

# DARLINGTON CREDIT UNION

## Report from the Board Chair

for the **2024/25 financial year**

**Matthew Snedker**

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It gives me great pleasure to present my fourth report as Board Chair of Darlington Credit Union.

Shortly, I will introduce you to our newly coopted treasurer, Joseph Dean. Joseph will cover the financial year outturn for 2024. There will be an internal audit report from Bill Dixon and then Jo Price, our Chief Executive Officer will summarise the achievements of Darlington Credit Union over the last year and outline the plans we have for the year ahead.

I start by voicing the unanimous thanks of the board to Jo Price our CEO. Jo is delivering the operational oversight our organisation requires while meeting the needs of our many members.

This report covers the actions and achievements of Darlington Credit Union through the past year. However, none of this would have been possible without the dedicated, flexible and inventive team. Full credit must go to Jo and the staff team. You never lost sight of our core aims, vision and purpose. Thank you all.

**Since its inception in 2009 Darlington Credit Union has aimed to prevent financial exclusion and provide the highest quality ethical banking. We have worked with members to increase financial literacy and money management skills and increase mental wellbeing through the provision of financial support, and appropriate services and products.**

**An essential part of the community of Darlington, Tees Valley and North Yorkshire, we are led and run by local people and offer the highest standards of mutuality.**

***“An ethical, responsible, and approachable financial institution that is anchored in its community.”***

Our online offer continues to be well utilised by our customers. Members remain in full control of their accounts via our simple to use app. More of our customers lives are organised online and we have followed our customers needs and expectations by continuing to develop this area of our service.

The withdrawal of Optimus, our card provider, from the profit-for-purpose sector presented a challenge. However, we were able to react swiftly to meet customer needs, putting in place an alternative cash machine withdrawal service. And, unlike many 'high street' banks, our banking hall remains open so that we are able to provide the over the counter service to members who would rather use our branch face-to-face.

## Our key achievements in 2024

- Our onboarding of new loans and credit control processes continue to be robust. We are able to ensure that new loan repayments are made on time. When members have unexpected issues that impact on their ability to meet payments we are able to respond more swiftly to help members who hit financial humps in the road.
- Through the use of Open Banking, we are better able to identify how we can best serve our customers. Identifying concerning spending patterns allows us to signpost members to appropriate additional support, where necessary.
- Our MoneySMART programme has completed its fourth year helping people to regain balance in their finances and increase their money confidence. With a further year to run we are grateful to the lottery for funding to enable us to work with people in the future. We are actively pursuing replacement funding to continue, and hopefully, expand this important project.
- We continue to increased our Community Engagement activities, adding to our list of Payroll partners. We have some great local employers on board, offering their employees the opportunity to save and borrow from us direct from their payroll.
- Our advertising and marketing strategies, led by Tierney Smith continues to engage with our existing members and reach wider audiences. Innovations such as We are with you DCU and refer a friend bonuses ensure that Darlington Credit Union stands out from the crowd.

*“A force for good in helping individuals to overcome financial challenges, be more confident and open about money and live less stressful and more fulfilled lives.”*

## Economic turbulence continues to affect members financial situation..

- The post-payment sector including buy now pay later continues to grow. This has seen some members debt levels rise very quickly above their ability to repay.
- An estimated 14.3 million people are in poverty in the UK. Of these, 8.1 million are working-age adults, 4.3 million are children, and 1.9 million are of pension age
- Disabled people continue to be at greater risk of living in poverty, with an overall poverty rate of 30% . For individuals with both mental and physical disabilities, the poverty rate is 50%.
- Darlington and the wider Tees Valley region continues to suffer from lower than average wage growth and an economy where job insecurity is a constant concern. The fact one in four workers in our region are in severely insecure employment demonstrates how precarious many people's lives are.
- The cost of living crisis may have been pushed from the front pages by global political turmoil, but to our members it has not gone away. The rising costs of food, housing, and transport outstripped wages and benefits and this inflation is now baked into everyday life. Private sector rents in Darlington rose by almost 10% last year. Outside city regions this is faster than most places in the country.

Regulation of the financial service sector is important to protect investors and borrowers alike. Thanks to Paul Carney, we recently met with counterparts in the Irish Credit Union sector. We learnt how the increase in regulation and professionalisation of boards in The Republic of Ireland had brought profound changes to their sector. We continue to stay abreast of changes in legislation and regulation as well as staying alert to potential future requirements that may affect our organisation.

I can confirm that we have the appropriate insurance in place, as required by the Prudential Regulation Authority and can reassure savers that due to a change in the Financial Services Compensation Scheme, depositors are now protected up to £85,000.

Joseph Dean, our treasurer will present the Financial Statements shortly. We are pleased to report that we are able to re-invest profit into the credit union but the board acknowledge that the financial environment in which we operate will continue to be challenging for some time to come.

Serving as a board director is demanding but highly rewarding and I pay tribute to those who served throughout 2024 and those who continue to serve. We owe a big debt to all of our board members. To be able to implement our vision “to be a leading, sustainable business which facilitates and improves the financial wellbeing of our community and its people” is a high calling and vital in building local financial resilience.

*“Demonstrating respect for our members, each other, our environment and our communities.”*

I am delighted to have worked with a dedicated and supportive board of trustees since I first joined the board in 2019. We have an experienced and stable board of trustees, however we are always receptive to broadening the mix of skills available to Darlington Credit Union. A special mention must go to our fantastic company secretary, Dawn Potter. The contribution that Dawn brings to the board and the wider credit union cannot be overstated.

Our organisation is nothing without its members. I would like to extend the board's continued gratitude to all investors and customers of Darlington Credit Union. Your faith and continued support has enabled us to continue to develop our local mutual organisation which belongs to you and works for you. You are part of a financial entity which changes lives for the better, week in and week out.

Finally, as I reflect on 2024 into our current financial year my challenge to all members is to spread the word of the good work we are doing, encourage your friends, relatives, work colleagues to join as members and use us to save and borrow. We will continue to thrive and prosper only with your support.

Clive Owen & Co have been supportive auditors during the year working with great diligence.

I commend this report to you.

**Matthew Snedker - Board Chair Darlington Credit Union**