



Hina Bokhari OBE AM
Chair of the Economy, Culture and Skills Committee

Sir Sadiq Khan
Mayor of London

(Sent by email)

5 March 2026

Dear Sir Sadiq,

Credit unions in London

I am writing to you as Chair of the London Assembly Economy, Culture and Skills Committee following our recent meeting on credit unions, or community banks,¹ in London. We heard that credit unions are doing vital work in London, particularly to support financially vulnerable Londoners. We would like to see access to credit unions expand in London, and we believe the Mayor and the GLA have a role to play in enabling this.

Why credit unions in London matter

Financial vulnerability and exclusion (i.e. inability to access mainstream banking services) are serious concerns in London. Matt Bland, Chief Executive of the Association of British Credit Unions (ABCUL)

¹ Credit unions are also sometimes referred to as 'community banks'. This was the term we chose when we set out to investigate this topic. Although some credit unions refer to themselves as 'community banks', the legal name of banks which are cooperatively owned by their members in the UK is 'credit unions'. This was also the term used by our guests. It is thus used throughout this letter.

stated that recent research conducted by his organisations found that Londoners are generally more vulnerable and financially excluded than the average across the country.²

We were concerned to hear that many Londoners like this are not being served by mainstream commercial banks. Ben West, Head of Business Development at London Mutual Credit Union, told us that credit unions are becoming increasingly important for those Londoners who find themselves on the margins of the financial system and are not being served by mainstream banks. He told us that:

*"it is very hard to have a conversation with someone even in a bank branch these days. We are increasingly doing the heavy lifting in the community in terms of dealing with those customers who are too expensive and not worthwhile for the big banks to deal with. It is credit unions like ours that are picking up the pieces there and providing that bridge between people's immediate day-to-day financial needs and connecting them with the services that they need in order to support their longer-term needs."*³

We heard that many of the credit unions active in London work closely alongside local authorities and third sector partners to support financially vulnerable or excluded people. Ravi Ravindran, Chief Executive of Lewisham and Bromley Credit Union, told us that his organisation has close relationships with Bromley and Lewisham boroughs and charities like Bromley Homeless and Community Action Works in Lewisham.⁴

However, credit unions do not exclusively serve people on low incomes. Ben West stressed that given London's high housing and living costs, financial vulnerability was also increasingly affecting people considered to be on higher incomes. He stated that approximately one in five people borrowing from London Mutual earn over £50,000 per year and that many of them decide to borrow after having experienced sudden financial shocks.⁵

Our guests stressed that since credit unions are run by and for their members, their primary goal is not to maximise profits. Dr Paul Jones stressed that credit unions aim to encourage people to save and to borrow responsibly, such as by offering loans designed in ways to help borrowers build up savings at the same time.⁶

Ben West emphasised that while serving lower income Londoners is an important part of the work of London's credit unions, there are limits to how much credit unions can do as this work is associated with a higher degree of risk. He added that this could be mitigated by a large savings base made up

² London Assembly Economy, Culture and Skills Committee – [Transcript of Agenda Item 6 – Community Banks](#), 4 February 2026 (p.3)

³ London Assembly Economy, Culture and Skills Committee – [Transcript of Agenda Item 6 – Community Banks](#), 4 February 2026 (p.6)

⁴ London Assembly Economy, Culture and Skills Committee – [Transcript of Agenda Item 6 – Community Banks](#), 4 February 2026 (p.7)

⁵ London Assembly Economy, Culture and Skills Committee – [Transcript of Agenda Item 6 – Community Banks](#), 4 February 2026 (pp.3-4)

⁶ London Assembly Economy, Culture and Skills Committee – [Transcript of Agenda Item 6 – Community Banks](#), 4 February 2026 (p.3)

of lower-risk middle-income earners, particularly from large organisations in the public sector, which would allow credit unions to subsidise the higher risk elements of their work.⁷

As a large public sector employer, we believe this is where the GLA can make an important contribution to support the work of credit unions. The GLA, TfL and the London Fire Brigade have already partnered with credit unions, allowing employees to join. However, not all organisations within the GLA family have access to this.⁸ This to us represents a missed opportunity that the Mayor should address. The GLA should set up a learning session, allowing employees to learn about the work of credit unions, and ensure all employees across the GLA family can join a credit union.

Recommendation 1: *The GLA should set up partnerships between a London credit union and the London Legacy Development Corporation, the Old Oak and Park Royal Development Corporation, the Oxford Street Development Corporation and the Mayor’s Office for Policing and Crime, as has been done for other organisations within the GLA family. These partnerships should allow employees of the above organisations to become members of a credit union. The GLA should also set up an internal ‘Lunch & Learn’ session with representatives from London credit unions to provide employees with the opportunity to learn about the work of credit unions. The GLA should write to the Committee with a progress update by Autumn 2026.*

The role of the Mayor in helping the sector expand further

Despite the important work being done by credit unions in London, we heard that the sector is finding it difficult to expand. We heard that much of this can be attributed to low levels of awareness of credit unions in the UK. Dr Paul Jones told us that credit unions are “generally invisible” with many people not knowing what they are or what they offer.⁹ Ravi Ravindran stressed the importance of advertising, stating that credit unions are typically small operations and simply cannot compete with the advertising budgets of large banks.¹⁰

Ben West noted that even when people are aware of what credit unions are, many tend to believe they are exclusively used by people who are on very low incomes or financially excluded and hence are reluctant to engage.¹¹ Dr Paul Jones added that while keeping the focus on financial inclusion was important, the widely-held perceptions of credit unions were “limiting”, as for credit unions to succeed, they need to serve the population at large.¹² He stated credit unions “cannot be a bank just

⁷ London Assembly Economy, Culture and Skills Committee – [Transcript of Agenda Item 6 – Community Banks](#), 4 February 2026 (pp.19-20)

⁸ London Assembly, [MQT2025/4657](#), 18 December 2025

⁹ London Assembly Economy, Culture and Skills Committee – [Transcript of Agenda Item 6 – Community Banks](#), 4 February 2026 (p.21)

¹⁰ London Assembly Economy, Culture and Skills Committee – [Transcript of Agenda Item 6 – Community Banks](#), 4 February 2026 (p.9)

¹¹ London Assembly Economy, Culture and Skills Committee – [Transcript of Agenda Item 6 – Community Banks](#), 4 February 2026 (p.9)

¹² London Assembly Economy, Culture and Skills Committee – [Transcript of Agenda Item 6 – Community Banks](#), 4 February 2026 (p.16)

for the poor” and explained that evidence from other countries, particularly in South America, suggests that credit unions who do not diversify are likely to fail.¹³

We heard that diversification was important, not just in terms of customers, but also with regard to the products and services offered. Matt Bland told us that in countries where credit unions are more established, such as Ireland and the US, they typically form part of the mainstream banking system and offer a wider range of products and services, such as car financing and mortgages.¹⁴

All of our guests raised that a lack of scale and collaboration between credit unions in London were key barriers to them diversifying their operations and raising awareness of their work in order to compete more effectively with big banks.¹⁵ Matt Bland and Paul Jones told the Committee that collaboration was more embedded in other countries, such as in North America, where credit unions develop credit union service organisations (CUSOs), allowing them to pool resources and offer products and services they cannot provide on their own.¹⁶

In its 2025 Financial Inclusion Strategy, the Government committed to doubling the size of the wider co-operative finance sector. To achieve this, it intends to put forward reforms to make it easier for credit unions to expand their membership.¹⁷ It has also made available investments, grant and guarantees to support credit unions through Fair4All Finance, the government-backed, not-for-profit organisation set up to promote inclusion.^{18 19} However, regional collaboration between credit unions has received less attention.

We believe this is an area where the Mayor can use his convening power to support the sector’s expansion at a regional level in London. We would like to see the Mayor convene credit unions in London to create a platform for them to collaborate and pool resources, enabling them to use their combined scale to engage in joint marketing activities and explore offering different products and services.

Recommendation 2: *The Mayor should use his convening powers to bring together London’s credit unions with the goal of creating a shared platform for collaboration. The Economic Development and Programmes Unit should set up a forum with credit unions in London which meets at least four times a year to discuss opportunities for collaboration, particularly around marketing and diversifying their portfolio of products and services. The first meeting should happen before the end of 2026-27.*

¹³ London Assembly Economy, Culture and Skills Committee – [Transcript of Agenda Item 6 – Community Banks](#), 4 February 2026 (p.16)

¹⁴ London Assembly Economy, Culture and Skills Committee – [Transcript of Agenda Item 6 – Community Banks](#), 4 February 2026 (p.21)

¹⁵ London Assembly Economy, Culture and Skills Committee – [Transcript of Agenda Item 6 – Community Banks](#), 4 February 2026 (pp.21, 26, 27)

¹⁶ London Assembly Economy, Culture and Skills Committee – [Transcript of Agenda Item 6 – Community Banks](#), 4 February 2026 (pp.21, 27)

¹⁷ HM Treasury, [Financial Inclusion Strategy](#), 5 November 2025

¹⁸ Fair4All Finance, [Bridging the gap – how affordable credit is transforming financial inclusion](#), 21 May 2025

¹⁹ HM Treasury, [Financial Inclusion Strategy](#), 5 November 2025

The Committee would welcome a response to this letter by 17 April 2026. Please send your response to by email to the Committee's clerk, Saleha Fazal (Saleha.Fazal@london.gov.uk).

Yours sincerely,

A handwritten signature in black ink that reads "Hina Bokhari". The signature is written in a cursive style and is positioned above a light grey rectangular background.

Hina Bokhari OBE AM
Chair of the Economy, Culture and Skills Committee