2021 - 2022 HIGHLIGHTS

Lifetime ISA: why the Government’s flagship saving scheme has a sting in its tail for London first-time buyers

What is a financial mutual and should I consider one? Expert advice on businesses owned by customers

Martin Shaw, chief executive of the Association of Financial Mutuals, discusses the benefits of businesses that are owned by its customers

Each week we ask a money expert questions focused on a particular theme. This week, Martin Shaw, chief executive of the Association of Financial Mutuals, discusses the benefits of businesses that are owned by its customers.

What is a financial mutual?

A financial mutual provides financial services and products, such as insurance, savings, loans and mortgages. They include building societies, credit unions, friendly societies and mutual insurers.

Unlike many mainstream financial providers, a mutual organisation is one that is owned by its customers, who, by joining the mutual become members. Most of us are a member of one or more mutuals, as the sector includes big retailers like The Co-op, as well as The National Trust, HSBC Trusts and housing associations are also usually mutuals. It is estimated that mutuals contribute £1.5bn a year to the UK economy, according to the All-Party Parliamentary Group for Mutuals.

Future of LV+ thrown into confusion after member vote for £330m takeover by Bain Capital fails short

Martin Shaw, chief executive of the Association of Financial Mutuals, added: "The board of LV+ has failed to make its case. Sufficient members have voted against the proposal to stop the plans to sell the business to Bain Capital and, as a truly democratic business, the board must now take a different path."

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Has your child got forgotten savings? A whopping £400m sits in trust funds opened 18 years ago - and many don’t realise it

- 150,000 CHILD Trust Funds worth £2,000 on average still waiting to be claimed
- They were opened for children born between September 2003 and January 2004.
- Since then began settling tracking rightful owners is proving a challenge
- Figures reveal half only 1 in 10 CHILD Trust Funds have been claimed to far

Martin Shaw, chief executive of the 43-strong Association of Financial Mutuals, whose members run CTFs, says: ‘Awareness of funds is low and a young person receiving a letter from a financial provider they may not know will not be motivated to open it. Many young people have moved house and may be difficult to trace.’

Boss of LV could rake in millions if he succeeds in selling business to US private equity firm Bain Capital for £530m

Martin Shaw, chief executive of the Association of Financial Mutuals, said: ‘LV was established 180 years ago, and each generation of members has contributed to the surplus in the expectation that those funds will contribute to the future growth of the business and to the benefit of future generations. So a demutualisation contradicts what millions of past members were promised.’

Untouched: £500m in children’s savings

Half a billion pounds is sitting unclaimed in trust funds

HUNDREDS of thousands of young adults have not touched their child trust funds (CTFs) prompting concerns that accounts have been forgotten about or lost.

There is about £554 million held in the savings accounts of 18-year-olds, suggesting that many may not even realise they have them.

Future of LV+ thrown into confusion after member vote for £330m takeover by Bain Capital fails short

The board of LV+ has failed to make its case. Sufficient members have voted against the proposal to stop the plans to sell the business to Bain Capital and, as a truly democratic business, the board must now take a different path.

Over the last 12-months, Smoking Gun has secured 171 pieces of coverage placing AFM as a key leader on topics around Child Trust Funds, mutual demutualisation and other topics such as how to invest your money.

Coverage appeared across consumers online & print, trade and broadcast media