# Customer Union for Ethical Banking reviews Co-operative Bank’s climate and defence policies in April 2025 newsletter



The Customer Union for Ethical Banking has issued its April 2025 newsletter, providing an in-depth analysis of The Co-operative Bank’s recent climate commitments alongside evolving debates over banks’ involvement in funding the armaments industry.

A focal point of the newsletter is the ongoing relevance of The Co-operative Bank’s approach to the defence sector, which dates back to the bank’s initial Ethical Policy launched in 1992. The policy does not categorically exclude all financing for defence companies but selectively restricts support for firms supplying arms to oppressive regimes or dealing in indiscriminate weaponry, such as cluster munitions and nuclear arms. The Union emphasises that this policy is grounded in customers’ ethical concerns and is intended to balance supporting democratic societies’ self-defence with human rights considerations.

The newsletter situates this policy within the current geopolitical landscape shaped by recent events affecting transatlantic relations. With heightened tensions following the second Trump administration and Russia’s full-scale invasion of Ukraine, the UK government has garnered cross-party support for increased defence spending and supplying military hardware to Ukraine. Subsequently, the Union notes a recent appeal from over 100 Labour MPs in the Labour Growth Group urging banks to reconsider environmental, social and governance (ESG) criteria that broadly exclude all defence investments. The Union comments, “If defence firms are genuinely being ‘held back by ethical banking standards’ as they say they are, maybe they should consider addressing this, rather than demanding banks drop human rights based standards.”

Turning to climate commitments, the newsletter discusses the wider banking sector, focusing on the recent developments within the Net Zero Banking Alliance (NZBA). Established four years ago by Mark Carney, the NZBA has seen over 120 banks pledge to align their financing activities with net-zero emissions targets. However, a recent vote led the alliance to abandon its stringent 1.5 degrees Celsius goal in favour of a more flexible approach, prompted by departures of banks from the United States, Canada, and Japan who found the original targets too demanding. In response, climate-focused Triodos Bank left the NZBA, criticising the dilution of standards. The Customer Union expresses understanding and admiration for Triodos Bank's decision.

Regarding The Co-operative Bank’s position, the newsletter highlights that while the bank has not yet rejoined the NZBA, it previously indicated an intention to do so. The Union suggests that given the NZBA’s weakened stance, this moment might be an opportunity for The Co-operative Bank to enhance its independent climate ambitions rather than joining a retreating initiative.

The newsletter also offers an assessment of the bank’s most recent Sustainability Report. The Co-operative Bank’s longstanding refusal to finance companies involved in fossil fuel extraction since 1998 is acknowledged as pioneering. Nonetheless, the Union observes that the bank’s progress in setting concrete targets for reducing ‘financed emissions’ has lagged behind the sector and is only recently catching up. The bank committed in 2023 to achieving net-zero financed emissions by 2050 and reported on these emissions for the first time last year. It also announced plans to “commence development of a robust Net Zero Transition Plan” in 2024.

Despite this, the Customer Union expresses disappointment over the Sustainability Report’s lack of substantial advancement. It notes the absence of strong interim targets, particularly since a significant share of the bank’s financed emissions relates to mortgage provision, for which no intermediate goals have been declared. While a summary and roadmap of the transition plan are included in the report, details of the full plan have not been published. The Union expresses hope that progress will be spurred by the bank’s new ownership, which reportedly holds more ambitious climate targets, including a goal to reach net zero by 2040, and looks forward to applying such targets across The Co-operative Bank’s operations.

As part of its ongoing engagement, the Customer Union will be meeting with The Co-operative Bank in their first quarterly meeting of 2025 to discuss these issues further.

Additionally, the newsletter highlights a feature in the new edition of Ethical Consumer magazine, a banking special that includes an article penned by Rob Harrison, editor of Ethical Consumer and director of the Customer Union. The article recounts the Union’s role in the campaign to “save” The Co-operative Bank, one of the UK’s most prominent ethical banking brands.

The newsletter also marks the formal retirement of the “Save Our Bank” campaign name following The Co-operative Bank’s return to mutual ownership. The Customer Union has updated its website to https://customerunion.coop and changed its contact email to support@customerunion.coop, while older contact details remain operational. Furthermore, in response to changes in social media platforms, the Union has moved its presence from Twitter to Bluesky.

The Customer Union for Ethical Banking invites individuals to become members at a yearly fee of £15, noting its unique position as the first-ever customer union co-operative and its efforts to uphold The Co-operative Bank’s ethical principles. Membership is also open to Coventry Building Society customers.

The Customer Union team concluded the newsletter by thanking supporters for their ongoing engagement.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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3. <https://www.co-operativebank.co.uk/pdfs/bank/investorrelations/2024-sustainability-report.pdf> - Provides the 2024 Sustainability Report detailing net-zero commitments, financed emissions reporting, and transition plan development.
4. <https://www.co-operativebank.co.uk/sustainability-hub/net-zero-explained/> - Explains The Co-operative Bank’s net-zero strategy, aligning with its commitment to reach net-zero financed emissions by 2050.
5. <https://www.instagram.com/thecooperativebank/reel/DIwN01bq6iR/> - Demonstrates The Co-operative Bank’s public commitment to climate-nature crisis initiatives, relevant to its ethical policy history.
6. <https://news.google.com/rss/articles/CBMiWkFVX3lxTE9ocVpFUVY4TXV2VUlkajAwSHMxSTNCRkRsbGpJaVpUUTNKTGFJZng4Q3JqTFJVVEpSVm05SjNRZWFzdHE5bVRveDBNMWVKVjlJdWRhQk5aSlhSQQ?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data