

PRESS RELEASE - EMBARGOED 00.01 AM, TUESDAY 16 AUGUST

COST OF LIVING CRISIS: ICELAND PARTNERS WITH FAIR FOR YOU ON UK ROLL OUT OF ETHICAL CREDIT INITIATIVE, AFTER TRIAL REDUCED USE OF FOOD BANKS BY 92%

- The Iceland Food Club is a unique scheme designed to help households manage their finances as the cost of living continues to rise.
- Together with Fair for You, Iceland Food Club will enable financially-vulnerable customers to cover school holiday grocery bills or smooth out gaps in their income with interest-free micro loans of £25 – £100 to purchase everyday items.
- Following a robust regional trial, independent evaluation found 95% of users found the scheme helpful, with 71% less likely to fall behind on rent, council tax and other bills.
- 92% of members said access to ethical credit through the unique scheme had stopped or reduced their use of food banks.
- Iceland Foods is investing heavily in the Food Club, so it is interest-free and available in all UK stores and online.

16th August 2022: Iceland Foods has partnered with charity-owned lender Fair for You to support customers across the UK with an affordable, flexible credit solution enabling them to avoid food poverty particularly over school holiday periods when expenses rise.

Iceland Food Club is part of the retailer's ['Doing it right: right now'](#) response to the cost of living crisis. The scheme's pilot has had significant social impact and been shortlisted for a Global Good Award, and the Iceland Food Club will now offer ethical credit to customers across all UK stores and online.

This year 8.4 million people in the UK are going hungry and 9 million families who receive benefits will be on average £500 worse off due to inflation this year¹. The Iceland Food Club originated from a taskforce of Iceland colleagues dedicated to finding a way to support children at risk of hunger, particularly when those on free school meals were at extra risk during school holidays. The initiative has been supported by HM Treasury, NESTA and Esmée Fairbairn Foundation.

Micro loans are made available on a pre-loaded card, with repayments set at £10 per week. Customers have flexibility to choose which day of the week they make the repayments and may overpay if convenient for them. While during the pilot phase, customers paid interest on loans, Iceland has decided to invest in making all loans completely interest-free for the national roll-out, helping even more people manage the rising cost of living.

Customers may only take out one loan at a time, during six windows through the year which coincide with school holidays. Limiting loans to these periods ensures customers only use them to smooth out incomes, rather than relying on them year-round.

Food Club Findings

By providing micro loans of £25-£100 with a minimal amount of interest to more than 5,000 customers during the Food Club's pilot phase, findings from the Centre for Responsible Credit showed²:

- 92% of customers using food banks previously had stopped or reduced their food bank use

¹ Sustain UK 2022

² Centre for Responsible Credit, Independent evaluation of Fair for You's Food Club and Shopping Card Trials with Iceland Foods 2022

Iceland

- 71% of customers said they were less likely to fall behind on rent, council tax or other bills
- 71% of customers said they were better able to pay for food and other essentials
- A reduction of more than 80% in the number of customers using loan sharks
- 65% of customers said their diet had improved
- 57% of customers felt less 'stressed, anxious or depressed' about their finances

Richard Walker, Managing Director of Iceland Foods, said: "More than ever, people are struggling to purchase much needed everyday items during this relentless cost of living crisis, and fresh thinking is required by business and government to find workable solutions. At Iceland, as part of our [Doing it right: right now](#) we're constantly exploring new ways to help our customers with innovative solutions that deliver real impact.

"With Fair for You, we have rolled out Iceland Food Club to offer our customers even more support, helping them manage essential spending on their own terms. To those striving to worry less about how they will afford essential goods, this ethical credit scheme delivers real help when most needed and I believe it will make a valuable contribution to breaking the cycle of food poverty in this country."

Simon Dukes, CEO, Fair for You, said: "Nobody should have to go hungry in order to feed their kids, or be forced into making impossible decisions between putting food on the table or having hot water. Our mission at Fair for You is to provide affordable credit to those who need it, to ensure they are not ripped off by exploitative lenders. We're proud to be working with Iceland to operate the Iceland Food Club. Now that it has launched nationally, it gives plenty more families the opportunity to get the groceries they want, improve their diet and enjoy family meals together, while also getting a better handle on their finances."

Gillian Dickson, Social Investment Manager at the Esmée Fairbairn Foundation, said: "Having supported Fair for You since 2015 and provided grant funding that enabled the pilot of the Iceland Food Club, we're delighted to see the scheme expand nationally. There is a huge demand for ethical credit and by coming together with this unique scheme, Fair for You and Iceland are creating significant social impact at what is a very tricky time for many."

The first-of-its-kind scheme is part of Iceland's wider [Doing it right: right now](#) strategy that is designed to support the communities it serves.

Anyone can apply for the scheme, and, if successful, credit can be used in store and online using a preloaded card, allowing customers to stock while spreading the costs.

Successful applicants receive a £100 credit limit, and on joining Food Club can load an initial top-up of £25–£75 onto their cards. They will receive a preloaded card within 5-7 business days. It is interest free.

For more information about the Iceland Food Club please visit:
<https://www.fairforyou.co.uk/food-club-card>

Ends

ABOUT ICELAND

Iceland is recognised as the UK's leader in frozen food and operates nearly 1,000 stores across the country, together with a multi-award-winning online shopping service. It represents 2.5% of the UK grocery market. It prides itself on being a convenient and friendly place to do the family's weekly shop, as well as meet everyone's daily top-up shopping needs for fresh,

Iceland

chilled, frozen food and groceries. For more than 20 years Iceland has also offered a unique, free home delivery service for in-store purchases.

Iceland has won multiple awards for the quality of its food and service. Recent honours including being named Best Online Retailer and Best Frozen Food Retailer at the Retail Industry Awards 2018, Community Retailer of the Year at the Retail Week Awards 2018, Online Retailer of the Year at the IGD Awards 2017, and Online Supermarket of the Year at the Grocer Gold Awards 2017. Iceland's online shopping service was also named the UK's best in the 2016, 2017 and 2018 Which? supermarket surveys. Iceland has ranked as one of the UK's Best Big Companies to Work For in each of the last 12 years and was number one in both 2012 and 2014. Iceland was also named best UK supermarket for customer service in the 2018 and 2019 UK Customer Satisfaction Index.

Since 1970, Iceland has been proudly demonstrating to shoppers just how the Power of Frozen can deliver an extensive choice of high quality, great-tasting food from fine sources around the world at great value prices, while naturally generating low levels of food waste.

Always committed to doing the right thing for customers, communities and the environment, Iceland was a pioneer in removing artificial colours, flavours and nonessential preservatives from its own label food in the 1980s, and in banning genetically modified ingredients in the 1990s. In 2018 it committed to becoming the first major retailer, globally, to eliminate plastic packaging from all of its own label

ABOUT FAIR FOR YOU

Founded in 2015, Fair for You is an ethical lender, with a mission of helping financially-excluded families to buy essential household items, avoid hardship, and build their financial resilience. A registered community interest company (CIC) and owned by the Fair Credit Charity, Fair for You is backed by leading social investors.

With more than 20m Britons struggling to access mainstream credit, and more than 10m having less than £100 in savings, there are families for whom an unexpected bill, or a fridge or washing machine breaking, spells disaster. Rather than go without fresh food or clean clothes, or having to go to the sort of predatory, for-profit, high-cost lenders which don't have their welfare in mind, Fair for You is here to support them.

Fair for You has a 4.9 out of 5 rating on Trustpilot, as well as a string of industry award wins. Since 2015, it has lent to 50,000 customers and an independent impact report in 2020 demonstrates its far-reaching social benefits including better physical and mental health; improved education and wellbeing of children; and making it easier for adults to seek work or remain in employment.

Fair for You runs affordability checks on all customers and uses open banking technology to enable it to lend better and collect better from those who may get rejected for loans elsewhere, due to poor credit ratings or thin credit files.

Our growing range of retail partners - including Iceland, Argos, Dunelm, Whirlpool and Carpetright - are helping customers who may not have had access to their products without credit from Fair for You. The best-selling items through Fair for You include freezers, washing machines and children's beds, with the average loan standing at £300.

Fair for You is backed by Social Investment Scotland, Big Issue Invest, Barrow Cadbury Trust, Esmée Fairbairn Foundation, The Tudor Trust, Joseph Rowntree Foundation, Carnegie Trust, FSE, The Robertson Trust, Ignite and Fair4All Finance.