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**Centre on Mutual &
Co-owned Business**

PEOPLE, PLACE AND THE ECONOMY:

The Social Value of Mutuals

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Any errors or omissions remain the responsibility of the authors.

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Executive Summary

This paper presents a cross-sector synthesis of the distinctive social value created by co-operatives and mutuals. Drawing on in-depth interviews with leaders across building societies, credit unions, friendly societies, mutual insurers, employee-owned firms and co-operatives, it identifies a set of shared “sector truths” that describe how mutual business models generate social value through their ownership structures, governance arrangements and long-term economic behaviour.

The analysis finds that social value in co-operatives and mutuals is not an optional activity or an extension of corporate social responsibility. Rather, it emerges structurally from business models that align commercial success with the long-term interests of members, communities and wider society. International evidence supports this conclusion, demonstrating that mutuals generate social value most effectively when it is embedded within core business operations rather than treated as a discretionary or reporting-led activity.

Mutuals operate as commercially disciplined enterprises in competitive markets. However, the absence of external shareholder pressures allows profits to be directed towards member outcomes, service quality and long-term resilience rather than short-term capital extraction. Financial strength is therefore not separate from social value, but a precondition for sustaining it.

Across diverse subsectors, seven cross-cutting truths were identified:

1. **Profits for people:** Mutuals pursue commercial success in service of members, embedding purpose into decision-making rather than treating social impact as an add-on.
2. **Building resilience:** Mutuals support financial wellbeing and shared value through inclusive design, equitable pricing and long-term stewardship.
3. **Place-based value:** Rootedness in communities creates local economic anchoring, trusted relationships and social infrastructure beyond transactional services.
4. **Market creation and inclusion:** Mutuals frequently pioneer new markets and serve groups overlooked by mainstream providers, shaping the evolution of industries over time.
5. **Member-shaped purpose:** Governance structures vary, but decision-making remains oriented towards member benefit and long-term legitimacy.
6. **Long-term relationships:** Relationship-based models foster trust, loyalty and organisational stability, reflected in member engagement and workforce culture.
7. **System-level impact:** Mutuals contribute to corporate diversity and economic resilience by demonstrating patient, steady and socially productive forms of commercial behaviour.

Taken together, these truths suggest that mutuals offer a distinctive economic orientation that complements investor-owned enterprise rather than replacing it. Their presence within mixed markets can exert a “benchmarking effect”, encouraging more responsible pricing, longer-term decision-making and reduced volatility across sectors.

For policymakers, the implications are significant. Supporting a diverse corporate landscape — including mutual and co-operative ownership models — can strengthen inclusive growth, regional economic resilience and long-term stability. An enabling policy environment that recognises ownership diversity, proportionate governance requirements and the value of patient capital may help mutual organisations continue to innovate and deliver social value alongside commercial success.

Co-operatives and mutuals are commercially viable institutions that generate enduring social value by design.

1. Introduction

This paper presents a sector truths synthesis derived from in-depth interviews with senior leaders and experts across the UK mutual and co-operative sector. Its purpose is to articulate a shared evidence base that underpins a cross-sector consensus on the distinctive social value generated by co-operatives and mutuals.

The sector 'truths' presented in this paper are grounded in qualitative evidence drawn from interviews with leaders and experts across the co-operative and mutual sector. They should be understood as a synthesis of shared perspectives rather than as definitive or exhaustive conclusions. As the research progressed, these propositions were tested and strengthened through the development of detailed case studies, comparative analysis and additional empirical research, including relevant literature and sector data. This process of triangulation is intended to ensure that the emerging framework reflects not only expert insight but also demonstrable practice, enhancing its credibility for policymakers, practitioners and wider stakeholders.

Interviewees consistently emphasised that social value is not ancillary or discretionary within mutuals. Rather, it is the direct expression of mutual purpose itself, produced through ownership structures, governance arrangements, organisational culture and long-term patterns of behaviour. Social value is generated not only through measurable outcomes, but also through the processes by which decisions are made and resources are allocated.

Many of the most significant forms of social value created by co-operatives and mutuals — such as trust, resilience and long-term stability — are not easily captured by conventional metrics. This creates a measurement gap that can lead to systematic under-recognition of their contribution relative to more easily quantified outputs such as profit or short-term returns.

Across subsectors, social value was described as emerging from four interrelated capacities: innovation in response to unmet needs; reduction of individual and systemic risk; deep, affinity-based relationships with members; and the ability to act effectively where conventional markets fail.

Overarching proposition

Co-operatives and mutuals create social value by structurally aligning their business models with the long-term wellbeing of members, communities and wider society.

2. The Meaning of Social Value in Business

Social value in business refers to the positive impact an organisation creates for society beyond financial profit. It encompasses the benefits a company delivers to individuals, communities and the environment through its operations, products and corporate behaviours. While traditional business success is usually measured by revenue and shareholder returns, social value expands the definition of success to include contributions to wellbeing, equity and sustainability.

Creating social value can take many forms, including improving access to essential services, enhancing quality of life, reducing environmental harm and supporting local economies. It requires organisations to understand the needs of stakeholders — employees, customers, suppliers and communities — and to design business models that respond to those needs in a responsible and sustainable way. In this report, social value is understood not only in terms of measurable outcomes, but also through the decision-making structures, ownership arrangements and governance practices that shape how those outcomes are produced over time.

Increasingly, corporations recognise that generating social value is not only ethically important but also strategically advantageous. Organisations that prioritise social value can build stronger brand trust, attract and retain talent, and foster long-term customer loyalty. They may also reduce risks associated with regulatory change, social expectations and environmental pressures.

Ultimately, social value reflects a business's commitment to contributing meaningfully to society. It signals a shift from viewing companies as solely economic actors to seeing them as participants in addressing wider social and environmental challenges while still achieving sustainable commercial success. These features suggest that co-operatives and mutuals may have an inherent advantage over investor-owned competitors.

Across interviews, leaders highlighted that “social value” is interpreted differently across subsectors and that no single definition or measurement framework is universally accepted. Several interviewees described confusion caused by overlapping frameworks such as ESG, SDGs and B Corp. Social value therefore needs to be understood as a flexible, context-specific concept that reflects the diversity of mutual models.

Social value in co-operatives and mutuals differs fundamentally from conventional corporate approaches. In investor-owned firms, social value is typically pursued through discretionary activities — such as corporate social responsibility (CSR) or ESG initiatives — alongside a primary objective of shareholder return. By contrast, in co-operative and mutual models, social value is structurally embedded in ownership, governance and decision-making. It arises not as an adjunct to commercial activity, but as a direct outcome of how the business is designed and for whom it operates.

The critical distinguishing factor is ownership. Where users, workers or customers are also owners, economic incentives are aligned with long-term outcomes, fundamentally shaping how value is created, distributed and sustained. This structural alignment ensures that social value is not dependent on managerial discretion but is an inherent feature of the business model itself.

The sector truths presented in this report are derived from practitioner interviews and triangulated through case studies and existing academic evidence, combining qualitative insight with established research across stakeholder governance, institutional economics and social enterprise.

Commercial Discipline and Social Value

The social value created by co-operatives and mutuals should not be interpreted as a substitute for commercial performance, nor as evidence of a softer or less rigorous business model. Mutuals are commercially active enterprises operating in competitive markets. Their ability to generate social

value depends fundamentally on financial strength, operational discipline and sustained profitability. Without commercial success, mutual organisations cannot invest, innovate or remain present for the long term.

It is therefore important to distinguish mutual purpose from not-for-profit activity. Co-operatives and mutuals do not exist outside the commercial economy; rather, they align commercial success with member and societal outcomes through their ownership and governance structures. Profit is not rejected — it is required — but it is directed towards long-term resilience, service quality and equitable value creation rather than short-term extraction.

For policymakers and stakeholders, the implication is clear: mutuality does not dilute commercial focus. Instead, it represents a different form of economic rationality in which sustainable profitability enables enduring social outcomes. The strength of the model lies in combining commercial viability with member-centred purpose, ensuring organisations remain both competitive and socially productive over time.

Limits of Current Social Value Reporting

International evidence highlights an important limitation in how social value is currently reported and understood. Across multiple jurisdictions, co-operatives and mutuals adopt a wide range of reporting approaches — including monetised Social Return on Investment (SROI) models, compliance-based ESG frameworks such as GRI, and narrative or case study-led reporting.

While each approach provides useful insights, each also shapes what becomes visible as ‘social value’. Monetised models can produce headline figures but rely on contestable assumptions; compliance frameworks support comparability but may prioritise what is measurable over what is meaningful; and narrative approaches improve accessibility but can lack analytical consistency.

A consistent finding across international studies is that existing frameworks do not adequately capture the distinctive contribution of mutual ownership. As a result, many impact reports produced by mutuals are indistinguishable in form from those of investor-owned firms undertaking responsible business practices. This risks obscuring the fundamental difference: in mutuals, social value is generated structurally through ownership, governance and business design.

This reinforces the need for a clearer articulation of mutual social value — one that reflects not only outcomes, but the institutional features through which those outcomes are produced.

3. Sector Truths: How Mutuals Generate Social Value

Across building societies, friendly societies, mutual insurers, credit unions and consumer co-operatives, a coherent and compelling set of **shared truths** emerges about how mutuals conceive, create, and sustain social value.

While each subsector expresses these truths in different ways, and to different degrees, the underlying logic is remarkably consistent.

This summary identifies the **seven most significant cross-cutting truths** that define the social value of mutuals today.

We have identified seven ‘truths’ that hold across the mutual sector.

1. **Mutuals prioritise profits for people:** commercial success in service of members—structurally, not rhetorically.
2. **Mutuals build peoples’ wealth and financial resilience** — at household, and organisational levels.
3. **Mutuals create value through place:** presence, rootedness and local economic anchoring.
4. **Mutuals serve people and communities the market underserves** or excludes.
5. **There is a member-shaped purpose** — social priorities emerge from member requirements and concerns.
6. **Mutuals cultivate long-term relationships** which generate long-term social value.
7. **Mutuals demonstrate a socially positive form of economic rationality:** patient, steady,

Figure 1. Social Value Created by Mutuals



3.1 Mutuals prioritise profits for people

Mutuals prioritise profits for people: commercial success in service of members—structurally, not rhetorically

Across all interviews, a single principle recurs: co-operatives and mutuals exist to serve people, not capital. This is both their founding reason for existence and their continuing business purpose.

Co-operative and mutual businesses create social value in a way that fundamentally contrasts with traditional investor-owned firms. Their purpose is not centred on maximising profits for external shareholders, but on meeting the needs of the people who use, work in or rely on the business. Because members are also the owners, the business is shaped around their interests and the wellbeing of the wider community. This alignment changes how decisions are made, how resources are distributed and what outcomes are prioritised.

Surplus is not extracted and sent to shareholders; instead, it is reinvested into improving services, strengthening the business, or supporting local initiatives. Occasionally it is shared with members, but always in ways that reflect participation rather than capital ownership. This means that financial success circulates within communities, helping to build more stable local economies and reduce inequality.

Typically, co-operatives and mutuals emerged in response to unmet needs — where markets had failed or where communities felt underserved or exploited. They stepped in to provide essential goods and services at fair, accessible prices. They also protect and create jobs, particularly in employee-owned businesses formed to save viable enterprises from closure.

International evidence reinforces this structural interpretation of purpose. Comparative case studies show that the most effective mutuals embed social value directly within their operating models, rather than treating it as a discretionary or philanthropic activity. For example, Canadian credit union Vancity systematically directs lending towards social and environmental outcomes, while Australian Unity generates social value through the integrated provision of care, health and financial services. In these cases, social value is produced through core business activity, not added after profit is generated.

Commercial viability is therefore not separate from mutual purpose, but a precondition for it. Co-operatives and mutuals operate in competitive markets and must generate sustainable surpluses in order to invest, innovate and remain resilient over time. Their distinctive feature is not an absence of profit, but the way profitability is aligned with member outcomes and long-term stewardship. Financial discipline, prudent risk management and strong commercial performance enable mutuals to deliver value consistently across economic cycles, ensuring that social value is sustained rather than episodic.

In this sense, mutuality represents a different orientation to profit — one that prioritises durable member benefit and organisational stability over short-term extraction, while remaining firmly grounded in commercial reality.

Qualitatively different from CSR

In businesses of all types, corporate social responsibility (CSR) is optional; in mutuals, social value is built in.

Co-operatives and mutuals are more likely to adopt sustainable practices, ethical supply chains and long-term employment strategies. Their resilience is well documented; they often survive economic

crises better than conventional firms because they are less driven by short-term profit pressures and more committed to the stability of their members' livelihoods.

Social value is created by how mutuals do business, not simply by what they do with surplus. In mutuals, the creation of social value is not charitable activity or "doing good with profits".

There are two aspects to this. First, many mutuals originated by providing something the free market did not offer, thereby helping to shape the market itself. Second, beyond their core business, co-operatives and mutuals have made choices about how they operate — from ethical sourcing to campaigning — that reflect a wider commitment to social improvement.

Across the sector, organisations consistently demonstrate that their founding purpose remains active in contemporary practice. Co-operatives and mutuals continue to design products and services around member need rather than capital return, with surplus reinvested into service quality, pricing and long-term sustainability. In financial mutuals, this is reflected in pricing strategies and customer outcomes that prioritise member value over short-term profit maximisation. In employee-owned businesses, value is distributed more equitably through pay, participation and long-term employment stability. Across sectors, the defining feature is that commercial success is directed towards member benefit rather than extracted for external shareholders.

In friendly societies and mutual insurers, this principle underpins a wide range of affinity-based models — from professional defence societies to community mutuals such as Oddfellows. Their purpose reflects the specific needs of their member communities, resulting in highly differentiated expressions of social value: professional development and wellbeing support for medical members, social belonging for isolated people, or long-term life-course support.

Interviewees repeatedly stressed that "purpose is commercial strategy", not an add-on. Mutuals succeed because of their purpose, not despite it.

Ultimately, co-operative and mutual businesses generate social value not as an optional extra, but as an inherent outcome of their structure and purpose. They embed fairness, participation and community benefit into the way they operate. Their economic activity becomes a means of strengthening society — supporting individuals, enhancing collective wellbeing and contributing to more equitable and sustainable communities.

Interviewees emphasised that this is not simply an ethical preference but a structural principle: the absence of external shareholders reorients organisational behaviour towards member benefit and long-term wellbeing. Purpose in a co-operative or mutual is therefore an authentic description of what the organisation is, rather than what it wants to project about itself. This foundational difference in purpose shapes every other truth in this summary.

This orientation is consistent with stakeholder governance and stewardship models, which emphasise long-term value creation over short-term shareholder primacy. Evidence suggests that organisations not subject to external shareholder pressures are better able to prioritise reinvestment, resilience and stakeholder wellbeing. Commercial success is therefore not in tension with social purpose; it is a necessary condition for sustaining it over time.

Case Study: Scotmid Co-operative — Profits for People in Practice

Scotmid Co-operative provides a strong example of how a consumer-owned co-operative embeds the principle of “profits for people” within its commercial model. Operating across food retail, funeral services and property, Scotmid serves communities throughout Scotland and Northern Ireland while maintaining a governance and ownership structure that ensures financial success is directed toward member and community benefit.

As a co-operative, Scotmid is owned by its members – customers who choose to participate in the business. This ownership model means that surplus generated through trading is not distributed to external shareholders but instead returned to members and reinvested in ways that reflect collective priorities. Members receive a share of profits through dividend schemes linked to their participation, ensuring that the financial value created by the business is shared equitably.

Beyond individual benefit, Scotmid directs a significant proportion of its surplus toward community investment. Through structured grant programmes and local partnerships, the co-operative supports community organisations, social initiatives and local infrastructure. This approach ensures that commercial success contributes directly to strengthening the communities in which Scotmid operates.

The co-operative also reinvests in maintaining a strong local presence, including in areas where purely profit-driven operators may withdraw. By sustaining access to essential retail services and supporting local employment, Scotmid contributes to regional economic resilience.

Importantly, these outcomes are shaped by member influence. Through democratic governance processes, members can participate in decision-making and help determine how surplus is allocated. This ensures that social priorities are not externally imposed but emerge from the needs and preferences of the membership.

Scotmid demonstrates that “profits for people” is not a rhetorical commitment but a structural feature of the business. Financial success is systematically recycled into member value and community benefit, creating a virtuous cycle in which commercial performance and social impact reinforce one another over time.

3.2 Mutuals build people’s wealth and financial resilience

Mutuals build people’s wealth and financial resilience — at individual/household and organisational levels.

While many organisations claim to support financial resilience, co-operatives and mutuals do so through structurally embedded inclusion, equitable distribution and member alignment, rather than selective participation in the most commercially attractive segments. International comparisons suggest that mutuals achieve this through inclusive product design, equitable pricing and member-aligned capital allocation — distinctions that are often not visible in conventional ESG reporting, which tends to focus on outputs rather than the underlying design of business models.

This approach reflects a broader commitment to equitable access and shared value, linking directly to the capacity of mutuals to serve unmet needs and create markets where others withdraw, as explored further in Truth 3.4.

Across all industry strands, co-operatives and mutuals create financial resilience in ways that commercial businesses either do not, or do not prioritise. Their business purpose focuses on the interests of members, who are active participants in the mutual — as customers, workers or suppliers.

The creation and sharing of wealth in an equitable manner is one important way in which they deliver social value. Some share value transparently through patronage dividends or bonuses. Others support resilience by enabling individuals to build financial security through products, services and long-term member benefit.

The evidence gathered from interviews shows how different types of co-operatives and mutuals create and share wealth, delivering financial resilience at both individual and organisational levels.

Individual and household resilience

All types of mutuals 'pre-distribute' wealth in the way they price their products or invest in the quality of the service they deliver. This may lower apparent profitability, but it is a key way in which value is shared equitably with members and customers. It can create significant social value by providing access to quality services and products that enhance wellbeing.

Through their products, services and distribution practices, co-operatives and mutuals also directly support the growth of individual financial resilience, often with a focus on lower and middle-income groups.

Across different types of mutuals, financial resilience is built through both product design and value distribution. Building societies and mutual insurers support long-term saving, home ownership and protection, strengthening financial security at both individual and household levels. Credit unions play a critical role in enabling financial inclusion, helping members move from short-term borrowing towards sustainable saving and financial independence. Co-operatives contribute by maintaining access to essential goods and services, while employee-owned firms reinforce resilience through more stable incomes and equitable reward structures. In each case, value is delivered not only through financial returns, but through improved long-term financial outcomes for members.

Organisational resilience

Consumer-owned mutuals are stable and resilient businesses, often maintaining their relevance across decades, and sometimes centuries, of operation. Their mutuality enables them to pursue long-term business plans, patiently building value over generations rather than distributing it to investors.

Employee-owned firms preserve businesses and jobs, embedding people-powered ownership in the economy and sustaining place-based growth where the alternative might be liquidation. Employee ownership is both pre-distributive and re-distributive. Wealth shares, tax-free bonuses and higher minimum wages create meaningful financial uplift — particularly for lower-income workers in care, retail and manufacturing. Evidence also shows that employee-owned firms invest more in training, wellbeing, job security and inclusion, creating stronger household resilience.

Professional body mutuals, such as medical, dental and veterinary defence organisations, reinvest in training, standards and wellbeing, creating virtuous circles of reduced risk and enhanced competence. This focus has helped sustain resilient service organisations over the long term.

The stability and longevity associated with these behaviours help maintain jobs, preserve services and provide continuity that benefits individuals and communities alike. This reflects broader findings in financial inclusion literature, which show that member-owned institutions are more likely to prioritise access, affordability and long-term financial capability, particularly for underserved groups.

Case Study: OneFamily – Social Value Through Long-Term Financial Inclusion

OneFamily focuses on expanding access to long-term saving and financial protection for everyone, including those who may have less access to traditional financial services. Its mutual structure allows the organisation to pursue products and markets that require patience and long-term commitment rather than short-term profitability.

In one example of this focus on long-term financial inclusion, OneFamily played a major role in the UK's Child Trust Fund programme, a national initiative designed to give children a financial asset and encourage engagement with long-term investing. The programme offered limited margins and complex product requirements, making it unattractive to many providers. OneFamily invested heavily in the initiative and ultimately came to manage around one in four Child Trust Fund accounts. Research on matured accounts shows that many participants develop stronger saving habits and greater understanding of investing as a result.

The organisation continues to strengthen financial resilience through a range of products and benefits. These include accessible investment products for mass-market customers, life insurance and protection products, and grants that support young people with the cost of education. OneFamily also works with organisations such as Money Ready to deliver financial education programmes for children in disadvantaged communities.

OneFamily extends this long-term perspective to environmental and community outcomes. It offers climate-focused investment funds, has achieved net-zero scope 1 and 2 emissions, and maintains strong partnerships with local charities in Brighton that support young people in education, employment and financial independence.

Case Study: Serve and Protect – Social Value Through Financial Support for Key Workers

Serve and Protect exists to support people working in the UK’s protective services, including the police, prison, military, fire and health sectors. Its mutual structure allows the organisation to prioritise the financial wellbeing of these members and the communities they serve.

During the recent cost-of-living crisis, Serve and Protect chose to keep its interest rates unchanged while many lenders increased theirs. The organisation took this decision to protect members, particularly those with imperfect credit histories who might otherwise struggle to access affordable borrowing. This approach reflects a broader commitment to treating members as individuals rather than simply as credit scores.

Serve and Protect focuses strongly on building long-term financial resilience among key workers. The organisation delivers financial education sessions for recruits and colleagues across the protective services workforce. In 2025 it ran more than 150 sessions, resulting in over 2,300 people applying to save regularly and collectively committing significant monthly savings.

The communities Serve and Protect supports are defined by shared professions rather than geography. Within these workplaces the organisation identifies and supports groups who may face particular financial barriers, including global majority workers in the NHS, non-UK service personnel and military families managing frequent deployments.

Serve and Protect encourages members to build savings habits while also providing a safety net when borrowing is needed. This long-term relationship helps key workers maintain financial stability so they can focus on demanding roles that contribute directly to public safety and national wellbeing.

3.3 Mutuals create value through place

Mutuals create value through place: presence, rootedness and local economic anchoring.

A powerful cross-sector truth is the focus on place-based mutualism. Place is not a marketing strategy — it is a defining feature of mutual identity. This role aligns with research on “anchor institutions”, which highlights the importance of locally embedded organisations in sustaining regional economies, supporting employment and maintaining social infrastructure. Through their ownership structures and long-term orientation, mutuals exhibit many of these characteristics.

This place-based role is also reflected internationally. In the United States, electric co-operatives continue to provide essential infrastructure in rural areas that investor-owned utilities historically did not serve. Across Europe, co-operative and mutual banking models maintain regional economic infrastructure through locally anchored lending and employment. These examples illustrate how ownership structures that prioritise long-term presence enable mutuals to act as stabilising anchor institutions within local economies.

At its most basic level, co-operatives and mutuals emerged from their communities and have remained in place. As a result, they are headquartered in those communities, and even the largest

firms are often located in UK regions rather than concentrated in London. This provides quality work and training opportunities and helps stabilise local economies across the country.

Co-operatives and mutuals remain committed to local communities in other tangible ways. Shops and building society branches remain physically present in communities longer than commercial firms, allowing them to act as anchors on local high streets and as sources of civic infrastructure and social capital that deliver value far beyond their immediate member or customer base.

Most go further by building relationships with local communities. Customer loyalty is built through relationships rather than strings of transactions, and mutuals rely on those relationships being established over the long term.

Interviews from building societies, co-operatives and friendly societies reinforced that place-rootedness is not sentiment but economic reality. Mutuals intentionally maintain physical presence — branches, community spaces, lodges and local supply chains — despite commercial pressures to withdraw.

Across the sector, mutuals demonstrate a consistent commitment to place through their operational presence, employment patterns and community engagement. Building societies maintain branch networks that continue to serve local high streets, often combining financial services with community activities and shared spaces. Credit unions are inherently embedded in defined communities, operating through local or workplace-based membership structures. Co-operatives and mutual insurers, even when operating at scale, retain strong local roots and invest in community initiatives, education and support networks. This sustained local presence reflects a long-term commitment to communities that extends beyond purely commercial considerations.

Evidence Indicators: Place-Based Social Value

Mutuals can evidence place-based social value through a combination of quantitative and qualitative indicators, such as:

- **Branch and physical presence:** number and distribution of local branches, community hubs, or service locations; continuity of presence in areas where commercial providers have withdrawn.
- **Local employment and economic anchoring:** proportion of staff employed outside major financial centres; regional headquarters; local procurement and supply-chain relationships.
- **Community use of spaces:** provision of branch or organisational spaces for community activities, advice services, local events, or partnerships with voluntary and civic organisations.
- **Local engagement and investment:** participation in community initiatives, local funds, educational programmes, or partnerships that strengthen social infrastructure.

These indicators help demonstrate how mutual presence contributes to local resilience and social capital over time.

Case Study: Newcastle Building Society – Social Value Through Local Presence

Newcastle Building Society describes its purpose as “connecting our communities with a better financial future.” As a Building Society, Newcastle sees purpose not as a branding exercise but as the core driver of decision-making. While shareholder businesses may pursue purpose as a route to profit, the society’s priority is delivering long-term value for members while maintaining a sustainable and profitable business.

One of the clearest expressions of this approach is its commitment to maintaining a physical presence in local communities. At a time when many banks are withdrawing from high streets, Newcastle Building Society continues to invest in branches and face-to-face services, opening locations in towns such as Hawes, Wooler, Knaresborough and Pickering where traditional banking services have disappeared. Many branches now also provide free community space and partner with local organisations including libraries, charities and community centres. The society works with strategic partners to support employability programmes across the region and offers financial education support to local schools.

The society emphasises financial resilience and inclusion as key outcomes of this approach. Customers benefit from consistently competitive savings rates — earning over £32.8 million more in interest than average market rates in 2025— alongside high levels of customer satisfaction (97%) and support services such as a “Helping Hand” programme that assists vulnerable customers in accessing benefits and financial guidance.

Mutual ownership also shapes how the society responds to member needs. For example, it continues to offer traditional passbooks, despite the operational cost, because members value them. Accessibility initiatives such as dementia training for all colleagues as part of their induction and quieter “Slow Shopping” branch hours also reflect a commitment to serving customers who may otherwise be overlooked. The society’s financial advice subsidiary offers face to face investment advice to all customers in all locations, unlike most ‘wealth managers’ who typically set a high bar for the minimum amount they will advise on.

For Newcastle Building Society, the social value of mutuality is rooted in long-term relationships and a strong sense of place. Across the many communities it serves, relationships span generations, reinforcing traditions of saving and supporting aspirations such as home ownership.

3.4 Mutuels serve people and communities

Mutuals serve people and communities the market underserves or excludes.

Co-operatives and mutuals have consistently acted as both market-makers and market-correctors — creating new markets where none previously existed and reshaping existing markets to improve access and fairness. They often emerge in response to coordination failures, exclusion or unmet need, where conventional investor-led models cannot operate effectively.

By aligning commercial activity with member priorities, mutuals have developed products, services and practices that later become embedded across mainstream markets. In this sense, mutual innovation frequently precedes wider industry change: markets that begin as collective responses to exclusion or unfairness are later scaled and commercialised by investor-owned firms.

International evidence further demonstrates the role of mutuals as market creators, not simply gap-fillers. For example, US electric co-operatives were central to the electrification of rural America — a transformative infrastructure development that commercial providers did not undertake. Similarly, co-operative financial institutions and mutual insurers expanded access to savings, credit and protection products to populations excluded from early commercial markets.

These examples reinforce that mutuals do not merely operate within markets — they help to create and shape them. Their ability to align commercial activity with collective need enables them to address coordination failures and establish new norms that are subsequently adopted by mainstream providers.

The mutual sector's distinctive contribution therefore lies not only in remaining present where others withdraw, but in shaping the evolution of markets themselves through inclusive design, long-term commitment and values-led innovation.

Examples of market creation and innovation include accessible savings and mortgage models that helped normalise mass home ownership; protection and long-term savings products for populations previously excluded from commercial insurance markets; ethical sourcing and Fairtrade supply chains that reshaped retail norms; and inclusive financial services such as payroll savings and affordable credit.

In a contemporary setting, each strand of the co-operative and mutual sector contains examples of markets that commercial providers have withdrawn from because margins are tight. Mutuals often remain in these markets, or choose to serve them specifically, because the commercial opportunity aligns with long-term member value.

The interviews broadened this further: mutuals do not merely stay in marginal markets, they actively innovate to meet unmet needs. In the friendly society and mutual insurance part of the sector, for example, school absence mutuals, fire and rescue indemnity companies, activities industry mutuals, and commercial credit broker mutuals emerged specifically because commercial insurers withdrew.

This capacity to devise new solutions to collective problems — from agricultural transition to long-term support for underserved communities — is a defining source of social value. It reflects broader theories of institutional innovation and collective action, in which member-owned organisations solve coordination problems and, over time, establish norms that are later adopted by mainstream providers.

Evidence across the sector demonstrates that co-operatives and mutuals continue to operate in areas where conventional providers are less active. Friendly societies and mutual insurers have developed specialist products in areas such as long-term savings and professional protection, often in markets with complex risk profiles. Building societies play a leading role in supporting first-time buyers and niche mortgage markets, including underserved segments. Credit unions provide access to affordable credit in communities where alternatives may be limited or high-cost. Across all sectors, mutuals show a consistent willingness to operate in lower-margin or higher-complexity markets where social need is significant.

Case Study: London Mutual Credit Union — Building Financial Resilience Through Inclusive Finance

London Mutual Credit Union demonstrates how mutuals build wealth and financial resilience at both individual and household levels through structurally inclusive financial services.

Serving over 30,000 members across London, the credit union was established to address financial exclusion among low- and middle-income communities—particularly public sector workers and residents underserved by mainstream banks. Its model is rooted in the principle that financial resilience is best achieved through accessible, affordable, and member-focused services rather than profit-maximising lending.

London Mutual Credit Union enables members to transition from short-term financial vulnerability to longer-term stability. It offers savings accounts designed to encourage regular deposits, alongside affordable loans that provide an alternative to high-cost credit. Crucially, borrowing is often linked to saving, helping members build assets while meeting immediate financial needs. This “save-as-you-borrow” approach embeds resilience directly into its products.

At the household level, the credit union supports stability by smoothing income volatility and enabling better financial planning. Members can access payroll deduction schemes, allowing savings and loan repayments to be made automatically, reducing financial stress and improving budgeting outcomes. Over time, this builds financial confidence and reduces reliance on emergency borrowing.

Importantly, value is delivered not only through financial products but through the way they are structured. Interest rates are fair and transparent, and surplus is reinvested into improving services rather than extracted as profit. This ensures that the benefits of financial activity circulate within the membership base, strengthening collective resilience.

Through its long-term, relationship-based model, London Mutual Credit Union demonstrates how mutual ownership enables a fundamentally different approach to finance—one that builds wealth gradually, equitably, and sustainably across individuals, households, and communities.

3.5 There is a member-shaped purpose

There is a member-shaped purpose — social priorities emerge from member priorities and concerns.

Member-led purpose is a defining mutual differentiator. This stands in contrast to proprietary business models, where the social agenda is more often shaped by executive priorities or brand strategy.

In mutuals, social priorities are aligned with and informed by member needs and concerns. All mutuals and co-operatives are focused on working in the interests of their members. At the same time, it is important to recognise that governance and member engagement look different across the sector, shaped by organisational scale, sectoral context and regulatory requirements.

Large financial mutuals, for example, operate within complex prudential and governance frameworks that necessitate representative or proxy forms of democracy rather than direct participation by all members. Smaller co-operatives and community-based organisations may enable more direct member voice and decision-making.

These structural differences do not diminish mutual purpose. Rather, they reflect practical adaptations to risk, regulation and operational complexity. Across this diversity, the defining feature remains consistent: decision-making is oriented towards member benefit and long-term stewardship, even where the mechanisms for member input vary.

There is no single way of “doing” mutuality, and direct member engagement in governance should not be confused with mutual purpose itself. Each mutual or co-operative will choose the most appropriate way to engage with and reflect member views.

Research consistently shows that co-operatives and mutuals enjoy comparatively high levels of public and member trust as a result of their distinctive ownership and governance structures. Because they are owned by the people who use or work in them, their incentives are aligned with stakeholder interests rather than external shareholder profit. Democratic decision-making, transparency and the reinvestment of surplus into member benefits or community initiatives further reinforce perceptions of fairness and accountability.

Empirical studies show that co-operatives and mutuals — particularly in sectors such as banking, insurance, agriculture and retail — are often regarded as more trustworthy than investor-owned firms, especially during periods of economic instability. This trust advantage reflects not only participatory governance but also the positive, lived experiences of members who view co-operatives as reliable, socially responsible and oriented towards long-term community wellbeing.

Interviewees stressed that member-shaped purpose looks radically different across subsectors. For police affinity mutuals, this means supporting the stresses of policing life; for Oddfellows, it means combating isolation through community belonging; for agricultural mutuals, it means preparing farmers for environmental and regulatory change. Mutual purpose therefore cannot be reduced to a single template. Its expression is shaped by affinity, heritage, geography and sector.

International evidence suggests that the governance dimension of mutuality is often under-communicated in impact reporting. Many reports focus on activities and outputs while giving limited attention to how member ownership and governance structures shape decision-making. This creates a risk that the distinctive contribution of mutual governance is obscured, reinforcing the importance of articulating clearly how member alignment influences strategic and operational choices.

Across all mutual forms, decision-making is consistently oriented towards member benefit, even where governance structures differ. In smaller organisations this may involve direct participation, while larger mutuals operate through representative or proxy arrangements shaped by regulatory requirements. Despite these differences, there is a shared emphasis on understanding member needs and aligning strategic decisions accordingly. This member focus is reflected in higher levels of trust, transparency and engagement, and in a clear commitment to act in the interests of members rather than external investors.

Case Study: Cornish Mutual – Social Value Through Practical Support for Farming Communities

Cornish Mutual exists to serve its farming membership and shapes its strategy around delivering fair, stable pricing, good value and high service standards rather than distributing profits to external shareholders. The organisation prioritises initiatives that strengthen the wellbeing and resilience of its members, even when these do not generate immediate commercial returns.

A central focus is improving safety and resilience within farming businesses. Cornish Mutual recognises that financial compensation alone does not address the wider consequences of accidents on farms. In response, it provides a practical on-farm health and safety service that supports members in improving safety standards and reducing risk. The service is deliberately priced well below competing offers to maximise participation, and strong renewal rates demonstrate that members value the support.

The organisation also addresses structural challenges in rural insurance markets. It works to reduce chronic underinsurance on farms by taking greater responsibility for rebuild cost assessments and embeds additional protections within its policies, including cover for the death or serious injury of a farm principal. Cornish Mutual also provides cyber support and maintains a wider risk appetite for non-standard rural properties.

Cornish Mutual maintains deep roots in the farming communities of Cornwall and Devon. Local staff operate directly within these communities and the organisation plays an active role in agricultural events and shows. Long-standing relationships, often spanning generations of farming families, create a network of trust that supports knowledge sharing, resilience and collaboration across the rural economy.

Case Study: The Co-operative Group — Member-Shaped Purpose in Practice

The Co-operative Group provides a clear example of how member ownership translates into a genuinely ‘member-shaped purpose,’ where social priorities are not imposed from the top down but emerge directly from the concerns and values of its membership.

With millions of members across the UK, it operates a democratic structure in which members can influence strategic direction through voting, consultations and participation in governance processes. This structure ensures that the Co-operative Group’s priorities reflect the issues that matter most to its members, rather than external shareholders.

A prominent example of this is the Group’s long-standing leadership on ethical sourcing and Fairtrade. Member engagement and campaigning have consistently highlighted concerns around global supply chains, worker exploitation and environmental sustainability. In response, the Co-operative Group has embedded ethical sourcing into its core business model, becoming an early and influential supporter of Fairtrade products and responsible sourcing standards. These were not peripheral CSR initiatives, but commercial decisions shaped by member expectations.

Similarly, the Group’s focus on community investment and social issues—including loneliness, access to food, and local resilience—has been driven by member consultation and local engagement. Through its Local Community Fund and member-led campaigns, resources are directed towards causes identified by members themselves, ensuring relevance and impact at a local level.

Importantly, this member-shaped approach operates within a commercially disciplined framework. Decisions are evaluated not only for their social impact but also for their contribution to long-term business sustainability. This reinforces a virtuous cycle: member priorities shape strategy, which builds trust and loyalty, strengthening the commercial performance that enables further social impact.

In this way, the Co-operative Group demonstrates how member ownership creates a continuous feedback loop between purpose, decision-making and outcomes—ensuring that social value is structurally embedded in the business.

3.6 Mutuals cultivate long-term relationships

Mutuals cultivate long-term relationships which generate long-term social value.

Mutuals and co-operatives invest in building relationships with members and customers rather than maximising transactions. Many of these relationships last for decades and evolve alongside changes in individual needs.

They cultivate these long-term relationships by building trust, demonstrating shared purpose and consistently delivering value over time. Because they are owned by the people they serve, their priorities create a foundation of loyalty from the outset: members feel that the organisation exists for their benefit, and that its decisions reflect their interests.

The relationship is strengthened by the personal touch for which many mutuals are known. Their community-based roots help them understand the circumstances of the people they serve, enabling them to offer support that feels tailored rather than transactional.

Financial value also plays an important role. Because profits are returned to members — through lower fees, better pricing, or occasional dividends — individuals experience tangible benefits alongside the relational value of membership. This reinforces the idea that remaining with a mutual is not only emotionally resonant but also financially rational.

The strength of these long-term relationships is often reflected in organisational culture and workforce outcomes, including higher staff retention, longer average tenure and strong levels of employee engagement. While these indicators vary across subsectors, they provide useful evidence of the deeper trust and shared purpose that underpin mutual business models.

Transparency further strengthens these relationships. Mutuals communicate openly about how they operate, how decisions are made and how member contributions support the wider community. Combined with regular opportunities for feedback and participation, this gives members a genuine voice in shaping their institutions.

Because co-operatives and mutuals invest in both people and place, they support local initiatives, offer financial education and provide tools that help members make informed choices at different stages of life. They maintain a focus on long-term service rather than short-term sales.

Together, these practices — member ownership, personal service, shared value, transparency, community investment and ongoing support — form a relationship model built on trust and mutual benefit. Over time, this creates not just satisfied customers but deeply committed members who view the mutual as a partner in their financial and personal wellbeing.

Professional affinity mutuals illustrate this particularly clearly: engagement begins at student stage and continues throughout a member's career, creating virtuous circles of support, development and risk reduction. In co-operatives, long-term supplier relationships — such as decades-long Fairtrade partnerships — enable communities overseas to invest in infrastructure such as schools, outcomes only possible because of the mutual commitment to stability rather than opportunistic procurement. Employee-owned businesses likewise report high levels of staff participation and voice because governance embeds representation structurally rather than optionally.

These long-term relationships generate what can be described as relational value — including trust, reduced transaction costs, improved information flows and stronger organisational resilience. While often intangible and under-measured, these effects are central to long-term economic performance and social outcomes, and are reinforced through the high levels of staff retention, engagement and tenure commonly observed in mutual organisations.

International reporting practices also show that many of these relational benefits — including trust, loyalty and continuity — are not consistently measured or captured within standard frameworks. While some organisations report indicators such as member satisfaction or employee engagement, much of this value remains implicit. This suggests that an important dimension of mutual performance — the strength and durability of relationships — is systematically under-recognised despite its central role in long-term economic and social outcomes.

Mutuals consistently demonstrate a long-term approach to relationships with members, customers and employees. In financial services, this is reflected in customer journeys designed to support individuals over time, such as saving, borrowing and retirement planning. Credit unions explicitly aim to move members from financial vulnerability towards stability and independence. Employee-owned businesses show strong evidence of higher engagement, longer tenure and more stable employment relationships. Across the sector, financial value is returned through pricing, service quality and member benefit, reinforcing both the emotional and economic rationale for long-term participation.

The mutual relational approach produces:

- Greater trust
- Higher loyalty
- Reduced arrears and default
- Better risk outcomes
- Better mental wellbeing
- Better community cohesion

Case Study: Shaw Healthcare — Delivering Social Value Across the Seven Truths

Shaw Healthcare provides a compelling example of how an employee-owned mutual model can deliver social value consistently across all seven sector truths.

Profits for people: As an employee-owned organisation, Shaw Healthcare directs commercial success toward its workforce and service users rather than external shareholders. Surpluses are reinvested into service quality, staff development, and organisational resilience, ensuring that financial performance directly benefits those who contribute to and rely on the organisation.

Building resilience: Shaw supports financial and personal resilience among its employees through fair pay, stable employment, and opportunities for progression. This, in turn, enhances the quality and continuity of care provided to residents, strengthening resilience at both individual and organisational levels.

Place-based value: Operating care homes across the UK, Shaw is deeply embedded in local communities. Its facilities provide not only essential care services but also local employment and community engagement, acting as important social infrastructure within those areas.

Market creation and inclusion: Shaw operates in a sector where provision can be uneven and under strain. By maintaining high-quality care services, including in areas where provision is challenging, it contributes to addressing gaps in the care market and supports vulnerable populations.

Member-shaped purpose: Employee ownership ensures that staff have a meaningful stake in the organisation. While governance structures are necessarily formalised, the organisation's purpose is shaped by the needs and experiences of its workforce, aligning operational decisions with frontline realities.

Long-term relationships: Shaw's model fosters long-term relationships between staff and residents, which is particularly critical in care settings. Continuity of care and strong interpersonal trust improve outcomes for residents and create a more stable working environment.

System-level impact: By demonstrating a sustainable, employee-owned model in the care sector, Shaw contributes to broader discussions about how care services can be delivered more responsibly. Its approach illustrates how patient, people-centred business models can strengthen service quality while maintaining commercial viability.

Case Study: Royal London cultivates long-term relationships which generate long-term social value

Royal London demonstrates how mutual ownership can cultivate long-term relationships that generate enduring social value, particularly in sectors such as pensions and protection where outcomes unfold over decades.

As a mutual, Royal London is owned by its customers—policyholders whose financial wellbeing depends on long-term performance rather than short-term gains. Its ownership structure shapes how the organisation approaches customer relationships. Rather than focusing on transactional interactions, Royal London is oriented around supporting members through key life stages: saving for retirement, managing financial risk, and planning for the future.

This long-term perspective is reflected in its product design and service model. Pensions, life insurance and income protection products are inherently long-duration, requiring sustained trust between provider and customer. Royal London reinforces this by prioritising fair value and consistency over time, helping members make informed decisions and maintain confidence in their financial planning.

The organisation's approach to profit distribution further strengthens these relationships. Through mechanisms such as ProfitShare which enhances the policy value of eligible customers. Since Profitshare launched in 2007, Royal London has shared over £2bn with eligible customers.

Royal London also invests in relationships beyond individual policyholders. Its engagement with employers, advisers and wider stakeholders supports better financial education and access to appropriate products, contributing to improved financial resilience across society.

Importantly, these long-term relationships are underpinned by commercial discipline. Royal London must remain financially strong and competitive to deliver on its promises over decades. Its mutual structure enables it to balance this requirement with a commitment to member outcomes, rather than prioritising short-term shareholder returns.

In this way, Royal London illustrates how relationship-based business models can generate cumulative social value over time. By aligning commercial success with long-term customer wellbeing, it creates a virtuous cycle of trust, stability and financial resilience that benefits both individuals and the wider economy.

3.7 Mutuels demonstrate a socially positive form of economic rationality

Mutuels demonstrate a socially positive form of economic rationality: patient, steady, equitable, and socially productive behaviour strengthens the wider system.

A substantial body of academic literature highlights the system-level importance of ownership diversity. Co-operatives and mutuels contribute to economic stability by operating under different incentive structures from profit-maximising firms, particularly in reducing pro-cyclical and speculative behaviour.

Comparative international evidence strengthens this system-level perspective. Economic modelling of co-operative sectors — including US electric co-operatives — demonstrates substantial contributions to employment, income and regional economic output. In Europe, mutual and co-operative banks operate within regulatory frameworks that emphasise resilience, long-term stewardship and stakeholder accountability.

These examples suggest that mutuals contribute not only at firm level but at system level, supporting economic stability and institutional diversity. However, this contribution is rarely captured explicitly in conventional reporting frameworks, reinforcing the need for a broader understanding of social value.

The distinction is not simply that mutuals create more social value, but that they create it differently — through institutional design rather than discretionary activity.

While mutuals operate in competitive markets and must remain commercially successful, the absence of external shareholder pressures can support more patient decision-making, prudent risk management and steady growth trajectories. In sectors such as finance, insurance and housing — where volatility can have systemic consequences — this longer time horizon can help stabilise markets and sustain services through economic cycles.

Their presence can exert a benchmarking effect within markets, encouraging more responsible pricing, longer-term behaviour and reduced volatility. This influence extends beyond their direct market share, shaping norms and expectations across entire sectors.

This benchmarking effect is particularly important in mixed markets. While investor-owned firms may adopt longer-term or more responsible practices, they typically operate within models that prioritise shareholder return, often under shorter-term performance pressures. By contrast, mutuals embed these behaviours structurally through ownership and governance, creating a persistent alternative that influences wider market norms over time.

Historically, many mutuals have demonstrated strong survival rates during periods of economic stress, supported by loyal member bases and conservative capital management. Their continued presence can act as a counterbalance within mixed markets, moderating volatility and encouraging more sustainable commercial behaviour.

This distinction should be understood cautiously. Investor-owned firms are not inherently short-termist, and many pursue responsible business strategies. However, shareholder-driven governance models can create stronger incentives for rapid capital returns, which may shape risk appetite or market participation in different ways. Investor-owned firms play a vital role in capital formation and innovation, but their shorter-term performance incentives can, in some contexts, amplify volatility or narrow participation. Mutuals provide a complementary model, supporting stability, inclusion and long-term value creation.

Where mutuals act as investors on behalf of members, this system-level influence extends beyond their own operations. Through active ownership, stewardship policies and engagement with investee companies, mutual asset managers can encourage improved governance standards, responsible business practices and longer-term decision-making across markets. In this way, social value is created not only through direct service delivery but also through the broader economic behaviour mutuals promote.

Across subsectors, leaders emphasised that mutuals often grow more gradually but with greater resilience. Their commitment to continuity, relationship-based decision-making and responsible capital management enables them to act as stabilising institutions — supporting members while contributing to a more balanced and sustainable economic environment.

Evidence across sectors indicates that mutuals contribute to more stable and responsible market behaviour. Financial mutuals act as a counterbalance to more volatile or short-term dynamics, maintaining consistent participation and avoiding sudden withdrawal from markets. Employee-owned businesses demonstrate strong alignment between incentives and long-term value creation, supporting sustainable growth and ethical business practice. Where mutuals act as institutional investors, they influence corporate behaviour through stewardship, engagement and responsible investment policies. Collectively, these behaviours contribute to greater market stability, reduced risk and more socially productive economic outcomes.

Case Study: Coventry Building Society — Socially Positive Economic Rationality in Practice

Coventry Building Society provides a strong example of how mutuals embody a socially positive form of economic rationality—combining commercial discipline with patient, steady and socially productive behaviour that supports the wider financial system.

As a member-owned organisation, Coventry Building Society is not driven by the need to maximise short-term shareholder returns. Instead, its decision-making reflects a long-term perspective focused on sustaining value for savers and borrowers alike. This is evident in its consistently prudent approach to lending and funding, prioritising affordability and risk management over rapid expansion. By maintaining strong capital positions and avoiding excessive risk-taking, the Society contributes to the stability of the UK's mortgage market.

This patient approach is also reflected in pricing. Rather than extracting maximum margin, Coventry Building Society has built a reputation for offering fair and competitive rates to both savers and mortgage customers. This equitable treatment reflects its mutual structure: value is returned to members through better products and service rather than distributed externally. Over time, this reinforces trust and supports long-term customer relationships, which in turn underpin financial resilience.

A recent example of this long-term, system-supporting approach is its acquisition of The Co-operative Bank. Rather than pursuing short-term gain, the transaction reflects a strategic commitment to strengthening competition and diversity within UK retail banking. By bringing the Co-operative Bank into mutual ownership, Coventry Building Society is helping to preserve and extend a customer-focused, values-led banking offer—ensuring that an established brand with strong ethical credentials continues to serve customers and communities.

Importantly, this behaviour has system-wide effects. During periods of market volatility, mutuals such as Coventry Building Society often continue to lend and serve customers when others retrench. By maintaining a steady presence, they help avoid sharp contractions in credit availability that can amplify economic downturns. In this way, their business model acts as a stabilising force within the financial system.

The Society's commitment to branch presence and regional engagement further reinforces its socially productive role. By maintaining access to services in local communities, it supports financial inclusion and regional economic activity.

Coventry Building Society demonstrates that economic rationality need not be short-term or extractive. Instead, a mutual model can align commercial success with patient growth, equitable outcomes and system stability—delivering value not only to members, but to the wider economy.

Case Study: Be Caring — Delivering Social Value through employee ownership

Be Caring demonstrates how a values-led, employee-owned care organisation can deliver social value consistently across all seven sector truths.

Profits for people: Be Caring is structured so that financial success is reinvested into its workforce and services rather than extracted. As an employee-owned organisation, profits support fair pay, training, and service quality, ensuring that commercial performance directly benefits both carers and the people they support.

Building resilience: The organisation strengthens resilience at multiple levels. For employees, it provides secure contracts, fair wages, and career development, supporting financial stability. For clients—often older or vulnerable individuals—it delivers reliable, high-quality care that enables independent living and reduces pressure on wider health systems.

Place-based value: Be Caring operates through locally rooted teams embedded in communities. Its model prioritises neighbourhood-based care, allowing carers to work within defined local areas. This reduces travel time, strengthens relationships, and anchors employment and services within specific communities.

Market creation and inclusion: Be Caring addresses gaps in the social care market, particularly in underserved or economically challenged areas. It has pioneered alternative commissioning and delivery approaches that demonstrate how high-quality, ethical care can be provided sustainably, even where traditional models struggle.

Member-shaped purpose: Employee ownership ensures that the organisation's purpose is informed by those delivering care. Staff voice and participation shape decision-making, aligning operational priorities with frontline experience and reinforcing a shared commitment to quality and dignity in care.

Long-term relationships: The organisation's model is built on continuity of care. By supporting stable employment and reducing staff turnover, Be Caring enables long-term relationships between carers and clients, improving trust, wellbeing, and outcomes.

System-level impact: Be Caring demonstrates a socially productive form of economic behaviour in a pressured sector. Its model shows how aligning workforce wellbeing with service delivery can improve care quality, workforce retention, and system sustainability—offering a credible alternative to more transactional, cost-driven models.

4. Conclusion

This synthesis has demonstrated that the social value generated by co-operatives and mutuals is neither incidental nor supplementary to their economic activity. Rather, it is an inherent and systematic outcome of their ownership structures, governance arrangements and purpose-driven business models.

Across diverse subsectors, mutuals consistently align commercial activity with the long-term wellbeing of members, communities and wider society, producing forms of value that extend beyond conventional financial metrics.

The evidence presented highlights that social value in mutuals is created through multiple, interlocking mechanisms: the prioritisation of people over capital; the equitable creation and distribution of wealth; long-term, relationship-based engagement with members; deep place-based rootedness; and sustained service to markets and communities that are underserved or excluded by investor-owned firms. These characteristics are not expressions of corporate benevolence, but structural features that shape behaviour, decision-making and outcomes over time.

Importantly, the report shows that mutuals embody a distinctive form of economic rationality. Their orientation towards patient capital, prudent risk management and long-term value creation contributes not only to organisational resilience but also to the stability and health of the wider economic system. In sectors such as finance, insurance, housing and employment, mutuals act as stabilising institutions whose presence mitigates volatility, supports inclusion and exerts a positive benchmarking effect on market behaviour.

The analysis also underscores that mutual purpose is fundamentally member-shaped. Social priorities emerge from lived member needs and are sustained through democratic or representative governance, high levels of trust and strong relational ties. This confers legitimacy on mutual social value that cannot easily be replicated through externally imposed frameworks or purpose statements in proprietary firms.

Taken together, these findings suggest that co-operatives and mutuals represent a materially different model of enterprise — one that integrates economic activity with social outcomes by design rather than by afterthought. As policymakers, regulators and researchers seek approaches to inclusive growth, economic resilience and social wellbeing, the mutual model offers not only historical relevance but also contemporary and future significance. Further research and sector-wide dialogue will be essential to deepen understanding of these dynamics, develop measurement approaches and articulate the full contribution of mutuals to a more balanced and sustainable economy.

Policy Implications

The findings presented in this synthesis suggest that co-operatives and mutuals represent a distinct form of enterprise that can contribute to inclusive growth, market stability and long-term social value when supported by an enabling policy environment.

For policymakers, the implication is not that mutuals should be treated as exceptional or protected actors, but that regulatory and economic frameworks should recognise ownership diversity as a source of systemic resilience.

Policies that support patient capital, fair competition, regional economic anchoring and proportionate governance requirements can help ensure that mutual models continue to operate effectively alongside investor-owned firms. In areas such as financial inclusion, housing, community

infrastructure and responsible investment, mutuals may offer practical delivery mechanisms aligned with long-term public interest outcomes.

Greater recognition of their structural characteristics — including member ownership, reinvestment of surplus and relationship-based service models — can help inform policy design that encourages a more balanced and sustainable economy.

These findings are consistent with a growing body of academic and policy literature highlighting the importance of ownership diversity, patient capital and stakeholder-oriented governance. Mutuals and co-operatives do not replace investor-owned firms; rather, they complement them by introducing alternative incentives and behaviours that enhance overall system performance.

This has increasing relevance in the context of contemporary policy challenges, including financial exclusion, regional inequality, declining trust in institutions and the need for more resilient economic systems.

Supporting the growth and visibility of co-operative and mutual models may therefore represent an important lever for achieving more inclusive and sustainable economic outcomes.

5. Methodology

This study is primarily based on a series of interviews with experts representing different industries within the co-operative and mutual sector.

Interviews were conducted between November 2025 and January 2026.

Interview participants were:

Andrew Whyte	CEO, Association of Financial Mutuals
Robin Fieth	CEO, Building Societies Association
Matt Bland	CEO, Association of British Credit Unions
Paul Gerrard	Director, The Co-operative Group
James de le Vingne	CEO, Employee Ownership Association
Ruth Buchanan	COO, Co-operatives UK
Elaine Miller	Sustainability embedding lead, Royal London Mutual
Ewan Smith	Director, CEO Office, Royal London Mutual

The interview findings were augmented by a series of case studies, which examined how individual co-operative and mutual businesses describe their contribution to social value.

The various draft findings were considered in two workshop sessions hosted at Kellogg College, Oxford University in January and April 2026.

Report drafts were prepared by Peter Hunt and Mark Willetts of Mutuo and supervised by Professor Jonathan Michie.

We would also like to acknowledge the participation of Professor Fabio Landini and Dr Ana Nacvalovaite, of Kellogg College, and Simon Burt and Ellie Newton, of Royal London Group.