

Scottish Universities Community Bank – Board Report to the 2026 AGM

Continual change and evolution

This report is based on the views of the Board of Directors and covers the current business plan which covers 2025 to 2028.

We have been using the trading name of Scottish Universities Community Bank (SUCB) for over two years, and we continue to operate in a hybrid manner from the same centrally located office on the Heriot-Watt University Edinburgh Campus. Heriot-Watt University provides office space, utilities and payroll facilities for our staff free of charge – the Board is grateful for their continued support.

Footfall into the Office is now very limited with the majority of customer interactions taking place via email, our members' area and telephone. Customers continue to be able to arrange face-to-face meetings as required. The Operations Team can be contacted by email or telephone as detailed on our [website](#).

We are pleased to report that:

- Membership has increased from 1224 in 2024 to 1251 by September 2025, an increase of 2.2%, when a large number of credit unions have seen membership continue to drop.
- Members with loans have reduced from 382 in 2024 to 353 by September 2025. Due to a strengthened Loan Policy and enhanced processes, loan refusals have tripled which ensures both affordability for members and reduction of risks associated with lending and potential default.
- Despite the reduction in the number of loans, the interest from members' loans, our main source of income for running the Community Bank, increased from £70,990 in 2024, to £85,788 in 2025, an increase of 17%. It should be noted that interest from loans was £63,246 in 2023.
- The move to Custom for as our front- and back-office IT system is working well, despite some initial teething problems, which is always evident when a system change takes place.

We launched a new debt consolidation loan product in June 2025. The Board agreed this was a significant way we could help members who found themselves in challenging financial circumstances. We are delighted to report that to the end of September 2025:

- We have issued 19 debt consolidation loans.
- The value of which totals £96,461.28.
- The average interest rate settled was 57.65%.
- Our rate of interest charged is 16.64% (18% APR).
- No members have defaulted on their repayments.
- The Board monitor debt consolidation statistics at their monthly meetings.

The Board are pleased that the introduction of the debt consolidation loan has contributed to growth in the loan book, interest earned and provided members with another loan option.

Board and Governance overview

There has been turnover in the Board over the last year with the resignations of Khadidja Merakchi and Rose Tope Olorunfemi. The Directors wish to thank them both for contribution to the Community Bank. The current Directors are:

- Doug Veitch, Chair, University of Edinburgh
- Phil Rowsby, Secretary, Heriot-Watt University
- Derek Penman, Convener of the Finance Committee, formerly Heriot-Watt University
- Morag Cherry, Director, Edinburgh Napier University
- Stephen Isa, Director, formerly Edinburgh Napier University

The former reliance on Heriot-Watt University staff and former employees continues to reduce. Many credit unions and organisations in the third sector continue to struggle to attract Board Members, we are not alone. We ran our formal Director recruitment process in October 2025 and also in January 2026 without successfully recruiting any additional Directors.

If you would like to know more about becoming a Director or would like to volunteer in other ways, such as joining our Supervisory Committee, please contact the Office: office@universitycu.org.uk. Board Meetings alternate between online and in-person on a Tuesday evening, last around 60 minutes and normally take place monthly.

As noted at previous AGMs we have continued to have little success in recruiting a Treasurer. In place of this we established a Finance Committee to review financial information and report to the Board, following comparable examples in other credit unions.

Over the last two years, the Board held two Strategy Days out of the cycle of regular Board Meetings to consider the future development of the Community Bank. This has led to:

- setting clear operational targets for the Staff;
- decisions on the management of our investments;
- consideration and development of new products;
- working towards financial sustainability;
- a focus for expansion; and
- the movement to a modern back- and front-office IT system.

The Board and CEO have undertaken a thorough review of all policies over the last year, many only requiring minor changes. Member facing policies are available on our [website](#).

The Board and CEO undertook a value for money review of our ABCUL (Association of British Credit Unions Limited) membership towards the end of 2025, we concluded that we did not receive the required level of service comparable to our fees. ABCUL's focus was around larger credit unions, political influence and lobbying which did not enhance our day-to-day activities as a small Community Bank/Credit Union.

In place of ABCUL membership we have joined the smaller and Scottish-focused Scottish League of Credit Unions (SLCU), the Staff and Board have benefited from much more practical advice, support, information and networking opportunities.

Staffing overview

Luke McGilvray (CEO) and Carol Bendall (Operations Manager) continue to work part-time hours. This has been supplemented by Abigail Garry (Social Media Intern) recruited in August 2025 who will be with us for 12 months as part of her MSc in Digital Marketing course at Heriot-Watt University. She has supported Luke and Carol with:

- Creation of brand guidelines;
- Email marketing and social media strategy; and
- Content creation.

The appointment of a CEO has meant that there is a reduced reliance on Directors to undertake operational activities and has provided the opportunity to undertake additional activities focused on stakeholder engagement, which has included:

- Robertson Trust – financial education for scholarship recipients;
- Carnegie Trust;
- deeper engagement with current payroll partners;
- peer support and adoption of best practice; and
- improvements in our digital services.

Finances

After investing surpluses to mature at periodic intervals, the Board continues to monitor available returns on all cash reserves with the intention of being agile and nimble in the market as investments mature.

The Community Bank must continue to increase the income value of the loan book to match the increasing costs of operational activities.

As the fees charged by our Auditors remain highly competitive, the Board has not chosen to undertake a tendering exercise to replace them. This will be reviewed again ahead of the 2027 AGM when Custom will have been operational for just over 2 years. The Auditors have provided the finance report for this meeting but are not our Treasurer.

Future plans

The Board and Staff are aware of the importance of growing both membership and the loan book to ensure financial stability and continued viability.

The Board and Staff are continuing to deliver the Current Business Plan (2025-2028).

Thanks

We would like to thank the Staff and Volunteers for their work during 2025 and the start of 2026.

Directors

March 2026