SERVE PROTECT

Financial Resilience Report 2024

For people. Not profit.

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ARMED FORCES COVENANT



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Serve and Protect CU is a trading name of Police Credit Union Ltd. Police Credit Union Ltd. is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Registered No 213306). Police Credit Union Ltd is part of the Financial Ombudsman Service and the Financial Services Compensation Scheme.

About This Report

At Serve and Protect Credit Union we are passionate about improving the financial resilience of those who look after us all. *We are proud to serve over 44,000 members throughout the police, prison, military, fire, and health services.*

In October 2023, we launched our fifth annual Financial Resilience Survey to gather an insight into the overall financial resilience of our members, the challenges they face and the impact this can have on their wellbeing.

This year we captured the views of 4,293 respondents across the various markets we serve. This report breaks down the answers provided by those who completed the survey.

As statistics in this report indicate, financial resilience plays an important part in the lives of our members and has been tested significantly by the rising cost of living. We hope that this report will be useful for our stakeholders, to better understand the challenges faced by the Serve and Protect family.

Citations of this survey should read "Serve and Protect CU's Financial Resilience Report, 2024."

Views from 4,293 of our members



Financial Resilience

Refers to your ability to withstand life events that may impact your income and/or assets.

This can be your personal or your family's financial resilience.



Key Findings



We have highlighted some of the most ***impactful stats*** *from the report below:*

Key findings:

Only 61% of respondents could cope financially with a change in circumstances*, such as relationship breakdown, unemployment, or sickness.*

61%

66% of respondents *admitted that the rise in interest rates have had a negative impact on their financial situation.*

66%

15% of respondents *had* ***taken out a payday loan*** *before joining Serve and Protect, an ethical and affordable alternative to high-interest credit.*

15%

21% of respondents *admitted to* ***losing sleep*** *over their finances at least once per week.*

21%

29% of respondents *said the area of their existing debt which causes them the most concern is their credit card.*

29%

In A Little More Detail



The following section breaks down the answers provided by respondents, ***question by question****.*

In some cases, we have highlighted the answers provided by respondents based on their employment status. Participants have been categorised as follows:

Police & Law Enforcement

(including NCA, Referenced as 'Police')

Prison & Probation Service

(Referenced as 'Prison')

Armed Forces Community

(including Service Personnel, Reservists, MOD Civil Servants, and Veterans, Referenced as 'Military')

NHS and Private Healthcare

(Referenced as 'Health')

Due to a limited sample size for employees working in the Fire & Rescue Service, their answers have not been highlighted in this year's report.

Financial Resilience

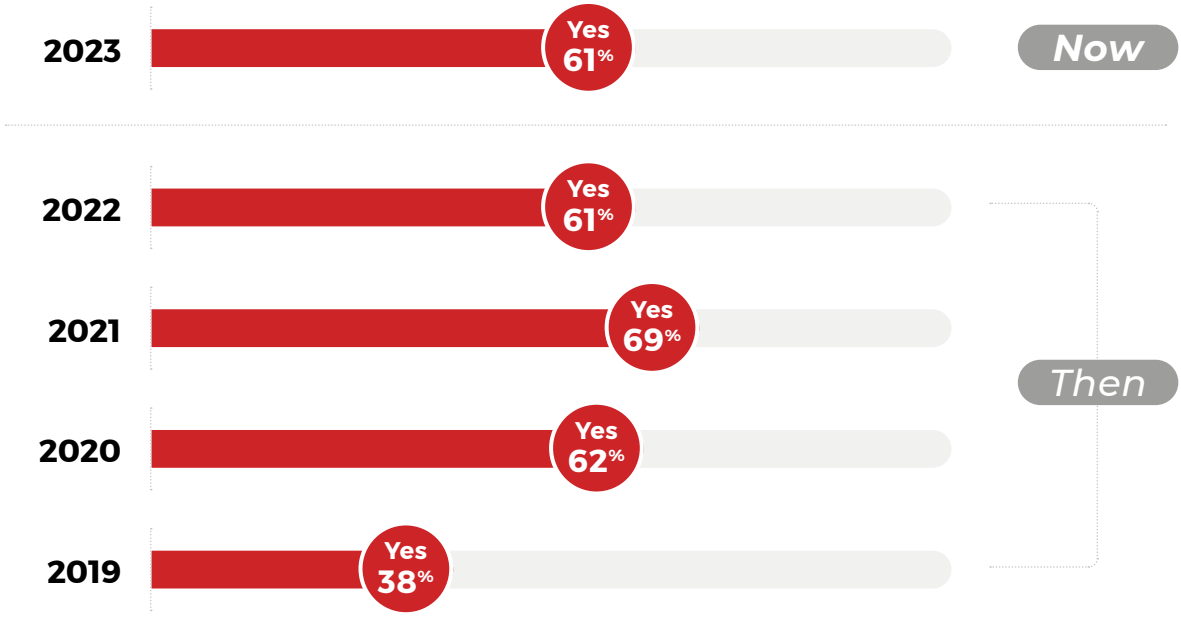
We first surveyed our members in October 2019 to gain a better understanding of their financial resilience. ***This has helped shape our strategy to work alongside our stakeholders to find solutions to help improve the financial resilience of their employees.***

Since our first report, one question has remained constant: 'Could you cope financially with a change in circumstances, such as relationship breakdown, unemployment, or sickness?'

Here are how our members answered then, and what they say now.

Could you cope financially with a change in circumstances, such as relationship breakdown, unemployment, or sickness?

Figure 1:



46% *Of respondents aged 35-44 said* ***they could cope financially*** *with a change in circumstances.*

Response Breakdown

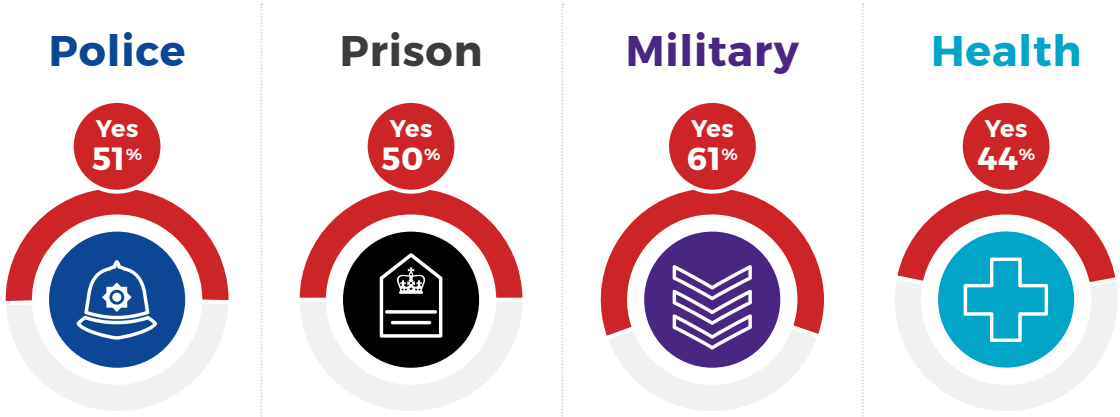


To better understand the financial resilience of our entire membership, we have further broken down this question.

Below we have highlighted the answers from respondents in each of the sectors we serve, as well as different age groups.

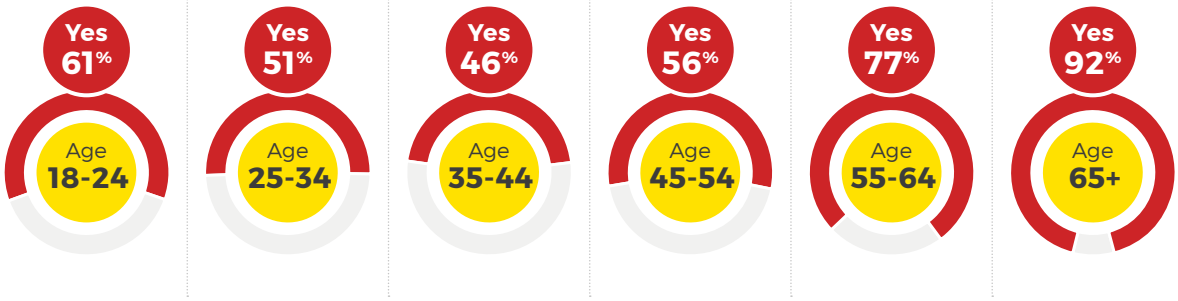
*Response **by employer:***

Figure 1.1:



*Response **by Age:***

Figure 1.2:



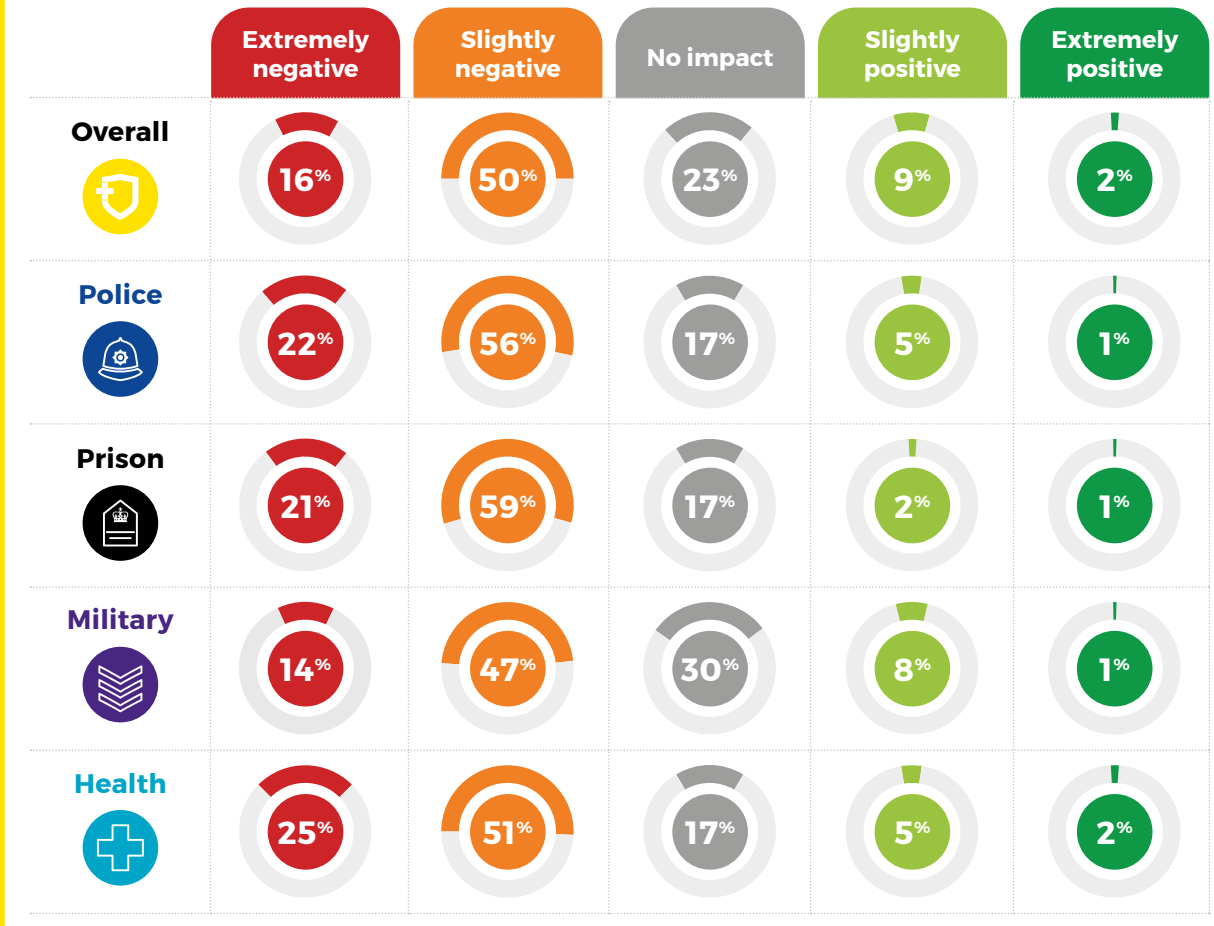
Rising Interest Rates

Almost two years on from the start of the cost-of-living crisis, our members are continuing to experience its effects. ***We have witnessed a steep rise in interest rates as a result of inflation.***

While this may bring good news to savers, it has taken a toll on many, particularly those who may struggle to access affordable credit from banks. 66% of respondents admitted that the rise in interest rates have had a negative impact on their financial situation.

In the past year, what impact have the rise in interest rates had on your financial situation?

Figure 2:





"While most lenders have increased their rates to match inflation, ours have remained the same. *This support has been vital for our members, preventing them from turning to high-interest credit such as payday lenders."*

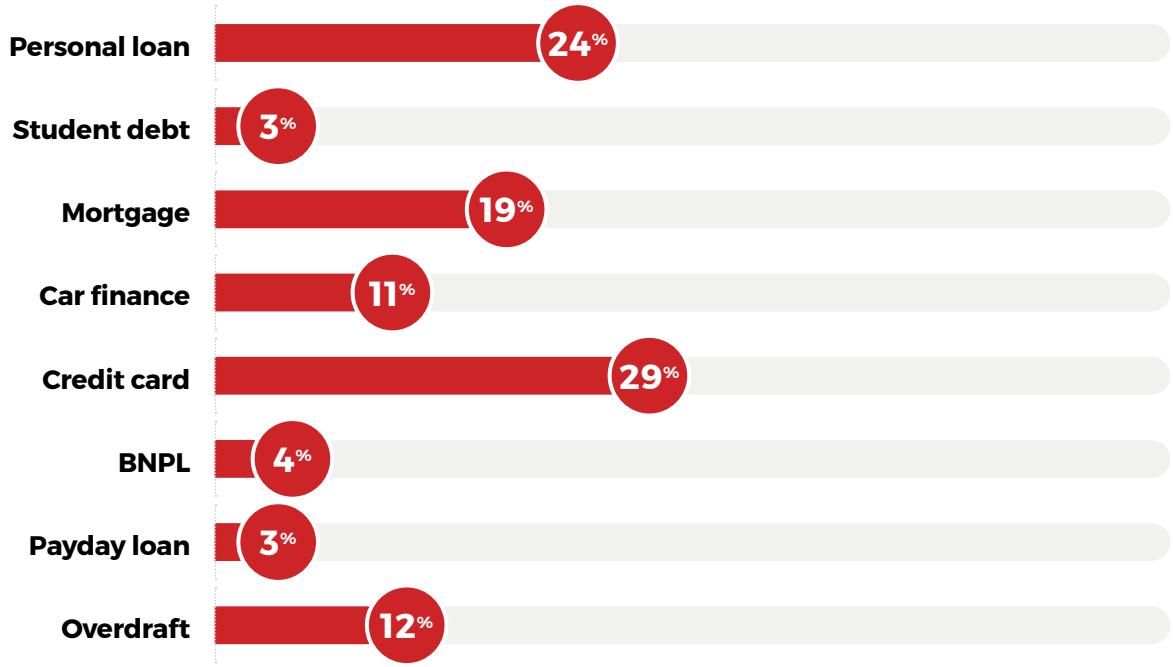
Paul Norgrove, CEO, Serve and Protect

Managing Existing Debt

The increase in the cost-of-living has tested the financial resilience of the nation. *Throughout the cost-of-living crisis, many households have turned to debt in order to fund basic needs such as grocery shopping and transportation costs.*

Which areas of your existing debt causes you concern?

Figure 3:



13%

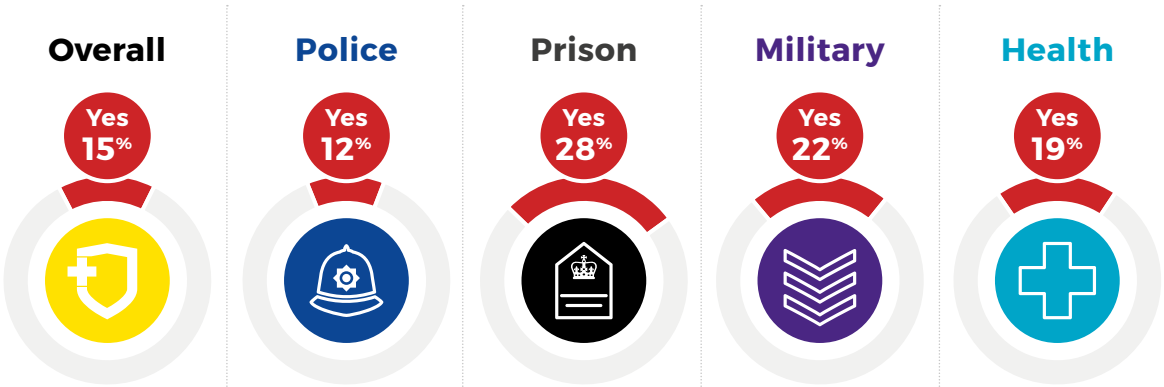
Of respondents under the age of 35 were concerned about their Buy Now Pay Later (BNPL) commitments

25%

On average, 25% of respondents' monthly income ***goes towards paying off loans or other credit commitments*** *(excluding mortgage repayments).*

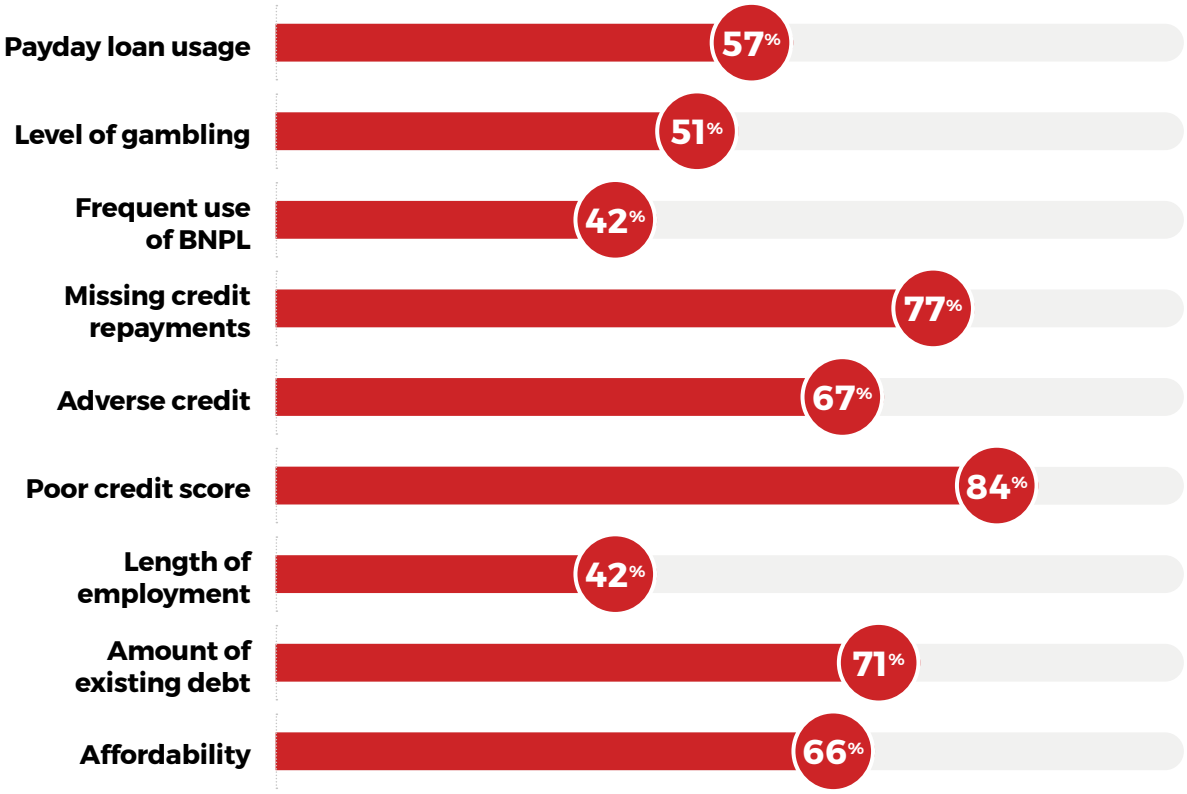
Had you ever taken out a payday loan before joining Serve and Protect?

Figure 4:



*Were you aware that the following factors can impact your chances of being approved for a loan by responsible lenders?**

Figure 5:



**Select all you are aware of.*

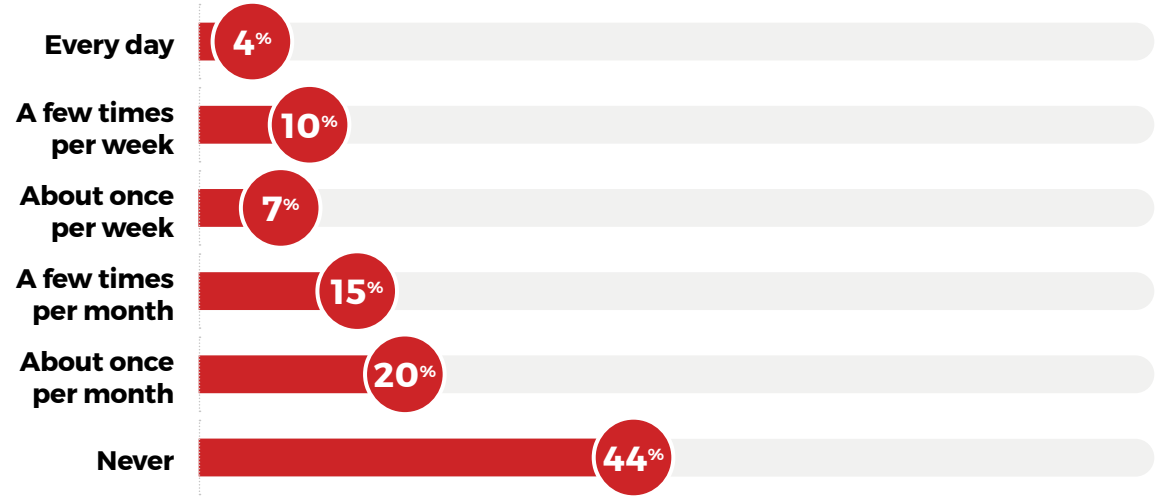
The Hidden Impact

Having good financial resilience means having options to turn to when financially stressful events arise, making it easier to overcome financial challenges. However, not having those options can lead to ***financial stress and sleepless nights.***

Worryingly, 21% of respondents admitted to losing sleep over their finances at least once per week. 29% of respondents aged 25-34 and 35-44 admitted to losing sleep once per week.

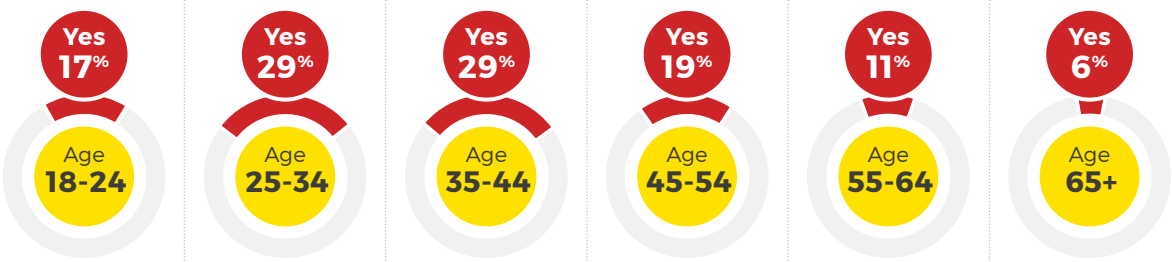
How often do you lose sleep over your finances?

Figure 6:



By Age: (at least once a week)

Figure 6.1:



Educating Our Members

*As a credit union, **the support we offer goes beyond** savings products and access to affordable credit.*

A primary objective of the credit union is to educate and empower our members, enabling them to make informed financial decisions. Our monthly webinars serve as a valuable resource for our members, providing them with the knowledge and tools they need to navigate their financial journey effectively.

Managing the Cost of Living



Budgeting & Spending



Boost Your Credit Score



What Lenders Look For



Police Pension: 87 Scheme and Remedy Update



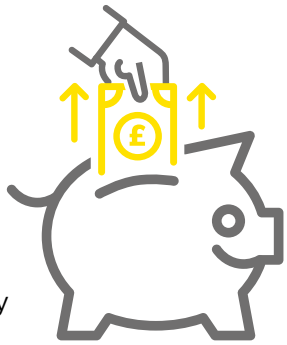
Police Staff Pension: LGPS Explained



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Withdrawing From Savings

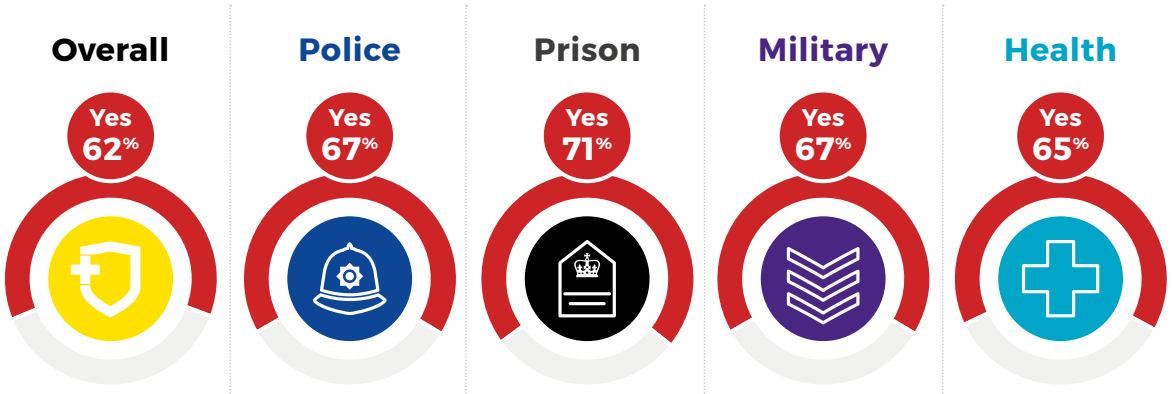
At Serve and Protect Credit Union we provide an easy way for our members to save each month, *helping them to achieve their financial goals.*



However, saving for the future has been made increasingly difficult in recent years, with 5% of respondents withdrawing from their savings every week. Unsurprisingly, the main reason respondents withdrew from their savings in the past year was to cope with the cost-of-living crisis.

In the past year, have you found yourself withdrawing from your savings more frequently as a result of the cost-of-living crisis?

Figure 7:

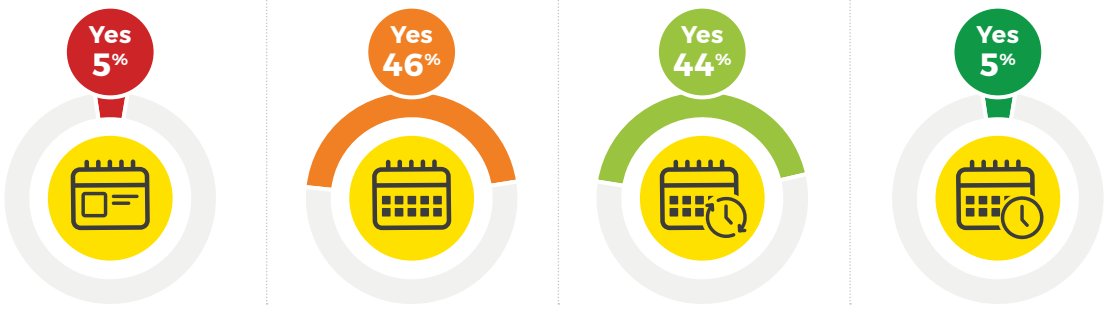


Check out our range of ***easy access savings accounts****, designed to help our members prepare for financial emergencies.*

sandpcu.co.uk/savings-accounts

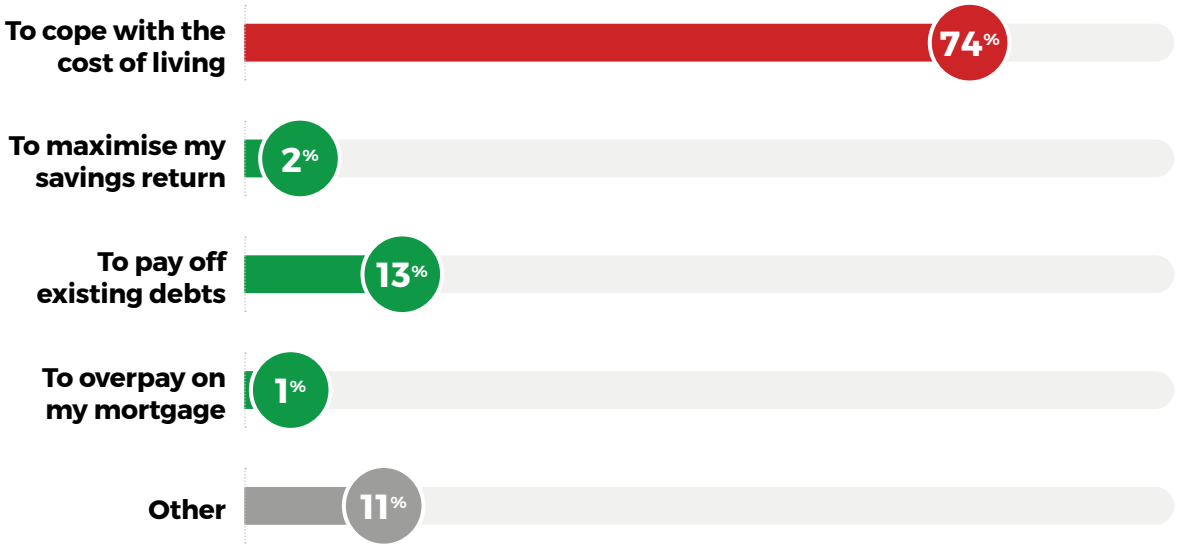
How often do you withdraw from your savings?

Figure 8:



What is the main reason you have withdrawn from your savings over the past year?

Figure 9:



For respondents who answered 'other', one of the main reasons for withdrawing from their savings was to deal with unexpected expenses such as home or vehicle repairs and unexpected bills. Other reasons include paying for a holiday they have saved for, treating themselves or their loved ones, home improvements, and to fund Christmas.

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