

streetUK  
FOUNDATION

# SOCIAL IMPACT REPORT

2021



# Word from the CEO

Dear Friends,

There have been some exceptional events in recent times that have had a profound impact on people from all walks of society. COVID-19 and its impact on low-income households has been particularly significant. The customers we aim to help have felt the brunt of the pandemic and other socioeconomic events, leaving them in a worsened situation both financially and from a health and wellbeing perspective.

In this year's report we share with you some of our customers' experiences through this period, the continued challenges they face, and why the services provided by Street UK are an essential lifeline for struggling households. What we offer goes beyond affordable credit: we provide the budgeting advice and support they need to become more financially-empowered and resilient.

The impact of the pandemic on Street UK and the wider affordable credit sector has been significant and is a challenge to which we are responding by making our services more accessible, both during and after the pandemic.

We believe that the exit from the market of some high-profile lenders means there is a real need across the country for organisations such as Street UK to support individuals and households who struggle to access mainstream credit. Therefore, we have continued to expand our geographic reach beyond the West Midlands.

I would like to thank the team at Street UK for their efforts and support during a very difficult period and extend my gratitude to our investors and financial supporters for their help.

There is still much to be done, but the support demonstrated during the pandemic gives us hope that there is a better future around the corner.

I hope you enjoy reading this year's report.

**Kashaf Ali** CEO, Street UK Group

**streetUK**  
the affordable finance company

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# Executive Summary

Into its third decade, Street UK continues to provide essential financial services to those excluded by mainstream financial provision.



**During a difficult economic period with the still-ongoing impact of austerity, new challenges from the pandemic and significant changes to the high-cost lending market, Street UK has maintained a high level of flexibility so as to sustain its social impact during a period of acute strain for those facing financial exclusion.**

Our omni-channel approach enables customers to access our services, without which they could otherwise struggle to obtain credit from mainstream providers leaving them exposed to high cost, and potentially predatory lenders.

Customers turn to us to finance essential expenditure including home improvements, seasonal expenses and a multitude of other personal needs. In addition to affordable credit, Street UK supports its customers by providing advice to improve their budgeting skills and recommendations to upgrade their credit profiles – all of which ultimately leads to better financial health and wellbeing.

This year, in addition to the usual elements you might expect to read, our customers' own stories form the central part of our social impact report. In discussing trends and our intended societal impact, we decided it was pivotal to include personal and qualitative insight through these customer experiences. We want to provide our readers with a first-hand account of how our customers are striving to access affordable credit and navigating their lives through and after the pandemic. We have also conducted a customer survey so we can learn from a greater breadth of personal perspectives.

We would like to extend our gratitude to those who have supported and contributed to Street UK's past and continued achievements. We hope you appreciate the qualitative focus of this year's report and that it is successful in drawing attention to the personal stories underlying our social objective.



# Customer Stories

For this year's report, we have invited our customers to share and discuss their perspectives and challenges, to provide us with a fresh insight into the community we serve.

It is vital to remember that behind any economic trend or statistical analysis there are real people and their families. The COVID-19 pandemic has resulted in huge disruption, upset and worry among many in our community who face financial exclusion.

Overall, personal wealth has grown during the pandemic but unsurprisingly the benefits have been heavily skewed: the wealth increase enjoyed by the richest 10% of society is 500 times that of the poorest 10% <sup>[1]</sup>. As a number of high-cost lenders have exited the market, it is estimated that an additional 3 million individuals have found themselves excluded from traditional lenders since the start of the pandemic <sup>[2]</sup>.

Social studies have found that, while levels of anxiety and depression have fallen since lockdown restrictions have been lifted, they have not improved as quickly for individuals with pre-existing mental health conditions or those on a lower income <sup>[3]</sup>.

We want to reveal the personal perspectives behind the trends discussed in this report. The stories that follow illustrate the strength of the relationships we build with our customers.





## Marie

47 – FULL-TIME CARER

**Marie is a carer for her elderly mother and has received support from Street UK to help with essential home improvements. Marie had previously applied for credit with her bank but was turned down.**

Having looked around for alternatives Marie opted to apply to Street UK rather than doorstep lenders – partly because of price but also because she did not want someone knocking on her door.

Marie was initially daunted by the application process because of her lack of awareness of technology, but she was supported through the application process by our Customer Service Team and is now able to manage her loan via a self-service portal. Marie told us that managing her loan online was not something she had ever considered in the past. But that, coupled with our budgeting advice and support, means she now feels she has greater control over her loan and all her finances.

## Donna

55 – GRANDMOTHER

**Donna applied for a loan to help pay off some existing high-cost debt to place her in a more stable financial position. Following a recent operation, Donna has a compromised immune system and has been advised to avoid social contact where possible.**

Spending more time at home resulted in a change to her shopping habits and higher than normal expenditure. Donna approached Street UK for a loan to help clear some of her existing debt, while our budgeting advice and support has helped her to become more financially secure and digitally included. Donna has also started to manage both her Street UK loan and her bank account online and says that Street UK has helped her achieve this newfound confidence.

**“The advice Street UK gave helped to improve the way I manage my money”**



# Jayne

55 – PART-TIME STUDENT



Jayne suffers from bipolar disorder so the COVID-19 pandemic made the last 12 months quite challenging. Jayne found it difficult to wear a face mask and the inability to socialise deprived her of one of the ways she deals with her mental health. Jayne's support network was disrupted as psychiatrist sessions changed from face-to-face to telephone appointments.

During the pandemic her spending habits also changed. Travel costs and outgoings reduced but her purchases with online retailers and her telecommunications costs increased. As she spent more time at home, Jayne needed to make some repairs and improvements to her property and successfully applied for a loan with Street UK.

Jayne is now scheduled to enrol on a course to help her study to become a journalist. As she is in receipt of job seeker's allowance, attaining such a qualification will hopefully help set her on her way for a rewarding career.

"The loan has helped towards home improvements which meant I had a safe and improved home during COVID-19"



# Roseanna

30 – SINGLE PARENT

**Roseanna is a single parent of three children: two boys and one daughter. One of her children suffers from autism and had recently been diagnosed with ADHD. This news compounded the challenges Roseanna faced as a result of COVID-19.**

As a recipient of legacy benefits, Roseanna did not benefit from the £20 per week uplift to Universal Credit. She struggled, therefore, to manage her daily finances, but also needed to make modifications in the house for her child because of the recent diagnosis.

Roseanna approached Street UK and was approved for a loan to help fund the changes required. The result is that her child has a space in which their mental health and sensory needs are appropriately supported. Without the loan from Street UK, Roseanna says she would have had to go to a high-cost lender as she has previously been declined by her bank.



“The loan helped to support us during a difficult time”



“If Street UK did not help me I would have gone without”



# Mulkh

59 – FAMILY MEMBER

**COVID-19 affected Mulkh’s family finances significantly. He had previously used Street UK for credit so when he needed to purchase furniture for his house, Mulkh got back in touch with us.**

Mulkh’s circumstances had changed in recent times, and so he was in receipt of employment benefits which affected his ability to get a loan from his bank. A loan was needed to purchase furniture for the house to maintain decent living standards. In addition to affordable credit, Street UK also provided Mulkh with COVID-19 related budgeting advice and support.

# Customer Survey

For this report we asked our customers to give feedback, as part of our commitment to continuous improvement in our services.

As well as the customer stories presented on the previous pages, we have also collated customer survey results to give us a breadth of perspectives and enhance our ability to focus our services on customers' needs.

Almost half of the respondents said that if they had not obtained a loan from Street UK, they would have had to turn to a high-cost lender.

While the pandemic has undoubtedly impacted many people's financial position, 52% in our survey said that COVID-19 has not affected their finances. That, however, was because of the additional support offered by the Government, food banks and free school meals.

**48%**

of respondents stated that if they had not obtained a loan from Street UK, they would have turned to a high-cost lender.

**68%**

strongly agreed that they would recommend us to their friends and family.

**83%**

agreed or strongly agreed that we provided advice and support with maximising their income.

**85%**

agreed or strongly agreed that we supported them with improving their credit report.

**65%**

strongly agreed that our loan application was simple and easy to complete.

**63%**

strongly agreed that our repayment flexibility made their loan easier to repay.



Respondents gave positive feedback with regards to our services: 68% strongly agreed that they would recommend us to their friends and family, 83% agreed or strongly agreed that we provided advice and support to help them maximise their income whilst 85% agreed or strongly agreed that we supported them with improving their credit report.

We are pleased to report that 65% strongly agreed that our loan application was simple and easy to complete. A similar number strongly agreed that our repayment flexibility made their loan easier to repay, demonstrating our commitment to customers' wellbeing.



# Impact in Numbers

Every year Street UK collates and shares data regarding our customer demographic. This allows us a greater quantitative understanding about those we have assisted over the last year.

Between 2020-2021 Street UK provided loans to 1482 customers. Of these, 77% were female and 23% were male. Just over half were single parents with dependent children.

Most of our customers (60%) were unemployed whilst 70% were social housing tenants. A fifth declared that they had disabilities. Two-thirds received less than £1999 in income per month. For those in work, full and part-time employment made up 13% and 20% respectively. In terms of age, 46% of our customers were aged 34 or below.

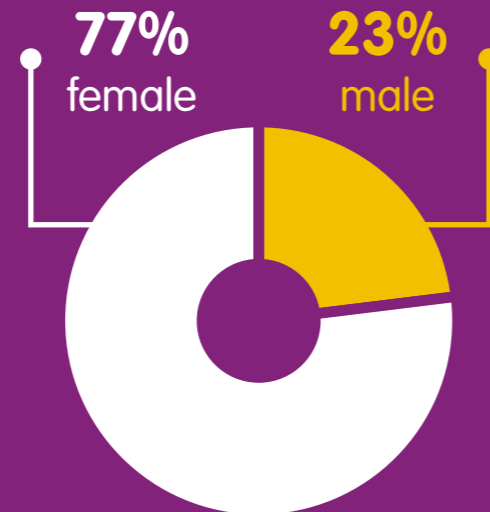
Loan purposes varied but the most common were home improvements (28%), Christmas (19%) and – despite COVID-19 – holidays (12%).

Loans from Street UK resulted in an average saving of £375 per customer compared to well-known doorstep lender who operated during this period.

2020-2021

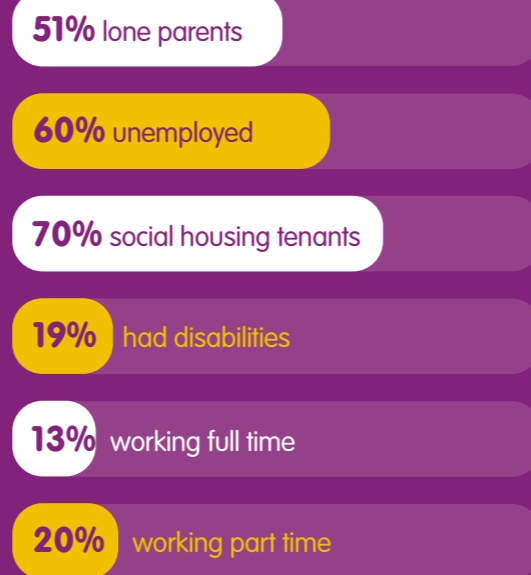
## Number of customers

1482



2020-2021

## Customers' circumstances



2020-2021

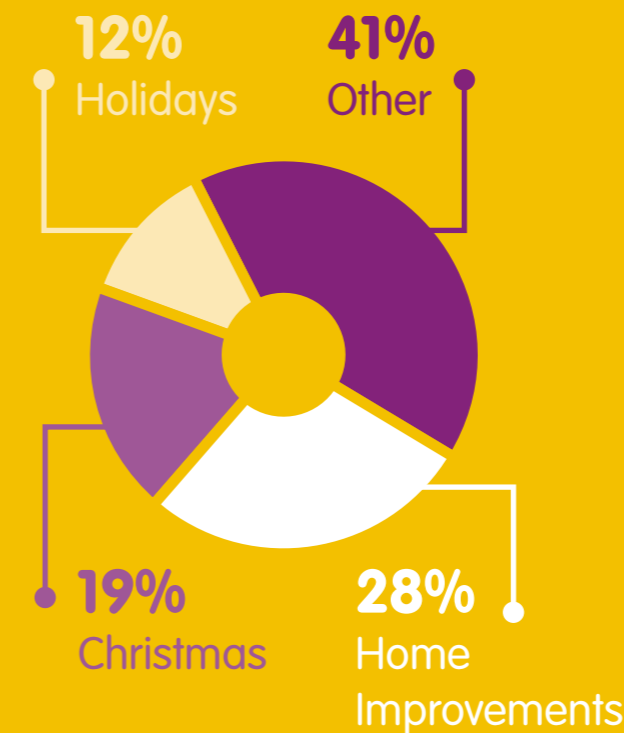
## Customer income

65%



2020-2021

## Purpose of loan:



2020-2021

## Customer age

46%



2020-2021

## Customer savings



per customer to a prominent doorstep lender who operated during the period.

# Word from the Chair

**Whether for better or for worse, some events can be life changing. For our target beneficiaries – people of limited means, already under financial pressure, now in need of credit but with very few options as to where to get it – the events of 2020-21 have mostly been for the worse.**

For some people, the COVID-19 pandemic and the Government's responses to it have provided an opportunity to pay down debts and ease some of their financial pressures. But the majority have experienced no easing, despite extra support, and for some their challenges have just been compounded.

The withdrawal of some high-cost lenders from the market has reduced the options available to those who are financially excluded, while lockdowns have restricted access to services such as our own. Unfortunately, we have seen an increase in the percentage of applicants we have to turn down because their finances are under such pressure that we couldn't responsibly lend to them.

Nevertheless, we have managed to help nearly 1,500 customers with loans to meet urgent needs, alleviate living conditions, help provide for children or smooth out differences between income and expenditure. Even though the loans we make are relatively small, they often make a big difference by helping to prevent an urgent need turning into a negative life-changing event.

The events of the past year have not just affected our customers; their effects on us as an organisation are very likely to be life-changing – for the better. And they will need to be so if we are to continue having a beneficial social impact. The periods of lock-down severely disrupted our branch service channel and we had to flex to suit.

We've seen a change in the ways that prospective and existing customers prefer to apply and communicate with us. At the same time, we've been developing our telephone and digital capabilities. 2020-21 has been a very challenging year. We want to do so much more for more people in coming years. We are making changes now with the aim of increasing our social impact tomorrow.

**Steve Johnson**  
Chair, Street UK Group



**Street UK**



4.8/5



Independent Feedback based on 1188 verified reviews.



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### (1) The Resolution Foundation:

<https://www.theguardian.com/business/2021/jul/12/uk-wealth-gap-widens-in-pandemic-as-richest-get-50000-windfall>

### (2) Fair4All Finance:

<https://www.ft.com/content/72b3e83a-4e6e-479d-b5df-e5c572e7d477>

### (3) UCL COVID-19 Study:

<https://www.health.org.uk/news-and-comment/blogs/emerging-evidence-on-covid-19s-impact-on-mental-health-and-health>



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