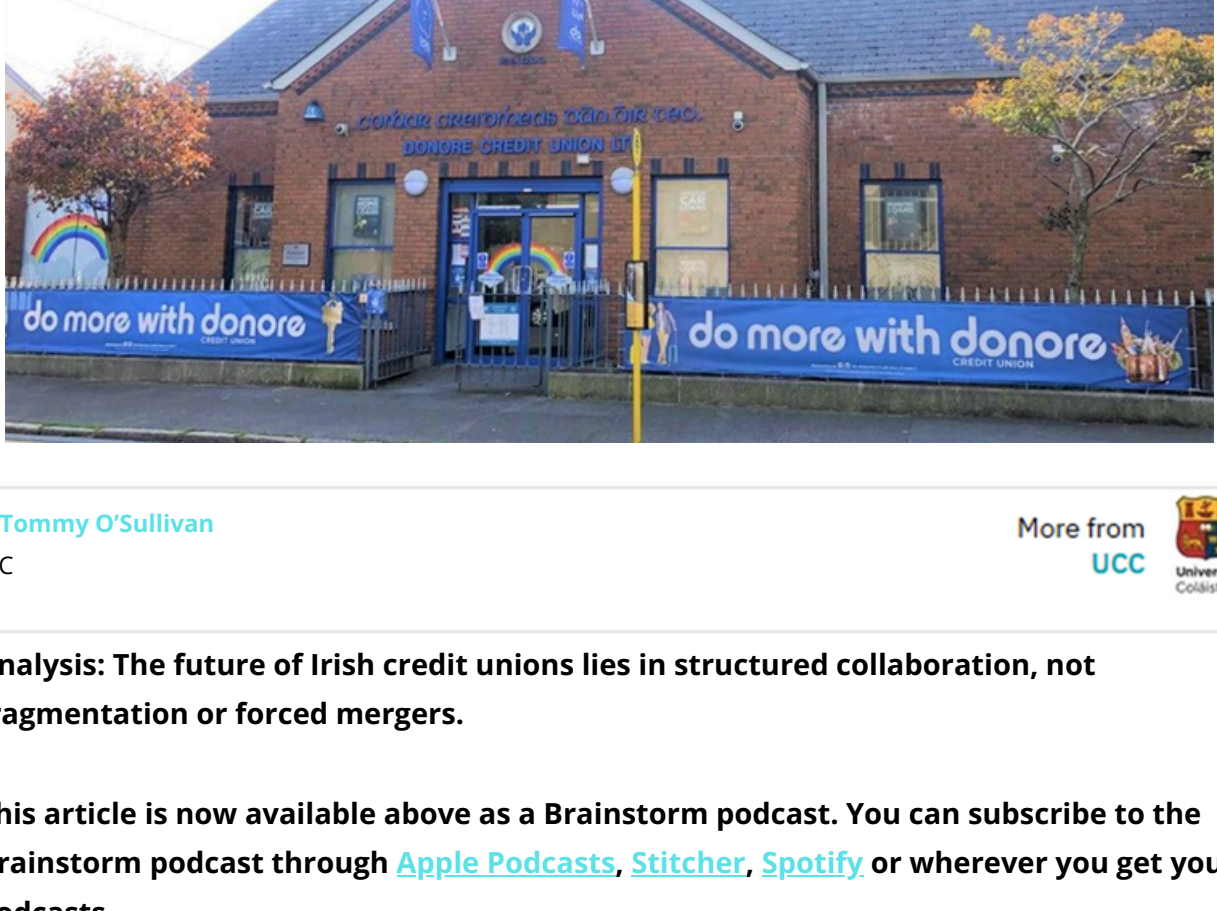


Fragmentation is the enemy, but merger-mania isn't the solution

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Analysis: The future of Irish credit unions lies in structured collaboration, not fragmentation or forced mergers.

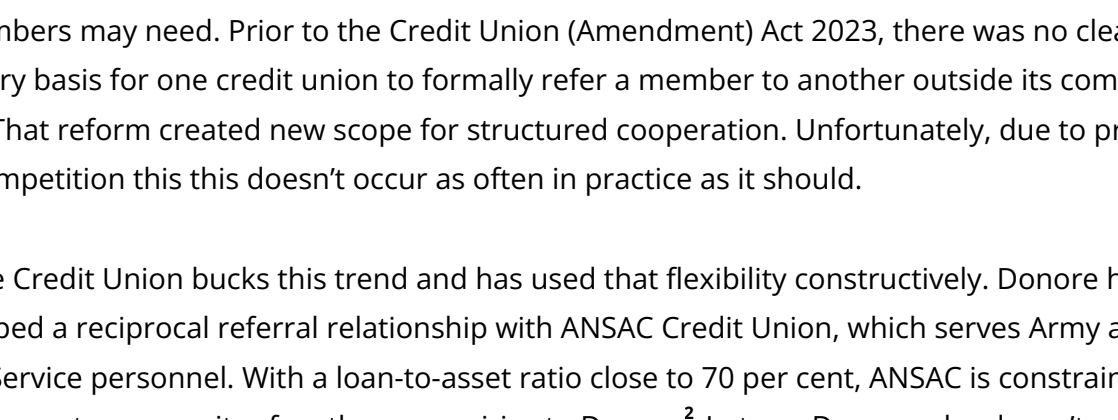
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"I believe Credit Unions are fundamentally about mutual empowerment and the idea of a mutually empowered society, and by extension mutually empowered individuals" – David McAuley, Donore Credit Union CEO, UCC Lecture 2026

The biggest problem for the credit union movement today is actually the credit unions themselves; they are limited by their lack of imagination, lack of vision and lack of courage. Unlike their predecessors who founded the movement back in 1950s, who were driven, ambitious, visionary and courageous, modern credit unions have fallen into the tedium of regulatory environments, bureaucracy, and administration.

With uphill challenges, such as the DORA Act¹ coming into effect next year, many credit unions are increasingly wary about their future. However, adversity has always been a catalyst for renewal, and these challenges should not be viewed as threats, but as opportunities to evolve and strengthen the movement. The question is then, how can credit unions transform present conditions into future success? The answer lies in collaboration.

Structured Collaboration is the key for credit unions to not only survive their current challenges but to thrive in the aftermath. Many Credit Unions in Ireland have begun to see the value in working together, but egos and internal competition in the sector have stopped real progress from taking hold.

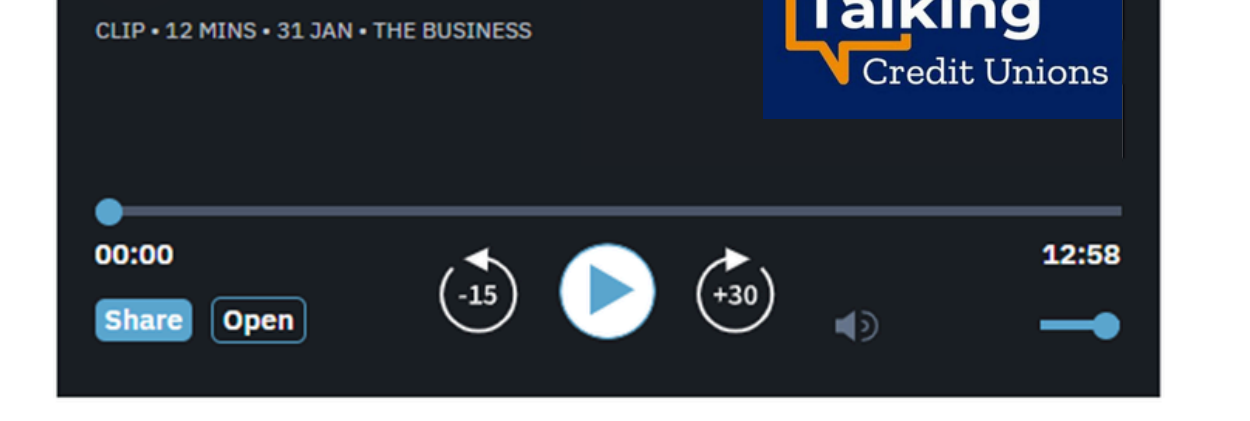


From RTÉ Radio 1's News at One, Marion McGarry on the future of the Irish credit union movement and its reliance on collaboration.

Credit unions like Donore CU, based the Liberties area of Dublin 8, have taken a leadership role in advancing collaborative initiatives across the Irish credit union sector. The best leaders, lead by example, and that principle defines Donore Credit Union's approach to collaboration.

Credit Unions exist to serve their communities, yet no single institution can provide every service its members may need. Prior to the Credit Union (Amendment) Act 2023, there was no clear statutory basis for one credit union to formally refer a member to another outside its common bond. That reform created new scope for structured cooperation. Unfortunately, due to pride and competition this this doesn't occur as often in practice as it should.

Donore Credit Union bucks this trend and has used that flexibility constructively. Donore has developed a reciprocal referral relationship with ANSAC Credit Union, which serves Army and Naval Service personnel. With a loan-to-asset ratio close to 70 per cent, ANSAC is constrained in offering mortgages, so it refers those enquiries to Donore.² In turn, Donore who doesn't provide current accounts, directs its members to ANSAC for that service. Each institution strengthens the other's offering, and members benefit from access to services their own credit union cannot currently provide.

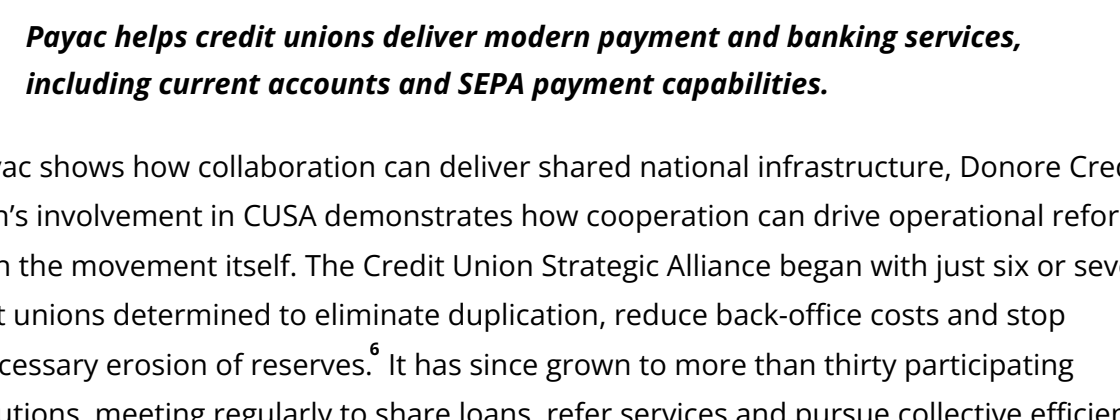


ANSAC & Donore's member base share many working class similarities, so collaboraiton between the two credit unions is an obvious decision.

Collaboration is the future of the Irish credit union movement and St. Canice's Credit Union is a practical case study of what that looks like in action. Rather than competing for limited market share, St. Canice's worked with other credit unions to design and roll out "Cultivate Loans", tailored agricultural lending products.³

Agriculture remains central to many local economies, yet farm finance has traditionally been dominated by mainstream banks. By pooling expertise, market insight and risk capacity, participating credit unions were able to create a specialist agri-loan offering that none might have developed as effectively alone.

The impact is twofold. First, members benefit from a loan product designed around seasonal income cycles and farm investment realities.³ Second, collaboration spreads knowledge and mitigates risk across institutions. This example underscores that meaningful progress in the credit union movement comes from acting in collaboration, not simply paying lip service to it.

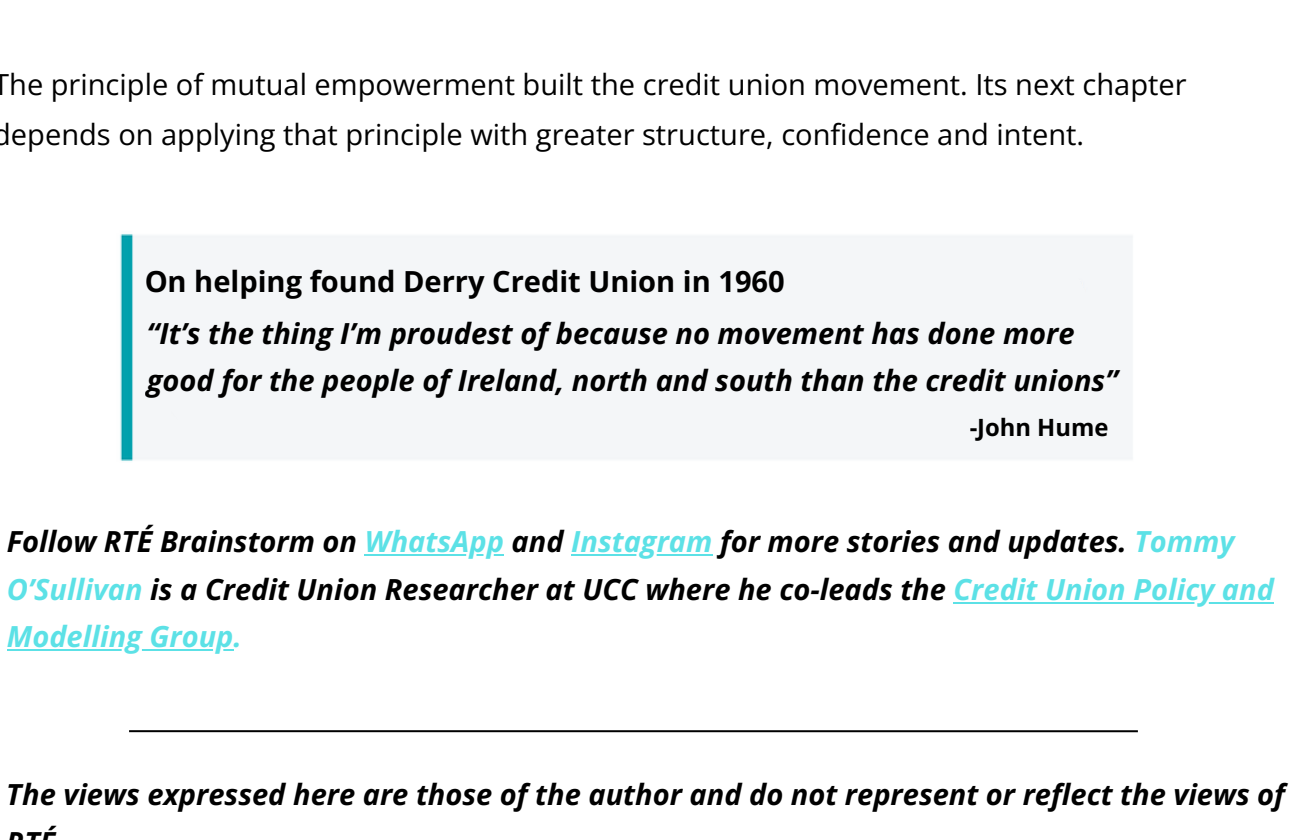


An episode from the Talking Credit Unions podcast series, which dives into how credit unions should work together more strategically.

A further illustration of collaboration in practice can be seen in Killarney Credit Union's participation in the CUSO Payac. Payac was established as a shared services vehicle, owned by credit unions, to deliver payments infrastructure that no single institution could efficiently build alone.⁴ Through this collective model, credit unions can provide current accounts, debit cards and modern digital payment services while spreading the cost of technology, compliance and systems development across the movement.⁵

For Killarney Credit Union, participation in Payac is not about abstract strategy, it's about ensuring that members in their common bond can click onto their phones and access the same everyday banking services offered by the pillar banks. Members benefit directly. Killarney retains its independence and community focus, while benefiting from infrastructure that would be far more costly and complex to develop alone. This is cooperation working in the background so that members experience seamless, modern services at the counter and online.

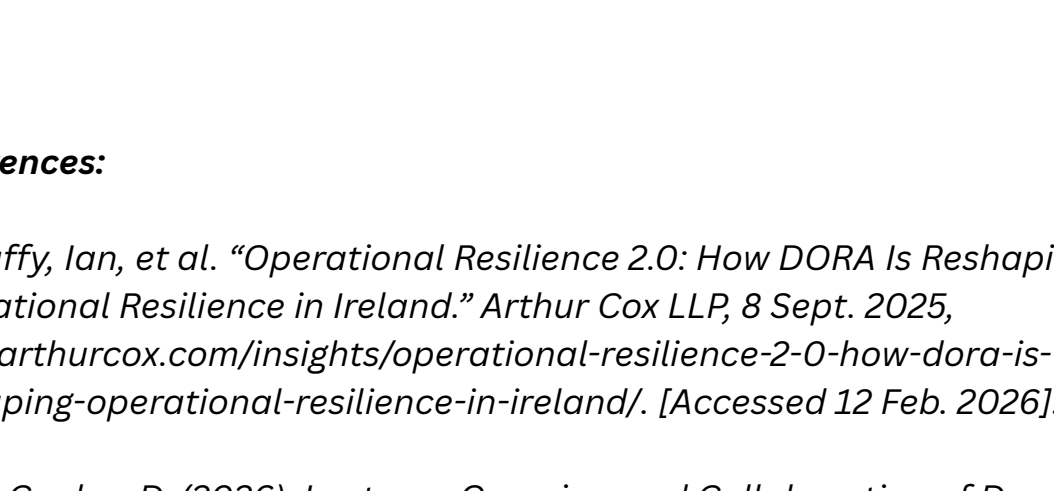
Payac demonstrates that by investing together in shared platforms, credit unions strengthen the entire movement and ensure members are not left behind in an increasingly digital financial landscape.



Payac helps credit unions deliver modern payment and banking services, including current accounts and SEPA payment capabilities.

If Payac shows how collaboration can deliver shared national infrastructure, Donore Credit Union's involvement in CUSA demonstrates how cooperation can drive operational reform from within the movement itself. The Credit Union Strategic Alliance began with just six or seven credit unions determined to eliminate duplication, reduce back-office costs and stop unnecessary erosion of reserves.⁶ It has since grown to more than thirty participating institutions, meeting regularly to share loans, refer services and pursue collective efficiencies.

CUSA is more than a cost-saving exercise; it is a statement of intent and has direct member impact. By reducing duplicated costs and sharing expertise, CUSA helps Donore preserve capital, strengthen its balance sheet and redirect resources toward member services rather than administration. Built on trust, transparency and democratic engagement, the alliance reflects core cooperative principles in practice. Donore's leadership within this alliance reinforces their belief that long-term sustainability does not come from isolated balance sheets, but from coordinated sectoral alignment.



Credit Union Strategic Alliance (CUSA) Ireland supports credit unions with shared services and operational expertise.

Across Donore, St. Canice's and Killarney, a consistent pattern emerges, when credit unions choose structured cooperation over isolation, members are better served and institutions are more resilient. Whether through referral arrangements, jointly developed loan products or shared infrastructure, collaboration is now producing measurable results for members and strengthening the financial resilience of participating credit unions. Yet the scale of what lies ahead, including the compliance and technological demands of the DORA act, makes clear that occasional cooperation will not be enough.

Progress has been made, but it must become more systematic and more ambitious. The movement should lobby collectively for lower requirements and greater lending flexibility. A unified voice shapes decisions; fragmented appeals do not. Credit unions should also expand shared lending with one another to fund larger business, community and green projects, spreading risk to deliver major community impact that single credit unions couldn't achieve alone.

The principle of mutual empowerment built the credit union movement. Its next chapter depends on applying that principle with greater structure, confidence and intent.

On helping found Derry Credit Union in 1960
"It's the thing I'm proudest of because no movement has done more good for the people of Ireland, north and south than the credit unions"
-John Hume

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