



Commission for  
Rural Communities  
Tackling rural disadvantage

## **Quids in**

Financial inclusion:  
boosting rural  
communities

# **Summary Report**



A black and white photograph of a hand holding a pen, writing on a document. The document has some text and a table-like structure, but it is out of focus. The hand is wearing a dark, textured sleeve.

## Promoting financial inclusion in rural areas

As part of the Commission's work to tackle disadvantage in rural areas, we are pleased to showcase good and enterprising practice in rural financial inclusion. We believe that the case studies described in this report represent inspiring examples of ways that rural people who are financially disadvantaged can be supported by specific financial inclusion projects and in more mainstream financial and advice services.

Financial exclusion in rural areas is largely unrecognised. Yet more than one in five people (some two million people) in rural areas live below the poverty line. Access to cash is a major problem for rural communities, where 300,000 people do not have a bank account. Less than ten per cent of all cashpoints are sited in rural areas, with only 46% of these being free – compared to 62% in urban areas.

The limited financial services in rural areas are made even more inaccessible by the isolation and transport barriers people face. It is of course the most vulnerable in our society who pay the highest price.

But there are solutions, as demonstrated by financial inclusion projects featured here, which succeed by involving the community in developing innovative ways of reaching out to help people. These schemes literally assist people to be 'quids in' by providing access to financial advice and to financial services.

By responding exclusively to the rural context, these schemes are already having a positive impact on the lives of people facing financial exclusion in rural areas. There are specific features summarised here, that we believe underpin the success of these rural projects.

**300,000**  
people in rural areas  
do not have a bank account

Source: New Policy Institute (2005)  
[www.poverty.org.uk](http://www.poverty.org.uk)



# The rural dimension to financial inclusion

## Hidden needs

There is often a perceived lack of demand for financial exclusion services in apparently prosperous rural areas. Vulnerable people in these communities are less likely to claim benefit or seek advice, until they are in dire need. Without referral services and support networks, demand in these areas risks going unrecognised and unaddressed.

## Sparse populations and small numbers

Designing services so that they target sub-groups in the population will not be cost-effective because there will be much smaller numbers of people falling into such groups in any rural area and they could be scattered across large distances. Projects which serve a more inclusive population base will be more appropriate. Also, there may be varying demand due to seasonal changes in the population and in employment opportunities. Dispersed populations also have implications for schemes which have performance targets that do not take into account the lower numbers of people, the longer set-up times and sometimes the greater costs associated with delivering rural services.

## Active rural communities

There are opportunities to take advantage of the positive nature of community involvement in small communities. This is related to such groups as the village halls committees and Parish and Town Councils which exist across most rural areas in England. There are also less formal networks, some related to farming, some to the Church or school or local social activities.

## Rural 'culture'

An understanding of how rural life works in distinctive ways across England's rural communities, using local knowledge to design projects and services, is an important part of good practice in the case studies we feature. For example, mixing the contribution of volunteers and professional staff can ensure trust and confidence in a service, making providing advice and support more effective. Face to face contact is often necessary where sharing sensitive, personal details is involved; although a creative mix of personal and more technological forms of offering help can be a good way of providing more general financial services.

# 22%

of the rural population live in poverty.

Source: The state of the countryside, Commission for Rural Communities 2007



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### Just Credit Union

Rather than being projected as a 'banker for the poor', Just aims to provide high quality financial services to its county-wide clients. Based in Shropshire, Just became the country's first county-wide credit union with a strategic business approach. Embracing technology in a large rural area, Just works in partnership to promote financial inclusion through volunteers in community centres, churches and housing associations.

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### Cumbrian Debt Rescue and Financial Advice

This innovative project offers a positive way forward for people with emergency financial situations. The scheme crucially provides quick loan decisions to address urgent debt. Run through existing credit unions, it provides follow-up money advice and the project's partners hope to cover wider financial inclusion issues in the future.

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### Financial Education Project in Dumfries

For vulnerable people, this project provides advice and support aimed at avoiding financial distress. Through Citizens Advice Bureaux, the project reaches out to people from a wide range of backgrounds, primarily in their own homes. Six pilot areas in Scotland have received £500,000 from the funders Scottish Executive over a two year period since 2005.

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### Ely Citizens Advice Bureau

Based in areas with no previous access to personal debt advice, this rural CAB has secured funding from the Financial Inclusion Fund (FIF). Outreach workers provide face-to-face advice to people with all levels of debt problems – from one off loans to eviction situations. The initiative's success is underpinned by the reputable quality of the CAB, now running 10 of the 16 projects funded by the FIF.

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### Farm Crisis Network

Set up in response to the high suicide rates of farmers, this network of 250 non-professional volunteers offers support to the farming community. Increasingly, they are advising on the complex financial issues surrounding farming situations. The volunteers can additionally refer farmers to support organisations for professional advice or direct them to the Network's national confidential helpline.

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### NatWest's mobile bank

With a personal service and a flexible route, Cornwall's mobile bank boosts community spirits with a wide range of banking services in this rural area. Over 350 rural communities have benefited from NatWest and the Royal Bank of Scotland's initiative providing banking services to 14 local towns and villages.

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### Bank i Butikk

Full banking services offered on shop premises are the basis of this successful Norwegian scheme. Operating securely through the tills of one of Norway's largest chain of food outlets, basic banking is being taken up by large numbers of low income earners, women and elderly people. More face-to-face specialist advice is available by arrangement.

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### D£von Pound

Word-of-mouth is helping to roll out the D£von Pound initiative providing locals with advice on their financial options. Mostly by visiting homes, outreach workers are offering people of all ages help towards financial security. This partnership project also funds educational programmes in financial literacy for young people.

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### Tackley village shop and post office

Initiated by a group of residents, Tackley's community owned shop offers locals a full range of financial services; as well as a coffee shop and playground facilities. The highly valued post office and shop have successfully revived a sense of local well-being in this rural community.





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You probably know about **financial inclusion**. It's about giving people with money problems the chance to move on. It's about talking to people, of all ages and circumstances, about opportunities to resolve their financial issues. It's about giving people access to bank accounts, debt management and saving. Often it means making financial advice available to people in the privacy of their own home.

We recommend the good practice illustrated by the case studies in this report and call on those funding and developing financial inclusion projects and services to ensure that rural people have the opportunity to be 'quids in'. Our case studies are available online at **[www.ruralcommunities.gov.uk/financialinclusion](http://www.ruralcommunities.gov.uk/financialinclusion)**

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