

2024 AGM Questions and Answers

Responses to questions raised by members, both in advance of and at the AGM, are published below. Thank you to all our members who submitted questions.

Auditors Report

Question: Is it a requirement for the Auditor to attend the AGM?

Response: There is no legal requirement for the Auditor to attend. Generally, the Society's Auditor would be represented, but due to unforeseen circumstances was not in attendance this year. The Auditor's report is available in the Society's 2024 Report & Accounts available on the Society's website.

Annual Report & Accounts

Question: For such a large turn-over the profit margins seem very modest. Do the directors think this is a comfortable place for the Society to be in when so much investment in new technology is needed to provide on-line facilities for customers?

Response: The current levels of profitability are modest. Historically the Society has been run as a lower profit business to maximise the return to investing members. Going forwards, and once we complete this investment period, we expect profits to grow more quickly in order to replenish capital and provide for greater financial resilience.

Directors Remuneration Report

Question: The Business Review indicates that Performance Related Pay is based upon key performance targets (KPTs) and measures which are set at levels to incentivise exceeding the planned performance of the Society over the short period.

What sort of planned performances and other measures are formally established against which KPTs are subsequently formally evaluated?

Response: Key performance targets are set annually. There is a strong preference for any scheme to include targets that can be objectively measured and that at least achieve the business plan metrics. The Remuneration Committee design the incentives schemes and set targets and then review achievement. The scheme for the year to October 2023 included targets related to growth of mortgage assets and IT transformation. All of our schemes are discretionary.

IT Platforms

Question: With regard to the new IT platforms which are being developed please can you confirm what this will provide for Savings customers?

Response: The benefits from making the IT investment will fall into three main categories:

- Better services for members including internet access although this will not be in phase one
- Improved efficiency for our employees removing repeat tasks and creating more time to serve customers
- Future IT development to add new member services will be more agile

The first phase will not include internet access for members, this is to reduce the complexity of the change being managed. Once we have completed this we will work on releasing services to members including:

- Managing balances
- Moving funds back to bank accounts
- Applying for new savers accounts and mortgages
- Applying for bonds or expressing preferences on bond maturity
- Selecting your next mortgage product

Passbook based accounts will still be available. As a strategy the Society will continue to support being in the community.

We have no plans to develop an app but it is in our considerations to introduce one. We would start with browser access to the services.

Question: Is the IT software being developed specifically for the Society?

Response: The technology is not being built specifically for the Society. The mortgage system is already, and the savings system will be, used by other societies. The Society is taking the system as it works already rather than it being bespoke.

Question: With regard to security, will online access make customers more vulnerable to scams; and will members have to provide photos and ID to access the systems?

Response: The first phase of this change will not bring anything online. The system will go through extensive testing before online access is launched. However, whilst the Society will do what it can to protect members, no organisation can wholly safeguard individuals from scammers.

Subsequent phases of development will allow members to submit photos and other ID documents. The online system is designed to be convenient, but members will still have the option to come into branch if they prefer.

General Matters

Question: Please explain the Society's work with Fairlife, a financial standards charity, and the aims of this arrangement

Response: The Fairlife trademark is awarded by them based on the Society agreeing to follow a series of principles as a pledge to price honestly and trade fairly with our customers. Put simply the principles they have set are about being clear on rates paid, any conditions that apply and costs to pay.

It is not an endorsement of the Society by Fairlife but more an affirmation by The Loughborough that we will carry out product design in accordance with some clearly stated principles.

Question: What is the directors' position(s) on Central Bank Digital Currencies?

Response: The Society has no plans to use or encourage members to use crypto currencies.

Question: What is the Society's position on managing abusive behaviour?

Response: Our staff and members have a right to feel safe. We have a zero tolerance for abuse. As a general statement anyone who is abusive to staff or other members will have their account closed.