

Motion 1 – The Money Co-op merger with Metro Moneywise Credit Union

1. The proposed merger

The Money Co-op and Metro Moneywise Credit Union Boards of Directors have agreed in principle to a strategic merger designed to increase member benefits, enhance financial strength, and take advantage of the combined scale of two respected and well-established credit unions.

The proposed merger would bring together two member-focused organisations with shared values, and a deep commitment to improving the financial wellbeing of members. The combined credit union would operate under the name **The Money Co-op** which aligns with Metro Moneywise Credit Union's roots in Rochdale, the birthplace of the Co-operative movement.

Key benefits for members would be stronger financial stability through combining assets and resources giving the potential for a wider range of competitive loan and savings options with improved digital services through technology investments.

What will not change for members:

- Members will continue to save and borrow as normal, including via payroll deduction
- Members will continue to manage their accounts online through The Money Co-op mobile app and website, and will continue to be able to contact us via telephone.
- Governance will remain democratic, members voting rights will not be affected

Members will be asked to approve the merger at the upcoming Annual General Meeting (AGM).

The Board of Directors of The Money Co-op unanimously recommends the merger as being in the best interest of our members.

2. Why is the merger being proposed

The financial services market is changing rapidly, and member expectations are rising just as quickly. People expect fast, digital, convenient financial services that are available around the clock.

Meeting these expectations requires significant investment in technology, systems, and skilled staff, and such investment is increasingly difficult for smaller credit unions to sustain alone.

At the same time, competition in our core market has intensified. New pay-advance providers and Buy Now Pay Later (BNPL) companies are offering quick, app-based access to credit, often with slick digital journeys and heavy marketing. These services are attracting many of the very members credit unions have traditionally served. While these products can appear convenient, they often come with risks, including high fees, short repayment cycles, and the potential for financial strain.

To remain a strong, trusted alternative, The Money Co-op needs the scale to compete effectively with these new providers. Indeed, we believe that consolidation across the credit

union movement is essential if the sector is to grow, strengthen, and prosper in the years ahead. For this reason, the Board and Senior Management Team have been proactively seeking a strategic merger partner.

The proposed merger would bring together two member-focused organisations with shared values, and a deep commitment to improving the financial wellbeing of members.

3. About Metro Moneywise Credit Union

Metro Moneywise Credit Union was founded in 1990 for employees of Rochdale council and has expanded to include individuals working in the health, social care and education sectors.

Metro Moneywise serves 8,500 active members and has assets of £13m. It is a well-established and financially strong credit union, delivering exceptional levels of member service – both online and by phone - and offers a broad range of saving and lending options.

4. What the Combined Credit Union Will Look Like

If approved, The Money Co-op's members will become members of Metro Moneywise Credit Union, operating under the name **The Money Co-op**. The merged organisation will:

- Offer a broader range of savings and loan products
- Invest in technology to provide improved digital services to all members
- Maintain a strong focus on member service and community impact
- Be governed by a combined Board with representation from both organisations (subject to regulatory approval)

The transition will be carefully managed to ensure continuity of service.

5. Financial and Regulatory Considerations

The merger will follow the formal Transfer of Engagements process under the Credit Unions Act. Both credit unions have undertaken due diligence, and the financial position of Metro Moneywise has been reviewed by The Money Co-op's Board.

The merger is subject to approval by:

- The Money Co-op's members
- The Prudential Regulation Authority (PRA)
- The Financial Conduct Authority (FCA)

What are the key dates for members:

January 2026 AGM: We are asking members to vote in favour of the proposed transfer of engagements at The Money Co-op **Annual General Meeting on the 26th January 2026**.

February 2026 SGM: If a majority of members support the proposal, the next step in the regulatory process will be a **Special General Meeting in February**, where we will again seek member's approval to proceed with the merger and formal transfer of engagement.

Summer 2026 Merger: Following members voting in favour of the transfer of engagements at the February SGM we will begin the final regulatory approval process with the regulator, with completion of the merger expected around the middle of the year.

6. Risks and Mitigations

All mergers carry some risks. The Board has considered these carefully:

Risk	Mitigation
Integration of systems and processes	Detailed migration planning and support from both organisations
Member concerns about change	Clear communication and reassurance throughout the process
Cultural alignment	Shared cooperative values and member-focused ethos

The Board is confident these risks are manageable and outweighed by the benefits.

7. Board Recommendation

The Board of Directors of The Money Co-op unanimously recommends that members vote **in favour** of the proposed merger with Metro Moneywise. We believe this is the best way to secure a stronger, more modern, and more sustainable credit union for our members.

8. How to Vote

Members will be asked to vote on the merger at the AGM:

- **Date:** 26th January 2026
- **Time:** 12:00 – 1.30pm
- **Location:** The AGM will be held online using the **GoTo Webinar** platform, hosted by **ABCUL (the Association of British Credit Unions)** To attend, please register in advance by clicking the link below:
<https://register.gotowebinar.com/#register/7185171500163275865>

9. Frequently Asked Questions

Will my savings remain safe?

Yes. The merged credit union will be financially stronger which provides added security for savers. In addition, all savings will continue to be protected by the FSCS up to £120,000.

Will my loan change?

No. Your loan terms will remain exactly the same.

Will the credit union still be member-owned?

Yes. The merged organisation will remain a credit union owned by its members.

Why can't The Money Co-op stay independent?

Remaining independent would limit our ability to invest in digital services, expand our product range, and remain competitive. The merger strengthens our future.

What happens if members vote no?

The Money Co-op would continue operating independently, but the challenges outlined in this paper would remain.

Will there be any staff redundancies?

No, both Boards have committed to no permanent members of staff being made redundant.

What is a Transfer of Engagement?

A Transfer of Engagement is the technical term our regulators use for a merger of credit unions. A Transfer of Engagement simply means one credit union moves all its members, staff, savings, loans, monies, assets and services into another credit union.

Which credit union will be completing the Transfer of Engagement?

The Co-operative Family Credit Union (operating as The Money Co-op) will be completing a Transfer of Engagement to Metro Moneywise Credit Union, which will operate as The Money Co-op following the transfer.

Could the transfer of engagement be from Metro Moneywise to The Co-operative Family Credit Union (operating as The Money Co-op)

We are similarly sized credit unions and there are no material operational advantages to completing the Transfer of Engagements in one direction over the other, and both Boards have agreed that the combined credit union will operate as The Money Co-op. The proposal for the Transfer of Engagements to be made to Metro Moneywise Credit Union ensures that their staff team can retain their existing pension arrangements, which would not be possible if the transfer were structured the other way around.