate members? If Yes, please explain.

There were 99 responses to this question. 71% of respondents (70) felt that there were risks or concerns with increasing credit union lending to corporate members. Whereas 29% of respondents (29) did not feel there were any risks or concerns. Out of the 99 responses to this question, 74 respondents provided additional comments.



There is concern about risks relating to moving into new markets with larger loan sizes and the different skills and requirements for due diligence, credit assessment and security. However, respondents feel that these concerns could be addressed through co-operation in the development of robust processes, agreement with regulatory bodies, training and development for staff, volunteers and boards and working through Credit Union Service Organisations (CUSOs) similar to the south of Ireland.

A particular potential risk that was identified would be in the case of a default on a corporate loan, with a credit union left with a large outstanding balance which could lead to a potential loss of member funds.

It was also noted that overexposure and potential shifts in the economy could impact one sector or lead to a mission drift in the credit union sector. It was suggested that these risks could be managed through prudent limits, staff training, and tailored oversight.

It was also noted that any increase in lending is going to come with a risk but that it would be no different than increasing lending to members as credit unions are already tightly regulated.

B8 How do you think credit unions could better support local businesses and social enterprises?

There were 86 responses to this question which provided a wide range of ideas on how credit unions could better support local businesses and social enterprises.

The majority of respondents feel that supporting local businesses and social enterprises should be a key component of credit union modernisation in NI, with a belief that these sectors play a critical role in sustaining local employment, revitalising town centres, and addressing social and economic challenges, especially in rural areas.

The most common ideas were:

Expanding Lending Powers to Serve Microbusinesses and Sole Traders

Current lending restrictions limit the credit union's ability to provide support to local businesses. Legislative reform was recommended to allow credit unions to:

- Offer working capital, equipment finance, or business development loans
- Serve sole traders, partnerships, and small companies within the common bond
- Provide affordable alternatives to high-cost credit, especially for those underserved by traditional banks

There is a belief that this support would be particularly valuable to local tradespeople, farmers, retailers, and emerging entrepreneurs.

Tailored Financial Products for Social Enterprises

Credit unions should be allowed to develop specialised loan products for community interest companies, charities, and social enterprises. These organisations often face unique financial pressures, irregular income streams, project-based funding, and grant dependencies. A credit union approach rooted in mutual support and trust is well suited to meeting their needs.

Advisory and Partnership Support

Beyond lending, credit unions can function as trusted financial partners, providing:

- Budgeting, cash flow, and financial literacy support
- Links to local enterprise centres, councils, or chambers of commerce
- Access to funding advice or signposting to relevant grants and services

This could be further strengthened through collaboration between credit unions and regional business support bodies or social enterprise networks.

Shared Services and Risk Management

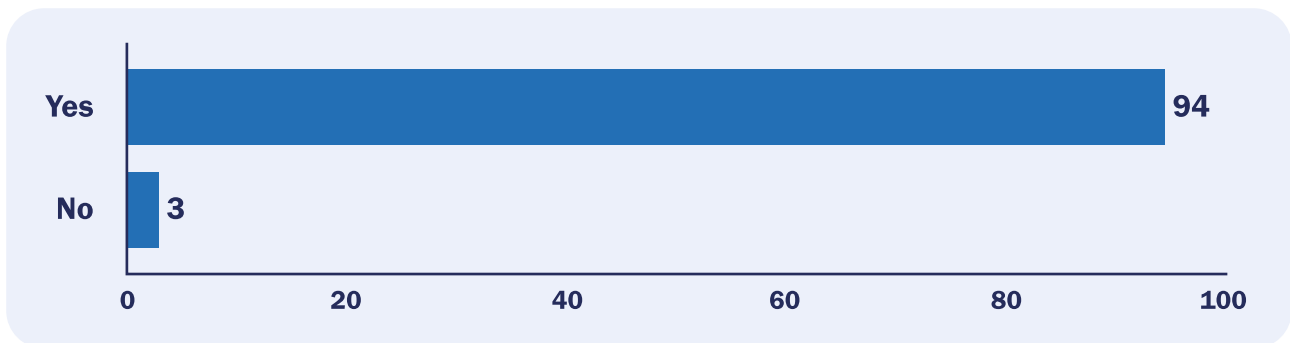
To manage the complexity and risk of business lending, the development of shared back-office services was suggested, with underwriting tools and risk assessment frameworks at a regional level. This would ensure credit unions of all sizes can participate safely in business and social enterprise support.

A small number of respondents feel that credit unions should be for individual members only and not for businesses or enterprises.

B9-B13 Collaborative Initiatives

B9 Do you feel that credit unions should be able to refer members to other credit unions for services that they do not provide themselves?

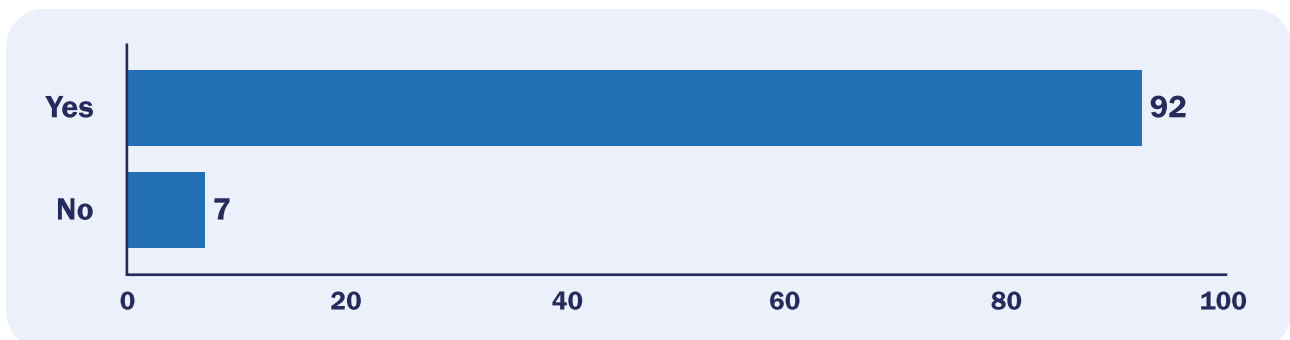
There were 97 responses to this question. 97% of respondents (94) felt that credit unions should be able to refer members to other credit unions for services they do not provide themselves. Whereas 3% of respondents (3) did not.



There is a belief that cross-referral arrangements would enhance member experience without forcing transfers or service duplication and that it would promote better service access, especially where local branches have capacity limitations.

B10 Would you support credit unions pooling their resources to offer larger loans and shared services?

There were 99 responses to this question. 93% of respondents (92) supported credit unions pooling their resources to offer larger loans and shared services. Whereas 7% were not supportive (7).



There is a broad consensus that this approach could strengthen the sector's ability to compete with mainstream financial institutions while maintaining a community-focused ethos. There is a belief that through collaboration, credit unions could increase their lending capacity, improve efficiency, reduce duplication, and expand access to more sophisticated services such as digital platforms, business finance, and specialist support.

There is also a belief that pooling resources could also help ensure consistency and resilience across the sector, especially in areas where individual credit unions face capacity or funding challenges.

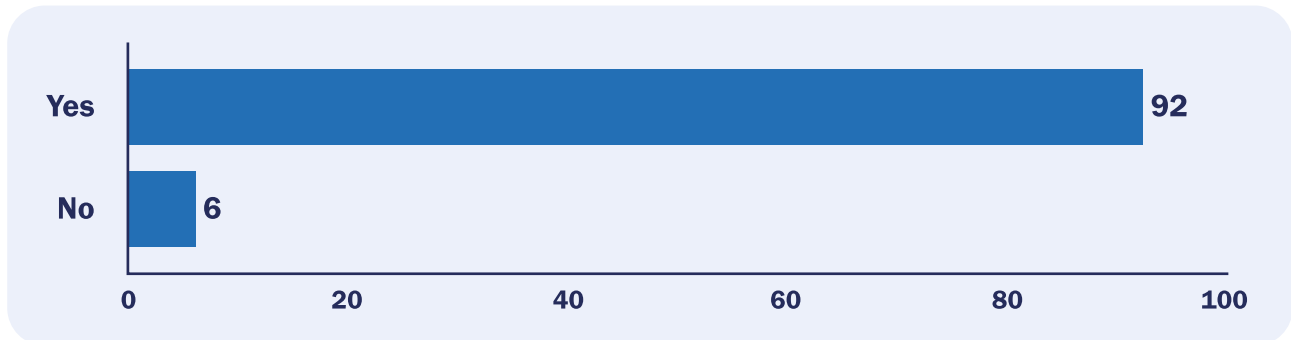
Various levels at which credit unions could pool their resources to offer larger loans, and shared services have been suggested:

- A group of credit unions in a local government district or other defined area could set up a CUSO, employing experienced lenders to manage the service collectively. This would still retain the engagement and commitment to the common bond area.
- The credit union membership bodies could set up a NI-wide organisation, so that funds could be mobilised and invested across NI. This would mobilise funds at scale and could contribute more to the economic growth agenda.
- Credit unions could collectively invest in approved and regulated social housing funds, as is the case in the Republic of Ireland. This could provide significant flows into the social housing sector.
- Credit unions could deposit funds in experienced and regulated social banks such as Triodos, Unity Trust, Charity Bank and Ecology Building Society, asking for "best endeavours" to lend those funds within NI. The banks could also be able to offer Community Investment Tax Relief accounts on deposits, which offer a reduction on corporation tax as well as an interest rate. Several NI credit unions previously availed of this facility.

Although respondents were supportive of this approach, they feel that the current credit union business model, where each credit union operates independently as an autonomous institution, means that each autonomous credit union is responsible for providing its own resources and services independently of other credit unions. Some respondents believe that this model makes collaboration almost impossible and makes sustainability challenging. It was noted that Fintech systems, for example, are extremely expensive yet essential if credit unions are to offer people what they need and want from financial institutions. It was suggested that collaboration on fintech licenses would be better than the current model whereby each credit union purchases its own fintech license. For many credit unions, especially the smaller ones, this is beyond their financial reach. Concern was raised that Fintech collaboration between 'autonomous' credit unions could be restricted or even prevented by anti-trust legislation or regulation.

B11 Do you feel that credit unions should be permitted to jointly invest in shared technology and operational efficiencies?

There were 98 responses to this question. 94% of respondents (92) felt that credit unions should be permitted to jointly invest in shared technology and operational efficiencies. Whereas 6% of respondents (6) did not.



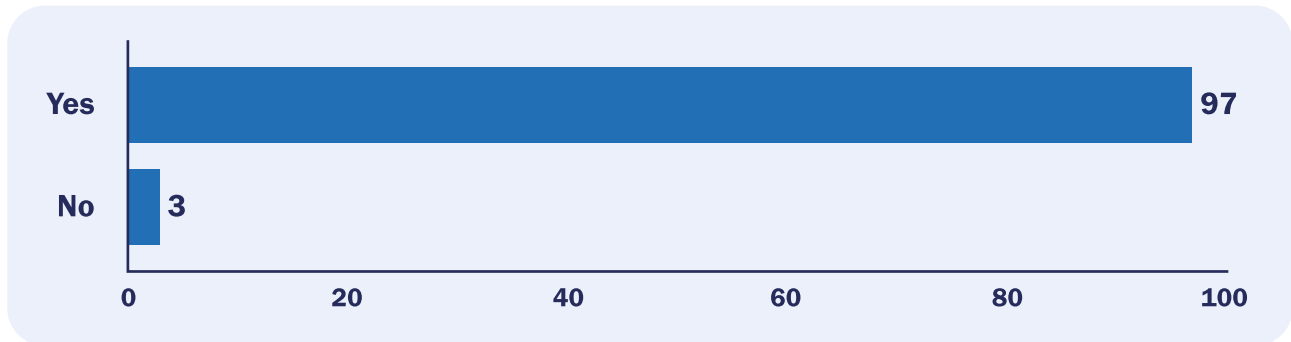
The majority of respondents feel that collaborative investment could reduce costs, improve service quality, reduce duplication, and support digital innovation across the sector. There is a belief that it would help credit unions remain competitive while allowing smaller institutions to access systems they might not afford alone, all without losing their community focus. It was also noted that the proposal would better enable credit unions to offer a community-based alternative to traditional financial institutions and online banking.

In order to ensure that credit unions adopt and maintain secure, modern digital infrastructure that meets member expectations and enhances operational efficiency, a number of suggestions were offered:

- Digital Strategy Plan: Each Credit Union should develop a 3-5 year digital roadmap aligned with its strategic plan and objectives.
- Minimum Technology Standards: define baseline requirements for online banking, mobile apps, cybersecurity, data protection and IT infrastructure.
- Funding and Collaboration Support: Encourage pooling investment, shared platforms, or partnerships with fintech to reduce individual costs.
- Board Reporting: Require regular board level review of digital performance, member engagement metrics and security updates in detail to each board meeting.

B12 Do you feel that greater collaboration between credit unions would strengthen their services?

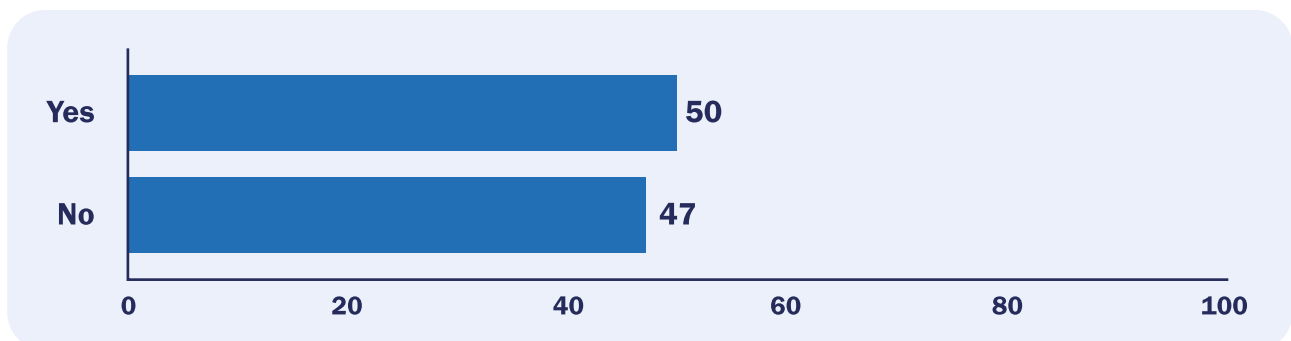
There were 100 responses to this question. 97% of respondents (97) felt that greater collaboration between credit unions would strengthen their services. Whereas 3% of respondents (3) did not.



A majority of respondents feel that by working together, credit unions can share expertise, pool resources, and offer a wider range of products and services. There is also a belief that collaboration can improve efficiency, expand digital capabilities, and increase resilience, benefiting both members and the wider community, especially in rural or underserved areas. It was noted that this may also help with increasing potential volunteer numbers.

B13 Do you feel that there are any risks in allowing credit unions to work more closely together? If Yes, please explain.

There were 97 responses to this question. 52% of respondents (50) felt that there are risks in allowing credit unions to work more closely together. Whereas 48% of respondents (47) did not. Out of 97 responses, 64 respondents provided additional comments.



A majority of respondents believe that collaboration can strengthen the credit union sector - through cost-sharing, innovation, and improved resilience. There is also a belief that it must be approached with care, with safeguards in place to protect each credit union's independence, ensure fair participation, and manage operational and reputational risks effectively.

There was a recognition that working more closely together brings certain risks that must be managed carefully, such as:

Loss of Local Identity and Member Trust

Credit unions are valued for their local presence, personal service, and deep understanding of their communities. There is a risk that increased centralisation or regionalisation of services could erode this identity and weaken member loyalty. Care must be taken to:

- Preserve local branding, governance, and decision-making
- Ensure members continue to feel a personal connection to their credit union
- Avoid a 'one-size-fits-all' approach that neglects local needs

Unequal Partnerships or Resource Imbalance

Collaboration can be difficult where credit unions differ significantly in size, capacity, or financial strength. There is a risk that:

- Smaller credit unions may be dominated or marginalised in joint ventures
- Larger credit unions may bear disproportionate risk or resource burdens
- Governance arrangements in shared structures may not reflect the interests of all participants equally

Any collaboration must be based on transparency, fairness, and shared benefit, with clear governance and exit arrangements.

Reputational and Operational Risk

If one participating credit union in a shared arrangement experiences financial, regulatory, or service delivery issues, the reputation of all linked partners could be affected. To mitigate this:

- Joint ventures or shared services must have strong risk management and compliance frameworks
- Clear legal agreements should define roles, responsibilities, and liabilities
- All participating credit unions must maintain robust due diligence processes

Regulatory Complexity

More collaborative models, especially cross-jurisdictional or service-sharing arrangements, may create uncertainty around regulatory responsibility and accountability. The Department, regulators, and trade bodies should provide:

- Clear guidance on compliance expectations in joint operations
- Support for governance frameworks, data protection, and reporting standards

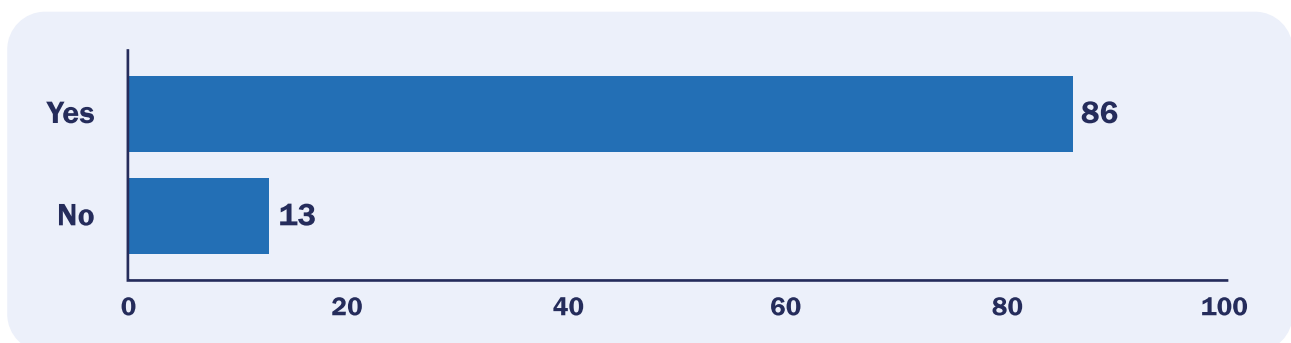
It was also noted, that whilst there could be risks, they would be minimal, provided each credit union retains its autonomy and that governance remains accountable.

A small number of respondents feel that this proposal should be avoided entirely as it would make a credit union seem more corporate.

B14-B17 Membership Eligibility

B14 Do you feel that broadening membership eligibility requirements would encourage more people to join credit unions?

There were 99 responses to this question. 87% of respondents (86) felt that broadening membership eligibility requirements would encourage more people to join credit unions. Whereas 13% of respondents (13) did not.



A majority of respondents feel that broadening membership eligibility could encourage more people to join credit unions and that expanding the common bond criteria would make credit unions more inclusive and accessible, particularly to those who may currently be excluded due to geography or employment. There is a belief that a wider membership base could also strengthen financial sustainability and allow credit unions to better serve diverse communities while also maintaining community relevance.

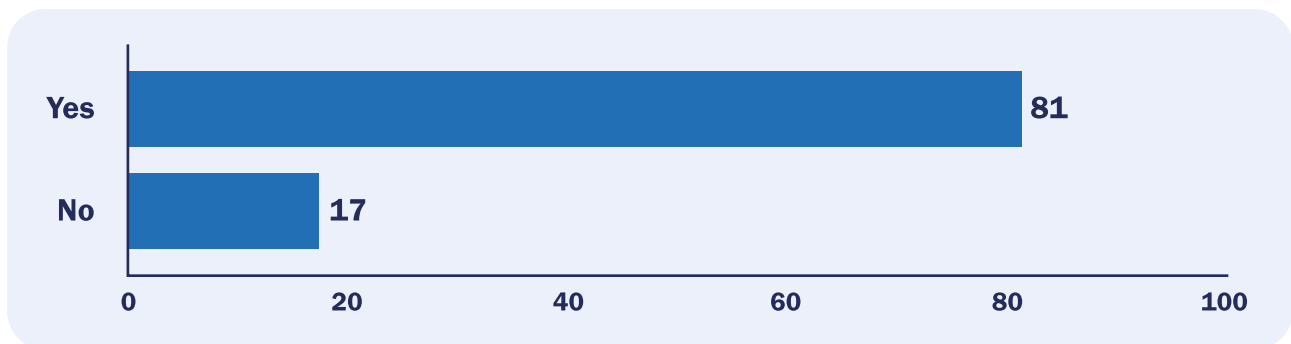
It was also suggested that the Board Member Criteria should be widened to allow for an increased pool which would help with lower population density in rural areas.

Those who were not in favour feel that current requirements already work for local communities and therefore do not need to change, and that smaller credit unions need protected as they may lose membership.

There is a concern that the number of consumers that may currently be excluded from membership of a credit union through not satisfying a current common bond and membership eligibility criteria was relatively low. A further concern was the potential unintended consequences of a widening of eligibility criteria and the common bond parameters, particularly on smaller credit unions who may struggle to keep pace with larger credit unions.

B15 Do you feel that credit unions should have more flexibility in defining their common bond?

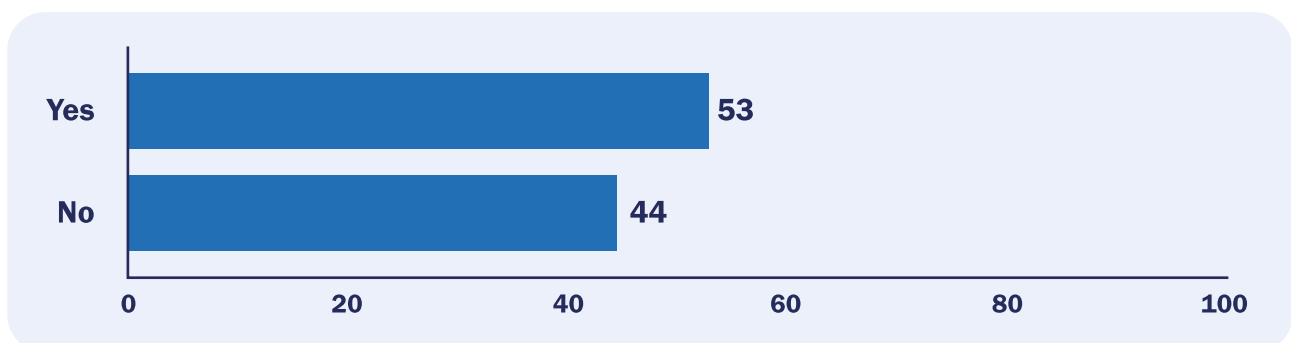
There were 98 responses to this question. 83% of respondents (81) felt that credit unions should have more flexibility in defining their common bond. Whereas 17% of respondents (17) did not.



A majority of respondents feel that greater flexibility would allow credit unions to adapt to changing community needs, allow for strategic partnerships and demographic targeting, reach underserved groups, and grow their membership base while still maintaining a clear sense of purpose and identity.

B16 Do you feel that there are any risks in broadening membership eligibility? If Yes, please explain.

There were 97 responses to this question. 55% of respondents (53) felt there were risks in broadening membership eligibility. Whereas 45% of respondents (44) did not. Out of the 97 that responded, 65 left further comments.



While the majority of respondents recognised benefits in broadening membership eligibility there is a belief that it must be balanced with a clear understanding of the potential risks to credit unions core identity, governance, and member cohesion.

An overview of the risks that were identified is set out below:

Loss of Common Bond Identity and Community Connection

The common bond is central to the credit union model; it creates a sense of shared purpose, trust, and mutual support. If the bond is extended too broadly or without clear justification, there is a risk of:

- Weakening member loyalty and engagement
- Diluting the community-based ethos that underpins credit union operations
- Undermining the voluntary and democratic participation that distinguishes credit unions from commercial banks

Any expansion should retain a geographic, associative, or community-based logic, ensuring that new members still share a meaningful connection with the credit union and its mission.

Operational and Resource Pressures

An influx of new members, particularly from diverse backgrounds or financial needs, may place strain on:

- Staff capacity, systems, and onboarding processes
- Credit risk management, if new members differ significantly in income profiles or financial behaviour
- Member service standards, particularly in smaller or resource-constrained credit unions

Measured growth was supported, but credit unions must be supported with adequate training, technology, and risk management tools to serve a more diverse membership effectively.

Reputational Risk and Member Expectations

If new members are drawn from areas with limited understanding of the credit union ethos, or if services do not meet their expectations, this could result in:

- Disengagement or higher account dormancy
- Reputational risk if new members feel underserved or misinformed
- Mission drift if the credit union begins prioritising growth over member impact

It was recommended that any membership expansion be accompanied by clear communication, community outreach, and onboarding support to preserve member understanding and trust.

There were also a substantial proportion of respondents who feel that any risks could be minimised with strong governance, and that a common bond expansion would align with the credit union's community ethos.

B17 What else do you feel could be done to make credit union membership more accessible?

There were 81 responses to this question.

There is a consensus that improving accessibility is key to strengthening financial inclusion and ensuring that credit unions remain relevant, welcoming, and responsive to the needs of all members of society. The following measures were identified to help make credit union membership more accessible:

Simplify and Streamline the Membership Process

Credit unions should be supported in modernising their account opening procedures through:

- Online and mobile member onboarding with secure identity verification
- Flexible documentation requirements, especially for individuals without formal proof of address (e.g. people in temporary accommodation or young adults)
- Immediate access to basic services upon joining (e.g. ability to deposit and save right away)

This would help remove unnecessary barriers and encourage uptake, particularly among younger members and working families.

Greater Public Awareness and Visibility

Many individuals are unaware that they are eligible to join a credit union. Coordinated efforts should be made to:

- Promote the credit union brand at a regional and national level
- Launch public education campaigns about the benefits of credit union membership
- Highlight that credit unions are not-for-profit, community-owned, and offer an alternative to banks and payday lenders

This could tackle misconceptions and raise the profile of credit unions as modern, professional financial institutions.

Inclusive Outreach and Community Engagement

To reach underrepresented groups, such as young people, older adults, minority ethnic communities, and those on low incomes, credit unions could:

- Partner with local schools, community centres, housing associations, and employers
- Offer financial wellbeing sessions in accessible locations
- Provide materials in multiple languages and formats (including easy read, audio, and digital)

This would ensure that membership is seen as open, inclusive, and reflective of the whole community.

Improve Physical and Digital Access

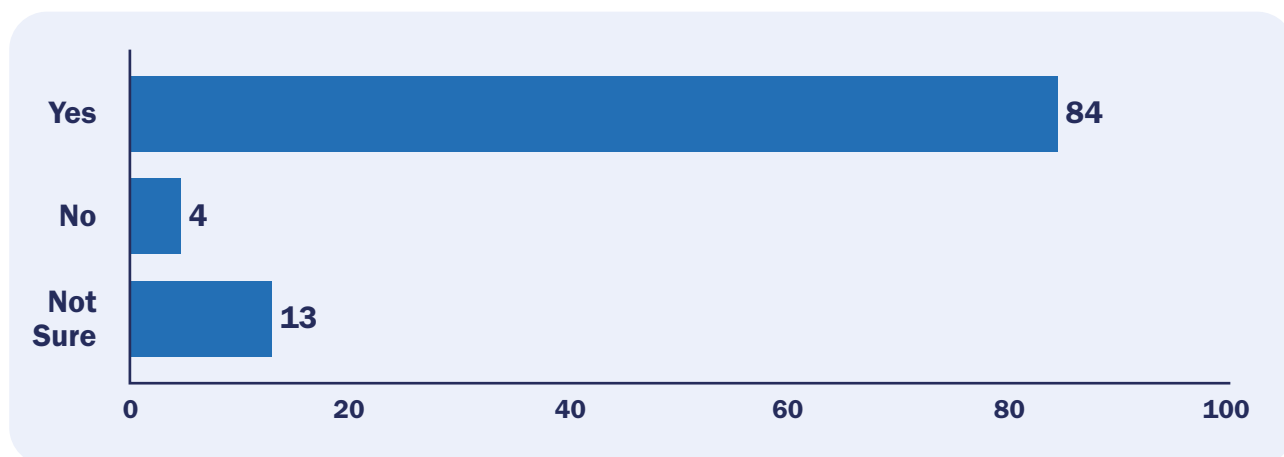
Membership should be accessible both in-branch and online. To achieve this, credit unions should be supported in:

- Investing in mobile apps and accessible websites
- Maintaining welcoming and accessible physical branches, especially in rural or underserved areas
- Offering telephone and in-person services for members who are digitally excluded or prefer personal interaction
- Respondents feel that with the right technological, legislative, and outreach support, credit union membership can be made more accessible and attractive to a wider cross-section of society, without compromising the cooperative principles that define the sector.

B18-B22 Insolvency Considerations

B18 Do you feel that credit unions should receive special consideration under insolvency rules, such as Individual Voluntary Arrangements (IVAs) and Debt Relief Orders (DROs)?

There were 101 responses to this question. 83% of respondents (84) felt that credit unions should receive special consideration under insolvency rules, such as IVAs and DROs. Whereas 4% of respondents (4) did not and 13% of respondents (13) were not sure.



Those respondents that believe credit unions should receive special consideration stated that credit unions are not-for-profit, member-owned institutions that reinvest surpluses into supporting local communities. It was noted that, unlike commercial lenders, they often serve individuals who may be otherwise financially excluded or vulnerable. Special considerations such as fairer treatment in insolvency proceedings or earlier engagement in debt solutions, could help credit unions recover more of their funds and continue providing responsible, affordable credit.

They also feel that credit unions face unfair risk from IVAs and DROs due to their small size and reliance on member capital and that this proposal, coupled with pooling of resources, can help those who are struggling and who may turn to unethical lending methods.

It was noted that any changes should be carefully balanced to ensure that individuals facing genuine financial hardship remain protected and that the overall insolvency framework remains fair and consistent.

Those that disagreed felt it was too difficult to comment on this proposal without more detail being provided around what is meant by “special consideration” under insolvency rules. They felt that much more detail was needed about any proposed exemptions or special considerations under IVAs and DROs.

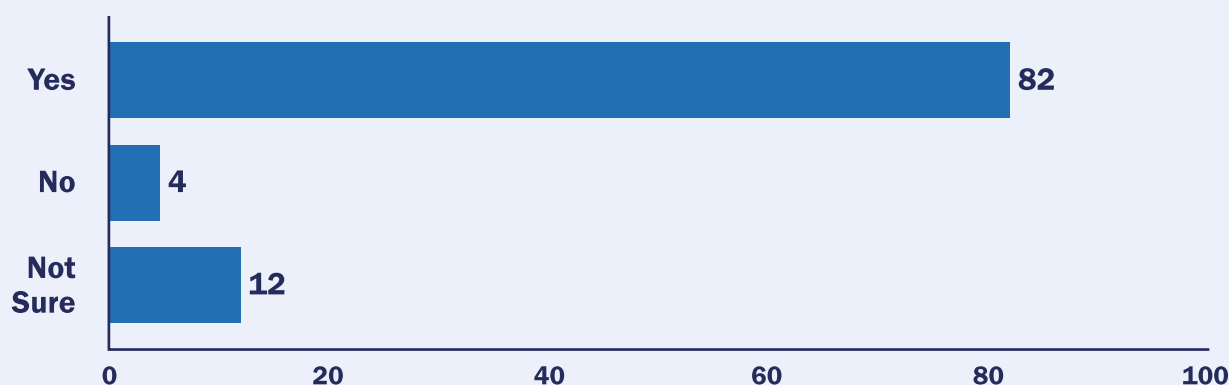
Even though they recognised that, as stated, ‘Credit unions occupy a special place in the financial sector,’ they did not currently see cause to give credit unions special arrangements.

They also feel that credit unions should have the ability to access the same benefits afforded to banks and other lenders. It was noted that if credit unions are given these powers, it should mean that they adhere to all the same standards and regulations as required by the FCA, including insolvency practices and so believe that there should be no special dispensation given. There is a belief that the FCA have improved their practices regarding IVAs and DROs in recent years and that these practices do not seem to be consistently applied by credit unions, and that some credit unions remove members who have been insolvent.

Those who were not sure felt they did not have enough knowledge about IVAs and DROs and how they affect credit unions or needed more information on the potential consequences of any proposed exemption being implemented on those members who are impacted, in order to make a more informed position on the matter.

B19 Do you feel that credit unions should have different protections compared to other lenders due to their local community-focused approach? If Yes, please explain.

There were 98 responses to this question. 84% of respondents (82) felt that credit unions should have different protections compared to other lenders due to their local community-focused approach. Whereas 4% of respondents (4) did not and 12% of respondents (12) stated that they were not sure. Out of the 98 responses, 68 respondents provided further comments.



A majority of respondents recognised that credit unions operate in a fundamentally unique way from commercial lenders, with the cooperative, member-owned, and community-focused structure meaning that they prioritise financial inclusion, responsible lending, and member wellbeing over profit maximisation.

Below are the reasons why respondents feel credit unions should be given different protections.

Distinct Nature of Credit Unions Justifies Tailored Regulatory Protections

Given credit unions' unique role in financially underserved communities and offering affordable financial services, there is a belief among respondents that credit unions should benefit from proportionate regulatory treatment that reflects:

- their not-for-profit status
- their strong governance and member accountability
- their commitment to ethical lending and financial education

Protections can help ensure the sector's sustainability while maintaining high standards of consumer protection.

Balancing Member Protection with Flexibility

While member protection must remain paramount, overly rigid regulatory frameworks designed for commercial lenders can limit the ability of credit unions to innovate and respond to local needs. Appropriate protection might include:

- Flexible capital and liquidity requirements relative to credit union size and risk profile
- Proportionate compliance and reporting obligations to reduce administrative burdens
- Regulatory recognition of the mutual benefit model that governs credit union operations

Safeguarding Member Interests

Credit unions already have a strong culture of transparency and member involvement, which offers natural protection against reckless lending or exploitation. Nevertheless, there is strong support for robust regulations to:

- Ensure sound financial management
- Protect members' savings
- Maintain public confidence in the sector

Respondents believe that credit unions should have bespoke regulatory protections and a proportionate supervisory framework that recognises their community focus, cooperative ethos, and social value. This approach would support credit unions in continuing to provide ethical, accessible financial services while safeguarding member interests effectively.

The minority of respondents who believe that credit unions should not have different protections than other lenders stated that credit unions already have sufficient protections under the model Standard Rules for Credit Unions (Northern Ireland) which flow from the Credit Unions (Northern Ireland) Order 1985. There is a belief that legislation and rules currently provide that any loan agreement must set out whether shares owned by a borrower can be withdrawn during the term of a loan and, also, provide for a credit union to have a lien on those shares towards payment of the loan. They deemed it reasonable to assume that most, if not all, credit unions would take the opportunity to secure the debt owed to them by way of a lien on any shares held by a borrower. There is a further belief that credit unions already, therefore, potentially have a level of protection that an unsecured lender does not have.

It was noted that if further details on special protections or exemptions are presented for comment then they may be convinced that credit unions should have different protections than other lenders.

Those who were not sure felt they did not have enough knowledge about the protections that are currently in place for credit unions and other lenders or needed more information on the potential consequences of any proposed exemption being implemented on those consumers who are impacted to make a more informed position on the matter.

B20 In what way do you feel insolvency rules could be adjusted to ensure fair treatment for credit unions and their members?

There were 74 responses to this question.

There was a recognition of the importance of robust insolvency frameworks that protect members' savings while ensuring credit unions can operate with confidence and financial prudence. However, there is a belief that current insolvency rules, designed for commercial enterprises, may not fully reflect the unique nature of credit unions as member-owned, mutual organisations. Below are ways that respondents feel insolvency rules could be adjusted to ensure fair treatment for credit unions and their members.

Recognition of Credit Union Mutual Status

Insolvency legislation should explicitly recognise credit unions as mutual financial cooperatives, distinguishing them from commercial lenders and corporations. This could involve:

- Tailored provisions that protect member savings preferentially
- Flexibility in winding-up procedures to prioritise member interests and preserve community value

Protection of Members' Savings

Given that members' shares often represent significant personal savings, insolvency rules should provide:

- Clear protections for the return or safeguarding of member shares and deposits
- Preferential treatment of members' funds over other unsecured creditors where appropriate
- Efficient resolution mechanisms to minimise losses and disruption to members

Support for Early Intervention and Recovery

Insolvency frameworks should encourage early intervention and restructuring options specific to credit unions, enabling:

- Prompt regulatory or cooperative-led action to address financial difficulties
- Access to tailored insolvency or recovery procedures that allow for operational continuity or orderly wind-down in members' best interests

Simplified Procedures for Smaller Credit Unions

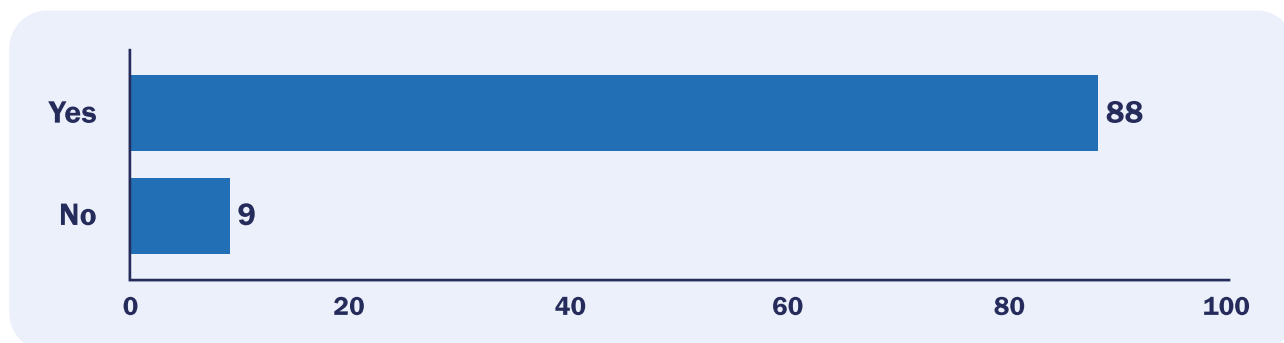
Smaller credit unions may lack the resources to navigate complex insolvency processes. We recommend:

- Simplified, proportionate insolvency procedures that reduce costs and complexity
- Guidance and support from regulatory bodies to manage insolvency situations sensitively and fairly
- Adjusting insolvency rules to better reflect the mutual, community-focused nature of credit unions will help protect members' savings and strengthen sector resilience. The Department has been encouraged to work closely with credit unions and regulators to develop a fair, clear, and proportionate insolvency framework tailored to the credit union sector.

Other respondents feel that credit unions should be completely excluded from the provisions of insolvency legislation. They believe that the current arrangements are not fair. A credit union only charges interest on a reducing balance and does not have any charges attached. A commercial lender will add total interest and charges at the start of the lending period, and should the loan end up in an insolvency arrangement, the amount of distribution is significantly different; i.e. at the end of week 1, a credit union loan of £2000 will be £2004.88 whereas a commercial loan could be £2475.00; in an apportionment situation the commercial lender gets a greater return as they front-load interest and charges.

B21 Do you feel that credit unions should have a greater say in restructuring debts before legal action is taken?

There were 97 responses to this question. 91% of respondents (88) felt that credit unions should have a greater say in restructuring debts before legal action is taken. There were no respondents that stated no. Whereas 9% of respondents (9) stated that they were not sure.



Respondents who stated yes believe that involving credit unions earlier in the debt resolution process could lead to better outcomes for all parties, such as reducing the need for formal insolvency proceedings and helping members avoid long-term financial damage. It would also support credit unions in recovering funds in a way that aligns with their values and sustainability.

They also believe that this could reduce community or individual harm and offer greater support, especially for those who have experienced debt due to complex reasons such as addiction, job loss, mental health crisis or financial exploitation due to vulnerability. Equally, a greater say in restructuring debts could assist local businesses to maintain their work/services and ensure continued employability for staff during challenging financial times.

B22 What impact do you feel existing insolvency rules have on credit unions?

There were 78 responses to this question which provided a wide range of the impacts that existing insolvency rules have on credit unions.

Respondents believe that current insolvency rules are designed for commercial entities and that they present specific challenges for credit unions due to their mutual, community-oriented structure. The impact that respondents feel existing insolvency rules have on credit unions is laid out below.

Limited Recognition of Credit Union Mutual Status

Existing insolvency frameworks often do not fully recognise the unique cooperative and member-owned nature of credit unions. This can result in:

- Insolvency procedures that are not tailored to protect members' interests adequately
- Treatment of member shares and savings as unsecured claims, increasing risk of loss to members

Complex and Costly Processes

Insolvency processes can be complex, lengthy, and costly, disproportionately affecting smaller credit unions with limited resources. This can divert funds away from member services and reduce the credit union's ability to recover from financial difficulties effectively.

Risk to Member Savings and Confidence

The lack of specific safeguards for member savings in insolvency proceedings can undermine public confidence in credit unions as safe places to save, potentially limiting membership growth and retention.

Challenges for Early Intervention and Recovery

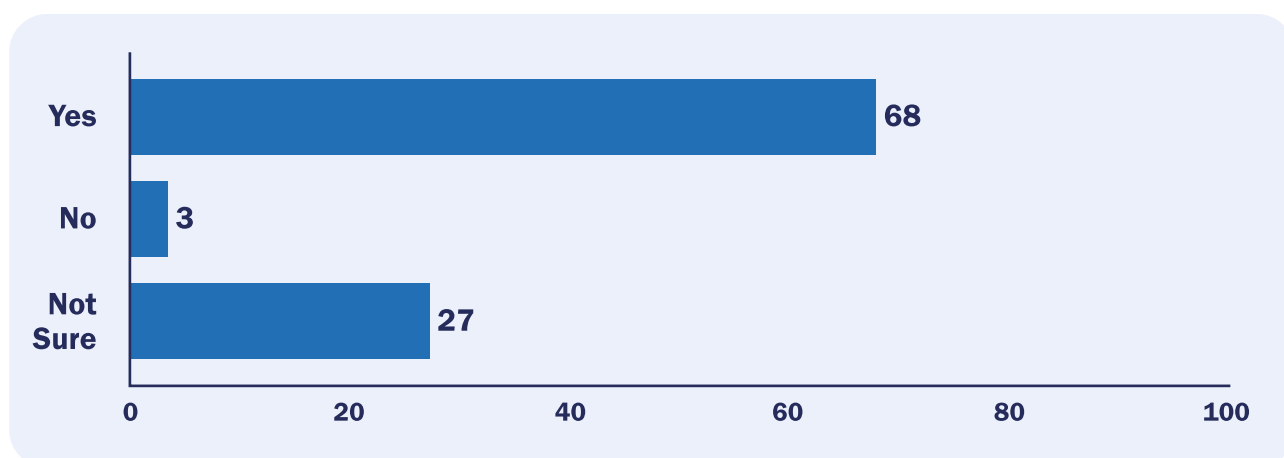
Current insolvency rules may not sufficiently support early intervention or restructuring efforts tailored to credit unions' operational realities, limiting opportunities to resolve financial distress before insolvency occurs.

The existing insolvency framework poses operational and reputational risks to credit unions and their members. It is recommended that reforms that explicitly recognise credit unions' mutual status, provide tailored protections for members' savings, and support proportionate, efficient insolvency procedures suited to the sector's community focus.

B23-B26 Access to Financial Systems

B23 Do you feel that credit unions should have direct access to the Bank of England's Sterling Monetary Framework?

There were 98 responses to this question. 69% of respondents (68) felt that credit unions should have direct access to the Bank of England's Sterling Monetary Framework (SMF). Whereas 3% of respondents (3) did not and 27% of respondents (27) were not sure.

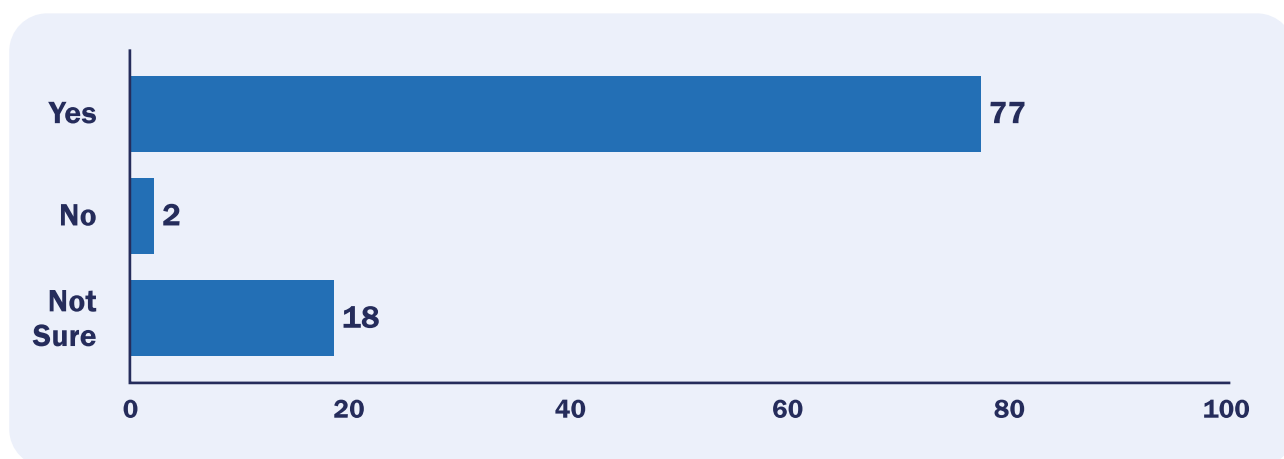


Respondents who answered yes believe that access to the SMF would provide credit unions with greater financial stability, enhance liquidity management, and improve their resilience during periods of economic stress. There is also a belief that it would place them on a more equal footing with other regulated financial institutions, supporting their growth and enabling them to better serve communities with affordable and responsible financial services.

Those who answered no, do not believe that credit unions would need access or believe that a much easier option is for credit unions to have a Bank of England licence, whereby credit unions could merge and become a single bank made up of branches that have local decision-making powers, much like a Mutual Bank. It was noted, however, that under the current credit union model, it is highly unlikely that every credit union would apply for its own Bank of England licence, and even more unlikely that the Bank of England would issue any because no credit union on its own would meet the eligibility requirements.

B24 Do you feel that greater access to financial stability measures would help credit unions serve their members more effectively?

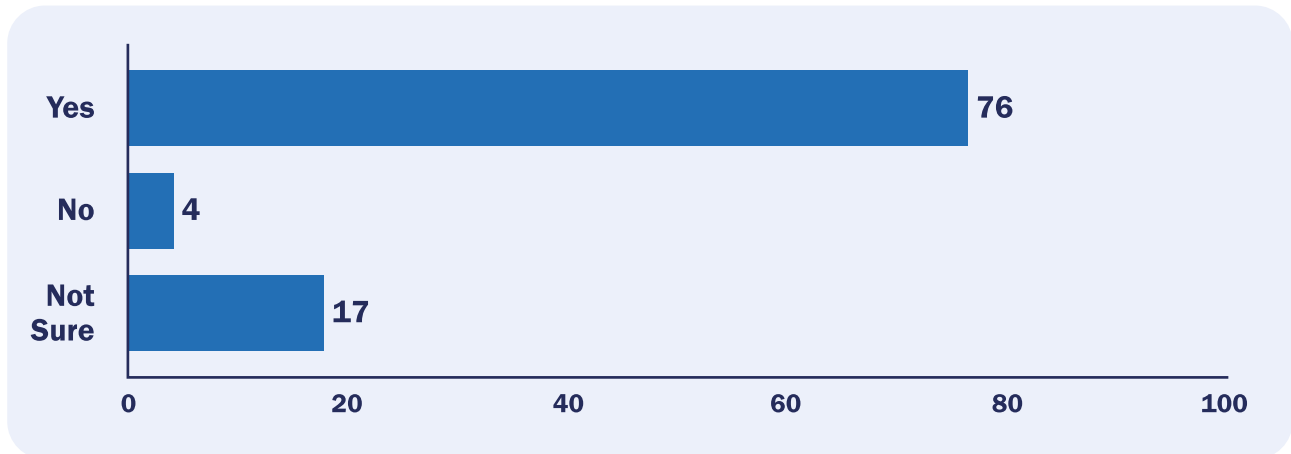
There were 97 responses to this question. 79% of respondents (77) felt that greater access to financial stability measures would help credit unions serve their members more effectively. Whereas 2% of respondents (2) did not and 19% of respondents (18) were not sure.



Respondents who answered yes feel that improved access to tools such as central bank facilities, liquidity support, and deposit protections would strengthen credit unions' resilience, especially during economic uncertainty. There is a belief that this would allow them to continue offering affordable, responsible lending and savings products, even in challenging times, ensuring they can support members when they are most in need.

B25 Do you feel that credit unions should have the same access to financial infrastructure as banks?

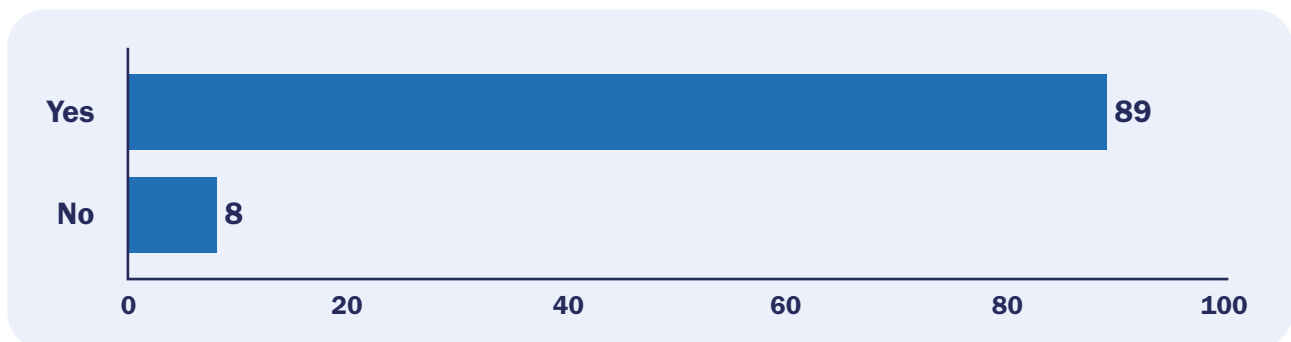
There were 97 responses to this question. 78% of respondents (76) felt that credit unions should have the same access to financial infrastructure as banks. Whereas 4% of respondents (4) did not and 17% of respondents (17) were not sure.



Those that responded yes feel that equal access to payment systems, central banking facilities, and digital platforms would allow credit unions to operate more efficiently and competitively. There is a belief that access would help them offer faster, more modern services to members while maintaining their ethical, community-based approach. It was noted that ensuring a level playing field is key to promoting financial inclusion and broadening consumer choice.

B26 Do you feel that government policy should encourage stronger financial protections for credit unions?

There were 97 responses to this question. 92% of respondents (89) felt that government policy should encourage stronger financial protection for credit unions. No respondent answered no, whereas 8% of respondents (8) were not sure.

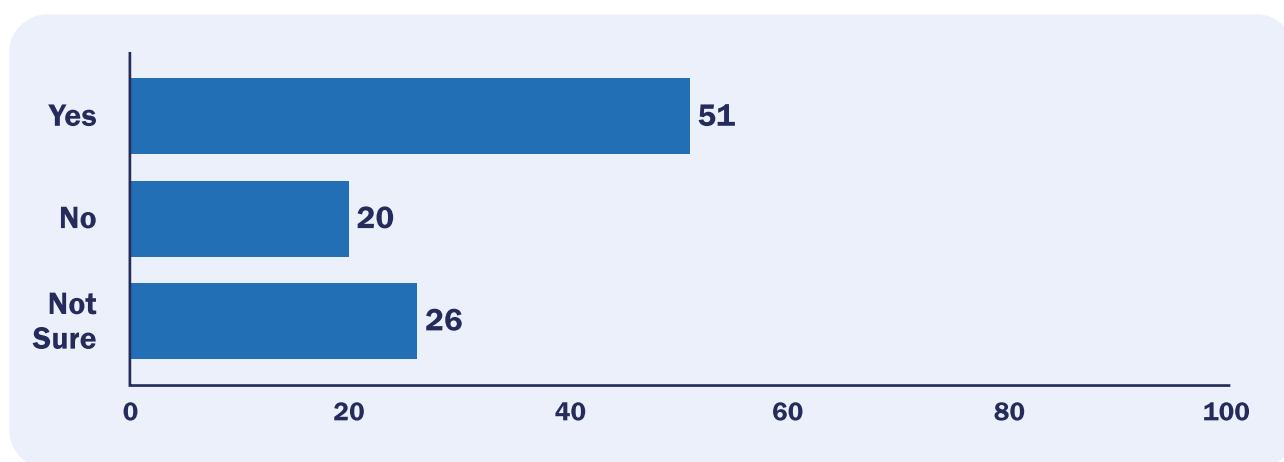


Respondents who answered yes feel that credit unions play a critical role in promoting financial inclusion, offering ethical, affordable services to individuals and communities often underserved by mainstream banks. There is a belief that strengthening protections, through tailored regulation, access to financial stability measures, and fairer treatment in insolvency frameworks, would support long-term sustainability and enable credit unions to continue serving vulnerable members. There is a belief that targeted policy support would also recognise the unique social value of credit unions and help build a more diverse, resilient financial sector.

B27-B31 Interest Rate Adjustments in the context of interest-bearing shares

B27 Do you feel that credit unions should be able to offer negative interest-bearing shares in order to adjust to economic changes? (i.e. a situation in the future where there could be a negative interest rate environment)?

There were 97 responses to this question. 52% of respondents (51) felt that credit unions should be able to offer negative interest-bearing shares to adjust to economic changes. 21% of respondents (20) did not and 27% of respondents (26) were not sure.

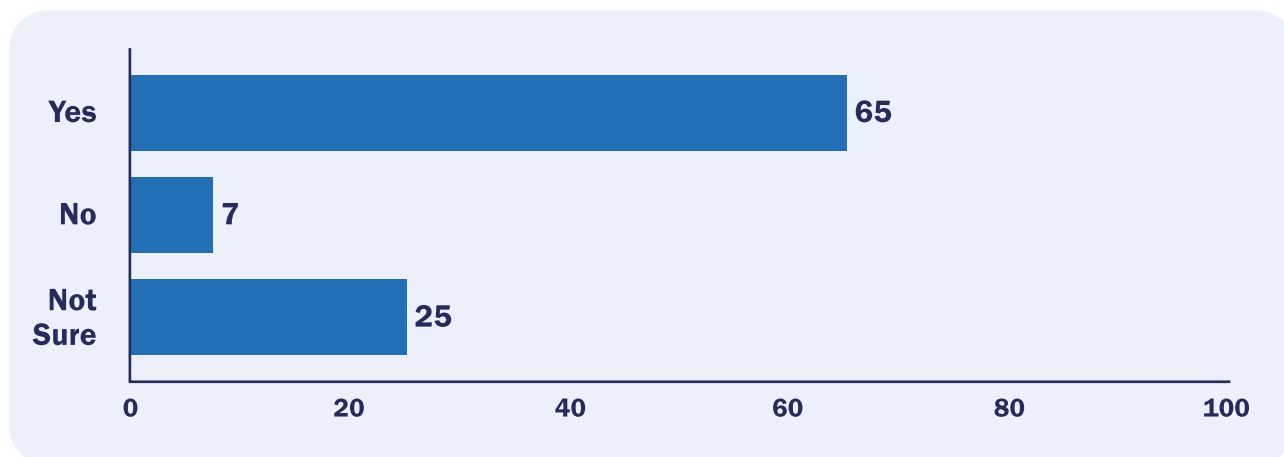


Those who responded yes feel that in periods of wider economic downturn or negative interest environments, this flexibility could help credit unions maintain financial stability and continue lending responsibly. However, there is a belief that such measures should be used cautiously and transparently, with clear communication with members, robust governance, and regulatory oversight to protect trust and fairness, especially given credit unions' community-focused, member-owned nature.

Respondents that answered no feel that this flexibility could create mistrust among members and move away from a credit unions' community-focused, member-owned ethos.

B28 Do you feel that allowing credit unions more flexibility in setting interest rates would benefit members?

There were 97 responses to this question. 67% of respondents (65) felt that allowing credit unions more flexibility in setting interest rates would benefit members. 7% of respondents (7) did not and 26% of respondents (25) were not sure.

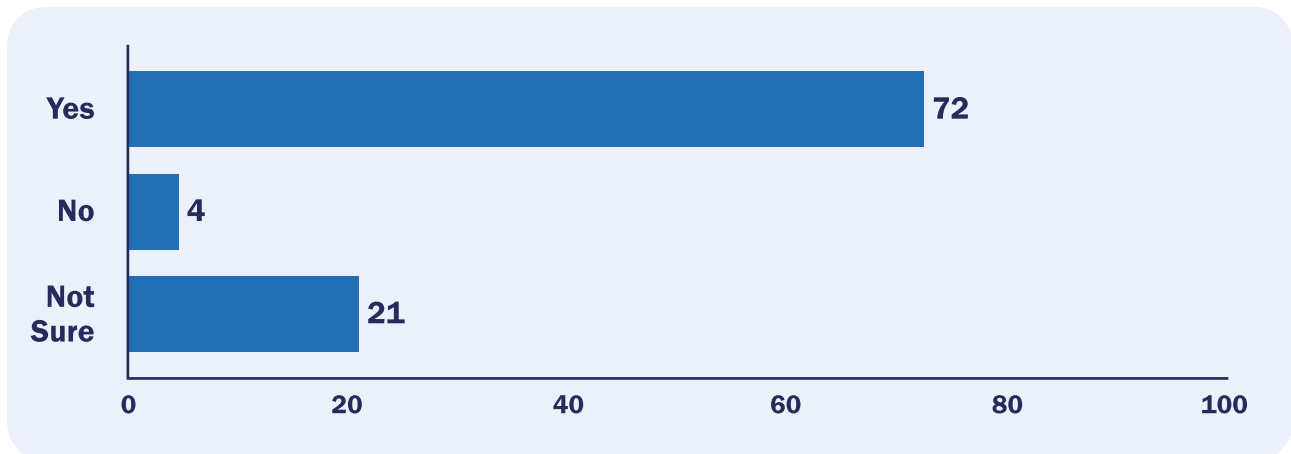


Respondents who answered yes feel that greater flexibility would enable credit unions to respond more effectively to changing economic conditions, manage their finances sustainably, and offer competitive returns when possible. There is a belief that it would also support long-term stability, ensuring that credit unions can continue providing affordable loans and other services. There is also a belief that, with appropriate transparency and member communication, such flexibility could strengthen both trust and financial resilience.

Respondents that answered no feel that this flexibility could create mistrust among members and move away from a credit unions' community-focused, member-owned ethos.

B29 Do you feel that credit unions should have the ability to raise or lower savings interest rates more freely?

There were 97 responses to this question. 74% of respondents (72) felt that credit unions should have the ability to raise or lower savings interest rates more freely. 4% of respondents (4) did not and 22% of respondents (21) were not sure.

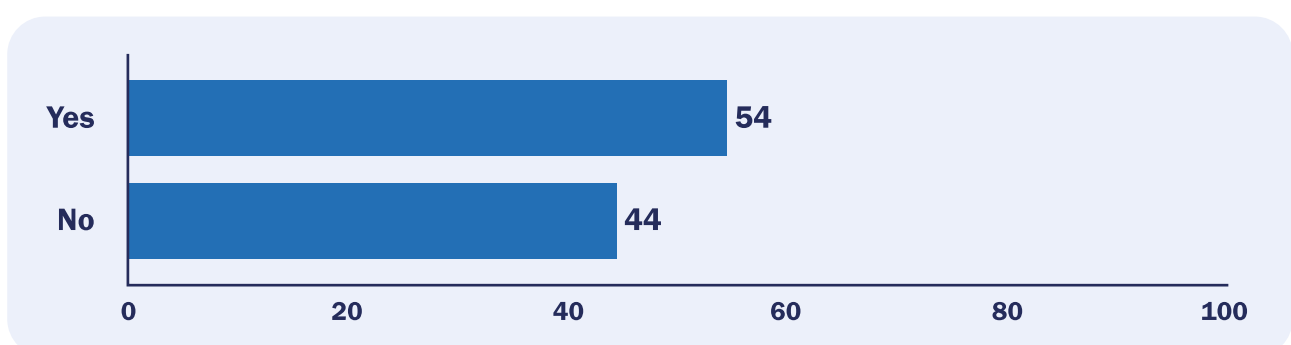


Respondents that feel that credit unions should have the ability to raise or lower savings interest rates felt that rates should reflect market and member needs. There is a belief that flexibility would allow them to respond promptly to market conditions, manage liquidity more effectively, remain competitive with other financial institutions and that it would also support long-term sustainability and ability to offer fair value to members. It was noted that, as member-owned organisations, any changes should be clearly communicated and guided by the best interests of the membership.

Respondents who disagreed feel that this flexibility could create mistrust among members and move away from credit unions' community-focused, member-owned ethos.

B30 Do you have any concerns about interest rate policies for credit unions being adjusted? If Yes, please explain.

There were 98 responses to this question. 55% of respondents (54) stated that they did have concerns about interest rate policies for credit unions being adjusted. Whereas 45% of respondents (44) did not. Out of the 98 responses to this question, 54 respondents provided additional comments.



Respondents who have concerns about interest rate policies being adjusted, noted that whilst adjusting interest-bearing share rates may be necessary for credit unions to remain financially sustainable, frequent, or poorly communicated changes could undermine member trust. It was also noted that since members are also owners, any reduction in returns might feel like a personal loss, especially if not well explained.

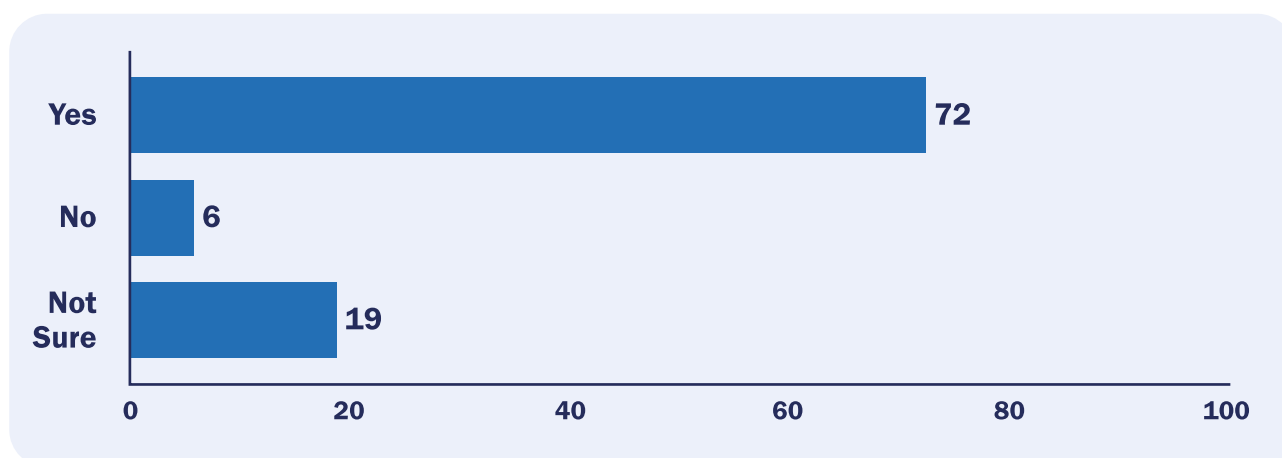
There is a concern that if rates were adjusted too far or too often, that members might withdraw savings in favour of more competitive financial institutions, which could impact liquidity. There is a belief that any adjustments should be transparent, well-governed, and supported by clear communication and member engagement.

Respondents who do not have concerns believe that there would only be concern if the adjustments lack clarity or affect vulnerable members. It was noted that flexibility allows credit unions to offer competitive rates when surplus income permits and that flexibility enables tiered or targeted rates, such as higher returns for youth savers or community energy investors.

The Department has also been asked to consider how any changes to the interest cap may enhance access to credit for underserved populations. The Department has also been encouraged not to consider a potential interest cap in isolation, but rather as part of a package of potential responsible and affordable credit options that credit unions could offer.

B31 Do you feel that credit unions should be able to set interest rates based on economic conditions rather than fixed regulations?

There were 97 responses to this question. 74% of respondents (72) felt that credit unions should be able to set interest rates based on economic conditions rather than fixed regulations. Whereas 6% of respondents (6) did not and 20% of respondents (19) were not sure.



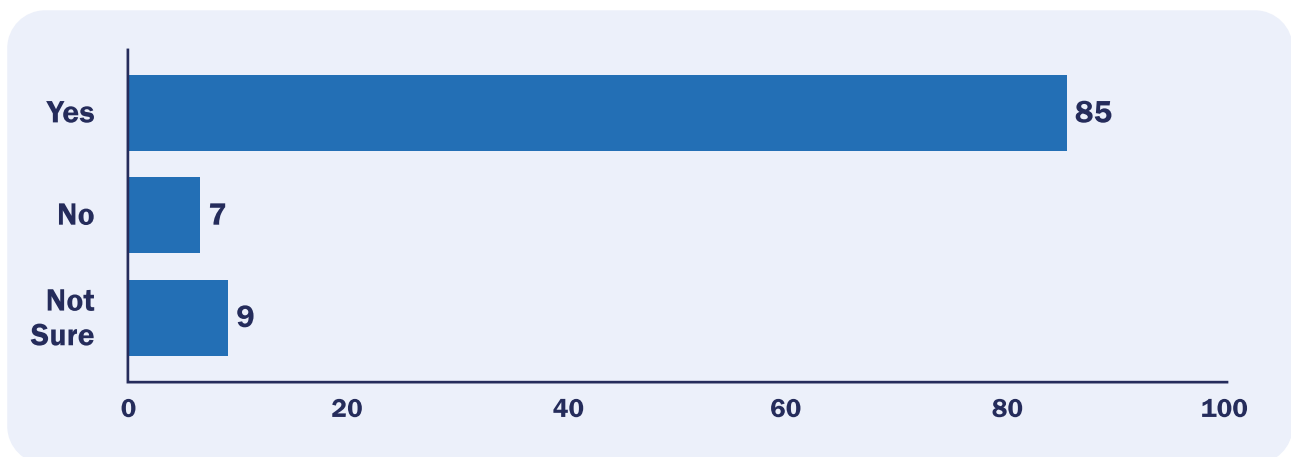
Those that were in favour of credit unions being able to set interest rates based on economic conditions rather than fixed regulations feel that this would give them the flexibility to respond to changing market pressures, manage their finances sustainably, and remain competitive while continuing to serve members responsibly. There is a belief that fixed regulations may limit credit union ability to adapt during periods of inflation, recession, or low interest rates.

However, there is also a belief that such flexibility should come with appropriate safeguards to ensure transparency, fairness, and the protection of members' interests and only if there is a clear advantage to be gained for members and stakeholder regarding their evolving or changing financial needs.

B32-B35 Investment Opportunities

B32 Do you feel that credit unions should be allowed to collectively invest in social projects, such as housing or local infrastructure?

There were 101 responses to this question. 84% of respondents (85) felt that credit unions should be allowed to collectively invest in social projects, such as housing or local infrastructure. Whereas 7% of respondents (7) did not and 9% of respondents (9) were not sure.



Respondents that supported this feel that it aligns with the credit union sectors core mission of community development and financial inclusion. There is a belief that collective investment could amplify credit union impact, support local regeneration, and address issues like affordable housing or access to essential services. However, there is also a belief that such investments should be carefully assessed for risk, governed transparently, and remain consistent with credit unions' ethical and member-first values.

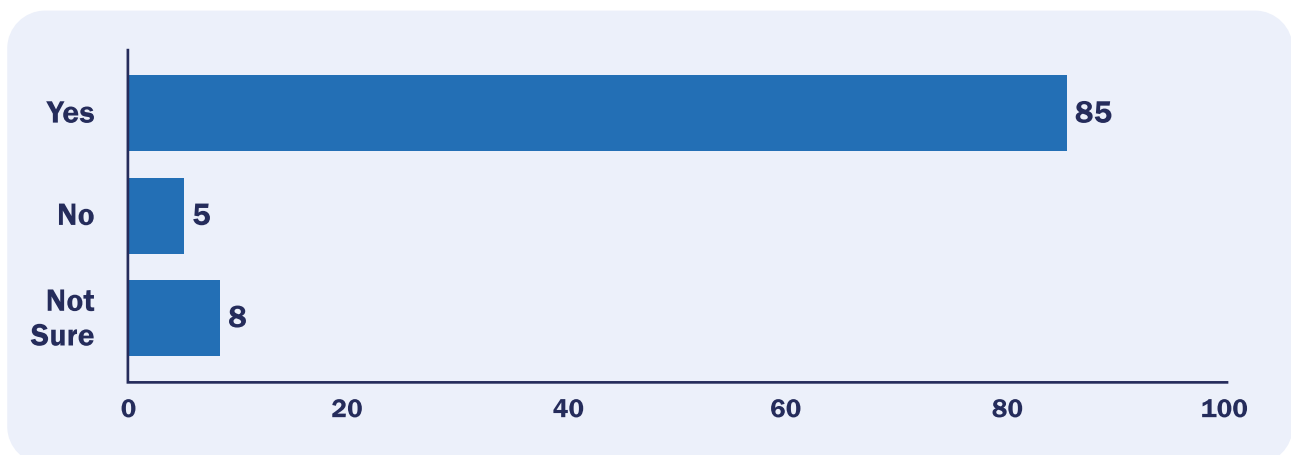
Respondents feel that this would work best if the right infrastructure and support are in place, similar to that in the south of Ireland, where credit unions can invest in regulated funds that make loans for up to 25 years to Tier 3 Approved Housing Bodies, with small to mid-sized developments. Key controls include maximum loan to costs, planning permission granted before deployment, analysis of project suitability, minimum expected profit and a proven track record of the borrower.

Attention was also drawn to the south of Ireland credit union Approved Housing Bodies (AHB) fund, a fund established by credit unions and available to all credit unions for participation. Credit unions invest through share subscriptions and the funds are invested in social housing through Approved Housing Bodies. The AHB fund is authorised by the Central Bank of Ireland as a Loan Originating Fund and is a sub-fund of Multaque Funds ICAV, an Irish Collective Asset Vehicle. The AHB fund operates in line with the Alternative Investment Fund Managers Directive (AIFMD), implemented in July 2013, which introduced organisational, operational, transparency and conduct of business requirements on fund managers and the funds they manage.

There is a belief that a similar regulated fund structure would be required for major investment in housing or infrastructure.

B33 Would you support credit unions collectively investing in local community development initiatives?

There were 98 responses to this question. 87% of respondents (85) support credit unions collectively investing in local community development initiatives. Whereas 5% of respondents (5) did not and 8% of respondents (8) were not sure.

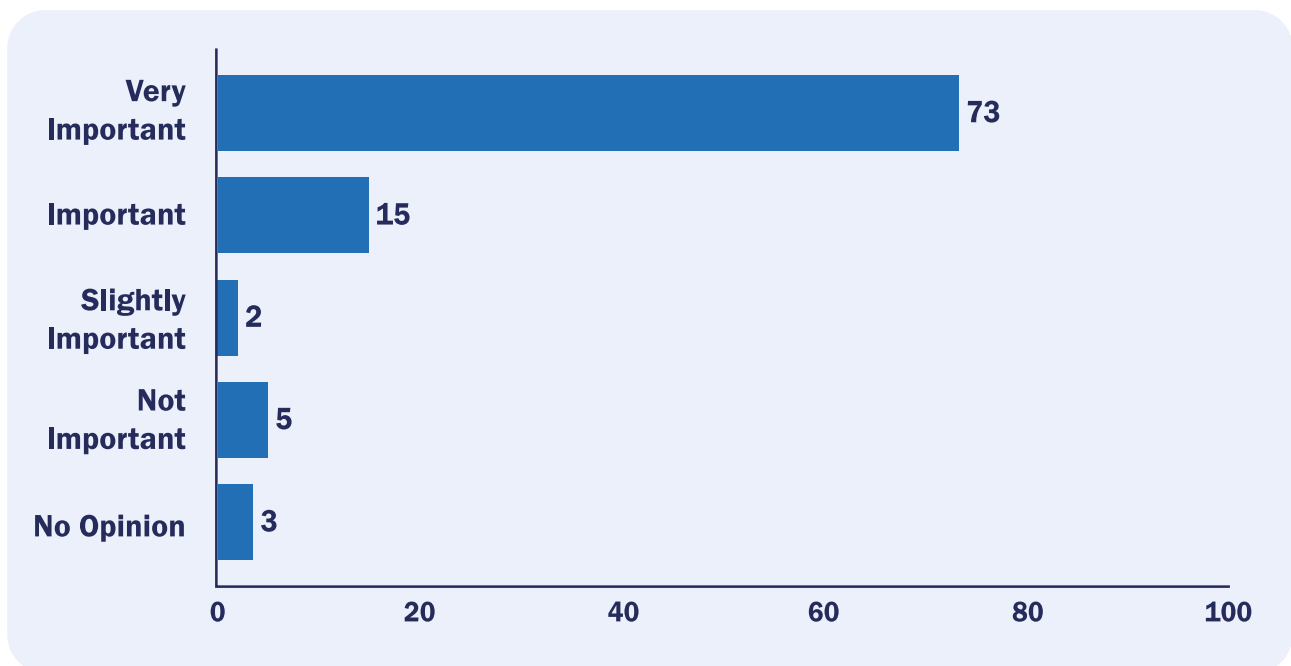


Those that supported this feel that such a collaboration would align credit unions with their social purpose and could have a meaningful impact on issues like affordable housing, financial education, or local enterprise support. There is a belief that pooling resources would allow for greater reach and effectiveness, while maintaining a community-first approach.

It was also suggested that a group of credit unions in a local government district could set up a CUSO, employing experienced lenders to manage the service collectively. Or credit unions could sub-contract the loan assessment and management process to experienced organisations, such as Enterprise Agencies or Community Finance Ireland. Alternatively, credit union membership bodies could set up a NI-wide organisation, so that funds could be mobilised and invested across Northern Ireland.

B34 How important do you feel it is for credit unions to balance financial sustainability with collective social investment?

There were 98 responses to this question. 74% of respondents (73) felt that it was very important for credit unions to balance financial sustainability with collective social investment. 15% of respondents (15) felt it was important, 2% of respondents (2) felt it was slightly important, 5% of respondents (5) felt it was not important and 3% of respondents (3) had no opinion.



The majority of respondents feel that there is a degree of importance, and that financial sustainability ensures that credit unions can continue operating effectively and serving their members in the long term. There is a belief that social investment is central to the credit union mission of supporting local communities and promoting financial inclusion and that striking the right balance allows credit unions to deliver meaningful community impact while remaining resilient, responsible, and member focused. It was noted that one should not come at the expense of the other, with both being essential to their identity and long-term success.

It was also noted that whilst balance between financial sustainability and collective social impact is crucial, financial sustainability should have priority. There is also a belief that credit unions are, by definition and in practice, social impact organisations and that the failure of a credit union because of inappropriate financial practices would have a significant impact on its common bond area. It was noted that well run credit unions would deliver social impact through their operations for the very long term.

B35 What types of social investments would you like to see credit unions support?

There were 83 responses to this question which provided a wide range of social investments that respondents would like to see credit unions support, these are set out below:

- Affordable housing developments to address housing shortages
- Community-owned renewable energy projects to promote sustainability
- Local health and wellbeing initiatives, such as mental health services or community care programs
- Education and financial literacy programs for all age groups
- Small business or social enterprise funding to support local job creation
- Digital inclusion projects, helping those without access to technology
- Employee Share Ownership Trusts

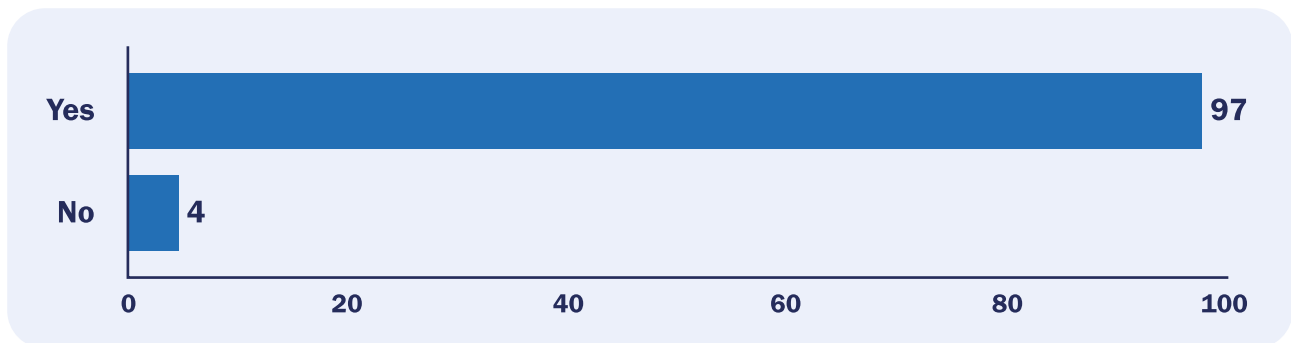
The two social investments with unanimous support are affordable or social housing and renewable energy projects. There is a belief that these types of investments align with the credit union ethos of community support and mutual benefit, whilst offering long-term social and economic returns.

A minority of respondents were not as supportive of credit unions supporting social investments, with a belief that that social investments are 'virtue signalling' investments that have the worst financial return. They feel that social investment is the government's job and not that of credit unions.

B36-B40 Financial Inclusion Recognition

B36 Do you feel that credit unions should be formally recognised for their role in tackling financial exclusion?

There were 101 responses to this question. 96% of respondents (97) felt that credit unions should be formally recognised for their role in tackling financial exclusion. Whereas 4% of respondents (4) did not.



A majority of respondents that were in favour of this feel that credit unions provide vital access to fair, affordable financial services for individuals and communities often overlooked by mainstream institutions. There is a belief that formal recognition, through policy, funding, or regulatory support, would highlight their contribution to financial inclusion and help expand their reach and impact and that it would also encourage collaboration with other sectors and promote greater public awareness of the essential role credit unions play in building financial resilience.

Some respondents that highlighted the crucial role credit unions play in promoting financial inclusion, particularly for those who struggle to access mainstream banking services or credit also noted that they would only support credit unions being formally recognised in government financial inclusion initiatives if the cohort of people involved in such initiatives are financially excluded, on low incomes, and vulnerable. They noted that this would require a change to current credit union policies and practices, e.g. policies relating to insolvency, to accommodate this type of individual. They also noted that credit unions would have to become more flexible, acknowledging that in some circumstances debt will and should be written off in a way that is in keeping with the ethos of the FCA's Consumer Duty regulations and through the Debt and Mental Health Evidence Form, which has been an industry standard since 2008. There is a belief that if these changes are made within the credit union sector, then they can be part of the solution to financial exclusion. However, there is also a belief that credit unions should not have the monopoly on providing financial exclusion services.

The Department has also been asked to consider how credit unions can become a vehicle through which to provide access to those groups who are currently underserved or not served at all by mainstream financial services. This could include the provision of bespoke products and services such as basic bank accounts and access to a range of responsible and affordable small sum credit products.

There is a belief that this is particularly important in Northern Ireland due to heightened levels of consumer vulnerabilities and lower financial resilience than other parts of the UK. Attention was also drawn to the importance that the credit union reform process is cognisant of the ongoing work of the Financial Inclusion Committee to frame the national financial inclusion strategy and the key role that Northern Ireland credit unions can play in the implementation of this strategy.

B37 How do you feel government and policymakers could better support credit unions in promoting financial inclusion?

There were 75 responses to this question which provided a wide range of ways government and policymakers could better support credit unions in promoting financial inclusion. These are set out below.

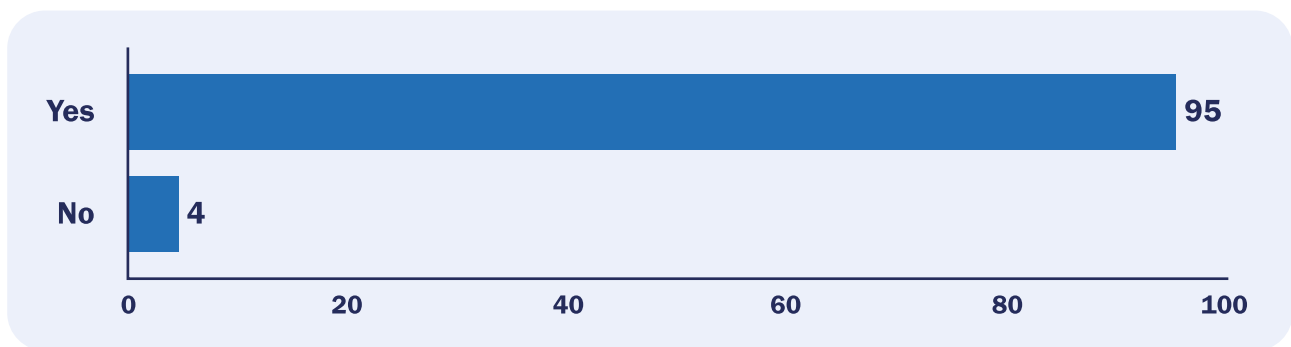
Government and policymakers could better support credit unions in promoting financial inclusion through a combination of regulatory, financial, and awareness-raising measures, such as:

- Providing targeted funding or grants to help credit unions expand services in underserved areas.
- Creating supportive regulatory frameworks that recognise the unique role of credit unions and reduce unnecessary compliance burdens.
- Offering tax incentives for credit unions engaged in financial inclusion and community development work.
- Partnering with credit unions in delivering public services such as affordable credit, budgeting advice, or emergency financial assistance.
- Investing in digital infrastructure and innovation grants to help credit unions modernise and compete with larger institutions.
- Raising public awareness of credit unions through national campaigns to encourage membership and build trust.
- By formally recognising credit unions as key partners in tackling financial exclusion, policymakers can help ensure a fairer and more inclusive financial system.
- Support for partnerships between credit unions and schools, employers, housing associations, and local government districts to reach underserved groups.
- Expand access to the Sterling Monetary Framework

Respondents also feel that consideration should be given to work that can be undertaken with the Department of Education to ensure there is a greater level of financial education available to children and young people, including discussions around the role and value of credit unions. There is a belief that credit unions have a key role to play in reducing levels of financial exclusion and that they should be supported and equipped to undertake that key role.

B38 Do you feel that credit unions should have a stronger role in providing financial education to communities?

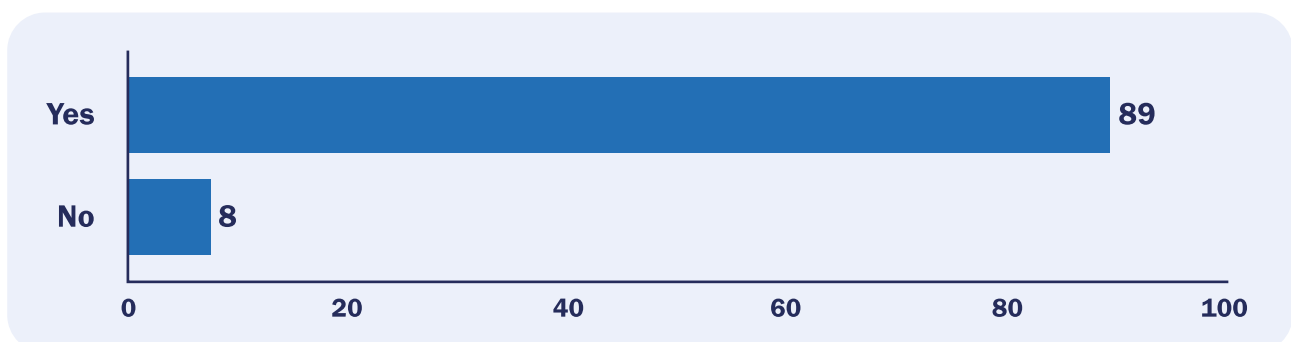
There were 99 responses to this question. 96% of respondents (95) felt that credit unions should have a stronger role in providing financial education to communities. Whereas 4% of respondents (4) did not.



Respondents that agreed feel that credit unions are well-placed to deliver practical, accessible financial education tailored to local needs. It was noted that credit unions are trusted messengers in local settings. There is a belief that strengthening this role could help improve financial literacy, reduce reliance on high-cost credit, and build long-term financial resilience, particularly among young people, low-income households, and other underserved groups. There is also a belief that, with the right support and partnerships, credit unions could become key drivers of financial wellbeing.

B39 Would you support policies that make credit unions a primary tool for financial inclusion?

There were 97 responses to this question. 92% of respondents (89) supported policies that would make credit unions a primary tool for financial inclusion. Whereas 8% of respondents (8) did not.



The majority of respondents feel that supporting policies that elevate their role, through funding, visibility, regulatory flexibility, and partnerships, could help credit unions tackle poverty, reduce reliance on high-cost lenders, and build stronger financial resilience at a local level. There is a belief that empowering credit unions as a core part of the financial inclusion strategy would benefit both individuals and the wider economy.

It was also noted that financial inclusion (and education around this) is something that all local/community organisations should seek to support and contribute towards.

B40 What else do you feel credit unions could do to help people who struggle to access traditional banking?

There were 74 responses to this question which provided a wide range of ways credit unions could help people who struggle to access traditional banking services.

Respondents feel that credit unions can take several additional steps to support people who are underserved by traditional banks, including:

- Offer basic, low-fee accounts with no minimum balance to make banking more accessible.
- Expand access to small, affordable loans as alternatives to high-cost credit or payday lenders.
- Provide financial education and budget support, helping people build financial confidence and resilience.
- Increase outreach in disadvantaged communities, including partnerships with local charities, housing associations, or community centres.
- Improve digital and mobile banking services while still offering face-to-face support for those less confident with technology.
- Tailor services to specific needs, such as accounts for those with poor credit histories, new immigrants, or people with disabilities that impact accessibility.
- Open offices on regular business hours.

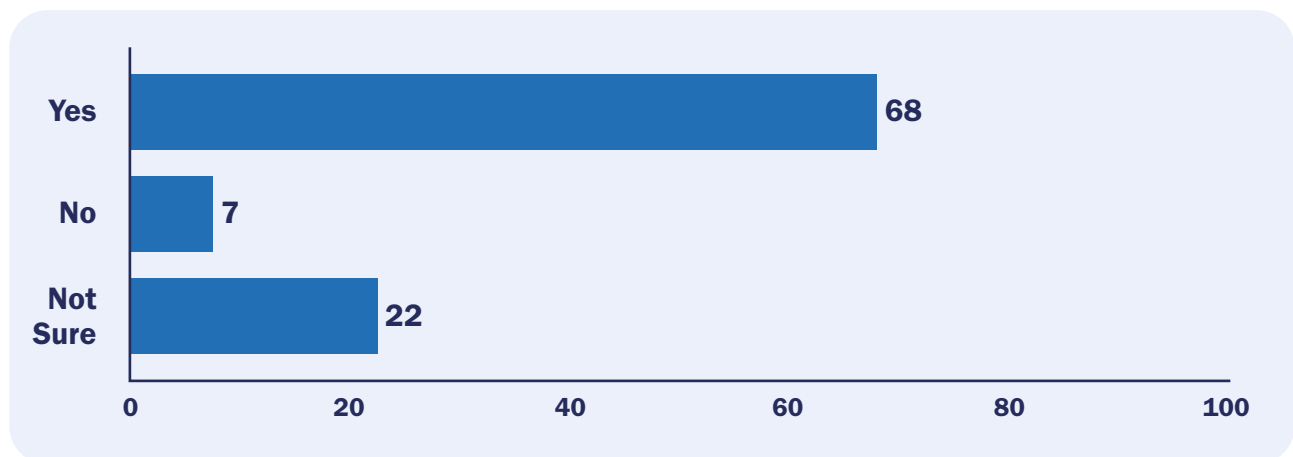
By combining personal service with inclusive financial products, credit unions can continue to play a vital role in promoting financial inclusion.

A small number of respondents believe that credit unions already help people who struggle to access traditional banking but that it would be a positive to be recognised for it.

B41-B42 Auditor Appointment Process

B41 Do you feel that the process of appointing auditors should be simplified for credit unions?

There were 97 responses to this question. 70% of respondents (68) felt that the process of appointing auditors should be simplified for credit unions. Whereas 7% of respondents (7) did not and 23% of respondents (22) were not sure.



Those that agreed that the process should be simplified feel that many credit unions operate with limited administrative resources, and a streamlined auditor appointment process would reduce their operational burden and costs. There is also a belief that simplification could enable credit unions to focus more on serving their members and less on complex regulatory compliance.

B42 How do you feel regulatory burdens on credit unions could be reduced whilst maintaining good governance?

There were 74 responses to this question which provided a wide range of ways regulatory burdens on credit unions could be reduced whilst maintaining good governance.

Respondents feel that regulatory burdens on credit unions could be reduced by taking a more proportionate, risk-based approach that reflects the size, complexity, and low-risk nature of many credit unions. For example:

- Streamlining reporting requirements for smaller credit unions to reduce administrative workload without compromising oversight.
- Develop a Register of Approved Auditors with knowledge of the credit union sector in NI.
- Audit process is slightly outdated and could be brought up to date in line with new processes.

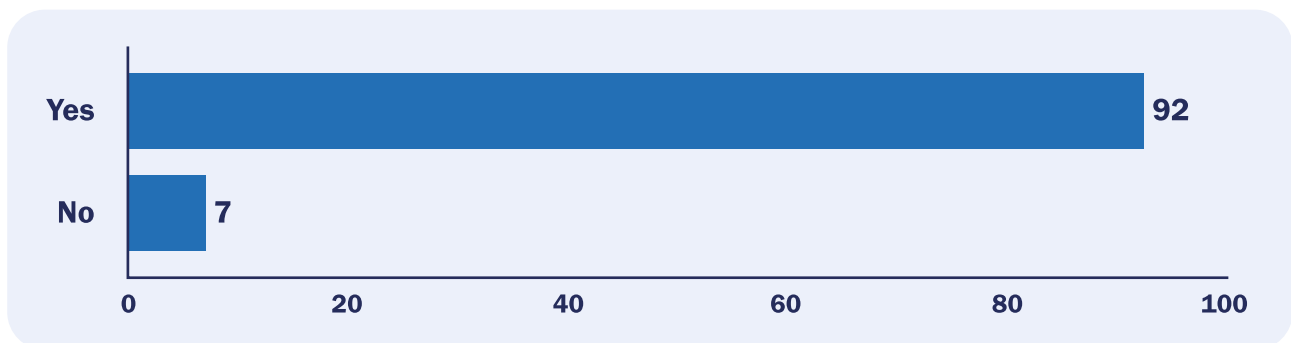
- Providing clearer, more tailored guidance specifically for credit unions, rather than applying frameworks designed for larger financial institutions.
- Allowing greater use of technology and automation in compliance and reporting processes.
- Encouraging shared services or back-office support between credit unions to ease the governance burden while maintaining standards.
- Enhancing access to training and templates to help boards meet governance expectations more efficiently.

Respondents feel that these steps would help credit unions focus more on serving members and communities, while still ensuring good governance and sound risk management. However, maintaining strong governance remains essential to protect members and ensure financial stability, but a more proportionate regulatory framework could enable credit unions to allocate more resources to member services and growth.

B43-B47 Common Bond Collaboration

B43 Do you feel that credit unions should be allowed to collaborate across common bonds?

There were 99 responses to this question. 93% of respondents (92) feel that credit unions should be allowed to collaborate across common bonds. Whereas 7% of respondents (7) did not.



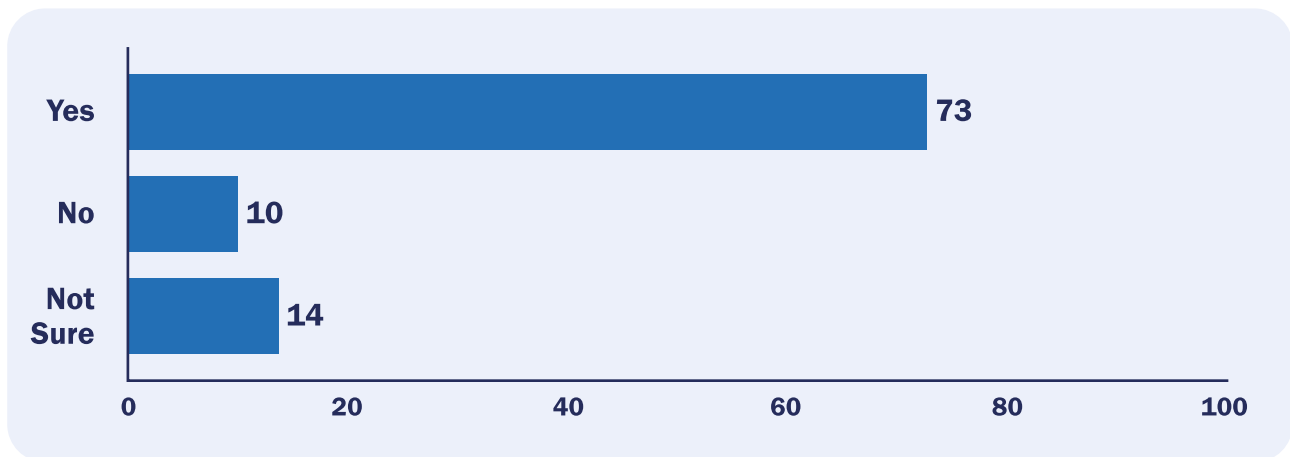
A majority of respondents agree that the common bond feature is one of the unique selling points of credit unions and is an important principle that is worth maintaining. There is also a belief that allowing collaboration beyond strict common bond boundaries would enable credit unions to pool resources, share expertise, and offer a wider range of services to a broader membership base, especially in rural or growing urban areas and that this could enhance financial sustainability, improve member choice, and strengthen community impact. It was noted that any collaboration should be structured to respect the unique identities of participating credit unions and maintain their community-focused values.

It was suggested that a region-wide credit union, covering all of NI, and which has credit unions as branches could overcome these challenges and that this would broaden the definition of the common bond to include the whole of NI and everybody living there. The common bond would still exist but would simply be wider in geographical scope.

The Department was also asked to determine how many consumers may currently be excluded from membership of a credit union through not satisfying the current common bond and membership eligibility criteria. Furthermore, it was asked to determine the assessed potential and unintended consequences of a widening of eligibility criteria and the common bond parameters, particularly on smaller credit unions who may struggle to keep pace with larger credit unions.

B44 Do you feel that expanding common bond rules would increase financial access for underrepresented groups?

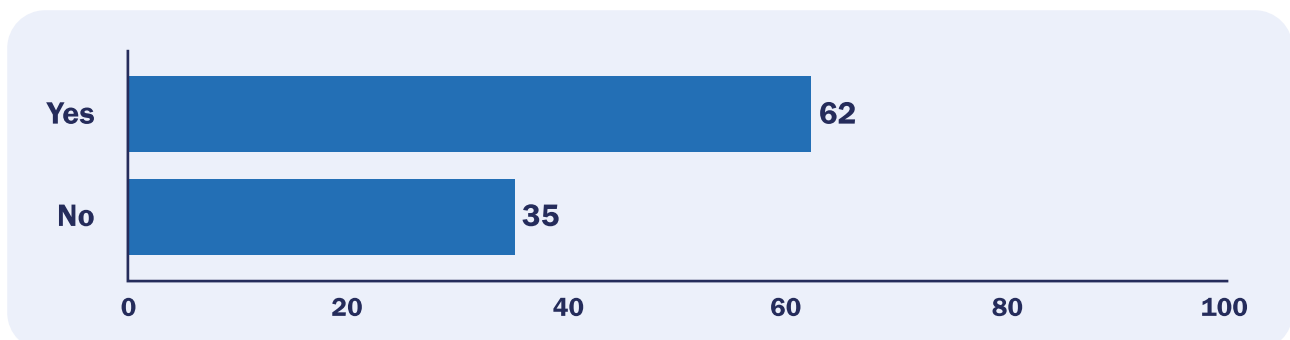
There were 97 responses to this question. 75% of respondents (73) felt that expanding common bond rules would increase financial access for underrepresented groups. Whereas 10% of respondents (10) did not and 15% of respondents (14) were not sure.



A majority of respondents feel that expanding common bond rules to increase financial access for underrepresented groups would remove the impact of arbitrary geographical limitations.

B45 Do you feel there are any risks in allowing credit unions to serve a broader membership base? If Yes, please explain.

There were 97 responses to this question. 64% of respondents (62) felt that there are risks in allowing credit unions to serve a broader membership base. Whereas 36% of respondents (35) did not. Out of the 97 responses to this question, 62 respondents provided additional comments.



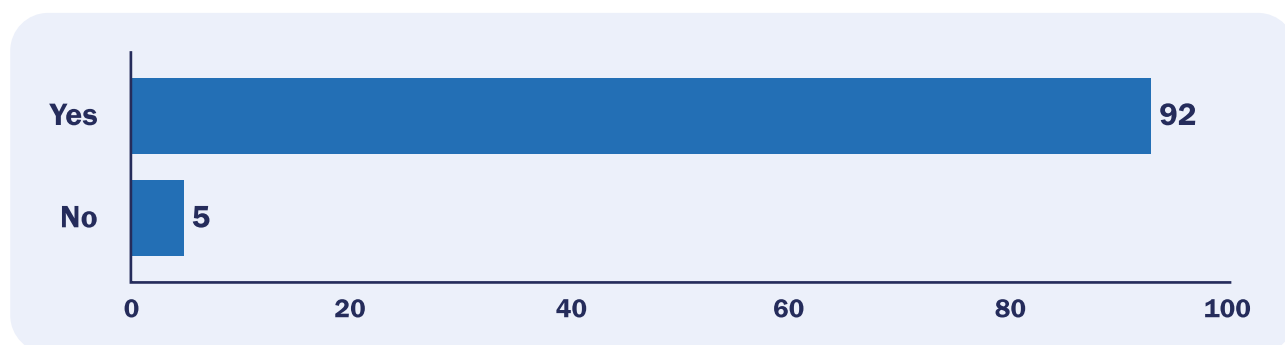
A majority of respondents feel that there are some potential risks in allowing credit unions to serve a broader membership base. It was noted that whilst expansion may bring growth and sustainability, it may also dilute the common bond and weaken the sense of community and shared purpose that underpins the credit union model.

It was also noted that broader membership may introduce more diverse financial needs and risk profiles, requiring stronger systems, more sophisticated governance, and enhanced risk management and that there is also the risk that rapid growth could outpace a credit union's operational capacity or lead to mission drift. There is however a belief that, with proper planning, regulatory oversight, and a continued focus on member service, that these risks can be managed effectively. There is also a concern that overlapping common bonds could make credit unions much more competitive with each other, as opposed to becoming much more collaborative with each other.

Those that feel there are no risks believe that any risks can be managed as governance will scale with growth.

B46 Do you feel that credit unions should be able to share resources across common bond boundaries?

There were 97 responses to this question. 95% of respondents (92) felt that credit unions should be able to share resources across common bond boundaries. Whereas 5% of respondents (5) did not.



A majority of respondents feel that sharing resources such as technology platforms, staff expertise, and operational services can improve efficiency, reduce costs, and enhance service quality and that collaboration would enable credit unions to better serve members, especially smaller or resource-limited unions, while maintaining their community focus. It was noted that clear agreements and governance structures should be in place to ensure smooth cooperation and protect member interests.

B47 How do you feel credit unions could expand membership without losing their local community focus?

There were 71 responses to this question which provided a wide range of ways credit unions could expand membership without losing their local community focus.

Respondents feel that credit unions can expand membership while maintaining their local community focus by:

- Retaining a strong common bond, such as geographical area or shared workplace, even as it grows.
- Maintaining a physical presence in local communities through branches, events, and partnerships with local organisations.
- Continuing to prioritise community-based lending and support, ensuring that new members benefit from the same personal, ethical service.
- Using digital tools to enhance—not replace—personal service, making it easier to reach more people without sacrificing the human touch.
- Involving members in governance, ensuring local voices still shape the credit union's direction, even as the member base broadens.
- Reinvesting profits locally, demonstrating ongoing commitment to community development.
- Thoughtful common bond collaboration strategies e.g. consortium-type models, with individual credit unions maintaining their own identity but sharing services e.g. compliance, IT, marketing etc.
- Partnering with local businesses, clubs etc. to expand membership.

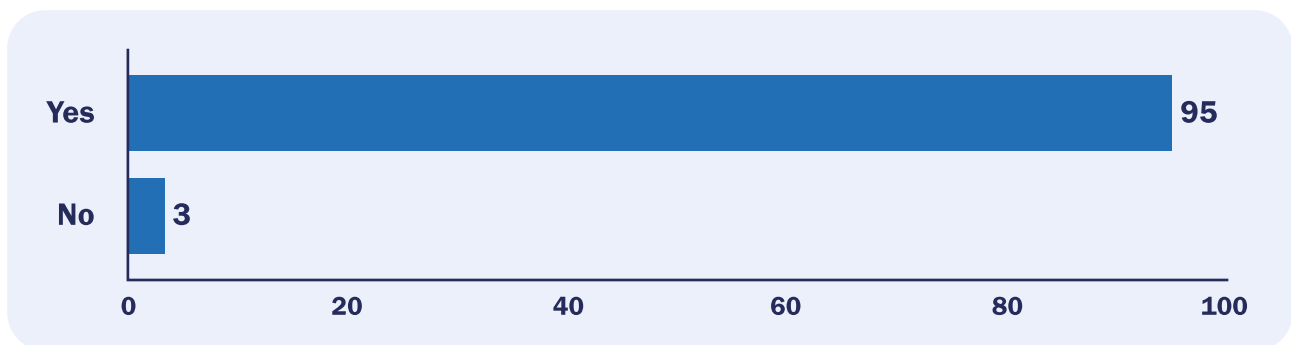
By staying rooted in their core values and listening to members, credit unions can grow sustainably while still serving their communities.

Other respondents were wholly against credit unions expanding their membership. There is a belief that there is no need to expand membership as credit unions would lose what it means to have a common bond.

B48-B50 Rates Relief

B48 Do you feel that credit unions should be exempt from non-domestic rates in the same way as post offices and local community organisations?

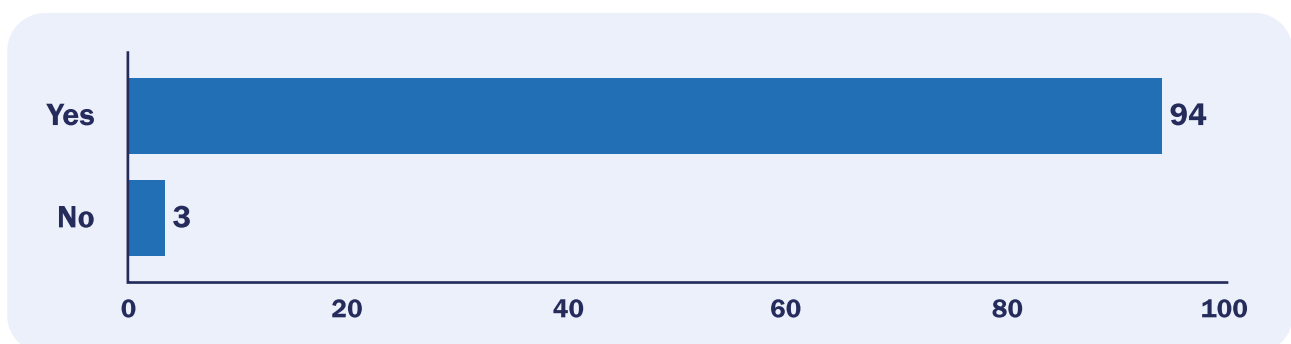
There were 98 responses to this question. 97% of respondents (95) felt that credit unions should be exempt from non-domestic rates in the same way as post offices and local community organisations. Whereas 3% of respondents (3) did not.



A majority of respondents agreed that granting credit unions such exemptions would reduce their operating costs, enabling them to reinvest more resources into member services and community development. There is also a belief that this would also recognise their social value alongside other essential community organisations and especially help credit unions remain present in underserved rural areas.

B49 Do you feel that rates relief would help credit unions to sustain their services?

There were 97 responses to this question. 97% of respondents (94) felt that rates relief would help credit unions to sustain their services. Whereas 3% of respondents (3) did not.

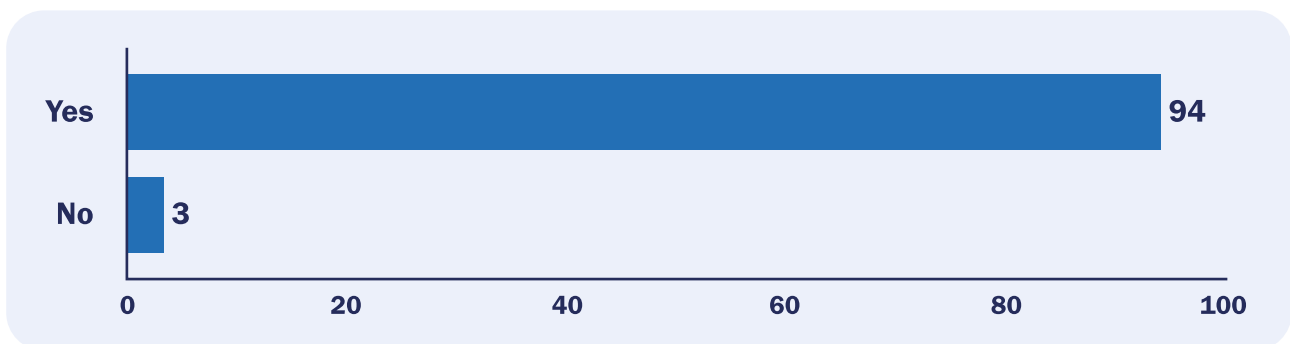


A majority of respondents feel that reducing or exempting credit unions from non-domestic rates would lower their operating costs, enabling them to allocate more resources towards member services, outreach, and community support.

There is a belief that this financial relief would strengthen their sustainability, particularly for smaller credit unions that operate on tight margins and enhance their capacity to serve vulnerable and underserved populations.

B50 Do you feel that government should offer financial incentives for credit unions to expand in underserved areas?

There were 97 responses to this question. 97% of respondents (94) felt that government should offer financial incentives for credit unions to expand in underserved areas. Whereas 3% of respondents (3) did not.

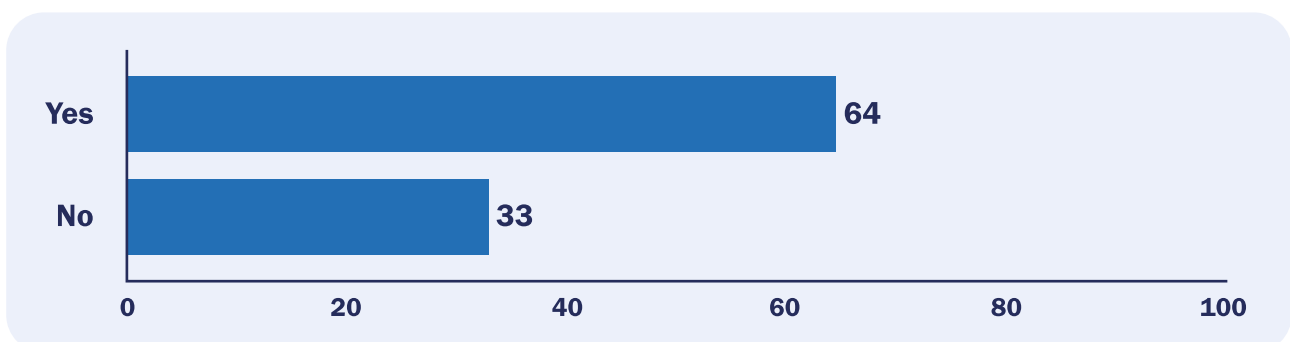


A majority of respondents feel that targeted funding, grants, or tax relief could support credit unions in reaching communities that lack access to affordable financial services. There is a belief that such incentives would help overcome initial barriers like set-up costs, outreach efforts, and digital infrastructure investment, and that encouraging expansion in underserved areas would promote financial inclusion, economic resilience, and community wellbeing.

B51-B53 Interest Rate Cap Increase

B51 Do you feel that the monthly interest rate cap for credit union loans should be increased from 1% to 2%?

There were 97 responses to this question. 66% of respondents (64) felt that the monthly interest rate cap for credit union loans should be increased from 1% to 2%. Whereas 34% of respondents (33) did not.



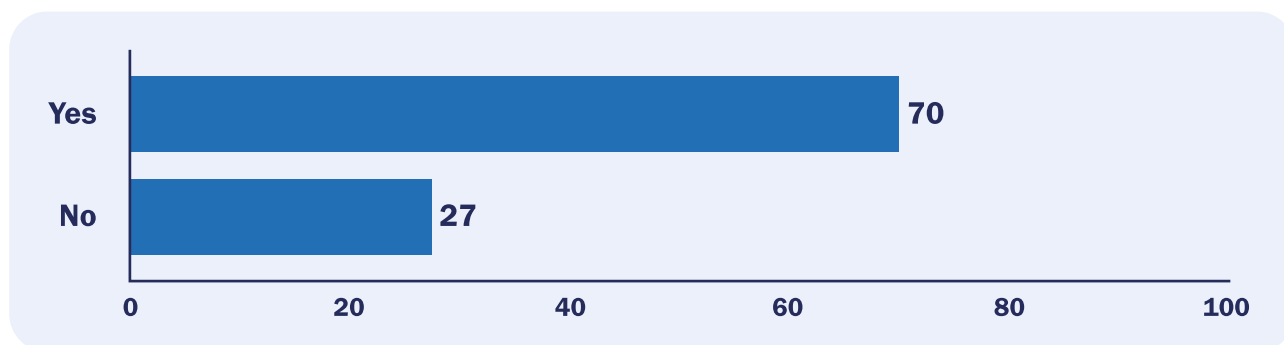
Those that were in favour of this believe it will enable responsible lending to higher-risk members and improve financial sustainability of the credit union.

The Department was asked to consider how any changes to the interest cap may enhance access to credit for underserved populations, particularly as an alternative to consumers who may turn to illegal money lenders. There is a belief that this could make a huge impact on the small sum lending market in Northern Ireland and create better pathways to mainstream credit for consumers. The Department has also been encouraged to not just consider a potential interest cap in isolation, but rather through the lens of a package of potential responsible and affordable small sum credit options credit unions can offer.

A small number of respondents suggested that there are other existing solutions that can provide a pathway to mainstream credit such as the No Interest Loan Scheme and other small sum lending schemes.

B52 Do you feel that a higher interest rate cap might allow credit unions to offer more flexible loans for the financially excluded who often rely on payday and other high interest lenders?

There were 97 responses to this question. 72% of respondents (70) felt that a higher interest rate cap might allow credit unions to offer more flexible loans for the financially excluded who often rely on payday and other high interest lenders. Whereas 28% of respondents (27) did not.



A majority of respondents feel that many people who rely on payday or high-cost lenders do so because they need small, short-term loans that carry higher risk and that a modest increase in the interest rate cap from 1% to 2% per month would allow credit unions to sustainably offer these types of products while keeping rates far below those of commercial high-cost lenders. There is a belief that this could reduce dependency on exploitative credit and promote more responsible borrowing. It was noted that, in order to protect members, any increase should be paired with clear affordability checks, transparency, and ongoing financial education.

A number of respondents believe that vulnerable members need help with lower cost loans and not increased cost, and that government funding to credit unions could help to underwrite such loans.

B53 How would a rate cap increase affect your decision to borrow from a credit union?

There were 79 responses to this question which provided a wide range of views on how a rate cap increase would affect decisions to borrow from a credit union.

Respondents expressed a number of views.

Some feel that an increase in the rate cap might make borrowing from a credit union more accessible, especially if it allows for more flexible loan options tailored to individual needs. Knowing that a credit union could offer loans to people who might otherwise turn to high-cost lenders is reassuring.

Others would want to ensure that any increase in interest rates remains reasonable and transparent, believing that if rates rise too much, it could discourage borrowing or cause concerns about affordability. There is also a belief that provided it was not mandatory; a careful balance could keep credit union loans both fair and sustainable.

There is also recognition that borrowing from a credit union is a form of supporting other members access to support, with each loan taken out by a member supporting others, who may be vulnerable, to access a loan that would be affordable and flexible. There is a belief that it is within the ethos of membership to support initiatives that broaden the accessibility to a loan to the neediest in the community and that it could be seen as a furthering the ethos of the credit union sector.

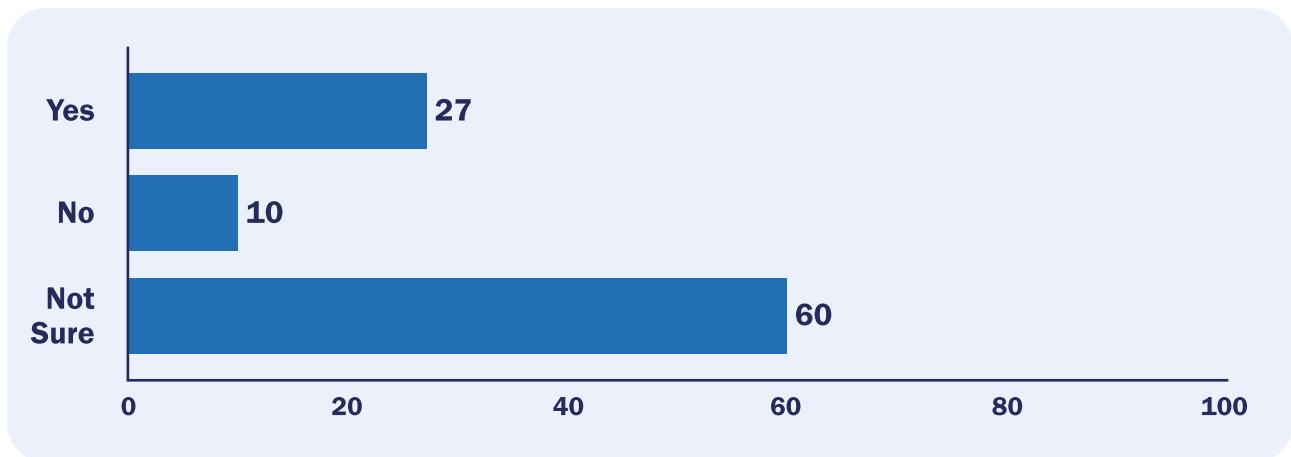
Several respondents feel that a rate cap increase would not affect a member's decision to borrow from a credit union as the rate would still be lower than banks, payday loans and other unethical lenders.

However, there were also several respondents who feel that a rate cap increase could remove the uniqueness of the credit union and reduce its social impact, turning members away from credit unions to other lenders. It is argued that since the establishment of credit unions, the interest rate has been 1% per month on a reducing balance and that believing an increase will allow those underserved access is flawed and outside the operational principles of the credit union. The assertion was made that a struggling person's loan that is not viable or is deemed too risky at 1% does not become more viable or less risky at 2% and that time would be better spent educating those financially excluded as to the benefits of a credit union over payday lenders or credit cards.

B54-B58 Deferred Shares Introduction

B54 Do you feel that credit unions should be allowed to issue deferred shares to raise capital?

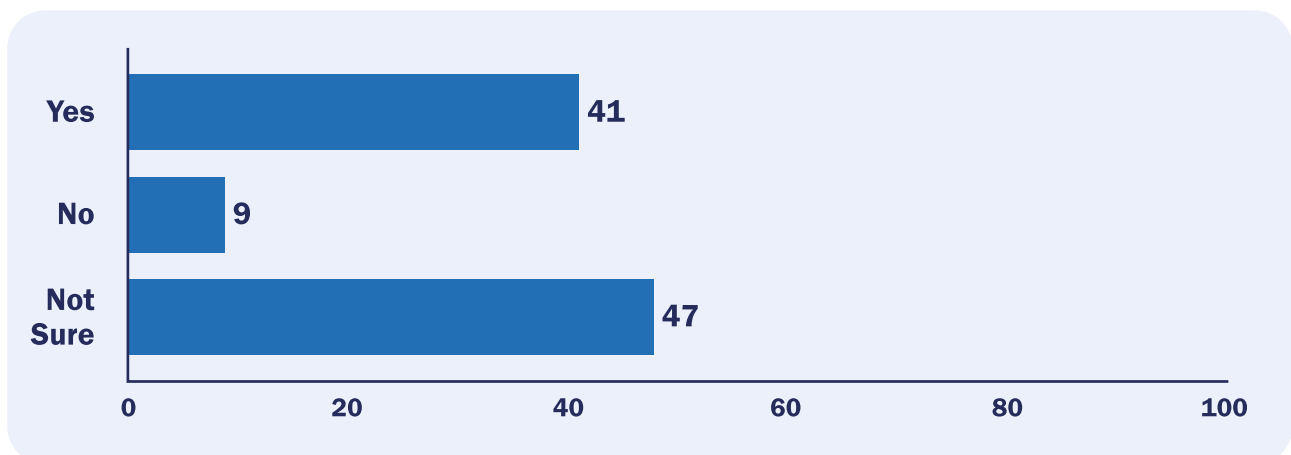
There were 97 responses to this question. 28% of respondents (27) felt that that credit unions should be allowed to issue deferred shares to raise capital. Whereas 10% of respondents (10) did not and 62% of respondents (60) were not sure.



A majority of respondents stated that they were not sure on this question. This was mostly due either to a lack of knowledge on deferred shares or the need for greater reflection on a complex subject. Several respondents that answered not sure also stated that deferred shares could strengthen a credit union's capital base in certain situations.

B55 Do you feel that the introduction of new share types would benefit credit union growth?

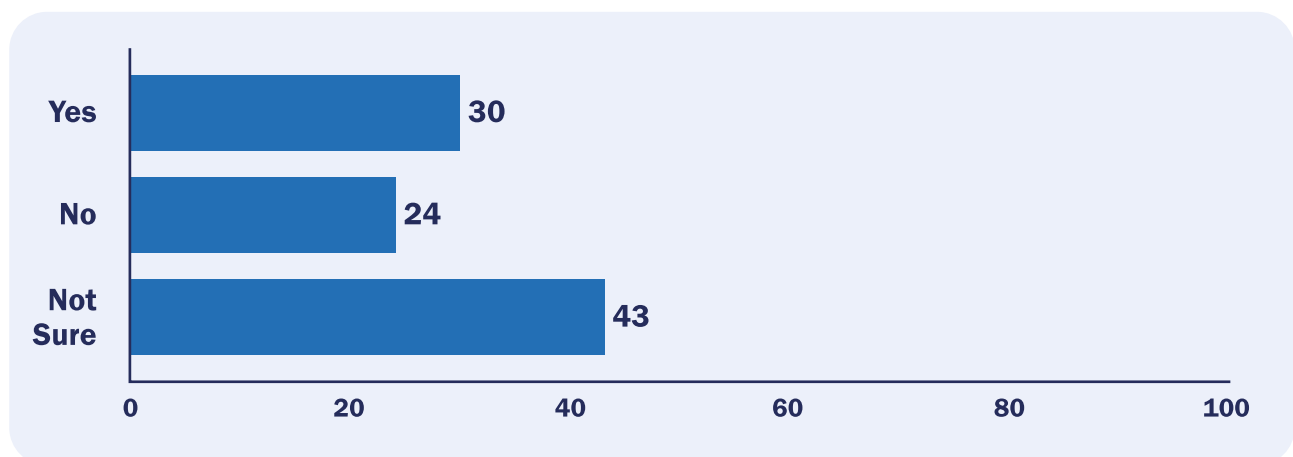
There were 97 responses to this question. 42% of respondents (41) felt that the introduction of new share types would benefit credit union growth. Whereas 9% of respondents (9) did not and 49% of respondents (47) were not sure.



Whilst a substantial number of respondents were not sure, there were a number that stated that offering different classes of shares such as deferred or investment shares could help credit unions raise additional capital, strengthen their balance sheets, and fund service expansion. There is a belief that this added flexibility would allow them to grow sustainably while continuing to serve their members effectively and that it would enable innovation and diversification. It was noted however, that any new share types should be carefully designed to protect member ownership and ensure alignment with the credit union's cooperative principles.

B56 Do you feel that corporate members should have different shareholding rights than individual members?

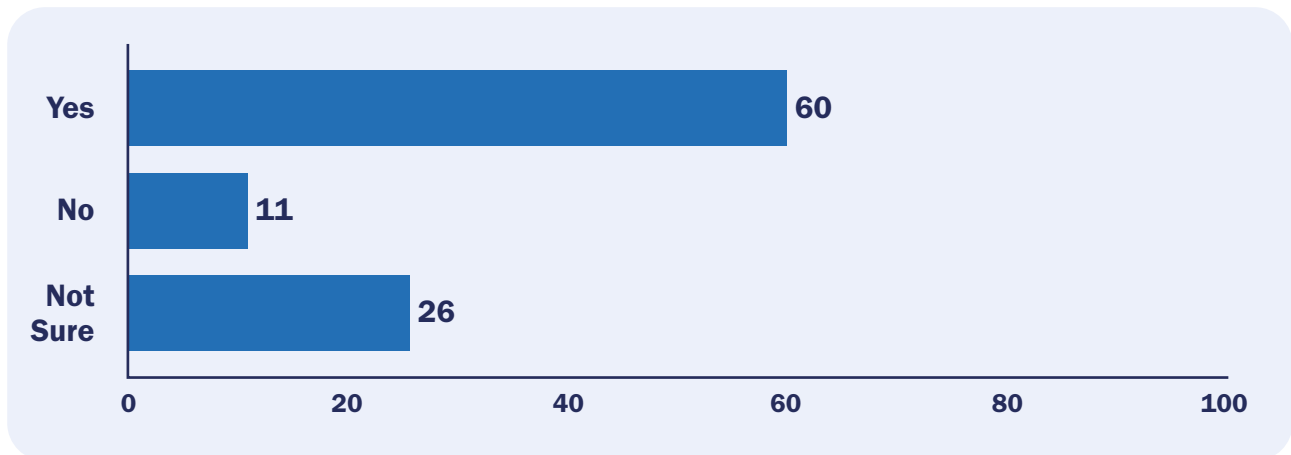
There were 97 responses to this question. 31% of respondents (30) felt that corporate members should have different shareholding rights than individual members. Whereas 25% of respondents (24) did not and 44% of respondents (43) were not sure.



Whilst a majority of respondents were not sure, there is a belief that allowing corporate members greater participation can help strengthen a credit union's capital base and expand its reach. However, there is also a belief that corporate member rights should be limited to ensure that the democratic, member-first principles of credit unions are preserved and that individual members are the core of the credit union's mission and should retain majority voting control and priority in decision-making. It was noted that any corporate involvement must align with the cooperative values and not compromise member trust or community focus.

B57 Would you support credit unions expanding investment options for members?

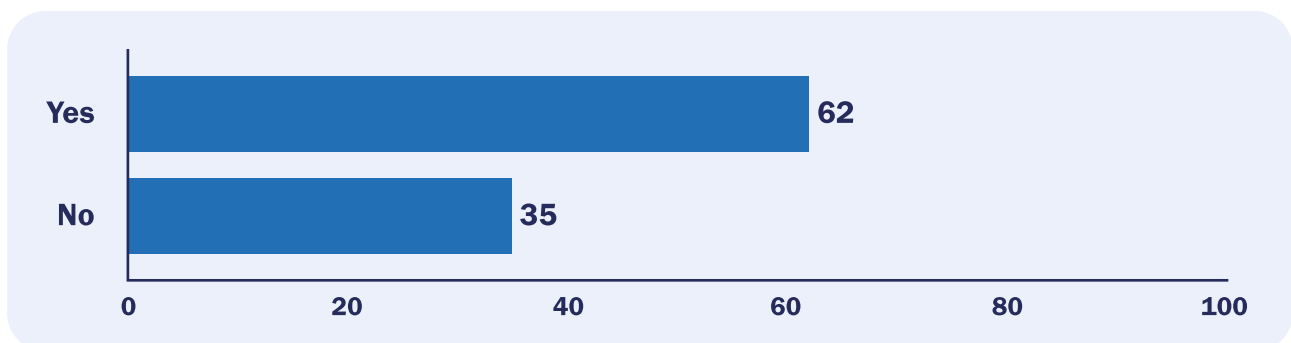
There were 97 responses to this question. 62% of respondents (60) supported credit unions expanding investment options for members. Whereas 11% of respondents (11) did not and 27% of respondents (26) were not sure.



A majority of respondents feel that offering a broader range of ethical, low-risk investment products could help members grow their savings and remain engaged with the credit union. There is also a belief that it could support the credit union's financial sustainability. It was noted that any new investment options should be transparent, well-regulated, and aligned with credit unions' values of fairness, simplicity, and community benefit.

B58 Do you have any concerns about deferred shares? If Yes, please explain.

There were 97 responses to this question. 64% of respondents (62) had concerns about deferred shares. Whereas 36% of respondents (35) did not. Out of the 97 responses to this question, 58 respondents provided additional comments which provided a range of concerns which are set out below.



Amongst respondents that support the concept of issuing deferred shares to strengthen capital, the following concerns were raised:

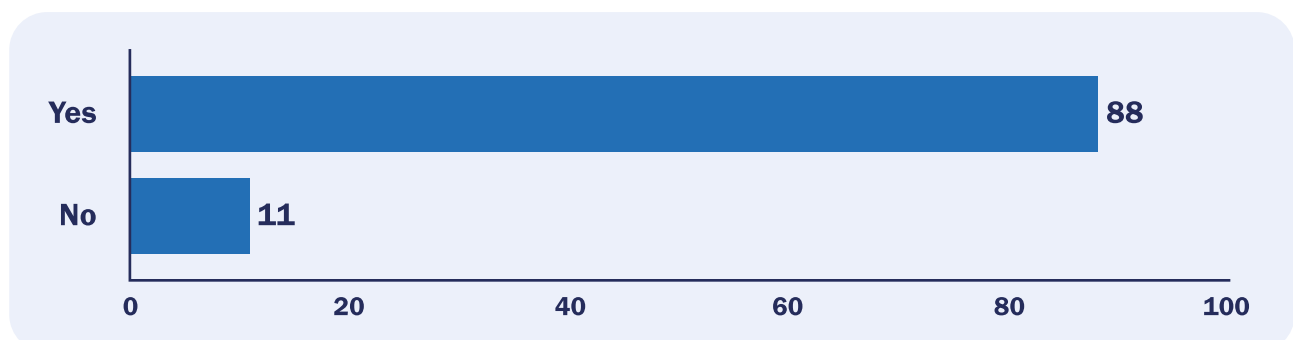
- **Risk of Member Dilution and Governance Impact**
- Although deferred shares are generally non-voting, there is a risk that issuing different classes of shares could complicate the mutual governance structure and member control.
- **Complexity and Transparency**
- Introducing deferred shares may increase complexity in the credit union's capital structure. Clear communication and transparency are essential to ensure members understand the nature and risks of such investments.
- **Regulatory and Operational Burdens**
- The issuance and management of deferred shares would require robust regulatory oversight and additional administrative capacity, which could strain smaller credit unions.
- **Investor Expectations and Repayment Obligations**
- Deferred shares typically carry conditions on repayment and return. Credit unions must carefully manage these obligations to avoid financial strain or conflicts with the cooperative's mission.

Amongst those with no concerns, there is support for issuing deferred shares to corporate members, however, it was noted that because these would not be covered by the Financial Services Compensation Scheme (FSCS), that this could deter corporate members and many individuals from taking these up.

B59-B63 Dormant Accounts Management

B59 Do you feel that unclaimed funds in credit unions should be used for the benefit of the wider local community?

There were 99 responses to this question. 89% of respondents (88) felt that unclaimed funds in credit unions should be used for the benefit of the wider local community. Whereas 11% of respondents (11) did not.



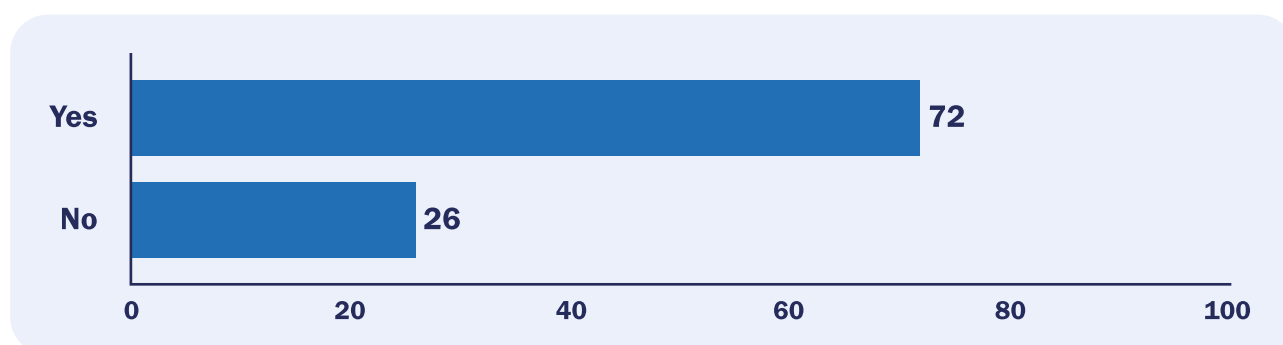
A majority of respondents feel that redirecting unclaimed funds to support community projects, financial education, or hardship support aligns with the credit union ethos of community service and mutual benefit. However, there is a belief that clear processes should be established to ensure efforts are made to return funds to rightful owners before reallocation, and that the use of such funds is transparent, accountable, and consistent with member interests. There is also a belief that, subject to safeguards, these funds could be reinvested locally.

The Department has been encouraged to explore how these funds could be ringfenced to tackle financial exclusion. It was noted that there is a different policy position in Northern Ireland regarding Dormant Assets funding, and as a result, the No Interest Loan Scheme (NILS), funded through Dormant Assets, does not currently extend to Northern Ireland. There is a belief that this creates a gap in responsible and affordable small sum credit options for underserved populations.

The Department has also been encouraged to explore how a centralised system to collect dormant funds from credit union accounts could be used to extend responsible and affordable small sum credit to underserved consumer groups. There is a belief that such a scheme could create a pathway to general credit union products and services, helping to build savings and subsequently the financial resilience of these groups.

B60 Would you support a centralised system for managing dormant credit union accounts?

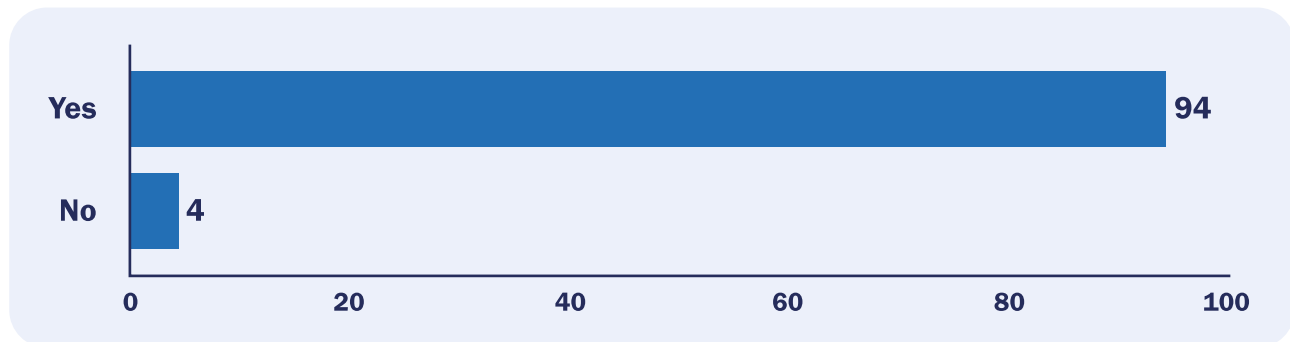
There were 98 responses to this question. 74% of respondents (72) supported a centralised system for managing dormant credit union accounts. Whereas 26% of respondents (26) did not.



A majority of respondent feel that this may ensure transparency and fair redistribution of resources but only with the allocation or dispersal of the funds of those dormant accounts retained at local level by those who have a specialist understanding of the needs, wants and priorities of their local residents or communities.

B61 Do you feel that dormant funds should remain within the credit union sector instead of being transferred elsewhere?

There were 98 responses to this question. 96% of respondents (94) felt that dormant funds should remain within the credit union sector instead of being transferred elsewhere. Whereas 4% of respondents (4) did not.



A majority of respondents feel that keeping these funds within the sector ensures they continue to serve the communities and members for whom they were originally intended. There is a belief that dormant funds could be used to support financial education, credit union development, or community lending initiatives - all of which align with the sector's social purpose, and that this approach would preserve the mutual ethos of credit unions while maximising the impact of unused assets.

B62 How do you feel that dormant funds could be best used within communities?

There were 86 responses to this question which provided a wide range of ideas of how dormant funds could be best used within communities, and which is set out below.

A majority of respondents feel that dormant funds represent a valuable resource that, if allocated thoughtfully, can significantly benefit local communities and support financial inclusion objectives.

Investing in Financial Education and Inclusion Programmes

Dormant funds should be directed towards initiatives that enhance financial literacy and inclusion, particularly targeting vulnerable or underserved groups such as:

- Young people and students
- Low-income families
- Older adults unfamiliar with digital banking

Such programmes empower individuals to manage their finances effectively and access appropriate financial services.

Supporting Local Community Development Projects

Funds could be channelled into projects that address specific local needs, including:

- Affordable housing schemes
- Community-owned enterprises and social businesses
- Health and wellbeing initiatives
- Youth and sports facilities

This would help stimulate economic activity, social cohesion, and improved quality of life in communities.

Enhancing Credit Union Services and Capacity

Allocating dormant funds to support credit unions directly could:

- Improve their ability to offer low-cost loans and savings products
- Invest in digital infrastructure and member services
- Strengthen governance, training, and capacity-building

This ensures that credit unions remain sustainable and capable of serving their communities effectively.

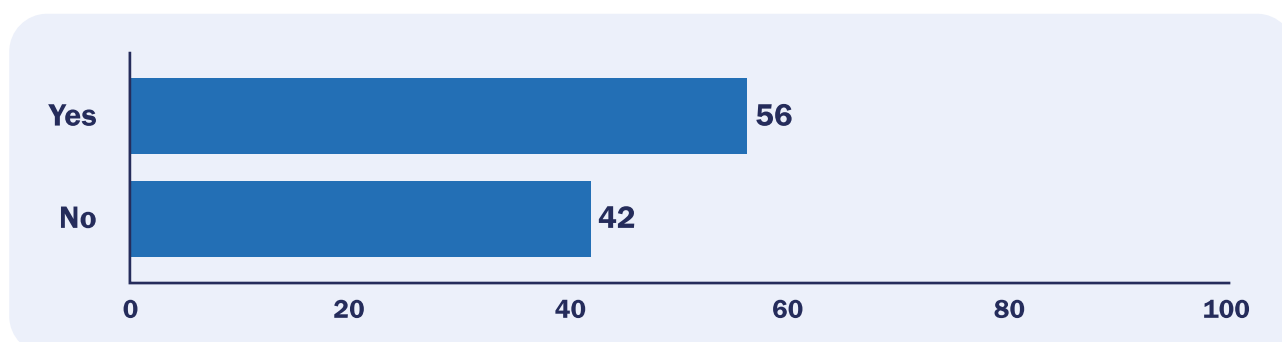
Transparent and Accountable Fund Management

To maintain public trust, it is vital that dormant funds are managed transparently, with clear accountability and community involvement in decision-making processes.

A number of respondents feel that funds placed in accounts that have gone dormant belong to the member and should therefore be retained for that member or next of kin. Other respondents feel that after strenuous efforts are made by a credit union to inform members that an account has become dormant, and after approximately 10 years, that the money could go to charity.

B63 Do you feel that there should be a longer time frame before accounts are considered dormant? If Yes, please explain.

There were 98 responses to this question. 57% of respondents (56) felt that there should be a longer time frame before accounts are considered dormant. Whereas 44% of respondents did not (42). Of those 98 responses, 51 respondents provided additional comments.



Those respondents who are in favour of having a longer time frame feel that extending the period would give members more time to reconnect with their accounts, particularly those who may be experiencing financial difficulties, have limited digital access, or only use their accounts occasionally. There is a belief that a longer timeframe helps protect member assets and trust, while reducing the risk of funds being reclassified prematurely. It was also noted that credit unions to manage dormant accounts effectively and reallocate funds when appropriate.

A number of respondents believe that the current timeframe within credit unions of 3-5 years is sufficient before accounts are considered dormant, provided this is communicated properly to members.

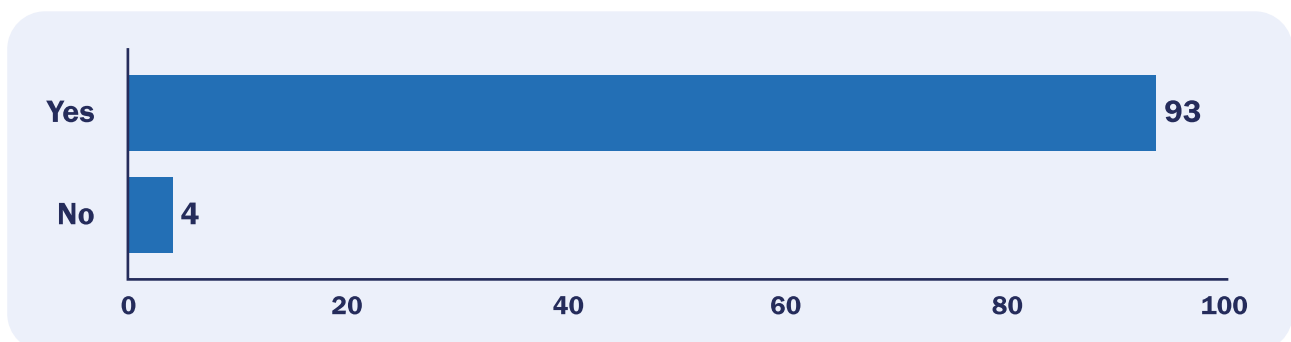
The Department has been encouraged to seek data from credit unions to understand the number of members whose accounts fall into inactivity each year, how many members seek to re-open dormant accounts and the timeframes in which members seek to do so.

There is a belief that members should have the maximum potential opportunity to access their funds held in credit unions.

B64 Criminal Records Disclosure

B64 Do you feel that credit unions should be included in the definition of non-profit organisations for disclosure regulations?

There were 97 responses to this question. 96% of respondents (93) felt that credit unions should be included in the definition of non-profit organisations for disclosure regulations. Whereas 4% of respondents (4) did not.

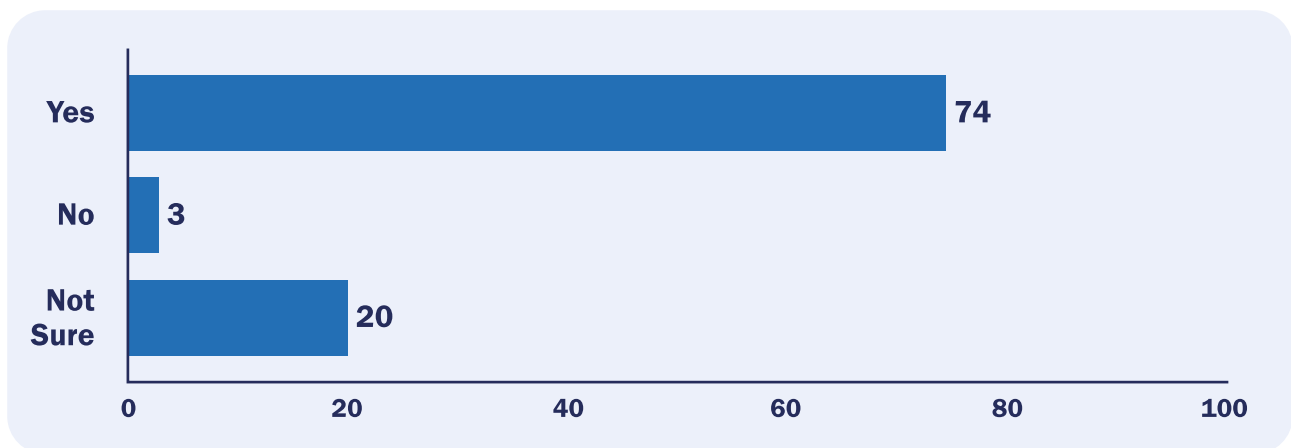


A majority of respondents feel that credit unions operate on a not-for-profit basis, prioritising member benefit and community support over profit and that including them in this definition would ensure regulatory consistency, recognise their distinct role in the financial sector, and potentially reduce disclosure burdens that are more appropriate for profit driven institutions. There is a belief that such recognition would help protect their values while maintaining transparency and public trust.

B65-66 Updating Article 32 – Holding of Land

B65 Do you support proposals to modernise the legal framework around credit unions owning or leasing land?

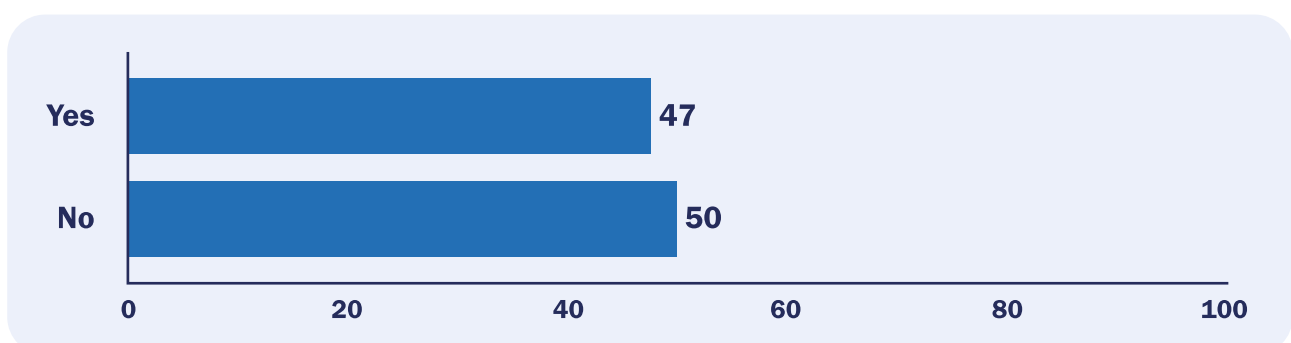
There were 97 responses to this question. 76% of respondents (74) supported proposals to modernise the legal framework around credit unions owning or leasing land. Whereas 3% of respondents (3) did not and 21% of respondents (20) were not sure.



A majority of respondents feel that modernisation would reflect the operational needs of today's credit unions, particularly as they diversify services. It was noted that the current framework was drafted in a completely different time, without the level of regulation which is now in place. There is a belief that clarification of this area, especially around existing land or property held or where part of a property could be used for another purpose would be helpful and possibly help a credit union maximise income streams.

B66 Do you consider there are any concerns or risks around broadening these powers? If Yes, please explain.

There were 97 responses to this question. 48% of respondents (47) felt that there were concerns or risks around broadening these powers. Whereas 52% of respondents (50) did not. Out of 97 responses, 51 respondents provided additional comments.



Whilst broadly supportive, many respondents feel the need to highlight some concerns and risks associated with broadening these powers.

Governance and Risk Management

Expanding land ownership or leasing increases exposure to property market risks. Strong governance and risk assessment frameworks are essential to safeguard credit union assets.

Resource and Capacity Implications

Managing property assets requires expertise and resources that smaller credit unions may lack, potentially diverting focus from core financial services.

Potential Mission Drift

There is a risk that credit unions might divert from their primary financial inclusion mission if too heavily invested in property-related activities.

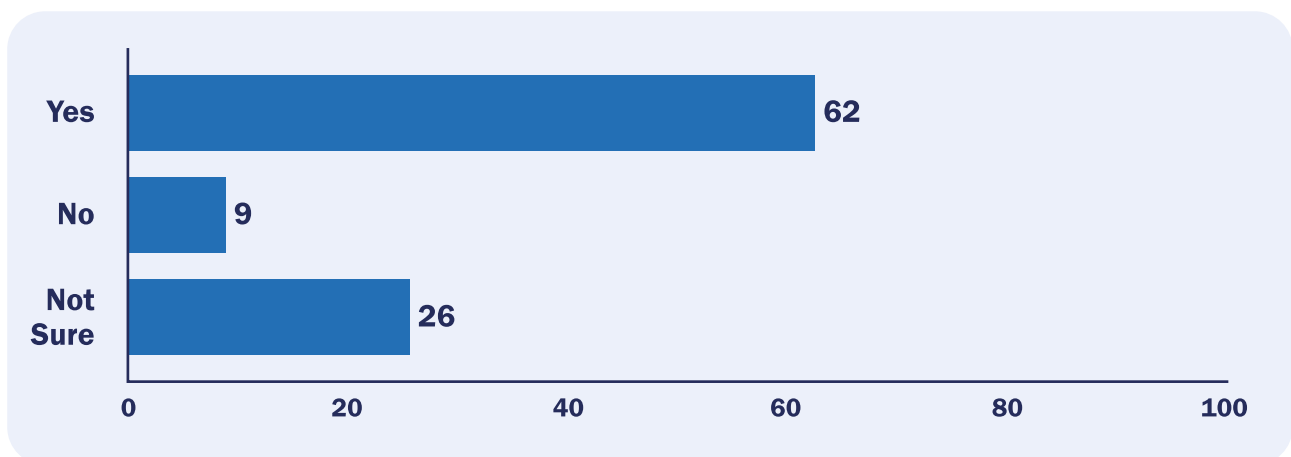
Respondents advocated for a balanced approach that modernises land ownership powers while ensuring robust safeguards, governance, and alignment with credit unions' core mission.

Respondents expressing no concerns, noted that risks would be minimal if appropriate governance and oversight procedures are in place to ensure land use aligns with member benefit.

B67-B68 Updating Article 55 – Access to Member Registers

B67 Do you agree that the current rules on access to members registers are unclear or outdated?

There were 97 responses to this question. 64% of respondents (62) agreed that the current rules on access to members registers are unclear or outdated. Whereas 9% of respondents (9) did not and 27% of respondents (26) were not sure.



Amongst those that agreed, there is a belief that a lack of clarity around who can access the register, for what purpose, and under what safeguards, may lead to confusion, privacy concerns, and inconsistent practices across the sector. It was noted that, with evolving data protection standards and members' expectations around confidentiality, there is a strong case for reviewing and modernising these rules and that any update should balance transparency and accountability with robust protection of member privacy.

B68 What level of access to member and officer information do you think is appropriate, and why?

There were 68 responses to this question which provided a range of opinion around appropriate levels of access to member and officer information.

A majority of respondents advocated for a balanced approach to access to member and officer information, prioritising transparency, data protection, and operational needs.

Restricted Access to Protect Privacy

Access to personal information of members and officers should be limited to authorised individuals with a legitimate purpose, such as:

- Credit union officers conducting governance, compliance, or operational duties
- Members entitled to inspect registers under clearly defined conditions

This helps protect privacy and complies with data protection regulations.

Transparency and Accountability

Limited access to essential information (such as names and contact details) should be permitted to ensure transparency and accountability within the credit union. However, sensitive data must be carefully safeguarded.

Defined and Documented Access Protocols

Credit unions should establish clear policies and protocols that specify:

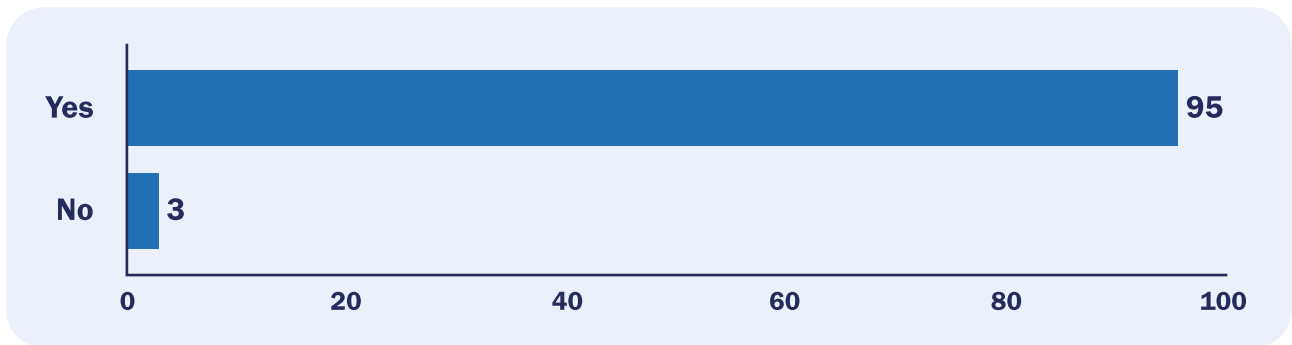
- Who may access what information
- The purpose for access
- Procedures for requesting and granting access
- Security measures to prevent misuse or unauthorised disclosure

A majority of respondents support access policies that protect individual privacy while enabling necessary transparency and operational effectiveness, in compliance with relevant data protection laws.

B69-B74 Supporting Electronic Communication and Modernising Meetings

B69 Would you support proposals to allow electronic communication (e.g. email, app notifications) for AGMs and other meetings?

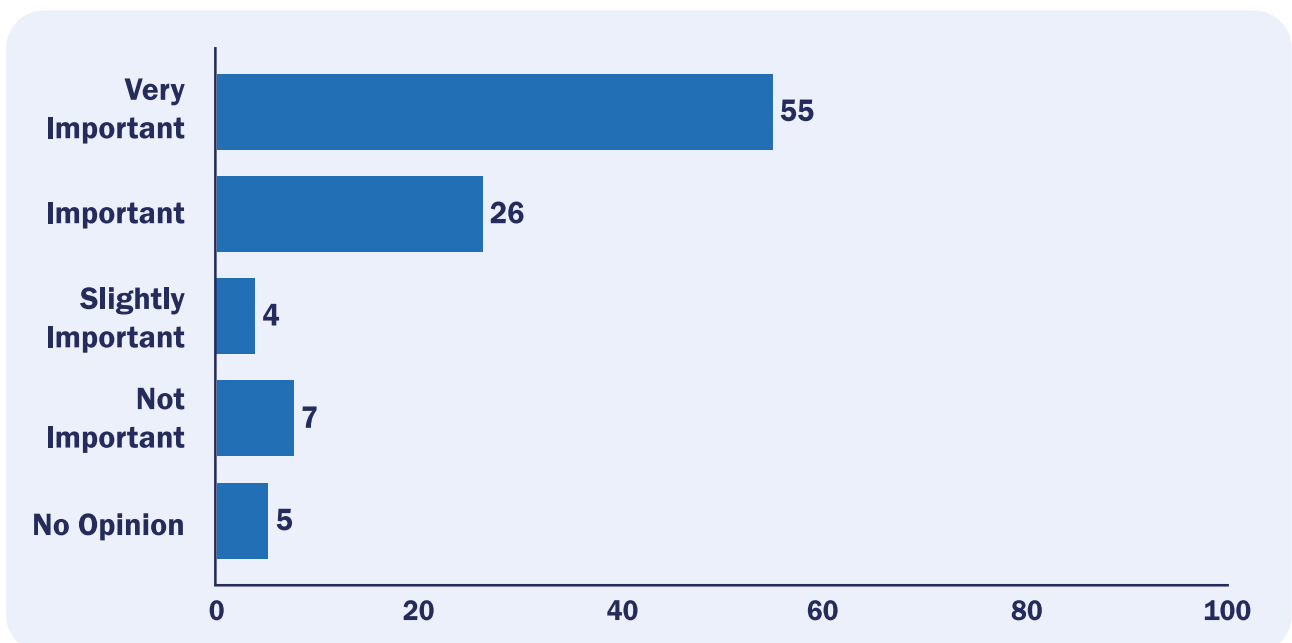
There were 98 responses to this question. 97% of respondents (95) supported proposals to allow electronic communication (e.g. email, app notifications) for AGMs and other meetings. Whereas 3% of respondents (3) did not.



A majority of respondents feel this is essential for modern engagement and wider participation and that it would modernise credit union governance, reduce administrative costs, and help engage younger or more digitally connected members, whilst maintaining transparency and accountability.

B70 How important to you is it that credit unions are able to hold hybrid or online AGMs?

There were 97 responses to this question. 57% of respondents (55) felt the availability to hold hybrid or online AGMs was very important. 27% of respondents (26) felt it was important, 4% (4) slightly important, 7% (7) not important and 5% of respondents (5) had no opinion.



A majority of respondents feel that it is important that credit unions are able to hold hybrid or online AGMs. There is a belief that this would ensure accessibility for all members regardless of location or mobility and that it would allow for maximum inclusion across age groups, working families, and digitally engaged members.

B71 What challenges do you believe credit unions or members face in moving to digital communication?

There were 80 responses to this question.

Respondents recognised the benefits of digital communication but acknowledged several challenges faced by credit unions and their members during any transition:

Digital Exclusion and Accessibility

- Some members, particularly older adults and those in rural or disadvantaged areas, may lack access to readily accessible internet or digital devices.
- Limited digital literacy can hinder effective use of online services and communication tools.

Security and Privacy Concerns

- Members may be concerned about data security, online fraud, and privacy breaches, impacting their willingness to engage digitally.
- Credit unions must invest in robust cybersecurity measures to protect member data and maintain trust.

Resource Constraints for Credit Unions

- Smaller credit unions may face financial and technical limitations in developing and maintaining digital platforms and services.
- Training staff and members to use new technologies requires time and investment.

Maintaining Personal Connection

- Digital communication may reduce personal interaction, which is often a key element of member trust and engagement in credit unions.
- Balancing digital services with accessible in-person support remains important.

Respondents advocated for a phased and inclusive approach to any future digital transition, ensuring accessibility, security, and support for all members while leveraging technology to enhance service delivery.

B72 How do you believe members who are not digitally connected can continue to be supported?

There were 80 responses to this question which provided a range of ways for those who are not digitally connected to be supported.

A majority of respondents recognise the importance of ensuring that members who are not digitally connected continue to receive full support and access to services.

Maintaining Traditional Communication Channels

- Continue to offer in-person services at branches and community locations.
- Provide telephone support and postal communication options for transactions, enquiries, and statements.

Consider Community Outreach and Education

- Organise digital literacy workshops and one-on-one assistance to help members gain confidence with technology.
- Partner with local community groups to reach and support digitally excluded members.

Consider Flexible Service Models

- Implement hybrid service models that combine digital and non-digital access points.
- Ensure staff are trained to assist members transitioning to digital platforms at their own pace.

Accessibility Considerations

- Develop easy-to-use digital interfaces designed with accessibility in mind.
- Provide clear, straightforward guidance and support materials in multiple formats.

There is a belief that that credit unions should be committed to inclusivity by maintaining diverse communication channels and offering targeted support, ensuring no member is left behind in any move towards digital services.

A minority of respondents believe that credit unions should not move into digital communication and that all meetings should be held face to face, otherwise meetings will lose the community spirit of credit unions.

B73 What support (technical or financial) do you believe credit unions may need to adopt digital communication tools?

There were 76 responses to this question.

A majority of respondents believe that adopting digital communication tools is essential for modernising services but requires appropriate technical and financial support.

Financial Assistance

- Funding or grants to invest in the necessary digital infrastructure, software, and cybersecurity measures.
- Support for ongoing maintenance, upgrades, and licensing costs.
- Similar government digital infrastructure funding was made available to credit unions in Britain.

Technical Support and Training

- Access to expert guidance on selecting, implementing, and integrating digital platforms.
- Training programmes for staff and volunteers to build digital skills and confidence.
- Resources to assist in member education on using digital services.

Collaborative Platforms and Shared Services

- Development of sector-wide or regional shared digital platforms to reduce costs and improve efficiency.
- Support for partnerships with technology providers offering affordable, tailored solutions for credit unions.

Regulatory and Security Guidance

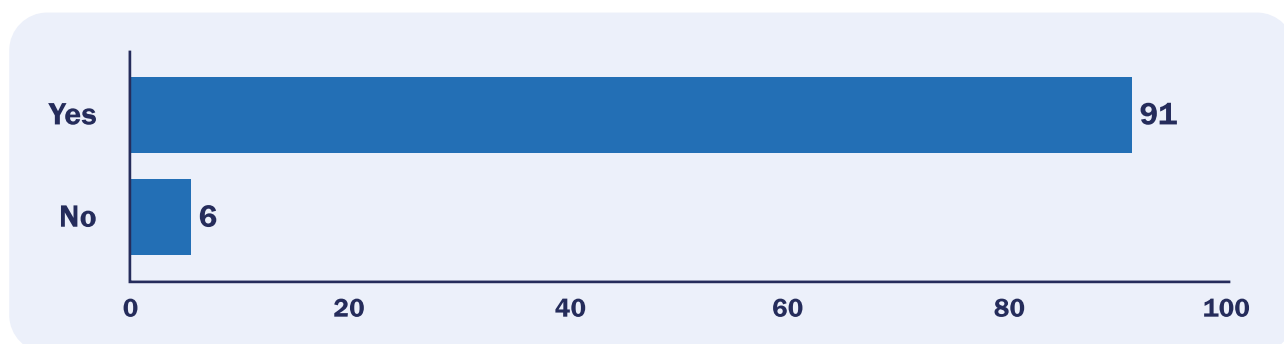
- Clear, practical advice on compliance with data protection, cybersecurity standards, and digital communication regulations.

There is a belief that targeted financial and technical support is necessary to enable credit unions to adopt secure, accessible, and effective digital communication tools, and for ensuring sustainable service delivery and member engagement.

A minority of respondents believe that adopting digital communication tools would be a waste of money for credit unions and that an overhaul does not need to take place.

B74 Do you believe members should be able to opt out of electronic communications and continue receiving information in print?

There were 97 responses to this question. 94% of respondents (91) believed that members should be able to opt out of electronic communications and continue receiving information in print. Whereas 6% of respondents (6) did not.

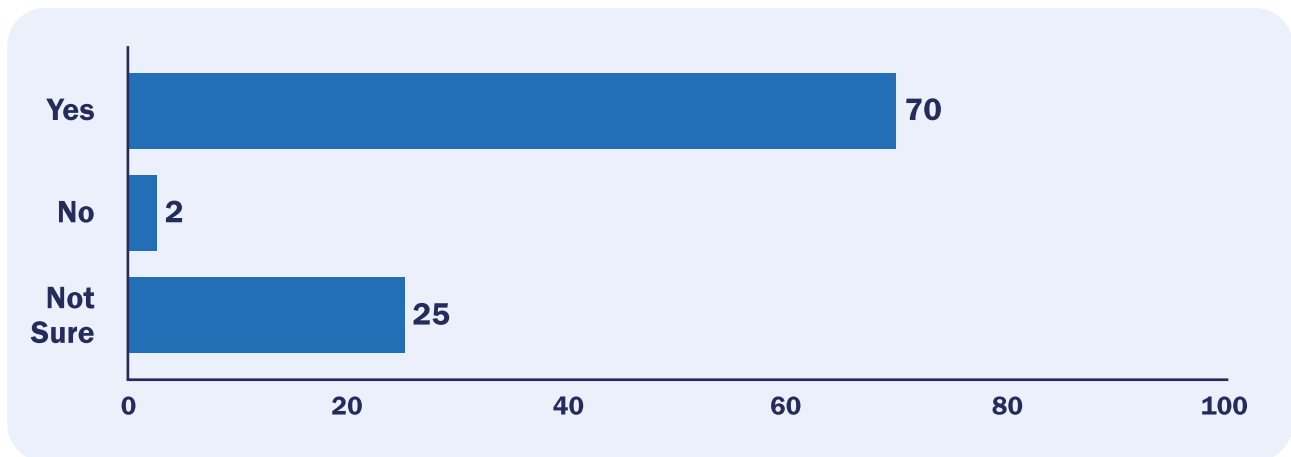


A majority of respondents believe that members should have a choice in how they receive information.

B75-B79 Simplifying Transfers of Engagements Between Credit Unions

B75 Do you believe that the process for transferring engagements between credit unions should be simplified?

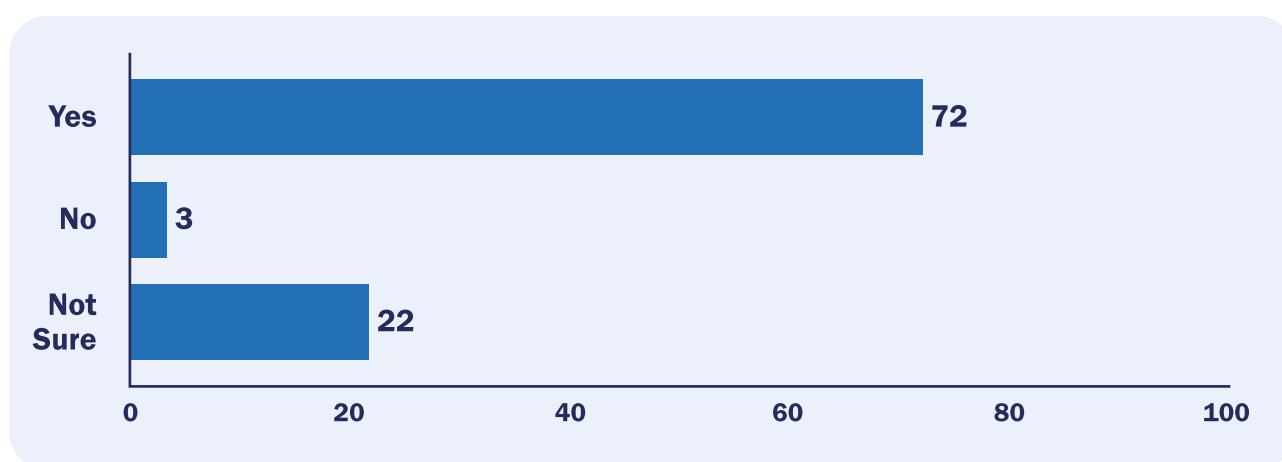
There were 97 responses to this question. 72% of respondents (70) believed that the process for transferring engagements between credit unions should be simplified. Whereas 2% of respondents (2) did not and 26% of respondents (25) were not sure.



A majority of respondents believe that simplifying this process would make mergers or transfers more efficient, reduce administrative burdens, and help smaller or struggling credit unions to sustain services for members. There is a belief that a streamlined approach could encourage collaboration and consolidation where appropriate, strengthening the overall sector. It was noted that safeguards must remain to protect members' interests, ensure transparency, and maintain strong governance throughout the transfer.

B76 Do you support proposals to automatically include the transferring credit union's common bond within the receiving credit union?

There were 97 responses to this question. 74% of respondents (72) supported support proposals to automatically include the transferring credit union's common bond within the receiving credit union. Whereas 3% of respondents (3) did not and 23% of respondents (22) were not sure.



A majority of respondents support this proposal.

B77 How should member interests be safeguarded during any transfer process?

There were 73 responses to this question which provided a wide range of ways member interests should be safeguarded during any transfer process.

A majority of respondents emphasised that safeguarding member interests must be a paramount consideration during any transfer of engagements between credit unions.

Transparent Communication

- Members should be provided with clear, timely, and comprehensive information about the transfer, its implications, and any changes to their rights or services.

Member Consent and Involvement

- Where appropriate, members should have the opportunity to vote on or otherwise consent to proposed transfers to uphold democratic governance.

Protection of Savings and Loans

- All member savings, loan agreements, and other financial arrangements must be fully protected and seamlessly transferred without loss or disadvantage.
- The financial stability of the receiving credit union must be ensured to safeguard members' savings and loans.

Regulatory Oversight

- Transfers should be subject to stringent regulatory review to ensure compliance with legal requirements and the credit union's fiduciary duties to members.

Dispute Resolution Mechanisms

- Clear processes should be in place to address member concerns or disputes arising during or after the transfer.

Service Levels

- Service levels must be maintained or improved post-transfer to protect member experience.

Data Protection

- Protection of member data and privacy throughout the process.

There is a belief that member protection is central to any transfer process, with transparency, consent, asset protection, and regulatory safeguards ensuring members' trust and confidence.

A small minority of respondents feel that there is no need to simplify transfer of engagements between credit unions and that there is no demand for it from credit union members.

B78 What role should members play in approving or shaping transfer agreements between credit unions?

There were 71 responses to this question.

A majority of respondents believe that members should play a significant and active role in approving and shaping transfer agreements between credit unions through:

Democratic Participation

- As cooperative, member-owned organisations, credit unions should uphold democratic principles by involving members directly in key decisions, including transfers of engagements.

Voting Rights on Transfer Proposals

- Members should be given the opportunity to review transfer agreements and vote on them, ensuring that their views and interests are represented.

Consultation and Engagement

- Prior to formal approval, members should be consulted through accessible channels to provide feedback and raise concerns, fostering transparency and trust.

Clear Communication

- Credit unions must ensure members receive clear, comprehensive information about the reasons for the transfer, expected benefits, and any potential impacts.

A majority of respondents support meaningful member involvement in transfer agreements that reinforce cooperative governance and protect member interests throughout the process.

A small minority of respondents feel that there is no need to simplify transfer of engagements between credit unions and that there is no demand for it from credit union members.

B79 How can continuity of service be maintained for members during and after a transfer?

There were 67 responses to this question.

A majority of respondents stress that maintaining seamless continuity of service for members is crucial throughout any transfer process between credit unions and can be maintained by:

Advance Planning and Coordination

- Comprehensive planning and coordination between the transferring and receiving credit unions should ensure uninterrupted access to accounts, loans, and other services.

Clear Communication with Members

- Members must be informed promptly about any changes, timelines, and what to expect during the transition to minimise confusion or disruption.
- Providing accessible support channels (phone, email, in-person) for members needing assistance during the transition.
- Maintaining existing product terms and conditions initially, with any changes introduced gradually and transparently.

Staff Training and Support

- Employees and volunteers should be adequately trained and resourced to manage the transition smoothly and address member enquiries effectively.

IT and Systems Integration

- Robust IT integration plans are essential to ensure member data, transaction histories, and service platforms migrate securely and without interruption.

Contingency Measures

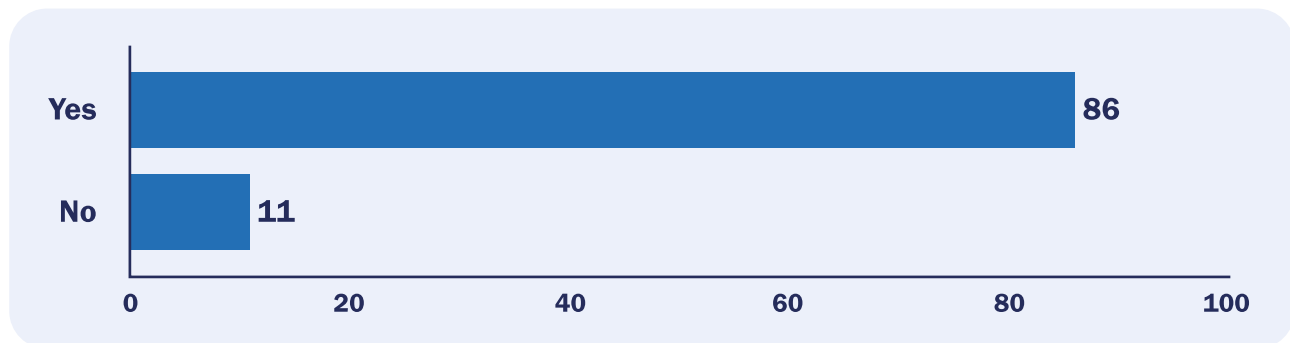
- Backup plans should be in place to manage any unexpected issues or delays, preserving member confidence and service reliability.

A majority of respondents advocated for meticulous planning, transparent communication, and operational readiness to guarantee continuous, high-quality service to members during and after credit union transfers.

B80-B83 Increasing the Age Limit for Minor Accounts

B80 Do you support increasing the age limit for minor accounts from 16 to 18?

There were 97 responses to this question. 89% of respondents (86) supported increasing the age limit for minor accounts from 16 to 18. Whereas 11% of respondents (11) did not.



A majority of respondents believe that the age limit should be in line with other financial institutions which would allow continued financial engagement and support for young people during key life transitions.

Those that disagree feel that it is appropriate that 16-year-olds should be entrusted to make their own financial decisions.

B81 What benefits do you believe this change would bring for young members and credit unions?

There were 78 responses to this question.

A majority of respondents support the proposal to increase the age limit for minor accounts from 16 to 18 and recognise several benefits for both young members and credit unions:

Extended Financial Education and Inclusion

- Raising the age limit allows young people to remain engaged with credit unions during a critical transition period, fostering financial literacy and responsible money management into early adulthood.

Smooth Transition to Full Membership

- It provides a more gradual progression to full adult membership, reducing administrative complexities and ensuring continuity of service and relationship.

Greater Access to Tailored Financial Products

- Credit unions can offer appropriate products and services to young adults under 18, helping meet their evolving financial needs in a supportive environment.

Enhanced Member Retention and Growth

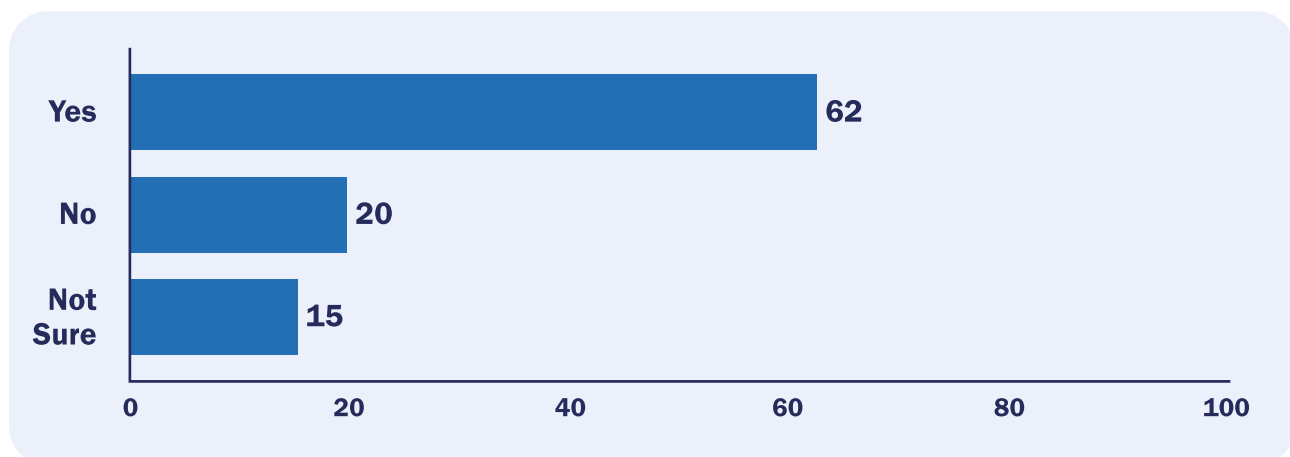
- Maintaining engagement with young members for longer encourages loyalty and increases the likelihood of lifelong membership, supporting credit union sustainability.

A majority of respondents believe that increasing the minor account age limit to 18 will strengthen financial inclusion for young people and also benefit credit unions by fostering stronger, longer-term member relationships.

A minority of respondents believe there are no benefits to members or credit unions with this change.

B82 Should credit unions have discretion in how they implement this change locally?

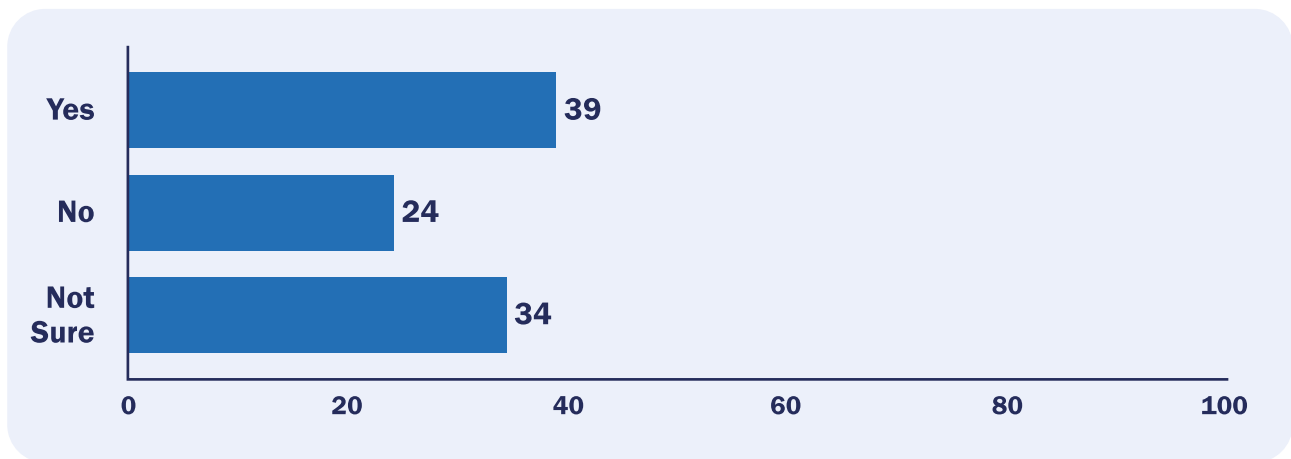
There were 97 responses to this question. 64% of respondents (62) felt that credit unions should have discretion in how they implement this change locally. Whereas 21% of respondents (20) did not and 15% of respondents (15) were not sure.



There is a belief that local flexibility will allow credit unions to better respond to member and community needs. It was noted that such work could first be piloted in one or two local areas prior to any wholesale application and adoption.

B83 Should young people aged 16 & 17 have additional rights or controls over their accounts if the age limit is extended?

There were 97 responses to this question. 40% of respondents (39) felt that young people aged 16 & 17 should have additional rights or controls over their accounts if the age limit is extended. Whereas 25% of respondents (24) did not and 35% of respondents (34) were not sure.



Amongst some respondents, there is a feeling that young people aged 16 and 17 are at a transitional stage between childhood and adulthood and may benefit from additional rights and controls to support their financial independence. It was noted that this could include the ability to manage their accounts without parental oversight, access digital banking services, and receive tailored financial education. It was also noted that optional parental guidance or alerts could be offered for those who prefer a more supportive approach. There is a belief that flexibility and choice should underpin any policy in this area, that autonomy should be balanced with appropriate safeguards and that particular safeguards should be put in place to ensure that vulnerable young people are not exploited.

Topic 3: Embracing Digital Innovation and Competitiveness

This part of the consultation was a call for evidence and sought views on how credit unions can adopt and deliver modern digital services and technologies to improve convenience and security for their members.

Financial services are rapidly evolving, with most banks and fintech (Finance Tech) companies offering a wide range of digital banking services, contactless payments, and mobile apps. Credit unions face several challenges, including the resources to develop innovative online banking and payment apps.

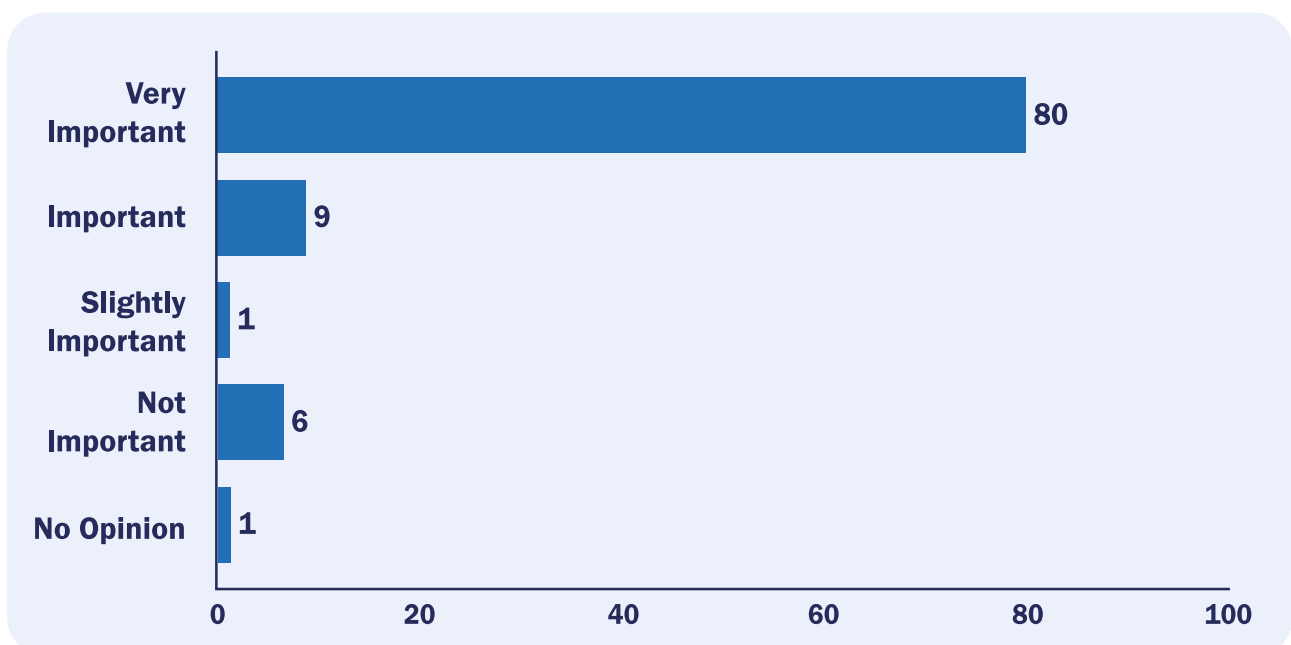
This topic covered barriers that prevent credit unions from offering comprehensive digital banking services, and possible solutions. Views were also sought on how credit unions can successfully collaborate with fintech providers and what respondents consider could be best practice for forming these partnerships.

Respondents were asked about Payroll deduction schemes and about the design of digital services in order to improve convenience and accessibility for credit union members. Opinion was also sought on what features and functionalities are most important so that credit unions can meet digital expectations and modernise their services.

This topic consisted of 18 questions, which are analysed in the following pages.

C1 How important do you feel it is for credit unions to offer digital banking services such as online banking, mobile apps, and instant payments?

There were 97 responses to this question. 83% of respondents (80) felt it was very important for credit unions to offer digital banking services, 9% felt it was important (9), 1% felt it was slightly important (1), while 6% thought it was not important (6) and 1% had no opinion (1) on the question.



Written responses were submitted for this question; respondents generally agreed on the importance of credit unions offering digital banking services such as online banking, mobile apps, and instant payments. Respondents feel that to be a 'credible contender as a financial institution' credit unions must deliver what is 'expected' from banks, including 24/7 access availability, quick decision making and internet banking.

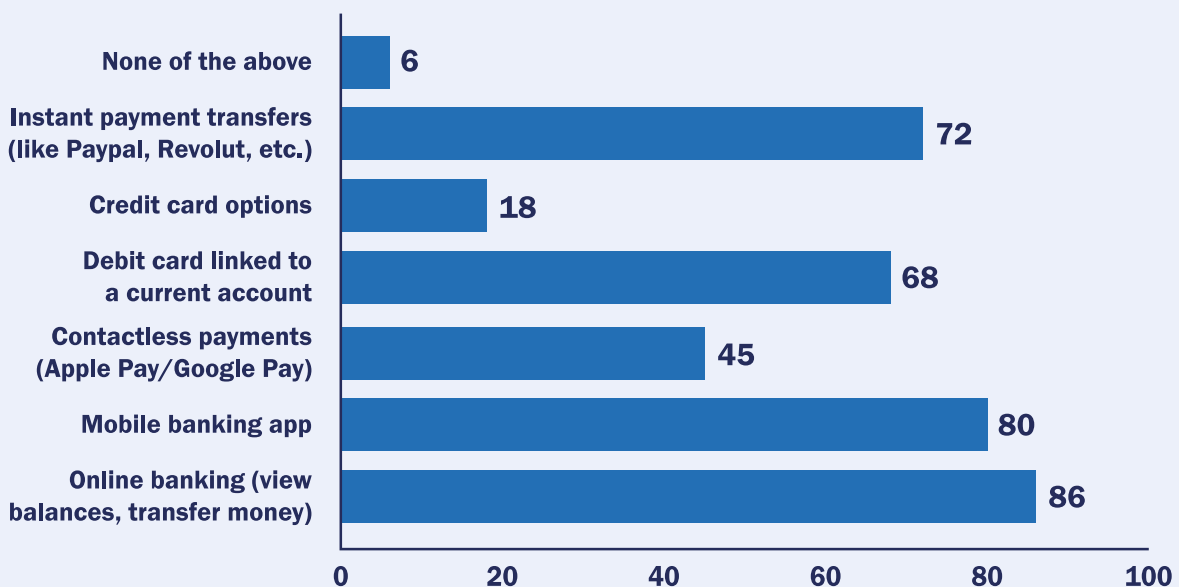
Common concerns in developing digital products include deepening the 'digital divide' especially for members of rural and aging communities. Respondents feel that low digital literacy and capability may be exacerbated by digital development of credit unions; in this vein, respondents stated support for digital training and support for cross-departmental collaboration on initiatives available in other Executive Departments.

Credit unions were noted as bridging 'the gap' left by the closure of many bank shop fronts across NI, with most respondents identifying the importance of credit unions retaining a physical presence as well as developing an online one. It was also suggested that the Department consider the role that credit unions can play particularly in the creation of Banking Hubs.

Many respondents also feel that credit unions offering digital banking services is essential as members 'expect' it, with convenience and attraction to potential younger members cited as reasons for this.

C2: What digital banking services would be most useful to you as a credit union member? (Select all that apply)

There were 97 responses to this question. 89% of respondents (86) felt online banking would be useful, 83% (80) felt a mobile bank app would be useful. 46% (45) replied that contactless payments would be useful with 70% (68) agreeing a debit card linked to a current account would be useful. Credit card options would be useful for 19% (18) of respondents, Instant payment transfers (like PayPal, Revolut, etc.) for 74% (72), and 6% (6) of respondents did not feel any of the options stated would be useful.

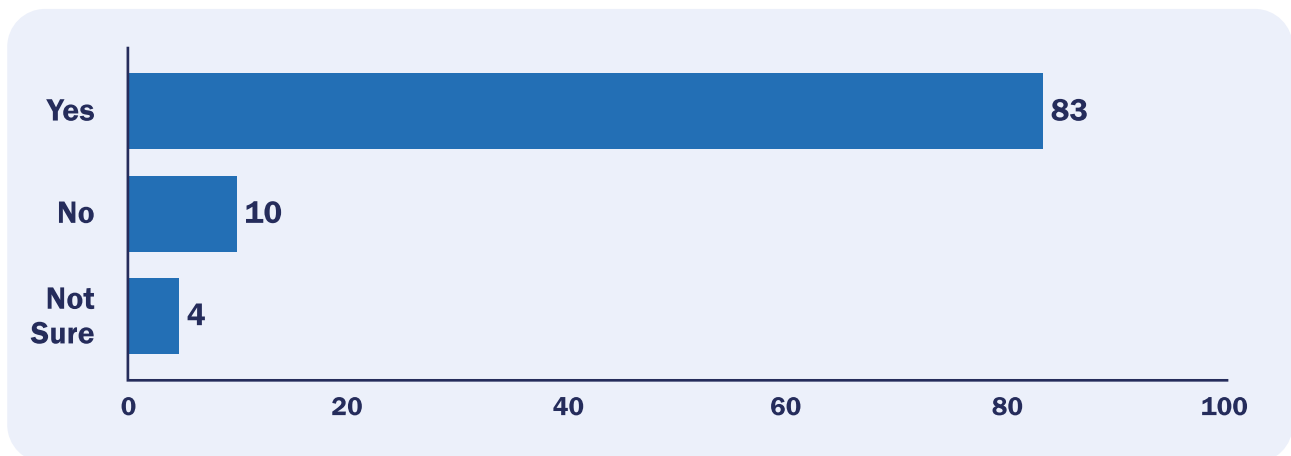


Several written responses were received for this question, one reply discussed ‘digital poverty’ and stated that with many older people living rurally, there was concern of a continuing lack of digital knowledge and capability, even as broadband infrastructure is improved.

Other responses feel that digital loan applications should be available as a digital banking service as well.

C3: Do you feel that the lack of digital banking services currently makes credit unions less attractive compared to banks and online financial institutions?

There were 97 responses to this question. 86% (83) of respondents agreed that the lack of digital banking services currently makes credit unions less attractive compared to banks and online financial institutions. 10% (10) answered ‘No’ with 4% (4) unsure.

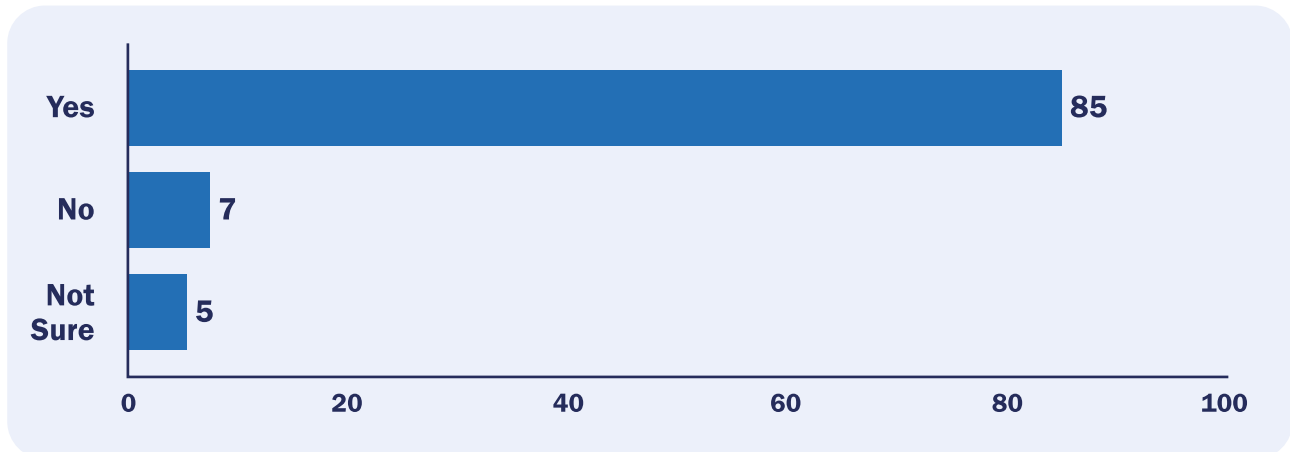


Written responses were received to this question, one respondent welcomed credit unions expanding their digital products, believing it can make services more accessible. However, they stated concerns on ‘digital exclusion’ with ‘low levels of digital literacy and capability.’ The respondent ‘urged’ the Department to ensure credit unions retain in-person services.

Other respondents feel that without a digital offering, credit unions would risk losing relevance. Several answers noted that in today’s ‘digital-first world,’ fast convenient and user-friendly digital outputs are expected, they also feel that if the credit unions do not offer these services, they will lose potential and existing members to competition who can offer digital products. Respondents also feel that a digital increase would expand financial inclusion.

C4: If credit unions introduced a secure and user-friendly mobile app, would you be more likely to use their services?

There were 97 responses to this question. 88% (85) felt that 'Yes', if credit unions introduced a secure and user-friendly mobile app, they are more likely to use their services. 7% (7) replied 'No' to the question and 5% (5) were 'Unsure'.

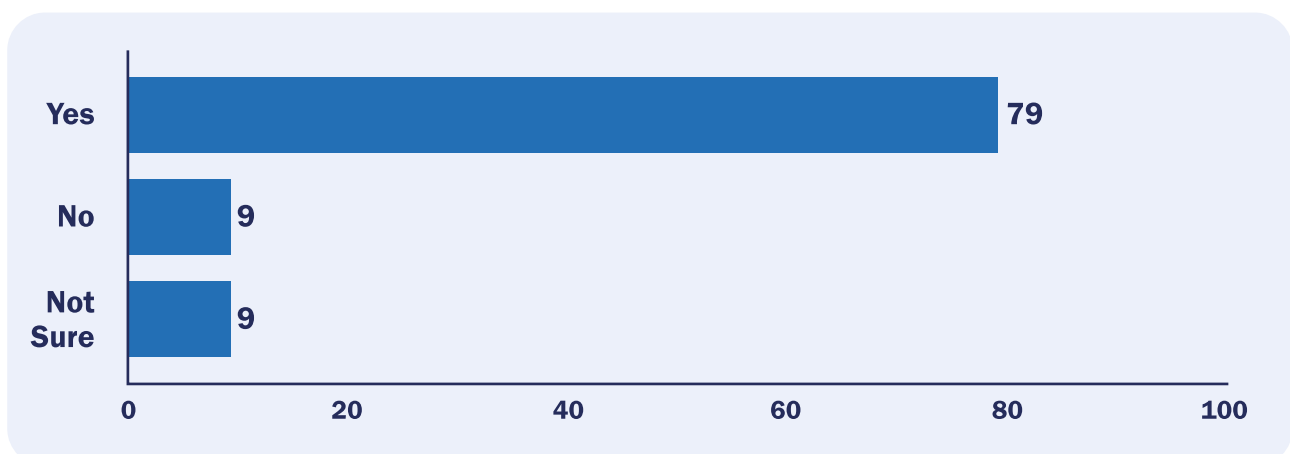


Of the written responses received to this question, one respondent stated that 'dual access' was essential for rural communities; they added that modern digital services must be 'accompanied by a clear commitment to retaining in-person services for the digitally excluded' and that face-to-face services should be 'maintained' alongside any digital growth.

Several respondents feel that the introduction of user-friendly mobile apps would 'increase engagement' with members.

C5: Do you feel that credit unions should be allowed to issue debit cards linked to members' accounts to enable online and in-store purchases?

There were 97 responses to this question. 82% (79) responded 'Yes', they feel credit unions should be allowed to issue debit cards linked to members' accounts to enable online and in-store purchases. 9% (9) answered 'No' with 9% (9) 'Unsure' of their response.

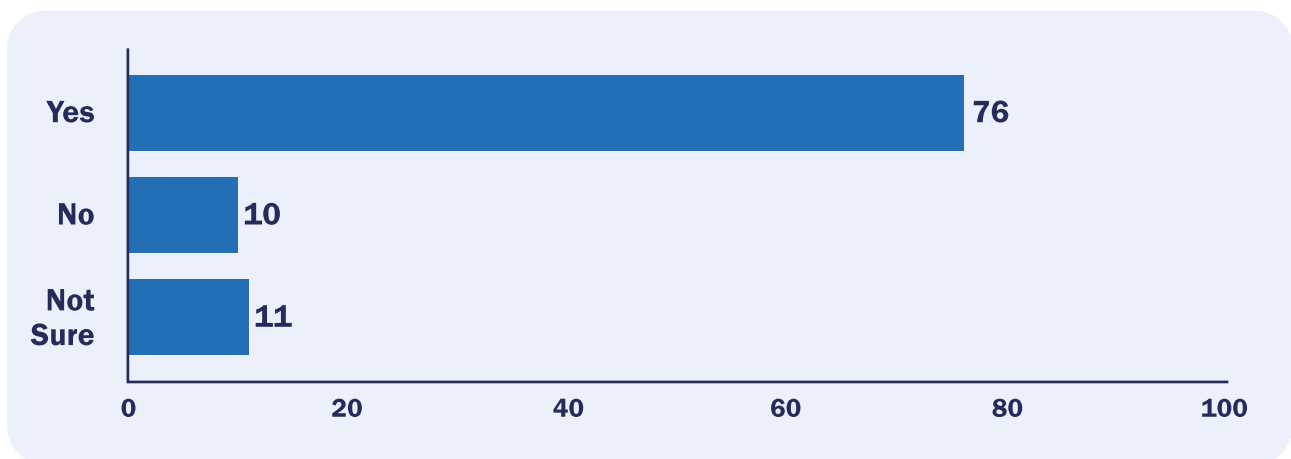


A majority of respondents believe that the issuing of debit cards is a 'basic expectation' in modern financial services, and that it would help improve customer experience.

Respondents also noted that reliable broadband and 5G signals are not universal, with some rural areas falling below minimum broadband speeds.

C6: Would you support allowing credit unions to provide fast, low-cost digital payments between members, similar to PayPal or Revolut?

There were 97 responses to this question. 78% (76) said 'Yes', they would support allowing credit unions to provide fast, low-cost digital payments between members, similar to PayPal or Revolut. 10% (10) answered 'No' with 12% (11) 'Unsure' of their response.

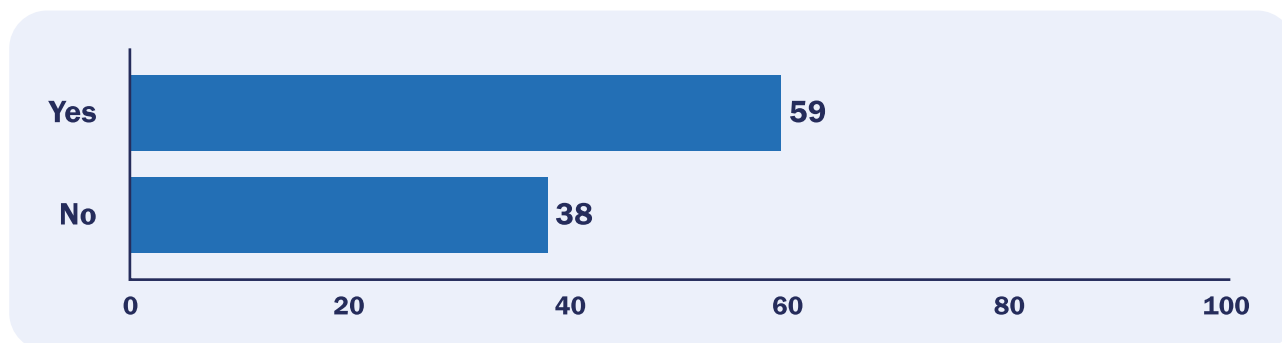


Of the written responses received to this question, one respondent stated that affordability and access to free Wi-Fi remains 'uneven' across the region, particularly in remote rural locations. This respondent also asserted that 'anomalies' along border towns can result in residents mistakenly being routed to cross-border internet connections, affecting website operation.

The remaining respondents feel peer-to-peer payments would 'improve member experience and competitiveness.'

C7: Do you have any concerns about security or privacy if credit unions move towards digital banking? If Yes, please explain.

There were 97 responses to this question. 61% (59) felt 'Yes', they do have concerns about security or privacy if credit unions move towards digital banking, and 39% (38) answered 'No'. Out of the 97 responses, 65 respondents provided additional comments.



Common concerns on security or privacy if credit unions move towards digital banking included:

- Credit unions being susceptible to cyber-attacks, fraud, scams, phishing and identity theft of members
- The cost of introducing cyber security measures with ongoing monitoring, which may be a greater proportionate investment for smaller credit unions
- Ability of credit unions to keep up with technological developments
- Additional charges passed on to customers
- Data Privacy and Protection including requirements detailed by the General Data Protection Regulations
- Need financial and training resources
- Member Awareness and Education
- Information being destroyed
- Transparent

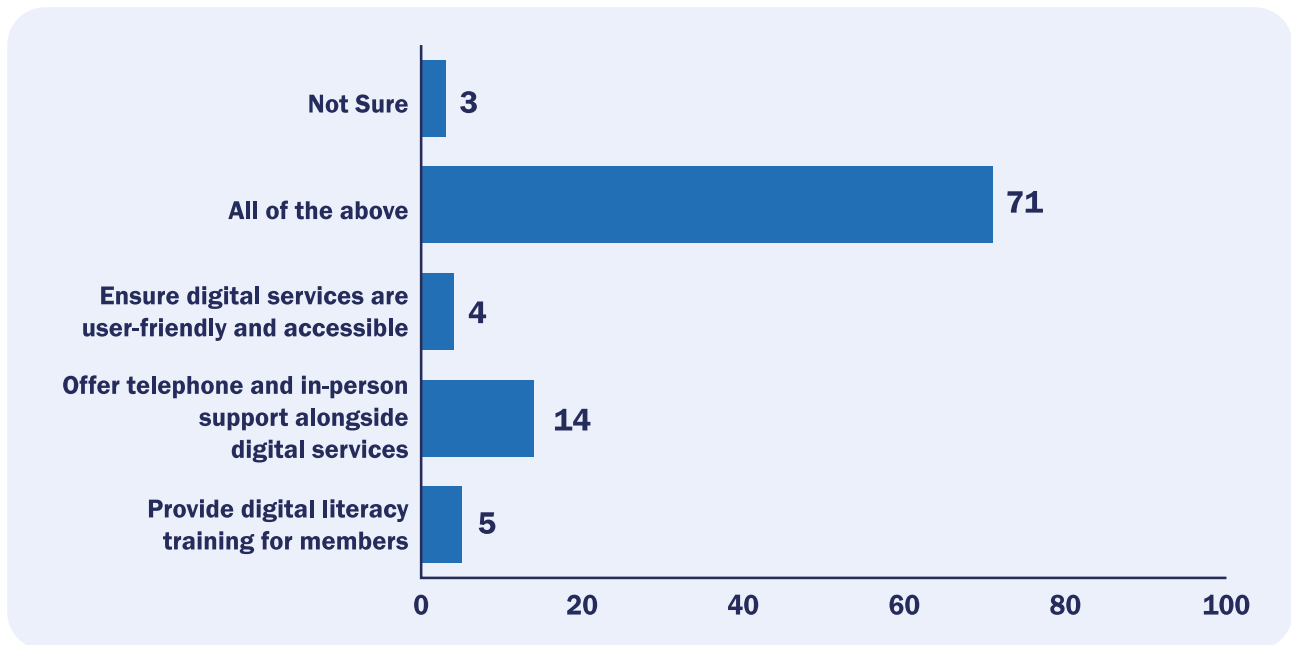
Further concerns submitted by several responses included:

- Credit unions becoming like 'all other banks' and losing face-to-face services, this may 'put people off' using credit union services
- The requirement of cyber-attack insurance
- Additional pressure on voluntary staff to obtain and manage the skills required

In the responses submitted many stated that changes should be manageable with proper staff training and the use of expert knowledge. There is also a concern about rural households lacking 'up-to-date devices capable of running modern apps or software.'

C8: Some people may face barriers using digital banking. How do you feel credit unions can ensure digital inclusion while modernising?

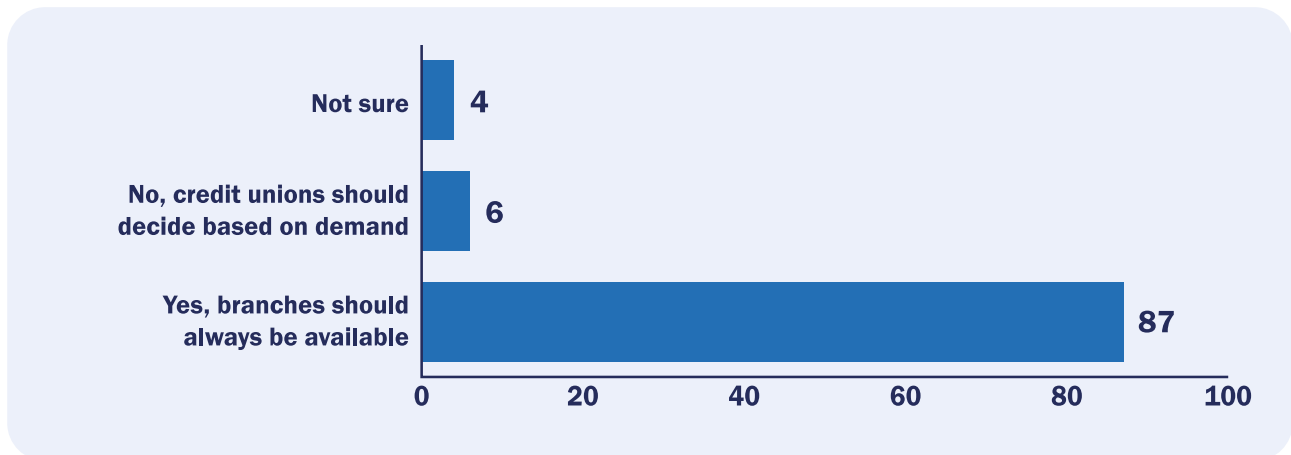
There were 97 responses to this question. To ensure digital inclusion while modernising, 5% (5) felt digital literacy training for members would aid this, 15% (14) agreed with offering telephone and in-person support alongside digital services. 4% (4) answered yes to ensuring digital services are user-friendly and accessible, and 73% (71) support 'All of the above' options. 3% (3) were 'Unsure.'



In written responses received for the question, a common suggestion to ensure digital inclusion was through partnership with digital skills organisations. Several responses stated that alongside digital services, in-person banking should be retained with telephone banking also an option. One respondent felt that a 'dual access' approach is essential in 'rural contexts.'

C9: Do you feel that credit unions should be legally required to maintain in-person services even as they expand digital banking?

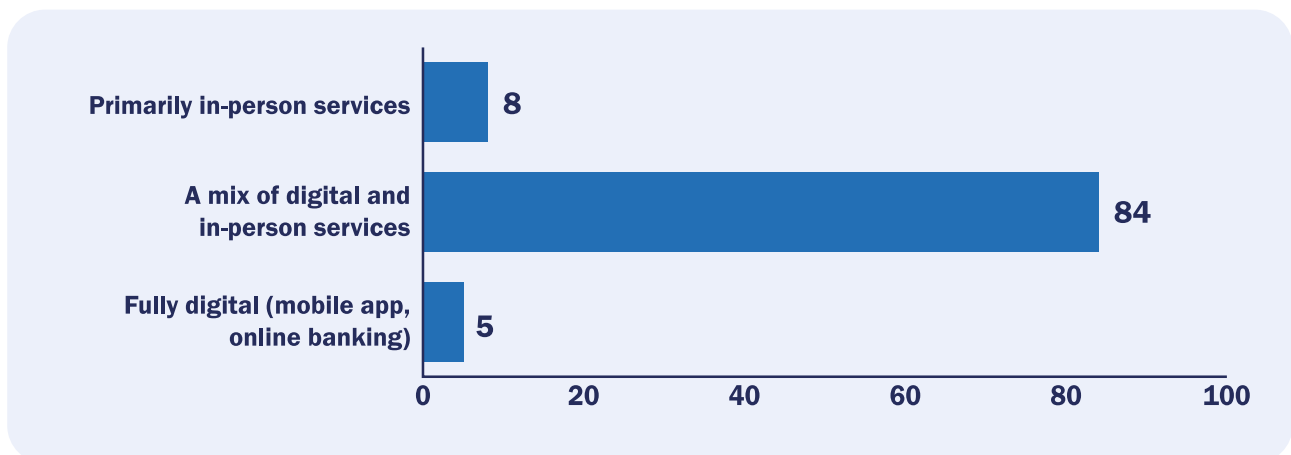
There were 97 responses to this question. 90% (87) of respondents felt 'Yes', branches should always be available, 6% (6) answer 'No', and 4% (4) were 'Unsure'.



The written responses received for this question all stated that face-to-face services are important and highlighted their benefit for older and digitally excluded members.

C10: How would you prefer to interact with your credit union in the future?

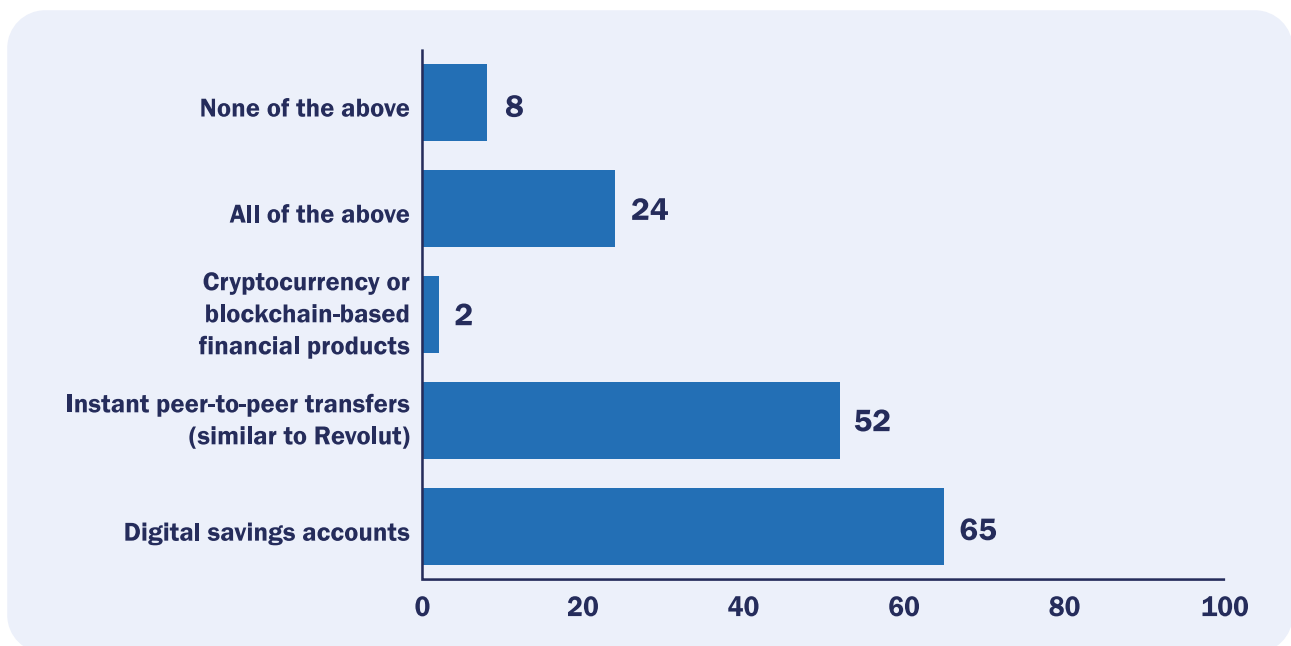
There were 97 responses to this question. 5% (5) opted for interaction to be 'Fully digital', 87% (84) selected a mix of 'Digital and in-person services', while 8% (8) preferred 'Primarily in-person services.'



Of the written responses received for this question, all advocated a 'hybrid model' of 'digital-first' followed by continued access to physical branches.

C11: Should credit unions have the power to offer new digital financial products, such as (Select all that apply):

There were 97 responses to this question. 67% (65) felt that credit unions should have the power to offer 'Digital savings accounts', 54% (52) opted for 'Instant peer-to-peer transfers (similar to Revolut)', with 2% (2) in support of 'Cryptocurrency or blockchain-based financial products.' 25% (24) felt 'All of the above' should be available for credit unions to offer and 8% (8) felt 'None of the above' should be.



Of the written responses received to this question, all feel that credit unions should be empowered to 'innovate' within a regulated and member-focused framework.

C12: Many younger people prefer digital-first financial services. How do you feel credit unions could attract younger members whilst maintaining their local community values?

There were 77 responses to this question.

In how to attract younger members while maintaining local community values, common response themes included:

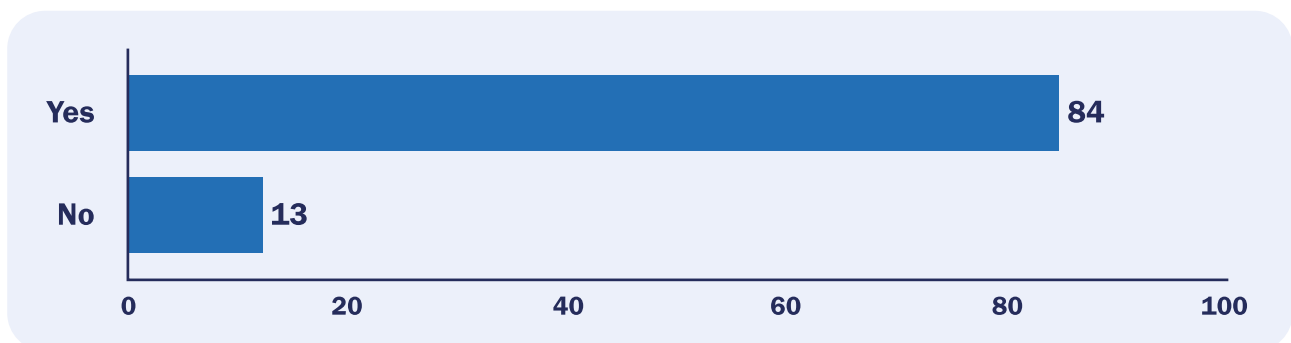
- Credit unions providing education, including financial.
- Credit unions promoting the work they do in local communities, including 'case studies' of the link between those who save with the credit union and those who borrow, showing the 'community ethos' of a credit union.

- Credit unions should visit local schools, youth groups, community centres and sports clubs to promote their work, and provide financial education. Several responses highlighted school saving schemes already in place.
- Credit unions providing more ‘digital’ banking services, including mobile phone applications. The option of pre-paid credit/debit cards was also suggested.
- Credit unions should ‘modernise’ and understand how important social, ethical, and environmental banking is for young people.
- Credit unions should embrace social media and promote their digital services to members over 16.
- Credit unions should be ‘digital when you want it, human when you need it.’

In the written responses received, several respondents commented that instant access to cash would decline and that credit unions may become ‘too big’ and ‘less personal.’ Other respondents raised concerns about credit unions becoming ‘at risk’ from cyber-attacks and that many young people are happy at present with the in-person focused services offered by credit unions.

C13: If credit unions had the legal ability to offer modern digital services whilst keeping their not-for-profit model, would you be more likely to use them instead of a traditional bank?

There were 97 responses to this question. 87% (84) felt ‘Yes’, if credit unions had the legal ability to offer modern digital services whilst keeping their not-for-profit model, they would be more likely to use them instead of a traditional bank. 13% (13) replied no to this question.



Of the written responses received to this question all advised that ethical alternatives with digital convenience would be ‘highly attractive.’

C14: What changes would make digital banking services from credit unions more attractive to you?

There were 72 responses to this question.

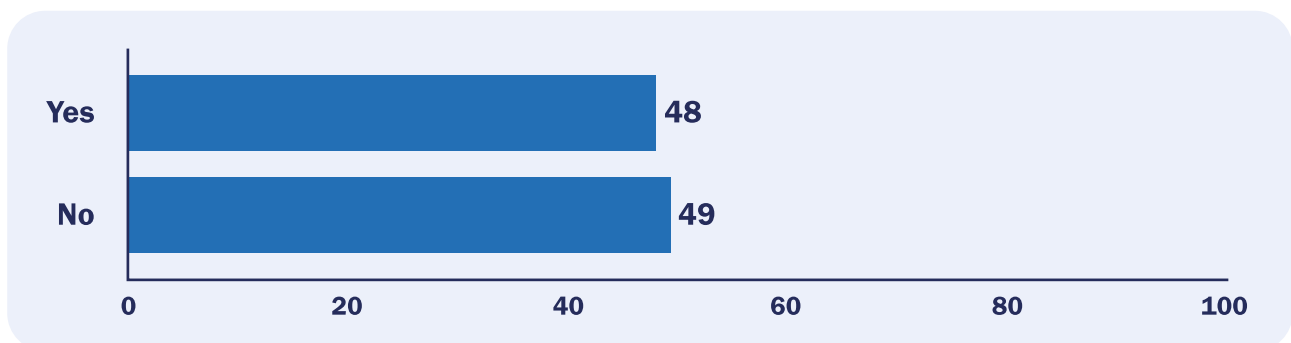
Suggested changes to make digital banking services from credit unions more attractive included:

- Credit unions providing 24/7 mobile banking, real-time payments, budgeting tools, and enhanced security measures including biometric login features. Mobile deposits, personal monetary management tools, and instant access to account information. Chatbots, live chat, or phone to assist members with digital services.
- Credit unions providing easy-to-navigate mobile phone applications, taking account of the broad spectrum of ages and digital abilities across credit union membership.
- No cap on investment.
- Credit unions offering debit and credit card products, the ability to make third party payments as well as paperless processes such as e-signatures on documents.
- Credit unions would be more attractive if they offered tailored communications, financial advice, and product recommendations through digital channels to meet individual member needs.

Several respondents used this question to advise that they did not want digital banking services, citing cyber-attacks risks, credit unions becoming too much like banks by 'hiding behind' digital banking including chatbot functions. Concerns also included loss of the 'personal touch' credit unions offer.

C15: Are there any other digital services that you believe local credit unions should offer? If Yes, please explain.

There were 97 responses to this question. 49% (48) felt 'Yes', there are other 'digital services' local credit unions should offer and 51% (49) answered 'No' to this question. Out of those 97 that provided responses, 51 respondents provided additional comments.



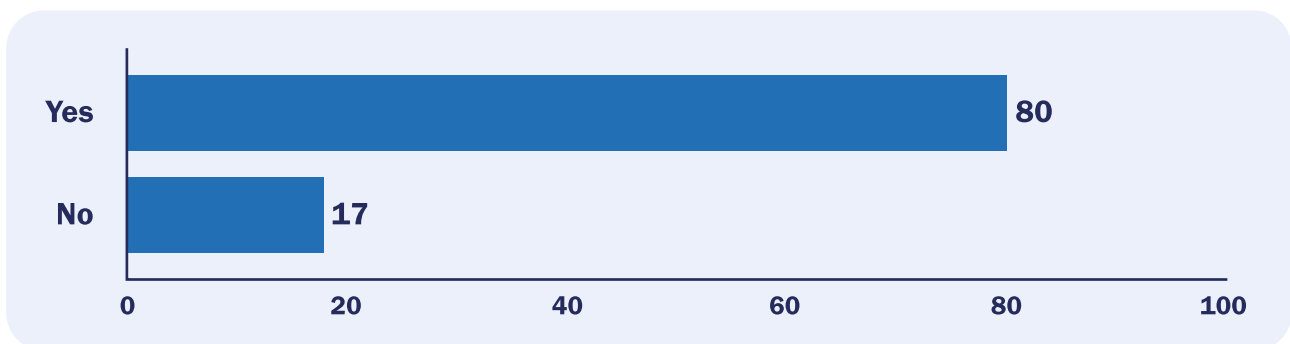
Digital services that respondents believe credit unions should offer included:

- Mortgages, insurance products, and a wider range of loans available for different sectors, including end to end loan processing.
- Debt management and signposting services.
- Passport, driving licence and bus pass applications.
- Gamified eLearning.
- Instant payment options.
- Digital onboarding, automated savings tools, and open banking integrations.
- E signatures and general banking
- Payments direct to debit card.

Of the written responses received, there is a concern about digital services and credit unions increasing the likelihood of cyber-attacks; this response also raised the role of cyber-attack insurance and the cost of same.

C16: Would you consider using a payroll deduction scheme to save with a credit union, or perhaps repay a loan?

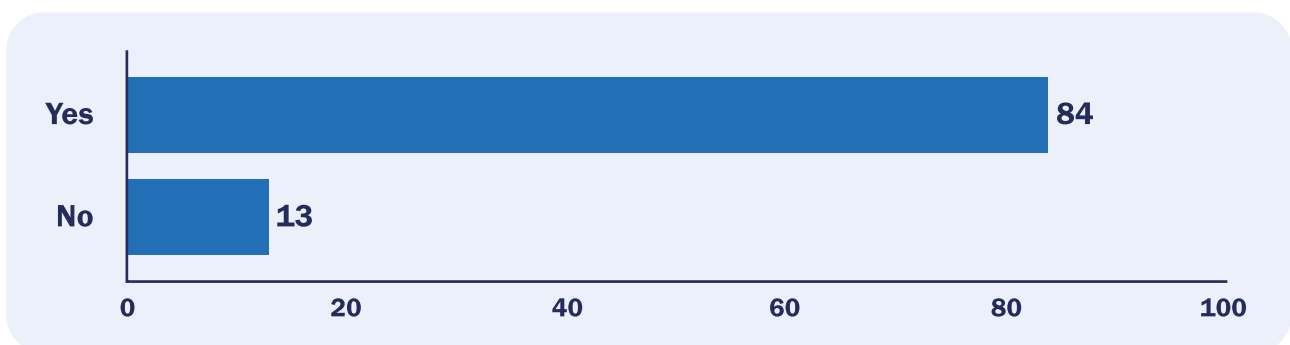
There were 97 responses to this question. 82% (80) felt 'Yes', they would consider using a payroll deduction scheme to save with a credit union or repay a loan. 18% (17) answered 'No' to this question.



Of the written responses received to this question, many feel that payroll deduction is a proven and convenient financial wellbeing tool with one respondent commenting that payroll deduction schemes should be encouraged in partnership with rural employers (e.g., councils, care homes, farms), as they may help people save without complexity.

C17: Do you feel that employers should be encouraged to offer payroll deduction schemes for credit unions?

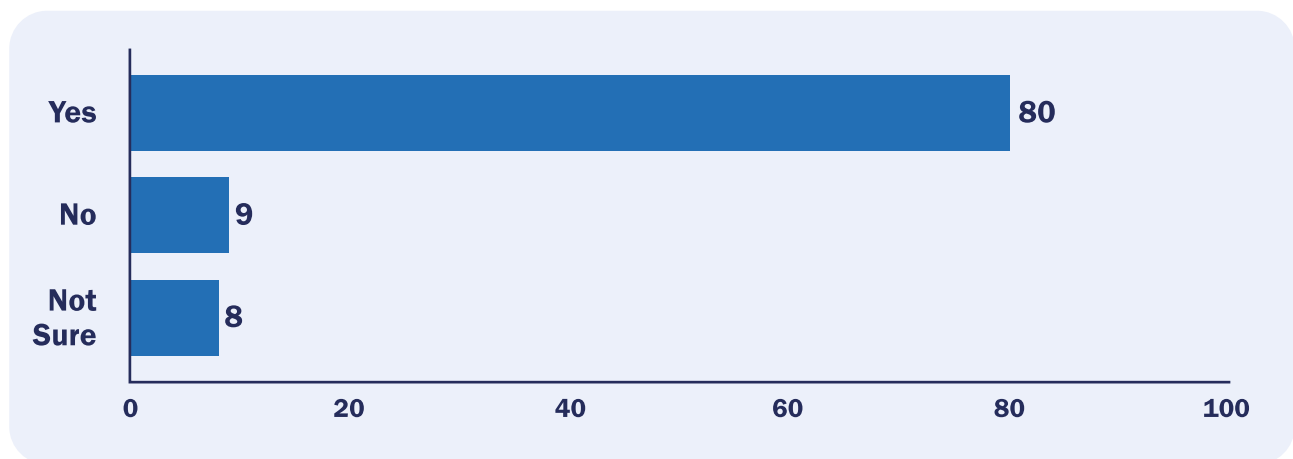
There were 97 responses to this question. 87% (84) felt, 'Yes' employers should be encouraged to offer payroll deduction schemes for credit unions and 13% (13) answered 'No' to this question.



Of the written responses received, most feel that government and employer incentives could encourage wider take-up. Another respondent welcomed exploration of payroll linked savings and ‘encouraged’ DfE to seek ‘buy-in’ from the Northern Ireland Executive to ensure take-up and meaningful impact.

C18: Do you feel that payroll deduction schemes would make it easier for you to build savings or manage loan repayments?

There were 97 responses to this question. 83% (80) felt, ‘Yes’ employers should be encouraged to offer payroll deduction schemes for credit unions, 9% (9) answered ‘No’ to this question while 8% (8) were not sure.



Of the written responses received to this question, most feel that such payroll deductions schemes are ‘highly effective in supporting financial resilience.’ Another respondent welcomed proposed reform and ‘encouraged’ DfE to seek ‘buy-in’ from the Northern Ireland Executive to ensure take-up and meaningful impact.

Topic 4: Ensuring Sustainability, Values, and Member Trust

Background

Credit unions have long played a vital role in supporting financial inclusion, community well-being, and ethical finance. As the sector evolves, there is an opportunity to consider how credit unions can be further empowered in areas such as sustainability, cost-of-living support and inclusive economic growth, whilst strengthening the unique ethos of credit unions for members and local communities.

This part of the consultation was a call for evidence, seeking views on how credit unions here can be supported to play a greater role in supporting sustainability community well-being, whilst maintaining the core values of mutuality and trust that underpin the sector.

In other jurisdictions, credit unions already play a growing role in delivering government-backed initiatives. For example, some credit unions are active partners in schemes that support home energy retrofitting through affordable green loans and many credit unions also work with local authorities to provide low-cost credit, tackle financial exclusion, and offer alternatives to high-cost lending. This was an opportunity to explore how credit unions here could play a similar role, supporting green finance, community energy projects, and other socially valuable initiatives while continuing to serve the needs of their members.

In addition, we were interested in views on how the common bond model can be protected and strengthened. The common bond, which ties membership to a shared geography, workplace, or other affiliation, is central to the success and identity of credit unions. It creates trust, encourages participation, and helps ensure that services are designed with local people and communities in mind.

As credit unions modernise and take on new responsibilities, it will be important to ensure that the common bond remains meaningful and effective. We welcomed views on how this can be achieved, such as how collaboration between credit unions and digital innovation might support sustainable growth without undermining local identity or the democratic ownership model of credit unions.

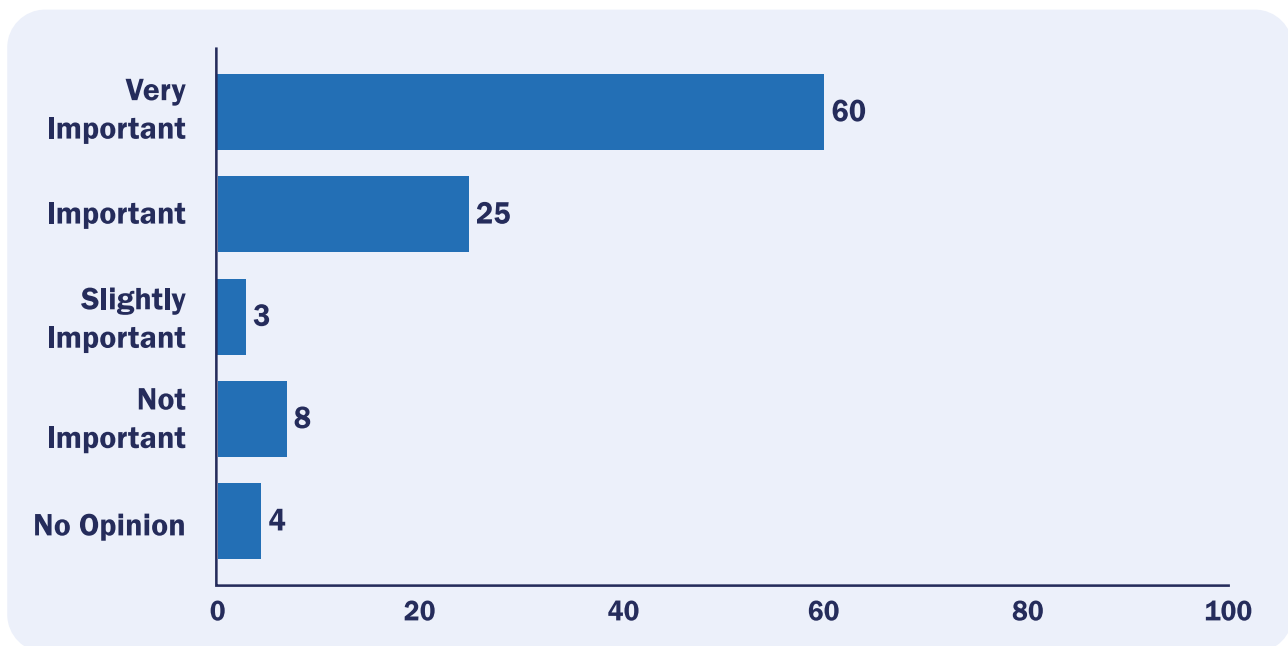
Finally, we welcomed feedback on how transparency, accountability, and governance arrangements can evolve to support credit unions as they take on new roles, potentially including partnership in the delivery of government programmes.

This topic consisted of 17 questions, which are analysed in the following pages.

Question D1-D17

D1: How important do you feel it is for credit unions to actively support sustainability and green finance initiatives?

There were 100 responses to this question. 60% of respondents (60) felt that it was very important for credit unions to actively support sustainability and green finance initiatives. 25% of respondents (25) felt that it was important, 3% of respondents (3) felt it was slightly important, 8% of respondents (8) felt it was not important and 4% (4) had no opinion.

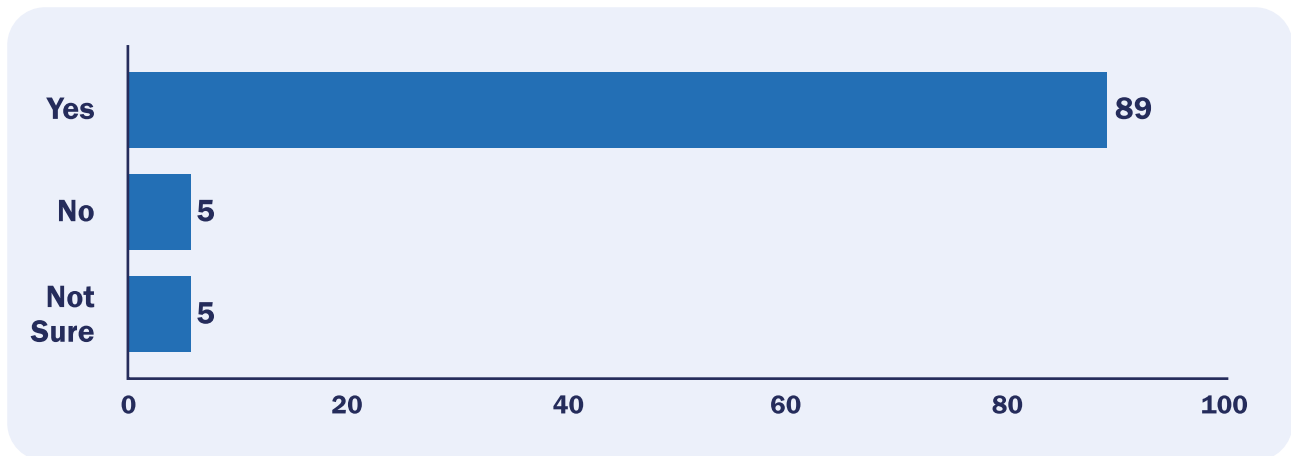


A majority of respondents feel that credit unions actively supporting sustainability and green finance initiatives held a degree of importance. They feel that, as community-focused financial institutions, credit unions have a unique opportunity to promote environmentally responsible practices and to support members in accessing sustainable choices. By offering green loans, supporting renewable energy projects, and encouraging sustainable investments, credit unions can help tackle climate change concerns, enhance community wellbeing, and attract environmentally conscious members - especially younger generations. Integrating sustainability into their operations also aligns with broader social values and long-term financial resilience.

There is a broad belief that taking climate action should be a priority. There was support for changes to legislation that would support credit unions being able to contribute to the development of a green economy in NI. In light of the Climate Change (NI) Bill 2022 and Net Zero 2050 commitments, community energy projects and affordable green finance options provided by a strengthened credit union sector could pave the way for a more “just transition” for local communities, especially those in more deprived areas.

D2: Do you feel that credit unions should offer more targeted ‘green loans’ specifically for members looking to improve home energy efficiency (e.g., solar panels, heat pumps, insulation)?

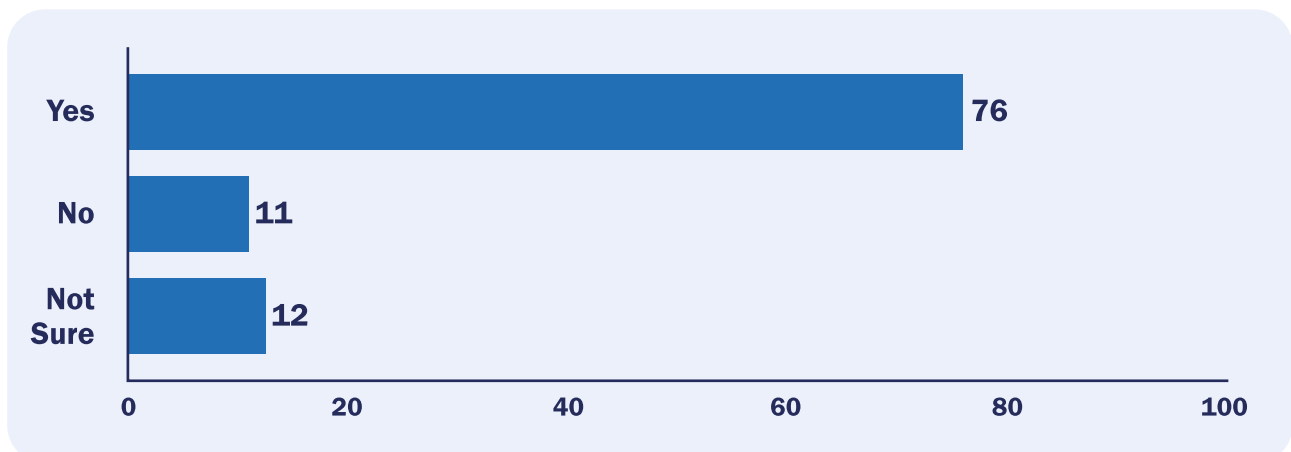
There were 99 responses to this question. 90% of respondents (89) felt that credit unions should offer more targeted ‘green loans’ specifically for members looking to improve home energy efficiency (e.g., solar panels, heat pumps, insulation). Whereas 5% of respondents (5) did not and 5% of respondents (5) were not sure.



The majority of respondents feel that credit unions should offer more targeted “green loans” for members looking to improve their home energy efficiency. There is a belief that green lending is aligned with credit unions’ values and can contribute to government climate targets.

D3: Would you support credit unions offering lower interest rates on loans for electric vehicles and home energy upgrades?

There were 99 responses to this question. 77% of respondents (76) supported credit unions offering lower interest rates on loans for electric vehicles and home energy upgrades. Whereas 11% of respondents (11) did not and 12% of respondents (12) were not sure.



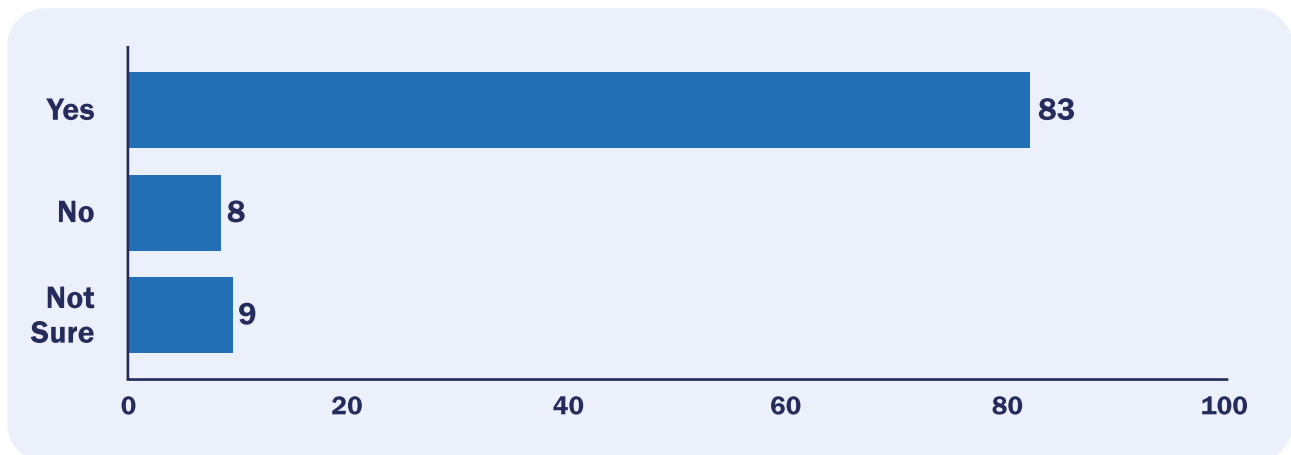
A majority of respondents agreed that lower rates would incentivise members to adopt sustainable technologies.

It was noted that, with higher levels of relative poverty in Northern Ireland, there are many areas not able to actively consider a move to a “green economy” and there is potential to help address this issue through lower rates.

A minority of respondents feel that credit unions should not offer loans at lower rates for green projects due to a belief that it discriminated against other members who want a loan for e.g. holidays, Christmas or to pay bills.

D4: Do you feel that credit unions should be encouraged to invest in local community-led sustainability projects (e.g., renewable energy, local community gardens, social housing)?

There were 100 responses to this question. 83% of respondents (83) felt that credit unions should be encouraged to invest in local community-led sustainability projects (e.g., renewable energy, local community gardens, social housing). Whereas 8% of respondents (8) did not and 9% of respondents (9) were not sure.

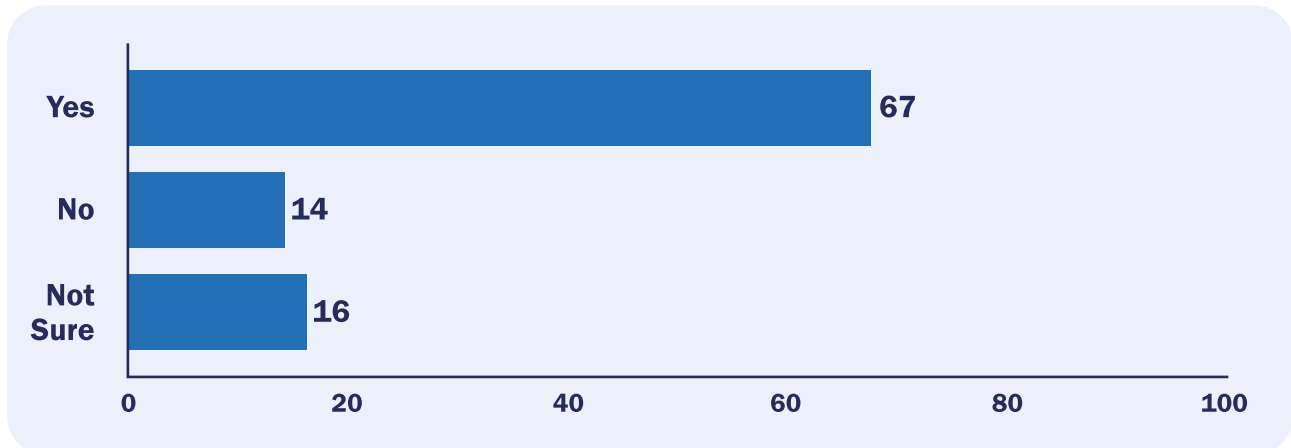


A majority of respondents feel that supporting initiatives such as renewable energy schemes, community gardens, and social housing aligns closely with the credit union values of community development and social responsibility. There is a belief that such investments can deliver long-term benefits for members and their communities - improving local resilience, promoting environmental sustainability, and generating ethical returns. It was also noted that with the right safeguards and governance, this approach can strengthen both financial and social impact.

It was suggested that Council Community Planning infrastructure could provide the perfect avenue for exploring this further and, as part of a ‘whole system’ approach to social investment, increase the wealth and wellbeing of our local communities.

D5: Would you be more likely to choose a credit union if it actively promoted sustainability initiatives?

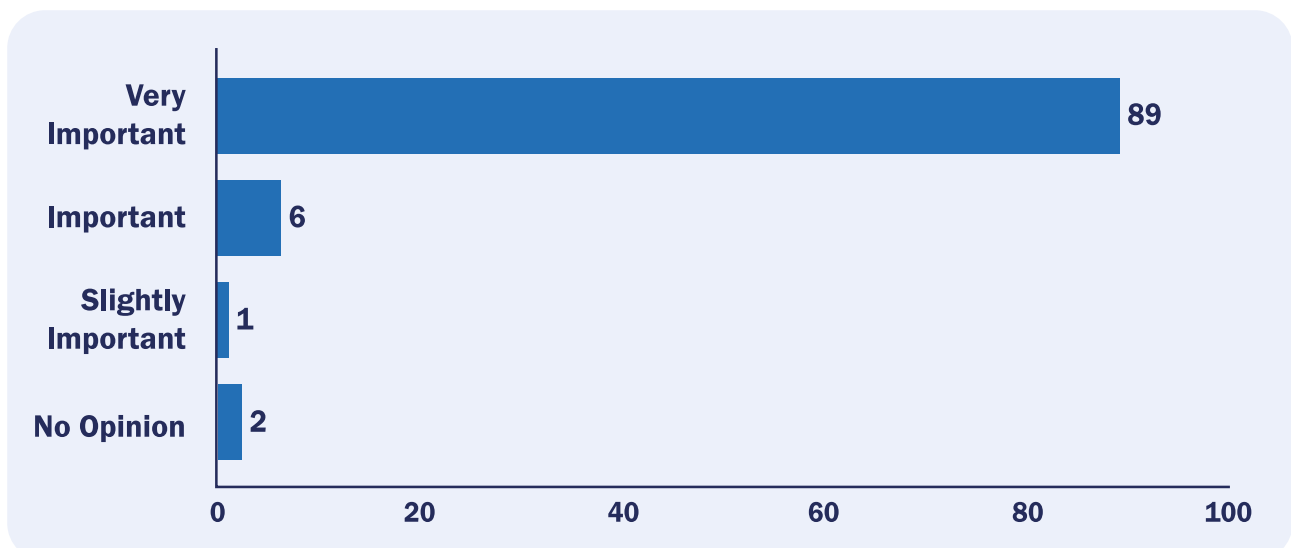
There were 97 responses to this question. 69% of respondents (67) felt that, they would be more likely to choose a credit union if it actively promoted sustainability initiatives. Whereas 14% of respondents (14) did not and 17% of respondents (16) were not sure.



A majority of respondents feel that social and environmental purpose could be a key decision factor for many members choosing a credit union.

D6: Credit unions are local community-owned, not-for-profit institutions. How important to you is it that any legislative reforms protect this status as credit unions expand their services?

There were 98 responses to this question. 91% of respondents (89) felt that as credit unions expand their services, it was very important that legislative reform should protect the local, community-owned, not-for-profit status. 6% of respondents (6) felt it was important, 1% (1) felt it was slightly important and 2% (2) had no opinion.



A majority of respondents feel that, as credit unions modernise and grow, it is important that their core principles, mutual ownership, democratic governance, and commitment to local communities remain at the heart of their identity. Reforms should enable innovation and competitiveness without compromising trust, transparency, or the not-for-profit ethos that distinguishes credit unions from commercial financial institutions. Preserving these values ensures credit unions continue to serve as ethical, inclusive alternatives within the financial system.

D7: As financial institutions modernise, some members may worry about a shift toward more corporate-style operations. How do you feel credit unions can ensure that they remain member-driven and community-focused whilst growing?

There were 73 responses to this question.

A majority of respondents acknowledged concerns that modernisation and growth may risk credit unions moving toward a more corporate operational style. To prevent this, the following approaches were recommended:

Upholding Democratic Governance

- Maintaining strong member participation in governance, including transparent decision-making and ensuring members retain voting rights and influence over key strategic directions.

Embedding Community Engagement

- Continuing active involvement in local initiatives, partnerships, and social programmes that reflect and support the unique needs of the communities served.

Transparent Communication

- Regular, clear communication with members about operational changes, strategic goals, and how growth benefits the membership and community.

Tailored Products and Services

- Designing financial products and services that prioritise member welfare and community development rather than purely commercial objectives.

Staff and Volunteer Culture

- Promoting a culture amongst staff and volunteers that values member service, cooperation, and community spirit.

Digitisation

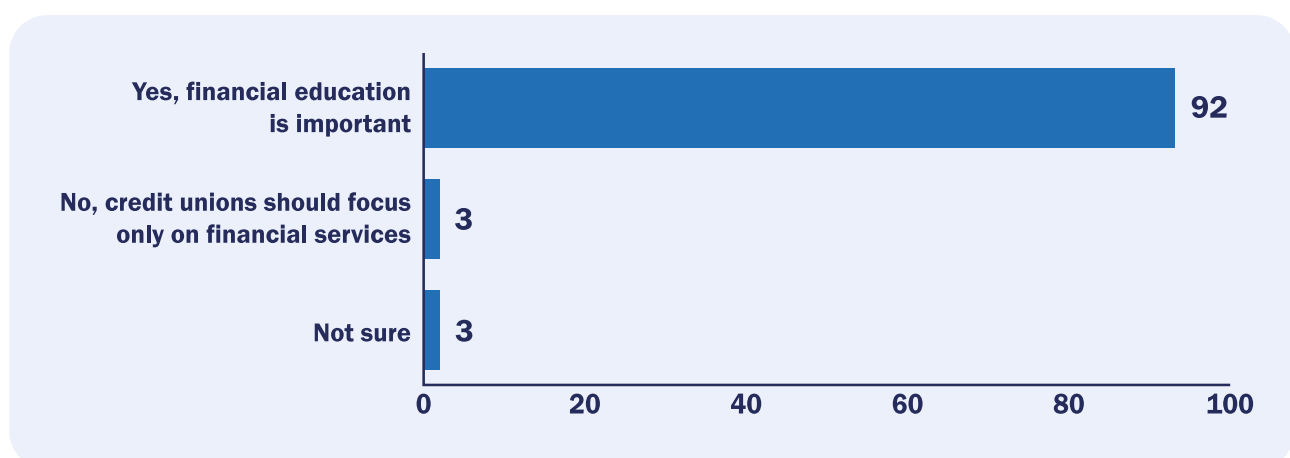
- Maintaining in-person services for members whilst also offering the opportunity for online access to services.

A majority of respondents believe that embedding these principles ensures credit unions can modernise and expand sustainably without losing their member-driven, community-focused identity.

The Department has also been encouraged to look at the current volunteering population of the credit union sector. Volunteers are at the heart of the service delivery in Credit Unions. While modernisation and updates to the services are welcome, volunteering has changed post covid with potential volunteers not being as keen on longer term or more regular commitment. In addition, volunteering roles with a high level of personal responsibility may be more difficult to fill. This is a key factor in the ability of the sector to deliver on any changes and the consultation did not show that demographic analysis of volunteering has been recently considered. This points to a possible weakness. If there are additional complexity and governance burdens resulting from changes and this impacts on the number of volunteers or on the range of skills required - will the sector be able to manage the delivery of these changes? What preparations have been made to do this? Respondents feel that it would have been helpful to have set out this detail. There is a belief that to make these reforms effective, volunteers need to be involved at every stage of planning and implementation and that real and meaningful support should be provided.

D8: Do you feel that credit unions should have a greater role in financial education, helping members and the wider community to develop better money management skills and avoid high-cost credit providers?

There were 98 responses to this question. 94% of respondents (92) felt that financial education is important and that credit unions should have a greater role in financial education, helping members and the wider community to develop better money management skills and avoid high-cost credit providers. Whereas 3% of respondents (3) felt that credit unions should focus only on financial services and 3% of respondents (3) were not sure.

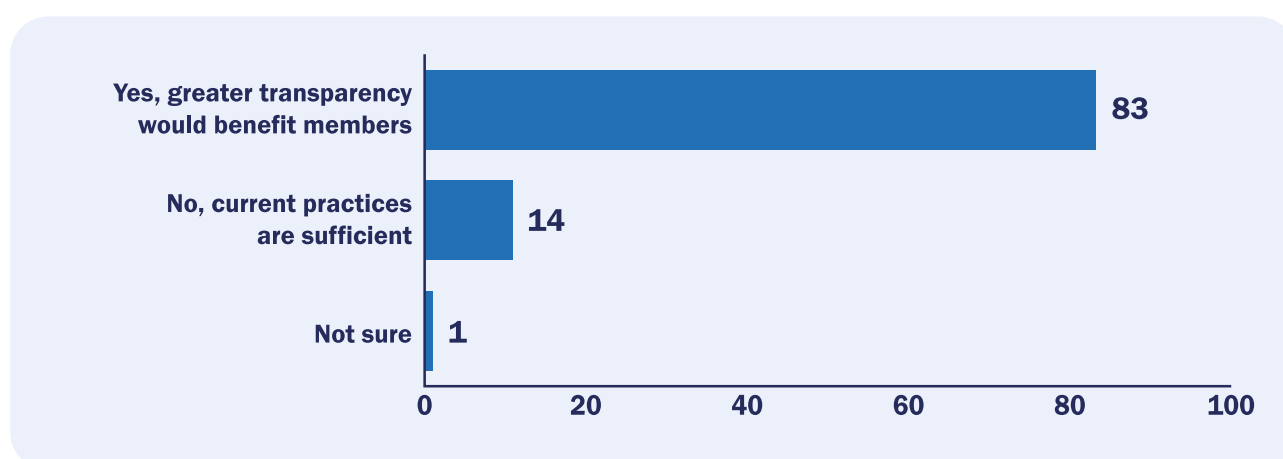


A majority of respondents feel that financial education is central to the mission of credit unions and that having a greater role would help reduce debt cycles, promote better planning, empower those struggling with their finance and young people, especially those leaving school or entering work.

The Department has been encouraged to consider the wide range of existing school and community based financial education projects and resources already available in Northern Ireland and to determine how credit unions can support these existing projects to scale up and extend reach, rather than duplicate existing work. It was noted that the Consumer Council delivers a range of consumer financial education programmes in both school and community settings. Engagement has been welcomed with the Department and the credit union sector to understand how collaboration can be used to maximise the reach and impact of the work that the Consumer Council is already delivering in the financial education space to tackle financial exclusion at both preventative and intervention stages.

D9: Would you support legislative reforms requiring clearer transparency in how credit unions set loan rates, fees, and charges?

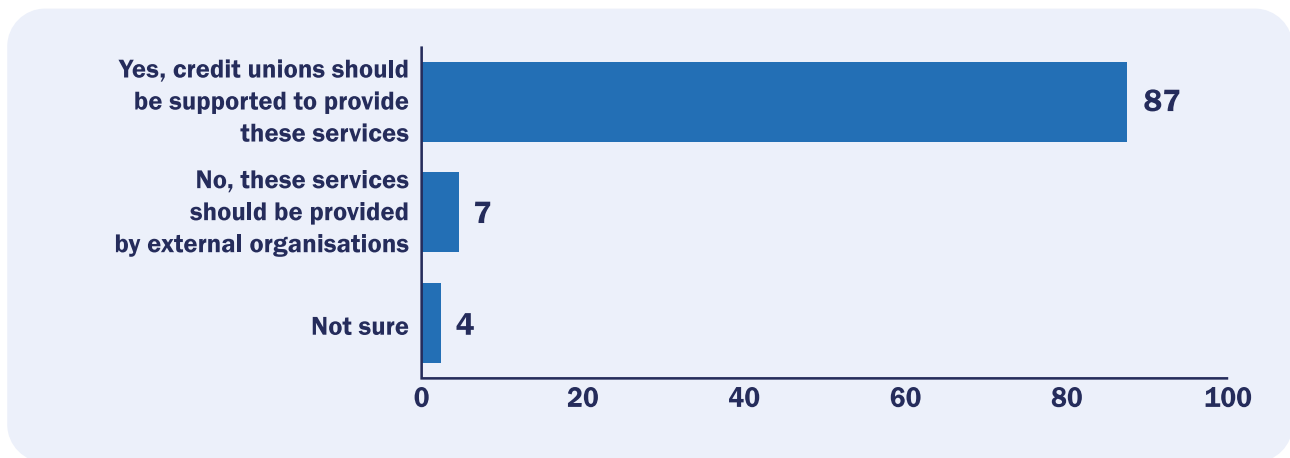
There were 98 responses to this question. 85% of respondents (83) felt that greater transparency would benefit credit union members if legislative reforms required clearer transparency in how credit unions set loan rates, fees, and charges. Whereas 14% of respondents (14) felt that current practices were sufficient and 1% of respondents (1) were not sure.



A majority of respondents feel that transparency builds trust and aligns with cooperative principles. There is a belief that it would especially help protect low-income households and build confidence in credit union products and services across all demographics.

D10: Do you feel that credit unions should be supported by government in offering dedicated support services for members or the wider community, facing financial difficulties, such as free debt advice or financial planning sessions?

There were 98 responses to this question. 89% of respondents (87) felt that credit unions should be supported in providing support services for members or the wider community, facing financial difficulties, such as free debt advice or financial planning sessions. Whereas 7% of respondents (7) felt that these services should be provided by external organisations and 4% of respondents (4) were not sure.



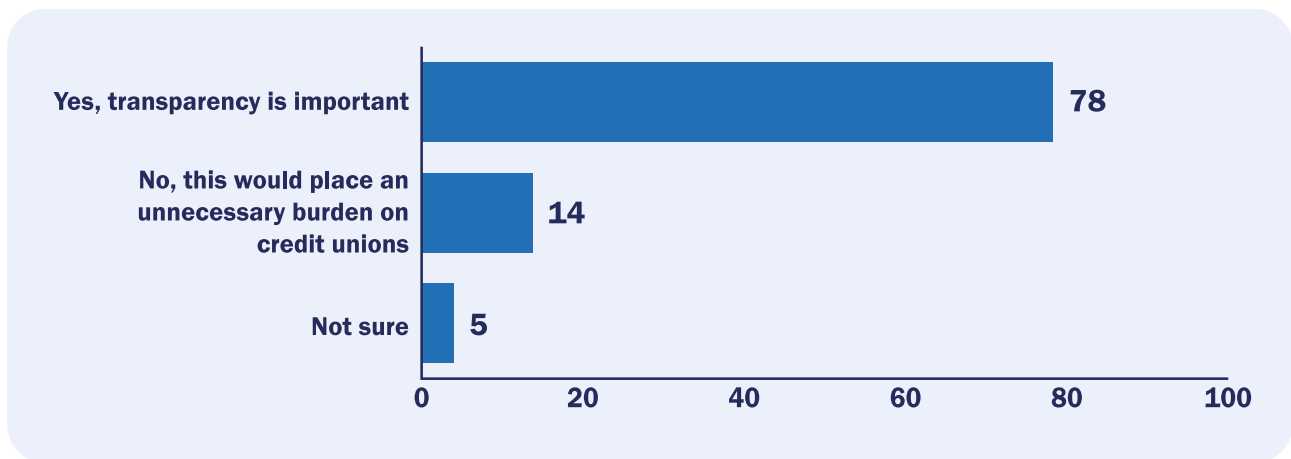
It was acknowledged that credit unions can play an important role as a frontline service engaging directly with consumers and particularly with those who may be assessed to be in financial difficulty. Most welcomed any increase in financial support services for consumers in financial difficulty.

A majority of respondents feel that credit unions are well-positioned to deliver trusted, community-based financial support to those facing hardship. With appropriate government funding and resources, they could expand services that help prevent problem debt, improve financial literacy, and build long-term financial resilience. Supporting credit unions in this role would complement their ethical lending mission and strengthen their impact on financial inclusion and wellbeing at a local level.

The Department has also been urged to consider how credit unions can expand their connections with stakeholders that already offer these free and impartial services, such as debt advice agencies, alongside consumer representative organisations that currently provide financial guidance and education through a range of outreach activity, projects and campaigns. Collaborating with existing services rather than duplicating them will result in greater effectiveness and efficiency to consumers.

D11: Do you feel that credit unions should be required to publish their local community contributions and investments in an Annual Report?

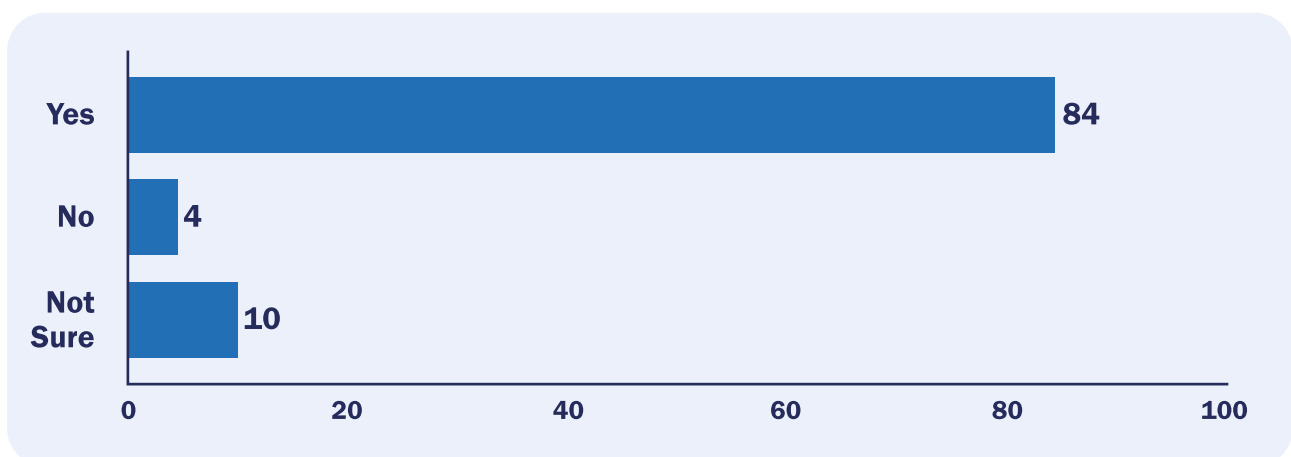
There were 97 responses to this question. 80% of respondents (78) felt that credit unions should be required to publish their local community contributions and investments in an Annual Report as transparency is important. Whereas 15% of respondents (14) felt that this would place an unnecessary burden on credit unions. 5% of respondents (5) were not sure.



A majority of respondents feel that this would improve a credit unions accountability, allow members and local stakeholders to clearly see the social return on their support for the credit union and showcase a credit unions social impact.

D12: Do you feel that credit unions should be given a formal role in addressing financial exclusion, such as offering affordable financial products to those struggling to access mainstream banking?

There were 98 responses to this question. 86% of respondents (84) felt that credit unions should be given a formal role in addressing financial exclusion, such as offering affordable financial products to those struggling to access mainstream banking. Whereas 4% of respondents (4) did not and 10% of respondents (10) were not sure.



A majority of respondents feel that credit unions are uniquely positioned to serve those who have been excluded by commercial banks due to low income, poor credit history, or digital barriers and should be formally recognised in this role. The important role of NI credit unions was recognised in tackling financial exclusion.

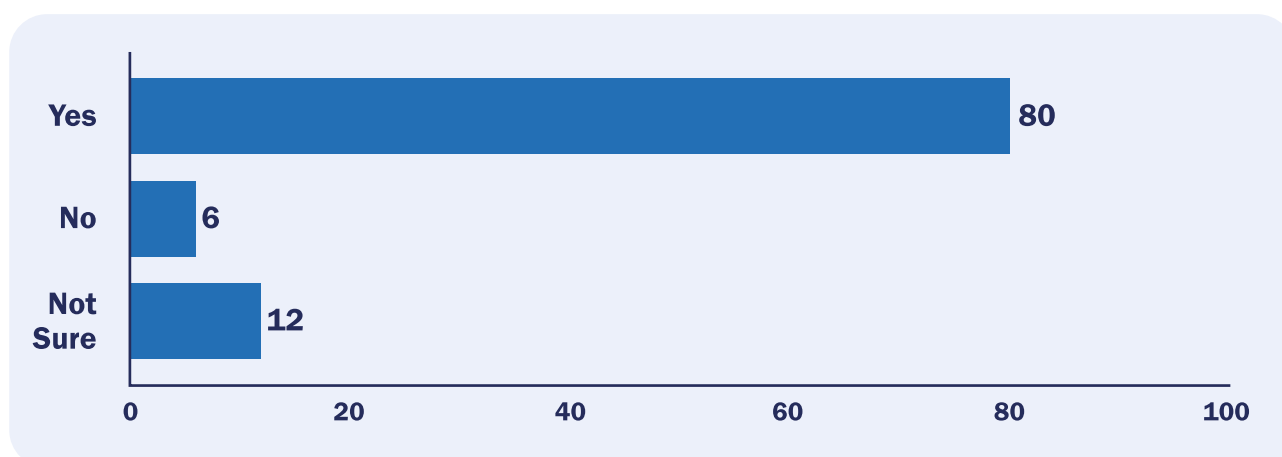
Respondents also expressed a belief that financial inclusion can best be achieved through collaboration and partnership initiatives between the government, the public sector, civil society and industry by creating a connected ecosystem delivering shared societal outcomes that advance safe and universal access to financial products and services.

The Department has been urged to consider how credit unions in Northern Ireland can be a vehicle to provide access to those groups who are currently underserved or not served at all by mainstream financial services. This could include the provision of bespoke products and services such as basic bank accounts and access to a range of responsible and affordable small sum credit products. It was thought particularly important for Northern Ireland, given heightened levels of consumer vulnerabilities and lower financial resilience than other parts of the UK.

In relation to this credit union reform process, attention was drawn to the ongoing work of the Financial Inclusion Committee to frame a UK-wide financial inclusion strategy and for cognisance of the important role that Northern Ireland credit unions can play in the implementation of this strategy.

D13: Do you feel that credit unions should be able to partner with organisations such as public bodies or local community organisations in order to provide alternative lending solutions for projects with social impact?

There were 98 responses to this question. 82% of respondents (80) felt that credit unions should be able to partner with organisations such as public bodies or local community organisations to provide alternative lending solutions for projects with social impact. Whereas 6% of respondents (6) did not and 12% of respondents (12) were not sure.



A majority of respondents feel that strategic partnerships would enhance the reach and effectiveness of credit unions. It would also unlock innovation and allow better use of public and third-sector resources, especially in deprived communities.

D14: As credit unions expand their services, what safeguards do you feel should be in place to ensure they remain focused on their original mission of supporting members and communities?

There were 69 responses to this question which provided a range of safeguards that should be put in place to ensure credit unions remain focused on their original mission of supporting members and communities.

To ensure credit unions remain true to their original mission of supporting members and communities as they expand services, respondents feel that the following safeguards should be implemented:

Clear Governance and Mission Alignment

Boards should be required to regularly review and affirm that new products and services align with the credit union's core values and mission of member benefit and community support.

Member Involvement and Transparency

Credit unions should maintain strong member engagement, including consultation and communication about new services, ensuring members' needs and interests remain central.

Prudent Risk Management

Any service expansion must be supported by robust risk assessment and management frameworks to protect members' savings and ensure financial sustainability.

Regulatory Oversight

Regulators should monitor new services to ensure they do not expose credit unions or their members to undue risk or mission drift, maintaining a balance between innovation and prudence.

Limits on Commercial Activities

Credit unions should be cautious about engaging in commercial activities or profit-driven ventures that could compromise their cooperative nature and member focus.

Ethical Lending and Social Impact Focus

Lending criteria and service offerings should prioritise social impact, financial inclusion, and responsible lending rather than purely commercial returns.

Training and Capacity Building

Continuous training for boards and staff on ethical governance and mission-focused decision-making will help safeguard the credit union's values as it grows.

Regular Impact Reporting

Credit unions should provide transparent reporting on social impact and community benefits to ensure accountability and reinforce their mission focus.

A minority of respondents feel that there is no demand for credit unions to expand their services and no evidence to support these proposals.

D15: What do you feel is a critically important reform that would ensure credit unions continue to serve their communities whilst seeking to grow and expand their services.

There were 67 responses to this question which provided a range of reforms that would ensure credit unions continue to serve their communities whilst seeking to grow and expand their services. These are set out below.

Legislative and Regulatory Clarity and Flexibility

A clear, proportionate, and adaptable legislative and regulatory framework will enable credit unions to innovate, diversify products, and expand services without undue burden.

Facilitating Collaboration and Scale

Reforms encouraging collaboration, such as simplified transfer of engagements and shared service platforms, can help credit unions achieve economies of scale and enhance resilience.

Supporting Digital Transformation

Enabling access to affordable digital infrastructure and tools is essential for credit unions to meet modern member expectations and remain competitive.

Protecting Cooperative Principles

Any reform must safeguard credit unions' cooperative nature, ensuring that growth does not compromise their member-focused and community-oriented ethos.

Insolvency considerations

Credit unions should be granted exemptions or special considerations under IVAs and Debt Relief Orders (DROs), recognising their role in supporting financial inclusion and well-being.

Rates Relief

A specific exemption for credit unions would help reduce operating costs and support long-term sustainability.

Common Bond Collaboration

Reform of the common bond rules to allow flexible partnerships with employers, social enterprises, and other credit unions - while ensuring local identity and oversight is maintained, would unlock both sustainability and growth.

A small minority of respondents expressed a belief that there is no need for any reforms and that no legislative or regulatory reforms should be made.

D16: What additional measures do you feel could be introduced to ensure credit unions continue to act in the best interests of their members?

There were 68 responses to this question.

Respondents believe the following additional measures could strengthen the assurance that credit unions act in the best interests of their members:

Enhanced Governance Standards

Implementing robust governance frameworks, including regular board and committee training, to ensure informed and ethical decision-making.

Increased Member Engagement

Encouraging ongoing member participation through surveys, forums, and open meetings to gather input and maintain transparency.

Clear Conflict of Interest Policies

Establishing strict policies and disclosures to prevent and manage conflicts of interest within the credit union's leadership.

Regular Independent Audits

Conducting periodic external audits and risk assessments to maintain financial integrity and operational soundness.

Comprehensive Member Education

Providing members with accessible information about their rights, credit union operations, and financial literacy to empower informed decision-making.

Mandatory Impact Reporting

Requiring credit unions to report on community impact in their annual return, with guidance around what should be included, e.g. Member satisfaction metrics, financial education initiatives, contributions to local economy and delivery of services to underserved groups.

Volunteering Assessment

An assessment of the current state of volunteering in credit unions, looking at the key impacts implementing these reforms will have on the volunteers currently in the sector and the ability to recruit in future. A full plan should be in place to sit alongside these reforms which will make provision for recruitment of volunteers with the right skills as well as providing support and training for existing volunteers. The plan should also consider where levels of responsibility lie. Some roles will need to be undertaken by paid staff.

A minority of respondents believe that there is no need for extra measures as credit unions should not be expanding their services.

D17: Are there any other changes that you would like to see that would enhance the role of credit unions in terms of sustainability, ethical finance, and local community investment?

There were 63 responses to this question.

Respondents recognised the vital role credit unions play in promoting sustainable, ethical, and community-focused financial services. To further enhance this role, they have suggested the following:

Incorporation of Environmental, Social, and Governance (ESG) Principles

Encouraging credit unions to integrate ESG criteria into lending, investment, and operational decisions to promote sustainability and social responsibility.

Support for Green and Social Enterprises

Developing tailored financial products and support services aimed at local businesses and social enterprises that prioritise environmental sustainability and community benefit.

Community Reinvestment Programs

Formalising initiatives that reinvest a proportion of credit union profits back into local community projects, education, and social welfare.

Transparency in Ethical Policies

Enhancing disclosure and communication regarding ethical finance policies to build member trust and attract socially conscious members.

Collaboration with Local Government and non-profit organisations

Partnering with local government bodies and non-profit organisations to amplify impact and reach in community development and sustainability efforts.

Government Involvement

Access to government-backed capital which would underwrite the risk for social lending, and inclusion in national sustainability strategies.

Next Steps

The responses to the questions that follow will be used to inform our approach during the legislative process. They will shape how the Department prioritises legislative change and determines what assistance may be needed.

N1: This consultation seeks views on a range of policy issues, some of which may proceed to legislation. What issues do you feel should be a priority for consideration by the Department?

There were 58 responses to this question.

Respondents feel that the Department should prioritise the following issues for consideration:

Modernisation of Credit Union Legislation

- Update and simplify the legislative framework to allow credit unions greater operational flexibility.
- Support digital transformation, including remote membership onboarding and e-signatures.
- Allow for the expansion of products and services, including payment services and SME lending.

Regulatory Proportionality for Smaller Credit Unions

- Ensure that regulatory expectations are proportionate to the scale and complexity of credit unions.
- Reduce the compliance burden where appropriate while maintaining member protection and sound governance.

Governance and Board Effectiveness

- Support improved training, recruitment, and succession planning for volunteer boards.
- Consider funding or support mechanisms for upskilling directors and staff in smaller credit unions.

Common Bond Flexibility and Growth

- Allow more flexibility in defining and expanding the common bond, enabling sustainable growth and increased financial inclusion in underserved areas.

Financial Inclusion and Social Impact

- Promote the role of credit unions in tackling financial exclusion and providing ethical alternatives to high-cost credit.
- Explore partnerships between credit unions and government or third-sector bodies to deliver social lending programmes.

Deposit Protection Awareness

- Increase public awareness of the FSCS (Financial Services Compensation Scheme) protection available to credit union members to improve consumer confidence.

Access to Centralised Support Services

- Encourage shared service models (e.g., back-office processing, IT systems) to improve efficiency and resilience in the credit union sector.

Rates Relief

- Non-domestic rates relief in recognition that Credit Unions are not-for-profit organisations serving their communities.

Insolvency Considerations

- Credit unions to be granted exemptions or special considerations under IVAs and Debt Relief Orders (DROs), recognising their role in supporting financial inclusion and well-being.

Volunteering Reform

- Further work needs to be done in relation to volunteering in the credit union sector and the potential challenges reforms will mean for the recruitment and retention of volunteers as well as the support and training needs of current volunteers. This will be a key aspect in delivery of reforms and no detail is provided on this underpinning workforce issue in the consultation. This is an inherent weakness and without proper consideration could result in the inability to deliver reforms.

Minor Accounts

- Increasing the upper age limit of Junior Deposit Accounts from 16 to 18.

Corporation Tax Relief

- Credit unions in NI currently pay corporation tax, unlike those in the Republic of Ireland. Reviewing the tax treatment of credit unions could help level the playing field and support their growth.

The most common priorities mentioned by respondents were updating and simplifying the legislative framework, the expansion of products and services, support for digital transformation, rates relief, insolvency considerations and promoting the role of credit unions in tackling financial exclusion.

N2: What assistance do you feel the Department could offer to credit unions with understanding and implementing any future credit union-related legislation?

There were 47 responses to this question.

To support credit unions in understanding and implementing future legislation, the Department has been urged to consider providing the following types of assistance:

Clear, Plain-English Guidance Notes

- Issue official explanatory documents alongside any new legislation or regulatory changes, written in accessible language and supported by practical examples relevant to small and medium-sized credit unions.

Early and Inclusive Engagement

- Engage with the credit union sector during the drafting phase of legislation to ensure credit unions' operational realities are considered and to allow early preparation.

Workshops and Webinars

- Host free or low-cost training sessions (online and in-person) for board members, managers, and staff to explain any new requirements, timelines, and best practices for implementation.

Phased Implementation Timelines

- Allow for realistic lead-in periods to implement changes, especially for smaller credit unions with limited resources, and consider staggered deadlines based on credit union size or complexity.

Access to Expert Advice or Helpdesk

- Establish a dedicated helpdesk or advisory service within the Department or in partnership with a sector body to answer specific queries during the transition period.

Grants or Funding Support

- Provide financial assistance or grants to support necessary upgrades (e.g. IT systems, compliance software, training) directly linked to implementing legislative changes.

Template Policies and Procedures

- Share template documentation (e.g. model policies, procedures, board papers) to help credit unions adapt their governance and operational practices efficiently and consistently.

Regulatory Impact Assessments

- Conduct and publish impact assessments to help credit unions understand how changes might affect them and allow for informed planning.

Online Resource Hub

- A centralised online platform could host legislation updates, templates, compliance checklists, case studies, and a calendar of relevant events or deadlines. This would ensure credit unions have a single, reliable point of reference.

N3: What specific considerations do you feel should be given to credit unions in assisting them in dealing with legislative changes?

There were 49 responses to this question.

When assisting credit unions with legislative changes, respondents feel the following specific considerations should be given:

Legal and Regulatory Distinctions

- There is different legislation in the rest of the UK. There is a need to consider the jurisdictional differences in areas such as governance, common bond rules and regulatory oversight by the FCA and PRA.

Size and Resource Constraints

- Many credit unions, especially smaller ones, operate with limited staff and volunteer directors. Assistance should recognise these resource constraints and provide support that is realistic and manageable.

Diverse Operational Models

- Credit unions vary widely in terms of membership size, common bond, and services offered. Legislative guidance and support should be adaptable to different types of credit unions.

Volunteer Governance

- The significant role played by volunteer boards means training and communication must be accessible and designed for non-professional directors who may have limited regulatory or financial expertise.
- Volunteering is at the heart of the delivery of the credit union sector and volunteers will need to be supported and trained to deliver these changes. If not well handled there is the potential to see volunteers leaving because they may not feel that they can take on this responsibility which will damage the sector in the longer term. This matter does not appear to have been considered and it is fundamental.

Financial Impact

- Consider the cost implications of compliance, including the need for new systems, training, or legal advice, and explore ways to mitigate this burden through grants or shared resources.

Phased and Flexible Implementation

- Allow sufficient lead time and flexibility in applying new rules to enable credit unions to plan and adapt without undue disruption.

Communication Channels

- Use multiple communication methods (written guides, webinars, Q&A sessions, sector newsletters) to ensure information reaches all credit unions, including those in rural or underserved areas.

Ongoing Support

- Recognise that legislative compliance is an ongoing process, so provide continuous access to guidance, updates, and assistance beyond initial implementation.

Technology and Digital Readiness

- Support credit unions in upgrading technology and digital infrastructure needed to comply with new legislative requirements, especially around data protection and reporting.

Protecting the Community Ethos

- Embedding community impact measurement into the regulatory framework rather than applying solely commercial metrics.
- Ensuring that community and member voices are part of ongoing review processes - especially in areas where credit unions serve as the only local financial provider.

Direct Financial Support

- Unlike credit unions in Britain, those in NI have not benefited from direct government funding to support digital transformation and service expansion. Providing targeted financial assistance for technology upgrades, digital platforms, and cybersecurity would help credit unions adapt to new regulatory requirements and changing consumer needs.

Annex A – Respondent Organisations

- Alliance Party
- Ballinascreen Credit Union Limited
- Ballinderry Bridge Credit Union Limited
- Ballymena Causeway Coast Credit Union Limited
- Bannvale Credit Union Limited
- Benburb & Killyman Districts Credit Union Limited
- Camlin Credit Union Limited
- Christians Against Poverty
- Consumer Council for Northern Ireland
- Cookstown Credit Union Limited
- Co-operative Alternatives
- Crossmaglen Credit Union Limited
- Derry Credit Union Limited
- Development Trust Northern Ireland
- Dromara and Drumgooland Credit Union Limited
- Dungannon Credit Union Limited
- Enterprise Northern Ireland
- Erne Credit Union Limited
- Fairhill & District Credit Union Limited
- Fermanagh Zone of the Ulster Federation of Credit Unions
- Harp and Crown Credit Union Limited
- Irish League of Credit Unions
- Kilkeel Credit Union Limited
- Larne Credit Union Limited
- Lisbellaw Credit Union Limited
- Lisburn and Castlereagh City Council
- Lurgan Credit Union Limited
- Mallard Credit Union Limited
- Mid Ulster District Council - Lár Uladh Comhairle Ceantair
- Mid Tyrone Credit Union Limited
- National Supervisor Forum
- Newington Credit Union Limited
- Newry Credit Union Limited
- Northern Ireland Local Government Association (NILGA)
- Northern Mutual Bank
- Ormeau Credit Union Limited
- Rural Community Network
- Slemish n tha Braid Credit Union Limited
- Slieve Gullion Credit Union Limited
- Social Enterprise NI
- South Fermanagh Credit Union Limited

- Stramore Community Credit Union Limited
- Teachers' Credit Union Limited
- Termonmaguirk Credit Union Limited
- Ulster Federation of Credit Unions
- Volunteer Now
- Waterside Credit Union Limited
- Workspace (Draperstown) Limited

Annex B – Glossary of Terms

A glossary of terms and acronyms used in this public consultation.

| Acronym/Term | Definition/Description |
|--|---|
| AGM | Annual General Meeting |
| Bank of England Sterling Monetary Framework | The Bank of England's Sterling Monetary Framework (SMF) is the framework for operating in sterling money markets, designed to implement monetary policy and support financial stability by providing liquidity insurance to banks and other financial institutions. |
| Credit Union Service Organisations (CUSOs) | Organisations which help credit unions with membership management, financial reporting and advisory services |
| Debt Relief Orders (DROs) | A Debt Relief Order (DRO) is a legally binding, simplified form of personal insolvency, designed for individuals with limited assets and low incomes, allowing them to have qualifying debts written off after a 12-month period of debt freeze. |
| DfE / The Department | Department for the Economy. |
| Financial Conduct Authority (FCA) | The Financial Conduct Authority (FCA) regulates the financial services industry in the UK. Its role includes protecting consumers, keeping the industry stable, and promoting healthy competition between financial service providers. |
| Financial Services Compensation Scheme (FSCS) | An independent body in the UK that protects consumers by paying compensation if a financial firm fails and cannot meet its obligations to customers. |
| Acronym/Term | Definition/Description |
| ILCU | Irish League of Credit Unions |
| Individual Voluntary Arrangements (IVAS) | An Individual Voluntary Arrangement (IVA) is a legally binding agreement between an individual and their creditors, managed by an insolvency practitioner, to repay debts over a set period, with any remaining debt written off upon completion. |
| Insolvency | Where an individual or business is unable to pay their debts as they fall due, either because they lack sufficient assets or cash flow to meet their obligations. |

| Acronym/Term | Definition/Description |
|--|---|
| Interest Bearing Share | A share issued on terms which entitle the holder to interest but not to a dividend. |
| ISA | Individual Savings Account. |
| NILS | No Interest Loan Scheme |
| Prudential Regulation Authority (PRA) | The Prudential Regulation Authority (PRA), a part of the Bank of England, is the UK's prudential regulator for banks, building societies, credit unions, insurers, and major investment firms, focusing on promoting safety and soundness and protecting policyholders. |
| UFCU | Ulster Federation of Credit Unions |