

Mutuals Registering Authority Report

December 2025

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Chapter 1

Introduction

- 1.1** The mutuals sector in the UK is strong. We see over 8,400 co-operative and community benefit societies collectively holding £223bn in assets, with more than 12 million memberships. Social clubs and allotments are the most common co-operatives registered with us. Retail consumer co-operatives are the largest sector economically. Community benefit societies cover a range of activity. Housing associations hold most assets, with community land trusts and community pubs leading the growth in new registrations.
- 1.2** We highlight how most credit unions are serving the needs of members in a local area and show the breadth of activity covered by friendly societies. The building societies sector has increased in size and plays an important role in the mortgage market.
- 1.3** We are making recommendations, and taking steps, to support the sustainable growth of mutual societies. It will be quicker to start-up societies. Costs for existing societies making applications to us will reduce, as we remove most statutory declarations. Support will also be available through our Mutual Societies Development Unit.

Summary of recommendations and next steps

- 1.4** Based on our role and the work we have undertaken to produce this report, we have identified a proposed set of recommendations designed to support the sustainable growth of the mutual societies sectors. They draw on our engagement with the sector, both in the UK, and internationally. We have considered academic research, especially on network structures and the factors that support the wider ecosystem. We also reflect on the important role of the law, including our recent engagement with the Law Commission.
- 1.5** Increasing visibility can help the sector's growth. We aim to contribute to this through our work enhancing the availability of statistical information, and improvements to the Mutuals Public Register. We have challenged ourselves to find ways to reduce operating costs, and increase the speed of decisions, and we set out the steps we are taking. Finally, we share how we will engage with the sector and share knowledge to support development.

Networks and support

- 1.6** There are some examples of successful networks and secondary structures in the UK. However, the **sector could go much further in using networks and secondary structures to deliver growth**. The Saint Mary's University report shares examples of networks from mutual sectors in other countries where this has proven successful. Much of this needs to be delivered by the sector itself. But we are committed to engaging with the sector to support this.

- 1.7** Mutuals are self-help organisations, established to meet their members' needs. Historically practical support, whether from government funding or policy incentives, sector activity, or a combination, has increased registrations. Many of these registrations are long-lived.
- 1.8** We recognise the importance of sponsoring bodies, and those providing practical business support. Practical business support is often delivered by specialised co-operative business development workers. Growth could be supported by increasing the available business support.
- 1.9** There is wider work underway supporting the growth of mutuals. From the UK Government, there is a Call for Evidence from the Department of Business and Trade, and HM Treasury has confirmed it will bring forward a package of growth-focused reforms to credit union common bonds in Great Britain. In Scotland, work on Inclusive and Democratic Business Models sets out recommendations to support the sector. The Welsh Government, though Social Business Wales and wider work with Cwmpas have set out support for co-operatives and mutuals. The Department for the Economy in Northern Ireland is reviewing credit union law, and has provided funding to boost co-operative research and awareness.

Law

- 1.10** Modern and up-to-date legislation is important to support the sector and its growth. We welcome the work by the Law Commission to review the Co-operative and Community Benefit Societies Act 2014, and the Friendly Societies Acts 1974 and 1992. We have engaged extensively in those reviews, through formal responses and ongoing input. We are committed to supporting the development of legislation that follows. We **will also consult on updates to our Registration Function under the Co-operative and Community Benefit Societies Act 2014 Guide (RFCCBS)**.
- 1.11** We set out the challenges with the Credit Unions Act 1979 later in this report. **We recommend the Credit Unions Act 1979 be reviewed.**
- 1.12** Existing legislation allows for the 'assimilation' of society law to bring it in line with recent company law changes. For example, the relaxation of audit requirements. Where this has been done, there are significant variations in time between the change in company law, and its assimilation to society law. **We believe there is merit in having a process in place for timely consideration of appropriate company law changes, for assimilation to society law.**

Systems and data

- 1.13** Improved visibility of mutuals could support growth. We hear from the sector, and see evidence of, the design of systems, forms etc are on the basis that all firms are using a company legal structure. We will **work with other parties such as public bodies to help give societies parity of treatment with companies**.

- 1.14** We will enhance the Mutuals Public Register to increase the amount of machine-readable information that is freely available to the public. Initially, this will focus on financial information submitted through annual return forms. We **are also making available the statistical classification information used for co-operatives and community benefit societies in this report through the Mutuals Public Register.**

Cost and time

- 1.15** We have sought to reduce the costs of interacting with us. In 2019, we removed our annual fee for societies. We've previously required a statutory declaration to be made on many applications to us. **We believe there is benefit, and a cost saving, in removing this requirement,** and set out our intentions to do this in Quarterly Consultation Paper CP25/24. This consultation closed on 15 October 2025.
- 1.16** Most respondents were in favour of our proposals. Those opposing the proposals generally felt the statutory declaration was useful in rule amendments to help make sure boards had member approval for the change. We believe we can achieve this outcome through a more proportionate step of asking for that confirmation (without a statutory declaration). So we will be removing statutory declarations not required in legislation.
- 1.17** As well as reducing cost, we've explored ways to speed up applications. We have a longstanding target of 15 workings days for applications. Where people apply to set up societies using a set of model rules, and submit that application through the Mutuals Society Portal, we can move faster. **We are now committed to reducing that time by 33%, processing those applications within 10 working days to encourage a greater number of new society registrations.** We will strive to do this immediately and commit to achieve that from 1 April 2026 onwards.
- 1.18** We will also continue our discussions with sponsoring bodies on how we can further speed up decisions on other types of application. This can be achieved by reducing interactions on applications, whether this is through better explanations, or improved clarity in our forms.

Knowledge and development

- 1.19** We have longstanding experience as a registering authority across 7 pieces of mutuals legislation. We can use this experience to support public authorities and governments across the UK in their consideration of mutuals. As historic growth in the society model has come from discrete policy initiatives (eg housing, agriculture, etc), we feel this is of particular value. **We are launching the Mutual Societies Development Unit** as a step to deliver this. The unit will engage with policymakers, academics and researchers, think-tanks, trade bodies and others on policy and understanding relating to mutual societies.
- 1.20** Through this work, we will continue to explore the creation of a Statement of Recommended Practice (SORP) for co-operative accounts, to help facilitate the right supply of accounting expertise to the sector.

- 1.21** As part of the unit, we will support the sector as it works to develop new models such as by harnessing technology, creating networks or secondary structures, and raising capital. Where ideas relate to financial services regulation, mutuals can continue to use our support services, including our Innovation Pathways. More generally, we will now **offer a pre-application support service, including at the ideas stage, from within the mutuals registration function.**
- 1.22** We remain committed to working as part of the wider ecosystem to support the sustainable growth of the mutual societies sectors. We will be proactive in identifying opportunities to help deliver this.

Chapter 2

Overview

2.1 In this report we assess the mutual societies landscape. We:

- Set out the legislation relevant to societies registered by the FCA.
- Analyse trends in the data on mutual society activity and registration.
- Categorise the sector in detail to show the diversity of activity in the sector.
- Make observations and recommendations to support the sector.

2.2 Our report is relevant for:

- mutual societies
- trade bodies
- advisors
- researchers
- policymakers

Alongside this report we are publishing, jointly with the Prudential Regulation Authority (PRA), a report assessing mutuals in financial services.

Our role

2.3 We are the registering authority for mutual societies in the UK. The term 'mutual societies' refers to mutuals registered under mutuals legislation (see Table 1).

2.4 Our registering authority function is distinct from our role under the Financial Services and Markets Act 2000 (FSMA). We explain the interaction between societies and financial services in annex 1 to this report. Our registering authority role includes:

- Registering new societies.
- Reviewing and registering amendments to governing documents (rules).
- Registering transfers of engagements (mergers).
- Receiving and publishing annual returns and accounts.
- Acting to tackle non-compliance with mutuals legislation.

2.5 Our Mutuals Public Register is the definitive information source for mutual societies. It includes documents from the original registration of a society to the present day. We will continue to publish data on the Mutuals Public Register, to improve the richness of the data available on this sector.

2.6 We also provide support and regular updates on our registering authority activities, to both registered societies and those seeking registration.

Mutuals legislation

2.7 Mutual societies have a long history in the UK, making the sector’s legislative landscape varied and complex. This landscape supports many different business models and businesses that have unique features.

Table 1 – Societies by registration act

Legislation	Number of societies	Percentage
Co-operative and Community Benefit Societies Act 2014	8,213	85.4%
Co-operative and Community Benefit Societies Act (Northern Ireland) 1969	224	2.3%
Credit Unions Act 1979	275	2.9%
The Credit Unions (Northern Ireland) Order 1985	61	0.6%
Friendly Societies Act 1974	772	8.0%
Friendly Societies Act 1992	25	0.3%
Building Societies Act 1986	42	0.4%
Total	9,612	100%

The data above, and throughout this report, is as at 31 March 2025 (unless otherwise stated). The data source (unless otherwise stated) is the Mutuals Public Register. We publish a yearly update on the mutuals registration function, including a statistical breakdown. The Mutuals Annual Update 2024-25 has more details.

Co-operative ecosystem

- 2.8** The legislation and our role as a registering authority are two parts of the wider ecosystem. We commissioned research from the Centre of Expertise for Cooperative Entrepreneurship, at KU Leuven in Belgium, to set out a ‘co-operative entrepreneurial ecosystem’. This describes 5 interconnected parts: the policy and regulatory framework, education and skills, the market environment, culture, and networks. Different parties work in each area. We, as the registering authority, have an important role to play.
- 2.9** Another valuable part of the co-operative ecosystem is the large number (30+) of representative or sector bodies. These are known as ‘sponsoring bodies’, because they produce (sponsor) model rules for societies to use. Some organisations are sector-specific, others work with mutuals across all sectors. We meet with these bodies regularly. Sponsoring bodies are an example of networks to secondary structures supporting this ecosystem, and hence its growth.
- 2.10** The co-operative sector is international, with 2025 being the United Nations International Year of Co-operatives. Reflecting this, we also commissioned research from the International Centre for Co-operative Management at Saint Mary’s University in Canada, given their international expertise and leading role in the development of work on co-operative networks. That research brings to life the important role of networks, as part of the co-operative ecosystem, through a range of examples from different jurisdictions.

Scope and definitions

- 2.11** There is no legislative definition of a 'co-operative' or 'mutual'. This report covers all mutual societies registered under the mutuals legislation. While some of these provide financial services, most do not.
- 2.12** It is important to note this report does not cover the whole UK co-operative and mutual landscape. Some co-operatives and mutuals use other legal structures, such as companies or partnerships, registered with Companies House. Some are unincorporated associations which may not be on any public register. Co-operatives UK, as a national body for the co-operative sector, provide data on these. As we have no role in relation to those entities, we have not covered them in this report.

Chapter 3

Co-operative and Community Benefit Societies

- 3.1** Co-operative and community benefit society legislation is in part devolved:
- Great Britain: Co-operative and Community Benefit Societies Act 2014
 - Northern Ireland: Co-operative and Community Benefit Societies Act (Northern Ireland) 1969
- 3.2** These acts are broadly the same. Before commencement of the Co-operative and Community Benefit Societies Act 2014 on 1 August 2014, societies in Great Britain were referred to as 'Industrial and Provident Societies', under a long line of legislation by that name dating back to 1852. Legislation in Northern Ireland was similarly updated with effect from 6 April 2018.
- 3.3** Three different types of society are registered under these acts:
- Registered societies (referred to in legislation as 'pre-commencement societies' for societies in Great Britain registered before 1 August 2014, or 'pre-2016 Act societies' for societies in Northern Ireland registered before 6 April 2018). These are registered as meeting the conditions for registration of either conducting business for the benefit of the community or being a co-operative.
 - Co-operative societies (registered from 1 August 2014 in Great Britain, or from 6 April 2018 in Northern Ireland)
 - Community benefit societies (registered from 1 August 2014 in Great Britain, or from 6 April 2018 in Northern Ireland)
- 3.4** Our Handbook provides guidance on the legislation: RFCCBS.
- 3.5** These societies deliver a diverse range of economic activity. Consumer co-operatives, like co-operative food shops seen throughout the UK, are longstanding. We've also seen innovations in the co-operative form. For example, through local authorities and the private sector co-operatively managing the installation and use of fibre broadband.

Statistical classifications

- 3.6** We record Standard Industrial Classifications (SIC) codes of economic activity. We use the same Office for National Statistics (ONS) condensed list as Companies House. In 2023, we applied an additional 'reporting classification' to reflect the characteristics of societies. This data is available for each society through the downloadable extract of the Mutuals Public Register.

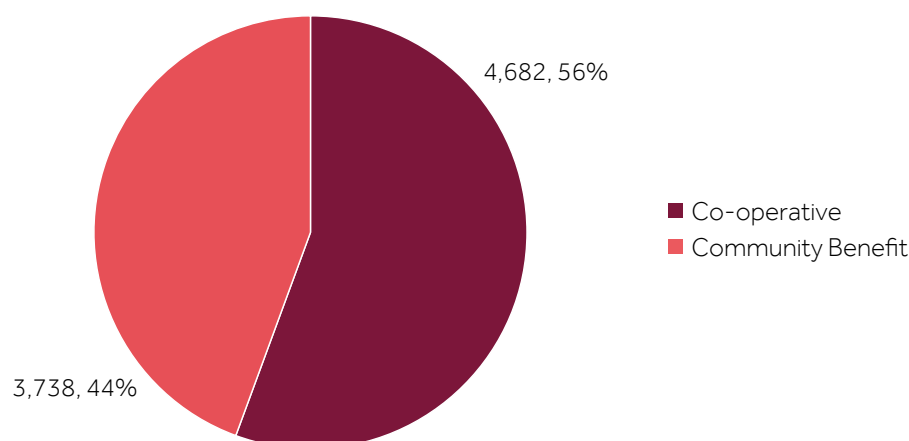
Chart 1 – Societies by reporting classification (%)



- 3.7** The largest categories of societies are social clubs and housing (both 26%) (Chart 1).
- 3.8** Societies registered since 2014 (or 2018 in Northern Ireland) are registered as either a 'co-operative society' or 'community benefit society' (the 'conditions for registration'). For the 'registered societies' before then, there has previously been no publicly available statistical data on which condition for registration they were registered as meeting.
- 3.9** For this report, we classified the 'registered societies' as being more closely aligned to either the co-operative society, or community benefit society, condition for registration. **We are publishing this data on the Mutuals Public Register to coincide with the publication of this report.**

- 3.10** This classification data is indicative, for reporting and analytical purposes. It is best used at an aggregated level as many societies were registered before the conditions for registration existed. The conditions appeared through the Prevention of Fraud (Investments) Act 1939. Over time, some societies have transitioned from the co-operative condition to the community benefit condition. The rules of a society best determine which condition for registration the society meets. Our classification of the condition for registration is based on Chapters 4 and 5 of RFCCBS guidance. As set out in that guidance, we do not regard community benefit societies as co-operatives.

Chart 2 – Societies by Co-operative or Community Benefit Classification



- 3.11** More than half of the societies (56%) are registered to meet the co-operative condition for registration (Chart 2). Table 2 below provides a further breakdown of these society types by reporting classification.

Table 2 – Societies by reporting classification split by co-operative or community benefit condition (% of row total)

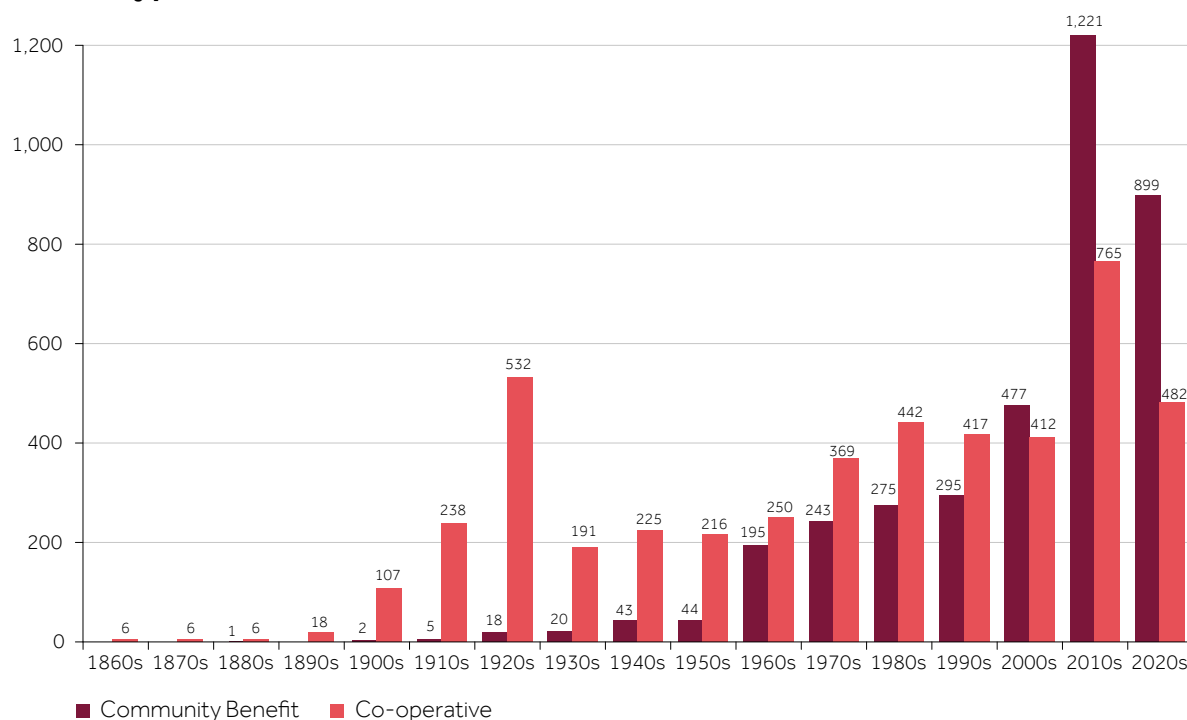
Reporting classification	Community Benefit	Co-operative	Total
Advocacy and campaigning	54 (80.6%)	13 (19.4%)	67
Agriculture	64 (18.3%)	285 (81.7%)	349
Allotment and gardening	8 (2.5%)	311 (97.5%)	319
Art, culture and education	210 (72.4%)	80 (27.6%)	290
Associations and networks	24 (42.1%)	33 (57.9%)	57
Community Enterprise	158 (90.3%)	17 (9.7%)	175
Community Land Trusts	301 (100%)	0 (0%)	301
Community pubs	275 (97.5%)	7 (2.5%)	282
Community shops	311 (98.7%)	4 (1.3%)	315
Energy and environment	302 (77.0%)	90 (23.0%)	392
Financial Services	30 (71.4%)	12 (28.6%)	42
Fishing	0 (0%)	46 (100%)	46
Health and social care	74 (79.6%)	19 (20.4%)	93

Reporting classification	Community Benefit	Co-operative	Total
Housing	1,332 (61.0%)	850 (39.0%)	2,182
Leisure and recreation facilities	82 (79.6%)	21 (20.4%)	103
Manufacturing and services	11 (19.3%)	46 (80.7%)	57
Produce markets	7 (8.1%)	79 (91.9%)	86
Professional services	11 (19.3%)	63 (85.1%)	74
Retail societies	33 (27.0%)	89 (73.0%)	122
Social clubs	19 (0.9%)	2,202 (99.1%)	2,221
Sports clubs	153 (29.9%)	358 (70.1%)	511
Supporters Trusts	165 (99.4%)	1 (0.6%)	166
Technology and communications	20 (33.3%)	40 (66.7%)	60
Transport	77 (92.8%)	6 (7.2%)	83
Welfare and support	17 (63.0%)	10 (37.0%)	27
Total	3,738 (44%)	4,682 (56%)	8,420

Societies over time

- 3.12** The split of society type has changed over time. Chart 3 shows the number of societies by their condition for registration, and year of registration. Societies who were deregistered before 31 March 2025 are not included in these figures. The focus on still-registered societies is a limitation but also suggests these societies have a strong survival rate.
- 3.13** Originally, co-operatives significantly outnumbered community benefit societies. By the 2010s, the number of new community benefit societies started to significantly overtake the number of new co-operatives, though overall, there are still more co-operative societies than community benefit societies (Chart 2).

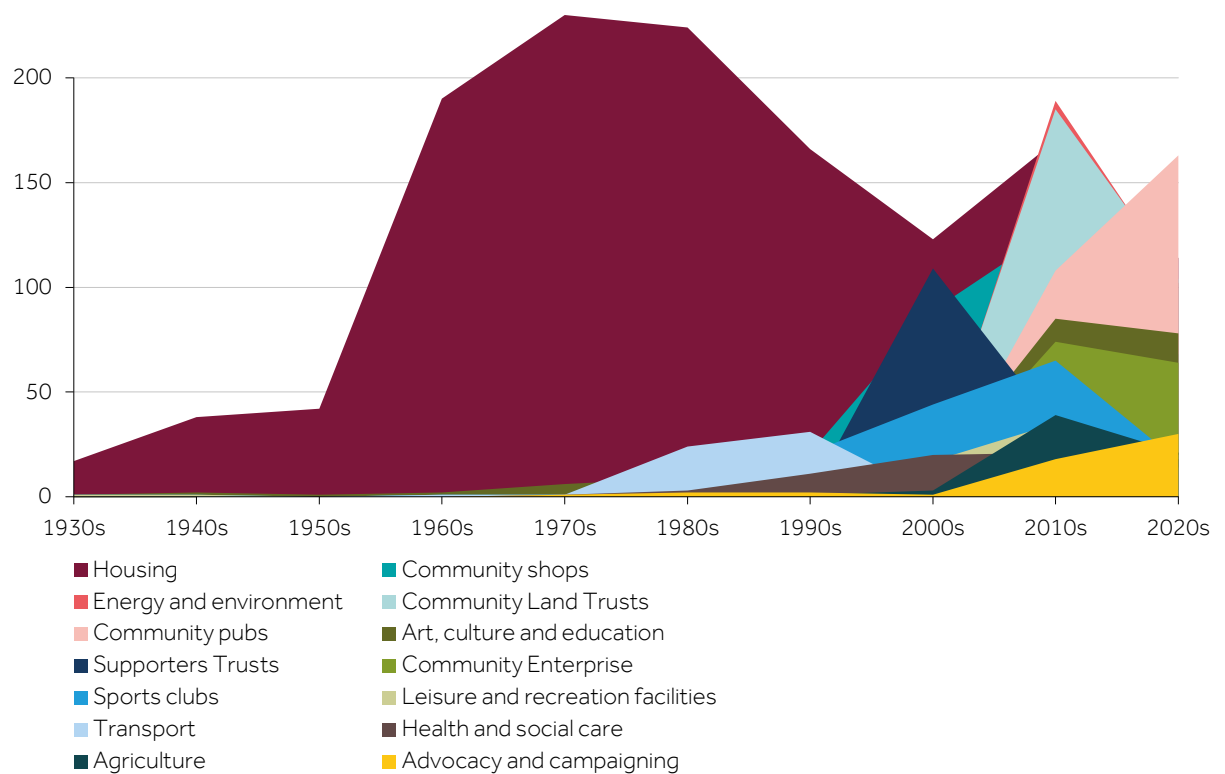
Chart 3 – Societies by registration decade split by co-operative or community benefit type



Community benefit societies

- 3.14** The community benefit condition for registration was created in 1939. The first few decades of registrations were largely of housing associations (originally 'public utility societies').
- 3.15** Chart 4 below shows the number of still-registered community benefit societies (on 31 March 2025), by their year of registration, and reporting classification. The data is confined to those reporting classifications with at least 50 societies recorded.
- 3.16** After the growth of community transport societies from the mid-1970s, the first significant spike in new types of community benefit society can be seen in 'Supporters Trusts' – particularly between 2000-2010. Diversity of type is most prolific from 2010-2020, with the emergence of many community land trusts, energy societies, and community shops. Community pubs grew in number from the 2010s and continued an upward trajectory into the 2020s.

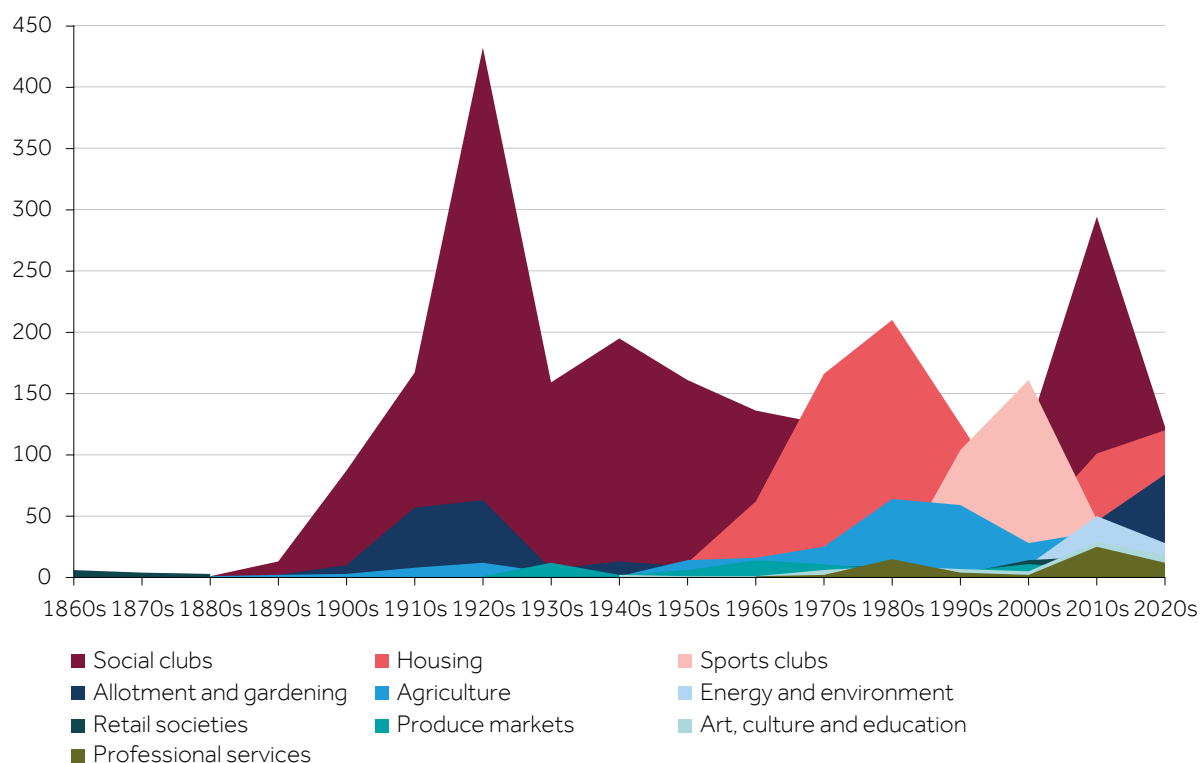
Chart 4 – Community Benefit Societies by registration decade by reporting classification



Co-operative societies

3.17 The landscape for co-operatives is different. Chart 5 sets out the number of still-registered co-operative societies by year of registration and reporting classification. The data is confined to those reporting classifications with at least 50 societies recorded.

Chart 5 – Co-operatives by registration decade by reporting classification



- 3.18** The remaining pre-1900s societies are few and concentrated in retail consumer co-operatives.
- 3.19** There were increases in the number of social clubs from the 1920s. This reflects the important role of social clubs for veterans of the First World War. While a spike also appears in the 2010s, more than 270 of these represent conversions from working men's clubs registered under the Friendly Societies Act 1974 (Chart 14), following updates to model rules by sponsoring bodies.
- 3.20** The 1910s to 1920s also saw a spike in the registration of allotment and gardening societies, and again from the 2020s.
- 3.21** Housing co-operatives were a growth sector, especially in the 1970s and early 1980s, with a positive correlation to government policy supporting models of housing co-operatives, such as co-ownership co-operatives. Further growth has been seen since the mid-2010s.
- 3.22** The number of agricultural co-operatives grew from the late 1960s into the 1980s, correlating with government support for these – particularly agricultural marketing.
- 3.23** Across a few sectors, worker co-operatives grew in the 1970s and 1980s, linked in part to the support coming from the Industrial and Common Ownership Act 1976, and associated funding and development support.
- 3.24** We see a significant spike in sport club registrations from the 1990s to the 2000s, following changes within rugby and cricket to move away from unincorporated associations.

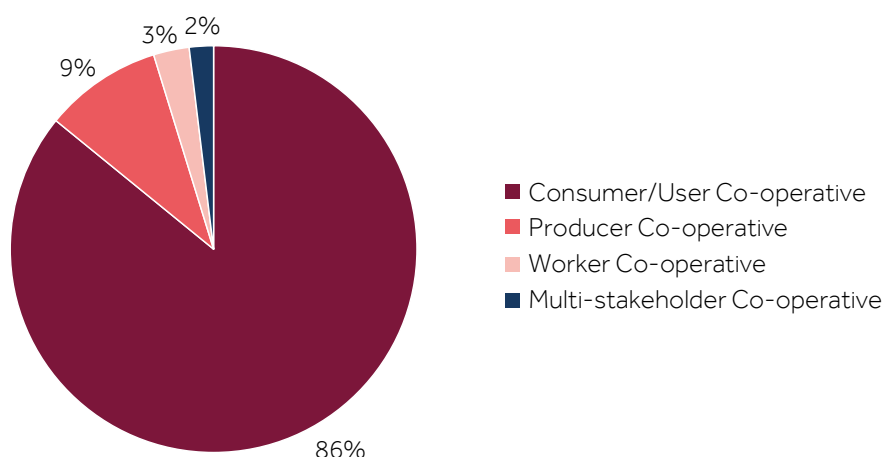
3.25 As well as the variance by activity, there have been variances by the type of co-operative.

3.26 We have used the International Labour Organization guidelines on the statistical classification of co-operatives, to aid understanding, analysis and comparison. In line with that, we record co-operatives as one of four types based on the main interest members have in their co-operative. The following descriptions are quoted or adapted from Measuring Cooperatives, International Labour Organization (2025) (pages 15-16):

- **Consumer or user co-operatives.** Members are purchasing or using a good or service provided by that co-operative. This includes financial services, retail, social clubs, and a broad range of other co-operatives.
- **Worker co-operatives.** Members are 'individual workers...whose jobs are directly assured through their co-operative'.
- **Producer co-operatives.** Members are producing some kind of activity as enterprises (whether as legally constituted entities, or as a sole trader). This includes many agricultural co-operatives but also taxi driver co-operatives, where the drivers are using infrastructure of the co-operative (eg radio services) to deliver their productive activity, and those providing professional services, such as managing agents owned by actors.
- **Multi-stakeholder co-operatives.** Where two or more of the above have 'significant involvement in the activity of the co-operative', with those relationships being reflected in the governance of the co-operative (eg a co-operative with a category of 'worker member' and 'user member' in their rules, such as in a co-operative providing care services, with service users and staff as categories of member). Some co-operatives have additional classes of member in their rules, such as 'supporter members' or 'non-user investor members'. Where those are the only additional category of member, we have not classified them as a multi-stakeholder co-operative because those members will generally not have significant involvement in the activity of the co-operative.

3.27 This data is also being published on the **Mutuals Public Register** to coincide with this report.

Chart 6 – Co-operatives by Type



3.28 Consumer/user co-operatives are the largest category, at 86% of the total society population when aggregated at a UK level (Chart 6). Credit unions are generally regarded as co-operatives and would sit in the consumer/user co-operative category. However, we have not included them here as they are covered later in this report.

3.29 Northern Ireland sees a slightly higher concentration of producer co-operatives (43% producer, compared to 42% consumer/user). The producer co-operatives are largely concentrated in the agricultural sector (36%). Table 3 highlights statistical differences between co-operative types in Northern Ireland and Great Britain.

Table 3 – Co-operative Type by registration act (rounded to the nearest %)

	Consumer or user	Multi-stakeholder	Producer	Worker	Total
Co-operative and Community Benefit Societies Act 2014	3,984 (87%)	89 (2%)	400 (9%)	120 (3%)	4,593
Co-operative and Community Benefit Societies Act (Northern Ireland) 1969	37 (42%)	1 (1%)	38 (43%)	13 (15%)	89
Total	4,021 (86%)	90 (2%)	438 (9%)	133 (3%)	4,682

3.30 Some co-operative types are more prevalent in specific sectors, such as producer co-operatives in agriculture, or worker co-operatives in professional services (Table 4). Other sectors split by type of co-operative. For example, in retail societies, there is a split between consumer co-operatives, and worker co-operatives. The worker co-operatives are often wholefood retailers or wholesalers.

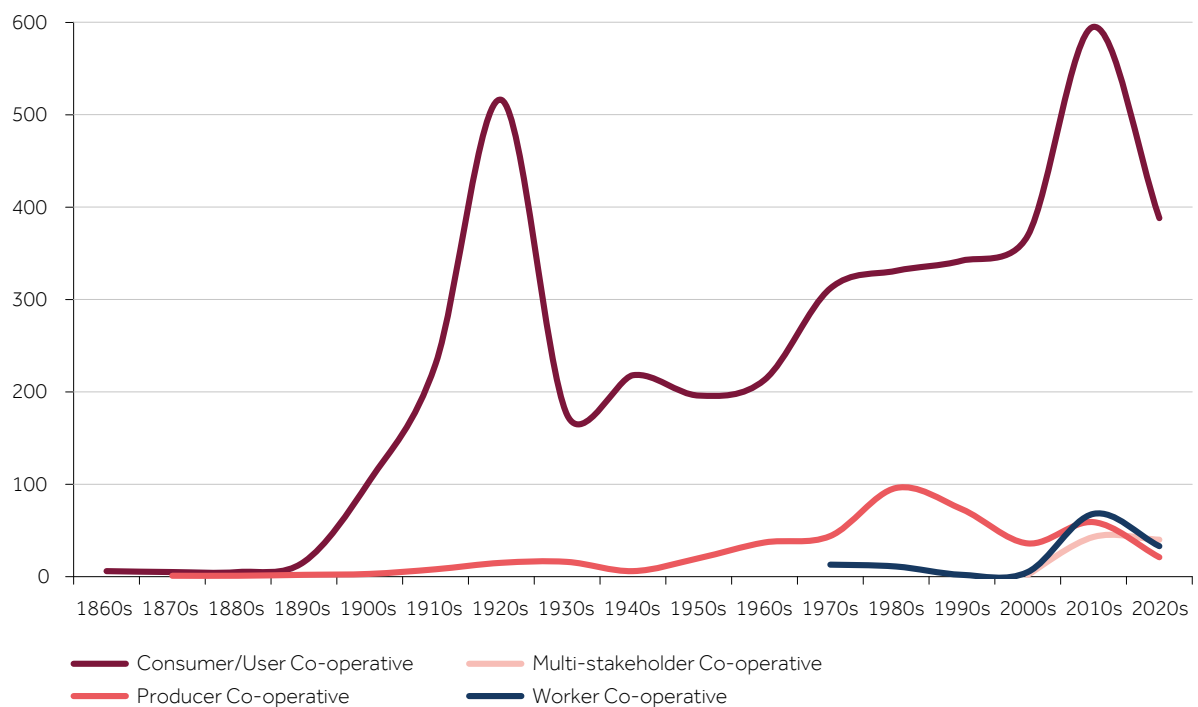
Table 4 – Co-operative type by reporting classification

	Consumer or user	Multi-stakeholder	Producer	Worker	Total
Advocacy and campaigning	5	3	1	4	13
Agriculture	15	5	257	8	285
Allotment and gardening	310	0	1	0	311
Art, culture and education	31	17	11	21	80
Associations and networks	22	5	3	3	33
Community Enterprise	6	5	0	6	17
Community pubs	6	0	0	1	7
Community shops	2	1	0	1	4
Energy and environment	80	6	1	3	90
Financial Services	12	0	0	0	12
Fishing	1	0	45	0	46
Health and social care	6	9	0	4	19
Housing	850	0	0	0	850

	Consumer or user	Multi-stakeholder	Producer	Worker	Total
Leisure and recreation facilities	17	3	0	1	21
Manufacturing and services	6	8	7	25	46
Produce markets	0	2	77	0	79
Professional services	6	8	30	19	63
Retail societies	67	2	0	20	89
Social clubs	2,202	0	0	0	2,202
Sports clubs	358	0	0	0	358
Supporters Trusts	1	0	0	0	1
Technology and communications	9	11	4	16	40
Transport	4	2	0	0	6
Welfare and support	5	3	1	1	10
Total	4,021	90	438	133	4,682

3.31 We see patterns in the registration of co-operatives by type (Chart 7). This data reflects still-registered societies (at 31 March 2025), by their year of registration. Early registrations are concentrated among consumer/user co-operatives, especially food retail. Later spikes, such as the 2010s, reflect growth in the numbers of social clubs.

Chart 7 – Co-operative type by registration decade split by type of co-operative

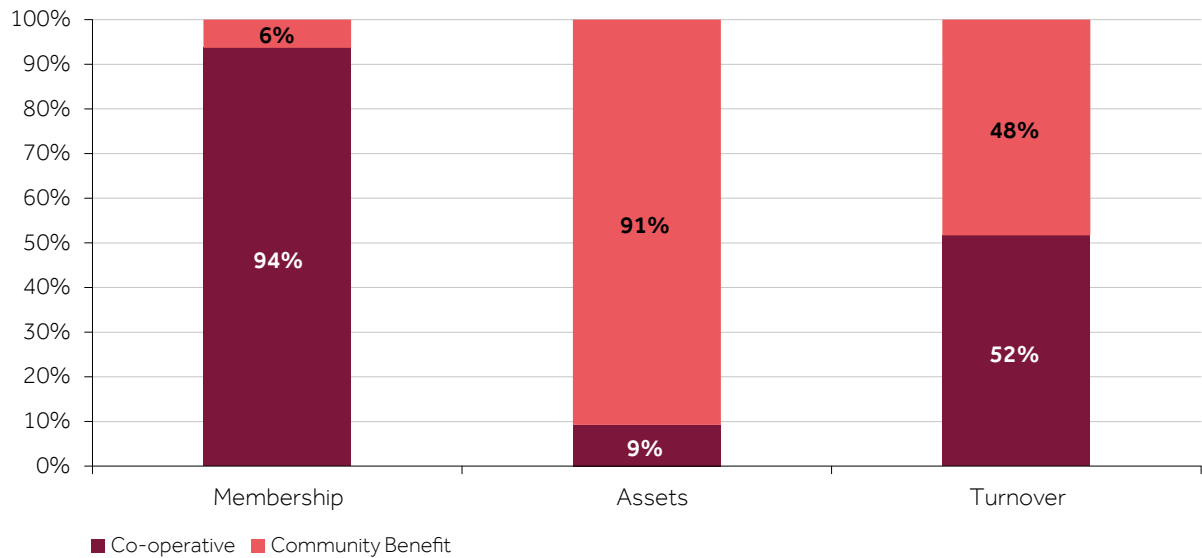


- 3.32** The growth in worker co-operatives using this model can be seen in the 1970s, and again from the 2010s. Worker co-operatives often use other types of legal structure, such as companies limited by guarantee, or limited liability partnerships. So, they are comparatively underrepresented in this society data. Growth in producer co-operatives from the 1970s-80s largely reflects the rise in the number of agricultural co-operatives.
- 3.33** In line with patterns seen internationally, multi-stakeholder co-operatives are a newer entrant, with most appearing from the 2010s. This often reflects that co-operatives want to bring all groups of stakeholders – such as workers, into their governance, alongside consumers.

Statistical overview

- 3.34** The share of membership, total assets and turnover differs between co-operatives and community benefit societies. Chart 8 shows the share of membership, assets and turnover across all co-operative and community benefit societies (based on the latest data available as at 1 August 2025).

Chart 8 – Societies by Memberships, Assets and Turnover split by co-operative or community benefit type



- 3.35** Within these headline figures there are clear concentrations by society-type. For example, retail consumer co-operatives hold most memberships, and housing association community benefit societies hold by far the largest proportion of assets. Outside of these concentrations, there tends to be a wide spread of society-type. Table 5 below provides a breakdown of the total membership, assets and turnover of societies by reporting classification, to the nearest thousand.

Table 5 – Total Membership, Assets and Turnover by reporting classification (to nearest 000) (% of column total)

Reporting Category	Membership	Assets (£000s)	Turnover (£000s)
Advocacy and campaigning	24k (0.2%)	£7,823 (0.0%)	£7,495 (0.0%)
Agriculture	109k (0.9%)	£1,073,130 (0.5%)	£3,201,248 (5.7%)
Allotment and gardening	156k (1.3%)	£108,952 (0.0%)	£14,728 (0.0%)
Art, culture and education	122k (1.0%)	£352,284 (0.2%)	£120,915 (0.2%)
Associations and networks	163k (1.3%)	£50,843 (0.0%)	£59,260 (0.1%)
Community Enterprise	25k (0.2%)	£25,755 (0.0%)	£30,466 (0.1%)
Community Land Trusts	30k (0.2%)	£44,622 (0.0%)	£10,594 (0.0%)
Community pubs	38k (0.3%)	£43,319 (0.0%)	£22,038 (0.0%)
Community shops	48k (0.4%)	£27,668 (0.0%)	£44,253 (0.1%)
Energy and environment	51k (0.4%)	£307,878 (0.1%)	£58,551 (0.1%)
Financial Services*	13k (0.1%)	£4,631,964 (2.1%)	£473,133 (0.8%)
Fishing	4k (0.0%)	£47,955 (0.0%)	£47,126 (0.1%)
Health and social care	7k (0.1%)	£279,025 (0.1%)	£473,324 (0.8%)
Housing	112k (0.9%)	£198,593,187 (89.0%)	£25,124,469 (45.1%)
Leisure and recreation facilities	171k (1.4%)	£138,460 (0.1%)	£812,283 (1.5%)
Manufacturing and services	45k (0.4%)	£12,083 (0.0%)	£18,496 (0.0%)
Produce markets	4k (0.0%)	£23,394 (0.0%)	£2,919 (0.0%)
Professional services	11k (0.1%)	£7,884 (0.0%)	£13,610 (0.0%)
Retail societies	9,762k (79.9%)	£15,811,544 (7.1%)	£24,336,563 (43.7%)
Social clubs	747k (6.1%)	£513,656 (0.2%)	£377,341 (0.7%)
Sports clubs	364k (3.0%)	£1,058,247 (0.5%)	£413,681 (0.7%)
Supporters Trusts	178k (1.5%)	£28,810 (0.0%)	£6,372 (0.0%)
Technology and communications	17k (0.1%)	£36,272 (0.0%)	£12,416 (0.0%)
Transport	12k (0.1%)	£31,218 (0.0%)	£23,788 (0.0%)
Welfare and support	1k (0.0%)	£3,650 (0.0%)	£759 (0.0%)
Totals:	12,214k	£223,259,623	£55,705,828

* See below on the definition of financial services in this context.

Membership

3.36 There are more than 12 million memberships across co-operative and community benefit societies. Around 94% of memberships are with co-operative societies. Retail consumer co-operatives account for just under 80% of this membership. Social clubs account for around 6% of membership, followed by sports clubs at 3%. Supporters Trusts are the community benefit societies with most membership, accounting for around 1.5% of the total (and around 23% of community benefit society memberships).

Assets

- 3.37** Collectively, societies hold more than £223bn in assets. Around 91% of these assets are held by community benefit societies. The largest sector is housing, particularly housing associations, with more than £198bn in assets. These societies collectively hold around 89% of the assets.
- 3.38** Within the society population, the next largest hold of assets is retail consumer co-operatives, accounting for around 7%. This is followed by financial service societies (2%), agricultural societies (0.5%) and sports clubs (0.5%).
- 3.39** The 'Financial Services' category does not include credit unions, building societies, or friendly societies. These are distinct categories of society covered later in this report, although 3 mutual insurers are included in the figures above, as they are registered as co-operatives. We provide more detail on the interaction between societies and financial services in annex 1 to this report. Other societies include social lenders, such as Community Development Finance Institutions (CDFIs). The largest society in this category provides finance to housing associations and has around £2.9bn in assets.

Turnover

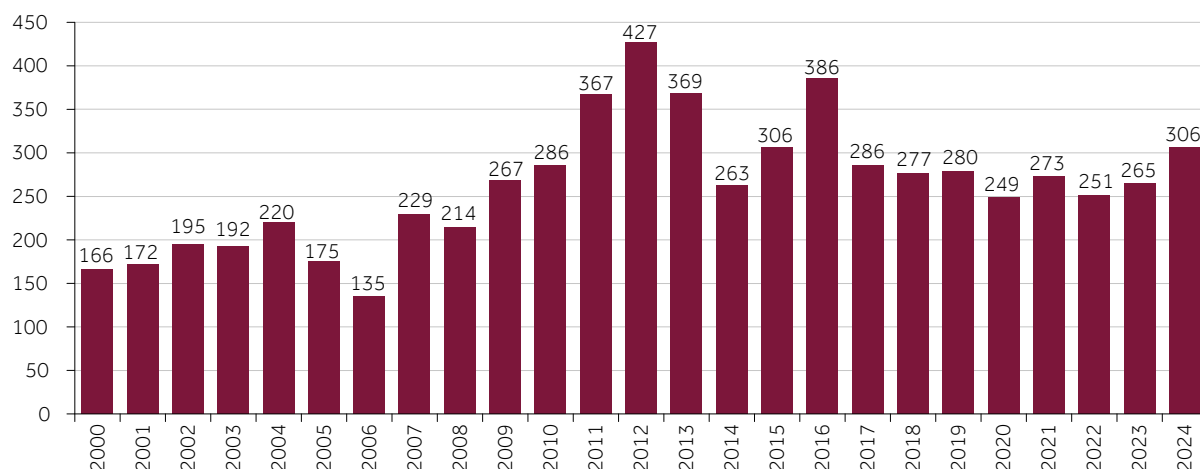
- 3.40** Turnover is more evenly split between society types, with co-operatives accounting for approximately 52% of a total turnover of just under £56bn. For co-operatives, retail consumer co-operatives are most prevalent, accounting for 44% of the total turnover in the society population. This is followed by agricultural co-operatives at around 6%. The housing category of community benefit society is again significant in size, accounting for around 45% of the total turnover among societies, followed by leisure and recreation at 1.5%.

Trends and observations

Trends

- 3.41** For all new registrations between the calendar years of 2000 to 2024 (including subsequently deregistered societies) we see a trend of increased registrations since 2009. Before 2009, the number of new registrations per year ranged from 135 (2006) to 220 (in 2004). From 2009, the number of new registrations has remained above 250 per year (apart from 2020, where 249 societies were registered), with a peak of 427 in 2012 (Chart 9).

Chart 9 – Registrations by year (including now deregistered societies)



3.42 Some of this growth can be linked to the use of the society model to raise capital from the public. The sector describes the withdrawable (non-transferable) shares of a society as 'community shares'. These shares benefit from longstanding differential treatment under the Financial Promotions Regime, allowing them to be issued to the public. This work started in 2008/9 and accelerated with the launch of a 'community shares unit' in 2012. The community shares work was industry-led and received some funding and support from government.

3.43 Since the creation of the 'co-operative society' legal form (1 August 2014 in Great Britain, 6 April 2018 in Northern Ireland), there have been 985 new co-operative societies registered (compared to 1,940 community benefit societies). Of these, 14 co-operatives were registered in Northern Ireland (compared to 8 community benefit societies). Of the 985, 220 were conversions from companies (compared to 296 conversions from companies to community benefit societies).

3.44 The largest groups of new community benefit societies since 1 August 2014 (representing 1,103 of the 1,940 registered) are shown in Table 6.

Table 6 – New community benefit societies by reporting classification

Reporting Classification	Number
Community Land Trusts	258
Community pubs	254
Housing	233
Energy and environment	218
Art, culture and education	140

3.45 The largest groups of new co-operative registrations since 1 August 2014 (representing 561 of the 985 registered) are shown in Table 7.

Table 7 – New co-operative societies by reporting classification

Reporting classification	Number
Social clubs	213
Housing	184
Allotment and gardening	102
Art, culture and education	33
Energy and environment	29

- 3.46** Of the 213 social clubs, 164 were a conversion from a working men's club under the Friendly Societies Act 1974 (Chart 14). At least 13 of the 213 registrations were to establish a new society for the same activity, where we deregistered the previous society for failing to submit annual returns and accounts. Of the new registrations, 25 were from the Royal British Legion in Scotland between 2022-24.
- 3.47** Of all societies (co-operative and community benefit) registered from 2015, 96% (2,776 of 2,879) registered using a set of 'model rules' provided by a sponsoring body. Of the other 4%, around half of these (51%) used rules provided by a solicitor. This has remained broadly consistent year-on-year.
- 3.48** We see conversions to and from companies. We see more conversions from companies to societies than we do societies to companies (Table 8).

Table 8 – Society and Company Conversions

Year	Society to company conversion	Company to society conversion
2020-21	6	30
2021-22	6	38
2022-23	6	29
2023-24	11	28
2024-25	5	30

- 3.49** We see a variety of reasons for the voluntary deregistration of societies. Where societies cancel within 2 years of registration, the most cited reason (in 71% of cases) is that the project the society intended to operate did not materialise. This is particularly the case for societies seeking to buy or manage community assets – such as pubs or shops.

Observations

- 3.50** Historically, growth in numbers in the sector has been type-specific, rather than evenly distributed.
- 3.51** The examples of spikes in registrations of social clubs, agricultural marketing co-operatives, worker co-operatives, etc. are described above. Many spikes result from either government policies supporting or incentivising registration; coordinated activity by the sector itself; or both.
- 3.52** We also consider compliance with mutuals legislation, and other associated risks related to these societies. Examples of this work include:
- In 2022, we carried out a questionnaire with retail consumer co-operatives, exploring democratic member control and member economic participation. We shared the aggregated findings with the sector. From our engagement with societies subsequently, we have seen increasing focus on member engagement.
 - We reviewed more than 400 accounts submitted to us by societies. We found that some of the work by accountants was not compliant with legislative requirements, and fed this back to their professional supervisory bodies. Having the right supply of accounting expertise to the sector is an important part of the wider ecosystem. We continue to engage in this area. This includes work to explore the creation of a Statement of Recommended Practice (SORP) for co-operative accounts.
 - Between 2023-24 we reviewed more than 3,200 society websites, and reviewed share offers made by societies. We wanted to check whether societies were unduly leveraging their status with the FCA but found no prevalence of this.
- 3.53** We see limited evidence of abuse of the society legal form.
- 3.54** Societies exist to meet a need, and as such, must be formed voluntarily by those people. There are a range of factors contributing to an environment supporting this. However, we do see opportunities for societies to be better supported by the wider ecosystem including through increased awareness and understanding of the society legal model by professional advisors; recognition of the society legal forms in the design of systems meant for use by all businesses; and greater use of secondary structures and networks within the sector itself.

Chapter 4

Credit Unions

4.1 Credit unions are a type of financial co-operative and have had legislative recognition in Great Britain since 1979, and in Northern Ireland since 1969. We are the registering authority for credit unions (since 2018, for Northern Ireland). Credit unions are authorised under FSMA for deposit-taking (and some for additional activities) and are covered in more detail in the [Mutuals Landscape Report on Financial Service Mutuals](#).

Common bonds

4.2 Credit unions offer financial products and services to their members. A person joining a credit union must fall within a 'common bond'. In Northern Ireland, all members of a credit union must share at least one common bond – such as living in the same locality or working for the same employer. In Great Britain that requirement was removed from 2012 (through [The Legislative Reform \(Industrial and Provident Societies and Credit Unions\) Order 2011](#)). Credit unions in Great Britain can have multiple unrelated common bonds.

4.3 We have analysed credit union common bonds, as at February 2025 classifying them as:

- Locality (living or working in a particular locality).
- Membership (admitting individuals because of their membership of a named organisation).
- Occupation (following a particular occupation).
- Employment (being employed by particular employers).
- Otherwise associated (where members are otherwise associated with each other for a purpose other than to form a credit union).

4.4 Some credit unions have multiple common bonds. For this analysis, we have made a judgement as to the main common bond for those credit unions. For instance, where a credit union has historically focused its membership within a particular locality but also allows people working for a particular employer to join, we have classified this as a locality-based credit union. The credit unions recorded against other common bond types do not generally also operate a locality-based common bond (often referred to as 'industrial' credit unions). Further detail is provided in Table 9.

Table 9 – Credit unions by Common Bond Type as at February 2025

	Great Britain		Northern Ireland	
Locality	181	79%	113	78%
Membership	9	4%	27	19%
Occupation	15	7%	2	1%
Employment	18	8%	1	1%
Otherwise associated	6	3%	1	1%

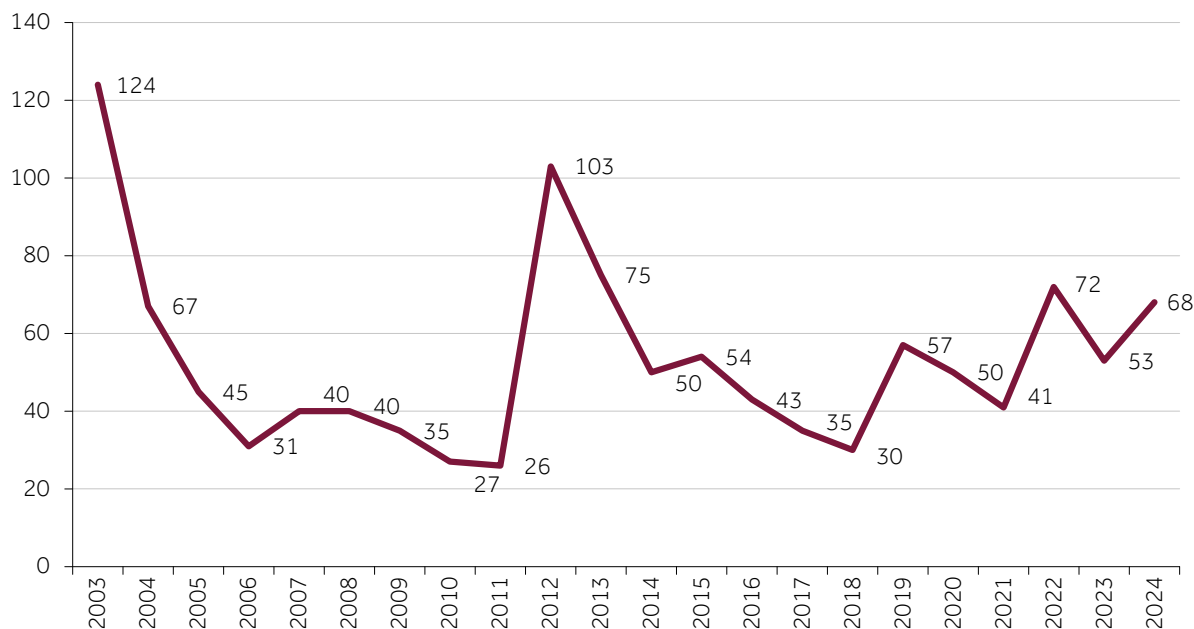
4.5 Many of the occupation-based credit unions are for police or transport workers.

Trends and observations

Trends

4.6 The law on common bonds in Great Britain was amended in 2003, 2011 (taking effect in 2012), and 2017 (taking effect in 2018). The data in Chart 10 shows when currently registered credit unions historically amended their rules. Generally, credit unions amend their rules to change or add to their common bond. Some credit unions have amended their rules multiple times, which impacts the data below. Around 82% of credit unions have amended their rules since 2012.

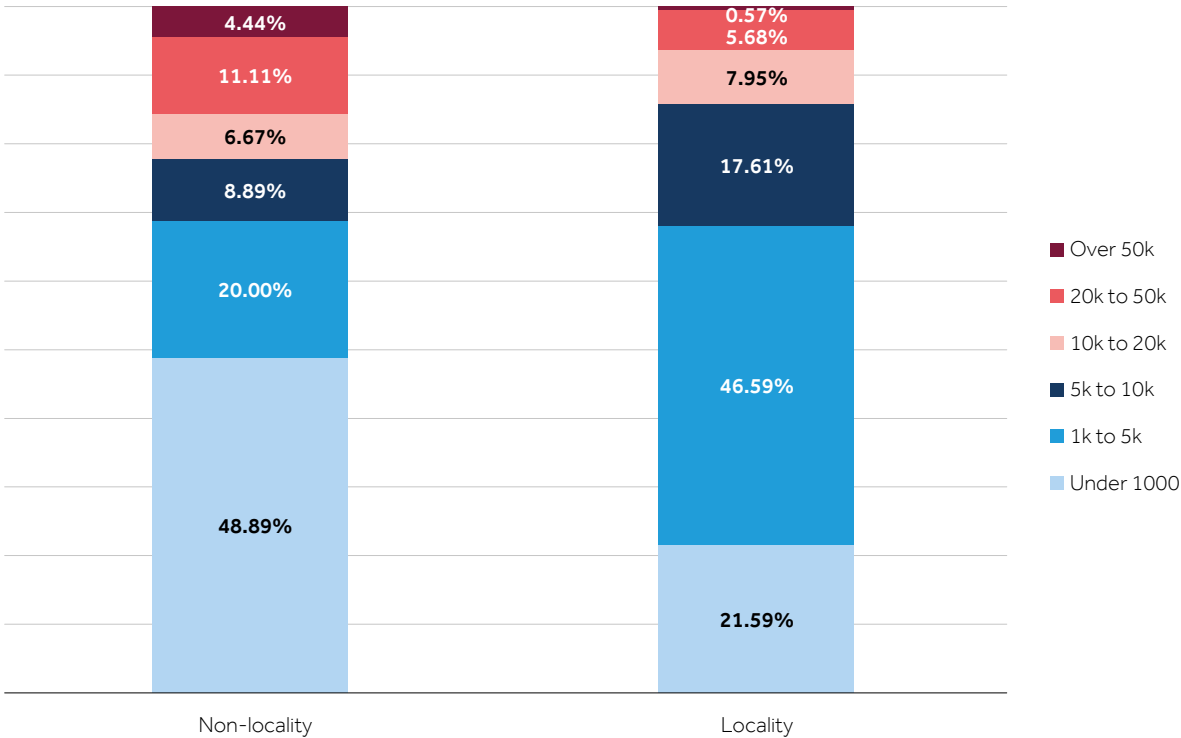
Chart 10 – Rule amendments by still-registered credit unions by year (as at Dec 2024)



4.7 Twenty-two credit unions have made 10+ amendments since 2012. The most common rule amendment is the addition of an employment-based common bond or addition of another employer to an existing one. Conversely, 42 credit unions have not changed their rules since 2012. Of these, 19 have not changed their rules since their original registration. These credit unions tend to be small, with 34 of these 42 credit unions having fewer than 1,000 members.

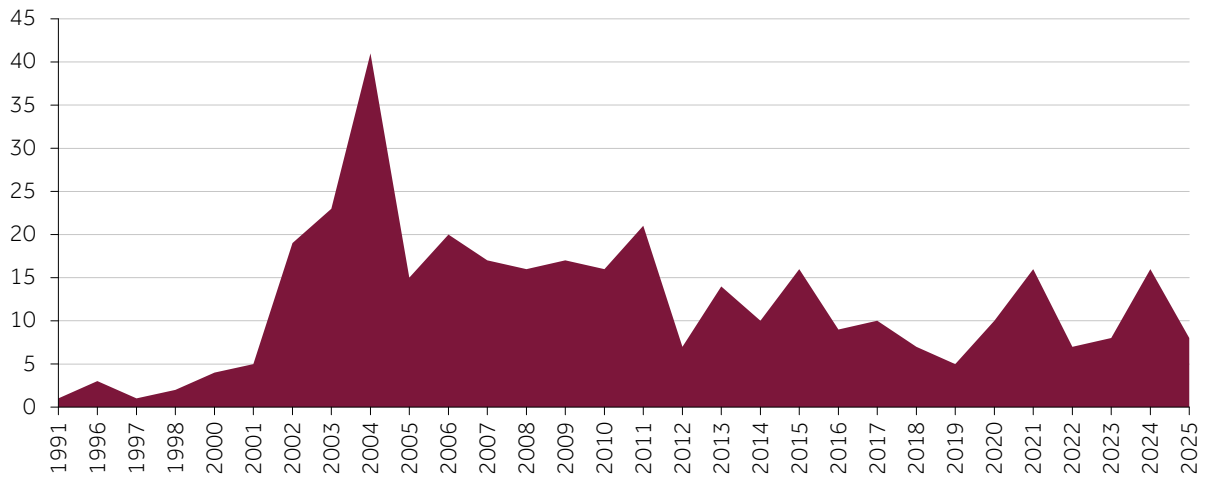
4.8 We see differences in membership size between locality and non-locality-based credit unions in Great Britain. Many non-locality-based credit unions exist to serve relatively small groups, although, within this group occupation-based credit unions are particularly large both by membership and assets. Chart 11 shows credit unions by membership size, and common bond type.

Chart 11 – Credit unions by common bond and membership size



- 4.9** Newer credit unions tend to focus on serving a specific cohort of consumers who may be less well served by financial services more generally. This provides some expansion in total market provision.
- 4.10** We have also seen significant activity in mergers between credit unions (Chart 12).

Chart 12 – Credit union mergers by year



Observations

- 4.11** The Credit Unions Act 1979 and The Credit Unions (Northern Ireland) Order 1985 regulate credit unions. This legislation is more restrictive than other mutuals legislation in specifying the objects of a credit union. The effect of the legislation is also restrictive in that credit unions must rely on an express or implied power to carry out an activity.
- 4.12** In many countries with large credit union sectors, credit unions provide a greater variety of products and services than in the UK. Following interest from the sector, credit unions in Great Britain were empowered in 2023 to take steps to offer a wider range of products and services beyond savings and loans – ie conditional sale, hire purchase, and insurance distribution. This requires credit unions to take steps including: 1) adopting a new 'optional object' to carry out that activity, and having that registered by us as a rule amendment; and 2) applying for, and getting, any permission required under FSMA. As of 31 March 2025, 29 credit unions had amended their rules to adopt the new optional object. However as of 31 October 2025, no credit union has applied to us for permission to conduct the additional regulated activities enabled by this change.
- 4.13** There are features in the legislation which have historically been linked to the differential legislative and regulatory treatment credit unions have received. For example, a cap on the interest that can be charged on a loan and the restriction of membership to common bond requirements. The Treasury announced a call for evidence on common bond reform in Great Britain in November 2024 and has since confirmed it will bring forward a package of growth-focused reforms to the credit union common bond in Great Britain.
- 4.14** Credit unions in Great Britain are subject to both the Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979. As a result:
- There are sections of the Co-operative and Community Benefit Societies Act 2014 that apply to credit unions without any modification.
 - Some sections apply in a way that is modified by the Credit Unions Act 1979.
 - Other provisions are disapplied entirely.
 - And, additionally, all the provisions of the Credit Unions Act 1979 also apply independently.
- 4.15** This creates complexity and cost in understanding the relevant law.
- 4.16** **The legislation would benefit from review and reform.**

Chapter 5

Friendly Societies Acts

Friendly Societies Act 1974

5.1 The Friendly Societies Act 1974 covers 4 types of society (Table 10).

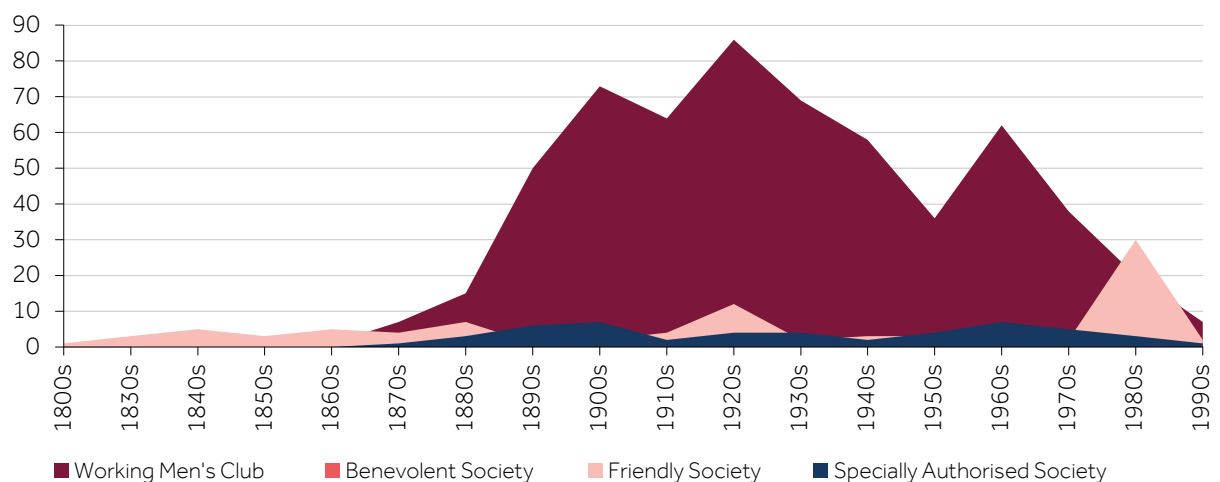
Table 10 – Friendly Societies Act 1974 society types (% of column total)

Type	Number	Assets	Membership
Benevolent societies	21 (2.7%)	£34m (7.6%)	7,177 (2.6%)
Friendly societies	92 (11.9%)	£177m (39.4%)	5,428 (2.0%)
Specially authorised societies	49 (6.3%)	£71.5m (15.9%)	14,364 (5.2%)
Working men's clubs	610 (79.0%)	£167m (37.2%)	247,136 (90.2%)
Total	772	£450m	274,105

5.2 The Friendly Societies Act 1974, which covers the UK, has been closed to new registrations since 1993. The landscape under this legislation is therefore characterised by longstanding societies. The oldest society still on the register dates to 1809.

5.3 Chart 13 shows the year of registration for still-registered societies.

Chart 13 – FS74 Societies by Year of Registration



5.4 The spike in friendly society registrations in the 1980s are pension partnership societies (see below).

Benevolent societies

- 5.5** Benevolent societies exist for a charitable or benevolent purpose set out in their rules. The oldest of the remaining 21 societies was registered in 1836, with the most recent being registered in 1993. These societies tend to focus on supporting people working in specified occupations, or within specific communities. They provide discretionary benefits, such as grants.
- 5.6** There is a significant range in the size of these societies. At least 8 have over £1m in assets, with the largest at just over £10m. The total assets among these societies exceed £34m. The smaller societies have fewer than 10 members, with the largest having just over 2,000 members. In total, there are just under 7,200 memberships in these societies.

Friendly societies

- 5.7** Friendly societies were established to provide financial support to their members and families during times of uncertainty, such as in instances of ill-health or unemployment. They were also set up to provide contracts of insurance or operate on a discretionary or non-contractual basis.

**Table 11 – Friendly Societies by Type, Assets and Membership
(% of column totals)**

Type	Number	Assets	Membership
Branch of another society	39 (42.4%)	£8m (4.5%)	4,580 (84.4%)
Friendly society insurer (FSMA)	7 (7.6%)	£22m (12.4%)	96 (1.8%)
Friendly societies discretionary benefits	14 (15.2%)	£9m (5.1%)	621 (11.4%)
Pension partnership	32 (34.8%)	£138m (78.0%)	131 (2.4%)
Total	92	£177m	5,428

Orders and branches

- 5.8** Friendly societies operate either as a single centralised society, or a society with branches – known as an ‘Order’ or ‘Affiliated Society’. Of the remaining 92 friendly societies, 39 are branches of other societies (Table 11).

Friendly society insurers

- 5.9** Most of the friendly society insurers registered under the Friendly Societies Act 1974 chose to incorporate under the Friendly Societies Act 1992 following this being introduced. There are, however, 7 friendly societies authorised under FSMA to provide contractual insurance, who remain registered under the Friendly Societies Act 1974.

Discretionary benefit societies

- 5.10** There are 14 friendly societies providing discretionary benefits and activity to support their members. Broadly, these societies are distinct from benevolent societies because they provide benefits to their members rather than being more generally benevolent, although some friendly societies operate in the same way as benevolent societies.

Pension Partnership Societies

- 5.11** Pension fund management is a permitted purpose of a friendly society. The biggest single category of friendly society registered under the Friendly Societies Act 1974, and authorised under FSMA, is the 32 'Pension Partnership' societies. These societies were mainly registered in the 1980s, as a way for a small number of individuals (often partners in a business) to manage investments towards a retirement annuity contract (further details from HMRC). As of the latest public accounts available for each society, the assets for these societies total approximately £138m. The assets range from under £20k, to over £25m, with an average of around £4.5m.

Specially authorised societies

- 5.12** Until 1993, the Treasury had the power to 'specially authorise' purposes for which a society could be registered. There were 17 listed purposes, such as 'promoting education', 'promoting science, literature and the fine arts', and 'promoting lawful sports and games'. Based on those authorities, the remaining societies fall into the categories in Table 12.

**Table 12 – Specially Authorised Societies by Type, Assets and Membership
(% of column totals)**

Type	Number	Assets	Membership
Agriculture & Horticulture	8 (16.3%)	£1.70m (2.4%)	1,431 (10.0%)
Burial Society	2 (4.1%)	£0.74m (1.0%)	482 (3.4%)
Cookery	1 (2.0%)	£0.01m (0.0%)	1,027 (7.1%)
Education	6 (12.2%)	£1.70m (2.4%)	3,637 (25.3%)
Friendly Society Investment Association	3 (6.1%)	£62.4m (87.3%)	30 (0.2%)
Miners Welfare	4 (8.2%)	£0.15m (0.2%)	306 (2.1%)
Music	2 (4.1%)	£0.41m (0.6%)	96 (0.7%)
Recreation	1 (2.0%)	£0.81m (1.1%)	28 (0.2%)
Scientific & Literary Societies	7 (14.3%)	£0.24m (0.3%)	747 (5.2%)
Sports & Games	15 (30.6%)	£3.30m (4.6%)	6,580 (45.8%)
Total	49	£71.5m	14,364

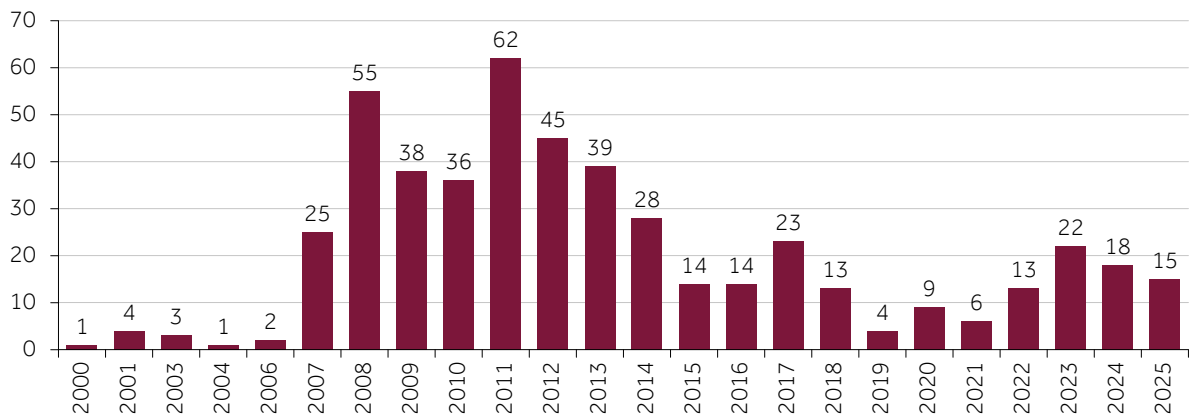
5.13 The 'Friendly Society Investment Associations' are those societies registered before 14 November 1898, for the purpose of receiving and investing funds of friendly societies and their branches. Their members are generally a friendly society and its branches (who in turn, have individual members).

Working Men's Clubs

5.14 Working men's clubs, commonly referred to as social clubs, are the largest category of society registered under the Friendly Societies Act 1974. These societies provide social spaces for their members and tend to own the building they operate from. Those societies collectively have more than 247,000 members, and over £167m in assets.

5.15 Over time, many working men's clubs have converted to co-operative societies under the Co-operative and Community Benefit Societies Act 2014 (see Chart 14).

Chart 14 – Working Men's Clubs Conversions to Co-operatives



Friendly Societies Act 1992

5.16 There are 25 societies registered under the Friendly Societies Act 1992. Societies registered under this Act are bodies corporate. Of the 25 societies, 23 are authorised under FSMA for insurance activity, mainly offering life insurance, but also income protection and health cover. More detail is provided in the Mutuals Landscape Report on Financial Service Mutuals.

5.17 The 2 societies that are not authorised under FSMA provide discretionary-only benefits. They were both previously registered under the Friendly Societies Act 1974 and authorised under FSMA, but subsequently incorporated under the Friendly Societies Act 1992 and requested cancellation of their FSMA authorisation.

5.18 While the Friendly Societies Act 1992 is open to new registrations, all but 1 of the societies as of 31 March 2025 were previously societies under the Friendly Societies Act 1974.

Trends and observations

Trends

- 5.19** The Friendly Societies Act 1974 has been closed to new registrations since 1993, so there is a declining population. From 1 April 2020 to 31 March 2025:
- 68 societies converted to become a society registered under the Co-operative and Community Benefit Societies Act 2014. Of these, 67 were working men's clubs, and one was a specially authorised society.
 - 3 friendly societies became incorporated under the Friendly Societies Act 1992.
 - 2 societies converted to companies. Both were specially authorised societies.
 - 12 societies dissolved (solvently) – spread across the society types: 5 working men's clubs, 2 benevolent societies, 4 friendly societies, and 1 specially authorised society.
 - 15 requested the cancellation of their registration:
 - 4 working men's clubs had ceased trading. One had become insolvent.
 - 1 specially authorised society transferred its assets to a Scottish Charitable Incorporated Organisation it had established.
 - 10 friendly societies, mostly pension partnership societies, where the society had served its purpose or made other arrangements for their funds.
 - We cancelled the registration of 94 societies following non-submission of annual returns and accounts. 83 of those cancellations were of working men's clubs.
- 5.20** Generally, registrations are cancelled due to a failure to submit annual returns and accounts, or action taken to convert into a different type of legal entity. We anticipate the number of societies registered under the Friendly Societies Act 1974 will continue to decline.
- 5.21** For the Friendly Societies Act 1992, we saw some limited merger activity in 2019-21, and a conversion of a large friendly society to a company in 2020.

Observations

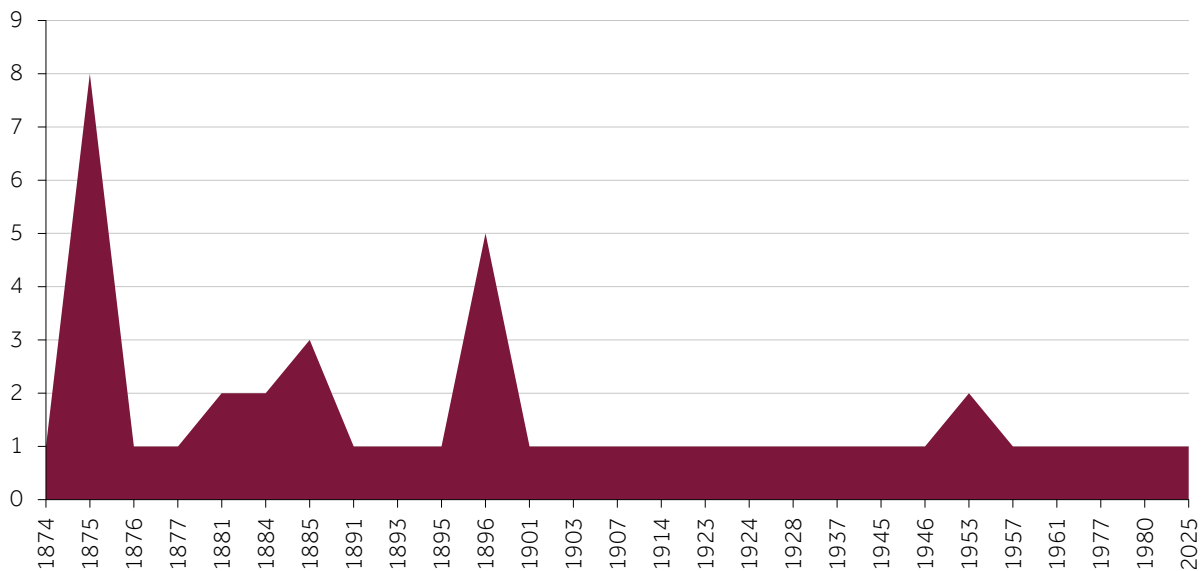
- 5.22** In March 2025, the Law Commission consulted on a review of friendly society legislation, and provided further information on the background and operation of the law. We welcome the review, having previously called for reviews of society law, and have proactively engaged. Modern and supportive legislation is an important facilitator of the growth of the sector.
- 5.23** In our response to the Law Commission's consultation, we explained that there is benefit in the ultimate repeal of the Friendly Societies Act 1974. This is providing societies have an appropriate period to convert to other types of legal entity. If the Law Commission proceed with this proposal, we will provide information or guidance to help societies through that process.

Chapter 6

Building Societies

- 6.1** Building societies in the UK are registered under the Building Societies Act 1986. As of 31 March 2025, there were 42 building societies. The economic activity of building societies is detailed in Mutuals Landscape Report on Financial Service Mutuals.
- 6.2** Chart 15 provides the breakdown of still-registered societies by year of registration. The most recently registered building society still authorised under FSMA registered in 1980. In May 2025, we registered the first new building society since 1988. Authorisation under FSMA is a separate process.

Chart 15 – Building Societies by Year of Registration



Trends and observations

Trends

- 6.3** The sector has seen a significant reduction in their number (but not the overall size – see the Mutuals Landscape Report on Financial Service Mutuals) over several decades. Between 1960 and the commencement of the Building Societies Act 1986, 529 building societies merged (transferred engagements). From 1987 to 2024, a further 76 transferred engagements (the Building Societies Association provide a detailed list). The period of 1995 to 1999 saw 8 building societies convert to public limited companies. In 2024-25, two building societies each acquired an existing bank or banking group.
- 6.4** Most societies use the Building Societies Association model rules, so we see limited, if any, difference in governance and other arrangements across societies.

- 6.5** We have more recently seen an increase in member-related activity. This includes requests for us to use our powers to allow someone to obtain the names and addresses from the register of members of a building society. We commented on this in our 2024-25 annual update, in setting out the use of our powers during that year.

Observations

- 6.6** We see limited registering authority activity, aside from the submission of statutory returns, such as annual accounts. As a registering authority (ie outside our role under FSMA), most societies have limited interaction with us, unless they're looking to change their governance, or submit some other return to us.
- 6.7** Section 107 of the Building Societies Act 1986 protects the term 'building society'. We recognise the importance of the building society identity and actively monitor its use, acting if we see abuse. For example, we acted in 2024-25 to prevent a company trading as 'The Building Society'.

Chapter 7

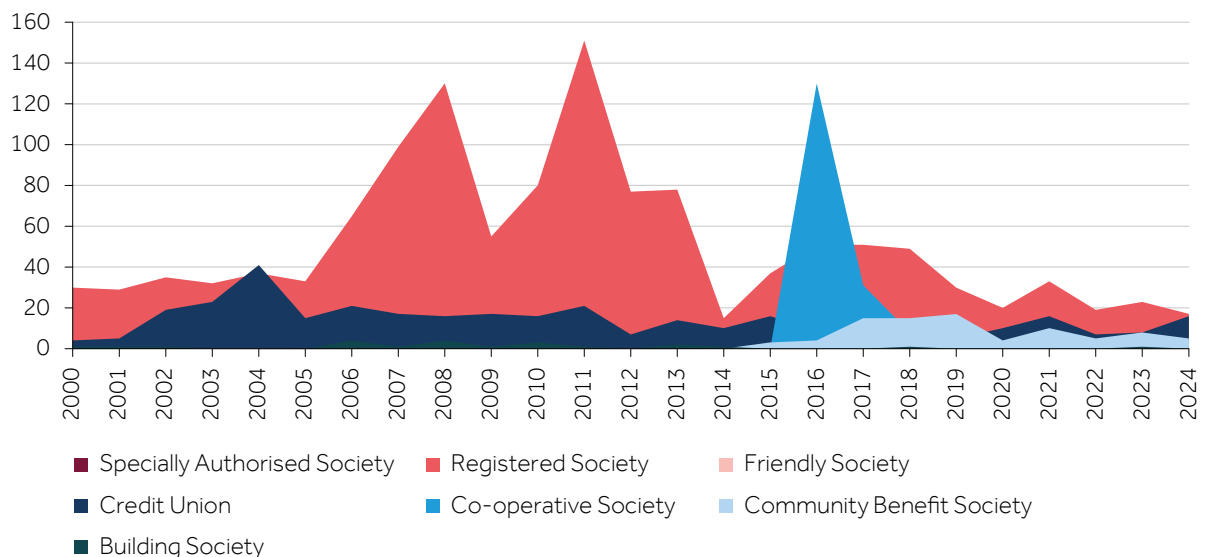
Cross-cutting trends and observations

- 7.1** We see some similarities or trends across all society types. Individuals can raise a concern about a society with us. The number of concerns received are generally proportionate to the number of societies of that type. For example, between 2020-2023, 31.2% of the concerns with co-operative and community benefit societies related to social clubs where they represented 31.4% of the total number of co-operative and community benefit societies.
- 7.2** The area where we do see differences is in societies' compliance with common requirements like annual return submissions, where non-compliance is disproportionately highest among social clubs. Social clubs accounted for 67% of the total number of societies whose registration we cancelled during that period for non-submission of annual returns and accounts.

Mergers

- 7.3** Mergers are common in the sector (through a 'transfer of engagements' to another society, or less commonly by amalgamation). Chart 16 sets out merger patterns.

Chart 16 – Mutual Society Mergers



- 7.4** The spike of transfers of co-operative societies in 2016 largely reflects the consolidation of retail consumer co-operative subsidiaries within existing group structures. The most active populations for transfers in 2024 were housing societies (as registered societies or community benefit societies) and credit unions.

Annex 1

Interaction with regulated activity

Financial services

1. Registration by us as a mutual society is separate from authorisation for regulated financial services activities. However, some society legislation is designed only for those carrying out activity regulated under FSMA. This is the case for credit unions and building societies, who are authorised by the Prudential Regulation Authority (PRA) for deposit-taking (and may also have permission for other regulated activities). There will be some slight variances in the figures – especially for credit unions – between the number registered with us and the number authorised under FSMA. This reflects that when a credit union is closing, it will usually apply to cancel its permissions under FSMA first as it winds down its regulated activities, before cancelling its registration under credit union legislation.
2. Friendly society legislation contains a list of permitted activities, some of which include financial services activity, such as insurance.
3. Co-operative and community benefit society legislation is designed for societies carrying on a broad range of economic activity. Only a small minority of societies registered under this legislation are also authorised under FSMA. Tables 13 and 14 provide more detail.
4. Historically, there were up to 4 co-operative insurers, which has since reduced. Most FSMA authorisations for co-operative or community benefit societies are for consumer-credit related activity, often by housing associations, and some community development finance institutions (CDFIs). We regulate funeral plan providers. Following consolidation in that sector, there are 3 retail consumer co-operative subsidiaries authorised for this activity.
5. In recent years, we have registered regional 'co-operative banks', with their aim of becoming authorised under FSMA. These are not reflected in the figures below because they are not authorised.

Table 13 – Societies by type, authorised under FSMA

Society type	Registration Act	Number	FSMA authorised
Co-operative society	Co-operative and Community Benefit Societies Act 2014	745	1 (0.1%)
	Co-operative and Community Benefit Societies Act (Northern Ireland) 1969	12	0 (0%)
Community benefit Society	Co-operative and Community Benefit Societies Act 2014	1,658	28 (1.2%)
	Co-operative and Community Benefit Societies Act (Northern Ireland) 1969	7	0 (0%)
Registered society	Co-operative and Community Benefit Societies Act 2014	5,814	157 (2.7%)
	Co-operative and Community Benefit Societies Act (Northern Ireland) 1969	124	0 (0%)
Credit union	Credit Unions Act 1979	275	256 (93%)
	The Credit Unions (Northern Ireland) Order 1985	61	60 (98%)
	Co-operative and Community Benefit Societies Act (Northern Ireland) 1969	81	81 (100%)
Benevolent Society	Friendly Societies Act 1974	21	0 (0%)
Specially Authorised Society		49	0 (0%)
Working Men's Club		610	0 (0%)
Friendly Society	Friendly Societies Act 1974	92	42 (46%)
	Friendly Societies Act 1992	25	23 (92%)
Building Society	Building Societies Act 1986	42	42 (100%)

Table 14 – Societies by legislation, authorised under FSMA

Registration Act	Number	FSMA Authorised
Building Societies Act 1986	42	42 (100%)
Co-operative and Community Benefit Societies Act (Northern Ireland) 1969	224	81 (36.2%)
Co-operative and Community Benefit Societies Act 2014	8,213	186 (2.3%)
Credit Unions Act 1979	275	256 (93.1%)
The Credit Unions (Northern Ireland) Order 1985	61	60 (98.4%)
Friendly Societies Act 1974	772	42 (5.4%)
Friendly Societies Act 1992	25	23 (92.0%)

Other regulated activity

6. Most housing associations in the UK use the society legal forms (predominantly registered societies and community benefit societies) and are registered with regulators for their social housing provision (Table 15).

Table 15 – Regulated housing associations

Area	Regulator	Total	Of which, societies
<u>England</u>	<u>Regulator of Social Housing</u>	1581	731 (46.2%)
<u>Scotland</u>	<u>Scottish Housing Regulator</u>	137	129 (94.2%)
<u>Wales</u>	<u>Welsh Government</u>	32	32 (100%)
<u>Northern Ireland</u>	<u>Department for Communities</u>	21	21 (100%)

7. In Scotland, societies with charitable objects are regulated by the Office of the Scottish Charity Regulator. There are 175 charitable societies (predominately registered societies or community benefit societies) representing around 0.7% of the registered charities in Scotland. In Northern Ireland, there are 23 societies registered with the Charity Commission for Northern Ireland (representing around 0.33% of the registered charities). Charities in England and Wales are currently exempt from registration with the Charity Commission for England and Wales.

Annex 2

Definitions

Acronym	Definition
CDFI	Community Development Finance Institution
FCA	Financial Conduct Authority
FSMA	Financial Services and Markets Act 2000
GB	Great Britain
HMRC	His Majesty's Revenue & Customs
ILO	International Labour Organization
NI	Northern Ireland
ONS	Office for National Statistics
PRA	Prudential Regulation Authority
RFCCBS	<u>Registration Function under the Co-operative and Community Benefit Societies Act 2014 Guide</u>
SIC	Standard Industrial Classifications
SORP	Statement of Recommended Practice
UK	United Kingdom

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Pub ref: 2-008534

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