

Credit Union News

Members Matter Most in Manchester

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Movement in Great Britain

British Financial History

Today Credit Unions are a global movement and so any history of the Credit Union Movement in Britain is inextricably linked to the wider credit union movement and also to the co-operative movement. However before starting to explore the origins of credit unions it might be useful to show some significant dates in British Financial History. The following timeline will help to put the credit union movement into context in the development of other British Financial Institutions.

- 1694 The Bank of England is founded
- 1727 The Royal Bank of Scotland is founded
- 1736 Barclays Bank is founded
- 1765 Lloyds Bank is founded
- 1804 The First Savings Bank is founded in Tottenham, London
- 1842 The Registry of Friendly Societies is created
- 1844 The Co-operative Movement is founded in Rochdale, England
- 1861 National Savings Accounts opened
- 1894 The 1st Building Society is founded in Birmingham, England
- 1964 The Credit Union Movement begins in Britain



- #### Rochdale Principles
- Voluntary and open membership
 - One member one vote
 - The provision of pure and sound services
 - Full weights and measures
 - The return of profits to members



Innovation and expansion

THIS EDITION of *Credit Union News* reveals some of the early innovation that is being introduced to the sector because of the relaxation of legislation at the beginning of 2012. Slowly but surely, credit unions are expanding their common bonds to bring new people into membership and opening up services to businesses, social enterprises and community groups. This is particularly evident in Bristol, where the credit union is the hub of a new 'currency' for the city, encouraging local people to use local businesses and getting money circulating in the community.

The sixth co-operative principle of 'co-operation among co-operatives' is being put further into action by The Co-operative Credit Union, which has now been able to extend membership to employees of other co-operative organisations. I'm particularly pleased that this has allowed it to bring ABCUL back into the fold, which means that all our staff can now benefit from saving through payroll deduction to the credit union. This is something we hope many more employees will be able to do over the coming months and years, as new partnerships take effect.

The sixth principle talks about co-operation through international as well as local and national networks. As a member of the World Council of Credit Unions, we very much appreciate the knowledge and skills we gain from colleagues around the world, and the generosity with which it is given. This was particularly the case when I visited the Maine Credit Union League in the United States to learn more about their central business model, and use some of the learning from their 40 years of experience to assist with the development of our Shared Business Model in Britain.

Credit unions have always adapted and changed to meet the needs of their members – as can be seen from the loans Transport Credit Union has given to members to pursue their business interests, and London Mutual Credit Union to help steer members away from expensive payday loans. Credit unions will continue to do this as they modernise their approach, but we all need to know about the roots of our movement and the pioneers who brought it to Britain, even though the sector is little over 50 years old.

That is why we should all be grateful to Martin Logan and his colleagues at the ABCUL Greater

Manchester Chapter who have worked so hard to document the beginnings of the credit union movement. After a successful launch for International Credit Union Day, at the People's History Museum in Manchester, the portable exhibition will be in demand at credit union events around the country and is well worth a visit.

As we work together to provide more products to more people, with the assistance of the legislative changes and the Credit Union Expansion Project, it is worth remembering that we are following in the footsteps of many people who have

recognised need and responded to it. As society changes, so must credit unions – in order to remain relevant to the changing needs of the people in our communities and workplaces.

“As a member of the World Council of Credit Unions, we very much appreciate the knowledge and skills we gain from colleagues around the world.”



Mark Lyonette,
Chief Executive, ABCUL

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Peter Marks joins the Co-operative Credit Union

THE CO-OPERATIVE Credit Union recently welcomed Peter Marks, Chief Executive of the Co-operative Group, as its 5,000th member.

Peter Marks signed up as a member of the Co-operative Credit Union to show his support for credit unions in the International Year of Co-operatives. Peter Marks said: "Co-operatives and credit unions are a reminder to the international community that it is possible to pursue both economic viability and social responsibility."

The Co-operative Credit Union has been in existence since 1998, providing savings and loans to Co-operative Group and Co-operative Banking Group employees. The credit union could originally also offer services to other employees based in the Manchester Co-operative complex, including ABCUL, but this had to change when the credit union extended its common bond to cover Co-operative Group employees across the country. However, following the changes to credit union legislation, membership has now been opened up to

a number of independent retail co-operative societies and other organisations including ABCUL.

The first independent co-operative society to take advantage of this is The Southern Co-operative. Mark Smith, Chief Executive of The Southern Co-operative, said: "I am delighted that we have been able to form a partnership with our fellow co-operators in the Co-operative Credit Union. The partnership will give our colleagues and their immediate families new savings options as well as a safe, friendly and affordable way to borrow."

Staff at ABCUL who hadn't joined the credit union when they were part of the common bond are pleased that they can now benefit from the payroll agreement that the Association has had in place since 1998.

ABCUL Policy and Communications Officer Matt Bland was one of the first



to join the credit union when it changed its rules. He said: "It's great to see the more flexible common bond arrangements working in practice. I can finally use the payroll deduction facility with the credit union that is based just down the road."

The Co-operative Credit Union has experienced significant growth over the last 12 months, with its membership base increasing by over 25%. Savings balances with the credit union have now topped £2.3 million, and the amount on loan has reached £2.2 million.

www.co-operativecreditunion.coop

Pictured from left to right are David Dickman, Chair of the Co-operative Credit Union (CCU), Peter Marks, Chief Executive of the Co-operative Group, Graham Southall, Secretary of CCU and Simon Carolan, Business Manager of CCU.

Credit Champions to promote London Community Credit Union

LONDON COMMUNITY Credit Union has launched a new project, with funding from Barclays, to promote the work of the credit union and encourage money management skills through a network of trained community and workplace advocates.

The Credit Champions project is being run by London Community Credit Union (LCCU) in and around the borough of Tower Hamlets, in partnership with the Bromley by Bow Centre. Community and Workplace Champions are being recruited, trained and supported to undertake a range of outreach activities. In addition, an accompanying 'Pop-up Bank' tour of community and workplace venues will provide registration services for credit union accounts, distribute seasonal saving campaign materials and promote money management skills.

Colin Eddy, Chief Executive of LCCU, said: "The Credit Champions project provides an excellent opportunity to work proactively with local communities, business and workplaces to spread the message and benefits of credit union membership, and we are delighted to be hosting it."



Community Champions will be involved in community outreach work, with the opportunity to gain in-branch work experience at the credit union. They will also have the opportunity to work towards a qualification.

Shuhena Sadia, the first trained Community Credit Champion, said: "This volunteering opportunity is perfect for me. I wanted to work with people and money because I would like to work in debt advice. This gives me a chance to build up my experience and help a cause I really believe in."

Workplace Champions will be supported to promote LCCU within the workplace and encourage payroll deduction agreements where appropriate. Anybody within the workplace can be a Champion, and Workplace

Champions will be provided with training and support materials to help them spread the word about the credit union. Champions will be supported by the project co-ordinator to undertake appropriate outreach in the workplace and this can range from supplying leaflets to organising workplace events.

As well as promoting the credit union, the Workplace Champions scheme aims to increase uptake for those employers with existing payroll deduction schemes, expand payroll deduction to new employers and develop links with local employers.

Danielle Paffard, Credit Champions Co-ordinator at LCCU, said: "Through greater access to appropriate products and encouragement to save and develop money management skills, LCCU can support greater financial wellbeing for employees and help reduce their financial stress."

"As well as helping to promote our services, we hope the experience of working as an advocate for, and engaging with, the credit union will be a rewarding experience for Champions, as well as an opportunity to develop new skills."

www.londonccu.co.uk



Bristol Credit Union helps launch the Bristol Pound

BRISTOL CREDIT Union has been at the forefront of the development of the Bristol Pound, a new local currency for the city of Bristol and one of the largest schemes of its kind in the country.

The Bristol Pound is the first local currency to be implemented across a major UK city and supported by a financial institution – Bristol Credit Union. The Bristol Pound is a secure local currency designed to support Bristol's independent businesses, strengthening the local economy, keeping high streets diverse and helping build a strong community.

The Bristol Pound is run by a not-for-profit partnership between Bristol Pound Community Interest Company (CIC) and Bristol Credit Union. Bristol Pound CIC is a company established with specific social goals and with the assets of the company 'locked in' to community control. It is governed as a

stakeholder co-operative, giving Bristol Pound account holders a say in the development of the company and representation on the board.

Complementary currency

The Bristol Pound is a complementary currency that can be used alone or alongside sterling. Business accounts are available to traders that are independently owned and based in or around Bristol and anyone will be able to pay with or accept printed Bristol Pounds as they will be in free circulation. Of course, as Bristol Pounds are not legal tender, the decision to accept Bristol Pounds is entirely voluntary.

All Bristol Pound account holders become members of Bristol Credit Union and early adopters of the currency enjoyed a bonus of an additional 5% when exchanging their sterling. As there is a pound held with Bristol Credit Union for every Bristol Pound in circulation, the scheme is helping to bring money and members into the credit union.

The Pound was launched in September, following three years of planning and collaboration with local enterprises, community groups and local government. More than 300 local shops and other businesses, from butchers and bakers to law firms and plumbers, have already committed to signing up to accept the Bristol Pound.

125,000 in printed Bristol Pound



Minister welcomes the Bristol Pound

Highland MP, Chief Secretary to the Treasury Danny Alexander, met members of the Bristol Pound team, as well as James Berry, Chief Executive of Bristol Credit Union, when he was in Bristol on a political visit, supporting the Mayoral Campaign of Liberal Democrat Jon Rogers, the day after the Bristol Pound was launched.



Danny Alexander said: "The Bristol Pound is an ambitious scheme that I hope will achieve its aim to make a positive impact on support for independent shops, the local economy and Bristol's Credit Union.

"It was inspiring to talk to local businesses that accept the Bristol Pound and to learn more about the innovative mobile phone payment technology that makes using the Bristol Pound easy and straightforward.

"I wish it every success for the future, and as a member of my local credit union, Hi-Scot, I am a strong supporter of the work of credit unions around the country."

What is a local currency?

A local currency can take many forms, but essentially it is money that is used across a particular locality or region. Spending the currency in the target area boosts local economic activity by retaining money in that area and encouraging spending rather than saving. This encourages and strengthens economic ties between the people of the area and local traders.

The creation of a localised money supply helps wealth created in an area stay there. Local money spent by citizens or traders remains local and available to be spent repeatedly within the local economy, creating a multiplier effect, rather than being lost to shareholder payouts, big international businesses and the banking industry.

A local currency can help deepen and diversify connections between local business people and with all the citizens of a region – an important part of building a sustainable regional economy and providing high quality employment.



What the traders say



Essential Trading, a Bristol based workers' co-operative that

supplies organic and Fairtrade food to independent retailers across Europe, were keen to support the Bristol Pound as it fits nicely with their business ethos.

"Bristol Pound approached us about getting involved after a number of our customers had asked us if we would be using the currency," said Richard Crook from Essential Trading.

Essential Trading supplies many independent retailers in Bristol and is keen to support them wherever possible. It also operates a retail outlet in the busy Gloucester Road area of the city, a hub for independent businesses.

"We are enthusiastic about the scheme because it supports local independent retailers and boosts the local economy, which sits well with our co-operative's mission," added Richard.

Before getting involved in the scheme, Essential Trading had a meeting with Ciaran Mundy, Director of the Bristol Pound, who addressed any initial concerns

the co-operative had – such as is the scheme safe and are there any risks involved.

As a wholesaler, Essential Trading had a specific concern about their local customers paying with the currency and then Essential Trading ending up with lots of it, but with nowhere to spend it. The fact that the council had agreed to take the Bristol Pound for business rate payments was an important factor in helping persuade them to go ahead with the scheme.

In future, Essential Trading are hoping that like-minded people within their organisation who support the scheme might be happy to accept a proportion their wages as Bristol Pounds but, as it is a voluntary scheme, it would always be up to the individuals themselves to decide. Essential Trading also welcome the ability to make secure payments using a mobile phone, rather than always having to use notes.

www.essential-trading.coop



The role of Bristol Credit Union



Bristol Credit Union is managing all Bristol Pound accounts and payment services, providing expertise and security for Bristol Pound deposits. In return, the Bristol Pound is helping to raise awareness of the credit union around the city and attract more members into the credit union. Every Bristol Pound in circulation is a pound that is helping to strengthen the credit union.

The values of the credit union are closely aligned with the values of the Bristol Pound and James Berry, Bristol Credit Union Chief Executive, has played a significant role in helping to get the scheme up and running.

As all Bristol Pound accounts are held with Bristol Credit Union, account holders also need to be members of Bristol Credit Union, which is bringing new people and local businesses into credit union membership for the first time.

In addition, the credit union is working to ensure that less advantaged people in the area have access to this new financial service and a stake in its development.

www.bristolcreditunion.org

notes have been made available initially, exchangeable at the rate of one Bristol Pound to one pound sterling at retail distribution points across the city. As well as a paper pound note, the currency also features an electronic payments system, enabling Bristol shoppers to pay traders using their mobile phones on the high street and at local markets.

There is a long history of places having their own currencies and it was very common in this country until the centralisation of the banking industry. More recently, many places around the world, including in the UK, have launched local currencies using a variety of models. Examples include Brixton, Totnes, Lewes and Stroud. The Bristol Pound is different however. Firstly in terms of scale, potentially involving a million or more people from the region, secondly in using innovative low cost but high speed mobile phone payment technology and thirdly in its partnership arrangement with an established credit union.

Historic occasion

Ciaran Mundy, Director of the Bristol Pound, said: "This is a truly historic occasion for the city of Bristol. Residents and traders with a BS postcode are able to apply for an account with Bristol Credit Union, allowing them to exchange sterling



for the same number of Bristol Pounds via conventional bank transfer or salary payments. They can now start spending the newly created paper pounds with hundreds, and in time, thousands, of businesses that benefit from joining the scheme. Shoppers will also be able to use a fast secure mobile phone payment system, a first for a local currency on this scale.

"As more and more shoppers and businesses spend the Bristol Pound, it will keep more of people's hard earned wages in our communities to be spent again. People in Bristol who love the range of independent traders will be putting their money where it matters and reducing the need for lorries constantly moving goods up and down the country. The scheme is also a powerful way to promote local businesses trading with each other."

It is anticipated that 1,000 businesses in Bristol will have agreed to accept the currency by the end of the first year and that the value of Bristol Pounds in circulation will exceed 500,000 by next autumn.

Council participation

The city council are also participating in the scheme, with businesses accepting the Bristol Pound able to pay their rates in the local currency.

Councillor Guy Poultney, Cabinet Member for Communities at Bristol City Council, said: "Bristol has a successful independent retail sector and thriving high streets which we want to support and grow. The Bristol Pound will provide a real boost to the city's independent businesses and traders. Encouraging people to shop and do their business locally will support the local economy and create wider benefits such as safeguarding local employment and reducing the need to travel.

"We have been keen to support the Bristol Pound by allowing business rate and contract payments to be made electronically in Bristol Pounds via the Bristol Credit Union. Council staff will also be able to have some of their monthly salary transferred into a Bristol Pound account with the credit union. In practical terms,

we have also provided the organisers with free office space since February.

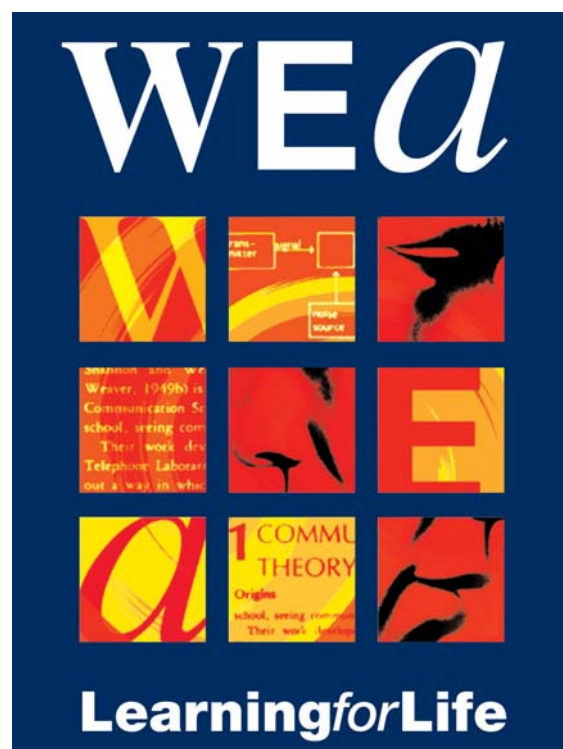
"We look forward to seeing the Bristol Pound's progress across neighbourhoods and high streets throughout the city."

www.bristolpound.org



Credit union takes on the WEA nationwide

NOW THAT legal changes have allowed credit unions to reach out to new groups, London Capital Credit Union is one of a number of credit unions to take advantage of the opportunity to offer their services to employers with staff based across Britain.



One of the latest employers to work with the credit union is the Workers Education Association (WEA), the UK's largest voluntary sector provider of adult education. The WEA sees the services of the credit union to be a significant employee benefit to its staff.

WEA Payroll Manager Deb Chambers said: "Offering the option of credit union membership to our staff is a logical step for the WEA as a responsible employer, particularly in these financially difficult times. This, along with the fact that credit unions are 'not for profit' schemes, fits in with our own ethos, and the simple administrative process and financial assurances underpinning credit unions mean that it was an easy decision for us to make. We look forward to introducing this membership as an additional benefit we can offer to our staff from early 2013."

The credit union is currently at the final stage of organising a similar deal for the 22,000 employees of a French

owned private business operating throughout the UK, as well as a number of major social housing providers.

Credit union manager Martin Groombridge said: "Key to being able to offer services to working people is to be able to offer a quality service to members. We are able to offer low cost, fast and responsive services to people wherever they are. With telephone and internet access our members need never visit our office.

"In the past many employers with staff spread over wide geographical areas have been unwilling to allow us to provide payroll deduction savings scheme unless we could offer it to all employees. The Legislative Reform Order allows us to offer payroll deduction savings facilities for many more people and attract a broad range of members. The more people we can get to put a little money away for a 'rainy day' the fewer people will face financial crisis."

www.credit-union.coop

Politicians support credit unions for International Credit Union Day

MEMBERS OF The ABCUL London and South East Chapter celebrated International Credit Union Day at the Methodist Central Hall in Westminster with key speakers from the All Party Parliamentary Group on Credit Unions.

Delegates from 25 credit unions heard presentations from Chair of the Group, Damian Hinds MP, along with Vice Chairs Simon Hughes MP and Labour Peer Lord Kennedy of Southwark.

Deputy Leader of the Liberal Democrats Simon Hughes told delegates of the wide support from all political parties for the development of the sector and said: "Your sector is now under increased pressure to offer a more professional financial service to increasing numbers of people who want greater choices in who looks

after their money – you are one of their potential choices." He also thanked credit unions for all the work they do to support his constituents and the people of the UK.

Damian Hinds reaffirmed the support given to the sector by politicians because, he said: "Your financial services are very different; you encourage your members to save and place an emphasis on improving their financial circumstances. The modern credit union must improve the skill base, have a wider spread of membership and look to have a better

balance of savings against borrowing."

He added: "The time is right for the credit union movement and you are now on the move."

Lord Kennedy of Southwark spoke of his pride for London Mutual Credit Union (formerly Southwark Credit Union) and of how he has seen credit unions make a real difference in people's lives. He reiterated the cross party support for the sector and told delegates how politicians from all parties were looking to credit unions to support people in the transition to Universal Credit.



June Smith



Rose Askew



Nora Davies

Manchester Credit Union celebrates pioneers as it comes of age

ON INTERNATIONAL Credit Union Day 2012, Manchester Credit Union marked 21 years of service to its members with a celebration in Manchester Town Hall.

Attended by 300 members, representatives of partner organisations and city dignitaries, the event recalled the origins of the credit union in one of the poorest parts of the city and reflected on its transformation into an expanding financial institution now serving 10,000 members throughout the city.

One of the highlights of the evening was the presentation of Pioneer Awards to three of the original volunteers from the credit unions which now make up Manchester Credit Union.

Rose Askew joined Hattersley Credit Union just after it had formed in 1988. She had just retired from working in the accounts department of Great Universal Stores in Manchester and was invited to help out at the credit union, as it needed someone who understood accounts.

Manchester Credit Union's Chief Executive Christine Moore explains that "Rose's 'helping out' turned into over 20 years of serving Hattersley Credit Union, then Money Spinner Credit Union, as treasurer and/or board member. Rose was one of the key individuals in the Hattersley

community who created the foundations on which Manchester Credit Union is now built."

June Smith has been a long time credit union pioneer, volunteer and activist. She was a key part of the teams that set up Ashton West End Credit Union and Dukinfield Credit Union and later went on to be an inspirational manager of Money Spinner Credit Union, turning it into a dynamic and professional organisation. June was manager at CUTE, the credit union for Tameside Council employees, a Youth & Community Worker, Probation Assistant and mother of two sons, all during this same period of 1990s to 2000s.

Christine said: "June excelled at nurturing and developing credit union volunteers, and showed just how much could be achieved with a committed volunteer workforce.

"As a new manager at East Manchester Credit Union, June was an invaluable friend, mentor and source of inspiration to me personally, just starting out in a much smaller and less developed credit union."

Retired astrophysicist Nora Davies became a volunteer with Beswick and

Openshaw Credit Union (BOCU) when her commitment to combating poverty brought her to Openshaw from leafy Wilmslow. In 1996 it was Nora who drafted the first "business plan" for the expansion of BOCU – handwritten on two sheets of A4 – which she took into the Resource Procurement unit at the Town Hall to ask for £30,000 of Single Regeneration Budget (SRB) funding. By the end of the meeting, she had been promised £60,000, enabling BOCU to open its first shop and to employ first a New Deal trainee, and then a manager.

Nora helped several other credit unions to obtain funding from the John Grant Davies trust – named for Nora's late husband who worked with Sir Bernard Lovell at Jodrell Bank.

Nora stayed on the Board until ill health forced her to retire in 2007. Chair of Manchester Credit Union Tim Presswood said: "It is fair to say that without Nora Davies there would not be a Manchester Credit Union today."

The awards were presented by the Leader of Manchester City Council, Cllr Richard Leese.

www.manchestercreditunion.co.uk

ISCU opens up membership to local businesses

FOLLOWING THE legislation changes in January, Ipswich and Suffolk Credit Union (ISCU) has opened up membership to social enterprises, voluntary groups, charities and small businesses.



Directors of Phoenix Rising, Ria and Adrian (pictured), with Sally Chicken (centre), opening their social enterprise account at Ipswich and Suffolk Credit Union.

The first social enterprise in Suffolk to open an account was Phoenix Rising, which works with people who have learning and other disabilities to help them make the most of their opportunities.

The directors of Phoenix Rising, Ria and Adrian (pictured), were keen to take advantage of credit union membership and liked the idea that their money would be put to a social use while on deposit at ISCU, as well as being available for them to use when required.

Ria said she liked the idea of leaving a bank business account behind and using ISCU as a fellow social enterprise with an ethical approach.

Of particular interest to Phoenix Rising was the

prepaid Visa Debit card, which is a useful way for a business to keep track of its spending. It is also a card they will be recommending to other people as a good way to budget and manage money.

Ria said: "We wanted to open an account at ISCU when Phoenix Rising first started, but at the time the law didn't allow us to. At last the law has caught up with our wishes!"

Sally Chicken, Operations Director at ISCU, added: "We are delighted to welcome Phoenix Rising to ISCU, and we look forward to many years' working together to support our mutual goals."

www.iscu.org.uk

Credit union helps members develop their businesses

THE TRANSPORT Credit Union has provided loans to a number of its members to help them develop or expand their own business.

Alyson Stewart and Terence Jackson, who are both ambulance workers, received loans from The Transport Credit Union to carry out work on their holiday accommodation in the Highlands of Scotland.

Paramedic Alyson, who had several loans over a couple of years, said: "The loans helped us to extend our B&B, allowing us to build a bigger kitchen and expand from four rooms to six. Although I'd had bank loans in the past, I didn't hesitate to contact the credit union as I had been with them for a long while and had total faith in them."

Alyson had saved with The Transport Credit Union for many years before getting the loans and was delighted with the help she received. "Everything was very straightforward and the loans were explained clearly, in layman's terms."

Alyson has also recommended the credit union to many of her colleagues, including Terence Jackson, who received a £10,000



Cuil Na Sithe (Corner of Heaven) Bed and Breakfast.

loan to complete the work on his holiday cottage after his original lender refused him any more money.

Terence said: "I needed additional funding to finish the cottage I was building, but the mortgage company that provided my original loan wouldn't let me have a top up. It was at the time of the credit crunch and the banks were suddenly tightening their lending criteria.

"I was already saving with the credit union and when I contacted them for a loan they were happy to help. As you would expect, I

had to put forward my business case and provide the credit union with plans, photos and other information – it was handled very professionally."

John Mackin of Transport Credit Union says: "We are keen to develop the range of services we offer and loans such as those provided to Alyson and Terence are helping to create employment and income opportunities for our members and their local communities."

The Transport Credit Union is based in Glasgow and has been serving members across Britain for over 30 years. It has over 13,000 members and serves the public transport and road haulage industries as well as the ambulance service.

www.transportcu.co.uk

www.cuil-na-sithebandb.co.uk

www.hoseasons.co.uk/cottages/stob-ban-view-s4582

The view from Cuil Na Sithe.

Gdansk inspiration for under 35s

JAMES MARSHALL, the Marketing Manager from Plane Saver Credit Union, was inspired by his experience at the World Credit Union Conference in Gdansk earlier this year. He now wants to help set up an Under 35s Network for credit union volunteers and staff from ABCUL credit unions.



WYCUP networking session at World Credit Union Conference 2012 in Gdansk.

James said: "Arriving earlier than most of the delegates, I tagged along with the WOCCU Young Credit Union People (WYCUP) programme for a day of ice breaking. This is the first time I had realised how much of a truly international movement ours is. I looked around and saw delegates from all over the world: the US, the Caribbean, Canada, Ireland, Brazil, Afghanistan, Malawi, Kenya, Australia... and more! I have to say that I was truly humbled to be sitting alongside this group of people – the future leaders of our movement."

One of the highlights of the conference for James was meeting Mahir Momand, Chief Executive of the IIFC Group, the national association of credit unions in Afghanistan.

James explained: "Many people in Afghanistan are struggling financially and socially, so credit unions are helping them get back on their feet by following full Sharia Law banking methods. The way they operate is revolutionary, as loans are not allowed within Sharia law, so credit unions will buy the product the member requires and sell it back to them at a higher price, thus generating profit for the members. Mahir tells of struggling times in his native country, but I have never seen another human being smile as much as this man. He loves what he does and is proud of his credit union heritage."

Following a suggestion from James, ABCUL is looking into the feasibility of an Under 35s Network that would host its own events separately and alongside existing ABCUL conferences as well as providing a separate online space for discussion, information sharing and planning. Before we go further, we need to know what level of interest there is in this so, if you are under 35, please visit <https://s.zoomerang.com/s/ABCULUnder35sNetwork> to let us know your thoughts, and/or encourage any younger staff or volunteers to do the same.

Project Director

ABCUL
Association of British Credit Unions Limited

Competitive Salary

cornerstone
MUTUAL SERVICES

The Association of British Credit Unions, along with its newly formed subsidiary company, Cornerstone Mutual Services is seeking to hire a Project Director to oversee their Shared Business Model project.

The project will see the collaboration of several credit union businesses, plan, design and implement products and services for their members. Having created a shared vision of collaboration amongst its members, the Association needs you to capture a joined up approach for members' products and services enabling better quality, high economies of scale and a generic approach for our end users.

Are you someone that can demonstrate strong leadership skills and delivering results within a complex, multi streamed project? Then please contact annette.warnethomas@abcul.org with your CV, stating your current salary details. ABCUL head office is based in Manchester but we will consider flexible arrangements for being located elsewhere within Britain. Experience within the Financial Services industry is preferred.

Calling all Talented Leaders

ABCUL
Association of British Credit Unions Limited

cornerstone
MUTUAL SERVICES

The Association of British Credit Unions, along with its newly formed subsidiary company, Cornerstone Mutual Services is wanting to attract all talented leaders within our sector and those external but aware of our sector to be part of the credit unions' new journey in working towards a Shared Business Model approach to services and products.

Can you see yourself influencing and working together with credit unions to design and implement products and services that produce high economies of scale, effective and efficient processes and a better customer experience for anyone using credit unions? If you are and you want a new challenge/development in your career then we want to hear from you.

The Shared Business Model project presents new opportunities for the right people. Vacancies vary in part time to full time, employee to seconded contractors. There is flexibility for those wanting to work out of the head office in Manchester to home based positions.

Interested? Then send your details and your experiences to date of making a difference to: annette.warnethomas@abcul.org.

Learning from the Maine CU League

ABCUL HAS linked up with the Maine Credit Union League to benefit from their significant experience managing a successful central business model.

Mark Lyonette visited the United States to learn how a central business model developed for credit unions in Maine could be adapted for the British credit union system. Synergent, the credit union owned subsidiary of the Maine Credit Union League, has managed a successful model for over 40 years, providing efficiency, flexibility and innovation for credit unions.

Originally called the Maine Credit Union League Services Corporation, Synergent was founded to provide credit unions with greater convenience through a form ordering service. Within a few years, it had established a data processing centre to meet the credit unions' growing needs. Today, Synergent provides ATM debit cards, shared branching and direct marketing services for credit unions. Synergent's ongoing operations also include writing custom code in response to credit unions' requests for tailored products and services.

What the credit unions say about Synergent

DURING HIS visit, Mark Lyonette met with executives from Evergreen Credit Union in Portland and Atlantic Regional Federal Credit Union in Brunswick.

Atlantic Regional began using Synergent's services in 1982 and has since grown to 18,300 members and US\$250 million in assets. President/CEO Roger Sirois explained how shared branching has helped the credit union reduce expenses by being able to keep its branch offices closed on Saturdays when members can access services through other credit unions in the network.

Roger Sirois also emphasised the importance of the core processing system's flexibility, which he said drove credit union innovation and allowed small credit unions to offer an array of products on a par with larger financial institutions. He said that 2011 was the first time walk-in traffic at Atlantic Regional Credit Union was less than its web traffic.



Synergent, a credit union service organisation, generates US\$27 million in revenue and US\$10 million in data processing annually. Its products and services reach over half a million members in northern New England, New York and southern Connecticut. The company charges credit unions per member rather than per transaction and longer contract terms lower the per member fee.

The credit union owners of Synergent play a key role in the development of Synergent's systems and Gary Glenn, Synergent Senior Vice President, explained that credit unions helped Synergent find the right data processing system.

Gary said: "It was important that the search committee include the credit unions. They will look at it from the operational point of view: will it allow them to give their members the services that they want? It is not about what software best fits the hardware that we already have or that we are already familiar with. Have the operations people, for example, loan officers and not just technology people, reviewed the system?"

John Murphy, President/CEO of the Maine Credit Union League and Synergent, added that of critical importance for Synergent was not only the accuracy and reliability of the system, but its flexibility too. The system had to have the ability to connect with a number of credit unions and to interface with different alternatives for service, including software from third party vendors for account opening, loan processing, mortgage services and mobile banking. Known as 'third party add-ons', these products allow small credit unions to offer the same range as

larger credit unions and Synergent offers credit unions two or three alternatives, rather than trying to force them all to accept one product.

One of the reasons credit unions like the system is that it reduces the number of third party service providers that they have to deal with. They can offer a wide array of products, but they have Synergent to handle the third party providers for them. However, if a credit union wants to use another product instead and is willing to pay the cost of building the interface, Synergent will add that product.

Mark Lyonette's visit was organised by World Council of Credit Unions (WOCCU) and World Council President and CEO Brian Branch, who joined Mark on the visit, said: "Much of the success of the Maine model has to do with Synergent's flexibility in managing the third party add-on services. So many centralised systems struggle with the tradeoff between the efficiency of enforced systems versus the entrepreneurship and innovation of local community response decisions."

Mark said he had learnt a lot from his visit. "I was particularly struck by the way in which Synergent, a large and well established company, still has its credit union owners at the heart of how it plans its systems and products over forty years after it started out. Credit unions are of course at the centre of our planning for a shared business model in Britain, because it is essential that anything we create is designed by and with the credit unions that will be using it."

www.maineacu.org

www.synergentcorp.com

www.woccu.org

Pictured from left to right are John Murphy, Maine Credit Union League and Synergent President/CEO, Brian Branch, World Council President and CEO, Mark Lyonette and Gary Glenn, Synergent Senior Vice President.

London Mutual introduces payday loans



LONDON MUTUAL Credit Union has introduced its own version of a payday loan to help keep those people who need a small amount of cash to see them through to their next payday out of the arms of high interest payday loan companies.

London Mutual Credit Union launched its payday loan service, called CUOK! payday loans, in February 2012 and by the end of September had made over 1,500 loans, with a value of £349,000.

Lucky Chandrasekera, Chief Executive of London Mutual Credit Union, said: "We decided to set up our own scheme because so many people were coming to us for help after getting into trouble taking out a payday loan. By joining the credit union and using our CUOK! payday loan service instead, people can make considerable savings on interest payments compared to other payday lenders."

The credit union charges 26.8 percent APR on its payday loans, whereas payday loan companies often charge over 4,200 percent APR. This means a loan of £400 payable over one month, which would typically cost £120 with a payday lender, costs only £8 with London Mutual Credit Union. With London Mutual, payday loans can also be repaid over three months, helping to spread the cost.

CUOK! payday loans are available for amounts from £100 to £1,000, although the maximum amount for a first loan is £400. Applications can be made online and, subject to credit checks, an instant decision is made, with same day payment if required. Unlike other payday loans, however, there are no penalties for late payment or early repayment.

Once the payday loan has been repaid, London Mutual Credit Union is working with its members to encourage them to move over to a more manageable mainstream credit union loan, and around 100 people have already done this.

The payday loan scheme is open to all those who live or work in Southwark, Lambeth or Westminster and become a member of the credit union. Applicants must be employed and earn more than £12,000 a year. They must also have a current account with debit card and direct debit facilities. If people don't meet the eligibility criteria or credit checks for

a payday loan, they are encouraged to contact the credit union to see what other help is available.

The scheme is helping to raise awareness of the credit union and attract members who would perhaps never have contacted the credit union otherwise. Those taking out payday loans come from all walks of life including barristers, teachers and health workers.

Lucky concludes: "By offering the sort of payday loan service that people need, not only are we providing affordable short term loans, but we are keeping people out of the clutches of the traditional payday loan companies, with

their sky high interest rates, which often cause people to get into more debt. We are also using the scheme to help make people aware of our other credit union services and helping them to manage their money in a better way."

London Mutual Credit Union is the largest community credit union in London and has been serving its members since 1982. The credit union was assisted in setting up the payday loan scheme by the Barclays Community Finance Fund.

www.creditunion.co.uk

www.cuok.co.uk

Case study

BY PROVIDING a payday loan to hospital worker Christopher, London Mutual Credit Union helped keep him out of the clutches of unscrupulous payday lenders.

27 year old Christopher, who is a Customer Services Team Leader, saw an advert for CUOK! payday loans on the intranet where he works. He hadn't heard of London Mutual Credit Union, but was attracted by the low interest rate on the payday loan and the knowledge that if the credit union was advertised on the hospital intranet, then it must be genuine. Christopher had never taken out a payday loan before, because of the high interest rates usually charged, but needed some more money quickly when he moved into his new home.

Christopher said: "I needed a loan to help pay for furniture for my apartment and when I saw the information on the hospital intranet, I thought I'd find out more. I applied and everything went well. I had to go into the credit union with my proof of identity documents, but it was all organised quickly and easily."

One of the benefits of the credit union payday loan for Christopher was the ability to pay back the loan over a longer period of time. After paying back his first payday loan, Christopher took out a second one, which he explained was even easier to organise, as the credit union already had his details on file.

Christopher added: "I'm now in the process of applying for a standard loan with the credit union, which means I can spread out my repayments even more and plan for the future."

Lucky Chandrasekera, Chief Executive of London Mutual Credit Union, said: "The majority of people applying to us for payday loans need them to consolidate their debts or pay off other payday loans. Many of our members have horror stories to tell of getting deeper and deeper into debt, so it is good to know that we have helped save Christopher from the clutches of payday lenders."



Scotland's Credit Union Conference

OVER 170 people gathered in Glasgow on 14 September for Scotland's Credit Union Conference, which was organised by ABCUL and sponsored by CUNA Mutual.

Delegates heard from a series of high calibre speakers on the theme of how credit unions can grow to meet the challenges faced by people across Scotland.

Former Chair of the Treasury Select Committee Lord McFall delivered a keynote speech on the need for all financial services providers to be focused on the needs and wellbeing of consumers, and Assistant Chief Constable Ruairaidh Nicolson announced a programme of training and support from Strathclyde Police to help credit unions spot and report suspicious activity.

There were also presentations on the continuing support for the credit union movement from the UK and Scottish Governments, and a discussion of how the

mutual and credit union model might help rebuild trust in financial services providers, in which CUNA Mutual's Chief Executive (Europe) Paul Walsh and Paul Jones from Liverpool John Moores University shared their perspectives.

And a high level panel chaired by award-winning broadcaster Lesley Riddoch and featuring Graham Mowat from the Department for Work and Pensions, along with Yvonne MacDermid, Dr Mary Taylor and Mark Lyonette – Chief Executives of Money Advice Scotland, the Scottish Federation of Housing Associations and ABCUL respectively – debated the impact of Welfare Reform and how claimants might be helped with the transition to Universal Credit.

In addition to the plenary sessions, delegates

also had an opportunity to choose from workshops on the proposed new Bankruptcy Bill, on how credit unions can partner with the advice sector and other local agencies, on how to encourage more links with employers, and how to make the most of new technology.

Speaking after the conference, Mark Lyonette said: "There was a great atmosphere at this year's conference, and the range of delegates from the credit union movement and supportive sectors seemed to really engage with the programme.

"These are exciting times for credit unions in Scotland with growing awareness of the movement, continuing growth in membership, a wider range of products to offer and the prospect of achieving even more through collaboration between credit unions."

Holyrood celebrates credit unions

THE SCOTTISH PARLIAMENT marked this year's International Credit Union Day with the biggest ever turnout of Members of the Scottish Parliament (MSPs) and guests for a credit union event at Holyrood.

Around 70 guests including MSPs, Scottish and local government officers, housing providers, the advice sector, the financial services sector and a number of other supporters and partner organisations joined representatives from the credit union and wider co-operative movement to mark what is an especially important International Credit Union Day in this United Nations International Year of Co-operatives.

Hosted by John Wilson MSP – Convener of the Parliament's Cross-Party Group on Credit Unions – and supported by The Co-operative Group, guests gathered in the Members' Restaurant to hear how Scotland's credit union movement has grown – and will continue to grow – by remaining true to the slogan of this year's International Credit Union Day: "Members Matter Most".

Guests also heard how other successful businesses have thrived by staying true to their co-operative values and membership principles, and how co-operatives including credit unions can help address the challenge of poverty around the globe.

There was plenty of opportunity to network and to visit the stands of the exhibiting credit unions – Discovery Credit Union, 1st Alliance (Ayrshire) Credit Union, Glasgow Credit Union, The Transport Credit Union and Value Credit Union – who demonstrated the range of services credit unions offer around Scotland.

John Wilson MSP also tabled a Motion to welcome International Credit Union Day, which quickly attracted the support of 52 MSPs across all five parties in the Parliament.

ABCUL Policy and Relations Manager (Scotland) Frank McKillop said: "This year's annual Scottish Parliamentary reception was our biggest and best yet, which reflects how successfully Scotland's credit union movement is engaging with politicians and local and national partner organisations.

"There are great opportunities for growth ahead for Scotland's credit unions, and many challenges facing people across the country which our movement can play a part in addressing, if we continue to work together in a spirit of co-operation and partnership."

CUNA Mutual – an old and trusted friend







Working with credit unions to protect your members

YOU WORK hard for your members and at CUNA Mutual Group Ltd we work hard to support you. We stick to our word. In September 2012 our insurers paid out **£195,330** in claims to your members and over the last 12 months have paid out over **£2 million** and **£16 million** over the last 10 years. We hope to continue to support your members for many years to come – protecting your members is as important to us, as it is to you.

For us at CUNA Mutual Group Ltd it's all about making sure all of your members are protected. That's why we offer only products that are accessible, simple and affordable. We believe in financial inclusion – everyone should be able to have the protection that we offer.

Just like you, we believe in fairness. CUNA Mutual created the innovative 'debt dies with the debtor' solution because we strongly believe that no family member should have to deal with a loved one's debt whilst they're dealing with a loss.

Working with credit unions to protect your members

- 
We're a big global player, but we're still small enough to care
 Within CUNA Mutual, we insure credit unions across the globe, but at a local level we're small enough to give you the attention and support you deserve.
- 
We're always at the end of the phone
 You have a dedicated CUNA Mutual Group Ltd account manager to deal with any queries you have.
- 
We pay claims quickly
 We believe that your members and their beneficiaries should get cash when they need it most. That's why last year 91% of valid claims were paid within 3 days.*
*Based on internal CUNA Mutual data across all products, gathered from January to December 2011.
- 
We go the distance
 We make sure that your needs are at the top of our agenda and we're great listeners too. Over the last 12 months we clocked up over 18,000 business miles visiting our credit union partners.**
**October 2011 to September 2012 inclusive.
- 
We support your causes
 CUNA Mutual Group Ltd continue to sponsor ABCUL conferences and the Development Education UK programme.
- 
No-one understands credit unions like we do
 CUNA Mutual has been supporting credit unions for over 75 years and creating insurance products to meet the specific needs of credit unions since 1935. We remain committed to making insurance mutually beneficial to both your credit union and your members.



We like to think of ourselves as your trusted friend, we hope you see us this way too

For more information please contact your CUNA Mutual account manager or email us on info@cunamutual.co.uk





Jamie Lewis raises over £500 for the Credit Union Foundation

CONGRATULATIONS TO Jamie Lewis who has successfully completed the world famous Great North Run for an amazing tenth time. On this occasion Jamie raised over £500 for the Credit Union Foundation, beating his target of £300.

Commenting on his memorable achievement, Jamie said: "This was a fantastic experience and one I will never forget. With Olympic champion Mo Farah starting the race the weather was perfect for running with rain from the start! I was determined to get a personal best and when the going got tough I was spurred on by the thought of all my sponsors including those that had promised even more money if I finished in under two hours. My time of one hour and fifty seven minutes was 17 minutes faster than I have ever run and capped a fantastic day."

Jamie was persuaded to run for the Credit Union Foundation by Denis Greenall, a former colleague of Jamie's in the police. Denis is a credit union manager and a member of the ABCUL Supervisory Committee. He is also a

graduate of the Development Educators UK (DEUK) programme, which is run by the foundation.

Angela Hampson, President of the Credit Union Foundation, said: "On behalf of the foundation I would like to thank Jamie for his brilliant fundraising efforts and his achievement in completing the Great North Run in record time. As part of our plans to grow the Credit Union Foundation we have recently registered with JustGiving, the online fundraising website. Jamie is the first person to use the website and I hope that this will make the fundraising process more efficient for anyone wishing to support the foundation."

www.justgiving.com/TheCreditUnionFoundation

Aberdeen Snowsports Centre teams up with Grampian Credit Union

GRAMPIAN CREDIT Union, based in Aberdeen, has recently added Aberdeen Snowsports Centre to its list of employer partners offering payroll deduction to staff. The centre employs over 60 people in various capacities and the credit union is open to them all.

Gill Mathieson, Grampian's Chief Executive and a ski instructor at the centre, said: "This is great news. It will give the staff the ability to save for new kit, ski holidays and maybe even a season abroad."

Dave Jacobs, the centre manager has welcomed the credit union, saying: "This will be great for the full time staff and casual instructors (many of whom are students) allowing them to budget for the cost of equipment as well as trips to the snow. We also have several clubs running at the centre and the credit union could be of benefit to them too."

www.grampiancreditunion.co.uk



Golf Day raises £7,000 for charity

PLANE SAVER Credit Union's first ever Charity Golf Day raised over £7,000 in aid of Help for Heroes, The Afghanistan Trust and the Motor Neurone Disease Association.

Held at The Grove, Hertfordshire, one of the country's finest championship golf courses, on 24 September 2012, the event was attended by senior executives from across the airline industry representing BAA, Emirates, Etihad, British Airways, Air Canada, Lafarge, Babcock, Crew Training Centre (CTC), Servisair, VanDerLande and United Airways.

Despite heavy rain during the first part of the day, competitors were rewarded by an afternoon of sunshine and good golf, with everyone agreeing it was an excellent course and a great day out. Participants stayed on to enjoy dinner followed by a charity auction hosted by top international boxing MC and Sky Sports pundit John McDonald. Those companies and organisations that contributed items for the auction included British Airways, Concordia, Barclays, Direct Golf, Help for Heroes, Hard Rock Café, RM Builders, Michael Gadsby, The Grove, The Roof Gardens, Dwell Stores, Kesho Systems, Sequoia Spa, 'That's a Wrap' Sales and the Crew Training Centre.

Speaking after the event, Plane Saver's CEO David McMullan said: "Especially thanks to our marketing director, Mick Gadsby, our marketing manager James Marshall, our special advisor Chris Thompson of BA, those generous sponsors who raised so much for charity and to the board of directors of Plane Saver for agreeing to fund what has proven to be a successful event by all accounts."

Plane Saver Credit Union serves UK passenger air transport staff and celebrates its 20th anniversary in 2013.

www.planesavercu.co.uk



Co-operatives United



THE UNITED Nations International Year of Co-operatives drew to a close in Manchester in November and figures from across the worldwide movement descended on the city.

The United Nations designated 2012 as the International Year of Co-operatives to boost understanding throughout the world and to celebrate the importance of the business model in the global economy.

The event, called Co-operatives United, was co-ordinated by the International Co-operative Alliance, the global voice of co-operatives. The week long festival had conferences, forums, exhibitions, over 100 workshops and a fringe festival of film. It aimed to inform and inspire people on why co-operatives help build an ethical economy and a better world.

credit union sector, including ABCUL, continue to work so closely together given these strong links and shared aims.

Credit unions provide financial support to people right in the heart of communities, in the same way The Co-operative reaches out to its members through its operations in communities nationwide. Both operate for the benefit of their members.

The Bank's support for credit unions goes back over many years and includes banking and providing the back-office systems for the ABCUL current account scheme.

The two have also been at the forefront of tackling financial inclusion through joint research into the causes and effects of being financially excluded.

It was also fitting that the International Year should culminate in the North West. The roots of co-operation being in Rochdale over 150 years ago when the Rochdale Pioneers set out to give exploited workers a fairer deal.

The year recognised the role the business model plays in progressing social and economic development of communities across the world.

The sector is estimated to have 800 million members worldwide and employ around 100 million people – more than multinationals combined. Whilst the top 300 co-operative businesses alone generate a combined turnover of \$1.6 trillion, enough to make it into a top 15 economy in the world.

Whilst the event in Manchester brought the International Year to a close, the relationship we have with the credit union sector is certain to continue long into the future.

CO-OPERATIVES UNITED / WORLD FESTIVAL AND ICAEXPO



The event brought the curtain down on a series of global celebrations from New York and Cancun to Quebec and then Manchester that brought together representatives from across the world with the aim of increasing collaboration between the 1.4 million co-operatives across the globe.

Of course, credit unions, with their 196 million members worldwide spanning 100 countries, are an integral part of this co-operative movement.

It is therefore fitting that The Co-operative and the UK's

20 UNITED NATIONS
12 INTERNATIONAL YEAR
OF CO-OPERATIVES
We build a better world

