

News release

24 February 2023

Consumer demand for the human touch underlines strong results for Coventry Building Society in 2022

The combination of a post-pandemic return to high streets and rising savings rates has fuelled consumer demand for branch and telephone customer service, according to Coventry Building Society. The Society has reported rising numbers of people visiting its branches and calling its contact centre in 2022.

Last year Coventry Building Society completed a £33 million investment in its branches. The Society's members visited its newly designed branch network 2.4 million times in 2022, an annual increase of more than 160,000. The Society also opened a new state-of-the-art office in April to base its savings contact centre. These teams not only answered 743,000 phone calls during the year, but also spoke to members for around 30 per cent longer each time as rising interest rates led to savers needing more complex conversations about their money.

The Society's focus on mortgage customers, via its intermediary partners, saw more than 270,000 conversations held with mortgage brokers over the phone or on web chat, to help them support borrowers navigating a challenging and volatile market.

Many new and existing mortgage customers choose to deal with the Society directly, particularly for straightforward service requests. This area of the business saw similarly busy periods during the year with borrowers calling the Society's mortgage teams around 450,000 times.

Steve Hughes, Chief Executive of Coventry Building Society, said: "Our strong performance last year was built on the high levels of customer and broker service, in person, online and on the phone. In a year with many challenging moments, our people and our mutual business model continued to deliver the consistent value and outstanding customer experience that our members expect.

"We've made significant investment in our digital infrastructure, and we will introduce our app, as well as further online developments, during this year. But the need for a human touch, whether face to face

For more information or additional comment please contact the press office on **0800 121 6868** or email media@thecoventry.co.uk

Calls to 0800 numbers are free when made from the UK. You may be charged for calls to all other numbers, please contact your service provider for further details.

Coventry Building Society. Principal Office: Coventry House, Harry Weston Road, Coventry CV3 2TQ. www.thecoventry.co.uk

or over the phone, is still very strong. This is evidenced by the millions of individual conversations our brilliant colleagues have held with our members throughout the year.

“Our multi-million pound investment in our branch network was completed in September, giving us a warm and welcoming presence in some of the most popular shopping areas across our heartland. Our branches are a real positive for us and a hub for the communities we serve and continue to be well-used by so many of our members.

“At times during the year, the number of calls and the length of conversations we were having with members put us under real pressure. We invested in our telephony services, introducing new technology to manage calls more efficiently, as well as growing our service teams and equipping them with the skills to support these more complex calls. We have high standards and I want to thank our members for their patience as we adapted to the new environment.

“Our support for communities is part of who we are, and it was a proud moment for every member and colleague when we announced an additional £1m donation for charities and community groups to help ease the cost-of-living crisis for many of those who are struggling. This is in addition to our normal community investment through the year and thousands of hours of time our colleagues volunteered to help make a difference in our local communities up and down the country.

“This successful year would not have been possible without the hard work, commitment and support of our colleagues. We’re proud to be named as one of the UK’s Great Places to Work with further awards for wellbeing and as a workplace for women. Having an excellent workplace culture gives colleagues the best environment to develop and deliver the best outcomes for our members, our communities and each other.”

Results highlights:

Growing mortgages and savings

- **Mortgage balances grew by £1.4bn (3%) to £48bn.** We managed growth in a disciplined way during the year in a period which has seen significant market volatility.
- **Savings balances grew by £2.4bn (6%) to £42.3bn.** The Society delivered a very strong savings performance and once again paid higher savings rates than the market average, increasing this differential in 2022 to 0.62%, equivalent to an additional £230m in interest for our savers (2021: £201m)¹.

Strong financial performance whilst investing in the future

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- **Profit before tax of £371m** (2021: £233m). The rising interest rate environment supported an improved income performance with a net interest margin of 1.16% (2021: 0.90%) even after offering better rates to savers and protecting variable rate mortgage customers from the full increase in the Bank of England Rate.
- **The Society's Leverage Ratio increased to 5.2%** (2021: 4.8%). Stronger profitability has materially strengthened our capital position and resilience as we face into a weaker economic outlook. Although the Common Equity Tier 1 (CET 1) ratio remains well above statutory requirements at 27.4% there has been a reduction from 2021 (36.2%) due to changes in industry-wide regulation.
- **Very low and stable arrears balances of 0.17% of mortgages more than three months in arrears (2021: 0.17%)²**. The credit quality of our mortgage book remains very strong although we are mindful of the potential impact on unemployment and house prices from a weaker economy and are monitoring and supporting mortgage customers who may experience payment difficulties.
- **Our cost ratios remain strong and we are making significant investment in our future**. We made good progress upgrading core infrastructure and investing in digital services, telephony and branches, providing increased choice and services for members, customers, employees and intermediary partners.

Market leading service and making a difference to the lives of members, colleagues, and communities

- **Excellent customer service** with Experience Net Promoter Score³ of +75 during a period of exceptional demand from customers and brokers. The Society also continues to report one of the lowest complaint overturn rates by the Financial Ombudsman Service at 3%.
- **Increased community investment of £3.2m** helping to tackle cost of living issues whilst maintaining focus on three priorities of homelessness, financial education/ employability and reducing loneliness.
- **Recognised as a Great Place to Work**. Improved position in Great Place to Work survey as Colleague Trust Index increased to +77 from +73.

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Notes for Editors

1. Based on the Society's average month end savings rate compared to the CACI Ltd's Current Account and Savings Database rest of market average rate for savings accounts, excluding current accounts and offset savings, for the 12 months of the year (2021: first 11 months of the year).
2. Percentage of mortgages with more than three months of arrears.

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3. Net Promoter Score (NPS) is a measure of customer advocacy that ranges between -100 and +100, which represents how likely a customer is to recommend our products and services.

Coventry Building Society

Coventry Building Society is one of the UK's largest building societies and a top ten UK savings and mortgage provider.

Coventry Building Society is committed to making financial services simple and open for its members. Its website allows savers to compare the Coventry's savings accounts with similar products across the whole of the market.

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