



the payments association

Redefining community finance: Unlocking pathways to financial inclusion



Executive summary

There is boundless potential for the community finance sector to transform the lives of millions of people in the UK who are struggling financially or unable to access appropriate financial services.

The policy recommendations outlined in our [white paper](#) are a call to action for government, regulators, and the financial services sector to work together to introduce supportive policies to revitalise the sector and unlock its potential for the coming decades.

They have been crafted following extensive conversations with experts across academia, the payments industry, the third sector and regulators, as well as a review of existing research that has demonstrated how the community finance sector can help tackle financial exclusion.



27%
of UK adults have been forced to turn to high-cost providers

Policy recommendations

Introduce a kitemark.

Create an easily recognisable symbol of outstanding quality, safety, and trust for organisations working to support underserved consumers. This would help to drive trust among the public and generate a better understanding of community finance solutions. Such a kitemark would rely on appropriate signposting measures from both central and local government.



35%
saying they subsequently struggled to repay the money borrowed

Incentivise and legislate greater engagement with the community finance sector.

Incentivise greater engagement with the community finance sector. This could include targeted investment incentives for community finance institutions to draw upon and forms of support such as mentorship programmes and better signposting initiatives.

Remove the common bond and credit broking barrier to affordable credit.

Community finance providers should work with regulators to relax the common bond and remove the credit broking barrier to enable charities, businesses and community organisations to increase access to affordable credit. This would be unlocked by the Government expanding its existing exemption for Registered Social Landlords to all appropriate organisations.

[See the full white paper for all of our proposed recommendations.](#)



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Download the full white paper here