

MAYOR OF LONDON

Bassam Mahfouz AM

Chair of the Economy, Culture and Skills
Committee

C/o Saleha.Fazal@london.gov.uk

Our ref: MGLA050326-5517

Date: 26 May 2026

Dear Bassam,

Thank you to your predecessor, Hina Bokhari OBE AM, for writing to me on behalf of the London Assembly Economy, Culture and Skills Committee about the important matter of Credit Unions. I recognise the significant role Credit Unions play in London's communities to ensure access to financial advice and services, including affordable loans, savings and bank accounts.

I am pleased to see the Government taking steps to support the growth of the Credit Union sector through its Financial Inclusion Strategy, published in November 2025. Progress is moving at pace, as Fair4All Finance has already consulted on the delivery of the strategy's £30m Credit Union Transformation Fund, which includes looking at regional expansion. My officers are engaging with the organisation delivering the programme to explore opportunities to connect with any activities in London.

For my part, I have consistently championed the benefits of Credit Unions. This includes using my Good Work Standard to encourage employers to follow the example set by the Greater London Authority (GLA) and work with local Credit Unions as part of a wider approach for employers to support the financial wellbeing of their staff. My Cost of Living Hub also signposts Londoners to guidance on debt, money management, budgeting, benefit entitlements, and affordable credit. It promotes Credit Unions and links to those operating across London, while directing users to trusted organisations – including the Money and Pensions Service – for more detailed support on borrowing and financial planning.

I continue to take other steps to support Londoners experiencing financial hardship through my Income Maximisation programme, which has to date supported more than 130,000 low-income Londoners to claim £94m in support they were entitled to. I have recently invested £2.2m to provide free, independent advice for families with children through the Family Financial Resilience Partnership and have committed a further £2m to activity to help Londoners claim the benefits they are entitled to over the coming year.

Thank you again to the Committee for writing to me about Credit Unions and the important contribution they make to financial resilience. As global economic uncertainties continue, I will maintain my focus on ensuring Londoners can access the support they need to manage their money and build greater financial security.

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My responses to the Committee's two recommendations are provided in the Annex below.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small '2' written below the name.

Sir Sadiq Khan
Mayor of London

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Annex

Mayor of London's response to the recommendations of the London Assembly Economy, Culture and Skills Committee following its meeting on Credit Unions

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 organisation is exploring ways to address the inconsistency highlighted, and officers have circulated the recommendations and a copy of the Committee's letter to HR colleagues in the wider GLA family. Organisations that do not currently have a Credit Union partnership are considering opportunities:

- The Mayor's Office for Policing and Crime is reviewing its rewards strategy and benefits package in 26/27, and a Credit Union partnership will be considered as part of this.
- The London Legacy Development Corporation will consider a credit union partnership as part of its wellbeing strategy within the People Team and will explore this further under its financial wellbeing pillar.
- Although Old Oak and Park Royal Development's staff benefits and rewards strategy is generally aligned with that of the GLA, there is also a commitment to explore the implementation of a Credit Union partner.

Updates can be made available to the Assembly upon completion of these reviews.

Recommendation 2

The Mayor and Deputy Mayor should convene representatives from London's banking sector and other key stakeholders to encourage best practice around initiatives designed to improve financial inclusion

Announced as part of the Government's Financial Inclusion Strategy, Fair4All Finance is the lead delivery partner for the £30m Credit Union Transformation Fund, which aims to support and accelerate Credit Union growth, including regional expansion. Fair4All Finance consulted on its transformation approach earlier this year, in February and March.

As Fair4All Finance is already positioned to lead investment and capacity building across the Credit Union sector, the GLA will monitor the outcomes of the recent consultation to consider any opportunities to support regional collaboration or wider activity in London.