



Stronger Together

Michael Murphy

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When Ireland’s first credit union opened in Dublin’s Liberties in 1958, it was built on a simple premise: communities pooling their own money to solve their own financial problems. Nearly seventy years later, Donore Credit Union still reflects that founding ethos. Yet modern credit unions are no longer isolated local institutions. They now operate within one of Ireland’s most sophisticated cooperative financial networks, a system built not on mergers alone, but on collaboration.

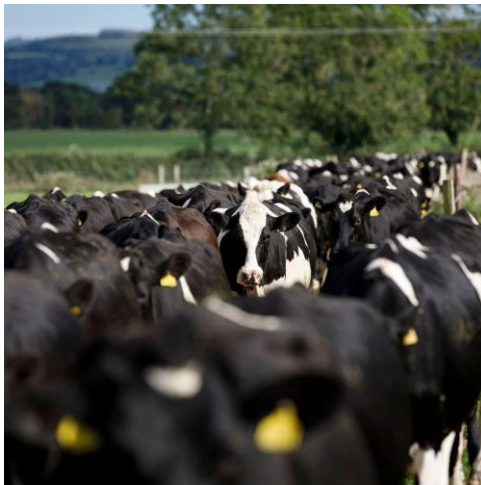
That collaboration has quietly transformed what credit unions can offer their members.

This transformation has depended not just on cooperation, but on leadership and shared vision across the credit union movement.

Local Credit Unions, National Movement

Donore Credit Union remains deeply embedded in its community, serving over 5,500 inner-city members through personal lending and savings services shaped by local knowledge. But Donore, like credit unions across Ireland, is also part of a national ecosystem of cooperation.

as Killarney and St Canice's, Cultivate demonstrates how specialist products with flexible payment schedules can be delivered locally but marketed nationally. A common identity, consistent messaging and coordinated product design build awareness, while local lending decisions remain local.



Together, these initiatives suggest that credit unions are moving from product isolation towards coordinated product offerings.

The Hidden Layer: Shared Infrastructure

Behind these visible innovations lies a deeper layer of collaboration through shared operational infrastructure.

Credit unions increasingly rely on joint ventures and cooperative service companies to build technological capacity that would be unaffordable individually. Metamo, a credit union-owned partnership with Fexco, provides loan assessment platforms, digital lending tools and



A Credit Union for Credit Unions

- Dave McAuley, CEO of Donore Credit Union, on the Corporate Credit Union model.



automated underwriting capabilities, including the gradual introduction of AI-supported credit decision systems^{4,5,8}. From my first-hand experience I've seen how such technologies strengthen regulatory compliance, improve processing speed and enhance cybersecurity resilience.

These shared infrastructure models allow even smaller credit unions to compete in a financial sector dominated by scale-driven institutions. In effect, collaboration becomes a substitute for size.

A similar logic underpins the development of corporate credit union structures. By pooling surplus liquidity within the movement, credit unions can reduce reliance on commercial banks while retaining cooperative ownership of capital flows. For a movement founded on financial self-help, this is cooperative autonomy at scale.

Former Cahersiveen Credit Union Directors slam merger

BY SINEAD KELLEHER

TWO former directors of Cahersiveen Credit Union have strongly criticised the decision of Cahersiveen Credit Union to amalgamate with Killarney Credit Union.

The news came to light just two weeks ago and the amalgamation will come into place this Saturday, September 29 subject to approval by the Central Bank.

Both directors feel that the decision was taken without consultation with its members. The premise for credit unions nation-wide has been locally owned, locally run and for the local community and this amalgamation is not in accordance

with this, they claim.

Former director, Michael Prendergast, from Cahersiveen said this week that "a decision of this magnitude" should have been taken by members.

"Members in Cahersiveen will no longer have the same input as we had previously. There should have been consultation with members. If Cahersiveen Credit Union goes to Killarney it will not be locally run," he said.

"The first indication we had that this was happening was the legal notice in the paper. Days later we got information in the post."

He said that the board is representative of the members and should consult with its

members.

"They should have put forward a proposal to members about what they were going to do and there should have been a vote."

Another former director, Michael O'Connell, who was also a former treasurer, said that a discussion should have taken place with members.

"At no stage of the process were the owners of Cahersiveen Credit Union, our members, ever consulted about the future direction of their Credit Union. It would appear from the accounts sent to members as part of the process that our accounts show a surplus and there appears to be no major issues with our Credit Union,"

he said.

"If there were queries as to the future direction of our Credit Union, the first place these issues should have been discussed is at a general meeting of our members."

In a statement Killarney Credit Union said that the elected board of directors decide on strategy and make decisions on behalf of their members and that the decision to merge was to be done in consultation with the Central Bank of Ireland and was to safeguard its future.

The members can make a submission to the Central Bank on the process and this will be taken into consideration by the bank who have to approve the merger.

News reports on the merger of Cahersiveen CU with Killarney Credit Union (2018).

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The Costs and Contradictions of Cooperation

Collaboration is not without tension.

Sector consolidation has raised questions about democratic accountability and social ownership. Credit unions emerged as working-class institutions built on volunteerism and local governance. As smaller credit unions amalgamate into larger regional entities, decision-making can shift towards professional management structures that feel less representative of grassroots membership.

There is also an ethical debate around capital concentration. Local savings once managed entirely within small community credit unions are increasingly aggregated into larger structures. This strengthens stability and product capacity, but risks distancing decisions from the communities that generated the deposits.

Operational professionalisation presents further challenges. Volunteer-run sub-offices, once common in rural Ireland, including services delivered in community halls and after mass, have largely disappeared due to regulatory, security and efficiency requirements. Modern credit unions operate with paid staff, risk management systems and formal governance structures. This has strengthened prudential oversight but changed participatory culture.

Collaboration and Financial Literacy

One of the movement's most practical collaborative achievements is its commitment to financial education. Initiatives supported by the ILCU and Alison digital learning partnerships reflect a recognition that inclusion requires knowledge as well as credit. Donore Credit Union, showing leadership through partnership with Naomh Breandáin Credit

Union, has introduced Alison financial literacy courses for members³, extending the social impact that drives the credit union movement.



Such collaborative initiatives align with the United Nations Sustainable Development Goals, particularly those relating to quality education, decent work and reduced inequality.

What Comes Next?

The future of credit union collaboration will be shaped by technology, regulation and demographic change. Digital transformation will require continued investment in shared platforms, particularly AI-driven lending and cybersecurity. Regulatory reform may further expand capacity, especially in SME and enterprise lending. Meanwhile, generational change will test whether younger members, accustomed to digital-first banking, continue to value cooperative ownership.

For Donore and its peers, the lesson is clear. Independence in modern cooperative finance does not mean standing alone. It confirms what the credit union movement has long understood: it is stronger together.



About the author

Michael Murphy is a BComm Dean's Scholar at the Cork University Business School at UCC. He holds a Professional Diploma in Financial Advice from University College Dublin and was invited to the QFA designation from the Institute of Bankers. Michael was previously employed by Killarney Credit Union, in their Cahersiveen Branch.

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