



## THE CUMBERLAND - THE BUILDING SOCIETY HELPING SCOTLAND'S TOURISM SECTOR THRIVE

- The Cumberland has invested more than £45m into Scotland's tourism sector in the last two years
- Support from The Cumberland is needed now more than ever as 52 percent of Scottish businesses are still in survival mode amid the cost-of-living crisis and rising interest rates

Scotland's tourism sector has faced increasing adversity in the last few years. The pandemic saw tourism nationwide face significant pressures and the recovery from this has been hampered by the cost-of-living crisis. Meanwhile, rising interest rates, increasing from 4.5 percent to 5 percent in June, are putting Scotland's hospitality businesses under further pressure as they cope with the prospect of higher mortgage repayments.

Tourists have tightened their purse strings with a more cautious approach, and an unclear ending to the crisis brings further difficulties for those in Scotland's tourism sector who are looking to weather the storm. Indeed, the latest statistics from Scottish Tourism Alliance reveal more than half, some 52 percent, of businesses within the hospitality sector are still in 'survival' or 'consolidation' mode as a result of the financial crisis.<sup>i</sup>

Meanwhile, almost half state that they do not have enough cash reserves for the next quarter, whilst 39 percent said that domestic bookings for June to September this year are lower compared to the same period in 2022.<sup>ii</sup>

With Scotland's tourism businesses a key part of the country's economy, it has never been more important to provide support for the sector to navigate the challenges ahead and to help businesses fulfil their potential. [The Cumberland Building Society](#) continues to support business owners nationwide, with over 20 years' experience in hospitality lending and as an award-winning Platinum Feefo trusted service.

Implementing a relationship managed service, The Cumberland puts people at the heart of what it does, regardless of the size of the business. Their personal service allows them to understand the needs of the customer and their business, supporting them during the good times and the bad. As a result, The Cumberland has helped businesses nationwide in navigating challenges at the times which matter most.

The relationship managed approach is something The Cumberland has strived to hardwire into its genetic makeup. Offering a more personal and genuine approach, its customers have direct access to a relationship manager and associate who understands the needs of their business, as well as a comprehensive knowledge of their operating area.

The Cumberland has been lending to the hospitality industry for over 20 years and has invested more than £45m in the Scottish hospitality sector in the last two years.

Alasdair Swan, Senior Commercial Manager at The Cumberland said: “Supporting people and businesses across Scotland has been at the core of what we do at The Cumberland for the past 170 years. We want to make a positive difference to people’s lives now and in the future, and we do this in a number of ways.

“Alongside offering financial support and business guidance to our customers, we are also among the top 2 percent of organisations in the world that donate 1.5 percentage of profits to actively support charitable causes and projects.”

### A selection of Scotland’s tourism businesses helped by The Cumberland:

#### Cairn Lodges, Morar



When the Blower family decided to relocate to the wild and rugged west coast of Scotland, they turned to The Cumberland for help to fund their luxury self-catering accommodation business, Cairn Lodges, located in Morar, Scotland.

Darren Blower began exploring the idyllic beaches and soaring mountains of the coastline between the remote communities of Morar and Arisaig on family holidays with Dad, Joe and Mum, Vanessa.

The family, who originated from Greater Manchester, fell so in love with the area that they built a home there which they also rented out as a self-catering property. Joe and Vanessa then built another property to live in when they moved to the area permanently nine years ago.

In 2021, Darren and wife Josephine took the plunge and left their home in Stockport to move to Scotland permanently with their two children Oscar, five, and Olivia, three. The family had bought around 15 acres of land from friends 25 years ago and Darren and Josephine were granted planning permission to build eight lodges there. Soon after they opened the site to the public with four luxury self-catering lodges on the beautiful B8008 coast road.

The Cumberland provided £975,000 finance to support the development of Cairn Lodges, helping the couple to convert the high-interest loan they took out to construct the lodges into a more manageable mortgage, as well as lending them some extra funds to complete the build.

Darren said: “We decided to go with The Cumberland because we saw examples of some of the other projects and businesses they had helped before and we thought this would be just the kind of thing they'd like to invest in.”

#### Castlebay Hotel, Outer Hebrides



The Cumberland helped a former social worker break into the hospitality industry by buying an iconic Scottish hotel.

Nicola Souter took over the Castlebay Hotel in the Outer Hebrides in April 2022, purchasing the property for £925,000 with The Cumberland providing £550,000 to support the acquisition. It marked a major change of direction for her after working as a social worker and running Airbnb properties.

Dating back to the 1860s, the hotel sits on the Isle of Barra, in the south of the Outer Hebrides. Although remote, it is accessible by ferry and plane, with the island's beach serving as the landing strip. Nicola, from Edinburgh, had decided to switch careers after 10 years as a social worker. Owning her own business was a large part of the appeal of the hospitality sector, and after a deal for another hotel on Barra fell through she settled on the Castlebay.

Nicola said The Cumberland believed in her when she was finding it hard to get finance from the major banks. She said: "Where most people wouldn't have believed it was a good option or that I could do it, The Cumberland did. They totally backed me."

### No.26 by the Sea, Oban



No.26 by the Sea, a boutique hotel in the West Highlands coastal town of Oban, which received investment from The Cumberland Building Society, was named as one of the top 25 hotels to visit in the world by TripAdvisor - the only UK hotel to be named on the prestigious list.

Billed by visitors as 'sensational', 'stunning', and simply 'perfection', the unique stay has received a 5-star rating on TripAdvisor.

The Cumberland began working with renowned hotel, bar and restaurant owner, Paul Sloan, in early 2022 where it aided in the refinancing of No.26 by the Sea, whilst also supporting funding for the acquisition of staffing accommodation. Whilst the hospitality sector was still facing issues brought about by COVID-19 in early 2022, The Cumberland made a statement of intent with its financing of No.26 by the Sea, with the recognition the luxury hotel has received from TripAdvisor proof that businesses in the hospitality industry can thrive in difficult times.

Paul said: "A huge thanks to The Cumberland, whose investment was a key driving force behind the project. I can't reiterate enough how great my experience of working with The Cumberland team has been. There is always someone on hand to offer advice, which hasn't always been the case when working with other banks."

### Carlowrie Castle, Edinburgh



Carlowrie Castle, an award-winning Scottish castle located on the outskirts of Edinburgh, which recently received £3.4million in investment from The Cumberland, is undertaking a series of improvements to its services and facilities.

Renowned for hosting exclusive weddings and events, Carlowrie Castle, which was built in 1852 in the Scottish Baronial style, boasts twenty-one spacious bedrooms, with every room offering breathtaking views of the countryside. Work funded by The Cumberland's investment, which will see the venue welcome more guests and offer a greater choice of state-of-the-art accommodation, is already underway and will complete in 2023.

A formerly derelict stables block located inside a walled garden in the castle grounds has been restored to house seven ensuite bedrooms, while five modern cabins and a sauna will be erected in the new year, offering accommodation for a further 10 people.

Commenting on his collaboration with The Cumberland, Andrew Marshall, founder and CEO of the Carlowrie Group, said: "We're delighted to have worked with The Cumberland to create new accommodation options for our guests at Carlowrie Castle in order to meet growing demand.

"It was crucial for me to find the right lending partner and when I came across The Cumberland I was pleased that our founding values were aligned. They ticked all the right boxes and the team didn't disappoint when it came to working together to make our goals a reality.

"I look forward to further opportunities to collaborate as we continue to grow and evolve the Carlowrie Group in the years to come."

### The Inn on Loch Lomond, Luss



A brother and sister duo acquired an 18<sup>th</sup> century Scottish inn with support from The Cumberland. Experienced hoteliers, Andrew and Rosaline Ryan, purchased The Inn on Loch Lomond, situated near the village of Luss in Scotland, following investment from The Cumberland.

Built in 1804, and first opening in 1814, the original inn was the epitome of a roadside establishment, serving as a watering hole for countless generations of travellers.

As part of the acquisition, the brother and sister have set about modernising the building while ensuring improvements made are in keeping with the inn's rich heritage. The stylish and contemporary refurbishment boasts modern accommodation, unique public spaces, and a restaurant and bar.

Andrew said: "We had a specific project in mind for The Inn on Loch Lomond, and this is why chose The Cumberland. Without their support, we would not have been able to complete this project.

“They bring with them a personal touch and they’re a lender with a face. When you go to them with an idea, they don’t immediately say no. We immediately felt a connection with The Cumberland. They understood who we are, our background, and what we wanted to achieve.”

For more information click [here](#).

## ENDS

For information visit [www.cumberland.co.uk](http://www.cumberland.co.uk)

### About The Cumberland

Based in Carlisle, and established in 1850, The Cumberland is the UK’s 10<sup>th</sup> largest building society, serving 160,000 customers through its digital channels, Carlisle-based call centre and network of 34 branches.

The Cumberland was one of the first lenders to offer a specialist holiday let mortgage product and have been lending to hospitality business owners across the UK for over 20 years.

Their head office is based in Carlisle, however, the Commercial team is well placed to cover the whole of the UK, providing hospitality lending to mainland UK, and some islands via a fully relationship managed service.

The Cumberland offers a range of hospitality lending solutions, specialising in hotels, guest houses, B&Bs, and holiday lets (including Airbnb).

Find out more: <https://www.cumberland.co.uk/business>

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<sup>i</sup> <https://scottishtourismalliance.co.uk/sta-update-latest-industry-survey-reveals-majority-of-scottish-tourism-and-hospitality-sector-financially-fragile-and-still-in-survival-mode/>

<sup>ii</sup> *Ibid*