

Credit Union News

Hands up for volunteers

- giving up time for credit unions

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Volunteers make all the difference

VOLUNTEERS WORKING for the greater good has a new label at the moment – the Big Society – but credit union volunteering is not new and thousands of volunteers around the country have been making a difference in their communities and workplaces for many years.

Although increasing numbers of jobs have been created in the credit union sector, the majority of people in the movement do what they do as volunteers. Many employees also give up part of their time in some way, for example by helping out other credit unions and working together as chapters.

People from a wide variety of backgrounds volunteer in credit unions and we profile just a small selection from page 6 onwards. With the continuing furore over bankers' bonuses, it is important to stress this key area which sets credit unions apart from other financial institutions.

The Big Society is of course just one of the ideas coming out of the new Coalition Government, and we have been busy telling ministers and civil servants about the great work credit unions are doing and the potential the sector has to help the Government achieve many of its aims.

To help us build support in the new Parliament we quickly re-formed the All-Party Parliamentary Group on Credit Unions and were delighted when the new Financial Secretary to the Treasury, Mark Hoban, chose to make the APPG's Summer Reception one of the first events he spoke at. The new Chair of the Group, Damian Hinds MP, is profiled on pages 4 and 5 and we also publish a report on the reception.

This edition also has a bit of an international theme, with an article on page 3 about a visit we hosted for our colleagues in the Polish credit union movement. The Polish movement has a very high profile, which was demonstrated by their ability to attract leading lights from the Polish media for a visit to London to explore how credit unions are regulated and how banks support the sector.

Learning from the international sector is something that we value and we can find out a lot from more developed credit union movements. One of the key things we have

learnt is the value of collaboration and that is why we are developing detailed plans for a back office for credit unions.

As you will see on pages 10 and 11, a back office for credit unions will bring economies of scale and consistency of standards to credit union operations. It also has the potential to dramatically increase access to credit union services by opening the way for a link up with the Post Office network.

News on how credit unions are working with Citizens Advice Bureaux as well as an

exciting new initiative to attract young people into the sector is also included in this issue.

We have a busy few months ahead of us, but we know that volunteers and staff around the country, as well as politicians and policy makers, are keen to see credit union services expand and develop. And with such a force for good already in place, I believe the credit union movement has a very bright future in our new Big Society.

“Thousands of volunteers around the country have been making a difference in their communities and workplaces for many years.”



Mark Lyonette,
Chief Executive, ABCUL.

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British credit unions host Polish media visit

JOURNALISTS FROM Poland's leading newspapers, radio and television stations, as well as representatives from SKOK – the National Association of Co-operative Savings and Credit Unions – which is the Polish equivalent of ABCUL, visited London in May to find out more about the role of credit unions in eliminating financial exclusion and how credit unions and local and central government work together to benefit communities.



Whilst they are well-established in Poland and highly respected in the media there, Polish credit unions have a history of independence from Government and have never seen the degree of support which we have seen

here. The visit was organised by ABCUL to help the Polish media understand the British experience and for the Polish credit union sector to learn lessons that could help them in future.

The Polish credit union sector is extremely large and is headed up by Grzegorz Bierecki, the driving force behind the visit, who is a very senior figure in Poland. With his high profile, Grzegorz was able to persuade the Polish media to come to England, and 15 leading journalists, as well as half a dozen credit union sector representatives, spent two days in London.

During the visit, Paul Jones of Liverpool John Moores University and Mark Lyonette set out the landscape for credit unions in Britain. The visitors went to Barclays in Canary Wharf to hear how the Government has encouraged banks to engage with financial exclusion and to support credit unions. This was followed by a presentation by representatives of the FSA, who explained their work on financial capability.

Grzegorz Bierecki said: "We were very interested to learn about the role of the credit union movement in Britain and how it operates. We were also pleased to be able to compare the situation with that in Poland."

SKOK has since confirmed that the material gathered by the journalists on their visit has already been used in the Polish media.

A number of ABCUL credit unions – London Mutual Credit Union, Lewisham Plus Credit Union, Tower

Hamlets Credit Union, Waltham Forest Community Credit Union and Islington and City Credit Union – also hosted the Polish visitors. To get to each of the credit unions, six black cabs driven by taxi driver members of credit unions were arranged.

Grzegorz added: "The visit was successful in every respect and we thank all those involved for their help and professionalism."

Annette Warne-Thomas, Head of Business Development at ABCUL, said: "ABCUL would like to echo the thanks of the Polish visitors and we are grateful to everyone who helped make the visit such a success."



Serving Polish communities around the world

Credit unions have been successfully established to serve Polish immigrant communities around the world, particularly in the United States.

There are at least seven credit unions in the United States serving the American-Polish community. This includes the Polish and Slavic Federal Credit Union which is based in Brooklyn, New York, but also has branches in New Jersey, Pennsylvania and Illinois. Established in 1976, PSFCU now has almost 70,000 members, \$1.3 billion in assets and ranks among the largest 100 credit unions in the US.

Credit unions focusing on the needs of Polish immigrants elsewhere in the world include the St Stanislaus – St Casimir's Polish Parishes Credit Union, in Toronto, Canada, which is one of the largest parish based credit unions in the world, and the Polish Community Credit Union in Adelaide, South Australia.

Credit unions in Poland

The credit union sector in Poland started from next to nothing 18 years ago, but today goes from strength to strength.

- In 1992 there were 14,000 Polish credit union members; in 2009 there were over 2 million, with an increase of 170,000 members in 2009 alone
- Polish credit unions have assets of over 12 billion zlotys (£2.47 billion)
- In 2009, the amount of loans increased by nearly 1.4 billion zlotys (£290 million) to reach almost 8.5 billion zlotys (£1.75 billion)
- At the end of 2009 credit union savings were 10.8 billion zlotys (£2.22 billion), an increase of approximately 26% compared to the previous year
- Credit unions have 776 ATMs in Poland – one of the largest networks of ATMs in Poland
- Over 130,000 members use credit union internet banking services
- More than 350,000 members – one in six – have a credit union card account.

At this year's World Council of Credit Unions Conference, Lech Kaczyński, the recently deceased President of Poland, who was central in helping establish the country's credit union movement, was named as a recipient of the World Council of Credit Unions' Distinguished Service Award (DSA), the global trade association's highest honour.



In an exclusive interview for *Credit Union News*, Damian Hinds MP, the newly elected Chair of the All-Party Parliamentary Group on Credit Unions, explains his interest in credit unions and sets out his aspirations for the Group and the movement as a whole.

Introducing... Damian Hinds



Damian Hinds MP.

ALTHOUGH DAMIAN Hinds was only elected to Parliament in May, he and his family have been involved with credit unions for many years. In fact, his father was one of the founder members of Portaferry Credit Union in Northern Ireland.

Damian explains that the importance of credit unions was brought home to him when he was working on a research project in 2003/4 about inner city poverty and how to address its causes.

"I was studying debt and the central role of the 'debt trap' in locking people into poverty. Very often people struggle to break out of the cycle of debt, but credit unions can provide a fair and affordable route out of poverty."

Damian worked with Trafford United Credit Union when he was the Prospective Parliamentary Candidate for the Stretford and Urmston constituency in 2005.

"I was working to help raise the profile of the credit union sector within the Conservative Party," says Damian. "We undertook a project with Trafford United Credit Union at our Spring Conference in Manchester which saw Conservative Party members out on the streets delivering credit union leaflets."

When he moved to Hampshire, Damian

joined Portsmouth Savers Credit Union (now United Savings and Loans, which provides services across the country).

As Chair of the APPG, Damian is looking forward to working with those in the movement and colleagues from all political parties in creating as supportive an environment as possible for credit unions and in helping to spread the message about the valuable work of credit unions.

"Credit unions are important," says Damian, "because they offer an affordable, responsible alternative to high cost lending. Although I would argue that saving is, of course, extremely important, borrowing is a fact of life, so people need to be able to access affordable credit."

However, in order to develop further and fulfil its true potential, Damian believes that the credit union sector in Britain needs to increase in scale. "In countries like Ireland and the United States," he says, "credit unions are on a whole different level. We need to ensure that the sector grows here too."

The importance of scale, according to Damian, is reflected in the range of services that can be offered by credit unions and the influence they can have. "The bigger the sector, the wider the range of products and services and the greater the impact credit unions can make."

Whilst recognising the importance of mergers within the movement in helping to drive growth and make the sector stronger, Damian stresses that he is very much a "localising Tory", and recognises the value of local, community-based credit unions.

"Economies of scale don't always have to be outward facing," he says. "They can happen, for example, in the delivery of back office services, which can create a more efficient sector, even though the members of credit unions don't see what's going on behind the scenes."

About Damian Hinds

DAMIAN HINDS was elected Conservative MP for East Hampshire in 2010.

Damian has spent most of the last 18 years working in the pubs / brewing and hotel industries, both in Britain and abroad, and has held senior management positions in two PLCs. He has a degree in politics, philosophy and economics from Oxford (where he was also elected President of the Oxford Union). His secondary education took place at St Ambrose Grammar School in Altrincham, Cheshire.

Damian's previous political experience includes being chairman of the Bow Group think tank and standing for Parliament in 2005. He has written a number of policy papers and articles. Areas of policy interest include education, tackling poverty, and promoting business and enterprise. He also has a special interest in affordable credit and sub-prime debt issues. In 2008 and 2009 he joined the Conservative Party's short volunteering projects in Rwanda.

Damian lives in Alton, Hampshire, with his wife Jacqui, a schoolteacher, and baby Kitty, born in early 2010.

www.damianhinds.info



From left to right: Damian Hinds MP, ABCUL President Reverend Antony MacRow-Wood and Mark Hoban MP at the All-Party Parliamentary Group Reception.

As Chair of the All-Party Group, Damian says he wants to work with ABCUL and others to ensure that credit unions are better understood in Parliament. "We need to promote the benefits of credit unions and the critical factors needed for their growth. We also need to continue to develop channels of communication with the sector."

Damian explains that he hopes the APPG will be able to play an important role in influencing

government. "There are many people in the new Government who are interested in credit unions, so we will do our best to get our message across."

When it comes to the future of the sector, Damian says that the Legislative Reform Order (LRO) is fundamental, as it will open the way for credit unions to expand further and faster.

Damian recognises the importance of the LRO to community based credit unions, but he also believes that the need for more employer based credit unions is important.

"Elsewhere, such as in the US, employee credit unions are strong. More such credit unions in Britain will enable the sector to reach scale faster, as large numbers of employees are encouraged to join up. They are also extremely valuable in encouraging employees to save directly from their wages through payroll deduction."

Looking further ahead, Damian says he sees a link up with the Post Office as a big opportunity for the sector. "It makes sense. There's a network of Post Office branches which need more business to survive and a credit union sector which would benefit from a national network presence."

In this new era of lower borrowing – on

both a countrywide and an individual basis – Damian sees credit unions as playing a vital role in encouraging people to save and, if they need to borrow, offering access to loans which they can afford.

"Sometimes people say that high cost lenders provide a much needed and successful service, but if people borrowed from credit unions instead, it would save them money which they could either put away as savings

or put towards other items. For those on lower incomes or in receipt of benefits, for example, this would help to prevent them getting sucked into the cycle of debt and would leave individuals with more in their pockets to spend in their communities on other things rather than loan interest."

Ultimately Damian says he would like to see a credit union on every high street.

"You see it in Ireland – next to the bank and the building society there's a credit union. But the ability to achieve this in Britain will depend on credit unions scaling up."

Volunteers play a vital role in credit unions and one of the themes of this issue of *Credit Union News* is volunteering. Damian expresses his support and commitment to making it easier for more people to volunteer.

"Masses of people all round the country already volunteer," he says. "But to encourage more volunteering, for me it is about cutting bureaucracy and red tape; publicising the need for volunteers much more, to help match the right people with the right opportunities; creating the right atmosphere in society which values volunteers and, of course, helping to persuade individuals of the benefits of volunteering – volunteering can be good for you."

“In countries like Ireland and the United States credit unions are on a whole different level. We need to ensure that the sector grows here too.”

All-Party Parliamentary Group Reception

THE ALL-PARTY Parliamentary Group on Credit Unions (APPG) held a reception on 30 June attended by credit union staff and volunteers, MPs and Peers, and relevant stakeholders from across the consumer affairs, financial inclusion and financial services industries.

The reception, which was organised in conjunction with ABCUL and supported by The Co-operative Bank, was addressed by the new Financial Secretary to the Treasury, Mark Hoban MP.

Mark explained the lessons that are being



Mark Hoban MP

learnt from the recent past in the financial sector and set out the Government's plans for supporting credit unions as part of its policy commitment to foster diversity in

financial services, promote mutuals and create a more competitive banking industry.

"We are determined to help credit unions grow and expand into the future. But growth and expansion must be established on the basis of credibility – credibility that can only come as credit unions build sustainability. And it is in the interests of credit unions, the members of credit unions and the movement as a whole that sustainability is built.

"This Government believes that strong credit unions will greatly enrich British society, so it is in our interest to do whatever we can to help the credit union movement to prosper."

Other speakers at

the event included Damian Hinds MP, the newly elected Chair of the APPG, Debbie Wheeler, Head of Charity and Social Enterprise Banking at The Co-operative Bank and ABCUL President, Reverend Antony MacRow-Wood.



Debbie Wheeler.

The event formed part of the credit union sector's contribution to the Co-operatives Fortnight celebrations, which ran from 19 June – 3 July.

Hands up for – giving up time

AS MORE credit unions employ staff and are visible on the high street, people could be forgiven for not realising how central volunteers are to credit unions and how this sets them apart from other financial services providers. Credit union volunteers are role models when it comes to local people getting involved in helping to provide services to their communities – an idea that is gathering momentum these days with talk of the Big Society.

Thousands of volunteers work in credit unions in Britain, providing their time for free to ensure that as many people as possible can benefit from credit union services. Credit unions would not get off the ground or operate on a day-to-day basis without volunteers carrying out essential governance and operational roles.



Robert Rae.

Robert Rae, for example, was instrumental in setting up NHS Credit Union in Glasgow in 1997. As a branch secretary for UNISON at

Southern General Hospital, Robert was in the perfect position to get his union, colleagues and employer on board.

Robert was already a member of Rutherglen Credit Union, so knew all about the advantages of credit unions. He recognised that many of the financial needs of the community credit union's members were shared by colleagues and UNISON members at work. He believed that a credit union for his fellow employees could provide real benefits, so he set about getting it off the ground.



Dawn Lindo-Morgan.

Similarly, Dawn Lindo-Morgan played a key role in helping to set up Crownsaver Credit Union for the employees of Lewisham Council. Dawn,

who is now the credit union's President, has been involved with the credit union since it was founded in the late Nineties.

"I knew about credit unions from the Caribbean, where my parents are from," says Dawn. "I was working for the Council and they were looking for people to get involved, so I volunteered."

Getting involved

There's no single route into volunteering at a credit union and people tend to get involved through many different avenues.

Brian Wilson, Treasurer at Clockwise Credit Union in Leicester, saw an advert for credit union volunteers in the local paper.

Brian, an accountant by training who has worked all his life in industry, says: "I had always been interested in getting involved with a financial institution, so when I saw the advert I decided to apply."

David Dickman on the other hand,



Brian Wilson.

has long been involved with the co-operative movement, working at The Co-operative Bank in senior positions for 44 years. He has a personal commitment to, and affinity with, co-operative values and principles, which is why he was keen to volunteer with a credit union. David has been a director of The Co-operative Credit Union, which serves Co-operative Group and CFS employees, for six years and is currently its Chair.

Muriel McCreadie, Chair of Enterprise Credit Union in Knowsley on Merseyside, was roped in as a volunteer by a family friend about 15 years ago and has been with the credit union ever since.

Muriel is a civil servant by profession and worked for the Ministry of Defence for about 30 years. She had been involved with trade unions and politics in the Eighties, but wanted to do something new. "I've always been interested in helping people and trying to make a difference, so I thought 'this is what I can do to help my community'."

However, it can sometimes be difficult for credit unions to find volunteers, especially directors, with the specific skills they need.

"At Clockwise," explains Brian, "when we needed someone with HR skills, for example, we contacted the local branch of the HR professional association who helped us find the right person."

David Dickman explains that The Co-operative Credit Union uses its employer's intranet to encourage employees to volunteer with the credit union.

Enterprise Credit Union has a printed

volunteers for credit unions



David Dickman.

leaflet about volunteering and runs campaigns from time to time to recruit new volunteers. However, as Muriel McCreadie says, many volunteers are already members and it's through their interest in and contact with the credit union that they are persuaded to get more involved.

"Sometimes people only see the person behind the counter and get put off because they think they have to be financial wizards," explains Muriel, "but of course there are plenty of other things they can do."

The role of a volunteer

The role of a volunteer in a credit union can vary enormously, from director level to helping in the office. This means that people with a whole range of skills can get involved. Being a credit union volunteer provides people with a chance to develop their own knowledge and abilities, learn new skills and undertake training, all of which can stand them in good stead for their working life.

For David Dickman, being a volunteer director means helping to provide support and focus for the credit union, and with a wealth of experience of the banking and co-operative sectors, someone like David has an important contribution to make.

"As Chair, I see my role as helping to shape the business, making sure it

remains progressive and outward looking by, for example, expanding the range of products and services or extending the common bond. My role also involves communicating with members and mentoring staff."

He adds: "In addition to volunteer directors and those who can help with the day-to-day operations of the credit union, we look for people with marketing and communications skills and advocates to promote the credit union in their workplace."

Muriel McCreadie says volunteers are vital to a credit union, as they help to keep everyone's feet on the ground.

"There is so much going on these days, especially for Growth Fund credit unions, that it can be easy to start looking too high up and to forget what we're actually there for.

"Volunteers are from the community and know the community, and it is important for our members to see that there are people here giving hours and hours of their time for free – it's not just paid employees. Volunteers are part of the ethos of credit unions."

Volunteers can also have a huge impact in terms of promoting a credit union, as Robert Rae explains.

"If local people working in a hospital, for example, are promoting the credit union to colleagues, it makes a big difference compared to someone coming in from outside. It adds weight to the argument – it's not just anyone coming along trying to sell something."

Time commitment

Although being a volunteer requires the commitment of a certain amount of time, just how much work the role entails will vary from person to person.

Being a volunteer involves very little pain, says David Dickman. "I wouldn't like to say exactly how much time my role involves, as it varies from week to week. On average I probably do one day a week, but this could be more or less for other people, depending on

A life changing experience

Being a volunteer at Lambeth Savings and Credit Union allowed Jenna Eastlake to get to know people she would never usually have had contact with, which has expanded her outlook and broadened her perspectives on life.

Jenna was involved as a marketing volunteer and a board director for about four years. On top of her duties as a board director, overseeing the credit union's operations, her role included supporting the development of the marketing strategy and undertaking some of the day-to-day marketing activities, such as contributing to the regular members' newsletter, attending local community events to raise awareness of the credit union and supporting funding applications and bids.

Jenna decided to volunteer in order to get involved in her community. Jenna says: "Having been in London for a number of years I felt very disconnected from the people in the community around me, especially commuting into the city every day."

At the time, Jenna was in her mid twenties and worked for Barclays – initially in a number of marketing and community investment roles and then in their financial inclusion team.

"Before getting involved at the credit union, I spent most of my time with friends and colleagues from very similar backgrounds and had no day-to-day contact with wider groups in my community, such as older people, other ethnicities and other professions."

New friends

Volunteering helped Jenna make new friends and establish business contacts. "Some of the longer term friendships I have built up have been very rewarding and provided a wider network for me – useful for support in everyday life and also in the development of my career."

Jenna says that the most rewarding thing about being a volunteer was feeling she was having an impact in her local community and hearing positive stories about people who had been helped by the credit union. "It enabled me to put some of my knowledge and expertise to use in a more practical way and really opened my eyes to different lifestyles and a different side to London."

Continued on page 8

the time they have available and how big a commitment they want to make.”

Brian Wilson says he spends an average of one or two days a month fulfilling his credit union duties. However, Dawn Lindo-Morgan says she is a very hands-on person, so spends a lot of her free time helping out in the office.

Why volunteer?

So why do people give up their free time to help out at a credit union? Obviously there are many reasons but, these days, volunteering is recognised as an important part of daily life and something we are all being encouraged to do more of, to help make a difference to our communities.

For Robert Rae, getting involved with NHS Credit Union as a volunteer was about being able to help his fellow employees. “I worked with many low paid people, some of whom were paying out up to three quarters of their income to high cost lenders, because they had always done it and their parents had done it before them, and they found it a real struggle to make ends meet. Joining the credit union gave them some much needed financial support and skills to

manage their money better.”

Robert adds: “It’s nice when people come back to you and say that joining the credit union is the best thing they’ve ever done.”

For Dawn Lindo-Morgan, it’s about giving something back to the community, “whether that’s a day of your time or just an hour.”

“It’s nice when people come back to you and say that joining the credit union is the best thing they’ve ever done.”

Robert Rae

Dawn says it is also about being able to help people overcome their financial difficulties. “If someone is planning a big event such as a wedding or a holiday, it is nice being there to put a smile on their faces when they see we can help them.”

Muriel McCreadie explains that there is a huge sense of achievement in

seeing your credit union grow and develop. “There is a sense of pride in doing a good job, both as an individual and at a credit union level, but it can also be very humbling seeing people in the most desperate circumstances, who come to the credit union and, with our help, manage to turn their lives around.”

Robert Rae adds that volunteering provides a lot of life skills and it is rewarding to see an organisation you are closely involved in develop and grow. “As an individual you get training and support; if you believe in the values of a credit union it is nice to see it succeed and, as a credit union grows and recruits more people, it can provide more services and get stronger as a result, which is very rewarding.”

The last word goes to Brian Wilson, who offers some good advice for those considering volunteering at a credit union, whether in the office or as a director.

“If you want to learn office skills, come and volunteer at a credit union. If you have specific management skills that could be useful for an organisation entrusted with significant sums of money, get involved!”

From the buses to the board...

BUS DRIVER Martin Logan is a director and secretary of Voyager Alliance Credit Union in Manchester. Martin has been involved with the credit union, which serves the passenger transport industry, since it was founded in 1992 (as GM Buses Employee Credit Union) and plays an active role as a volunteer.

Martin grew up in Ireland, where credit unions have been established longer than in Britain, so knew about them from his youth. When he moved to England, Martin recognised that a credit union could provide a valuable service to his fellow bus drivers and suggested this to his trade union. This was the spark that lit the flame for what is today one of Britain’s biggest and most successful credit unions.

“I knew about the money problems many of my colleagues had,” said Martin. “Sometimes employees would be forced to borrow money from the fares they took on the buses, and if they couldn’t repay it, it would be taken out of their wages. It was hand to mouth for some people.”



Martin Logan, second left, at his DEUK graduation in Edinburgh.

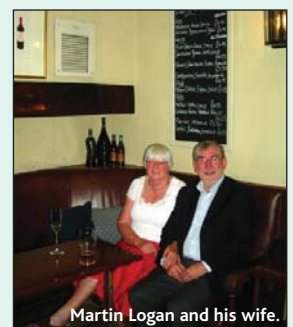
Martin says his commitment to the credit union is all about meeting and helping people. “It is about making a difference in people’s lives.”

He also recognises the importance that

volunteers can make in all walks of life. “When you look around you, you see what people can do as volunteers – from running Scout groups to helping the elderly to raising funds for hospitals in Africa. Volunteering is close to the heart of many people and, given the right opportunities, there’s so much more we can do – as individuals and as a society.”

In fact, Martin’s volunteering role goes beyond the credit union itself. He is also involved in the Greater Manchester Chapter and does credit union work at a national level too. He has qualified as a Development Educator and his latest project is writing a history of the credit union movement in Britain. Martin’s dedication shows that the sky’s the limit for volunteers who get involved in the credit union movement and that volunteering doesn’t need to stop at the credit union door.

Martin says he lives and breathes credit unions. “I don’t count sheep at night, I think about board meetings, members and the credit union movement!”



Martin Logan and his wife.

25th credit union launches current account

CORNISH COMMUNITY Banking (CCB) has become the 25th credit union in the UK to launch the Credit Union Current Account (CUCA).

The first CUCA for the people of Cornwall and the Isles of Scilly was launched at a sign-up ceremony in Truro. Cornwall's Lord Lieutenant, Lady Mary Holborow, was the guest of honour at the event and the keynote speech was



In addition to Cornish Community Banking, the other 24 other credit unions offering the CUCA in England, Wales, Scotland and Northern Ireland are:

1st Alliance
1st Class
Bristol
Capital
Castle & Minster
Clockwise
Glasgow
Hartlepool
Hull & East Yorkshire
Just Credit
Leeds City
Lewisham+
Llandudno
London Mutual
Manchester
Newry
Norfolk
Nottingham
Scotwest
South Tyneside
Tower Hamlets
United Savings and Loans
Voyager Alliance
White Rose

These 24 credit unions have over 28,000 accounts between them and combined balances clearing £3.9 million.

given by Carleen Kelemen, Director of Convergence Cornwall. Will Aston, England's Rural Financial Inclusion Champion, and CCB funders and supporters also attended.

Supporters of the credit union, including Cornwall Council, NHS Cornwall and Isles of Scilly and Cornwall Citizens Advice Bureau, were keen to encourage their staff and members to be among the first to open a CCB current account on payment of the £2 enrolment fee and an initial deposit.

At the event, CCB also launched a new one-stop loan it helped to pioneer and which is now being adopted in other rural areas, including Devon.

Katrina Wagstaff of CCB said: "With these new services, membership of Cornish Community Banking becomes a very attractive option for everyone who lives or works in Cornwall and The Isles of Scilly. They mean our customers will be able to call on the credit union for most of the services they would get from a traditional bank or building society, including savings, bill payments and borrowing, but with the added bonus that we are more flexible over who is eligible for a loan or the minimum which can be saved."

Alec Robertson, the Leader of Cornwall Council, added that he is delighted by the role the Council has played in enabling CCB to extend its services.

"The Council's support means that we have been able to build on the success of the existing credit unions to cover the whole of Cornwall and develop a network of accessible locations such as Council offices and One Stop Shops where people can go to get advice and support."

James Wright, Banking Service Support Co-ordinator at ABCUL, says: "In the last year, credit union members have made 4.4 million banking transactions – none of which they could have done beforehand and most of which would previously have necessitated physically visiting the credit union to deal in cash."

North Yorkshire Credit Union will soon become the 26th credit union to launch the current account.

www.cornishcommunitybanking.co.uk



From left to right: (back row) Gill Steward and Neil Burden (Cornwall Council), Annette Egerton DBE (Chair of CCB); (front row) Katrina Wagstaff (CCB), Lady Mary Holborow DCVO and Carleen Kelemen (Convergence Cornwall).

Dumbarton Credit Union celebrates 20 years

Dumbarton Credit Union hosted an open day in June, to which members and non-members were invited, in celebration of its 20th birthday.

Founded in 1990 by a small group of like-minded people who wished to provide a positive alternative to high interest loan companies and loan sharks, the credit union has now become a focal point for good, ethical banking facilities within the town. The membership has grown from just 27 people in 1990 to over 2,500 adult members and 400 junior account holders today. Since 2007 the credit union has introduced saving facilities for pupils in a number of schools and hopes to eventually introduce these to all schools within its common bond area.

John Trainer, Chair of Dumbarton Credit Union, says: "The credit union wishes to place on record our thanks to the forward thinking and community spirited individuals who founded the credit union, some of whom continue to be volunteers today, and also to the staff and volunteers who have helped to make the credit union the success that it is today."

www.dumbartoncreditunion.org



From left to right: Linda McGreskin (volunteer teller), Tom O'Neill (founder member), Eleanor McIntyre (volunteer teller) and Cathie Trainer (member and director).

Back Office:

CREDIT UNIONS in Britain have changed and grown significantly over the last ten years and now serve over 860,000 people. Despite new legislation opening up the sector, maintaining or increasing this rate of growth in the coming years will present significant challenges for some credit unions.

ABCUL's back office project is looking at whether we can support that growth and a sustainable operational approach by offering credit unions a broader range of products and services, backed by new technology and shared expertise. ABCUL's back office project, which was launched earlier this year, targets these elements with a simple overarching purpose: to strengthen the British credit union movement through effective central services.

What do we want to achieve?

- Increased reach and market share
- Economies of scale
- Shared expertise
- A platform for stability and security
- New products and services open to all our members

Lessons from abroad

ABCUL has conducted extensive research into international credit union movements and has found an overwhelming correlation between the degree of collaboration among credit unions or financial co-operatives and their market share in that country. Accordingly, the back office project starts from the principle that British credit unions can achieve more if they work together – pooling resources and expertise – than would be possible individually.

Sam Hardwick, Project Operations Manager at ABCUL, explains: "Many international credit union and co-operative movements already collaborate on back office services and they have demonstrated that there is a huge amount to gain. We are therefore

looking at successful models in countries such as Poland, the Netherlands and Canada for inspiration. Movements in each of these countries have strengthened and grown because they have recognised common aims and have worked together to achieve them."

Research also indicates that, in successful models, the extent and nature of collaboration has been adapted to suit the circumstances of the movement. Sam is keen that ABCUL's back office project acknowledges this.

"We want to learn from international experience while accepting that circumstances differ in each country. We can't simply pick up a model that works elsewhere and expect it to work in Britain. What we do must ultimately be right for credit unions in Britain."

The back office project in Britain

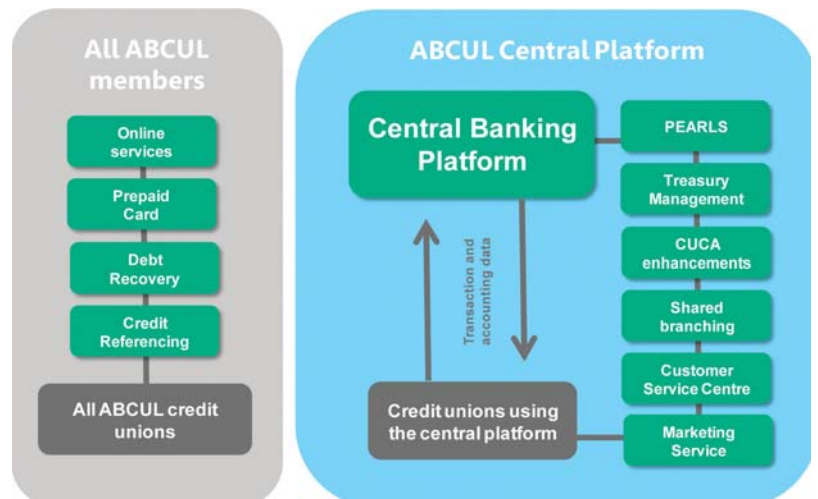
The story of a back office for credit unions in Britain goes back over a decade. In 1999 the Government's credit union working party, chaired by Sir Fred Goodwin, identified this as a key issue for the sector, set up a working group to look at the issue and a business plan was produced. The plans were shelved, however, due in large part to the need for banks to

fund the Post Office Card Account at the same time.

Interest in the project continued and central services remained part of ABCUL's business plan. In 2003 ABCUL received presentations from several tier one banking software companies who were interested in providing IT-based solutions for the movement, but ABCUL and its members decided instead to hire consultants from Bayberry to help develop a considered, long term strategy, led by the business needs of credit unions rather than a simple rush for the latest technology.

After three years' work with 12 credit unions, 2006 saw the launch of the Credit Union Current Account, backed by The Co-operative Financial Services, which became in effect the first central service for credit unions in Britain. The launch was a success and, in 2007, proposals for a greater range of central services gathered momentum when credit union forums identified a back office as a priority for the sector. Workshops and focus groups were convened and funding options explored.

The launch of the Growth Fund by the Department for Work and Pensions in 2008 led to funding being provided for a centralised training function (DELTA), project-managed by ABCUL and



Fast Forward



delivered through associates. As part of this project the DWP agreed to fund an investigation into a bespoke credit scorecard, the first of its kind to use the historic lending experience of credit unions as the basis for decision-making.

Finally, in 2009, Barclays announced its interest in supporting ABCUL in a renewed back office project. Funding was secured in July 2009, a project manager was recruited and the new project began...

What's included in the back office project?

"We're working on a number of elements as part of the project, based on research into the needs of the British sector and feedback from our members, as well as the experiences of credit union sectors elsewhere in the world," explains Sam.

"Although a central, IT-based banking platform will be one of the cornerstones, we do recognise that a high level of integration is not right for all our member credit unions. It is important to make sure the back office project delivers something significant for everyone and that it supports the movement as a whole. We are very keen to make sure that we offer services for the large and small, community and employee based, the full range of credit unions."

The diagram left outlines the services currently being worked on as part of the back office project and shows how they could be split.

Latest developments

The ABCUL Prepaid Card

ABCUL recently announced the development of a prepaid card with FIS (Fidelity Information Services), one of the leading prepaid card providers.

Sam Hardwick says: "We'd spent some time reviewing the prepaid card market and had deliberately avoided launching a product until we were confident we could improve significantly on the solutions currently available to our members. We wanted to add extra value and we believe the card we're working on will do that."

Shared branching through the Post Office

The announcement on 29 March of the previous Government's commitment to shared branching through the Post Office was a huge step forward in widening access to credit union services. We are working with the new Government to explore ways in which this partnership can be brought to fruition. ABCUL will be working with the Post Office to open up this important avenue for credit unions as soon as we are able to realise a 'one link' platform to enable one connection to all Post Office branches.

Credit referencing for credit unions

Effective credit control is a vital component in supporting the professionalism of the sector.

ABCUL, in partnership with Experian, is developing a model designed especially for credit unions, which will allow them to choose the level of credit risk appropriate to their business needs. This should help credit unions make more consistent, responsible credit decisions and lead to lower defaults. Credit unions will be able to choose the level of default they are aiming for with a particular loan product.

Central debt recovery

Feedback from credit unions indicates that debt recovery can often be an expensive and time consuming process. To support credit unions to recover debts in an ethical manner, ABCUL has begun trialling a centralised service that takes on the management of delinquent loans right up to litigation. The service also allows ABCUL to monitor levels of bad debt across the movement, taking action where necessary to help its members take the best approach.

Citysave Credit Union launches youth initiative

Citysave Credit Union in Birmingham has become the first credit union in the country to introduce a youth arm, run by young people for young people.

Citysave Youth will provide young adults in the city with access to credit union services. It will deliver surgeries at convenient locations for young people, offer products and services tailored to their needs and explain the importance of budgeting, saving and better financial management.

"Citysave Youth has been developed to promote the work that credit unions do and how we can support young adults," says Chief Executive Angela Clements. "This is a time when many people start a first job, set up their own home and start a family, and the ability to budget, access to savings and affordable finance are needed."

President of Citysave, Annette King, adds: "Offering a better way, based on saving, money management, and access to affordable financial services is fundamental to empowering our young citizens to progress their lives. I believe this initiative will allow us to reach many more who need our services, and our advocacy of saving and budgeting will deliver real financial inclusion."

The credit union has recruited a team of four young unemployed people to deliver the programme and is looking to recruit others in future as the programme expands.

www.citysave.org.uk



Nathan



Talia



Farrakh



Partne



CITIZENS ADVICE played a prominent role at ABCUL's AGM this year and our annual conference also saw the launch of a new Small Bursaries Scheme as part of the Connect programme, supported by Barclays.

A stand at the conference was staffed by Citizens Advice Bureaux (CAB) and credit union employees representing eight organisations committed to and involved in partnership working. A number of visitors to the AGM from Citizens Advice, including Head of National Partnership Development Elizabeth Ladimeji, provided an opportunity for credit union delegates to get to know Citizens Advice people better. In addition, a well attended fringe meeting heard Rachel Herbinson, Barclays Community Investment Manger for the North West Region, launch the new Connect programme Small Bursaries Scheme.

Small Bursaries Scheme

The scheme is designed to assist in the creation of new partnerships between credit unions and CAB and to help those credit unions and bureaux that have not previously benefited from Connect programme support.

"The bursaries will help develop and augment sustainable working relationships between credit unions and CAB," explains Anne Selka, Project Manager at ABCUL.

Many people on low incomes who turn to their local Citizens Advice Bureau for help with debt problems could benefit from access to a credit union, so it makes sense for credit unions and CAB to work together wherever they can. The Small Bursaries Scheme will help them to do this better in more areas.

15 partnerships, which cover the length and breadth of England and Wales, have been awarded funding for a diverse range of initiatives including:

- visits to local businesses, supported by a local borough council business engagement team, promoting the services of credit unions and CAB
- the provision of equipment and renovation costs for new co-run clinics and outreach services
- training days for staff and volunteers of credit unions and CAB
- the co-establishment of a local Financial Inclusion Forum
- a programme of 'train the trainer' workshops for staff from both organisations to deliver joint community training sessions.

Working together at a national level

Following a meeting between ABCUL and Citizens Advice, it was agreed that many of the barriers to partnerships are based on perceptions and "myths" rather than fact. A flyer, written from the credit union perspective and entitled "Shattering the myths", was launched at the ABCUL AGM. A flyer putting the other side of the argument from the CAB perspective will be completed and launched by the end of June. This is just one example of the collaborative working relationship that exists between ABCUL and Citizens Advice.

The Connect programme, supported by Barclays, will be completed in the New Year with the publication of a final report.

Partnership success

Partnership case studies

The Small Bursaries Scheme will help more credit unions and CAB to develop the sort of innovative partnerships that already exist around the country. Two examples from Cornwall and Wales are shown below.

Secure Credit Union and CAB Cornwall

Secure Credit Union and CAB Cornwall Liskeard office secured funding for a one year partnership project to offer a full financial package to the people of Cornwall.

The DWP Financial Inclusion Team agreed to pay for a part time financial inclusion adviser for the Bureau, who will be able to deliver training about money management and budgeting and give advice and information. The project also pays for the credit union's set-up costs for

Paypoint so that members can pay into their accounts from anywhere in the county.

Staffing traditional collection points is extremely difficult when the population is spread across remote areas. Anyone with access to a computer and the internet will now be able to join the credit union online, check their balance, apply for loans and keep up-to-date with what's going on in their credit union.

Steve Barrett, Chairman of Secure Credit Union, said: "This has come at a crucial time for



Secure CU office.

the credit union and means that we will now be able to offer financial services to everyone in the County."

LASA Credit Union and the Wallich Swansea Bond Board

The Wallich Swansea Bond Board, in partnership with LASA Credit Union Ltd, has launched a Bond Board Saving Scheme funded by the Welsh Assembly Government and the City & County of Swansea.

The Wallich is a registered homelessness charity which delivers a range of accommodation and support services. Its primary aim is to reduce homelessness in Swansea by enabling people who are homeless, or threatened with homelessness, to access private rented accommodation.

The Wallich Swansea Bond Board issues bond guarantee certificates in lieu of the cash deposits required by landlords to secure private rented accommodation. The landlord can make a claim for cash against the bond if the tenant has caused damage to the property, or has rent arrears remaining at the end of the tenancy.

With the new Bond Board Saving Scheme, at the termination of the tenancy, if there is no claim made against the bond the money saved will be returned to the tenant who will then be independent of the Bond Board and have more choice in relation to their future housing options.



Pictured are representatives from LASA Credit Union, Swansea Bond Board and The Wallich with Peter Black AM (third from right).

Claire Smith, Manager of LASA Credit Union, said: "This is a great opportunity for LASA as individuals on low incomes moving into new properties are often targeted by high interest

doorstep lenders or even illegal lenders. By introducing them to this savings scheme they also become aware of our other products and services, so hopefully will avoid falling into debt."



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Alan Dodds, Chief Executive (UK), CUNA Mutual Group.

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Preview of ABCUL's new website

ABCUL WILL shortly be relaunching its website – www.abcul.coop – to provide members, stakeholders, the public and the media with easy access to a wide range of information about the credit union sector.

The website has been developed to incorporate existing ABCUL sites, which will be combined to present a consumer focus for the promotion of credit unions and a ready source of information and support for ABCUL member credit unions and other stakeholders.

The new site has a bright, fresh look with a clear and accessible format and simple to navigate toolbars and menus. The home page features the latest news from the sector as well as quick links to the other sections of the site.

There will be a new area for member credit unions, which will include easier access to technical information, a new discussion forum, events listings and training pages. There will also be a "My Homepage" facility, to enable user groups to access their favourite areas of the site in one click.

The consumer area of the website will offer the public a wide range of details about credit unions – what they are, how they operate, their values, ethics and the variety of services they provide.



A brand new Media and Research Centre will provide a one stop shop for the media, students, academics and all those who are looking to access background information, news and regular updates about credit unions.

ABCUL is also launching a new microsite – www.findyourcreditunion.co.uk – which is a sophisticated but easy to use credit union search tool, which will enable visitors to the site to quickly find details of local credit unions or credit unions anywhere in the country.

By typing in their postcode, the postcode of where they work or study, the name of their employer or the name of any associations or groups they belong to, with just a



couple of clicks visitors to the site will be able to find details of relevant credit unions.

Another sister site will be www.creditunionfoundation.coop, a dedicated site with information about the Credit Union Foundation, which will include details of how to donate and an online donation option.

"We've listened carefully to our members' views in redeveloping the site," says Chris Canham, Business Development Manager at ABCUL. "Whilst our existing website provides a wealth of valuable information, as it has grown it has become less easy to navigate. The new site will provide a fresh approach, with a range of content aimed at a number of different audiences, arranged in a clear and straightforward way."

ABCUL is aiming to launch its new websites in the autumn.

Marlene Shiels elected to WOCCU Board



Marlene and her husband Andrew are welcomed to the WOCCU Annual Conference.

MARLENE SHIELS, ABCUL Director and Chief Executive of Capital Credit Union in Edinburgh, has been elected to the Board of the World Council of Credit Unions (WOCCU), having been co-opted onto the Board last year.

Marlene is only the second British representative ever to sit on WOCCU's Board. The election took place at WOCCU's annual conference which this year was held in Las Vegas, Nevada.

WOCCU is the global apex body representing more than 49,000 credit unions, operating in 97 countries and serving 184 million members.

The Co-operative Electrical and credit unions team up to tackle financial exclusion

The co-operative bank
good with money

“Through our close relationship with The Co-operative Electrical we can satisfy a vital need for our members.”

Thomas Boynton,
Project Manager,
Knowsley Mutual
Credit Union

THE CO-OPERATIVE Electrical has joined forces with credit unions to develop a pioneering new scheme allowing the financially vulnerable to buy household electrical appliances at competitive prices without paying extortionate rates of interest.

The co-operative electrical

Announced in June, the initiative is the first of its kind in the UK and offers families excluded from mainstream finance access to competitively priced, up to the minute goods coupled with an affordable loan from their community credit union.

This new scheme – co-developed with credit unions and piloted with Knowsley Mutual Credit Union, near Liverpool – offers an ethical and cost effective alternative to high interest rental and lending companies by enabling credit unions to offer members access to the wide-ranging products and services of one of the UK’s largest and most successful online electrical retailers.

David Sanderson, Commercial Manager of The Co-operative Electrical, said: “The impact of the recent recession has resulted in more and more people experiencing the restrictions of financial exclusion, paying the price for limited choice with interest rates and charges many times higher than those of mainstream personal loans.

“For those without access to credit or the available funds to take advantage of online discounts the prospect of buying electrical products can be daunting. Often people see no option but to turn to high interest loans, costly weekly payment retailers or loan sharks.

“There is clearly a need for an ethical and affordable alternative for

purchasing those everyday goods that most take for granted. And, through our close relationship with credit unions we have developed a scheme that delivers greater choice and cost saving benefits to the financially excluded.

“We offer a comprehensive choice of the latest, competitively priced products, with more than 2,500 products in our range.

Great choice

“When combined with the responsible and ethical lending approach of credit unions, the scheme offers the great choice, prices and service of The Co-operative Electrical with the responsible and ethical lending approach of credit unions, providing a real alternative to high-interest lenders and helping communities tackle the issues and dangers associated with financial exclusion.”

Available through approaching 100 credit unions, there are plans for the partnerships to be made available to all credit unions in the UK mainland.

Benefits

The scheme can assist all credit union members, regardless of status, and, in addition to the individual and community benefits of tackling financial exclusion, it delivers a number of benefits for the credit union including increased new membership and customer retention.

Once the credit union member has



David Sanderson - Commercial Manager of The Co-operative Electrical.

made their selection and had their loan approved (or agreed to release savings) in order to make the purchase, the credit union places the order and the item is delivered direct to their member’s home in 48 hours.

Thomas Boynton, Project Manager at Knowsley Mutual Credit Union, commented: “Loan sharks and other high interest loan providers prey on people in vulnerable situations, their money can seem like an easy option at the time but debts can soon spiral out of control.

“Through our close relationship with The Co-operative Electrical we can satisfy a vital need for our members. Offering essential electrical appliances, a future of increased financial stability and a chance to escape high interest lenders – the scheme clearly demonstrates that alternatives do exist for the financially excluded.”

Credit unions wanting to find out more about this scheme should visit www.coopelectricalshop.co.uk and click ‘credit union partnership’.

Alternatively, email David Sanderson, Commercial Manager of The Co-operative Electrical, at david.sanderson@coop.co.uk.