



Creating new opportunities with digital

In 2019, NCB saw a 256% increase in new Members

Last year, the number of loans saw a 34% rise, as well as a 50% hike in the value of loans granted

Growth achieved with no increase in headcount

About

Based in Ashington and led by CEO **Lauren Langton**, Northumberland Community Bank (NCB) was launched in April 2017 after bringing together two existing credit unions; The Credit Union for South East Northumberland and Tynedale Community Bank. The aim was to benefit more people in Northumberland by creating an organisation which could offer a sustainable source of lending for individuals and micro businesses together with a safe home for savings. As a financial co-operative, its customers are members. By generating deposits from those members, a fund is created allowing NCB to lend to local people, including those vulnerable to high interest lenders such as Pay Day and Door Stop lenders and Loan Sharks.

Background

In 2017, NCB had about 500 members. It was heavily reliant on volunteers and manual, paper-based processes, particularly when it came to communications. Invites to the AGM and statements had to be sent by post, a slow and laborious process, especially when many were either dormant or leaving their memberships.

"It was clear we needed to change," says Lauren. "We had no easy way of contacting our current members, so many were disengaged, and had no proactive communications or marketing strategy to attract new members to join." The NCB team knew they had to improve and automate processes in order to drive member interest and engagement.

The solution

NCB was introduced to incuto when the senior team, led by **incuto CEO Andrew Rabbitt**, presented its communications platform Buzz. *"We were really excited about the opportunities incuto would offer," says Lauren. "Using its platform would enable us to go well beyond our usual, functional communications, and actually promote new products and services. It provided the solution we were looking for in terms of engaging and growing our membership."*

NCB engaged incuto as its technology partner and has worked with its team to digitise all of its processes, from joining online to applying for a loan and developing an app. *"Going from a branch and paper-based bank to one which can now offer everything online has allowed many more people in Northumberland to access our services," Lauren explains.*

"We took a strategic decision to completely change the way our credit union had worked in the past and to embrace technology. We built our business plan around offering members what they need and expect, using incuto to supply us with the digital capability this required. It felt brave at the time, but now more than ever, and especially considering the current coronavirus crisis, we feel totally vindicated and delighted that we are on the fintech journey with incuto as our partner."

New opportunities

Working with incuto, NCB has expanded its reach into the local community and ability to deliver products at scale and online. It has seen significant increases in the number of members, and a 34% annual hike in loans in 2019. It can also now approach local businesses as a payroll partner, enabling them to offer employees the ability to save and become members of their local community bank.

“With the technology in place we can now handle large volumes of new members coming in at the same time, this would have been impossible without incuto’s technology,” says Lauren. “You only have to look at our most recent results, delivered at our AGM, which show a massive increase in both members and loans processed and these have all been delivered with exactly the same size team.”

“Having better technology allowed us to put Northumberland Community Bank forward as payroll partners to a number of local businesses. As an early adopter of incuto, we’ve been able to work alongside its team collaboratively on the solution we needed. Automating so many of our processes has allowed us to shift from inwardly focused, manual activities, to serving our Members and community more effectively.”

The future

The Covid19 pandemic has accelerated the pace of change for all credit unions and NCB is no exception. Lauren explains how community-focused banks and lenders now need to be outward and forward looking in order to survive. *“Credit unions have had to adapt at speed because of the lockdown and needing to serve their members remotely. Because of our work*

with incuto, we already had the technology in place to continue services online and enable the team to work efficiently but this was not the case for everyone.”

NCB now operates a forward-looking marketing plan with the aim of growing the business and loan book into 2021. *“Having the ability to reach members easily and tailoring how we communicate and what we offer them is invaluable. In a post-Covid world, incuto is no longer a nice to have, they understand the pressures credit unions are facing and their technology addresses these challenges.”*

About incuto

incuto was founded on the basis that everyone deserves access to affordable finance. As part of the Fair By Design, accelerator programme, it aims to tackle the poverty premium whereby lower-income households pay more for finance, whether it is high-interest pay day loans or inflexible bank charges. Incuto is an innovative banking platform for Credit Unions, community banks and CDFIs. It allows these banks to better serve their communities by updating legacy technology, enhancing the end user experience and improving access to customers.

Our technology is a SaaS solution for our clients. We support back-office processes, financial education, communication, performance management and enhanced service provision. The missing link between Credit Unions and major distribution networks, we offer clients the chance to integrate their services with major organisations like Starling Bank, Post Office, Vocalink, Telefonica, Mastercard and Experian.