



Trend setters to pace setters

Member communications have increased three-fold using incuto Buzz

Hoot now generates four times the number of loan applications than other credit unions with equivalent memberships

In September 2020, Hoot achieved a 48% increase in total lending

About

Established in 2005, Hoot Credit Union is a financial co-operative which is owned and controlled by its members and is a friendly, local alternative to corporate banks or building societies. Covering Bolton and Bury in Greater Manchester, Hoot offers accessible saving and affordable loans directly to members, and through local employers including Bolton at Home Group, Bolton Council, Greater Manchester West NHS Mental Health Foundation Trust, Salvation Army Housing Association, Premex, Bolton NHS Trust or Bolton College. As a community cooperative, Hoot is committed to offering products and services which help members manage their money. Being a Hoot member means being part of a community that encourages good money management, active saving and responsible borrowing.

Background

On the back of the Government's Credit Union Expansion Project (CUEP) and investment promise of £38 million to modernise and grow the credit union industry in 2014, Hoot's team decided to move away from paper-based processes and embrace technology. "It was very clear at that point that all credit unions had to digitise in order to survive and grow," says Hoot CEO **David Batten**. "The initiative, led by the Department for Work of Pensions, was very welcome, but the technology was yet to be developed."

The solution

The Hoot team became interested in incuto's technology platform for credit unions after hearing a presentation of its marketing and communications tool – Buzz. "We were really excited by the idea of being able to communicate to our members more easily, and by a system which uses the data we already have on members to provide a better service. Our current system didn't have this capability, so we weren't making the most of opportunities to keep in touch with or proactively offer relevant products to our members."

incuto set up an online Members Area for Hoot, enabling members to access their accounts remotely, securely transfer money and change their details without having to come into a branch. Over the next 12 months, incuto added its Hive Data Layer which supported Hoot by collecting member information and verifying IDs. When Covid19 hit the UK and lockdown was put in place, Hoot worked closely with incuto to establish online loan applications which supported members during a challenging period.

"incuto offered a number of benefits to our members, all of which became amplified during the lockdown. Not having paper forms to fill in anymore is amazing. We've also switched on the Open Banking and Faster Payments tools which really offer a massive shift in the services we can offer."

Step change in service

The Hoot team has seen a big shift in how it interacts and serves its members as a result of its new technology. With many of the manual processes which used to be in place now gone, members can access many services more quickly. For example, in September 2020, Hoot recorded an increase in the total volume of lending by 48% compared to the same month in 2019.

Similarly, Hoot has enabled its members to withdraw money from its tied share products during Covid19 which resulted in a 450% increase in share withdrawals in one day, 95% of which were done through incuto's banking platform. *"We would not have had the capacity to offer this to members through Covid19 were it not for incuto automating the process," says David. "Giving members access to tied share products during what is a challenging time for many financially, was something we felt very strongly about offering."*

The future

Technology continues to bring down the barriers which have traditionally stopped many from using credit unions. Indeed, incorporating services like Faster Payments and Open Banking into the credit union space means members' user experience is fast becoming similar to that of a high street bank. *"incuto's technology is opening up opportunities for us, as well as helping us reduce fraud," says David.*

"There is a big market out there and people are waking up to the benefits of ethical and affordable finance, they are looking for change but until now we lacked the technology to reach this wider market."

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.